وزارة الاقتصاد والتجارة
Ministry of Economy and Commerce

بنك قطر للتنمية
QATAR DEVELOPMENT BANK

FREE TRADE AGREEMENT
An Exporter's Guide for Trade

Free Trade Agreements

A Free Trade Agreement (FTA) is an agreement between two or more countries to increase the flow of trade and services so as to bring about greater economic integration between them. FTAs seek to encourage and assist trade between the signatory countries. FTAs seek a reduction or removal of tariffs and non-tariff barriers including tariffs, taxes, subsidies, regulations, etc. The reduction in trade impediments means that FTAs provide a faster and more effective market access to signatory countries. Various studies have shown that once a FTA has been signed, the level of trade with the signatory countries tends to increase.

Current Free Trade Agreements:

- **Gulf Cooperation Council (GCC):** Bahrain, Saudi Arabia, Kuwait, Oman, UAE and Qatar. A customs union is in force over and above the Free Trade Area which means that these countries adopt a common customs tariff with external countries.
- **Greater Arab Free Trade Area (GAFTA):** 18 Arab countries (Bahrain, Egypt, Iraq, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Saudi Arabia, Sudan, Syria, Tunisia, United Arab Emirates, Sudan, Yemen, Mauritania, and Algeria are members of GAFTA. However, Sudan and Yemen have not implemented the GAFTA being Least Developed Countries (LDCs). Qatar's exports to these 16 countries will not attract any Import Customs duty, thus making our products competitive. However, exporters need to provide a Certificate of origin that the goods manufactured have 40% value addition.
- **Gulf Co-operation Council and the European Free Trade Area FTA (GCC-EFTA FTA):** Switzerland, Norway, Iceland and Liechtenstein (EFTA countries).
- **GCC Singapore Free Trade Area (GSFTA):**

Details of these agreements are attached in the Annexure

Main Aspects of the FTAs Signed by Qatar

Gulf Cooperation Council (GCC)

Agreement name:	Gulf Cooperation Council (GCC)		
Coverage:	Goods	**Type:**	Customs Union
Status:	In Force	**WTO Legal Cover:**	GATT Art. XXIV
Date of signature:	31 December 2001		
Date of entry into force:	1 January 2003		
Current signatories:	Bahrain; Kuwait; Oman; Qatar; Saudi Arabia; United Arab Emirates		
Original signatories:	Bahrain; Kuwait; Oman; Qatar; Saudi Arabia; United Arab Emirates		
All Parties WTO members?	Yes		

Main Aspects of the Agreement

The GCC Customs Union sought to build on the achievements made to date and enhance as well as strengthen the ties among member countries. As a part of this the Customs Union sought to harmonize their economic, financial and monetary policies, their commercial and industrial legislation and customs laws. The Customs union also sought to lay the steps towards building an a Common Market and an Economic and Monetary Union among Member States. From a social viewpoint the Customs Union sought to respond to the aspirations and expectations of GCC citizens towards achieving Gulf citizenship, including equality of treatment in the exercise of their rights to movement, residence, work, investment, education, health and social services.

Export Benefits of the Agreement

The FTA lays down a number of key benefits for Qatar's exporters which are as follows:

- A common external customs tariff (CET).
- Common customs regulations and procedures.
- Single entry point where customs duties are collected.
- Elimination of all tariff and non-tariff barriers, while taking into consideration laws of agricultural and veterinarian quarantine, as well as rules regarding prohibited and restricted goods.
- Goods produced in any Member State shall be accorded the same treatment as national products.
- Unify import and export rules and procedures.
- Adopt unified standards and specifications for all products, according to the Charter of the GCC Standardization and Metrology Organization.
- Eliminate all procedural obstacles encountering joint projects and according them, at a minimum, the same treatment given to similar national projects.
- No Member State may grant to a non-Member State any preferential treatment exceeding that granted herein to Member States, nor conclude any agreement that violates provisions of this agreement.

Investment Benefits of the Agreement

- Unify all investment-related laws and regulations.
- Accord national treatment to all investments owned by GCC natural and legal citizens.
- Integrate financial markets in Member States, and unify all related legislation and policies.

Greater Arab Free Trade Area (GAFTA)

Agreement name:	Greater Arab Free Trade Area (GAFTA)		
Coverage:	Goods	**Type:**	Free Trade Agreement
Status:	In Force	**WTO Legal Cover:**	GATT Art. XXIV
Date of signature:	19 February 1997		
Date of entry into force:	1 January 1998		
Remarks:	The current signatories stated below are "as notified by the parties" to the WTO. However, please note that the current membership also includes Algeria and the Palestinian Authority.		
Current signatories:	Bahrain; Egypt; Iraq; Jordan; Kuwait; Lebanon; Libyan Arab Jamahiriya; Morocco; Oman; Qatar; Saudi Arabia; Sudan; Syrian Arab Republic; Tunisia; United Arab Emirates; Yemen, Algeria.		
Original signatories:	Bahrain; Egypt; Iraq; Jordan; Kuwait; Lebanon; Libyan Arab Jamahiriya; Morocco; Oman; Qatar; Saudi Arabia; Sudan; Syrian Arab Republic; Tunisia; United Arab Emirates; Yemen		
All Parties WTO members?	No		

Main Aspects of the Agreement

The Greater Arab Free Trade Area (GAFTA) was established so as to create an Arab economic block that could effectively compete with other countries while ensuring that each country increased trade with each other. The GAFTA's has had a long history with formal existence on January 1, 1998. The idea of an Arab free trade agreement (FTA) was first conceived at the Arab League Summit in 1982 however very little effective action took place. Later at the Arab League Summit in 1997, the plan was revisited and formalized with 17 member countries agreeing to the plan.

The agreement stated that GAFTA would be supervised and managed by the Arab Economic Council which is part of the Arab League. The most important aspect of the 1997 agreement was that over the next 10 years or so each member country would seek to carry out a 10% reduction in customs fees per annum as well as the gradual elimination of trade barriers. In March 2001, the member countries decided to reduce the period over which the reductions in tariffs could be made so as to speed up the process, and on 1 January 2005 the elimination of most tariffs among the GAFTA members was enforced.

Export Benefits of the Agreement

- Goods produced by any member country shall be treated as national goods as far as the rules of origin, specifications and measurements, health and security safeguard clauses as well as local charges and taxes are concerned. However, each member country would need to observe international rules and provisions for setting safeguard measures as well as subsidies.
- International rules and practices will be observed as far as defining and dealing with cases of dumping are concerned.
- The ability to facilitate "the funding of inter-Arab trade and settlement of payments resulting from such trade" (GAFTA, Article II – as reported on the official website of the Arab League).
- The removal of all non-tariff barriers for member country products.
- Allowing member countries to implement agricultural calendars so as to be able to suspend tariff reductions on a maximum of 10 agricultural commodities during the months of peak production.

Country of Origin Rules

The rules of origin have been established to ensure that the benefits accrue only to products from member countries. As such the benefits are not available to products which are important by a member country and then re-exported to another. Therefore, all exports to member countries need to be accompanied by a Certificate of Origin whereby they will be considered as member country products i.e. local if 40% or more of the value added of a product is generated in a member country.

Investment Benefits of the Agreement

The GAFTA does not have any explicit clause relating to investment however member countries established sub-agreements which seek to foster greater investment between them. So far two such sub-agreements have been signed which are as follows:

1. Investment Promotion and Protection Agreement, signed on June 7th 2000. Members up to date are: Jordan, Sudan, Egypt, Syria, Iraq and Libya.
2. Investment Dispute Settlement in Arab countries, signed on Dec 6th 2000. Members are: Jordan, Egypt, Syria, Iraq and Libya.

Gulf Co-operation Council and the European Free Trade Area FTA (GCC-EFTA FTA)

Agreement name:	Gulf Co-operation Council and the European Free Trade Area FTA (GCC-EFTA FTA)		
Coverage:	Goods and Services	**Coverage:**	Goods and Services
Status:	In Force	**Status:**	In Force
Date of signature:	22 June 2009		
Date of entry into force:	1 July 2015		
Remarks:	The current signatories stated below are "as notified by the parties" to the WTO.		
Current signatories:	GCC Countries which include UAE, Kuwait, Oman, Bahrain, Saudi Arabia and Qatar and the EFTA countries which are Switzerland, Norway, Iceland and Liechtenstein		
Original signatories:	GCC Countries and Switzerland, Norway, Iceland and Liechtenstein		
All Parties WTO members?	Yes		

Main Aspects of the Agreement

The provisions contained in this Agreement are applicable to both the trade in goods and services. In doing so the signatories to the FTA seek to liberalize their markets so as achieve conformity with Article XXIV of the General Agreement on Tariffs and Trade. And to achieve the liberalization of trade in services, in conformity with Article V of the General Agreement on Trade in Services. In addition, to this the Agreement seeks to promote competition in the respective signatory countries. At the same time the agreement hopes to ensure adequate and effective protection of intellectual property rights. In the area of government procurement the Agreement looks to liberalize the markets so that companies in the signatory countries are treated as national. The final aspect of the Agreement is to increase the level of investment opportunities in the respective countries. The non-trade aspects seek to enhance the economic relations between the member countries.

Export Benefits of the Agreement

The FTA lays down a number of key benefits for Qatar's exporters which are as follows:

1. No new customs duties shall be introduced in trade between the EFTA States and GCC, except for those contained in the Agreement.
2. Both parties that are the GCC countries and the EFTA countries shall, on entry into force of this Agreement, abolish all customs duties on imports of originating products from the other party country.
3. Under the terms of the FTA a signatory country is permitted to introduce or keep an existing import duty or measure if it feel that it is important. However, the signatory country needs to inform the Joint Committee of all export duties applied. In this case a customs duty is defined as any duty or charge of any kind imposed in connection with the importation of a product, including any form of surtax or surcharge, but does not include any charge imposed in conformity with Articles III and VIII of the GATT 1994.
4. The signatories to the Agreement have sought to provide adequate, effective and non-discriminatory protection of intellectual property rights, including effective means of enforcing such rights against. In this regard each signatory shall treat companies no less favorably than that it accords to its own nationals. The only exception is that provided for under Articles 3 and 5 of the TRIPS Agreement.
5. The Agreement provides that companies in the signatory countries shall:
    a. Be liable all laws, regulations, procedures and practices regarding government procurement as national entities.
    b. Countries do not treat a locally-established supplier less favorably than another locally-established supplier on the basis of the degree of foreign affiliation to, or ownership by, a person of another Party.

GCC Singapore Free Trade Area (GSFTA)

Agreement name:	GCC Singapore Free Trade Area (GSFTA)		
Coverage:	Goods and Services	**Type:**	Free Trade Agreement
Status:	In Force	**WTO Legal Cover:**	GATT Art. XXIV
Date of signature:	31 January 2008		
Date of entry into force:	1 January 2015		
Current signatories:	GCC Countries and Singapore		
Original signatories:	GCC Countries and Singapore		
All Parties WTO members?	Yes		

Main Aspects of the Agreement

The GCC and Singapore agreed to launch negotiations on a free trade agreement in November 2006. After four rounds of talks, the GSFTA negotiations were concluded on 31 January 2008. The GCC-Singapore FTA (GSFTA) is a comprehensive free trade agreement between Singapore and the GCC countries that includes the trade in goods and services under the articles GAT and GATS. The Agreement also includes provision to foster greater investment between the signatories. In the case of trade the rules of origin and customs procedures for goods between the countries have been simplified. Furthermore, the Agreement seeks to create a level playing field as far as government procurement is concerned.

Export Benefits of the Agreement

The FTA lays down a number of key benefits for Qatar's exporters which are as follows:

1. No new customs duties shall be introduced in trade between the GCC States and Singapore, except for those contained in the Agreement.
2. Singapore shall, on entry into force of this Agreement, abolish all customs duties on imports of originating products from the GCC.
3. Each Party shall, in accordance with its respective domestic laws, grant temporary admission free of customs duties goods intended for display or use at exhibitions, fairs or other similar events, including commercial samples for the solicitation
4. The Parties shall strengthen their co-operation in the field of technical regulations, standards and conformity assessment procedures, with a view to increasing the mutual understanding of their respective systems and facilitating access to their respective markets.

5. For the purposes of the fulfilment of its standards or criteria for the authorization, licensing or certification of services suppliers, a Party may recognize the education or experience obtained, requirements met, or licenses or certifications granted in another signatory country.
6. The signatories to the Agreement have sought to provide adequate, effective and non-discriminatory protection of intellectual property rights, including effective means of enforcing such rights against. In this regard each signatory shall treat companies no less favorably than that it accords to its own nationals.
7. The Agreement provides that countries do not treat companies on an equal basis as far as government procurement is concerned.

Country of Origin Rules

For the purposes of this Agreement, goods shall be deemed as originating goods from a signatory country and eligible for preferential treatment provided that they:

- are wholly obtained or produced in the territory of the exporting country
  or
- have undergone sufficient working or production that attains a qualifying value added of not less than thirty five percent (35%) based on the ex-works price using the following formula:

  Ex-Works Price – N.O.M. x 100% ≥ 35%
  where:
  Ex-Works Price means the price paid for the good ex-works to the manufacturer in the Parties in whose undertaking the last working or processing is carried out, provided the price includes the value of all the materials used, minus any internal taxes which are, or may be, repaid when the good obtained is exported.

  N.O.M. is the value of the non-originating materials.