

# AGREEMENT FREE TRADE BETWEEN THE GOVERNMENT OF THE HASHEMITE KINGDOM OF JORDAN AND THE GOVERNMENT OF THE ARAB REPUBLIC OF Egypt

The Government of the Hashemite Kingdom of Jordan and the Government of the Arab Republic of Egypt:

Based on the ties of Arab fraternity which links both peoples together and the ancient relations existing between their two countries, and being desirous to develop the economic and commercial relations between the two countries on the basis of equality, for the purpose of expanding the base of joint interests and mutual benefits in the relevant fields, and reinforce the economic integration between themselves and support the development and advancement of the two brotherly people, and

As both of them believe in the significance of liberating the exchange of trade between themselves through new formulas compatible with the nature of the serious economic orientations on the international and regional arenas, and within the framework of the charter of the League of Arab States and the principles of the World Trade Organization agreement, have agreed as follows:

## Chapter One

### Trade Exchange Liberation

#### Article One

Both Parties shall gradually set up a free exchange zone between themselves within a transitory period do not exceed the end of December 2005, starting from the date of entry of the Agreement into force, and in conformity with the requirements of the general agreement on customs tariff and trade for the year 1994 (GAT), and the other agreements annexed to the agreement under which the World Trade Organization (WTO) was established.

#### Article Two

a- Customs duties or the other dues and taxes of similar effect on commodities of Jordanian and Egyptian origin which exchanged between the two countries shall be reduced according to the reduction rates stated hereunder:

Custom Reduction Percent

Time Schedule

25%

1st Year as of 1/1/1999

40%

2nd Year as of 1/1/2000

55%

3rd Year as of 1/1/2001

70%

4th Year as of 1/1/2001

80%

5th Year as of 1/1/2001

90

6th Year as of 1/1/2001

100%

7th Year as of 1/1/2001

b- Commodities and products, which are not subject, temporarily, to gradual exemptions of custom fees, charges and other taxes of same effect of both parties which listed in the attached table (annex 1), shall be excluded from regulations of para. (A) Above.

#### Article Three

The Agricultural Commodities exchanged between the two countries shall be subject to the applicable agricultural calendar of according to the executive program of the facilitation and developing trade exchange agreement within the Arab League to establish the Great Arab Free Trade Zone.

#### Article Four

a- Custom fees, charges and other taxes of same effect shall mean those applied in both countries on imported commodities on 1/1/1998, within the coordinated system of custom tariff (H.S.)

b- No other new custom fees, charges or other taxes of same effect may be imposed after the enforcement of this agreement on the exchanged commodities and products between the two countries according to the provisions of this agreement.

c- If any reduction on custom fees, charges and other taxes of same effect upon or after the enforcement of this agreement, the reduced custom fees, charges and other taxes of same effect shall replace those prescribed on para(A) of this Article.

d- the two parties shall undertake custom tariff table according to coordinating system (H.S.) in classifying the exchanged commodities between them.

e- The two parties, upon the signature of this agreement, shall exchange documents regarding the specifying of applicable custom fees, charges, and other taxes of same effect applied actually on 1/1/1998 according to tariff tables prescribed in Para. (d) of this Article.

#### Article Five

a- Commodities of Jordanian or Egyptian origin which are exchanged between the two countries shall be treated as the national products treatment regarding internal taxes levied in the imported country on similar local products.

b- Sales tax shall be calculated in the Arab Republic of Egypt and the Hashemite Kingdom of Jordan regarding to commodities which utilize the provisions of this agreement upon their imported according to applicable laws and regulation in both countries as the enactment of this agreement. In case the Jordanian party should continue to charge the costume fees within the sales tax on these commodities the Egyptian party shall have the right to charge the same.

#### Article Six

This chapter contexts shall be applied on the exchanged products of Jordanian or Egyptian origin between the two countries, and shall be attached to them by a certificate of origin issued by the competent authorities of the exporting country, and shall be marked and controlled by the competent authorities of the same country, in accordance with the Protocol for the rules of origin annexed to this agreement.

#### Article Seven

The commodities exchanged between both countries shall be liberated from all non-customs restraints imposed on import in both countries. However, no restraints shall be imposed after the entry of the Agreement into force, provided that the contents of Article eleven will be observed.

## Article Eight

a- The provisions of this Agreement shall not apply to the products or materials, which are prohibited from being brought in, circulated or used in either country for religious, hygienic, security or environmental reasons, in conformity with the applicable laws and regulations in both countries.

b- The two countries shall apply procedures of agricultural and veterinarian quarantine on commodities subject to them according to applicable and enforced laws and procedures in both countries.

c- These procedures, restrictions, and rules shall not be used as indirect obstacles or restraints on trade between the two countries.

## Article Nine

Exemptions provided by this agreement shall not include commodities produced inside the free zones in any of the two countries directly to the other party or imported from any other country.

## Article Ten

a- The two parties shall encourage the use of International standards and measurements regarding to products quality.

b- The two parties shall conclude agreements concerning mutual recognition to evaluate the congruent.

## Article Eleven

The two parties shall permit the freely passage of vehicles and commodities of the both countries through the territories of the other party, including those heading to a third country.

Both parties shall commit to eliminate all obstacles and restraints which imbedding the free pass of these vehicles

## Article Twelve

Financial transactions regarding trade exchange between both countries shall be settled by any transferable currency according to the provisions of this agreement and applicable laws, resolutions, regulations thereto.

## Article Thirteen

The two parties shall encourage the economical and trade exchange between them according to applicable laws, rules and procedures in both countries by means of :

a- To facilitate the exchange of necessary data and information to get acquainted with trade exchange track either between them or between each one of them and other countries.

b- To assist and facilitating the visits of businessmen to both countries.

c- To encourage and promote activities aiming to facilitate trade between them, including the establishment of public trade exhibition, as well as conferences, publicity, advertisement, consulting services and other services according to applicable laws and regulations in both countries.

#### Article Fourteen

Each Party shall be entitled to implement the protection procedures provided for in the agreement on which basis the World Trade Organization was established and the protection agreement which resulted from the Uruguay session, in accordance with the provisions set forth in these two agreements. This shall be implemented only in respect of the products, which are determined by either Party to have been imported into its territory in excessive quantities, whether absolutely or relatively, as compared to the local production, and which cause or threaten to entail enormous damages to the local industry or agriculture which manufacture products similar or directly competitive to those imported by the other Party, in conformity with the laws and regulations in force in both countries.

#### Article Fifteen

In case the Arab Republic of Egypt or the Hashemite Kingdom of Jordan confronts a state of support or dumping in its imports from the other Party, then either of them may take appropriate procedures to face such cases, in conformity with the provisions of the two agreements for support and compensatory dues and for the procedures of combating the dumping, annexed to the agreement which gave rise to the World Trade Organization, in conformity with the laws and legislation in force in both countries, provided that the other Party will be notified thereof.

#### Article Sixteen

If any Party faces risks, problems or defect in its balance of payments, or anything which threatens for the occurrence of this, it shall have to take the appropriate procedures, in conformity with the provisions of the World Trade Organization agreement.

The prejudiced Party, however, shall in due time notify the other Party of such procedures, and shall specify the time schedule for canceling those procedures.

#### Article Seventeen

a- Both Parties shall provide adequate, effective and indiscriminately protection and shall apply it with respect to the intellectual, commercial and industrial ownership rights, including the registration of inventions (patents), trade marks and industrial designs, as well as the protection of literary and artistic works and programs, in conformity with the laws and regulations in force in their two countries, and within the framework of the commitments of both Parties towards the World Trade Organization.

b- Both parties shall review this article , and in case of the effect of problems concerning intellectual, industrial and commercial property affects the trade condition, an urgent conversation shall be held, upon the request of any party, in order to reach satisfactory solutions pleasant to both parties.

#### Article Eighteen

This Agreement shall not contradict with enacted agreement and those to be concluded in order to establish customs unions or free trade zones, or for making arrangements concerning border trade, in conformity with Article Twenty Four, Chapter Four, of the General Agreement for customs tariff and trade and the obligations arising therefrom.

#### Article Nineteen

a- Both Contracting Parties undertake to review this Agreement, in accordance with the requirements of future changes in the international economic relations, particularly in the World Trade Organization and discuss, within this framework, so as to include the aspects which have not broached under this Agreement, including the reconsidering commodities list which delayed and attached to this agreement (annex No.8).

b- The joint trade committee referred to in Article Twenty shall be entrusted with the study of the possibility of providing recommendations to this effect, for the purpose of holding negotiations in this respect.

c- The Agreement arising from such negotiations shall be subject to attestation, in conformity with the procedures applicable in both countries.

#### Chapter Two

##### Implementation Supervision

#### Article Twenty

a- For the purposes of following up the implementation of the provisions of this Agreement and of handling the problems that might be raised during the implementation, a joint trade

committee shall be set up under the chairmanship of the two Ministers of Foreign Trade in both countries, or their designees. The committee shall include in its membership representatives of the relevant Ministers and authorities,

b- Trade Committee shall meet at least once a year consecutively between the two countries, each party shall have the right to request the meeting of the said committee when necessary.

c- This Committee shall undertake the following assignments:

Guarantee the compliance with the implementation of both Parties' obligations, concerning the liberation of the goods exchange between the two countries from costume fees, charges, and other taxes of same effect according to the articles of this agreement.

Study the requests made by either Party for decreasing the number of the commodities and goods included in Attachments whose liberation has been postponed.

Study the requests made by either Party suggesting the expansion of the scopes of this Agreement, in accordance with Article Nineteen.

Study the request made by either Party concerning the application of protective measures, in accordance with article fifteen and sixteen.

Settle disputes that may arise between both Contracting Parties regarding the interpretation and implementation of the requirements of this Agreement.

A sub-technical joint committee on the expertise level to review the issues submitted to it by the trade committee.

Article Twenty One

The protocol of origin rules and annex No.(1) inseparable part of this agreement.

Article Twenty Two

This agreement shall, upon its enforcement, shall replace Free Trade Zone agreement signed between the two countries on 8/5/1996.

## Article Twenty Three

This agreement shall come into effect at the date of last notification regarding the fulfillment of necessary legal procedures for ratification according to applicable legislation in both countries.

## Article Twenty Four

This Agreement shall remain in force, unless either Party gives the other Party a notice in writing, or through diplomatic channels, of its willingness to terminate it, six months prior to the date of the required termination. However, the provisions of this Agreement, shall remain in force after its expiry with respect to trade contracts concluded during its validity period and which are performed up to the date of its termination.

Done in Arabic Language in Amman, on 21 Shaban 1419H.J corresponding to 10/12/1998 A.D. in duplicated copies both are equally authenticated.

For the  
Hashemite Kingdom of Jordan  
Moh'd Saleh Al-Hourani  
Minister of Trade and Industry

For the Government of the Arab Republic of Egypt  
Dr. Ahmad Juwaili  
Minister of Trade and Supply

## Annex No. (1)

A List of postponed Commodities of liberation from custom fees, charges and other taxes of same effect

Item

Coordinated Custom

Textiles, and ready-made cloths

Chapters : From 50 to 63 in full

Cars

Clauses; 8702,8703 8704 in full.



Tobacco and its products such as cigarettes and  
c i g a r .

Chapter 24 in full.

Beverages and spiritual liquor( alcoholic)

Chapter 22 in full except clause 2209

Enforcing Iron

Clauses from 7213 to 7215

Table Salt

Form Clause 2501

Tomato Paste

From Clause 2002

Mineral Water

Form Clauses 2201, 2202