

Egypt's Key Free Trade Agreements & What They Mean for Egyptian Exporters

The Egypt-EU Association Agreement

Overview: The Egypt-EU Association Agreement, which kicked off in 2004, aims to create a free trade area by removing tariffs on industrial products and streamlining the trade of agricultural goods. This agreement spans 28 EU member states, including Germany, France, Italy, Spain, and the Netherlands.

Key Provisions



Duty-Free Access

Most Egyptian industrial goods enter the EU market duty-free.



Agricultural Products

Gradual liberalization of trade in agricultural products, processed agricultural products, and fish and fishery products.



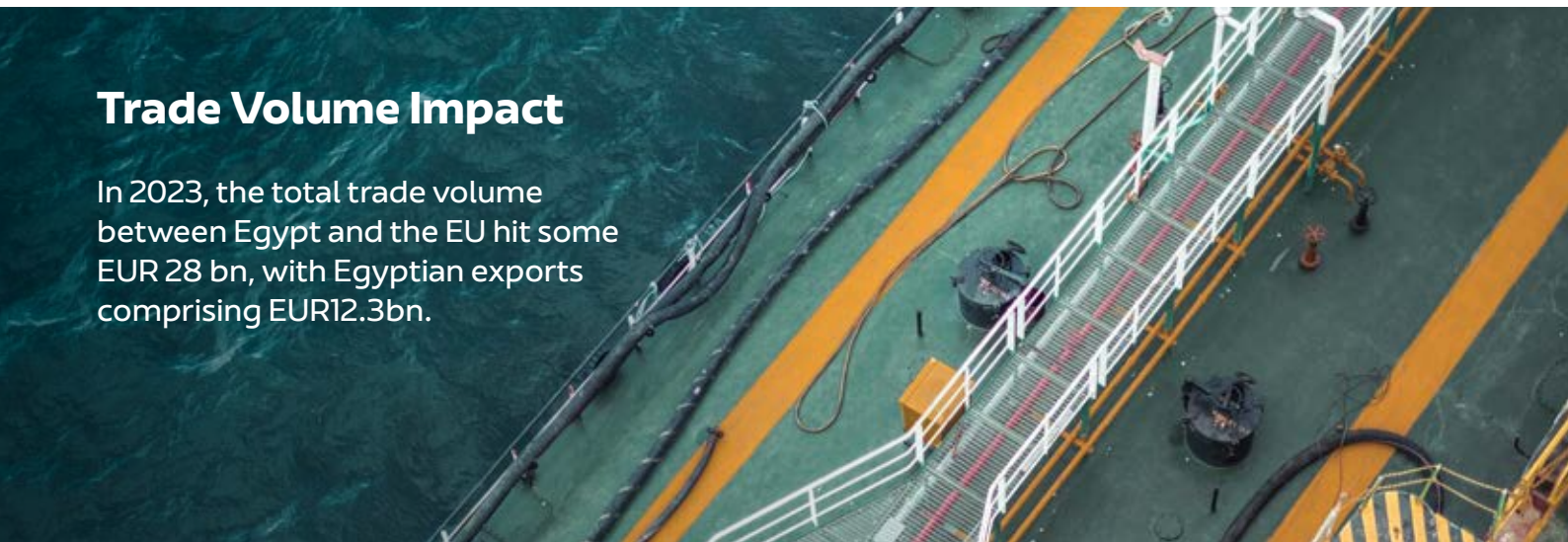
Regulatory Cooperation

Harmonization of standards and technical regulations to facilitate smoother trade flows.



Trade Volume Impact

In 2023, the total trade volume between Egypt and the EU hit some EUR 28 bn, with Egyptian exports comprising EUR12.3bn.





Main Export Commodities



Fuel and Oil Products

- **Crude Oil:** Unrefined petroleum exported for further processing.
- **Refined Petroleum Products:** Diesel and gasoline.



Chemicals

- **Organic Chemicals:** Ethylene, propylene, and other derivatives.
- **Inorganic Chemicals:** Phosphoric acid, sulfuric acid.



Textiles and Garments

- **Cotton Yarn and Fabrics:** High-quality Egyptian cotton products.
- **Ready-made Garments:** Clothing and apparel.



Agricultural Products

- **Fresh Fruits:** Citrus fruits, grapes, strawberries.
- **Vegetables:** Potatoes, onions, tomatoes.
- **Processed Foods:** Jams, juices, canned vegetables.

Opportunities for Exporters



Agriculture

Expanding fresh produce and processed agricultural goods.



Pharmaceuticals & Medical Supplies

Leveraging regulatory cooperation.



Textiles and Apparel

Capitalizing on duty-free access.

The Greater Arab Free Trade Area (GAFTA)

Overview: GAFTA aims to establish a unified Arab market by removing trade barriers among its 18 member countries, ramping up intra-Arab trade. Key countries include Saudi Arabia, the United Arab Emirates, Jordan, Lebanon, and Iraq.

Key Provisions



Zero Tariffs

Complete elimination of customs duties on most goods traded among member countries.



Non-Tariff Barriers

Lowering non-tariff barriers such as quotas, licensing requirements, and technical barriers.



Economic Integration

Stimulating economic cooperation and investment among Arab states.

Trade Volume Dynamics

In 2023, Egypt's trade volume with GAFTA countries amounted to USD15 bn, with exports reaching USD 9.5 bn.



Main Export Commodities



Textiles and Apparel

- **Cotton Textiles:** Strong demand for Egyptian cotton goods.
- **Ready-made Garments:** Including traditional and modern apparel.



Food Products

- **Processed Foods:** Jams, juices, canned vegetables.
- **Fresh Produce:** Fruits and vegetables such as citrus, grapes, and tomatoes.



Chemicals and Plastics

- **Petrochemicals:** Including polyethylene and polypropylene.
- **Plastic Products:** Containers, packaging materials.

Opportunities for Exporters

Food and Beverages

Broadening processed food and beverage exports.

Construction Materials

Robust demand for construction and building materials.

Machinery and Electronics

Increasing exports of machinery, equipment, and electronic products.

The COMESA Free Trade Agreement

Overview: The Common Market for Eastern and Southern Africa (COMESA) Agreement emerged as a preferential trade zone, evolving into a customs union in 2009. It includes 21 African countries, with key members such as Kenya, Uganda, Ethiopia, Sudan, and Zambia.

Key Provisions

Tariff Elimination

Tariff phasedown on goods traded between member states.

Trade Facilitation

Improved customs procedures and reduction of non-tariff barriers to trade.

Market Expansion

Market reach to over 500mn people with significant economic potential.

Trade Volume Impact

In 2023, trade between Egypt and COMESA countries boosted by 24%, hitting USD 3.5bn.



Main Export Commodities



Plastics and Rubber

- **Plastic Products:** Containers, household items.
- **Rubber Products:** Tires, industrial rubber.



Fertilizers

- **Nitrogenous Fertilizers:** Ammonium nitrate, urea.
- **Phosphatic Fertilizers:** Superphosphates.



Petroleum Products

- **Refined Petroleum:** Diesel, gasoline.
- **Lubricants and Greases:** Industrial lubricants.

Opportunities for Exporters



Agricultural Inputs

Scaling up fertilizers, pesticides, and agricultural machinery.



Healthcare Products

Growing demand for pharmaceuticals and medical supplies.



Construction Materials

High potential for building materials.

The African Continental Free Trade Area (AfCFTA)

Overview: The AfCFTA, encompassing 54 African countries, is the largest free trade area globally in terms of participating countries. Primary countries include South Africa, Nigeria, Kenya, Ghana, and Morocco.

Key Provisions



Tariff Reductions

Elimination of tariffs on 90% of goods over five years for non-LDCs and ten years for LDCs.



Market Access

Improved access to a market of over 1.3 bn people with a combined GDP of USD 3.4 tn.



Trade Facilitation

Streamlining customs procedures and boosting cooperation among customs authorities.

Trade Volume Impact

Since its implementation, intra-African trade has increased by approximately 20%, with Egypt's exports to African countries soaring by 30% over the past three years.

Main Export Commodities



Machinery and Equipment

- **Agricultural Machinery:** Tractors, plows, irrigation systems.
- **Industrial Machinery:** Manufacturing equipment.



Chemicals

- **Industrial Chemicals:** Acids, alkalis.
- **Fertilizers:** Nitrogenous and phosphatic.



Textiles and Apparel

- **Cotton Textiles:** High-quality cotton fabrics.
- **Ready-made Garments:** Apparel for various markets.

Opportunities for Exporters

Industrial Products

Growing exports of machinery, equipment, and industrial inputs.

Consumer Goods

Prospects of growth in consumer electronics and household goods.

Services

Export of services, especially in construction and banking.

The MERCOSUR Agreement

Overview: The Egypt-MERCOSUR Free Trade Agreement, inked in 2010, aims to slash tariffs by over 90% between Egypt and MERCOSUR countries. Main countries include Brazil, Argentina, Paraguay, Uruguay, and Egypt.

Key Provisions

Tariff Reductions

Substantial tariff cuts on goods traded between Egypt and MERCOSUR countries.

Market Access

Enhanced access to Latin American markets.

Investment Promotion

Stimulates cooperation in investment and services.

Impact on Trade Volume

In 2023, the trade volume between Egypt and MERCOSUR countries reached hit USD 3.3bn. Egyptian exports to Brazil surged five-fold from USD103mn to USD 543mn.



Main Export Commodities



Agricultural Products

- **Dates:** High-quality Egyptian dates.
- **Garlic:** Fresh and dried garlic.
- **Citrus Fruits:** Oranges, lemons, and grapefruits.



Textiles

- **Cotton Textiles:** High-quality fabrics.
- **Ready-made Garments:** Apparel for various markets.



Chemical Products

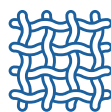
- **Fertilizers:** Nitrogenous and phosphatic fertilizers.
- **Industrial Chemicals:** Acids, alkalis.

Opportunities for Exporters



Agricultural

Surging exports of fresh and processed agricultural products.



Textiles and Apparel

Capitalizing on the competitive edge in textile manufacturing.



Industrial Goods

Boosting exports of chemicals and other industrial products.