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TRADE OPPORTUNITIES WORKSHOP FOR THE A & E SECTOR

BACKGROUND DOCUMENTS

Organized by the USAID SABEQ Program and Architects & Engineers Business Council

March 8, 2008

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BACKGROUND DOCUMENTS

ORGANIZED BY THE USAID SABEQ PROGRAM AND
ARCHITECTS & ENGINEERS BUSINESS COUNCIL

SUSTAINABLE ACHIEVEMENT OF
BUSINESS EXPANSION AND QUALITY (SABEQ)

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BEARINGPOINT, INC.

USAID/JORDAN
ECONOMIC OPPORTUNITIES OFFICE (EO)

MARCH 8, 2008

AUTHOR: PATRICK MACRORY

DELIVERABLE N^{O}:

2.6.4.27.2.1 IMPACT ASSESSMENT OF EXISTING TRADE AGREEMENTS ON THE A&E SECTOR

2.1.2.8.4.6 PUBLIC-PRIVATE DIALOG ON TRADE & INVESTMENT POLICY FOR A & E SECTOR WORKSHOPS

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Trade Opportunities Workshop
For the

A & E SECTOR

Organized by the

USAID SABEQ Program
and

Architects & Engineers Business Council

Background Documents

March 2008
Sheraton Amman

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I. PREFACE

This report brings together key documents prepared as background briefing materials for a series of three Trade Opportunity Workshops organized by the SABEQ Program with key business associations of services sector companies in Jordan, which were held in March 2008. The purpose of this report is to make available to all Jordanian companies, beyond those that participated in the Workshops, material that can help them identify export opportunities that they may not be fully aware of, but that are potentially available in key markets under Jordan's international trade agreements.

The main purposes of the Trade Opportunity Workshops, and this Report, are to help companies in services sectors identify and pursue export opportunities under major Jordanian trade agreements. These include the WTO's General Agreement on Trade in Services (GATS), the Jordan-U.S. Free Trade Agreement (JUSFTA), the EU Association Agreement, the Greater Arab Free Trade Area (GAFTA) and other bilateral FTAs. An additional purpose is also to identify key trade-related policy issues that may be constraints to expanded exports, and consultative mechanisms to make private sector policy advocacy more effective. In brief, the Workshops were aimed at:

- Assessing the impact of Jordan's international trade agreements on services sectors in terms of market access opportunities and related issues; and
- Identifying domestic trade policy constraints faced by companies in the services sector and help develop effective policy advocacy responses.

This Report on Identifying Trade Opportunities is one of three reports prepared by SABEQ for sectors with which Workshops were held in March 2008, including Jordan's ICT / BPO sector (in cooperation with Int@j); the Architectural and Engineering sector (in cooperation with the A&E Business Council); and for the Medical Services sector, (in cooperation with the Private Hospitals Association).

Additional Workshops are planned by SABEQ for later in 2008 for manufacturing sectors including Pharmaceuticals, Agricultural/Horticulture, and Light Manufacturing. These services and manufacturing industries are considered priority sectors by several national initiatives developed in Jordan recently, including the National Agenda and We Are All Jordan. The USAID-funded SABEQ Program is also actively supporting these and other key sectors, as one of the program's key themes is improving the private sector business environment in Jordan through support to sectoral business associations.

USAID/SABEQ is a five year broad economic development initiative implemented by BearingPoint, Inc. and a sizeable team of international and Jordanian partner firms. By both supporting improvements in the business environment and providing assistance to expand innovation and productivity in Jordanian businesses, it supports the main objective of building up the private sector as a powerful engine of economic growth.

II. WORKSHOP AGENDA

Trade Opportunities Workshop

Organized by

Architects & Engineers Business Council / SABEQ Program

Saturday, 8 March, 2008, 09.00 – 16.30

Sheraton Amman, Dushara Ballroom

Saturday, 8 March, 2008

09.00 Registration

09.30 Introductory Remarks
A/E Business Council, USAID-funded SABEQ Program

09.45 Introductions of workshop participants

10:00 Overview of services negotiations under international trade agreements (GATS and FTAs)
Facilitator: Mr. Patrick Macrory, Trade Policy Specialist

10.45 Coffee Break

11.15 Identifying A/E export opportunities in priority trade partner countries
Facilitator: Mr. Patrick Macrory, Trade Policy Specialist

- Greater Arab Free Trade Area (GAFTA)
- Jordan - E.U. Association Agreement
- Jordan – European Free Trade Association (EFTA)
- Jordan – U.S. Free Trade Agreement (JUSFTA)
- Agadir Agreement (Egypt, Tunisia, Morocco)
- Jordan- Singapore FTA
- Potential future FTAs (Turkey, Kazakhstan, Pakistan, Canada)

12.45 Luncheon

14.0 Identifying key A/E-related trade policy domestic constraints faced by Jordanian A&E companies
Facilitators: Mr. Patrick Macrory; A/E Business Council; SABEQ

15.00 Coffee Break

15.30 Developing effective A/E policy advocacy responses
Facilitators: Mr. Patrick Macrory; A/E Business Council; SABEQ

16.30 Conclusions
Facilitators: Mr. Patrick Macrory, A/E Business Council; SABEQ

III. SUMMARY OF WORKSHOP CONCLUSIONS

WORKSHOP ON ARCHITECTURE AND ENGINEERING

MARCH 8, 2008

CONCLUSIONS

This report is based on the issues discussed at the Workshop, which covered (1) problems faced by Jordanian A&E companies in foreign markets; and (2) domestic policy issues that may be inhibiting development of a strong export-oriented industry. The findings are mostly based in comments made by participants at the Workshop.

A: ISSUES RELATING TO FOREIGN MARKETS

Introduction.

As explained at the Workshop, the Greater Arab Free Trade Area (GAFTA) does not currently contain any commitments on services. Thus, the only service commitments made by Arab countries are contained in their WTO GATS Schedules.[1] However, according to an MIT official who attended the Workshop, negotiation of a services agreement is under way in the GAFTA. Jordan, Lebanon, and Egypt are the most active in the process. The agreement would go into effect when three countries have ratified it. Other GAFTA members would be able to join later. The official also noted that Jordan has made many requests in the Doha negotiations relating to professional services, including Architecture and Engineering.

1. Visas

- **Oman** is currently denying visas to Jordanian architects and engineers, although it is granting visas to other nationalities. The Council raised this with the Omani Ambassador recently, but he gave no answer.
  This may be a violation of Oman's GATS commitment to allow entry for up to four years of managers, executives and specialists who are employed by foreign-owned entities in Oman. Under the most-favored nation principle this commitment should be applied without discrimination as to country of origin.

- There have been difficulties getting visas from **Saudi Arabia.**
  Saudi Arabia's GATS Schedule allows entry of managers, executives, and specialists for up to four years to work for foreign-owned entities, so long as they do not exceed 25 percent of the total number of employees.

[1] A number of GAFTA members are not members of the WTO, though all but Palestine and Syria have applied to join.

Note: *At the workshop an official from MIT said that the Ministry is giving top priority to this issue. The official also noted that work is ongoing in the Arab League on development of a unified visa.*

- There have been some problems obtaining visas from **Kuwait.**
  Kuwait has committed to allowing entry of managers, specialists and skilled technicians in connection with foreign-owned entities.

2. Operations in Foreign Markets

- To open a branch in the **UAE** the company has to have fifteen years of experience and be working in at least four foreign countries.
  The UAE's GATS Schedule allows commercial presence either through a representative office or a company with no more than 49 percent foreign equity. The Schedule does not say anything about years of experience or work in foreign countries.

- To set up a branch in **Oman** requires four branches and $100 million in revenue. To establish a company requires a partnership with a local engineer. This creates a problem as there are very few engineers in Oman.
  Oman's GATS Schedule permits commercial presence through representative offices. It contains no requirements as to number of branches or amount of revenue. It also permits up to 70 percent foreign ownership of companies. There is no requirement of partnership with a local engineer.

- To register a foreign company in **Libya** requires a deposit of LD 1 million.
  Libya is not a member of the WTO. It applied to join in June 2004, though the process does not appear to be making much progress. It has not yet filed sn offer on services.

B: PRIORITY POLICY ADVOCACY ISSUES FOR THE SHORT AND MEDIUM TERM

1. Taxation

- The current income tax rate is higher on services than on manufacturing. This may discourage investment in services. There is a move towards unifying the rate.[2]

[2] The A&E Council has worked out an arrangement with the tax authorities that instead of calculating the tax on income, the companies pay a rate based on revenue, ranging from 2.6% to 3.5%. This is done to simplify the calculation. Presumably the rate would be changed if the official tax rate is changed.

- The tax exemption for manufacturing and services lasts until 2015. Jordan has an exemption until then from the SCM Agreement ban on export subsidies on goods. However, the WTO imposes no restriction on export subsidies on services, so there is no need for those subsidies to end in 2015. A Ministry official said that the Cabinet would decide later whether to extend the exemption. One participant said that it was important for planning purposes to make that decision now.

- Work done in Jordan for a foreign client is treated as an export and therefore tax exempt. However, profits from a foreign branch or affiliated company are subject to tax. The only way to avoid income tax on profits of a foreign entity is to set up an unrelated company. It appears that if the company has the same shareholders as the Jordanian "parent" but is not a subsidiary of it, it will be treated as unaffiliated.

3. Ownership

- Under current law, at least fifty percent of an architectural or engineering company must be owned by Jordanian engineers, who must also constitute at least half of the shareholders by number. The general consensus seemed to be that this was a necessary protection for the smaller companies in the industry[3], but was harmful to the larger companies, which are restricted from raising capital and also in exit strategies. The A&E Council is working with the Engineers Association to develop a policy for at least the larger companies that would separate investment from management. Having management by engineers will take care of the professional and ethical issues.

3. Corporate Establishment

- Although the 50,000 JD minimum capital requirement for foreign-owned companies (the limit is 1000 JD for Jordanian companies), is quite low in absolute terms, and by itself may not deter foreign investment, it is a good deal higher than in other countries in the region and may suggest to potential investors that Jordan does not encourage foreign investment.

- The guidelines for setting up a company in Jordan, and the time required, are not clearly spelled out. Other countries have much clearer guidelines, and provide realistic time estimates.

4. Human Resources Issues

[3] The official position of the Engineers Association is that the fifty percent limit on foreign investment is reasonable, as many of the offices are not very strong. They need protection until they are stronger.

- In the last two to three years there has been a serious shortage of staff. At least one Jordanian company has had to turn away foreign business because it has no one to work on it. The Engineers Association will allow foreigners in if it is shown that no one with the necessary skills is available in Jordan, up to a ten percent limit. However, the Ministry of Works does not always approve [this may relate to construction rather than consulting]. The Minister of Labor has said that he will go along with whatever the Council is able to work out with the Association.

- Jordan has become an exporter of engineers to the region. They train here but then go to other countries where they can get higher pay. Jordan needs to produce more engineers. It needs a training center and incentive schemes supported by the government. Foreign companies should be required to train local engineers.[4]

[4] It may be noted that Jordan's GATS schedule gives Jordan the right to impose this requirement.

BRIEFING PAPER
on
ARCHITECTURAL AND ENGINEERING CONSULTING SECTOR

- **THE USE OF TRADE AGREEMENTS TO OPEN EXPORT MARKETS and**
- **JORDANIAN POLICIES THAT CONSTRAIN THE DEVELOPMENT OF AN EXPORT-ORIENTED INDUSTRY**

Prepared by

PATRICK MACRORY
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WASHINGTON, D.C.

MARCH 2008

A: JORDAN'S ARCHITECTURE AND ENGINEERING INDUSTRY

1. The Industry

- 1200 engineering firms.
- 70,000 engineers (6000 registered professionals)
- Output $70m (2003)
- Growing at 20% a year

2. Exports

- 20% of output exported
- Small number of firms export
- Exports split between regional and global markets
    - GCC - Saudi Arabia, UAE, Qatar, Kuwait, Bahrain, Oman
    - North Africa – Libya, Tunisia, Algeria, Morocco, Mauritania

B: THE USE OF TRADE AGREEMENTS TO EXPAND A&E EXPORTS FROM JORDAN

1. Sources of Market-Opening Commitments

- Three of Jordan's Free Trade Agreements – U.S., EU, and Singapore – contain market opening commitments on services (GAFTA, Aghadir, and EFTA-Jordan FTA do not cover services).
- Other countries that are members of WTO are bound by market-opening commitments they made in the General Agreement on Tariffs and Trade (GATS), which went into effect in 1995.
- No commitments by Algeria and Libya, which are not yet members of the WTO.

2. Market-Opening Commitments are Selective

- During the GATS and FTA negotiations, countries chose which service sectors to open, and whether to impose restrictions, such as equity limits, on foreign participation in those sectors.

- Countries could also retain the right to discriminate against foreign services in favor of domestic services.

- Some countries have not opened their A&E markets at all; others have done so subject to restrictions (e.g. equity limits on foreign investment).

3. GATS and FTA Commitments are Enforceable

- Many GATS and FTA disputes are settled informally between the countries.

- In the case of a GATS dispute, the matter can be raised in the WTO Services Committee, which can be quite effective.

- If not settled, the complaining country can use the formal dispute settlement mechanism provided in the FTA or the WTO, as the case may be.

    - Antigua – Gambling case against U.S.
    - U.S. – Telecom case against Mexico

4. Many Countries are More Open to Imported Services Than Their GATS and FTA Commitments Indicate

- The GATS commitments were negotiated in the early 1990s, and many countries have significantly liberalized their service regimes since then, but this is not reflected in their GATS or FTA schedules.

- Where a country's schedule indicates that a sector of interest to Jordan has not been opened to foreign participation, or that foreign participation in the sector is restricted, the industry should investigate whether in fact the sector has been liberalized. Ways of doing so include:

    - Government to government

    - GATS Enquiry Point

    - Local law firm or consultant

5. The Nature of GATS and FTA Commitments

- GATS and US/Jordan and US/Singapore FTAs were negotiated by *sector* or *subsector* and by *mode of supply.*

- Sectors and subsectors:

    - Most countries used a classification system based on a system developed by the UN in 1989.

    - The system contains twelve major sectors (e.g. Business Services, Communications Services) and more than 150 subsectors (e.g., Accounting, Auditing and Bookkeeping; Data Processing).

    - Relevant sectors are:

        - BUSINESS SERVICES
            - Architectural services
            - Engineering services
            - Integrated engineering services
                - Turnkey projects
            - Urban planning and landscape architectural services

        - CONSTRUCTION AND RELATED ENGINEERING SERVICES
            - General construction work for buildings
            - General construction work for civil engineering
            - Installation and assembly work
            - Building completion and finishing work
            - Other

- Modes of delivery:

    - Mode 1: Cross-Border Supply

      The service supplier and consumer are in different countries, linked by remote means. E.g., *A Jordanian architect sends plans by internet to client in Saudi Arabia.*

    - Mode 2: Consumption Abroad

The service consumer travels to the supplier's country. E.g., *the Saudi client travels to Jordan for meetings with architect*

- Mode 3: Commercial Presence

A service company establishes a subsidiary, branch, or joint venture in another country. E.g., *A Jordanian architecture company sets up subsidiary in Saudi Arabia*

- Mode 4: Presence of Natural Persons

An individual travels to another country to provide services. E.g., *The Jordanian architecture company sends executive or professional to work for Saudi subsidiary*

- As noted above, a country could open a particular sector or subsector subject to limitations, such as equity limits on foreign investment (Mode 3) or limits on the categories of individuals who could enter under Mode 4. Any limitations must be listed in the schedule.

- A country does not have to open all modes of supply in a particular sector. For example, a country might decide to open a particular sector to Mode 2 (Consumption Abroad), Mode 3 (Commercial Presence), subject to equity limits, and Mode 4 (Presence of Natural Persons), with limits on the categories of individuals who could enter. At the same time, it could choose not to open Mode 1 (Cross-Border Supply).

6. Commitments by Countries of Interest to Jordan

- GAFTA and Aghadir do not contain commitments on services, so that only Commitments for MENA region are in WTO GATS schedules

- Algeria, Iraq, Lebanon, Libya, Palestine, Sudan, Syria, and Yemen are not yet members of the WTO

- All but Palestine and Syria are in the process of acceding to the WTO

- Egypt:
    - A&E – no commitments

- CRE – no commitments in Modes 1 and 2. Joint ventures only under Mode 3, with no more than 49% foreign participation. Under Mode 4 no more than 10% foreign personnel in an entity.

- Kuwait
  - A&E and CRE – no commitments in Modes 1 and 2. Mode 3 presence through Kuwaiti agent or j.v. with Kuwaiti company. Foreign ownership no more than 49%. Only managers, specialists and skilled technicians under Mode 4. No self-employed.

- Morocco
  - A&E – no commitments
  - CRE – no commitments under Modes 1 and 2. Under Mode 3 must associate with Moroccan enterprise (j.v., subcontract, etc.). Mode 3 intracorporate (managers, senior executives, specialists), and salesmen (90 days)

- Oman
  - A&E and CRE – No limitations on Modes 1 and 2. 70% foreign equity limit on Mode 3. Mode 4 entry limited to business visitors (90 days) and intracorporate (4 years) (managers, executives, and specialists), who may not account for more than 20% of total personnel.

- Qatar
  - Architecture and CRE – No limitations on Modes 1 and 2. Mode 3 presence only through Qatari agent or partnership with Qatari company, and only for projects over $100m. Mode 4 entry only for and intracorporate (managers, executives, specialists). No self-employed.
  - Engineering, Integrated Engineering, Urban Planning and Landscape Architecture – No commitments

- Saudi Arabia

  - A&E – No limitations on Modes 1 and 2. 75% foreign equity limit under Mode 3; incorporation required and approval from SA General Investment Authority. Mode 4 limited to business visitors (180 days), intracorporate (managers, executives, specialists) (4 years, not more than 25% of total personnel), contractual service suppliers (180 days, renewable), installers and maintainers (90 days renewable).

  - CRE – Only consultancy and advisory related services allowed under Mode 1. No limitations on Mode 2. Modes 3 and 4 same limitations as for A&E.

- UAE

    - A&E and CRE– No limitations on Modes 1 and 2. Under Mode 3 must use representative office or company with no more than 49% foreign equity. Mode 4 entry limited to business visitors (90 days) and intracorporate (managers, executives, and specialists) (3 years, not more than 50% of total managers, executives, and specialists)

7. Opportunities for Future Commitments

- Doha negotiations

- Future free trade agreements
    - Turkey, Kazakhstan, Canada, Pakistan

- GAFTA Services Agreement
    - Under negotiation

C: JORDANIAN POLICIES THAT MAY CONSTRAIN THE DEVELOPMENT OF AN EXPORT-ORIENTED A&E INDUSTRY

1. Possible Constraints on Foreign Investment

- Minimum foreign investment amount of JD50,000
    - Being reduced

- Cabinet approval for purchase or long lease of land by non-Jordanians

- Non-Arabs may not buy land unless their countries allow reciprocal rights to Jordanians

- Red tape and hidden fees in establishing a company in Jordan

- Higher taxes on services than manufacturing

- 50% foreign equity cap

- 50% of A&E firms must be owned by engineers

2. Possible Constraints on the Entry of Individuals

- Architects and engineers must be Jordanian nationals

D: ADVOCACY OF POLICY REFORMS

- Build coalitions
    - Service industries facing similar issues
    - Create umbrella organization to represent all service industries
        - Coalition of Service Industries in U.S.
    - Other groups with similar interests
- Develop strong economic case for reform, showing that benefits of reform outweigh costs
- Develop political analysis, identifying potential supporters and likely opponents, and anticipating arguments that may be developed in opposition to reform
- Find concrete examples of where current policies have restrained development of the industry, e.g.:
    - Foreign investment inhibited by difficulty of setting up company in Jordan
    - Inability of foreign experts to obtain visas
- Prepare short, focused paper presenting the case for reform, for submission to appropriate government officials
- Regularly scheduled meetings with relevant Ministries

V. THE USE OF TRADE AGREEMENTS TO PROMOTE EXPORTS OF ARCHITECTURAL & ENGINEERING SERVICES PRESENTATION

THE USE OF TRADE AGREEMENTS TO PROMOTE EXPORTS OF ARCHITECTURAL AND ENGINEERING SERVICES

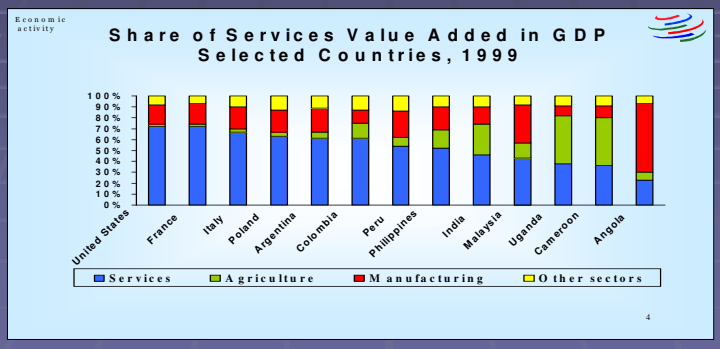
Patrick Macrory
International Law Institute
Washington, D.C.

March 8, 2008

1

IMPORTANCE OF SERVICES SECTOR

- Services represent two-thirds of Jordan's GDP
  - Among highest in region and comparable to many industrialized countries



2

- BUT – only one-third of exports
- Services exports declined 1994-2003 – Jordan now a net services importer
- Services exports largely oriented to MENA region
- Tourism and transportation dominate
  - Progress in other areas such as medical and higher education

3

JORDAN'S ADVANTAGES

- Political and macroeconomic stability
- Well-directed and skilled workforce
- Good infrastructure – utilities and transport
- Large regional markets
- Relative proximity to EU

4

ARCHITECTURE AND ENGINEERING

- 1200 engineering firms
- 70,000 engineers (6000 registered professionals)
- Output $70m (2003)
- Growing at 20% a year
- 80% domestic, 20% exported
- Exports to 30 countries, split between regional and global
  - Middle East, Central Asia, South East Asia, South Africa, East Africa, West Africa

5

SOURCES OF MARKET-OPENING OPPORTUNITIES FOR SERVICE INDUSTRIES

- FREE TRADE AGREEMENTS
  - United States
  - EU
  - Singapore
    - Note: Aghadir, GAFTA, and EFTA/Jordan do not cover services
- WTO COMMITMENTS
  - Made under the General Agreement on Trade in Services (GATS)
    - Note: Algeria, Iraq, Lebanon, Libya, Palestine, Sudan, Syria, and Yemen are not yet members of the WTO.

ENFORCEMENT OF COMMITMENTS

- FTAs
  - Informal
  - Dispute settlement
- WTO GATS
  - Bilateral (informal)
  - Council for Trade in Services
  - Dispute settlement
    - Antigua Gambling case

7

FREE TRADE AGREEMENTS ARE NOT A MAGIC BULLET

- Countries were not required to open all service sectors
  - Commitments were negotiated
- Countries could allow market access subject to restrictions, e.g.:
  - Equity limits on foreign investment
    - Jordan – 50%
  - Limit on categories of individuals who could enter
    - Jordan: Business visitors, intracorporate, professionals
- Countries could retain the right to discriminate in favor of domestic service suppliers

8

TRADE AGREEMENTS DO NOT TELL THE WHOLE STORY

- Trade Agreements establish minimum market-opening opportunities
  - Many countries allow import of services beyond what they have agreed to in their schedules
  - Thus, even where a country's schedule does not make a commitment with respect to a particular service sector/mode, in practice it may allow importation
  - To find out whether importation is permitted of a sector/mode that is not scheduled
    - Check with WTO enquiry point
      - www.wto.org--trade topics—services—contact and enquiry point
    - Jordanian Embassy
    - Hire local consultant

9

THE DEVELOPMENT OF RULES GOVERNING TRADE IN SERVICES

- The first multinational agreement on trade, the General Agreement on Tariffs and Trade (1947) covered goods only and not services
  - Lack of effective transport and telecom
  - Services were considered untradeable
- Basic GATT Principles
  - Non-discrimination
    - Most-favored nation – imports from all sources to be treated equally
    - National treatment – imports to be treated as well as domestic products
  - Market access:
    - Reduction of tariffs
    - Elimination of quotas
  - Transparency

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THE GENERAL AGREEMENT ON TRADE IN SERVICES

- Services first negotiated in Uruguay Round (1986-94) and resulted in the GATS
- GATS modeled on the GATT, not entirely successfully because of greater complexity of trade in services:
  - Several modes of delivery, unlike goods
  - Often involves export of several different factors, e.g.
    - Capital
    - People (service suppliers or customers)
    - Goods
    - Technology
  - Restrictions often "behind the border" (e.g. regulations)
  - Countries unwilling to liberalize all services

11

BASIC GATS PRINCIPLES

- Most-Favored Nation
  - Required unless specifically excepted during negotiations
    - Ten year limit "in principle"
- Market Access and National Treatment
  - Negotiated on *sector-by-sector* (or *subsector-by-subsector*) and *mode-by-mode* basis
  - Results are listed in a country's schedule to the GATS or FTA
- Transparency

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SECTORS AND SUBSECTORS

- Twelve main sectors and more than150 subsectors
- Relevant sectors and subsectors are:
  - PROFESSIONAL SERVICES
    - Architectural services
    - Engineering services
    - Integrated engineering services
      - Turnkey projects
    - Urban planning and landscape architectural services
  - CONSTRUCTION AND RELATED ENGINEERING SERVICES
    - General construction work for buildings
    - General construction work for civil engineering
    - Installation and assembly work
    - Building completion and finishing work
    - Other

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MODES OF DELIVERY

- Mode 1 – Cross-border supply (35% of world service trade)
  - *e.g. Jordanian architect sends plans by internet to client in Saudi Arabia*
- Mode 2 - Consumption abroad (10-15%)
  - *e.g. Saudi client travels to Jordan for meetings with architect*
- Mode 3 - Commercial presence (50%)
  - *e.g. Jordanian architecture company sets up subsidiary in Saudi Arabia*
- Mode 4 - Presence of natural persons (1-2%)
  - *e.g. Jordanian architecture company sends executive or professional to work for Saudi subsidiary*

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MODES OF DELIVERY (CONT.)

- Mode 1 (cross-border):
  - Quite often unrestricted but not always
  - How police?
- Mode 2 (consumption abroad):
  - Often unrestricted
  - In practice, even if not open in schedule, countries rarely restrict their citizens from traveling abroad to use a service
- Mode 3 (commercial presence):
  - Often allowed, but frequently subject to restrictions such as foreign equity limits, prohibition on land purchase, higher taxes
- Mode 4 (Presence of natural persons):
  - Always allowed in conjunction with Mode 3 but categories restricted
  - Often limited to managers or professionals working for subsidiary established under Mode 3
  - Sometimes salesmen and independent professionals

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MARKET ACCESS AND NATIONAL TREATMENT LIMITATIONS

- If a sector or subsector is not included in schedule, no commitments
- If a sector/subsector is included, any limitations must be specified
- If no limitations ("none"), sector/subsector is completely open.
- Examples of market access limitations in Jordan's GATS schedule:
  - Doctors, architects and engineers must be Jordanian nationals
  - Limitations on foreign ownership of corporations
- Examples of national treatment limitations
  - Foreign investments may not be less than JD50,000
  - Real estate purchases by foreigners subject to Cabinet approval
- "Unbound" means no access

16

SCHEDULES

- HORIZONTAL SCHEDULE
  - Sets out limitations applicable to all sectors
    - To avoid repetition
  - Almost invariably apply to Modes 3 and 4
    - Mode 3, e.g., foreign equity limits, prohibition on land purchase
    - Mode 4, e.g., only managers or specialists in conjunction with Mode 3
- VERTICAL SCHEDULE
  - Sets out commitments and limitations for each sector/subsector

NOTE: Schedules are often difficult to interpret because:

- Complicated
- Classification system imperfect (overlaps) and outdated
- The countries negotiating GATS had no experience

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FINDING A SCHEDULE

- To find a service schedule for a particular country:

www.wto.org→trade topics→services→ services gateway→the mandate→introduction

Do not use Services Database

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EXAMPLE OF A HORIZONTAL SCHEDULE

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

	Limitations on Market Access	Limitations on National Treatment	Other Commitments
All sectors included in this schedule	3) Subject to 49% foreign equity limit 4) Unbound except for the entry and temporary stay of natural persons in the following categories: Business Visitors for a period of up to 90 days Intracorporate Transferees (Executives, Managers, Specialists), for a maximum of three years)	3) Unbound regarding subsidies. Foreign-owned corporations may not purchase land.	3) Foreign equity limit to be increased to 51% within five years

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EXAMPLE OF A VERTICAL SCHEDULE

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Subsector	Limitations on Market Access	Limitations on National Treatment	Other Commitments
Architectural services (CPC 8671)	1) Unbound 2) None 3) None 4) Unbound except as indicated in the Horizontal Section. Architects must be Jordanian nationals.	1) Unbound 2) None 3) None 4) Social security program is available for Jordanians only.	

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COMMITMENTS BY GAFTA COUNTRIES

- GAFTA and Aghadir do not contain commitments on services
- Only commitments are in WTO GATS schedules
- Algeria, Iraq, Lebanon, Libya, Palestine, Sudan, Syria, and Yemen are not yet members of WTO
- Bahrain and Tunisia have made no commitments on Architecture and Engineering or Construction and Related Engineering

21

EGYPT

Architecture, engineering, integrated engineering, urban planning and landscape architecture	No commitments
Construction and Related Engineering	Modes 1 and 2: No commitments Mode 3: Joint ventures only, not more than 49% foreign capital. Authorization required for land acquisition Mode 4: No more than 10% foreign personnel in an entity

22

KUWAIT

Architecture, engineering, urban planning and landscape architecture **Construction and related engineering**	**Modes 1 and 2**: No commitments **Mode 3**: Through Kuwaiti agent or j.v. with Kuwaiti company, foreign ownership no more than 50%. Needs test **Mode 4:** Managers, specialists, skilled technicians. No self-employed.

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MOROCCO

Architecture, engineering, urban planning and landscape architecture	No commitments
Construction and related engineering	Modes 1 and 2 no commitments Mode 3: Must associate with Moroccan enterprise (j.v., subcontract, etc.) Mode 4: Intracorporate (managers, senior executives, specialists), and sales agents (90 days)

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OMAN

Architecture, engineering, urban planning and landscape architecture **Construction and related engineering**	**Modes 1 and 2**: No limitations **Mode 3**: 70% foreign equity limit Foreign companies and individuals cannot purchase land but can enter renewable leases up to 50 years Higher tax for companies more than 70% foreign-owned **Mode 4:** Managers, executives, specialists; business visitors

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QATAR

Architecture	No limitations except (1) horizontal (2) commercial presence for projects over $100m. only	HORIZONTAL LIMITATIONS **Mode 3**: Preference for local suppliers in government purchases Presence only through Qatari agent or partnership with Qatari company No purchase of Qatari shares No purchase of land (long lease permitted) Tax differential **Mode 4:** Managers, executives, specialists No self-employed
Engineering	No commitments	
Integrated Engineering	No commitments	
Urban Planning and Landscape Architecture	No commitments	
Construction and Related Engineering	No limitations except (1) horizontal (2) commercial presence for projects over $100m. only	

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SAUDI ARABIA

Architecture, Engineering, Integrated Engineering, and Urban Planning and Landscape Architecture	**Modes 1 and 2**: No limitations **Mode 3**: (1) Foreign equity limited to 75%; (2) Horizontal limitations **Mode 4:** Horizontal limitations	**HORIZONTAL COMMITMENTS** **Mode 3**: Incorporation required Approval from SA Gen. Inv. Authority Income tax for non-Saudis; Zakat for Saudis Some subsidies only for Saudis **Mode 4:** Business visitors (180 days) Managers, executives, specialists (2+2 years), not more than 25% of total personnel (certain positions (mostly low-level) reserved for Saudis) Contractual service suppliers (180 days – renewable) Installers and maintainers (90 days – renewable)
Construction and Related Engineering	**Mode 1**: No commitments except for consultancy and advisory related services **Mode 2:** No limitations **Modes 3 and 4**: Horizontal limitations	

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UAE

Architecture, engineering, urban planning and landscape architecture **Construction and related engineering**	**Modes 1 and 2**: No limitations **Mode 3**: Must use representative office or company with up to 49% foreign equity Acquisition of land prohibited Tax differential Government subsidized services limited to UAE nationals **Mode 4:** Business visitors (90 days) Managers, executives, specialists (1+2 years), not more than 50% of total managers, executives, and specialists

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GAFTA COUNTRIES
ARCHITECTURE AND ENGINEERING COMMITMENTS

	Modes 1 and 2	Modes 3 and 4
Oman, Saudi Arabia, UAE	No limitations	No limitations except horizontal
Kuwait	No commitments	No limitations except horizontal
Qatar	No limitations on Architecture. No commitments on Engineering, Integrated Engineering, and Landscape	Mode 3 only for Architecture over $100m. Horizontal limitations
Bahrain, Egypt, Tunisia, Algeria, Iraq, Lebanon, Libya, Morocco, Palestine, Sudan, Syria, and Yemen	No commitments	No commitments

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GAFTA COUNTRIES
CONSTRUCTION COMMITMENTS

	Modes 1 and 2	Modes 3 and 4
Oman, Saudi Arabia, UAE	No limitations	Horizontal limitations only
Kuwait	No commitments	Horizontal limitations only
Morocco	No commitments	Must associate with Moroccan enterprise (j.v., subcontract, etc). Mode 4 horizontal limitations
Qatar	No limitations	Mode 3 only for Construction over $100m. Horizontal limitations
Egypt	No commitments	Horizontal limitations only
Bahrain,, Tunisia, Algeria, Iraq, Lebanon, Libya, Palestine, Sudan, Syria, and Yemen	No commitments	No commitments

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UNITED STATES

Architecture, Engineering, Integrated Engineering, and Urban Planning and Landscape Architecture	**Modes 1, 2 and 3**: No limitations **Mode 4**: Horizontal limitations only	HORIZONTAL COMMITMENTS **Mode 4: (1)** Salesmen (2) Managers, executives, specialists (3) Establishment (4) Specialists
Construction and Related Engineering	**Mode 1**: No commitments (technically unfeasible) **Mode 2 and 3:** No limitations **Modes 3 and 4**: Horizontal limitations only	

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EU

Architecture, engineering, urban planning and landscape architecture **Construction and related engineering**	**Mode 1** : No commitments by Belgium, Greece, Ireland and Portugal. No limitations for others **Modes 2 and 3**: No limitations **Mode 4:** Senior management and persons with uncommon knowledge in connection with Mode 3 investment

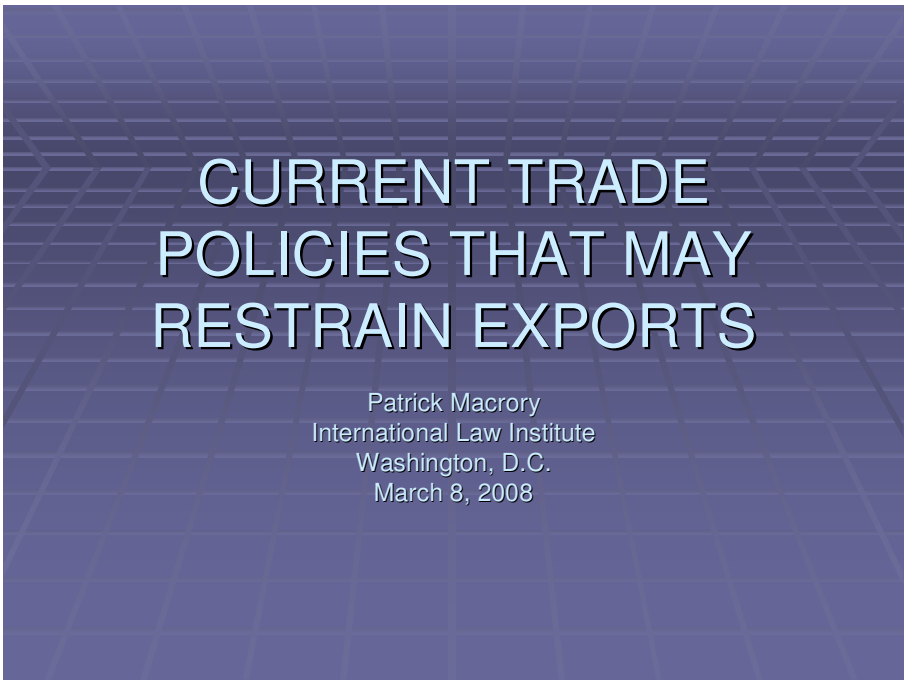
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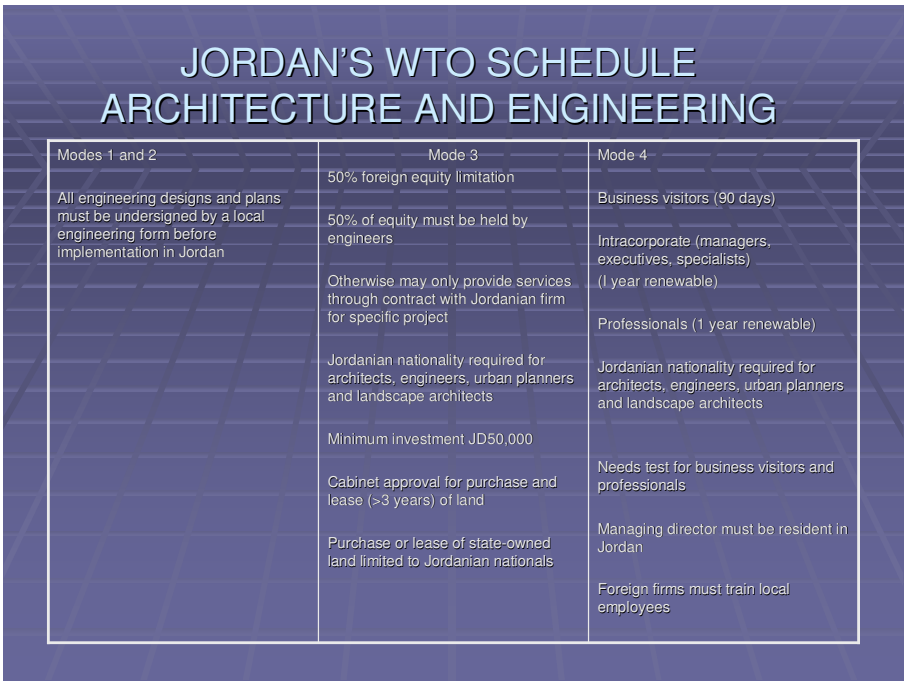
FUTURE OPPORTUNITIES

- Doha negotiations
  - What has Jordan requested?
- Future free trade agreements
  - Under negotiation or discussion
    - Turkey
    - Kazakhstan
    - Canada
  - Others?
    - Pakistan
- GAFTA Agreement

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VI. JORDAN TRADE POLICIES THAT MAY RESTRAIN EXPORTS RESENTATION





JORDAN'S WTO SCHEDULE CONSTRUCTION AND RELATED ENGINEERING

Mode 1	Mode 2	Mode 3	Mode 4
No commitments	No limitations	50% foreign equity limitation Otherwise may only provide services through contract with Jordanian firm for specific project Minimum investment JD50,000 Cabinet approval for purchase and lease (>3 years) of land Purchase or lease of state-owned land limited to Jordanian nationals	No of foreign engineers employed by a firm may not exceed twice the number of Jordanian engineers Business visitors (90 days) Intracorporate (managers, executives, specialists) (I year renewable) Professionals (1 year renewable) Needs test for business visitors and professionals Managing director of a branch or entity must be resident in Jordan

POSSIBLE CONSTRAINTS ON FOREIGN INVESTMENT

- Taxation
  - Higher than on manufacturing
  - Export exemption only until 2015
  - Foreign branch or registered office (but not separate company) subject to tax
- Engineering plans and designs must be undersigned by local engineering firm before implementation in Jordan

POSSIBLE CONSTRAINTS ON FOREIGN INVESTMENT (CONT.)

- Purchase or lease of land
  - Cabinet approval for purchase or lease of land for more than three years by non-nationals
  - Non-nationals may not purchase state-owned land
  - Non-Arabs may not buy land unless their countries give reciprocal rights to Jordanians

POSSIBLE CONSTRAINTS ON FOREIGN INVESTMENT (CONT.)

- Foreign equity limit (50%)
- Engineers must own 50% of equity
  - Restricts ability to raise capital
- Minimum capital requirement
  - JD 50,000 but being reduced
- Red tape and hidden fees in setting up companies

CONSTRAINTS ON THE ENTRY OF INDIVIDUALS

- Architects, engineers, urban planners, and landscape architects must be Jordanian
- No commitments for integrated engineering

TRADE POLICY ADVOCACY

- Build Coalitions
  - Identify other groups with similar interests
    - Other service industries
    - Other industries
    - Civil society groups
- Establish umbrella organization to represent all service industries

- Develop effective case for reform
  - Economic case, showing that benefits outweigh costs
  - Political analysis
    - Identify possible opponents of reform and anticipate arguments
  - Find concrete examples where current policy has restrained export-oriented activities
- Prepare short, focused paper for government officials
- Establish permanent government/private committees that meet on a regular basis

VII. BUSINESS ADVOCACY: SETTING STARTEGIES THAT INFLUENCE TRADE POLICY

International Trade Forum Magazine

Business Advocacy: Setting Strategies that Influence Trade Policy

ESPAÑOL

FRANÇAIS

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Businesses in developing countries, not just developed ones, have been able to advocate successfully improving their competitive position in international markets. This article provides real-life examples and a road map to help businesses shape effective advocacy strategies.

Business advocacy in trade policy comprises a range of different activities. The following examples show how a "strategic" effort by companies and industry associations can lead to results affecting international trade:

- The Brazilian Bar's Committee on the General Agreement on Tariffs and Trade was able to influence the Uruguay Round negotiations on trade in legal services by providing intellectual leadership in the debate on the issue and coordinating with other bar associations within MERCOSUR, the South American common market involving Argentina, Brazil, Paraguay and Uruguay.
- A leading international auditing firm significantly contributed to the brainstorming process preceding the liberalization of trade in accountancy and consultancy services as a result of the Uruguay Round. It also helped fund the work of various private and public bodies worldwide to promote liberalized trade in these services.
- The Ceylon Chamber of Commerce is involved in monitoring trade policy development of interest to Sri Lanka's exporting companies.
- A New York-based photo supplies manufacturer gained United States Government support to press for Japan to remove alleged anti-competitive restrictions on film sales, a conflict that reached the WTO dispute settlement body.
- A small cosmetics producer in Jordan was able to obtain reduced import tariffs on its inputs when it complained to the Jordanian High Office dealing with such matters.

- The Canadian Dehydrators Association (CDA), operated by 30 firms that export quality feed products for livestock, obtained lower tariff barriers in several countries in Asia and Africa by arguing that CDA's products were necessary for the local livestock industry that intended to export quality meat. To put the point across, the CDA director regularly visited ministers of the countries concerned to present them with the evidence and arguments. The material was presented on a computer diskette, ready for internal use. The ministries used the research in internal government debates on trade policy reforms. The CDA representative would also give presentations to local livestock producers to mobilize their support for tariff reduction. In the event, several countries unilaterally lowered their import tariffs on CDA exports.

So business advocacy and action to influence trade policy play an important role in most economies — and work. We should not assume that smaller firms are deprived of options to influence the international trade situation. And business advocacy can improve the competitive position of exporters in foreign markets.

The business-government relationship is of particular relevance now that multilateral trade negotiations, decided at Doha in November 2001, are under way. Obviously, business has to play a role in working out trade strategies and government negotiators need to be in permanent contact with business representatives during the whole negotiating process.

Advocacy objectives

Although the activities to achieve them vary, the objectives for advocacy in trade policy of businesses can be classed in the following three categories.

- ***Improved competitive position in foreign markets***. Firms often push for improved access to foreign markets and support regulations that improve their competitive position in those markets (e.g., rules for the protection of intellectual property rights or mutual recognition of standards). Companies can use direct advocacy abroad, as with the case of the Canadian Dehydrators Association, or request government-sponsored efforts.
- ***"Shelter"***. Companies often lobby for trade policies that protect them from foreign competitors through tariffs, quotas and other protective measures (such as special privileges and government support). WTO recognizes the need for protection through tariffs in certain cases, such as support to an "infant industry", and it allows more generous treatment for countries in early stages of economic development. But companies should note that, over time, WTO rules are becoming more stringent towards these shelter strategies that protect from competition.
- ***Defence to limit pressure of other groups***. Industry groups may decide to engage in business advocacy to limit or counter-balance the efforts of other interest groups. Firms that are adversely affected can usually present a more effective case as a coalition.

Questions to shape advocacy strategy

This leads us to the questions: how can companies and trade associations in developing countries use business advocacy? How can they identify and define their objectives? Who should initiate and who should support the advocacy effort?

There can obviously be no unique recipe for strategy formulation that guarantees success. Experience shows that it is useful to identify the basic options available.

- In what areas of trade advocacy are you interested? Is a “shelter strategy” realistic given your country’s WTO commitments? What kind of support should you be aiming for? How can access to main export markets be improved? How does the government arbitrate between conflicting interests?
- How can you build coalitions? Should a specific company, group of companies or larger industry association carry out advocacy? How will the decision alter the campaign objectives, resources and access? Who are other potential coalition members inside and outside the country? What interest groups are likely to oppose your objectives? How can you turn opponents into allies? What should be the major message to your government? What data and analysis do you need to make arguments credible? What resources do you need?

Actors in trade policy-making

Apart from business groups, there are several actors in trade policy-making. At the last count, there were more than 35,000 trade and professional associations active in international forums. They range from public relations to labour unions and non-governmental organizations (NGOs).

- In addition to national chambers of commerce, the Paris-based International Chamber of Commerce, which links thousands of companies and business associations, plays a relatively active role in the WTO network.
- An increasing number of firms consider public relations as a good investment. Some have developed specialized skills in business advocacy. More and more are establishing themselves in Geneva in addition to Washington and Brussels because of the increasing regulatory role of the WTO.
- Labour unions are very much part of the trade policy scene, while the goals of professional associations in many ways resemble those of the unions. Many NGOs active in social issues work relatively quietly, while others are more confrontational, but all NGOs are inclined to act on global issues as a complement to activities at the national level.

Business advocates need to be aware of the standpoints of each of these groups in seeking to broaden their impact on trade policy.

Interaction with government

How governments interact with the private sector varies greatly, depending on political systems and history.

In India, the Ministry of Commerce is assisted in trade policy formulation by advisory bodies participating in the Board of Trade.

Several sectoral institutes dealing with packaging, diamonds, textiles and chemicals concentrate on industry-specific issues. Statutory commodity boards advise on trade policies

for tea, coffee, rubber, spices and tobacco. Industry associations, academic institutions and think tanks also contribute to policy proposals.

Mexico made a reputation for innovation during the negotiations for the 1994 North American Free Trade Agreement (NAFTA) with its invitation to business to install itself in the "room next door". Business representatives were consulted continually during the negotiating rounds and asked to assess proposals. Nothing about the system was formally enshrined in legislation, but it proved so successful that the "room next door" became a feature of its later trade negotiations.

Guatemala, by contrast, set up a national commission with a coordinator to get business feedback on its negotiations for a free trade zone with Mexico in Central America. This system, too, has been used in other negotiations.

(More details of the Mexican and Guatemalan approaches are available from the World Tr@de Net web site, here and here respectively.)

In Thailand, the Joint Public-Private Consultative Committee constitutes the main formal government-business forum. It deals extensively with trade issues, is chaired by the Prime Minister and includes several cabinet ministers. As a forum for discussion and coalition-building, it is an important player in the trade formation process.

In Morocco, the National Foreign Trade Council, comprising 30 government officials and 36 business representatives, is responsible for preparing advisory opinions on foreign trade issues and new legislative proposals.

However, the formal institutional mechanisms that are found in many countries to encourage public participation in trade policy-making may not reflect the reality of how policy is actually made. What matters is: if and how different interests are balanced, and whether all major interest groups have access to the system.

Checklist for business

How can business better contribute to trade policy-making?

No model of business-government interaction can be universally followed in every developing country. The best way of assessing how to intensify the contribution of business to trade policy-making is to identify the major problem areas. Work through a series of questions, such as:

- Is your industry association or company active enough in:
  - analysing trade policy issues, including developments in the WTO;
  - maintaining contacts and providing intellectual inputs into trade policy decisions;
  - ensuring leadership and giving administrative support to the trade policy debate;
  - participating actively and competently in formal consultations on trade policy matters;

    - improving access to decision-makers through informal initiatives; and
    - speaking out for or against policy proposals that are likely to affect your industry and corporate performance?
- Do you fully utilize existing opportunities to make representations to your government on your trade policy concerns? In particular:
    - Are your representations to government bodies clearly focused and positioned?
    - Are your arguments well-structured and supported by convincing evidence?
    - Do the people making the representations have the necessary status and skills to optimize influence?
    - Is it necessary to press for improved access?
- Is your association or company properly organized for business advocacy? For example:
    - Is there a special unit in charge of monitoring trade policy developments of interest in export marketing?
    - Does the unit report directly to the person in charge of the organization?
    - What is the degree of staff empowerment in the unit?
    - Do you have the full support of the top management for your activities?
    - Are the advocacy activities properly controlled and evaluated, and how is their success measured?
    - How is the staff contribution evaluated and what is the link between that evaluation and motivation schemes?
    - Are there sufficient resources attributed to advocacy activities?
- Do you exploit synergies among the various institutions that conduct business advocacy activities?
    - With those that share similar concerns, such as NGOs, trade unions, specific government departments?
    - With academic institutions and research facilities?
    - With political parties and other interest groups?
- Do you network internationally to make the global web of trade policy actors work for you?
    - Through interest groups in other countries?
    - Through joint ventures within international institutions with which you are involved?
    - Do you know how to benefit from the assistance of international organizations such as ITC, UNCTAD, WTO, World Bank and other agencies?

Four lessons

For business advocacy to work, submissions must be intellectually coherent, demonstrate a public interest dimension and be in tune with prevailing government trade policy. Submissions should specify the “added value” of a strengthened public interest in the proposed trade policy reform. Indeed, decision-makers are unlikely to concede advantage to vested interests and leave themselves open to easi-ly mounted criticism in the mass media or in political debate.

Lessons drawn from case studies and discussions with business advocacy experts suggest four recommendations for companies and associations that want to make better use of this tool for trade policy development:

- Focus on a limited number of well-defined trade policy issues.
- Maintain a formalized process of strategy formulation in relation to the Doha Development Agenda and encourage the participation of external experts to ensure sound professional judgement and objectivity.
- Don't hesitate to revise your advocacy strategy in the light of new experiences and negotiating opportunities.
- Make sure your strategies effectively guide your advocacy. Most issues affect the public at large through their effect on consumption, employment and social welfare. So far as possible, make your strategy public. Build the widest possible support for your representations.

Tips for advocacy

We can conclude with some practical tips for business advocacy in trade negotiations.

- Follow the calendar of the trade negotiations, e.g. through the World Tr@de Net Newsletter (available from ITC's web site).
- Coordinate your position with that of the business groups in your region. The World Tr@de Net web pages present summaries of progress in the multilateral trade negotiations and review the negotiating positions of major trading nations.
- Explore reciprocity in international business-to-business relations to gain support for your interests.
- Try to understand the tensions inside government.
- Promote issues management through industry associations.

Bulgaria: competitiveness requires effective dialogue

There are patterns of ineffective dialogue and effective dialogue. Ineffective dialogue is characterized by individual companies approaching government with ad hoc complaints involving problems at the operational level. Effective dialogue is characterized by industry-wide approaches with a comprehensive vision at the strategy level.

Ineffective dialogue focuses on concessions rather than co-responsibility. Ineffective dialogue produces "laundry lists" of undifferentiated complaints based on anecdotal evidence. Effective dialogue, however, approaches the government with a few key priorities based on good data, sound analysis, concrete proposals and estimates of the costs and benefi its of implementation.

Ineffective dialogue is characterized by business, labour and government being on

opposite sides of the table. Effective dialogue is characterized by a realization that they are on the same side and facing competitors "out there" and not amongst each other.

One way to promote effective national and regional dialogue regarding competitiveness is through the creation of a National Competitiveness Council. Such a council, typically composed of representatives from the public, private, academic and labour sectors, works to analyse internal and external obstacles to the development of national competitiveness and to present plans on how to resolve these obstacles. The council works independently of any one sector to provide objective views on the state of competitiveness within a country.

The council can provide a catalyst for genuine dialogue between stakeholders of the competitiveness process. It can also provide a base for regionally centred groups in order to promote a stronger voice in the dialogue process.

Source: Extract from the Bulgarian team paper on Creating Value: Moving from Comparative to Competitive Advantage, presented at the Executive Forum 2002.

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VIII. SUMMARIES OF KEY JORDANIAN INTERNATIONAL TRADE AGREEMENTS

- **JORDAN – U.S. FREE TRADE AGREEMENT (JUSFTA)**

- **JORDAN – EUROPEAN UNION ASSOCIATION AGREEMENT (Euro-Mediterranean Agreement)**

- **GREATER ARAB FREE TRADE AGREEMENT (GAFTA)**

Prepared by

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WASHINGTON, D.C.

MARCH 2008

KEY JORDANIAN FREE TRADE AGREEMENTS

Jordan has entered six free trade agreements. Three of the agreements – those with the United States, Singapore[5], and the European Union include market-opening commitments on service trade. The other three – the Greater Arab Free Trade Agreement; the Agadir Agreement (with Tunisia, Morocco, and Egypt), and an agreement with the European Free Trade Agreement states (Iceland, Liechtenstein, Norway, and Switzerland) – focus mostly on goods, and do not contain service commitments.

Jordan - United States FTA.

Goods. The Agreement provides for the elimination of tariffs on most goods over varying periods of up to ten years. Where increased imports from one country resulting from the tariff reductions cause serious injury to an industry in the other country, the importing country can raise tariffs up to the level existing before the FTA went into effect or the current Most-Favored-Nation tariff, whichever is lower.

Services. The Agreement follows the WTO/GATS model with respect to services. Each country sets forth in a schedule to the agreement the market-opening commitments that it has made with respect to services, as well as any rights that it reserves to give favored treatment to domestic service suppliers. The commitments and national treatment exceptions are made on a sector-by-sector basis and by mode of delivery. There are twelve major sectors and over 150 subsectors. There are four modes of delivery: Mode 1: Cross-Border Supply, where the service is provided through remote means, such as the Internet; Mode 2: Consumption Abroad, where the service consumer travels to the other country to receive the service; Mode 3: Commercial Presence, where a service supplier in one country sets up a subsidiary or branch in the other; and Mode 4: Presence of Natural Persons, where an individual from one country travels to the other to provide a service.

Each country has made market-opening commitments with respect to Modes 1, 2 and 3 supply of a wide range of services. There are exceptions and limitations. For example, the United States has made no commitments with respect to medical services, and Jordan requires doctors practicing in Jordan to be nationals. Jordan imposes equity limits on Mode 3 investment in some sectors For all sectors Mode 4 (presence of natural persons), is

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[5] The Jordan-Singapore Agreement contains very similar provisions to the U.S.-Jordan Agreement with respect to trade in *goods* and *services,* as well as with respect to *e-commerce.* Like the U.S.-Jordan Agreement each country has set out its service trade commitments and limitations in schedules to the Agreement. Jordan's commitments and limitations are similar to those it has made in the U.S.-Jordan Agreement. The Agreement has no provisions with respect to *intellectual property, government procurement,* or *labor and environment.*

limited to certain categories, such as managers, executives and specialists in connection with Mode 3 investments, and professionals.

Intellectual Property. The Agreement contains detailed provisions on IP rights, including the requirement that each country give effect to various international IP agreements.

Labor and Environment. Each country agrees to effectively enforce its labor and environmental laws.

E-Commerce. Each country agrees that it will not impose duties or unnecessary barriers on e-commerce.

Government Procurement. Jordan agrees that it will accede to the WTO Agreement on Government Procurement.

Jordan-EU FTA ("Euro-Mediterranean Agreement).

Goods. This agreement calls for the elimination of tariffs over a twelve-year period on most industrial goods. The EU maintains tariff-rate quotas on many agricultural products, under which a specified quantity from Jordan enters at a zero or reduced tariff, while imports above that quantity are subject to the regular rate of duty. Either party may take "appropriate measures" (reimposition of duties or application of a quota) where increased imports from the other cause serious injury to a domestic industry.

Services. The Agreement takes a different approach from Jordan's FTAs with the United States and Singapore. With a very few sectorial exceptions, Jordan service suppliers are given the right to establish subsidiaries or branches in the EU, and vice versa. Managers and specialists who are working for such entities are allowed entry, as are senior officials in connection with the establishment of subsidiaries or branches. The Agreement contains no specific commitments with respect to cross-border supply, but simply calls for "best endeavors" to increase such supply. It does not refer to consumption abroad.[6]

Other Topics. The Agreement prohibits agreements that restrict competition, abuse of dominant position, and public aid that distorts competition. It also contains general, no-binding statements with respect to cooperation on economic, social and cultural matters. It does not cover government procurement, intellectual property, labor and environment, or e-commerce.

[6] It is necessary therefore to refer to the EU's GATS Schedule to determine what commitments the EU has made with respect to Modes 1 and 2 that could benefit Jordanian service exporters.

Greater Arab Free Trade Agreement (GAFTA)[7]

Most members eliminated their tariffs on imports of *goods* from other members by 2005. However, Yemen and Sudan do not have to eliminate their tariffs until 2010, and Palestine has an exemption from the duty-elimination requirement that is not time-bound.

As noted above, the Agreement contains no commitment with respect to *services*, though an agreement on the subject is apparently under discussion.

Current Implementation Position	1- Seventeen Arab member countries have acceded to this Agreement to date: Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Palestine, Qatar, Saudi Arabia, Sudan, Syria, Sudan, Syria, Tunisia, United Arab Emirates and Yemen. 2- Three of the countries in the region have not yet rendered effective the gradual phase-out of customs duties and any other duties or charges having equivalent effect (Palestine, Sudan and Yemen**).** - Yemen reduces its import duties by 16% annually starting from 2005 to reach total exemption in 2010. - Sudan reduces its import duties by 20% annually starting from 2006 to reach full exemption in 2010. - Palestine is exempted from reducing its import duties, whereas its exports to Arab countries are exempted from any customs duties or other duties having equivalent effect pursuant to the Arab Summit decision in Tunisia no.274 in 2004. 3- Reduction rates reached zero level by 2005. 4- All exceptions granted to member countries were terminated by 16/9/2002.
Rules of origin	1- The Arab rules of origin are being used currently in order to apply the GAFTA agreement. These rules of origin require at least 40% value-added.

[7] Members: Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Palestine, Qatar, Saudi Arabia, Sudan, Syria, Sudan, Syria, Tunisia, United Arab Emirates and Yemen.

2- The detailed Arab rules of origin derived from the EU rules of origin are being developed currently. Their objectives are to protect Arab countries' production from substitute products originating in non member countries and to give preferential custom treatment on applicable goods that fulfill the value added criteria.
3- All types of non tariff measures (seasonal restrictions, import licenses, and other quantitative measures) have been eliminated.
    - Dispute settlement mechanism: member countries have established procedures for settling disputes among them.
    - Abolishing the authentication/certification needed for rules of origin documents and certifications.
    - Agreement on services: schedules of concessions under the GATS are now being discussed to reach an agreement on services in accordance with WTO agreement.
    - A detailed schedule for services fees is being prepared to determine whether they include duties with equivalent effect.
    - Free zones products: the provisions of the GAFTA agreement including the customs reduction are not applicable to free zones products.

IX. WTO GENERAL AGREEMENT ON TRADE IN SERVICES, SCHEDULE OF SPECIFIC COMMITMENTS OF THE HASHEMITE KINGDOM OF JORDAN

WORLD TRADE ORGANIZATION

GATS/SC/128

15 December 2000

(00-5586)

Trade in Services

THE HASHEMITE KINGDOM OF JORDAN

Schedule of Specific Commitments

(This is authentic in English only)

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HASHEMITE KINGDOM OF JORDAN – SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
I. **HORIZONTAL COMMITMENTS**			
All sectors included in this schedule			
		Regarding subsidies, modes 1), 2), 3) and 4) are Unbound. 3) Foreign investments may not be less than JD 50,000. This does not apply to investments in public share-holding companies. <u>Real Estate:</u> 3) All purchase of real estate by non-Jordanian firms must be related to the approved business activities and is subject to Cabinet authorization. Lease of real estate by non-Jordanian firms for more than three years is subject to Cabinet approval. All juridical entities are prohibited from engaging in real estate trading.	

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
	3) All investments in public utilities are generally subject to concession. In sectors where service provision is granted by concession, commercial establishment must be in the form of Public Shareholding Companies.	<u>State Owned Land:</u> 3) Authorization for purchase or lease of state owned lands is restricted to Jordanian nationals.	
	4) Unbound except for measures concerning the entry and temporary stay of a natural person who falls in one of the following categories:	4) Unbound, except for measures affecting the categories referred to under market access.	

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
	Business visitors A natural person who stays in Jordan without acquiring remuneration from within Jordan and without engaging in making direct sales to the general public or supplying services, for the purposes of participating in business meetings, business contacts including negotiations for the sale of services and/or other similar activities including those to prepare for establishing a commercial presence in Jordan. Entry and stay shall be for a period of 90 days.		

Modes of supply: 1) Cross-Border supply 2)Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
	Intra-Corporate Transferees Natural persons employed by a juridical entity of another member for a period of not less than one year and who seek temporary stay in order to render services to (i) the same juridical entity which is engaged in substantive business operation in Jordan or (ii) a juridical entity constituted in Jordan and engaged in substantive business operation in Jordan which is owned by or controlled by or affiliated with the aforementioned juridical entity.		
	Executives Natural persons who are senior employees of a juridical entity, who are responsible for the entire or a substantial part of the entity's operations in Jordan, receiving general supervision or direction principally from higher level executives, the board of directors or stock-holders of the business.		

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
	<u>Managers</u> Natural persons who direct the juridical entity, or department or sub-division of the juridical entity, supervise and control the work of supervisory, professional or managerial employees, have the authority to hire and fire or recommend hiring, firing, or other personnel actions and exercise discretionary authority over day-to-day operations at a senior level. <u>Specialists</u> Natural persons employed by a juridical entity and possess knowledge at an advanced level of expertise and proprietary knowledge of a juridical entity product, service, research, equipment, techniques, or management.		

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
	Professionals Natural persons seeking to engage, as part of services contract granted by a juridical entity engaged in substantive business in Jordan and obtained by a juridical entity of another Member, (other than entities providing services as defined by CPC 872) which has no commercial presence in Jordan in the activity at a professional level. The person must possess the necessary academic credentials and professional qualifications, which have been duly recognized, where appropriate by the professional association in Jordan. The commitment relates only to the service activity which is the subject of the contract. Work permits for all categories are granted on the basis of an economic-needs test, i.e. to candidates whose qualifications are not available in Jordanians or those who are seeking work in fields in which Jordanians are in short supply.		

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
	Intra-corporate transferees who are executives, managers and specialists (as defined above) are presumed to meet the economic needs test requirements.		
	Temporary work and residency permits are required. Such permits are issued for a maximum period of one year, but are renewable.	<u>Residency requirements:</u> 4) Managing director of a branch or juridical entity must be resident in Jordan.	
II. SECTOR-SPECIFIC COMMITMENTS			
1. BUSINESS SERVICES			
A. <u>Professional Services</u>			
a) Legal services (advisory services on foreign law only (excluding Jordanian Law) (part of CPC 861)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None, representation in Jordanian courts is assigned only to Jordanian nationals. 4) Unbound, except as indicated in the horizontal section.	

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
b) Auditing (part of CPC 862)	1) Auditing services must be performed through a resident licensed auditor in Jordan. 2) Auditing services must be performed through a resident licensed auditor in Jordan. 3) None, service to be provided through resident auditors as natural persons or in general partnerships. Auditors must be Jordanian nationals. 4) Unbound, except as indicated in the horizontal section. Auditors must be Jordanian nationals.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	
b) Accounting and bookkeeping services (part of CPC862) c) Taxation services (CPC 863)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
d) Architectural services (CPC 8671) e) Engineering services (CPC 8672) g) Urban planning and landscape architectural services (CPC 8674)	1) None for consultation, planning or design services. However, all engineering designs and plans must be undersigned by a local engineering firm before implementation in Jordan. 2) None for consultation, planning or design services. However, all engineering designs and plans must be undersigned by a local engineering firm before implementation in Jordan.	1) None 2) None	

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
	3) Subject to 50% foreign equity limitation. Also, at least 50% of equity must be held by engineers. Otherwise, non-Jordanian engineering and architectural firms may provide services only through a contractual association with Jordanian firms for the purpose of implementing a specific project or tender. Architects, engineers, urban planners and landscape architects must be Jordanian nationals.	3) Foreign firms are required to train and upgrade the technical and management skills of local employees.	
	4) Unbound, except as indicated in the horizontal section. Architects, engineers, urban planners and landscape architects must be Jordanian nationals.	4) Unbound, except as indicated in the horizontal section.	

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
h) Medical services (excluding Dental services) (CPC 9312)	1) None 2) None 3) None, except access is restricted to physicians. Physicians must be Jordanian nationals. 4) Unbound, except as indicated in the horizontal section. Physicians must be Jordanian nationals.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section. Physicians Association pensions and social security program is available for Jordanians only.	
j) Services provided by midwives, nurses, physiotherapists CPC 93191)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
k) Other	<u>Pharmacists</u> 1) None 2) None 3) Access restricted to pharmacists as natural persons or in general partnership. Only one outlet per pharmacist allowed. Pharmacists must be Jordanian nationals. 4) Unbound, except as indicated in the horizontal section. Pharmacists must be Jordanian nationals.	 1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
B. Computer and Related Services			
a) Consultancy services related to the installation of computer hardware (CPC 841) b) Software implementation services (CPC 842) c) Data processing services (CPC 843) d) Data base services (CPC 844) e) Maintenance and repair services of office machinery and equipment including computers (CPC 845) f) Other computer services (CPC 849)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	
C. Research and Development Services			

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
a) R & D services on natural sciences (CPC 851) excluding geology related sciences	1) None 2) None 3) Subject to 50% foreign equity limitation. Director of research center must be a Jordanian national. 4) Unbound, except as indicated in the horizontal section. Director of research center must be a Jordanian national.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	
b) R & D services on social sciences and humanities (CPC 852) c) Inter disciplinary R & D services (CPC 853) D. Real Estate Services	1) None 2) None 3) None, except director of research center must be a Jordanian national. 4) Unbound, except as indicated in the horizontal section. Director of research center must be a Jordanian national.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
a) Real estate services involving own or leased property (CPC 8210) b) On a fee or contract basis (CPC 822)	1) Unbound. 2) None 3) Access restricted to Jordanian natural persons. Juridical entities are not allowed. Real estate agents and licensed surveyors must be Jordanian nationals. 4) Unbound, except as indicated in the horizontal section. Real estate agents and licensed surveyors employed by real estate offices must be Jordanian nationals.	1) Unbound. 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	
E. <u>Rental/leasing service without operators</u>			
a) Leasing or rental services concerning ships without operators (CPC 83103) d) elating to other machinery and equipment CPC 83106-83109)	1) None 2) None 3) Subject to 50% foreign equity limitation. 4) Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
F. Other Business Services			
a) Advertising services	1) None	1) None	
(CPC 871)	2) None	2) None	
	3) Access restricted to Jordanian natural persons and partnerships with majority Jordanian ownership, or limited liability companies with Jordanians as majority in board of directors. Director of advertising agency must be a Jordanian national.	3) None	
	4) Unbound, except as indicated in the horizontal section. Director of advertising agency must be a Jordanian national.	4) Unbound, except as indicated in the horizontal section.	

Modes of supply: 1) Cross-Border supply 2)Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
b) Market research (CPC 86401) c) Management consulting service (CPC 865) d) Services related to management consulting (CPC 866) q) Packaging services (CPC 876)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	
b) Public Opinion Polling Services (CPC 86402)	1) Unbound. 2) None 3) None, except director of public opinion bureau must be a Jordanian national. 4) Unbound, except as indicated in the horizontal section. Director of public opinion bureau must be a Jordanian national.	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
e) Technical testing and analysis services (CPC 8676)	1) None 2) None 3) None, except geo-technical testing services are subject to 50% foreign equity limitation. 4) Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	
f) Services incidental to agriculture (CPC 8811) f) Services incidental to animal husbandry, only advisory and consultancy services (part of CPC 8812) i) Services incidental to manufacturing (CPC 884 & 885)	1) None 2) None 3) Subject to 50% foreign equity limitation. 4) Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
m) Related scientific and technical consulting services (part of CPC 8675) excluding prospecting, surveying, exploration, exploitation and map making	1) Unbound 2) None 3) Subject to 50% foreign equity limitation. Cabinet authorization is required. Geologists/ geological engineers must be Jordanian nationals. 4) Unbound, except as indicated in the horizontal section. Geologist/geological engineers must be Jordanian nationals.	1) Unbound. 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
n) Maintenance and repair of equipment (not including maritime vessels, aircraft, or other transport equipment and television and radio transmitters and apparatus for line telephony or telegraphy; and radio broadcast equipment) (CPC 633, 8861-8866) o) Building/ Cleaning services (CPC 874)	1) Unbound* 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	1) Unbound* 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	
p) Photographic services (excluding military portraits and aerial photography of the territory of the Hashemite Kingdom of Jordan) (CPC 875) s) Convention services (CPC 87909)	1) Unbound* 2) None 3) Subject to 50% foreign equity limitation. 4) Unbound, except as indicated in the horizontal section.	1) Unbound* 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	

*Unbound due lack of technical feasibility

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
r) Printing and Publishing (CPC 88442)	1) None 2) None 3) Subject to 50% foreign equity limitation. However, ownership of periodical publications is restricted to Jordanian natural persons or Jordanian juridical entities wholly owned by Jordanians. Director of printing and publishing house must be a Jordanian national. 4) Unbound, except as indicated in the horizontal section. Director of printing and publishing house must be a Jordanian national.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
2. COMMUNICATION SERVICES			
B. Courier services	1) None	1) None	
(CPC 7512)	2) None	2) None	
	3) Subject to 51% foreign equity limitation. Starting no later than 1 January 2004, 100% foreign equity will be permitted.	3) None	
	4) Unbound, except as indicated in the horizontal section	4) Unbound, except as indicated in the horizontal section.	
C. Telecommunication Services			
Jordan's commitments are based on the Chairman's Note dated 16 January 1997 (S/GBT/W/2/Rev.1).			
Jordan has removed its market access limitation on spectrum availability, in light of the Chairman's note S/GBT/W/3 dated 3 February 1997 on market access limitations on spectrum availability.			

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
a) Voice telephone services (CPC 7521) d) Telex services (CPC 7523) e) Telegraph services (CPC 7522) f) Facsimile services (CPC 7521 + 7529) g) Private leased circuit services (7522+7523)	1) International callback is not allowed. Starting no later than 31 December 2004, none. 2) None 3) Jordan Telecommunications Company (JTC) has the exclusive right until 31 December 2004. Starting no later than 31 December 2004, none. 4) Unbound, except as indicated in the horizontal section.	1) International callback is not allowed. Starting no later than 31 December 2004, none. 2) None 3) Unbound. Starting no later than 31 December 2004, none. 4) Unbound, except as indicated in the horizontal section.	Jordan undertakes the obligations contained in the reference paper attached hereto.

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
b) Packet- switched data transmission services (CPC 7523) c) Circuit- switched data transmission services (CPC 7523) Value added services: h) e-mail (CPC 7523) i) voice-mail (CPC 7523) j) On-line information and data base-retrieval (CPC 7523). k) Electronic Data Interchange (CPC 7523) l) Enhanced value added facsimile services (CPC 7523) m) Code and protocol conversion n) On-line information and/or data processing (including transaction processing) (CPC 843) Internet (excluding voice telephone and facsimile services)	1) None 2) None 3) Service provided only over circuits leased from JTC. Starting no later than 31December 2004, none. 4) Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
o) Other:			
Mobile voice and data services	1) None 2) None 3) Duopoly will be maintained until 31 December 2003. Commercial presence is subject to 51% foreign equity limitation. Starting no later than 31 December 2004, none. 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) Unbound. Starting no later than 31 December 2004, none. 4) Unbound, except as indicated in the horizontal section.	
Global Mobile Personal Communication by Satellite (GMPCS)	1) None 2) None 3) None, except through local authorized provider (gateway provider). 4) Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
Paging Services (land based) (CPC 75291)	1) None 2) None 3) The total number of service suppliers is subject to an economic needs test. Starting no later than 31 December 2004, none. 4) Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	
Public pay-phone services (booth services)	1) International callback is not allowed. Starting no later than 31 December 2004, none. 2) None 3) The total number of service suppliers is subject to an economic needs test. Starting no later than 31 December 2004, none. 4) Unbound, except as indicated in the horizontal section.	1) International callback is not allowed. Starting no later than 31December 2004, none. 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	
D. <u>Audio-visual services</u>			

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
a) Motion picture and video-tape production and distribution services (CPC 9611) b) Motion picture projection service (CPC 9612) c) Sound recording	1) None 2) None 3) None, except motion picture and video-tape distribution services are subject to 50% foreign equity limitation. Director of retail outlet must be a Jordanian national. 4) Unbound, except as indicated in the horizontal section. Director of retail outlet must be a Jordanian national.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
3. CONSTRUCTION AND RELATED ENGINEERING SERVICES			
A. General Construction Work for buildings (CPC 512) B. General Construction Work for Civil Engineering (CPC 513) C. Installation and Assembly Work (CPC 14 + 516) D. Building Completion and Finishing Work (CPC 517) E. Other (CPC 511, 515, 518) excluding site preparation work for mining (CPC 5115)	1) Unbound* 2) None 3) Foreign equity in Jordanian construction and contracting firms is limited to 50%. Otherwise, non-Jordanian construction and contracting firms may provide services only through a contractual association with Jordanian firms for the purpose of implementing a specific project or tender. 4) Unbound, except as indicated in the horizontal section. The number of foreign engineers to be employed by a firm may not exceed twice the number of qualified Jordanian engineers employed by the same firm.	1) Unbound* 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	

*Unbound due lack of technical feasibility

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
4. DISTRIBUTION SERVICES			If, in future, Jordan's legislation permits non-Jordanian investors to own a greater percentage of equity with respect to projects or an economic activity in this sector, such liberalization will immediately be bound in Jordan's schedule of specific commitments
a) Commission Agent's Services (except for firearms) (CPC 621)	1) Commercial presence is required. Starting no later than 1 January 2003, none. 2) None 3) None, except access is restricted to Jordanian natural persons, Jordanian partnerships with the majority ownership by Jordanians, and Jordanian companies with a Jordanian majority on the Board of Directors. 4) Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
b) Wholesale Trade (except wholesale trade of firearms and pharmaceuticals) (CPC 622) c) Retailing Services (except retail trade of pharmaceuticals) (CPC 631, 632, 6111, 6112, 6113, 6121) d) Franchising (CPC 8922, 8923, 8929) 5. EDUCATIONAL SERVICES	1) None 2) None 3) Subject to 50% foreign equity limitation, except that service providers that are also registered as agents in Jordan are subject to the same limitations applicable to CPC 621. 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section.	
Commercial presence (in mode 3) is subject to 51% foreign equity limitation. Starting no later than 1 January 2004 , 100% foreign equity will be permitted.			
A. Primary Educational Services (CPC 921) B. Secondary Educational Services (CPC 922)	1) Unbound. 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	1) Unbound. 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
C. Higher Educational Services (CPC 923)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
D. Adult Education Services (CPC 924)	1) None 2) None 3) None, except director of adult education center must be Jordanian national. 4) Unbound, except as indicated in the horizontal section. Director of adult education center must be a Jordanian national.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	
E. Other Education Services (CPC 929), specifically cultural centers	1) None 2) None 3) None, except director of cultural center must be a Jordanian national. 4) Unbound, except as indicated in the horizontal section. Director of cultural center must be a Jordanian national.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
6. ENVIRONMENTAL SERVICES			
C. Sanitation and Similar Services (CPC 9403)	1) Unbound* 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	1) Unbound* 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	
D. Other			
Cleaning Services of exhaust gases (CPC 9404) Noise abatement services (CPC 9405) Other environmental protection services n.e.c. (CPC 9409)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	
7. FINANCIAL SERVICES			
If and when applicable, the absence of any limitation on the ability of a resident consumer to purchase the service in the territory of another Member does not signify a commitment to allow a non-resident service supplier to solicit business or to conduct active marketing in the territory of the Member.			

*Unbound due to lack of technical feasibility

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
A. Insurance and insurance - related services (CPC 812)			
Commercial presence in the form of public shareholding companies is subject to 51% foreign equity limitation. One year after accession, 100% foreign equity will be permitted.			
a) Life, insurance services including health insurance services (CPC 81211) and (CPC 81212) excluding pension fund management. b) Non- life insurance services (including accident insurance) (CPC 8129)	1) Commercial presence is required. 2) Unbound. 3) Access is restricted to public share holding companies constituted in Jordan and to branches of foreign insurance companies. 4) Unbound, except as indicated in the horizontal section.	1) Commercial presence is required. 2) Unbound. 3) None 4) Unbound, except as indicated in the horizontal section.	

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
c) Reinsurance and retrocession (CPC 81299)	1) None 2) None 3) Access is restricted to Public Share Holding companies constituted in Jordan and to branches of foreign reinsurance companies. 4) Unbound, except as indicated in horizontal section.	1) None 2) None 3) None 4) Unbound, except as indicated in horizontal section.	
d) Auxiliary Services (CPC 8140)			

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
Agency services (CPC 81401)	1) Unbound. 2) Unbound. 3) Access restricted to Jordanian natural persons, Jordanian general partnerships with majority ownership by Jordanians, and limited liability companies with Jordanians as majority in board of directors. Insurance agent or director of agent company must be Jordanian nationals. 4) Unbound, except as indicated in the horizontal section. Insurance agent or director of agent company must be Jordanian nationals.	1) Unbound. 2) Unbound. 3) None 4) Unbound, except as indicated in the horizontal section.	
Insurance consultancy (CPC 81402 excluding pension consultancy)	1) None 2) None 3) None 4) Unbound, except as indicated in horizontal section.	1) None 2) None 3) None 4) Unbound, except as indicated in horizontal section.	

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
Average and loss adjustment services (CPC 81403)	1) Unbound. 2) Unbound. 3) None 4) Unbound, except as indicated in the horizontal section.	1) Unbound. 2) Unbound. 3) None 4) Unbound, except as indicated in the horizontal section.	
Actuarial services (CPC 81404)	1) None 2) None 3) None 4) Unbound, except as indicated in horizontal section.	1) None 2) None 3) None 4) Unbound, except as indicated in horizontal section.	

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
B. Banking and Other Financial Services (excluding insurance)			
The establishment of a commercial presence (in mode 3 only) or the conduct of new activities is restricted to Public Shareholding companies constituted in Jordan, and to branches and subsidiaries of foreign banks, unless otherwise stated in the specific sub-sector. Furthermore, it is noted that only Banks may undertake activities involving the acceptance of deposits and other repayable funds from the public (CPC 81115-81119 excluding CPC 81117) and extend guarantees and commitments services (CPC 81199**) and money broking (CPC 81339**). Financial service companies as seen in sub-sector entries below may provide all other financial activities. Financial service companies are licensed to undertake Investment Trusteeship, Investment Management, Financial Consultations Financial Brokerage, Depository, Management of Primary Issues.			
a) Acceptance of deposits and other repayable funds from the public (CPC 81115-81119 excluding CPC 81117) e) Guarantees and Commitments CPC 81199**) h) Money broking (CPC 81339**)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	1) Real property in Jordan may not be mortgaged to banks outside Jordan. 2) None 3) None 4) Unbound, except as indicated in the horizontal section. Branches of foreign banks are required to have a resident regional manager.	

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
b) Lending of all types including consumer credit, factoring, mortgage credit, and financing of commercial transaction (CPC 8113) c) Financial leasing (CPC 8112) d) All payment and money transmission services (CPC 81339)	1) None 2) None 3) Service must be provided through banks and specialized financial companies. 4) Unbound, except as indicated in the horizontal section.	1) Real property in Jordan may not be mortgaged to banks outside Jordan. 2) None 3) None 4) Unbound, except as indicated in the horizontal section. Branches of foreign banks are required to have a resident regional manager.	

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
f) Trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following: Money market instruments (cheques, bills and certificates of deposits) (CPC 81339**) Foreign Exchange (CPC 81333) Derivative products incl., but not limited to, futures and options (CPC 81339**) Exchange rate and interest rate instruments, including products such as swaps and forward rate agreements (CPC 81339**) Transferable securities (CPC 81321) Other negotiable instruments and financial assets, including bullion (CPC 81339**)	1) None, except for derivative products, unbound. 2) None, except for derivative products, unbound. 3) Access restricted to: a. Banks b. Financial services companies constituted in Jordan, in the form of public shareholding company, limited liability company or a limited partnership in shares company. 4) Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
g) Participation in issues of all kinds of securities, incl. under-writing and placement as agent (whether publicly or privately) and provision of service related to such issues. i) Asset management, such as cash or portfolio management, all forms of collective investment management, custodial, depository, trust services, and pension fund management.	1) Unbound. 2) Unbound, except for issuance and public offer of securities outside Jordan by foreign service providers abroad, and for management by service suppliers outside Jordan of assets which are not traded on Amman Financial Market or otherwise traded in Jordan. 3) Access restricted to: a. Financial services companies constituted in Jordan, in the form of public shareholding company, limited liability company or a limited partnership in shares company. b. Licensed banks through affiliated companies or separate accounts. 4) Unbound, except as indicated in the horizontal section.	1) Unbound. 2) Unbound, except for issuance and public offer of securities outside Jordan by foreign service providers abroad, and for management by service suppliers outside Jordan of assets which are not traded on Amman Financial Market or otherwise traded in Jordan. 3) None 4) Unbound, except as indicated in the horizontal section.	

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
j) Settlement and clearing services for financial assets including securities, derivative products and other negotiable instruments.	1) Unbound* 2) None 3) Access restricted to the Depository Center at the Amman Bourse for securities, and to the Central Bank of Jordan for all other financial instruments. 4) Unbound, except as indicated in the horizontal section.	1) Unbound* 2) None 3) Access is restricted to the Depository Center at the Amman Bourse for securities, and the Central Bank of Jordan for all other financial instruments 4) Unbound, except as indicated in the horizontal section.	

*Unbound due to lack of technical feasibility

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
k) Advisory and other auxiliary financial services on all the activities (a - l) , incl. credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy	1) None 2) None 3) Access restricted to: a. Financial services companies constituted in Jordan, in the form of a public shareholding company, limited liability company or a limited partnership in shares company. b. Banks 4) Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	
l) Provision and transfer of financial information as related to financial data processing and related software by providers of other financial services	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as indicated in th e horizontal section.	

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
8. HEALTH RELATED & SOCIAL SERVICES (other than those listed under 1.A.)			
Commercial presence (in mode 3) is subject to 51% foreign equity limitation. Starting no later than 1 January 2004 , 100% foreign equity will be permitted.			
A. <u>Hospital Services</u> (CPC 9311) C. <u>Social Services</u> (CPC 933). Specifically, these are nursing homes, convalescent homes, rehabilitation centers	1) None 2) None 3) One of the owners must be a physician except in a public limited company. 4) Unbound, except as indicated in the horizontal section. At least ¾ of physicians in any hospital or nursing or convalescent homes must be Jordanian nationals; at least ½ of all staff must be Jordanian nationals.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
B. Other Human Health Services, specifically medical labs (CPC 93199)	1) None 2) None 3) None, except lab. director must be a Jordanian national. 4) Unbound, except as indicated in the horizontal section. Lab. director must be a Jordanian national.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	
9. TOURISM AND TRAVEL RELATED SERVICES			
A. Hotel & Motel Lodging Services, excluding casinos (CPC 6411 & 6412)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
Meal serving services with full restaurant services (excluding transport facilities) (CPC 6421) Meal serving services in self-serving facilities (cafeterias) (CPC 6422) Beverage serving services for consumption on the premises, excluding casinos (CPC 643)	1) None 2) None 3) Subject to 50% foreign equity limitation. Jordanian juridical entity is required for franchising. Foreign equity limitation does not apply to these services when operated in hotels or motels. 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	
Caterer services providing meals to outside (CPC 6423). Institutional Food Service caterers (with the exception of Airport and airline catering facilities which are confined only to the national air carriers)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
Air catering services (part of CPC 6423)	1) Unbound 2) Unbound 3) Exclusivity is currently granted to the national carrier. However, once exclusivity is lifted, access will be subject to 50% limitation on foreign equity and to any other limitations on legal form provided for by the Jordanian law. Number of service providers may be restricted. 4) Unbound, except as indicated in the horizontal section.	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in the horizontal section.	

Modes of supply: 1) Cross-Border supply 2)Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
B. Travel Agencies and Tour Operator Services (CPC 7471)	1) Foreign travel agencies must implement their tours in Jordan through a local service provider. 2) None 3) Service may be provided through Jordanian natural or juridical entities with maximum 50 % foreign equity . Service provider must be a specialized tourist firm. Director must be a Jordanian national. 4) Unbound, except as indicated in the horizontal section. Director must be a Jordanian national.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	
Tourist guide services (CPC 7472)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
10. RECREATIONAL, CULTURAL AND SPORTING SERVICES (Other than audio-visual services)			
A. Other Entertainment Services (CPC 96191)	1) Unbound*	1) Unbound*	
	2) None	2) None	
Theatrical producer, singer group, bands and orchestra entertainment services	3) None	3) None	
	4) Unbound, except as indicated in the horizontal section.	4) Unbound, except as indicated in the horizontal section.	
Circus troupes (CPC 96194)	1) Unbound*	1) Unbound*	
	2) None	2) None	
	3) Foreign circus shows must be sponsored by a registered Jordanian sports club.	3) None	
	4) Unbound, except as indicated in the horizontal section.	4) Unbound, except as indicated in the horizontal section.	

*Unbound due lack of technical feasibility.

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
B. <u>News Agency Services</u> (CPC 962) Correspondents only	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	
C. <u>Libraries, Archives, Museums and Other Cultural Services</u> (CPC 963) Museum services (except for historical sites and buildings) (CPC 96321)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	
D. <u>Sporting and Other Recreational Services</u> (CPC 964) <u>Health and fitness clubs:</u>	\ 1) Unbound* 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	1) Unbound* 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	

Modes of supply: 1) Cross-Border supply 2)Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
11. TRANSPORT SERVICES Commercial presence (in mode 3) is subject to 50% foreign equity limitation. A. <u>Maritime Transport Services</u>: Transport services by Sea –going vessels (CPC 721) a) Passenger transportation (CPC 7211) b) Freight transportation (CPC 7212)	(1)(a) Liner Shipping: None, but all ships docking in Jordan must have a local Port Agent. (b) Bulk, tramp, and other international shipping, including passenger transportation: None (2) None	(1) None (2) None	The following services at the port are made available to international maritime transport suppliers on reasonable and non-discriminatory terms and conditions: 1. Pilotage (excluded) 2. Towing and tug assistance 3. Provisioning, fuelling, and watering. 4. Garbage collecting and ballast waste disposal. 5. Port Captain's services.

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
	(3)(a) Establishment of registered company for the purpose of operating a fleet under the national flag of Jordan: None (b) Other forms of commercial presence for the supply of international maritime transport services: None (4) Unbound, except as indicated in horizontal section. 1/5 of crew on Jordanian ships must be Jordanian.	(3) Service fees for pilotage, berthing and docking are 10% less for Jordanian ships. Jordanian ships are exempt from any Port dues when anchoring in Jordanian territorial waters. Jordanian ships enjoy preferential treatment in prices of bunker provided at the Aqaba Port. (4) Unbound, except as indicated in the horizontal section.	6. Navigation aids. 7. Shore-based operational services, essential to ship operations including communications, water and electrical supplies. 8. Emergency repair facilities. 9. Anchorage, berth and berthing services(excluded). Please note that Pilotage and anchorage services have been excluded due to the national treatment limitation as seen from commitments under the national treatment column.
<u>Maritime Auxiliary Services</u>			
c) Rental services of sea-going vessels with operator (CPC 7213)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
d) Maintenance and repair of vessels (CPC 8868)	1) None 2) None 3) Access restricted to Jordanian natural or juridical entities. 4) Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	
Storage and warehousing services (CPC 742)	1) Unbound* 2) None 3) None** 4) Unbound, except as indicated in the horizontal section.	1) Unbound* 2) None 3) None** 4) Unbound, except as indicated in the horizontal section.	

* A commitment on this mode of delivery is not feasible.

** Public utility concession or licensing procedures may apply in case of occupation of the public domain

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
Shipping Agents Maritime Freight Forwarding Services (CPC 748) Maritime Freight Inspection services (CPC 749) Food Supply Catering (Provisioning)	1) Unbound. 2) None 3) Access restricted to Jordanian natural or juridical entities. 4) Unbound except as indicated in the horizontal section.	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	
C. <u>Air Transport Services</u> (as defined in the Annex on Air Transport)			
Maintenance and repair of Aircraft (part of CPC 8868)	1) Subject to an agreement with Royal Jordanian Airline (National Carrier). 2) None 3) Unbound 4) Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
Computer Reservation Systems (CRS): Sales and Marketing Maintenance and Repair	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
Air Auxiliary Services			
Freight forwarding services (part of CPC 748)	1) None 2) None 3) Access restricted to Jordanian natural or juridical entities. Director must be a Jordanian national. 4) Unbound, except as indicated in the horizontal section. Director must be a Jordanian national.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	
Packing and crating and de-packing and de-crating services (part of CPC 749)	1) None 2) None 3) Access restricted to Jordanian natural or juridical entities. 4) Unbound except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	

Modes of supply: 1) Cross-Border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
Freight inspection services (part of CPC 749) excluding pre-shipment inspection for customs valuation purposes on imports.	1) None, Jordan does not accept pre-shipment inspection for customs valuation purposes on imports. 2) None, Jordan does not accept pre-shipment inspection for customs valuation purposes on imports. 3) Access restricted to freight forwarders in the form of Jordanian natural or juridical entities. Director must be a Jordanian national. Once issuance of specialized licenses for provision of freight inspection services is regulated, access will also be granted to inspection firms in the form of Jordanian natural or juridical entities. 4) Unbound, except as indicated in the horizontal section. Director must be a Jordanian national.	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	

REFERENCE PAPER

Scope

The following are definitions and principles on the regulatory framework for the basic telecommunications services.

Definitions

Users mean service consumers and service suppliers.

Essential facilities mean facilities of a public telecommunications transport network or service that

(a) are exclusively or predominantly provided by a single or limited number of suppliers; and

(b) cannot feasibly be economically or technically substituted in order to provide a service.

A major supplier is a supplier, which has the ability to materially affect the terms of participation (having regard to price and supply) in the relevant market for basic telecommunications services as a result of:

(a) control over essential facilities; or

(b) use of its position in the market.

1. Competitive safeguards

1.1 Prevention of anti-competitive practices in telecommunications

Appropriate measures shall be maintained for the purpose of preventing suppliers who, alone or together, are a major supplier from engaging in or continuing anti-competitive practices.

1.2 Safeguards

The anti-competitive practices referred to above shall include in particular:

(a) engaging in anti-competitive cross-subsidization;

(b) using information obtained from competitors with anti-competitive results; and

(c) not making available to other services suppliers on a timely basis technical information about essential facilities and commercially relevant information which are necessary for them to provide services.

2. Interconnection

2.1 This section applies to linking with suppliers providing public telecommunications transport networks or services in order to allow the users of one supplier to communicate with users of another supplier and to access services provided by another supplier, where specific commitments are undertaken.

2.2 Interconnection to be ensured

Interconnection with a major supplier will be ensured at any technically feasible point in the network. Such interconnection is provided.

(a) under non-discriminatory terms, conditions (including technical standards and specifications) and rates and of a quality no less favourable than that provided for its own like services or for like services of non-affiliated service suppliers or for its subsidiaries or other affiliates;

(b) in a timely fashion, on terms, conditions (including technical standards and specifications) and cost-oriented rates that are transparent, reasonable, having regard to economic feasibility, and sufficiently unbundled so that the supplier need not pay for network components or facilities that it does not require for the service to be provided; and

(c) upon request, at points in addition to the network termination points offered to the majority of users, subject to charges that reflect the cost of construction of necessary additional facilities.

2.3 Public availability of the procedures for interconnection negotiations

The procedures applicable for interconnection to a major supplier will be made publicly available.

2.4 Transparency of interconnection arrangements

It is ensured that a major supplier will make publicly available either its interconnection agreements or a reference interconnection offer.

2.5 Interconnection: dispute settlement

A service supplier requesting interconnection with a major supplier will have recourse, either:

(a) at any time or

(b) after a reasonable period of time which has been made publicly known

to an independent domestic body, which may be a regulatory body as referred to in paragraph 5 below, to resolve disputes regarding appropriate terms, conditions and rates for interconnection within a reasonable period of time, to the extent that these have not been established previously.

3. Universal service

Any Member has the right to define the kind of universal service obligation it wishes to maintain. Such obligations will not be regarded as anti-competitive *per se*, provided they are administered in a transparent, non-discriminatory and competitively neutral manner and are not more burdensome than necessary for the kind of universal service defined by the Member.

4. Public availability of licensing criteria

Where a licence is required, the following will be made publicly available:

(a) all the licensing criteria and the period of time normally required to reach a decision concerning an application for a licence; and

(b) the terms and conditions of individual licences.

The reasons for the denial of a licence will be made known to the applicant upon request.

5. Independent regulators

The regulatory body is separate from, and not accountable to, any supplier of basic telecommunications services. The decisions of and the procedures used by regulators shall be impartial with respect to all market participants.

6. Allocation and use of scarce resources

Any procedures for the allocation and use of scarce resources, including frequencies, numbers and rights of way, will be carried out in an objective, timely, transparent and non-discriminatory manner. The current state of allocated frequency bands will be made publicly available, but detailed identification of frequencies allocated for specific government uses is not required.

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