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EU appeals against Egypt's import registration requirements before WTO



The European Union has appealed to the World Trade Organization against Egypt's import registration requirements, which it described as "arbitrary" and in violation of World Trade Organization rules, according to what the European Commission said in a statement last Wednesday.

[Link to the News Story](#)

Our Views

- On January 16, 2016, the Ministry of Trade and Industry issued Resolution No. 43, amending the rules governing the registration of factories qualified to export to the Arab Republic of Egypt. The Resolution stipulated the prior registration of foreign companies in the Company Register to allow export to Egypt. This covers a specific group of products ranging from food and agricultural materials, to household appliances.¹
- The decision lacks the necessary implementation mechanism and flexibility, as evidenced by the statements issued by the Ministry of Trade and Industry, expressing that it is in the process of issuing a vision for how to implement the Resolution,² but none were issued up till the writing of this report.
- Since the issuance of this Resolution, suppliers to Egypt from various countries have faced several difficulties, including lack of transparency and ambiguity in registration procedures, their lengthy duration, and increased unofficial payments, which resulted in the cancellation of about 886 foreign exporters to Egypt, according to the General Organization for Export and Import Control.³

¹ <https://www.youm7.com/story/2020/2/16/%D8%B3-%D9%88-%D8%AC-%D9%83%D9%84-%D9%85%D8%A7-%D8%AA%D8%B1%D9%8A%D8%AF-%D9%85%D8%B9%D8%B1%D9%81%D8%AA%D9%87-%D8%B9%D9%86-%D9%82%D8%B1%D8%A7%D8%B1-%D8%AA%D8%B3%D8%AC%D9%8A%D9%84/4632584>

² <https://www.youm7.com/story/2020/2/15/%D9%88%D8%B2%D9%8A%D8%B1%D8%A9-%D8%A7%D9%84%D8%AA%D8%AC%D8%A7%D8%B1%D8%A9-%D8%A5%D8%B5%D8%AF%D8%A7%D8%B1-%D8%B1%D8%A4%D9%8A%D8%A9-%D9%84%D9%83%D9%8A%D9%81%D9%8A%D8%A9-%D8%AA%D8%B7%D8%A8%D9%8A%D9%82-%D9%82%D8%B1%D8%A7%D8%B1-%D8%AA%D8%B3%D8%AC%D9%8A%D9%84-%D8%A7%D9%84%D9%85%D8%B5%D8%A7%D9%86%D8%B9-%D8%A7%D9%84%D9%85%D9%88%D8%B1%D8%AF%D8%A9/4632288>

³ <https://www.cairo24.com/1468804>

- Some of the affected suppliers, specifically the EU, have complained to the World Trade Organization that they have been affected by this resolution as it is a restrictive measure for imports, and a non-customs barrier that violates the rules of the World Trade Organization, which may end up imposing sanctions on Egypt.
- To get out of this impasse, several proposals have been put forward to amend the Resolution, including exempting multinational companies, including members of the European Union, from the Resolution. However, amending the Resolution this way complicates the matter further and will lead to unacceptable discrimination between suppliers, which harms Egypt's reputation and negatively affects trade and investment.
- The most appropriate proposal to get out of this impasse is the immediate suspension of this Resolution to all suppliers from different countries, especially in the absence of well-thought-out and flexible implementation mechanisms, in addition to the fact that the existence of such a Resolution did not result in any improvement in Egyptian exports or a decline in imports, according to the American Chamber of Commerce in Egypt.

Finally, it is important to conduct a cost-benefit analysis of any government Resolution and to study its effects in detail on all stakeholders before issuing it, and to include this in the agenda of proposed reforms for public policy-making in Egypt.

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