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

gradual dismantling during a transitional period of 4 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 Republic of Tunisia and the EU, which comprises goods subject to gradual dismantling during a transitional period of 5 years, and goods to be totally exempted upon entry as of the entry into force of this agreement.
- The first list in the tables of liberalization of goods included in the Association Agreement between the Arab Republic of Egypt and the EU, which includes goods subject to gradual dismantling during a transitional period of 3 years, as of the entry into force of this agreement.

b) Continuation of work on the immediate exemptions specified in bilateral agreements.

c) In relation to other industrial products subject to customs duties and not listed for immediate dismantling, the date of 1 January 2005 is confirmed as the latest date for the end of the transitional period, in accordance with the following:

- Beginning from the date of entry into effect of the Agreement: reduction by 80 percent.
- Beginning from I January 2005: complete exemption of 100 percent.

Article 4: Agricultural goods (commodities and products) and processed agricultural products

Liberalization shall take place for agricultural goods and processed agricultural goods set out in Sections 1 to 24 of the Harmonized System (HS), in accordance with the implementation programme of the agreement for facilitation and development of commercial exchanges between Arab states, which aims to set up a Greater Arab Free Trade Area.

Article 5: Trade in Services

Member Countries undertake to respect the commitments as regards liberalization of trade in services defined in the schedules of the World Trade Organization Agreement on Services, and will seek to expand the scale of trade in services between them, in accordance with the applicable laws and structures existing in each Member Country.

The Foreign trade Ministers' Committee will continuously monitor developments in trade in services between the Member Countries after the entry into effect of the agreement.

Article 6: Rules of Origin

1. Shall be considered as of local origin and source goods (commodities and products) meeting the requirements of the Protocol on Rules of Origin, Annex II to this agreement, in conformity with the Pan Euro-Med Protocol on Rules of Origin, and any future modifications which may be made to it.
2. Goods of local origin and source (commodities and products) exported from one member country to another shall be accompanied by a certificate of origin issued by the competent authorities in the exporting country, bearing the visa and certification of

the competent authorities in the same country, in accordance with the Protocol on Rules of Origin specific to this Agreement.

3. The Committee of Foreign Trade Ministers shall monitor on a continual basis any modifications which may be required to this Protocol, with a view to the sound application of the Rules of Origin.

Section 3: Accompanying arrangements for liberalization

Article 7: Fixing of customs duties, and duties and taxes having equivalent effect, and rules for their calculation

1. By customs duties is meant those duties laid down in the Customs Tariff according to the rates applied in Member Countries on 31/12/1997, and other duties and taxes of similar effect on goods traded between the Member Countries at the above date imposed by one of the Member Countries on imported goods, which are not imposed on products of the Member Country itself.
2. No new customs duties, nor any duties or taxes of equivalent effect, may be imposed on goods traded between the Member Countries, after the entry into effect of this Agreement.
3. If any reductions are effected in the customs duties, and other duties and taxes of similar effect, at the time of, or after, the entry into force of this Agreement, such reduced rates of duties or taxes shall replace those specified in para. 1 of this Article.
4. Member Countries shall follow the harmonized schedule (HS) Customs tariff in the classification of products traded between them.
5. Upon signature of this Agreement Member Countries shall exchange documents concerning the setting of Customs duties, and duties and taxes having equivalent effect, as of the date referred to in Para. 1, in accordance with the schedule of tariffs mentioned in Para. 4 of this Article.

Article 8: Non-customs restrictions

The Member Countries engage themselves to remove immediately all non-customs restrictions, including arrangements and procedures which might be adopted by Member countries to control imports. Such restrictions may specifically include quantitative, currency, administrative and technical restrictions which might be imposed on importations. No new non-customs restrictions may be imposed, this being in accordance with the specific rules of the World Trade Organisation, and the agreement for facilitation and development of commercial exchanges between the Arab states, and the arrangements of the Greater Arab Free Trade Area.

Article 9: Customs valuation

For the purposes of customs valuation of imported goods, the Member Countries will apply the provisions of the World Trade Organisation Agreement related to customs valuation.