

GENERAL AGREEMENT ON
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ARAB COMMON MARKET

The following communication dated 22 December 1976 has been received from the Permanent Mission of Egypt.

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In regard to my Government's undertaking to supply regularly to the CONTRACTING PARTIES information concerning the progress achieved in the Arab Common Market, I have the pleasure to enclose herewith the biennial report on developments in the framework of the Arab Common Market and the relevant decisions taken by the Council of Arab Economic Unity up to June 1976.

ARAB COMMON MARKET

PROGRESS REPORT

The decision establishing the Arab Common Market (ACM) was issued on 13 January 1964 by the Council of Arab Economic Unity. Five Arab States, namely, Egypt, Jordan, Iraq, Syria and Yemen, became members of the Arab Common Market. Sudan, which became member of the Council of Arab Economic Unity is expected to be the sixth member of the ACM after completion of the necessary arrangements.

Tariff reductions and measures to liberalize trade among the ACM member States became effective as of 1 January 1965.

Successive tariff reductions and other measures to liberalize trade among member States have led to total abolition of all customs duties on agricultural and animal products and natural resources of national origin.

As regards manufactured products, with some exceptions, elimination of customs duties was scheduled in stages to be fully realized by 1 January 1974. This objective was achieved three years earlier than originally planned and duty-free entry has been accorded to these products since 1 January 1971. The list of exceptions was gradually narrowed and finally abolished in 1973.

Efforts to reduce and eliminate non-tariff measures have continued with the objective of achieving full liberalization of trade among member States.

Considering that trade exchange among member States has been liberalized, the Council of Arab Economic Unity, in June 1976, reviewed the progress made regarding the enlargement of the ACM and took note that other Arab States are in the process of joining the Arab Common Market.

The establishment of the Arab Monetary Fund, in April 1976, will, *inter alia*, facilitate the expansion of trade among member States. The Council of Arab Economic Unity has affirmed this establishment.

The Arab Common Market, as a free-trade area, is moving towards the phase of a customs union. To achieve this objective, the Council adopted a programme of two stages: the unification of customs legislations and systems, and the unification of tariffs and other charges regarding non-member countries.

Several steps have been taken towards the unification of legislations and systems governing customs procedures. By its decision No. 706 of 1975, the Council of Arab Economic Unity adopted the Unified Customs Legislation and allowed member States a transitional period of five years during which they can make necessary adjustments.

The unification of tariffs and other charges would be subject to a three-step plan to be applied during the period 1978-1981. This plan will start by co-ordinating tariff levels on agricultural and primary products and minerals, followed by tariffs on semi-manufactured and some manufactured products, and finally co-ordinating tariffs on the remaining industrial products.

Since the establishment of the Arab Common Market, progress has been achieved and trade among member States has continued to expand. The attached table indicates the statistical data of this trade among member States and their trade with the world as a whole during the years 1965 and 1970 to 1974.

TRADE AMONG THE MEMBER STATES OF THE ARAB COMMON MARKET
1965 and 1970-1974

	Member States' trade with the whole world (1:2)					(in US\$ '000,000)	Member States' trade with the whole world (2)	Total trade among the member States (1)	Egypt	Syria	Iraq	Jordan	
	(1:2)												
Imports	1965	Value	12.3	6.4	21.7	9.2	49.6	1,754.1	9.2	21.7	6.4	12.3	
		%	7.8	1.4	13.1	0.9			0.9				
	1970	Value	15.7	18.5	34.8	14.5	83.5	1,835.9	14.5	34.8	18.5	15.7	
		%	8.5	3.2	17.2	1.8			1.8	17.2	3.2	8.5	
	1971	Value	17.5	14.0	46.0	17.6	95.1	2,194.0	17.6	46.0	14.0	17.5	
		%	8.2	2.0	23.7	1.9			1.9	23.7	2.0	8.2	
1972	Value	20.4	14.3	33.4	23.0	91.1	2,354.0	23.0	33.4	14.3	20.4		
	%	7.7	2.6	13.0	2.5			2.5	13.0	2.6	7.7		
1973	Value	24.0	17.0	44.1	21.7	117.4	3,078.0	21.7	44.1	17.0	24.0		
	%	11.0	1.8	12.7	1.9			1.9	12.7	1.8	11.0		
1974	Value	42.5	20.9	67.5	24.4	155.7	6,641.0	24.4	67.5	20.9	42.5		
	%	9.0	0.4	7.4	1.1			1.1	7.4	0.4	9.0		
Exports	1965	Value	4.3	23.5	8.7	8.7	45.2	1,683.9	8.7	8.7	23.5	4.3	
		%	20.4	2.6	5.0	1.4			1.4	5.0	2.6	20.4	
	1970	Value	8.4	34.8	20.5	23.5	87.2	2,115.3	23.5	20.5	34.8	8.4	
		%	32.2	3.1	11.7	3.0			3.0	11.7	3.1	32.2	
	1971	Value	7.7	37.6	15.4	27.4	88.2	2,594.0	27.4	15.4	37.6	7.7	
		%	31.2	1.3	7.9	3.4			3.4	7.9	1.3	31.2	
1972	Value	10.6	24.5	19.0	19.1	73.2	2,336.7	19.1	19.0	24.5	10.6		
	%	28.4	1.6	6.7	2.3			2.3	6.7	1.6	28.4		
1973	Value	12.2	32.7	24.9	20.6	90.4	3,175.0	20.6	24.9	32.7	12.2		
	%	29.0	1.5	7.1	1.9			1.9	7.1	1.5	29.0		
1974	Value	17.7	55.5	35.8	34.4	143.4	8,297.0	34.4	35.8	55.5	17.7		
	%	14.4	0.7	4.0	1.5			1.5	4.0	0.7	14.4		