

CONSIDERING the importance which the Parties attach to the principles of the United Nations Charter, particularly the observance of human rights, democratic principles and political and economic freedoms which form the very basis of the Association,

CONSIDERING the political and economic developments which have taken place in Europe and in the Middle East in the past years,

CONSCIOUS of the need to associate their efforts to strengthen political stability and economic development in the region through the encouragement of regional cooperation,

DESIROUS of establishing and developing regular political dialogue on bilateral and international issues of mutual interest,

CONVINCED of the need to strengthen the process of social and economic modernisation that Jordan has undertaken with the objective of the full integration of its economy in the world economies and of its participation in the community of democratic countries,

CONSIDERING the difference in economic and social development existing between Jordan and the Community,

DESIROUS of establishing cooperation, supported by a regular dialogue, in economic, scientific, technological, cultural, audiovisual and social matters with a view to improving mutual knowledge and understanding,

CONSIDERING the commitment of the Community and Jordan to free trade, and in particular to compliance with the rights and obligations arising out of the General Agreement on Tariffs and Trade (1994) (GATT),

CONVINCED that the Association Agreement will create a new climate for their economic relations and in particular for the development of trade, investment and economic and technological cooperation,

HAVE AGREED AS FOLLOWS:

Article 1

1. An Association is hereby established between the Community and its Member States, of the one part, and Jordan, of the other part.

2. The aims of this Agreement are:

- to provide an appropriate framework for the political dialogue, allowing the development of close political relations between the Parties,
- to establish the conditions for the progressive liberalisation of trade in goods, services and capital,
- to foster the development of balanced economic and social relations between the Parties through dialogue and cooperation,
- to improve living and employment conditions, and enhance productivity and financial stability,
- to encourage regional cooperation with a view to the consolidation of peaceful coexistence and economic and political stability,
- to promote cooperation in other areas which are of reciprocal interest.

Article 2

Relations between the Parties, as well as all the provisions of the Agreement itself, shall be based on respect of democratic principles and fundamental human rights as set out in the universal declaration on human rights, which guides their internal and international policy and constitutes an essential element of this Agreement.

TITLE I

POLITICAL DIALOGUE

Article 3

1. A regular political dialogue shall be established between the Parties. It shall strengthen their relations, contribute to the development of a lasting partnership and increase mutual understanding and solidarity.

2. The political dialogue and cooperation will in particular:

- develop better mutual understanding and an increasing convergence of positions on international issues, and in particular on those issues likely to have substantial effects on one or the other Party,

- enable each Party to consider the position and interests of the other,
- enhance regional security and stability,
- promote common initiatives.

Article 4

The political dialogue shall cover all subjects of common interest, and shall aim to open the way to new forms of cooperation with a view to common goals, in particular peace, security, human rights, democracy and regional development.

Article 5

1. The political dialogue shall facilitate the pursuit of joint initiatives and shall take place at regular intervals and whenever necessary, in particular:

- (a) at ministerial level, mainly in the framework of the Association Council;
- (b) at senior official level between representatives of Jordan, of the one part, and of the Presidency of the Council and of the Commission, of the other;
- (c) by taking full advantage of all diplomatic channels including regular briefings by officials, consultations on the occasion of international meetings and contacts between diplomatic representatives in third countries;
- (d) by any other means which would make a useful contribution to consolidating, developing and stepping up this dialogue.

2. There shall be a political dialogue between the European Parliament and the Jordanian Parliament.

TITLE II

FREE MOVEMENT OF GOODS

BASIC PRINCIPLES

Article 6

The Community and Jordan shall gradually establish a free trade area over a transitional period lasting a maximum of 12 years starting from the date of the entry into force of this Agreement in accordance with the provisions of this Agreement and in conformity with those of the General Agreement on Tariffs and Trade (1994), hereinafter referred to as the 'GATT'.

CHAPTER 1

INDUSTRIAL PRODUCTS

Article 7

The provisions of this chapter shall apply to products originating in the Community and Jordan other than those listed in Annex II to the Treaty establishing the European Community.

Article 8

No new customs duties on imports, or any other charge having equivalent effect, shall be introduced on trade between the Community and Jordan.

Article 9

Imports into the Community of products originating in Jordan shall be allowed free of customs duties and of any other charge having equivalent effect and free of quantitative restrictions and of any other measure having equivalent effect.

Article 10

1. (a) The provisions of this chapter shall not preclude the retention by the Community of an agricultural component in respect of goods originating in Jordan and listed in Annex I.
- (b) The agricultural component may take the form of a flat-rate amount or an ad valorem duty.
- (c) The provisions of Chapter 2 applicable to agricultural products shall apply *mutatis mutandis* to the agricultural component.
2. (a) The provisions of this chapter shall not preclude the retention by Jordan of an agricultural component in respect of goods originating in the Community and listed in Annex II.
- (b) The agricultural components which, pursuant to subparagraph (a), Jordan may charge on imports from the Community shall not exceed 50 % of the basic duty rate charged on imports from countries not benefiting from preferential trading arrangements but benefiting from most-favoured-nation treatment.
- (c) If Jordan proves that the equivalence of the duties applicable to the agricultural products incorporated in the goods listed in Annex II exceed the maximum rate set out in subparagraph (b) the Association Council may agree on a higher rate.