

In Brief: Jordan's Trade Agreements

Jordan's strategic location allows for diversification and expansion into increasingly affluent markets. Jordan is well connected to neighbouring countries and global markets through a modern transportation system and a strong communication networks.

Jordan serves as a focal point for trade and investment with the EU, North Africa region, and the Middle East particularly for the Iraqi and Gulf markets.

Jordan's membership in the World Trade Organization (WTO) ensures access to Jordanian goods and services to 161 world markets.

In addition, Jordan is party to bilateral and regional trade agreements that contributes to enhancing the international competitiveness of Jordanian exports by gaining **access to over 1 billion consumers worldwide.**

The free trade agreement between Jordan and the US was signed in 2000 and was fully implemented in 2010, giving originating goods tariff free access into the partner's market and covering service trade



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Jordan Regionally Agreements

Jordan Bilateral Agreements



17 Arab countries under the Greater Arab Free Trade Agreement (**GAFTA**)



Canada

Europe Union under the Association Agreement.



The United States

In addition to the **Aghadir Agreement** between these states and the Europe Union.



Singapore

Norway, Switzerland, Iceland and Liechtenstein under the European Free Trade Association (**EFTA**)



WORLD TRADE ORGANIZATION



Jordan is a WTO Member since 2000



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SPECIAL TRADE ARRANGEMENTS

Qualifying Industrial Zones Arrangement

The US Congress enabled the establishment of Qualifying Industrial Zones (QIZs) in Jordan was signed in 1996 with the objective to further increase market access of Jordanian companies to the US market. Products manufactured within these QIZs qualify for duty-free as well as quota-free access to the US, assuming a certain level of local content:

1. 35% Jordanian content, of which:
 - a. 11.7% must come from a Jordanian QIZ.
 - b. 8% from Israel (7% for high-tech goods).
 - c. The remainder of the minimum may be fulfilled by content from a Jordan QIZ, Israel, US, or West Bank/Gaza.
2. 20% Jordanian content complemented by 15% US content.

The benefits provided by the QIZ Arrangements were particularly important for Jordanian products for which tariffs had not yet been phased out under the US - Jordan FTA. Under the QIZ Arrangements, these goods would enjoy immediate elimination of tariffs and quotas and would require a lower level of Jordanian inputs. The first QIZ was created in Irbid in November 1997 while another 12 QIZs have been established throughout Jordan subsequently. QIZ products still account for more than half of Jordanian exports to the US though the QIZ share is declining relative to total products shipped under the FTA.

EU's Relaxation of Rule of Origin

- More relaxed rules of origin enable industries in Jordan to export goods made using 70% of non-local materials. The agreement covers 52 product groups manufactured in 18 industrial and development zones.
- The workforce in the specified industrial zones must be comprised of at least 15% Syrian refugees, a number that will increase to 25% in 2019. After 200,000 Syrian refugees are employed, the relaxed rules of origin will be extended to other industries.
- The agreement is valid for 10 years



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The American Chamber
of Commerce in Jordan

AmCham-Jordan is a member of the United States Chamber of Commerce. Established in 1999 as a voluntary not-for-profit member-based organization that contributes to economic development through the promotion of US-Jordan trade and investment development, policy advocacy, human resources development and business community outreach.



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Free Trade Agreement Unit

Based at AmCham-Jordan, the **Free Trade Agreement (FTA) Unit** was established in 2017 with support from the United States Agency for International Development's (USAID) Jordan Competitiveness Program (JCP). The FTA Unit services as Secretariat to the National Tijara Coalition serving Jordanian and American businesses to better understand and utilize the trade and investment opportunities made available under the JUSFTA and the BIT.