

No. 4554

**CEYLON
and
EGYPT**

**Trade Agreement (with exchange of letters). Signed at
Cairo, on 17 November 1954**

Official text: English.

Registered by Ceylon on 11 November 1958.

**CEYLAN
et
ÉGYPTE**

**Accord commercial (avec échange de lettres). Signé au
Caire, le 17 novembre 1954**

Texte officiel anglais.

Enregistré par Ceylan le 11 novembre 1958.

No. 4554. TRADE AGREEMENT¹ BETWEEN THE GOVERNMENT OF CEYLON AND THE GOVERNMENT OF THE REPUBLIC OF EGYPT. SIGNED AT CAIRO, ON 17 NOVEMBER 1954

The Government of Ceylon and the Government of the Republic of Egypt being animated by the desire to facilitate and develop the commercial relations between the two countries have agreed as follows :

Article 1

1. Ceylon and Egypt will grant each other complete most favoured nation treatment in respect to custom duties and charges imposed on importation or exportation or imposed on international transfer of payments for imports or exports and with respect to the method of levying such duties or charges and with respect to any regulations, formalities and charges to which customs clearing operations may be subject, any advantage, favour, privilege or immunity granted by either of the Contracting Parties to any products originating in or destined for any other country shall be accorded immediately and unconditionally to the like product originating in or destined for the territory of the other Contracting Party.
2. The provision of paragraph 1 of this Article and of Article 2 shall not, however, apply to the grant of continuance of any :
 - (a) advantages accorded by either of the Contracting Parties to contiguous countries and the States Members of the Arab League.
 - (b) advantages resulting from any customs unions or free trade area to which either of the Contracting Parties is or may become a party.

Article 2

1. Each Contracting Party shall accord to the ships of the other Contracting Party, in the matter of duties of tonnage, harbour, pilotage, lighthouses or other analogous duties levied in the ports of either Contracting Party, treatment no less favourable than that accorded to the ships of any other foreign country.
2. Both Contracting Parties will provide all facilities that they can reasonably accord to secure that the ships of the Contracting Parties carry as large a proportion as possible of goods exported from or imported into their respective countries under this agreement.

¹ Came into force on 17 November 1954, as from the date of its approval, in accordance with article 4.

Article 3

1. With respect to the items mentioned in Schedules "A"¹ and "B"² attached to this agreement and which shall be taken to form an integral part of this agreement, the Contracting Parties agreed that wherever necessary import and export licences shall be freely granted according to the laws and regulations applicable in both countries.
2. The provisions of this agreement shall not extend to prohibitions or restrictions :
 - (a) imposed for the protection of public health, or
 - (b) imposed for the protection of plants or animals including measures for protection against disease, degeneration or extinction as well as measures taken against harmful seeds, plants or animals.

Article 4

This agreement will come into force as from the date of its approval.

The agreement will be valid for one year and may be automatically renewed for annual periods. Either of the high Contracting Parties will be entitled to terminate this agreement at three months' notice.

DONE in duplicate at Cairo on the 17th day of November, 1954.

(Signed) S. C. SHIRLEY COREA
Representative of the Government
of Ceylon

(Signed) Dr. Mahmoud FAWZY
Representative of the Government
of the Republic of Egypt

SCHEDULE "A"

EGYPTIAN EXPORTS

- | | |
|-----------------------------------|---|
| 1. Rice. | 10. Raw cotton. |
| 2. Cement. | 11. Leather goods and shoes. |
| 3. Potatoes. | 12. Soap. |
| 4. Phosphate rock. | 13. Cinema films. |
| 5. Onion (fresh and dehydrated). | 14. Ready made clothes and knittings (wool and cotton). |
| 6. Garlic (fresh and dehydrated). | 15. Any other goods which may be agreed upon between the two countries. |
| 7. Cotton yarn. | |
| 8. Cotton piece goods. | |
| 9. Articles of artificial silk. | |

¹ See below.

² See p. 8 of this volume.

SCHEDULE "B"

CEYLON EXPORTS

- | | |
|---|--|
| 1. Tea. | 6. Spices. |
| 2. Coconut oil for industry and food consumption. | 7. Cocoa. |
| 3. Coconut, fresh and desiccated. | 8. Cinnamon quills. |
| 4. Rubber raw. | 9. Cinnamon, leaf oil. |
| 5. Sheets, flexible rubber (crepes) for soles. | 10. Coir, fibre, mattress and bristle. |
| | 11. Pepper. |
| | 12. Citronella oil. |

EXCHANGE OF LETTERS

I

MINISTRY OF FINANCE
GOVERNMENT OF CEYLON

COLOMBO 1

No. 43/2/397 (EC/MF)

November 17th, 1954

Your Excellency,

I write to record the following arrangements which our two Governments have undertaken in connection with the Trade Agreement signed on the 17th day of November, 1954.¹

- (1) payments relating to all transactions between Egypt and Ceylon shall continue to be effected in Pounds Sterling, in accordance with Exchange Control Regulations in force;
- (2) for the purposes of the Trade Agreement, the Government of Ceylon will request the Central Bank of Ceylon to open in the name of the Central Bank of Ceylon an account in Pounds Egyptian with the National Bank of Egypt. This account shall be credited with the equivalent of Rupees 20 million during the year of the Trade Agreement by the sale to the National Bank of Egypt of Pounds Sterling at the official parity of exchange between Pounds Egyptian and Pounds Sterling;
- (3) from time to time, as agreed between the two Central Banks, the National Bank of Egypt shall re-sell to the Central Bank of Ceylon by debit to the above mentioned account, an amount of Sterling corresponding to the value of exports from Egypt to Ceylon;

¹ See p. 4 of this volume.

- (4) such re-sale of Sterling to the Central Bank of Ceylon shall be at the same rate of exchange as that referred to in paragraph 2 above;
- (5) (a) the said account may also be utilised, subject to the provisions of paragraph 5 (b), for settlement of the value of exports of Egyptian goods to any country with which Egypt has concluded a payments agreement.
(b) specific transactions must be submitted to the Egyptian Authorities for consideration on an administrative basis. The said transactions, when approved, will be taken into account when calculating the value of exports from Egypt in paragraph 3 above, but apart from this calculation this does not mean any re-sale of sterling in respect of transactions with third countries.
- (6) At the end of the year of the Trade Agreement a mixed Committee shall meet to discuss the means of settlement of any unutilised balance (which is non-cumulative) remaining in the said account. Any re-sale of Sterling to the Central Bank of Ceylon shall be at same rate of exchange *i.e.* the official parity as that referred to in paragraph 2 above.

The Technical arrangements in respect of the above undertaking will be agreed upon between the two Central Banks.

Please accept Your Excellency the assurances of my highest consideration.

(Signed) M. D. H. JAYAWARDENA
Minister of Finance
Government of Ceylon

His Excellency the Minister of Finance and Economy
Government of Egypt
Cairo

II

Cairo, November 17th, 1954

Dear Mr. Jayawardena,

I have the honour to acknowledge your letter of today's date reading as follows :

[See letter I]

I have noted and agreed to its contents on behalf of the Government of the Republic of Egypt.

Dr. Mahmoud FAWZY

His Excellency M. D. H. Jayawardena
Minister of Finance
Ceylon