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JORDAN FISCAL REFORM II

SURVEY OF TRADE BARRIERS AND FACILITATION MECHANISMS IN JORDAN

October 2010

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CONTENTS

Executive Summary	v
Objective	v
Methodology	v
Conclusions and Recommendations	vi
Introduction	1
Objective	2
Methodology	2
Sample Size	2
Sampling of Trading Businesses	2
Survey Administration	3
Survey Results	3
Trading Activities	6
Publication of Information	7
Internet Publication	7
Establishment of Inquiry Points	8
Prior Consultation	8
Provision of Advance Ruling	8
Right of Appeal and Appeal Procedure	9
Test Procedures	9
Border Processing Time	10
Expenses and Fees	11
Prearrival Processing	12
Risk Assessment	12
Authorized Traders	13
Trade-related Agencies	13
Duplication of Documents	14
Border Agency Cooperation	15
Formalities and Requirements	15
International Standards	15

Single Window	16
Competence of Customs Brokers	17
Use of Trade Experts	17
National Committee on Trade Facilitation	18
Compliance Requirements	19
Conclusions and Recommendations	20
Appendix A. Main Jordan Trade Regulatory Authorities	
Appendix B. Survey Methodology	
Appendix C. Survey Instrument	
Appendix D. Comments, Statements and Opinions Expressed by Surveyed Businesses	

TABLES

Table 1. Issues Raised by the Survey and Responses Received	3
Table 2. Trade-related Activities of Surveyed Businesses	7
Table 3. Estimated Processing Times of Jordan Trade Agencies	11

EXECUTIVE SUMMARY

International trade—imports and exports of goods and services—is regulated for a variety of reasons, including economic protection (quotas on certain types of goods), raising revenue (such as through import duties), national security, consumer protection from risks of unsafe plant or animal products, and collection of national trade statistics. Many trade regulations implement international government obligations or agreements. Trading businesses have to follow myriad regulations issued by government and nongovernment agencies affecting the goods they trade.

Trade facilitation is commonly defined as “the simplification and harmonization of international trade procedures.” These procedures cover the wide range of practices for collecting, presenting, communicating, and processing the data required in the international movement of goods. Trade facilitation is about achieving a balance between facilitating trade transactions and maintaining necessary controls.

In Jordan, there is plenty of room for trade transaction simplification, which if properly implemented, could result in much more expedited trade and reductions in trade transaction costs. Trading businesses and ultimately consumers would greatly benefit from such simplification.

Objective

The objectives of this survey were to identify the sources and nature of the most important trade barriers faced by trading businesses in Jordan and to seek input from trading businesses on trade facilitation mechanisms that could be enhanced or introduced.

Methodology

Sample Size

A 90 percent confidence interval, a plus-or-minus 7.5 percent confidence width, and a pre-study estimate of the proportion to be measured of the order of 50 percent were used to estimate the sample size. The calculated sample size was almost 102. Thus, 102 trading businesses were surveyed to accomplish the study objective.

Sampling of Trading Businesses

The 102 businesses were selected from among larger businesses that trade in Jordan’s main traded commodities so that commodity type and business designation (import, export) are well balanced. Manufacturers, customs brokers, transporters, warehouse operators and Qualified Industrial Zone businesses are represented in the sample as well.

Survey Administration

The survey was administered during July–August 2010. Two surveyors completed the survey with 102 trading sector businesses, calling each business by telephone to identify the employee in charge of trading matters, verify the business address, and schedule an appointment. At the appointed time, one surveyor visited the company and completed the survey.

Conclusions and Recommendations

Based on the results of the survey a number of important conclusions were reached and a set of recommendations were made:

1. Jordan trading businesses have difficulty obtaining information from border control agencies. It is recommended to make all trade-relevant information available through one or more publicly accessible websites and to establish one or more Inquiry points to answer trade enquiries in a reasonable time.
2. When government agencies issue or amend legislation, regulations, and instructions, the Jordan trading sector is not consulted appropriately, and no mechanism exists to carry out such a consultation. It is recommended that formal consultation mechanisms between trading sector and border control agencies be established.
3. Jordan government trade agencies' advance ruling mechanisms are either missing or nonbinding. It is recommended that advance ruling mechanisms be established in all government trade agencies.
4. The current trade-related Jordan governmental appeal mechanisms are considered, in principle, valuable to the trading business. Nevertheless, businesses raised several operational criticisms. It is therefore recommended that the current appeal mechanisms be studied in light of international best practices and the experiences of some developed countries.
5. Confidence in laboratory testing of goods routinely requested by trade agencies is generally weak. It is recommended that an appraisal of the current system of goods testing be undertaken and corrective measures determined.
6. Most trade agencies take a long and highly variable time to complete their trade-related official formalities, indicating a lack of standard work procedures and risk management tools. It is recommended that trade transaction processing procedures be reengineered with appropriate use of risk management tools.
7. Businesses have difficulties in estimating the expenses and fees (other than customs duties) related to their trade transactions. It is recommended that government agencies study all categories of expenses and fees incurred by traders and make them publicly available.
8. Cargo pre-arrival processing of trade formalities, though permitted by Jordan Customs Department, is either not utilized or not known to businesses. It is recommended that a diagnostic is performed to identify why traders refrain from using this service, market the service appropriately, and create incentives for its use.
9. Trading businesses strongly support the use of red, yellow, and green risk selection criteria for facilitating trade in most border control agencies. It is recommended that all border control agencies start developing and implementing risk selection criteria, preferably in a coordinated fashion.
10. Authorized trader schemes like the Golden List Program of Jordan Customs Department were extremely welcomed by Jordan trading business. It is recommended that all border control agencies start developing and operating authorized trader schemes.

11. Trading businesses identified Jordan Customs Department, Jordan Institute for Standards and Metrology, Food and Drug Administration, Ministries of Agriculture and Health and Telecommunications Commission as the most difficult agencies to deal with. These agencies are encouraged to review their processing procedures and find ways to facilitate trade transactions.
12. There are at least one or two duplications in trade documents submitted to the various trade agencies. The whole system of document requests should be studied in a coordinated fashion and redundancies removed.
13. Cooperation among Jordan government trade authorities was generally weak. Political will is needed to resolve this issue. It is strongly recommended that a high-level trade facilitation committee be established for at least this purpose.
14. Businesses viewed trade formalities as “difficult” or “relatively easy.” Again, it is recommended that trade processing procedures be reengineered.
15. Businesses believed that Jordan trade authorities’ adoption of some international standards has benefited them. Thus, it is recommended that future improvements in trade procedures in Jordan trade agencies take into consideration international standards and best practices.
16. The single window service operated by Jordan Customs Department was viewed favorably by trading businesses. But criticism was raised against the status quo of the service. Jordan Customs Department, in cooperation with other border control agencies, should continue its efforts to improve the single window service.
17. Trading businesses have identified several trade barriers whose removal or minimization would facilitate trade transactions. The high-level trade facilitation committee should find ways to remove or minimize these barriers.

INTRODUCTION

International trade—imports and exports of goods and services—is regulated for a variety of reasons, including economic protection (quotas on certain types of goods), revenue raising (such as import duties), national security, consumer protection from risks of unsafe plant or animal products, and collection of national trade statistics. Many trade regulations implement international government obligations or agreements. Trading businesses have to follow a myriad of regulations issued by various government and non-government agencies affecting the goods they want to trade.

Most trading businesses perceive Customs as the main regulatory authority for the movement of goods. Yet many controls on goods in Jordan (and other countries as well) are imposed by other government departments. Jordan has 34 trade-regulatory authorities frequently encountered by trading businesses. The main authorities include Jordan Customs Department, Jordan Institute for Standards and Metrology, the Food and Drug Administration, and the ministries of Agriculture and Health. (See Appendix A for a complete list).

Necessarily, regulation is implemented through documentary and data requirements on traders. In international trading, the right paperwork is crucial. Missing or inaccurate documents or data can increase the risk of delay, raise costs, or even prevent a deal from being completed. Whether a business is importing or exporting, it needs to understand what information and paperwork are required. Despite advances in electronic business, however, paper proliferates in the international supply chain. Many countries, including Jordan, are developing electronic processes, but the ability to exchange data electronically with and between border agencies is still lacking.

Trade facilitation is commonly defined as “the simplification and harmonization of international trade procedures.” These procedures cover the wide range of practices for collecting, presenting, communicating, and processing the data required for the international movement of goods. The goal is to achieve improvements that maximize efficiency, which can lead to a variety of benefits, including faster trade flows, increased revenue for governments, reduction of costs for business, the enhancement of development, and poverty reduction. Trade facilitation, however, is not anti-regulation. Instead, its practitioners try to steer a middle path between simplification and control. Necessary and legitimate regulatory objectives must be preserved to ensure the security of the supply chain. But there is still room for improvement. Unnecessary duplication of effort, inefficient processes, and poorly targeted controls can be addressed without compromising their underlying objectives. Trade facilitation is ultimately about achieving a balance between simplification and control.

In Jordan, there is a plenty of room for trade transaction simplification, which, if properly implemented, could result in expedited trade and a reduction in trade transaction costs. Trading businesses and ultimately consumers should benefit from simplification. For example, a lack of coordination among border control agencies is still a major trade obstacle. Compliance costs for business increase when border agencies operate independently of each other rather than in a coordinated manner. And the limited use, or misuse, of the Trade Single Window, where traders can submit all the data needed to clear goods at the border electronically and at one time through a single portal. This idea—being explored or developed by many countries, including Jordan—is still far from fully implemented.

OBJECTIVE

The objectives of the survey are to identify the sources and natures of the most important trade barriers faced by Jordan trading businesses and to seek input from trading businesses on trade facilitation mechanisms that could be enhanced or introduced. Opinions were sought on the following trade barriers and trade facilitation mechanisms:

- Need for publication of trade information and the establishment of inquiry points for trading business
- Trade facilitation mechanisms such as prior consultation with business, provision of advance ruling, right of appeal, goods laboratory testing, cargo pre-arrival processing, risk assessment, authorized traders, duplication of documents, border agency cooperation, border formalities and requirements, use of international standards, single window service, use of competent customs brokers and trade experts, ability to estimate trade-related fees and charges and establishment of national committee on trade facilitation.
- Border processing time by various agencies
- Most frequently encountered trade agencies
- Identification of various trade barriers faced by business.

METHODOLOGY

Sample Size

In identifying the required sample size, a 90 percent confidence interval and a pre-study estimate of the proportion to be measured of the order of 50 percent (as it leads to an estimate of the maximum sample size) were used. The total width of the expected confidence interval was set at +/- 7.5 percent. Based on these assumptions, the calculated sample size was almost 102. Thus, 102 trading businesses were surveyed to provide statistically meaningful results. Details on sample size identification are presented in Appendix B.

Sampling of Trading Businesses

Jordan's main imported and exported goods, classified according to the Harmonized System (H.S. Code), were identified from the Jordan Department of Statistics trade database for 2008. The main imports and exports, accounting for nearly 85 percent of all import and export value, were classified under 24 and 14 H.S commodity categories, respectively. For each of the 24 import and 14 export categories, the largest 15 import and export businesses were identified from the Customs Department's database. Two companies were sampled from among the largest 15 importers and exporters for each H.S category. Thus, a total of 48 importers and 28 exporters were sampled. Aside from being an importer or exporter, some of these companies were expected to provide their own auxiliary trade supply chain services such as customs clearance, ground transport, and warehousing services. Furthermore, because larger manufacturers generally depend on imported production inputs and many exports to international markets, manufacturers (including qualified industrial zone [QIZ] companies that operate from government-designated industrial areas) were expected to be automatically represented in the 76 sample companies.

Customs brokers, freight forwarders, transporters, and warehouse operators were also desired to participate in the survey because they provide important services in Jordan’s international trade supply chains. Jordan Customs Department was asked for a list of the largest 80 customs brokers (in terms of the number of declarations filed in 2009), from which 26 customs brokers were selected at random. In Jordan, because larger freight forwarders provide customs clearance, transport, and warehousing services for their trading clientele, the 26 sampled brokers were expected to include several freight forwarders, transporters, and warehouse operators as well.

In all, 102 companies were sampled to participate in the survey. More details on sampling techniques are presented in Appendix B.

Survey Administration

The survey was administered during July–August 2010. One of two surveyors called each sampled business to identify the employee in charge of trading matters, verify the business address, and schedule an appointment. At the appointed time, one surveyor visited the company and completed the survey from the employee in charge of trading matters. Difficulties encountered in the field led surveyors to visit the same company twice or three times to complete a single survey. Some of these difficulties are listed in Appendix B. Although the survey administration was burdensome, 102 trading businesses were successfully surveyed.

SURVEY RESULTS

Table 1 summarizes the main issues raised and the responses received from trading businesses.

TABLE 1. ISSUES RAISED BY THE SURVEY AND RESPONSES RECEIVED

ISSUE	SUMMARY OF RESPONSES RECEIVED
Surveyed businesses were asked to choose all trade-related activities undertaken by each.	71 percent of businesses imported; 57 percent exported; 28 percent were in transport; 36 percent in Customs clearing; 26 percent in freight forwarding; 22 percent in warehousing; 37 percent in manufacturing; and 10 percent in QIZs; most businesses undertook more than one trade activity.
Trading businesses were asked to list five governmental and nongovernmental agencies they encounter in their routine trading activities and to rank them, from the most difficult to the easiest, in terms of the ease with which trade-related information could be obtained.	The agencies most often mentioned as difficult: Jordan Customs Department, Jordan Institute for Standards and Metrology, Ministry of Industry and Trade, Ministry of Agriculture, Ministry of Health and Aqaba Ports Corporation.
Trading businesses were asked to appraise the value to their businesses of having all information relevant to their trading activities available to them electronically on one or more publicly accessible websites.	All respondents (100.0 percent) considered this facility either very valuable (75.5 percent) or relatively valuable (24.5 percent). None considered this facility not valuable or did not know the answer.

ISSUE	SUMMARY OF RESPONSES RECEIVED
Businesses were asked how they appraise the value to their businesses of having one or more Inquiry points available to answer, within a preset time, all their reasonable trade enquires.	Almost all respondents agreed that having one or more Inquiry points available to them would be either very valuable (82.4 percent) or relatively valuable (15.7 percent). Only 1.9 percent of respondents considered this facility non valuable.
Businesses were asked if the relevant governmental agencies consult with them; allow them the opportunity to review and comment on new laws, regulations, instructions, procedures affecting their trading business.	Only 8.8 percent of respondents indicated that governmental agencies always consult businesses, 53.9 percent indicated that government agencies sometimes consult them, 32.4 percent indicated that government agencies never consult them, and 4.9 percent could not answer this question.
Businesses were asked to appraise the value to their businesses of instituting advance ruling mechanisms within trade-related governmental authorities. (An advance ruling is a written decision provided by authorities prior to the importation/ exportation).	The huge majority of respondents (88.2 percent) considered this facility either very valuable (66.7 percent) or relatively valuable (21.5 percent). Only 4.9 percent of respondents considered this facility not valuable while 6.9 percent did not answer.
Businesses were asked to appraise the value to them of the currently-instituted trade-related governmental appeal mechanisms.	The huge majority of businesses (89.1 percent) considered current appeal mechanisms very valuable (52.5 percent) or relatively valuable (36.6 percent). Only 8.9 percent considered them not valuable, while 2.0 percent did not know the answer.
Businesses were asked to indicate the level of confidence they have in laboratory test results of the goods they deal with.	More than one-quarter (26.3 percent) of respondents indicated very high confidence in laboratory test results, 37.4 percent indicated relatively high confidence, 21.2 percent indicated low confidence, while the rest (15.2 percent) did not provide answers because their goods were not subject to testing.
Businesses were asked how they perceived the length of time it takes Customs and other border agencies to complete their official work from the time goods are submitted for inspection and/ or testing.	Processing time was 1-2 days for Jordan Customs Department; 1-14 days for Jordan Institute for Standards and Metrology; 1-14 days for Food and Drug Administration; 1-7 days for Ministry of Agriculture; 1-7 days for Ministry of Health.
Businesses were asked to state how easy it is for them to estimate the various expenses and fees (other than customs duties) related to their trade transactions.	The majority of businesses (76.5 percent) considered it either very easy (30.4 percent) or relatively easy (46.1 percent) to estimate the various expenses and fees related to their trade transactions, 21.6 percent considered it difficult, while the rest (1.9 percent) did not know the answer.
Trading businesses were asked if they were allowed goods pre-arrival processing in relation to their trading activities and whether they have benefited from this service in terms of reductions in cargo clearance and release times.	Nearly two-thirds (61.9 percent) of businesses indicated that they were allowed pre-arrival processing; of those, only 21.5 percent actually benefited from the service while 78.5 percent did not. The other third (38.1 percent) of businesses indicated that they were not allowed pre-arrival processing; of those, the huge majority (88.2 percent) thought they would benefit from introducing the service while 11.8 percent thought not.
Businesses were asked to value the benefit to their businesses from being allowed to utilize pre-arrival processing using “copies” of required documents provided that original documents are presented later.	The huge majority of businesses (99.0 percent) considered this facility either very valuable (87.9 percent) or relatively valuable (11.1 percent). Only a marginal 1.0 percent considered the facility not valuable.

ISSUE	SUMMARY OF RESPONSES RECEIVED
Trading businesses were asked to value the benefit to their businesses from the use of the “Red, Yellow, and Green Lanes” risk selection criteria within four of the most encountered border agencies.	For Customs Department, 88.2 percent valued the benefit of the criteria very valuable or relatively valuable. For Institute for Standards and Metrology, 83.7 percent valued the benefit very valuable or relatively valuable. For Food and Drug Administration, 80.6 percent valued the benefit as either very valuable or relatively valuable. For Ministry of Agriculture, 78.3 percent considered the benefit either very valuable or relatively valuable.
Businesses were asked to value the benefit to their businesses from the introduction of an authorized traders’ scheme like the Golden List Program of Jordan Customs Department.	The introduction of such a scheme was rated very valuable by 70.6 percent of respondents, relatively valuable by 20.6 percent of respondents, and not valuable by only 4.9 percent; 3.9 percent could not ascertain an answer.
Businesses were asked to identify up to eight governmental and nongovernmental agencies they frequently deal with in the course of their normal trading activities and to identify which one is the most difficult to deal with.	The most difficult agencies to deal with were: Customs Department, Institute for Standards and Metrology, Food and Drug Administration, Income and Sales Tax Directorate, Ministry of Agriculture, Ministry of Health, Ministry of Industry and Trade, Aqaba Containers Terminal, Telecommunications Regulatory Commission and Military Security.
Businesses were asked to indicate how much duplication was there in their trade transaction documents submitted to the various government- and non-government trade agencies.	The majority of businesses (84.8 percent) indicated 1-2 duplications in their submitted documents, 13.0 percent indicated 3-4 duplications and only 2.2 percent indicated 5-or-more duplications.
Businesses were asked to appraise the level of cooperation and coordination between Jordan government trade-related authorities.	Only 19.6 percent of respondents have indicated that the level of cooperation and coordination was very high, 42.2 percent was relatively high, 31.4 percent was low and 6.8 percent could not ascertain an answer.
Businesses were asked how they perceive the level of easiness by which their trade formalities and requirements are completed (taking into consideration the time required to complete formalities, required documents, etc.).	Formalities were perceived as very easy by only 13.7 percent of respondents, relatively easy by 62.7 percent of respondents, and difficult by 22.5 percent of respondents; 1.0 percent could not ascertain an answer.
Businesses were asked if Jordan government trade authorities’ adoption of “international standards” has benefited their businesses.	The huge majority (92.1 percent) agreed that adoption of international standards has benefited their businesses, while the rest (7.9 percent) did not.
Businesses were asked to value the benefit to their businesses from the “single window” processing available now at many customs border offices.	The majority (81.3 percent) indicated that single window service was either very valuable (43.1 percent) or relatively valuable (38.2 percent). Some 7.8 percent of respondents considered the service non-valuable, while the rest (10.9 percent) could not ascertain an answer.
Businesses were asked to appraise the level of technical competence of their customs brokers.	The majority (96.1 percent) indicated that their customs brokers were either very competent (40.2 percent) or relatively competent (55.9 percent).

ISSUE	SUMMARY OF RESPONSES RECEIVED
<p>Businesses were asked if they ever used the services of a trade expert to assist them in technical matters related to their trade transactions, and if yes, how do they appraise the technical competence of the trade expert they used.</p>	<p>Only 14.7 percent of businesses used the services of a trade expert, while the huge majority (85.3 percent) did not. Of the 15 businesses that used the services of a trade expert, seven businesses (47.7 percent) rated their experts as very competent, five businesses (33.3 percent) rated them relatively competent, and one business (6.7 percent) as not competent; two businesses (13.3 percent) could not give a rating.</p>
<p>Businesses were asked to appraise the level of easiness by which they could find competent trade experts in their markets.</p>	<p>The majority (61.8 percent) of businesses could not answer this question. Only 6.7 percent of respondents considered finding competent trade experts very easy, 17.6 percent relatively easy and 13.7 percent difficult.</p>
<p>Businesses were asked if they are aware if there is a national committee (or similar mechanism) on trade facilitation in Jordan, and if yes, to name it and appraise its ability in enhancing the free flow of trade between Jordan and other countries.</p>	<p>Nearly one-third (32.4 percent) of respondents indicated that a national trade facilitation committee (or similar) does exist. Of the 33 businesses that indicated that such a national committee exists, seven (21.2 percent) rated the committees they named as highly capable, 17 businesses (51.5 percent) as relatively capable, and two businesses (6.1 percent) as not capable; seven other businesses (21.2 percent) could not ascertain a rating.</p>
<p>Businesses were asked how they perceive the benefit from establishing a new permanent national committee (or similar mechanism) on trade facilitation in Jordan.</p>	<p>Majority (89.1 percent) of respondents perceived the benefit of establishing a new committee as either very beneficial (63.4 percent) or relatively beneficial (25.7 percent). Only 3.0 percent could not see any benefit from a new committee, while some 7.8 percent could not rate the benefit they could attain.</p>
<p>Businesses were asked through an open-ended question to indicate the three most significant trade-related compliance requirements that their businesses would like to see removed or simplified.</p>	<p>Some of the frequently stated requirements businesses like to see removed or simplified: complicated customs procedures, frequent changes of legislation, costs of goods laboratory testing, high customs duties on production/ manufacturing inputs, complex importation procedures for restricted materials, complex Aqaba Port procedures, weak coordination between border agencies.</p>

Trading Activities

A total of 102 trading businesses completed the survey. Surveyed businesses were asked to choose all trade-related activities undertaken by them. Eight trade-related activities were specified: import, export, transport, Customs clearing, freight forwarding, warehousing, manufacturing and QIZs. QIZ businesses are trading businesses, mainly manufacturers that operate from government-designated industrial zones.

As expected, the huge majority of businesses had more than one trade-related activity. The numbers of businesses and percentages of 102 surveyed businesses, which undertook each type of trade-related activity, are shown in Table 2. Many importing and exporting companies were also manufacturers, and many importers are exporters as well. Also, most freight forwarders provide customs clearance and warehousing services. Some larger importers and exporters had their own (internal) customs clearing agent.

TABLE 2. TRADE-RELATED ACTIVITIES OF SURVEYED BUSINESSES

ACTIVITY	NO. OF BUSINESSES UNDERTAKING ACTIVITY	% OF BUSINESSES SURVEYED
Import	72	70.6
Export	58	56.8
Transport	29	28.4
Customs clearing (brokers)	37	36.3
Freight forwarding	26	25.5
Warehousing	22	21.6
Manufacturing	38	37.3
Qualified Industrial Zone	10	9.8

Publication of Information

Easy access to trade-related information by all trading businesses is an important trade facilitation mechanism. Trade-related information such as legislation, regulations, instructions, restrictions, procedures, and duties governing import, export, transit, customs, transport, ports, and warehousing enables trading businesses to complete cargo processing formalities with minimal error and within a short time. Thus, the trading sector was asked to appraise the ease or difficulty of obtaining information about their trading activities from governmental and nongovernmental agencies. Businesses were asked to list five governmental and/or nongovernmental agencies they encounter in their routine trading activities and rank them, from the most difficult to the easiest, in terms of the ease with which trade-related information could be obtained.

Results revealed that the agencies most frequently mentioned as difficult were Jordan Customs Department, Jordan Institute for Standards and Metrology, Ministry of Industry and Trade, Ministry of Agriculture, Ministry of Health, and Aqaba Ports Corporation. The agencies most frequently mentioned as easiest were Jordan Customs Department, Chambers of Industry, Chambers of Commerce, Ministry of Industry and Trade and Banks. No clear trend could be determined. Overall, it is clear that trade-relevant information availability varies among governmental and nongovernmental agencies; and the ease with which information can be obtained varies from one business to another.

Internet Publication

Electronic publication of trade information—as opposed to making hard copies available for purchase or free of charge from trade authorities—improves access to such information by the trading community. Trading businesses were asked to appraise the value to their business of having all information relevant to their trading activities available electronically on one or more publicly accessible websites. Information relevant to trading activities was formally defined as legislation, regulations, instructions, restrictions, procedures, and duties governing import, export, transit, Customs, transport, ports, and warehousing.

All respondents (100.0 percent) considered this facility either very valuable (75.5 percent) or relatively valuable (24.5 percent). None of respondents had considered this facility as not valuable or did not know the answer. This result indicates that businesses have strong desire

to have all trade-related information available to them electronically through one or more easily accessible websites.

Establishment of Inquiry Points

Establishment of qualified inquiry points, especially in government trade authorities, to respond to traders' inquiries and give guidance on trading procedures is an important trade facilitation mechanism. Personnel at inquiry points should have in-depth knowledge about the trade matters under their agency's authority and should provide timely responses to the trading community.

Almost all trading businesses agreed that having one or more inquiry points available to answer, within a preset time, all their reasonable trading-relevant enquires was either very valuable (82.4 percent) or relatively valuable (15.7 percent). Only 1.9 percent of respondents considered this facility as not valuable. This result indicates that businesses have a strong desire to see inquiry points established with trade authorities.

Prior Consultation

Trade legislation, regulations, instructions, and procedures, are supposed to stimulate trading activity; thus they should reflect the concerns of the trading community. Trading businesses were asked if the governmental trading agencies consult with them (directly or through business associations or chambers of industry or commerce), or give them the opportunity to review and comment on new laws, regulations, instructions, procedures, etc. affecting their trading business affairs.

Only 8.8 percent of respondents indicated that governmental agencies always consult with businesses, 53.9 percent indicated that government agencies sometimes consult them, 32.4 percent indicated that government agencies never consult them, and 4.9 percent could not answer this question. These percentages indicate that government trade authorities, generally, have formal mechanisms to seek opinions from the trading community when a piece of legislation is enacted. That means that trade legislation may have been passed without responding to the legitimate needs of the trading community.

Provision of Advance Ruling

Advance ruling is defined as a written decision provided by the advance ruling authority to an applicant before the importation or exportation of the goods covered by the application that sets forth the treatment the authority will provide to the goods at the time of import or export. Advance ruling is a trade facilitation mechanism because it encourages traders to expand their trading activities especially when a product is to be imported from a new country of origin, or a new technology is to be introduced in the local market, or more generally when a trader has doubts about product permission and/ or tax treatment. Trading businesses were asked to appraise the value to their business of instituting advance ruling mechanisms with trade-related governmental authorities.

The huge majority of respondents (88.2 percent) considered this facility either very valuable (66.7 percent) or relatively valuable (21.5 percent). Only 4.9 percent of respondents considered this facility not valuable, while 6.9 percent did not know the answer. These results point to the need for establishing advance ruling mechanisms in government trade authorities to encourage traders to expand the range of products and countries they trade with.

Right of Appeal and Appeal Procedure

Appeal mechanisms provide any person to whom any relevant trading and/ or border agency issues a decision the right, without penalty, to administrative appeal of the agency that issued the decision and/ or judicial appeal of the decision. Well-established appeal mechanisms are important trade facilitation mechanisms because they guarantee traders that their rights will be preserved. The value to Jordan's trading sector of current trade-related governmental appeal mechanisms was appraised.

The huge majority of businesses (89.1 percent) considered current appeal mechanisms very valuable (52.5 percent) or relatively valuable (36.6 percent). Only 8.9 percent considered them not valuable, while 2.0 percent did not know the answer. Businesses were asked to explain their answers. Those who considered appeal mechanisms very valuable or relatively valuable gave the following most frequent comments:

- Information is audited and facts are revealed in the appeal process.
- Important mechanism to unify final disputed decisions.
- Our rights are preserved via the appeal mechanism.
- Appeal mechanism helps identify the right tariff classification and goods value.
- Appeal provides a platform for an independent opinion on trade matters.
- Appeal is a just mechanism when government agencies make mistakes.

Businesses that considered the current appeal mechanisms not valuable gave the following most frequent comments:

- Appeal mechanisms should be reviewed and upgraded.
- Appeal processes take too long, so traders give up and may not attempt to use them.
- Some agencies decisions' cannot be appealed.
- Appeal mechanisms should be independent from the party appealed against.
- Most of the time traders lose their appeal.
- Often an appeal does not bring new decisions; i.e., it reaffirms the original decision.
- Government decisions are rarely changed.
- Decisions sometimes are based on personal judgments.

Appendix D has complete lists of comments made.

These results reveal that trading businesses are nearly divided with respect to the value of appeal mechanisms. While nearly half of businesses considered current appeal mechanisms very valuable, the other half thought they are only "relatively valuable" or "not valuable." The division between businesses on the issue is strengthened by the positive and negative arguments each side makes. Thus, it seems that in-place appeal mechanisms are "good," though leaving a plenty of room for improvement.

Test Procedures

Laboratory testing of goods routinely takes a long time to process, and sometimes repeated testing reveals discrepancies, thus impeding trade transaction processing. Without doubt, efficient laboratory testing reduces border processing time and spares traders unnecessary costs. Trading businesses were asked to indicate the level of confidence they have in laboratory results of the goods they deal with.

More than one-quarter (26.3 percent) of respondents indicated very high confidence in laboratory test results, 37.4 percent indicated relatively high confidence, 21.2 percent

indicated low confidence, while the rest (15.2 percent) did not provide an answer because their goods are not subject to laboratory testing. Businesses were asked to state the reasons behind their answers. Those who had very high confidence in laboratory test results gave the following positive comments most frequently:

- Our laboratories follow international best practices in their testing procedures.
- I believe we have good and specialized labs with high-tech equipment.
- Laboratory employees and technicians are qualified to do their work.
- Most test results are consistent with minor discrepancies.
- Our laboratories are accredited internationally.

Businesses that had relatively high or low confidence in laboratory test results made the following comments the most frequently:

- Primitive laboratories; technicians not qualified; discrepancies appear in results.
- Laboratory testing of foodstuff items is slow and takes a long time.
- No independent party to appeal to and no independent labs to resolve disagreements.
- Unnecessary repetition of many tests.
- No experience in certain types of commodities.
- No advance technology for certain types of tests.
- Customs labs lack new equipment; sometimes they ask us to repeat tests at our own expense in external labs (non customs labs).

Appendix D has complete lists of comments made.

These results reveal that trading businesses are divided in their confidence in laboratory testing of goods. Although nearly one-quarter of businesses had very high confidence in laboratory testing, one-fifth had low confidence. The division between businesses on the issue is strengthened by the positive and negative arguments each side has. Thus, it seems that goods laboratory testing is “good,” though leaving plenty of room for improvement.

Border Processing Time

The length of time required for processing trade transactions is a direct measure of the efficiency with which trade-related governmental and nongovernmental agencies do their work. Trading businesses were asked how they perceived the length of time it takes Customs or any other agency (governmental and nongovernmental) to complete its official work from the time goods are submitted for inspection and/ or testing. Businesses could list five agencies and the estimated processing time for each and could provide comments.

The agencies named and the estimated processing time for each are listed in Table 3. The lower limit of the indicated ranges represents routine processing while the upper limit represents cargo generally requiring laboratory testing and/ or special approval. Respondents made the following comments most frequently:

- Processing time varies widely from shipment to another.
- Bureaucracy and unqualified personnel lengthen processing time.
- Goods inspection is slow and our food shipments cannot wait.
- Green, yellow, and red lanes is a very good system if used properly.
- Food and Drug Administration and Institute for Standards and Metrology’s procedures are too lengthy.
- Some customs centers are easy and fast; others are difficult and lengthy.

- Customs should be authorized to question other agencies when delays occur.
- Laboratory tests cause delays.
- Customs IT systems are old fashioned and not efficient.
- No cooperation between government agencies.

It is clear that most agencies take a long time to complete their trade-related official work, especially Jordan Institute for Standards and Metrology, Food and Drug Administration and Royal Scientific Society. The comments by businesses reveal several areas of procedural deficiencies demanding corrective measures.

TABLE 3. ESTIMATED PROCESSING TIMES OF JORDAN TRADE AGENCOES

NAME OF AGENCY	PROCESSING TIME (DAYS)
Jordan Customs Department	1–2
Jordan Institute for Standards and Metrology	1–14
Food and Drug Administration	1–14
Ministry of Agriculture	1–7
Ministry of Health	1–7
Ministry of Industry and Trade	1
Ministry of Transport	1
Chambers of Industry	1
Chambers of Commerce	1
Aqaba Ports Corporation	1–2
Investment Promotion Corporation	1–7
Royal Geographic Center	1
Telecommunications Commission	1–7
Nuclear Energy Commission	1–7
Environmental Health	1
Royal Scientific Society	1–14
Aqaba Containers Terminal	2–4
Banks	1–3

Expenses and Fees

Traders need to be able to estimate the overall costs of their trading transactions. Trading expenses and fees (other than customs duties) are among the highly variable, thus difficult to estimate, elements of overall cost which may restrict trading activity. In the survey, expenses were formally defined to include those of transport, customs broker and similar expenses. Fees were those imposed by trade, governmental and non-governmental agencies for formalities related to importation, exportation or any other trade-related services. Trading businesses were asked to state how easy it is for them to estimate the various expenses and fees (other than customs duties) related to their trade transactions.

The majority of businesses (76.5 percent) considered it either very easy (30.4 percent) or relatively easy (46.1 percent) to estimate the various expenses and fees related to their trade transactions, 21.6 percent considered it as difficult, while the rest (1.9 percent) did not know the answer. This result indicates that nearly one-fifth of businesses had difficulty estimating

expenses and fees pertinent to their trading transactions; thus may be restricted in the scope of trade transactions they undertake.

Pre-arrival Processing

Pre-arrival processing means that Customs and other relevant border agencies accept and examine documentation and information submitted by importers, exporters, transporters, brokers, shippers, etc. prior to the physical arrival of goods or means of transport. Pre-arrival processing is considered a trade facilitation mechanism as many of a trade transaction's formalities through the various border control agencies could be completed upfront before shipment arrival. Trading businesses were asked if they were allowed pre-arrival processing in relation to their trading activities and whether they have benefited from this service in terms of reductions in cargo clearance and release times. It should be noted that pre-arrival processing is allowed by Jordan Customs Department, however some businesses were likely not to be aware of that. Thus, businesses were asked if they think they would benefit from the introduction of this service in case they did not know of its existence. Nearly two-thirds (61.9 percent) of business have indicated that they were allowed pre-arrival processing; of those, only 21.5 percent actually benefited from the service while 78.5 percent did not. The nearly other third (38.1 percent) of businesses have indicated that they were not allowed pre-arrival processing; of those, the huge majority (88.2 percent) thought they would benefit from introducing the service while 11.8 percent thought not.

Pre-arrival processing of imported and exported goods using "copies" of officially-required trade documents is expected to facilitate and expedite trade transactions. Thus, trading sector was asked to value the benefit to their businesses from being allowed to utilize pre-arrival processing using copies of required documents provided that original documents are presented later (either before final release of goods or made available during post-release audit). The huge majority of businesses (99.0 percent) considered this facility either very valuable (87.9 percent) or relatively valuable (11.1 percent). Only a marginal 1.0 percent considered the facility as not valuable.

The above results clearly reveal that cargo pre-arrival processing, which could greatly reduce trade transactions' processing times, is not utilized or not known by the huge majority of businesses. Even though pre-arrival processing service is available at Jordan Customs Department, there are certain barriers to its utilization. If pre-arrival processing is permitted using "copies" instead of "original" documents, the service could be utilized by larger numbers of traders. Obviously, almost all businesses support the use of "copies" instead of "original" documents at the time when the pre-arrival processing takes place.

Risk Assessment

"Red, Yellow, and Green Lanes" risk selection criteria means concentrating trade agencies' control, particularly documentary examinations and physical inspections, etc., on high risk consignments and traders, while expediting the release of low risk ones. The criteria are considered an important trade facilitation mechanism as trade control agencies optimize their available resources according to the level of risk attached to various shipments and traders.

Trading sector was asked to value the benefit to their businesses from the use of the "Red, Yellow, and Green Lanes" risk selection criteria within four of the most encountered border agencies. The four most encountered border agencies were Jordan Customs Department, Jordan Institute for Standards and Metrology, Food and Drug Administration and Ministry of Agriculture.

For Jordan Customs Department, the huge majority of respondents (88.2 percent) valued the benefit of the criteria as either very valuable (70.6 percent) or relatively valuable (17.6 percent), 9.8 percent as not valuable, and 2.0 percent could not ascertain an answer. For Jordan Institute for Standards and Metrology, again the huge majority of respondents (83.7 percent) valued the benefit of the criteria as either very valuable (66.3 percent) or relatively valuable (17.4 percent), 13.0 percent as not valuable, and 3.3 percent could not ascertain an answer. For Food and Drug Administration, the majority of respondents (80.6 percent) valued the benefit of the criteria as either very valuable (64.2 percent) or relatively valuable (16.4 percent), 9.0 percent as not valuable, and 10.0 percent could not ascertain an answer. For Ministry of Agriculture, the majority of respondents (78.3 percent) valued the benefit of the criteria as either very valuable (63.8 percent) or relatively valuable (14.5 percent), 10.1 percent as not valuable, and 11.6 percent could not ascertain an answer.

Generally speaking, the above result indicates that trading businesses support the utilization of the “Red, Yellow, and Green” risk selection criteria as a tool for facilitating trade within Jordan most encountered government trade authorities.

Authorized Traders

Authorized Economic Operators (authorized traders) meet specific criteria related to compliance with customs and supply chain security requirements. In return, trade transactions of authorized traders are facilitated through reduced documentary requirements, reduced cargo inspections, rapid release of cargo, reduced guarantees, etc. Thus, the introduction of Authorized Economic Operators scheme(s) is/ are expected to facilitate trade transactions belonging to compliant trade operators. Trading sector was asked to value the benefit to their businesses from the introduction of an authorized traders’ scheme like the Golden List Program of Jordan Customs Department.

The introduction of an Authorized Economic Operators scheme was valued as very valuable by 70.6 percent of respondents, relatively valuable by 20.6 percent of respondents, not valuable by only 4.9 percent and 3.9 percent could not ascertain an answer. This result clearly reveals a strong support by the trading community for establishing such schemes within trade-relevant agencies as means for facilitating trade transactions.

Trade-related Agencies

Trading businesses were asked to identify up to eight governmental and nongovernmental agencies they frequently deal with in the course of their normal trading activities and to identify which one is the most difficult to deal with. The most frequently reported agencies were (see Appendix A for a complete list):

- Jordan Customs Department
- Jordan Institute for Standards and Metrology
- Food and Drug Administration
- Income and Sales Tax Directorate
- Ministry of Agriculture
- Ministry of Health
- Ministry of Industry and Trade

The most frequently reported “most difficult agencies to deal with” were:

- Jordan Customs Department

- Jordan Institute for Standards and Metrology
- Food and Drug Administration
- Income and Sales Tax Directorate
- Ministry of Agriculture
- Ministry of Health
- Ministry of Industry and Trade
- Aqaba Containers Terminal
- Telecommunications Regulatory Commission
- Military Security

The list of the “most difficult agencies to deal with,” unfortunately, include 10 trade agencies most of them are among the ones frequently encountered by the trading community such as Jordan Customs Department, Institute for standards and Metrology, Food and Drug Administration and Ministries of Agriculture and Health.

Duplication of Documents

Duplication in trade transactions documents submitted to the various government and non-government trade agencies is considered an unjustifiable burden on trade businesses leading to higher trade transactions costs and longer processing times. Duplication in trade transaction documents means submitting the same document to two or more trade agencies. Trading sector was asked to indicate how much duplication was there in their trade transaction documents submitted to the various government- and non-government trade agencies.

The majority of businesses (84.8 percent) indicated 1-2 duplications in their documents, 13.0 percent indicated 3-4 duplications, and only 2.2 percent indicated 5 or more duplications. Traders gave the following examples of duplications:

- Export documents are submitted to the Chamber of Industry and Ministry of Industry and Trade.
- Invoices are submitted to Customs and Ministry of Health.
- Shipping documents are submitted to the freight forwarder and Customs.
- Customs declaration is requested by other agencies.
- Import permit is submitted to Customs and Ministry of Agriculture.
- Health certificate is requested by Customs and Ministry of Agriculture.
- Customs declaration is submitted to Customs and Income and Sales Tax Directorate.
- Invoice, certificate of origin, health certificate and packing list are submitted to Customs, Jordan Institute for Standards and Metrology, Ministry of Health and Ministry of Agriculture.

These results indicate at least two duplications in the documents submitted to concerned agencies in processing a single trade transaction. The list of example duplications stated by businesses reinforces this result. Duplication in document submittal creates burdens on businesses; businesses are not supposed to submit the same document repeatedly to different trade agencies.

Border Agency Cooperation

High level of cooperation and better work coordination between the various border control agencies are supposed to contribute to smoother and facilitated trade transactions. Trading sector was asked to appraise the level of cooperation and coordination between Jordan government trade-related authorities; especially border control agencies. Example border control authorities include Jordan Customs Department, Jordan Institute for Standards and Metrology and Ministries of Industry and Trade, Health and Agriculture.

Only 19.6 percent of respondents indicated that the level of cooperation and coordination was very high; 42.2 percent, relatively high; 31.4 percent, low; and 6.8 percent could not answer. When asked what more can be done to improve cooperation between the authorities, the following suggestions were given the most frequently:

- Electronic cooperation and coordination is needed.
- Increase number of qualified employees.
- Use single window services.
- Use one location to complete all formal procedures.
- Automate all official procedures.
- All agencies' representatives must work together on the declaration.
- Unify procedures.
- Unify all agencies in one single agency.
- Unify computer bases in government agencies.

Nearly one-third of businesses believe that the level of cooperation and coordination between Jordan government trade-related authorities is low, compared with only one-fifth who believe it is very high. The lack of cooperation and work coordination among trade authorities has a negative impact on businesses. Several suggestions to overcome this barrier were made, notably: use of single window processing service, unification and automation of agencies' work procedures, electronic connection between various agencies, training of personnel and adequate representation of main trade agencies at border crossings.

Formalities and Requirements

The ease with which trade transaction formalities are completed should reflect positively on trade activities, and ultimately trade volume. Trade transaction formalities include all official import, export, transport, and customs clearance requirements imposed by government and nongovernment agencies. The trading sector was asked how they perceive the ease with which trade formalities and requirements are completed (taking into consideration the time required to complete formalities, required documents).

Formalities were perceived as very easy by only 13.7 percent of respondents, relatively easy by 62.7 percent of respondents; and difficult by 22.5 percent of respondents, while 1.0 percent could not answer. These percentages reveal that at least one-fifth of businesses face difficulties completing their trade transaction formalities, indicating a need for appropriate measures to make them simpler.

International Standards

International standards are believed to facilitate international trade. International standards refer to international conventions and/ or agreements related to facilitating formalities and procedures of international trade such as World Customs Organization, UN Center for Trade Facilitation and Electronic Business, and International Maritime Organization. The trading

sector was asked if the Jordan government trade authorities' adoption of "international standards" has benefited their businesses. The huge majority (92.1 percent) agreed that adoption of international standards has benefited their businesses, while the rest (7.9 percent) did not. Businesses were asked to state why they thought international standards benefit their business; they gave the following answers most frequently:

- Lead into reductions of customs duties
- Lowered trade costs with other countries
- Reduced trade procedures and lowered customs duties
- Lead to more objective and unified procedures
- Expedites processing
- Opened new markets
- Economic activity improved
- International trade is made easier.

This reveals unanimous agreement among businesses that Jordan's move in the past few years toward the adoption of international standards (conventions and agreements related to trade facilitation) has benefited them. Businesses cited important benefits gained from the adoption of international standards such as opening of new markets, enhanced exports, simpler and internationally consistent trade procedures, lower trade costs, and reduced customs duties.

Single Window

Single window processing of trade transactions aims at facilitating and expediting cargo processing formalities at borders. Single window is defined as a facility that allows parties involved in trade and transport to lodge standardized information and documents with a single entry point to fulfill all import, export, and transit-related regulatory requirements. Single window service, though limited in scope and not fully automated, is operational at many Jordan Customs border offices. The trading sector was asked to value the benefit to their business from the single window processing available at Customs border offices.

The majority (81.3 percent) indicated that the single window service was either very valuable (43.1 percent) or relatively valuable (38.2 percent) to their businesses. Some 7.8 percent of respondents considered the service non valuable, while the rest (10.9 percent) could not answer. Businesses were asked to express their opinions on how the efficiency of the current single window service could be improved. Efficiency of single window was defined to include reduced processing time, reduced documentation, better use of resources, and elimination of redundant activities. The following are the most frequently stated opinions:

- Efficient and qualified personnel only must work in the single window.
- More work coordination between agencies at single window is needed.
- All agencies must classify traders based on their risk to expedite processing at single window.
- Single window should contain representatives from all relevant agencies.
- Reduce number of procedural steps; reduce required documents.
- Specify processing time at single window.
- Use electronic transactions.

- All documents should be stored in a single database.
- Employees should have access to all relevant information from all agencies electronically.
- Give authority to customs to reduce delays of other agencies.

Even though four-fifths of businesses considered the single window service very valuable or relatively valuable, several areas of weaknesses were pinpointed. Among the important weaknesses is the fact that not all declarations are processed via single window, lack of qualified personnel, low-level of cooperation between various border agencies, lack of automated processing and perceived long processing time.

Competence of Customs Brokers

Because all cargo customs clearance formalities are completed by a licensed customs broker, customs brokers play a vital role in facilitating trade transactions. The trading sector was asked to appraise the level of technical competence of their customs brokers.

The huge majority of businesses (96.1 percent) indicated that their customs brokers are either very competent (40.2 percent) or relatively competent (55.9 percent). Only 1.0 percent of respondents considered their brokers not competent, while 2.9 percent could not answer. This indicates that at least one-half of businesses are not fully convinced of the technical capabilities of customs brokers acting on their behalf.

Use of Trade Experts

Trade experts specialized in different technical aspects of trade matters could contribute a lot to facilitating international trade. Trade expert includes any qualified person who can assist a business on trade technical matters such as goods description, identification of import/export/transport requirements, completing official forms on a business behalf, helping a business benefit from trade agreements, assisting in customs processing, etc. Businesses were asked if they ever used the services of a trade expert to assist them in technical matters related to their trade transactions, and if yes, how do they appraise the technical competence of the trade expert they used.

Only 14.7 percent of businesses did use the services of a trade expert while the huge majority (85.3 percent) did not. Of the 15 businesses which used the services of a trade expert, seven businesses (47.7 percent) have rated their experts as very competent, five businesses (33.3 percent) as relatively competent, and one business (6.7 percent) as not competent; two businesses (13.3 percent) could not ascertain a rating. The low-level utilization of trade experts is surprising somehow as Jordan is a member of the World Trade Organization and has several bilateral and collective trade agreements (e.g., United States-Jordan and European-Jordan Agreements; Arab League Agreement) with many countries to capitalize upon.

Further, since the non-use of trade experts by businesses could be attributed to the difficulty of finding them, businesses were asked to appraise the level of easiness by which they could find competent trade experts in their markets. “Easiness” was defined to mean knowing a number of qualified people who could fulfill a business’s trade technical needs against reasonable fees.

The majority (61.8 percent) of businesses could not ascertain an answer to this question; most likely because the majority of business never attempted to use the services of trade experts

(see previous paragraph). Only 6.7 percent of respondents considered finding competent trade experts as very easy, 17.6 percent as relatively easy and 13.7 percent as difficult. It seems that Jordan businesses are not somehow used to seeking assistance from trade experts. The reason could be the lack of such expertise in the local market and/ or businesses could not see any value added from using such expertise.

National Committee on Trade Facilitation

High level national committees on trade facilitation could play an important role in putting forward appropriate policies for the purpose of facilitating a country's national trade. Even though there are many public- and private-sector agencies and associations partially involved in facilitating trade in Jordan, no formal national committee exists. Trading sector was asked if they are aware if there is a national committee (or similar mechanism) on trade facilitation in Jordan, and if yes, to name it and appraise its ability in enhancing the free flow of trade between Jordan and other countries.

Nearly one-third (32.4 percent) of respondents have indicated that a national trade facilitation committee (or similar) does exist while the other two-thirds (67.6 percent) have indicated it does not. Of the 33 businesses which indicated that such a national committee (or similar) exists, seven businesses (21.2 percent) have rated the committees they named as highly capable, 17 businesses (51.5 percent) as relatively capable, and two businesses (6.1 percent) as not capable; seven other businesses (21.2 percent) could not ascertain a rating. The following are the frequently named committees (or similar) which businesses believed they contributed to trade facilitation in Jordan:

- Ministry of Industry and Trade
- Food Stuff Traders Association
- Jordan Enterprise Development Corporation (JEDCO)
- Arab Exporters and Importers Association
- Jordan Chamber of Commerce
- Jordan Freight Forwarders Association
- Jordan Exporters Association
- Jordan Businessmen Association
- Jordan Investors Association
- Jordan Garment Exporters Association
- Amman Chamber of Industry
- Jordan Customs Brokers Association
- Investment Promotion Corporation
- American Chamber of Commerce (Am. Cham.)
- Jordanian European Business Association (JEBA)

In addition, businesses were asked how they perceive the benefit from establishing a new permanent national committee (or similar mechanism) on trade facilitation in Jordan. The huge majority (89.1 percent) of respondents have perceived the benefit of a newly established committee as either very beneficial (63.4 percent) or relatively beneficial (25.7 percent). Only 3.0 percent could not see any benefit from a new committee, while some 7.8 percent could not rate the benefit they could attain.

It should be reiterated that a high level national committee on trade facilitation does not exist. From the above list of named committees one can tell that they are mostly voluntary business associations representing limited interest groups, chambers of commerce and industry or

governmental agencies; none of them actually has the appropriate mandate or authority, at least on the national level, to devise policies on trade facilitation. Obviously, the above results reveal a need for a national trade facilitation committee to put forward appropriate policies and devise effective mechanisms aimed primarily at facilitating trade. The committee may encompass members, or seek input, from all trade-related parties such as government trade authorities, business associations, chambers of commerce and industry, etc.

Compliance Requirements

Trade compliance requirements could sometimes impede free trade, especially if the benefits of such requirements are too small compared to their costs. Compliance requirements were defined to include legislation, regulations, instructions, restrictions, procedures, duties, etc. imposed by trade-related authorities such as Customs, Jordan Institute for Standards and Metrology, Ministries of Industry and Trade, Health, Agriculture, etc. Trading sector was asked through an open-ended question to indicate the three most significant trade-related compliance requirements that their businesses would like to see removed or simplified. Even though most trade businesses did not provide exact answers, many found it a golden chance to speak out about the problems they face in general terms. The following is a summary of the frequently stated observations/problems (see Appendix D for a complete list):

- Simplify customs procedures, especially temporary admission procedures.
- Frequent changes of legislation and requirements.
- Expensive laboratory testing costs by.
- Samples testing takes long time, thus customs clearance takes long time.
- Simplify Aqaba Ports Corporation procedures.
- Upgrade customs law (joint liability between trader and broker in the current law should be changed).
- Goods inspections should be done by collectively by a team of all relevant agencies.
- New legislation and instructions should be discussed with all concerned parties.
- Goods should be released against a guarantee/signatory until importation approval is obtained from relevant agencies.
- Golden List Program does not have any material benefits except Lanes.
- Use of one application at Customs that includes all required approvals from all agencies.
- Organize brokers sector and classify them in terms of quality based on previous record.
- Enhance Risk Management Directorate of Jordan Customs so that they can use “Green, Yellow and Red” lanes properly.
- Specify maximum period to complete each procedure, especially laboratory tests.
- Reduce number of samples taken from our goods for testing purposes.
- Customs should hold meetings with traders and listen to their problems.
- ASYCUDA system requires new approvals from non-relevant agencies.

- Use electronic connection between traders, brokers and Customs as in Dubai.
- Goods destruction procedures are difficult; difficult to coordinate between destruction committee members.
- Warehousing costs at customs center, especially airport and Aqaba, are too high.

The result of this open-ended question reveals several areas of weaknesses demanding appropriate countermeasures. Among the important weaknesses are the long processing times by various authorities, the frequent changes of legislation, the inefficient time-consuming cargoes inspections and testing, lengthy procedures, documents duplications, lack of coordination between various authorities and lack of consultations with businesses.

CONCLUSIONS AND RECOMMENDATIONS

A number of important conclusions were reached and recommendations made. These are described in the following paragraphs.

1. Easy attainment of trade-related information is an important trade facilitation mechanism. Trade-related information such as legislation, regulations, instructions, restrictions, procedures, duties, etc. governing import, export, transit, customs, transport, ports, warehousing, etc. enables trading businesses complete cargo processing formalities with minimal errors and within short time. It is clear that traders have difficulty obtaining information from various border control agencies. Supported by the huge majority of trading businesses, it is recommended to: (a) make all trade-relevant information available through one or more publicly-accessible websites and (b) to establish one or more Inquiry points to answer within a pre-set time reasonable trade enquiries.
2. Trading sector is not consulted appropriately, and no formal consultation mechanisms do exist, when government agencies issue or amend legislation, regulations, instructions, procedures, etc. It is recommended that formal consultation mechanisms between trading sector and border control agencies be established. Such mechanisms could be stated within current legislation or through a high-level national committee comprising trading business and government agencies.
3. Government trade agencies' advance ruling mechanisms are either missing or non-binding. The lack of such mechanisms narrows down the scope of trading activities undertaken by trading business. It is recommended that advance ruling mechanisms be established within all government trade agencies.
4. The currently trade-related governmental appeal mechanisms are considered, in principle, very valuable to the trading business. However criticisms such as the very long time it takes to appeal government decisions, the absence of independent appeal or impartial committees, the lack of technical qualifications in certain issues, etc. were raised by many businesses. Thus, it is recommended that current appeal mechanisms within government trade agencies be studied in light of international best practices and the experiences of some developed countries.
5. Trading sector has indicated a generally low level of confidence in goods laboratory testing routinely requested by relevant trade agencies. Criticisms such as the very long time it takes to complete testing procedures, excessive testing requests, non-use of risk management tools to target high risk shipments or traders, lack of appropriate equipment and qualified personnel, etc. were raised by many businesses. Thus, it is recommended

that an appraisal study of the whole system of goods testing be undertaken to evaluate the current situation and find corrective measures. International best practices and experiences of developed countries should guide future corrective measures.

6. The length of time required for processing trade transactions is a direct measure of the efficiency by which various trade-related governmental and nongovernmental agencies do their work. Survey revealed that most agencies take long, and highly variable, time to complete their trade-related official formalities. This indicates the lack of standard work procedures and risk management tools within agencies. It is recommended that trade transactions processing procedures be studied and re-engineered with appropriate utilization of risk management tools.
7. Survey has revealed difficulties for business in estimating the various expenses and fees (other than customs duties) related to their trade transactions. Prudent business planning cannot take place within highly variable expense environment. Besides that, no estimates do exist for the various types of expenses and fees incurred in the course of undertaking trading activities. It is recommended that government agencies study all relevant categories of expenses and fees incurred by traders and make them publicly available. More importantly, government agencies should standardize their processing procedures to encourage a stable expense environment for business.
8. Pre-arrival processing is considered a trade facilitation mechanism as many of a trade transaction's formalities through the various border control agencies could be completed upfront before shipment arrival. The huge majority of traders either did not know about this service or did not utilize it. Jordan Customs Department along with other border agencies should undertake a diagnostic study to identify why traders refrain from using this service, market the service appropriately and create incentives for its use. Pre-arrival processing using copies of trade documents were rated invaluable by traders. Thus, pre-arrival processing could be facilitated via minimal documentary requests, dependence on copies rather than originals or utilization of post-audits.
9. Trading businesses highly support the utilization of the "Red, Yellow, and Green" risk selection criteria as a tool for facilitating trade within most encountered border control agencies (Jordan Customs Department, Jordan Institute for Standards and Metrology, Food and Drug Administration and Ministry of Agriculture). It is recommended that all border control agencies start developing and implementing appropriate risk selection criteria. Preferably, all agencies should coordinate their efforts so that common risk criteria could be developed and duplicative work prevented.
10. Authorized traders schemes like the Golden List Program of Jordan Customs Department were extremely welcomed by trading business. Unfortunately, Jordan Customs Department is the only border agency which developed and operated such a scheme. It is recommended that all border control agencies, especially those frequently encountered by traders, start developing and operating authorized traders schemes. Future authorized traders' schemes should offer strong incentives for businesses to join.
11. Jordan Customs Department, Jordan Institute for Standards and Metrology, Food and Drug Administration, Income and Sales Tax Directorate, Ministry of Agriculture, Ministry of Health, Ministry of Industry and Trade, Aqaba Containers Terminal, Telecommunications Commission and Military Security were identified by trading business as the most difficult agencies to deal with. These agencies are highly encouraged

to review their processing procedures and try finding ways to facilitate trade transactions. Donor organizations are highly encouraged to support these agencies in this regard.

12. The huge majority of trading businesses agree that there is at least 1-2 duplications in trade documents submitted to the various government- and non-government agencies. Documents duplications are a waste and benefit no one. The whole system of documents requests by various agencies should be studied in a coordinated fashion with redundancies removed. If one document is requested by an agency other agencies should trust not to request it again.
13. The level of cooperation and coordination between Jordan government trade-related authorities was, generally, viewed as low by trading business. This sad situation will continue to pose a major threat to Jordan trading sector at large. A political will is highly needed to resolve this issue. It is strongly recommended that a high-level trade facilitation committee be established as soon as possible. The recommended committee should be well balanced to represent all concerned parties.
14. The easiness by which trade transaction formalities in general are completed should reflect positively on trade activities, and ultimately trade volumes. Unfortunately, trade formalities were viewed as difficult or relatively easy by most traders. Only one of 10 traders has viewed trade formalities as very easy. Again this is a sad situation which reveals a lack of standard work procedures and risk management tools within trade agencies. It is recommended that trade processing procedures be studied and re-engineered with appropriate utilization of risk management tools.
15. Majority of trade businesses believe that Jordan trade authorities' adoption of some international standards (conventions and/ or agreements related to facilitating formalities and procedures of international trade such as World Customs Organization, UN Center for Trade Facilitation and Electronic Business, International Maritime Organization, etc.) has benefited their businesses. Thus, it is recommended that future improvements in trade procedures within Jordan trade agencies should take into consideration international standards and best practices.
16. Single window processing of trade transactions is a tool aimed at facilitating and expediting cargo processing formalities at borders. The single window service operated by Jordan Customs Department was viewed favorably by trading business. However, several criticisms were raised by traders. Jordan Customs Department, in cooperation with other border control agencies, should continue their current efforts to improve the single window service. Automated processing, qualified personnel, cooperation between various agencies, utilization of risk management tools by all agencies, etc. are some of the most important areas where improvements are highly recommended.
17. The majority of businesses were satisfied with the services provided by customs brokers who acted on their behalves. On the other hand, the majority of businesses handled their trade affairs without the need for external trade advice or assistance. It should be noted that neither customs brokers nor trade experts could do much to expedite trade processing without major changes in work procedures followed by border control agencies. However, since brokers and experts are the front line in direct contact with border agencies, they can exert some pressure to change official procedures.
18. High level national committees on trade facilitation could play an important role in putting forward appropriate policies for the purpose of facilitating a country's national

trade. Even though there are many public- and private-sector agencies and associations partially involved in facilitating trade in Jordan, no formal national committee exists. As supported by the huge majority of trading businesses, it is highly recommended that a high-level trade facilitation committee be established as soon as possible. The recommended committee should be well balanced to represent all concerned parties.

19. Trading businesses have identified several trade barriers, if removed or minimized, would contribute to facilitating trade transactions. The recommended high-level trade facilitation committee, once established, should find ways to remove or minimize these barriers.

APPENDIX A. MAIN JORDAN TRADE REGULATORY AUTHORITIES

- Jordan Customs Department
- Jordan Institute for Standards and Metrology
- Food and Drug Administration
- Income and Sales Tax Directorate
- Ministry of Agriculture
- Ministry of Health
- Ministry of Industry and Trade
- Ministry of Transport
- Ministry of Energy
- Ministry of Finance
- Ministry of Interior
- Ministry of Labor
- Chambers of Industry
- Chambers of Commerce
- Aqaba Ports Corporation
- Aqaba Containers Terminal
- Aqaba Economic Zone Customs
- Investment Promotion Corporation
- Royal Geographic Center
- Natural Resources Authority
- Telecommunications Commission
- Nuclear Energy Commission
- Environmental Health
- Royal Scientific Society
- Department of Motor Vehicles
- Free Zones Corporation
- Industrial Cities Corporation
- Military Security
- Civil Defense Directorate
- Printing and Publications Directorate
- General Security Directorate
- Criminal Information Directorate
- Banks
- Insurance Companies

APPENDIX B. SURVEY METHODOLOGY

Sample Size

Statistically, the purpose of this survey is simply to describe one or more characteristics in one particular group (a group of trading businesses) using simple proportions and open-ended questions. This survey is a descriptive study in which sample size is important because it affects how precise the observed proportions are expected to be. In descriptive studies, the minimum expected difference reflects the difference between the upper and lower limit of an expected confidence interval, which is described with a percentage. For example, a 90 percent confidence interval indicates the range in which 90 percent of results would fall if a study were to be repeated an infinite number of times, with each repetition including the number of individuals specified by the sample size. In identifying the required sample size, a 90 percent confidence interval was assumed and the corresponding standard normal deviate (z-critical) was used. A pre-study estimate of the proportion to be measured of the order of 50 percent was used as it leads to an estimate of the maximum sample size. The total width of the expected confidence interval was set at +/- 7.5 percent. Based on these assumptions, the calculated sample size was nearly 102. Thus, it was decided that 102 trading businesses be surveyed to provide statistically meaningful results.

Sampling of Trading Businesses

During 2008, the latest year for which trade data was available from Jordan Department of Statistics at the time of undertaking this survey, Jordan had nearly 12,060.9 and 5,633.0 million Jordanian Dinar (JOD) worth of imported and exported goods, respectively. Jordan main imported and exported goods as classified according to the Harmonized System (H.S. Code) in 2008 are shown in Tables 1 and 2 below. As shown in Table 1, Jordan main imports were classified under 24 H.S commodity categories covering nearly 85 percent of all imported commodities' values. On the other hand, Jordan main exports were classified under 14 H.S commodity categories covering nearly 85 percent of all exported commodities' values. It was believed that a good sample of the trading businesses which might complete the survey should take into consideration the main types of commodities traded from both imports and exports. To accomplish that, for each of the 24 categories of imported goods and 14 categories of exported goods, Jordan Customs Department was asked to provide the names and contact information for the largest 15 importers and exporters which deal with each commodity category. Largest importers and exporters were those which filed the largest number of customs declarations with Jordan Customs Department during the latest year (2009). Thus, a list of 570 importing and exporting companies was generated; composed of 360 largest importers (24 commodity categories X 15 importing companies) and 210 largest exporters (14 commodity categories X 15 companies). During 2009, the largest 360 importers had imported JOD 2,614.5 million worth of goods processed through 66,168 customs declarations. During the same year, the largest 210 exporters had exported JOD 1,720.7 million worth of goods processed through 50,211 customs declarations. Each of the 38 commodity categories (24 import and 14 export categories) was considered a cluster for sampling purposes. Two companies from each cluster were selected at random to complete the survey. A total of 76 companies were sampled (48 import companies and 28 export companies). It should be noted that some of the sampled import/export companies were expected to provide their own (i.e., using their own internal resources) auxiliary trade supply chain services such as customs clearance, ground transport and warehousing services.

Larger Jordan manufacturers were desired to participate in the survey however, no separate sampling of manufacturers was made. Jordan larger manufacturers generally depend on imported production inputs and many export to international markets. Thus, manufacturers were expected to be automatically represented within the sampled 76 import/export companies. Qualified Industrial Zone (QIZ) companies which operate from government designated industrial areas in the country were also desired to participate. These were also expected to be automatically represented within the sampled 76 import/export companies.

Customs brokers, freight forwarders, transporters and warehouse operators were also desired to participate in the survey as they provide important services within Jordan international trade supply chains. Jordan Customs Department was asked to generate a list of the largest 80 customs brokers in terms of the number of declarations filed during the last year (2009). The largest 80 brokers altogether had filed 445,547 customs declarations with Jordan Customs Department in 2009. The largest broker in the list had filed 20,725 declarations while the smallest had filed 3,033 declarations during the same year. Twenty-six customs brokers were selected at random from the 80-brokers list to participate in the survey. In Jordan, larger freight forwarders provide customs clearance, transport and warehousing services for their trading clientele. Thus, the 26 sampled brokers were expected to include several larger companies that provide freight forwarding, transporting and warehousing services in addition to customs clearance.

Collectively, 102 companies were identified to participate in the survey as described in the above paragraphs.

Survey Administration

The survey was administered during July-August 2010. Two surveyors were recruited to have the survey completed by 102 trading sector businesses. Each sampled business was called by telephone to identify the relevant employee in charge of trading matters, to verify business address and to schedule an appointment. On the appointment day, one of the surveyors visited the company and completed the survey from the employee in charge of trading matters within the company. Several problems were encountered in the field lead into visiting the same company twice or three times to complete the survey. Some of the important difficulties encountered were:

- The employee in charge of trading matters within the company requests a hard copy of the survey to show it to her/his boss to obtain approval first before scheduling an appointment.
- The level of commitment of the employee with whom the appointment was made was relatively low; thus the surveyor had to wait for long time or even to re-schedule another appointment.
- The employee with whom the appointment was made had to refer to her/his superior to obtain approval of completing the survey.
- The employee with whom the appointment was made is not the person in charge of trading matters within the company. A reappointment with the in-charge employee had to be made.
- The employee in-charge of trading matters within the company could not answer to all questions; she/he had to ask another colleague who was not available at the time.

- The employee in charge of trading matters within the company had the answer to a certain question, but thinks another colleague knows better than him.
- The employee in-charge of trading matters thinks the survey is too lengthy and requests continuation in a later session.
- Some companies declined participation because the top management disallowed that. A re-sampling for a replacement had to be made.

Although the survey administration was burdensome, 102 trading businesses were successfully surveyed, as planned.

TABLE B-1. MAIN IMPORT COMMODITIES

CODE	COMMODITY DESCRIPTION	IMPORT VALUE (JD MILLION)	% OF TOTAL IMPORT VALUE
27	Mineral fuels, mineral oils and products of their distillation bituminous substances; mineral waxes	2,613	21.7
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	1,024	8.5
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers and parts and accessories of such articles	902	7.5
87	Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof	835	6.9
10	Cereals	657	5.4
72	Iron and steel	560	4.6
39	Plastics and articles thereof	401	3.3
30	Pharmaceutical products	296	2.45
60	Knitted or crocheted fabrics	268	2.2
29	Organic chemicals	248	2.1
73	Articles of iron or steel	232	1.9
48	Paper and paper board; articles of paper pulp, of paper or of paper board	214	1.8
71	Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal and articles thereof; imitation jewelry; coin	201	1.7
15	Animal or vegetable fats and oil and their cleavage products; prepared edible fats; animal or vegetable waxes	177	1.5
04	Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified or included	168	1.4
76	Aluminum and articles thereof	164	1.4
62	Articles of apparel and clothing accessories, not knitted or crocheted	161	1.3

CODE	COMMODITY DESCRIPTION	IMPORT VALUE (JD MILLION)	% OF TOTAL IMPORT VALUE
74	Copper and articles thereof	159	1.3
44	Wood and articles of wood; wood charcoal	144	1.2
02	Meat and edible meat offal	139	1.2
90	Optical, photographic, cinematographic, measuring, checking precision, medical or surgical instruments and apparatus; parts and accessories thereof	132	1.1
17	Sugars and sugar confectionery	114	1.0
94	Furniture, bedding, mattresses, mattress supports, cushions and similar stuffed furnishing, lamps and lighting fittings, not elsewhere specified or included; illuminated signs, illuminated name-plates and the like; pre-fabricated buildings	106	0.9
23	Residues and waste from the food industries; prepared animal fodder	104	0.9

TABLE B-2. MAIN EXPORT COMMODITIES

CODE	COMMODITY DESCRIPTION	EXPORT VALUE (JD MILLION)	% OF TOTAL EXPORT VALUE
31	Fertilizers	967	21.8
61	Articles of apparel and clothing accessories, knitted or crocheted	557	12.6
25	Salt; sulphur; earths and stone; plastering materials, lime and cement	405	9.1
30	Pharmaceutical products	353	8.0
28	Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, of radioactive elements or of isotopes	329	7.4
07	Edible vegetables and certain roots and tubers	277	6.2
62	Articles of apparel and clothing accessories, not knitted or crocheted	159	3.6
76	Aluminum and articles thereof	140	3.2
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers and parts and accessories of such articles	127	2.9
48	Paper and paperboard; articles of paper pulp, of paper or of paper board	110	2.5
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	92	2.1

39	Plastics and articles thereof	89	2.0
71	Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal and articles thereof; imitation jewelry; coin	87	2.0
73	Articles of iron or steel	73	1.6

APPENDIX C. SURVEY INSTRUMENT

Surveyor Name: Date Survey Completed:

Company Name: Number of Employees:

Phone No.: E-Mail:

Company Address:

Name and title of the Employee Completing this Survey:
.....

Title: Phone No.: E-Mail:

Which of the following trade-related activities does your company undertake? (Circle all applicable items)

- A. Import
- B. Export
- C. Transport
- D. Customs Clearing
- E. Freight Forwarding
- F. Warehousing
- G. Manufacturing
- H. Qualified Industrial Zone
- I. Other

Nature of Traded Goods (Kindly give a brief description of the goods you are trading in (example, raw materials, chemicals, food stuff, drugs, garments ...etc):
.....

Do your shipments usually consist of more than one item (i.e. classified under more than one H.S code)

- A- no
- B- two
- C-three
- D- more than three (Estimated number)

1. How do you appraise the easiness/difficulty of obtaining information relevant to your trading-related activities? (Information such as legislation, regulations, instructions, restrictions, procedures, duties, etc. governing import, export, transit, Customs, transport, ports, warehousing, etc.) kindly rank those entities according to difficulties

	Entity name	
A		Most difficult
B		
C		
D		
E		Easiest

Note that this is not limited to public the sector only, you may include private sector such as shippers, banks, and brokers

2. How do you appraise the value to your business of having all the above information available to you electronically via one or more publicly-accessible website?

- A. very valuable
- B. relatively valuable
- C. not valuable
- D. do not know

3. How do you appraise the value to your business of having one or more Inquiry points available to answer, within a preset time, all your reasonable enquires regarding the above information?

- A. very valuable B. relatively valuable C. not valuable D. do not know

4. In your opinion, do the relevant trading governmental agencies consult (directly or through business associations/chambers of industry/commerce) with the trading community, or allow them the opportunity to review and comment on new laws, regulations, instructions, procedures, etc. affecting their trading activities?

- A. always B. sometimes C. not at all D. do not know

5. How do you appraise the value to your business of instituting advance ruling mechanism(s) within trade-related governmental authorities? (An advance ruling is a written decision provided by the advance ruling authority to an applicant prior to the importation/exportation of the goods covered by the application that sets forth the treatment the authority shall provide to the goods at the time of importation/exportation)

- A. very valuable B. relatively valuable C. not valuable D. do not know

6. How valuable (and practical) to your business are the currently-instituted trade-related governmental appeal mechanisms? Why? (Appeal mechanisms provide any person to whom any relevant trading and/or border agency issues a decision the right, without penalty, to administrative appeal of the agency which issued the decision and/or judicial appeal of the decision)

- A. very valuable B. relatively valuable C. not valuable D. do not know

Why:

7. What is the level of confidence you have in laboratory testing results of the goods you import/export? Why?

- A. very high B. relatively high C. low D. do not know

Why:

8. How do you perceive the length of time it takes Customs or any other entity, agency to complete its official work from the time your goods are submitted for inspection and/or testing? Why?

	Entity name	Estimated time	comment
A			
B			
C			
D			
E			

Note that this is not limited to the public sector only, you may include the private sector such as shippers, banks, and brokers

Why:

9. How easy/difficult is it for your business to estimate the various expenses and fees (other than customs duties) related to your trade transactions? (Expenses include transport,

customs clearance and similar expenses; fees are those imposed by trade, governmental and non-governmental agencies for formalities related to importation, exportation or any other trade-related services?

- A. very easy B. relatively easy C. difficult D. do not know

10. Are you allowed pre-arrival processing in relation to your trading activities? If yes, do you benefit from this service in terms of reductions in clearance and release times? If no, would you benefit from the introduction of this service? (Pre-arrival processing means that Customs and other relevant border agencies accept and examine documentation and information submitted by importers, exporters, transporters, brokers, shippers, etc. prior to the physical arrival of goods or means of transport)

Yes: do you benefit from this service? Yes No

No: would you benefit from the introduction of this service? Yes No

11. How do you value the benefit to your business from being allowed to utilize pre-arrival processing using copies of required documents provided that original documents are presented later (either before final release of goods or made available during post-release audit)?

- A. very valuable B. relatively valuable C. not valuable D. do not know

12. How do you value the benefit to your business from the use of the “Red, Yellow, Green Lanes” risk selection criteria within customs and other relevant border agencies’? (“Red, Yellow, Green Lanes” risk selection criteria means concentrating trade agencies’ control, particularly documentary examinations and physical inspections, etc., on high risk consignments and traders, while expediting the release of low risk ones). Please enter A,B,C,D in the table below

	Entity name	A, B, C or D	comment
1	Customs		
2	JISM		
3	FDA		
4	Ministry of agriculture		

- A. very valuable B. relatively valuable C. not valuable D. do not know

13. How do you value the benefit to your business from the introduction of an authorized trader scheme like the Golden List Program by the Jordan Customs Department? (Authorized traders are those who meet specific criteria related to compliance with customs and other border agencies. In return, trade transactions of authorized traders are facilitated through reduced documentary requirements, reduced inspections, rapid release, reduced guarantees, etc.)

- A. very valuable B. relatively valuable C. not valuable D. do not know

14. What are the government- and non-government trade agencies your business frequently deals with in its normal trading activities?

- A: B: C: D:

the trade expert you used? (Trade expert includes any qualified person who assisted you on trade technical matters such as goods description, identification of import/export/transport requirements, completed official forms on your behalf, helped you benefit from trade agreements, assisted you in customs processing, etc.)

Yes No

If yes: how do you appraise the technical competence of the trade expert you used?

A. very competent B. relatively competent C. not competent D. do not know

22. How do you appraise the easiness/difficulty of finding competent trade experts in the market? (Available means you know a number of people who can fulfill your trade technical needs against reasonable fees)

A. very easy B. relatively easy C. difficult D. do not know

23. Are you aware if there is a national committee (or similar mechanism) on trade facilitation in Jordan?

Yes No

If yes, how do you appraise the level of ability of the national committee in enhancing the free flow of trade between Jordan and other countries?

A. highly capable B. relatively capable C. not capable D. do not know

24. How do you perceive the benefit from instituting a permanent national committee (or similar mechanism) on trade facilitation in Jordan?

A. very beneficial B. relatively beneficial C. not beneficial D. do not know

25. What would you say are the three most significant trade-related compliance requirements that your own business would like to see removed or simplified? (Compliance requirements include legislation, regulations, instructions, restrictions, procedures, duties, etc. imposed by trade-related authorities such as Customs, JISM, Ministries of Industry and Trade, Health, Agriculture, etc.)

- (1)
- (2)
- (3)

APPENDIX D. COMMENTS, STATEMENTS AND OPINIONS EXPRESSED BY SURVEYED BUSINESSES

Right of Appeal and Appeal Procedure

The value to Jordan trading sector of the currently-instituted trade-related governmental appeal mechanisms was appraised in the survey. Those who considered the current appeal mechanisms as very valuable or relatively valuable have stated several positive comments as listed below:

- Through appeal we achieved what we believed in.
- Transparent mechanisms as they expedite trade transactions processing.
- Through appeal we have a chance to present evidence to support our case.
- Information is audited and facts are revealed in the appeal process.
- Appeal reduces financial burden upon importers and manufacturers.
- Important mechanism to unify all final trade disputed decisions.
- Our rights are preserved via the appeal mechanism.
- Appeal mechanism helps in identifying the right tariff classification and goods value.
- Appeal decisions are very likely to be clear, objective and transparent.
- Agencies make mistakes sometimes, thus can be corrected via appeal.
- Future decisions are corrected based on new knowledge from appeal results.
- Appeal resolves disagreements between traders and government agencies.
- Appeal provides a platform for an independent opinion on trade matters.
- Proper application of laws can be achieved via appeal.
- Monetary penalties can be removed or corrected via appeal.
- Appeal is a just mechanism when government agencies make mistakes.

Those who considered the current appeal mechanisms as not valuable have stated some negative comments as listed below:

- Our laws are outdated and not transparent, especially customs law.
- Existing appeal mechanisms should be reviewed and upgraded.
- Appeal processes take too long time so traders give up and may not attempt to use them.
- Appeal mechanisms should be transferred to a no-interest (independent) party to give objective results.
- Some agencies you can not appeal their decisions.
- Favoritism (WASTA) plays a role in appeal and it is not always as transparent as it should be.
- Appeal mechanisms should be independent from the party we appeal against.
- Most of the times we get nothing (lose) from appeal.
- Our true opinions sometimes do not count through the appeal process.
- Often appeal does not bring new decisions; i.e. reaffirms the original decision.

- Appeal committees make decisions without discussions with us.
- Government decisions are hardly changed.
- Goods values vary from one country to another and vary according to quantity; appeal does not take this into consideration.
- Appeal could be beneficial but it consumes much of our time and effort.
- Decisions sometimes are based on personal judgments.
- Mostly, appeal results are not in our favor; government does not reverse its decisions.
- Often we discuss issues with people who do not have decision making power.
- Tiring process and takes long time.
- Appeal takes so long time to the level we try to avoid it.
- We appeal to the same party we have problem with.
- No positive results because we appeal to the same party we have problem with.
- It is not feasible to go through appeal.

Test Procedures

Trading businesses were asked to indicate the level of confidence they have in laboratory results of the goods they deal with. Businesses were asked to state the reasons behind their chosen answers. Those who had very high confidence in laboratory test results have stated few positive comments as listed below:

- Our laboratories follow international best practices in their testing procedures.
- I believe we have good and specialized labs with high tech equipment.
- Laboratories employees and technicians are qualified to do their work.
- Most test results are consistent with minor discrepancies.
- Our laboratories can be described as very good.
- Our laboratories are accredited internationally.
- Our laboratories are highly efficient.

Those who had relatively high or low confidence in laboratory test results have stated several negative comments as listed below:

- Primitive laboratories; technicians not qualified; discrepancies always appear in results.
- Why test our goods if they follow international standards; they repeat testing the same product each shipment we have.
- Laboratory test results are put in a closed envelope and sent to customs and we can not see them.
- Laboratory testing of foodstuff items is slow and takes so long time.
- Lack of appropriate equipment; technicians depend on their personal judgment.
- Sometimes tests are repeated because of different results.
- The same goods from the same origin sometimes accepted and some other times rejected; we do not know why.

- More than one lab exists; lab results differ from one lab to another.
- Personnel lack required experiences.
- Our tests are done at customs labs and we have no idea about how they do it.
- Mistakes occur in lab equipment readings; technical errors often occur.
- Technicians lack appropriate knowledge about tested products.
- No independent party to appeal to and no independent labs to resolve disagreements.
- Unnecessary repetition of many tests.
- No experience in certain types of commodities.
- No advance technology for certain types of tests.
- Equipments are very old at the Royal Scientific Society leading to results errors.
- Customs labs lack new equipment; sometimes they ask us to repeat tests at our own expense in external labs (non customs labs).

Border Processing Time

Trading businesses were asked how they perceived the length of time it takes Customs or any other agency (governmental and nongovernmental) to complete its official work from the time goods are submitted for inspection and/ or testing. Surveyed businesses were given the opportunity to comment on processing times. The stated comments by respondents were:

- Processing time varies widely from shipment to another.
- Customs and Chamber of Industry do not have adequate employees to expedite processing.
- Bureaucracy and unqualified personnel lengthen processing time.
- Goods inspection is slow and our food shipments can not wait.
- Green, yellow and red lanes is a very good system if used properly.
- Delays of inspection by Customs because of personnel and equipment shortages.
- Efficient employees are needed.
- Food and Drug Administration and Jordan Institute for Standards and Metrology's procedures are too lengthy.
- Security pre-approval takes very long time for some materials.
- Banks now take too long processing time because of the slow economy.
- No justification for the long processing times.
- Processing by Jordan Institute for Standards and Metrology takes at least eight days when testing is needed from Royal Scientific Society.
- Laboratory testing takes long time; our labs not qualified.
- We have to check with Aqaba Containers Terminal if our containers are available for customs inspection.
- Some customs centers are easy and fast; others are difficult and lengthy.

- Registration of new materials at Food and Drug Administration takes 1-3 month and this is too long.
- Longer processing times when testing is requested by Jordan Institute for Standards and Metrology and Ministry of Agriculture.
- Tariff code plays a big role in processing time.
- Customs should be authorized to question other agencies when delays occur.
- Laboratory tests cause delays.
- Customs procedures are not clear.
- Delays in emptying containers in Aqaba Containers Terminal.
- Work load is high.
- Juice concentrates laboratory tests take 15 days even though they are routine tests.
- Airport customs takes long time; electronic communication failures are encountered.
- Delays sometimes caused by the trader/ importer.
- Customs IT systems are old fashioned and not efficient.
- Some trade transactions are referred to a committee representing various agencies; thus processing takes long time.
- What is the point from testing the same material from the same origin every shipment?
- Ministry of Health sometimes requests tests that are not specific or even not known.
- Customs procedures are more advanced than other agencies; unhealthy work relation between Customs & other agencies.
- Slow processing at Aqaba Port.
- No cooperation between government agencies.
- Goods entry/exit into/from Al-Hasan Industrial City requires security clearance which takes 2-3 days and costs us a lot.
- No cooperation between government agencies.
- We suffer from JISM testing delays which take place at the Royal Scientific Society; hamper our exports.
- Customs inspector or unit head sometimes is absent from work.

Trade-related Agencies

Trading businesses were asked to identify up to eight governmental and nongovernmental agencies they frequently deal with in the course of their normal trading activities and to identify which one is the most difficult to deal with. The most frequently encountered agencies were:

- Jordan Customs Department
- Jordan Institute for Standards and Metrology
- Food and Drug Administration

- Income and Sales Tax Directorate
- Ministry of Agriculture
- Ministry of Health
- Ministry of Industry and Trade
- Ministry of Transport
- Ministry of Energy
- Ministry of Finance
- Ministry of Interior
- Ministry of Labor
- Chambers of Industry
- Chambers of Commerce
- Aqaba Ports Corporation
- Aqaba Containers Terminal
- Aqaba Economic Zone Customs
- Investment Promotion Corporation
- Royal Geographic Center
- Natural Resources Authority
- Telecommunications Regulatory Commission
- Nuclear Energy Regulatory Commission
- Environmental Health
- Royal Scientific Society
- Department of Motor Vehicles
- Free Zones Corporation
- Industrial Cities Corporation
- Military Security
- Civil Defense Directorate
- Printing and Publications Directorate
- General Security Directorate
- Criminal Information Directorate
- Banks
- Insurance Companies

The most frequently reported “most difficult agencies to deal with” were:

- Jordan Customs Department
- Jordan Institute for Standards and Metrology
- Food and Drug Administration
- Income and Sales Tax Directorate
- Ministry of Agriculture
- Ministry of Health
- Ministry of Industry and Trade
- Aqaba Containers Terminal
- Telecommunications Regulatory Commission
- Military Security

Duplication of Documents

Trading sector was asked to indicate how much duplication was there in their trade transaction documents submitted to the various trade agencies and to state example duplications. Example duplications stated by some traders were:

- Export documents are submitted to the Chamber of Industry and Ministry of Industry and Trade.
- Customs clearance procedures in general require duplicate documents.
- Invoices are submitted to both Customs and Ministry of Health.
- Shipping documents are submitted to the freight forwarder and Customs.
- Customs declaration is requested by other agencies.
- Import permit is submitted to Customs and Ministry of Agriculture.
- Health certificate is requested by Customs and Ministry of Agriculture.
- Customs declarations are submitted to Customs and Income and Sales Tax Directorate.
- Same documents are submitted to Customs and Investment Promotion Corporation.
- Invoices and Certificates of Origin are submitted to different agencies.
- Same export documents are submitted to Customs, Chamber of Industry and Natural Resources Authority.
- Agencies other than Customs request all documents to give their approval on goods clearance.
- Invoice, Certificate of Origin, Health Certificate and Packing List are all submitted to Customs, Jordan Institute for Standards and Metrology, Ministry of Health and Ministry of Agriculture.
- Invoices are requested by all agencies.
- Shipping documents are presented with declaration; then the same documents must be presented again when goods are to be released.
- Business registration (CEGIL TIJARI) is submitted to Income and Sales Tax Directorate, Customs, Greater Amman Municipality and Department of Motor Vehicles.
- Import certificate for agricultural goods is requested at borders and at Customs centers.
- Repeat lab testing even after completion of goods clearance.
- Invoice is requested more than once within the same agency (Food and Drug Administration).
- Original invoice is requested by different agencies.
- Customs, Investment Promotion Corporation, Food and Drug Administration and Royal Scientific Society all ask for the same documents.
- Importer Card is requested by more than one agency.

Border Agency Cooperation

Trading sector was asked to appraise the level of cooperation and coordination between Jordan government trade-related authorities; especially border control agencies. When asked what more can be done to improve cooperation between the various authorities, several suggestions were made as listed below:

- Electronic cooperation and coordination is needed.
- Increase number of qualified employees.
- Use single window services.
- Cooperation and coordination between various agencies is required specially Customs and JISM.
- Connect all agencies electronically.
- Remove repeat testing for the same items every shipment.
- More work coordination is needed.
- Use one location to complete all formal procedures.
- Deeper understanding of official instructions issued by various agencies is needed by all employees.
- Level of cooperation is high.
- Increase communication and information transfer between agencies.
- Cooperation between border agencies is required.
- Automation of all official procedures is needed.
- Hold joint training for all agencies to improve service quality and processing speed.
- All agencies should be represented within Customs.
- Use single window; allow completing all procedures at customs centers.
- Identify and inform the agency that takes long time to process customs declarations.
- Other agencies' qualified representatives should be located at customs centers.
- More coordination between customs centers and customs headquarters is needed.
- All agencies' representatives must exist and work together on the declaration.
- Customs off-work hours processing time should be reduced.
- Use electronic transactions; put all agencies in one building.
- Promote electronic government.
- Better technology is needed to connect all agencies.
- Empower employees to make decisions.
- Hire qualified staff and empower them to make decisions.
- Different agencies' employees must learn to work as a team.
- We need "real" single window where all procedures could be completed.

- Cooperation and presence of all agencies' representatives at customs centers.
- Reduce procedures; increase number of employees; enhance cooperation.
- Employees should know well in legislation; empower employees to take decisions.
- All agencies should exist at borders.
- Unify procedures.
- One agency should be responsible for all laboratory testing requirements.
- One reference point must exist for all agencies.
- Unify computer systems in government departments and agencies.
- Unify all agencies in one single agency.
- Unify computer bases in government agencies.
- Educate employees with legislation and empower them to take decisions.
- Use one committee from all agencies at each customs center.
- Knowing job requirements and what to do is very important.
- All agencies should work for public benefit according to their mandate.
- Use one office to contain all agencies with qualified employees who can take decisions.

International Standards

Trading sector was asked if Jordan government trade authorities' adoption of "international standards" has benefited their businesses. As part of the question, businesses were asked to state why they thought international standards have benefited their businesses; the stated answers were:

- Lead into reductions of customs duties.
- Lowered trade costs with other countries.
- Reduced trade procedures and lowered customs duties.
- Lead to more objective and unified procedures.
- Resulted into customs duties reductions and waivers.
- Resulted into unified importation procedures.
- It is easier to review international standards.
- Trade procedures become unified; thus much easier.
- We should utilize international standards; they simplify procedures.
- International standards are good.
- Expedites processing.
- Leads to transactions costs reductions.
- International standards have been tested internationally.
- Agreements simplified brokers work and helped our economy.
- Opened new markets.
- Economic activity improved.
- Export via international agreements is easier for us.
- Resulted in increases in import and export volumes.

- Agreements enable learning about other countries' trade legislation and benefit both sides.
- Improved our exports.
- International trade is made easier.
- Lead into simplified procedures and unified tariff.
- Re-export procedures became simpler.
- Opened new markets; consumers benefited from competition.
- International standards are not applied here in Jordan, especially in our Telecommunications Regulation Commission.

Single Window

Trading sector was asked to value the benefit to their businesses from the “single window” processing available now at many customs border offices. Businesses were asked to express their opinions on how the efficiency of the current single window service could be improved. The following are the stated opinions:

- Increase number of employees at single window.
- Efficient and qualified personnel only must work in the single window.
- More work coordination between agencies at single window is needed.
- Single window hampers work; it is always crowded.
- At red lane appraiser and inspector should be one person to prevent disagreements between them.
- All agencies must classify traders according to their risk to expedite processing.
- Hire expert personnel to reduce processing time.
- Not all declarations are sent to single window.
- Some transactions take longer time in single window.
- Single window should contain representatives from all relevant agencies.
- Reduce number of procedural steps; reduce required documents.
- Use qualified employees who know the laws, instructions and requirements.
- Specify processing time at single window.
- Use electronic transactions.
- Use single window service in all relevant agencies.
- Agencies representatives should be given full authority and they should be qualified.
- All documents should be stored at one single window data base.
- Employees should have access to all relevant information from all agencies electronically.
- Empower all agencies employees to make decisions at the same location.
- Single window employees must understand how to make things easier and faster.
- Employees must know well about laws, acts and instructions.
- Hire qualified employees and empower them to make decisions.
- Single window does not complete everything, e.g. taking samples.
- Reduce procedural steps acted upon customs declarations.
- Give authority to customs to reduce delays of other agencies.
- Window employees should have excellent knowledge of all legislation.
- Single window should be applied properly to take care of all procedural steps.

- Must treat traders as partners, not “smugglers.”
- Other agencies’ work hours should follow customs work hours.
- Use electronic single window to send and receive all trade documents.
- Put single window in actual operation as real single window.
- Enhance agencies cooperation.
- Single window is not applied comprehensively; trade transactions should be followed through electronically.
- Electronic filing of all transactions and make them available to all customs centers.

National Committee on Trade Facilitation

Trading sector was asked if they are aware if there is a national committee (or similar mechanism) on trade facilitation in Jordan, and if yes, to name it. The following are the frequently named committees:

- Ministry of Industry and Trade
- Food Stuff Traders Association
- Jordan Enterprise Development Corporation (JEDCO)
- Arab Exporters and Importers Association
- Jordan Chamber of Commerce
- Jordan Freight Forwarders Association
- Jordan Exporters Association
- Jordan Businessmen Association
- Jordan Investors Association
- Jordan Garment Exporters Association
- Department of Economic Cooperation at Ministry of Industry and Trade
- Amman Chamber of Industry
- Jordan Customs Brokers Association
- Investment Promotion Corporation
- Agreements Section within Jordan Customs Department
- American Chamber of Commerce (Am. Cham.)
- Jordanian European Business Association (JEBA)

Compliance Requirements

Trading sector was asked through an open-ended question to indicate the three most significant trade-related compliance requirements that their businesses would like to see removed or simplified. The following is a summary of the frequently stated observations/problems:

- Simplify customs procedures, especially temporary admission procedures.
- Legislation (acts and instructions) are changed frequently and this is a problem.
- Frequent changes of legislation & requirements.
- Reduce customs duties similar to other countries.
- Expensive laboratory testing costs by JISM.
- Remove customs duties on all production/manufacturing inputs.
- Official procedures should be simplified.
- Instructions should be made clearer, especially those concerning restricted materials.

- Samples testing takes long time, thus customs clearance takes long time.
- Simplify Aqaba Ports Corporation procedures.
- Laboratory testing by Ministry of Health Labs, FDA and JISM take long time.
- Security pre-approvals should be limited to materials that “really” require so.
- Coordination between all relevant agencies when new legislation is written.
- Upgrade customs law (joint liability between trader and broker in the current law should be changed).
- Customs should impose time limits on other agencies to process declarations.
- Improve policies and procedures of FDA.
- Goods inspections should be done by collectively by a team of all relevant agencies.
- Customs should reduce their procedures.
- Procedures should be transparent and clear.
- Unstable legislation.
- Simplify customs procedures (declarations, inspections, goods admission certificates, etc.).
- Provide guarantees for exports’ values.
- Different opinions about customs tariff by different officers.
- New legislation and instructions should be discussed with all concerned parties.
- All agencies must exist at single window.
- Have “Euro-Mid Form” available at customs centers (not only at headquarters).
- Imported materials from high quality companies/countries should be treated favorably via simpler procedures.
- Cut back on procedures.
- Resolve the issue of “proving the price of goods.”
- Expedite goods inspections at customs centers.
- Qualify employees of all relevant agencies.
- Government must consult with private sector on legislation and trade issues.
- Customs instructions should be explained to importers, exporters and brokers.
- Same documents requested by different agencies.
- Apply international free trade laws, especially in customs procedures.
- Coordination of work is needed between Customs and Aqaba Containers Terminal (ACT) to facilitate goods inspection.
- Goods should be released against a guarantee/signatory until importation approval is obtained from relevant agencies.
- Different goods’ inspectors have different opinions.

- All laboratory testing should be under one agency's umbrella.
- Customs should have a clear mechanism/procedure for used cars that do not have records with Customs Department.
- Golden List Program does not have any material benefits except Lanes.
- Government should consult with Chambers and sectors' representatives before changing legislation.
- Engineers from Telecommunications Regulatory Commission and Nuclear Energy Commission should exist at customs centers.
- Simplify and expedite FDA and JISM procedures.
- All procedures should be simplified.
- Legal instructions are not explained to us when we ask about them.
- Why tests requested by JISM if we have testing certificate (international one).
- Reduce lab testing frequency on quality food products.
- There must be a complete list of all relevant laws, acts, regulations and instructions.
- Use of one application at Customs that include all required approvals from all agencies.
- New instructions should be allowed time before actual implementation.
- Income and sales taxes are high and should be reduced.
- Facilitate transit processing, especially to Iraq.
- Organize brokers sector and classify them in terms of quality based on previous record.
- Remove JISM's procedural complications.
- Different treatments by JISM to the same goods (differ between Jaber and Amman Customs Centers).
- Improve customs clearance and goods transport from Aqaba to Amman.
- Simplify duty-free export procedures.
- Our disagreements with agencies are referred to a committee from different agency; processing takes so long time.
- Laboratory test results should be reported back quickly.
- More cooperation and coordination between governmental agencies and private sector.
- Enhance Risk Management Directorate of Jordan Customs so that they can use "Green, Yellow and Red" lanes properly.
- Ministry of Exterior representative should be available at Industrial Cities including Tajamu' at City.
- Agencies involved in trade should be clearly identified along with their relevant roles.

- No agency encourages or teaches us on how to utilize the Jordanian European Trade Agreement.
- Give priority to refrigerated and inflammable goods.
- Examine other countries' experiences via field visits.
- Specify maximum period to complete each procedure, especially laboratory tests.
- Reduce number of samples taken from our goods for testing purposes.
- Golden List Program should be applied in real terms; not on paper only.
- Many shipments go to red lane even though inspection is very routine (not real) there.
- Aqaba port duties are high compared to other ports.
- Toys are treated differently by JISM from one customs center to another.
- There must be a clear mechanism for "goods value"; not arbitrary.
- Customs should hold meetings with traders and listen to their problems.
- Customs Centers' Managers should have more powers to make decisions.
- ASYCODA system requires new approvals from non-relevant agencies.
- Use electronic connection between traders, Brokers and Customs as in Dubai.
- Government is strict on our exports while soft on imports; the opposite should happen.
- Customs inspectors use Google to verify value (prices); this is not fair.
- Electronic network at customs centers need upgrading; frequent malfunctions; slow network
- Laboratory tests' cost should be charged based on shipment value not on how many varieties within shipment.
- Stop "police-smuggler attitude."
- Goods destruction procedures are very difficult; difficult to coordinate between destruction committee members.
- Warehousing costs at customs center, especially airport and Aqaba, are too high.
- Forwarders charge us too much more than what they actually pay for port as container emptying charges.