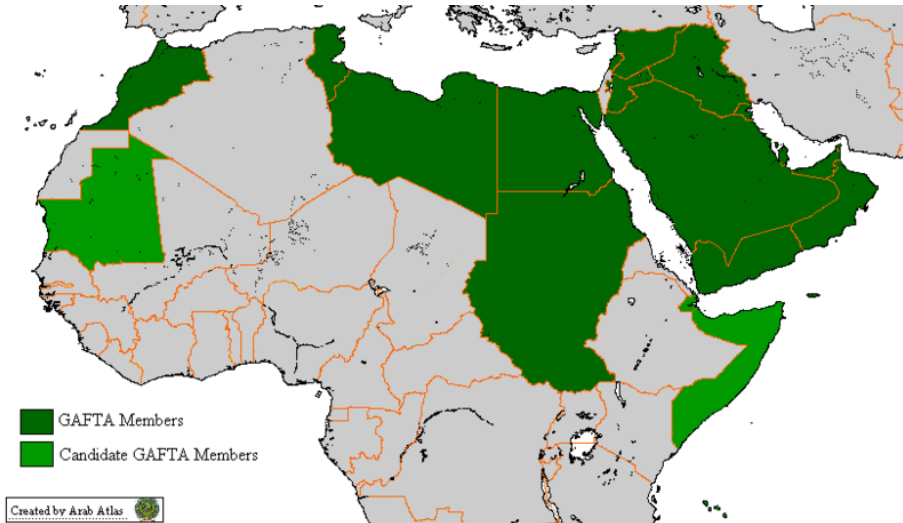


## The Greater Arab Free Trade Area (GAFTA)



**GAFTA was declared within the Social and Economic Council of the Arab League as an executive program to activate the Trade Facilitation and Development Agreement that has been in force since January 1st, 1998. The GAFTA includes in its membership 17 Arab countries:**

1.Bahrain	7.Libya	13.Sudan
2.Egypt	8.Morocco	14.Syria
3.Iraq	9. Oman.	15. Tunis
4.Jordan	10.Palestine	16.United Arab Emirates
5.Kuwait	11. Qatar	17.Yemen
6.Lebanon	12. Saudi Arabia	

- ✚ **GAFTA is one of the most important economic achievements in the area of Arab common work. It contributes to efforts towards establishing the Arab Common Market.**
- ✚ **As of January 1st, 2005, the agreement reached full trade liberalization of goods through the full exemption of customs duties and charges having equivalent effect between all Arab countries members of the GAFTA, except Sudan and Yemen being less developed countries where customs duties and charges having equivalent effect will be reduced by 16% annually as of January 1st , 2005 to reach full exemption by the end of 2010 (pursuant to the resolution of the Arab League Council at its 14th meeting in Beirut regarding offering less developed Arab countries preferential treatment).**
- ✚ **Also, Arab countries that do not require authentication of certificates of origin and accompanying documents by embassies and Consulates:**

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1. Bahrain	7. Oman
2. Egypt	8. Saudi Arabia
3. Kuwait	9. Sudan
4. Lebanon	10. Syria
5. Lybia	11. Tunisia
6. Morocco	12. United Arab Emirates (certification fees were cancelled but authentication is still required)

To further contribute to economic integration among Arab countries through liberalizing trade in both goods and services, Arab countries are currently engaged in negotiations to liberalize services and investments among them.

### Council of Arab Economic Unity:

The Council of Arab Economic Unity agreement was established in June 1957 by a resolution of the Arab Economic and Social Council of the Arab League. The Council's objective is to achieve economic integration among Arab countries with the view of establishing an Arab Common Market. The Council of Arab Economic Unity held its first session in Cairo in June 1964, being responsible for administrating the Agreement on Arab Economic Unity and supervising its implementation.

Establishing Countries of The Council of Arab Economic Unity:	
1. Egypt	7. Somalia
2. Iraq	8. Sudan
3. Libya	9. Syria
4. Jordan	10. Tunisia
5. Mauritania	11. U.A. Emirates
6. Palestine	12. Yemen

Members of the Council of Arab Economic Unity:	
1. Egypt	6. Somalia
2. Iraq	7. Sudan
3. Jordan	8. Syria
4. Mauritania	9. Yemen
5. Palestine	

The Council of Arab Economic Unity has under its umbrella a number of agreements that aim to encourage Arab investments:

- ♣ Non-Double Taxation,
- ♣ Tax Evasion, and Establishing Common Rules on Income and
- ♣ Capital Agreement, signed on Dec. 3rd 1997.

## The Greater Arab Free Trade Area (GAFTA)

### Members up to date are:

Jordan, Sudan, Egypt, Syria, Iraq, Libya and Yemen.

✚ **Non-Double Taxation and Income Tax Evasion Agreement, signed on Dec. 6th 1998. Members up to date are:**

✚ Jordan, Sudan, Egypt, Syria, Iraq, Libya and Yemen.

**Investment Promotion and Protection Agreement**, signed on June 7th 2000. Members up to date are: Jordan, Sudan, Egypt, Syria, Iraq and Libya.

**Investment Dispute Settlement in Arab countries**, signed on Dec 6th 2000. Members are: Jordan, Egypt, Syria, Iraq and Libya.

Item	GAFTA Agreement
Validity	Pursuant to Decision No. 1317 D 59, the Economic and Social Council, at a meeting held on 19/2/1997, adopted the Executive Program and set a timeline for the establishment of an Arab Free Trade Area in accordance with the 1981 Agreement for Facilitation and Promotion of Trade among Member Countries.
Entry into Force	The Agreement entered into force on 1/1/1998.
Duty-Free Products	<p>All trade among Arab member countries was subject to a gradual phase-out from 1/1/1998 until 1/1/2005, which was the timeline set for establishing the Arab Free Trade Area. During the liberalization process Member countries were able, as per agreement during the implementation process, to schedule certain commodities for immediate liberalization. The FTA applies to all products as follows: Agricultural and animal products, from Chapters 1 to 24, whether in their raw or processed form.</p> <p>During the liberalization process member countries were able to exclude from tariff reductions certain agricultural products depending on the production season. However, since 1/1/2005 all agricultural products became exempt from customs duties and other fees and charges having similar effect.</p> <p>Industrial products from HS Chapters 25 up to 96.</p> <p>Provisions cited in this Program shall not apply to products or materials banned from importation, circulation or use in any member country for reasons related to religion, health, security and environment or because of quarantine rules. Member countries are required to submit a list of these products, as well as a list of any related amendments.</p> <p>These provisions do not apply to commodities produced in free zones where specific procedures are yet to be established in connection with the treatment of such products.</p>
Preferential Treatment	Reduction rates reached zero level by 2005.