

The Arab Mediterranean Free Trade Agreement



ATU

A g a d i r T e c h n i c a l U n i t

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TUNISIA A FOUNDING MEMBER OF THE ARAB MEDITERRANEAN FREE TRADE AREA AGADIR AGREEMENT

by:

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The Market is a Major Determinant of FDI

- Tunisia has Bilateral Trade Agreements
- Tunisia is a member of GAFTA.
- Tunisia was the first country from the south rank of the Mediterranean to sign a free Trade and Partnership Agreement with the E.U. With the access to a market exceeding 500 million consumers with A high standard of living.
- Tunisia was a founding member of the Arab Mediterranean Free Trade Area. Agadir Agreement with an attractive market of more than 120 million consumers.

The Agadir Agreement – Some Dates

- The Agadir process was initiated in Agadir (Morocco) in May 2001.
- Through the declaration the four Arab countries (Egypt, Jordan, Morocco and Tunisia) expressed their intention to establish a free trade area between them.
- The Agreement itself was signed by the four countries in Rabat, Morocco on the 25th of February 2004.
- The Agreement entered into force on the 6th of July 2006 after ratification.
- The real implementation was possible since March 27th 2007, after the publishing of customs circulars of the four member countries.



Relations to Other Agreements

- Contributing to the objectives of Barcelona Process concerning the establishment of the Euro-Mediterranean Free Trade Area.
- The Agadir Agreement is the first South-South Free Trade Agreement linked to E.U.
- The Agadir Agreement is in accordance with the principles and requirements of the world trade organization (WTO) in which the four countries are members.
- The Agadir Agreement is in harmony with Arab league charter in supporting mutual Arab cooperation and moving in implementing Greater Arab Free Trade Area. (GAFTA)



What is New with the Agadir Agreement?

- Three New Dimensions:
 1. Adoption of Pan Euro-Med Rules of origin.
 2. Accumulation of Origin between Member States and the Euro Med Area.
 3. Adoption of the Certificate of Movement EuroMed as a passport of Goods produced by the Agadir countries within the Euro Med Zone.



Aims of the Agadir Agreement

- Boost trade between the four member countries mainly between them and the E.U.
- Economic development and integration through the implementation of the Pan-Euro-Med rules of origin.
- Attraction of EU and international FDI as Agadir Agreement creates a free trade zone including until now more than 120 million consumers.

The Agadir Technical Unit

- Headquarters based in Amman, Jordan.
- Operating fully since April 2007.
- Supported by E.U. both financially and technically.
- Acts as the Driving force and catalyst in the implementation of the Agadir Agreement.
- Planned and started implementing an approved work plan for the 1st year (April 2007- March 2008).

The ATU Work plan

- Approved 1st year work plan (April 2007- March 2008) by the Ministers of Foreign Trade in the four member countries Accordingly, ATU's team started with the implementation in order to:
 - Create awareness of the Agreement between the member states.
 - Emphasize on trade and industry development with training programs.
 - Promote the investment climate in member states for FDI.



ATU's Work Plan Covers three major aspects :

- 1. Sectorial Studies**
- 2. Training Strategy**
- 3. Marketing and Promotion**

1. Sectorial Studies

- ✓ **Two chosen potential sectors:**
 - **Automotive Sector**
 - **Textile and Garments Sector**

- Involvement of the private sector in the steering committee.
- Partnership of an EU-Agadir experts chosen to carry out the studies.
- The Two studies are finalized at the end of this month.

- ✓ **Emphasize on the accumulation potentials within the member countries in order to:**
 - Encourage complimentarity and integration between the member countries.
 - Attract EU investors and promote partnership.
 - Stimulate exports towards EU.



2. Training Strategy

- ✓ **Training within the approved work plan includes :**
 - Customs: regulations and the methods of developing them (Tunisia).
 - Standards and Norms: Simplification and harmonization of the standards and specifications among Agadir countries(Egypt).
 - Technical Barriers to Trade TBT (Morocco).
 - Pan-Euro Med Rules of Origin (Brussels).
- ✓ **Aims at establishing a complete and proper implementation of Pan-Euro-Med Rules of Origin in the member countries.**



3. Marketing and Promotion

- ✓ **Creating Awareness through live interaction within member countries and the EU, it includes:**
 - Awareness at the national levels in Jordan, Morocco & Egypt.
 - Regional conference and workshop in both Tunisia and Egypt (assuring 10 pre planned private sector businessmen one-to-one meetings).
 - Investment forum in Brussels (8 April 2008)
 - Interactive website, dedicated mainly to the private sector.
 - Promotional literature and marketing campaigns

Tunisia as a Partner in The Barcelona Process and in the Union for the Mediterranean

- Tunisia has supported the Barcelona Process since 1995.
- Tunisia was among the first countries to support the Union for the Mediterranean.
- Tunisia was one of the 4 co-founders of the The Arab Mediterranean Free Trade Agreement “The Agadir Agreement”
- Tunisia chairs since 2007 and for a period of 3 years the General Secretary of the Agadir Agreement.

Regional Integration enhancing Foreign Investments in the Member countries.

- Due to the Agadir Agreement, Tunisia is part of a unique market exceeding 120 million consumers.
- Foreign investment is an important instrument of regional integration, Such integration represents a factor of peace and prosperity in the Euro Mediterranean region.
- Within the perspective of establishing a Euro Med Area, European companies' investments are not regarded as delocalization but rather as economic activities of regional integration for a shared prosperity for Euromed as a whole.

Perspectives of Foreign investment in Tunisia and in the South of the Mediterranean

- The Euro Med Area has attracted only 1% of E.U Foreign Investment since 2000
- The Mediterranean countries won't be able to attract European capitals unless they achieve an integration which leads to oversizing their market.
- It is vital to overstep, through Cooperation, the fragmentation of the markets in the Euro med Area

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Thank You For Your Attention

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