
News Release

August 26, 2008 (9:00 a.m. EDT)
No. 183

Canada Concludes Free Trade Negotiations with Jordan

On August 25, 2008, the Government of Canada concluded negotiations on a free trade agreement (FTA) with Jordan, as well as on parallel agreements on labour cooperation and the environment. This year, the Government of Canada has also concluded FTA negotiations with Colombia and Peru.

“We welcome this opportunity to expand Canada-Jordan trade relations,” said the Honourable Michael M Fortier, Minister of International Trade. “This bilateral free trade agreement will open up significant opportunities for Canadian companies in this growing economy, as well as elsewhere in the Middle East and North Africa. It demonstrates our government’s continuing commitment to expand opportunities for Canadian exporters.”

An FTA with Jordan will improve market access for both agricultural products and industrial goods, and help to ensure a level playing field for Canadian exporters vis-à-vis competitors that already have preferential access to Jordan’s markets. Trade between the two countries totalled \$76 million last year.

Upon implementation, this FTA will eliminate tariffs on the vast majority of current Canadian exports to Jordan, directly benefiting Canadian exporters. For example, in 2007, electrical machinery was subject to roughly \$293,000 in duties (up to 30 percent on some products) on exports of \$3 million to Jordan.

The parallel labour and environment agreements will help to ensure progress on labour rights and environmental protection.

“This labour cooperation agreement between Canada and Jordan will ensure that economic progress goes hand in hand with the rights of workers,” said the Honourable Jean-Pierre Blackburn, Minister of Labour and Minister of the Economic Development Agency of Canada for the Regions of Quebec. “The successful conclusion of these negotiations marks the beginning of a long-term cooperative relationship between our two countries.”

“The Canada-Jordan Agreement on the Environment marks another milestone in our two countries’ joint commitment to protecting our most vital of assets, our shared environment,” said the Honourable John Baird, Minister of the Environment. “We see this partnership as an

opportunity to create and strengthen environmental laws and policies as a legacy for future generations.”

This FTA also demonstrates Canada’s support for a key partner in the pursuit of regional peace, security and stability. These negotiations follow on the successful conclusion of negotiations for a new bilateral air services agreement and a foreign investment promotion and protection agreement with Jordan.

Prime Minister Stephen Harper committed Canada to exploring the possibility of an FTA with Jordan when he met King Abdullah II in July 2007.

Before signing the agreements and making them public, Canada and Jordan will undertake a detailed legal review of the FTA texts in English, French and Arabic. Following formal signature, the treaties will be tabled in the House of Commons for a period of 21 sitting days for Members of Parliament to review and debate. Following the 21-day period, the Canadian government will introduce draft legislation to implement the agreements.

Under Canada’s Global Commerce Strategy, the government is working to advance Canada’s trade in key markets by opening up new opportunities for Canadian exporters, investors and innovators. For more information on Canada’s Global Commerce Strategy, please visit: www.international.gc.ca/commerce/strategy-strategie/index.aspx?lang=en.

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Backgrounder

Canada-Jordan Free Trade Agreement Negotiations

Prime Minister Stephen Harper committed Canada to exploring the possibility of a free trade agreement (FTA) with Jordan when he met King Abdullah II in July 2007.

In November 2007, officials from Canada and Jordan met for exploratory discussions in Amman. They concluded that there were potential benefits to deepening trade relations.

Prior to launching the FTA negotiations, the Government of Canada conducted a comprehensive domestic consultation process. Negotiations began on February 20, 2008, and concluded during the third round of negotiations, held in Amman from August 24 to

25, 2008.

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Canadian exports to Jordan totalled \$60 million in 2007, up from \$31 million in 2003. The top Canadian exports were forest products, electrical machinery, and agricultural and agri-food products (led by pulse crops). Including imports from Jordan worth \$16 million, bilateral trade in 2007 totalled \$76 million.

Highlights of Canada's new agreements with Jordan

Better market access through elimination of tariffs on goods

Upon implementation of the free trade agreement, the immediate elimination of tariffs on the vast majority of current Canadian exports to Jordan will benefit Canadian exporters. Key Canadian sectors that will benefit from this immediate duty-free access include forest products, manufacturing, and agriculture and agri-food. These are sectors in which Canadian companies are global leaders.

The Canada-Jordan FTA will contribute to Jordan's economic development as well by creating new market opportunities for exports of Jordanian goods.

More transparency

The FTA will reaffirm and build on commitments pursuant to the World Trade Organization Agreement on Technical Barriers to Trade (TBT). In particular, it has more robust transparency obligations than the TBT's, for example ensuring domestic and foreign stakeholders will have the opportunity to see and comment in advance on proposed regulatory measures. The FTA will also provide a bilateral mechanism to promote dialogue and exchange information.

Canada-Jordan Agreement on Labour Cooperation

Canada and Jordan will commit to ensuring their laws respect the International Labour Organization (ILO) 1998 Declaration on Fundamental Principles and Rights at Work, which covers the right to freedom of association and to collective bargaining, the abolition of child labour, the elimination of compulsory labour and the elimination of discrimination.

Canada and Jordan will also commit to providing protections for occupational health and safety, acceptable minimum employment standards and compensation for occupational injuries and illnesses.

The Labour Cooperation Agreement will also include effective enforcement mechanisms. Although it will focus on labour cooperation, it will provide that, as a last resort, failure to respect ILO principles and enforce domestic laws might result in an independent review panel assessing a monetary penalty. Any such assessments would accrue to a special cooperation fund and be used to strengthen labour rights and address the violation.

For more information on the ILO's Declaration on Fundamental Principles and Rights at Work, please consult:

[www.ilo.org/dyn/declaris/DECLARATIONWEB.ABOUTDECLARATIONHOME?
var_language=EN](http://www.ilo.org/dyn/declaris/DECLARATIONWEB.ABOUTDECLARATIONHOME?var_language=EN)

Canada-Jordan Agreement on the Environment

Once implemented, the environment agreement will commit Canada and Jordan to pursue high levels of environmental protection and to strive to develop and improve their environmental laws and policies. The Agreement will also oblige the two countries to effectively enforce their domestic environmental laws and to refrain from relaxing these laws to encourage trade or investment.

Canada and Jordan will ensure there are processes in place to assess environmental impact, and will encourage enterprises to adopt best practices of corporate social responsibility. The two countries are also committed to working together on activities that support the objectives and obligations of the Agreement.

Both parties have committed to addressing any matter that arises under the Agreement in a cooperative manner, through consultations and the exchange of information. If these fail to resolve the matter, either country may request consultations at the ministerial level.

Either country will also be able to request the establishment of an independent review panel if it considers that the other is persistently failing to effectively enforce its environmental laws. This provision is in keeping with Canada's recent efforts to strengthen its environment agreements.

For more information on the completion of negotiations of the Canada-Jordan Free Trade Agreement, Agreement on Labour Cooperation and Agreement on the Environment, please visit: www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/jordan-jordanie/index.aspx?lang=en.