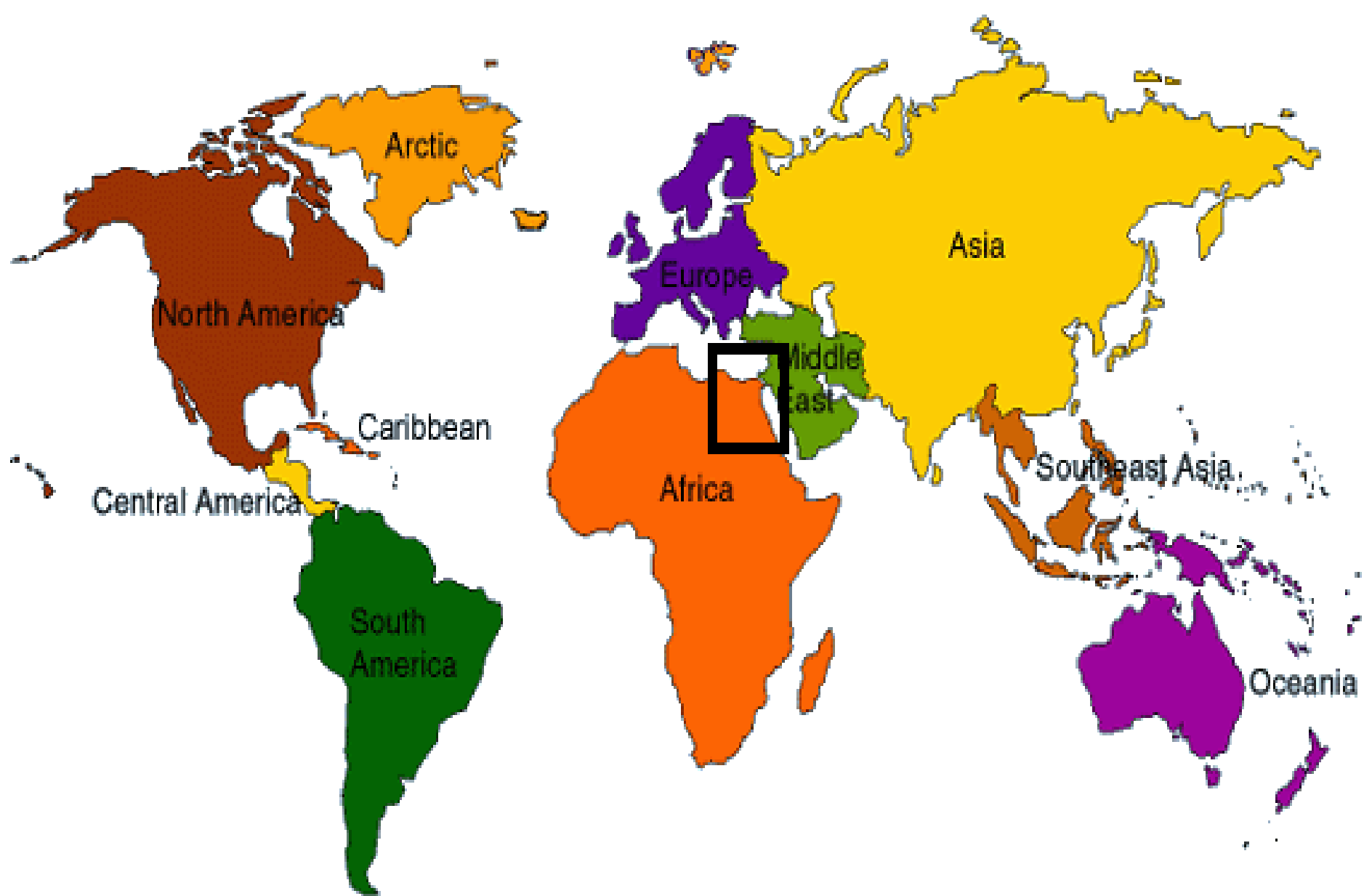




**Arab Republic of Egypt
Ministry of Trade and Industry
Trade Agreements Sector**

Bilateral and Regional Trade Agreements



Bilateral & Regional Trade Agreements

Bilateral & Regional Trade Agreements: into force agreement

Free Trade Agreements:

- ❖ Greater Arab Free Trade Area (GAFTA).
- ❖ COMESA.
- ❖ European Partnership Agreement.
- ❖ EFTA.
- ❖ Turkey.
- ❖ Agadir.
- ❖ Mercosur FTA.

Greater Arab Free Trade Area (GAFTA)



Greater Arab Free Trade Area (GAFTA)

- Contains **18** out of 22 Arab countries including:-

Egypt,
Bahrain,
Iraq,
Jordan,
Kuwait,
Lebanon,
Libya,
Morocco,

Palestine,
Qatar,
Saudi Arabia,
Sudan,
Syria,
Tunisia,
United Arab Emirates, Algeria
Oman,
and Yemen.

Greater Arab Free Trade Area (GAFTA)

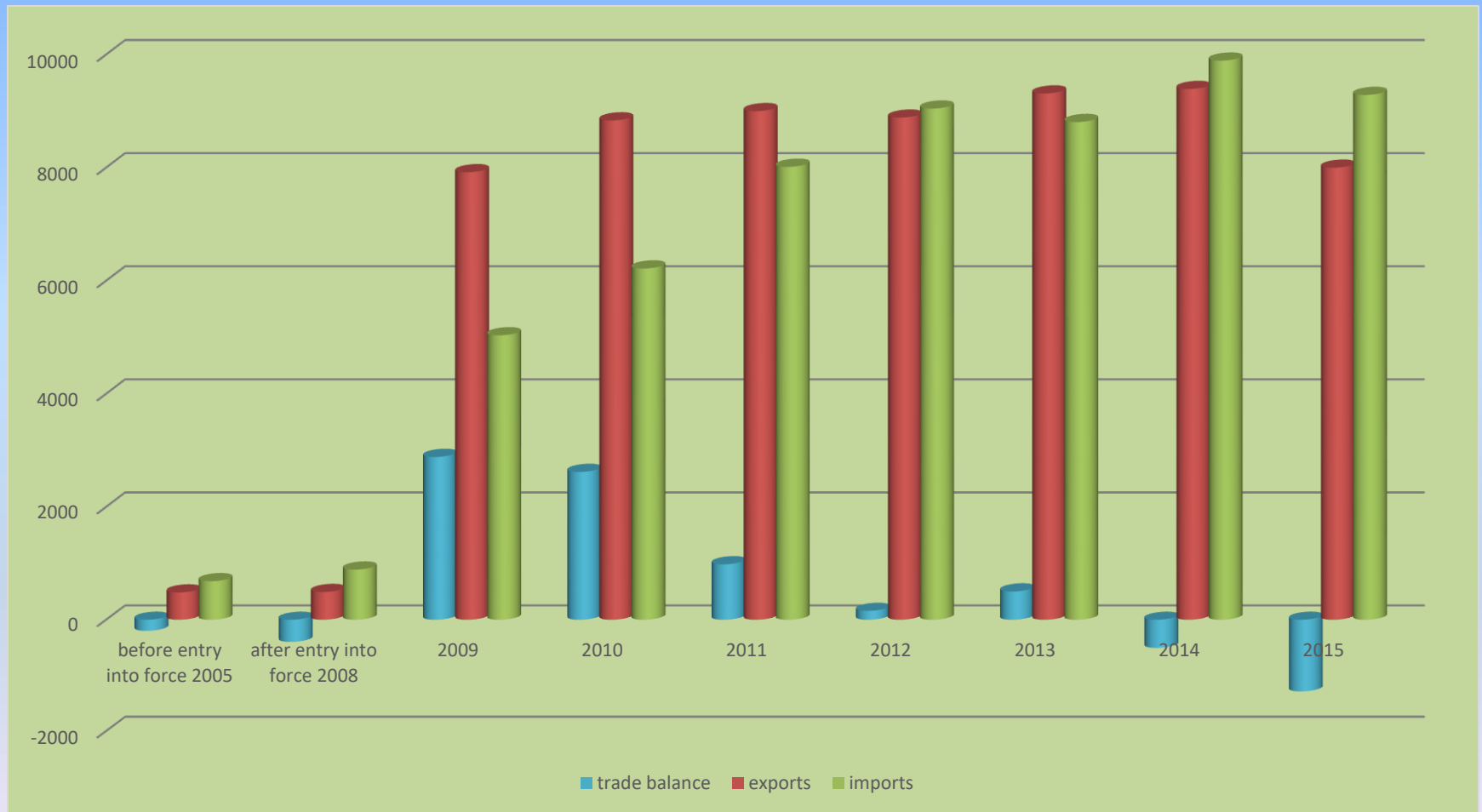
- **The agreement was started on 1/1/1998.**
- **Full exemption on all goods (agricultural & industrial) has been applied on 1/1/2005.**
- **The local value added must be at least 40% on the current applied rules of origin.**
- **Egypt as a major establisher of this agreement plays a vital role in solving the implementation problems for this agreement like the lists of exemptions, non tariff barriers, agricultural Calendar and drafting the rules of origin.**

Pan Arab Free Trade Area (PAFTA)

Trade indicators:

million \$	before 2005	After entry into Force								
		2009	2010	2011	2012	2013	2014	2015	2016	2017
trade balance	-199	2884	1812	985	160	505	-505	-1287	1796	110-
exports	487	7919	8836	9000	8885	9312	9392	7999	9407	9550
imports	686	5035	6217	8015	9045	8807	9893	9286	7611	9660
Trade volume	1173	12954	15053	17015	17930	18119	19285	17285	17018	19210

Egypt vs. GAFTA



Common Market for Eastern and Southern Africa (COMESA)



Common Market for Eastern and Southern Africa (COMESA)

- **COMESA Agreement was signed on 8/12/1994, thus replacing and Egypt became a member in May 1998.**
- **COMESA Free Trade Area consists of 15 member states namely; Burundi, Comoros, Djibouti, Egypt, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Uganda, Zambia and Zimbabwe.**

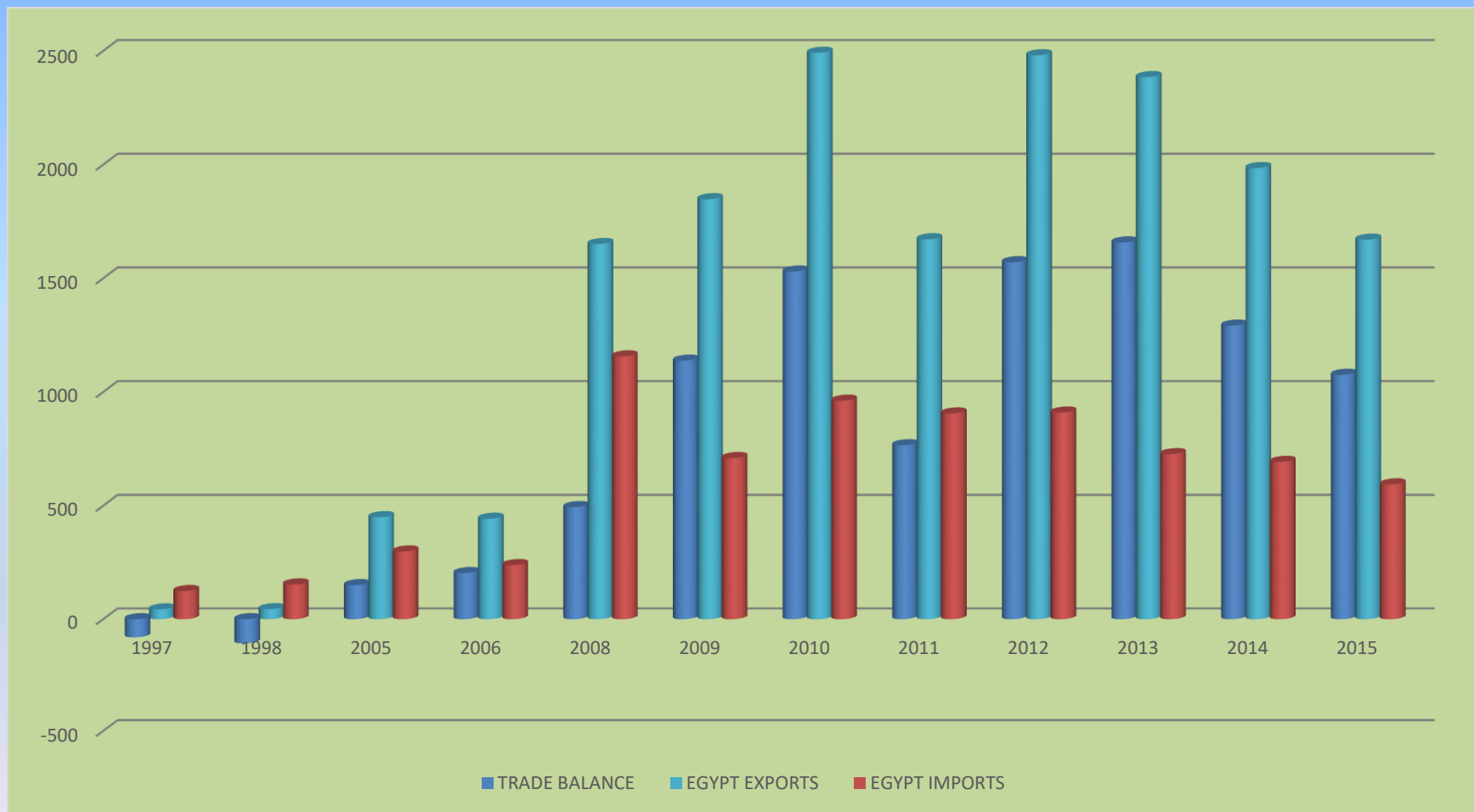
Common Market for Eastern and Southern Africa (COMESA)

- **The value added resulting from the process of production accounts for at least 35% of the ex-factory cost of the goods.**
- **COMESA applied the detailed rules of origin.**
- **COMESA launched the negotiation of the Customs Union during COMESA summit on 8 June 2009.**

Egypt trade with COMESA

million \$	BEFORE ACCESSION		AFTER ACCESSION										
	1997	1998	2005	2006	2007	2010	2011	2012	2013	2014	2015	2016	2017
TRADE BALANCE	-81	-108	151	204	494	1530	766	1571	1658	1292	1076	1091	982
EGYPT EXPORTS	44	45	450	443	1651	2492	1672	2481	2385	1985	1670	1658	1582
EGYPT IMPORTS	125	154	299	239	1157	962	906	910	727	693	594	567	600
TRADE Volume	169	199	749	682	2808	3454	2578	3391	3112	2678	2264	2225	2182

Egypt vs. COMESA



Egyptian-European Partnership Agreement



The Egyptian-European Partnership Agreement

- **The agreement has come into force since 1/1/2004 with customs reduction of 25% for the Egyptian imports .**
- **From 1/5/2004 new members have joined European Union to be 25 member countries, And this has been signed to increase agricultural exports quotas. In 1/1/2007 Bulgaria and Romania joined the European Union and now EU is 28 members countries.**

Agriculture and processed agriculture products:

- It was positive list.
- And now negative list

Industrial products:

- All the Egyptian exports exempt from all the tariff since the date of entry into force at 1/1/2004.

Egyptian imports from EU industrial products

The percentage of the custom tariff reduction on the Egyptian imports form EU during the agreement years

Start years of the agreement																
Year	Executive date 1/1/2004	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
1 st list (raw material)	25	25	25	25												
2 nd list (intermediate product)				10	15	15	15	15	15	15						
3 rd list finished product)						5	5	15	15	15	15	15	15			
4 th list(cars)							10	10	10	10	10	10	10	10	10	10

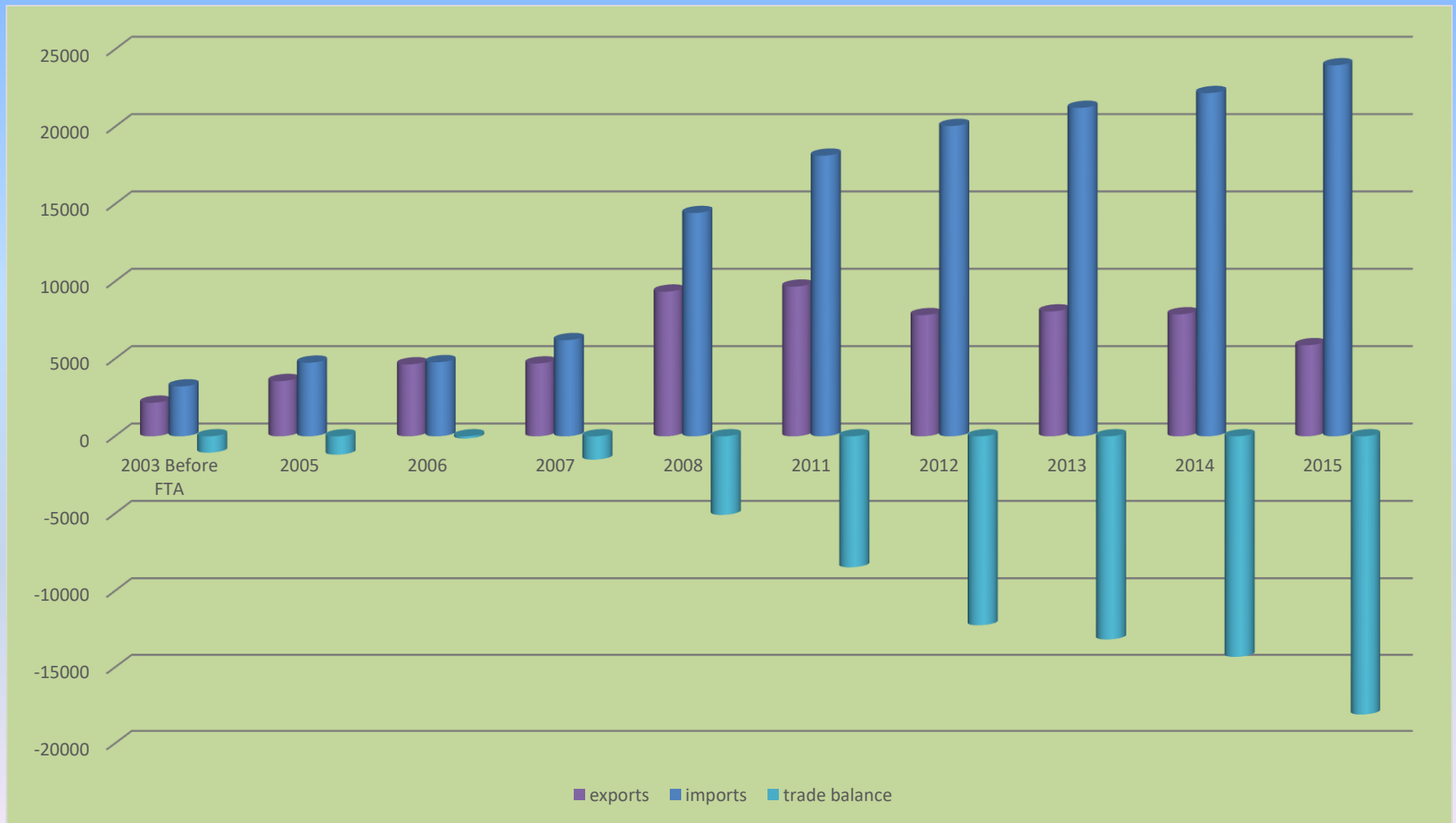
RULES OF ORIGIN

- **Both parties apply the Pan-Euro-Med rules of origin, which allow goods produced from materials originating in any Euro-Med countries to enter the EU market with preferences.**

The Egyptian-European Partnership Agreement

Values in million \$	2003 Before FTA	2005	2006	2007	2011	2012	2013	2014	2015	2016	2017
exports	2170	3573	4649	4710	9678	7832	8072	7886	5890	5686	7596
imports	3226	4759	4790	6216	18141	20059	21231	22188	23982	19823	18621
trade vol.	3596	8332	9439	10926	27820	27891	29303	30074	29872	25509	26217
trade balance	-1055	-1186	-141	-1507	-8463	-12227	-13159	-14302	-18092	14137-	11025-

Egypt vs. EU



Egypt – EFTA trade data



Egypt – EFTA trade data

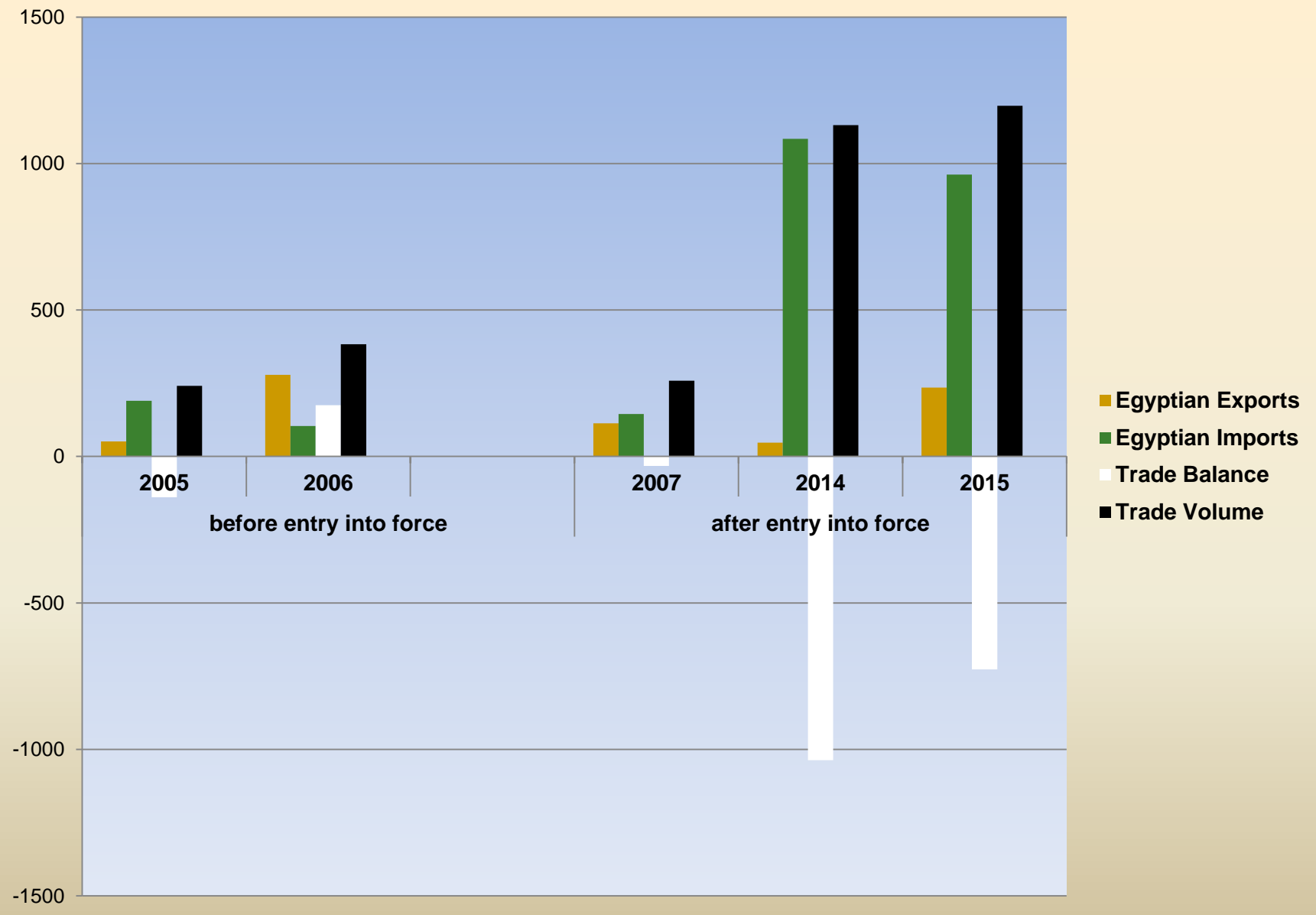
- **Member States: Switzerland – Norway – Iceland – Liechtenstein**
- **Egypt – EFTA signed the agreement in January 2007**
- **Egypt – EFTA trade agreement entered into force in August 2007**

Egypt – EFTA trade data

- Egypt – EFTA agreement applied the same mechanism of trade liberalization as with the EU.
- Egypt – EFTA agreement applied the detailed rules of origin.
- Egypt – EFTA agreement applied the principle of the accumulation of origin with the European Mediterranean countries.

Trade Balance:-

million \$	before entry into force		after entry into force				
	2005	2006	2007	2014	2015	2016	2017
Egyptian Exports	51	279	113	47	235	485	371
Egyptian Imports	190	104	145	1084	962	802	920
Trade Balance	-139	175	-32	-1037	-727	317-	5490
Trade Volume	241	383	259	1131	1197	1287	1291



Egypt-Turkey Free Trade Agreement



Egypt-Turkey Free Trade Agreement

- **Egypt–Turkey Free Trade Agreement was signed on 27/12/2005. The ratified FTA came into effect on 1/3/2007 in a context governed by the Euro-Med process.**
- **Egypt –Turkey agreement applied the same mechanism of trade liberalization as with the EU.**

Egypt-Turkey Free Trade Agreement

Industrial Products treatment under the agreement (Egyptian imports)

List	07	08	09	10	11	12	13	14	15	16	17	18	19	20
1	75%	100%	-	-	-	-	-	-	-	-	-	-	-	-
2	-	10%	25%	40%	55%	70%	85%	100%						
3	-	-	-	5%	10%	25%	40%	55%	70%	85%	100%			
4	-	-	-	-	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%

Egypt-Turkey Free Trade Agreement

Agricultural, Processed Agricultural, and Fishery Products treatment under the agreement

- **The two parties have agreed to grant each other concessions either as tariff rate quotas (TRQs) or tariff reductions on agricultural, processed agricultural, and fishery products.**

Egypt-Turkey Free Trade Agreement

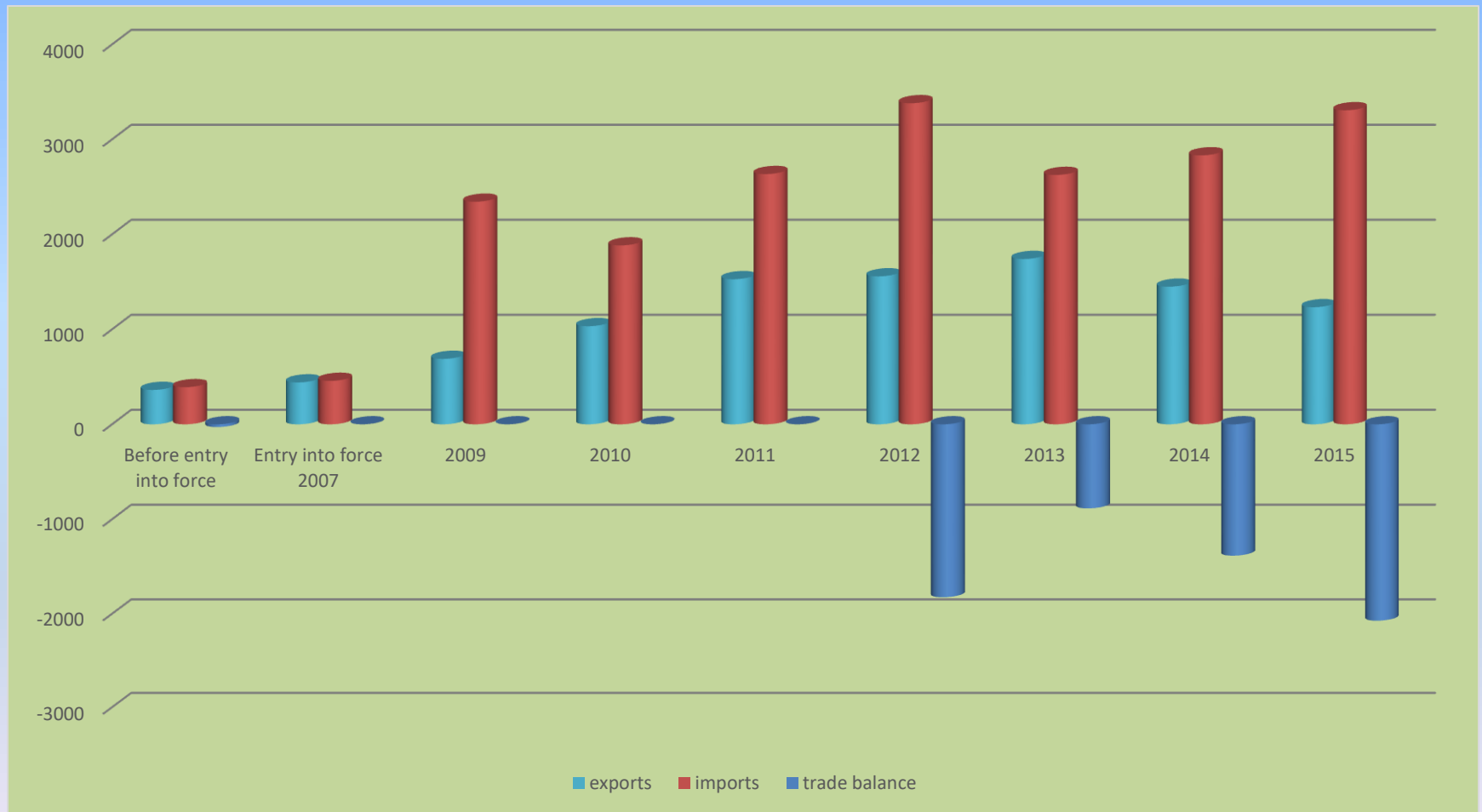
RULES OF ORIGIN

- **Both parties will apply the Pan-Euro-Med rules of origin, which allow goods produced from materials originating in any Euro-Med countries to enter the EU market with preferences.**

Egypt-Turkey Free Trade Agreement

Values in million \$	Before entry into force	Entry into force 2007	2009	2011	2012	2013	2014	2015	2016	2017
exports	362	441	689	1528	1558	1741	1449	1233	1353	1863
imports	391	458	2344	2635	3381	2626	2832	3307	2690	2060
trade vol.	752	899	3033	4163	4939	4367	4281	4540	4043	3923
trade balance	-29	17-	1655-	1107-	-1823	-885	- 1383	-2074	1337-	197-

Egypt-Turkey Free Trade Agreement



Agadir Agreement



Agadir Agreement

- **Agadir Agreement was signed in the city of Rabat, Morocco on 25 February, 2004 between Egypt, Jordan, Morocco and Tunisia.**
- **The aim of the Agreement is to establish a Free Trade area among Morocco, Tunisia, Egypt and Jordan for the purpose of developing economic activity, supporting employment, increasing productivity, and improving living standards within the Member Countries.**

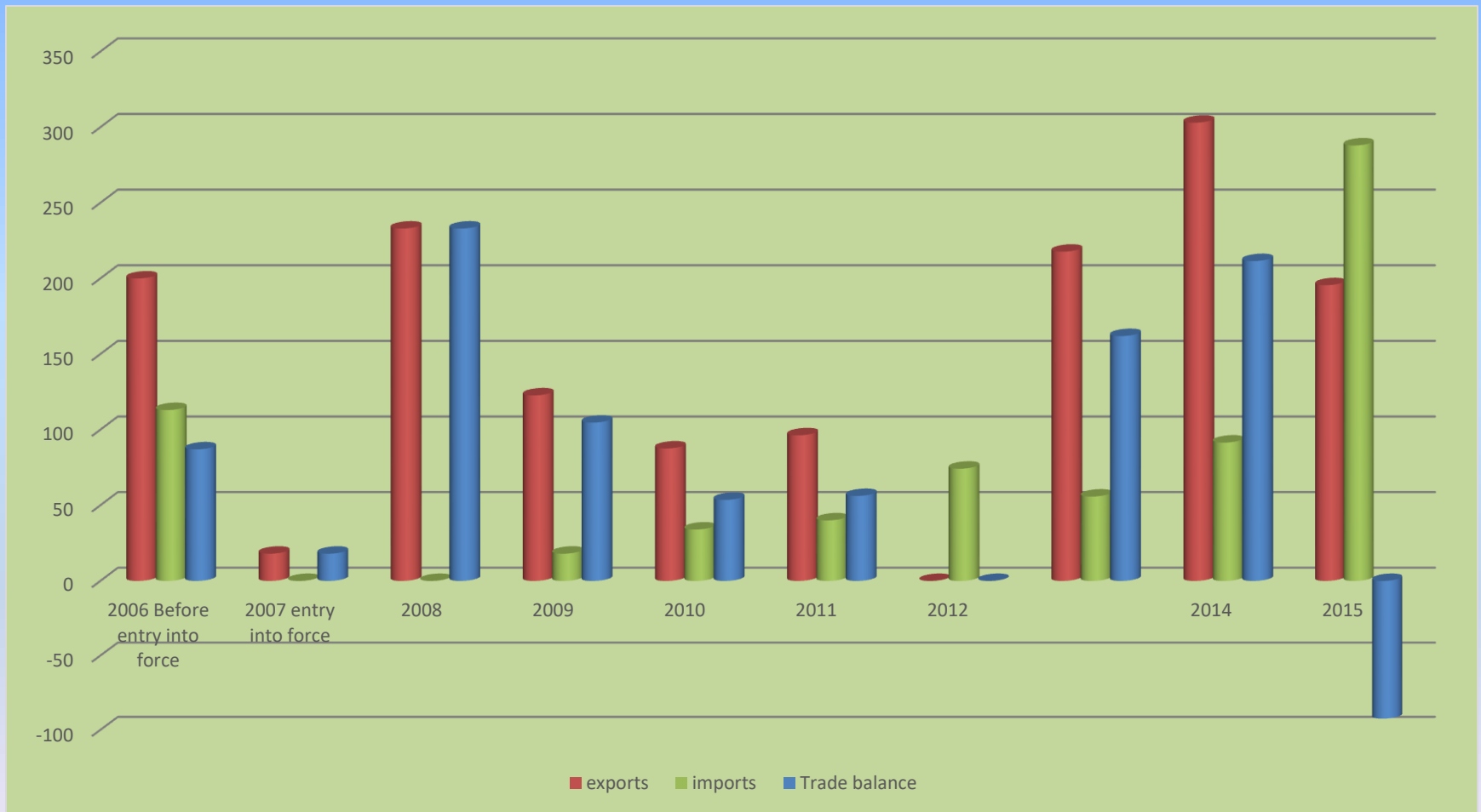
Agadir Agreement

- **Exemption of all the customs duties and taxes with similar effect on all the products.**
- **Agadir Agreement implements the Euro – Med Rules of Origin.**

Agadir Agreement

Values in million \$	2006 Before entry into force	2007 entry into force	2008	2010	2011	2012	2013	2014	2015	2016	2017
exports	200	18	233	87.6	96.3	255,7	217.7	303.02	195.57	1004	1327
imports	113	0	0	34	40.05	74.2	55.8	91.5	287.98	525	256
Trade balance	87	18	233	53.6	56.2	181,9	161.92	211.52	92.41-	479	1071
Trade vol.	313	18	233	121.6	136.34	329.8	273.45	394.52	483.55	1529	1583

Egypt vs. Agadir





Egypt – Mercosur FTA

- The Mercosur FTA was signed on August 2010.
- Egypt ratified on the Agreement in 2012.
- Brazil, Uruguay and Paraguay have ratified, then the agreement enters into force in September 2017, after Argentina's ratification.

Egypt – Mercosur FTA

- **Trade Liberalization shall be executed within Five lists:**
 - **The items included in the 1st list will be granted a total exemption upon entry into force.**
 - **The items included in the 2nd list will be granted a tariff reduction by 25% upon entry into force.**
 - **The items included in the 3rd list will be granted a tariff reduction by 12.5% upon entry into force.**
 - **The items included in the 4th list will be granted a tariff reduction by 10% upon entry into force.**
 - **The items included in the 5th list will not be granted any tariff reduction (Negative List).**

Egypt – Mercosur FTA

- **The treatment of the items included in the 5th list will be determined through the decisions of the Joint Committee between Egypt and Mercosur.**

Egypt – Mercosur FTA

Rules of Origin

- It has been agreed to apply 45% for the foreign component Factory Gate Price.
- It has also been agreed on applying the detailed rules of origin.

Egyptian FTAs (under negotiation).

- Egypt has started a free trade agreement consultations with the Eurasian Economic Union, which includes Russia, Armenia, Belarus, and Kazakhstan. In addition to the African Continental Free Trade Area (AfCFTA) which has been signed by 44 MS, including Egypt, during the 31st AU Summit (21 March 2018, Kigali/Rwanda).

Why Egypt?!

- Egypt is the gate of:
 - COMESA with its 19 member states
 - COMESA which covers more than 389 million citizen
 - COMESA with an export bill of \$32 billion
 - COMESA with an import bill of \$82 billion
 - COMESA which covers a geographical area of 12 million (sq km).

Why Egypt?!

- Egypt is the gate of:
 - GAFTA with its 18 member states
 - GAFTA which covers more than 362 million person
 - GAFTA with an export bill of \$1196 billion
 - GAFTA with an import bill of \$753 billion
 - GAFTA which covers a geographical area of 14.2 million (sq km).

Why Egypt?!

■ Egypt will be a gate of:

- MERCOSUR states (Brazil, Argentina, Paraguay, Uruguay and Venezuela)
- MERCOSUR which covers more than **295 million person**
- MERCOSUR with an **export bill of \$446 billion**
- MERCOSUR with an **import bill of \$363 billion**
- MERCOSUR which covers **a geographical area of 15 million** (sq km).

Contacts of the Trade Agreements and Foreign Trade Sector

Ministry of Trade and Industry

Trade Agreements and Foreign Trade Sector

- Address: Cairo, Nasr city, Emtidad Ramsis st.
Ministry of finance towers, Tower 6 floor 9
- Fax: (+202)23420496/ (+202)23422348
- Telephone: (+202)23422347
- Web Site: www.tas.gov.eg
- Email: M.kaddes@tas.gov.eg

Thanks for your Attention