

Hereby agree on the following:

Introductory Chapter - Definitions

Article I:

For the purposes of this Agreement, and unless otherwise required by the Context, the following words and phrases have the respective meanings herein set forth:

1. Agreement: The Agreement on Facilitating and Developing Inter-Arab Trade.
2. Arab State(s): A Member-State of the League of Arab States.
3. Party-State: An Arab State for which the Agreement is effective.
4. Council: The Economic Council established under Article (8) of the Joint Defense and Economic Cooperation Treaty among Member-States of the League of Arab States, approved by the League's Council on April 13, 1950, and any amendment thereto.
5. Customs Duties and Taxes of a Similar Effect: Charges imposed by a party-state in accordance with the customs tariffs on imported goods, as well as other charges and taxes imposed on imported goods but not imposed on the products of the party-state itself, whatever names such charges and taxes may assume. This definition excludes charges levied for a specific service such as demurrage, warehousing, transport, loading and unloading charges.
6. Non-Tariff Restrictions: Actions and measures that may be taken by a party state to control imports, other than for organizational and statistical purposes. Specifically, such restrictions include quantitative, monetary and administrative restrictions imposed on imports.
7. Less-developed States: The party-states considered by the Council as such.

Chapter One - General Provisions

Article II:

This Agreement is designed to:

1. Free trade Exchange among Arab Countries from various charges and restrictions imposed on it, in accordance with the following rules: - Full relief for some Arab goods and products traded between Member-States from varied charges and restrictions imposed on non-national (non-Country) products.
 - Gradual reduction of Various Charges and restrictions imposed on some other traded Arab goods and products.

- Provision of gradual protection for Arab goods and products to face competition from similar or alternative non-Arab goods.
 - Determination of the goods and products referred to in paragraphs (A, B and C) in the light of the guiding criteria set forth in Article IV or determined by the Council.
2. Harmonized matching between production of and trade in Arab goods, using various means, particularly provision of funding facilities required for their production.
 3. Facilitating the funding of inter-Arab trade and settlement of payments resulting from such trade.
 4. Granting special concessions to services associated with trade among party-states.
 5. Adopting the principle of direct exchange in trade among party-states.
 6. Taking into account the development conditions of each of the party-states.
 7. Equitable sharing of the benefits and burdens resulting from the enforcement of the Agreement.

Article III:

The principle agreed upon in the Agreement shall constitute the minimum level of trade cooperation among the party-states. Each party-state shall be entitled to grant further advantages and preferences to any other Arab state or states, through concluding either bilateral or multilateral agreements.

Article IV:

Selection of the Arab goods and products referred to in paragraph (3) and (5) of Article VI and in Article VII shall be guided by one or more of the following criteria:

1. That the good occupies a strategic place in the consumption pattern satisfying the population's needs.
2. That the good be in substantial and continuous demand.
3. That the value of production of the good account for a significant percentage of the gross product of a party-state.
4. That the good occupies an important place in the interrelations within the production machinery of a party-state.
5. That growth of trade in the good lead to increased acquisition of technological capacity and location and development of appropriate technology.
6. That the good be of major export significance to a party-state.
7. That the good be important to the development of a party-state but face severe discriminatory or restrictive measures in foreign markets.

8. That growth of trade in the good lead to strengthening Arab economic integration.
9. That growth of trade in the good lead to realization of national security in general and military security in particular.
10. Any other criteria adopted by the Council.

Article V:

Economic sanctions among party-states in the trade area regulated by the Agreement may be used only by resolution of the Economic Council and for supreme national reasons.

Chapter Two - Substantive Provisions

Article VI:

The following Arab goods shall be exempted from customs duties and other taxes of similar effect as well as from non-tariff import restrictions:

1. Agricultural and animal products, whether in their primary form or after changes are introduced to make them consumable.
2. Mineral and non-mineral ores, whether in their primary form or in a form suitable for processing.
3. Semi-finished goods included in lists approved by the Council if they enter in the production of industrial goods.
4. Goods produced by Arab joint ventures established within the framework of the League of Arab States or Arab organizations operating within its context.
5. Finished goods to be agreed upon in accordance with lists approved by the Council.

Article VII:

1. The parties concerned shall negotiate the gradual reduction of customs duties and taxes of a similar effect imposed on imported Arab goods, in the percentages and ways consistent with the lists approved by the Council.
2. The relative reduction shall be gradual and for a specified period of time by the end of which all customs duties and taxes of a similar effect imposed on trade among the party-states shall be terminated.
3. Without prejudice to the provisions of paragraphs (1) and (2) of this Article, the products of party-states determined by the Council to be less developed shall be granted preferential treatment in accordance with the criteria and limits it may determine.