

WORLD TRADE ORGANIZATION

RESTRICTED

WT/BOP/R/2

BOP/R/225

30 June 1995

(95-1810)

Committee on Balance-of-Payments Restrictions

REPORT ON THE SIMPLIFIED CONSULTATION WITH EGYPT

1. The WTO Committee on Balance-of-Payments Restrictions and the GATT 1947 Committee on Balance-of-Payments Restrictions met jointly on 30 June 1995 under the Chairmanship of Mr. P. Witt (Germany), to consider the conclusions reached by the GATT 1947 Committee in consultation with Egypt on 27 June 1995. The consultation was held under the simplified procedures for regular consultations with developing countries (BISD 20S/47) and the 1979 Declaration on Trade Measures Taken for Balance-of-Payments Purposes (BISD 26S/205).

2. The Committees had the following documents before them:

BOP/324 Statement by the Government of Egypt

BOP/W/161 Background Paper by the Secretariat

IMF Arab Republic of Egypt, Supplementary Background Material for the WTO,
dated 6 June 1995.

3. On the basis of the above-mentioned documents, the Committees reached the following conclusions:

4. The Committees recalled that the GATT 1947 Committee had, at its previous consultation, asked Egypt to establish a timetable, prior to the present consultation, for the progressive elimination of the then existing import restrictions maintained for balance-of-payments purposes, and to consider the possibility of disinvoking Article XVIII:B.

5. The Committees commended Egypt for the substantial progress made in trade liberalization since its previous consultation, including the commitments made in the Uruguay Round. The Committees welcomed the positive evolution of Egypt's balance of payments since the last full consultation. They noted that the only remaining import restrictions that continued to be justified by Egypt under Article XVIII:B were those on textiles and clothing items and that, in the General Remarks to its Schedule LXIII annexed to the Marrakesh Protocol, Egypt had committed itself to remove its conditional prohibition on the importation of fabrics not later than 1 January 1998 and on apparel and made ups not later than 1 January 2002.

6. The Committees noted the statement by Egypt that it had no intention to invoke balance-of-payments provisions in the light of its present economic situation.

7. The Committees understood that Egypt had thus disinvoked Article XVIII:B with effect from 30 June 1995, and that, on the basis of the implementation of the commitments by Egypt in Schedule LXIII, Members would exercise due restraint in the application of their rights under the Multilateral Agreements on Trade in Goods in relation to fabrics, apparel and made up items remaining subject to conditional prohibition.

8. The Committees recommended to the General Council and to the Council of GATT 1947 to adopt this report.