

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

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ARAB COMMON MARKET

Replies to Questions

The CONTRACTING PARTIES decided at their twenty-second session that contracting parties wishing to put questions concerning the provisions or implementation of the Agreement for Economic Unity among Arab League States and the Decision of the Council of Arab Economic Unity establishing the Arab Common Market should submit such questions to the secretariat (cf. document SR.22/8, page 101).

From the communications received a consolidated list of questions was prepared and transmitted to the parties to the Agreement. The questions asked and the replies received from the Government of the United Arab Republic are contained in this document.

I. AGREEMENT FOR ECONOMIC UNITY AMONG ARAB LEAGUE STATES

General Questions:

Question 1

What countries are at present parties to the Agreement?

Answer

The following countries are at present parties to the Agreement:

The Hashemite Kingdom of Jordan,
The State of Kuwait,
The Iraqi Republic,
The Syrian Arab Republic, and
The United Arab Republic

Question 2

Which, if any, of the parties to the Agreement are contracting parties to the G.M.T.T.? Are any contracting parties to the G.M.T.T. expected within the foreseeable future to join the Agreement?

Answer

At present, there are two countries which are members to the Agreement and are, at the same time, parties to the G.M.T.T.

These countries are:

- (a) The State of Kuwait (a contracting party to the G.M.T.T.)
- (b) The United Arab Republic (a provisional Member to the G.M.T.T.)

With regard to the second part of this question, we would like to note that the Agreement for Economic Unity among Arab League States has been made with the idea in view that all the Arab States will join it. It is, therefore, anticipated that all the Arab States may join this Agreement.

Article Two

Question 3

Article Two, point (1) of the Agreement for Economic Unity among Arab League States envisages, in part, "to unify the applied customs tariffs, legislations and regulations". The Decisions and Recommendations of the Council of Arab Economic Unity do not appear to make provision for such unification, nor do they set out a time table for it. Is 't envisaged to establish in fact a free trade area, or to make arrangements for a customs union at a later stage?

Answer

The ultimate goal of the Agreement is to realize a complete economic unity among the Arab League States and to implement it gradually in the shortest possible time. One of the most essential means towards that end is to establish a unified customs region subject to a unified administration; and to unify the applied customs tariffs, legislations, and regulations in each of the member States.

Question 4

What steps have so far been taken under the provisions of Article Two (1) for the unification of custom tariffs applied by member States?

Answer

To achieve the unification of customs, tariffs, legislations and regulations, the Council carried out the following steps:

It issued the Decision No. 19 on 13 August 1964 that the "Customs Committee shall be entrusted with the study of both:

- (i) Unification of customs legislations and regulations of member States in five years, starting January 1965.
- (ii) Unification of customs tariffs and other duties of the member States vis-à-vis the other countries in gradual stages in a span of five years, starting 1970.

This unification must be in keeping with the steps outlined by the Council

The Council has, therefore, for one thing fixed the time of the unification of customs legislations and regulations, and customs tariffs. Secondly, it has fixed its duration.

Regarding the establishment of an Arab unified customs zone, the Council issued many decisions of which we note especially the following:

A customs expert from the Syrian Customs Administration was chosen to carry out the study of the different applied customs legislations and regulations in member countries. He is to prepare also the project of a unified legislation and regulations latest by 1 July 1965. The proposed unified legislations and regulations has been prepared in due time and is now subject to further study by the Customs Committee. It will, then, be passed to the Council in the near future for approval.

The Council has, in its sixth ordinary session, also chosen two economic experts to prepare the study of a unified customs administration to be applied in all contracting countries. This study is to be terminated before 31 December 1965.

From all the above, it is evident that the Council is conscious of the importance of unification of customs legislations and tariffs, and also the establishment of a unified customs zone.

Question 5

Has any member State received from the Council of Arab Economic Unity a waiver from the "principle of unification" as provided for in Article Two?

Answer

So far, and in the first place, no member State has asked for a waiver, from the "principle of unification", as provided for in Article Two.

Article Six

Question 6

Would the Council of Arab Economic Unity be prepared to make available statistics published by its Central Office for Statistics, as provided for by Article Six (3)?

Answer

Positive steps have actually been taken towards the establishment of a central office for statistics.

As to making available statistics to be published by the said office, this shall be determined by the Council in future.

Article Nine

Question 7

Is the Agreement correctly understood to mean the powers of the "Council of Arab Economic Unity" spelled out in Article Nine will be implemented by the member States rather than by a supranational body vested with authority over customs authorities, etc.?

Answer

The Council shall perform its powers, spelled out in Article Nine, as well as other powers entrusted to it by this Agreement and its Appendices, by way of decisions to be issued by the said Council and implemented by the member States in accordance with their own prevailing constitutional principles.

Question 8

Article Nine (2) of the Agreement for Economic Unity provides for the drafting of tariffs to implement a unified customs zone. Is any provision made for the Council to recognize the tariff obligations which the United Arab Republic and Kuwait may assume or may have assumed through their adherence to the GATT?

Answer

Even though there is no clear-cut provision for so doing, yet the Agreement generally makes provisions for the Council to take into consideration certain specific circumstances existing in some of the contracting countries.

More so, the member States are always careful to take into consideration the obligations which may be assumed by any member State through its adherence to the GATT.

Question 9

Would the member States of the Council of Arab Economic Unity be prepared to furnish to the CONTRACTING PARTIES the regulations and decisions made under Article Nine (1) and (2)?

Answer

According to Article Twenty-four of the General Agreement, the United Arab Republic is prepared to furnish the CONTRACTING PARTIES with all necessary information.

Article Twelve

Question 10

What is the significance of the phrase in Article Twelve "in accordance with their own prevailing constitutional principles"?

Question 11

Is it foreseen that different member States may implement decisions of the Council differently or not completely, each according to legislative decision in accordance with its own prevailing constitutional principles?

Answer to Questions 10 and 11

At the outset, we would like to note that Article Twelve of the Agreement should read as follows:

"The Council shall perform these and other powers entrusted to it by this Agreement and its appendices by way of decisions issued by the Council and implemented by the member States in accordance with their own prevailing constitutional principles."

As every member State has its own constitutional system, the Council's decisions and recommendations have to be attuned to the national constitutional system of every member State.

It should be noted, however, that the Council's decisions and recommendations should be implemented wholly in essence and substance.

Article FourteenQuestion 12

Has the Council of Arab Economic Unity already drawn up the plan provided for in Article Fourteen (2)?

Answer

The plan provided for in Article Fourteen is undeniably a big task to undertake. For one thing, it is a many-sided issue considering the varying stages of development from one member country to another.

As a first step, the Council has drawn the broad outlines of the plan. The detailed stage of it cannot be definitive before some studies are undertaken. Such studies have actually commenced, and with their completion the plan will take a final shape as a matter of course.

Question 13

What "certain specific circumstances" did the parties have in mind in drafting Article Fourteen, paragraph (3)?

Answer

In drafting Article Fourteen paragraph (3), the contracting countries mentioned "certain specific circumstances" with a view to introducing an element of flexibility, considering differentials in growth rate between the Arab States and other factors that may crop up.

Question 14

What "specific circumstances" have so far been taken into account by the Council of Arab Economic Unity, as specified in Article Fourteen (3) when exercising its duties?

Answer

No specific circumstances have been taken into account so far by the Council.

Article Fifteen

Question 15

Have any of the member States of the Agreement of Economic Unity concluded an economic agreement provided for in Article Fifteen?

Answer

As a matter of fact, the United Arab Republic and the Iraqi Republic concluded an Agreement in 1958 with the aim of realizing economic integration between the two countries. The Agreement was not, however, put into effect at that time for some political considerations. Nevertheless, after the Agreement for Economic Unity among Arab League States has been ratified, and in conformity with Article Fifteen of this Agreement, the United Arab Republic and the Iraqi Republic have put the 1958 Agreement into force with the object of accelerating the realization of the concessions provided for in the Agreement.

Special appendix relating to the bilateral economic agreements with a country other than the contracting parties to this Agreement

Question 16

Have any of the member States of the Agreement entered into any bilateral economic agreement with a country other than a member country, as permitted by the "Special Appendix Relating to Bilateral Economic Agreements"?

Answer

The United Arab Republic has not entered into any bilateral economic agreements with a country other than a member country as permitted by the special appendix relating to bilateral economic agreements.

Special appendix regarding the essential steps for the implementation of Arab Economic UnityQuestion 17

In the special appendix to the Agreement on page 10 of document L/2366, reference is made in the first line under Secondly to a "preparatory" stage and under Fourthly to a "transitional" stage. It would be of interest to know whether these two terms refer to the same stage in the development of the Arab Common Market.

Answer

The word "transitional" mentioned under Fourthly in the special appendix to the Agreement on page 10 of document L/2366, should read "preparatory". This was a mistake in the translation.

Question 18

Paragraph two (c) of the "Special Appendix regarding the Essential Steps for the Implementation of Arab Economic Unity" mentions the intention to facilitate the exchange of Arab goods and products. In this context does "Arab" refer to States having ratified the Agreement for Economic Unity, the decision establishing the Arab Common Market, or to the member States of the Arab League?

Answer

In this context, "Arab" refers to "States having ratified the Agreement for Economic Unity and the decision establishing the Arab Common Market".

II. THE ARAB COMMON MARKET

General Questions

Question 1

What countries are at present parties to the Decision?

Answer

The following countries are at present parties to the Decision:

The Hashemite Kingdom of Jordan
The Iraqi Republic
The Syrian Arab Republic
The United Arab Republic
The State of Kuwait

Question 2

Which, if any, of the present parties to the Decision are contracting parties to the GATT? Are any contracting parties to the GATT expected in the foreseeable future to adhere to the Decision?

Answer

At present there are two countries which are parties to the Decision, and are at the same time parties to the GATT.

These two countries are:

The State of Kuwait (a contracting party to the GATT)
The United Arab Republic (a provisional member to the GATT)

As to whether there are any contracting parties to the GATT expected in the future to adhere to the Decision, please refer to the answer to question No. 2 of the questions about the Agreement for Arab Economic Unity. Furthermore, it should be noted here that an Arab country willing to adhere to the Decision should at first join the Agreement for Arab Economic Unity.

Question 3

In accepting the Decision have any of the member States registered any reservations?

Answer

No, the member States have not registered any reservations in accepting the Decision.

Question 4

Do member States of the Council of Arab Economic Unity who have not ratified the Decision participate in the deliberations of the Council concerning the administration of the Arab Common Market?

Answer

Every member State of the Council of Arab Economic Unity (i.e. Arab States which have ratified the Agreement) has the right to participate in its deliberations. And as the Arab Common Market is one of the Decisions passed by the Council, it follows that any member State of the Council has the right to participate in the deliberations of the Council concerning the administration of the Arab Common Market.

Question 5

Can a country which is a party to the Arab Common Market become associated with any other customs union or free trade area?

Answer

A country which is a party to the Arab Common Market can become associated with any other customs union or free trade area, provided that the approval of the Council shall be secured. Article Four of the Decision, however, provides for the application of the "most-favoured-nation" principle between the member States of the Arab Common Market regarding future agreements.

Question 6

What is the volume of trade at present exchanged between members of the Arab Common Market?

Answer

A table revealing the volume of trade between members of the Arab Common Market is attached hereto (Annex I).

Question 7

Does the Decision cover essentially all the trade between member countries?

Answer

At present the Decision covers trade in national (origin) commodities exchanged between member States. After establishing a unified external tariff, the Decision will also cover foreign products.

Question 8

What is the percentage of trade between the member States covered respectively by Tables A, B and C?

Answer

Statistics on percentages of trade between the member States covered respectively by Tables A, B and C are not available at present.

As the calculation of such percentages is a vitally important process which requires quite a long time, it will be one of the first tasks to be entrusted to the Central Office for Statistics.

Question 9

What provision is being made for the removal of restrictions, apart from the tariff, on trade with other contracting parties as they are removed on trade within the Arab Common Market?

Answer

In point of fact, all restrictions applied in the United Arab Republic are in conformity with Articles XII and XVIII of the GATT.

In addition, every two years the United Arab Republic submits a report about these restrictions to the Committee for Balance-of-Payments Restrictions for approval of the CONTRACTING PARTIES.

Question 10

Is there a plan and schedule for the achievement of a common external tariff?

Answer

To achieve a common external tariff, the Council has carried out the following steps:

It issued the Decision No. 19 on 13 August 1964 which entrusted the Customs Committee with the study of both:

- (i) Unification of customs legislations and regulations of member States in five years starting January 1965.
- (ii) Unification of customs tariffs and other duties of the contracting countries vis-à-vis the other countries in gradual stages of five years starting January 1970.

This unification must be in keeping with the steps outlined by the Council of Arab Economic Unity.

Preamble

Question 11

Paragraph 4 of the preamble of the Decision refers to the granting of freedom of transit to members of the Arab Common Market. Would this be additional to rights generally accepted under Article V of the GATT?

Answer

One of the main aims of the Arab Common Market is to achieve freedom of transit.

The Council issued the Decision No. 99 on 7 April 1965 entrusting a special committee with a preliminary study concerning the complete freedom of transit, the unification of transit systems and the co-ordination of transit policies of the member States. The Committee is to submit a preliminary report on this subject to the Council of Arab Economic Unity in its seventh ordinary session in September 1965.

It should be noted, however, that freedom of transit, provided for in the Decision, will, by all means, be in keeping with the provisions under Article V of the GATT.

Article One

Question 12

From the definition in Article One (1) it would appear that all member States of the Council are members of the Arab Common Market, and not only those who have accepted the Decision. Is this correct?

Answer

All member States of the Council of Arab Economic Unity are members of the Arab Common Market.

Question 13

What is the significance of and the reason for paragraph (3)(b) of Article One?

Answer

Customs and other duties will be reduced gradually until they are completely abolished except "all duties or taxes imposed on products or on raw materials used in the manufacture of such products, imported from contracting countries where similar domestic products or raw materials are subjected to the same duties and taxes".

The reason for such an exception is to ensure equality in competition between domestic products and similar products from other member States. Another reason is when the above-mentioned internal duties or taxes constitute an important revenue source.

Article Three

Question 14

"Restrictions, duties and taxes on imports and exports - at present in force in the contracting countries - shall remain unaltered." Does this provision prevent contracting parties reducing barriers to trade on imports from outside countries?

Answer

No, this provision does not prevent contracting parties from reducing barriers to trade on imports and exports from outside countries.

Article Four

Question 15

What are the existing agreements referred to and what type of treatment accorded under these agreements will not be applied between member States?

Answer

Prior to putting into force the provisions of the Arab Common Market, some of the member States concluded some bilateral agreements providing for tariff reductions, with other countries.

The treatment accorded under these agreements will be applied between their contracting parties, but will not be applied between the other member States of the Arab Common Market.

With respect to the United Arab Republic, it has not given any customs concessions or specific import quotas to any other country under the agreements it has concluded, with the minor exception of the concessions

accorded to Arab States according to the "Agreement to Facilitate Trade Exchange and to Organize Transit Trade". The United Arab Republic has notified the GATT secretariat of this Agreement in due time.

Article Five

Question 16

This Article provides that contracting countries shall not impose duties and taxes on various classes of goods exchanged between themselves. Do the classes of products listed cover all types of goods - if not, what goods are excluded? Does this Article add anything to the obligations in the second sentence of Article Three?

Answer

The classes of products listed cover all types of goods.

As to whether Article Five adds anything to the obligations in the second sentence of Article Three, it definitely does. In fact, Article Five should read as follows:

"The Governments of the contracting countries shall not impose internal duties or taxes on agricultural and animal products, natural resources and manufactured products....."

The word "internal" is missing in the English translation of the Decision.

Article Seven

Question 17

Does the word "subsidized" in Article Seven (2) refer to subsidization in the original exporting member State or in the intermediate member State?

Answer

The word "subsidized" in Article Seven (2) refers to subsidization in the original exporting member State.

Article Nine

Question 18

In Article Nine reference is made to "concessions and monopolies". Do "concessions and monopolies" mean nationalized enterprises? If these nationalized enterprises make importation or exportation without basing on commercial considerations, would it not obstruct the effect of the creation of a common market?

Answer

"Concessions and monopolies" referred to in Article Nine do not mean nationalized enterprises.

Nevertheless, due reference is made here to the United Arab Republic nationalized enterprises engaged in exportation and importation activities.

Transactions carried out by the United Arab Republic nationalized enterprises engaged in exportation and importation do not contradict whatsoever with the principle of non-discrimination and competitive prices. All of these nationalized companies and organizations follow the principles of non-discrimination, buy and sell in the best markets, and operate on purely commercial basis.

Furthermore, these enterprises compete with one another in importing and exporting different items; on the whole no monopoly concessions are given as regards any special commodity.

It is evident, therefore, that the activities of the said enterprises would by no means affect trade of any member State or any other country.

Articles Ten and Eleven

Question 19

What is the relationship between the words "shall enjoy" and "shall endeavour to remove" in paragraphs (1) and (2) respectively of both Articles Ten and Eleven? Which takes precedence?

Answer

By "shall endeavour to remove", mentioned in paragraphs (1) and (2) of both Articles Ten and Eleven, is meant, strictly speaking, "shall remove". It is just a matter of inaccuracy in the English translation of the Decision.

Question 20

In Articles Ten and Eleven the words "shall endeavour" are used with respect to the removal of restrictions. If the use of the words "shall endeavour" means that countries concerned are required only to try to remove restrictions, would it not be inconsistent with the provisions of paragraph 8 of Article XXIV of the General Agreement which envisages a complete elimination of tariffs and import restrictions as far as trade between member States are concerned?

Answer

As has been indicated before in the answer to question No. 19, it should be noted that by "shall endeavour to remove", is meant, strictly speaking, "shall remove".

Question 21

Articles Ten and Eleven of the Decisions and Recommendations of the Council of Arab Economic Unity provide for cuts in tariffs and other restrictions on both agricultural and manufactured products from the beginning of this year. Have these cuts actually been made in full? If they have not been implemented in full, what is the extent of the exceptions to the cuts?

Answer

Cuts in tariffs and other restrictions on both agricultural and animal products, natural resources and manufactured goods, provided for in Articles Ten and Eleven of the Decision and Recommendations of the Council of Arab Economic Unity, have been actually made as from 1 January 1965, except for some certain products. Exceptions were made on a very limited scale (according to Article Fourteen) for reasons concerning, in the main, protection of infant industries, or where such customs duties constitute an important revenue source for the importing member States.

It should be noted, however, that all tariffs and restrictions will be completely abolished by 1 January 1969 for agricultural and animal products and natural resources and by 1 January 1974 for manufactured goods.

Question 22

With respect to Articles Ten and Eleven, what are the concrete measures for removal of trade restrictions which vary in types and modes from one member State to another?

Answer

For the removal of trade restrictions between the member States, the following measures were adopted:

1. All restrictions, duties and taxes on imports and exports - in force on 13 August 1964 in the contracting countries - remained unaltered. None of the said countries could introduce new duties, taxes or restrictions, or increase existing duties, taxes, or restrictions on agricultural and animal products, natural resources and manufactured goods exchanged between themselves.

2. All contracting countries were requested to submit to the Council of Arab Economic Unity a complete list of all the restrictions imposed on imports or exports of agricultural and animal products and natural resources and manufactured goods.
3. All contracting countries were requested to submit to the Council, two months before the commencement of each annual stage of the Arab Common Market, the following:
 - (a) A list of the agricultural and animal and natural resources which are to be liberalized during the next stage and which represent 20 per cent of said products; and
 - (b) a list of the manufactured goods which are to be liberalized during the next stage and which represent 10 per cent of said goods.

The choice of goods (both categories) to be liberalized has been left for each contracting country.

In this way, all restrictions on trade (both exports and imports) exchanged between the member States will be completely abolished by 1 January 1969 for agricultural and animal products and natural resources, and by 1 January 1974 for manufactured goods.

Question 23

Parts Three and Four of the Decisions and Recommendations establish an apparently firm time-table for the removal of all customs duties among members. However, there are qualifying provisions at the beginning of Articles Ten and Eleven ("The following provisions shall apply until a technical committee, formed by the Council of Economic Union, shall prepare more detailed tables for the Arab Common Market") and in the last sentence of Article Two of the Basic Agreement ("It is possible to disregard the principles of unification in certain cases and countries provided the approval of the Council of Arab Economic Unity shall be secured"). Could these qualifying provisions conceivably reduce the range of goods which are to be traded freely among member States?

Answer

In the first place it should be pointed out that "more detailed tables" mentioned on the third line of Article Ten of the Decision should read: "tables with wider preferences". It is again a mistake in the English translation of the Decision.

With respect to the last sentence of Article Two of the Basic Agreement, which reads: ("It is possible to disregard the principle of unification in certain cases and countries provided the approval of the Council of Arab Economic Unity shall be secured"), it is strictly related and limited to the unification principles stipulated under Article Two of the Basic Agreement. It has no relation whatsoever to Articles Ten and Eleven of the Decision of the Arab Common Market.

Question 24

These Articles provide for progressive reduction of duties on trade between member States in agricultural and animal products, natural resources and manufactured goods. Are these categories comprehensive or are some classes of goods not covered and if so which?

Answer

The categories: agricultural and animal products, natural resources and manufactured goods are comprehensive of all classes of goods.

Question 25

These Articles provide that member States shall endeavour to remove restrictions on goods exchanged between member States at certain rates. On what basis are these percentages established? Will the member States keep the CONTRACTING PARTIES informed of the extent to which member States are successful in their endeavours to remove restrictions on trade between member States?

Answer

The rates at which restrictions on goods exchanged between member States are removed have been calculated on the basis of percentages made for the removal of tariffs (i.e. 20 per cent annual reduction for agricultural and animal products and natural resources, and 10 per cent annual reduction for manufactured goods).

The said rates were calculated in such a way as to correspond to percentage reductions in tariffs. More so, the rate for agricultural and animal products and natural resources was made higher (20 per cent) than in the case of manufactured goods (10 per cent) because the former category of products constitute the bulk of trade exchanged between the member States, and thus it was deemed necessary to abolish restrictions on such products as soon as possible. While the rate for the latter category (manufactured goods) was made lower thus liberalizing such products in a longer period of time - to enable infant industries to stand on their feet.

With respect to the second part of question No. 25, we would like to note that the member States will keep the CONTRACTING PARTIES informed of the various steps and measures adopted towards the removal of restrictions on trade between the member States.

Question 26

Could Table C mentioned in Article Eleven (1) please be provided, as it is not contained in document L/1816/Add.3?

Answer

Table C, mentioned in Article Eleven (1) is attached hereto (Annex II).

Question 27

According to document L/1816/Add.3, page 17, manufactured goods listed in Annex "C" enjoy a 60 per cent tariff reduction, yet in Article Eleven (1) 50 per cent is mentioned. Has there been any change in this respect?

Answer

Annex "C" was originally attached to the "Agreement to Facilitate Trade Exchange and to Organize Transit Trade", and the products covered by it enjoyed a 50 per cent reduction.

This percentage has been increased by 10 per cent according to Article Eleven (1) of the Decision, and has, therefore, become 60 per cent starting 1 January 1965.

Question 28

Have the tariff reductions envisaged for 1 January 1965 been applied by all member countries?

Answer

Tariff reductions envisaged for 1 January 1965 have been applied by all member States, except by the State of Kuwait, because the Arab Common Market Decision has not yet been approved by the Kuwaiti National Assembly.

Article Twelve

Question 29

Does Article Twelve envisage continued application of balance-of-payments measures to third countries but not to Arab Common Market contracting parties?

Answer

The United Arab Republic will continue the application of restrictions vis-à-vis the third countries because of its balance-of-payments difficulties.

Question 30

Could the Council of Economic Union provide copies of the notifications received in respect of Article Twelve on 1 November 1964?

Answer

The United Arab Republic delegation will do its best to inform the GATT secretariat on all the developments concerning the Arab Common Market.

Article Thirteen

Question 31

Under Article Thirteen of the Decisions and Recommendations, member States are required to submit to the Council of Economic Union lists of all restrictions they impose on imports and exports, of all excise taxes and duties, of all duties charged in return for services, and of all national products which receive subsidies and the amounts of such subsidies. Is it envisaged to make available copies of these lists to the GATT secretariat for the information of contracting parties which are not members of the Arab Common Market?

Answer

The United Arab Republic delegation will do its best to provide the GATT secretariat with all requested material.

Article Fourteen

Question 32

While the Agreement for the Arab Common Market (Annex B) provides in Articles Ten and Eleven for the complete removal of all tariffs and restrictions, Article Fourteen provides that the Council shall have the power to approve exceptions from these provisions. What are the terms of any exceptions which have so far been approved? Can any indication be given of the likely scope or duration of exceptions which may be approved?

Answer

The applications for exceptions so far submitted by member States have already been forwarded by the Council to a Special Committee for studying their bases and duration.

As to the terms of exceptions, there are two cases:

- (a) Where protection of infant industries is deemed necessary; and
- (b) where customs duties on the products excepted constitute an important customs revenue source for the State in question.

Again, it should be pointed out that there will be no exception whatsoever as from 1 January 1969 for agricultural and animal products and natural resources and from 1 January 1974 for manufactured goods.

Question 33

With respect to the exceptions provided in Article Fourteen, are these exceptions limited to those set forth in paragraph 8a(1) of Article XXIV of the General Agreement?

Answer

Exceptions provided for in Article Fourteen are made in two cases:

- (a) When customs duties are adopted for protection of infant industries in the State in question.
- (b) When customs duties constitute an important customs revenue source for the State in question.

Moreover, these exceptions are only temporary, and will be completely abolished by 1 January 1969 for agricultural and animal products and natural resources and by 1 January 1974 for manufactured goods.

It is, therefore, evident that these exceptions are not limited to exceptions set forth in paragraph 8a(1) of Article XXIV of the General Agreement.

ANNEX I

FOREIGN TRADE OF ARAB COMMON MARKET COUNTRIES

Country	Monetary Unit	E X P O R T S			I M P O R T S		
		Total	to ACM Countries	%	Total	from ACM Countries	%
Jordan	1,000 Dinar	5,523	2,469	44.7	50,927	6,682	13.1
Iraq	1,000 Dinars	16,726	2,121	12.6	114,057	3,519	3.0
Syria	1,000 Lira	720,923	74,512	10.3	873,715	81,829	9.7
UAR	1,000 LE.	226,800	4,495	2.1	398,400	7,962	2.0
Kuwait	1,000 Dinar	8,100	1,912	23.6	3,512	102	3.4

NOTES

1. Foreign Trade Statistics for 1963 except those for Kuwait, they are for 1962.
2. Official Exchange Rates:

Jordanian Dinar	US\$2
Iraqi Dinar	US\$2
Syrian Lira	US\$0.26
UAR Pound	US\$2.3
Kuwaiti Dinar	US\$2.8

ANNEX II
Schedule (C)

Part Four:

- 1) Fresh or salted butter even melt (Samm or Maslee)
- 2) Kachkawal cheese
- 3) All sorts of white cheese

Part Seven:

Dehydrated onions and garlic

Part Nine:

Coffee, roasted, ground and preserved-canned in Yemen

Part Fifteen:

- 1) Olive oil including Sulphur oil (Algeft) liquid or dehydrated
- 2) Olive oil including Sulphur oil (Algeft) hydrated

Part Seventeen:

Sugar extracted from Arab-originated material

Part Twenty:

- 1) Apricot Paste
- 2) Turkish Delight
- 3) Dates Paste

Part Twenty-three:

- 1) Beet-pulp
- 2) Oil-cake resulting from the extraction of oilseeds and berries and others
- 3) Fodder

Part Twenty-seven:

Asphalt, tar and similar petroleum compounds

Part Thirty-four:

Soap made of pure olive oil

Part Thirty-five:

Animal gelatin

Part Forty-four:

Articles and statues of olive wood

Part Fifty:

Silk thread and yarn

Part Fifty-seven:

Woven fabrics of local or imported jute

Part Fifty-nine:

Normal ropes or thick and cables plaited and cordage of woven Arab material

Part Seventy:

- 1) Glass and cast rolls and sheets of all sorts
- 2) Manufactures of blown or pressed glass or cast specially those for home use
- 3) Carboys, bottles, jars and pots of all sorts
- 4) Glass bulbs for electric lamps - Arab manufactured
- 5) Glassware of a kind commonly used for table, toilet or normal sorts except crystal or half-crystal
- 6) Illuminating glassware (kerosine lamps glass)
- 7) Laboratory, and hygienic and pharmaceutical glassware etc.

Part Eighty-three:

Metal clasps

Part Ninety-five:

Articles of mother-of-pearl