

In Brief: Jordan's Free Trade Agreements



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A free trade agreement (FTA) is an international treaty between two or more economies that reduces or eliminates certain barriers to trade in goods and services, as well as investment.

Jordan has been a member of the World Trade Organizations since 2000, joining the multilateral trading system ensures that Jordanian traders are able to access over 160 economies based on predictable and transparent rules.

Jordan has negotiated several FTAs to benefit Jordanian exporters, importers, producers and investors by reducing and eliminating certain barriers to international trade and helps attract investments.

This coupled with Jordan's strategic location, friendly business environment, modern transportation system and a strong communication network makes Jordan an ideal location for enhancing products international competitiveness and expansion into attractive markets.



Jordan's FTAs gives exports preferential access to over **1 billion consumers** worldwide, and helps reduce import costs for Jordanian businesses and consumers.





The Greater Arab Free Trade Agreement (**GAFTA**)

17 Arab countries: United Arab Emirates, Bahrain, Saudi Arabia, Oman, Qatar, Morocco, Syria, Lebanon, Iraq, Egypt, the West Bank and Gaza, Kuwait, Tunisia, Libya, Sudan and Yemen.



The United States

Europe Union Association Agreement

Austria, France, Malta, Belgium, Germany, Netherlands, Bulgaria, Greece, Poland, Croatia, Hungary, Portugal, Cyprus, Ireland, Romania, Czech Republic, Italy, Slovakia, Denmark, Latvia, Slovenia, Estonia, Lithuania, Spain, Finland, Luxembourg, Sweden



Singapore

Aghadir Agreement

Egypt, Morocco and Tunisia.



Canada

European Free Trade Association (**EFTA**)

Norway, Switzerland, Iceland and Liechtenstein under the GSP & Other Trade Arrangements



United Kingdom

Jordan's Preferential Trade Agreements

Agreement	Coverage	Type	Date of notification	Notification	Date of entry into force	Status
Agadir Agreement	Goods	FTA	22-Feb-2016	Enabling Clause	27-Mar-2007	In Force
Canada - Jordan	Goods	FTA	10-Apr-2013	GATT Art. XXIV	01-Oct-2012	In Force
EFTA - Jordan	Goods	FTA	17-Jan-2002	GATT Art. XXIV	01-Sep-2002	In Force
EU - Jordan	Goods	FTA	17-Dec-2002	GATT Art. XXIV	01-May-2002	In Force
Jordan - Singapore	Goods & Services	FTA & EIA	07-Jul-2006	GATT Art. XXIV & GATS Art. V	22-Aug-2005	In Force
Pan-Arab Free Trade Area (PAFTA)	Goods	FTA	03-Oct-2006	GATT Art. XXIV	01-Jan-1998	In Force
United Kingdom - Jordan	Goods	FTA	03-May-2021	GATT Art. XXIV	01-May-2021	In Force
United States - Jordan	Goods & Services	FTA & EIA	15-Jan-2002	GATT Art. XXIV & GATS Art. V	17-Dec-2001	In Force

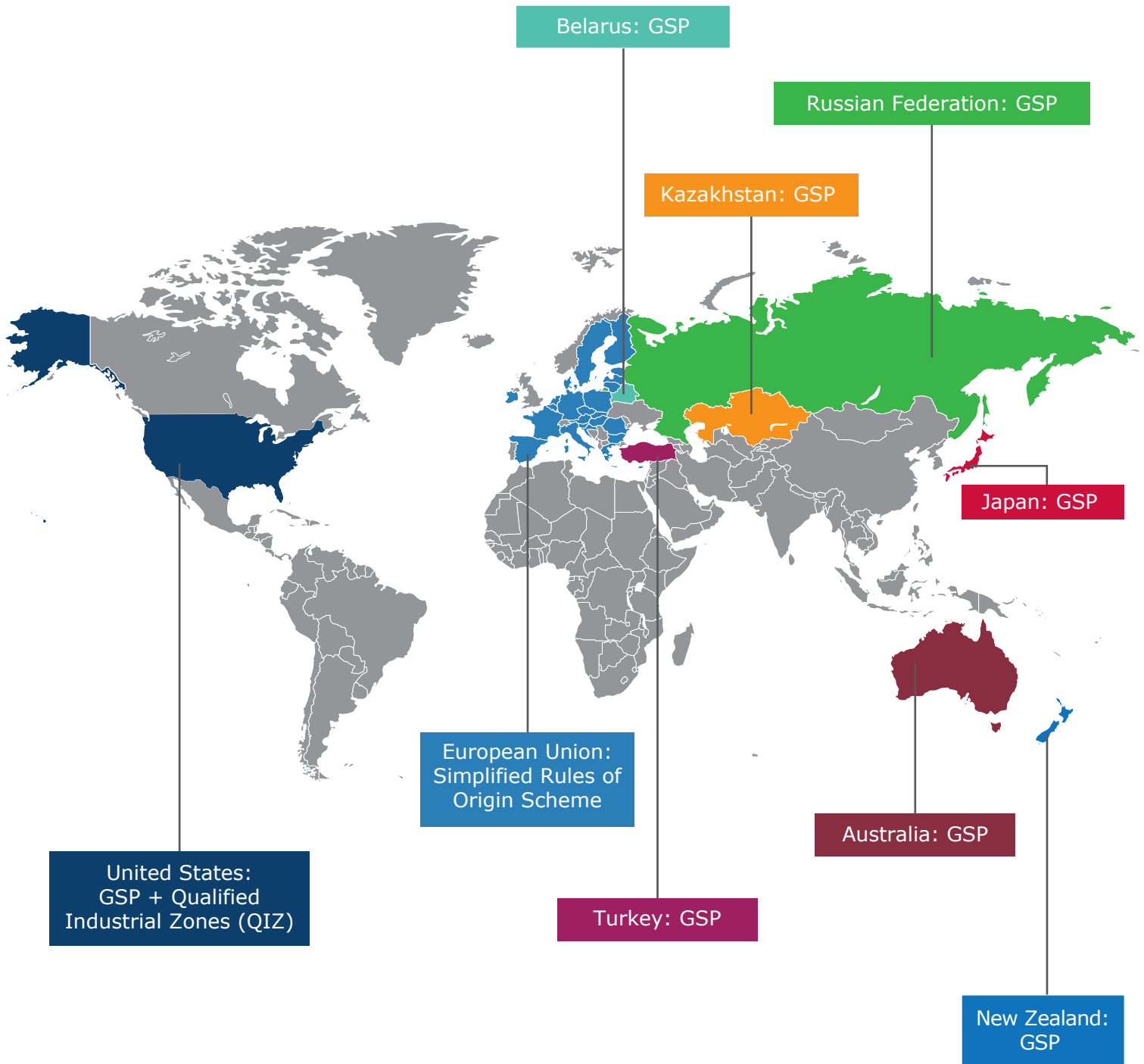


GSP & Other Trade Arrangements

Jordanian goods also benefit from tariff reduction on various products exported to certain developed country donors.

The Generalized System of Preferences (GSP) is a framework under which developed countries give preferential tariff treatment to goods imported from certain developing countries.

Countries that offer Jordanian goods certain **tariff reductions or benefits** from other preferential arrangements



Other Preferential Arrangements

Jordan-U.S. Qualifying Industrial Zones Arrangement

The U.S. Congress enabled the establishment of Qualifying Industrial Zones (QIZs) in Jordan in 1996 with the objective to further increase market access of Jordanian companies to the U.S. market.

Products manufactured within the identified and agreed zones qualify for duty-free and quota-free access to the U.S. provided certain conditions are met, of at least 35% Jordanian content, of which 11.7% must come from a Jordanian QIZ; 8% from Israel (7% for high-tech goods), with the remainder of the minimum may be fulfilled by content from a Jordan QIZ, Israel, U.S., or West Bank/Gaza. And 20% Jordanian content complemented by 15% U.S. content.

Since the entry into force of the JUSFTA Jordanian exports to the U.S. through the QIZ share has significantly declined. Noting that Egypt also benefits from the QIZ arrangement.

Jordan - EU Simplified Rules of Origin Scheme

In July 2016, the EU and Jordan agreed to simplify the rules of origin that Jordanian exporters use in their trade with the EU until 21 December 2030.

The scheme allows producers in Jordan to use an alternative more flexible set of rules of origin for exports to the EU other than the pan-Euro-Mediterranean protocol on rules of origin, whereby up to 70% of material used in the manufacturing process can be non-Jordanian, and provided that up to 15% of the manufacturer's employees are Syrian refugees, until the overall target of Syrian employment is reached, which is least 60,000 legal and active job opportunities for Syrian refugees.

Manufacturers in the whole of Jordan can benefit from this scheme within 52 different product categories including textiles and garments, engineering and electrical products, chemical products, plastic products, and furniture and wood products.





The American Chamber of Commerce in Jordan

A leading Jordanian Association the **American Chamber of Commerce in Jordan (AmCham-Jordan)** is a voluntary non-for-profit member-based organization established in 1999. With over 250 members from top Jordanian companies and U.S. companies operating in Jordan, AmCham-Jordan has been working for more than 20 years to contribute to Jordan's sustainable economic development through the promotion of Jordan-U.S. trade & investment relations, policy & advocacy, human resources development and business community outreach. AmCham-Jordan is affiliated with the United States Chamber of Commerce in Washington, D.C. and was the 2018-2021 Chair of the AmCham MENA Regional Council.



**Jordan - U.S.
Free Trade Agreement Unit**

Jordan-U.S. Free Trade Agreement Unit was established in 2017 with support from the United States Agency for International Development's (USAID), to provide specialized technical advisory services to Jordanian and American businesses to better understand and utilize the trade and investment opportunities made available under the JUSFTA and the BIT. The JUSFTA Unit also serves as Secretariat to the National Tijara Coalition, Jordan's oldest public private dialogue platform.

