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Export **Mini Guide**

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Why Export?

Exports, in general, can help companies grow their market beyond their national borders to achieve economies of scale, as well as enhance brand recognition and brand asset. When companies want to export, they need to define export as an objective within their company's overall plan, since exports may necessitate:

Increasing investments in production capacity; increasing product variety and quality, customizing the product to match the market needs and requirements, increasing staffing or attract new skills experienced in international trade, and investing in trade mark registration and protection in selected export markets...etc.

What are the Export Incentives?

Exports are considered as one of the main priorities of the Government of Jordan (GoJ) highlighted under national strategies: Jordan Vision (JV) 2025, Jordan Economic Growth Plan 2018 – 2022 and Jordan Renaissance Plan (2019-2020).

To encourage exports and enhance the competitiveness of Jordanian companies in the global market, the GoJ introduced under regulation No 13/2020⁽¹⁾ of the Jordan Investment Law No 30/2014 an export rebate for Jordanian industrial firms that manufacture exportable products. Starting 2019, the export rebate will equal 3 percent of the total annual exports of the company.

In 2020, an additional rebate of 5 percent will apply on the value of exports that exceed the 2019 mark. This rebate applies to several sectors to include food processing, chemical products, paper products, wood products and furniture amongst others.

Special export rebate conditions apply to the pharmaceutical and garment and leather sectors.

Moreover, regulation No 106/2016⁽²⁾ exempts export profits from income tax for selected industries operating in the service sector.

The subsequent sections will introduce FAQ in relation to exports divided as follows:



⁽¹⁾ Regulation No 13/2020

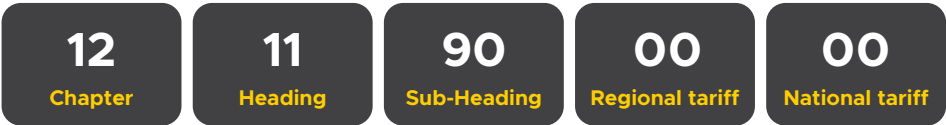
⁽²⁾ Regulation No 106/2016

Frequently Asked Questions

BASIC TRADE TERMS

01 What is an HS Code?

An HS code is a World Customs Organization’s (WCO)⁽³⁾ system of code numbers used for classifying products for cross-border trade. The HS code contains 99 chapters, grouped in 21 sections. The first six digits of the HS Code are standard in all countries; beyond that countries can introduce their own national distinctions.



Example

Moringa Seeds HS 121190--

Six Digit HS Code	Description
HS 12	Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit, industrial or medicinal plants; straw and fodder
HS 1211	Plants and parts of plants (including seeds and fruits), of a kind used primarily in perfumery, in pharmacy or for insecticidal, fungicidal or similar purposes, fresh, chilled, frozen or dried, whether or not cut, crushed or powdered
HS 121190	Plants and parts (including seeds and fruits) n.e.c. in heading no.1211, of a kind used primarily in perfumery, in pharmacy or for insecticidal, fungicidal or similar purposes, fresh, chilled, frozen or dried, whether or not cut, crushed or powdered

⁽³⁾ World Customs Organization's (WCO)

02 How is the HS Code used?

The HS code identifies the commodity being exported, thus it is used to:

- A.** Identify the national and international customs tariff **applicable to the exported product.**
- B.** Identify rules of **origin requirements for the product.**
- C.** **Identify technical and quality standards** that apply to the product.
- D.** Conduct **statistical trade analysis.**

03 How is global trade in services classified⁽⁴⁾?

The WTO classifies global trade in services under four modes:

Mode 1: Cross-border supply

Cross-border supply is defined to cover services flows from the territory of one member into the territory of another member (e.g. banking or architectural services transmitted via telecommunications or mail).

Example: A user in country A receives services from abroad through its telecommunications or postal infrastructure.

Mode 2: Consumption abroad

Consumption abroad refers to situations where a service consumer (e.g. tourist or patient) moves into another member's territory to obtain a service.

Example: Nationals of country A have moved abroad as tourists, students, or patients to consume the respective services.



⁽⁴⁾ How is global trade in services classified

Mode 3: Commercial presence

Commercial presence implies that a service supplier of one member establishes a territorial presence, including through ownership or lease of premises, in another member's territory to provide a service (e.g. domestic subsidiaries of foreign insurance companies or hotel chains).

Example: The service is provided within country A by a locally-established affiliate, subsidiary, or representative office of a foreign-owned and — controlled company (bank, hotel group, construction company...etc).

Mode 4: Presence of natural persons

Presence of natural persons consists of persons of one member entering the territory of another member to supply a service (e.g. accountants, doctors or teachers). The Annex on Movement of Natural Persons specifies, however, that members remain free to operate measures regarding citizenship, residence or access to the employment market on a permanent basis.

Example: A foreign national provides a service within country A as an independent supplier (e.g., consultant, health worker) or employee of a service supplier (e.g. consultancy firm, hospital, Construction Company).



04 What are the international trade incoterms?

International trade incoterms are the world's essential terms of trade for the selling of goods. They are issued and updated by the International Chambers of Commerce (ICC)⁽⁵⁾. The ICC also provides online training on the use of these incoterms such as FOB, Ex-Works, CIF, and CIP which are also explained in the ICC manual. These terms are very important when agreeing on the price and terms governing the export shipment (see Annex I- 2020 Incoterms)

(5) International Chambers of Commerce (ICC)

05 What is a customs tariff?

A customs tariff is a tax levied on goods imported at customs border. An exporting company should firstly identify the HS code for their product and then check whether there are any preferential trade agreements signed with the importing country that may reduce or eliminate customs tariffs and other fees imposed at customs border. The International Trade Centre (ITC) market access map database provides a simple search engine tool on HS codes tariff barrier by product and country according to trade agreement⁽⁶⁾.

EXPORT MARKETING

06 How can companies export?

Companies can export goods directly or indirectly:

Indirect exports:

When the product is shipped to an international buyer through a local seller such as an export agent or a trading or marketing company. The company, in this case, is not involved in negotiating with the international buyer, and will not carry any risk in concluding the export sales because the deal/payment ends with the domestic buyer, thus it is treated as local sales. Usually indirect exports are adopted by small companies with small production capacities and administrative structure.

See Q-17 (How can companies export companies export).

Direct export:

When the company negotiates with an international buyer the terms and conditions of the sales agreements and ships the goods directly to the buyer (see Q7- international market-entry strategies). Direct export is a costly process that requires hiring staff experienced in international trade and international marketing with English language or other language skills as per the target market. Usually direct exports are adopted by companies that have an advanced administrative structure with substantial export volume.

⁽⁶⁾ Trade agreement

07 What are the most common international market-entry strategies?

Companies can adopt various strategies to enter international markets depending on the type of product they are selling and the company's experience in exports:

Beginner Level 1 - Direct exporting:

Is when the company sells its products directly in the target market without using an intermediary in the form of B2B (Business-to-business) or B2C (Business-to-Consumer). Examples of direct selling are: selling through exhibitions, online selling using e-commerce, and selling to a distributor/retailer. Types of sales agreements that can be concluded in direct exports may include a purchase order (PO), a production agreement and/or a licensing agreement to manufacture on behalf of the buyer.

Moderate Level 2 - Exporting through agents:

Is when a company signs an agreement with an agent to sell their products in the target country on their behalf. Examples can vary from a basic commission-based agent, distribution agent, or a more advanced structure such as franchise agent.

Advanced Level 3 - Exporting by establishing commercial presence⁽⁷⁾:

In this case the company invests in the target market by establishing a retail/sales office that is owned by the company, or as a joint venture. (see Q-3 Mode 3: Commercial presence).



(7) See mode 3 in trade in services.

08 How to select an export market?

- Having contacts/relatives/friends in the target market will help reduce the learning curve since the contact can provide support in reaching prospective buyers in the target market.
- Knowing the language of the target market can reduce communications obstacles.
- Having preferential access through trade agreements reduces the cost of export and may make your product more competitive.
- If selling ethnic products, having expatriates from your community in that market will increase sales prospects of the product.
- The economic situation of the target country such as: currency, inflation, GDP, income per capita, total population, corruption index...etc will help identify the financial risks and costs associated with exporting to a market.

09 What is market research?

Market research aims to establish a better understanding of the country, consumers, regulatory environment and the competition operating in that market. When exporting to a country, **an exporter should consider investigating the following:**

- Understand the overall economic situation of that country, currency, inflation...etc. This data can be obtained from online sources such as World Bank and UNCTAD...etc.
- Understand the market segments:
 - A. **Business to Customer (B2C):** define target segment by: age, generation, ethnicity, education, gender, geography,...etc).
 - B. **Business to Business (B2B):** define target industry, agents, distributors, retailers, wholesalers who can be approached to sell the product.

10 How to develop a marketing plan:

Once the research is completed, the company can start developing the marketing plan. It is not recommended to make the marketing plan complex or perfect, but sufficient to lay-down the foundations and allow the plan to evolve with market experience.

- **Define the target market:** Develop a clear description of your target customer.
- **Develop the positioning statement vis-à-vis competitors:** What is your value added/competitive advantage vis-à-vis other retailers/suppliers.
- **What are the strengths and weakness, opportunity and threats/challenges (SWOT) in the market:** The SWOT might relate to political situation, economic conditions, product quality and competition, price...etc.
- **Technical requirements and associated costs:** These will add to the cost of the product, and the cost thereof should be investigated and calculated.
- **New staff/consultants to support the marketing plan:** Define whether you will need experts to further refine your plan, or conduct additional research to close gaps identified in the SWOT.
- **Pricing Strategy and distribution strategy:** Critical in entering a market is to establish a price and ensure that this price incorporates delivery terms (see incoterms) maintenance or service costs if needed, duties and fees. Distribution strategy should focus on tactics that should be adopted to avoid direct confrontation with established competitors while gradually increasing market presence and market share.
- **What are the financial projections:** How many units can be sold per month/quarter/season/year in that market and what is the breakeven price per unit considering all costs associated with entering that market?
- **Monitoring and Control:** How to control and measure the performance indicators of the plan, and how to update it.

- Understand competitors in the market? Use industry associations in the market to learn more about competitors (e-commerce sites) to learn about competing brands/prices/packaging...etc.
- Understand the Marketing mix to use?



Product



Packaging



Price



Place



People



Promotion

Product:

How and what product will be sold in the market, what quality certificates are needed, will the product need warranty or service support...etc, what is the anticipated volume of sales, and who are the competitors.

Packaging:

How to pack the product for the consumer, are there any market standards, what is the weight/volume per pack if sold to consumers/wholesalers/ distributors...etc?

Price:

At what price should the product be sold, what is the customs tariff on the product, what are the payment arrangements and delivery terms (see incoterms), credit terms or discounts, minimum order, guarantee warrantee offered in the market? (See Q13- How to price a product)

Place:

How is the product sold? Is it sold on seasonal basis? Which distribution channels in which cities, is e-commerce a valid option? What exhibitions to attend...etc. (See Q18-Distribuiton Channels)

People:

Are employees with special skills needed to sell the product and support the marketing plan?

Promotion:

How to promote the product? Are there any special exhibitions to attend in the market? Do you need to advertise: how and where?

11 Does Jordan have organizations that can subsidize marketing costs, or provide support in meeting technical requirements of the target market?

Yes, companies may be able to obtain grants to finance the market research and marketing plan, or obtain financing towards certifying the product/factory. Jordan has many organizations that provide grants, partial subsidy, or provide zero cost consultancy support service. These organizations include:

1. Jordan Enterprise Development Corporation (JEDCO)
2. Jordan Exports (JE)
3. Chambers of Industry and Commerce; of SMEs
4. Donor projects dedicated towards enhancing the competitiveness
5. Associations such as Jordan Exporters Association (JEA) or industry specific associations amongst others.

Additionally, organizations such as the National Fund for Enterprise Support (Nafes)⁽⁸⁾ jointly with the Amman Chamber of Industry (ACI) can provide partial subsidy towards the cost of obtaining quality certification. Organizations such as the Jordan European Business Association (JEBA)⁽⁹⁾ can provide retired experts from the Netherlands (PUM senior expert program) to conduct market studies or provide any other technical assistance to the company at reduced cost.

12 Marketing using fair-trade?

Fair-trade is when producers in developing countries are paid a fair price for their work by companies in developed countries⁽¹⁰⁾. Fair-trade can help market farmers and small producers' products to international buyers who apply fair trade principles. Initially the company should be assessed to qualify for the fair-trade brand label and be part of the fair-trade value chain. Several organizations provide fair-trade certification to businesses such as; Fair-Trade America and Fair-Trade International⁽¹¹⁾. There are also several e-commerce sites for fair-trade that can be used to help promote fair-trade companies.

⁽⁸⁾ <http://www.hcst.gov.jo/en/node/155>

⁽⁹⁾ World Bank, ITC and others provide such economic data.

⁽¹⁰⁾ <https://www.traidcraft.co.uk/fairtrade-the-definition>

⁽¹¹⁾ <https://www.fairtrade.net/>

13 How to price a product?

Companies can adopt several pricing strategies per market and region. The main elements to consider when pricing a product is: **(1)** actual cost of manufacturing the product and breakeven point⁽¹²⁾; **(2)** Price offered by competition; **(3)** Price that will be paid by customer (price elasticity⁽¹³⁾), **(3)** Profit margin sought-after by the company **(4)** Anticipated sales volume.

In addition, when pricing for an export market and presenting a price quotation to the buyer, the following costs should be investigated prior to offering the buyer with a price quotation:

1. Delivery Terms: How much will it cost to deliver goods (FOB, EX-factory, CIF, DDP...etc) (See Annex I- 2020 Incoterms).
2. Product adaptation costs: Packaging requirements, quality certificates...etc.
3. Price discounts: That could apply on early payment, volume purchases, and off-season buying.

14 How to learn about export tradeshows and exhibitions:

Exhibitions and tradeshows are important channels for reaching customers. The most effective exhibitions to attend are those that are related to the industry in which the exporter operates. These exhibitions can be easily researched using the internet.

15 How to display products during exhibitions:

Product display in exhibitions is necessary to attract and increase visitor's frequency using colour and visual effects. The space used for the display in exhibition booths is usually very limited, thus the space must be maximized to ensure that both the product and the brand have good visibility with sufficient space for private negotiations. Usually visual merchandising graduates, interior designers and advertising and communications agencies offer a good reference on how to design and present your product in an exhibition

⁽¹²⁾ Breakeven point is the point at which total revenues equal total costs.
Formula Sales (S)= Variable Costs (VC) + Fixed costs (FC)

⁽¹³⁾ Price elasticity refers to the consumer's relative influence to any fluctuation in product price.

16 What to research prior to selecting a tradeshow/exhibition:

Each exhibition/tradeshow issues statistical data and information on the exhibition to promote it to prospective buyers and sellers (exhibitors). This information is useful to analyze and understand because it can provide the company with information on:



Type and number of attendance: How many visitors divided by country and sometime leading chain buyers...etc.



Whether they pre-organize matchmaking with potential buyers:

Exhibitions are increasingly getting involved in matching a buyer with a seller; however special fees are paid for this extra service.



Special seminars: Companies may attend industry specific seminars organized during the exhibition these seminars are useful for networking and for learning more about the industry and the latest trends in the industry.



Study the list of exhibitors :Exhibitors are competitors, thus the companies should also plan on visiting other competitors to understand more about the marketing mix they adopt for their products.

17 How can companies minimize costs and challenges related to export marketing and export shipping:

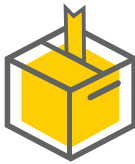
Companies, who sell small volumes, do find it very difficult to conduct market research, or develop a marketing plan, or even manage the export process (see Q6- How can companies export). As such these companies are strongly recommended to consider some of these recommendations:

- Identify a local agent who can sell their product in international markets, and/or
- Conduct collective marketing and sales by establishing a marketing company with a group of companies that sell complementary products. Each company will own shares in the marketing/trading company. This marketing company can be staffed with marketing and commercial employees that will conduct international trade on behalf of the shareholders/owners, and ship the product on behalf of manufacturer as well as promote the product online using e-commerce.
- Use fair-trade as a marketing channel (see Q-12 Marketing using fair trade)
- Use virtual markets to promote your products collectively such as Amazon, Alibaba..etc.

18 What are distribution channels?

Distribution channels are part of the **marketing channels** that the company utilizes to sell and promote its products. Distribution channels are used to display, sell, or deliver the product or service to the buyer. It includes distributors, wholesalers, retailers and agents.

The other two marketing channels are communications channels and service channels: **Communications channels** include newspapers, magazines, radio, television, mail, telephone and e-advertising using websites, Google advertising and social media such as linked-in, Facebook...etc. **Service channels** are used to help in concluding transactions with buyers and include warehouses, transportation companies, banks, insurance companies...etc.



Distribution channels



Communications channels



Service channels

19 How to leverage online retail as a distribution channel?

Online retail or electronic commerce (e-commerce) is a virtual marketplace. The advantage of online retail is that it is borderless and can reach any customer (B2B/B2C) who has internet connectivity. Since the reach is easy, companies that adopt e-commerce must complement their virtual retail with a strong e-advertising strategy to ensure that they receive sufficient visibility in the virtual market space, and since mobile devices have achieved far more traffic than desktops, companies should also consider investing in a fully responsive, mobile-optimized site that can give visitors the full experience they would get on desktop. Online retail can be developed within the company website, and can be promoted using social media such as: Facebook and Instagram. Other option for online retail is to leverage third party virtual marketplace sellers such as Amazon, Alibaba and e-bay. These third party sellers receive a monthly subscription fee and referral fees in lieu for they achieve on behalf of their customers.

MARKET ACCESS

20 What are Jordan's commitments in international trade?

Since joining the WTO⁽¹⁴⁾ in 11 April 2000, Jordan became signatory to various arrangements that govern international trade mainly: General Agreement on Tariffs and Trade (GATT), General Agreement in Trade Services (GATS), Trade Facilitation Agreement (TFA), Agreement on Trade Related Aspects of Intellectual Property Rights (TRIP), Agreement on the application of Sanitary and Phytosanitary Measures (SPS). Accordingly, the Jordanian Government should ensure that their trading system complies with the above agreements.

21 What agreements provide preferential tariff treatment for goods/services manufactured and exported from Jordan⁽¹⁵⁾?

Jordan has signed trade agreements with several countries and is beneficiary to the Generalized System of Preference (GSP) from certain members of the WTO. In addition, Jordan also signed a number of regional bilateral and multilateral trade agreements whereby products originating from Jordan will benefit from tariff and duty reduction or elimination upon entry. These agreements apply diverse rules of origin requirements (see CoO) to ensure that the goods imported undergo sufficient processing in the country of origin Jordan. The International Trade Center (ITC) market access map database provides an easy search engine tool on tariffs using the HS code by country to identify applicable tariffs by type of agreement⁽¹⁶⁾.

⁽¹⁴⁾ The WTO governs the global system of trade rules, it acts as a forum for negotiating trade agreements, it settles trade disputes between its members and it supports the needs of developing countries.

⁽¹⁵⁾ Trade agreement

⁽¹⁶⁾ Regional Trade Agreements : <https://www.macmap.org/>

The table below presents the main preferential agreements with a description of the domestic value-added needed to obtain preferential access. These agreements, amongst others, are listed in the Jordan Customs website⁽¹⁷⁾:

Agreement	Parties	Value added content
<p><u>Agreement between the United States and Jordan on the Establishment of a Free Trade Area</u></p> <p><u>United States-Jordan Free Trade Agreement</u></p>	USA, Jordan	Jordan: The sum of the cost or value of the materials produced in Jordan, plus the direct costs of processing operations performed in Jordan, is not less than 35 percent of the appraised value of the goods FOB price.
<p><u>Association Agreement between the European Union and Jordan</u></p>	Austria; Belgium; Bulgaria; Croatia; Cyprus; Czech Republic; Denmark; Estonia; Finland; France; Germany; Greece; Hungary; Ireland; Italy; Latvia; Lithuania; Luxembourg; Malta; Netherlands; Poland; Portugal; Romania; Slovak Republic;	<p><u>Pan-Euro-Med rules of Origin vary by product group</u></p> <p>Relaxed Rules of Origin (RoO) Applies to specific products: Garments, electric & electronic equipment, furniture, cables, busses, cement, paint, precious metals, cosmetic products, detergents & soap, building and dimension stone, plastic.</p> <p>http://www.animaweb.org/sites/default/files/dg_t_axud.pdf</p>
<p><u>Agadir Agreement</u></p>	Egypt; Jordan; Morocco; Tunisia.	<p><u>Applying the Pan-Euro-Med rules of Origin</u></p>
<p><u>EFTA-Jordan</u></p>	Iceland, Liechtenstein, Norway, Switzerland, Jordan	<p><u>Applying Pan-Euro-Med rules of Origin</u></p>
<p>Pan-Arab Free Trade Area Agreement (PAFTA)⁽¹⁸⁾</p>	Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Saudi Arabia, Sudan, Syrian Arab Republic, Tunisia, United Arab Emirates, Yemen, and later joined by the State of Palestine, and Algeria.	Value added 40 percent

⁽¹⁷⁾ Jordan Customs: https://services.customs.gov.jo/JCcits/List_Unprftab.aspx

⁽¹⁸⁾ The PAFTA is sometimes referred to as the Greater Arab Free Trade Agreement (GAFTA)

Agreement	Parties	Value added content
Canada–Jordan Free Trade Agreement	Canada, Jordan	Manufacture from materials of any heading except that of the product.
Jordan–Singapore Free Trade Agreement <i>(inactive)</i>	Singapore, Jordan	
Jordan Turkey Free Trade Agreement <i>(inactive)</i>	Jordan, Turkey	
Generalized System of Preference (GSP) ⁽¹⁹⁾	Australia; Canada; Japan; Korea; New Zealand; Norway; Russian Federation; Switzerland; Turkey; United States	Varies by Country: Ex: USA 35% of the appraised value

22 What are the technical requirements?

Technical requirements are standards, technical regulations, Sanitary and Phytosanitary (SPS). Measures, and conformity assessment procedures undertaken on goods prior to exportation. Knowing the technical requirements applicable to the exported product is essential. The Jordan Standards and Metrology organization (JSMO)⁽²⁰⁾ can provide the exporter with assistance in identifying and obtaining the technical requirements applicable by product and target country. In some cases, mutual recognition of conformity certificates between the JSMO and similar bodies in target countries can help simplify the trade exchange processes, save time, effort and money when conducting conformity assessments, however mutual agreements apply to a limited number of countries⁽²¹⁾.

The EU export help desk⁽²²⁾ provides information on technical requirements necessary when exporting to the EU. The US food and Drug Administration (USFDA)⁽²³⁾ imposes technical requirements for food and drugs as well as medical devices amongst others. Moreover, the US standards portal ANSI⁽²⁴⁾ provides additional information on standards that apply in the USA.

⁽¹⁹⁾ <http://ptadb.wto.org/Country.aspx?code=400>

⁽²⁰⁾ See <http://www.jsmo.gov.jo/en/Pages/default.aspx>

⁽²¹⁾ See [Managing Quality in Jordan Document](#)

⁽²²⁾ The EU export help desk: <https://trade.ec.europa.eu/tradehelp/>

⁽²³⁾ The US food and Drug Administration (USFDA): <https://www.fda.gov/home>

⁽²⁴⁾ US standards portal ANSI: https://www.standardsportal.org/usa_en/standards_system.aspx

EXPORT DOCUMENTATION

23 What is the export documentation required when exporting goods from Jordan?

There are several documents needed when exporting goods from Jordan to the destination importing country. These documentations are:



Moreover, there are shipping documents that must be prepared by the shipping agent (forwarder) that includes: airway bill/bill of lading, insurance (if shipment is insured) and customs declaration. A copy of these documents is usually sent to the importer via mail to ensure that the importer is able to clear the shipment from customs upon receipt of shipment.

24 What is an export license?

An export license is an official document that regulates the exports of certain goods. In Jordan, the export license regulates the exports of a range of mining and quarrying products, manufacturing products, and agricultural products⁽²⁵⁾. The exporter should check with the Ministry of Industry, Trade, and Supply (MoITS) to see whether the products they wish to export is subject to export limitation.

25 Who is responsible for issuing an export license?

Depending on the product type, the entities responsible for issuing the export license are: Ministry of Industry Trade & Supply (for manufactured goods), Ministry of Agriculture (for agricultural products), Ministry of Energy and Mineral Resources (for mined products).

More info visit: portal.jordan.gov

⁽²⁵⁾ Some products that are currently subject to export license: Lentil, bulgur, freekeh, sugar and rice.

26 What is a commercial invoice?

A commercial invoice (or shipping invoice) is prepared by the exporter and is used by customs to establish tariffs and fees payable on the importation of goods. The commercial invoice includes: name of the exporter, name of importer, description of product and HS code, unit price, total price, quantity and weight of the goods. It is usually printed on the exporter's letter head and is signed by the authorized exporter.

The commercial invoice is stamped by the Chamber of Industry or Chamber of Commerce in the governorate where the manufacturer operates, and it is usually accompanied by a packing list. Once stamped by the Chambers, the invoice along with the Certificate of Origin (CoO) should be validated by the MoITS.

See Annex II: commercial invoice

27 What is a Certificate of Origin (CoO)?

The CoO is an international trade document that accompanies the shipment and certifies that the exported goods are wholly obtained, produced, manufactured or processed in the country of origin Jordan. To benefit from preferential tariff treatment to countries with whom Jordan has signed bilateral/multilateral trade agreements (see types of CoO), the exporter should comply to the rules of origin requirement which could be domestically, bilaterally, and/or regionally cumulated.

28 Which entities are responsible for issuing and certifying the CoO?

Chambers of Industry/Commerce: The chambers of industry or commerce calculate the value added as per the rules of origin requirement of each trade agreement and issue the certificate of origin.

MoITS: Certify the certificate of origin.

Customs Department: Certify the certificate of origin and issues the customs declaration.

More info visit:

[Calculating Value Added](#)

[Certifying Certificate of Origin](#)

29 What are the types of Certificates of Origin issued for each export market?

- ✔ **Export to EU and EFTA States/EUR1 Certificate:** This certificate provides a proof that goods are entitled to preferential tariff treatment because they comply with the European or the EFTA⁽²⁶⁾ rules of origin. The certificate must be typed in English and must include the exporters signature and seal. The commercial invoice and the packing list should accompany EUR1. For products whose total value does not exceed 6,000 Euro the agreement mandates only the submission of an invoice declaration instead of the EUR1.
 - ✔ **Euro Med Cumulation of origin under Agadir Agreement⁽²⁷⁾ /EUR-MED Movement Certificate:** The certificate of origin for Euro Med countries is the proof that the goods are entitled to preferential tariff treatment when exported to Europe. The movement certificate should be used when goods are shipped to more than one destination in Europe or for cumulation under Agadir agreement, whereas the EUR1 certificate should be used when goods are shipped to one final destination in Europe⁽²⁸⁾.
- ✔ **Exports to the USA:** A proof that goods are entitled to preferential tariff treatment because they comply with the American rule of origin. The commercial invoice and the packing list should accompany the CoO. Once the goods reach US customs boarder, the importer will complete a declaration to prove that the goods qualify for preferential access under the Jordan-USFTA.
- ✔ **Exports to Canada/Certificate of Origin for Canada:** This certificate provides a proof that goods are entitled to preferential tariff treatment when exported to Canada as they comply with the Canadian rules of origin. It has the form of a declaration, which needs to be presented to the Canadian Customs Authorities only upon request. The exporter must fax it to the Canadian importer within the time limit stated by the Canadian Customs Authorities.

(26) The European Free Trade Association (EFTA) is a regional trade organization and free trade area consisting of four European states: Iceland, Liechtenstein, Norway, and Switzerland.

(27) Agadir Export Guide <http://www.agadiragreement.org/Pages/viewpage.aspx?pageID=167>

(28) Information obtained from the Industrial Development Directorate at the MoITS.

- 🟡 **Exports to Arab States PAFTA⁽²⁹⁾ /Certificate of Origin for the Arab Countries:** The certificate of origin for the Arab countries is the proof that goods are entitled to preferential tariff treatment because they comply with the Arab rule of origin.
- 🟡 **Exports to selected WTO members using the Generalized System of Preference (GSP):** The form A is a certificate of origin grants developing countries such as Jordan a non-reciprocal tariff reduction below the Most Favoured Nation (MFN)⁽³⁰⁾ rate when exporting to selected WTO members who have granted Jordan preferential arrangements

30 What are the packing and labelling standards?

Importing countries have packing and labelling standards at boarder entry for outer package labelling and inner package labelling. When exporting goods to global markets, packaging and labelling standards should be assessed. Barcode system for the product can be obtained from the Jordan Numbering Association (GS1 Jordan)⁽³¹⁾; whereas the other packing and labelling standards can be obtained from the target countries. Usually the importer will inform the exporter on the type of packing and labelling standards that should apply, but it is recommended to visit official government sites to verify the standard as it might affect the cost of the product.

Examples:

- EU outer box labelling standard⁽³²⁾ showing the type of barcode system that must be used on the outer packing box when exporting to the EU.
- USFDA labelling standards for food, drugs, cosmetics and medical devices⁽³³⁾.

(29) Pan Arab Free Trade Agreement (PAFTA) includes 17 Arab states: Algeria, Bahrain, Egypt, Iraq, Kuwait, Lebanon, Libya, Morocco, Oman, Palestine, Qatar, Saudi Arabia, Sudan, Syria, Tunisia, United Arab Emirates and Yemen

(30) MFN rate are the tariffs that countries promise to impose on imports from other members of the World Trade Organization, unless the country is part of a preferential trade agreement.

(31) (GS1 Jordan) <https://www.gs1.org/standards/barcodes/ean-upc>

(32) See <https://www.gs1.ee/doc/download/GS1EU%20Guidance%20for%20Standard%20Case%20Code%20Labeling.pdf>

(33) USFDA labelling standards for food, drugs, cosmetics and medical devices

31 What types of documents are prepared by the shipping agent/forwarder?

Depending on the purchase agreement concluded with the importer/buyer concerning the packing and labelling requirements, quality certificates, mode of shipping (land, sea, air) and term of sales concluded (see incoterms 2020), the exporter should proceed by contracting a shipping/forwarding agent, or export intermediary to prepare the shipment for export:

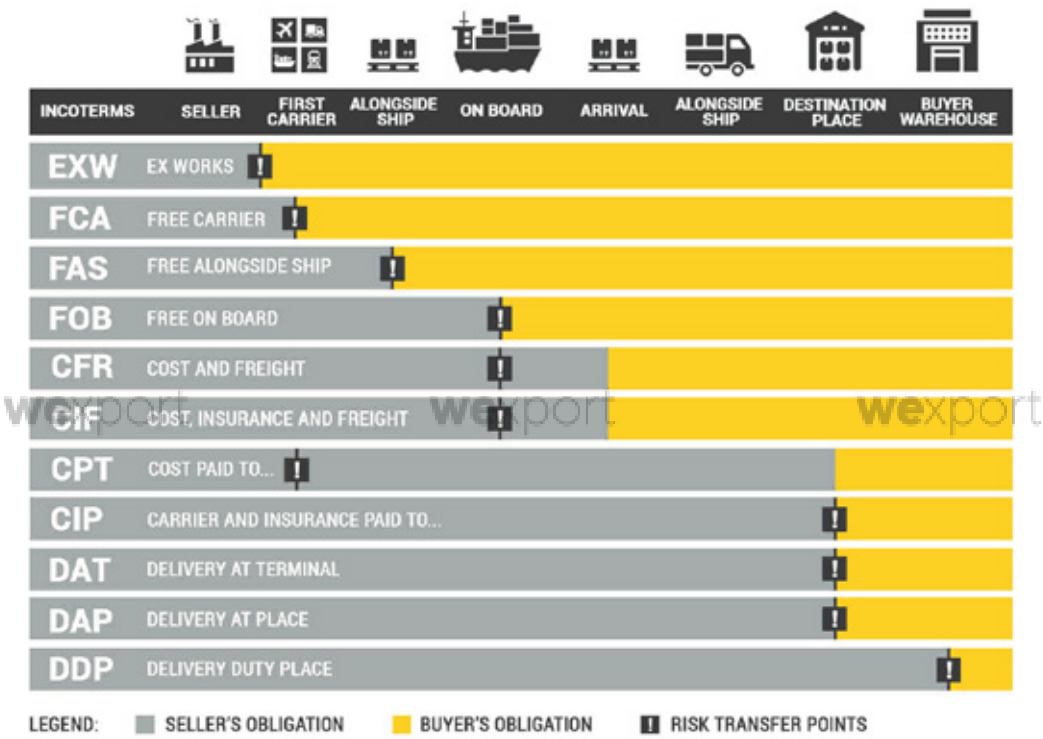
- **Packing List:** The packing list includes the shipper and consignee name, address, contact details, measurements and total net weight and gross weight of cargo, detailed list of how goods are packaged and number of packages, any relevant shipping marks, or any other important information or special instructions related to the loading and packaging contained in the shipment.
- **Bill of Lading/Airway Bill:** Depending on the mode of shipping (land, sea or air), the shipping document is prepared by the forwarder/shipping agent.
- **Customs Declaration:** Customs declaration is prepared by the forwarder/shipping agent. The declaration is made in several copies.
- **Insurance documents:** If the shipment is insured, copy of the insurance accompanies the shipping documents.

See Annex II: commercial invoice



ANNEXES:

ANNEX I: 2020 INCOTERMS



ANNEX II: COMMERCIAL INVOICE

Commercial Invoice						
Date			Invoice No			
Exporter Address City/State/ZIP code Country Phone/Fax Contact Person			Consignee Address City/State/ZIP code Country Phone/Fax Contact Person			
Tax ID No(EIN)	Total Gross weight	Transportation	Tax ID No (EIN)	Terms of sale		
Other	Total # of Pieces	AWB/BL#	Currency			
Commodity Description	HS	Country of manufacture	Qty	UOM	Unit	Total Amount
These commodities, technologies, or software were exported from the united states in accordance with export administration regulations. Diversion contrary to United States law prohibited. We certify that this commercial invoice is true and correct.			Subtotal			
			Freight cost			
			Insurance cost			
			Total Invoice Value			
I/We hereby certify that the information on this invoice is true and correct and that the contents of this shipment are as stated above.						
Name		Signature		Date		

ANNEX III: PACKING LIST

Packing List

Company
Address
City/State/ZIP
Phone
Email

Customer Name:
Address
City/State/ZIP
Phone
Email

Order Date	Ship Date	Shipping company	Order Number	Customer PO Number

Quantity Ordered	Quantity Shipped	Product Weight	Description	Product Number

Totals

Total ordered	Total Shipped	Total Weight	Shipment Notes		

Additional Notes

ANNEX IV: SUMMARY OF ONLINE RESOURCES BY TOPIC

Trade Topic	Type of Information	Website
Laws	Export Rebat Regulation 13/2020	https://www.istd.gov.jo/AttachedArabic/Legislations/2020/%20قانون%20الخصم%20نظام%202020%20.pdf
	Income tax exemption on profits service sector	https://www.istd.gov.jo/AttachedArabic/regulations/2020/%20إعفاءات%20العائدات%20من الأعمال والخدمات%20في القطاع الخدمي%20منذ%2016-20-2020-2.pdf
	Trade Statistics	https://www.trademap.org/ https://comtrade.un.org/ https://wits.worldbank.org/CountryProfile/en/WLD https://unctad.org/en/Pages/statistics.aspx
	Tariffs and prospective importers	https://www.macmap.org/
	Fair Trade	https://www.traidcraft.co.uk/fairtrade-the-definition https://www.fairtrade.net/
	HS Code (6 digit)	http://www.wcoomd.org/en/topics/nomenclature/instrument-and-tools/tools-to-assist-with-the-classification-in-the-hs/hs-online.aspx https://www.foreign-trade.com/reference/hs_code.htm
Research	Trade Incoterm	https://iccwbo.org/resources-for-business/incoterms-rules/incoterms-2020/
	Top Trade Exhibitions 2020	https://10times.com/top100
	Trade Agreement	http://rtais.wto.org/UI/PublicMaintainRTAHome.aspx https://services.customs.gov.jo/JCcits/List_Unprftab.aspx
	GSP Countries	http://ptadb.wto.org/Country.aspx?code=400
	EFTA	https://www.efta.int/media/documents/legal-texts/free-trade-relations/Jordan/EFTA-Jordan%20Free%20Trade%20Agreement.pdf
	Agadir Agreement	http://www.agadiragreement.org/Pages/viewpage.aspx?pageID=167
	Association agreement between the EU and Jordan	https://ec.europa.eu/trade/policy/countries-and-regions/countries/jordan/
Market Access		

ANNEX IV: SUMMARY OF ONLINE RESOURCES BY TOPIC

Trade Topic	Type of Information	Website
Market Access	Pan Euro-Med rules of Origin	https://register.consilium.europa.eu/doc/srv?l=EN&f=ST%209429%202010%20INIT
	Jordan Standards & Metrology	http://www.jsmo.gov.jo/en/Pages/default.aspx
	Export Help Desk EU	https://trade.ec.europa.eu/tradehelp/
	US FDA	https://www.fda.gov/home
	US Standards Portal	https://www.standardsportal.org/usa_en/standards_system.aspx
Jordan Government Procedures and fees	Barcode System	https://www.gs1.org/standards/barcodes/ean-upc
	All export documentation procedures search by topic	https://portal.jordan.gov.jo/

wexport

wexport

wexport



wexport

wexport

wexport

Connecting
you to global
markets

wexport

wexport

wexport

wexport

wexport

wexport

wexport
WOMEN EXPORT UNIT

wexport

wexport

wexport

C O N T A C T U S

**email: wexport@bpwa-amman.org
www.bpwa-amman.org**

*Wexport unit was established under a grant from
GIZ/Trade for Employment Program*

wexport

wexport

wexport