

The Quiz Agreement

There has been much talk recently about the three-party agreement between Egypt, Israel and the United States, known as the "Quiz".

With all the due respect and appreciation to all the hopes on one side and reservations on the other expressed regarding this agreement, my own opinion as an industry man, is that the Quiz is a cooperation agreement that allows privileges that constitute an additional competitive advantage to Egyptian exports, and thus it would not mean at any case any form of an abiding or committing an agreement.

This means that those who wish to make use of this agreement have the opportunity to do so and the gate will be wide open for them without any sort of obligation or commitment.

Still, I believe that this agreement would not represent at any level any sort of taking lightly or submission to any of our national stable positions.

The percentage of the Israeli component in the Egyptian product that would make use of this agreement is a contractual matter rather than a matter of actual component in a materialist sense.

This means that the real value of this component is subjected to contracting considerations between the two sides. For instance, wrapping could be the value component that is needed to give this commodity the approval according to the assigned conditions.

Part of the cost in the Israeli component could be the shipment or wrapping or delivery or other forms that would represent an additional service or profit such as the trade mark, loyalties, the intellectual property right, or some additional or accessory costs for commercial mediation.

The examples of that could also be the certificates of origin and the origin of the component belonging to a certain country or to a certain free zone, and how this relates to the other components of the commodity that originates from this country or the other.

The Quiz Agreement is to my own estimation an important step to access the American market (which represents 40% of total global consumption) without any quota or quantity restrictions and without any customs.

This would be a good alternative to the quota system that would expire by January 2005. In the meanwhile, the Quiz Agreement is another important initial step on the road towards signing free trade agreement between Egypt and the United States.

This Agreement does not put any specific obligations on the Egyptian side and it would not mean at any level that the Israelis should possess part of the capital of the Egyptian markets (though some people claim that).

This Agreement is one circle in a number of circles of international agreements such as the European Partnership Agreement, the Arab Free Trade Zone Agreement, the COMESA Agreement and others.

The choice of the location of the industrial zones of the Quiz has been made after several and indexed study and calculation and according to a certain ranking of the most elementary economic zones involved in export in the American market during the last two years.

Though the American side emphasized that the agreement should be applied in two particular industrial zones, the efforts of the Egyptian negotiator managed to allow the implementation of the agreement on seven geographical areas within the framework of three major governorates which are Alexandria, Greater Cairo and Suez.

At the end, we should point that the ability of the Egyptian industry to cope and adapt to the Quiz arrangements is bound to the efficiency of the performance of the Egyptian industries themselves and their ability to develop in order to reach the level of maximizing their competitiveness.

Therefore, there is a great responsibility on the Egyptian industrial facilities to develop themselves and cope with the global standards in order to complete their competitive abilities and defend their mere existence before the global competitors.

This is a great challenge as well as a great ambition. We all should cooperate with the various relevant parties to achieve an increase in the economic performance of Egypt for the sake of us all.

There is no doubt that the path of international cooperation will develop other forms of cooperation which this agreement stands as one of its elements.

Our enlightened government is totally aware of that as the pursuit of international cooperation is one of its main objectives in order to provide another element for the anticipated economic breakthrough we all hope for and we all as industrialists hope for.