

# Egypt's Membership in the WTO: A New Chapter in Trade Policy

The state of external trade became a threat to national economic security of Egypt, because the excess of imports over exports creates problems to domestic producers, leads to erosion of the country's foreign exchange reserves and reduces the tax base. The article deals with trade policy measures that the government has maintained to reduce the critical level of trade balance deficit. The author concludes that there was a significant correction of attitude towards foreign trade policy in 2016, compared with the period that lasted from 1970 to 2015.

**Key words:** *import regulation, anti-dumping, compensatory, external trade.*

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Egypt has been a signatory to the GATT since 1970. The trade weighted average tariff is aggregated to 10% for industrial products and constitutes 12.5% for agriculture.

As regards foreign trade, since 1970s, Egypt has maintained the policy of openness and liberalisation, and since 1990s, the country has been an active party to preferential trade agreements (PTAs).

Since the period between 2015 and 2016 Egyptian foreign economic relations regulations have undergone radical changes: Cairo has embarked on much rougher import policy than in the previous years, having, inter alia, introduced so-called 'protectionist measures', i.e. import restriction and tariff growth. The necessity of putting these measures in place is entailed by the critical level of trade balance deficit.

## Import Regulation Adjustment in 2016

During 2016, Egypt introduced several protectionist measures aiming at external trade regulation. The applied measures comprised both protectionist (tariff growth, import ban) and non-tariff ones (administrative formalities). Since 1970s the country has followed the strategy of its external policy liberalization. However, as of now, Egyptian approach towards regulation appears to suffer certain adjustments. At the same time, protectionist measures have been imposed in respect of the WTO rules.

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The 'Arab spring' has been followed by both exports reduction and import growth accompanied by the official reserves depletion. In 2013–2015 there was financial aid of 30 billion U.S. dollars provided by Saudi Arabia, UAE and Kuwait that became the major economic factor to ensure the sustainability of president Abdel Fattah El-Sisi's regime. Apparently, the status quo implying that immense negative trade balance is offset by soft loans and grants may not be stable. Besides, between 2000 and 2015 import soared having increased by 3.5 times. Therefore, the measures aimed at cutting import and preventing foreign exchange reserves depletion seem to be forced and natural. The alternatives comprise either devaluation, or default following by the latter.

Protectionist measures were put into practice gradually. On the 31st of December 2015 the minister of Industry and Foreign Trade of Egypt Tareq Kabil signed a Decree 992/2015 — which entered into force in March 2016 — banning all the imports other than those from the foreign plants registered in the Egyptian General Organisation for Export and Import Control (GOEIC). Further, on the 16th of January 2016 the ordinance 992/2015 was replaced by 43/2016 (enforced on the 16th of March), which tightened the requirements even more. The order comprised a list of the articles authorised to be imported only under the condition of having been registered in GOEIC by either production or trademark proprietor.

The list includes a wide range of consumer goods, which is why the adoption of the decree is linked to the protectionist and import substitution policy aiming at a sharp reduction of imports of these goods and hence at addressing Egypt's negative balance of payments. The goods listed in the decree may be divided into two groups: those which may be produced internally and those which are not of basic necessity (the regulation of the imports in the latter category will make it possible to save currency reserves) [1]. The document comprised milk and dairy products in the packets of less than two kilograms, oils and fats weighing less than two kilograms, chocolate, pastry, juice, water, cosmetics, perfumery, kitchen facilities, tableware, household appliances, home and office furniture, bicycles, motorcycles, watches and clocks, lamps, baby toys, carpets, textile, clothing, and footwear.

The producers or their representatives are usually obliged to apply for the registration of the goods personally in order to prevent administrative delays and to minimise the risk of refusal, which in fact is a supplementary administrative barrier. All provided documents have to be certified by the Chamber of Commerce and Industry of the country of origin, whereas the latter must be authorised by an Embassy of Egypt abroad. The documents must be translated into Arabian. Besides, a number of additional documents, including proof of trademark ownership, etc. is required. Therefore, Arabian authorities have introduced excessive protectionist barriers.

According to Cairo, such a measure was brought about to maintain control over the quality of imports and does not contradict Egypt's WTO commitments; moreover, that was in advance that Egyptian authorities informed the WTO on the



point of the changes. It is known that in June 2016, the WTO submitted a request to Egypt's government concerning the reasons for imposing import restrictions. They affect such significant Cairo's partners as China, USA, EU and Turkey.

It is worth noting that albeit Egypt has concluded free trade agreements with the EU and Turkey, those countries widely criticise Egyptian regulatory approach. It appears that preferential trade agreements do not prevent Cairo from either changing regulation or imposing tighter restrictions.

Following the limitations of December 2015 and January 2016, a new package of import regulating measures was enforced by the Presidential Decree 538/2016 on 27 November 2016. The WTO approved the application of import restrictions in line with the clauses of GATT and GATS<sup>1</sup>. The WTO rules stipulate that provided a significant negative current account, the so-called safeguard measures, e.g. tariffs increase and import bans, may be temporarily applied.

Egypt is supposed to resort to this mechanism from 10 November 2016 to 31 May 2017 [1]. Egyptian media report that the government presumes to cut imports by 10 billion U.S. dollars, however, the actual amount of the decrease is hardly to constitute such a significant sum.

The changes have had an impact on 320 articles. The list of the goods virtually coincides with that in the decree 43/2016. For a range of goods, the tariffs have reached 60%. The IMF has proved the fact that these changes do not violate Egypt's WTO commitments<sup>2</sup>.

The difference between the two documents lies in the corresponding trade policy tools: the Decree 43/2016 introduced non-tariff restrictions, whereas the decree 538/2016 resorted to tariffs. Therefore, during 2016 Egypt was gradually imposing protectionist measures. The country's government has not announced yet whether it is considering increasing tariffs for other categories of goods, however, it seems plausible to assume that if the current account deficit will decrease at a slow pace, Egyptian authorities will have to introduce equivalent measures against certain other groups of articles.

On 23 October 2016 Egyptian state newspaper "Al-Ahram" published an article indicating that Cairo clearly set its focus on the import substitution. In August 2016 the Ministry of Trade and Industry of Egypt announced the commencement of the programme "Made in Egypt with Pride", aiming at rendering Egyptians acquainted with local products of high quality. The products that did not

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1 URL: <<http://www.almasryalyoum.com/news/details/1022288>>.

2 URL: < [http://www.just-food.com/news/egypt-hits-food-imports-with-higher-tariffs\\_id135332.aspx](http://www.just-food.com/news/egypt-hits-food-imports-with-higher-tariffs_id135332.aspx)>.

correspond to the standards defined by either local or international organs were thereby manifestly excluded from the programme, so that to enhance citizens' attitudes. According to what was announced by the Minister of Trade and Industry Tareq Kabil, during the period of nine months of 2016 exports grew by 1 billion U.S. dollars, and import fell by 7 billion U.S. dollars. In total, the government intended to shorten current account deficit by 11–12 billion U.S. dollars in 2016 [2] (the corresponding data has not been published yet; the actual deficit reduction will presumably be to a certain extent lower than planned).

According to the cited source “Al-Ahram”, the head of the Central Bank of Egypt Tareq Amer is also a proponent of the concept of import limitation, since he is worried by the depletion of foreign exchange reserves. He estimates the decrease in the import of products other than those of basic necessity to be able to help saving up to 20 billion U.S. dollars annually. This indicator constitutes a third of the import.

T. Kabil has announced that the Ministry of Trade and Industry is developing a strategy that would assure doubling Egypt's exports in the 5 years to follow and will implement it with the assistance of the major exporting sectors. From the perspective of Russia's interests, there are at least three topical issues: PTA with the EAEU; further bilateral trade relations; the policy in respect to the Egypt's major industries exporting to Russia.

During 2016 various measures of Egypt's export promotion and import restrictions met resistance from other countries. USA, Saudi Arabia, UAE, Jordan, and Sudan introduced a ban on the import of Egyptian fruit and vegetables, because these products had been found to be harmful for health. Egyptian strawberries caused particular concern of importers. Thus, in September, the United States reported that 89 Americans who used it were infected with hepatitis.

New standards of quality introduced by Egypt affected exports of wheat from Russia. In August 2016, Cairo tightened the rules on the content of ergot fungus in wheat. Previously an indicator of 0.05% had been acceptable, in line with international standards, and then it was set at 0%. As a result, imports from Russia and many other countries stopped for a few weeks, as the new standard was unrealistic. As it appears, therefore, Egypt expected to strengthen its position in talks over other goods, however, overestimated its capabilities. At the same time, this step demonstrated the readiness of Cairo to the tightening of the rules that may occur in the future.

Russia, for its part, temporarily closed its border for Egyptian fruit and vegetables. Rosselkhoz nadzor declared numerous violations of phytosanitary requirements, in particular, that quarantine organisms such as Mediterranean fruit fly, which is damaging the plants, are regularly detected in Egyptian products. Despite the fact that the value of Egyptian exports of fruit to Russia was at times less than Russian exports of wheat to Egypt, this measure hit the Egyptian producers [3,

p. 223]. Moreover, if Russia can diversify its foreign suppliers of fruit and vegetables, Egypt is interested in Russian wheat due to the ratio of price and quality. That's why Cairo returned the rules of the content of ergot to 0.05%, the day before the enforcement of the restrictions of Rosselkhoznadzor.

Even more complex situation took place in the Egyptian-Kenyan trade relations. Thirty three containers with the Egyptian paper production were arrested in the Kenyan port of Mombasa; significant amounts of both sugar and rice were confiscated by Kenyan customs. Nairobi claimed that this was done as retaliation after hundreds of tons of Kenyan tea rotted in the Egyptian ports because of the policy of the local customs authorities<sup>1</sup>.

## Egypt's Compliance with Obligations within the WTO Framework

Generally, Egypt aims to implement changes in the international trade in accordance with the WTO legal framework. This approach is clearly observed in the Egyptian government's activities as well as in its statements. It also includes some materials which are prepared by ministries and departments of Egypt and outline the fact that the country is "one of the longest serving developing-country Members of the GATT-WTO family, and as one of its most active members in the Uruguay Round" [4]. Cairo regularly and systematically informs the WTO about ongoing changes in the regulation of foreign trade.

At the same time, we can argue that in the 2016 approach to foreign trade has been essentially corrected, compared to period from 1970 to 2015. Now changes don't include the ignoring the WTO rules while relate to variation of conceptual approach to regulation. Earlier the main purpose of foreign trade policy was liberalization. Egyptian authorities proceeded from the fact that liberalization had positive effect on the economy and provide for economic development.

Today main purposes of regulation are import reduction and export increase. Egypt implements protection measures against import surplus. The process of tightening regulation, which began in 2016, hasn't completed, and we can expect the continuation of this policy in 2017–2018. At the same time, implemented measures are in line with the WTO rules because protective measures were applied as a result of significant growth in import.

While we are analyzing conformity of the regulation in Egypt to the WTO rules, it is necessary to accept the important proviso. Egypt generally tries to conceptually observe the WTO rules, but there are some inconsistencies in the details<sup>2</sup>.

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1 URL: <<http://www.dailynewsegypt.com/2016/09/25/551574/>>.

2 URL: <<https://www.oecd.org/globalrelations/46340567.pdf>>.

So, despite the fact that Egypt has removed the quantitative limit for the clear majority of export and import nomenclature after 1995, it periodically uses quantitative limit and abundance for import. This practice has been more actively used during the global financial and economic crisis in 2008–2009 and manifested most clearly in 2016.

**Technical Barriers to Trade.** In 1957, Egypt established a national standardisation body, the Egyptian Organisation for Standardisation and Quality (EOS). It closely interacts with the WTO, is a member of many international organizations such as ISO; the EOS activity is highly appreciated by international experts<sup>1</sup>. The EOS has more than 1,000 permanent staff members. Currently all 8,500 Egyptian standards have been upgraded to meet international standards. The General Organisation for Export and Import Control (GOEIC) is responsible for inspection of imports and exports.

At the same time, there are some problems with external trade regulation that appear not at the EOS level, but at ministry level according to information published by the OECD<sup>2</sup>. Line ministries are responsible for compliance with import and export products standards. In some cases, ministries claims on compliance products can make trade more complicated.

**Sanitary and phytosanitary standards (SPS).** Egypt implements big amount of sanitary and phytosanitary measures and standards, which regulate import of food. Inspections and tests are often performed in a non-transparent manner. Materials which were prepared by The U.S. Department of Commerce's International Trade Administration outlined that «Egypt often implements sanitary and phytosanitary standards and technical barriers to trade, that are not comply with its obligations under the WTO and prevent access to the market» [5]. However, there is no more specific information. It provides an example that “the importers of with such barriers poultry parts, beef and beef products, seed potato, feather meal”.

At the same time we should outline that a wide and coordinated network of institutions, taking into account the SPS Agreement signed by Egypt operates in the country. They include Agricultural Law (53/1996) and Pharmaceutical Law (14/1984) for SPS measures. Also, there is the National Enquiry Point in the Ministry of Agriculture and Land Reclamation. In addition, Ministry of External Trade is in charge of notifying the private sector of newly adopted SPS requirements through weekly newsletters. Ministerial Decree 583/2007 has instituted a process for co-ordinating the work of Egypt's SPS bodies and the flow of information between them. There are another SPS bodies in some sectors.

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1 URL: <<https://www.oecd.org/globalrelations/46340567.pdf>>. P. 37.

2 Ibid.



**Administrative Barriers to Trade.** The restrictions for a variety of products imported by foreign companies may exist. They may be required to use the services of agents registered in the National Register of commercial agents and brokers. This register only includes national companies (Commercial law 17/1999). But in general, Egypt eliminated a significant number of administrative barriers to trade in 1990–2000.

**Investment Barriers.** In 2007 Egypt acceded to the OECD Declaration on International Investment and Multinational Enterprises by the OECD initiative. Egypt became the first Arab and African country to join the agreement. During the preparation for signing Cairo agreed to review and significantly improved the limitations identified by the OECD in a special document called “The review of the Egyptian investment policy”. In particular, there are some limitations in the tourism sector.

Bilateral investment treaty between the United States and Egypt was signed in 1986, according to which Egypt has committed to maintain an open investment regime [6, p. 55]. The contract provided that regarding some investment disputes international law overrides national legislation. Also, national treatment and most favored nation principles for the U.S. companies were registered (with some exceptions).

**Complaints against Egypt in the Dispute Settlement Body.** Based on the WTO website data, there were four cases where Egypt acted as a defendant since the establishment of the Authority for resolution of the WTO disputes — DS205, DS211, DS305, DS327. Thus, we cannot argue that Cairo is constantly accused by other countries in breaching the WTO rules. At the same time in two of these cases we are talking about very small volumes of imports. DS205 regards to the ban on imports of canned tuna with soybean oil content from Thailand to Egypt. The WTO website only contains information that Bangkok has requested the advice of Cairo, but there is no data about the recognition of Egypt as an offender. DS327 refers to anti-dumping duties on shipments of matches from Pakistan to Egypt. China, the European Union, Japan and the United States joined as third parties to the proceedings. The dispute was settled by mutually agreed solution that Pakistan would increase the price, so it ended in favor of Egypt.

DS305 was initiated by the United States and concerned tariffs on several textile and apparel products. The European Union expressed a desire to join the dispute. In this case panel within the Dispute Settlement Body (DSB) was not created; Egypt and the United States informed the DSB they had reached a mutually agreed solution.

Only one dispute, DS211, was brought to the creation of panels at the DSB. In this case, Turkey accused Egypt of illegal use of anti-dumping measures against imports of steel rebar. The DSB Panel recognized Egypt’s violations on a number of points, though most of the claims were dismissed. Then Cairo has fulfilled all the recommendations of panels in nine months.



Thus, the systemic neglect of the WTO rules by Egypt, or that it violates the interests of other countries, were not observed. For its part, Egypt has never acted as a complainant, and eight times joined disputes as a third party.

### Egypt’s Trade Policy and the WTO

The study of the world’s annual Trade Policy Review allows us to make an interesting conclusion that Egypt uses the tools of the WTO and trade policy instruments very actively in comparison with other developing countries [7, p. 228].

So, in 2016 the country rose to the fifth position in the world in the amount of new measures to regulate foreign economic activity. Egypt actively applied anti-dumping, countervailing, safeguard and other measures.

The Trade Policy Review information on the countries compares periods between July of one year to June of the following year. In 2013/14, 2014/15 and 2015/16 Egypt applied the anti-dumping measures 2, 10 and 4 times respectively. A comparative study of the amount of anti-dumping measures applied by Egypt against other countries data is provided in Table 1. The passivity of Egypt in July 2013 is not indicative, since at that moment oppositional political forces were in power in the country (the “Muslim Brotherhood” movement (forbidden in Russia)).

Table 1  
Initiations anti-dumping investigations

Indicator	July 2012– June 2013	July 2013– June 2014	July 2014– June 2015	July 2015– June 2016
Measures initiated by Egypt	0	2	10	4
Total number of measures, initiated by countries listed in the Review*	220	266	238	267
Place of Egypt in the number of measures among all countries covered in the Review	25–32 (from 32)	18–20	11	13–15
* The total number of countries for which the WTO Review provides information was 38. Source of information: Overview of developments in the International trading environment. Annual Report by the Director General (Mid-October 2015 to mid-October 2016). WT/TPR/OV/19. 21 November 2016 (16-6373). WTO. Trade Policy Review Body. Geneva, 2016.				

Source: [7].

The usage of countervailing measures worldwide mostly correlates with dumping proceedings [8]. Egypt was actively using anti-dumping measures (Table 1),

and often applied and countervailing measures (Table 2). The Trade Policy Review 2015 points out that “from the thirteen members, that use countervailing measures, 50% of all measures necessary to the USA, 20% to Canada, 10% in the European Union, the remaining 20% of the measures used by ten countries, including Egypt that outlined by using this tool 5 times during this period” [7, p. 27]. As it is shown in the previous paragraphs, in 2016 market protection began to be carried out systematically, but Egypt actively enforced it before as well. However, according to the WTO, all five investigations in 2014–2015. concerned one narrow direction — polypropylene terephthalate supplied from different countries.

Table 2

**Initiations of countervailing duty investigations**

	July 2012– June 2013	July 2013– June 2014	July 2014– June 2015	July 2015– June 2016
Egypt	0	1	5	0
Total 14 countries, listed in the WTO Review	26	38	40	36

Source: [7].

Egypt actively applies safeguard measures as illustrated in Table 3. According to the WTO data, most of them were used by India and Indonesia during four years — 13 and 9 times respectively. They were followed by Egypt (6 times) and Turkey (5 times).

Table 3

**Initiations of safeguard duties investigations**

	July 2012– June 2013	July 2013– June 2014	July 2014– June 2015	July 2015– June 2016
Egypt	2	0	3	1
Total (38 countries)	25	21	13	20

Source: [7].

Also, the World Survey of the WTO Trade Policy lists a large number of other trade policy instruments used by Egypt. For example, ten countries have sent a request regarding 992/2016 and 43/2016 decrees eligibility. On 17 October 2014 in the Committee on Protective Measures the question related to the Egyptian steel reinforcement, white sugar, and automotive batteries was raised. In 2016 the same question about polypropylene terephthalate, white sugar and motor batteries was raised. In addition, the Permanent Delegation of Egypt to the WTO Secretariat has reported on the several new measures applied in the regulatory process.

Previously, Egypt also conducted all changes in strict accordance with obligations under the WTO. In total, it was very active in the use of instruments of the WTO (Cairo used anti-dumping, countervailing, protective and other measures more often than other countries comparable to its level of development).

It can be argued that in 2016 there was a significant correction of attitude to foreign trade policy, compared with the period that lasted from 1970 to 2015. If previously the forefront of policy was the liberalization of foreign economic relations, as Egyptian authorities proceeded from the fact that openness has a positive impact on the economy, current goal-setting has changed. The key factor is to reduce the deficit and increase exports. At the same time, the taken measures are in line with the WTO rules, since the safeguard measures are applied as a result of significant growth of imports.

## Conclusion

Egypt has consistently pursued liberalization of foreign economic relations since 1970s. It joined the GATT in 1970. At present, Egypt's foreign trade is unbalanced. Export of goods in 2015 amounted to just 20 billion U.S. dollars while import was 60 billion. The state of foreign trade became a threat to the national economic security of Egypt, since the excess of imports over exports creates difficulties for national producers, leads to the washing away of the country's gold and currency reserves, reduces the tax base.

Therefore, in 2016 Egypt took several steps to influence imports. It introduced protective measures on 320 consumer goods. The goal was to reduce imports by 10 billion U.S. dollars and to increase exports by two times. It can be supposed that this activist and rather aggressive policy will continue in 2017–2018. In general, Cairo is very active in using the WTO instruments (anti-dumping, countervailing, safeguard and other measures).

It can be argued that in 2016 there was a very significant adjustment of the approach to foreign trade policy, compared the period that lasted from 1970 to 2015. Previously the liberalization of foreign economic relations was the cornerstone of the policy as the Egyptian authorities that assumed that openness would have a positive impact on the economy, but recently the goal-setting has changed. The aim is to reduce the deficit and to increase exports.

## Prohibitions and Restrictions on Imports to Egypt

Below limits to the basic lists of imported goods and services applied by Egypt are presented at the basis of data of U.S. Department of Commerce's International Trade Administration (export gov) [5]. Cairo is looking for the practical restrictions meeting the requirements of the WTO.

**Apparel.** On 1 January 2002 Egypt lifted the ban on apparel imports replacing it later with the excessive specific rate duties. In 2004 the government has adopted the law on the implementation and ad valorem tariffs instead of the specific rate what is in accordance with the commitments of Egypt to the WTO.

**Vehicles.** Egypt restricts the import of used passenger vehicles. The import is available only during one year after the date of manufacture. Moreover, in May 2014 the Egyptian Ministry of Trade and Industry issued a decree banning the import of motorcycles and three-wheel vehicles for trade, excluding tricycles and chassis. More precisely, the decree prohibits the importation of CBUs (Completely Built Units), meanwhile allows SKD (Semi Knocked Down) vehicles — motorcycles chassis and engines. At the same time, foreign investors have the right to import vehicles in the year of manufacture on a duty-free basis only if they have a particular permission from the Chairman of the GAFI (General Agency on Investments and Free Zones).

**Beef and Beef Products.** In June 2014 Egypt sent two notifications to the WTO's Committees on Technical Barriers to Trade (TBT) and on Sanitary and Phytosanitary Measures (SPS) — G/TBT/N/EGY/48 and G/TBT/N/EGY/63; G/SPS/N/EGY/56 and G/SPS/N/EGY/57. The notes cover information about changes in the Egyptian standards regarding meat and meat products. This implied establishing a zero tolerance level of hormonal animal growth stimulants.

The standards are more stringent than the world's practice. The American suppliers — the major Egypt's importers — consider the policy is not science based and the residual synthetic hormones do not jeopardize human's health (according to the FAO and the WHO Code). However, there are no claims about the discrepancy with the WTO rules.

**Poultry Products.** In 2005 Egypt banned import of all frozen poultry hams, parts and offal. Next year, in 2006, the ban of whole frozen hams was substituted with the limitation of import, meanwhile the embargo on parts and offal was maintained. The grounds were that the process of slaughtering is not in line with the halal norms.

More faithful reason was the lobbying of the Egyptian poultry products producers. As a result, the USA were to provide expertise at 22 U.S. poultry farms for the officers of the Egypt's General Organization for Veterinary Services (GOVS), who admitted that the slaughtering was halal.

**Feather meal.** On 19 March 2012 the Ministry of Agriculture and Land Reclamation issued the Decree 448 banning import of heat-treated feather meal from all origins. As the affirmation Egypt appealed to the contamination and nutritional value concerns. Despite the fact that Egypt informed the WTO, it had violated the National Treatment principle, omitting similar techniques inside the country. What is noted by the American suppliers is that the embargo is scientifically in-

valid and contradicts the OIE's (World Organisation for Animal Health) findings. This Organisation elaborated recommendations for the heat-treated feather meal and poultry products. Precisely, the OIE Terrestrial Animal Health Code (Chapter 10.4 on Avian Influenza, Article 24) recognizes that the treatment of feather meal at sufficiently high temperatures eliminates the AI virus and other potential contaminants.

**Seed Potato.** The only seed potato importer to Egypt now is the EU, primarily the Netherlands and the UK. Moreover, the negotiations with the USA — another Egypt's major importer of alimentary products — on the bilateral market access are conducted for 5 years. The agreement would guarantee coherent entry for Egyptian oranges and tangerines and the U.S. seed potatoes.

**Grain.** Soybean imports free from Ambrosia weed seeds are required by the Ministry of Agriculture and Land Reclamation's (MALR) Central Administration for Planet Quarantine (CAPQ). Moreover, at the condition of finding Ambrosia seeds in the shipment it must be sieved at the port of destination, and if the seeds are found after the sieve, the shipment must be re-exported. This practice is criticized by the foreign suppliers for the invalid risks evaluation and zero Ambrosia tolerance level (especially by the U.S. Department of Agriculture's Animal and Plant Health Inspection Services (APHIS)). Additionally, sieving in the port of entry raises costs and can even disrupt trade.

All imported soybeans are used in the production of soybean oils and other goods, and are milled, sieved and heated, which is enough to remove contaminants, including Ambrosia. The same processing is applied by the overwhelming majority of soy beans importers, particularly in the EU, where processing at the crushing facilities is an established and acceptable practice.

The Egypt's tenders for wheat, issued by the Ministry of Supply and Internal Trade, designate the 0.05% tolerance level for ergot fungus that corresponds both the Egyptian norms for wheat and the international standards (Code of the FAO and the WHO). The Egypt's CAPQ standards, however, apply 0% tolerance level since 2002. This discrepancy leads to CAPQ bans of shipments for the excessive level of ergot. For this reasons in August — September 2016 Russian shipments were banned. A lot of countries are calling Egypt to bring the requirements for ergot in line with the international Codex standards. This issue might raise similar questions regarding the FTA between the EAEU and Egypt.

Egypt also requests a six-member inspection on wheat at the port of entry. The group consists of 2 members from three Egypt's agencies: Central Administration of Plant Quarantine (CAPQ), the General Organization for Export and Import Control (GOEIC), and the Ministry of Health (MoH). The group works for the government ordered imports under control of the General Authority for Supply Commodities (GASC). If private actors are interested, they could engage the group to the expertise.

Favorable results of inspections do not guarantee the absence of the examination at the port of destination. GASC consider inter-agency committee as an insurance for the shipment not being banned on arrival by the officers from CAPQ, GOEIC, MoH. As the GASC is the worlds' biggest importer of wheat — 5–5.5 million metric tons (MMT) — the suppliers have to take into account its requirement.

**Medical equipment supplies.** The MoH banned import of both used and refurbished medical equipment regardless of whether it is the most complex computer-based imaging equipment or the most basic one. The necessary condition of importing even new machinery is testing in the country of origin and safety confirmation certification. To execute import a particular permission from the MoH and the Certificate on safety use in the country of origin is needed.

The importer must submit a special certification from the producer containing information about the year of fabrication and a notification that it was not used before. Additionally, the importer must bring in the certificate of approval from the national service (The European Bureau of Standards or the FDA). The Importer must prove that it has aftersales service, including spare parts and technical maintenance. The MoH Technical Committee examines technical specification of both imported and donated medical equipment before granting import permission.

**Pharmaceuticals and Nutritional Supplements.** The MoH forbids import of natural products, vitamins, and food supplements in finished form. However, it revises the Decree on multivitamin importation, which would potentially lead to opening imports opportunities for some multivitamins.

At present only local factories are allowed to produce food supplements and to import premixes used in manufacturing. Packaging and delivery are also under their jurisdiction.

The project on creating the National Food Safety Management Unit, supported by the American agency U.S. Aid, is under consideration of the Egyptian government and is about to be approved. The Unit, which is the equivalent of the American FDA, is represented by the four Ministries: Health, Agriculture and Land Reclamation, Trade and Industry, and Investment.

The MoH's Nutrition Institute and the Drug Planning and Policy Center are obliged to register and approve all food supplements and dietary products. This process lasts from four to twelve months. All importers must file the application for dietary products licensing, validity period of which lasts from one to five years depending on the type of product. After the license is over, the importer must apply for the prolongation that costs about 3,000 EGP. Though, if there is a similar local origin product, the importation would not be licensed.

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## ***Членство Египта в ВТО: новая страница в торговой политике***

Рассмотрены меры торговой политики, применяемые государством с целью снижения критического уровня дефицита торгового баланса, поскольку состояние внешней торговли Египта стало угрозой для его экономической безопасности, так как превышение импорта над экспортом создает проблемы для национальных производителей, ведет к размыванию золотовалютных резервов и снижает налоговую базу. Сделаны выводы о том, что в 2016 г. произошла существенная корректировка подхода руководством Египта к внешнеторговой политике по сравнению с 1970–2015 гг.

**Ключевые слова:** *регулирование импорта, антидемпинговые меры, компенсационные меры, внешняя торговля.*

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