

Dear Mr Company,

As the Syrian crisis enters its seventh year, refugees continue to put social and economic pressure on host countries, including Jordan. Jordan has exerted extraordinary efforts in hosting more than 650,000 registered Syrian refugees seeking protection from the Syrian conflict while facing enormous economic and social challenges. The stability and resilience of Jordan, a close neighbour of the EU, are in our collective interest. As Europeans, we cannot remain indifferent to the consequences that the refugee crisis has for our neighbours, such as Jordan.

Following the Supporting Syria and the Region conference held in London in February 2016 to coordinate the international response to the Syrian refugee crisis, the international community agreed to partner with the Government of Jordan under the Jordan Compact. The Compact gives Jordan access to new grants and concessional financing and improved access to EU markets in return for public and private sector reforms and better work opportunities for Syrian refugees, providing critical support to Jordan.

Through this international partnership, this crisis can be turned into an opportunity with increased trade; reforms to the labour market; macroeconomic stability and an enhanced business and investment environment. In addition, the Jordan Compact seeks to increase Jordan's trade with the EU, which will allow Jordanian manufacturers to access new markets, grow their businesses, and expand employment opportunities for Jordanians and Syrian refugees.

As part of the Compact, in July 2016 the EU – Jordan Association Committee adopted a decision to simplify the Rules of Origin applicable to EU Jordan bilateral trade for products manufactured in Jordan's development and industrial zones to be exported to the EU. In order to take advantage of these new rules, manufacturers are required to employ a minimum number of Syrians: no less than 15 percent of their employees during the first two years and no less than 25 percent beginning in year three.

This exceptional scheme with 10 year duration has been approved by all EU Member States in order to promote economic development, investment and job creation in Jordan, in exchange for the creation of legal job opportunities for Syrian refugees.

The Jordan Compact and the relaxed Rules of Origin scheme offer promising opportunities for the EU business community, as Jordanian locally manufactured products become more available while quality and compliance with EU standards is maintained. Moreover, the scheme provides for increased and attractive investment opportunities which are benefiting from a conducive business environment in Jordan. Finally, the agreement supports the gainful employment of Syrian refugees in Jordan and encourages social cohesion.

On the basis of analysis by carried out by the Jordan Chamber of Industry, the sectors with the highest comparative advantage are the following:

- 1) Textile and readymade garments industry;
- 2) Plastic and rubber industries;
- 3) Chemical and cosmetic preparations;

- 4) Engineering, electrical, and information technology industries;
- 5) Construction industry;
- 6) Packaging, paper, carton and office equipment industries;
- 7) Wooden and furniture industries.

Several Jordanian companies have already applied for licences to participate in the scheme and some of them have already exported goods (plastic products) to some European countries.

Your company might also be interested in participating in the scheme either by investing in Jordan's development and industrial zones or by partnering with a Jordanian company to manufacture products in the zones in Jordan and then export them to the EU.

Should you wish to further acquaint yourself with the scheme I attach:

- Decision No. 1 and No. 2 of the EU – Jordan Association Committee of the 19 July 2016, related to the new Rule of Origin scheme.
- Leaflet published by Jordan's Ministry of Industry, Trade and Supply which explains how to benefit from the scheme.

This scheme can respond at the same time to your commercial interests and corporate social responsibility. While participating companies will benefit from preferential trade treatment and export opportunities, their participation will also give a powerful signal that the private sector is fully engaged in maintaining the stability and resilience of one of our key partners in the Middle East and turning the refugees challenge into an opportunity.

I remain available for any further questions that you may have.

Yours Sincerely,

MS Ambassador