GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

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EGYPT - RENEGOTIATION OF SCHEDULE LXIII

Request for a waiver

The following communication, dated 4 March 1992, has been received from the Permanent Mission of Egypt with the request that it be circulated to the contracting parties and considered by the Council at its next meeting.

The Government of Egypt is now in the process of implementing an ambitious economic reform programme which entails a far reaching restructuring of the economy. The programme aims at the removal of disequilibrium and the liberalization of the economy.

The implementation of such ambitious programme is done with the cooperation of the International Financial Institutions such as the International Monetary Fund and the World Bank and various friendly countries.

In the context of this programme, Egypt has taken wide steps in trade liberalization including reduction in tariffs. The tariff reform programme, aims at narrowing the gap between maximum and minimum rates. The tariff reform has led and will lead to loss of customs revenue in contradiction to one of the major objectives of reducing budget deficit.

It should be noted that Egypt is preparing to adopt on 1 January 1993 the Harmonized Commodity Description and Coding System (HS), which involves significant changes in its schedule of concessions.

In carrying out such reforms, Egypt has found itself unable to maintain the level of certain bound tariff concessions and requests, pursuant to Article XXV:5 of GATT, a temporary waiver, until 30 June 1993, of its obligations under Article II of the Agreement.

Egypt undertakes to provide the necessary documentation for the relevant consultations and negotiations provided for by the procedures under Article XXVIII of the previous tariff concessions with the contracting parties concerned.