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Free Trade Area Extended to West Bank and Gaza Strip
President Clinton signed legislation today that gives him the authority to provide duty free treatment to products of the West Bank and Gaza Strip. The intent of the legislation is to spur export-related economic development in the region.

This new trade initiative is one element of tangible U.S. support for the Middle-East peace process, facilitating enhanced economic cooperation among Israel, Jordan, Egypt and the Palestinian Authority. Products of the West Bank and Gaza Strip and of industrial zones established on the borders of Israel and Jordan and Israel and Egypt will enjoy duty-free entry into the United States, treatment identical to that currently provided products of Israel under the Israel-U.S. Free Trade Agreement. Such a special trade status will provide new employment opportunities for Palestinians outside Israel proper and lure increased foreign investment to the West Bank and Gaza, improving the security situation in Israel.

"We know trade can be a positive force in expanding cooperation across borders," said Ambassador Barshefsky. "Obviously, it is our hope that extension of duty-free treatment to products of the West Bank and Gaza Strip and special industrial zones will open doors for more commerce and jobs in the region."

Overall economic activity in the West Bank and Gaza Strip today is quite small and U.S. trade with the West Bank and Gaza Strip is minimal.

The Palestinian Authority has agreed to provide duty free access for U.S. products into the West Bank and Gaza Strip and national treatment for those products within that region. The Palestinian Authority will also assist the United States in verifying compliance with U.S. trade laws and preventing unlawful transshipment of products to the United States. In addition, the Palestinians will support all efforts to end the Arab League Boycott of Israel in all its respects.

Ambassador Barshefsky expressed her appreciation for the efforts of Chairman William Roth (R- DE) of the Senate Finance Committee, Ranking Member Patrick Moynihan (D-NY), Senator Dianne Feinstein (D-CA), Chairman of the Ways and Means Committee William Archer (R-TX), Ranking Member Sam Gibbons (D-FL), Phillips Crane (R-IL), Chairman of the Trade Subcommittee, Representative Charles Rangel (D-NY), Ranking Member of the Trade Subcommittee, and Representative Clay Shaw (R-FL), for their efforts to enact the legislation with overwhelming bipartisan support.