

WORLD TRADE ORGANIZATION

G/SCM/N/38/EGY
5 May 1999

(99-1823)

Committee on Subsidies
and Countervailing Measures

Original: English

SUBSIDIES

New and Full Notifications Pursuant to Article XVI:1 of the GATT 1994 and
Article 25 of the Agreement on Subsidies and Countervailing Measures

EGYPT

The following communication, dated 29 April 1999, has been received from the Permanent Mission of Egypt.

Egypt maintains:

1. The sum of LE 50 million accorded through the National Investment Bank to the export credit guarantee company. The company uses these funds in the field of ensuring the local exporters against commercial and non-commercial risks. The company provides these credits to the following sectors: Tourism, Chemical, Agri-food, Engineering, Weaving, Medicine, Construction materials. Egypt considers this subsidy to be non-specific, as it is not granted to one enterprise/industry or a group of specific companies/industries, but to various sectors including the services sector. It is not designed for exports incentives, but for exports promotion generally.
 2. Tax exemptions and incentives-illustrated throughout the Law No. 8/1997 (successor of Law 230/1989) granted upon the fulfilment of certain rules and conditions mentioned in the law. Yet, these tax exemptions/incentives are not forwarded to a group of specific projects and industries, but are as well generally available to all kinds of projects, industries or sectors.
 3. Customs exemptions defined in Article 4 of the Law 186/1986, according to which a group of imported capital goods enjoy a customs duty of 5 per cent (the applied duty exceeds this rate), if imported for construction purposes carried out in the new cities, desert areas, as well as for the purposes of land reclamation, and low cost housing.
 4. Article No. 6 of the Presidential Decree 351/1986 which entails customs duties reductions that varies according to the local contents used by all assembly industries. This has been notified to the TRIM's Committee.
 5. The Egyptian Chemical Industries Company (KIMA) is the only company receiving a differential price as regards the higher power supply cost. The higher power supply is provided to the said company at a price of 4.7 piasters per K.W.H. against 6.8 piasters K.W.H. for all other companies/projects/enterprises/industries, on the same high power supply level. This preferential price has been accorded to this company to help it overcome its financial problems.
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