



## Qualifying Industrial Zones (QIZs)

If you have any questions about this program, please contact Maria D'Andrea- Yothers at the Office of Textiles and Apparel at 202-482-1550.

### [Textile and Apparel QIZ Trade Data](#)

In 1996, the U.S. Congress established the Qualifying Industrial Zone (QIZ) initiative to support the peace process in the Middle East. The QIZ initiative allows Egypt and Jordan to export products to the United States duty-free as long as such products contain inputs from Israel. The QIZ legislation authorizes the President to proclaim elimination of duties on articles produced in the West Bank, Gaza Strip, and qualifying industrial zones in Jordan and Egypt. The Office of the United States Trade Representative (USTR), in consultation with other U.S. Government agencies, designates QIZs.

In order for QIZ products to be eligible for duty-free entry into the United States, the article must be a new and different article of commerce that has been grown, produced or manufactured, or a “new and different” article imported directly from the West Bank, Gaza Strip, or a QIZ. Country input share requirements come from the U.S.-Israel Free Trade Agreement (USIFTA), which requires that the sum or the cost of the value of the materials or the total costs of production must be not less than 35% of the appraised value of the product at the time it enters the United States. Of this 35%, U.S. components may contribute up to approximately 15%, and inputs from Israel and Jordan, or Israel and Egypt, must total roughly 20%.

### **JORDAN**

Presidential Proclamation 6955 established QIZs in Jordan, the West Bank, and the Gaza Strip on November 21, 1996. For a list of the QIZ locations see the [Jordan Economic and Commerce Bureau](#), Economic Division of the Embassy of Jordan.

For products co-produced by Israel and Jordan and/or exported through the West Bank/Gaza Strip, country input shares must total 35% of the appraised value of the product at the time it enters the United States:

- For Jordan: 11.7% of value of materials;
- For Israel: 8% (7% for high-tech goods); and
- Remaining 15.3% may come from any combination of input from a Jordanian QIZ, Israel, the United States, and the West Bank and Gaza Strip.

***Note: the U.S.-Jordan FTA rules of Origin require that Jordanian exports to the United States must have 35 percent Jordanian content in order to receive FTA duty benefits.***

The first Jordan QIZ, Irbid Qualifying Industrial Zone, was created in November 1997. Subsequently, the following zones have been designated in Jordan, by agreement between the Government of Israel and the Government of Jordan: the Gateway Projects Industrial Zone, and the expansion of the Irbid QIZ in November 1998; the Al-Kerak Industrial Estate, the Ad-Dulayi Industrial Park, and the Al-Tajamouat Industrial City in September 1999; the Industry and Information Technology Park Development Company (Jordan Cyber City Co.), and the Aqaba Industrial Estate in August 2000; the Mushatta International Complex, and the Al Qastal Industrial Zone in November 2000; the Hillwood-Hashemite University LLC (“Zarqa Industrial Zone”), and the expansion of the Ad-Dulayi Industrial Park in March 2001; the Al Hallabat Industrial Park, and the expansion of the Al Tajamouat Industrial Park in July 2003; and Shoubak, Shouneh Wistah, Madaba/Dalilet, Irbid/Al-Westieyn, and Al-Tafileh in January 2009.

## EGYPT

There are six (6) QIZs in Egypt: Greater Cairo, the Alexandria, the Suez Canal, the Central Delta, the Beni Suef, and the Al Minya zones. On March 3, 2013, the Office of the U.S. Trade Representative [announced its decision](#) to liberalize the designation of the existing QIZs in Egypt to make all production facilities, present and future, located in these zones potentially eligible to export goods duty-free to the United States. These designations became effective March 12, 2013. For a current list of the QIZ locations, see the [Egyptian Ministry of Trade and Industry QIZ website](#).

For products co-produced by Israel and Egypt, country inputs shares must total 35% of the appraised value of the product at the time it enters the United States:

- For Egypt: 11.7% of the value of materials;
- For Israel: 10.5% of the cost of materials; and
- The remainder of the 35%, or 12.8%, may come from an Egyptian QIZ, Israel, or the United States.

The Egyptian Government has reported that the textile and apparel industry, which is the oldest and largest domestic industry, has benefited the most from the QIZ initiative. Ready-made textile and apparel products make up the largest volume of exports to the U.S. under the QIZ initiative. Specific apparel items include jackets, pants, shirts, tops, T-shirts, shorts, jackets, twin-sets and pullovers. Textile products include towels and bed sheets.