

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/4046

18 June 1974

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Original: English

## ARAB COMMON MARKET

The following communication dated 7 June 1974 has been received from the Permanent Representative of Egypt.

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### Note Concerning the Developments that Occurred in the Framework of the Arab Common Market in the Period from 11 November 1973 until now

The resolutions adopted in the Council of Arab Economic Unity at its 22nd session were marked by concentration on laying down the strategy for joint Arab economic action, harnessing Arab potentialities and capabilities to face the present phase in the Arab struggle.

The resolutions adopted confirmed the necessity to achieve a balanced development based on the potentialities of the Arab countries and to draw a unified plan that would integrate economic co-ordination with a policy for investment and its guarantees.

The Council adopted the resolution that amended the Agreement on Arab capital and movement of Arab capital between Arab countries. The amendment exempts Arab investments from nationalization, sequestration and expropriation. The Egyptian Council of Ministers endorsed this amendment on 12 December 1973.

The Council approved two draft agreements relating to: (a) avoiding dual taxation and preventing evasion of taxes, (b) co-operation in collecting taxes. Member States are in the process of undertaking the necessary constitutional processes to ratify these two agreements.

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The Council approved the policy aiming at co-ordinating Arab economic relations in the world at large and with international economic organizations with special emphasis on strengthening economic relations with African and friendly countries.

The Council affirmed the necessity to elaborate a unified oil economic policy with a view to achieving the optimum benefits from the oil production of the Arab countries. The Council recommended the oil-producing Arab countries to diversify their economic base by resorting to industrial expansion, particularly in the petro-chemical industries.

The Council adopted the decision pertaining to world Arab economy and the common strategy. The resolution reaffirmed the importance of speedy participation in joining the confrontation countries by an electrical network and the establishment of adequate units to produce electric energy, investment in agricultural, industrial and communication development projects.

In the area of commercial exchanges, the Council took several resolutions aiming at the creation of commercial centres, and providing the necessary facilities for these centres. The resolution also affirmed the necessity to participate in the international expositions held in member States.

Concerning economic co-ordination, the Secretariat of the Council was instructed to establish specialized technical committees to study specific projects relating to agricultural and industrial co-ordination taking into consideration the studies and experience of the regional and international specialized organizations in these areas.

The Council accorded special interest to the development projects in Sudan, and in particular agricultural and livestock projects. The Secretary-General was instructed to study the feasibility of financing these projects after consultations with member States and with the Specialized Arab Funds for Finance.

Yemen has started to gradually join the Arab Common Market and has produced a list with some commodities to which it has agreed to grant total customs exemptions. Consultations are being conducted at present with Yemen to explore the process of gradual exemption for other commodities.