

**OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE  
EXECUTIVE OFFICE OF THE PRESIDENT  
WASHINGTON, D.C.  
20508**

---

**USTR PRESS RELEASES ARE AVAILABLE ON THE USTR WEBSITE AT [WWW.USTR.GOV](http://WWW.USTR.GOV).**

---

**FOR IMMEDIATE RELEASE  
OCTOBER 24, 2000**

**CONTACT: 00 - 75  
BRENDAN DALY  
AMY STILWELL  
TODD GLASS  
(202) 395-3230**

**U.S. AND JORDAN SIGN HISTORIC FREE TRADE AGREEMENT**

President Clinton and King Abdullah II today witnessed the signing of a historic Free Trade Agreement (FTA) between the United States and the Hashemite Kingdom of Jordan. This agreement, signed by U.S. Trade Representative Charlene Barshefsky and Jordanian Deputy Prime Minister Mohammad Halaqah, is only the fourth free trade agreement the United States has negotiated, after Israel, Canada and Mexico, and the first ever with an Arab state. An FTA with Jordan has been one of the Administration's top foreign and trade policy goals.

"This agreement is the capstone of our economic partnership with Jordan, which began with U.S.-Jordanian cooperation on Jordan's WTO accession, our joint Trade and Investment Framework Agreement and our Bilateral Investment Treaty," said Ambassador Barshefsky. "It also has broader political significance. It is a powerful example to Jordan's neighbors in the Middle East that there are great benefits to peace, and is a vote of confidence in Jordan's economic reform program, which should serve as a source of growth and opportunity for Jordanians in the coming years. I applaud the vision of President Clinton and His Majesty King Abdullah in conceiving the project and carrying it through to conclusion so rapidly."

Ambassador Barshefsky continued: "The agreement is also the first ever to have, in the body of a U.S. trade agreement itself, key provisions that reconfirm that free trade and the protection of the environment and of the rights of workers can go hand in hand. It will not require either country to adopt new laws, but rather requires each to enforce the laws it currently has, which will join free trade and open markets with other public responsibilities." She noted that both countries have been conducting environmental reviews, which were extremely useful in developing some of the provisions of the agreement.

The U.S.-Jordan Free Trade Agreement includes the following:

- Elimination of virtually all tariffs on industrial goods and farm products within 10 years;
- Free trade in services, giving American services providers full access to services sectors of key importance, and providing excellent opportunities in financial, education, audio-visual, courier services and other sectors;
- Modern intellectual property rights commitments, which will provide prospects for technology-based industries, copyright-based industries and pharmaceutical companies;
- A joint commitment to promoting a liberalized trade environment for e-commerce that should encourage investment in new technologies, and avoid imposing customs duties on electronic transmissions, imposing unnecessary barriers to market access for digitized products, and impeding the ability to deliver services through electronic means;
- Provisions on environmental principles -- sustainable development, maintaining high levels of protection and improving environmental laws, not relaxing environmental laws to encourage trade, and ensuring effective enforcement of domestic environmental laws -- as well as provisions on technical cooperation on the environment; increased market access for environmental goods, technologies, and services; and environmental exceptions;
- Provisions on labor that ensure full enforcement of national laws and affirm the existing commitment of both sides to the ILO's core labor standards;
- Additional commitments by both countries to make use of transparency and appropriate public participation in the operation of the agreement and maximal use of transparency in dispute settlement procedures with the other, and to encourage such transparency in dispute settlement proceedings in the World Trade Organization.

### **Background:**

The agreement offers the prospect of rapid growth in a relatively small trade relationship. Two-way trade between Jordan and the United States totaled \$287 million in 1999, \$276 million in U.S. exports to Jordan and \$11 million in U.S. imports from Jordan. An analysis by the U.S. International Trade Commission suggests the potential for growth under the new agreement, showing that if an FTA had been in effect in 1998, U.S. exports of cereals (other than wheat) could have increased by 14 percent,

electric machinery exports doubled, and exports of machinery and transport equipment grown by approximately 39 percent.

The agreement builds on other U.S. initiatives in the region, designed to encourage economic development and regional integration. These include the 1985 U.S.-Israel Free Trade Agreement and its extension to areas administered by the Palestinian Authority in 1996; and the 1996 Qualifying Industrial Zone (QIZ) program.

The Qualifying Industrial Zones are areas under joint Israeli-Jordanian customs control whose exports are eligible for duty-free treatment in the United States. The QIZ program was initiated by President Clinton in 1996. The United States has also signed Trade and Investment Framework Agreements (TIFAs) with Turkey (2000), Egypt (1999), Jordan (1999), and Morocco (1985); and encouraged membership in the World Trade Organization for nations in the region, facilitating the recent entries of Jordan and Oman.

Building on these achievements, President Clinton and the King of Jordan agreed to begin formal negotiations of a Free Trade Agreement on June 8. The commitment recognizes both Jordan's strong support of the peace process, and King Abdullah's remarkable drive for economic reform. The King's commitment to a market economy and privatization, his leadership in encouraging Jordan's accession to the WTO in April 2000, and Jordan's strong record on respect for core labor standards and environmental protection in the context of trade are key factors behind the Administration's decision.