

## **President Mubarak's European Tour**

The European tour of President Mubarak has achieved an enormous success and it entails a great deal of importance especially regarding the Egyptian future orientation towards achieving psychological and economic stability on both the internal and external levels.

This tour also presents a starting point for a very promising new phase of excellent economic and trade relations especially with the European Union. As the EU is starting a phase of bilateral agreements with other countries, this would involve two particular elements:

The first is represented by the bilateral relations of each member state of the EU and Egypt, the second is represented in the relationship between Egypt and EU as a whole as an independent moral entity.

The volume of trade between Egypt and EU has increased 70% during 2005 compared to 2004. Europe is also an element trade partner to Egypt and it is the source for many investments that would support the Egyptian development plans in general and provide enhancing the Egyptian economic take-off which we as industry people are looking forward in particular.

If we are to review the forming stations of the President's European tour and the issues laid for discussion out there we will have to point that the tour focused on the following:

- Explaining the Egyptian experiment in introducing continuous improvement of Egyptian economy.

- Highlighting the development of Egypt's relations with these countries which the President visited as well as the existing cooperation in the field of trade, investment and industry.
- Discussing the frameworks of cooperation and vitalizing the existing economic relations in the way that would benefit the Egyptian citizen by opening new markets and attracting new investments to provide job opportunities.
- Emphasizing and explaining the Egyptian stable positions regarding the issues laid before the international arena.
- Enhancing and strengthening the bonds of friendship and cordially relationships between Egypt and EU member states.
- Regarding these four stations, Italy has been a permanent element as it is the third economic power in Europe after Germany and France. Italy is the principle trade partner to Egypt immediately after the United States. The Italian trade with Egypt amounts to 26% of total Egyptian trade with EU countries.

Regarding Germany, the meeting between President Mubarak and the German Chancellor, Merkle, was the first between an Arab president and the new Chancellor after she took office. This comes as an evidence for the excellent relations between Egypt and Germany which has been built over many years through successive meetings between President Mubarak and a number of former chancellors.

The Egyptian German relations have witnessed a remarkable devotement in the previous two decades which had an important and elementary impact in enhancing cooperation between the two countries in many fields.

Therefore, there has been a growing interest of German companies to direct its investments to Egypt, especially as we in the Egyptian German Business Council are working hard to forge a strategic partnership between the advanced German technology and the Egyptian industry in order to induce a leap forward in economic and industry cooperation in this field. We can highlight the following points as part of that attempt:

1. Facilitating the transfer of technology and establishing a mechanism for the Egyptian economic sector to ensure finance and to obtain state of the art machinery.
2. Opening more horizons for cooperation in the fields of research and development in various industrial fields, especially with the German universities that have research contributions to industrial applications.
3. Increasing the scope of banking and financial sector cooperation especially as Germany has no branches in Egypt.
4. Cooperation in the field of small industries and linking with them to the major ones in order to provide a wider framework for meeting the interests of both by establishing larger assembly industries combining the small ones and merging them into the bigger ones.
5. Broadening and expanding the scope of Mubarak-Cohl initiative applications to involve both vertical and horizontal industrial rehabilitation and training.
6. Establishing a maintenance centre in Egypt to fix and maintain the German equipment.

7. Cooperation in the field of transferring the economic and industrial facilities evaluation system used in Germany to apply in Egypt on various states. Doing so would serve greatly the Egyptian financial and industrial sectors in order to evaluate the various industries according to international standards.
8. Meeting with the German experiment in the field of specialized technical centers by evaluating the various products and pointing the elements of strength and weakness in them. This in turn would facilitate the technical development and evolution of Egyptian products and industries that would need such services.
9. Conformity with the European standards and specifications whether the compulsory ones or the optional, and making the European specifications available for the Egyptian industry people in coordination with the Egyptian General Authority for Quality and Specifications.

Regarding the President's visit to Austria, it's important to note that Austria is currently sharing the European Union. Therefore, the talks between President Mubarak and the Austrian Chancellor aimed at deepening and enhancing cooperation between Egypt and Austria on one side, and between Egypt and the European Union on the other.

The importance of President Mubarak's visit to Vatican arises from the fact that this is the first meeting between President Mubarak and the new Pope of Vatican since he took office.

Mubarak and the Pope discussed means of enhancing dialogue among religions and how to avoid the misunderstandings of various belief followers as well as ensuring mutual respect and considering this part of the sacred mission of religions.

### **Economic Outcomes of President Mubarak's European Tour**

1. Regarding Italy and Germany, it has been agreed to swap debts.

In light of that, Italy agreed to transfer 200 million Euros debts on Egypt into developmental and services projects in various villages and rural regions.

2. Venturing into new horizons for the Egyptian labor in Italy by sending the Egyptian youth to Italy for training for a specific period of time in 11 Italian factories and laboratories working in the fields of wood, leather and jewelry. This system will serve the interests of both sides as Italy is suffering at the moment from illegal immigration as well as declining population and lack of labor.
3. Reopening the file of negotiations to increase the Egyptian agricultural exports to Europe. The Italian side responded to the Egyptian request to liberate the trade in Egyptian agricultural products and exempting Egypt from the conditions of time and quantity that used to be imposed before.
4. Establishing a joint Egyptian German project for manufacturing the automotive cars components where three major German companies are parties. This project is scheduled to commence by holding a major press conference in Cairo for the concerned producers.
5. Agreeing to establish an Egyptian-Austrian business council that involves the Egyptian companies and the Austrian ones willing to cooperate with the aim of activating bilateral trade and enhancing investment between the two countries, with a specific focus on developing the Egyptian small industries.

We should not miss in this regard to point that President Mubarak's European tour is enhancing and supporting the historical trade and commercial agreement whose negotiations started some six months ago and are about to

conclude. This agreement would grant Egypt additional preferable conditions that are close to the ones granted to the new European members of EU. This agreement would be far more important and vital than the free trade agreement that was supposed to be signed between the Egyptian and European sides by the year 2010.