

Agreement
setting up a free trade area
between the Arab Mediterranean countries

The government of the Kingdom of Morocco, the government of the Kingdom of Jordan, the government of the Republic of Tunisia and the government of the Arab Republic of Egypt

- In fulfillment of the “Agadir Declaration” signed between government of the Kingdom of Morocco, the government of the Kingdom of Jordan, the government of the Republic of Tunisia and the government of the Arab Republic of Egypt in the city of Agadir on 8 May 2001, concerning the establishment of a free trade area comprising Arab Mediterranean countries;
- And on the basis of the bonds of Arab brotherhood which tie these countries, and the strong relationships existing between them;
- And given their desire to develop economic and commercial co-operation between them, and to reinforce it on a basis of equality, in order to expand the base of common interests and shared benefits in various domains, to strengthen economic integration between them, to reinforce the development and progress of their fraternal peoples;
- And with a firm belief in the importance of working to liberalise commercial exchanges between them, on the basis of existing bilateral agreements in this field, and through new forms of action appropriate to the nature of modern economic trends at both international and regional level, and the consequent requirements and challenges;
- And in full accordance with the Charter of the Arab League, recognizing the importance of supporting joint Arab economic co-operation, and with the objective of implementing the Greater Arab Free Trade Area and developing it, partaking of the efforts being expended to establish an Arab common market;
- And given their desire to develop and liberalise commercial exchanges, and to support Arab Mediterranean partnership, and to encourage mutual investment between them, and to make their economic space as a whole more attractive to foreign investment;
- And on the basis of the Association Agreements signed between each of these countries and the European Union, and in order to fulfill the objectives of the “Barcelona Declaration” as regards the establishment of a Euro-Mediterranean Free Trade Area;
- And in full accordance with the principles and requirements of the agreements of the World Trade Organisation, to which the signatories of this agreement are parties;

HAVE AGREED AS FOLLOWS:

Section 1: General Provisions

Article 1: Definitions

1. In accordance with this agreement, a free trade area shall be set up between the Kingdom of Morocco, the Kingdom of Jordan, the Republic of Tunisia, the Arab Republic of Egypt and other Arab Mediterranean states which may subsequently adhere to it, which shall hereinafter be referred to as “the Area”.

2. The countries which ratify this agreement, and any other Arab country adhering to it in accordance with paragraph 1., hereinafter referred to as the Member Countries, shall be considered as members of the Area.
3. This Agreement to establish a Free Trade Area between Arab Mediterranean countries shall hereinafter be referred to as “the Agreement”.
4. The institutions of the Agreement shall be the Committee of Foreign Ministers, the Committee of Foreign Trade Ministers, the Technical Committee emanating from them charged with the implementation of this Agreement, and the Technical Unit charged with the supervision of matters relating to the Agreement.

Article 2: Aims of the Agreement

1. The member Countries shall set up the Free Trade Area gradually during a transitional period to be completed at the latest by 1 January 2005, beginning with the entry into force of this Agreement, according to its provisions, and in accordance with the provisions of the General Agreement on Tariffs and Trade of 1994, and other agreements relating to the establishment of the World Trade Organisation.
2. The establishment of the Free Trade area, for the purpose of developing economic activity, supporting employment, increasing productivity, and improving living standards within the Member Countries.
3. The co-ordination of overall and sectoral economic policies in the Member Countries, in particular as regards foreign trade, agriculture, industry, the tax regime, finance, services and customs, to ensure conditions for objective competition between the Member Countries.
4. The approximation of legislation between the Member Countries in economic domains, with the aim of creating a favourable climate for economic integration between the Member Countries.

Section 2: Arrangements for liberalizing trade

Article 3: Industrial goods

Industrial goods (commodities and products) traded between the Member Countries shall be subject to a process of dismantlement of customs duties and other duties and taxes of similar effect with regard to importation, as follows:

- a) Immediate and complete mutual exemption, upon entry into force of the Agreement, for lists of goods subject to immediate and rapid dismantling with the EU, these lists being set out in Annex No.1 to this agreement, which includes the following:
 - The list set out in Annex No.3 to the Association Agreement between the Kingdom of Morocco and the EU, which comprises goods subject to gradual dismantling during a transitional period of 3 years, and goods to be totally exempted upon entry as of the entry into force of this agreement.
 - The list set out in Annex No.3 to the Association Agreement between the Hashemite Kingdom of Jordan and the EU, which comprises goods subject to