

# Quota system a barrier to Egyptian exports, says local business leader

*Euro-Mediterranean free trade by 2010 may be unattainable*

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CAIRO: European Union quotas placed on Egyptian agricultural exports are restrictive,

do not reflect the country's economic potential, and ignore growing seasons, says an Egyptian business leader.

The quotas also fail to take into account products

that aren't grown in the EU — all of which is hurting local growers.

"Should the quotas be revisited? I think so," said Nadri Riad, chairman of the Con-

federation of Euro Chambers in Egypt (Ceeba).

"There is not a single guava or mango tree in the EU, so why are they counted in the quota? There is not a single EU producer to protect."

The comments, made yesterday morning at a gathering of politicians and business leaders, come as Egypt and the EU try to get their acts together in preparation for the creation of the Euro-Mediterranean free trade zone.

The EU and their Mediterranean partners hope to eliminate tariffs and border restrictions between countries to create the zone by 2010.

While this would make current discussions about tariffs and quotas redundant, the possibility of creating the free trade zone, which would affect about 600 million people, may be unattainable, admitted Marian Fischer Boel, EU Commissioner for Agriculture and Rural Development.

"To be very frank, I think it could be difficult to face the deadline in 2010," said Boel, "yet despite the daunting deadline, progress can still be made."

"Let's put everything on the table and see how far we can go," she added, noting that progress over the past few years has already greatly helped the Egyptian economy.

Boel also said that the EU is willing to slash subsidies to its farmers, which is good news for Khaled Shawky, a manager with Wadi Food, a company that exports olive oil to European markets.

Shawky said that the EU currently gives domestic olive oil growers more than LE 8.4 (1.2 euro) per liter in subsidies

"We are losing a good opportunity to promote Egyptian olive oil," he said.

Still, since 2004, Egyptian agricultural exports to the EU skyrocketed by 70 percent, whereas imports into Egypt from Europe increased by about 20 percent.

Boel commended the increase, saying: "These figures are encouraging ... I think the desire for increased trade has been realized in real numbers."

Other problems are hampering the free trade integration, including resistance from the US government to cease its pro-

tectionist agricultural policies.

Plus, some of the poorer countries in the Euro-Mediterranean zone, like Egypt, are having difficulty getting their production standards and sanitary regulations up to snuff — yet another stumbling block.

However, producers in Egypt see sanitary regulations as a way for Europe to block imports.

"You call it a technical barrier, we call it a scientific basis," said Klaus Ebermann, the head of the EU delegation in Egypt.

He adds that Europe has a "zero tolerance" policy in regards to sanitation and health standards for imported food.

"That's why it's so desperately important for the business community to try and improve the standards so they can be in line with the EU," said Boel, who also reaffirms the EU's commitment to creating a free trade zone.

"We have shown our willingness to get a deal," she said, noting that EU officials offered to reduce slash current tariffs from their current levels of 23 percent to 12 percent.



Klaus Ebermann discusses agricultural trade issues between the EU and Egypt.

