

GENERAL AGREEMENT ON TARIFFS AND TRADE

Original: French

APPLICATION OF THE EEC-EGYPT, EEC-JORDAN, EEC-LEBANON AND EEC-SYRIA CO-OPERATION AGREEMENTS

For the Information of the Contracting Parties to the GATT

1. The provisions concerning trade in the Co-operation Agreements between the EEC and each of the Mashraq countries (Egypt, Jordan, Lebanon, Syria) have been applicable since 1 July 1977.

In keeping with GATT's principles for establishing a free-trade zone, the Community has eliminated customs duties and other restrictive trade regulations for the bulk of its trade with the countries concerned.

Egypt, Jordan, Lebanon and Syria enjoy free access to the Community's market as regards raw materials and industrial products (including those in the sphere of the European Coal and Steel Community). The interim exceptions agreed on in respect of fertilizers, refined petroleum products, cotton yarn and other woven fabrics of cotton were eliminated, in accordance with the terms of the Agreements, at the end of 1979.

Owing to the present difficulties facing the Community's textile industries, however, the textile products enumerated in Annex B to the EEC-Egypt Treaty are not within the sphere of application of Article 12 of the agreement on elimination of quantitative restrictions on imports into the Community. The régime applicable to these products is governed by the provisions of the Multifibre Agreement.

2. In keeping with the principles laid down in Part IV of the General Agreement, the provisions of the Co-operation Agreements do not impose, at this stage, any obligation of reciprocal concession on the countries partners of the Community.

3. The Agreements provide for a general review after 1 January 1979, at which the contracting parties shall, in particular, consider any improvements that might be put forward by one or the other parties.

As the provisions of the Co-operation Agreements entered into force in their totality on 1 November 1978, this review has not yet been held.

4. The accession of Greece to the Community will be accompanied by transitional measures applicable to trade in certain products between the Hellenic Republic and the present member States.

At the same time, special provisions designed to avoid a situation in which third countries benefit in Greece from a régime more favourable than that of the States members of the Community will have to be applied in trade between the Hellenic Republic and countries which have concluded co-operation agreements with the Community.

Accordingly, the Community has invited Egypt, Jordan, Lebanon and Syria to negotiate adaptation protocols that would put such provisions in legal form.

5. Development of trade:

(a) Egypt

Egyptian statistics show an extremely rapid growth of trade between Egypt and the Community.

The coverage ratio of imports from the Community, which had considerably deteriorated during the 1973-1975 period, has constantly improved since then, especially in 1978 when it reached 44 per cent.

Owing to the expansion of trade, the Community's share of Egyptian trade is growing rapidly. In 1978, the Community absorbed 42.7 per cent of total exports and furnished 38.8 per cent of imports.

(b) Jordan

Jordan's trade balance suffers from a very large structural deficit. Its exports to the EEC are still modest, although there was a substantial rise in 1978, whereas its imports from the Community have been regularly increasing in absolute value while remaining a rather stable proportion (approximately 35 per cent) of total imports.

(c) Lebanon

Following internal political events, Lebanon's foreign trade contracted substantially in 1976.

However, while imports in 1978 returned to approximately the level of 1975, exports, in spite of a rise in 1977, amounted in 1978 to only 70 per cent of their 1975 level. As a result, exports covered only 37 per cent of imports in 1978, as against approximately 50 per cent in 1975. Exports to the Community have declined regularly since 1975, while imports in 1978 reached their absolute and relative values of 1975.

(d) Syria

Syrian exports to the Community have fluctuated since 1976 between \$500 and \$520 million and imports from the Community, between \$800 and \$1,000 million. On the whole, the intensity of trade between Syria and the Community remained stable during the period 1975-1978, with the Community absorbing approximately 50 per cent of Syria's exports and furnishing from 35 to 40 per cent of its imports.

DEVELOPMENT OF EGYPT'S FOREIGN TRADE

(IN MILLION US \$)

	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
<u>EXPORTS</u>				
WORLD	1.403,9	1.521,7	1.708,3	2.660,7
EEC	166,1	330,5	423,1	1.135,6
THIRD COUNTRIES	1.237,8	1.191,2	1.285,2	1.525,1
<u>IMPORTS</u>				
WORLD	3.933,6	3.807,5	4.815,4	6.599,9
EEC	1.330,9	1.413,0	1.764,3	2.559,6
THIRD COUNTRIES	2.602,7	2.394,5	3.051,1	4.040,3

Source : I.M.F. Direction of Trade 1979.

DEVELOPMENT OF JORDAN'S FOREIGN TRADE

(IN MILLION US \$)

	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
<u>EXPORTS</u>				
WORLD	152,6	207,0	249,3	283,8
EEC	6,1	7,6	2,8	8,4
THIRD COUNTRIES	146,5	199,4	246,5	275,4
<u>IMPORTS</u>				
WORLD	732,6	1.021,9	1.381,0	1.528,1
EEC	240,2	382,9	479,5	529,0
THIRD COUNTRIES	492,4	639,0	901,5	999,1

Source : I.M.F., Direction of Trade 1979.

DEVELOPMENT OF LEBANON'S FOREIGN TRADE

(IN MILLION US \$)

	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
<u>EXPORTS</u>				
WORLD	1.162,8	554,0	734,4	811,3
EEC	75,2	48,8	43,6	41,3
THIRD COUNTRIES	1.087,6	505,2	690,8	770,0
<u>IMPORTS</u>				
WORLD	2.260,3	916,6	1.965,8	2.165,9
EEC	847,6	180,2	750,6	847,1
THIRD COUNTRIES	1.412,7	736,4	1.215,2	1.318,8

Source : I.M.F. Direction of Trade 1979

DEVELOPMENT OF SYRIA'S FOREIGN TRADE

(IN MILLION US \$)

	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
<u>EXPORTS</u>				
WORLD	930,0	1.065,0	1.063,1	1.102,8
EEC	441,5	518,5	496,9	518,9
THIRD COUNTRIES	488,5	546,5	566,2	583,9
<u>IMPORTS</u>				
WORLD	1.605,5	2.365,2	2.657,4	2.546,8
EEC	658,5	789,7	1.014,4	901,3
THIRD COUNTRIES	1.027,0	1.575,5	1.643,0	1.645,5

Source : I.M.F. Direction of Trade 1979.