Agreement On Economic, Trade, Investment and Technical Cooperation Between Arab Republic of Egypt and the Government of the Kingdom of Saudi Arabia

The Government of the Arab Republic of Egypt and the Government of the Kingdom of Saudi Arabia from links to the Arab and Islamic brotherhood that links between the two peoples and the close historical ties between the two countries.

Based on what stated in the joint statement issued in Cairo on 24 Sha'ban 1409 AH, March 31, 1989, following the visit of the Custodian of the Two Holy Mosques King Fahd bin Abdul Aziz Al Saud, to the Arab Republic of Egypt, the formation of a joint commission for bilateral cooperation between the Kingdom of Saudi Arabia and the Arabic Republic of Egypt.

Desiring to develop economic ,trade, investment and technical cooperation between the two countries in order to broaden the base of common interests and mutual benefits in various fields, promote economic integration between the two countries, and support the development and progress for the benefit of the two brotherly countries.

Have agreed as follows:

Chapter One. Introduction

Article 1.

The Contracting Parties shall make efforts to promote economic, trade, investment and technical cooperation between them in various sectors, and to the maximum extent possible for the development of mutual benefits possibilities, according to the provisions of this Agreement, and in the framework of the laws, regulations and procedures applicable in both countries.

Article 2. Definitions

The words and phrases listed below, for the purposes of this Agreement shall mean the indicated thereto unless the context indicates otherwise.

1. Agreement: Agreement on Economic, Trade, Investment and Technical Cooperation between the two countries.

2. The Contracting Parties: The Government of the Kingdom of Saudi Arabia and the Government of the Arab Republic of Egypt.

3. Customs duties and Taxations of similar effect: the fees imposed by the State party on imported goods under the custom tariff or supplementary regulations, and fees and taxes of other similar effect imposed on imported goods, under any other laws or regulations whatever the name of these fees and taxes or the body that collect them with the exception of the consumption tax.

4. The non-tariff barriers: the measures and actions that may be taken by the State party, to control the import from the other party, for non-regulatory or purely statistical purposes, these restrictions include, in particular, quantity, monetary and administrative restrictions imposed on imports.

5. Joint Committee for bilateral cooperation: the committee formed by the Governments of the Contracting Parties under the agreement between them on 24 Sha'ban 1409 AH, March 31, 1989.

Chapter Two. Mutual Trade

Article 3.

1. The Contracting Parties shall allow free import and export of agricultural and animal products, Metal and non-metal raw materials and finished and semi-finished products of national origin in each, are exempted from all customs duties and other similar effect of taxes, and from non-tariff barriers in accordance with the lists of goods attached to the Agreement.

2. The goods exchanged between the two countries with respect to consumption tax shall be treated as the national production.

3. The Contracting Parties shall expand the lists of goods attached to the agreement progressively to develop the bilateral trade in a balanced manner, and by adding new commodities to these lists.

4. Any Contracting Party may request in writing to delete certain items from the attached lists on a temporary basis and for justifiable reasons referring to protect infant industries or the balance of payments.

5. The process of discussion and the adoption of the addition and deletion requests referred to in paragraphs 3 and 4 above is done in the context of the Sub-Committee provided for in Article (22) of this Agreement. In the case of a commodity was deleted from the lists mentioned, the exemption remains for the imports that are based on contracts existed prior to the withdrawal of the exemption, provided that these contracts are settled within a maximum period of three months from the date of the agreement to delete the item from the lists.

Article 4.

The exemptions set forth in this Agreement shall not apply to manufactured and semi-manufactured goods, produced in the free zones in both countries, and exported to the other country.

Article 5.

1. Manufactured and semi-manufactured goods attached to the lists of goods are considered of national origin in both countries if the domestic value-added arising from the production is not less than 40% of the final value at the completion of their production, the elements of value-added shall be agreed on between the two parties in the framework of the Sub-Committee provided for in Article 22 of this Agreement, and guided by the principles that applied in the framework of the Arab League, these goods should also be accompanied by evidence of origin of the country of manufacture and identifying the factory name and address.

2. Any Contracting Party may ask to lower the percentage referred to in paragraph (1) of this Article, if this item was from the cumulative industries or of strategic nature or of particular interest to the production of the Contracting Party, the Sub-Committee shall study this application and in the case of approval may be specified for a period of time.

3. Attach to the exporting shipments of the Contracting Parties, a certificate of origin issued and certified by the competent authority of the exporting country, registered in it the information proving the authenticity of origin, and this certificate shall conform to the model annexed to this Agreement.

4. The Contracting Parties shall exchange lists of licensed producing factories in any of the two countries and any amendments thereto, including adequate data, and in particular the industrial goods produced and production capacity.

5. The National origin in both countries is considered as one origin, for calculating the value added arising from the stages of production of goods or the elements involved in the production if they have been achieved in the two countries together.

Chapter Four. Economic, Investment and Technical Cooperation

Article 15.

Each party shall offer the nationals of the other party a facilitate accommodation, work and practice of economic activity in its country according to the laws and regulations in force.

Article 16.

1. The Contracting Parties shall allow freely transfer of capitals invested by one of the countries or its nationals of natural and legal persons in the other country, provided that these transfers are done through banking channels.

2. The parties shall encourage and facilitate the investment of these funds freely in all areas except where prohibited or exclusive on the citizens of the host country.

3. The investor of one of the parties is treated in the country of the other party as the national investor in terms of facilities granted for investment in the field of licensing and incorporation fees, providing the necessary land for the project, providing utility services and public benefits with the exception of land, loans, grants and incentive procurement programs offered by each state to its citizens but not to others.

Article 17.

The Contracting Parties shall ensure that the capitals and investments of nationals of the other party all the essential guarantees and in particular:

1. The lack of action that will lead to deprive the investor of the ownership of capital or the entire or partial profit, directly or indirectly, by means of illegal expropriation , or confiscation, or forced seizure or non-judicial reservation or freezing of funds, or sequestration.

2. No restrictions of any kind on the right of the investor to interpolate and re-converse out the capital and profits and consumption and compensation for, or any other rights resulting from the investment, the transfer shall be done in the currency of entry or any other convertible currency to be agreed upon and that the conversion is done after the end of act without undue delay.

3. The investor deserves a fair and prompt compensation for damages resulted from exposure to any of the risks and the measures contained in paragraph 1 above in particular, the compensation shall be in cash and promptly paid if it was not possible to turn the investment to the condition before the injury, and this compensation must be in the same investment currency or any other convertible currency.

The investor also deserves compensation for losses incurred as a result of any of other non-commercial risks, according to the same measures followed to compensate the citizens of the host country in such cases.

4. The investor deserves additional compensation in case of delay in payment of compensation mentioned above, equivalent to the prevailing rate of return in the market on the date of maturity of the compensation.

Article 18.

1. The Contracting Parties shall encourage joint capital investment projects of public or private or mixed funds under the investment laws and regulations in force in both countries.

2. Each of the parties shall facilitate the granting of import preferences to components of joint investment projects, if available in the country of the other party, and have been enjoying the specifications required by these projects.

Article 19.

1. The parties shall encourage technical cooperation between the two countries in various fields of development, technical, scientific, cultural, educational, youth, media, health, etc., and the various ways that lead to the development, such as the exchange of information, research, visits, delegations, training facilities, printed, audio, visual materials, and studying and training scholarships.

2. Contracting Parties shall find close cooperation between the competent official authorities of specifications and standards in each, through which they exchange the experiences and information about standards and regulations applicable and ways to be applied on goods traded between them.

Chapter Five. General and Final Provisions

Article 20.

The Contracting Parties agree to discuss the possibility of holding a specialized subset agreements emerge from this agreement include comprehensive treatment of any area of the areas of cooperation between the two countries whenever the need arises.

Article 21.

The Contracting Parties shall encourage and facilitate cooperation between the private sectors in their respective countries to strengthen its role in the development of trade and investment relations between the two countries and others, and in

particular includes the exchange of information, visits, delegations, holding meetings, joint seminars and the establishment of temporary exhibitions.

Article 22.

Since one of the main tasks of the joint committee for bilateral cooperation between the two countries and formed under the agreement between them on 24 Sha'ban 1409 AH, March 31, 1989, to promote economic and trade cooperation between the two countries and follow up implementation of agreements, treaties and cooperation programs signed between them.

Desiring the good implementation of this agreement, in order to ensure the achievement of development of the common interests of the two brotherly countries and their peoples:

1. The Joint Committee for bilateral cooperation shall be responsibility of overseeing the implementation of the terms of this Agreement, and for this purpose if forms a sub-committee of economic ministers of the two countries and shall be concerned with matters of customs and fiscal nature contained in the Agreement or referred for its consideration by the Joint Committee.

2. Joint Sub-Committee submits its recommendations to the Joint Committee for bilateral cooperation between the two countries.

Article 23.

This Agreement shall enter into force after ratification of the text as well as the annexes by the governments of the contracting parties in accordance with the legislative systems in both countries, and start application after the expiration of thirty days from the date of exchange of documents of ratification and this applies to the validity of any amendments to it.

Article 24.

This agreement is valid for two years, and renewed automatically for similar periods if no Contracting Parties notified the other party of its intention to terminate it in writing and in advance of the expiration date at least three months.

The signing of this agreement in two copies in Arabic on Tuesday, the sixteenth of Sha'ban 1410 AH (13th March 1990)

For the Government of the Egyptian Arabic Republic: Minister of Economy and Foreign Trade, Dr. Yosry Ali Mustafa

For the Government of the Kingdom of Saudi Arabia: Minister of Finance and National Economy, Mohammed Aba Al-Khail