

Diversification of Exports Program

"Diversification of Exports under the Jordan-US Free Trade Agreement" is a comprehensive program to support the change in the composition of Jordan's existing export products mix to the U.S. – which is currently dominated by Garment and Apparel exports.

Jordan is a small lower-middle income country with limited natural resources and limited domestic demand with a population of around 9.5 million (2017) including 2.9 million guests. As such, Jordan has long pursued an economic growth policy based on export development and attracting foreign direct investments. Jordan became a member of the World Trade Organization in 2000 and entered into numerous free trade agreements at the regional and bilateral level, and is party to over 50 bilateral investment treaties. As well as establishing special economic zones and free zones.

Despite Jordan's efforts to integrate into the global economy, its exports have remained, to a large extent, confined to neighboring and regional partners, as are investments which are mostly from neighboring countries. While the U.S. is Jordan's top trading partners, where by 19% of Jordanian exports and destined to the U.S., valued at 1.82 Billion USD. A closer examination of the exported goods shows a very high concentration in garment and apparel exports representing almost 80 percent of total goods exports.

The contained regional unrest has negatively affected the Jordanian economy, on all fronts including a decline in exports as Syria and Iraq were Jordan's major trading partners.

For Jordan, exports are important for growth and development. To counteract the loss of traditional exporting markets it is imperative for Jordanian enterprise to better utilize the preferential treatment provided to Jordanian products under the Jordan U.S. Free Trade Agreement. To this end, the Diversification of Exports Program is vital to increase opportunity for new Jordanian products to enter the U.S. market.

The Export Diversification Program was first launched in April 26th, 2016 under the patronage of the Minister of Industry, Trade and Supply and the U.S. Ambassador to Jordan, as a collaborative effort from the American Chamber of Commerce in Jordan and the Zarqa Chamber of Industry.

In July 2017, with the formal relaunch of the [Tijara Coalition \(add link\)](#) the Diversification of Exports Program was embedded under the activities of the national coalition that brings together over 35 public and private entities to unify efforts towards realizing the full potential of the Jordan – U.S. economic relations. The Program is supported by the USAID Jordan Competitiveness Program.

The Program aims to identify a set of priority product and service sectors to serve as a basis for strengthening and diversifying Jordan's export basket to the U.S. The current sectors identified with the highest potential are:

- Food Products.

- Chemical Products with focus on cosmetics/dead sea products, plastics and house hold detergents.
- Packaging and packing.
- Non-professional services with focus on IT sector.

Each of which has a dedicated committee established to direct the work and programs offered to these and other sectors.

+ link to Tijara sector committees

The Diversification of Exports Program provides specialized technical assistance at the enterprise level, to allow local companies to better manage and address the challenges of entering the U.S. market.

Under the Program, the following support services are provided:

1) Trade Missions and Exhibitions

- Organizing Trade Mission: design and delivery of sector specific trade mission.
- Participation in Trade Exhibitions: organizing participation in trade exhibitions, shows and fairs.
- Visitors Program: providing assistance and organizing attendance of exhibitions shows and fairs.

+ pics and info on Amcham Missions in 2016 and 2017 ...

2) Provide Information:

Supporting Jordan and U.S. enterprises by providing information based on their inquiries and interest in the following areas:

- Specialized trade fairs and exhibitions held in the US.
- Products HS code and/or customs tariff.
- Rules of Origin requirements: JUSFTA or GSP.
- Guidance on US FDA registration.
- Standards and labeling requirement.

3) Matchmaking services for export and imports purposes

4) Export Readiness Assessment

Companies wishing to enter the U.S. market can benefit from the Export Readiness Assessment services.

The Export Readiness Assessment involves the following three steps, which need to be observed to help elevate a company's capabilities to meet the special requirements of the U.S. market, as follows:

- **Step 1: Apply:** Companies who are interested in accessing the U.S. market are invited to fill in the Application Form

(link to application form – from NOUR)

After assessment of the application, the company will be contacted and advised if its eligible to benefit from the activities.

- **Step 2: Field Visit:** the visit is important to identify bottle necks or gaps that need to be addressed by the company to reach export readiness level.
- **Step 3: Applied Training Modules:** based on the finding of the previous steps the company will be advised on what actions are needed and staff training are required to build its capacity to export.

Add link to EXPORT READINESS ASSESSMENT CHECKLIST

Add link to Factory Assessment Report