



General Authority for  
Investment & Free  
Zones



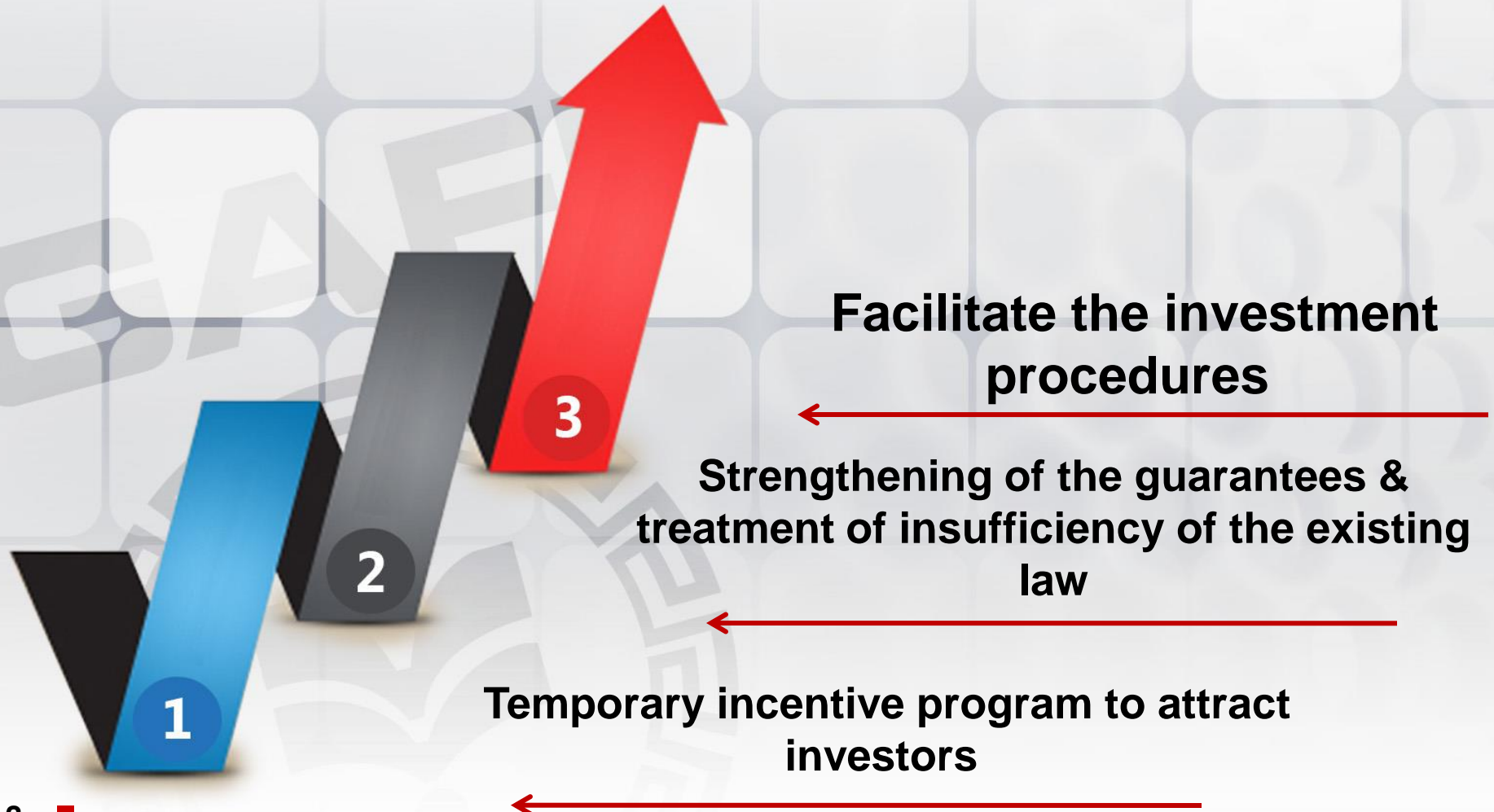
**Egypt** for   
*Brighter Future*

# New Investment Law

# The Main Pillars Of The Investment Law



الهيئة العامة للاستثمار  
والمناطق الحرة





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Investment and Free Zones

# **Guarantees & incentives of The Investment Law**



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# Top Guarantees In The Investment Law

- Protecting the project from nationalization, guardianship and seizure.
- Free pricing of products
- Protection of the project from the arbitrary decisions.
- The right of the investor in establishing project and expansion.
- the right in transferring the profit, dividends and liquidation output.
- Regulate the use of the foreign employees . 10 % could be increased to 20%.
- The right of obtaining data & information .
- Exemption from registration in the importers registrar for importation of equipment, raw materials, machinery required for establishing, expanding or operating the project.
- Protecting project from any governmental decisions which might add financial burden to the investors unless obtain the approval of GAFI.



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# New Incentives in The Investment Law

## **The special incentives as follows:**

Tax deduction from 50 to 30% of the investment costs over 7 years

### **shall be granted as follows: :**

- Investment regions according to the government priority regions A areas much in need for development (which includes Special economic zone of Suez Canal) 50% to any project & B, (rest of the republic) 30% for specific activities .
- Strategic activities in the fields of industry, education, electricity in coordination with the relevant ministries .

## **General incentives:**

- All projects shall benefit from a unified custom duty rate of 2% on machinery and equipment required for set up.
- Exemption from stamp duty tax & notary fees on bank facility agreements, pledge and mortgage contracts .



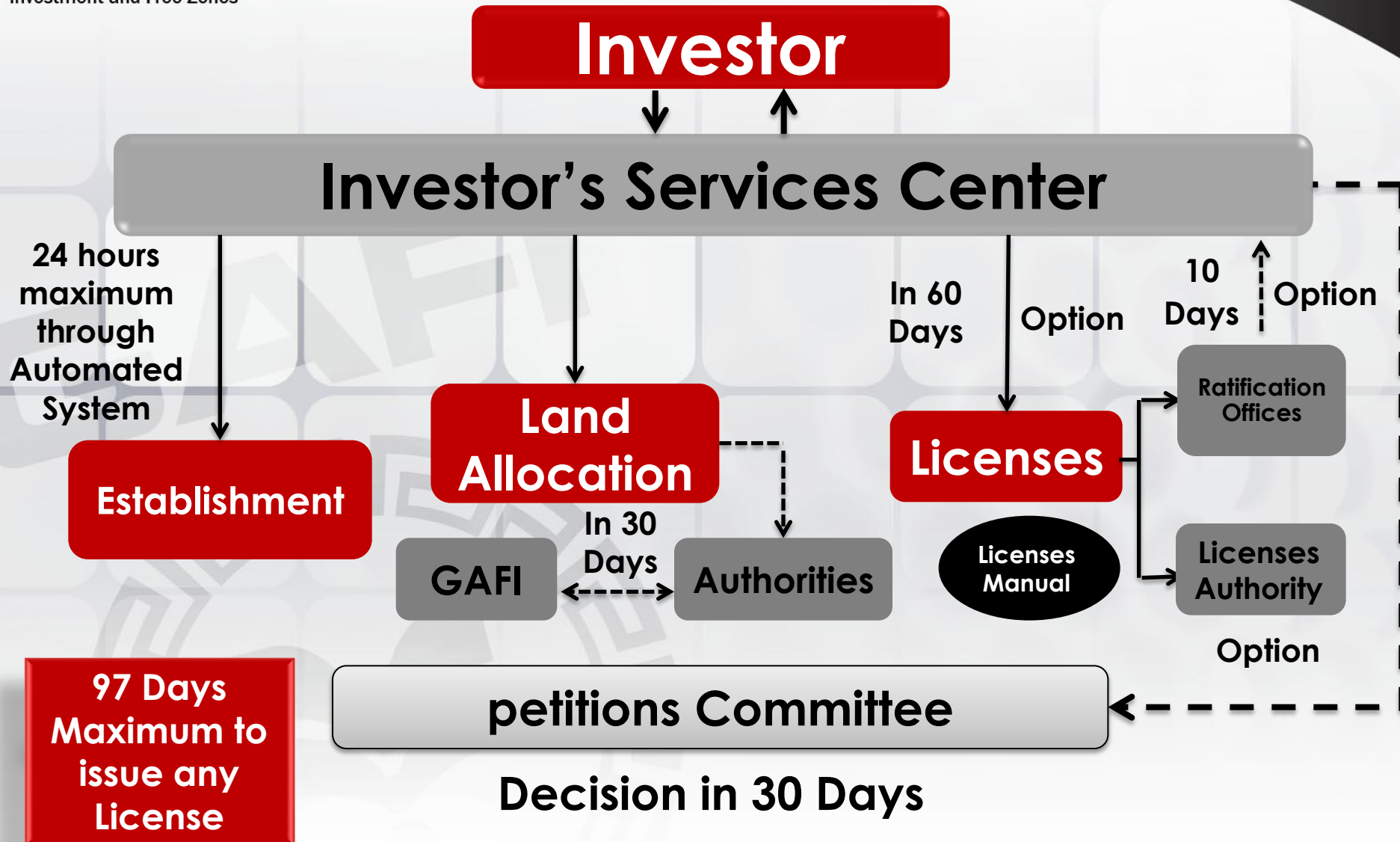


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# **Facilitating Investment Procedures**



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# **Work Flow at Investor's Services Center**

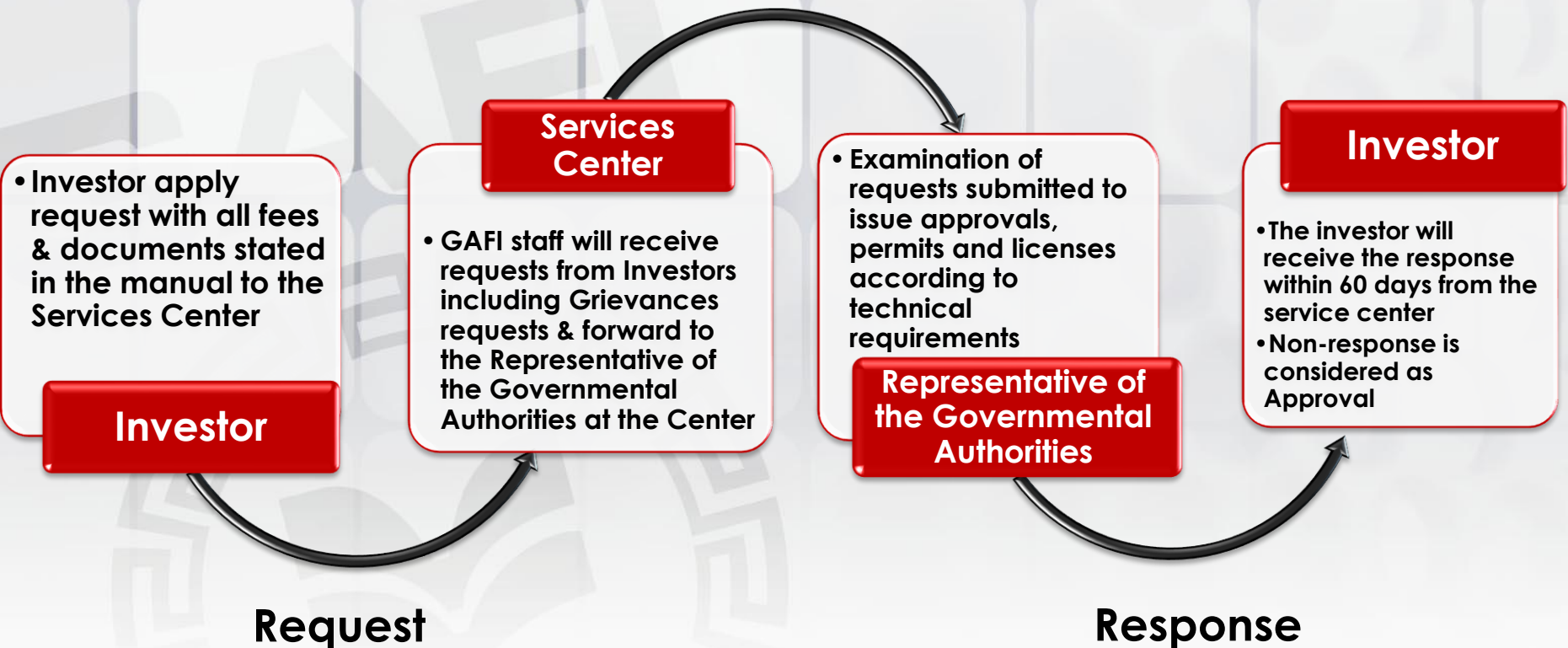




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# Work Flow at Investor's Services Center

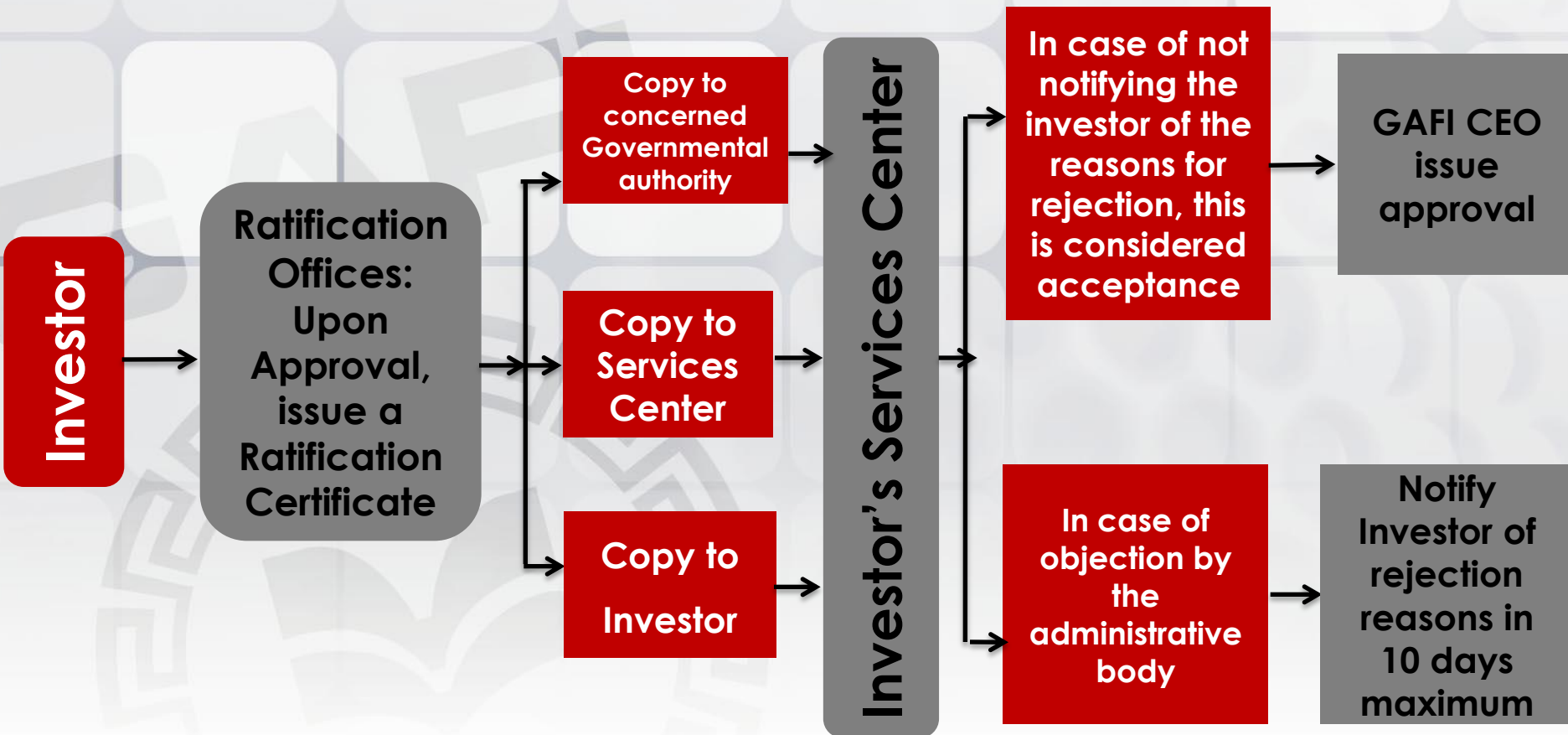
## Request & its Documents





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# Work Flow Of Ratification Offices





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# Investment Opportunities

- **Developing Egypt's investment map to include the properties, activities and opportunities available for investment, and updating it via various governmental authorities.**
- **The governmental authorities shall provide GAFI with detailed maps of the plots available according to the various investment activities.**



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# **Unifying Investment Authorities**

- **The formation of The Supreme Council for Investment to establish the mechanism that unite the work of different investment authorities and achieve harmony in their performance, so as to simplify and facilitate the procedures and enhance investment environment.**
- **Issuance of licenses with definite time schedules and through previously announced guides.**



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# Free Zones & Technological Zones

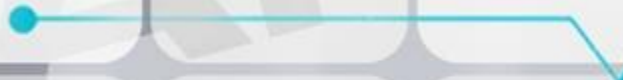
- Regulating the special investment regimes, as free zones and investment zones.
- Reoperation of the Private Free Zones according to strict controls after it was abolished under Law 17 of 2015.
- Introduction of a new investment regime for investing in Technological Zones including the activities of the electronics industry, design and development, data centers, outsourcing activities, software development, technological education and other related or complementary activities



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# Improving Means of Dispute Settlement

**Ministerial Committee  
for settlement of  
Investment Disputes**



**petitions  
Committee**



**Ministerial Committee for  
Resolution of Investment  
Agreements' Disputes**







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# Thank You!

[www.gafi.org.eg](http://www.gafi.org.eg)



General Authority for Investment  
**GAFI**



Arab Republic of Egypt



# Who We Are?





# Who We Are

## Vision

- Advanced governmental authority that provides outstanding services for investors and attracts major investments to Egypt to achieve Sustainable Development.

## Mission

To enable and sustain Egypt's economic growth through investment promotion, facilitation, efficient business services and advocacy of investor friendly policies"

## Framework

- GAFI's operation is based on six main pillars, as follows:

# GAFI Framework





# Investment Strategy



In order to ensure Egypt's strong investment momentum continues to spearhead multifaceted economic growth, a comprehensive investment strategy has been put in place. This strategy aims to catalyze on Egypt's investment potential by tapping into new and diverse sources of growth, expand industrial production and increase exports, as well as create quality jobs to accommodate the growing labor force. The Ministry's policies are designed to establish a competitive and attractive business environment and a supportive regulatory framework through eliminating constraints to productivity and growth. To achieve these objectives, Egypt's investment policy is based on three main axes

Building an integrated and modern legislative system that ensures the conducive investment environment in Egypt that ensures harmony among the regulatory framework and avoids negatively impacting privileges granted to existing projects.

Establishing clear mechanisms and strategies to promote investment and highlight the available opportunities, and identify the most promising sectors to attract foreign investments. A full-fledged investment map with all available opportunities and rerelevant information is available to all investors.

Streamlining procedures for establishing companies and obtaining licenses through:  
i) automating incorporation procedures; ii) simplifying the procedures for obtaining land and licenses; iii) providing several dispute resolution mechanisms; iv) dedicated full-fledged investor service center.



# Egypt at a glance

|  | 2015/2016        | 2016/2017        | 2017/2018                    |
|--|------------------|------------------|------------------------------|
| Real GDP growth rate   | 4.3%             | 4.2%             | 5.3%                         |
| Inflation rate (CPI urban)                                     | 8.38% (Jan 2015) | 14% (Jan 2016)   | 14.2 % (Aug. 2018)           |
| Population   | 89 Mn (Jul 2015) | 91 Mn (Jul 2016) | 97.6Mn (Sep. 2018)           |
| Net FDI (USD bn)   | 6.9              | 7.9              | 6.0 (Jul. – Mar.2017/18)     |
| International Reserves (USD bn)                                | 17.5 (Jun. 2015) | 31.3 (Jun. 2016) | 44.4 (Aug.2018)              |
| Unemployment Rate (%)  | 12.8 ( 2015)     | 12.5 (2016)      | 11.8 (2017)<br>9.9 (Q2 2018) |
| Newly established companies (No. of Companies)<br>(GAFI data ) | 12081            | 15358            | 19865                        |
| Doing Business Rank  | 126 (2016)       | 122 (2017)       | 128(2018)                    |
| Global Competitiveness Report Rank                             |                  | 115              | 100                          |



# Why Egypt?



# Why Egypt?

Central location & proximity to the global market •

Access to a large consumer base in Egypt and beyond •

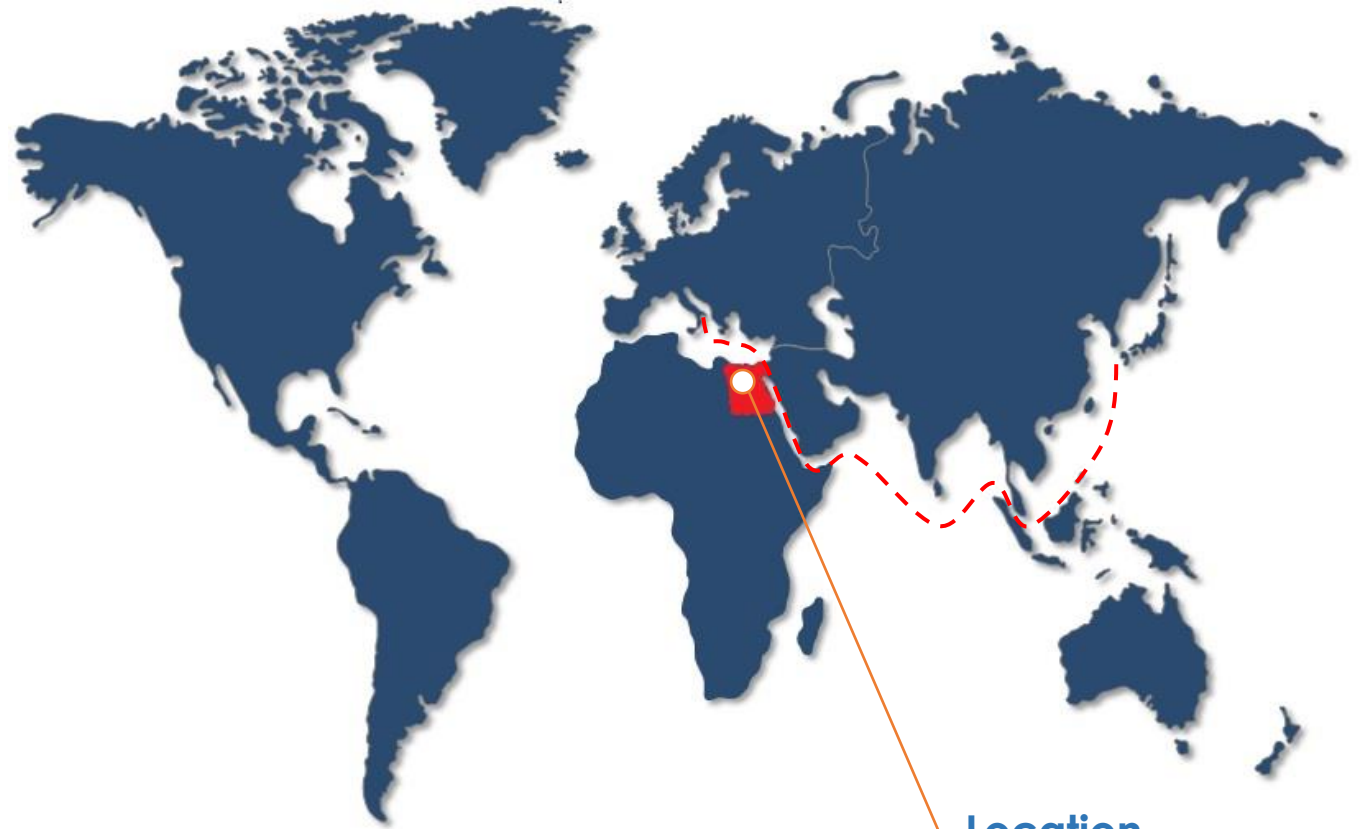
Large pool of trained and skilled labor •

Revamped infrastructure base •

Abundance in natural resources •

Competitive tax rates •

Growing economy •



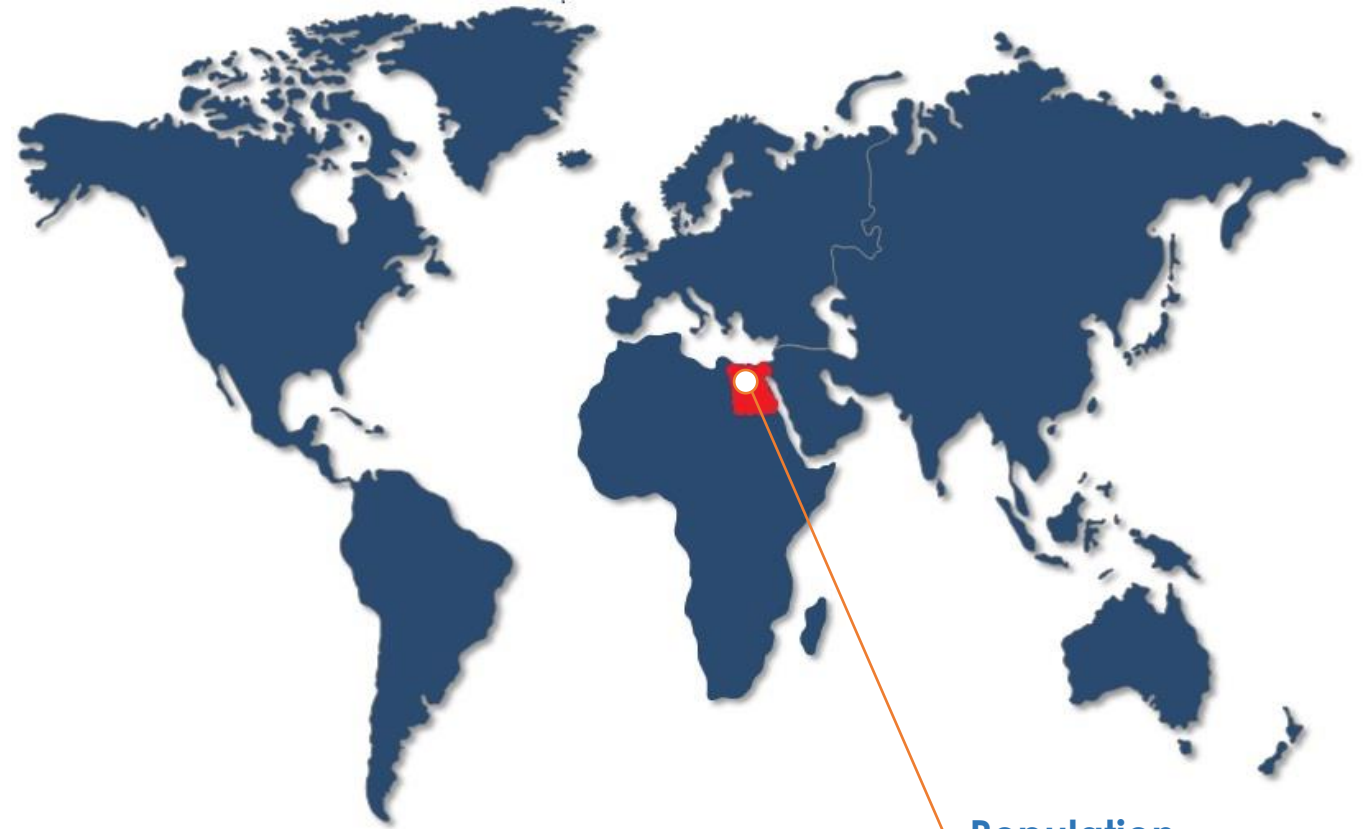
**Location**

- Gate to Africa & the Middle East
- Center of the World



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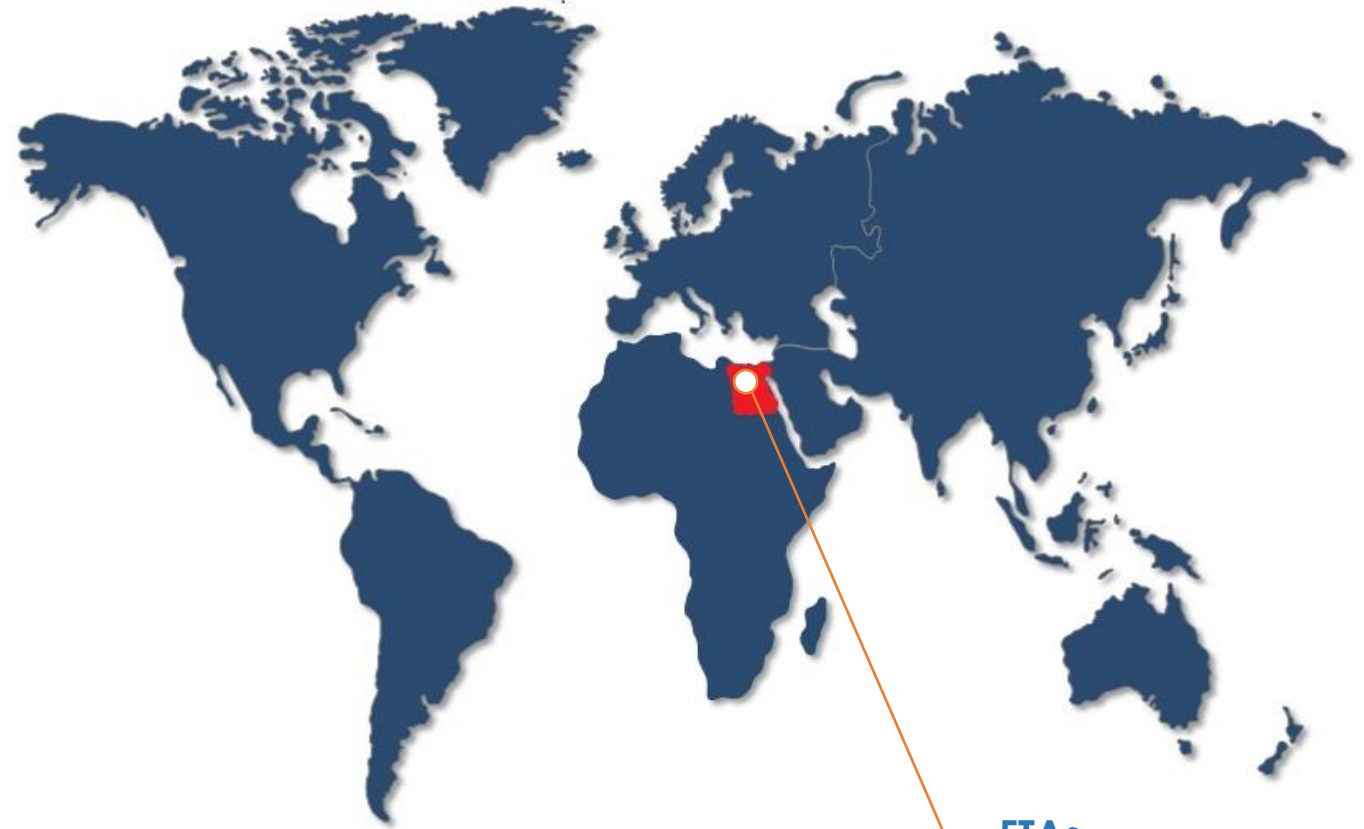
Population

**97.6**million



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## FTAs

- |            |                    |
|------------|--------------------|
| • COMESA   | • Aghadir          |
| • GAFTA    | • EFTA             |
| • EU Egypt | • Egypt Mercosur   |
| • QIZ      | • Egypt Turkey FTA |





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## Labor Force

- Over **29** million
- **60%** under **30**
- Competitive wages



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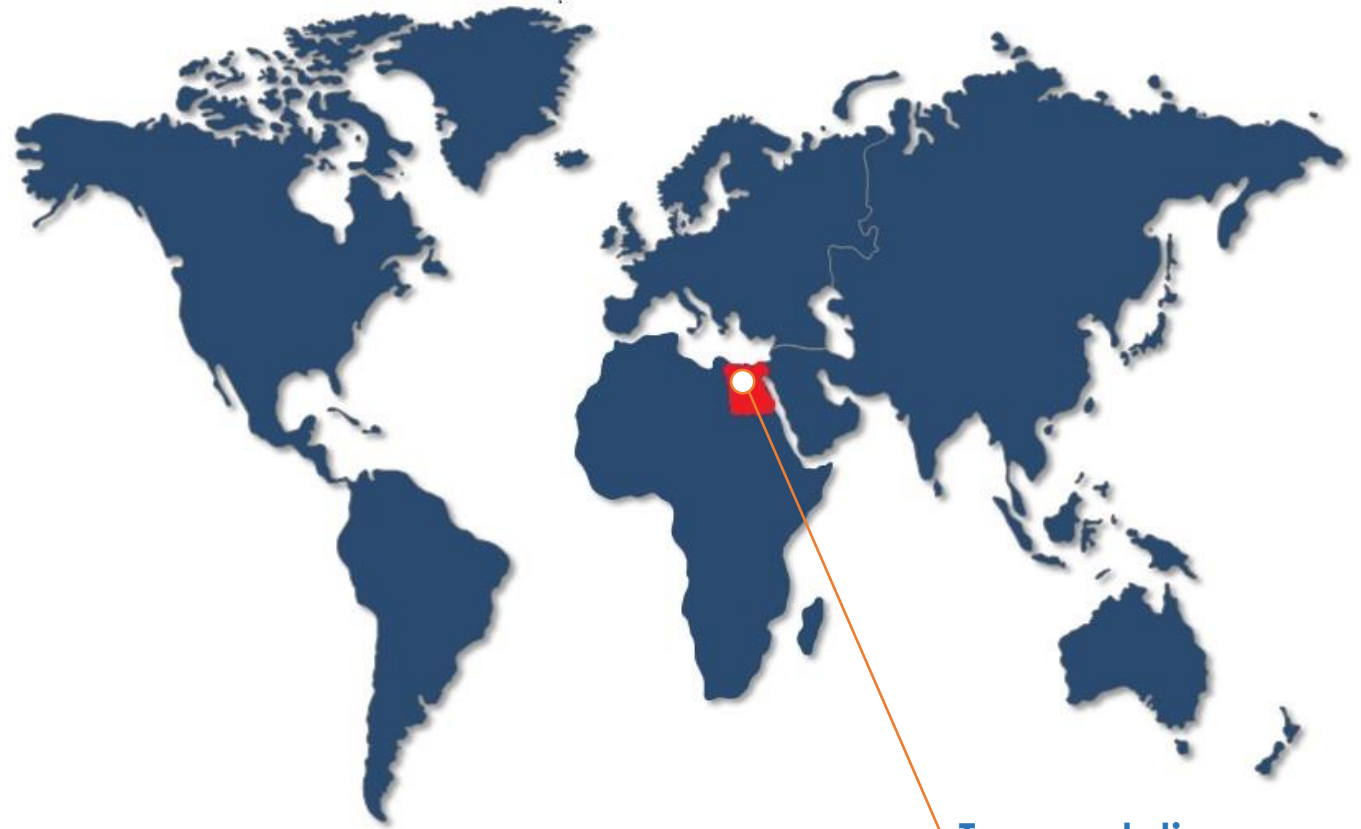
Large pool of trained and skilled labor ■

**Revamped infrastructure base** ■

Abundance in natural resources ■

Competitive tax rates ■

Growing economy ■



## Transportation

- **20** Airports
- **191** Railway stations
- **15** Seaports & **Suez Canal**
- **Subway** network



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Access to a large consumer base in Egypt and beyond ■

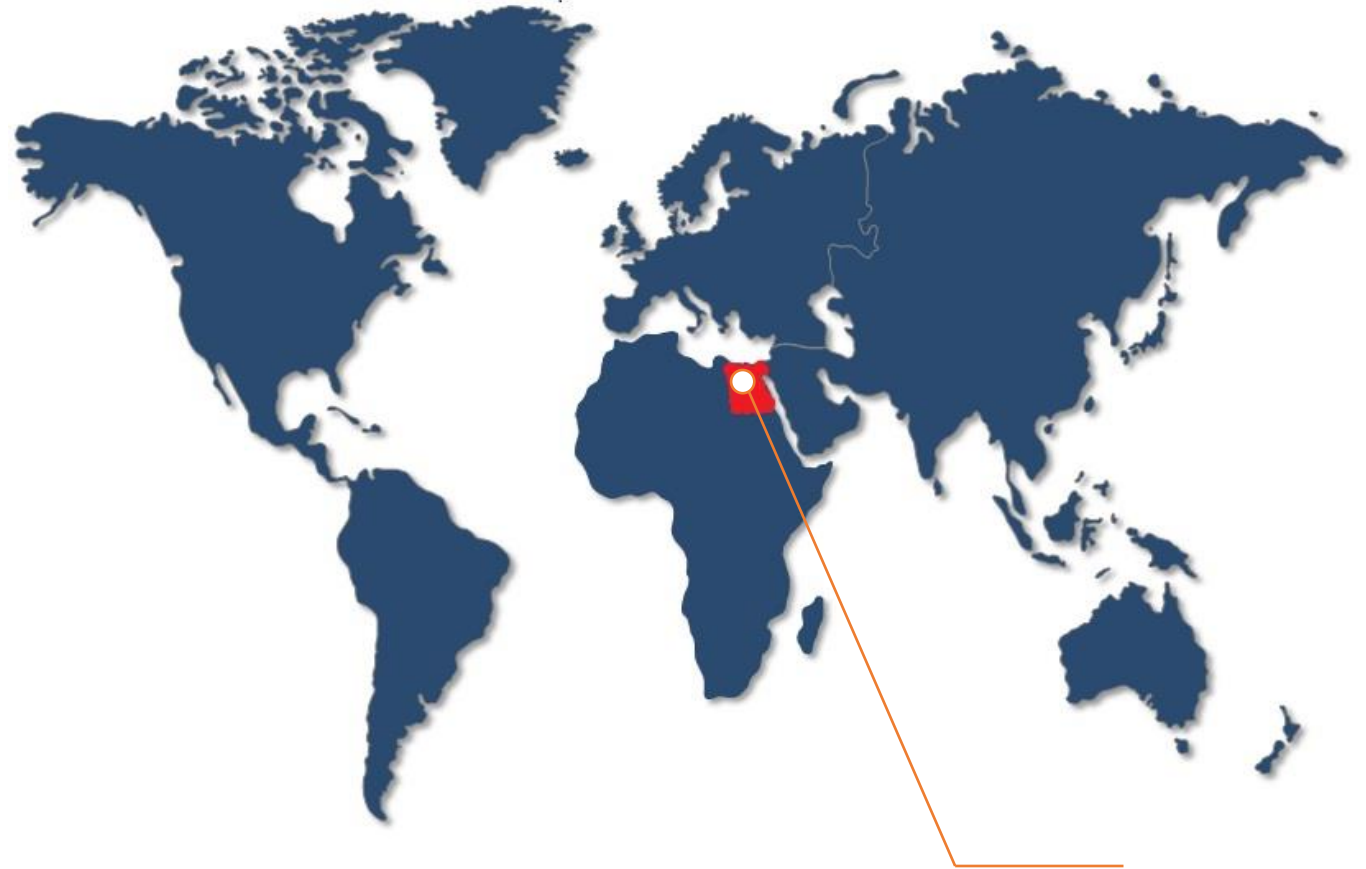
Large pool of trained and skilled labor ■

**Revamped infrastructure base** ■

Abundance in natural resources ■

Competitive tax rates ■

Growing economy ■

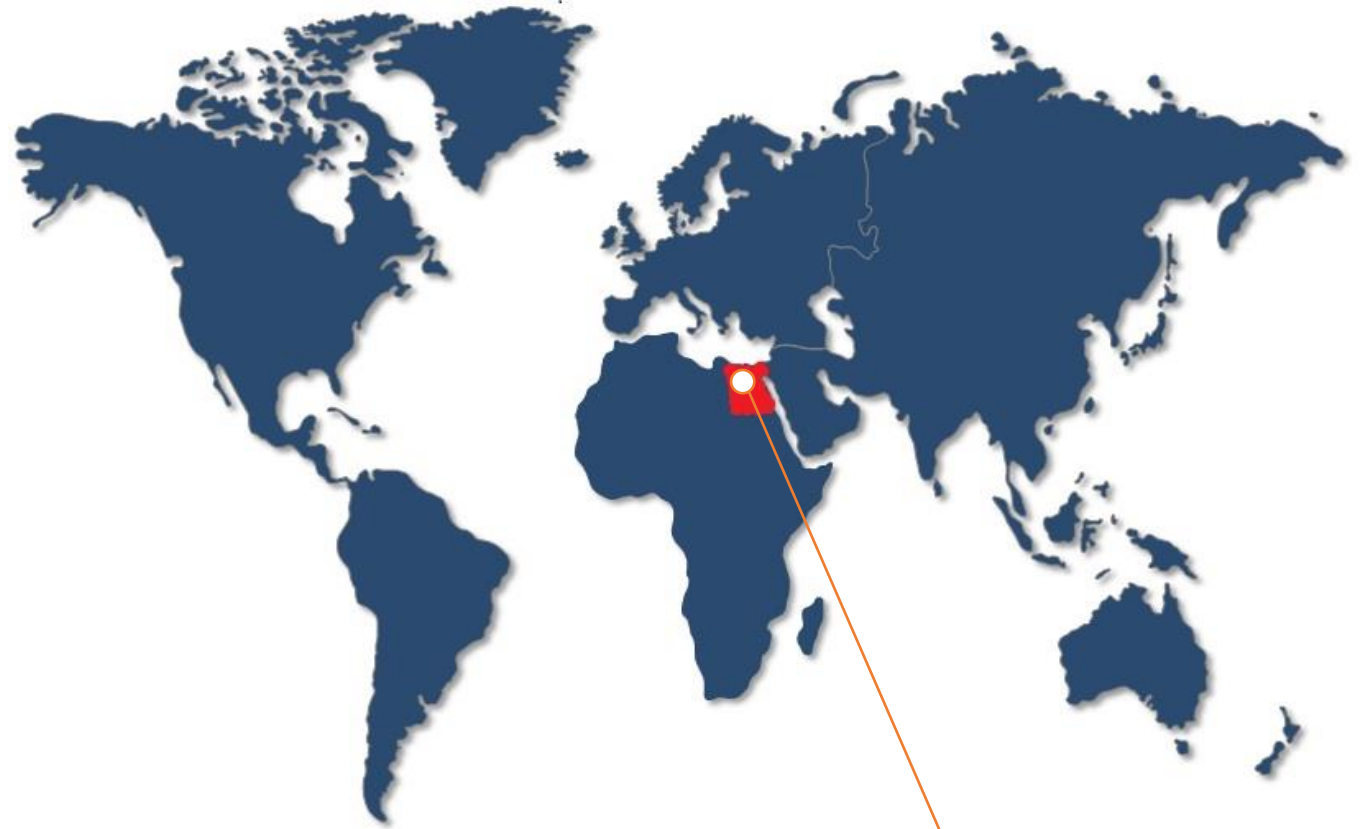


- **174.6 km Road Network**
- **Communication Networks**



# Why Egypt?

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- Abundance in natural resources**
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- Growing economy

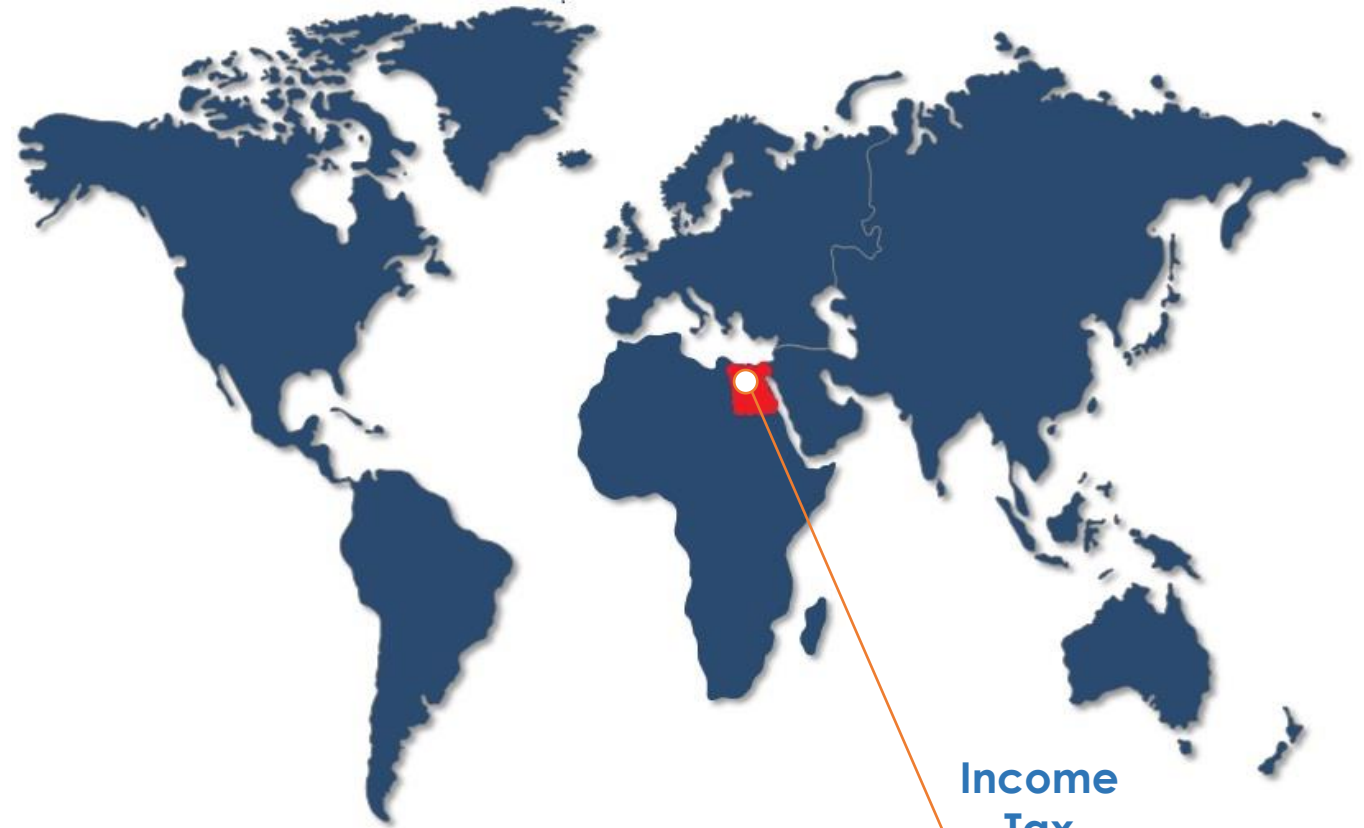


**Mineral & Renewable  
Resources**



# Why Egypt?

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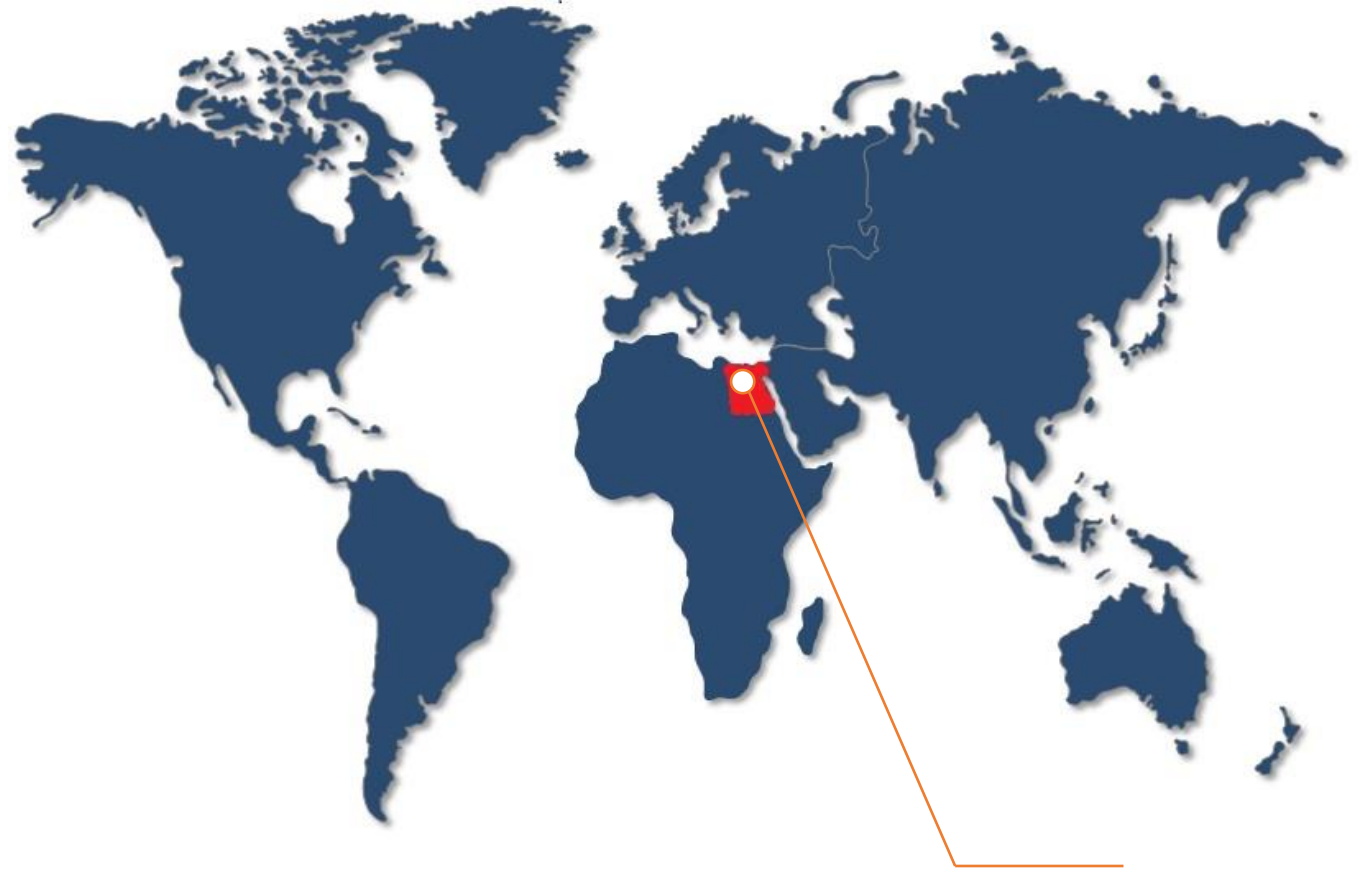
Income  
Tax

22.5%



# Why Egypt?

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- Economic Indicators
- International Ranking

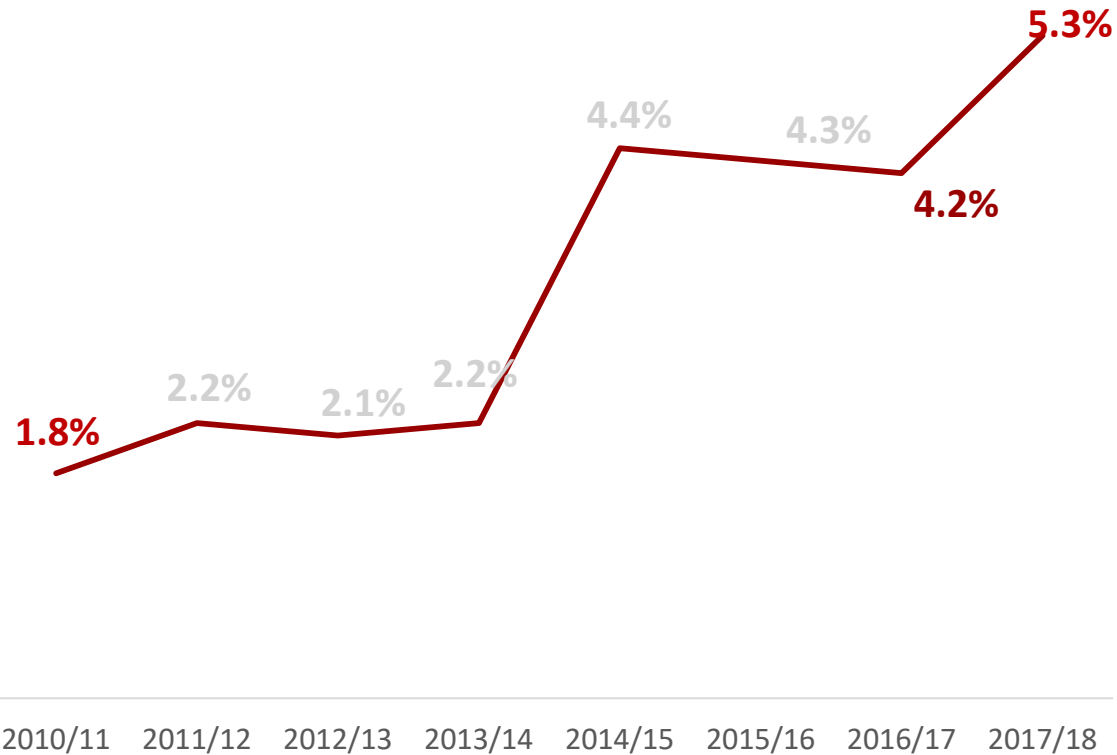


# Economic Indicators

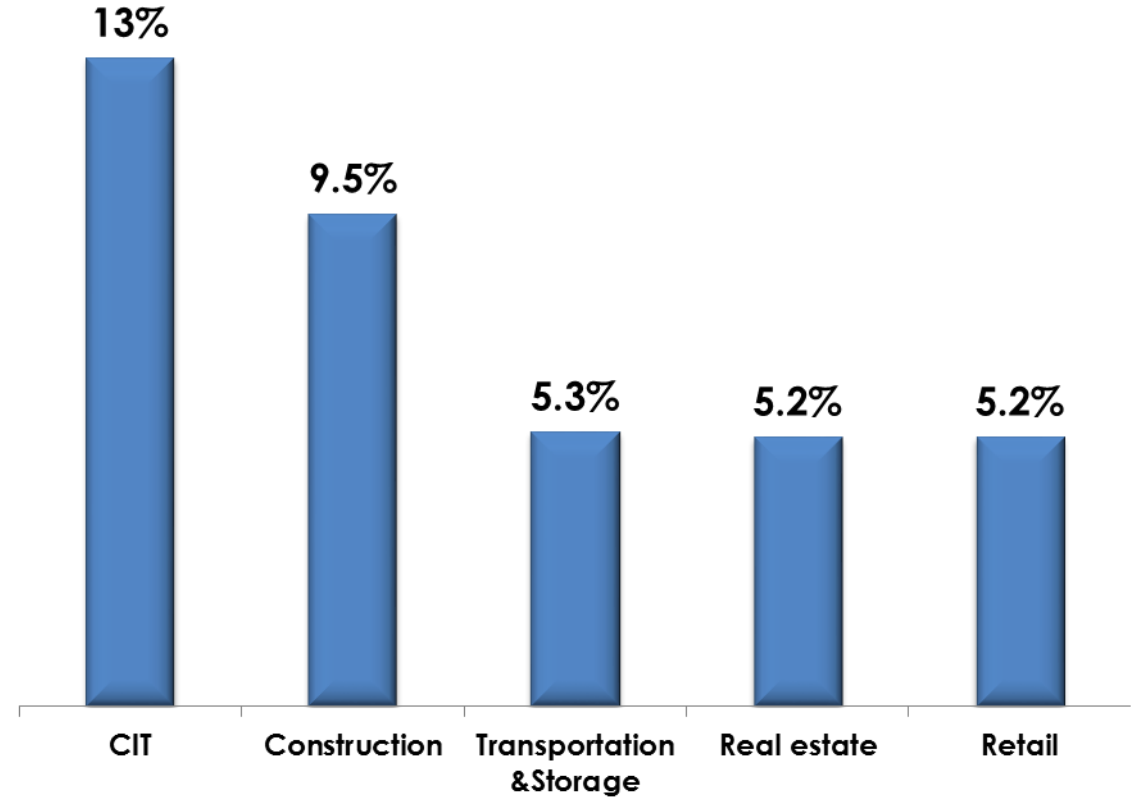




## GDP Growth Rate



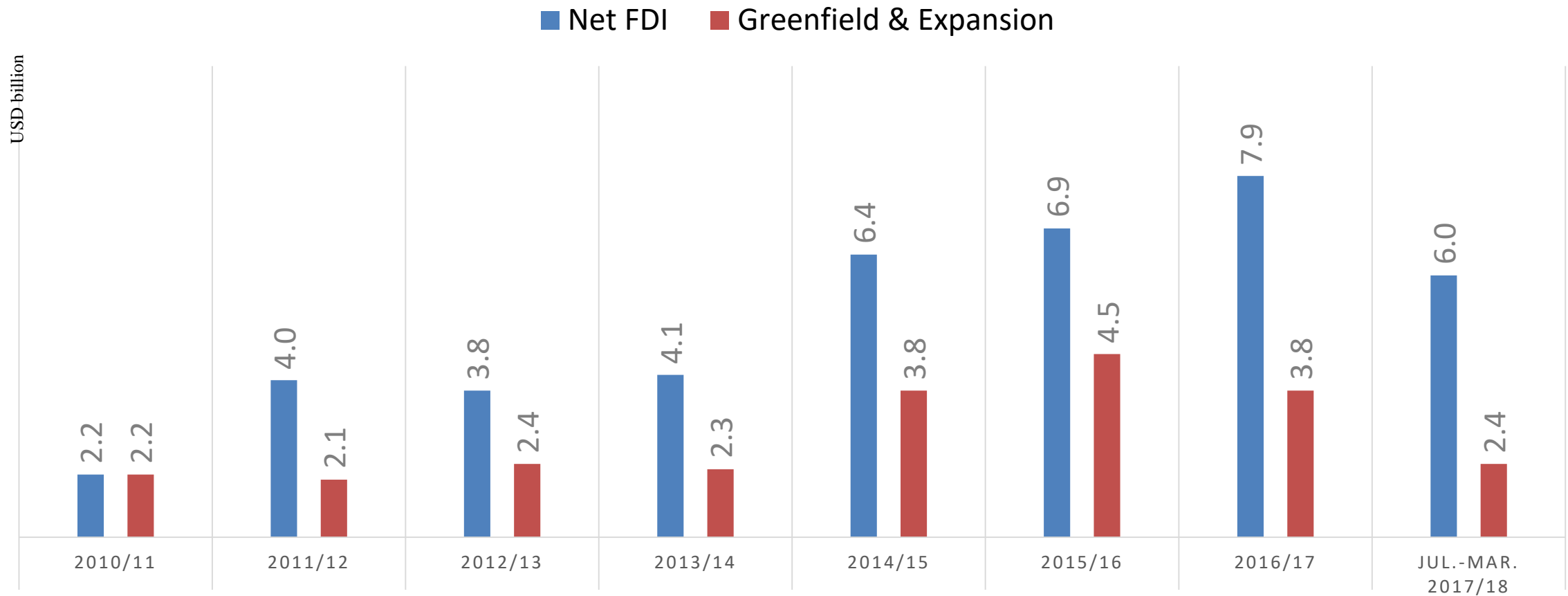
## Sectoral Contribution to GDP (2016/17)





## 14.5 % increase in FDI inflows...

- The Net FDI in Egypt rose by 14.5% to USD 7.9 billion,, mainly driven by the increase in net inflows for oil sector investments by USD 1.8 billion to USD 4.0 billion.





# Sovereign Credit Rating

**S&P Global**  
Ratings

Revised Egypt's Sovereign Credit outlook being  
*"Positive"* in Nov. 2016 & *"Stable"* in May 2018



- Forecasts Egypt's economy to grow by 6.0 % in 2018-19
- Rated Egypt as *"Positive"* in Aug. 2018

**Fitch**Ratings

Last rated Egypt's Sovereign Credit outlook in 2018 as  
*"Positive"*



# Greece-Egypt Relation

Greece Investments in Egypt

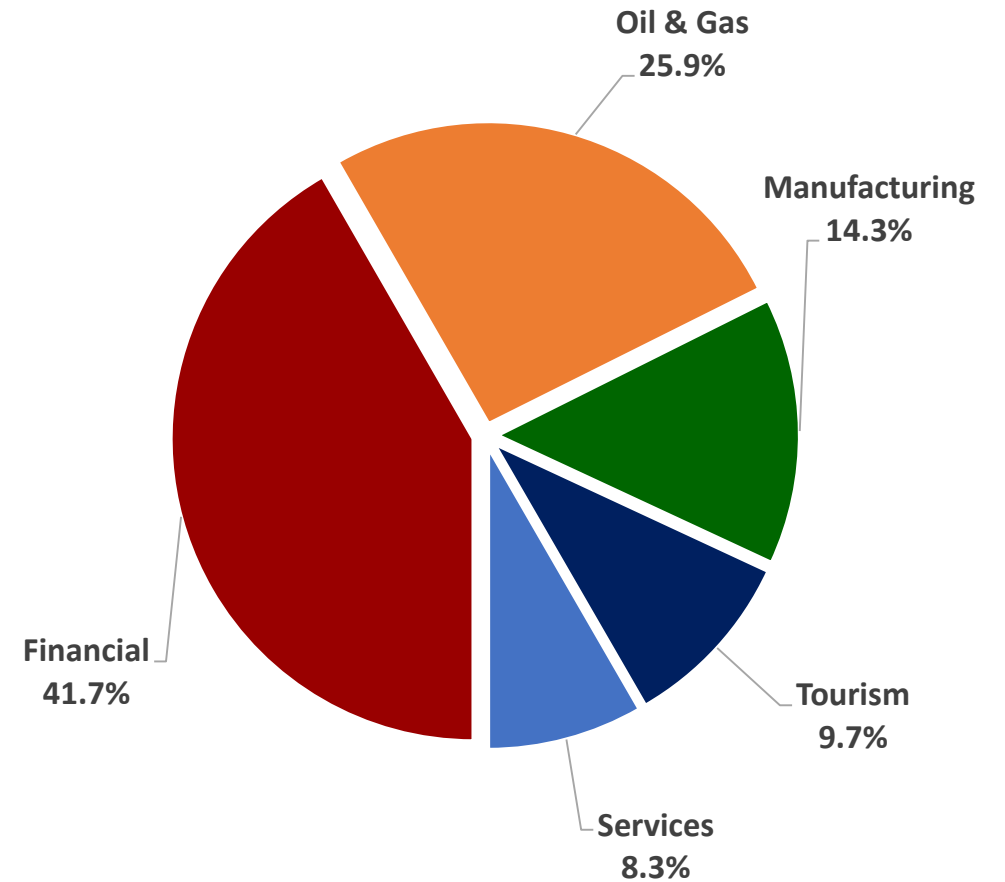
Total Greece FDI Inflows in Egypt

Trade Volume between Egypt and Greece



# Greek Investments in Egypt

- Greece came in the 42nd rank of FDI stock in Egypt as per June 30, 2017.
- 194 companies in Egypt include 287 Greek investors. Out of the 194 companies, there are 8 Greek representative offices in Egypt.
- TOTAL Greek investment from inception until June 2018 is about 1.7 billion EGP.

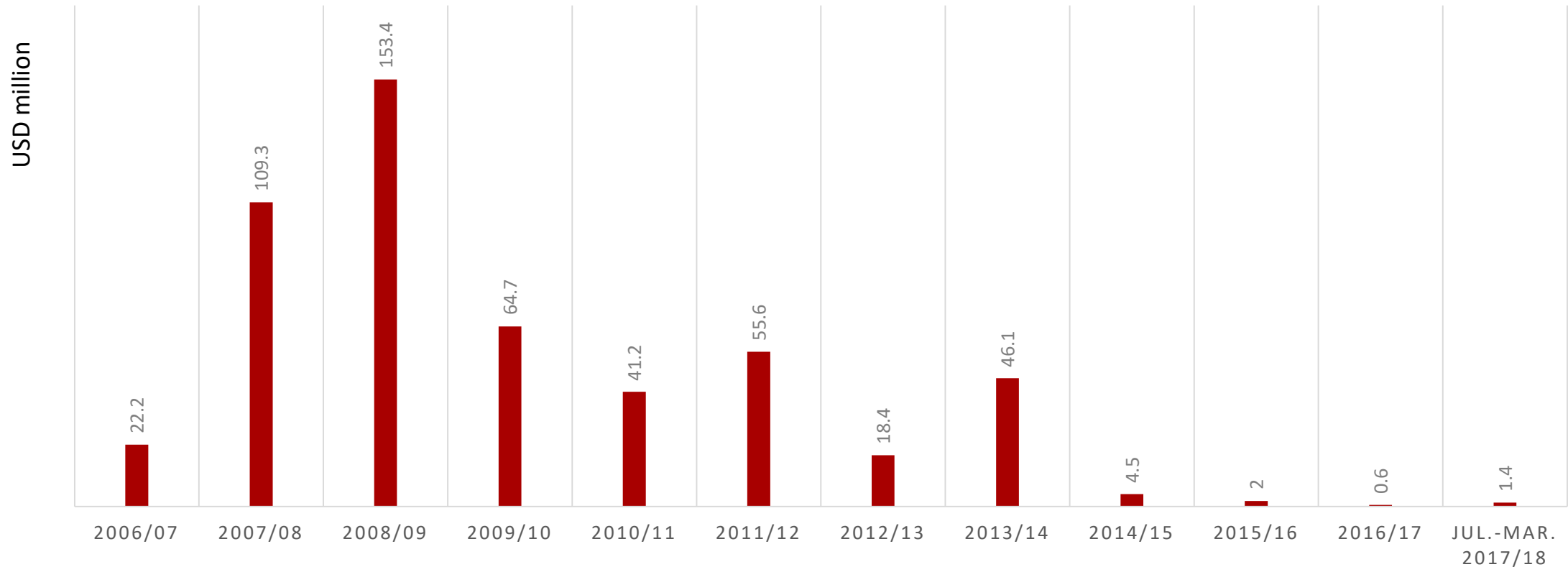






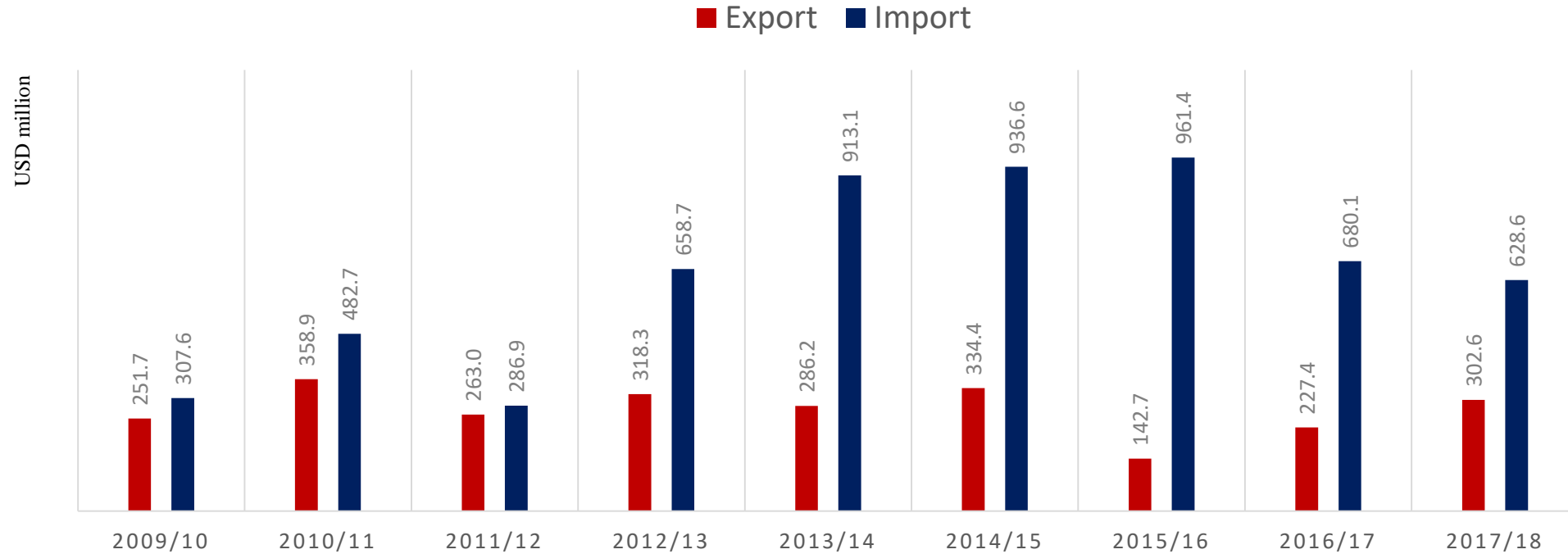
# Total Greek FDI Inflows in Egypt

The total Greek FDI inflows in Egypt reached about USD 519.4 million between FY 2006/2007 and July/March 2017/18



# Trade Volume between Egypt and Greece

*Trade Development (2008/2009 –2017/2018)*



## *Top Exports*

- Crude Oil
- Fruits & Vegetables
- Textiles.
- Chemicals.
- Plastic Products

## *Top Imports*

- Liquefied gas
- Cotton
- Fruits
- Paper
- Tobacco



# Investment Climate Reforms



**Reforms are underpinned by actions aimed at improving the legislative framework of investment...**

## **Legal / Regulatory Reforms**

- Private sector is the key engine of economic growth, with private sector-led investment and technology expected to play a critical role in increasing the Egyptian economy's level of competitiveness.
- A New Supreme Investment Council was established to design future investment policies and prioritizing the economic activities and sectors in the Egyptian investment market according to the state's development 2030 vision.
- Legislative Reform :
  - New Investment Law.
  - Insolvency & Debt restructuring law.
  - Sole Partnership Companies.
  - Commercial Registry Law.
  - Commercial Companies Law.
  - Real Estate Registration Law and Capital Market's Law.
  - Bankruptcy law.

# Highlight of the new Investment Law

**Investment Protection Guarantees**

**Tax and Non-Tax Incentives**

**Facilitated Licensing Procedures**

**Transparent Rules for Allocation of State- owned Land**

**Out-of-courts Forums to Settle Investor- state Disputes.**

# Investment Guarantee

## Fair and equitable treatment

- Government will treat foreign investors in a similar way as national investors.
- Preferential treatment may be considered for foreign investors on a reciprocal basis.

## No nationalization nor expropriation

- Expropriation is allowed only for public interest and against fair market value compensation to be paid in advance and without delay.

## No Seizure of money

- Seizure of money is only by a court judgment, except tax and social insurance contribution dues.

## No cancellation of licenses or withdrawal of land/property

- Licenses to allocated state-owned land/property may not be withdrawn without:
  - Prior notice.
  - Grace period.
  - GAFI approval.

## No restriction on receiving or repatriating foreign fund

- Investors are guaranteed to repatriate profits outside Egypt and receive foreign funds to finance the project without restriction.

## Facilitated Exit Procedures

- Facilitating liquidation procedure to be finalized within 120 days.

## No importation or exportation license

- Importation of machines, equipment, raw materials needed for the purpose of establishing, expanding or operating the investment project does not require obtaining an importation license.
- A project can export its production also without an exportation license.

## Residence permit

- Foreign investors will be given a residence permit throughout the term of their investment project.

## Hiring Expats

- Expats can be employed up to 10% of the total employees. Can increase to 20% if locals do not have required qualifications.
- Exemptions are allowed for strategic projects.
- Expats can repatriate all their money outside Egypt.



# Investment Incentives

## General Incentives

- All investment projects, except free zone projects, shall enjoy the following general incentives for a **period of 5 years**:
- Exemption from Stamp Duty Tax and Notary Public Fees on:
  - Registration of the constitutional documents of a company.
  - Loan agreements.
  - Pledge contracts.
  - Exemption from Land Registration Fees.
- Unified Flat Customs Duty Rate of 2% on equipment and machines required for operation.

## Special Incentives

- Only projects approved by Cabinet.
- Incentives include:
  - Project to have its own customs gates.
  - Government to share part of cost of attaching utilities to allocated land and the employees technical training.
  - Allocating free land for specific strategic projects.

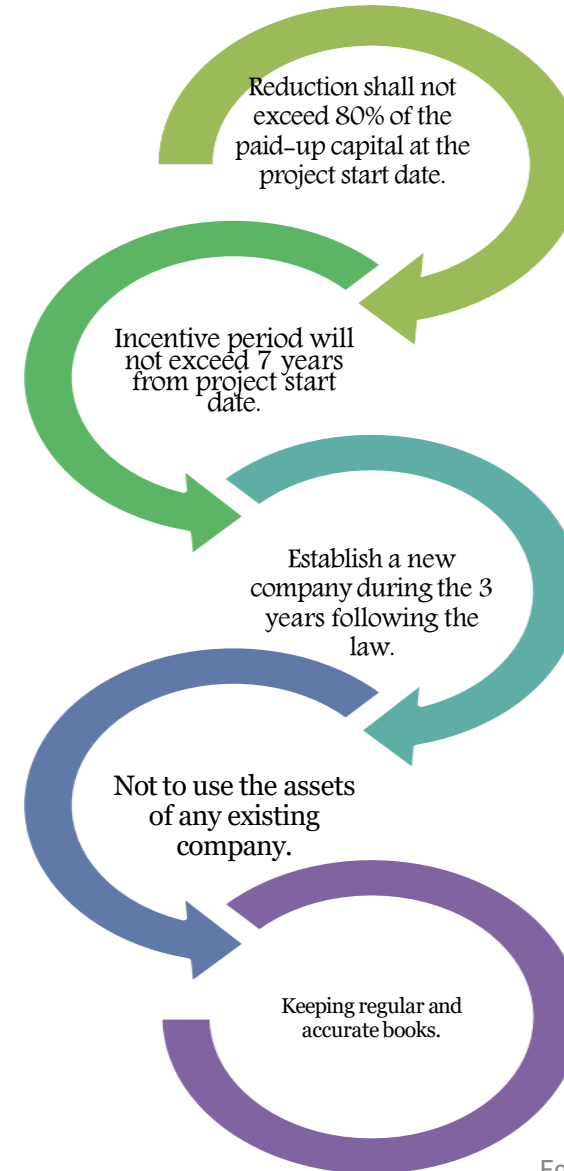
# Investment Incentives – Continued

## Zone A- Tax Deduction of 50%

- Only projects locating in the areas that are in most need for development (underdeveloped locations).
- The Central Agency for Public Mobilization and Statistics (CAPMS) shall decide such areas.
- The 50% shall be calculated as of the cost of setting up a project.
- The 50% will be deducted from the taxable net profit.
- Executive regulations shall clarify which investment sectors can benefit from this 50% tax reduction.

## Zone B- Tax Deduction of 30%

- All other areas in the rest of the country.
- 30% of the investment cost of setting-up the project.
- Working in one of the following sectors:
  - Labor-intensive projects.
    - SMEs
    - Renewable energy projects.
    - Strategic projects as specified by the SIC.
    - Tourism projects as specified by the SIC.
    - Electricity projects specified by the SIC.
    - Projects exporting their products outside Egypt.
    - Vehicle and related feeders industry projects.
    - Wood, furniture, printing, packaging and chemical industries.
    - Antibiotic, cancer treatment and cosmetics.
    - Food and agricultural products as well as agricultural waste projects.
    - Engineering, mineral, textile and leather projects.



# Streamlining Investment Procedures



## Investor Service Center

Special 'Investor State Center' in GAFI to function as a one-stop-shop.

Establish/liquidate companies

Ratify BoD, OGM and EGM

Issue all kind of licenses

Capital increase/reduction.

Representatives from relevant authorities will exist in this center, and will have powers to issue approvals.

The Law provides for the automation of such services ASAP.



## Accreditation Offices

Private sector service providers licensed by GAFI to assist investors to review and apply for project's licenses and permits.

It will issue certificate that investor is financially and technically compliant.

GAFI will accept the certificate and issue required license within 60 days.

Non-reply will be considered an implied approval.



## Golden License

Strategic projects and PPP project in infrastructure, renewable energy, transportation or ports can be established and operated by virtue of a single license to be issued by the Cabinet.



## Facilitating Exit Procedures

120 day from receiving liquidation request.

Concerned authorities are required to advise of any liabilities which are due.

If no such notification has been received then the company is discharged of any liabilities

# Investors Service Center

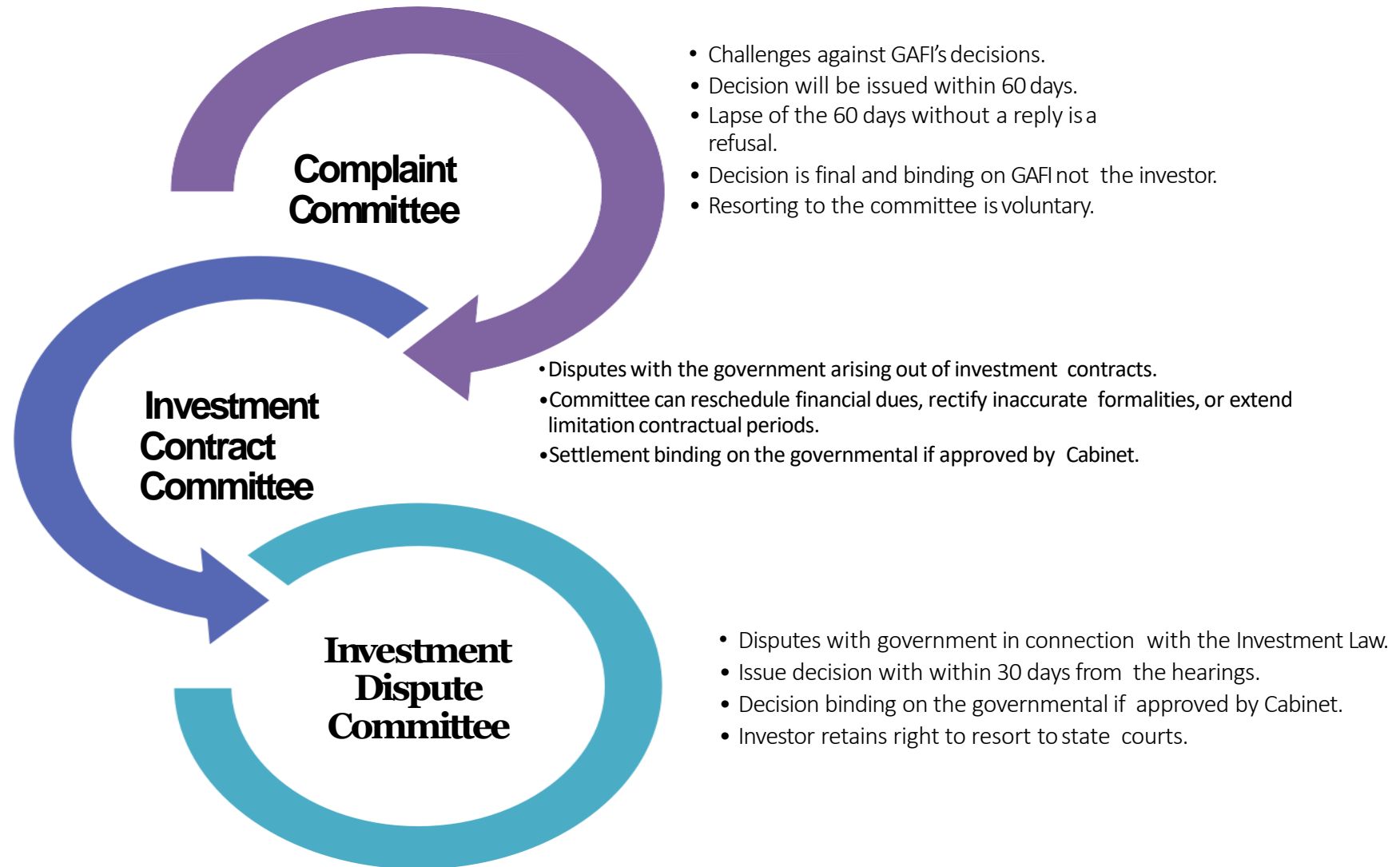
As part of Egypt's Investment Law's new reformist measures to cut red tape and improve the ease of doing business. The Investor Service Center operates as a resource hub that offers a complete package of consultations, advice and information about available investment opportunities in Egypt.

## ISC services include:

- **Company Establishment Services:** The ISC provides services related to establishing companies and their branches, approving the minutes of their boards of directors and their general assemblies, issuing approvals and permits, and allocating the necessary real estate for the establishment of projects.
- **Government Relations:** The ISC will act as a liaison between entrepreneurs and governmental entities providing resources, advice and procedural assistance to start-ups.
- **Legal Services:** The ISC provides legal advice and notary services for investors.



# Alternative Dispute Resolution





# Investment Regimes



# Investment Regimes



# Investment Landscape

- The new Law grants the establishment of investment zones, private free zones, as well as technology and specialized economic zones by Cabinet decree.



## Free Zones

Private free zones are business clusters managed by GAFI. The rationale behind promoting the free zones is to encourage economic activities and increase exports by adopting a multi-sectoral development approach, focusing on linking lagging regions with both domestic and foreign markets.



## Investment Zones

Investment zones are integrated clusters in the different fields and sectors, where investors are granted legal rights to provide integrated services to serve the local market.



## Technology Zones

Technology zones can be created for specialized activities in the fields of industry, logistics, and information and communications.

# Free Zone Projects

## Projects in Public Free Zones

Subject to a fee of 2% of the value of goods imported by storage projects on CIF basis.

1% of the goods exported by manufacturing and assembling projects on FOB basis.

A fee of 1% of the total revenue of projects not exporting or importing products.

## Public + Private Free Zones

Projects in both, public free zones and private free zones shall pay an annual service fee to GAFI equivalent to 0.001% of its share capital with a maximum of EGP 100,000

## Projects in Private Free Zones

A fee of 1% of the total revenue achieved from exporting its products outside Egypt for manufacturing and assembling projects, and 2% in case of exporting these products inside Egypt.

A fee of 2% of the total revenue of projects working in projects other than manufacturing and assembling.



# Key Sectors



**Agribusiness**



**Engineering and Electronics**



**Health Care**



**Logistics**



**Mining**



**ICT**



**Petrochemicals**



**Pharmaceuticals**



**Real Estate & Construction**



**Retail**



**Textile**



**Tourism**

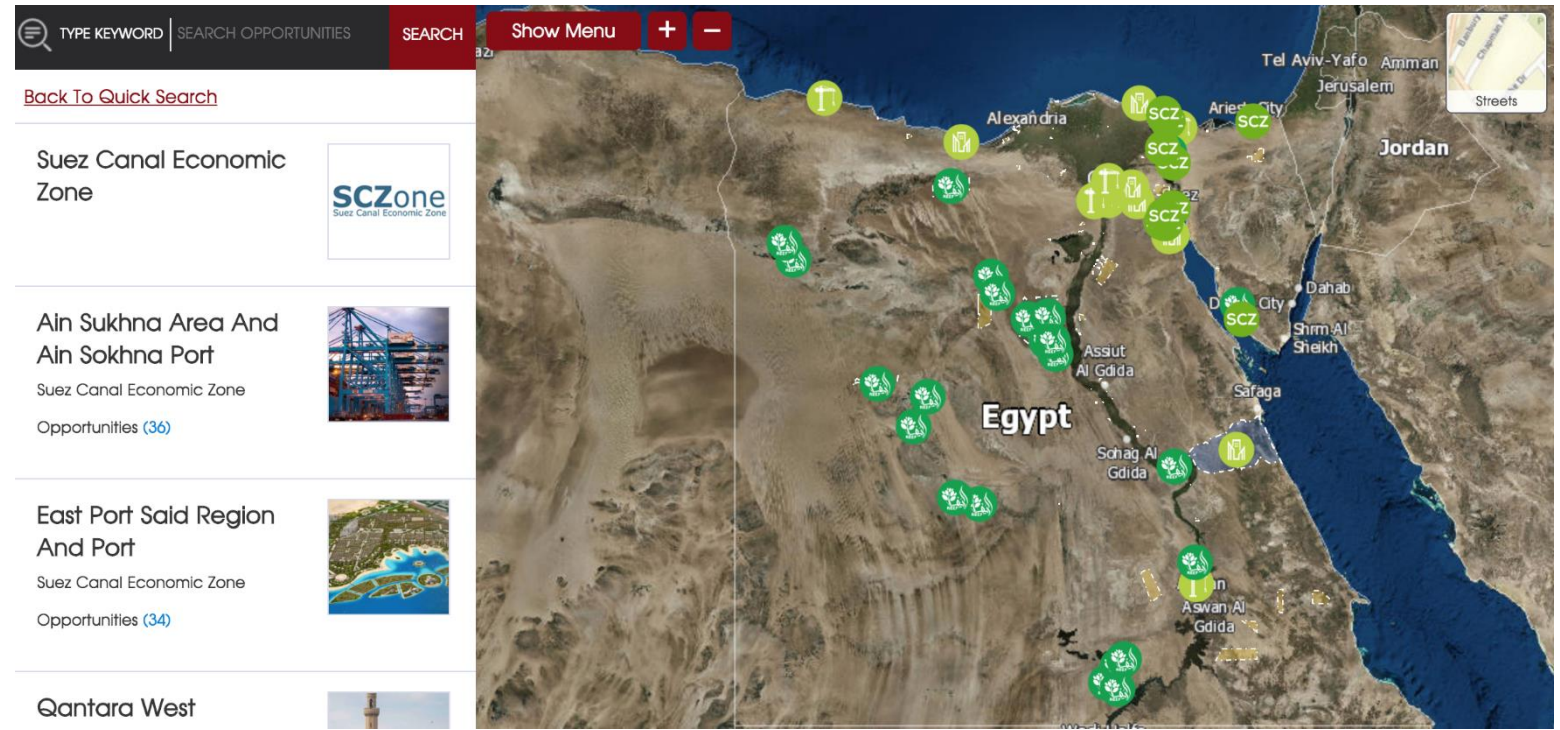


**Renewable Energy**



**Automotive**

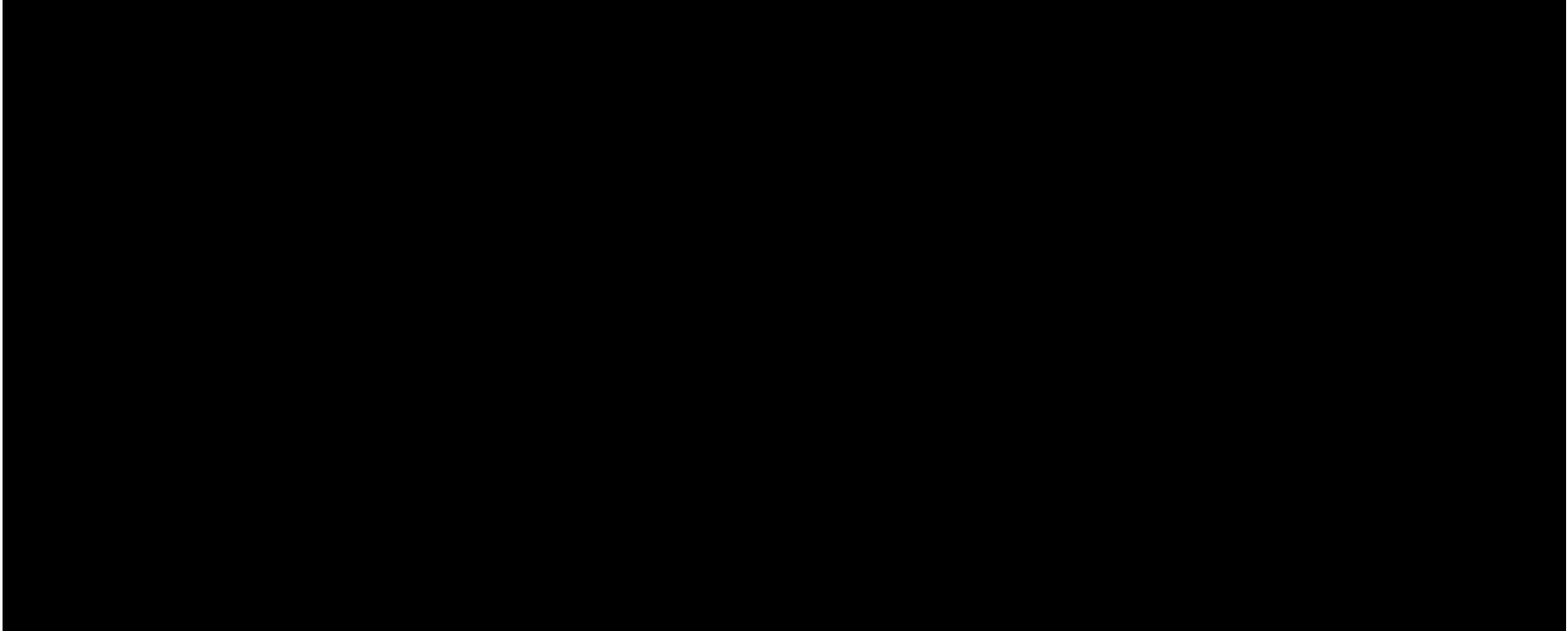
# Investors Landscape



- 360-degree view on the investment climate and investment opportunities in Egypt
- Present public and private investment opportunities in Egypt
- Link investments with developmental opportunities
- Integrative view on available infrastructure, governmental services, logistics and other services
- Present overall investment climate in Egypt
- Present existing investments and highlight success stories



# Invest in Egypt LG







## Talk to GAFI first!

Our mandate: As an affiliate of the Ministry of Investment & International Cooperation, GAFI is the principal governmental body promoting, facilitating and regulating investment in Egypt, in line with Egypt's vision 2030 goals and in accordance with the government of Egypt's political and economic policy directives and targets.

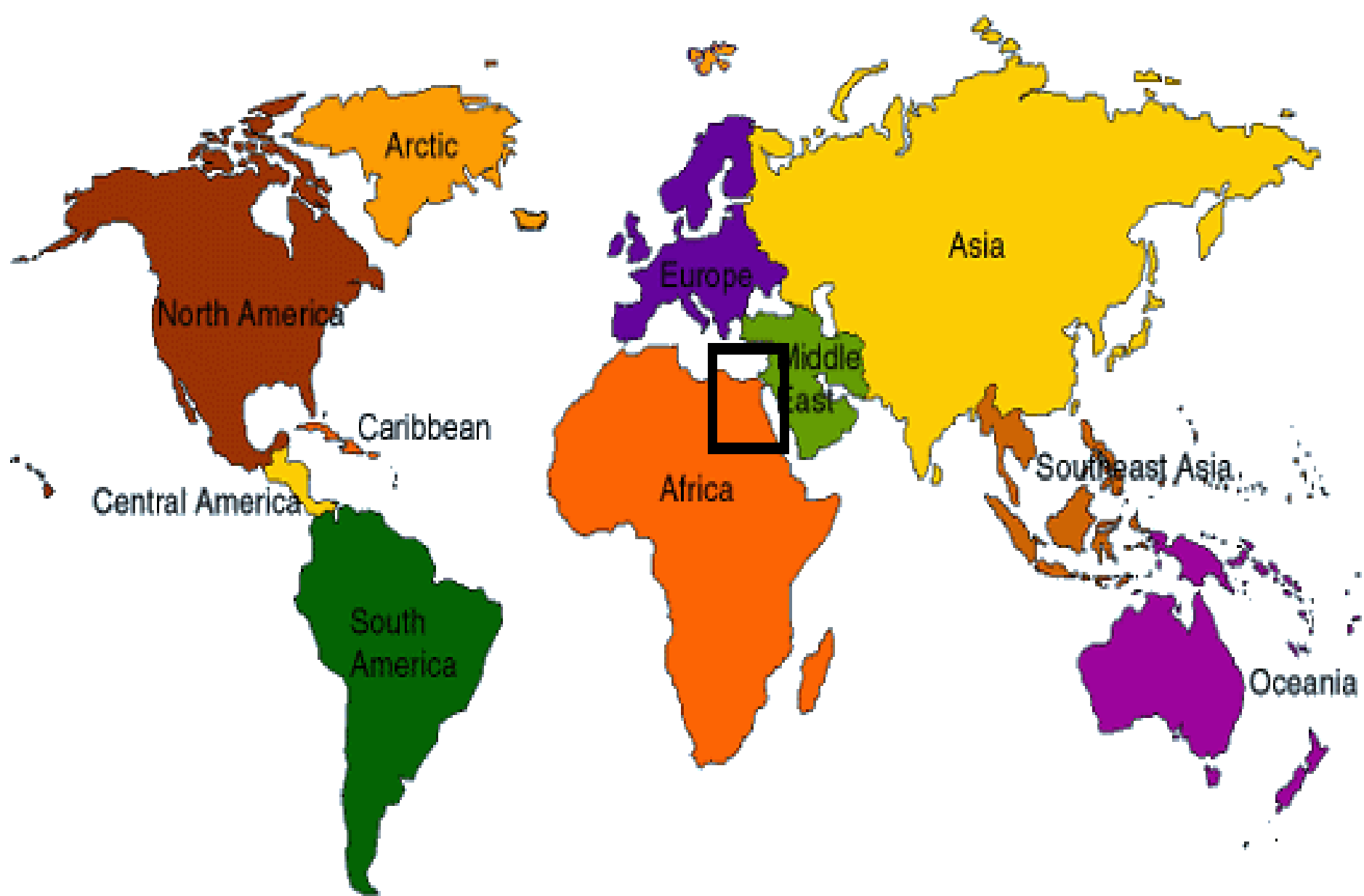


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- Call us: +202 16035
- For more info: [www.gafi.org.eg](http://www.gafi.org.eg)



**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.**

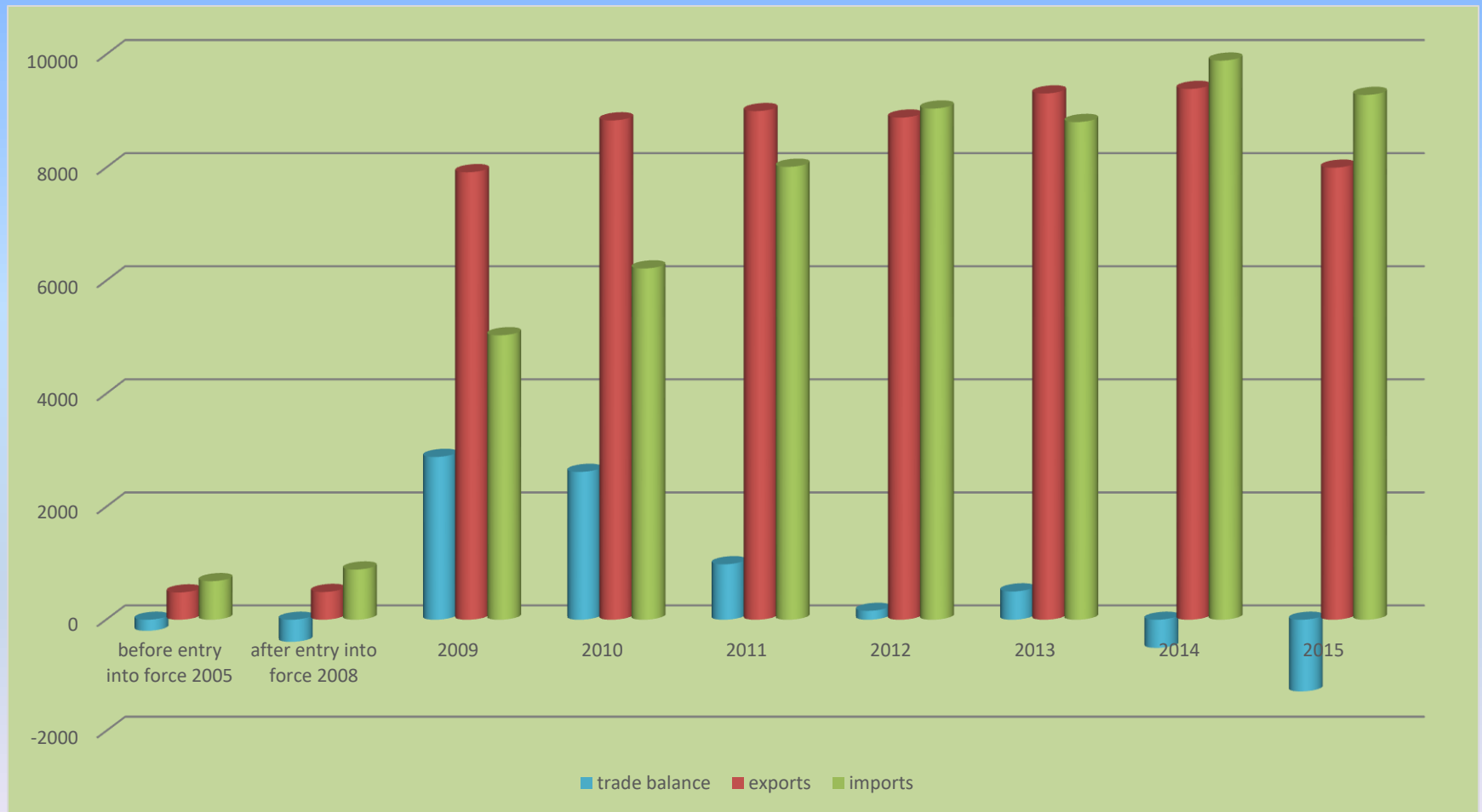


# Pan Arab Free Trade Area (PAFTA)

## Trade indicators:

| million \$    | before<br>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.**

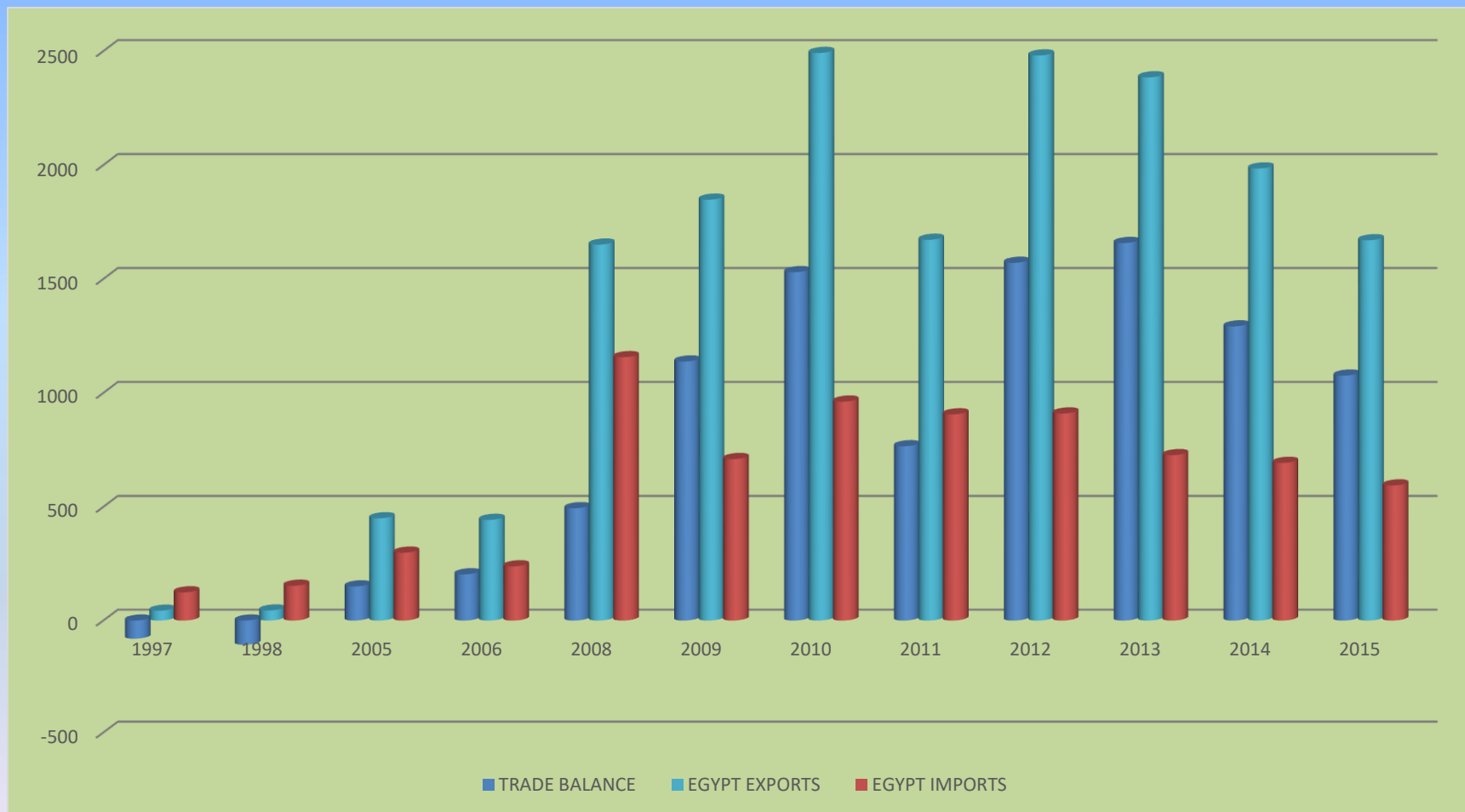
# **Common Market for Eastern and Southern Africa (COMESA)**

- **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<br>ACCESSION |      | AFTER ACCESSION |      |      |      |      |      |      |      |      |      |      |
|------------------|---------------------|------|-----------------|------|------|------|------|------|------|------|------|------|------|
|                  | 1997                | 1998 | 2005            | 2006 | 2007 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| TRADE<br>BALANCE | -81                 | -108 | 151             | 204  | 494  | 1530 | 766  | 1571 | 1658 | 1292 | 1076 | 1091 | 982  |
| EGYPT<br>EXPORTS | 44                  | 45   | 450             | 443  | 1651 | 2492 | 1672 | 2481 | 2385 | 1985 | 1670 | 1658 | 1582 |
| EGYPT<br>IMPORTS | 125                 | 154  | 299             | 239  | 1157 | 962  | 906  | 910  | 727  | 693  | 594  | 567  | 600  |
| TRADE<br>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<br>1/1/2004 | 5  | 6  | 7  | 8  | 9  | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 |
| 1 <sup>st</sup> list<br>(raw material)         | 25                         | 25 | 25 | 25 |    |    |    |    |    |    |    |    |    |    |    |    |
| 2 <sup>nd</sup> list<br>(intermediate product) |                            |    |    | 10 | 15 | 15 | 15 | 15 | 15 | 15 |    |    |    |    |    |    |
| 3 <sup>rd</sup> list<br>finished product)      |                            |    |    |    |    | 5  | 5  | 15 | 15 | 15 | 15 | 15 | 15 |    |    |    |
| 4 <sup>th</sup> list( cars)                    |                            |    |    |    |    |    | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |

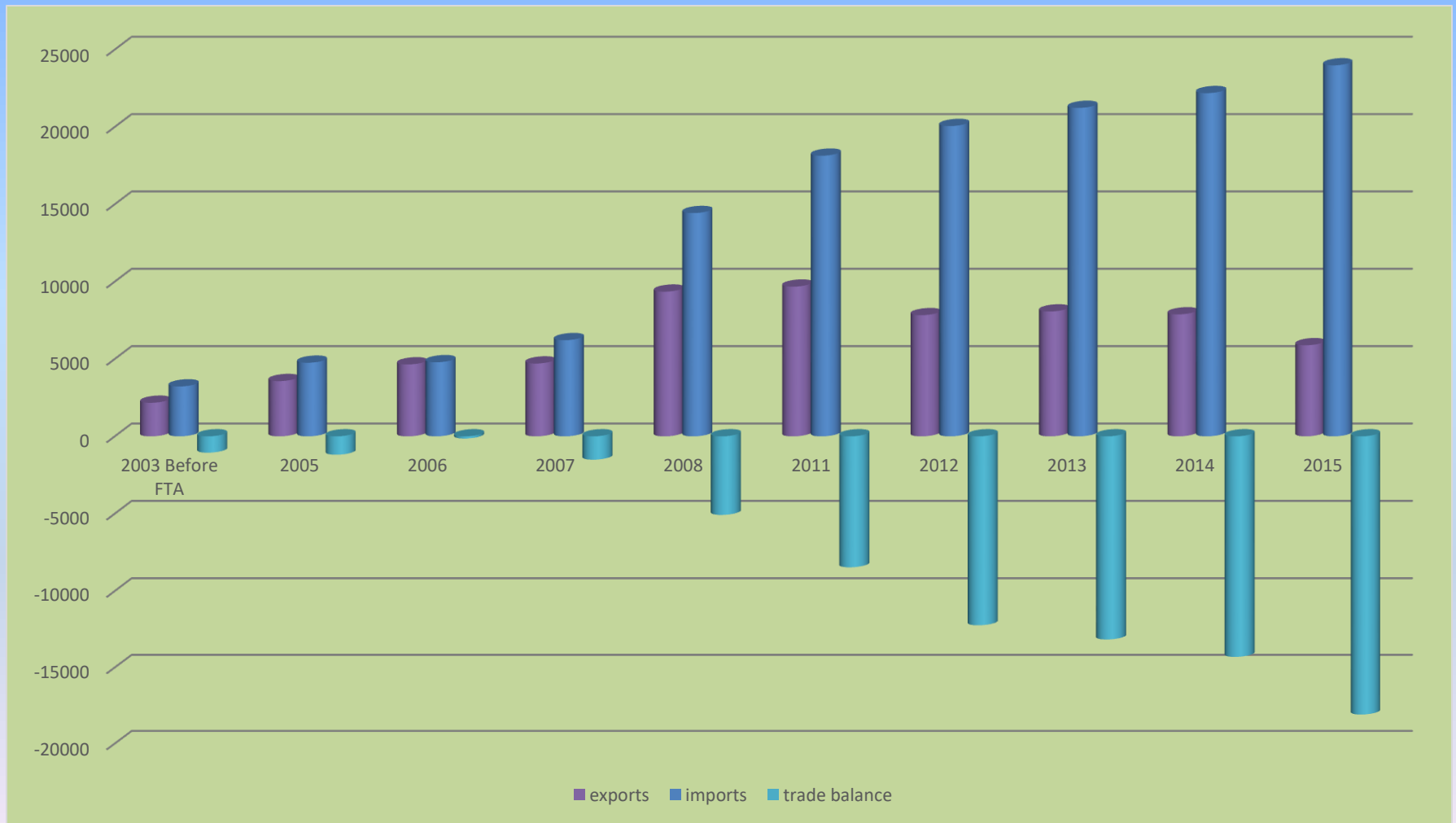
# RULES OF ORIGIN

- **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<br>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

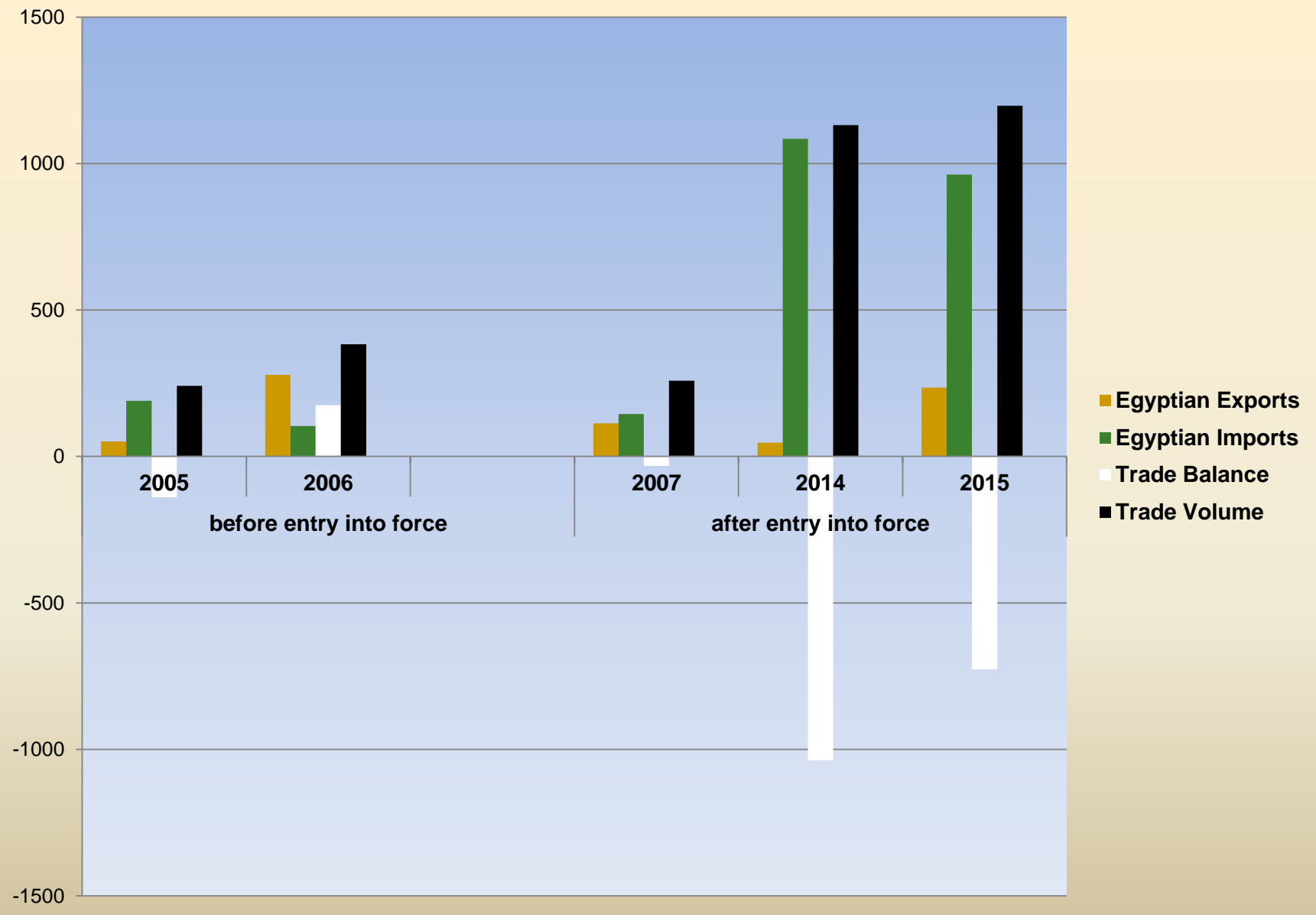
- **Member States: Switzerland – Norway – Iceland – Liechtenstein**
- **Egypt – EFTA signed the agreement in January 2007**
- **Egypt – EFTA trade agreement entered into force in August 2007**

# 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

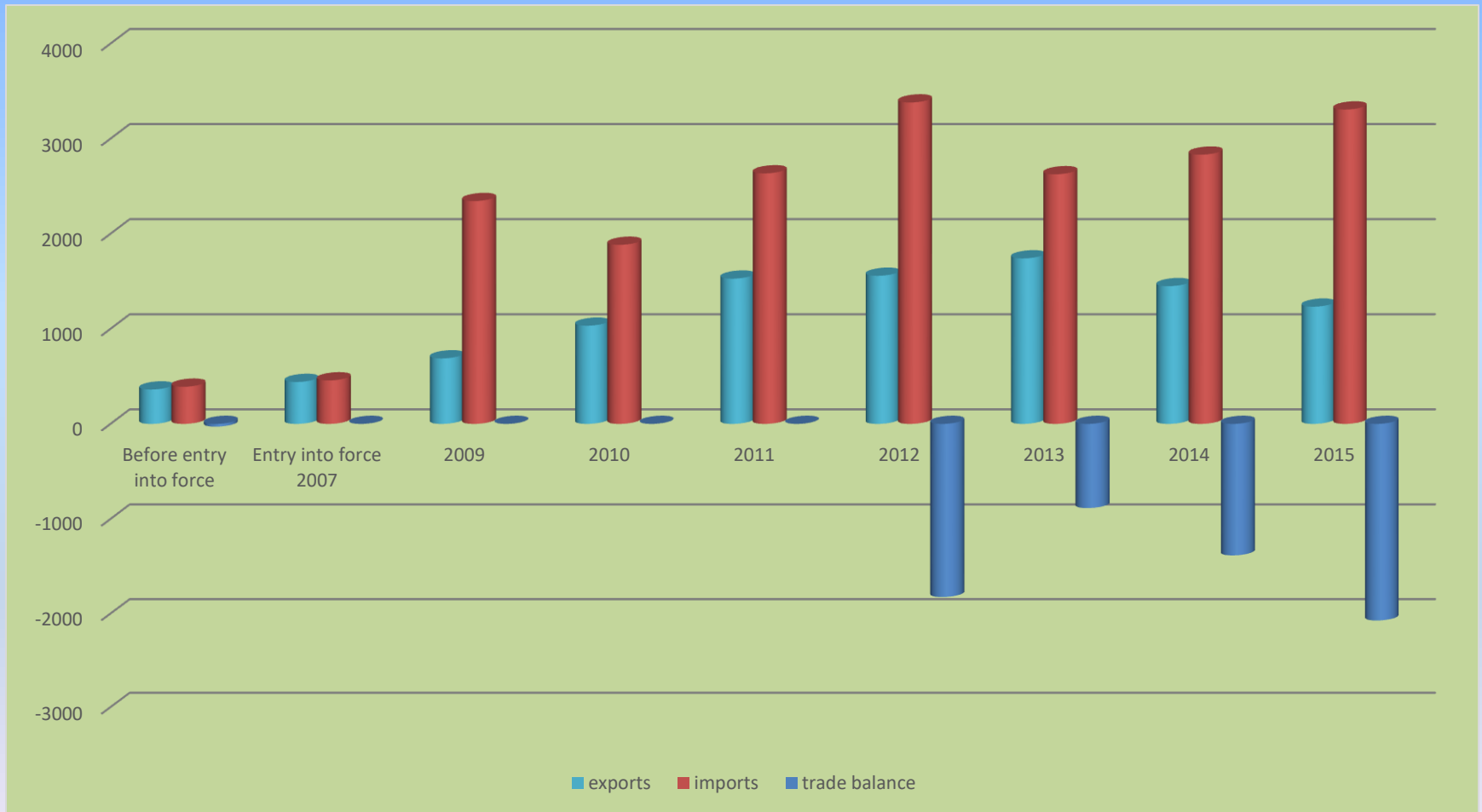
## RULES OF ORIGIN

- **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

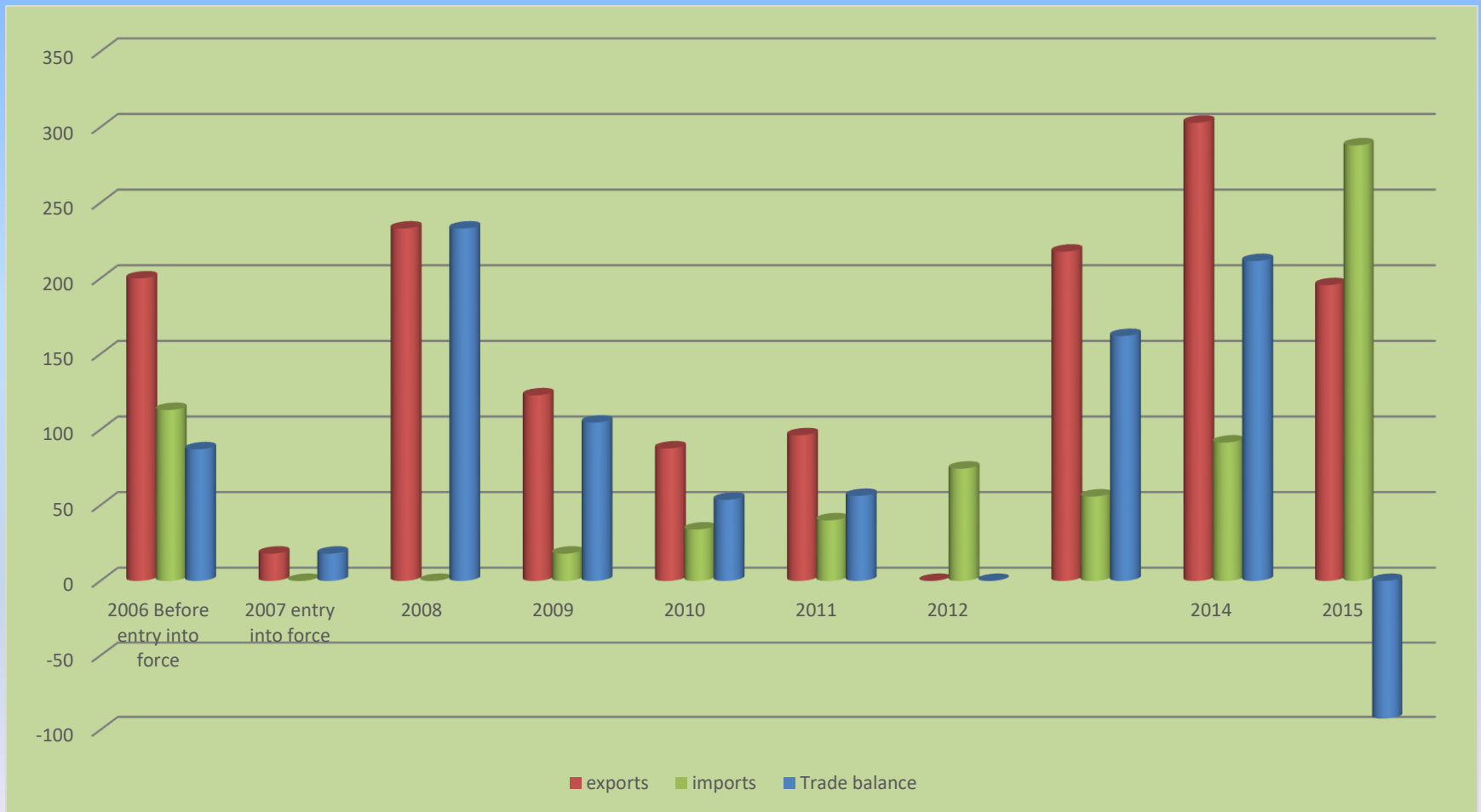
- **Exemption of all the customs duties and taxes with similar effect on all the products.**
- **Agadir Agreement implements the Euro – Med Rules of Origin.**



# Agadir Agreement

| Values<br>in<br>million \$ | 2006<br>Before<br>entry<br>into<br>force | 2007<br>entry<br>into<br>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<br>balance           | 87                                       | 18                             | 233  | 53.6  | 56.2   | 181,9 | 161.92 | 211.52 | 92.41- | 479  | 1071 |
| Trade<br>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 1<sup>st</sup> list will be granted a total exemption upon entry into force.**
  - **The items included in the 2<sup>nd</sup> list will be granted a tariff reduction by 25% upon entry into force.**
  - **The items included in the 3<sup>rd</sup> list will be granted a tariff reduction by 12.5% upon entry into force.**
  - **The items included in the 4<sup>th</sup> list will be granted a tariff reduction by 10% upon entry into force.**
  - **The items included in the 5<sup>th</sup> list will not be granted any tariff reduction (Negative List).**

# Egypt – Mercosur FTA

- **The treatment of the items included in the 5<sup>th</sup> 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 31<sup>st</sup> 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

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Thanks for your Attention