The Arab Mediterranean Free Trade Agreement

ATU

Agadir Technical Unit

AGADIR AGREEMENT

The Arab-Mediterranean Free Trade Area

Jordan-Egypt-Tunisia-Morocco

Workshop on Challenges and Opportunities for the Textile and Clothing Sector/in the Euro-Mediterranean region

Milan 12-13 March 2012

Background:

- Part of the Barcelona Process 1995 - the establishment of the Euro-Mediterranean Free Trade Area.
- The process was initiated by Morocco, Tunisia, Egypt and Jordan at Agadir in May 2001, was signed in Rabat on 25 February, 2004, entered into force on the 6th of July 2006 and implementation started on March 27th 2007.
- Market of more than 120 million consumers with a combined domestic product of nearly € 200 billion.
- Developing economic activity, supporting employment, increasing productivity and improving living standards.
- Create a co-ordination of overall and sectoral economic and trade policies, to ensure conditions for objective competition and to promote European investments.
- The approximation of legislations to create an appropriate climate for economic integration.

ATU: Mission, Objectives & Activities

Mission: Management and follow up on the implementation of the Agreement

Objectives: Insure the Implementation and provide technical advice and prepare recommendations.

Activities: Work plan developed and implemented upon the approval the Trade Ministers, initiatives and cooperation with international organization: Sida, ENIMA, WTO, EPO, UN …

The ATU activities under 3 main components:

1. ***Institutional building:*** Working as a center of expertise, measuring regional trade (source of information), and responding to the information needs through:
   - Website: interactive website providing several services and online information.
   - Reports: Periodical reports on the impact of the agreement and trade exchange volume.
   - Data bases: data bases on priority industrial sectors and the potential opportunities.
2. ***Regional trade facilitation:*** Enhancement of the integration process among Agadir countries and with the EU, through:
   - Technical Working Groups WG: On specific trade issues : Rules of Origin, Conformity Assessment, Competition, Trade in Services, Customs issues, IPR and trade remedies.
   - Economic and sectoral Studies: for priority economic sectors with potentials in Accumulation of origin: a) Textile and cloths sector, b) Automotives, c) Leather and shoes. d) SMEs, E) Transport.
   - Training: capacity building for public and private sector: Rules of Origin, Customs procedures, IPR, Trade remedies, Trade in Services, Competition, SPS and TBT.
3. ***Awareness raising:*** Targeting the private sector, improve knowledge, identify opportunities for trade and industrial cooperation thorough exhibitions workshops, forums, publications …
   - Activities implemented to date: 50 WGs meetings,15 training programs,3 databases for economic sectors, More than 20 promotion events, more than 10000 copy of publications and reports …

Textile & Clothing SECTOR in Agadir

Study on the textile & clothing sectors in Agadir Member Countries in 2008:

- Support the sourcing of Egyptian fabric and threads by the three other countries.
- Create a concrete data base on the sector.
- Implement an action plan:
  - ✓ Target markets with a high level of priority: Spain and Italy .
  - ✓ Target markets with second level of priority: Germany and Great Britain.
  - ✓ Potential markets: France, Belgium and Netherlands.
- Create an “Agadir Textile & Fashion Institute” .
- Create Agadir Textile Association, that established on November 2008 :
  1. Create entities between the organizations, institutions and companies.
  2. Develop the rules of commutation of origin among the producers to develop the exports between member states and between them and the EU.
  3. Adopted policies of the Agadir Agreement in all economic fields.
  4. Strengthen relations of cooperation and exchanges among the integrated activities.

SME's in Agadir

Study on supporting SME's in Agadir Member Countries and the priority sectors that may cumulate origin when exporting to the EU in 2011 :

Identification of Opportunities for Origin Accumulation in textiles & clothing sector

- **TEXTILE AND GARMENT SECTOR / CHAPTER 52: COTTON:**
- 5208: Woven cotton fabrics, weight less than 200 g/m2
- 5209: Woven cotton fabrics over 200 g/m2
- 5205: Cotton yarn not for sewing

The study highlights on the « Possible benefits from Egyptian cotton products to achieve cumulation of origins when exporting to the EU ».

- **CHAPTER 60: KNITTED OR CROCHETED FABRICS**

SME's in Agadir

Guideline of Agadir SME's Support Program (grant program):

- Private sector partnership
- Benchmarking against international best practices.
- Focusing on developing intra-trade between Agadir countries which offers accumulation of origin opportunities when exporting to the EU.
- Accountability through the publication of quantifiable annual targets.
- Transparency through clarity and simplicity of procedures.
- Cooperation with existing SME development programs in Agadir member states.
- Operational freedom to execute mandates.
- Positive "mindset" in entrepreneurship culture.

Main Recommendations:

- Trade-off between the institutional structure and reducing operational costs.
- Emphasizing the principles of monitoring and evaluation and developing a detailed logical framework for the project in its final form.
- Focusing on the importance of following-up the project from the stage of promotion to negotiation and implementation stages.

SME's in Agadir

Main Challenges:

- Higher customer Expectation;
- Loss of positioning on world map;
- Increasing competition from foreign products coupled with a lack of marketing and distribution skills;
- Limited access to technology and business information;
- Limited access and/or lack of customized technical assistance programs;
- Strong competition in the local and the international markets; and
- Labor costs are increasing whereas international export prices are decreasing

THANK YOU FOR YOUR KIND ATTENTION

For more information: kindly visit our web site www.agadiragreement.org

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