

**GENERAL AGREEMENT ON  
TARIFFS AND TRADE**

RESTRICTED

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KUWAIT - THE UNIFIED ECONOMIC AGREEMENT

The following communication, dated 15 August 1984, has been received from the Permanent Mission of Kuwait.

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The Permanent Mission of the State of Kuwait presents its compliments to the secretariat of GATT and has the honour to forward enclosed a document in Arabic, the text of law No 58 dated 1982, concerning the ratification of The Unified Economic Agreement among States of the Gulf Cooperation Council.

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An unofficial translation of The Unified Economic Agreement is reproduced hereunder.

**THE UNIFIED ECONOMIC AGREEMENT  
AMONG THE  
COUNTRIES OF THE GULF COOPERATION  
COUNCIL**

With the help of the God Almighty;  
The Governments of the Member States of the Gulf  
Cooperation Council;  
In accordance with the Charter thereof, which calls for  
closer reapproachment and stronger links; and,  
Desiring to promote, expand and enhance their  
economic ties on solid foundations, in the best interest  
of their peoples; and,  
Intending to coordinate and unify their economic,  
financial and monetary policies, as well as their  
commercial and industrial legislation, and customs  
regulations. Have Agreed as follows:

**CHAPTER ONE  
TRADE EXCHANGE**

**Article 1**

- a. The Member States shall permit the importation and exportation of agricultural, animal, industrial and natural resource products that are of national origin. Also, they shall permit exportation thereof to other member states.
- b. All agricultural, animal, industrial and natural resource products that are of national origin shall receive the same treatment as national products.

**Article 2**

1. All agricultural, animal, industrial and natural resource products that are of national origin shall be exempted from customs duties and other charges having equivalent effect.
2. Fees charged for specific services such as demurrage, storage, transportation, haulage or unloading, shall not be considered as customs duties when they are levied on domestic products.

**Article 3**

1. For products of national origin to qualify as national products, the value added ensuing from their production in members states shall not be less than 40% of their final value. In addition, the share of the member states citizens in the ownership of the producing plant shall not be less than 51%.
2. Every item to be exempted hereby shall be accompanied by a certificate of origin duly authenticated by the government agency concerned.

**Article 4**

1. Member states shall establish a uniform minimum customs tariff applicable to the products of the third countries.
2. One of the objectives of the uniform customs tariff shall be the protection of national products from foreign competition.

3. The uniform customs tariff shall be applied gradually within five years from the date of entry into force of this agreement. Arrangements for the gradual application shall be agreed upon within one year from the said date.

#### **Article 5**

Member states shall grant all facilities for the transit of any member state's goods to other member states, exempting them from any duties and taxes, whatsoever, without prejudice to the provisions of Paragraph 2 of Article 2

#### **Article 6**

Transit shall be denied to any goods that are barred from entry into the territory of a member state by its local regulations. Lists of such goods shall be exchanged between the customs authorities of the member states.

#### **Article 7**

Member states shall coordinate their commercial policies and relations with other states and regional economic groupings and blocs with a view towards creating balanced trade relations and favourable circumstances and terms of trade therewith.

To achieve this goal, the member states shall make the following arrangements;

1. Coordinate import/export policies and regulations.
2. Coordinate policies for building up strategic food stocks.
3. Conclude economic agreements collectively when and if the common benefit of the member states is realized.
4. Work for the creation of a collective negotiating force to strengthen their negotiating position vis-a-vis foreign parties in the field of importation of basic needs and exportation of major products.

**CHAPTER TWO**  
**MOVEMENT OF CAPITAL, CITIZENS**  
**AND EXERCISE OF ECONOMIC ACTIVITIES**

**Article 8**

The member states shall agree on the executive rules which would insure that each member state shall grant the citizens of all other member states the same treatment granted to its own citizens without any discrimination or differentiation in the following fields:

1. Freedom of movement, work and residence.
2. Right of ownership, inheritance and bequest.
3. Freedom of exercising economic activity.
4. Free movement of capital.

**Article 9**

The member states shall encourage their respective private sectors to establish joint ventures in order to link their citizens' economic interest in the various spheres.

**CHAPTER THREE**  
**COORDINATION OF DEVELOPMENT**

**Article 10**

The member states shall endeavor to achieve coordination and harmony among their respective development plans with a view to achieving economic integration between them.

**Article 11**

1. The member states shall endeavor to coordinate their policies with regard to all aspects of the oil industry including extraction, refining, marketing, processing, pricing, exploitation of natural gas, and development of energy sources.

2. The member states shall endeavor to formulate unified oil policies and adopt common positions vis-a-vis the outside world, and in the international and specialized organizations.

**Article 12**

To achieve the objectives specified in this Agreement.

## **CHAPTER FOUR TECHNICAL COOPERATION**

### **Article 14**

The member states shall collaborate in finding spheres for common technical cooperation aimed at building a genuine local base founded on encouragement and support of research and applied sciences and technology as well as adapting imported technology to meet the region's progress and development objectives.

### **Article 15**

Member states shall set rules, make arrangements and lay down terms for the transfer of technology, selecting the most suitable or introducing such changes thereto as would serve their various needs. Member states shall also, whenever feasible, conclude uniform agreements with foreign governments and scientific or commercial firms to achieve these objectives.

### **Article 16**

The member states shall formulate policies and implement coordinated programs for technical,

the member states shall perform the following:

1. Coordinate industrial activities, formulate policies and mechanisms aiming at the industrial development and the diversification of their productive bases on an integrated basis.
2. Standardize their industrial legislation and regulations and guide their local production units to meet their needs.
3. Allocate industries between member states according to relative advantages and economic feasibility, and encourage the establishment of basic as well as ancillary industries.

### **Article 13**

Within the framework of their coordinating activities, the member states shall pay special attention to the establishment of joint ventures in the fields of industry, agriculture and services, and shall support them with public, private or mixed capital in order to achieve economic integration, productive interface, and common development on sound economic basis.

vocational and professional training and rehabilitation at all levels and stages. They shall also upgrade educational curricula at all levels to link education and technology with the development needs of the member states.

#### **Article 17**

The member states shall coordinate their manpower policies and shall formulate uniform and standardized criteria and classifications for the various categories of occupations and crafts in different sectors in order to avoid harmful competition among themselves and to optimize the utilization of available human resources.

### **CHAPTER FIVE TRANSPORT AND COMMUNICATION**

#### **Article 18**

The member states shall accord means for passenger and cargo transportation belonging to citizens of the other member states, when transiting or entering its territory, the same treatment they accord to the means of passenger and cargo transportation belonging to their own citizens, including exemption from all duties and taxes, whatsoever. However, local transportations are excluded.

#### **Article 19**

1. The member states shall cooperate in the fields of land and sea transportation, and communications. They shall also coordinate and establish infrastructure projects such as seaports, airports, water and power stations, roads, with a view to realizing common economic development and linking their economic activities with each other.
2. The contracting states shall coordinate aviation and air transport policies among them and promote all spheres of joint activities at various levels.

**Article 20**

The member states shall allow steamers, ships and boats and their cargoes, belonging to any member state to freely use the various ports facilities and grant them the same treatment and privileges granted to their own in docking or calling at the ports as concerns fees, pilotage, and docking services, haulage, loading and unloading, maintenance, repair, storage of goods and other similar services.

**CHAPTER SIX  
FINANCIAL AND MONETARY COOPERATION**

**Article 21**

The member states shall seek to unify investment in order to achieve a common investment policy aimed at directing their internal and external investments towards serving their interest, and realizing their peoples' aspirations in development and progress.

**Article 22**

The member states shall seek to coordinate their financial, monetary and banking policies and enhance cooperation between monetary agencies and central banks, including an endeavor to establish a common currency in order to further their desired economic integration.

**Article 23**

Member states shall seek to coordinate their external policies in the sphere of international and regional development aid.



**CHAPTER SEVEN  
CLOSING PROVISIONS**

**Article 24**

In the execution of the Agreement and determination of the procedures resulting therefrom, consideration shall be given to differences in the levels of development between the member states and the local development priorities of each. Any member state may be temporarily exempted from applying such provisions of this Agreement as may be necessitated by temporary local situations in that state or specific circumstances faced by it. Such exemption shall be for a specified period and shall be decided by the Supreme Council of the Gulf Arab States Cooperation Council.

**Article 25**

No member state shall give to any non-member state any preferential privilege exceeding that given herein.

**Article 26**

- a. This Agreement shall enter into force four months after its approval by the Supreme Council.
- b. This Agreement may be amended by consent from the Supreme Council.

**Article 27**

In case of conflict with local laws and regulations of member states, execution of the provisions of this Agreement shall prevail.

**Article 28**

Provisions herein shall supersede any similar provisions contained in bilateral agreements.

Drawn up at Riyadh on 6 Sha'ban 1401 Corresponding to 8 June 1981.