

## Jordan Snapshot

### Basic facts

<b>Population</b>	5.6m	<b>Inflation</b>	3.4% (2004)*
<b>Main languages</b>	Arabic	<b>GDP per head</b>	US\$1,950*
<b>Currency</b>	Jordanian dinar (JOD)	<b>GDP growth</b>	6.2% (2004)*
<b>Economic communities</b>	WTO		
<b>GDP sources</b>	3.6% agriculture, 28.7% industry, 67.7% services		
*Economist Intelligence Unit estimate.			

### Political environment

The Hashemite Kingdom of Jordan is a constitutional monarchy. The king, Abdullah ibn Hussein al-Hashemi, presides over foreign policy and sets the country's strategic direction. He also appoints the prime minister, who in turn selects the cabinet members, with the king's close supervision. The cabinet operates under the scrutiny of the Chamber of Deputies (lower house of parliament), which is directly elected.

### Foreign trade and investment

<b>Exports</b>	US\$3.9bn (2004)*	<b>Imports</b>	US\$7.2bn (2004)*
*Economist Intelligence Unit estimate.			

Leading export markets: the US, Iraq and India.

Major exports: Chemicals, phosphates, potash, food, manufactures and textiles.

The US-Jordan Free Trade Agreement has boosted Jordan's exports of textiles and apparel.

Key reforms have been undertaken in the information technology (IT), pharmaceuticals, tourism and services sectors.

In May 2001 the government converted the Aqaba port and surrounding area into a special economic zone (SEZ), offering special incentives to investors.

### Business and financing

<b>Business forms</b>	Non-operating foreign company, operating foreign company, joint venture
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Other forms of business organisation in Jordan are the offshore company (ownership strictly for non-Jordanians), general partnership, limited partnership, private shareholding company with limited liability, public shareholding company, holding company and joint investment company.

The capital city of Amman is the financial centre.

## Labour environment

<b>Unemployment rate</b>	15% (2004)	<b>Minimum wage</b>	JOD 85 (monthly)
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Labour unions exist, primarily in major industries such as phosphate and cement production, oil refining, and in the banking and financial sectors. Unions play a role in negotiating wages and other benefits for their members.

Permission must be obtained from the Ministry of Labour when employing foreigners prior to their entry into Jordan or prior to commencement of work.

## Taxation

### Corporate tax

<b>Main rate</b>	25%
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Resident and non-resident companies are taxable on their incomes sourced in Jordan only. The tax rate is 25%, but for banks, financial companies and insurance companies the rate is 35%. A lower 15% rate applies to income from certain activities, including construction, transport and metallurgy. Income of a general partnership is apportioned between the partners and is subject to individual income tax.

### Individual tax

Progressive rates to 25%
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Resident and non-resident individuals are taxed on their income sourced in Jordan only. Individual income tax is charged at progressive rates rising to 25%. The income of general partnerships is apportioned between the partners and added to their income for the purpose of assessment to tax. Dividends received from resident companies are not subject to tax.

### Capital gains

Generally not taxed
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Capital gains of companies on the disposal of immovable property are taxable, but other gains of companies are not included in taxable income. Gains by individuals on the sale of immovable property, bonds and shares are not subject to tax.

### Indirect tax

<b>Sales tax standard rate</b>	16%
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The sales tax applies at 16% to supplies made by manufacturers, importers and suppliers of services. Exports are zero-rated. A higher rate of 20% applies to certain luxury items such as video cameras, dishwashers, microwave ovens, perfume and tobacco. Exemptions include some basic foodstuffs, fertilisers, crops, fruit, seeds, books and newspapers, asphalt, cement and certain locally manufactured products.

### Tax administration and compliance

<b>Tax year</b>	Corporations: accounting period; Individuals: calendar year
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Companies must file a tax return within four months of the end of the accounting period, and tax is payable with the return. In certain cases tax may be paid by instalments. A discount may be given for early payment of tax. Wages and salaries are subject to deduction of tax at source. Individual tax returns are due by April 30th following the end of the tax year, and any tax due is payable with the return.

### Additional tax information

<b>Withholding taxes</b>	Dividends, Interest and Royalties 10%.
<b>Tax treaties</b>	Jordan has concluded more than ten double-tax treaties.
<b>Dividends</b>	Dividends paid are not subject to distribution tax.
<b>Revenue protection</b>	There is no transfer-pricing or anti-haven (CFC) legislation.
<b>Groups</b>	There is no provision for group taxation.
<b>Incentives</b>	Industrial projects; infrastructure; hotels.
<b>Other taxes</b>	Customs duties, Departure tax, Municipal tax on real property, Stamp duty.

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