

# WORLD TRADE ORGANIZATION

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**Working Party on the  
Accession of Sudan**

Original: English

## ACCESSION OF SUDAN

### Questions and Replies

In a communication dated 24 October 1994, the Government of the Republic of the Sudan applied for accession under Article XII of the Agreement Establishing the World Trade Organization (WTO).

At its meeting on 25 October 1994, the General Council established a Working Party with the following terms of reference "To examine the application of the Government of Sudan to accede to the World Trade Organization under Article XII and to submit to the General Council recommendations which may include a draft Protocol of Accession." The membership is open to all WTO Members indicating their wish to serve on the Working Party.

In document WT/ACC/SDN/2, Members were invited to submit questions in writing concerning the foreign trade regime of Sudan. The initial questions submitted by Members and the replies thereto provided by the authorities of Sudan are reproduced hereunder.

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## **II. ECONOMY, ECONOMIC POLICIES AND FOREIGN TRADE**

### **1. Economy**

#### **(b) Current economic situation**

##### **- Privatization Policy**

#### **Question 1.**

**We are interested in the operations of state-owned enterprises in the sugar and tannery industries. Can Sudan provide more information on the operations of these enterprises?**

#### Answer:

At the present time the biggest Sudanese Sugar factory, Kenana Sugar Co. Ltd, which is a joint-venture company. About 46 per cent of its shares is owned by Sudan government and some Sudanese commercial banks, while 54 per cent is owned by Corporations from Kuwait, Saudi Arabia, Japan and the United Kingdom. Kenana Sugar Company produces about 64 per cent of the production of Sugar in Sudan and it is operated on commercial basis. Sudan Sugar Production Company Limited, which consists of four medium size Sugar factories, produces about 36 per cent of the production of Sugar in the country and it is owned by Sudan Government. It is also operated on commercial basis. At the present time, the Sudan Sugar Production Company Limited is seeking partners from the private sector to avail financing for the rehabilitation programmes planned to be implemented in its four factories. Tanneries have been privatized .

##### **- Sectoral priorities**

#### **Question 2.**

**In the Agricultural sector, Sudan refers to the priority of expansion of wheat production to reach self-sufficiency. Could Sudan describe the policies that are being used to achieve this objective?**

#### Answer:

Sudan encourages wheat production to achieve food security based on horizontal and vertical expansion opportunities.

#### **Question 3.**

**In the industrial sector, Sudan's priority is to expand export-oriented industries. Can Sudan provide more details of the specific policies that are used to achieve this objective?**

#### Answer:

Sudan is encouraging export-oriented industries by giving the maximum investment concessions for export-oriented industries, such as full exemption from customs duties on capital goods, plot of land with the premium price, and tax holiday for more than 10 years.

**2. Economic Policies**

**(a) Main directions of the ongoing economic policies**

**- Pricing policy**

**Question 4.**

**Prices of goods seem to be liberalised except for few strategic products. Please give a detail of goods subject to a regulatory price control (HS coding, or SITC if not available, description of goods, minimum and maximum price). Does Sudan plan to liberalise these prices as part of accession?**

Answer:

The following consumer goods are subject to maximum price control:

<u>Commodity</u>	<u>HS</u>
Sugar	170111/00
Benzine	271000/20
Gasoline	271000/30
Gas oil	271111/00
Medicine	30.01
	30.02
	30.03
	30.04

Prices of medicines are determined according to the cost with fixed percentage to the distribution channels. Sudan intends to review its current pricing policy during the WTO accession process.

**- Privatisation policy**

**Question 5.**

**Does any differentiation exist between foreign and domestic investors in privatisation of State-owned enterprises and, if so, what is the justification?**

Answer:

No differentiation exists between foreign and domestic investors in privatisation of state-owned enterprises.

**- Sectoral policies**

**Question 6.**

**Could Sudan provide detailed information on the sectoral policies that will be used to meet the aim and priorities described?**

Answer:

The Sudan sectoral policies that are used to meet the aim of priorities described are:

- To encourage investment in these sectors.
- To benefit from the technical co- operation offered by international, regional and financial institutions.

**(b) Monetary and fiscal policies**

**Question 7.**

**Could foreign customers apply for one of the Islamic modes of finance (Murabaha, Musharaka, and Bai Elsalam) without any kind of specific requirement?**

Answer:

According to the Bank of Sudan Credit Policy, all customers, irrespective of their nationality, can apply for one or more of the Islamic Modes of Finance without any kind of specific requirement.

**Question 8.**

**Are there any plans to introduce the value-added tax (VAT)?**

Answer:

Sudan has introduced the value-added tax (VAT) since June year 2000.

- **Fiscal policy**

**Question 9.**

**We are interested in taxes that are applied to imported goods and services under Sudan's tax laws. Can Sudan advise whether all such taxes are applied without discrimination, i.e. whether they are applied consistently with the MFN and national treatment requirements of the WTO?**

Answer:

Taxes on imported goods are applied without discrimination and are consistent with MFN and national treatment requirements of the WTO.

**(c) Foreign exchange and payment system**

**Question 10.**

**When does Sudan estimate the full re-establishment of its relations with the IMF and full current account convertibility?**

Answer:

Currently Sudan has a medium-term Adjustment Programme 1999-2001 with the IMF. The Sudan expects to be eligible for the Right Accumulation Programme (RAP) in 2000. The programme aims to reduce the current account deficit (on a cash basis) to about 4 per cent of GDP, with a view to increasing foreign exchange reserves and debt services payments by the end of the programme.

After re-establishment of its relations with the IMF and other donors, the Sudan expects to improve the current account convertibility.

**Question 11.**

**Can Sudan provide more information on its system of foreign exchange regulation? What other regulations pertaining to the convertibility of the Sudanese Dinar apply beside those listed in section II2c of the Memorandum?**

Answer:

Payment to all countries can be made in foreign currency from any free foreign currency account or special foreign currency account, while receipts from all countries may be accepted in any convertible currency. The Sudanese Dinar is also legal tender currency inside the Sudan and it is inconvertible. The exchange rate for the Sudanese Dinar is determined by market forces.

**(d) Foreign and domestic investment policies**

**Question 12.**

**Is there any domestic legal protection for foreign investors in cases of expropriation?**

Answer:

Yes. Article 17 of The Investment (Encouragement) Act of 1999 guarantees the non-nationalisation and non-confiscation of investment projects.

**Question 13.**

**How does the Encouragement of Investment Act 1996 contribute to encourage investment? Could you provide information about the conditions and procedure for foreign investment?**

Answer:

The measures contributing to the encouragement of investment are spelt out in sections 10 and 11 of the 1999 Investment Act. They include tax holiday and provision of land. The Act does not discriminate between foreign and national investment.

**Question 14.**

**Can Sudan please provide more information on the Encouragement of Investment Act 1996. Specifically, could Sudan explain what measures are applied under the Act to achieve food security, support the country's export capabilities, and achieve self sufficiency?**

Answer:

The 1996 Investment Act has been replaced by The Encouragement of Investment Act of 1999(amended 2000),which gives full exemption from customs duties on capital goods and input materials. A copy of the Act is being supplied.

**Question 15.**

**The condition as to whether or not foreign investment is permitted needs to be clearly explained. In permitting foreign investment, does Sudan secure the MFN treatment? Any differences between foreign and national treatment should be informed and a detailed action plan on the transparency of the Laws and regulations on investment should also be provided.**

**Has an official branch or agency, acting as an enquiry point or information centre, been established in order to provide the relevant information on investment?**

Answer:

The Sudan secures the MFN treatment for foreign investment. Article 9 of the Investment Encouragement Act 1999 prohibits discrimination between invested money by reason of its being local or foreign, and prohibits discrimination between similar projects with respect to granting privileges and grantees. The investment Bureau in the Ministry of Industry and Investment is the official agency acting as enquiry point and information centre for investment (phone 00294 11 779628) fax (00294 11 770156)

The above act that replaced the 1996 Act has been published in the official gazette and a copy is being submitted to the WTO.

**(e) Competition policies**

**Question 16.**

**Does Sudan have any intention to introduce the relevant Laws and regulations on competition?**

Answer:

Yes, Sudan intends to introduce relevant laws and regulations on competition as stated in Section IV.1 (o), page 22, of the Memorandum of Foreign Trade Regime WT/ACC/SDN/3.

**Question 17.**

**It seems that Sudan does not have a specific competition policy, could you confirm? And if so, is there any plan to introduce one and what could be the timetable?**

Answer:

Yes. As of yet, there is no specific competition policy, as indicated on page 22 of the document WT/ACC/SDN/3, but a law regulating competition is under way. It is expected to be enacted within the next two years.

### **III. FRAMEWORK FOR MAKING AND ENFORCING POLICIES AFFECTING FOREIGN TRADE IN GOODS AND TRADE IN SERVICES**

**2. Government entities responsible for making and implementing policies affecting foreign trade**

**Question 18.**

**What process will be needed to complete national procedures relating to WTO accession? Will implementing legislation be required?**

Answer:

The protocol of accession will need to be passed by the National Assembly (Parliament) and it will be enacted into a law.

Yes. Implementing legislation is required, particularly to bring national, local and domestic laws and regulations in line with WTO agreements.

### 3. Division Of Authority Between Central and Sub-Central Governments

#### Question 19.

**Powers are shared by the Federal Government and the State Government. Could you specify the trade- related attributions of both powers?**

Answer:

The Federal Government exercises the powers for planning, legislation and execution of foreign trade as stated in Section 110 (h) of the Constitution, while the States are responsible for internal trade.

#### Question 20.

**Can Sudan explain whether the Federal Government has full power to implement trade and economic measures required under the WTO Agreements? Is it possible that there could be a conflict between WTO-consistent federal legislation and State powers, and if so, how would Sudan ensure that it could meet its obligations as a future WTO Member?**

Answer:

The Federal Government has full power to implement trade and economic measures required under the WTO agreements and in case of conflict between Federal legislation and State powers, that can be referred to The Constitutional Court -

Sec- 110- (h) of the Constitution states:

Federal organs shall exercise the power for planning legislation and execution in foreign trade.

Sec-117-

The states shall not, save by permission of federal organs, infringe on the following; -

- (a) Federal constitutional institutions and holders of federal constitutional posts.
- (b) Ministries, administrations, public institutions and corporations, federal public sector companies and projects, and their employees,
- (c) Federal lands, estates and utilities.

Sec-118-

The state shall not take any measures which impede the transit of persons, goods, or communication services, nor shall they levy fees on any of the same, save upon permission of the concerned federal organs.

Sec 120-

The national Assembly and the states' Assembly may request each other to defer the passing of any bill, pending expressing the opinion thereon, where the bill has a national or special impact on the state.

#### **4. Legislative programmes**

##### **Question 21.**

**Does Sudan intend to submit to the WTO Working Party members for comment the revised legislation related to customs and excise whilst it is still in a draft form?**

Answer:

A copy of Sudan's Custom Act of 1986 is being submitted to the WTO and any changes in this act resulting from Sudan's WTO accession will be consistent with the WTO Agreements, taking into account Sudan status as LDCs.

#### **IV. POLICIES AFFECTING TRADE IN GOODS**

##### **1. Import Regulation**

###### **(a) Registration requirements for engaging in importing**

##### **Question 22.**

**Can natural persons engage in importation activities? If not why not?**

Answer:

Yes, natural persons can engage in importation activities.

##### **Question 23.**

**The payment of fees required for import registration ranges between 5,000 and 50,000 Sudanese Dinars. Can Sudan explain the reason for the large variation in the import registration fee?**

Answer:

Imports are classified into 12 groups of commodities. The fees range from 5,000 to 50,000 Sudanese Dinars (SD) according to the number of commodity groups to be imported.

##### **Question 24.**

**Could Sudan explain what is meant by a "valid trade licence from the local council"? Could Sudan also briefly describe the process for securing a trade license and certificate of incorporation?**

Answer:

A valid trade licence from the local council is a permission to practise certain business or activity in a certain area, location or site which is environmentally suitable for the type of business to be practised. This licence can be renewed annually.

For a company to get a certificate of incorporation, it should deliver to the Registrar of Companies, a copy of the memorandum of the company and its articles of association, signed by the members of the company. On the registration of the memorandum of a company, the registrar should certify that the company is incorporated and limited (Section 19(1) and 20(1) of the Companies Act 1925).



**(b) Characteristics of national tariff**

**Question 25.**

**Please provide a copy of applied and preferential rates on electronic support together with import statistics on a tariff line basis?**

Answer:

A copy of applied customs rates (Annex IV) and import statistics (Annex II) on a tariff line basis in electronic form will be provided to the Secretariat.

**Question 26.**

**Sudan imposes a quite substantial tariff barrier on 30 per cent of its tariff. The reason for this tariff appears to be for raising revenue rather than protection of domestic competition. What other forms of raising government revenue could be considered?**

Answer:

The introduction of the value added tax (VAT).

**Question 27.**

**The high tariff rates on ordinary goods, such as vehicles at 30 per cent, rubber articles and electrical equipment at 50 per cent, and textiles and textile articles at 80 per cent, should be reduced by binding the rate of these items at a lower level than the current applied rate. Textiles and Textile articles, for which the rate is at 80 per cent, should be informed on the basis of the HS numbers. The latest table of current applied rates, as well as Sudan's trade statistics over the past five years, should be provided based on the HS 9-digits. We expect Sudan to present its initial offer on goods and services as soon as possible.**

Answer:

A list of textile and textile articles for which rates are at 60 per cent will be supplied to the Secretariat (Annex I).

A copy of applied tariff rates in HS will be submitted to the Secretariat (Annex IV). The applied tariff rates are subject to revision annually.

A copy of Sudanese latest trade statistics, HS over the past three years will also be submitted (Annex II).

Sudan will submit, at a later stage, an initial offer for goods and services.

**(c) Tariff quotas and exemptions.**

**Question 28.**

**Can Sudan confirm that it does not intend in the future to introduce import quotas?**

Answer:

Sudan does not intend to resort to import quotas.

**Question 29.**

**Please indicate which products generally benefit from tariff exemptions.**

Answer:

The products, which benefit from tariff exemptions, are products imported for investment projects as specified in the Investment Act of 1999.

**Question 30.**

**Are tariff exemptions (except those applied in the context of Customs Union or Free Trade Agreement) applied on a MFN basis?**

Answer:

Yes, tariff exemptions are applied on a MFN basis.

**Question 31.**

**Is Sudan prepared to undertake that exemptions will only be given to third countries in the context of a WTO compatible Free Trade Agreement or Customs Union Agreement?**

Answer:

Sudan will consider its obligations as a WTO member.

**Question 32.**

**Could Sudan provide a list of the 122 items that are subject to additional tax (ranging between 5 and 150 per cent) and the rate for each item? Is the reason for this tax the raising of revenue or are there other reasons for the tax?**

Answer:

Items that are subject to additional tax have been reduced to 54 ; a list of the 54 items that are subject to additional tax and the rate for each item is attached in Annex III. The additional tax is levied on certain imported goods equivalent to the excise on similar locally produced goods.

**Question 33.**

**Sudan has indicated that there is a 10 per cent consumption tax imposed on most imported goods. Could Sudan advise whether this consumption tax is applied to domestically produced goods as required by Article III of GATT 1994?**

Answer:

After applying the value added tax on 1 June 2000, the consumption tax has been abolished.

**Question 34.**

**The 2 per cent quay dues collected by the Sea Ports Corporation and the 1.2 per cent civil aviation charge appear to be charges for services rendered. Can Sudan confirm this? If so, the dues and charges will need to be modified so that they are consistent with Article VIII of the GATT 1994.**

Answer:

Yes, the 2 per cent quay dues collected by the Sea Ports corporation and 1.2 per cent civil aviation charges, are consistent with Article VIII of GATT 1994, and they are levied against services rendered.

**Question 35.**

**Are there any other fees on imports related to customs clearance? Do such fees reflect the actual cost of providing such services? Can Sudan provide comprehensive list of such fees?**

Answer:

There are fees on imports related to customs clearance, such as sales of forms, supervision services and any services requested by the clearing agent. These fees are minimal and they reflect the actual cost of providing such services.

**Question 36.**

**The nature of additional tax levied between 5 per cent and 150 per cent and imposed on 122 items should be explained in detail. Is National Treatment on such tax secured? A comprehensive list based on the HS numbers of those items where the tax is imposed should be provided, e.g regarding which items tax at 150 per cent is imposed, etc. The reason for Sudan levying export duties between 5 per cent and 10 per cent should also be explained.**

Answer:

The range of the additional tax is now between 7 per cent and 200 per cent. The items are reduced to be 54 HS 8 digits. A list of the items subject to additional tax is being provided. The additional tax levied on some imported commodities is equivalent to the excise duty levied on domestic manufacture commodities. National treatment for this tax is secured.

A list of items subject to additional tax will be provided to the Secretariat (Annex III).

Export duties are abolished except for raw hides and skins and the rate is 15 per cent and it is a tariffication for previous export restricted hides and skins. It is our understanding that the WTO rules and disciplines allow members to use export duties as an instrument of trade policy.

**(e) Quantitative restrictions**

**Question 37.**

**With a few exceptions, imports are permitted without restrictions. Please provide a list of these exceptions (HS coding and descriptions of goods).**

Answer:

A list of the restricted imported goods are as follows:

<u>H.S.Code</u>	<u>Description of goods.</u>
220300.00	Beer made from malt.
220410.00	Sparkling wine.
220421.00	other wine, grape in containers holding 2 L or less.
220429.00	other.
220430.00	other grape must.
220510.00	Vermouth and other wine of fresh grapes flavoured with plants or aromatic substances in Containers holding 2 L or less.
220590.00	Other.
220600.00	Other Fermented beverages.
220710.00	Indetured ethyl alcohol of an alcoholic strength by volume of 80 per cent vol. Or higher.
220720.00	Ethyl alcohol and other spirits, denatured, of any strength.
220820.00	Spirits obtained by distilling grape wine or grape marc.
220830.00	Whiskies.
220840.00	Rum and tafia
220850.00	Gin and Geneva
220860.00	Vodka
220870.00	Liqueurs and cordials
220890.00	Other.
950440.00	Playing cards.
010392.00	Pork.
020311.00	Fresh or frozen Pork meat.
020319.00	Pork meat.

Narcotic Drugs

130211.00	Opium.
130219.00	hasheesh
130190.00	

**Question 38.**

**Does Sudan produce or manufacture some of these products?**

Answer:

No, Sudan does not produce or manufacture any of these products.

**Question 39.**

**Is it the intention of Sudan to abrogate the import prohibition and to introduce tariffs for instance for spirits and wine?**

Answer:

There is no any intention to abrogate the import prohibitions for spirits and wines.

(f) **Import licencing procedures**

**Question 40.**

**Please give a list of licensing fees by good and state the contribution to Government revenue that is provided by import licensing fees?**

Answer:

The fees are nominal. They contribute an insignificant share in government revenue and they are charged only for purpose of cost recovery, e.g. fees for foods, pharmaceutical and medical products are 500 SD. Licensing fees for telecommunication equipments are as follows:

A. Telephone sets:

1.	Ordinary Telephone	set	350	SD
2.	Telephone with memo	set	770	SD
3.	Several facilities Tele	set	1500	SD
4.	G.S.M.		10.500	SD

B. Faxes

Fax machine			7.000	SD
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C. P.A.B Exchanges

Capacity	2+3		5.600	SD
Capacity	2+6		6.300	SD
Capacity	2+8		8.400	SD
Capacity	2+10		10.500	SD
Capacity	2+12		17.500	SD
Capacity	6+16		21.000	SD
Capacity	8+20		24.500	SD
Capacity	12+32		56.000	SD
Capacity	8+40		66.500	SD
Capacity	8+80		119.000	SD
Capacity	8+150		175.000	SD
Capacity	8+200		245.000	SD

**Question 41.**

**In Annex 3 it is stated that one reason for import licensing is to ensure appropriate technical specifications. Can Sudan provide more information on the nature of these specifications, how the specifications are established, and testing of conformity with the specifications?**

Answer:

Specifications mentioned refer to different international standards such as ISO, IEC; British Pharmacopoeia and CODEX. Testing of conformity is conducted by employing internationally accepted specifications of methods analysis. i.e. AOAC.

**Question 42.**

**It is also stated that licenses can be refused for failure to meet stipulated criteria. Could Sudan provide more information on these criteria?**

Answer:

licensing is granted prior to importation, to assist and advise the importer in complying with the relevant international standards. Licensing can be refused if the specifications for the product do not meet the minimum adopted standards.

**Question 43.**

**Also there are licencing fees, depending on the goods. Could Sudan please describe the nature of these fees, the rate of the fee charged for each kind of goods, and the reason for the fee?**

Answer:

These fees are minimal where they exist and they are just for cost recovery, e.g. fees for foods, pharmaceutical and medical products are 500 SD.

A. Telephone sets

1.	Ordinary Telephone	set	350	SD
2.	Telephone with memo	set	770	SD
3.	Several facilities Tele	set	1500	SD
4.	G.S.M		10.500	SD

B. Faxes

Fax machine		7,000	SD
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C. P.A.B Exchanges

Capacity	2+3	5,600	SD
Capacity	2+6	6,300	SD
Capacity	2+8	8,400	SD
Capacity	2+10	10,500	SD
Capacity	2+12	17,500	SD
Capacity	6+16	21,000	SD
Capacity	8+20	24,500	SD
Capacity	12+32	56,000	SD
Capacity	8+40	66,500	SD
Capacity	8+80	119,000	SD
Capacity	8+150	175,000	SD
Capacity	8+200	245,000	SD

**(h) Customs Valuation**

**Question 44.**

**When does the Sudan's Government plan to implement the decision of 26 April 1984 on treatment of interest charges in customs valuation and the decision of 24 September 1984 on the valuation of carrier media bearing software for data processing equipment?**

Answer:

Sudan understands that these 1984 Decisions are optional for WTO Members.

**Question 45.**

**Could Sudan explain more fully its intentions in regard to introducing legislative changes in order to give full effect to Article VII of GATT 1994 and the Agreement on implementation of Article VII? In applying the Brussels Definition of Value (BDV), Sudan's law in this area is not WTO consistent as the "transaction value" is the primary basis for customs value under the WTO Agreements. Could Sudan provide more comprehensive information on its current laws, regulations, policies and practices in this area?**

Answer:

The current Sudanese laws, regulations, policies and practices on customs valuation depend on the Brussels Definition of Value (BDV), but in most cases the value is accepted by the customs officer or records, and it may differ with WTO (Transaction Value) criteria. Section 75 of the customs act reads:-

- (1) Subject to the provision of section 76 of the custom act, the value of any imported goods or exported goods shall be taken on the basis of price which an importer or exporter as the case may be, would pay for such goods at the time and port or place of import or export, and the duty should be paid on that value as assessed by the proper customs officer.
- (2) for the purpose of computing the price aforesaid it shall be assumed:-
  - (a) in case of imported goods :-
    - (i) That the goods to be valued are to be purchased from aboard and delivered at the place of import. Freight, insurance, commission and all others costs, charges and expenses incidental to the making of the contract of sales and delivery of the goods at the port or place of import have been paid except any tax or duty payable on the import of such goods and any quay dues and charges for unloading payable at the place of import.
    - (ii) That the price is the sole consideration for the sale for the said goods.
    - (iii) That neither the seller nor any person associated in business with him has any interest, direct or indirect, in the subsequent re-sale disposal of the said goods.
    - (iv) That there has not been and will not be any commercial relationship between the seller and the buyer, whether created by contact or otherwise, other than created by the sale of the said goods, and.

- (v) That any cash or trade discount claimed does not exceed the national amount of such discount allowed in respect of goods of a similar nature.
  - (b) In the case of goods for export that the goods to be valued are to be delivered at the place of export, freight, insurance, commission and all other costs, charges and expenses incidental to the making of the contract of the sale and delivery of the goods at the place of export except any quay dues and charges for loading payable at the place of export and any tax or duty other than customs duties payable thereon having been paid.
- (3) In assessing the value of any goods not included in a tariff, the proper customs officer shall not be bound to accept the valuation shown in the declaration or in any other documents, presented therewith.

Not with standing of sub- section (2) the value of any second- hand motor car shall not in any case be less than half the value of such motor car when new.

Section 76 of the Custom's Act reads:-

- (1) The director may, after consultations, with the representative of the merchants reaches an agreement to fix a tariff value for such goods and may in a like manner, from time to time amend such tariff.
- (2) The tariff of values fixed in the manner aforesaid shall come into force from such date and subject to the power of amendment aforesaid, shall remain in force for such period as may be agreed between the director and such merchants, and when fixed, that tariff shall be published in one newspaper and at all customs ports and stations.
- (3) If the value of any goods is fixed by any such tariff of values, the proper customs officer shall value the goods in accordance with such tariff, and the owner of the goods shall be bound to accept such valuation

**(i) Other customs formalities**

**Question 46.**

**Please provide more information on the requirements as regards quarantine licenses.**

Answer:

Sudan is a member of the FAO, WHO, Office International des Epizooties and CODEX Alimentarius. Sudan is applying SPS measures based on scientific principles to plants, foodstuffs, animals and animal products. Sudan applies SPS regulations for the protection of animal, plant and human health and environment. All consignments of livestock are subject to inspections and quarantine.

**(j) Pre-shipment Inspection**

**Question 47.**

**Why does Sudan require additional domestic inspection even though a certificate of pre-shipment inspection has already been issued? Furthermore, the standard period for domestic inspection should be informed.**



Answer:

Sudan will require additional domestic inspection in case the consignment has faced change during transportation or on request of the importer. The period for domestic inspection depends on the commodities and normally the duration is as short as possible. Sometimes it could be just half an hour for physical test for some products or might be 28 days for cement

**Question 48.**

**Sudan states that exporters do not need a pre-shipment certificate but if they don't get a quality certificate, their products will be subject to inspection by SSMO. What is the difference between a PSI and a quality certificate? What standards are used to ensure quality? To what extent does Sudan rely on suppliers' declarations of conformity?**

Answer:

The difference is that, PSI is for price related to quantity and quality, while the quality certificate is just for quality. International standards are used to ensure quality. Sudan relies to some extent on suppliers' declarations of conformity.

**Question 49.**

**Which "international cargo inspectors" are registered by SSMO?**

Answer:

The institutions offering certificates are companies accredited by ISO or working in collaboration with ISO accredited laboratories. They are eligible to SSMO accreditation.

**Question 50.**

**We do not fully understand the nature of pre-shipment inspection required by Sudan. Sudan states that it has no mandatory requirement for PSI. If this is the case, we do not understand why importers are advised to obtain a PSI certificate and why only from international inspectors registered by SSMO. Can Sudan explain please?**

Answer:

Pre-shipment inspection may be required for the conformity assessment. It ensures quality before entering the country and avoidance of delay on clearance. In most cases, it is the only test, unless the quality of the consignment has faced changes during transportation and on request of importer.

Sudan has smooth and successful practice with pre-shipment inspection from/to Sudan. The quality analysis of some of these products usually takes a longer time. Pre-shipment inspection takes advantage of time lapse between ordering and shipment of the goods.

International inspectors are registered by SSMO on the basis of credibility and hence need to be known.

It is important for SSMO to verify official authenticated signature of person(s) in charge of certification.

**Question 51.**

**If such permits are obtained, can Sudan confirm that the cost of these certificates will be borne by the Sudan? If PSI certificates are not obtained, can Sudan confirm that entry inspection by SSMO will be sufficient in itself and not result in clearance delays? What is the exact reason for the inspection?**

Answer:

Costs incurred in certification are very minimal and paid on the basis of bilateral agreement between importers and exporters. The government does not interfere in this matter and can offer assistance to both parties if required.

If a quality certificate is not obtained, inspection at entry points is carried out by SSMO for many commodities using all its technical capabilities to ensure quality and create confidence among exporters, importers and consumers.

SSMO certification is sufficient. The main objective of pre-shipment inspection is to avoid delays at ports, reduce the subsequent costs, safeguard against any possible malpractice and protect importers, exporters, consumers, and the environment.

**(l) Rules of origin**

**Question 52.**

**Other than for imports under preferential tariffs, our understanding is that Sudan presently has no specific legislation or regulations on rules of origin related to imported goods. Is this understanding correct?**

Answer:

Yes, it is.

**Question 53.**

**If so, can Sudan advise whether it intends to enact legislation and regulations related to non-preferential rules of origin? When will this occur? If not, how will Sudan administer its future obligations under the WTO Agreement on rules of origin?**

Answer:

Sudan is in the process of drafting legislation on rules of origin.

**Question 54.**

**Under what circumstances might a group of countries be considered as one country for origin purposes? For example, does the European Community count as one country for origin purposes?**

Answer:

Yes, if the certifying authority comprises several countries, then the EC or any group of countries in an economic agreement might be considered as one country for origin purposes.

(m,n,o) **Anti-dumping duty, countervailing duties and safeguard regime**

**Question 55.**

**Could the Sudanese authorities confirm that if they do contemplate introduction of such legislation in the future that will be in accordance with the relevant GATT Articles?**

Answer:

Yes, we do confirm that such legislation will be in accordance with the relevant WTO agreements.

**Question 56.**

**Please provide more information as regards the development of laws on safeguards and competition applicable to specific sectors?**

Answer:

A draft law on competition is under consideration by the relevant government authorities and private sector organs. The relevant information requested will be provided at a later stage.

**Question 57.**

**Could Sudan advise the anticipated timing for the introduction of safeguard and anti-dumping laws, and provide an assurance that these laws will be consistent with WTO Requirements?**

Answer:

Sudan started drafting legislations on safeguard and anti-dumping laws. It is anticipated that this work will be completed within the next three years if Sudan gets technical assistance

**2. Export Regulation**

**(b) Customs tariff nomenclature, types of duties**

**Question 58.**

**For each of the export duties applied, does Sudan have any intention of reducing and eventually eliminating the duty? If so, what is the envisaged timeframe? If not, why not?**

Answer:

Yes, Sudan is progressively reducing the export duties, with a view to eventually eliminating them. Now, export duties apply, only to raw hides and skins. On the other hand, Sudan understands that neither GATT 1994 nor any other WTO Agreements contain any rules or disciplines regarding export duties.

**(e) Other measures**

**Question 59.**

**Please provide a full list of products for which there are minimum export prices, giving the level of the minimum export prices?**

Answer:

A list is herewith submitted. (Annex VI).

**Question 60.**

**For each product, what is the reason for applying minimum export prices?**

Answer:

The indicative minimum prices, which are not mandatory, are to assist exporters and to alert them on the international market prices.

**Question 61.**

**Please explain how the minimum export prices were calculated?**

Answer:

These are calculated on the basis of the local costs of producing the export product and the international market price

**Question 62.**

**We note that Sudan has indicative minimum export prices based on internal costs and world market prices. Could Sudan explain the purpose of these indicative prices, provide a list of products to which the pricing policy applies, and explain the action that if a product is exported at a price lower than the indicative export minimum price?**

Answer:

The minimum indicative export prices are provided to fill the information gap in respect to the world market prices facing domestic exporters. There is a list of products to which there are minimum indicative export prices (Annex VI).

**(f) Export financing, subsidy and promotion policies**

**Question 63.**

**Although Sudan does not subsidise exports, there are export credit Programmes operational in which the government is participating. Please provide more information on these export credit facilities, for instance as regards the interest rates and other advantages?**

Answer:

The Government is participating, for example, in the Islamic Development Bank credit programmes, as mentioned in part IV. 2. (f.) On the other hand, Sudan understands that both Agreements on Subsidies and Agriculture provide for special and differential treatment to LDCs allowing them to use export subsidies as an important instrument in their development policies. The service rate is approximately LIBOR.

**Question 64.**

**What is the background of the export tax and exemption for meat, livestock and sorghum?**

Answer:

Export tax had been abolished for all commodities, except raw hides and skins. Please also see answer to Question 36 above.

**Question 65.**

**We note that Sudan refunds the excise duty in the case of manufactured products for export. Can Sudan confirm that the refunds on exported products do not exceed the level of excise levied on like products when sold for domestic consumption (as provided under Article 3; 1(a) and Annex I of the WTO Agreement on Subsidies and Countervailing Measures?)**

Answer:

Yes, the refunds on exported products do not exceed the level of excise levied on like products when sold for domestic consumption as provided under Article 3:1 (a) and Annex 1 of the WTO Agreement on Subsidies and Countervailing measures.

**Question 66.**

**We note that Sudan encourages exports through easy access to financial institutions, and various export councils and boards. Could Sudan please provide more details on nature of these arrangements, including the government's role in these arrangements?**

Answer:

The credit policy announced states that export sector is one of the priority sectors to be financed. The role of the export councils is provided on page 23 of the document WT/ACC/SDN/3. There is no subsidy in these arrangements. As an LDC, Sudan intends to continue providing this and other support to exports.

**(g) Export performance requirements**

**Question 67.**

**We are interested in whether Sudan has in place any policies which impose a mandatory requirement on any producers to export all or part of their production, or policies which provide benefits to producer that meet specific export targets. We are also interested in whether Sudan intends to impose any such policies. Can Sudan advise whether it has any such measure in place, or planned?**

Answer:

Sudan doesn't have such policies.

**3. Internal Policies Affecting Foreign Trade in Goods**

**(b) Technical Regulation and Standards**

**Question 68.**

**Detailed procedures of SSMO accreditation to institutions offering certificates should be explained to the Working Party.**

Answer:

The institutions offering certificates that are eligible to SSMO accreditation are those companies accredited by ISO or work in collaboration with ISO accredited laboratories.

**Question 69.**

**How many of Sudan's are based on international standards and what are the others based on; national, regional, sectoral, etc?**

Answer:

About 150 standards are based on regional and 120 on national standards. While the rest are based on international standards. Sudan will continue to develop and improve its national standards.

**Question 70.**

**Has the SSMO signed up the Code of Good Practice for the Preparation, Adoption and Application of Standards (WTO TBT Agreement Annex 3)? If not, when do they intend to do so?**

Answer:

Sudan will adopt this Code after accession to the WTO.

**Question 71.**

**Has the SSMO enquiry point become fully functional i.e. does it issue information on proposed standards as well as those in operation?**

Answer:

Yes, this is a function of SSMO enquiry point.

**Question 72.**

**What practical steps is Sudan planning to take preparing for the accession to the TBT agreement?**

Answer:

Sudan will take all the necessary steps for applying the TBT Agreement, bearing also in mind that this Agreement provides a possibility for transitional periods to developing countries including LDCs and also requires developed WTO Members to provide technical assistance to developing countries in this area. Sudan urgently needs such assistance.

**Question 73.**

**Implementation of a WTO consistent TBT regime is an important issue. Can Sudan advise its detailed plan for developing and implementing a WTO consistent TBT regime? Can Sudan supply more details of its policies and practices in this area, including how technical regulation, standard, and conformity testing are applied to imported goods?**

Answer:

Sudan current policies and practices in technical regulation, standards and conformity testing applied to imported and exported goods are to a large extent consistent with WTO and TBT requirements. For example, for food and drug products Sudan bases its technical regulation, standards and conformity assurance and assessment procedures on standards which are either identical with international standards and norms or identical but with the slight variations dictated by valid and acceptable scientific reasons.

In the case of food and food products, technical regulation and conformity assurance and assessment procedures are based, in most cases, on adopted CODEX Alimentarius standards, guidelines and recommendations either as a whole or with some slight variations. Moreover, with respect to imported food commodities CODEX standards are acceptable in most cases except when health and safety considerations based on scientific grounds necessitate extra or alternative requirements.

For drug and drug products, WHO standards, guidelines, recommendations and norms are accepted either as a whole or with some slight variations. So WHO recommended Good Manufacturing Practice (GMP), Good Clinical Practice, Good Laboratory Practice, WHO recommended inspection and sampling procedures, WHO Certification Scheme for Pharmaceutical Products Moving in International Commerce and other norms are the basis of Sudan technical regulation and quality assurance and assessment procedures.

As in most countries, Sudan has a National Food Safety Strategy and a National Drug Policy. In addition to that Sudan has a Food Control Act and Regulations and a Pharmacy and Poisons Act and Regulations. Sudan also has a federal food regulatory authority and a federal drug regulatory authority.

Sudan is considered as a net exporter of animals and animal products, it strictly adopts the recommended technical standards stated in OIE regulations and standards. Moreover, Sudan is in full conformity with the principles of SPS sanitary measures recommended by FAO and those issued by WHO in Codex Alimentarius.

Sudan is implementing a WTO – consistent TBT regime does not need to formulate a detailed plan for that purpose. Nevertheless, Sudan will need to revise and update all legislation's regulations and procedures to meet the requirement of its WTO membership and agreements. Sudan will also require extensive technical assistance to build up its human and institutional capacities in TBT/SPS areas.

**Question 74.**

**We note that Sudanese standard are identical to CODEX for some products. When will Sudan complete the review if (other standards) to asses their conformity with ISO standards?**

Answer:

Adoption of CODEX by Sudan is based on priority list, which is on the way to be completed. The country is in conformity with ISO Standards.

(c) **Sanitary and phytosanitary measures**

**Question 75.**

**In part IV, Section 3 (b) and 3 (c) Sudan presents some information on technical standards and on Sanitary and Phytosanitary measures. We note that the distinction between TBT and SPS measures is not clearly maintained (e.g. 3 (b), Technical regulations, refers to Sudanese standards for food additives), we should be grateful for a clearer explanation of Sudanese TBT and SPS regimes. In particular, we should like information on the following:**

**Are any imported goods subject to a different technical or SPS standard than the like domestic goods?**

Answer:

The imported goods are not subject to different technical or SPS standard other than that applied to the like domestic goods. The difference between imported food products and domestically produced ones lies in the shelf life. The domestic product is almost fresh having the advantage of full period of the estimated shelf life when allowed to circulate in the local market. The imported food will lose an appreciable period from the shelf life, depending on origin and mode of transactions. The local specifications allow importation of food products with not less than 75 per cent of the estimated shelf life, to avoid limitation of its distribution.

**Question 76.**

**We note that Sudan makes extensive use of international technical (quality, Safety) and SPS standards. Where a relevant international standard does not exist. What standard is applied?**

Answer:

In the absence of international standards, Sudan prefers bilateral standards or regional standards if acceptable to the other party.

**Question 77.**

**May certification to an international standard (TBT or SPS) be performed by a non-Sudanese body recognized by the SSMO and if so, how do such bodies achieve accreditation by the SSMO?**

Answer:

Non-Sudanese bodies can deliver quality certificates. Certification is extended to companies which have been accredited by ISO, or work in collaboration with ISO accredited laboratories to fulfill technical requirements.

**Question 78.**

**Does Sudan follow the procedures laid down in the SPS Agreement? If not, does Sudan anticipate any difficulties in applying the SPS Agreement in full?**

Answer:

Sudan is applying all the sanitary measures enumerated in the SPS Agreement and other relevant international norms and regulations. Capacity building is needed to strengthen the capabilities



to implement the international standards. A transitional period is needed to enable the national institutions to harmonise the sanitary procedures with those of international standards.

**Question 79.**

**It will be important that Sudan puts in place a WTO consistent regime for SPS measures. Could Sudan advise What plans it has to introduce the changes that will be required to meet its future obligations under the WTO SPS Agreement, and the timetable for these? Does Sudan envisage problems in meeting these requirements and, if so, in what respect?**

Answer:

In the answer to Question (27) above it was mentioned that Sudan's current policies and practices in technical regulation, standards and conformity assurance and assessment are consistent to a large extent with the WTO SPS measures. Sudan has been a member of the CODEX Alimentarius Commission since 1965; has a National CODEX Committee; has a Food Control Act; has General Hygiene, Food additives, Pre-packaged Food registration and Food Inspection Sampling and Analysis Regulations; has Federal Food Control Administration and National Food Quality Control laboratory with branches in the western, eastern, southern and northern parts of the country, and an extensive environmental health cadre responsible for food safety and environmental sanitation from the village level up to towns, cities, province, state and federal levels.

As a policy, Sudan prefers to adopt or accept CODEX standards, guidelines and recommendation for food and food products. These are either adopted and/or accepted as a whole for local or imported food commodities, or adopted and/or accepted with slight variations dictated by legitimate local environmental, health, safety or other factors and considerations. So Sudan does not need to introduce many changes to enable it to meet its future obligations under the WTO SPS Agreement.

Nevertheless, Sudan urgently needs to rehabilitate, strengthen, upgrade and expand its food regulation and quality control infrastructure and facilities. There is an acute shortage in qualified and trained regulators, inspectors and analysts. Laboratories and facilities for food sampling and analysis are inadequate in number, equipment, supplies and performance. Due to pressing financial constraints, representatives of Sudan are often unable to participate in CODEX sessions and other international or regional meetings of standardising bodies and other related meetings on food safety. Also many federal food control agencies are no longer getting the CODEX and other documentation they used to get in the past from international standardising bodies like CODEX Alimentarius documentation.

Sudan is endeavouring to improve and upgrade its veterinary services. The ultimate goal behind this is to protect human and animal health. This is achieved through execution of the disease control programmes. Some of these are of international and regional nature. In addition, the country is actively participating in the international technical fora. Eradication of diseases of socio-economic impact and those considered as export barriers is the most effective tool in promoting livestock trade.

Sudan is now adopting the revised text of IPPC. Plant Quarantine Ordinance was revised to conform to SPS / IPPC Agreement. Also the FAO model of the phytosanitary certificate was adopted.

In this aspect, Sudan is in great demand for intensification of personnel training in fields of disease control and improvement of diagnostic facilities and veterinary services. Capacity building, particularly in disease epidemiology and diagnosis is one of the priorities of the Sudanese Government.

Sudan needs urgent assistance for the re-establishment, strengthening, and upgrading of its food regulatory system, food inspection and quality control laboratories. For the purpose of enabling and upgrading plant quarantine capabilities, it is essential to meet the obligations of the SPS agreement.

**Question 80.**

**Sections 3(c) refer to special clearance procedures for pork and pork products. We recognize the religious reasons that underlie this and the related prohibition on imports of wines and spirits (Part IV, Section 1(e)). However, we should appreciate knowing whether Christians and other non-Islamic Sudanese may import pork and pork products freely, subject to the special clearance procedures and if so, what these procedures are?**

Answer:

The Constitution of the Republic of the Sudan 1998 provided in Article 65 that Islamic Law shall be the source of legislation.

According to Islamic law the pork and pork products are prohibited for Muslims. Therefore, it is not permitted to import pork and pork products for Northern States. But legislations in Sudan made some exceptions for Southern States. It is permitted for non- Muslims to import pork and pork products for Southern states only.

There are some measures or conditions to be met:

1. Pork and pork products shall not be imported through territories of northern states.
2. Even for Southern states such goods should be labelled "for non-muslims".

**(d) Trade-related investment measures**

**Question 81.**

**Does Sudan currently apply any TRIMs, such as local content requirements? If so, when does it intend to abolish them? Further explanation is needed on whether or not Sudan assists in the development of export capacities, as stipulated in Article 10 of the encouragement of investment Act 1996 and categorised as export subsidies in the WTO agreement. Do the Sudanese authorities require an export performance obligation by foreign investors?**

Answer:

There are neither local content requirements, nor export performance obligations for investors in the 1999 investment encouragement act which supersedes the 1996 Act.

However, we would like to state that in accordance with the Agreement on TRIMs, Articles 4 and 5 (paragraph 2 and 3) LDCs are granted the right to use TRIMs on a temporary basis, including special transitional period. Bearing this in mind, Sudan reserves the right to apply TRIMs in the future, if its development financial or trade needs so require. Equally, in accordance with the Agreement on Subsidies and Countervailing Measures, Article 27, paragraphs 27 (a) and 27 (b), LDCs are granted the right to apply export subsidies and have a transitional period during which they can use import substitution subsidies. Accordingly, Sudan reserves the right to apply such subsidies, bearing in mind that this Agreement, in Article 27.1 states that Members recognize that subsidies may play an important role in the economic development programmes of developing countries.

**Question 82.**

**Could you explain the nature and conditions for “preferential privileges” granted for projects, which assist the export capacity of Sudan under Article 10 of the Encouragement of Investment act 1996. How consistent are these “privileges” with the illustrative list of the TRIMs?**

Answer:

Article 16 of the Investment Encouragement Act of 1999 provides for privileges, which are consistent with the illustrative list of the TRIMs, as they do not violate Article III and XI of GATT 1994.

**Question 83.**

**Sudan will need to provide the Working Party with more information on its Encouragement of investment Act 1996 so that it can be examined for its consistency with the WTO Agreement on Trade Related Investment Measures. Can Sudan provide details of the types of measures that can be implemented under the act, the form of the preferential privileges provided, and details of the sort of projects that have been approved?**

Answer:

The 1996 Investment Act has been replaced by the 1999 Act, and a copy of it is being supplied to the Working Party. Article 16 of Investment Act 1999 provides the privileges granted for the projects that have been approved under this Act.

(e) **State-trading practices**

**Question 84.**

**Could you provide a list of State-owned companies by sectors?**

Answer:

A list of state-owned companies is attached. (Annex V).

**Question 85.**

**Does a privatisation plan exist? And if so, could you provide details of this plan?**

Answer:

There is a privatisation plan which includes direct sale of some enterprises, transforming some enterprises into public share companies, restructuring of some enterprises, liquidation of some enterprises and selling of government shares in stock exchange.

**Question 86.**

**Can Sudan provide more detailed information on the operation of the Sudan Cotton Company? Under what authority does the company monopolize the export of the cotton? Does the government have a commercial relationship with this company? Does the government provide any exclusive or special privileges to the Company? Does the government impose any specific requirements on the company to market or export cotton in any particular manner?**

Answer:

Prior to July 1993 the government used to monopolize cotton export, as the company was 100 per cent parastatal institution. In July 1993, the government adopted liberal market oriented policies. In the cotton sector, one of the measures taken was privatization of the Sudan Cotton Company Limited (SCCL). The company was sold over to the private sector and the farmers through their unions bought shares totalling 71.81 per cent of the total shares. 13.64 per cent of the shares have been bought by the farmers bank, itself an economic institution owned by the farmers, thus bringing the total shares owned by the farmers to 85.45 per cent of the total shares. The rest of the shares are owned by the National Pension Fund. Privatization of SCCL practically meant the lifting of the monopoly, which was practiced before July 1993. Any interested company may now trade in cotton export and currently there are at least two other companies, which have trading activities in cotton export.

The three major cotton-producing corporations are the Gazira scheme, the Rahad scheme and New Halfa scheme. These schemes are government-managed schemes. However, the production relations stand on an individual accounting system as the farmers bear the total production costs and in return they possess the ownership of the crop produced. About 85 per cent of the cotton exported from Sudan originates from these three schemes.

SCCL is the agent which markets the product of these companies on commission basis. As the farmers unions of these three corporations are themselves the major shareholders in SCCL, marketing of cotton produced in these corporations is made through SCCL.

The government does not provide any exclusive or special privileges to the company.

No specific requirements are imposed by the government on SCCL, except for the requirements to abide by rules and regulations governing foreign exchange and which are issued by bank of Sudan (Central Bank).

**Question 87.**

**On page 4 of the Memorandum Sudan States that certain industries, including sugar and tanneries, are state-owned. Can Sudan provide information on the trading policies of these industries, including whether the enterprises concerned enjoy privileges of a GATT Article XVII kind?**

Answer:

Sugar industries are operating on commercial basis. Please also see answer to the Question 1 above. Tanneries have been privatized.

**(g) Free economic zones**

**Question 88.**

**Please confirm whether or not free economic zones will be fully subject to the coverage of Sudan's future commitments as a WTO member.**

Answer:

Sudan free economic zones will be subject to the coverage of Sudan's future commitments as a WTO member.

**(j) Government-mandated counter-trade and barter**

**Question 89.**

**Could Sudan please explain more fully the circumstances under which counter –trade occurs?**

Answer:

Sudan does not practise counter-trade.

**(1) Government procurement practices**

**Question 90.**

**Does Sudan intend to join the Government procurement agreement? If not, why?**

Answer:

Sudan is in the process of studying this matter taking into account its trade, financial and development needs and interests. We also bear in mind the fact that the Government Procurement Agreement (GPA) is a plurilateral Agreement.

**Question 91.**

**Please provide a breakdown of the procurement market both by contracting entity and product type?**

Answer:

The Government does not maintain statistics on government procurement by contracting entity nor product type.

**4. Policies Affecting Trade in Agricultural Products**

**Question 92.**

**Please provide the information requested in WT/ACC/4 on domestic support and export subsidies.**

Answer:

The information requested in WT/ACC/4 on domestic support and export subsidies will be supplied at a later stage.

**Question 93.**

**Could Sudan provide more information on its ten-year comprehensive National strategy in the agriculture sector?**

Answer:

The strategy in Agricultural sector aims at producing for food security and export for various agricultural products.

**Question 94.**

**What are the reasons for the export bans on raw skins and hides and female livestock? Does Sudan consider that these bans are justified under Article XI of GATT 1994?**

Answer:

Export bans on raw hides and skins had been removed. Exports of female livestock are subject to export restriction in order to cope with the limited domestic supply. In this context Sudan considers these restrictions are justified under Article XI of GATT 1994.

**Question 95.**

**Can Sudan advise whether any subsidies are made available for export of any agricultural products?**

Answer:

Within the limited available resources Sudan encourages export of agricultural products.

**Question 96.**

**Sudan will need to provide detailed information on support measures made available to its agriculture sector. When will Sudan be able to provide the Working party with the information requested in WT/ACC/4?**

Answer:

Sudan is now working on calculating the support measures made available to agricultural sector according to the information requested in WT/ACC/4 and will provide the Working Party with this information at a later stage.

**Question 97.**

**Can Sudan provide more information on the Central Bank's credit policy, which gives priority to the agriculture, and export sectors?**

Answer:

Until 1998, the Bank of Sudan Credit Policy had an objective to secure that all banks must ensure that at least 90 per cent of their credit should be devoted to priority sectors, including at least 30 per cent to be directed to finance the agricultural sector and 25 per cent to export sector.

In order to speed up the structural adjustment programme and liberalization policy in Sudan, sectoral credit ceilings were abolished and instead each bank has the right to distribute freely 90 per cent of its credits. Also profit margins have been decreased.

**VI. TRADE RELATED SERVICES REGIME**

**1. General**

**Question 98.**

**In relation with the compulsory licences how do Sudanese Authorities evaluate the conformity of the Sudanese Patent Law with Article 31 of the TRIPs agreement?**

Answer:

The Patents Act 1971 is in Conformity with Art. 31 of the TRIPS Agreement in respect of Compulsory licence.

**Question 99.**

**In the field of copyright and neighbouring rights, we would like to ask Sudan to indicate in greater detail how the law on copyright and related rights needs to be amended in order to bring it into compliance with TRIPSs and what the planned timetable for the revision and amendment of the Law is?**

Answer:

In the field of Copyrights and neighbouring rights, Sudan's law is new and there are no major differences that exist between the Sudanese law and the TRIPS Agreement. The differences are minor in some articles. The Sudan will make efforts to amend them to be in conformity with TRIPS Agreement. The planned timetable for the revision of the Law will be submitted at later stage.

**Question 100.**

**Could Sudan clarify whether the Law on copyright and related right provides for the protection of compilations of data or other material in compliance with Article 10(2) of TRIPs or not and, in addition, to explain whether section 13(3) of this law is considered to be in compliance with Article 12 of TRIPs, which grants 50 years of protection?**

Answer:

No protection of compilation of data or other materials is provided in Sudan's copyright law. Section 13(3) (a) of the above law does not violate Article 12 of the TRIPS Agreement. But its Section 13 (3) (B) (c) differs from Art. 12 of the Agreement in that it gives 25 years protection unlike the Agreement, which gives 50 years protection.

**Question 101.**

**Finally, we would envisage to know the planned timetable for introduction of provisions on the protection of layout designs of integrated circuits in compliance with Article 35-38 of TRIPs and the planned timetable for introduction of provision on border measures in compliance with 51-60 of TRIPs.**

Answer:

The planned time table for introduction of provision on the protection of layout designs of integrated circuits and the introduction of provision on border measures will be submitted at a later stage.

**2. Policies Affecting Trade in Services**

- **Education**

**Question 102.**

**Are there any restrictions or limitations on foreign participation or service supply in the education sector? Sudan has provided information on the conditions, which must be met in**

**order to operate higher education facilities, but no information on any limits to foreign involvement etc?**

Answer:

Regarding higher education, there is a limitation on foreign participation or service supply in this sector. The condition to be met in order to participate in a higher education facility is to enter into a joint venture between foreign and national higher education institution. In general education (i.e. basic education), only the foreign communities living in the Sudan have the right to establish schools.

**Question 103.**

**There is reference in Memorandum to the many bilateral cultural and multilateral agreements which have been signed with a number of countries, and we seek clarification as to whether these will act as MFN Exemption? If so, we would encourage Sudan to provide details of when these agreements are to terminate?**

Answer:

The bilateral cultural and multilateral agreements will be reviewed in the light of preparation of Sudan's initial offer in services, including MFN exemption list.

- **Financial Services**

**Question 104.**

**What is meant by the statement "all companies must give 50 per cent of their reinsurance to Sudan Reinsurance Co, 5 per cent to the African Insurance Corporation and 10 per cent to the ZEP Reinsurance Company of the COMESA" in what manner will these amounts be held?**

Answer:

- 1) The Sudanese National Reinsurance Company is the only company working in the field of Reinsurance. In order to strengthen it and to make it more effective, 50 per cent of the overall value of market insurance activities in Sudan is reserved to the company.
- 2) The African Reinsurance Corporation was established according to an agreement among the members of Organization of African Unity (OAU). According to its establishment contract, 5 per cent of the insurance market is allocated to (OAU) members.
- 3) PTA Reinsurance Company (ZEP RE) was established according to the agreement between the member states of the Common Market of the East and South Africa (COMESA) which provides that 10 per cent of the insurance activities devoted to the member states should be given to this company.

The Sudanese insurance market shares are as follows:

50 per cent	Sudan National Reinsurance
10 per cent	ZEP – RE
5 per cent	African Re
35 per cent	Foreign markets



- **Legal**

**Question 105.**

**Sudan states in the Memorandum that “legal practitioners must hold a legal degree from a Sudanese University or its equivalent ” Would Sudan please provide details on how lawyers with degrees from foreign universities may obtain the required licence to practice? Are there any restrictions placed on the activities on foreign lawyers in Sudanese courts?**

Answer:

According to Section 6 (1) (h) of the Advocates Act 1983, no person shall be granted a license to practice as an advocate unless he holds a degree in Law from a recognized university and has passed the examination prescribed by the legal Provision Regulation Act 1966.

According to Section 10 of Legal Profession Regulation Act 1966, no applicant for a license under the Advocates Act 1983 for the practice as an advocate before civil and criminal courts shall be deemed to possess the qualifications within the meaning of the Advocates Act unless he has passed the examination referred to in Section 7 of this Act.

According to Section 21(d) of the Advocates Act 1983, foreign Advocates can appear before courts if they are permitted by the committee according to form (B) schedule (1) of this Act, and they can appear before courts in a particular case, or for a certain matter and they have to pay the fees prescribed in schedule 2 of this Act, but in granting such permits regard shall be given to reciprocity and the permit shall be cancelled if the Advocate does not associate himself a Sudanese Advocate, or fails to comply with the provisions of this Act and regulations made thereunder.

**Question 106.**

**Would Sudan please list any qualification requirements and procedures, technical standard and licensing and/ or registration requirements, which may act as barrier to Foreign Service supply?**

Answer:

Sudan is in the process of developing and updating its services regulatory framework in line with its economic liberalization and reforms. The regulatory framework will aim at enhancing the efficiency of these services in the economy with a view to improving Sudan’s trade competitiveness in goods and services. Until this exercise is completed, it will be misleading or premature to list any barriers in the services sector i.e., when most of the domestic regulatory framework is being developed.

**5. Polices Affecting Foreign Trade in other sectors**

**(a) Textile regime**

**Question 107.**

**Does the duty at 75 per cent on textiles, textile articles, carpets and other textile floor coverings cover an import or an export duty? If it is an import duty, the relationship between the normal tariff and this additional duty should be explained.**

Answer:

The rate of duty for textiles, textile articles carpets and other textile floor is 60 per cent and it is an import duty as indicated in page 20 of the document WC/ACC/SDN/3.

Textile products are not subject to additional duty.

## **VI. TRADE-RELATED SERVICES REGIME**

### **1. General**

#### **Question 108.**

**Sudan is requested to provide the Working Party as soon as possible with a substantial initial offer on services in the GATS framework, binding liberal market access condition and national treatment guarantees on a MFN basis for foreign service supplies.**

Answer:

We are working on initial offers on services, which would be provided at a later stage .

### **2. Policies affecting trade in services**

**(a) Government departments, agencies, professional association or other bodies with authority or a role relevant to the conduct of services activities.**

- **The health services in Sudan**

#### **Question 109.**

**Further details need to be provided as to whether the status of diploma issued in a foreign country is equal to that issued by the medical education establishment in Sudan. How can the Sudanese authorities judge such status?**

Answer:

The requirements for evaluation of medical and professional certificates for those who acquired non- Sudanese certificates are as follows: -

(I) For medical officers: -

- A graduate certificate.

- Details in hours for the period of study.

- A brief introductory note about the faculty (for non-recognized faculties by Sudan medical board) Comparison of the hours of the study with the similar ones in recognized universities by the Medical Board taking Faculty of Medicine Khartoum University as standard.

(II) For professionals.

- A post -graduate certificate

- Submitting details of a study or thesis or any bulletins of concern study or conditions that comply with the conditions of professions regulations for the year 1405(h). (Issued by Sudan Medical Board)
- **Transportation services**

**Question 110.**

**What are the conditions set down by the Sudanese authorities as to whether a license can be issued or not to those providing transportation services?**

Answer:

A license can be issued to those providing transportation services in accordance with Investment Encouragement Act 1999 after:-

1. Submission of technical and economic feasibility study of the project.
2. Obtaining a license from the Ministry of Transport

**ANNEX 3 - INFORMATION ON IMPORT LICENSING PROCEDURES**

**Question 111.**

**Annex 3 XII.2 mentions that “there are licensing fees, depending on the goods” the basis upon which Sudan decides it’s licensing fees should be informed in order to allow for a thorough check as to whether or not the fees meet the requirements stipulated in Article VIII.1 (a) of the GATT 1994.**

Answer:

Those fees are nominal and they are just for cost recovery services and do not contradict the requirements of Article VIII-1 (a) of the GATT 1994.

**ANNEX 4 - INFORMATION ON IMPLEMENTATION AND ADMINISTRATION OF THE CUSTOMS VALUATION AGREEMENT**

**5. Questions concerning Article 7**

**(c) Are the prohibitions found in Article 7.2 delineated?**

**Question 112.**

**We appreciate that Sudan has already delineated all the prohibitions prescribed in Article 7.2. Does Sudan intend to invoke the transitional period prescribed in Article 20? If so, a detailed explanation as to the reason for Sudan’s intention should be provided.**

Answer:

While making efforts to adapt to the requirements of the Agreement on Customs Valuation, Sudan as a least developed country, intends to benefit from the transitional period provided for in Article 20 of the Agreement of Customs Valuation. Sudan will also require extensive technical assistance developed WTO Members in this area in order to gradually comply with the provisions of the Agreement.

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