

FAQs about U.S. tariffs on Jordan

Which new tariffs imposed the U.S. with relevance for Jordan?

Effective from 5 April 2025, the U.S. imposed a baseline tariff of 10% on imports from almost all countries including Jordan. Then, effective from 9 April 2025, it had announced “reciprocal” tariffs on imports from specified countries, amongst them Jordan with a prevailing rate of then 20%. These “reciprocal” tariffs are postponed for 90 days, whilst the 10% levy persists.

Already in February, the U.S. had (re)instated 25 % tariffs on imports containing steel and aluminium. Since this affects, for example, even products such as kitchen utensils or door handles, etc., Jordanian exporters can find themselves quickly exposed. Less so from the 25 % tariffs which were introduced on automobiles and automobile parts, as well as on importers of Venezuelan oil.

How was the “reciprocal” tariff for Jordan calculated?

U.S. exports to ./ imports from Jordan (trade deficit)	2.0 bn ./ 3.4 bn (trade deficit 1.3)*	
----- = ----- = -0.38*		
U.S. imports from Jordan	3.4 bn*	

$0.38 / 2 = 0.19^*$, 20% used as “reciprocal” tariff rate

** There are rounding differences included and the U.S. Trade Representative’s (USTC) numbers also do not necessarily fully reflect the numbers used in Jordanian statistics.*

The underlying numbers are from the USTC, which states that in 2024 the U.S. goods trade deficit with Jordan was \$1.3 billion and that imports from Jordan were \$3.4 billion.

How does Jordan’s tariff rate compare to other countries?

The majority of countries fall under the 10 % baseline tariff. The rates from the 57 countries with “reciprocal” tariffs reach from 11 % (Cameroon, DRC) to 50 % (Lesotho). These numbers, however, do not cover all conceivable tariffs which may have to be added (then, e.g., reciprocal tariff + steel/aluminium tariff) or stipulated exceptions which can lead to deductions.

Whilst Tunisia (28%), Algeria (30%), Libya (31%) Iraq (39%), Syria (41%) are subject to even higher “reciprocal” tariffs than Jordan, Bahrain, Egypt, Kuwait, Lebanon, Morocco, Oman, Qatar, Saudi Arabia, UAE, and Yemen are falling under the 10 % baseline tariff.

Do the new tariffs comply with the Jordan-US Free Trade Agreement?

The JUSFTA entered into force in December 2001 and was fully implemented by January 2010. This basically removed all tariffs between both countries and reduced trade barriers significantly.

The FTA contains a clause that it does not prevent the U.S. from taking any action that it considers as necessary for the protection of essential security interests further specified in the agreement. For the new tariffs, President Trump referred to the U.S. International Emergency Economic Powers Act (IEEPA) of 1977. IEEPA gives the US president the right of intervention when he declares a national emergency, which he did at the beginning of April.

This regulation was never used before to impose tariffs and, in the U.S., there is currently an intense discussion about whether it can. Usually, Congress needs to exert such powers. Also, there is a dispute settlement clause in the JUSFTA, and certain claims may be brought to the World Trade Organization (WTO). Still, there are many open questions, such as possible later referrals to Congress, the fact that the WTO's appellate body is inoperative, etc.

With which other countries do the U.S. and Jordan have Free Trade Agreements?

The U.S. has agreements with the following 20 countries: Australia, Bahrain, Canada, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Israel, Jordan, Mexico, Morocco, Nicaragua, Oman, Panama, Peru, Singapore, and South Korea.

Jordan is party to the following 8 FTAs: Agadir Agreement, Agreement with the European Free Trade Association EFTA, EU-Jordan Association Agreement, Greater Arab Free Trade Agreement (GAFTA), Jordan-Canada Free Trade Agreement, Jordan-Singapore Free Trade Agreement, Jordan-UK Association Agreement, and Jordan-US Free Trade Agreement (JUSFTA).

How strong is Jordan's dependency on the U.S. as an export market?

The U.S. is Jordan's largest trading partner. In 2024, bilateral trade in goods was about JOD 3.5 billion, with exports to the U.S. accounting for 25.7% of Jordan's total exports. Most significant were apparel and accessories (approximately 70% of Jordanian exports to the U.S. stem from the clothing sector), jewellery, chemical fertilizers and pharmaceuticals. IT-services, food products, live animals, and engineering goods also contributed significantly.

What does Jordan import from the U.S.?

Jordanian imports in goods from the U.S. mainly comprise metal products and transportation equipment, machinery and electrical appliances, grains and processed food, chemicals, medical devices, and furniture.

Do the new tariffs also bear opportunities for Jordanian exporters?

Some competitors are even harder hit, and Jordanian exporters may be able to make use of that. Contrary to most others, Jordan has a Free Trade Agreement with the U.S., which by nature sets the frame for rates below Most Favoured Nation (MFN) and for other preferences that are not open to all.

JORDAN EXPORTS (JE) can help Jordanian exporters with analyses of specific products and markets.

Which measures will Jordan take in response to the new tariffs?

Whilst Jordan presumably will not seek to retaliate, but to negotiate instead, several aims have been indicated to date:

- Negotiating a reduction of the “reciprocal” tariff.
- Entering the U.S. market before the “reciprocal” tariff may enter into force.
- Addressing pertaining trade barriers such as certain taxes, for example on vehicles and beverages, and important licenses (though it has to be emphasized that Jordan’s trade barriers towards the U.S. are already very low in comparison).
- Diversifying exports (i.e., reducing the dependency on exports to the U.S., which currently amount to about 25% of Jordan’s total exports).
- Pursue support for Jordanian exporters, for example through the Jordan Export Portal (JEP: <https://jordanexportportal.gov.jo/>), the Export Acceleration Program managed by JORDAN EXPORTS (JE), and further means.