

## **Egypt and Germany sign agreement to protect and encourage mutual investments**

Yesterday Egypt and Germany signed an agreement to encourage and protect investments. The agreement was signed by Egyptian Minister of Foreign Trade and Industry Rashid Mohamed Rashid and German Minister of Economy and Labor Wolfgang Klement.

The two ministers also witnessed the signing of a memorandum of understanding for the establishment of an Egyptian German businessmen council, which includes a large number of businessmen from both countries.

The memorandum of understanding was signed by Board member of the Federation of Egyptian Industries and head of the Egyptian side in the council **Dr. Nader Riad** and Martina Yong, regional director of a German company.

The two sides also signed a memorandum of understanding to boost and encourage mutual economic consultations to create an effective dialogue as well as improve and accelerate economic and trade relations between the two countries through the provision of an appropriate climate for investment, removing obstacles to increase trade exchange, the application of the Egyptian European partnership agreement, supporting and encouraging business organizations to further cooperation in services, and facilitating technology transfer, training and co-financed projects.

Rashid stressed that the agreement to encourage and protect investments between Egypt and Germany aims at flowing investments in accordance with the laws of each state and each party's commitment to providing fair treatment and full protection to investments of the other party.

According to the agreement, both sides will be committed not to take any arbitrary or bias action that would harm the other's investments.

It also guarantees free transfer of payments relating to investments of any of the two states, provides facilities to the access of businessmen from both countries, and regulates the means of solving disputes arising between investors and any of the contracting states.

### **Attracting investments**

Rashid stresses that the agreement to contributes positively to the attraction of German investments in Egypt in various sectors.

He held talks with German Minister of Economy in which they reviewed the positive indicators of the economic reform process in Egypt.

They also tackled coordination of stances of the two countries in multilateral negotiations related to liberalization of agricultural and service trade, which would be discussed in the coming ministerial conference in December this year, in addition to negotiations between Egypt and the European Commission on amending some items of the Egyptian-European partnership to increase some of Egypt's agricultural export quotas to Europe

This comes within the framework of Rashid's participation in the 8<sup>th</sup> Arab-German Economic Forum, in which takes part with a large delegation of businessmen, as Egypt has been chosen the forum's guest of honor.

### **Technology transfer**

For his part, **Dr. Nader Riad** said the Egyptian German Business Council aims to facilitate the transfer of German technology to the Egyptian industry, boost cooperation between the two sides in the banking sector, link small

industries with large ones, expand Mubarak-Kohl initiative, and benefit from the German expertise upgrading production quality and protecting consumers.

Head of the German side said the council will start its activity with an important eco-tourist project in the oases through the establishment of a hotel and an astronomical observatory. It is scheduled that they will be opened by the German President next October.

The council will determine the number of activities for joint cooperation according to time programs that will have a direct impact on boosting competitiveness of the Egyptian economy.

In a special session on investment opportunities in Egypt, head of the General Authority for Investment and Free Zones Dr. Ziad Bahaaeddin reviewed facilities provided by the government for investors in various sectors.

Chairman of the Federation of Egyptian Industries' Chamber of Chemical Industries Dr. Sherif al-Gabali spoke about the future investment in the fertilizer industry in Egypt, pointing to Egypt's possession of a number of relative advantages in the field of chemical industries, including a large market, export opportunities from Egypt to the Arab and African countries and the availability of raw materials.

### **Relative advantages**

Head of a German company spoke about his successful investment in Egypt in the manufacture and export of detergents and medical materials, stressing that Egypt possesses many advantages.

He pointed out facilities provided by the Egyptian government to foreign investment.

Head of Siemens pointed out his company's successful experience in Egypt for more than 100 years in the fields of energy, communications and medical devices.

He said Egypt has skilled labor competitive advantages.