

EU statement at the Trade Policy Review of the Hashemite Kingdom of Jordan, 17/11/15

Statement by EU Deputy Ambassador Detlev Brauns

I would first like to welcome the Delegation of the Hashemite Kingdom of Jordan, led by H.E. Eng. Maha Ali (Minister of Industry, Trade and Supply). My appreciation is extended to the Discussant, H.E. Mr. Martin Eyjólfsson (Iceland), for getting us started today with his remarks, as well as to Secretariat and Jordan for their respective reports. For the EU and the French delegation I would like to express gratitude for the words of condolences and consolation on the events in Paris.

Mr. Chairman, Jordan is a stable country in a troubled region. The regional crisis had severe impacts on Jordan's trade performance leading in particular to the loss of many of its traditional export markets and its access to its traditional export gateways. In addition, Jordan faces an unprecedented refugee crisis as it has to deal with the presence on its territory of over 1.3 million of refugees from neighbouring countries. This clearly is aggravating the situation and provoking major negative impacts on a small country with a small economy. The EU recognises the exceptional circumstances Jordan is facing.

The EU commends Jordan's resilience in this difficult environment and praises, in particular, Jordan's uneasy balancing exercise to respond to the severe exogenous shocks that have disrupted its trade routes and affected inward investment.

Despite these exceptional exogenous constraints, Jordan maintained an open and growing economy with a real GDP growth averaged over 3.7% annually, between 2008 and 2014.

As also noted by the Secretariat report, Jordan carried out a certain number of reforms to improve the trade and investment climate. In particular, the EU appreciates the reforms aimed at simplifying the public procurement rules and legislation as well as the efforts made in IPR protection and enforcement. In our view, these reforms show Jordan's commitment to the multilateral trade system.

The EU recognises Jordan's commitment to the WTO and welcomes Jordan's notification of its Category A commitments under the Trade Facilitation Agreement. The EU encourages the Government of Jordan to advance quickly the internal process leading to the ratification of the Agreement.



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A word, Mr. Chairman, on our bilateral relationship. The EU has excellent relations with Jordan clearly reflected by the strong trade relationship under the framework of our Association Agreement, in force since 2002, which has strengthened and reinforced our economic ties. The EU actively supports and assists Jordan in the implementation of its reform process in the difficult regional environment. In this respect, the EU cooperation indicative allocation for the period 2014-2020 will be between €567 million – €693 million.

The EU is Jordan's primary commercial partner in terms of total trade volume. Total trade with the EU amounted to approximately €4 billion in 2014. In 2014, the EU was Jordan's first source of imports just before Saudi Arabia while Jordan was the EU's 64th trade partner.

The EU and Jordan have also made good progress in preparing the process to deepen their existing trade relationship through the negotiation of a Deep and Comprehensive Free Trade Agreement.

The EU commends Jordan for its efforts under the framework of the Agadir Agreement, paving the way for stronger economic cooperation between Jordan and the neighbouring countries with the ultimate goal of creating a genuine regional trade relationship open to additional regional partners. The EU encourages Jordan to continue making progress in the consolidation of this Agreement and to build up into further and effective integration as the EU believes that comprehensive regional integration between the Mediterranean countries is instrumental for the economic prosperity of the region.

Mr Chairman, let me thank Jordan for the responses to the questions we had previously submitted in writing and raise a few specific issues.

Firstly, the EU appreciates the measures adopted to liberalise Jordan's investment regime, in particular the investment law adopted in 2014 aiming at facilitating investment procedures. The EU encourages Jordan to consider further reforms for the elimination of the existing restrictions on foreign investment in order to improve its business environment, strengthen competitiveness and further open up its economy.

Secondly, I would also flag that, in a bilateral context, the EU has raised certain concerns with Jordan on a recent safeguard investigation concerning imports of certain types of paper where it was not clear whether the criteria for imposing a safeguard measure were fulfilled. This issue remains under discussion and we hope to find a satisfactory conclusion soon.

Mr. Chairman, to conclude, the EU is confident that this exercise will help Jordan in reviewing and strengthening its policies and we look forward to a constructive exchange of views during this review. I wish the Jordanian delegation the utmost success during its Trade Policy Review.