



MINISTRY OF
TRADE & INDUSTRY



2006

EGYPT AND THE WORLD

Key Industrial and Trade Indicators



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EGYPT

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AND THE WORLD**

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FOREWORD

Egypt has, throughout history, been a unique geographic and cultural entity. Its position at crossroads between Africa and Asia, the Arab world and Sub-Saharan Africa, the Mediterranean and the Indian Ocean, and the Western and the Eastern hemispheres makes it a pivotal trans-shipment destination and a focal point for global trade.

Egypt has always been a significant regional power and a major player in the global economic arena. This willingness to play a crucial role is an integral part of President Mohamed Hosni Mubarak's vision.

In his domestic electoral program, President Mubarak launched a comprehensive series of reforms which included vital institutional reform measures; some of which have been fully implemented whilst others are still underway and making significant progress. This elevated level of reform is a result of stabilization and structural reform measures adopted in the early nineties. Consequently, followers of economic trends will observe increased growth rates, curbed inflation, robust capital inflows, surplus in the balance of payments, and stable monetary and fiscal indicators; hence increased wealth and welfare.

The Egyptian government has been determined throughout its evolving and dynamic reform process to cover all areas of reform including political, economic, social and legal aspects. In doing so, the government ensures that Egypt's transformation into a more liberated economy, at par with international standards and best practices, is a smooth and successful one.

Industry and *Trade* are the major pulling forces and fundamental driving engines of the Egyptian economy. In that respect, the ministry is committed to paving the way for more sound and resilient openness, global integration, trade liberalization, export promotion and industrial modernization; in an attempt to strengthen the role of the private sector, create more job opportunities, and increase market and product competitiveness.

The developments achieved - and those which are yet to be carried out - are the key to a brighter future for Egypt. Working with the private sector and other stakeholders, the Egyptian government can capitalize on existing untapped potentials and succeed in achieving greater growth and prosperity for its people.



Minister of Trade and Industry

Rachid M. Rachid



EGYPT

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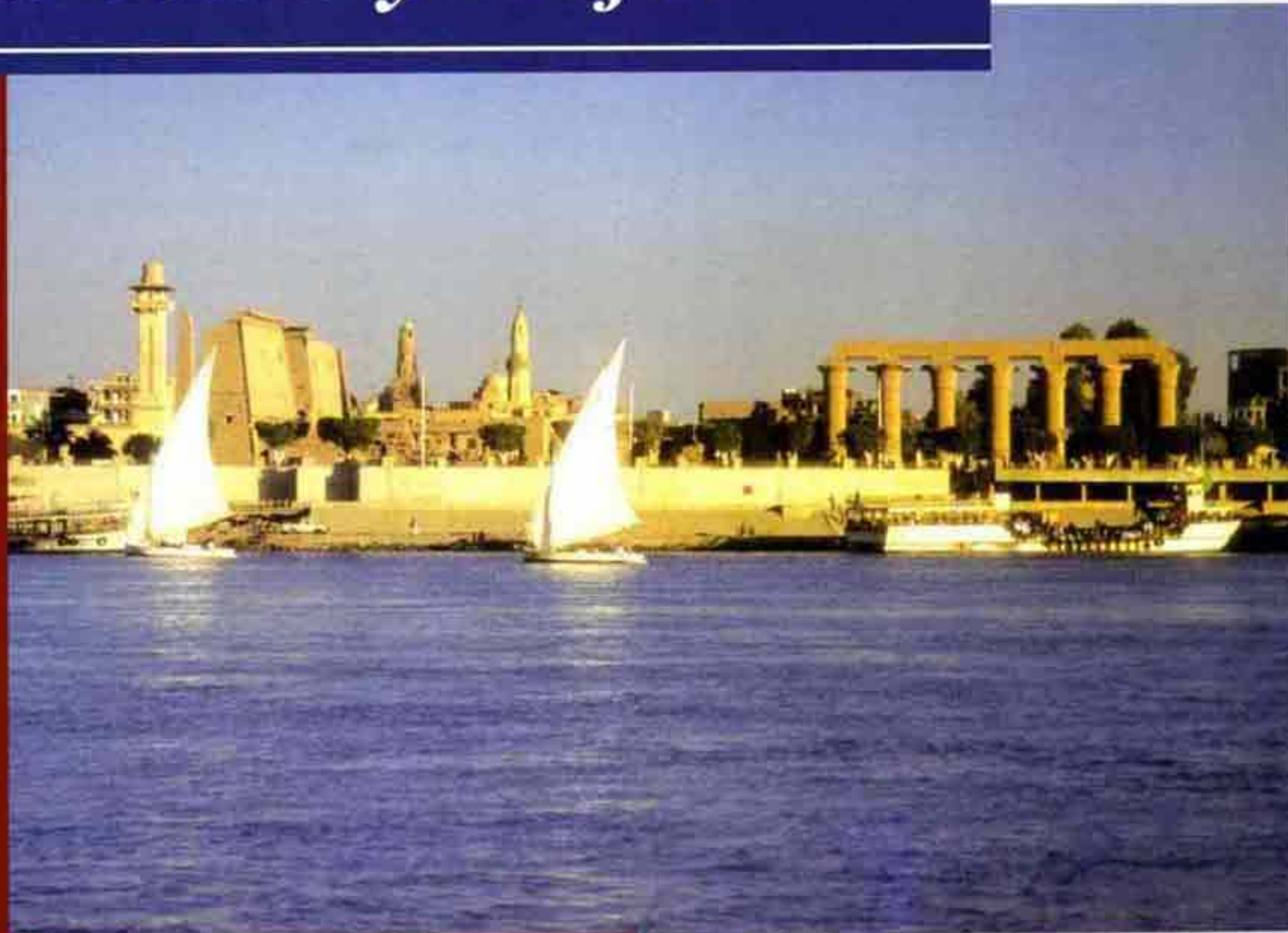
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I. Egypt: Country Profile



I- Egypt : Country Profile

A. Overview:

Head of State	President Mohamed Hosni Mubarak
Area	1,002,000 km ²
Borders	To the North: the Mediterranean Sea To the South: Sudan To the East: the Gaza Strip, Israel and the Red Sea To the West: Libya
Climate	Mild Winter, hot and dry in Summer
Capital	Cairo
Major cities	Alexandria, Aswan, Luxor, Port Said, Suez, Sharm El-Sheikh
Time	GMT + two hours
Population	69.3 million (2004)
Languages	Arabic (official), English and French (widely spread)
Religion	Muslim (94%), Coptic Christians and others (6%)
Currency	Egyptian Pound (EGP)
Exchange Rate	US\$ 1 = L.E. 5.78 and Euro 1 = L.E. 7.3

B. Political Reform:

Constitution	Issued in 1971, amended in 1980 and 2005
Egyptian political system	Consists of the Legislative, Executive and Judicial authorities; in addition to the Press; Political Parties; Local Administration and Civil Society Organizations
People's Assembly	The People's Assembly is the legislative authority which serve for a term of five years. The next legislative elections will take place in 2010. It approves the general policy, new laws, the budget and the development plans. It may withdraw confidence from the Cabinet of ministers. According to the Constitution, the People's Assembly comprises 444 directly elected members and 10 members appointed by the President
Shura Council	The Shura Council is Egypt's consultative council. It offers advice and consultation, and proposes new laws and regulations to the People's Assembly. It Comprises 264 members, 13 are women, with the majority of members belonging to the National Democratic Party. The term of membership is 6 years. 50% of the members are re-elected or re-appointed after the elapse of 3 years. The next elections will take place in 2007
Head of State	For the first time in Egypt Presidential elections were held in September 2005 instead of National Referendum. The term of presidency is 6 Gregorian years starting from the date of announcing the elections results. The next Presidential elections will take place in 2011
Government	The government is the supreme executive and administrative authority of the State. It consists of the Council of Ministers (34 ministries), headed by the Prime Minister
The Judiciary Authority	The judiciary authority is exercised through four categories of courts of justice: the Supreme Constitutional Court, which is the highest judicial body; the Court of Cession; the seven courts of Appeal in various Governorates, and the Summary Tribunals in the districts
Press	200 newspapers, mainly Al-Ahram, Al-Akhbar, Egyptian Gazette newspapers; are widely spread
Political Parties	The political system is based on a multi-party system. Law 40 of 1977 regulates the formation of political parties in Egypt. This law prohibits the formation of religious-based political parties. There are currently 21 active political parties representing various stands across the political spectrum. The National Democratic Party currently holds the majority of seats at the People's Assembly
Local Administration	Egypt is divided into 26 Governorates, each headed by a Governor who is appointed by the President. Within their districts, local government units establish and manage all public utilities, provide services, and designate industrial areas. Local Popular Councils are elected bodies that work closely with local government administrative units at various levels

C. Economic Reform:

Real GDP Growth Rate	Egypt started to rapidly slip out of recession. In 2005 , Egypt achieved a real GDP growth rate of 5.1% compared to 4.1% in 2004; and in Q2 2005/2006 it reached 6.1%. Nominal GDP in 2004/2005 L.E. 536 billion compared to L.E.485 billion in 2003/2004; and in Q2 2005/2006 reached L.E.603 billion
Average Inflation Rate	Curbed to 4.7 % in 2004/2005 compared to 16.7% in 2003/ 2004. It reached 3.1% in Q2 2005/2006
Unemployment Rate	Slightly decreased from 10% in 2004 to 9.5% in 2005
Balance of Payments	Year 2004/2005 witnessed a surplus US\$ 4478 million after a deficit US\$ 158 million in 2003/2004
Budget Balance	The budget balance reached -9.3% of GDP in 2004/2005 compared to -5.9% in 2003/2004
Domestic Savings	Doubled from L.E. 35 billion in 1997/1998 to L.E. 78.8 billion in 2003/2004 in response to institutional changes and the stable macro economic environment. It reached L.E. 86.1 billion in 2004/2005
Net International Reserves	In June 2005 it reached US \$ 19,302 million compared to US \$ 14,781 million in June 2004. It further increased to US\$ 21.9 million in Q2 2005/2006
FDI	It multiplied to reach US\$ 3,902 million in 2004/2005 compared to US\$ 407.2 million in 2003/2004
Trade Balance	It marked US\$ -10.4 billion in 2004/2005 compared to US \$ -7.8 billion in 2003/2004, but mainly due to expansion in industrial sectors that require raw materials, intermediate and investment goods imports
Current Account Balance	It has grown from 0.7% of GDP in 2001/2002 to 3.3% at 2004/2005
External Debt as % of GDP	Decreased from 33.7 in 2001/2002 to reach 31.2 in 2004/2005
Debt Service as % of Current Receipts	Decreased from 9.7% in 2002/2003 to reach 7.9% in 2004/2005
Growth Rate of Industrial Product	Increased from 3.5% of GDP in 2003/2004 to 5.1% of GDP in 2004/2005
Manufacturing Industries in Nominal GDP	It had increased from L.E 83.6 billion in 2003/2004 (17% of GDP) to L.E. 90.3 billion in 2004/2005 (17.8% of GDP)
Major Industries	Electrical, Electronics and Engineering; Basic Chemicals and Allied Products; Textile, Clothes and Leather Ware; Food Stuffs, Beverages and Tobacco; Paper, Paper products, Printing and Publishing
Main Exports	Cement, Steel, Ceramics, Ready-made clothes, Cotton textiles, Citrus fruits, Medical plants, Rice and Dried onions
Main Imports	Wheat, Maize, Pharmaceuticals, Organic-Inorganic chemicals, Iron-Steel products and Spare parts for cars

D. Socioeconomic Indicators:

Public Hospitals	5200 hospitals		
Number of nurses per person	13.5 (for ten thousand person)		
Health Expenditure	3.4 % of Total Expenditure (2004)		
Health	Total fertility rate per woman (2000/2003) 3.2. Life expectancy (2004) 68.4 yrs for men and 72.8 yrs for women		
Education	Years Compulsory for ages 6-15 years. Literacy...total adult: 55.6%		
Education Expenditure	13.9 % of Total Expenditure (2003/2004)		
Schools	42000 schools		
Universities	12 public universities and 7 private universities		
Adult literacy rate (% ages 15 and above)	65.7 % in 2004/2005	Electricity Consumption	86193 Kilowatt-hours in 2004/2005
Total Number of Workers	20.8 million in 2004	Total Tourist Arrivals	8.7 million in 2004/2005
Number of Unemployed	2.1 million in 2004	Total Number of Tourist Nights	85.7 thousand in 2004/2005
Information Technology and Telecommunications	Telephone mainlines 12.7 million line in 2005	Number of Civil Airports	22 airport
	Number of mobile phone users 14 million in 2005	Number of airplanes	45 in 2004/2005
	Internet users 5 million in 2005	Sea Port Capacities	615.5 million ton in 2004/2005
	Number of computers 2 million in 2005	Length of Trains Network	9435 km in 2004/2005
	Number of companies in communication sector 71 company in 2005	Number of Transportation Vehicles	657.383 thousand vehicles
	Number of companies in IT sector 1442 company in 2005		

E. Legal Reform (Main Laws):

Laws	Number	Date	Main Features
The New Urban Communities Law	59	1979	To encourage the development of specified geographical regions in Egypt
Insurance Law	10	1981	To organize conditions of the Egyptian insurance market and provide regulation and supervision of companies operating in the market. Amended in 1995 and further amendments are carried out
Companies Law	159	1981	Currently being amended to unify and streamline companies procedures and to strengthen more corporate governance best practices
Privatization and Public Sector Law	203	1991	To pave the way for the transformation of public organizations and the companies which they supervised into Holding and Subsidiary companies in preparation for privatization
Ownership of Real Property	205	1991	To govern the acquisition and ownership of desert land.
Capital Markets Law	95	1992	To regulate the capital market , recent amendments are carried out
Environmental Law	4	1994	To increase the awareness of the developmental value of the natural resources and to protect it
Disputes Settlement	27	1994	To facilitate the conduct and enforcement of international arbitral proceedings in Egypt
Investment Law	8	1997	To facilitate investment in Egypt, has been amended recently
Government Contracts and Tender Regulation	89	1998	To govern all supply, and purchase of movables service, feasibility studies, and construction contracts concluded with an Egyptian government entity
Depository and Central Registry Law	93	2000	To establish a new system for settlement and registry according to the international standards
Mortgage Law	148	2001	To rejuvenate the real estate sector and to facilitate the process of real estate ownership
Financial Leasing Law	16	2001	To let the associations of capital exercise the financial leasing activity once they fulfill the requirements ability
Anti Money Laundering Law	80	2002	To determine crimes of which the laundered money is derived and it has been amended in 2003 by law No. 78
Intellectual Property Rights Law	82	2002	To protect intellectual property rights
Special Economic Zones Law	83	2002	To attract national and foreign direct investment to Egypt and to establish special economic zones that have the ability to compete with other zones all over the world
Export Development Law	155	2002	To highlight the importance of export promotion and encourage it
Telecommunication Law	10	2003	To have a comprehensive legislation dealing with all kinds of telecommunication methods, except those excluded for national security reasons
Labor Law	12	2003	To govern the relationship between the employer and employee in Egypt
Banking Law	88	2003	To create legal infrastructure suitable for the proper functioning of the banking sector and to guarantee its independence; to adopt the recent international standards; and to set the legal framework necessary for the management of foreign currency sector; and to reduce contradictions between the provisions of different laws.
E-signature Law	15	2004	To establish an authority responsible of encouraging and developing information communication technology, transferring and using advanced information technology, supporting ICT studies, regulating the activities of e-signature and other activities in relation to e-transactions and the information technology industry
Small and Medium Enterprises Law	141	2004	To provide incentives and facilitate the procedures necessary to establish and start a small enterprise
Anti Trust and Competition Law	3	2005	To eliminate monopoly practices that harm the national economy and abate consumers of their right to low priced and high quality commodities
Income Tax Law	91	2005	To reduce income rates and widened the tax bands
Customs Law	95	2005	To unify procedures at all custom points and it will help to establish a databases to achieve full information of custom procedures and have more transparent relationship between customs revenues and clients
Central Bank of Egypt, the Banking Sector and Financial Services	93	2005	To avoid the negative impact of taxes and fees especially those related to the exemption of securities from taxes and fees levied by the CBE. And to coordinate with other legislations and institutions governing mortgage finance and leasing
General Budget Law	87	2005	To improve the methodology of presenting the budget especially in relation to the re-classification of some items to increase transparency and distinguish the different types of revenues and separate them from the sources available for financing budget deficit

II. Main Economic Indicators

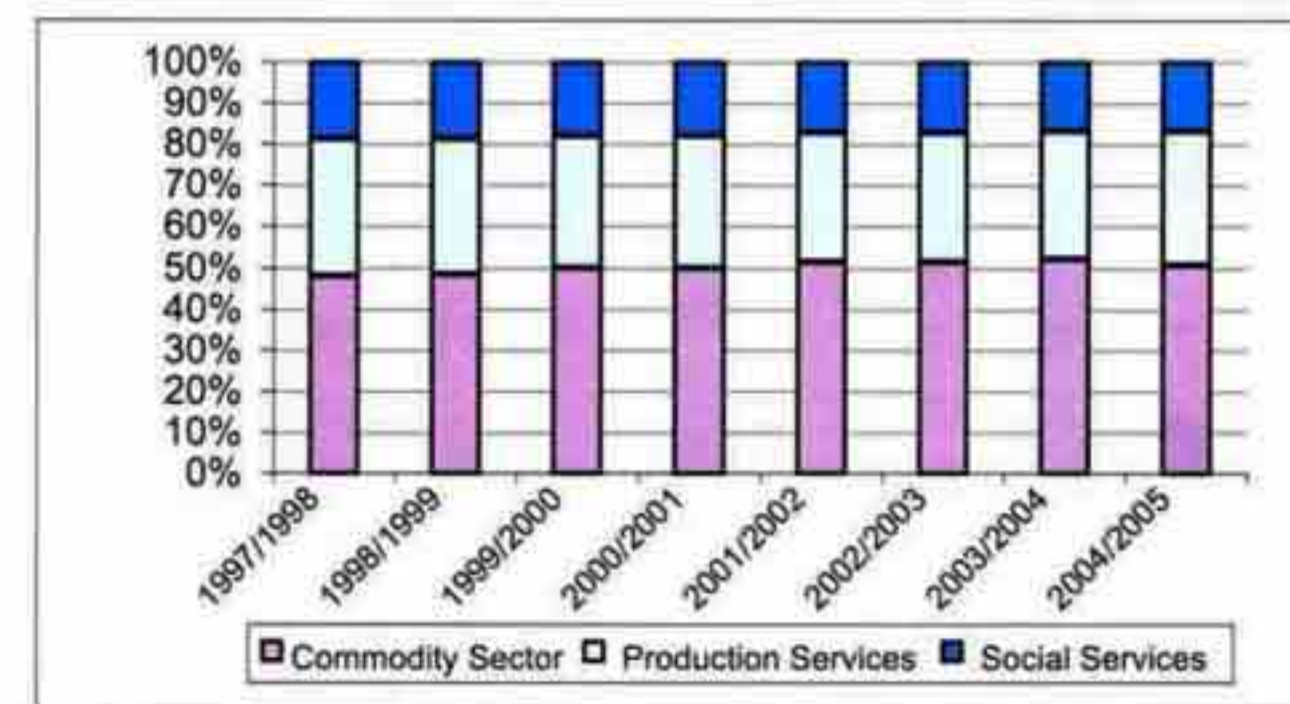


Table (2-1): GDP, GDP Growth Rate

End of June	GDP (Market Prices)	Real GDP		Share of Private Sector in GDP
	LE Billions	Market Prices LE Billions	Growth Rate %	
2005	536	427	5.1	62.3
2004	485	407	4.1	62.2
2003	418	391	3.0	64.9
2002	379	379	3.2	65.4
2001	359	320	3.4	70.7
2000	340	309	5.9	70.4
1999	308	294	5.4	70.7
1998	287	277	4.1	68.5

Source: Ministry of Planning.

Figure (2-1): Percentage of GDP Distribution (at Factor Cost)



Source: Ministry of Planning.

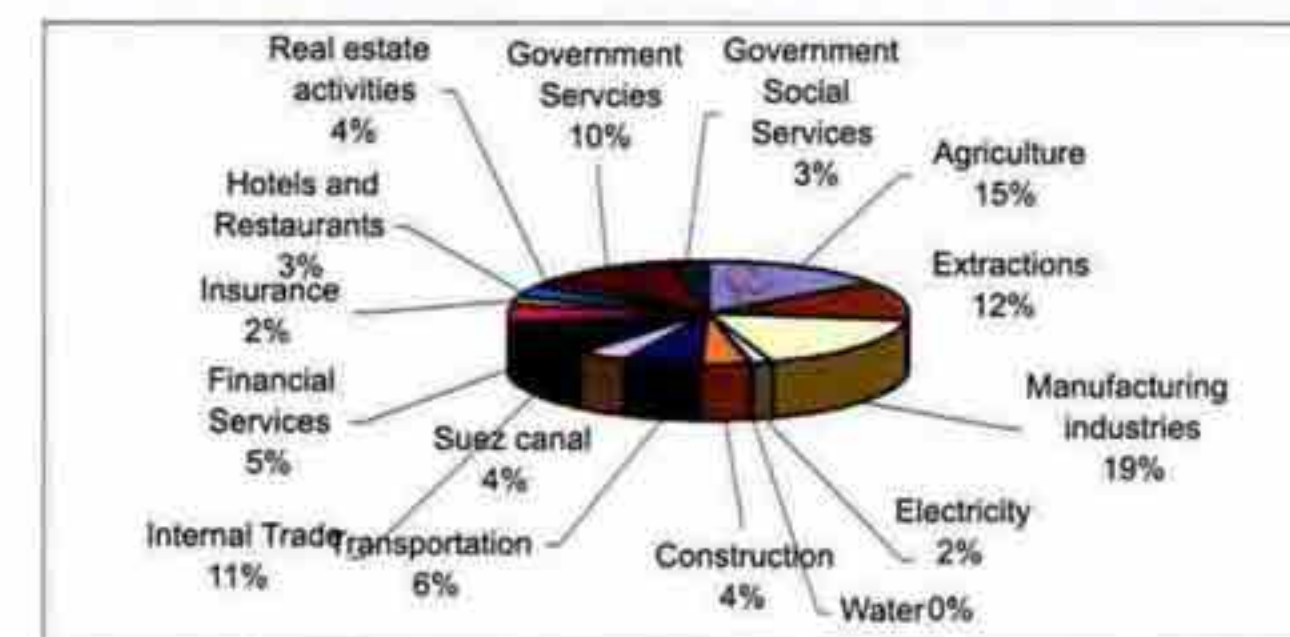
Table (2-2): GDP by Sources and Uses LE Billions

End of June	Sources				Uses				
	GDP at Factor Cost	Net Indirect Taxes	Imports (Goods & Services)	Total Sources	Household Consumption	Public Consumption	Capitalization	Exports of (Goods and Services) *	Total Uses
2005	504.6	32.0	175.1	711.7	381.0	69.5	95.0	166.0	711.7
2004	456.3	29.0	140.4	625.7	343.0	61.9	82.2	138.6	625.7
2003	390.6	26.9	100.1	517.6	304.2	53.3	69.1	91.0	517.6
2002	354.5	24.4	85.9	464.8	279.0	47.2	69.2	69.4	464.8
2001	332.5	26.2	80.1	438.8	270.0	40.6	65.5	62.7	438.8
2000	315.7	24.4	77.6	417.7	258.0	38.1	66.5	55.1	417.7
1999	282.6	25.0	71.7	379.3	230.8	35.7	66.5	46.3	379.3
1998	266.7	20.7	73.9	361.3	220.4	32.5	61.8	46.6	361.3

Source: Ministry of Planning.

* Includes the share of foreign partner in petroleum activities.

Figure (2-2): GDP at Factor Cost (Sectoral Share) June 2005



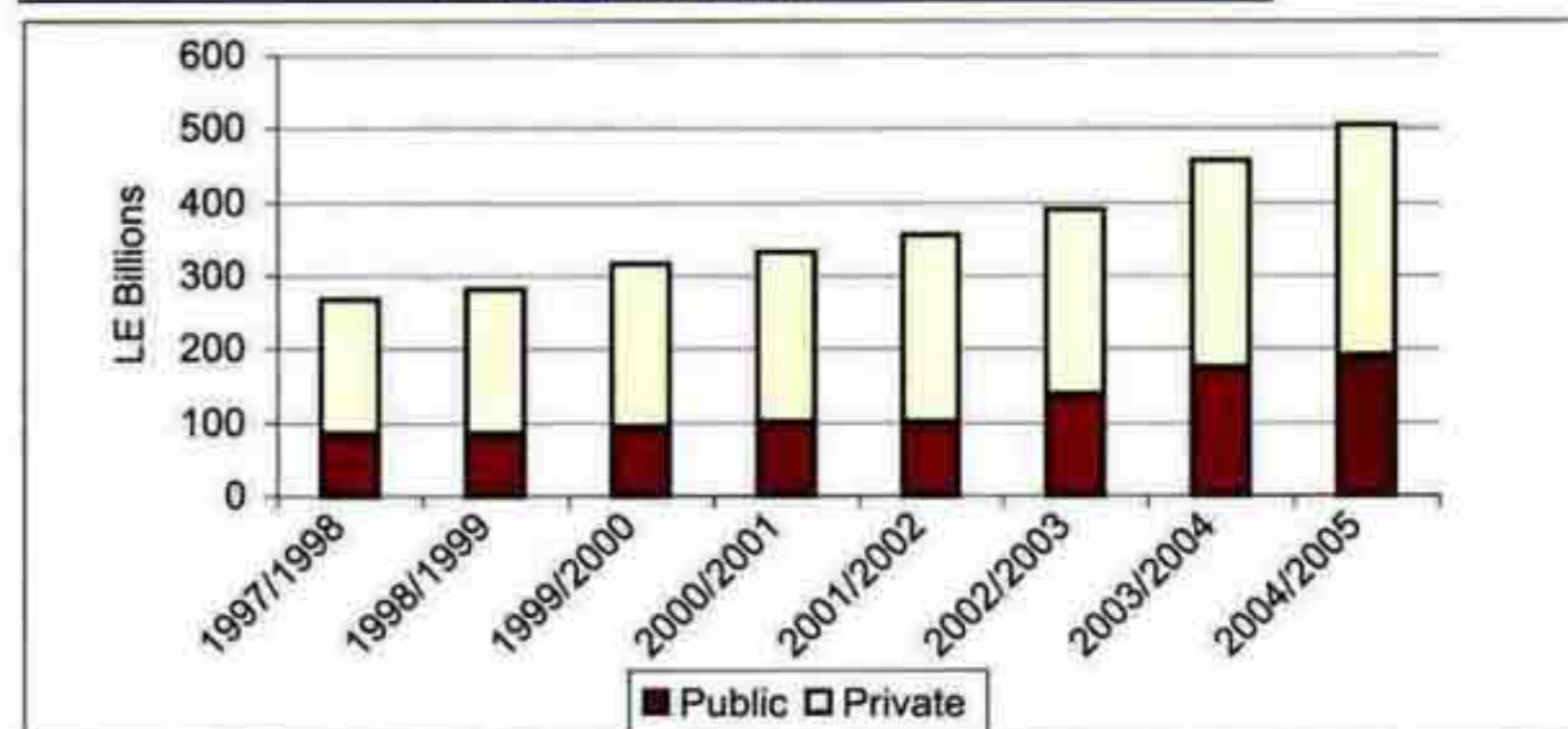
Source: Ministry of Planning.

Table (2-3): Savings and Investments

End of June	Gross Domestic Saving		Gross National Saving		Gross Domestic Investment	
	LE Billions	% of GDP	LE Billions	% of GDP	LE Billions	% of GDP
2005	86.1	16.1	104.3	19.4	95.0	17.7
2004	78.8	16.2	96.2	19.8	81.0	16.6
2003	59.9	14.3	73.1	17.5	69.0	16.6
2002	51.0	13.5	65.2	17.2	69.0	18.2
2001	48.0	13.4	64.0	17.8	66.0	18.3
2000	44.0	12.9	60.0	17.7	67.0	19.6
1999	41.0	13.4	57.0	18.6	67.0	21.6
1998	35.0	12.0	51.0	17.8	62.0	21.5

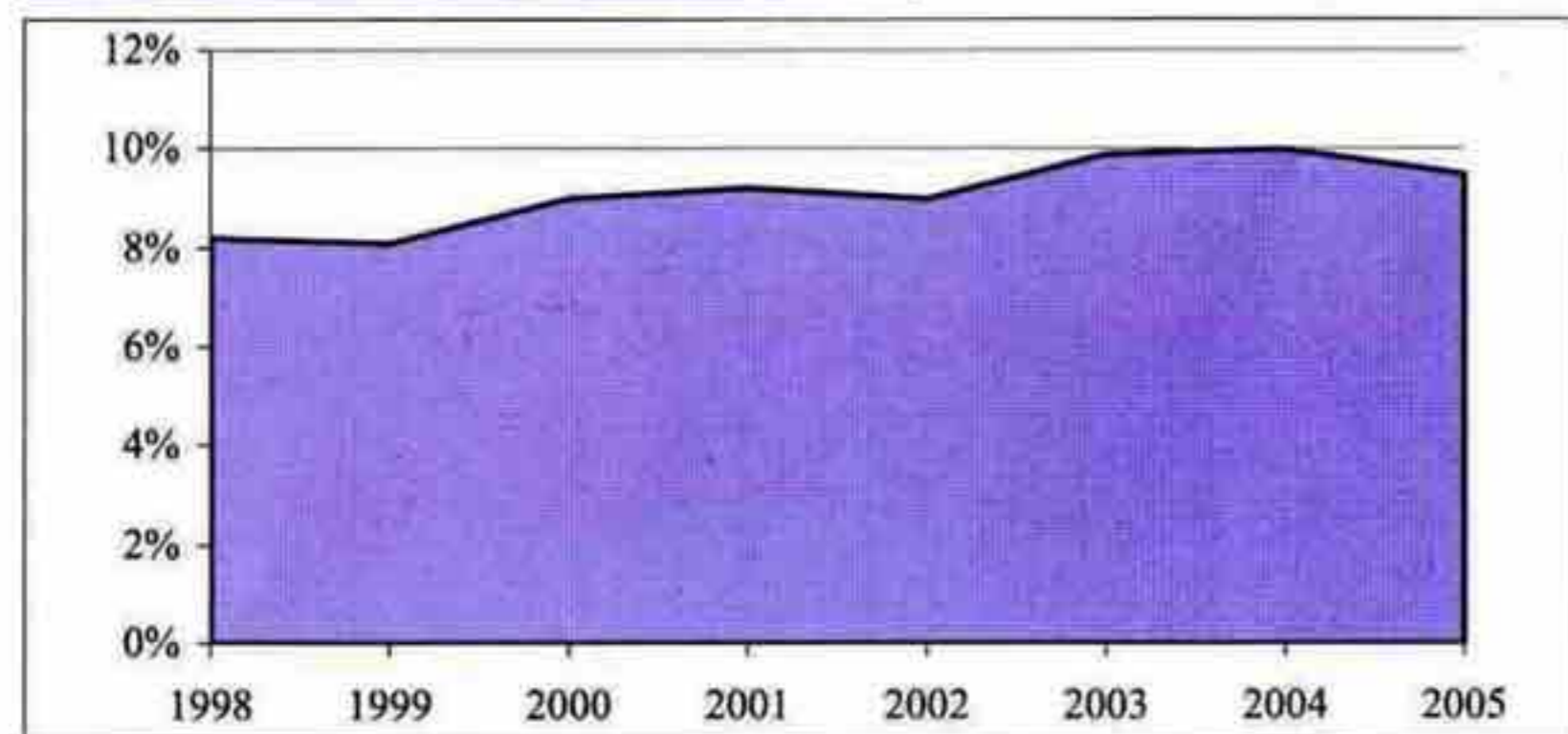
Source: Ministry of Planning.

Figure (2-3): Total GDP Distributed by Economic Agent Public Vs. Private



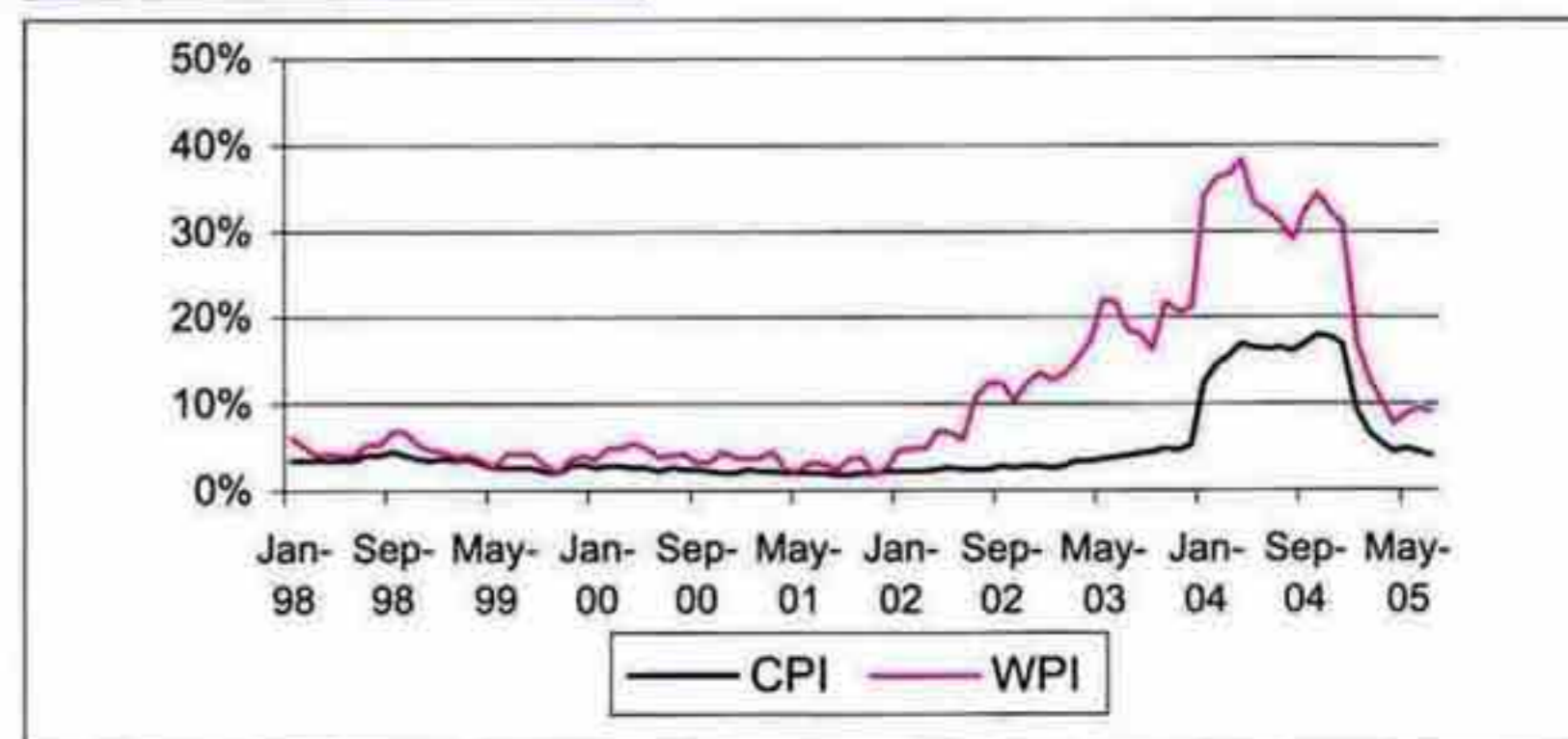
Source: Ministry of Planning.

Figure (2-4): Unemployment Rate



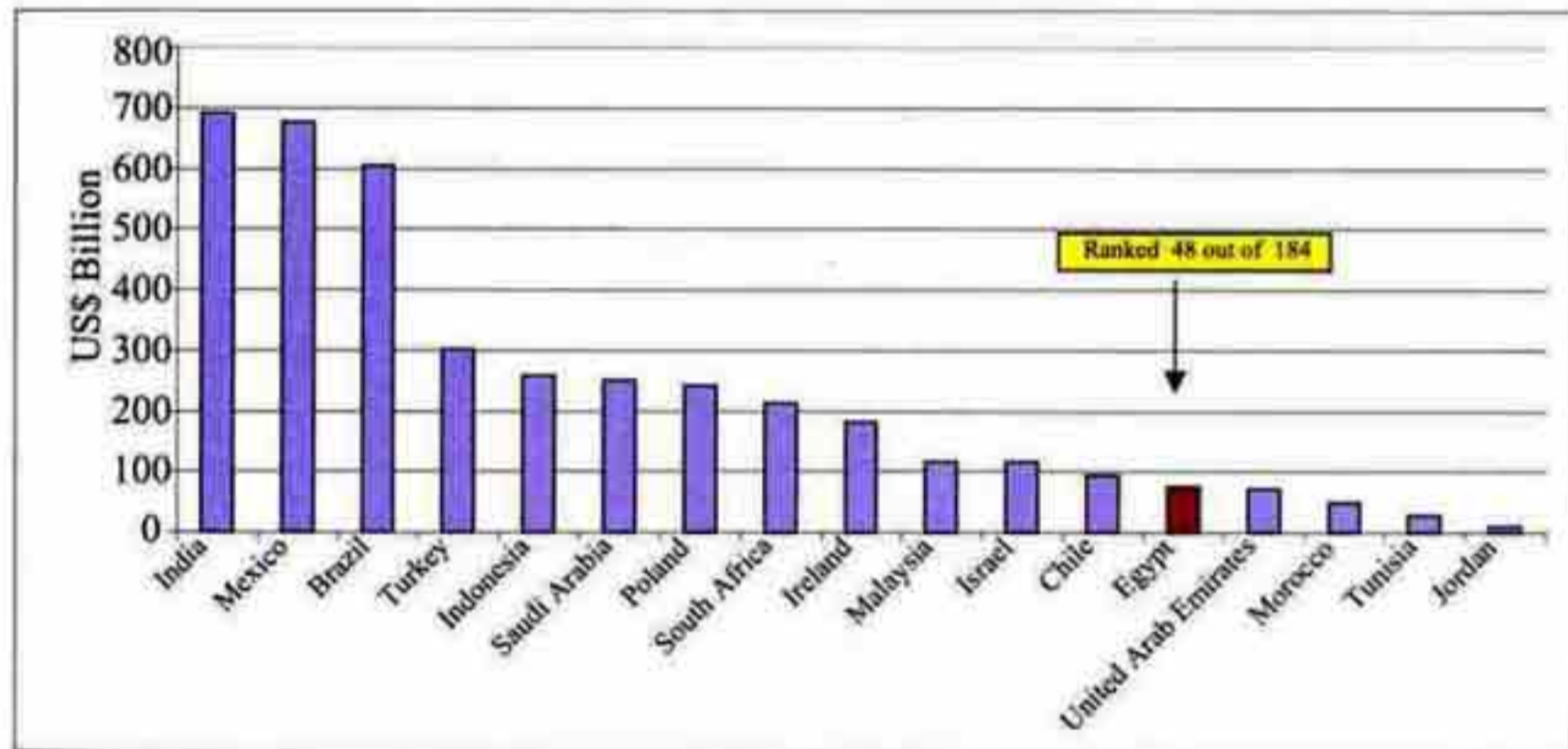
Source: CAPMAS.

Figure (2-5): CPI, WPI



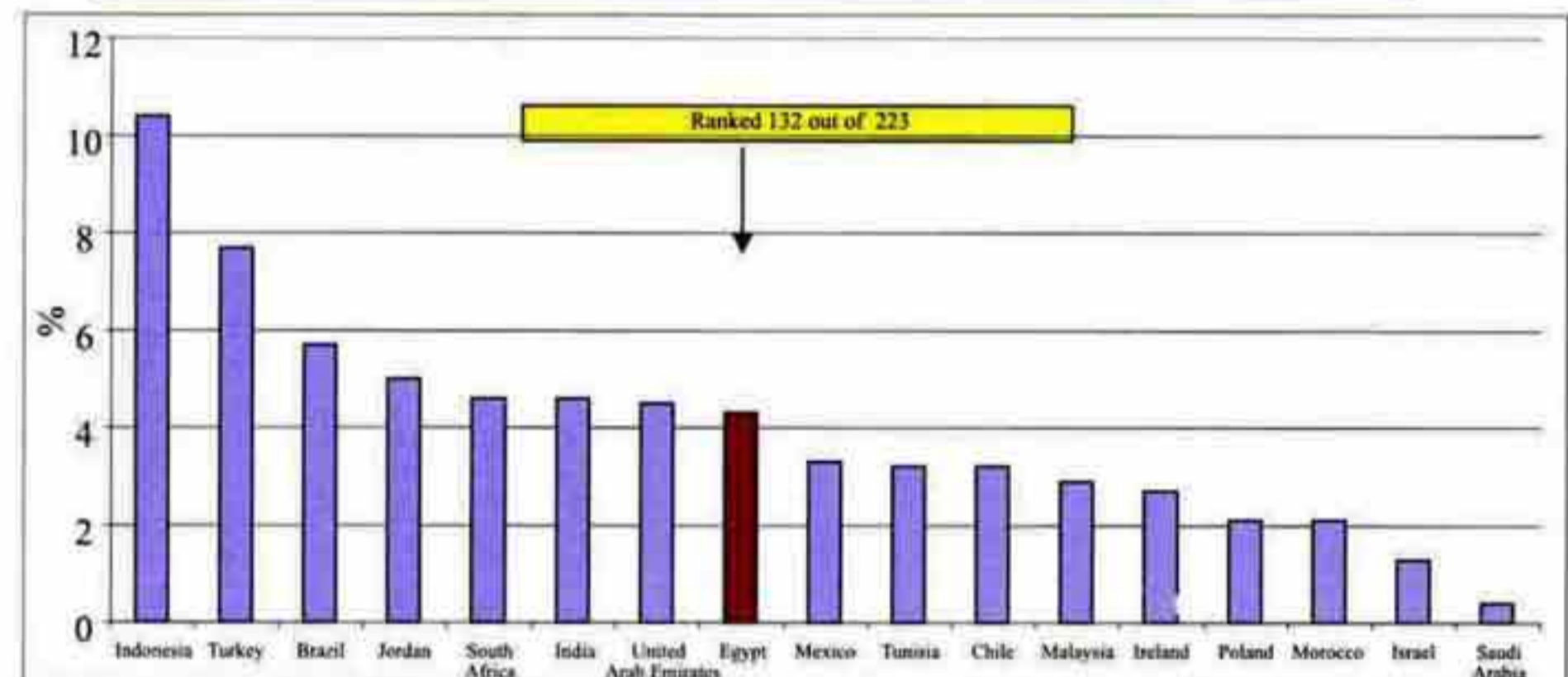
Source: CAPMAS.

Figure (2-6): Egypt GDP Compared to Some Countries 2004



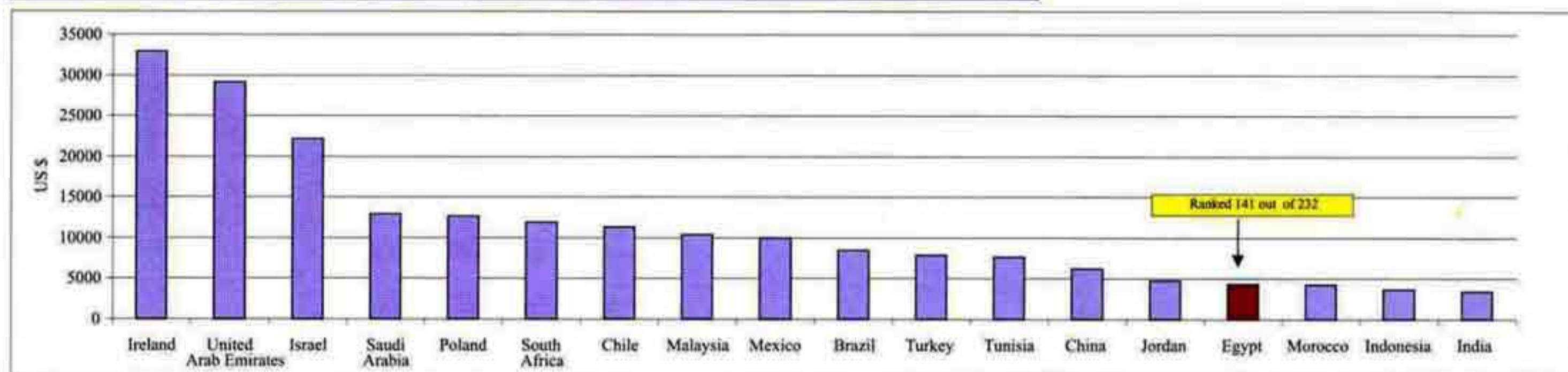
Source: World Development Indicators Database, World Bank, July 2005.

Figure (2-7): Egypt Inflation Rate (Consumer Prices) Compared to Some Countries 2005



Source: CIA - World Fact Book 2005, data for 2005.

Figure (2-8): Egypt GDP Per Capita Compared to Some Countries 2005



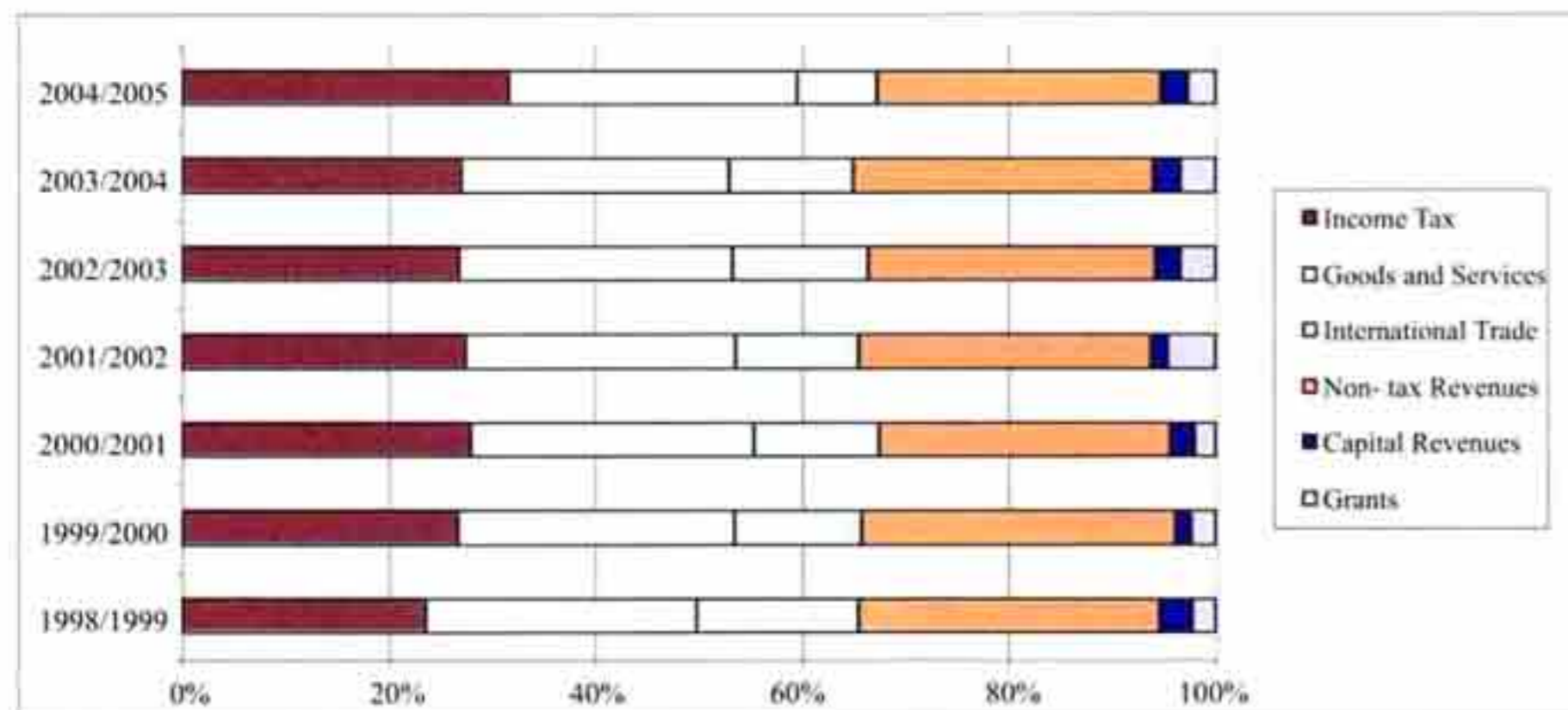
Source: CIA - World Fact Book 2005, data for 2005.

Table (2-4): Government Revenues and Expenditures L.E Billions

End of June	Total Revenues		Current Revenues (1+2)		Tax Revenues (1)					Non-tax Revenues (2)	Capital Revenues	Grants	Total Revenues & Grants	Current Expenditures (1)				Capital Expenditure (2)		Total Expenditures (1+2)		Net Lending		Total Expenditures and Net Lending	Overall Deficit
	LE	%GDP	LE	%GDP	Total	Income Tax	Goods and Services	International Trade	Other					Wages and Salaries	Defense	Interest Payments	Other	LE	% GDP	LE	% GDP	LE	% GDP	LE	LE
2005	105.7	20.3	103.0	19.2	73.1	34.3	30.3	8.4	0.2	29.8	2.8	3.0	108.7	41.2	14.6	32.8	48.6	20.2	3.7	157.4	29.4	1.1	0.2	158.5	-49.8
2004	96.3	19.8	93.6	19.3	64.8	26.9	25.8	12.0	0.2	28.8	2.7	3.4	99.7	36.0	12.4	31.7	29.1	18.3	3.7	127.5	26.2	0.8	0.2	128.3	-28.7
2003	83.5	20.0	81.4	19.5	57.5	23.2	22.8	11.4	0.2	24.0	2.1	3.0	86.5	31.5	11.2	26.8	25.6	16.6	3.9	111.8	26.7	0.1	0.1	111.9	-25.4
2002	75.3	19.8	74.1	19.5	51.7	21.6	20.6	9.3	0.2	22.3	1.2	3.7	79.0	28.2	10.2	22.9	24.1	15.3	4.0	100.7	26.5	0.4	0.1	101.2	-22.2
2001	74.6	20.7	72.8	20.3	51.4	21.2	20.8	9.2	0.1	21.4	1.8	1.6	76.1	25.2	9.7	20.9	25.0	15.1	4.2	95.9	26.7	0.2	0.0	96.1	-20.0
2000	73.6	23.3	72.5	23.0	49.6	20.1	20.1	9.3	0.1	22.9	1.1	1.8	75.4	22.2	8.5	18.6	20.5	16.7	5.2	86.5	27.3	2.1	0.7	88.6	-13.2
1999	69.4	24.5	67.2	23.7	46.6	16.7	18.6	11.1	0.2	20.7	2.2	1.6	71.1	19.7	8.1	16.4	17.1	17.5	6.2	78.7	27.8	1.3	0.4	80.0	-8.9

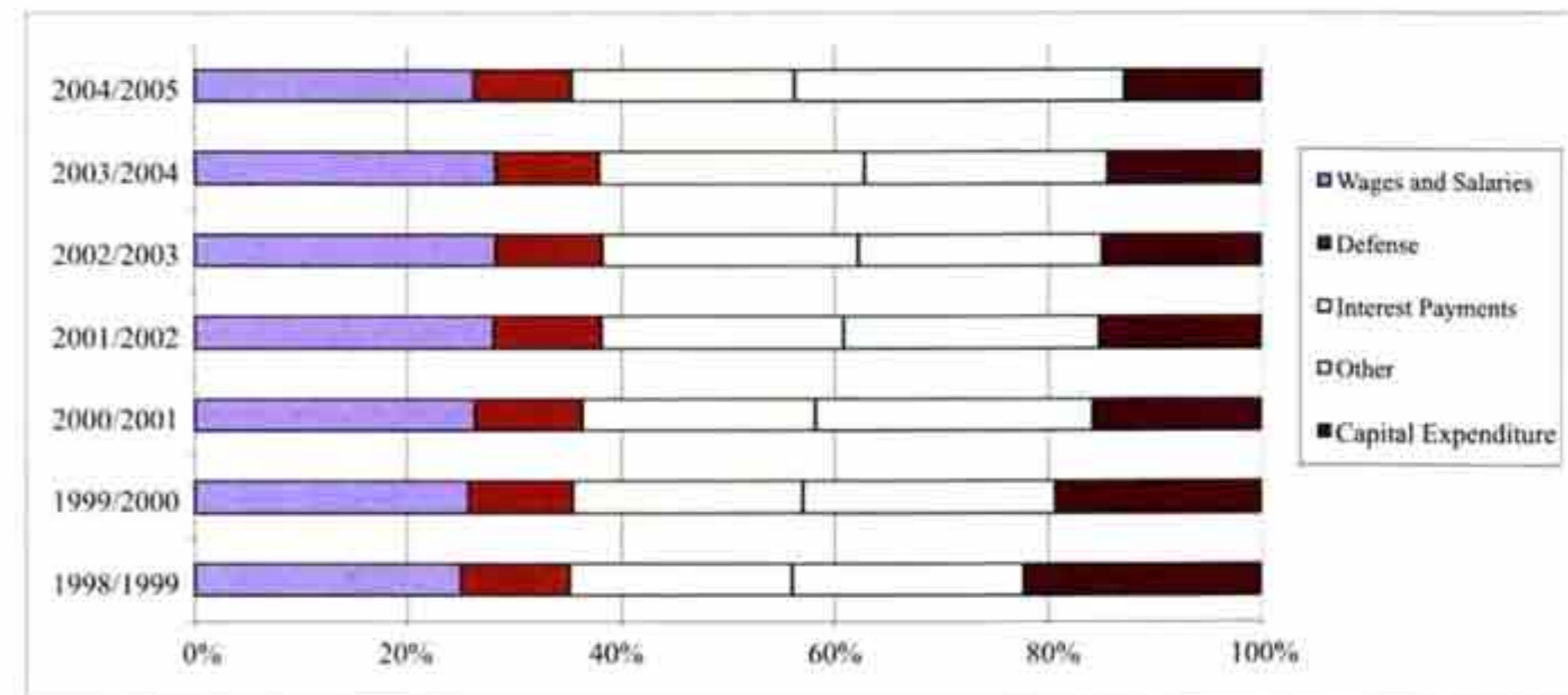
Source: Ministry of Finance.

Figure (2-9): Revenues Distributed by Sources



Source: Ministry of Finance.

Figure (2-10): Expenditures Distributed by Uses



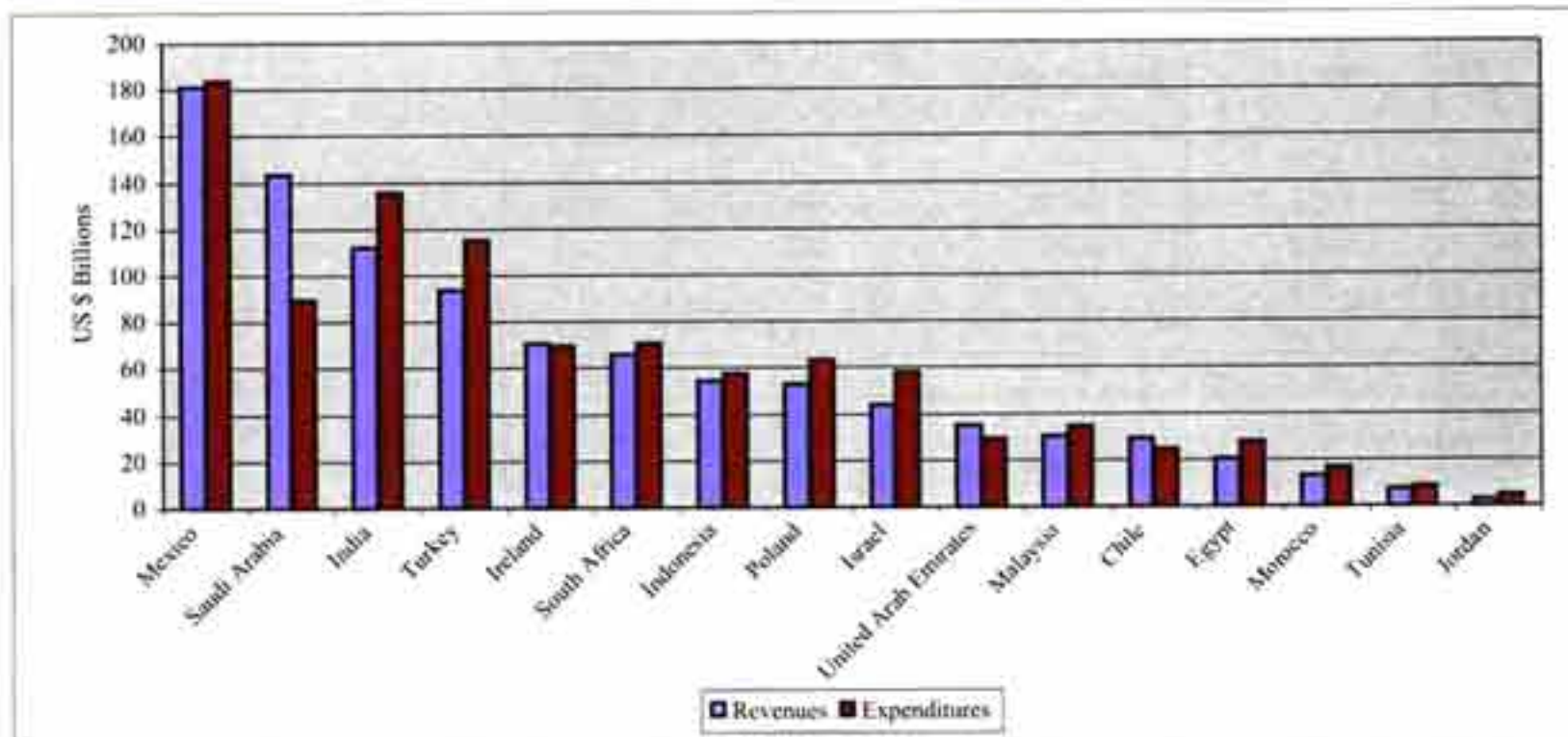
Source: Ministry of Finance.

Table (2-5): Central Government Finances 2005 US\$ Billion

	Revenues	Expenditures
Mexico	181	184
Saudi Arabia	143.7	89.6
India	112.1	135.8
Turkey	93.5	115.3
Ireland	70.5	69.4
South Africa	65.9	70.6
Indonesia	54.3	57.7
Poland	52.7	63.2
Israel	43.8	58
United Arab Emirates	34.9	29.4
Malaysia	30.5	34.6
Chile	29.2	24.7
Egypt	20.3	27.6
Morocco	12.9	16.7
Tunisia	7	8
Jordan	2.8	4.6

Source: CIA - World Fact Book 2005, data for 2005

Figure (2-11): Egypt Central Government Finances Compared to Some Countries 2005



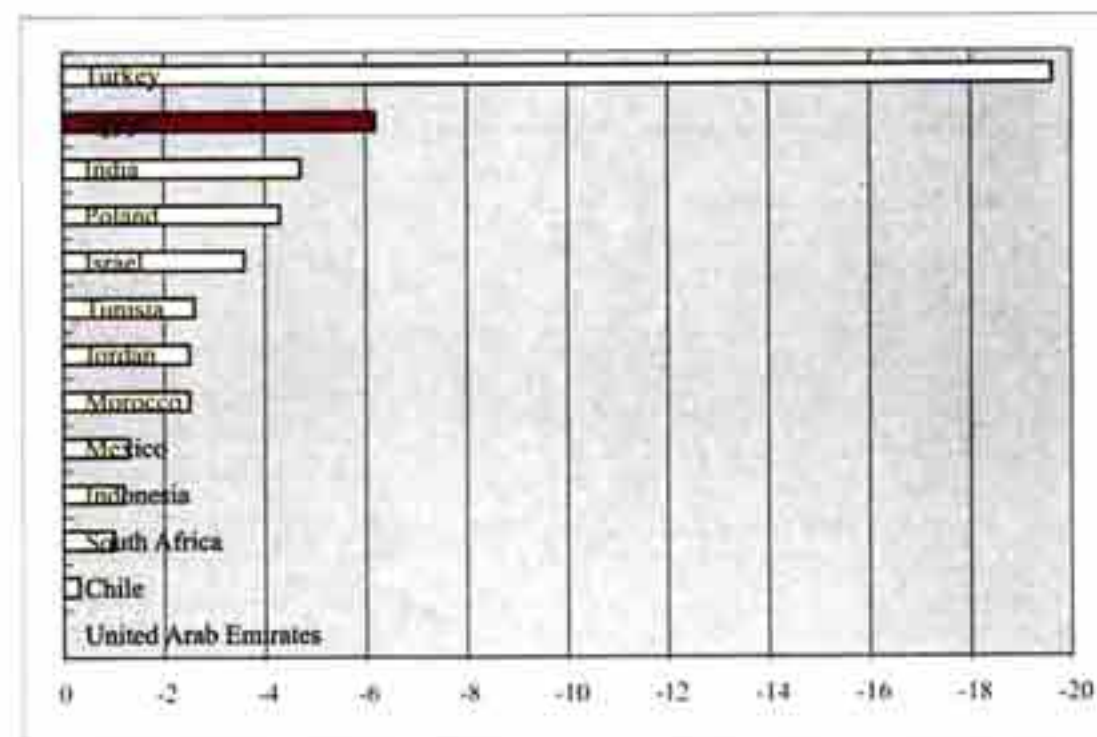
Source: CIA - World Fact Book 2005, data for 2005

Table (2-6): Central Government Finances % of GDP - 2001

	Current Revenue	Total Expenditure	Overall Budget Balance	Financing		Debt and Interest Payments	
				Abroad	Domestic	Total Debt % of GDP	Interest % of Revenue
United Arab Emirates	3.4	9.9	0.0	0.0	0.0	-	-
Chile	22.8	23.1	-0.3	0.7	-0.4	15.6	2.1
South Africa	27.7	28.8	-1	3.4	-2.4	46.8	17.5
Indonesia	21.2	24.8	-1.2	0.5	0.7	45.2	21.6
Mexico	14.8	15.9	-1.3	0.9	2.1	23.2	14
Morocco	29.6	32.5	-2.5	-1.5	4	72.8	16.5
Jordan	25.1	32.4	-2.5	0.2	2.3	-1.9	13.3
Tunisia	28.6	32	-2.6	0.7	1.8	62.6	11.4
Israel	41.2	47.3	-3.6	-0.1	3.7	99.1	12.9
Poland	29.6	35.1	-4.3	-1.5	5.7	38.8	9.5
India	13	17.3	-4.7	0.1	4.6	57.7	37.1
Egypt	23.6	29.7	-6.19	-0.6	8.14	28.5	27.4
Turkey	29.1	49.5	-19.6	-1.9	21.5	99.9	85.1

Source: World Development Indicators 2004.

Figure (2-12): Overall Budget Balance as % of GDP 2001



Source: World Development Indicators 2004.

Table (2-7): Money, Quasi Money, Liquidity and Credit LE Billions

End of June	Money (1)	Quasi Money (2)	Domestic Liquidity (1+2)	Domestic Credit
2005	89.7	404.2	493.9	466.8
2004	77.6	357.3	434.9	422.0
2003	67.2	317.1	384.3	387.4
2002	59.8	268.9	328.7	360.1
2001	53.4	231.4	284.9	321.9
2000	49.7	205.5	255.3	286.6
1999	48.8	185.7	234.6	256.8
1998	43.6	166.9	210.5	211.8

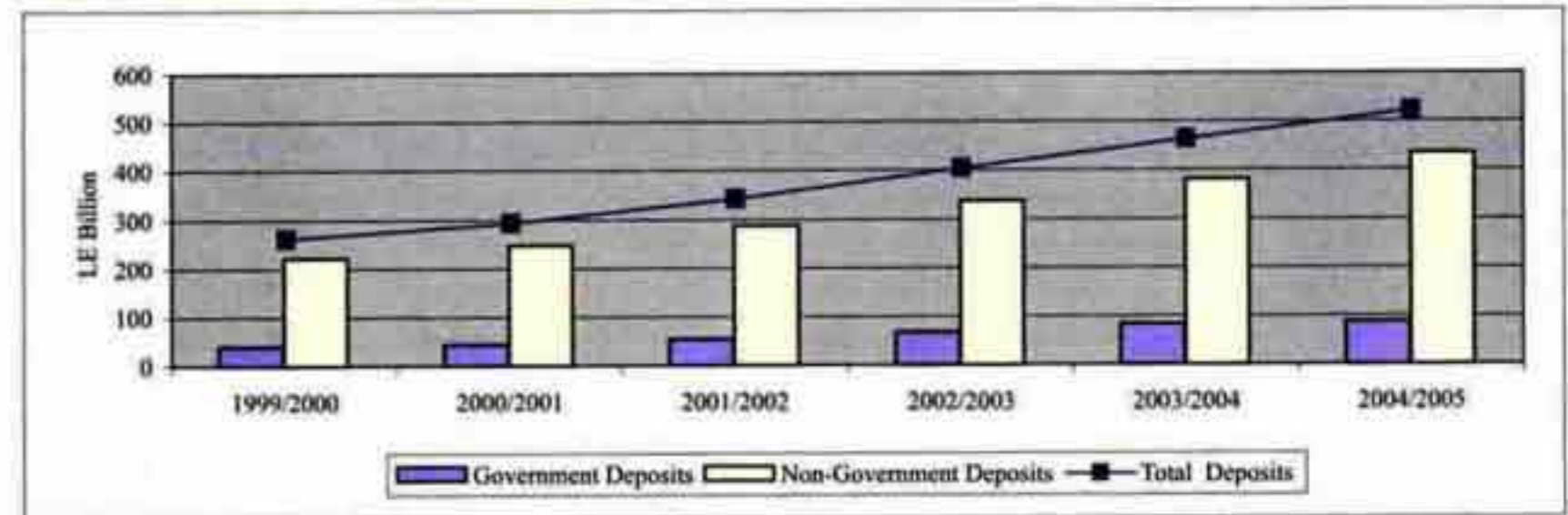
Source: Central Bank of Egypt.

Table (2-8): Net Foreign and Domestic Assets LE Billions

End of June	Reserve Money	Net Foreign Assets	Domestic Assets (Claims on Sectors)		
			Government (Net)	On Banks	et Balancing Items
2005	177.8	37.3	122.3	-22.0	40.2
2004	118.5	9.9	99.5	-35.5	44.7
2003	89.2	12.3	70.8	-34.5	40.6
2002	73.8	9.5	71.3	-17.7	10.3
2001	70.0	13.0	65.1	-10.0	2.0
2000	65.7	13.6	50.3	2.0	-0.3
1999	61.8	22.8	37.5	2.4	-0.9
1998	56.0	29.9	18.4	9.9	-2.3

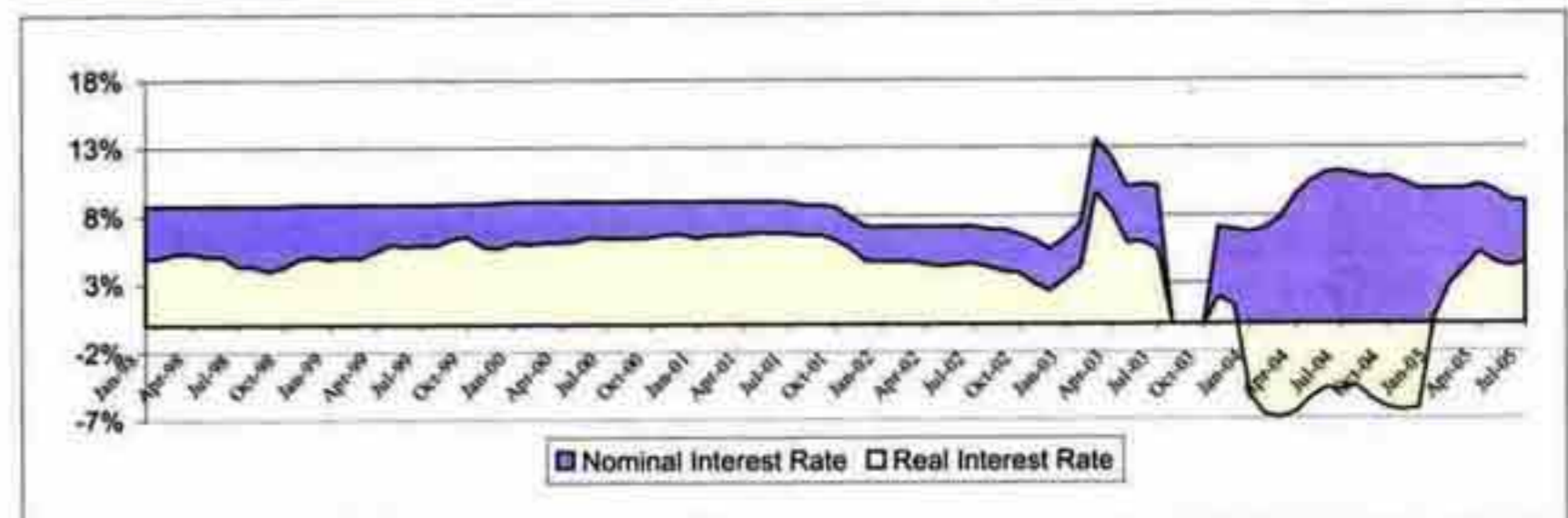
Source: Central Bank of Egypt.

Figure (2-13): Total Deposits



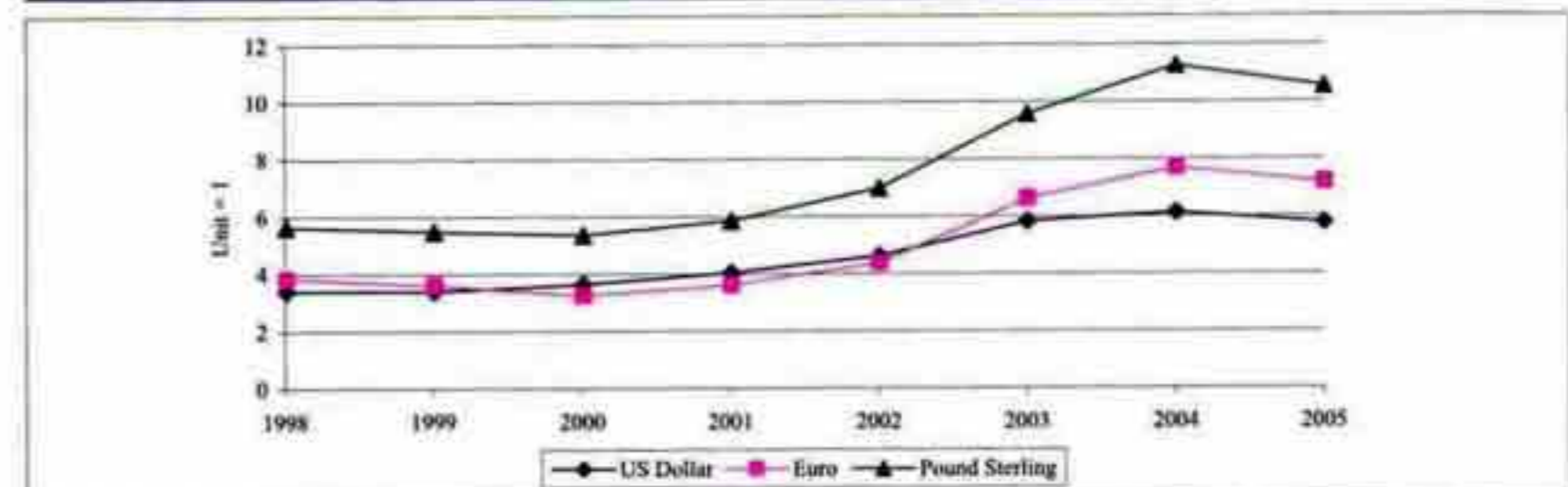
Source: Central Bank of Egypt.

Figure (2-14): Nominal and Real Interest Rates



Source: Central Bank of Egypt.

Figure (2-15): Egyptian Pound against Major Currencies



Source: Financial Time- Reuters.

Table (2-9): Total Reserves, and Foreign Exchange Millions of SDRs

	Total Reserves		Foreign Exchange	
	2000	2004	2000	2004
India	29,493	81,917	28,601	80,594
Mexico	27,262	41,306	--	40,423
Turkey	17,391	23,098	17,126	22,846
Indonesia	21,984	22,615	21,706	22,359
Poland	20,502	22,861	20,201	22,249
Ireland	4,120	1,829	38,120	1,496
Malaysia	22,700	42,786	21,970	42,118
Israel	17,869	17,446	17,778	17,138
Chile	11,542	10,299	11,272	8,222
Saudi Arabia	15,193	17,734	13,843	14,844
South Africa	4,875	8,601	4,446	8,238
United Arab Emirates	10,393	11,932	10,211	11,725
Brazil	25,001	33,975	24,935	33,957
Egypt	10,153	9,276	9,911	9,084
Morocco	3,727	10,544	3,540	10,371
Tunisia	1,398	2,542	1,367	2,508
Jordan	2,571	3,406	2,556	3,390

Source: International Financial Statistics 2005.

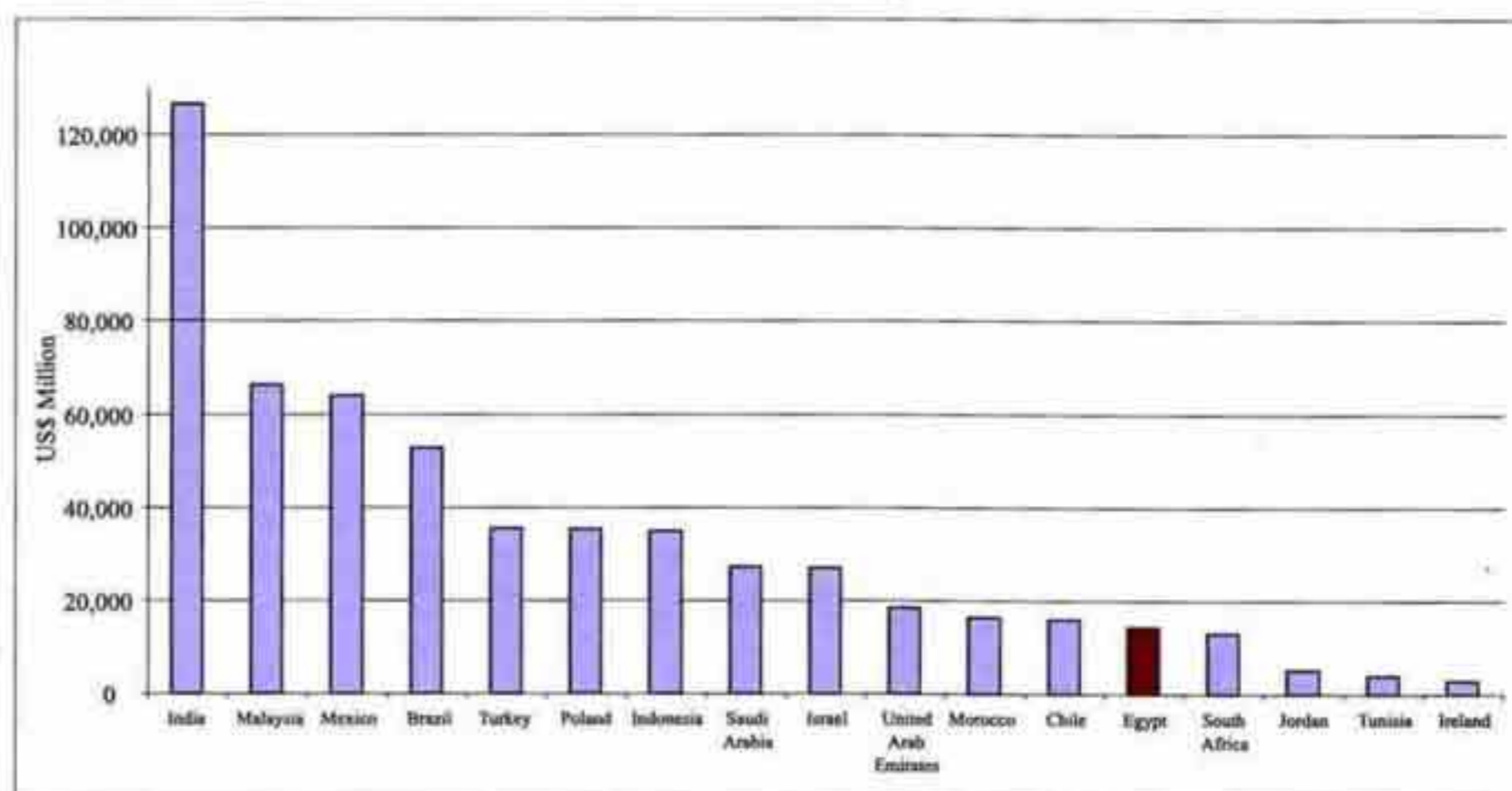
Table (2-10): Deposit Rate, and Lending Rate Percent Per Annum

	Deposit Rate		Lending Rate	
	2000	2004	2000	2004
India	--	--	12.29	10.92
Mexico	8.26	2.70	16.93	7.22
Turkey	47.16	24.26	--	--
Indonesia	12.50	6.44	18.46	14.12
Poland	14.17	3.82	20.01	7.56
Ireland	0.01	0.01	4.77	2.57
Malaysia	3.36	3.00	7.67	6.05
Israel	8.63	3.62	12.87	7.44
Chile	9.20	1.94	14.84	5.13
Saudi Arabia	6.67	1.73	--	--
South Africa	9.20	6.55	14.50	11.29
Brazil	17.20	15.42	56.83	54.93
Egypt	9.50	7.73	13.22	13.38
Morocco	5.16	3.61	13.31	11.50
Jordan	6.97	2.49	11.80	8.26

Source: International Financial Statistics 2005.

Period averages in percent per annum.

Figure (2-16): International Liquidity* 2004



Source: International Financial Statistics 2005.

* Total Reserves Minus Gold

Table (2-11): Exchange Rate (End of Period)

	National Currency Units Per US\$		
	2000	2002	2004
India	46.750	48.030	43.585
Mexico	9.572	10.313	11.265
Turkey	0.673	1.644	1.340
Indonesia	9,595.0	8,940.0	9,290.0
Poland	4.143	3.839	2.990
Malaysia	3.800	3.800	3.800
Israel	4.041	4.737	4.308
Chile	572.680	712.380	559.830
Saudi Arabia	3.750	3.750	3.750
South Africa	7.566	8.640	5.630
United Arab Emirates	3.673	3.673	3.673
Brazil	1.955	3.533	2.654
Egypt	3.690	4.500	6.153
Morocco	10.619	10.167	8.218
Tunisia	1.385	1.334	1.199

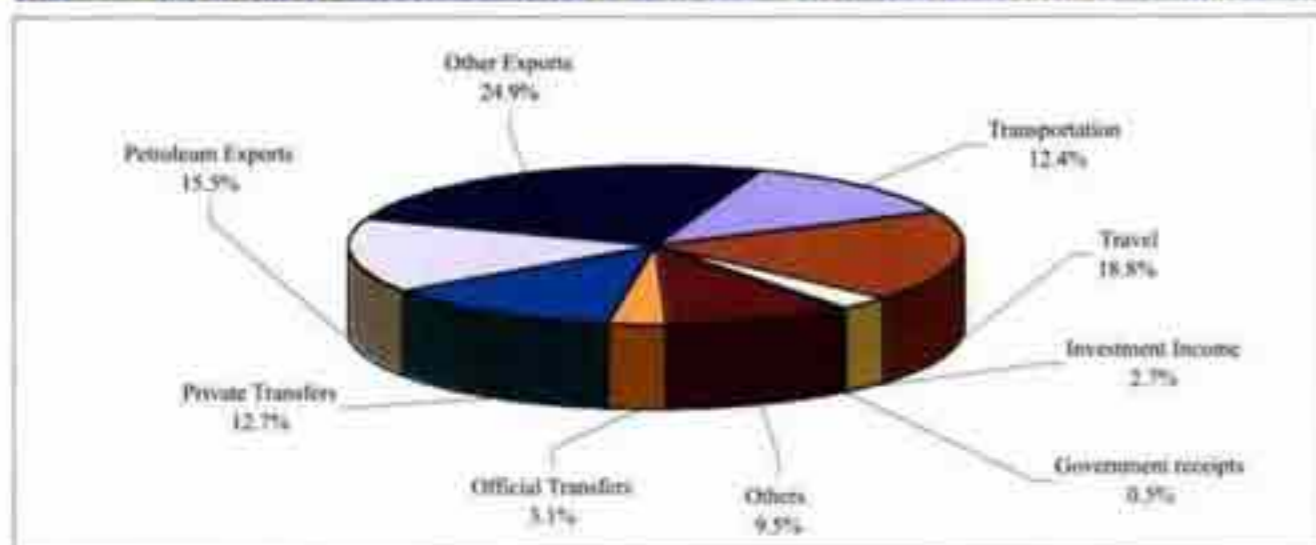
Source: International Financial Statistics 2005.

Table (2-12): Balance of Payments US \$Millions

End of June	Trade Balance		Services (net)	Balance of Goods & Services (1)	Transfers (2)		Balance of Current Account (1+2)	Direct Investment (3)		Portfolio Investments (4)		Net Investments (5)	Balance of Capital and Financial Account (3+4+5)	Net Errors & Omissions	Overall Balance
	Exports Proceeds	Imports Payments			Official	Private		Abroad	in Egypt	Abroad	in Egypt				
2005	13,833	-24,193	7,842	-2,517	1,056	4,372	2,911	-39.0	3,902	540.6	831.1	-1,857	-3,378	-1,811	4,478
2004	10,453	-18,286	7,318	-516.0	888.0	3,046	3,418	-155.7	407.2	113.0	-225.6	-5,155	-5,016	1,440	-158.3
2003	8,205	-14,820	4,949	-1,666	663.6	2,946	1,943	-30.0	700.6	-15.8	-405.2	-2,983	-2,734	1,337	546.0
2002	7,121	-14,637	3,878	-3,638	1,144	3,109	614.2	-15.2	428.2	-3.2	998.9	-2,373	963.8	-106.8	-456.4
2001	7,078	-16,441	5,588	-3,776	769.3	2,973	-33.4	27.3	509.4	-4.6	260.5	-1,280	-541.7	-296.3	-871.4
2000	6,388	-17,860	5,630	-5,843	932.4	3,747	-1,163	-43.0	1,656	-12.0	472.6	-3,273	-1,199	-664.4	-3,027
1999	4,445	-17,008	5,970	-6,593	1,097	3,772	-1,724	-56.0	710.6	-43.0	-173.6	480.5	918.6	-1,312	-2,117
1998	5,128	-16,899	4,692	-7,079	882.6	3,718	-2,479	-137.0	1,104	-56.0	-248.0	2,724	3,387	-1,043	-135.0

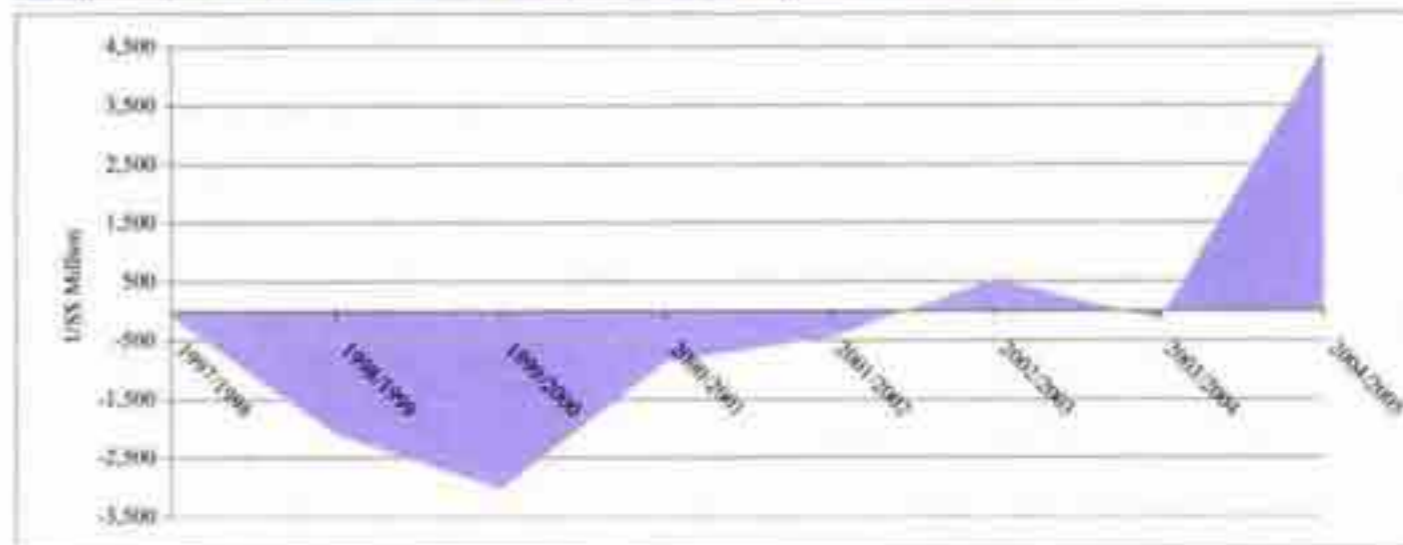
Source: Central Bank of Egypt.

Figure (2-17): Distribution of Current Account Receipts 2004/2005



Source: Central Bank of Egypt.

Figure (2-18): Balance of Payments Improvements



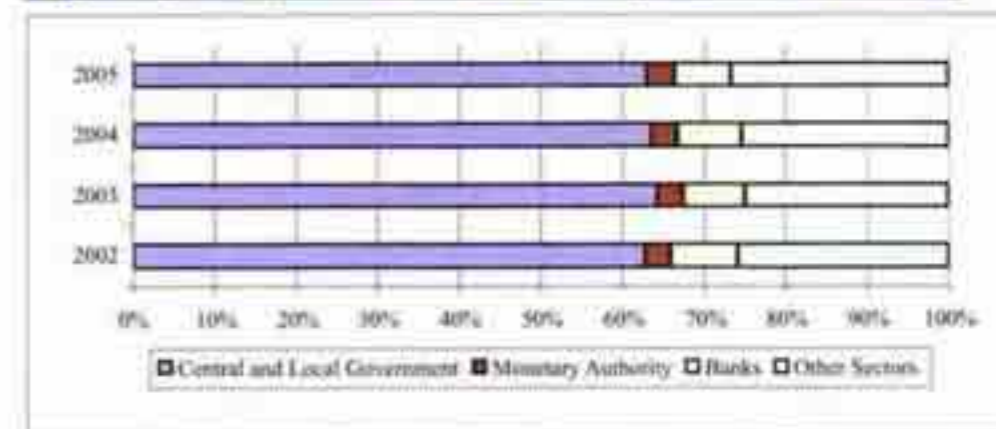
Source: Central Bank of Egypt.

Table (2-13): External Debt US\$ Millions

End of June	Rescheduled Bilateral Debt	Other Bilateral Debt	International & Regional Institutions	Suppliers & Buyers Credits	Egyptian Bonds and Notes	Long-Term Deposits	Short-Term Deposits	Private Sector (non guaranteed)	Total External Debt	
									Total	% GDP
2005	157,341	4,291	5,058	781.6	613.6	500.0	1,855	115.2	28,949	31.2
2004	16,385	4,433	5,081	1,333.0	587.7	-	1,968	85.2	29,872	38.1
2003	16,192	4,350	4,904	1,133.1	735.4	-	1,865	217.2	29,396	42.5
2002	15,336	4,057	4,697	923.8	953.6	-	2,150	542.4	28,661	33.7
2001	14,779	3,894	4,310	896.0	-	-	2,207	472.8	26,560	28.5
2000	16,292	4,226	4,275	980.6	-	-	1,628	381.4	27,783	28.2
1999	16,800	4,227	4,326	657.4	-	-	1,830	384.1	28,224	31.2
1998	17,032	4,068	4,302	825.1	-	-	1,719	130.7	28,076	33.2

Source: Central Bank of Egypt.

Figure (2-19): External Debt by Debtor Sector



Source: Central Bank of Egypt.

Table (2-14): Balance of Payments US\$ Millions

	Current Account Balance	Capital Account Balance	Financial Account Balance	Net Errors and Omissions	Overall Balance
India *	6,718	3,839	15,267	183	26,007
Malaysia*	13,381	—	-3,196	-4	10,181
Brazil	11,7	339	-3,307	-2,144	6,599
South Africa	-7,442	52	7,394	6,320	6,324
Saudi Arabia	51,926	..	-47,428	..	4,498
Turkey	-15,451	—	16,811	2,948	4,308
Mexico	-7,409	—	12,310	-796	4,104
Indonesia *	7,252	—	-949	-2,655	3,648
Jordan *	963	94	-247	539	1,349
Tunisia	-555	108	1,456	-32	977
Poland	-3,585	998	478	2,910	801
Morocco	1,063	-10	-1,091	-297	-52
Chile	1,390	5	-524	-1,062	-191
Egypt *	3,743	—	-5,725	1,575	-407
Ireland	-748	471	3,472	-4,630	-1,435
Israel	504	523	-4,583	1,934	-1,934

Source: International Financial Statistics 2005- data of 2004.

* Data for 2003

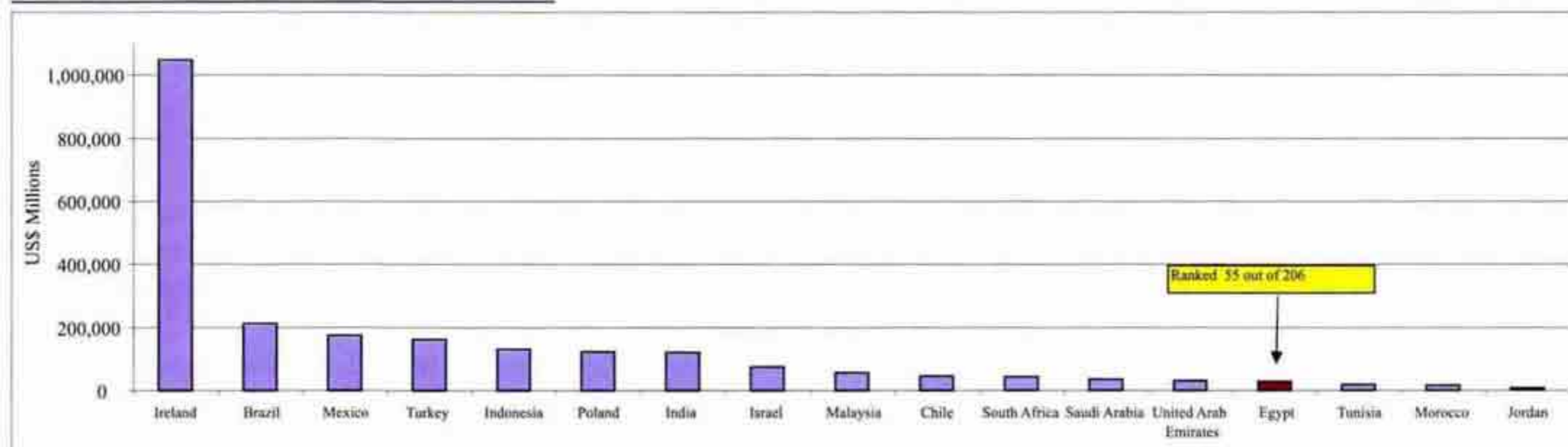
Table (2-15): Current Account Balance 2004 US\$ Millions

	Trade Balance		Service Balance		Income		Balance of Goods, Services & Income	Transfers	
	Goods Exports (FOB)	Goods Imports (FOB)	Service: Credit	Service: Debit	Income: Credit	Income: Debit		Transfers: Credit	Transfers: Debit
India *	59,338	-68,208	23,397	-25,710	3,779	-8,230	-15,634	22,697	-345
Mexico	187,999	-196,810	14,004	-19,779	5,049	-14,901	-24,438	17,108	-80
Turkey	66,896	-90,726	24,045	-11,277	2,651	-8,167	-16,578	1,165	-38
Indonesia*	63,254	-39,546	5,293	-17,400	1,055	-7,272	5,384	2,053	-184
Poland	81,596	-87,180	13,364	-12,471	2,113	-6,669	-9,247	8,276	-2,614
Ireland	98,745	-59,183	47,162	-58,495	38,543	-67,951	-1,179	6,960	-6,530
Malaysia*	104,999	-79,289	13,577	-17,532	3,448	-9,376	15,827	508	-2,955
Israel	36,167	-38,564	14,209	-13,484	2,259	-6,282	-5,695	7,280	-1,081
Chile	32,025	-23,006	5,956	-6,537	1,510	-9,610	338	1,395	-344
Saudi Arabia	125,998	-41,050	5,852	-25,696	4,278	-3,800	65,7 ⁹²	..	-13,655
South Africa	48,237	-48,518	9,010	-10,340	3,259	-7,617	-5,969	257	-1,730
Brazil	96,475	-62,835	16,095	-24,243	3,199	-23,719	8,443	3,582	-314
Egypt*	8,987	-13,189	11,073	-6,474	578	-832	143	3,708	-109
Morocco	9,744	-16,238	6,830	-3,446	505	-1,150	-3,755	4,971	-154
Tunisia	9,679	-12,114	3,629	-1,986	114	-1,412	-2,090	1,564	-31
Jordan*	3,082	-5,078	1,493	-1,763	493	-370	-2,144	3,371	-265

Source: International Financial Statistics 2005.

* Data for 2003

Figure (2-20): Total External Debt US\$ Millions



Source: CIA - World Fact Book 2005. data for 2005.

Table (2-16): Foreign Direct Investments US\$ Millions

End of June	Inflows				Outflows	Net Foreign Direct Investments
	USA	EU	Arab Countries	Other		
2005	2040.1	813.9	213.6	1066.9	-232.7	3901.8
2004	229.4	42.5	152.2	10.9	-27.8	407.2
2003	277.5	584.4	15.4	14.6	-191.3	700.6
2002	159	363.2	3.5	6.3	-103.8	428.2
2001	277.3	196.2	12.1	24.5	-0.7	509.2

Source: Central Bank of Egypt 2006

Table (2-17): Foreign Investments and Number of Project Approvals LE Millions

	Law 8 of 1997		Law 159 of 1981		Number of Project Approvals
	Issued Capital	Foreign Participation	Issued Capital	Foreign Participation	
2005	33,587	10,155	8,022	3,454	5,771
2004	26,545	6,687	6,063	141	3,458
2003	5,840	1,502	1,113	204	2,628
2002	6,911	991	1,704	81	2,286
2001	6,899	887	1,397	255	2,772

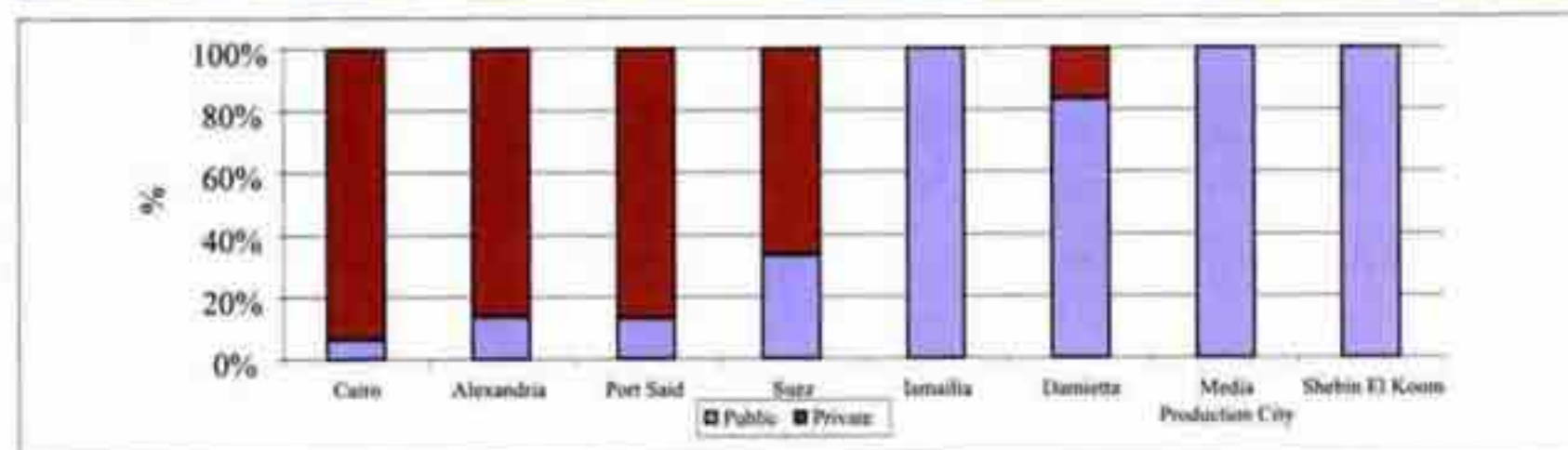
Source: General Authority for Investment and Free Zones.

Table (2-18): Total Free Zones US\$ Millions

End of June	Free Zones	
	Issued Capital	Number of Companies
2005	460.7	122
2004	929.9	53
2003	34.6	24
2002	420.7	53
2001	670.2	64

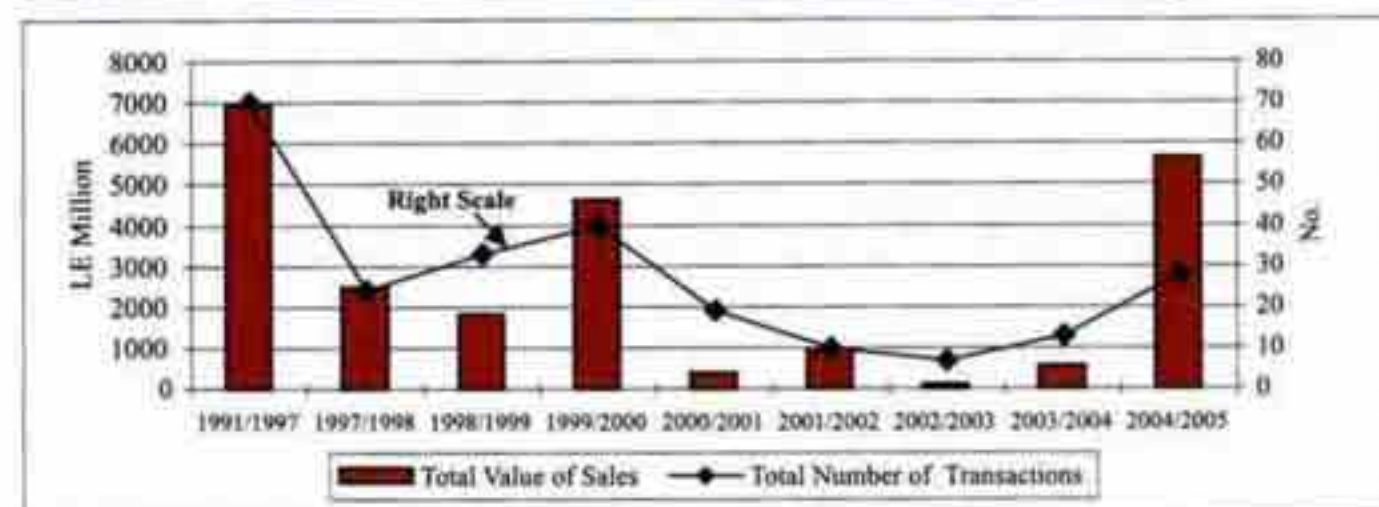
Source: General Authority for Investment and Free Zones.

Figure (2-21): Public and Private Free zones 2004/2005 by Issued Capital



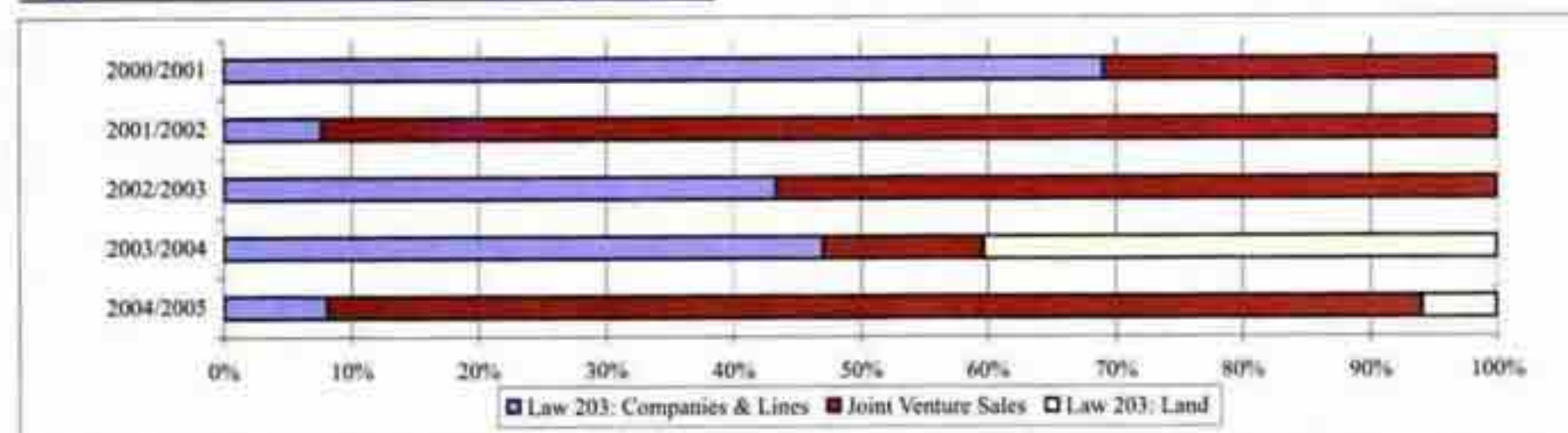
Source: General Authority for Investment and Free Zones.

Figure (2-22): Value and Number of Transactions



Source: Ministry of Investment.

Figure (2-23): Sales of Companies



Source: Ministry of Investment.



Table (2-19): FDI Flows US\$ Millions

	FDI Inflows			FDI Outflows		
	2002	2003	2004	2002	2003	2004
Brazil	16,590	10,144	18,166	2,482	249	9,471
Mexico	15,129	11,373	16,602	930	1,784	2,240
Chile	2,550	4,385	7,603	343	1,884	943
Poland	4,131	4,123	6,159	230	196	806
India	3,449	4,269	5,335	1,107	913	2,222
Malaysia	3,203	2,473	4,624	1,905	1,369	2,061
Turkey	1,063	1,753	2,733	175	499	859
Saudi Arabia	453	778	1,867	143	83	73
Israel	1,770	3,880	1,619	982	2,067	3,037
Egypt	647	237	1,253	28	21	159
Indonesia	145	-597	1,023	182	15	107
Morocco	481	2,314	853	28	12	31
Tunisia	821	584	639	2	5	4
Jordan	64	424	620	25	3	..
South Africa	757	720	585	-399	577	1,606

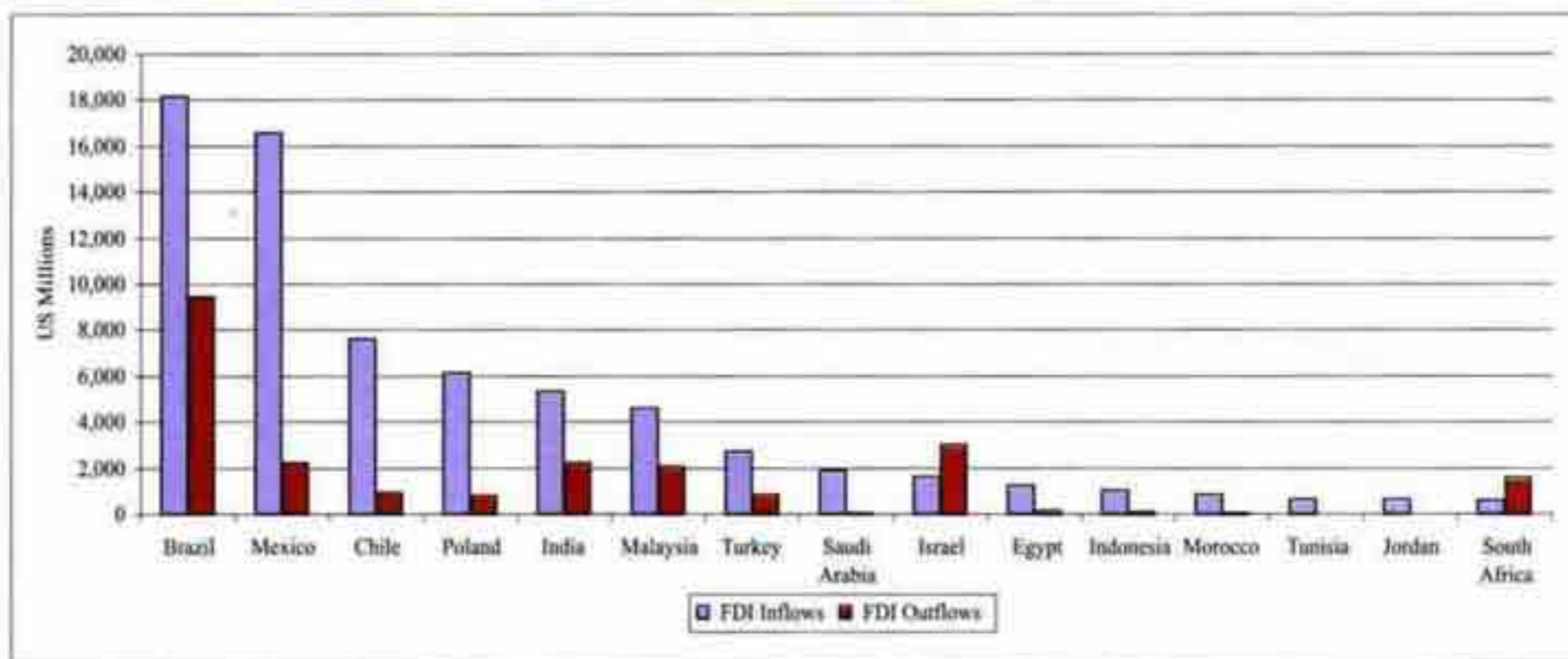
Source: World Investment Report 2005, United Nations Conference on Trade and Development .UNCTAD

Table (2-20): FDI Stocks % of GDP

	2000		2004	
	Inward	Outward	Inward	Outward
India	3.7	0.4	5.9	1.0
Mexico	16.7	1.3	27.0	2.3
Turkey	9.6	1.8	11.7	2.3
Indonesia	16.5	4.6	4.4	..
Poland	20.9	0.6	25.4	1.1
Ireland	134.1	29.5	126.3	52.9
Malaysia	58.6	23.6	39.3	11.7
Israel	20.2	7.8	28.4	13.8
Chile	61.1	14.9	59.2	15.4
Egypt	17.7	0.6	27.1	1.1
Saudi Arabia	8.9	1.2	8.2	0.8
South Africa	33.9	25.3	21.7	13.5
United Arab Emirates	2.0	1.5	4.6	1.5
Brazil	17.1	8.6	25.2	10.7
Morocco	26.5	1.2	36.1	1.2
Tunisia	60.0	0.2	61.7	0.2
Jordan	26.8	..	31.9	..

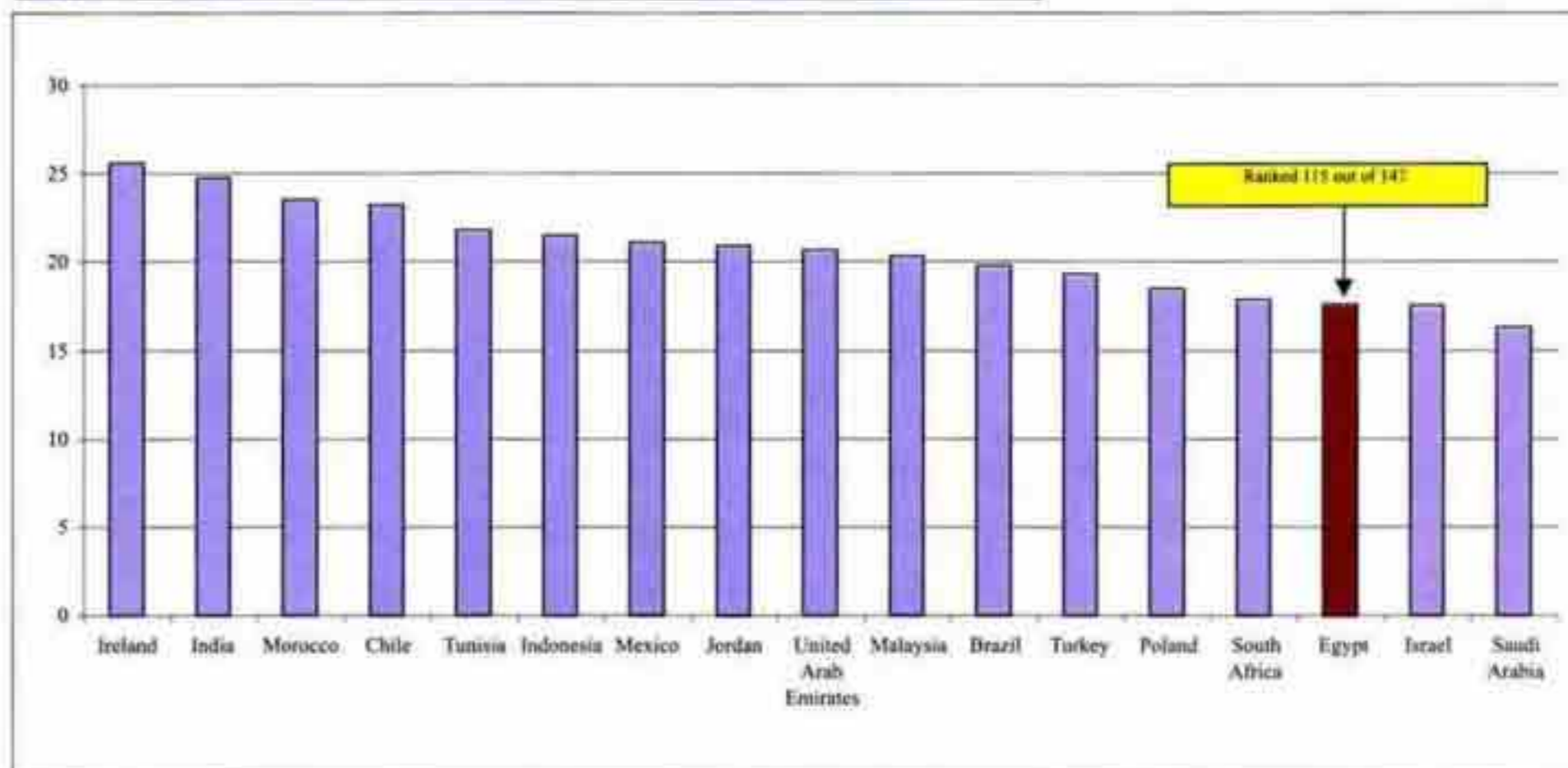
Source: World Investment Report 2005, United Nations Conference on Trade and Development

Figure (2-24): FDI Inflows and Outflows During 2004



Source: World Investment Report 2005, United Nations Conference on Trade and Development.

Figure (2-25): Investments Gross % of GDP



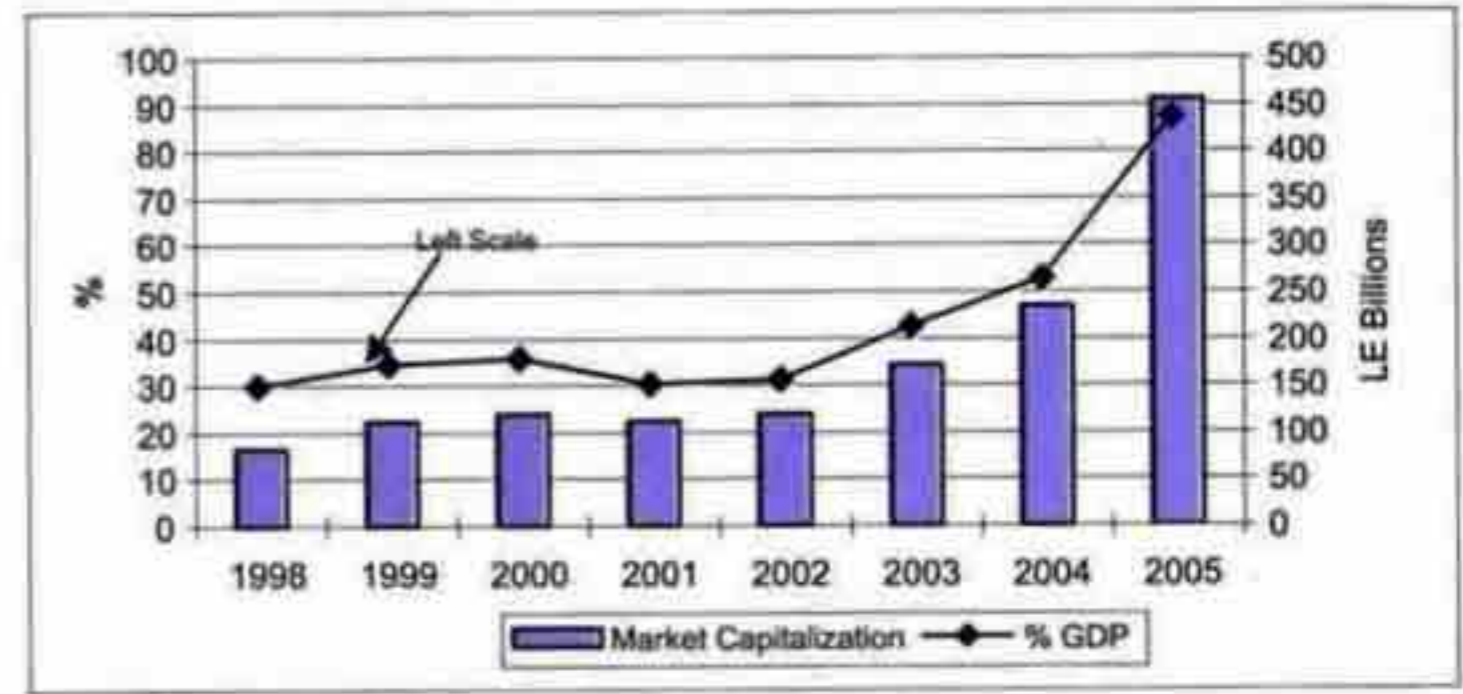
Source: CIA - World Fact Book 2005. data for 2005.

Table (2-21): Capital Market Indicators LE Billions

	Market Capitalization		No. of Listed Companies	Companies Traded		Value of Trading		Volume of Trading	
	LE Billions	% GDP		No.	As % of listed companies	Listed	Unlisted	Listed	Unlisted
2005	456.3	86.7	774	441	59.3	150.9	9.7	4.2	1.1
2004	233.9	52.6	795	503	63.3	36.1	6.2	1.8	0.6
2003	171.9	42.4	978	540	55.2	23.0	4.8	1.2	0.2
2002	120.2	31.1	1,151	671	58.3	25.8	8.4	0.7	0.1
2001	111.3	30.2	1,110	643	57.9	24.7	7.1	1.2	0.1
2000	119.8	35.6	1,076	659	61.2	45.8	8.2	1.0	0.1
1999	112.3	34.4	1,033	663	64.2	35.8	6.2	0.8	0.2
1998	83.1	29.9	861	551	64	18.5	4.9	0.4	0.1

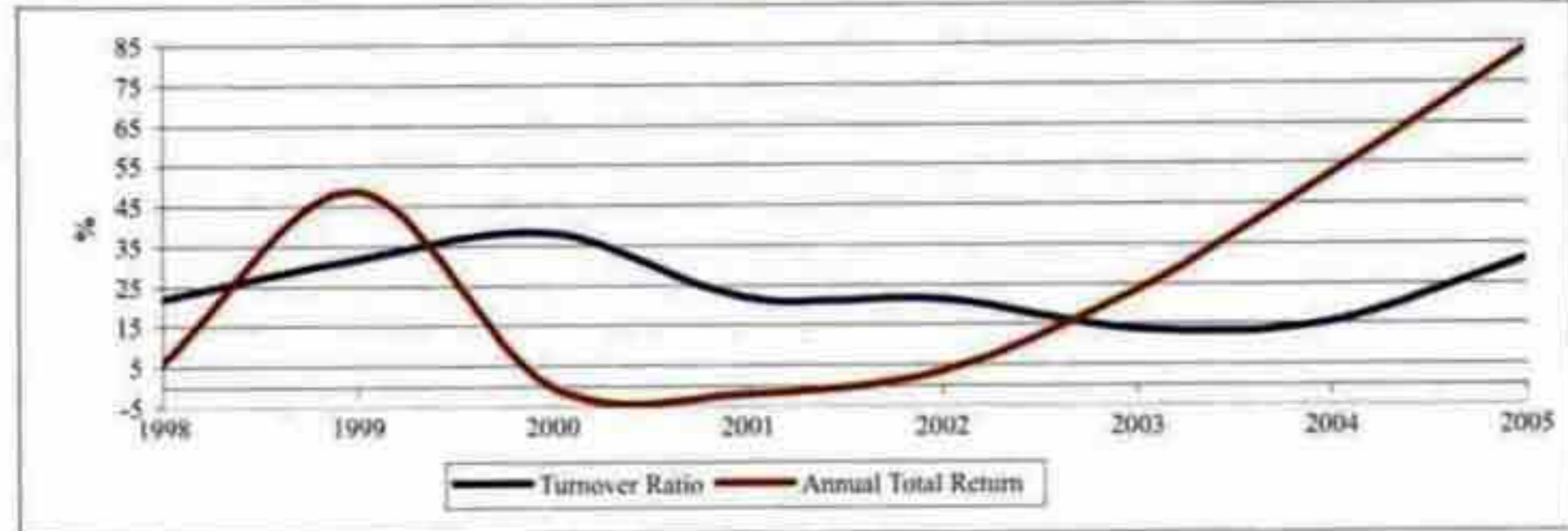
Source: Capital Market Authority and Cairo & Alexandria Stock Exchange .

Figure (2-26):Market Capitalization Value, % of GDP



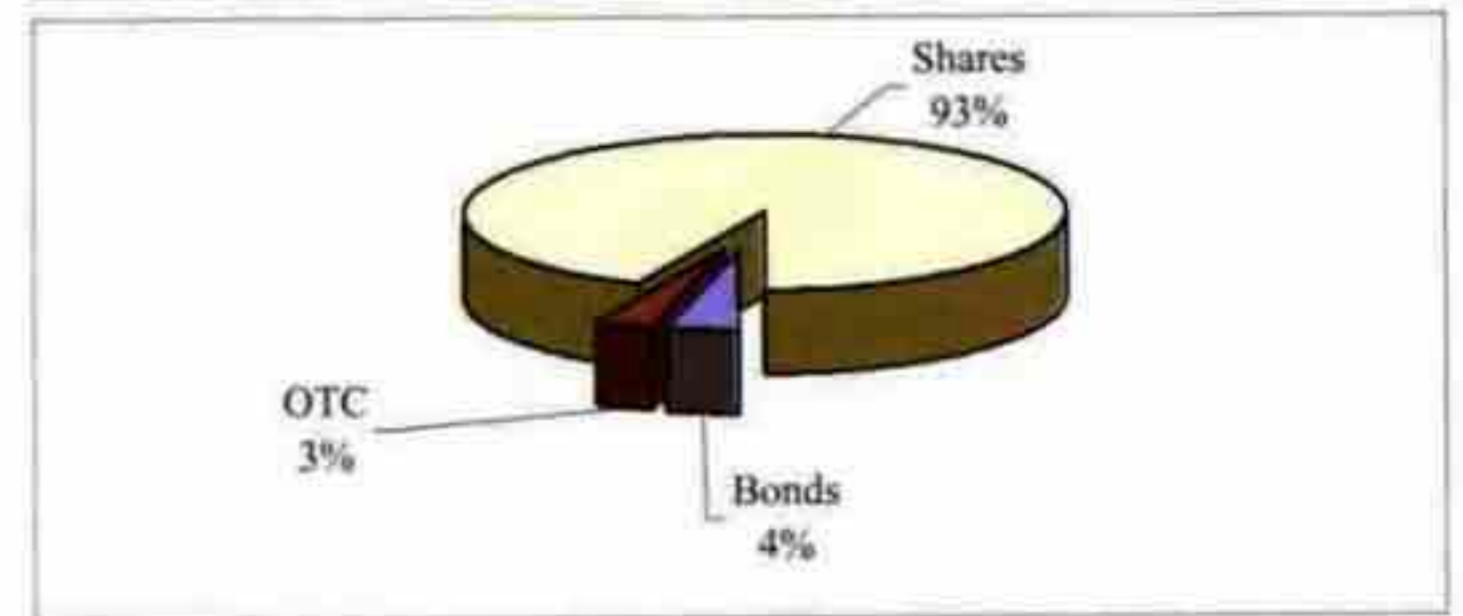
Source: Capital Market Authority and Cairo & Alexandria Stock Exchange .

Figure (2-27):Turnover Ratio, Annual Total Return



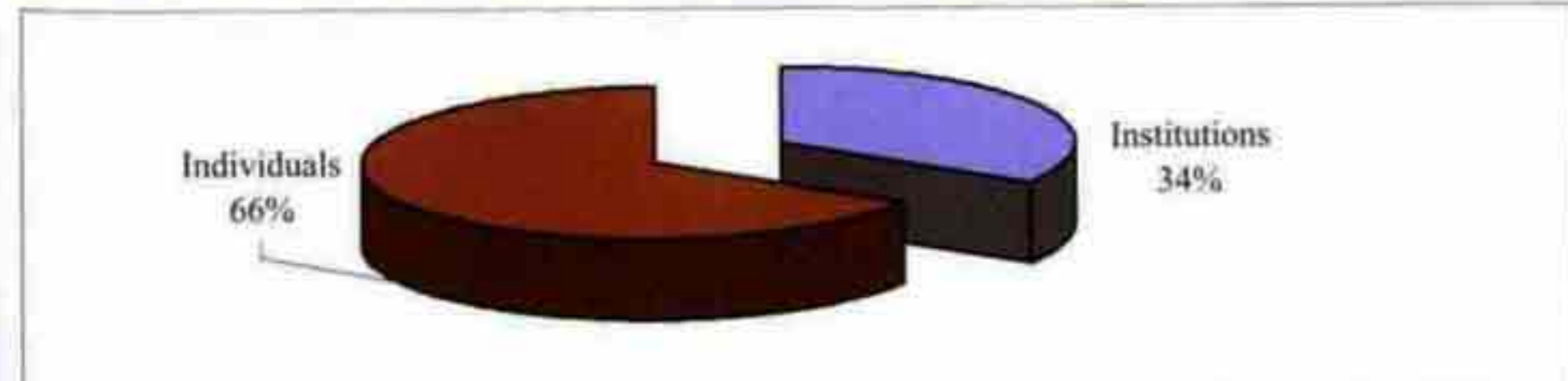
Source: Capital Market Authority and Cairo & Alexandria Stock Exchange .

Figure (2-28):Share of Bonds, OTC, and Shares in Trading Value - End of 2005



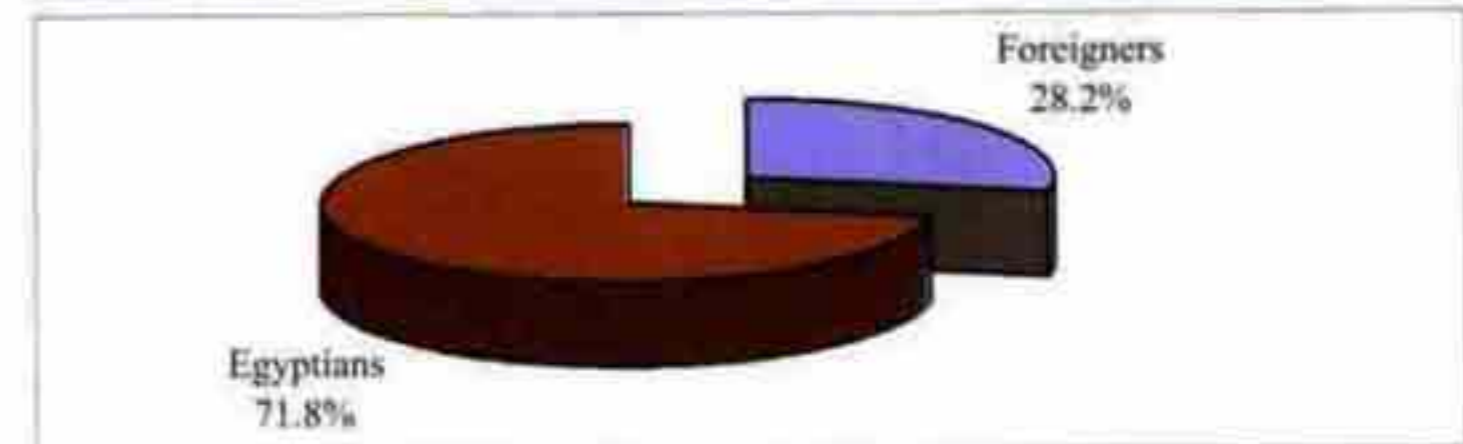
Source: Capital Market Authority and Cairo & Alexandria Stock Exchange .

Figure (2-29): Individuals vs. Institutions - End of 2005



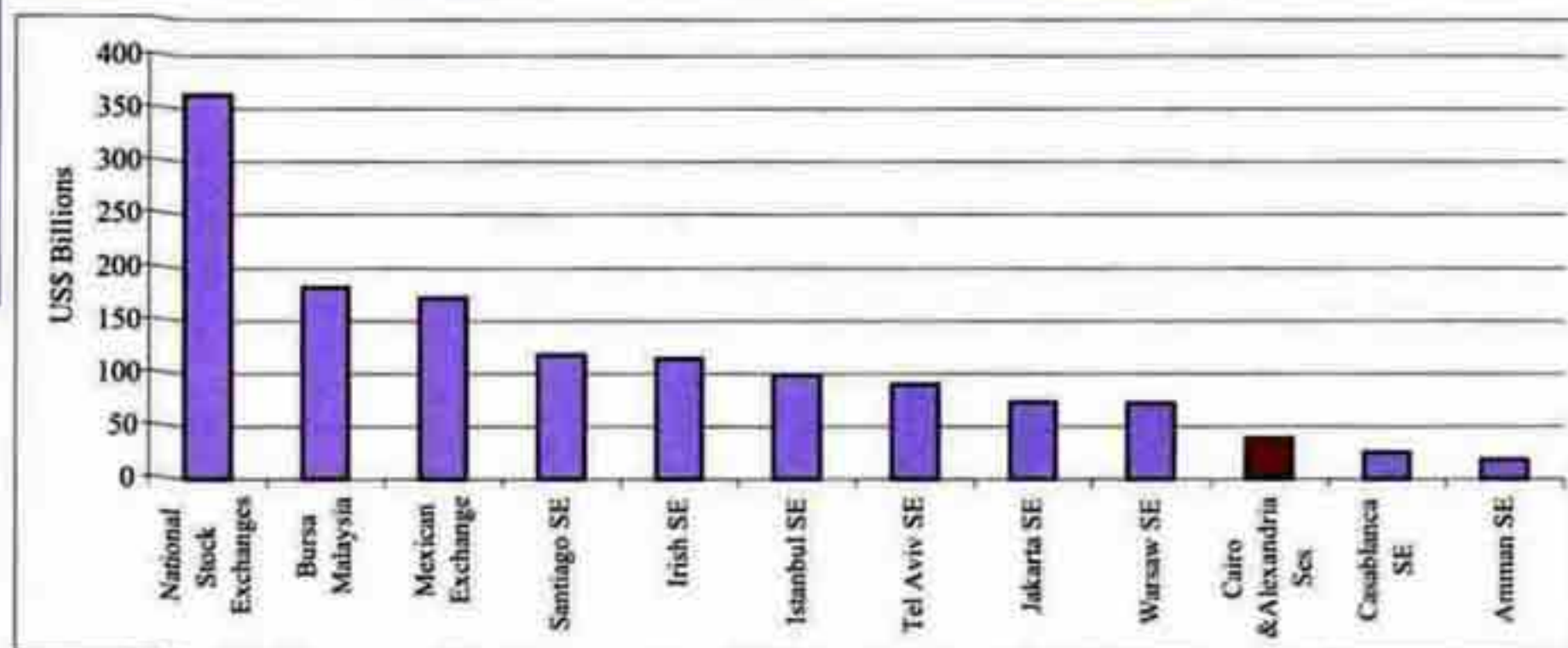
Source: Capital Market Authority and Cairo & Alexandria Stock Exchange .

Figure (2-30):Value Traded Foreigners vs.Egyptians - End of 2005



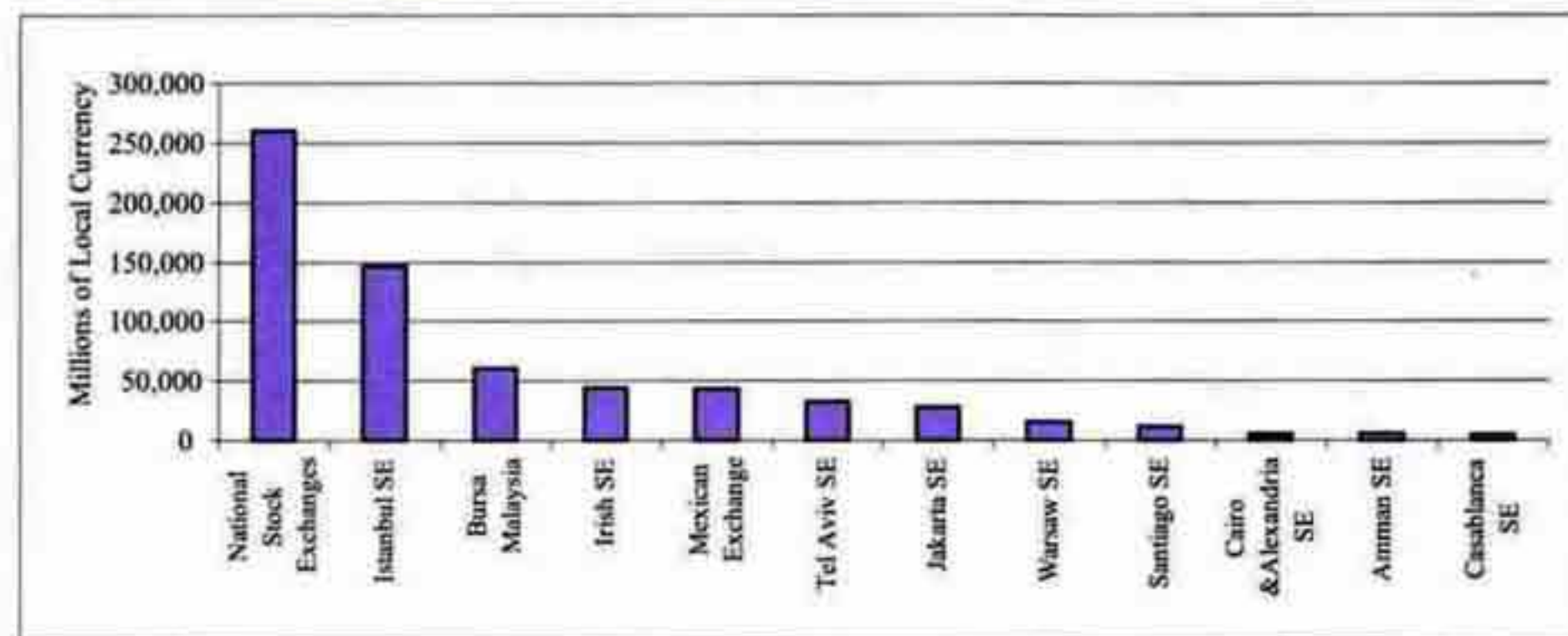
Source: Capital Market Authority and Cairo & Alexandria Stock Exchange .

Figure (2-31): Domestic Markets Capitalization 2004



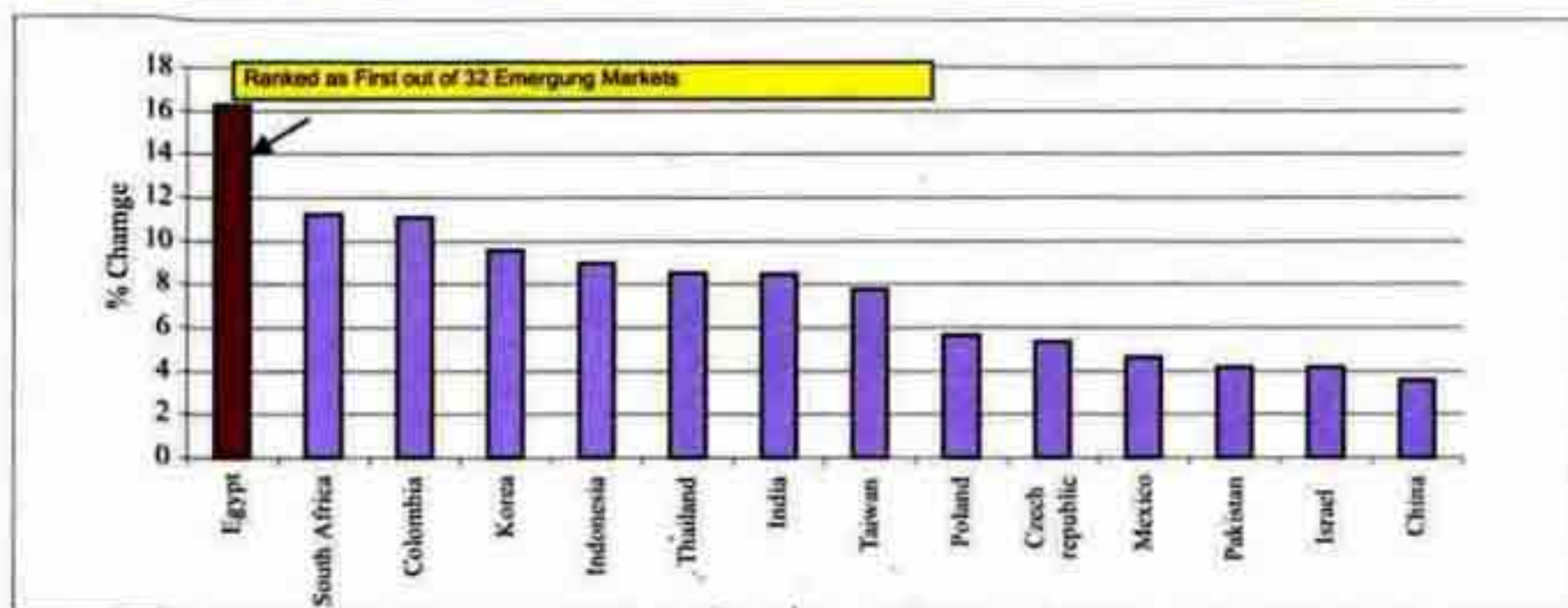
Source: World Federation Of Exchanges- Annual Report And Statistics 2004

Figure (2-32): Value of Share Trading 2004



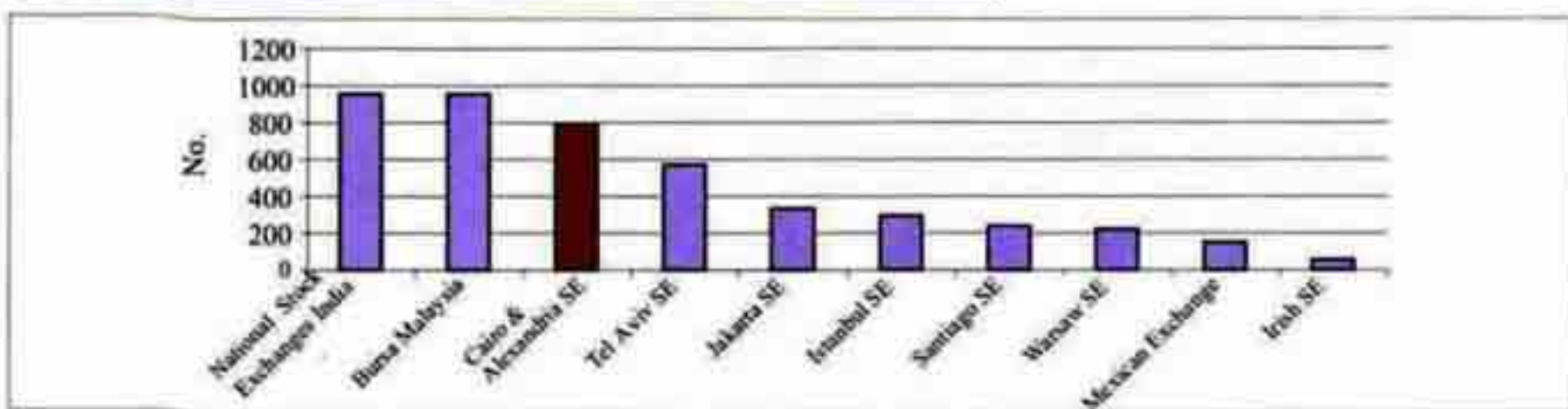
Source: World Federation Of Exchanges- Annual Report And Statistics 2004

Figure (2-33): Price Index Performance 1- Month (Nov05-Dec05) % Change



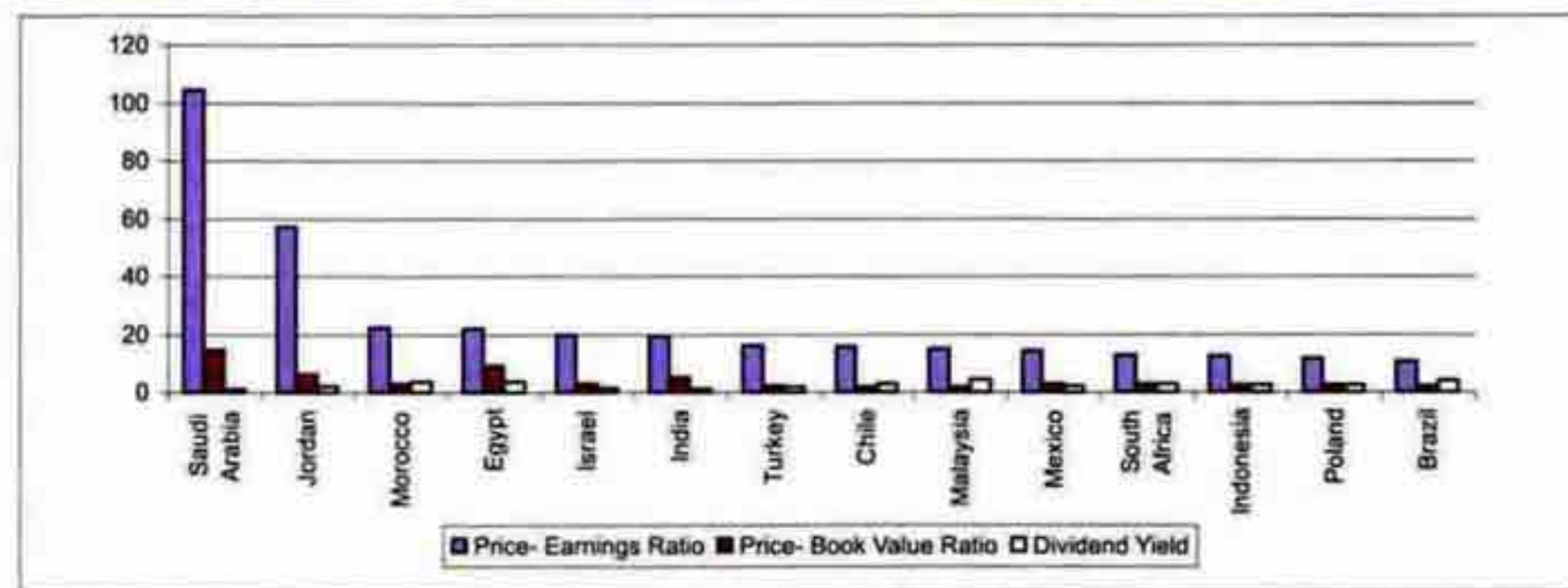
Source: CASE, S&P / IFC

Figure (2-35): Number of Listed Companies



Source: World Federation Of Exchanges- Annual Report And Statistics 2004

Figure (2-34): Comparative Valuations of the S&P/ IFCG Indices



Source: CASE, S&P / IFC

III. Industrial Profile



Table(3-1): Registered Industrial Enterprises Distributed Among Sectors Over a Decade* Value in L.E. Billions

Years	No. of Projects	Investments	Production Value	No. of Labor	Wages
1995	503	12.62	9.89	51947	0.33
1996	562	10.17	6.29	52257	0.28
1997	556	12.44	6.04	31300	0.19
1998	569	8.65	4.15	31603	0.27
1999	771	13.85	10.67	65632	0.53
2000	813	27.87	14.62	58595	0.60
2001	653	11.82	13.75	35129	0.21
2002	589	10.41	10.00	31018	0.23
2003	472	7.19	8.35	16193	0.12
2004	670	7.51	15.52	27378	0.20
2005	738	6.34	12.28	33152	0.19
Total	6896	128.87	111.55	434204	3.16

Source: Industrial Register Information Center- Industrial Development Authority-2006

*Data are yearly net and not accumulated over the years.

Figure (3-1A): Total Investments, Production Value and No. of Labor (1995-2005)

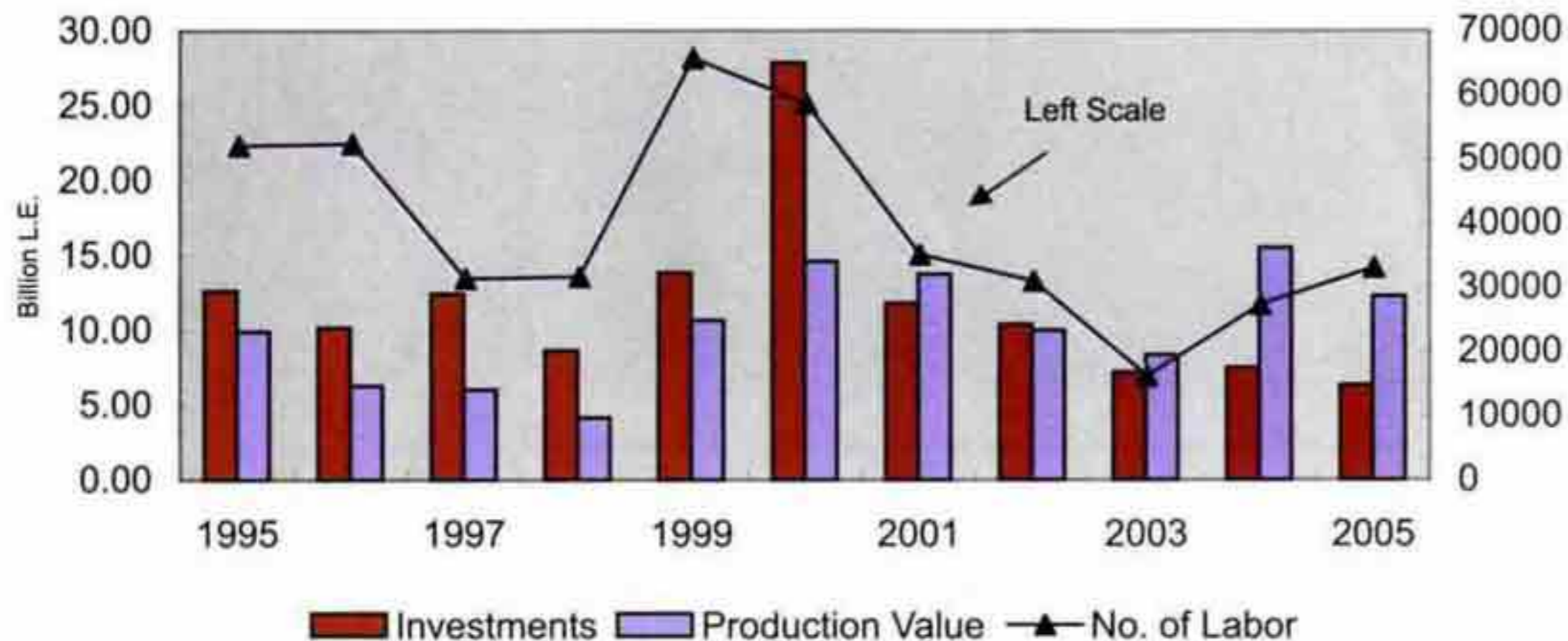


Figure (3-1B): Number of Projects (1995-2005)

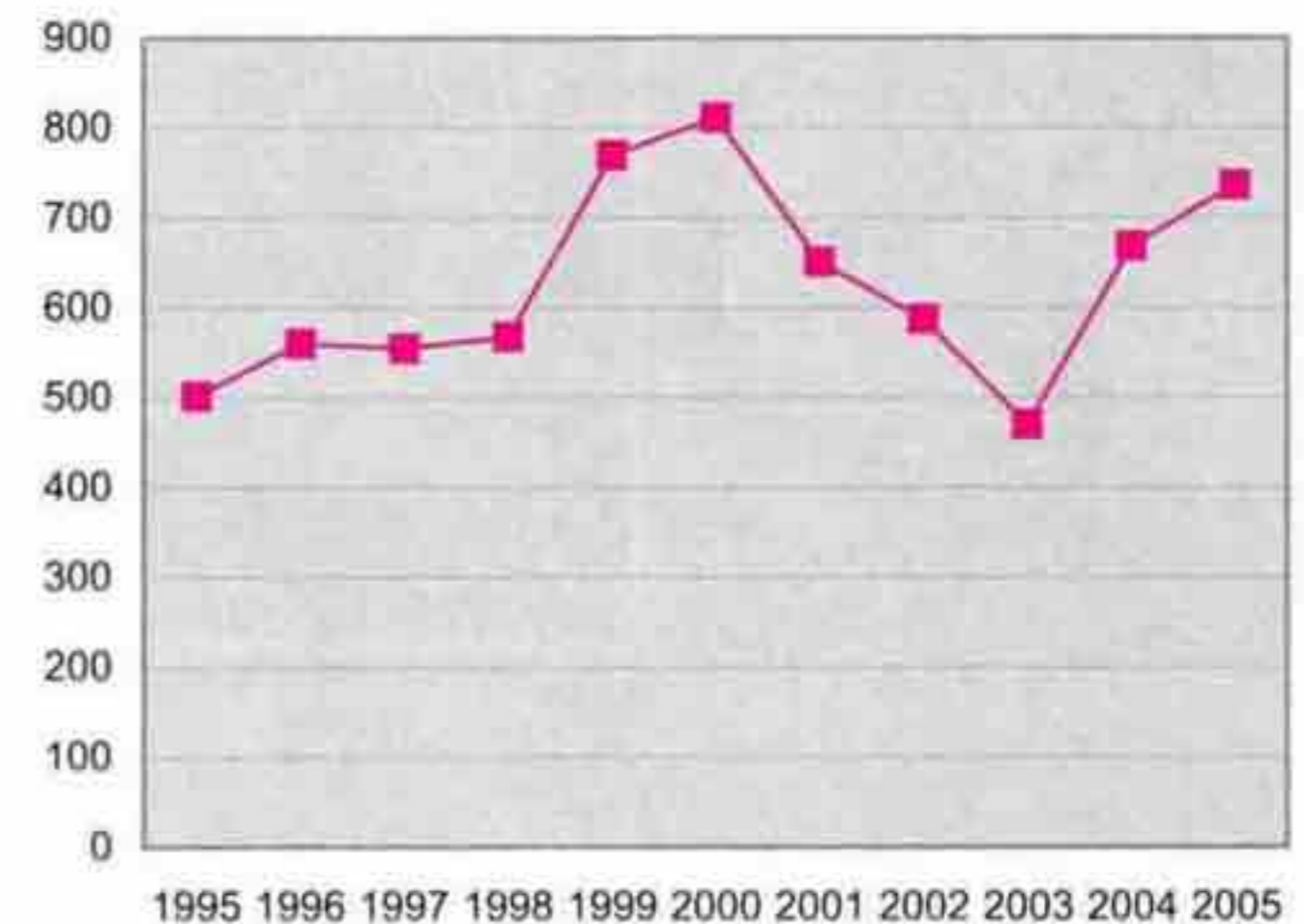


Table (3-2): Number of Industrial Enterprises By Sector

Sector	2000	2001	2002	2003	2004	2005
Basic Chemicals and Allied Products	122	121	114	101	137	192
Food Stuffs, Beverages and Tobacco	234	181	169	131	170	162
Textile Clothes and Leather Ware	131	101	88	70	127	135
Electrical Electronics and Engineering	141	121	114	85	133	125
Paper Products Printing and Publishing	63	43	35	25	25	39
Building Materials, Ceramics and Refractories	49	34	29	20	38	31
Wood and Wood Products	23	23	18	12	18	19
Basic Metallurgy	19	11	10	12	10	15
Services and Maintenance Centers	2	3	2	6	3	12
Other Process Industries	8	11	4	8	6	8
Exploration Mines and Quarries	1	0	1	0	1	---
Coal Extraction and Preparation	0	0	1	1	---	---
Electricity and Power Production	20	4	4	1	2	---
Total	813	653	589	472	670	738

Source: Industrial Register Information Center- Industrial Development Authority-2006

Figure (3-2): Number of Industrial Enterprises Distributed By Sector in 2005

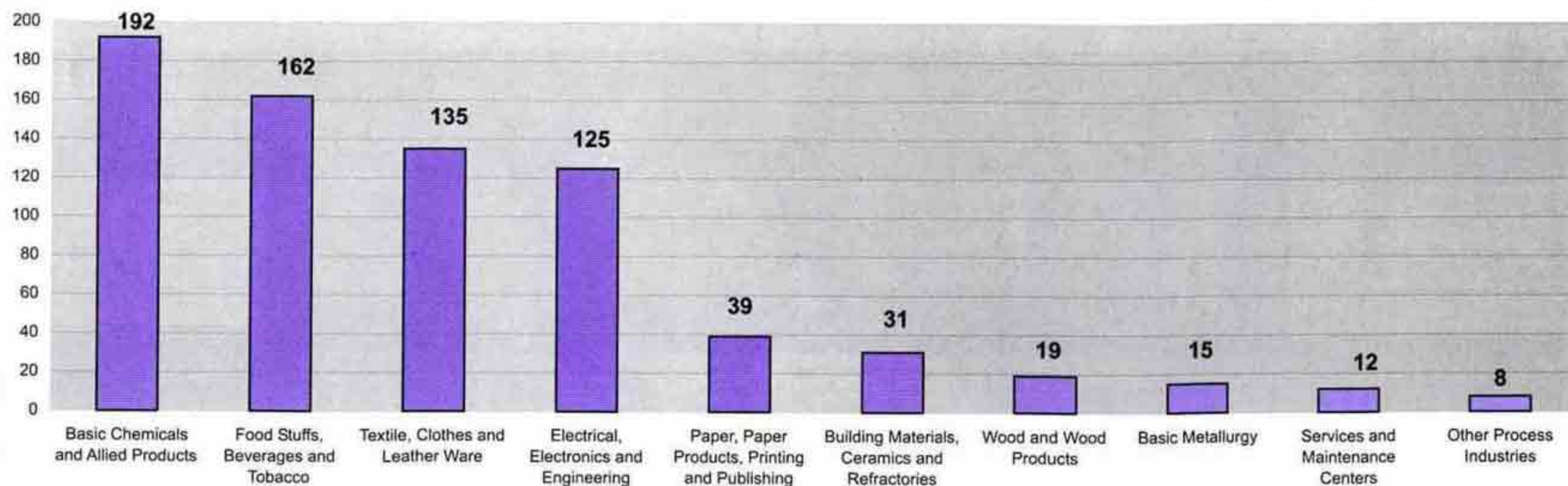


Table (3-3): Structure of Industrial Sectors Value in L.E. Billion

Sector	2000	2001	2002	2003	2004	2005
Electrical, Electronics and Engineering	1.89	5.66	0.95	1.46	3.43	3.65
Basic Chemicals and Allied Products	3.43	1.70	2.77	1.08	2.96	2.53
Textile, Clothes and Leather Ware	1.25	0.56	0.67	0.34	0.91	1.66
Food Stuffs, Beverages and Tobacco	1.95	2.17	2.60	1.12	6.21	1.99
Paper, Paper Products, Printing and Publishing	0.64	0.45	0.34	0.24	0.44	0.84
Building Materials, Ceramics and Refractories	0.30	0.62	0.72	0.15	0.60	0.73
Basic Metallurgy	0.82	1.61	0.77	3.35	0.33	0.48
Other Process Industries	0.04	0.60	0.00	0.03	0.08	0.29
Wood and Wood Products	0.10	0.08	0.24	0.11	0.06	0.09
Services and Maintenance Centers	0.00	0.00	0.00	---	0.01	0.02
Electricity and Power Production	4.19	0.31	0.67	0.48	0.37	---
Exploiting Mines and Quarries	0.01	0.00	0.00	---	0.12	---
Coal Extraction and Preparation	0.00	0.00	0.27	---	---	---
Total	14.62	13.75	10.00	8.35	15.52	12.28

Source: Industrial Register Information Center- Industrial Development Authority-2006

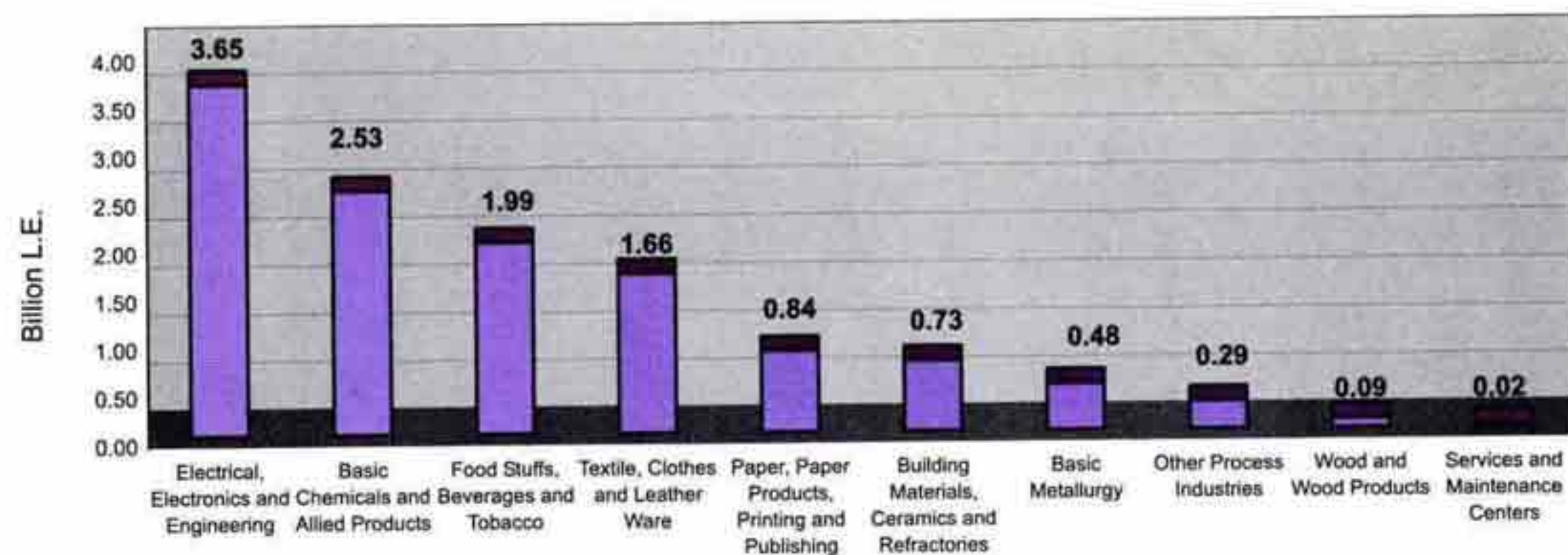
Figure (3-3): Structure of Industrial Sectors in 2005

Figure (3-4): Electrical, Electronics and Engineering Production Value 2000-2005

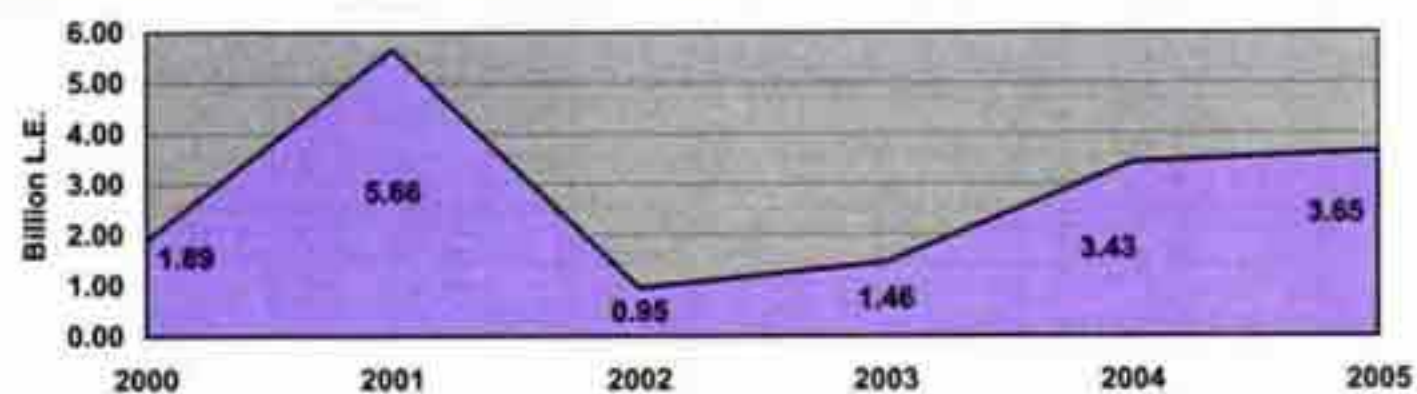


Figure (3-5): Basic Chemicals and Allied Products Production Value 2000-2005

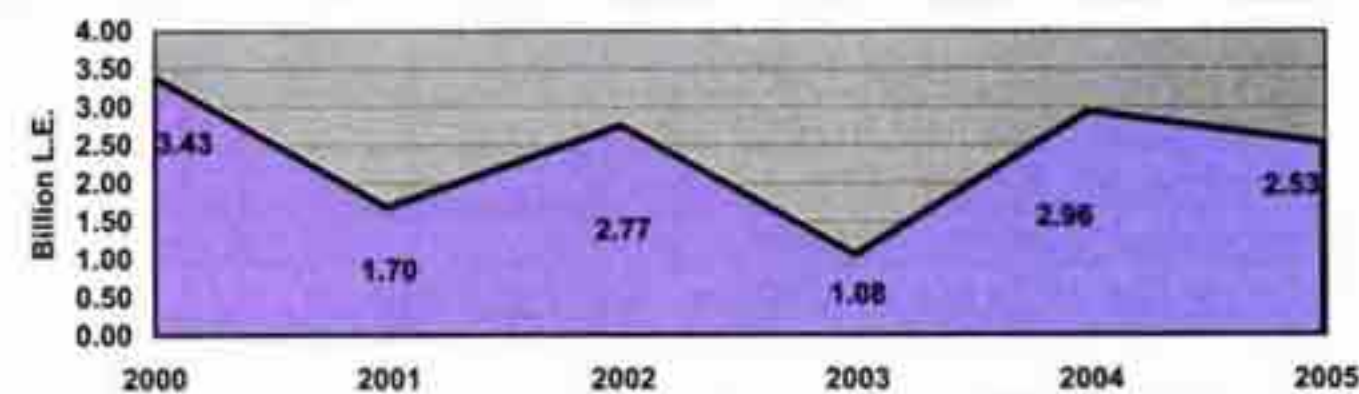


Figure (3-6): Food Stuffs, Beverages and Tobacco Production Value 2000-2005

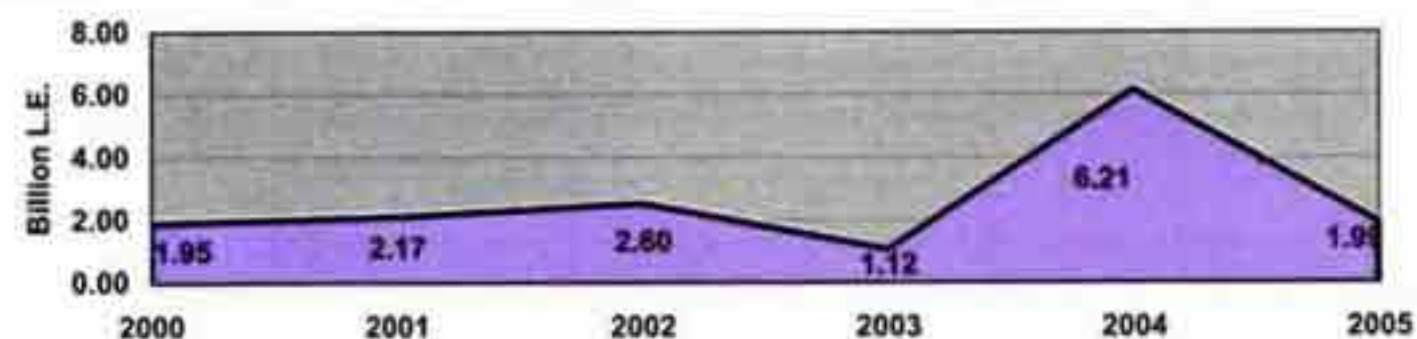


Figure (3-7): Textile, Clothes and Leather Ware Production Value 2000-2005

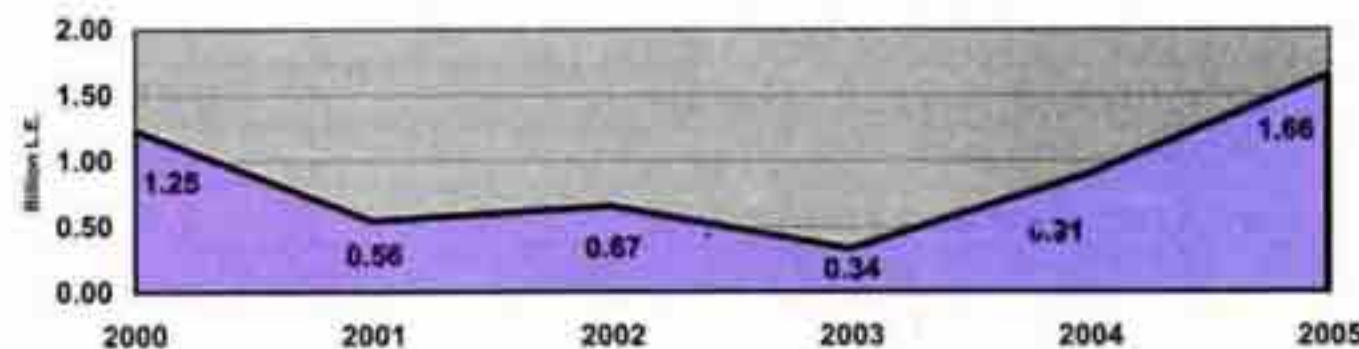


Figure (3-8): Paper, Paper Products, Printing & Publishing Production Value 2000 - 2005

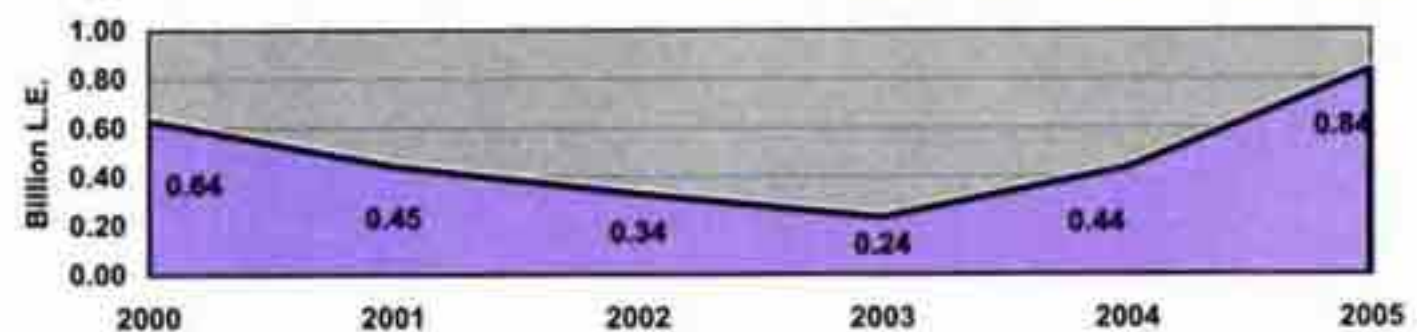


Figure (3-9): Building Materials, Ceramics and Refractories Production Value 2000-2005

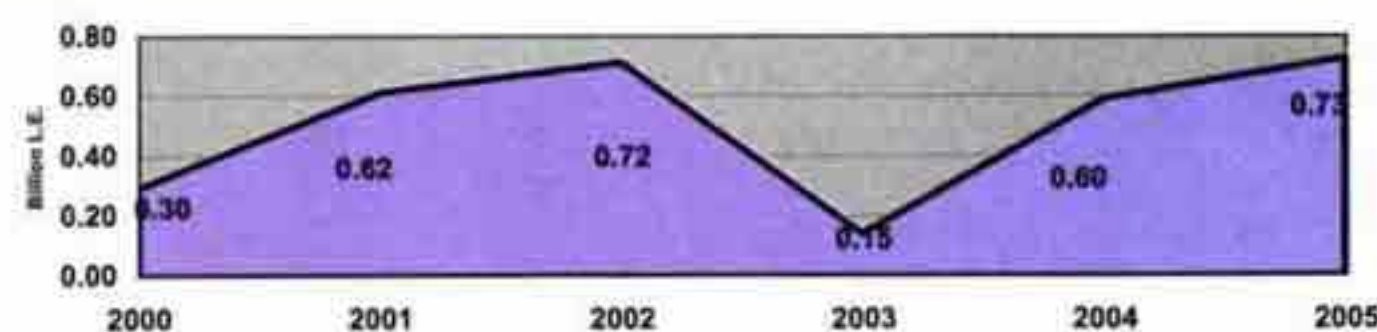


Figure (3-10): Basic Metallurgy Production Value 2000-2005

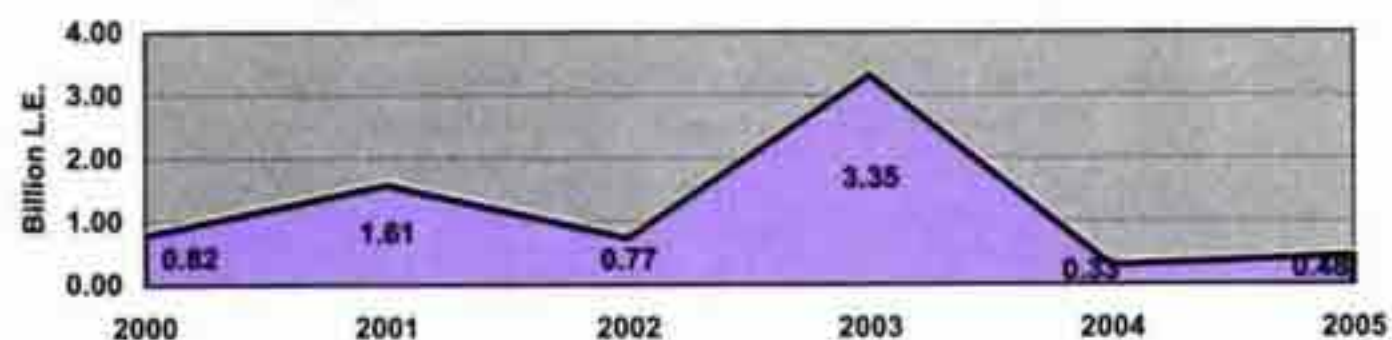


Figure (3-11): Wood and Wood Products Production Value 2000-2005

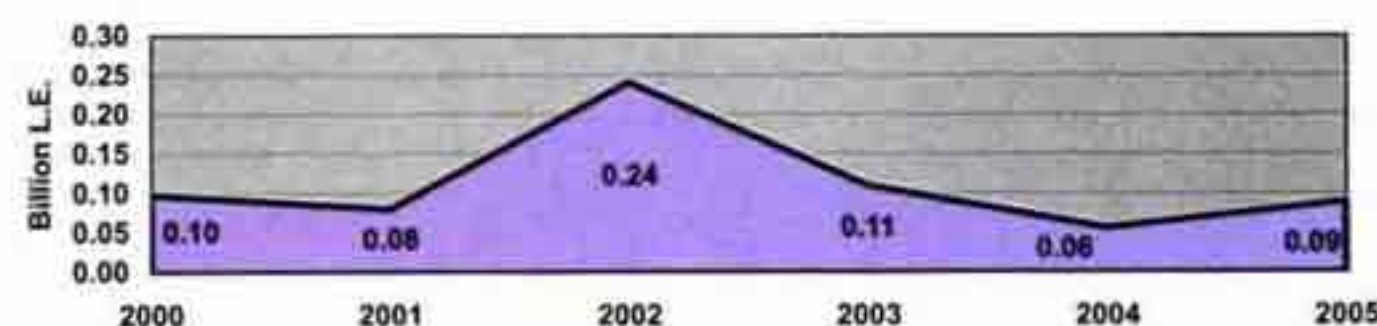


Table (3-4): Investments in Industrial Sectors Value in Billion L.E.

Sector	2000	2001	2002	2003	2004	2005
Basic Chemicals and Allied Products	1.39	2.29	2.82	2.07	1.63	1.52
Food Stuffs Beverages and Tobacco	1.17	0.89	1.63	0.65	2.30	1.20
Electrical Electronics and Engineering	2.86	2.04	0.47	0.32	1.45	1.14
Paper Paper Products Printing and Publishing	0.43	1.53	0.22	0.16	0.38	0.81
Textile Clothes and Leather Ware	0.80	0.37	0.53	0.19	0.47	0.73
Building Materials Ceramics and Refractories	0.28	1.04	1.77	0.14	0.63	0.63
Basic Metallurgy	1.71	0.52	0.45	2.20	0.15	0.17
Other Process Industries	0.02	0.03	0.00	0.01	0.03	0.07
Wood and Wood Products	0.16	0.22	0.12	0.11	0.03	0.06
Services and Maintenance Centers	0.00	0.01	0.00	0.00	0.02	0.01
Electricity and Power Production	19.05	2.87	2.33	1.33	0.39	---
Exploiting Mines and Quarries	0.01	0.00	0.00	---	0.03	---
Coal Extraction and Preparation	0.00	0.00	0.07	---	---	---
Total	27.87	11.82	10.41	7.18	7.51	6.34

Source: Industrial Register Information Center- Industrial Development Authority-2006

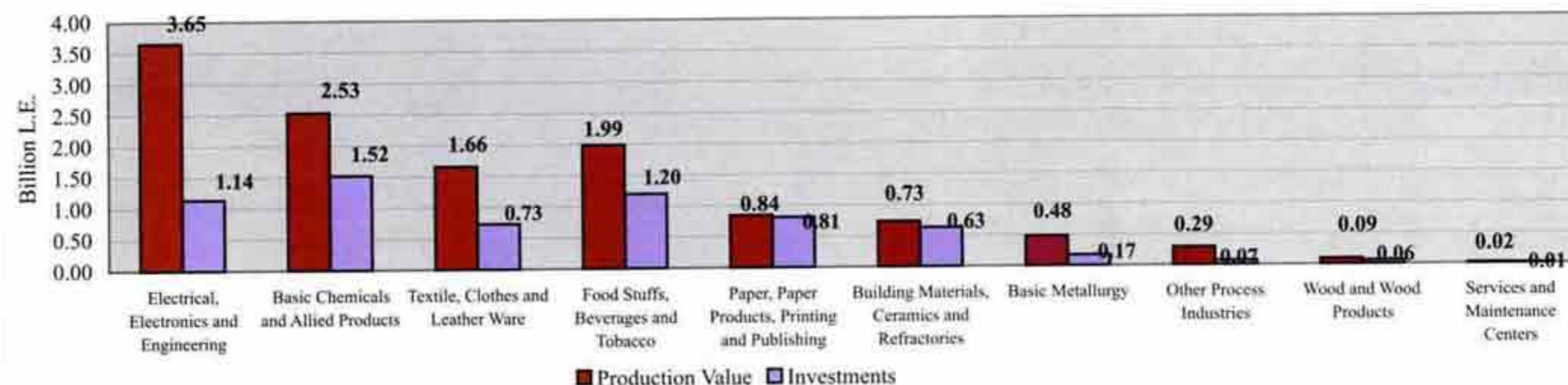
Figure (3-12): Investments and Production Value of Industrial Sectors in 2005

Table (3-5): Number of Employees in Industrial Sectors

Sector	2000	2001	2002	2003	2004	2005
Textile, Clothes and Leather Ware	15148	6640	4783	3494	5790	13652
Food Stuffs, Beverages and Tobacco	7382	7192	6270	3910	6742	5126
Basic Chemicals and Allied Products	5937	4101	4861	2427	4189	5019
Electrical, Electronics and Engineering	8158	9314	5522	2252	5524	3918
Building Materials, Ceramics and Refractories	1593	2031	1606	916	2042	2295
Paper, Paper Products, Printing and Publishing	2284	2082	4268	1013	1226	1526
Wood and Wood Products	1012	579	1751	487	546	722
Basic Metallurgy	1556	439	775	1399	756	501
Other Process Industries	230	771	34	135	173	312
Services and Maintenance Centers	15	185	6	48	56	81
Electricity and Power Production	15194	1795	1074	100	194	---
Exploiting Mines and Quarries	0	0	16	12	136	---
Coal Extraction and Preparation	86	0	52	---	---	---
Total	58595	35129	31018	16193	27374	33152

Source: Industrial Register Information Center- Industrial Development Authority-2006

Figure (3-13): Number of Employees in Industrial Sectors in 2005

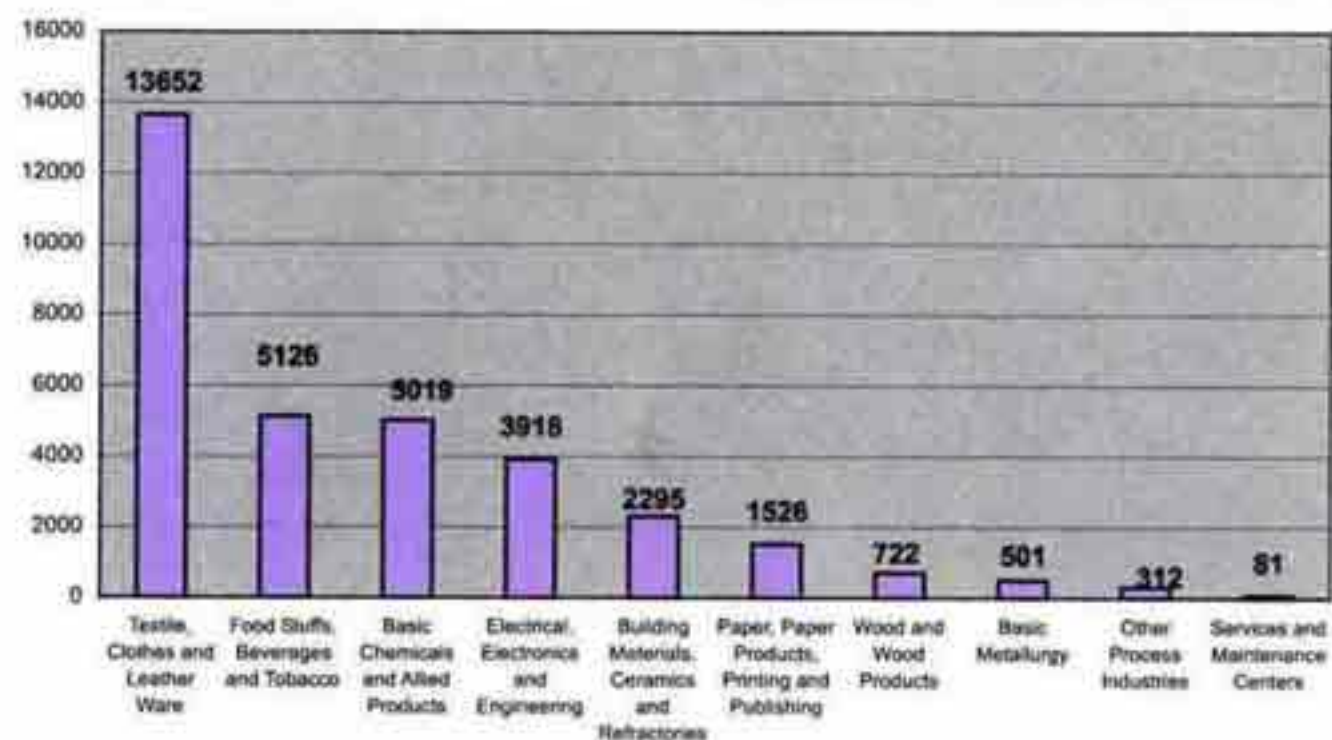


Figure (3-14): Cost of Labor Opportunity in Industrial Sectors in 2005

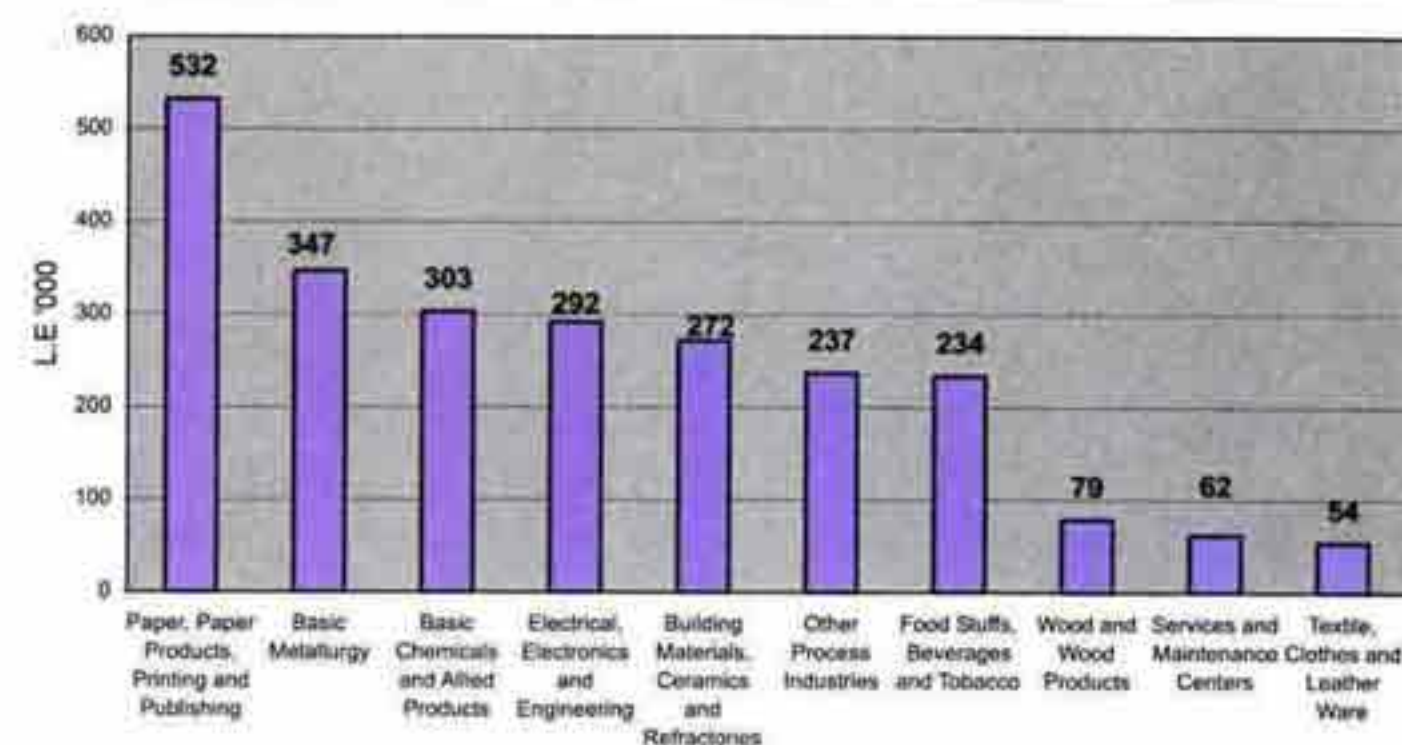


Table (3-6): Average of Labor Wages In Industrial Sectors

Sector	2000	2001	2002	2003	2004	2005
Services and Maintenance Centers	12
Electrical Electronics and Engineering	7	7	7	7	7	8
Paper, Paper Products, Printing and Publishing	5	5	6	6	6	7
Basic Chemicals and Allied Products	8	8	8	8	9	7
Building Materials, Ceramics and Refractories	7	8	8	8	7	6
Food Stuffs, Beverages and Tobacco	7	7	7	7	7	6
Textile, Clothes and Leather Ware	5	5	5	5	5	5
Basic Metallurgy	9	9	9	9	9	4
Wood and Wood Products	4	4	4	4	4	4
Other Process Industries	3	4	4	4	5	3
Industry Average	6.29	6.35	6.41	6.42	6.50	6.20

Source: Industrial Register Information Center- Industrial Development Authority-2006

Figure (3-15): Average of Labor Wages in Industrial Sectors in 2005

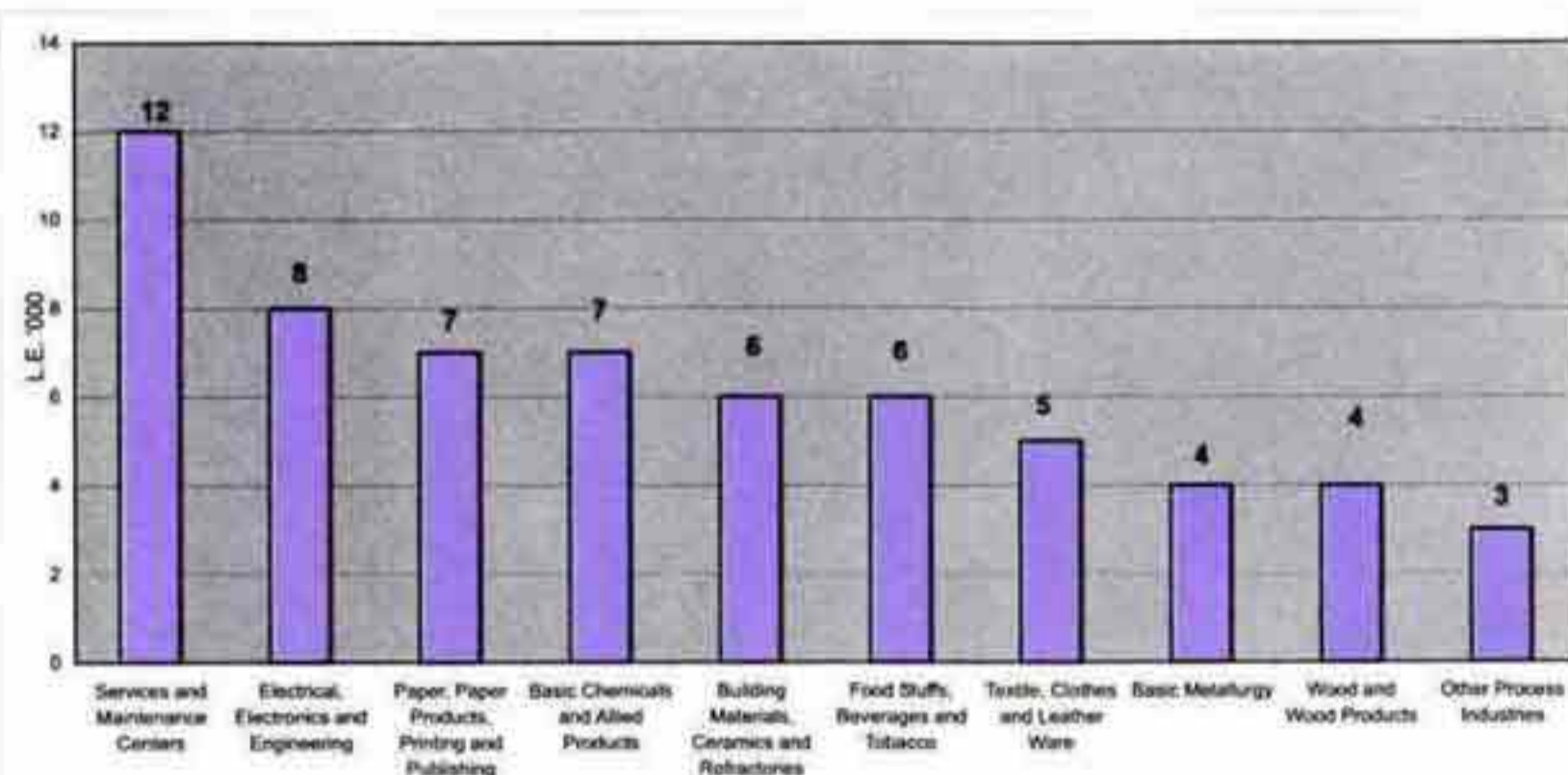


Figure (3-16): Average of Labor Productivity in Industrial Sectors in 2005

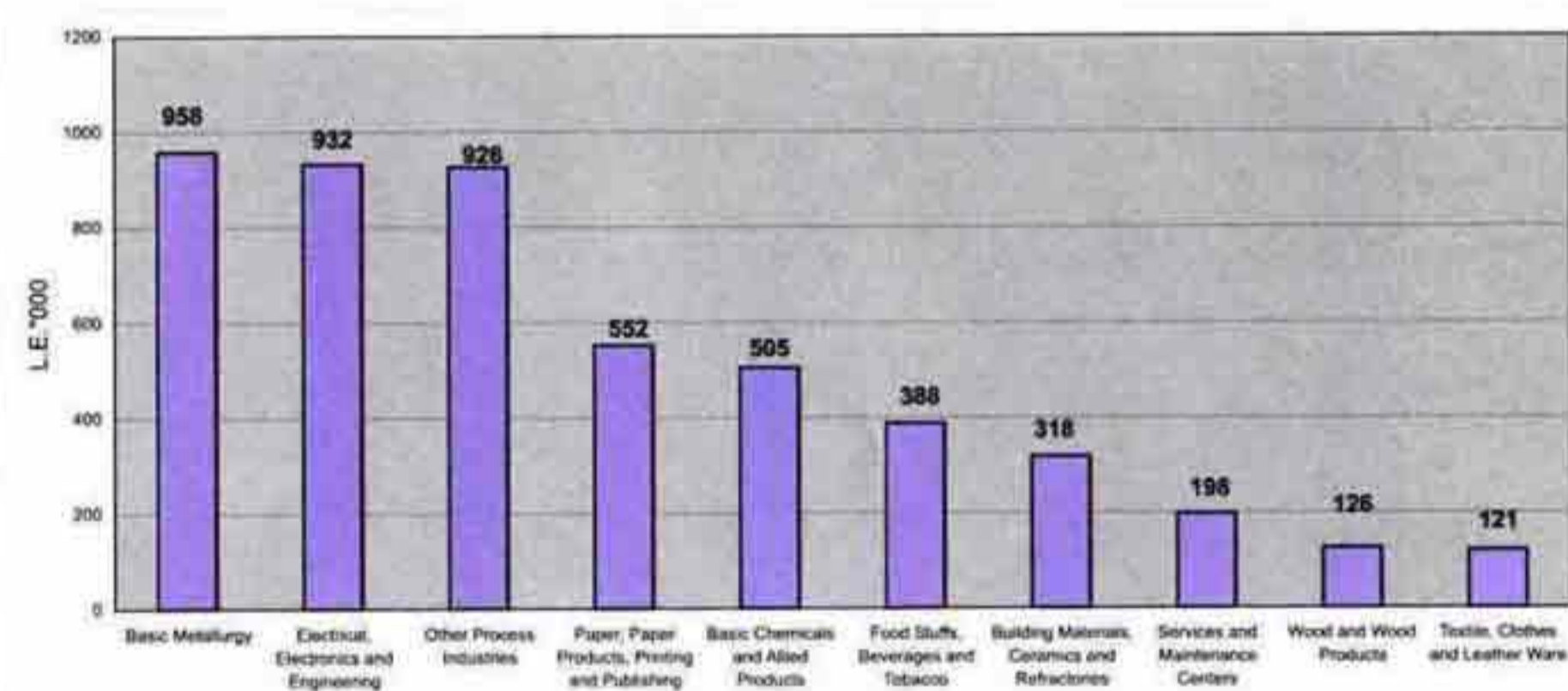


Table (3-7): Cement Indicators Million Tons

	Production	Imports	Exports	Domestic Consumption
98/99	22.3	5.2	0.0	27.1
99/00	23.6	3.2	0.0	26.7
00/01	25.2	1.6	0.1	26.7
01/02	26.9	0.5	0.9	27.0
02/03	28.7	0.1	2.1	26.5
03/04	28.7	..	4.2	24.5
04/05	28.3	..	8.6	25.2

Source: Ministry of Investment and CAPMAS-2006.

Table (3-8): Steel Bars Indicators Thousand Tons

	Production	Imports	Exports
98/99	2,263	476	145
99/00	3,788	186	75
00/01	..	29	233
01/02	4,303	33	236
02/03	4,405	4	408
03/04	4,537	0.1	345
04/05	4,021	0.7	361

Source: Ministry of Investment and CAPMAS-2006.

Figure(3-17): Domestic Consumption & Production of Cement (1998/99 - 2004/05)

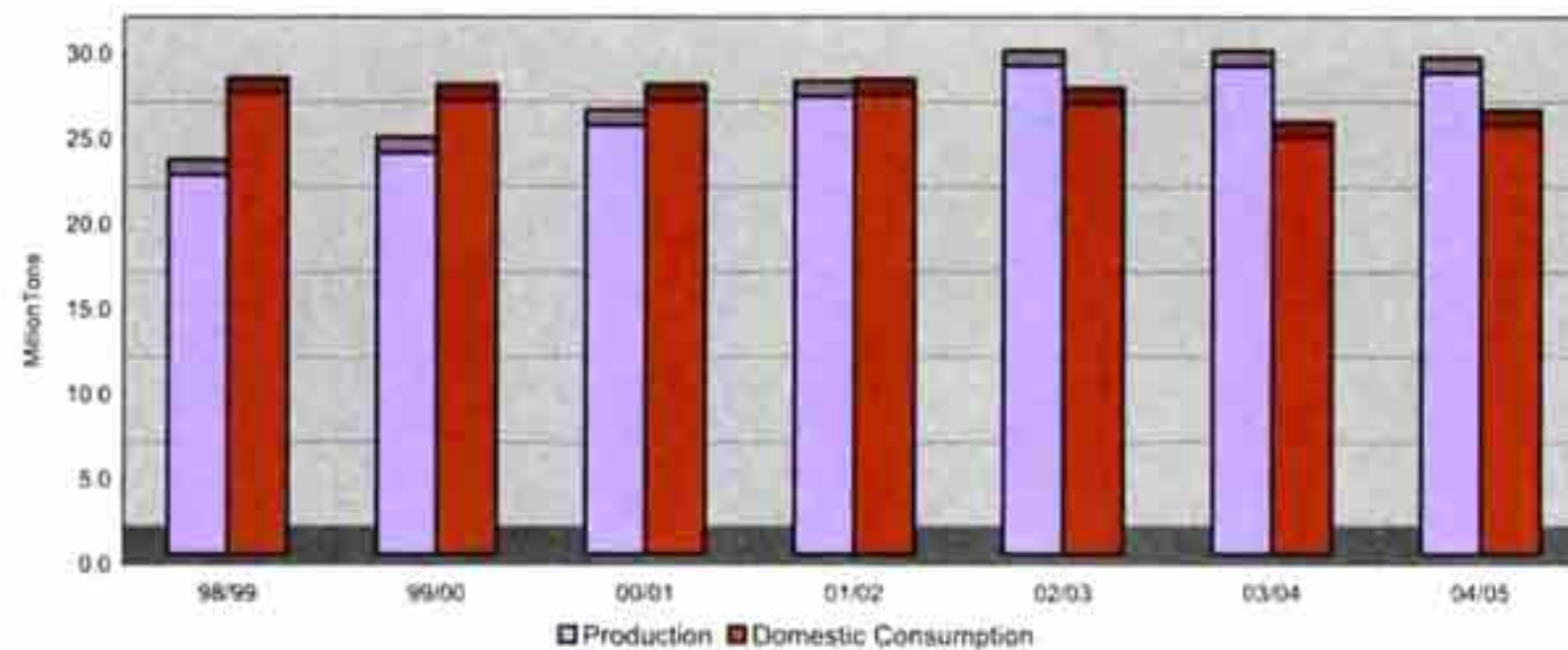
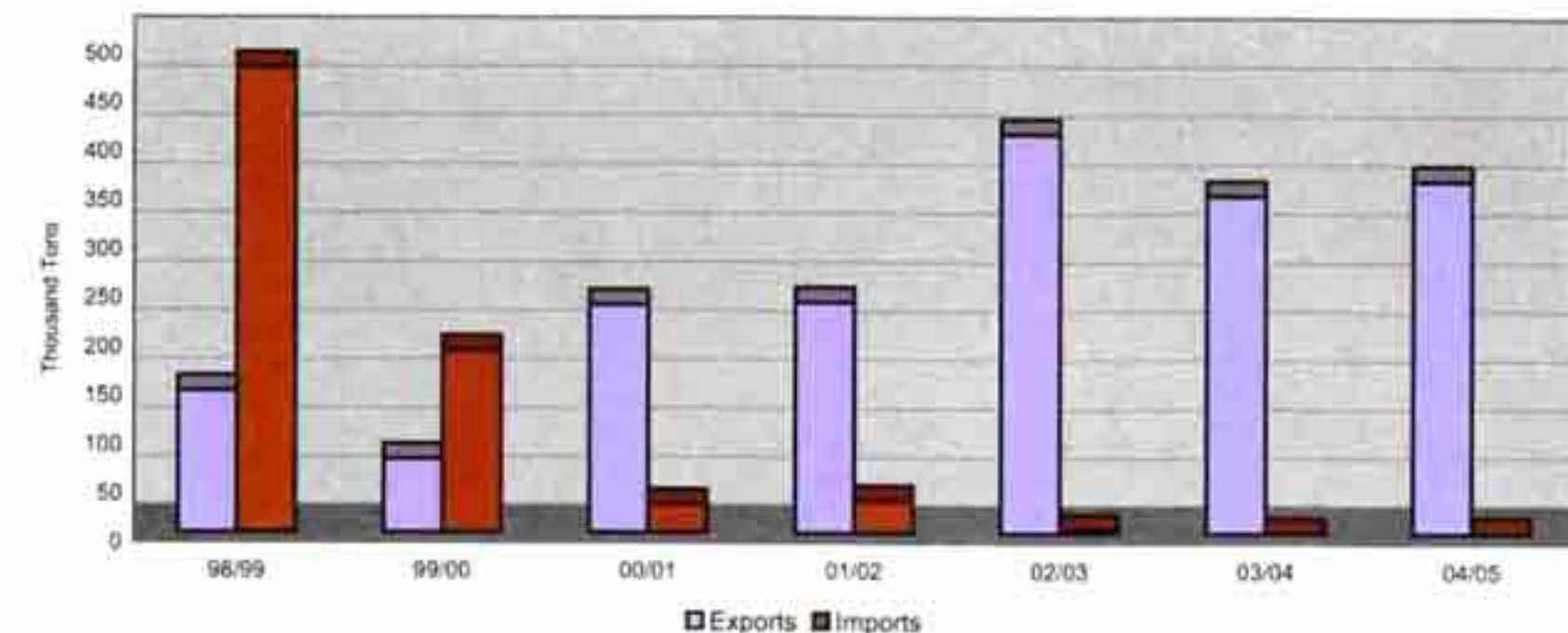


Figure (3-18): Imports and Exports of Steel Bars (1998/99 - 2004/05)





III
Industrial
Profile
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IV. Industrial Profile Egypt & The World



Table (4-1): Industrial Value Added (% of GDP)

	Malaysia	Indonesia	Chile	Egypt	South Africa	Morocco	Tunisia	Turkey	India	Mexico	Jordan	Brazil
2004	47.96	45.59	34.30	32.09	30.99	29.81	27.82	27.06	26.06	25.45	25.34	17.15
2003	48.50	43.57	34.30	34.04	30.99	29.59	28.13	21.89	26.59	26.39	26.01	19.11
2002	47.33	44.23	34.30	33.02	32.15	30.32	29.25	23.68	26.61	26.49	25.93	20.61
2001	48.22	45.55	34.30	33.06	31.50	30.97	28.86	26.09	25.68	27.28	25.20	22.22
2000	50.73	46.11	34.64	33.06	31.13	31.93	28.56	25.29	26.60	28.01	25.34	27.97

Source: World Bank Database 2006- <http://devdata.worldbank.org/data-query/>.

Table (4-2): Structure of Manufacturing 2000

	Mexico	India	Malaysia	Poland	Turkey	South Africa	Egypt	Chile	Tunisia	Jordan	Israel
Manufacturing Value Added (\$ Million)	107.20	66.02	29.45	28.63	26.99	21.64	17.97	10.66	3.54	1.13	..
Food Beverages and Tobacco (%)	25	13	10	256	13	14.00	18	32	18	28	12
Textiles and Clothing (%)	4	12	4	4	18	7.00	12	4	33	6	9
Machinery and Transport Equipment (%)	28	20	46	28	17	20.00	12	5	9	5	32
Chemicals (%)	15	22	11	15	11	9.00	16	14	9	17	5
Other Manufacturing* (%)	28	33	30	28	41	50.00	42	45	31	45	42

Source: World Development Indicators 2004-World Bank.

*Includes unallocated data.

Figure (4-1): Industrial Value Added % of GDP (2000 Vs. 2004)

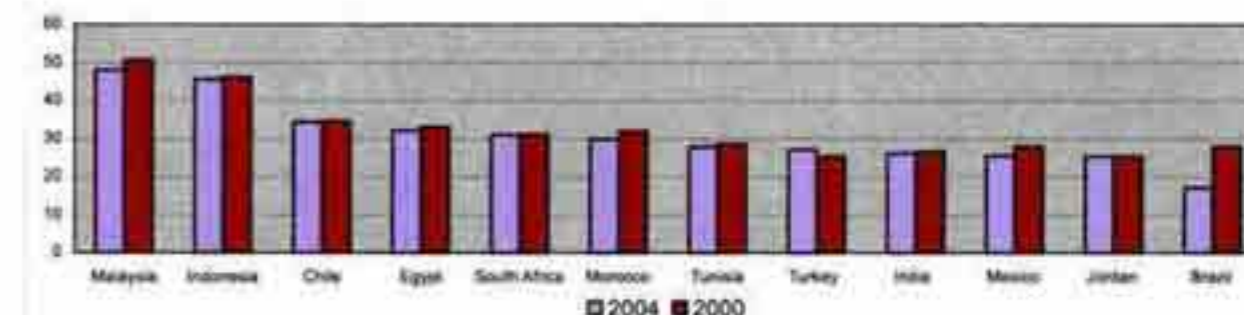


Figure (4-2A): Structure of Manufacturing 2000

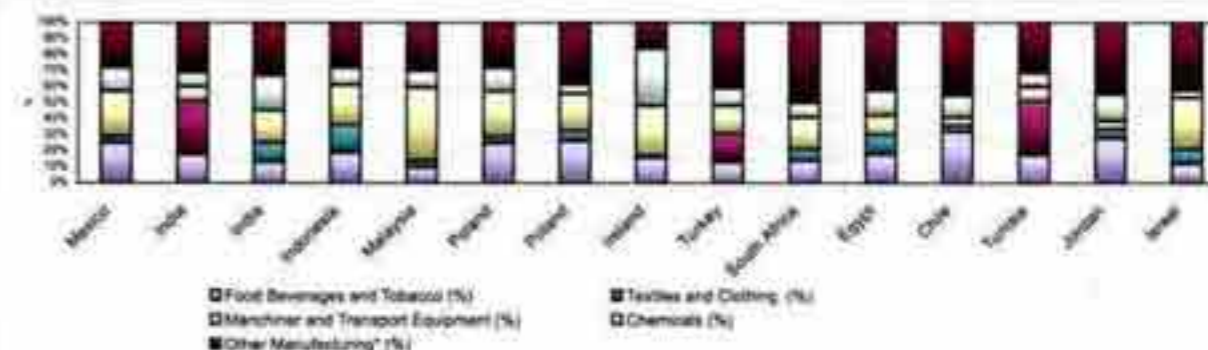


Figure (4-2B): Manufacturing Value Added 1990 vs. 2000

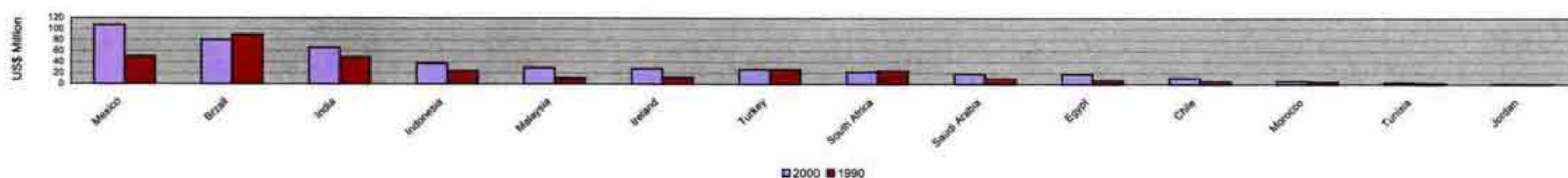
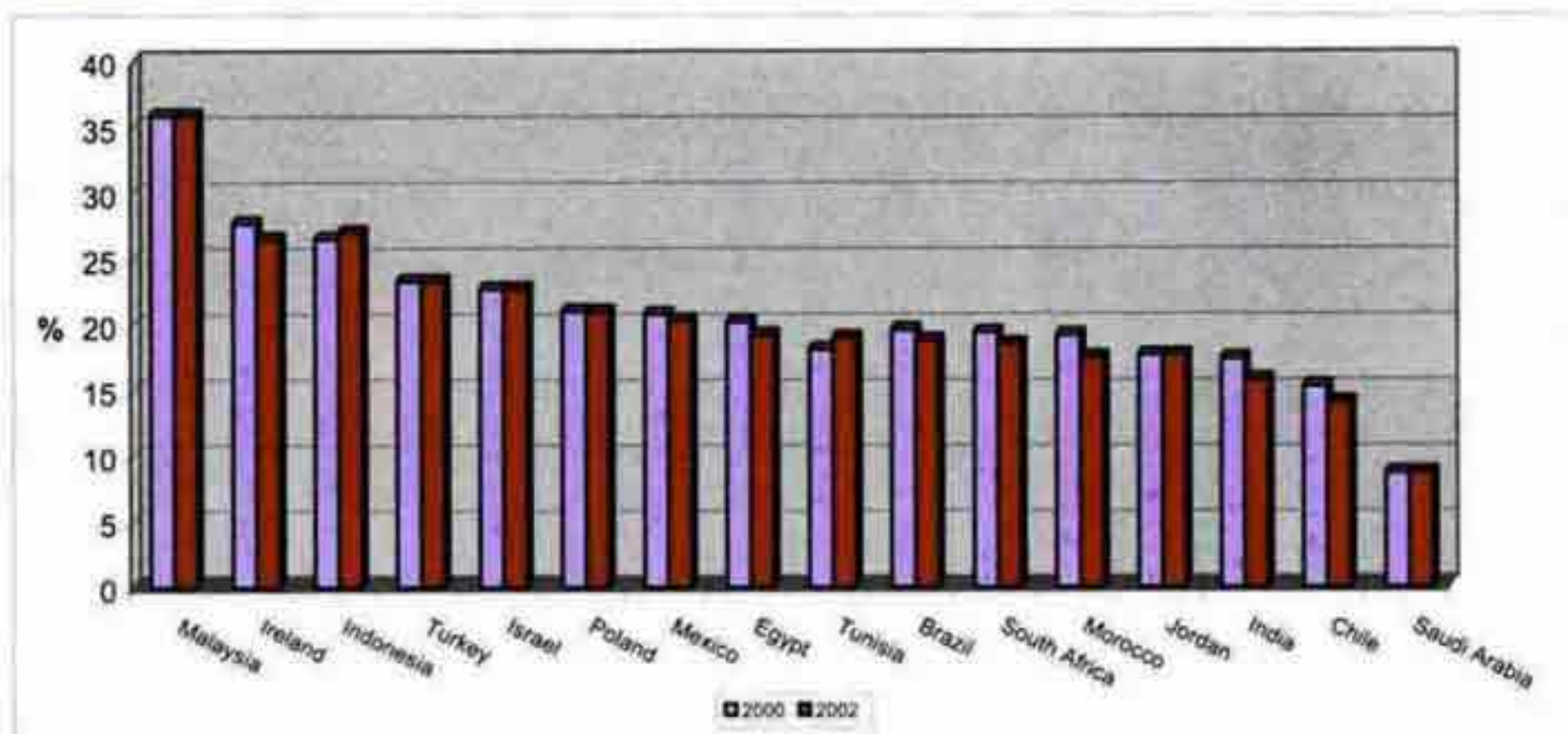


Table (4-3): Manufacturing Value Added per capita (US\$)

	Ireland	Israel	Malaysia	Poland	Mexico	Turkey	Chile	Tunisia	Brazil	Saudi Arabia	South Africa	Jordan	Egypt	Indonesia	Morocco	India
2002	8,121	2,608	1,516	885	746	538	765	492	865	846	754	235	225	279	250	78
2000	8,761	3,344	1,369	1,397	781	746	578	374	694	555	591	237	221	216	207	90

Source: UNIDO, Industrial Development Report 2005

Figure(4-3): Share of Manufacturing Value Added in % of GDP (2000 vs.2002)



Source: UNIDO, Industrial Development Report 2005

Figure (4-4): Share of Medium or High Technology Activities in Manufacturing Value Added (1990 vs.2002)

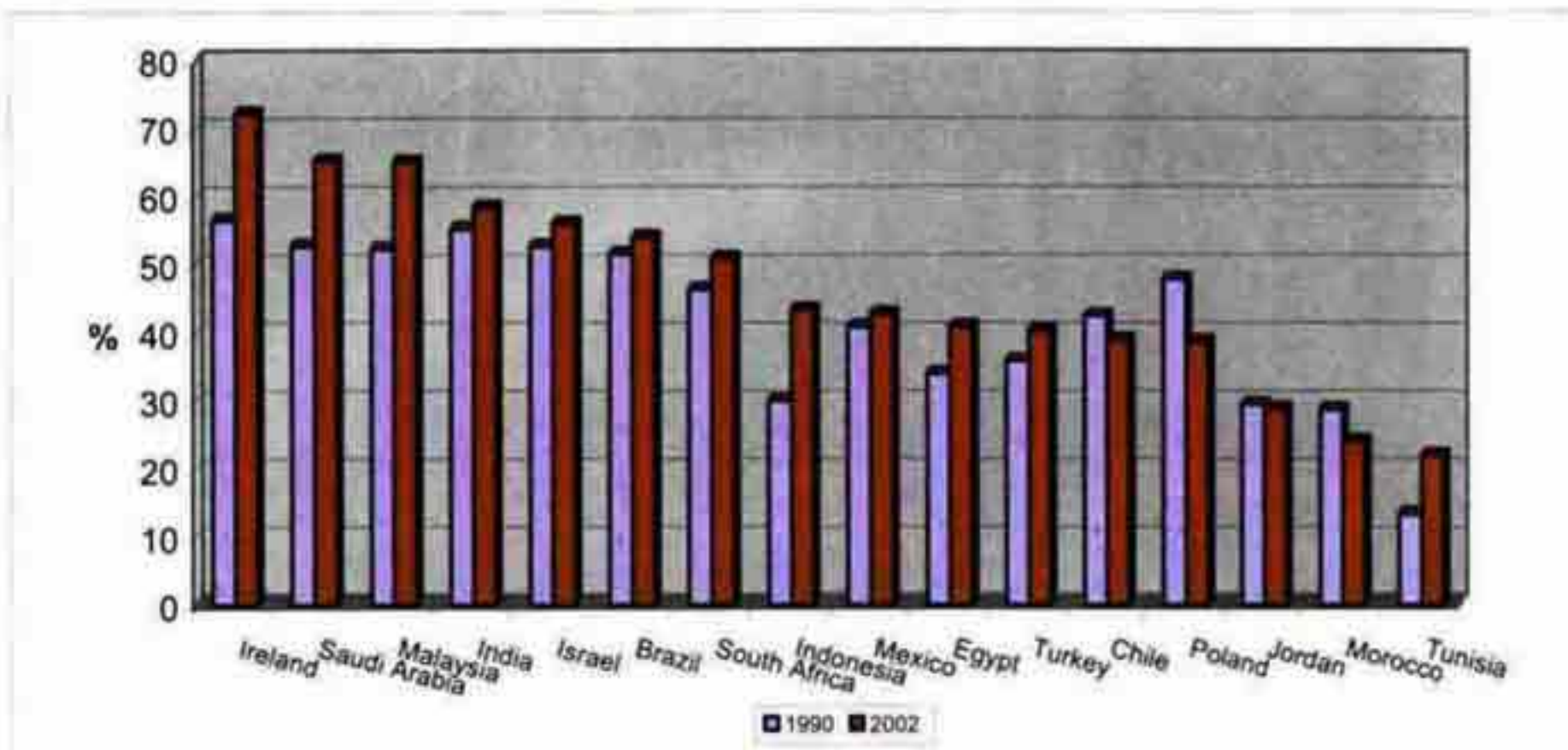
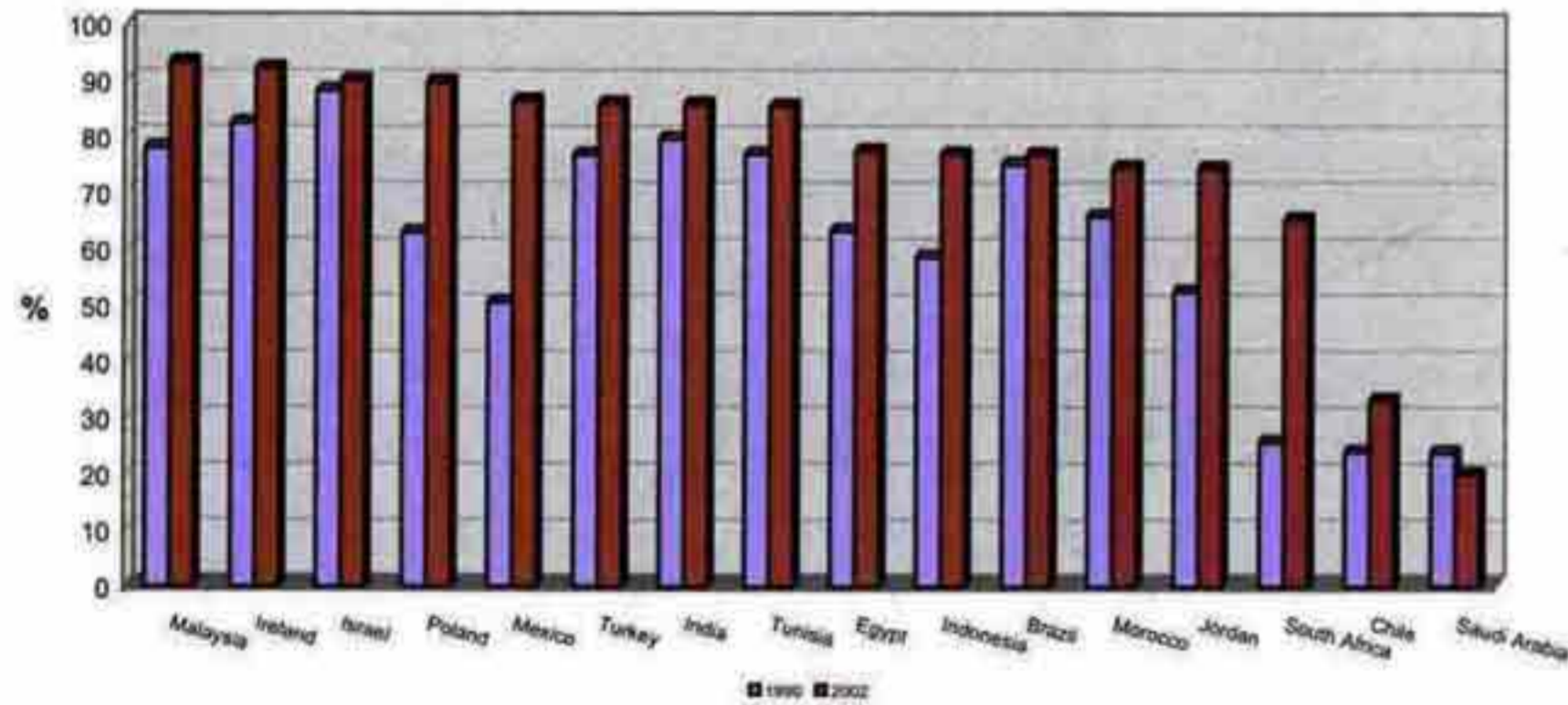


Table (4-4): Manufactured Exports Per Capita (US\$)

	Ireland	Israel	Malaysia	Mexico	Poland	Saudi Arabia	Tunisia	Chile	Turkey	South Africa	Indonesia	Morocco	Brazil	Jordan	Egypt	India
2002	20,835	4,681	4,121	1,450	782	723	604	398	389	337	224	195	222	143	53	39
2000	17,926	4,681	4,121	1,450	734	761	523	398	366	384	224	183	247	143	53	38

Source: UNIDO, Industrial Development Report 2005

Figure (4-5): Share of Manufactured Goods in Total Exports % (1990 vs.2002)



Source: UNIDO, Industrial Development Report 2005

Figure (4-6): Share of Medium or High Technology Goods in Manufactured Exports (%) (1990 vs.2002)

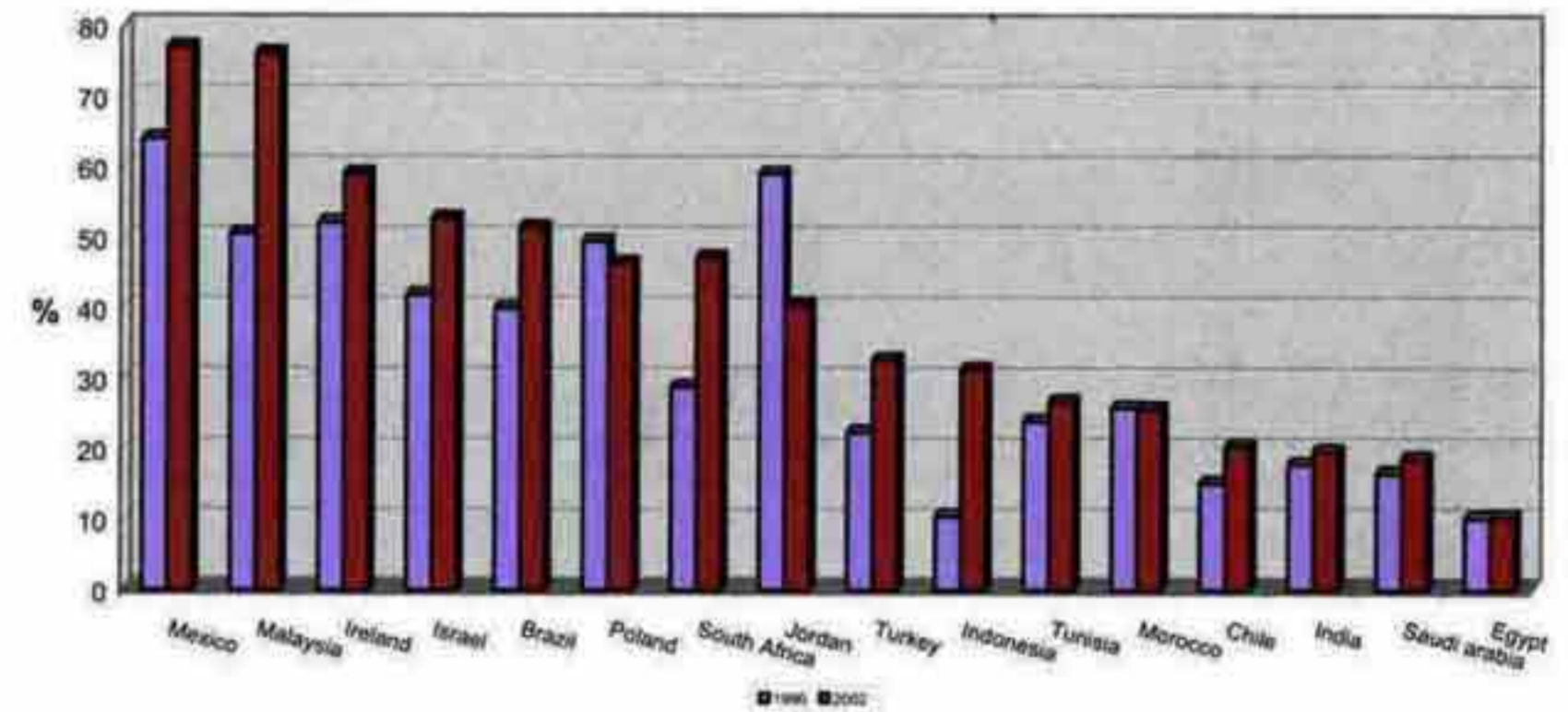
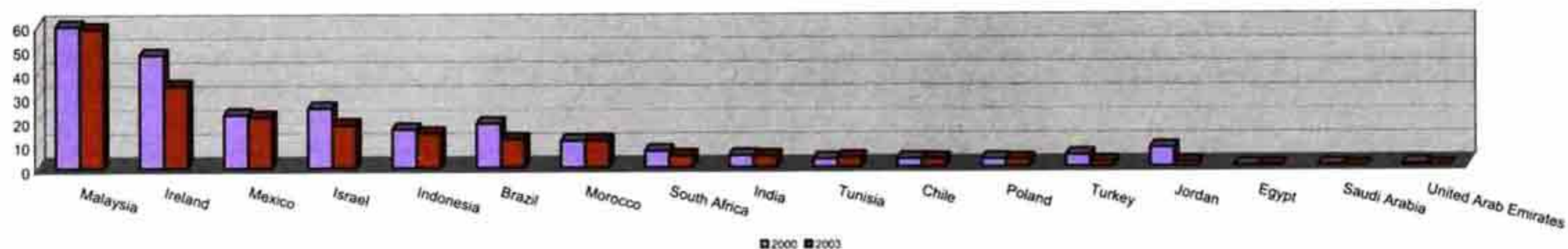


Table (4-5): High-Technology Exports (%of Manufactured Exports)

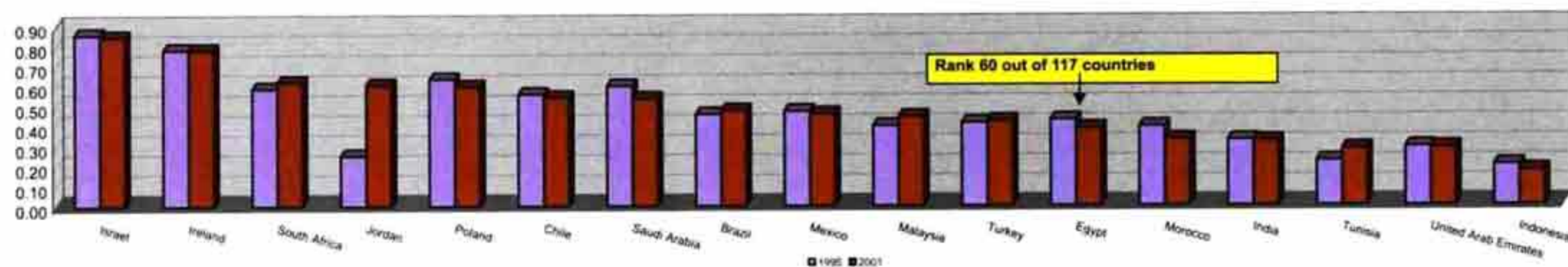
	Malaysia	Ireland	Mexico	Israel	Indonesia	Brazil	Morocco	South Africa	India	Tunisia	Chile	Poland	Turkey	Jordan	Egypt	Saudi Arabia	United Arab Emirates
2003	58.41	34.47	21.34	18.10	14.46	11.96	11.33	4.96	4.75	4.08	3.39	3.07	2.06	1.71	0.50	--	--
2002	58.17	40.63	21.38	19.74	16.38	16.83	11.10	5.13	4.76	3.77	3.80	2.77	1.89	3.21	0.76	0.35	--
2001	58.09	47.32	22.00	24.51	13.96	19.12	9.49	5.60	5.39	3.31	3.23	3.10	3.92	7.00	0.89	0.45	1.93
2000	59.53	47.52	22.40	25.09	16.16	18.61	11.28	6.97	5.01	3.42	3.44	3.30	4.86	7.98	0.29	0.40	0.69

Source: World Bank Database 2006- <http://devdata.worldbank.org/data-query/>.

Figure(4-7): High-Technology Exports %of Manufactured Exports (2000 VS. 2003)

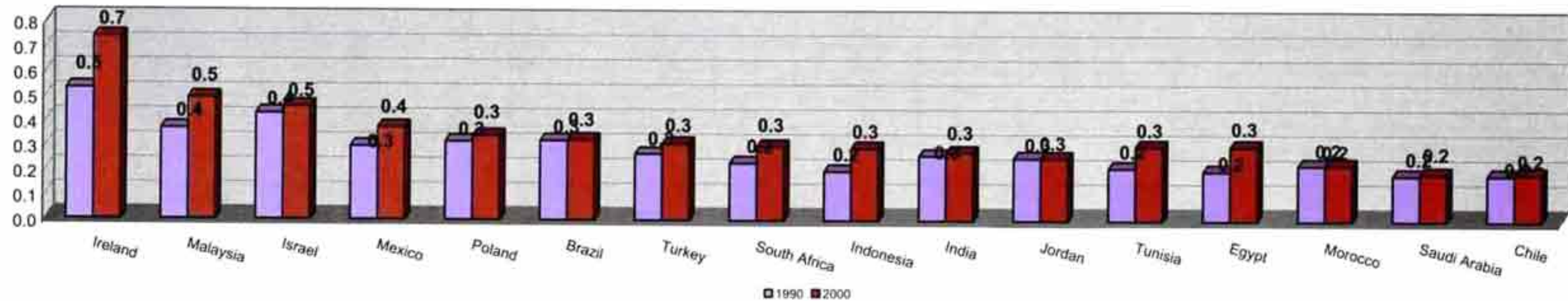


Figure(4-8): Technological Activity Index* (1995 VS. 2001)



* Each component of the index has equal weights, the index value being the simple average of the normalized value of the three variables: R&D manpower, patents in the United States and scientific journal articles.
Source: World Investment Report 2005- United Nations-UNCTAD.

Figure (4-9): The Competitive Industrial Performance Index* (1990 vs.2000)



*The Competitive Industrial Performance (CIP) index focuses on the national ability to produce manufactures competitively. The CIP index is constructed from four basic indicators: Manufacturing value added (MVA) per capita, Manufactured exports per capita, Industrialization Intensity and Export Quality. The Index value is between 0 and 1, the countries have higher index values are the countries with high competitive industrial performance.

Figure (4-10): CIP Index Component: Manufactured Exports per Capita (1990 vs.2000)

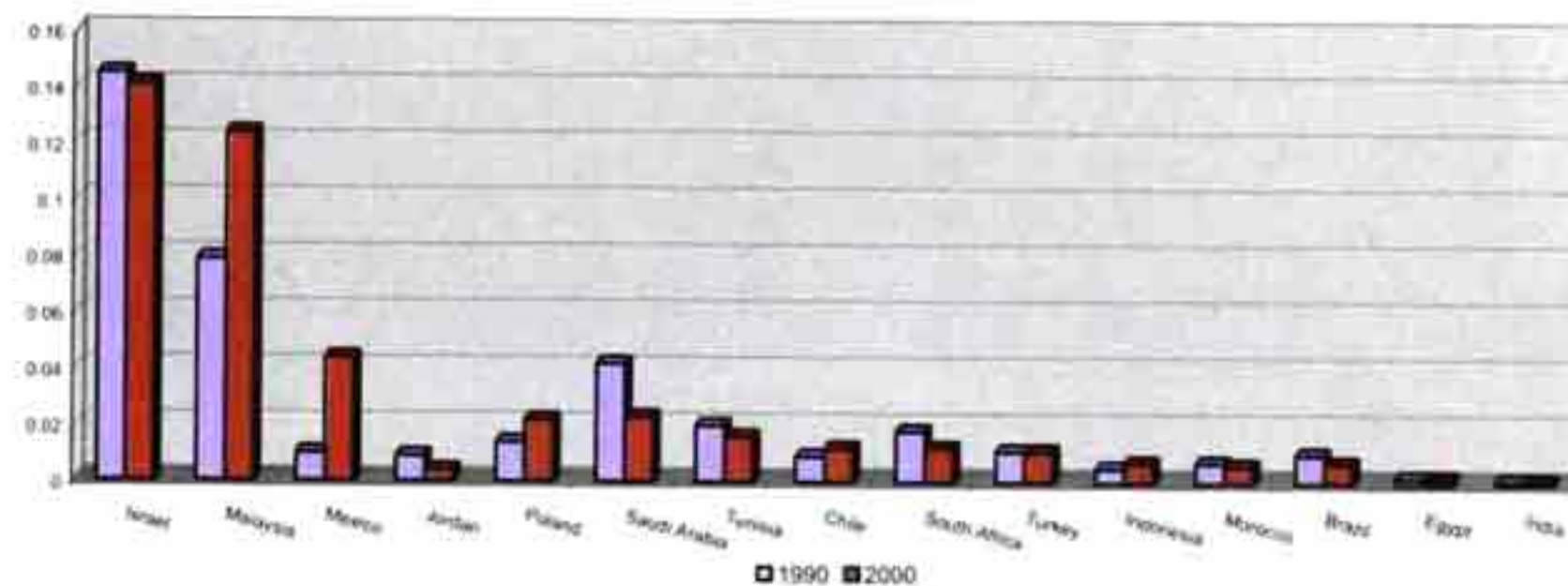
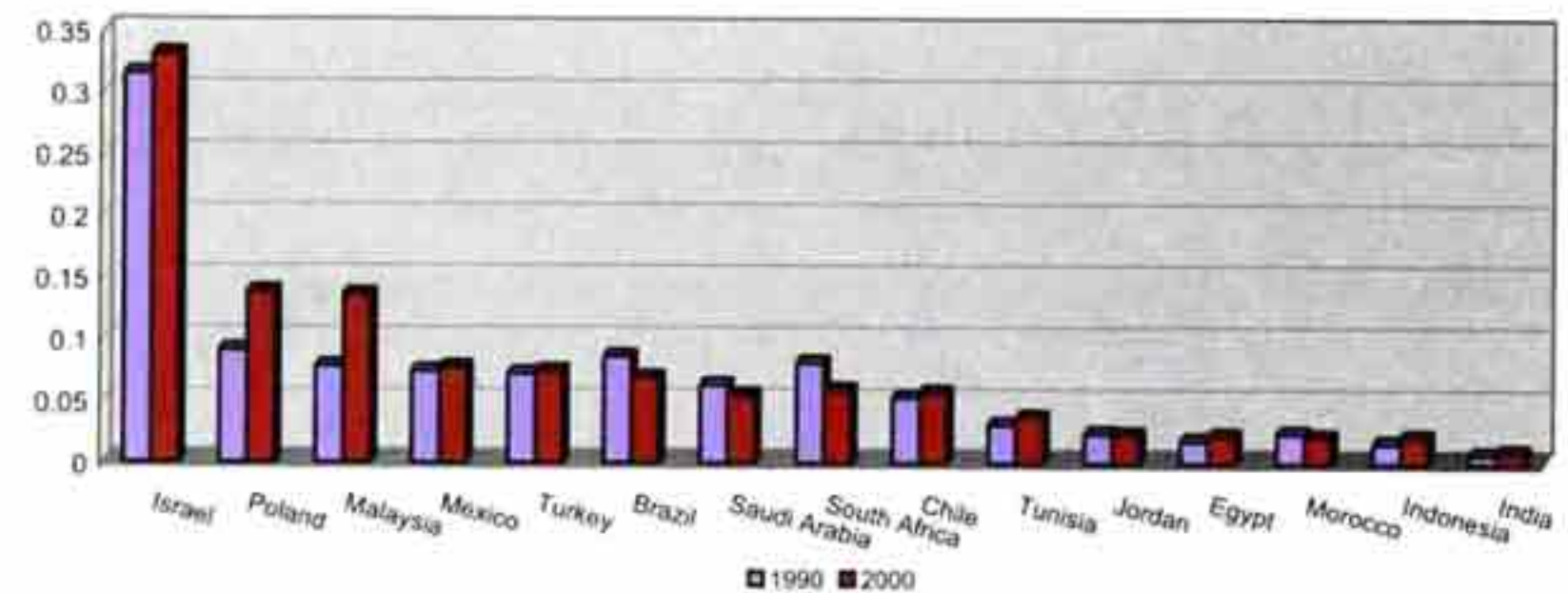


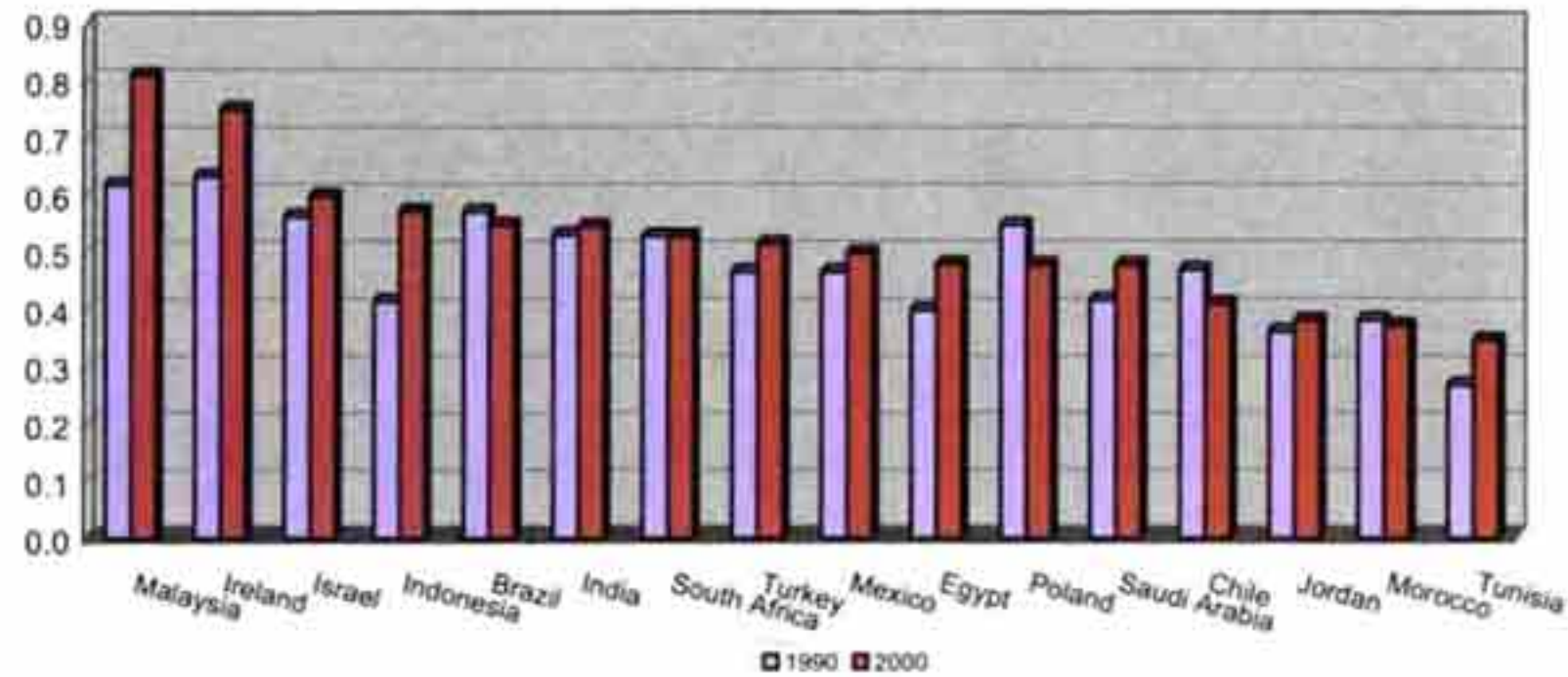
Figure (4-11) :CIP Index Component: Manufacturing Value Added per Capita (1990 vs.2000)



* *manufactured exports per capita*: The export measure indicates how competitive industrial activity is in one set of markets. It also captures another important aspect of industrial performance, the ability of national industry to keep pace with technological change, at least in exported products. Exports can be taken to demonstrate that producers are using competitive (modern) technologies.

Source: UNIDO, Industrial Development Report 2004

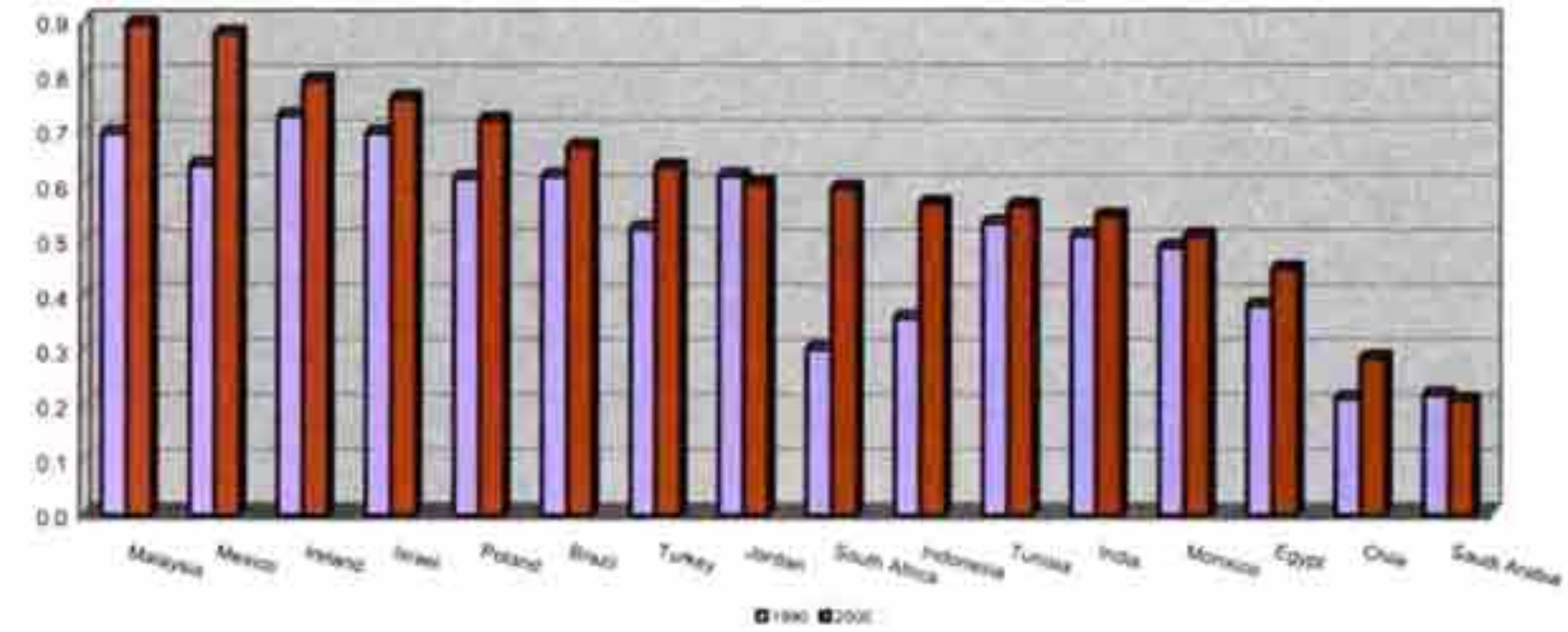
Figure (4-12): CIP Index Component: Industrialization Intensity* (1990 vs.2000)



* Industrialization Intensity: is measured by the simple average of the share of MVA in Gross Domestic Product(GDP)and the share of medium and high-technology(MHT) activities in MVA. High values of the Index represent better performance.

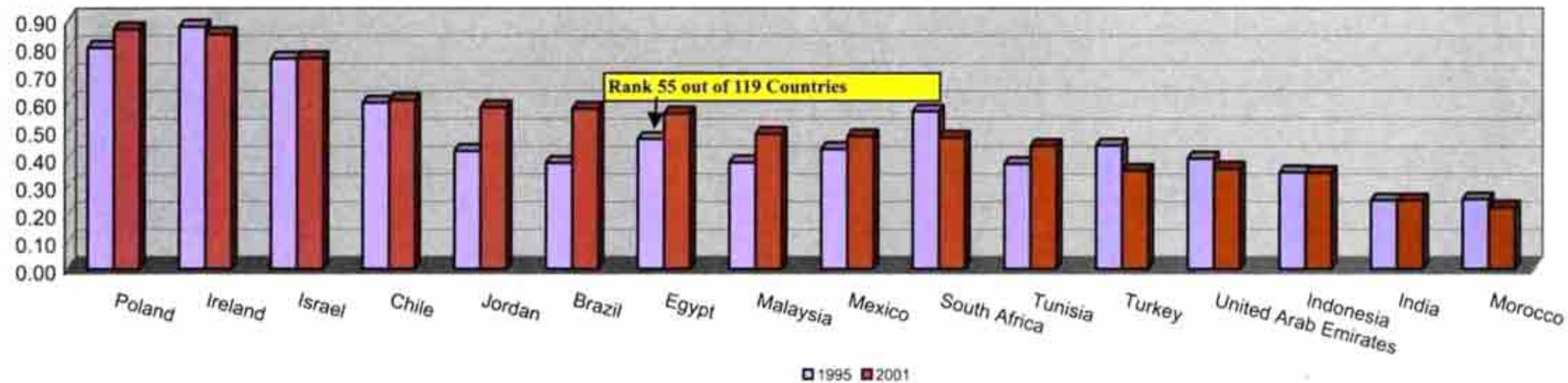
Source: UNIDO, Industrial Development Report 2004

Figure (4 -13): CIP Index Component: Export Quality (1990 vs.2000)



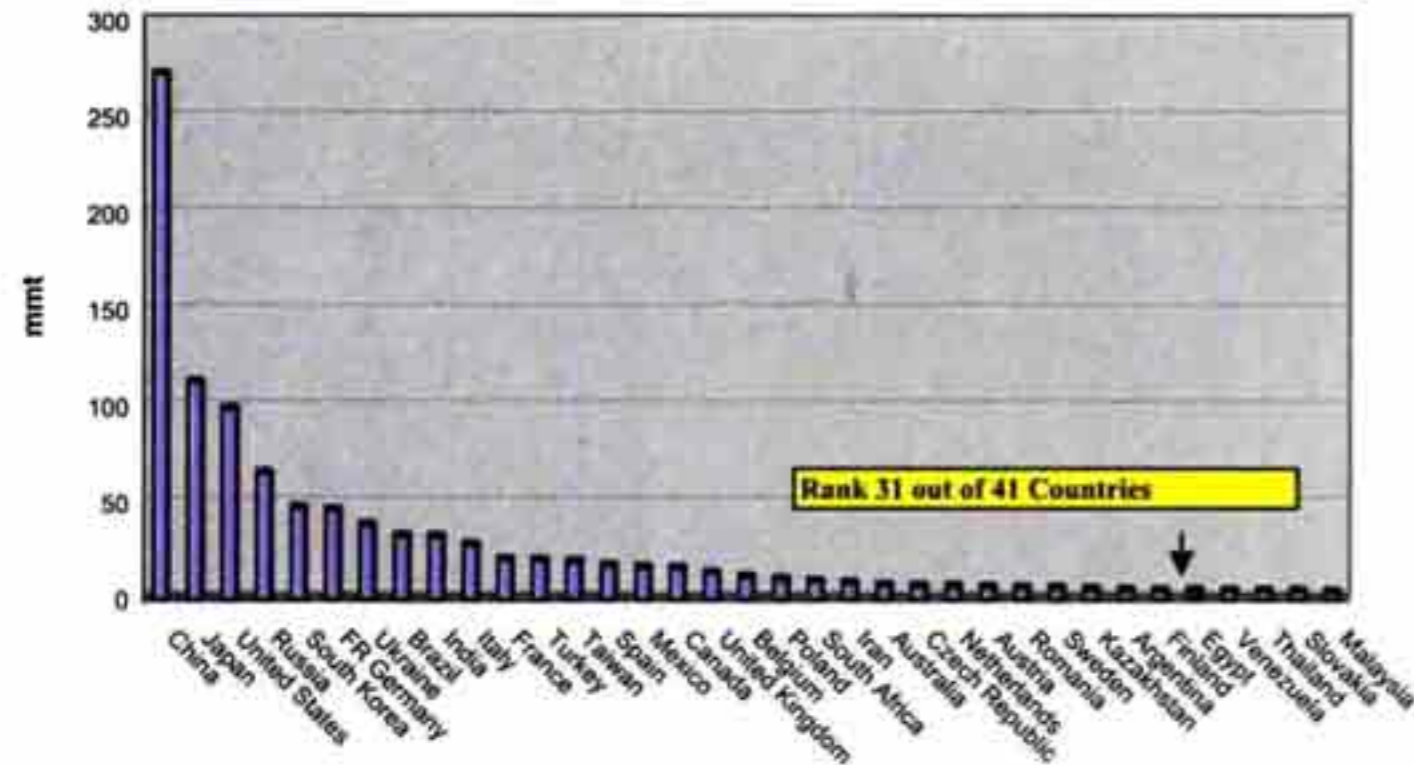
* Export Quality Index: is measured by the simple average of the share of Industrial Exports in total export and the share of medium and high technology (MHT) activities in industrial exports .

Figure(4-14) Human Capital Index* (1995 vs.2001)



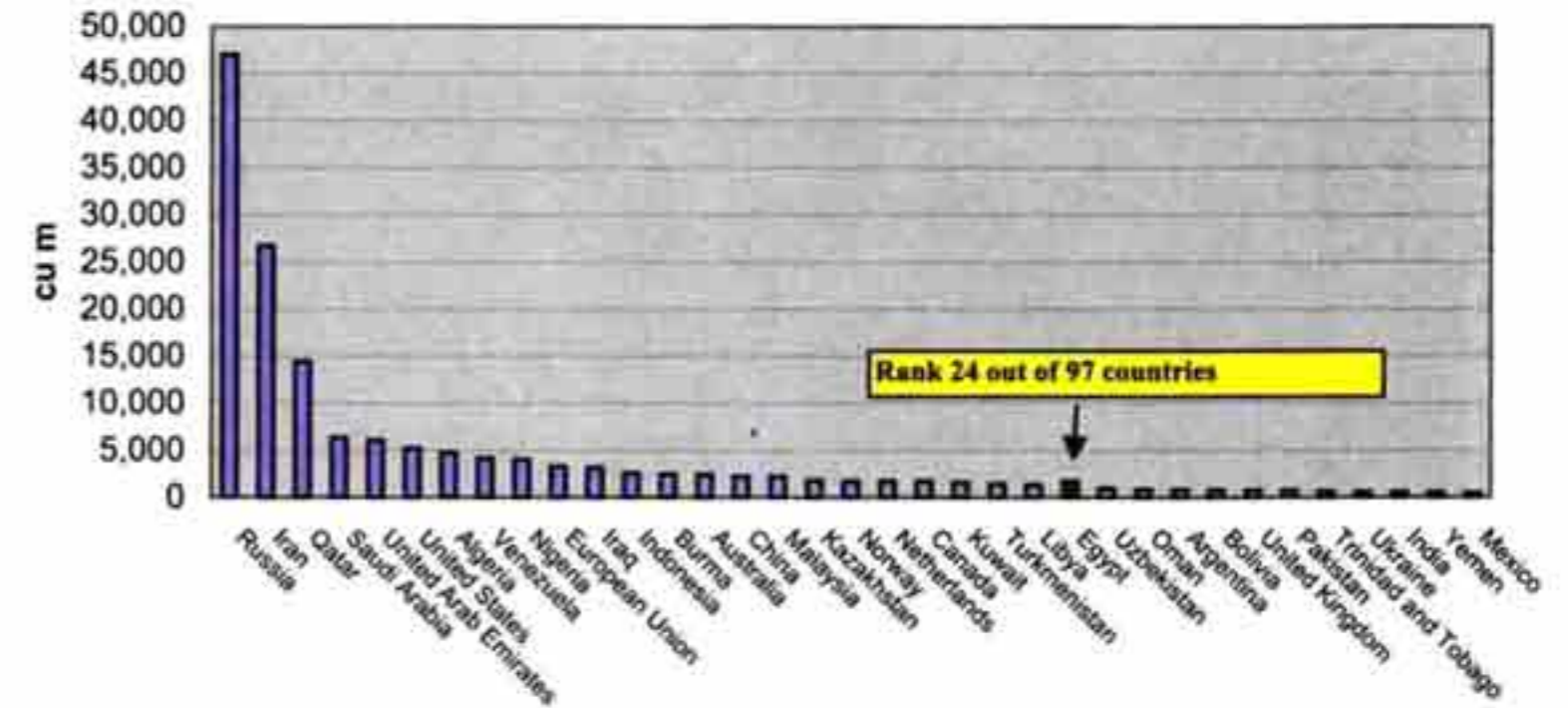
* The Human Capital Index is calculated from the literacy rate(weight of 1), secondary enrolments(weight of 2) and tertiary enrolments in all subjects (weight of 3).
Source: World Investment Report 2005- United Nations.

Figure(4-15):-Top 35 Steel-Producing Countries in 2004*



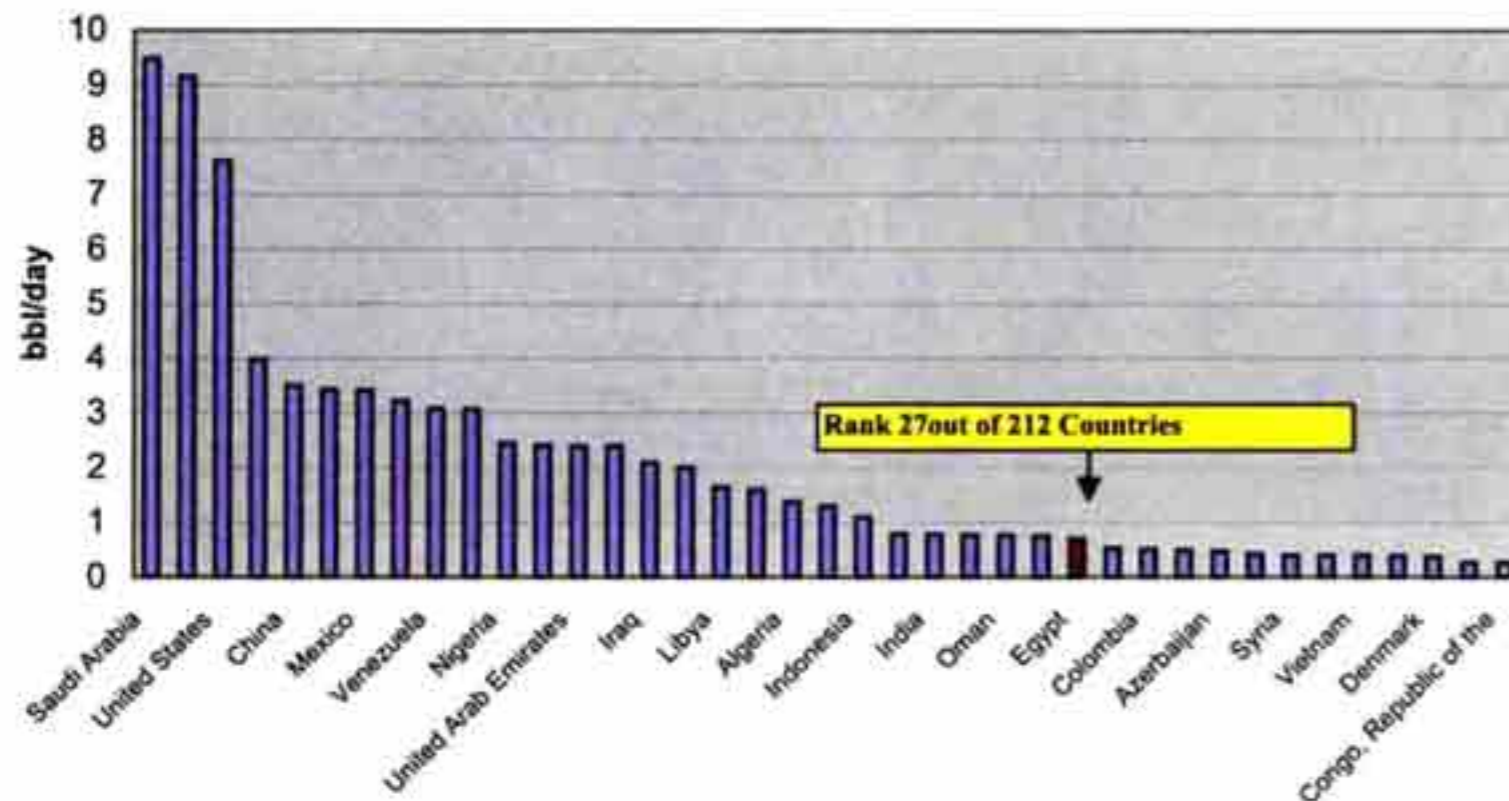
* Million Metric Tons Crude Steel Production(mmt)
Source: World Steel in Figures 2005-International Iron and Steel Institute.

Figure (4-16):-Top 35 Natural Gas-Proved Reserves Countries in 2004*



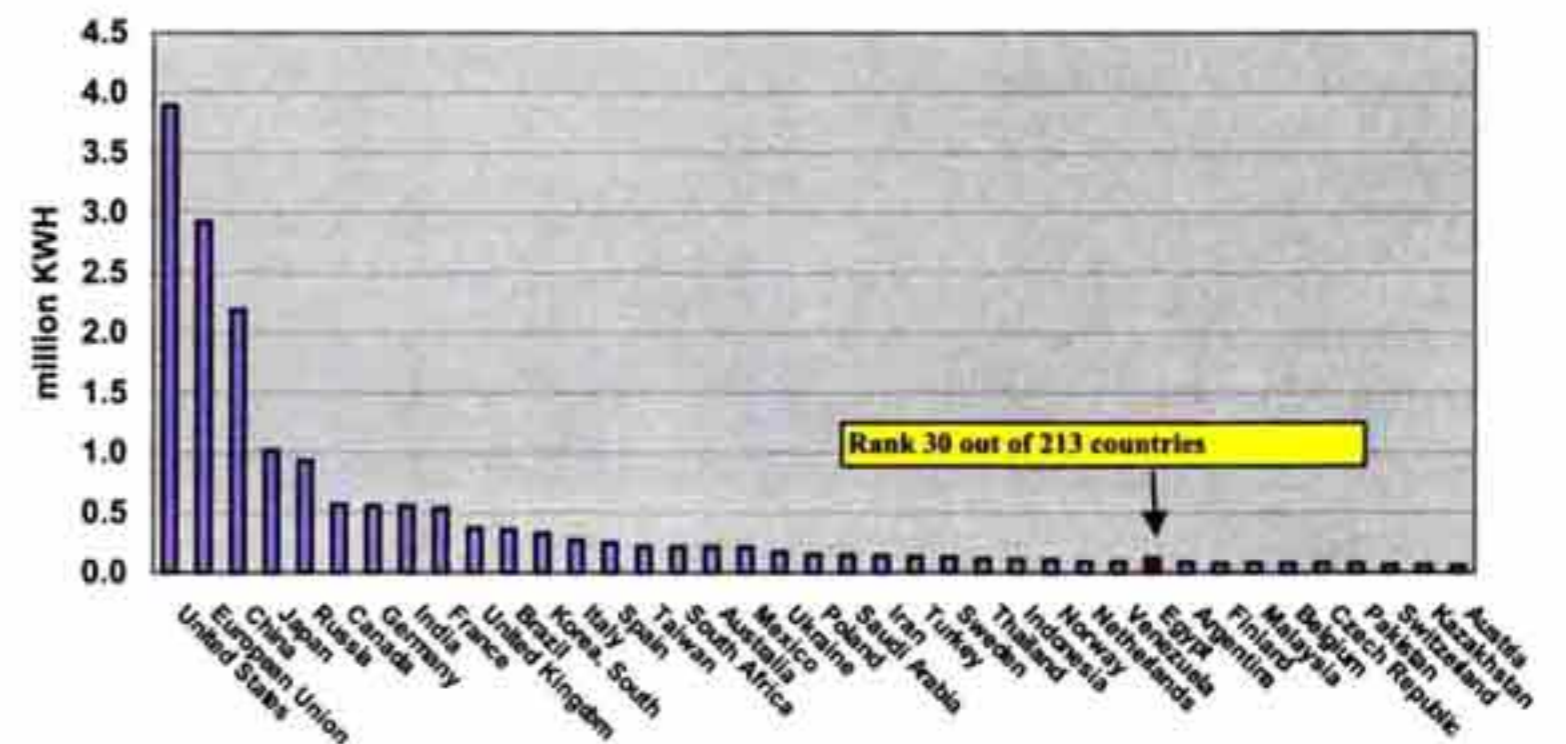
*Billion Metric Tons Crude Steel Production(cu m)
Source: CIA -Factbook-2005. www.odci.gov.

Figure(4-17):-Top Oil Production Countries Ranking in 2005*



*Except China, European Union, Indonesia and Denmark in 2004
Source: Cia-Factbook2005.www.odci.gov.

Figure(4-18):-Top Electricity Production Countries in 2003*



*Except European Union in 2002 and China, Russia, Taiwan and Poland are in 2004.
Source: Cia-Factbook2005.www.odci.gov.

Table (4-6): Top Manufacturing Countries in Ceramic Tiles

Rank	Country	Production (million sq.m.)					% of world consumption 2003
		1999	2000	2001	2002	2003	
1	China	1,600	1,807	1,810	1,868	1,950	32.3
2	Spain	602	621	638	651	624	10.4
3	Italy	606	632	638	606	603	10
4	Brazil	428	453	473	508	534	8.9
5	Indonesia	130	200	220	230	260	4.3
6	India	85	97	109	150	190	3.2
7	Turkey	150	175	150	162	189	3.1
8	Mexico	130	138	167	159	171	2.8
9	Thailand	70	56	63	100	135	2.2
10	Iran	60	71	78	95	120	2
11	Vietnam	29	55	95	105	110	1.8
12	Egypt	42	50	65	83	84	1.4
13	Malaysia	50	58	67	72	72	1.2
14	Portugal	60	64	66	69	70	1.2
15	Russia	25	30	45	58	70	1.2
16	Poland	30	35	46	49	66	1.1
17	USA	59	60	55	58	61	1
18	Germany	64	62	57	54	58	1
19	UAE	30	40	40	48	57	0.9
20	South Korea	39	48	50	56	56	0.9
21	Taiwan	88	68	47	40	46	0.8
22	Japan	54	54	53	51	46	0.8
23	France	50	49	44	41	40	0.7
24	Morocco	23	30	35	35	40	0.7
25	Argentina	29	27	27	30	36	0.6
26	Czech.Rep.	27	30	30	29	31	0.5
27	Algeria	30	30	30	30	30	0.5
28	South Africa	9	15	15	20	30	0.5
29	Colombia	25	26	26	26	26	0.4
30	Phillippines	22	25	25	25	25	0.4

Source: The Egyptian Industrial Modernisation Centre(IMC) based on the Italian Association of manufactures of machinery and equipment for ceramics (ACIMAC) -2006

Figure (4-19) Top Manufacturing Countries in Ceramic Tiles 2003

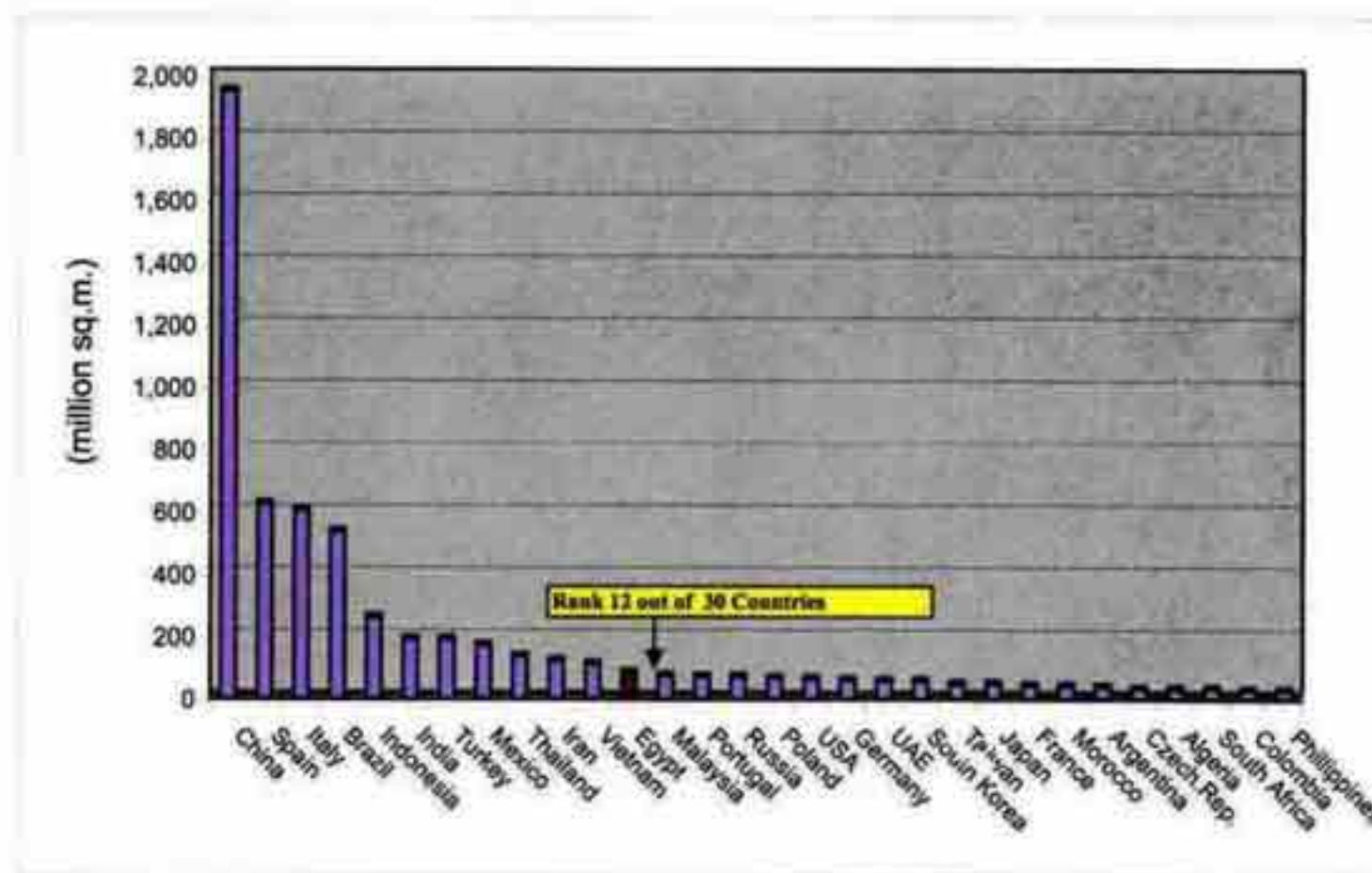
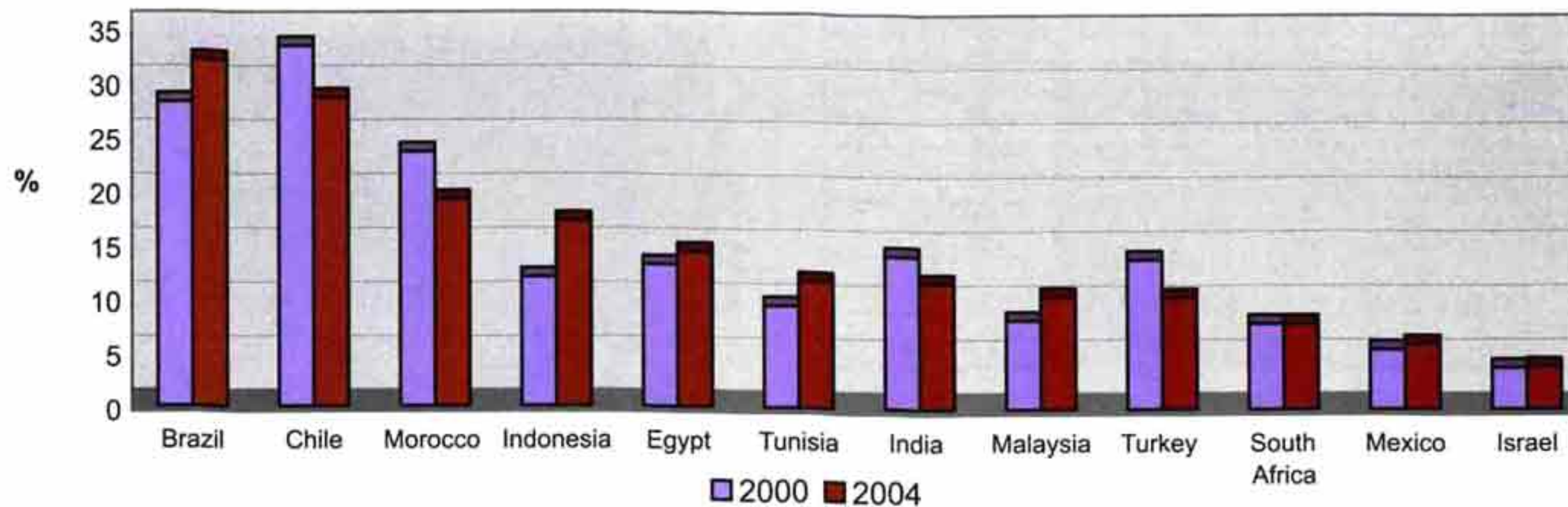
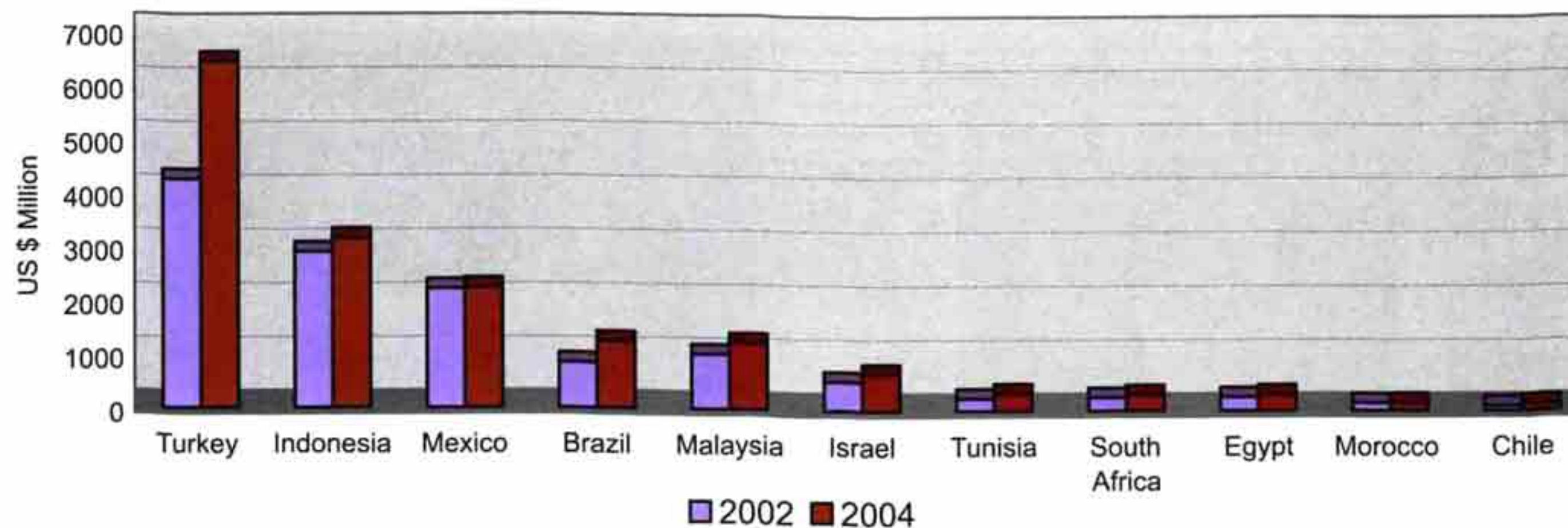


Figure (4-20): Agricultural Products Exporters of Some Selected Economies (2000 vs. 2004)*



* Share in Economy's total merchandise exports.
Source: International Trade Statistics 2005-WTO

Figure (4-21): Textiles Exporters of Some Selected Economies (2000 vs. 2004)



Source: International Trade Statistics 2005-WTO

V. Trade Profile



Table (5-1): Exports by degree of Processing * US\$ Millions

End of June	1999	2000	2001	2002	2003	2004	2005
Total Exports**	4,445.1	6,387.7	7,078.2	7,120.8	8,205.4	10,452.5	13,833.4
Fuels, Mineral Oil & Prod., of which :	1,017.5	2,283.6	2,649.6	2,411.0	3,195.2	4,011.8	5,478.0
Crude petroleum	238.7	902.0	1,165.6	686.4	1,117.0	1,413.7	1,937.7
Petroleum products	761.0	1,370.9	1,466.8	1,694.6	2,043.8	2,496.6	3,361.3
Charcoal & types thereof	13.6	7.8	15.9	3.9	19.0	24.2	36.6
Cotton	207.7	166.7	144.5	83.2	199.2	201.6	137.8
Raw Material, of which :	254.6	153.7	162.6	184.8	287.3	473.3	593.6
Potatoes	46.8	13.5	9.8	6.7	3.3	4.6	1.3
Citrus fruits	71.9	3.7	2.1	7.0	12.3	13.2	24.2
Medicinal plants	20.2	14.6	36.1	29.2	15.7	5.6	7.7
Spices & vanilla	5.6	0.7	0.7	0.5	0.2	0.1	0.4
Groundnuts	5.4	0.8	0.4	1.3	1.1	0.5	2.0
Flax raw	6.0	2.8	2.8	3.9	6.8	3.4	5.7
Semi-finished Commodities, of which :	418.6	282.8	398.5	440.5	657.6	763.5	776.0
Carbon	37.0	10.0	10.6	19.5	47.1	21.4	9.6
Essentials oils & resins	8.3	2.2	2.0	11.0	11.7	6.7	15.5
Aluminium, not mixed	117.7	38.4	82.8	46.4	61.8	61.7	72.0
Cotton yarn	195.1	101.0	121.3	147.0	153.1	146.8	117.2
Finished Commodities, of which :	1,675.9	2,603.7	2,788.4	2,955.7	3,017.3	3,971.8	5,347.7
Rice	122.7	41.9	78.5	78.5	63.2	57.8	140.6
Preserved & dried vegetables	19.0	3.1	2.7	3.8	0.7	3.5	5.9
Dried onion	15.0	2.7	0.2	1.0	1.6	1.8	5.5
Pharmaceutical products	60.2	32.2	59.2	82.5	129.9	209.1	215.2
Fertilizers	51.8	113.7	64.2	48.4	86.0	124.9	149.6
Carpets & other floor covering	68.5	61.4	59.8	83.8	62.5	105.6	110.8
Articles of iron and steel	122.5	89.7	272.3	257.5	155.1	407.8	622.8
Aluminium articles	78.2	31.7	47.3	124.5	147.6	149.3	220.5
Ready-made clothes	328.1	224.6	232.8	187.2	218.3	257.1	296.9
Cotton textiles	86.0	80.9	115.2	108.9	120.1	209.0	305.8
Undistributed Commodities	870.8	897.2	934.6	1,045.6	848.8	1,030.5	1,500.0

Source : Central Bank of Egypt.

* According to The Harmonized System Coding (H.S.C) (Degree of Processing).

** Including exports of free zones.

Figure (5-1) : Exports Classified by Commodity Groups

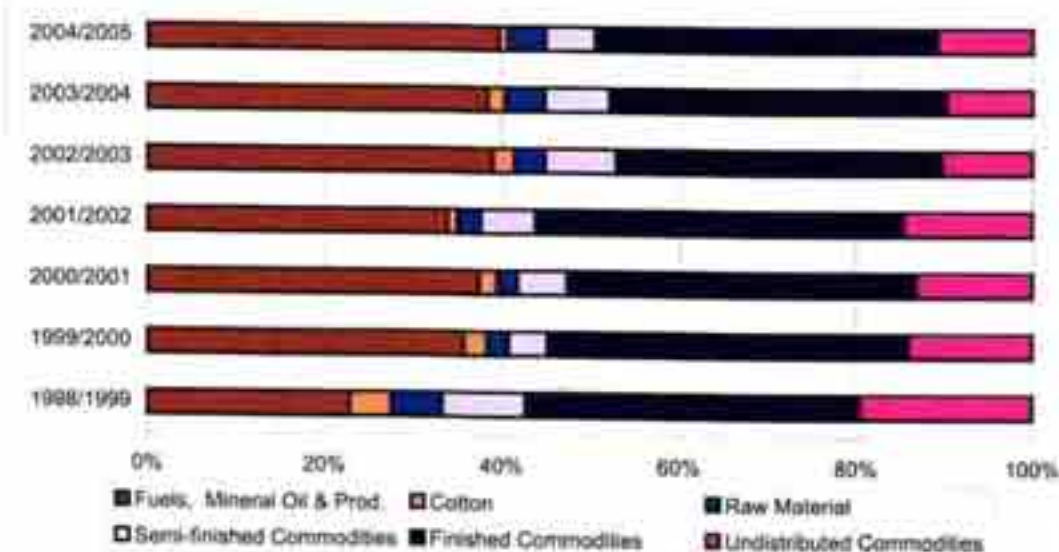


Figure (5-2) : Trends of Exports

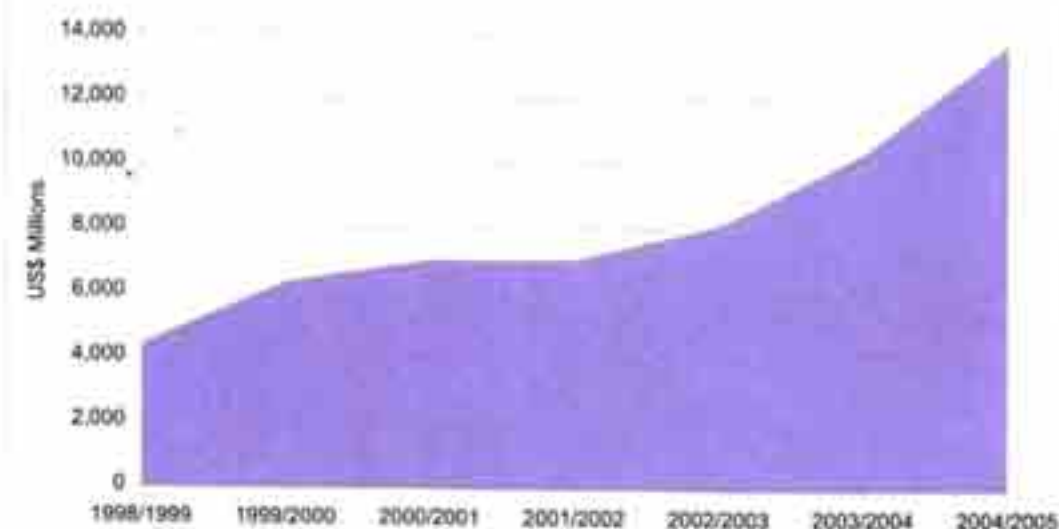
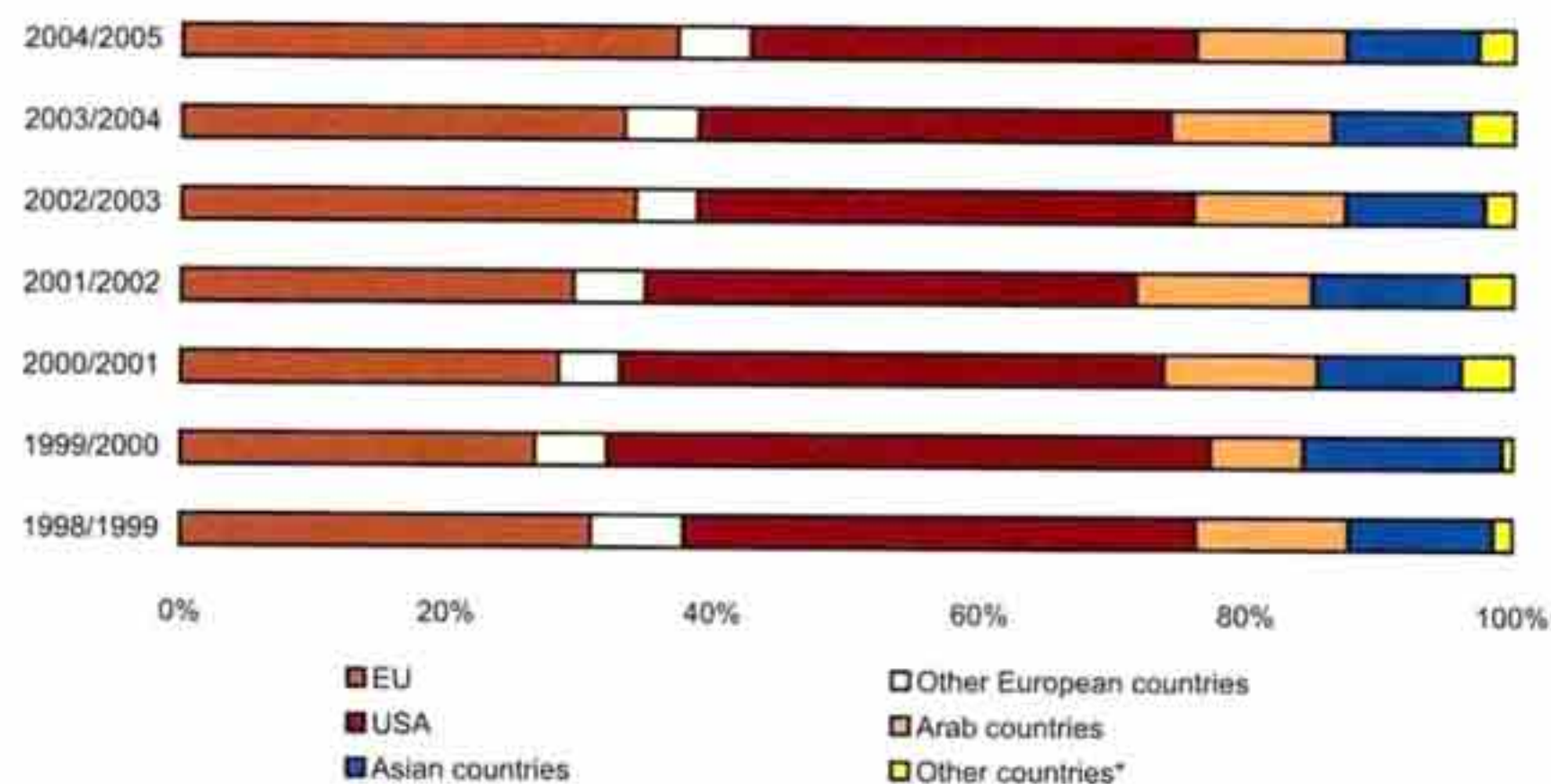


Table (5-2): Exports by Geographical Distribution US\$ Millions

End of June	1999	2000	2001	2002	2003	2004	2005
Total Exports*	4,445.1	6,387.7	7,078.2	7,120.8	8,205.4	10,452.5	13,833.4
EU	1,370.3	1,699.7	2,007.2	2,099.2	2,796.9	3,534.8	5,144.1
Other European countries	307.9	343.4	322.8	378.8	377.1	513.8	752.9
Federal Russia & C.I.S.	35.0	12.2	16.5	44.4	36.9	65.5	57.6
USA	1,708.5	2,893.8	2,889.2	2,621.1	3,056.9	3,701.5	4,625.1
Arab countries	511.4	444.3	816.7	942.7	934.2	1,273.3	1,557.7
Asian countries	482.2	955.2	765.9	836.0	859.2	1,077.0	1,379.7
African countries	26.0	51.8	41.1	64.4	73.6	215.8	182.4
Australia	3.2	5.3	3.3	3.3	3.4	20.0	11.7
Other countries	26.6	33.8	215.5	130.9	67.2	50.8	122.2

Source : Central Bank of Egypt.
* Including exports of free zones.

Figure (5-3): Main Markets Share from Egyptian Exports



* Includes Federal Russia & C.I.S., African countries, Australia, and other countries.

Figure (5-4): Total Exports by Geographical Distribution

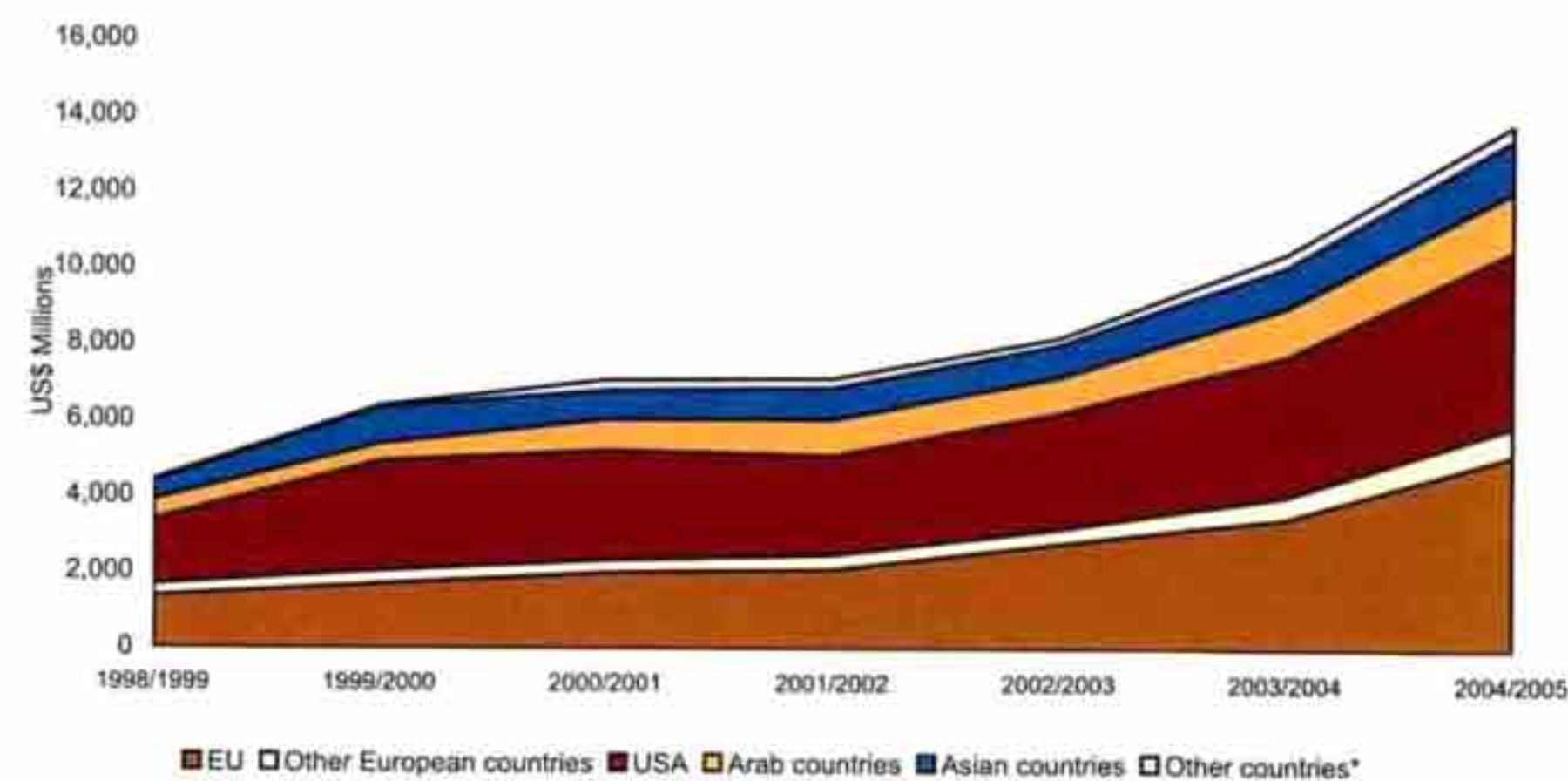


Table (5-3): Imports by degree of Use *(US\$ Millions)

End of June	1999	2000	2001	2002	2003	2004	2005
Total Imports**	17,007.6	17,860.0	16,441.3	14,637.3	14,820.3	18,286.3	24,192.8
Fuels , Mineral Oil & Products, of which :	485.8	1,051.8	953.5	668.0	991.2	1,524.6	2,448.4
Petroleum products	394.9	988.4	892.1	600.9	930.7	1,435.8	2,336.4
Charcoal & types thereof	81.9	58.0	60.7	65.2	60.2	60.6	105.8
Raw Material, of which :	2,346.4	2,688.3	3,679.3	3,176.8	2,689.9	3,165.8	4,326.9
Crude petroleum	742.3	1,399.4	2,279.8	1,875.9	1,382.3	1,113.9	1,638.9
Wheat	643.4	372.6	533.4	489.2	563.9	1,024.8	1,107.1
Maize	394.3	462.9	397.3	395.0	377.5	396.1	433.4
Tobacco	185.0	206.3	147.1	142.8	108.7	166.3	222.9
Iron ore	142.3	14.4	14.3	0.3	3.5	12.5	84.1
Cotton	2.6	25.1	29.5	22.1	14.3	77.1	69.3
Intermediate Goods, of which :	5,341.2	4,209.5	3,972.4	3,702.1	4,395.5	5,247.2	6,803.1
Animal & vegetable fats, greases & oils & prod.	480.9	373.5	345.6	372.7	397.7	516.7	590.7
Organic & inorganic chemicals	361.6	397.4	390.5	447.8	509.5	631.6	727.1
Plastic & articles thereof	551.4	547.0	503.6	409.5	437.4	487.5	677.7
Wood & articles	638.9	428.5	388.0	320.8	305.4	368.0	432.5
Paper , cardboard paper & articles thereof	414.6	442.6	443.9	373.4	380.2	419.3	482.3
Iron & steel products	1,311.7	747.4	552.6	550.9	711.2	787.7	965.9
Aluminium & articles	114.5	59.3	79.2	54.5	105.8	110.6	150.2
Rubber & articles	150.2	143.3	133.1	121.9	149.0	172.2	191.3
Investment Goods, of which :	5,574.5	5,638.8	3,696.1	3,022.7	3,178.9	3,506.4	4,894.5
Computers	201.5	182.6	147.0	124.1	137.1	142.2	154.2
Motors, generators, transformers & spare parts	130.6	205.5	105.2	95.7	97.7	78.5	96.1
Vehicles for passengers	232.6	14.3	18.1	12.0	22.0	29.4	25.2
Spare parts for cars	594.8	527.8	348.3	274.9	368.6	319.4	411.5
Electric appliances for tel. and telegraph	319.4	546.6	318.1	299.3	236.2	154.5	234.3
Optical appliances	294.5	364.1	280.9	236.3	208.7	216.2	183.9
Consumer Goods	2,901.6	2,995.9	2,864.8	2,779.4	2,592.6	2,930.7	3,201.9
A - Durable Goods, of which :	582.2	603.0	681.4	749.7	759.5	854.6	1,052.5
Refrigerators, electric freezers	76.2	73.4	71.1	73.5	68.1	65.7	57.9
Televisions & parts thereof	20.4	50.1	42.5	45.6	44.8	31.5	49.3
Cars	130.3	170.6	156.7	135.0	180.2	143.4	239.9
B - Non-Durable Goods, of which :	2,319.4	2,392.9	2,183.4	2,029.7	1,833.1	2,076.1	2,149.4
Dairy products, eggs and honey	182.2	170.5	141.6	112.0	98.7	115.5	111.4
Refined sugar	97.8	15.2	55.4	48.4	83.1	81.2	14.2
Pharmaceuticals	547.0	523.3	469.4	583.0	499.1	476.9	524.6
Insecticides	93.7	72.7	45.1	31.6	20.9	19.5	14.5
Ready-made clothes	101.0	222.4	205.2	145.3	82.2	102.9	137.0
Cotton textiles	33.0	16.5	17.4	13.2	7.8	24.8	21.9
Undistributed Commodities	358.1	1,275.7	1,275.2	1,288.3	972.2	1,911.6	2,518.0

Source: Central Bank of Egypt.

* According to The Harmonized system(H.S.) (Degree of Use).

** Including imports of free zones .

Figure (5-5): Imports Classified by Commodity Groups

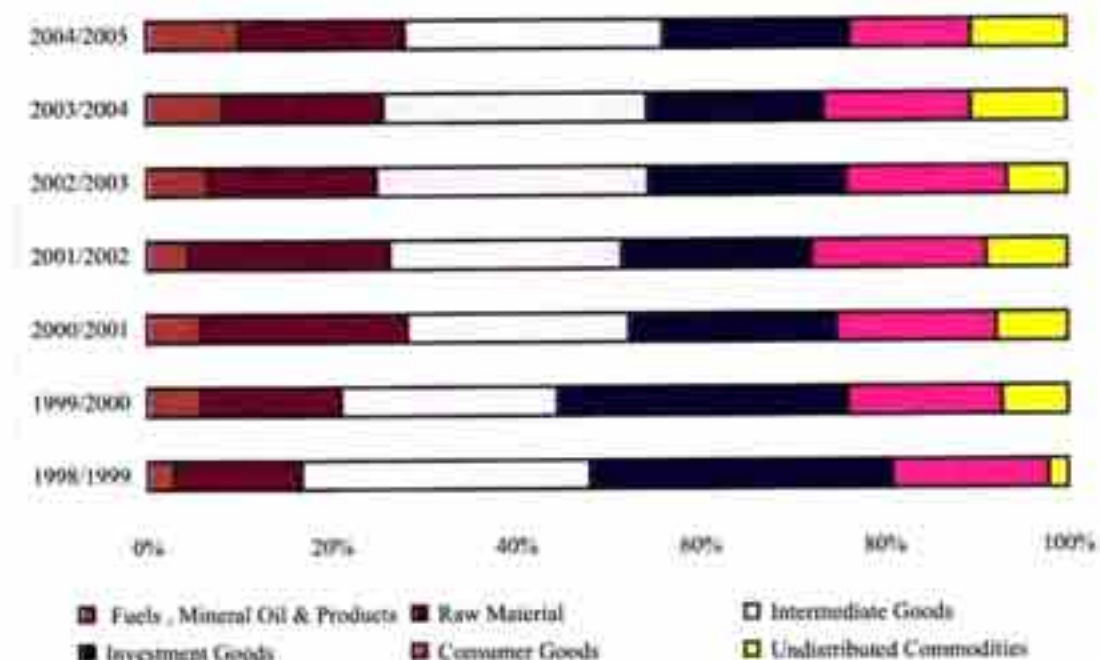


Figure (5-6): Trends of Imports

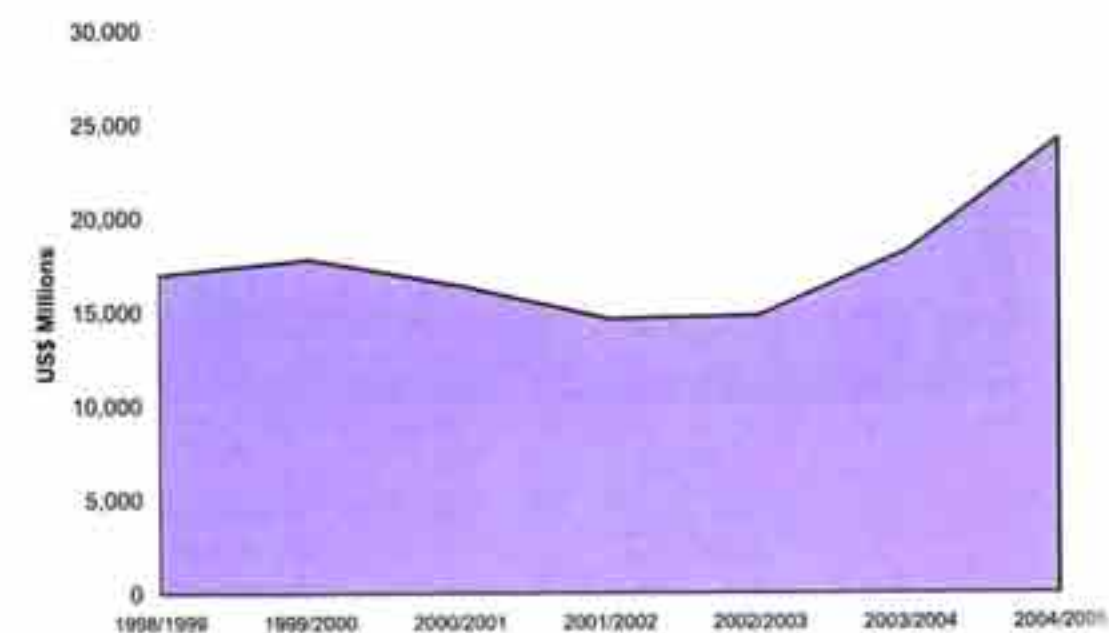
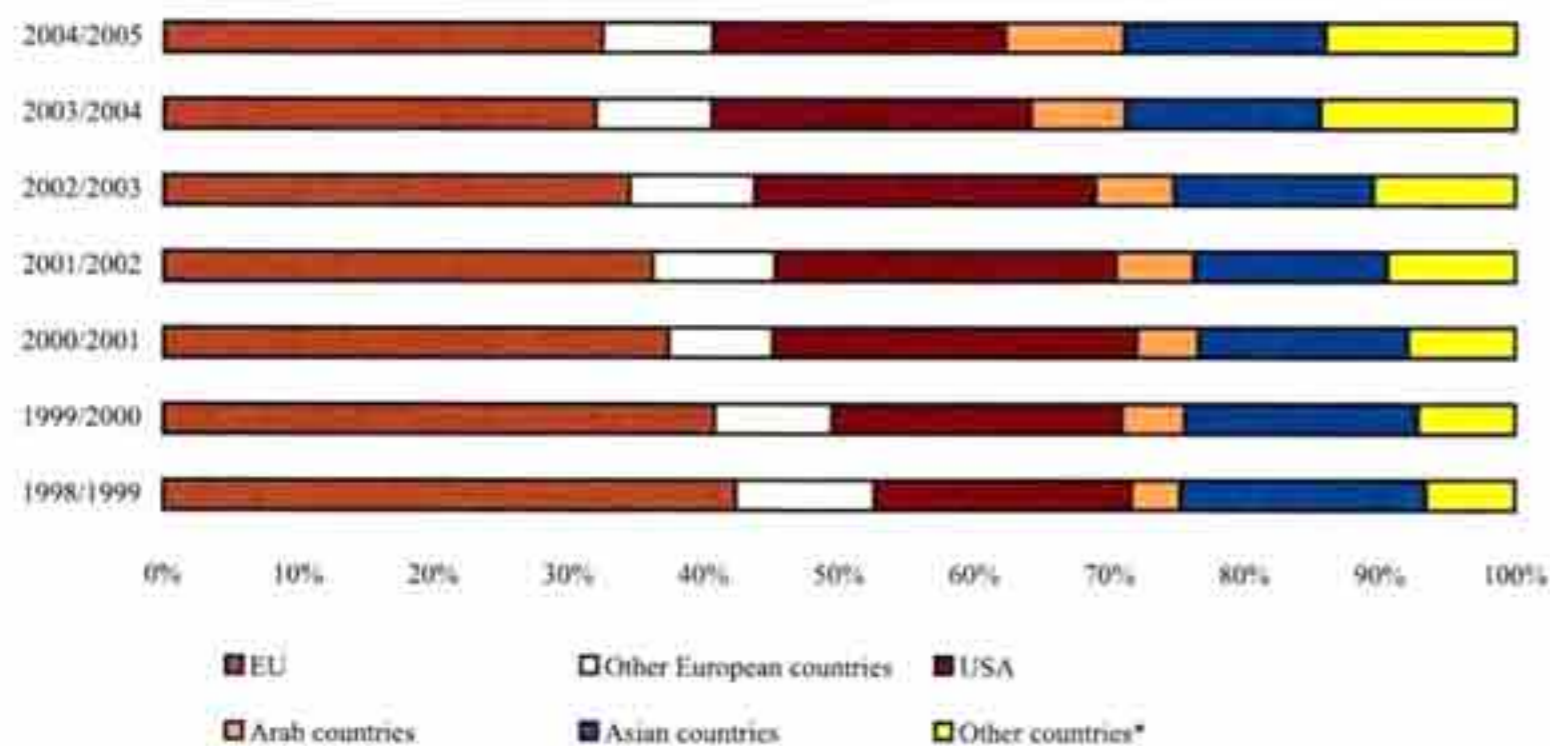


Table (5-4): Imports by Geographical Distribution US\$ Millions

End of June	1999	2000	2001	2002	2003	2004	2005
Total Imports*	17,007.6	17,860.0	16,441.3	14,637.3	14,820.3	18,286.3	24,192.8
EU	7,204.5	7,286.4	6,145.1	5,296.6	5,108.6	5,835.8	7,849.0
Other European countries	1,743.0	1,550.0	1,266.9	1,322.7	1,365.5	1,578.9	1,972.7
Federal Russia & C.I.S.	284.8	259.3	251.4	254.6	288.2	222.1	548.2
USA	3,225.6	3,821.0	4,414.9	3,684.0	3,732.1	4,302.6	5,220.2
Arab countries	623.5	840.5	754.3	847.5	866.3	1,284.0	2,133.6
Asian countries	3,088.9	3,074.9	2,553.8	2,096.9	2,189.5	2,642.5	3,603.6
African countries	151.4	150.7	124.5	132.0	103.1	150.4	148.0
Australia	254.4	269.7	246.7	225.4	155.2	350.5	127.2
Other countries	582.9	758.2	683.7	777.6	1,011.8	1,919.5	2,590.3

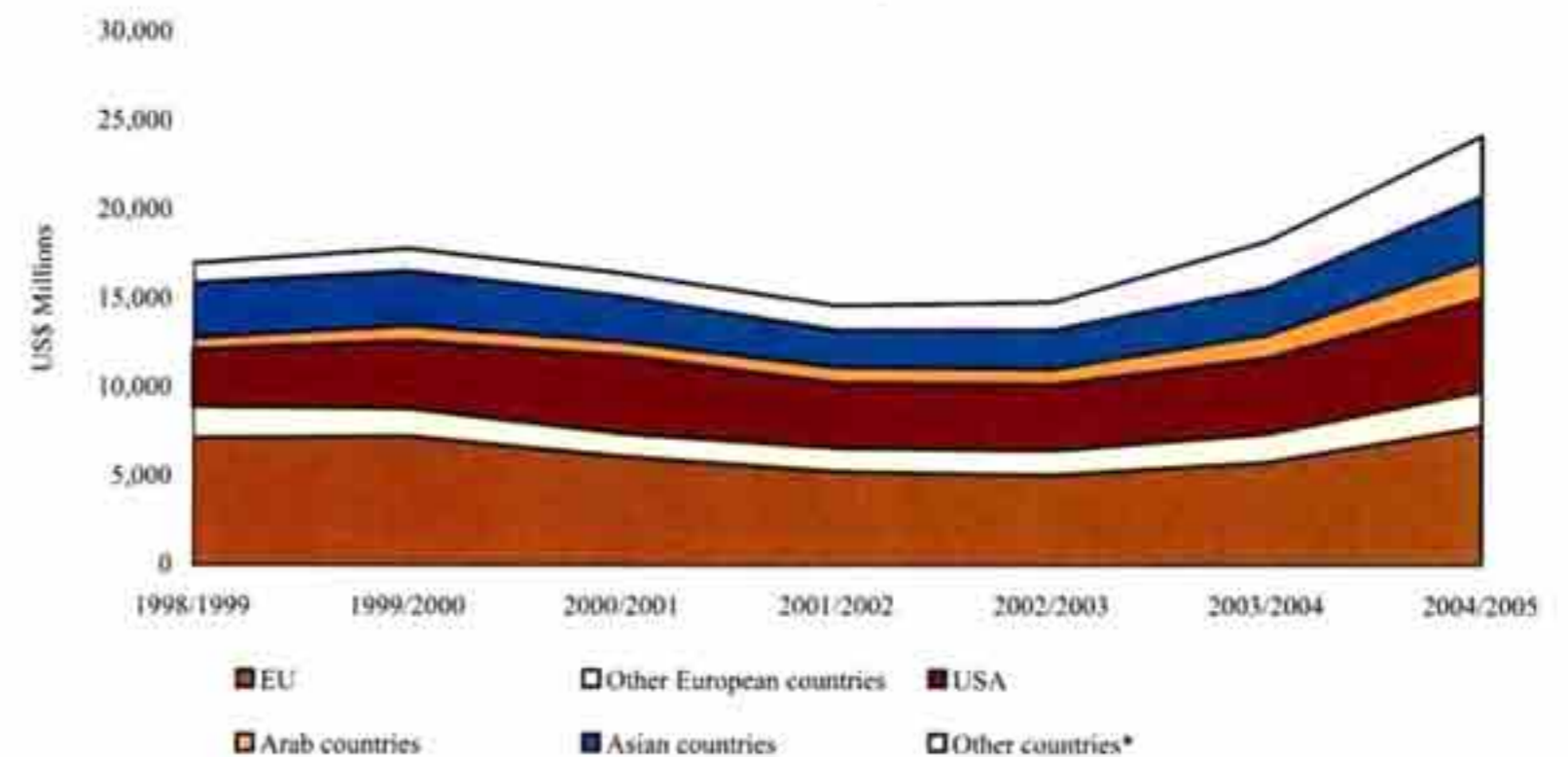
Source : Central Bank of Egypt.
* Including imports of free zones.

Figure (5-7) : Main Markets Share from Egyptian Imports



* Includes Federal Russia & C.I.S., African countries, Australia, and other countries.

Figure (5-8) : Total Imports by Geographical Distribution



VI. Trade Profile Egypt & The World

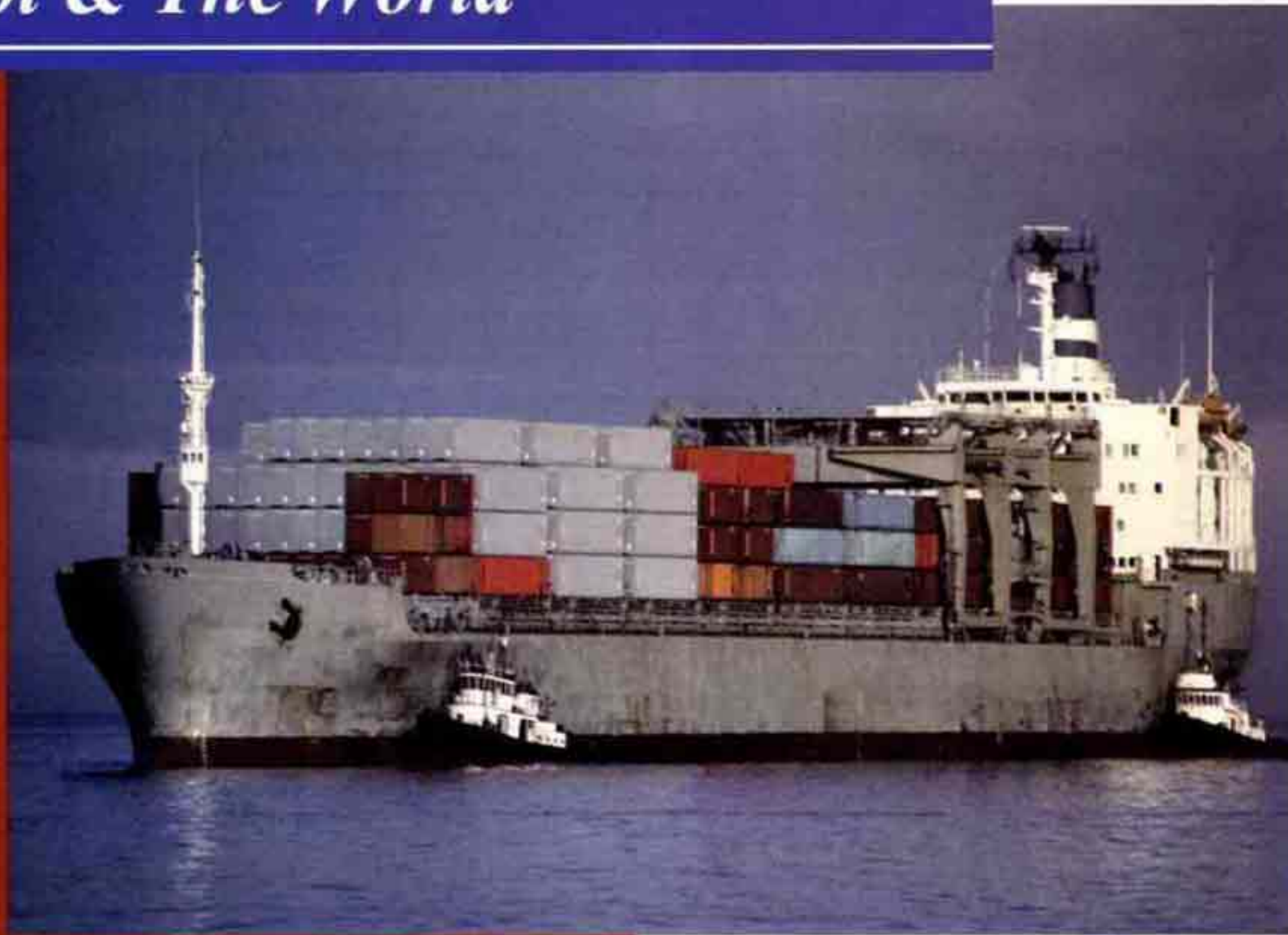


Table (6-1): Merchandise Exports 2000-2004 US\$ Billions

	2000	2001	2002	2003	2004
Mexico	166.4	158.5	160.7	165.4	189.1
Saudi Arabia	98.2	88.0	94.1	105.0	126.5
Malaysia	77.6	68.1	72.6	93.4	126.2
Brazil	77.4	82.8	88.3	92.8	104.3
Ireland	55.1	58.2	60.4	73.1	96.5
Poland	49.8	48.8	52.2	67.1	82.8
Turkey	42.4	43.4	49.3	57.1	75.6
India	31.7	36.0	41.1	53.8	74.9
Indonesia	65.4	57.4	59.2	64.1	72.3
South Africa	27.8	31.3	36.1	47.3	63.1
Chile	30.0	29.3	29.7	36.5	46.0
Israel	31.4	29.0	29.3	31.6	38.5
Tunisia	19.2	18.3	18.2	21.5	32.0
Morocco	7.4	7.1	7.9	8.8	9.7
Egypt	5.9	6.6	6.9	8.0	9.7
Jordan	4.7	4.1	4.7	6.2	7.7
United Arab Emirates	1.9	2.3	2.8	3.1	4.0

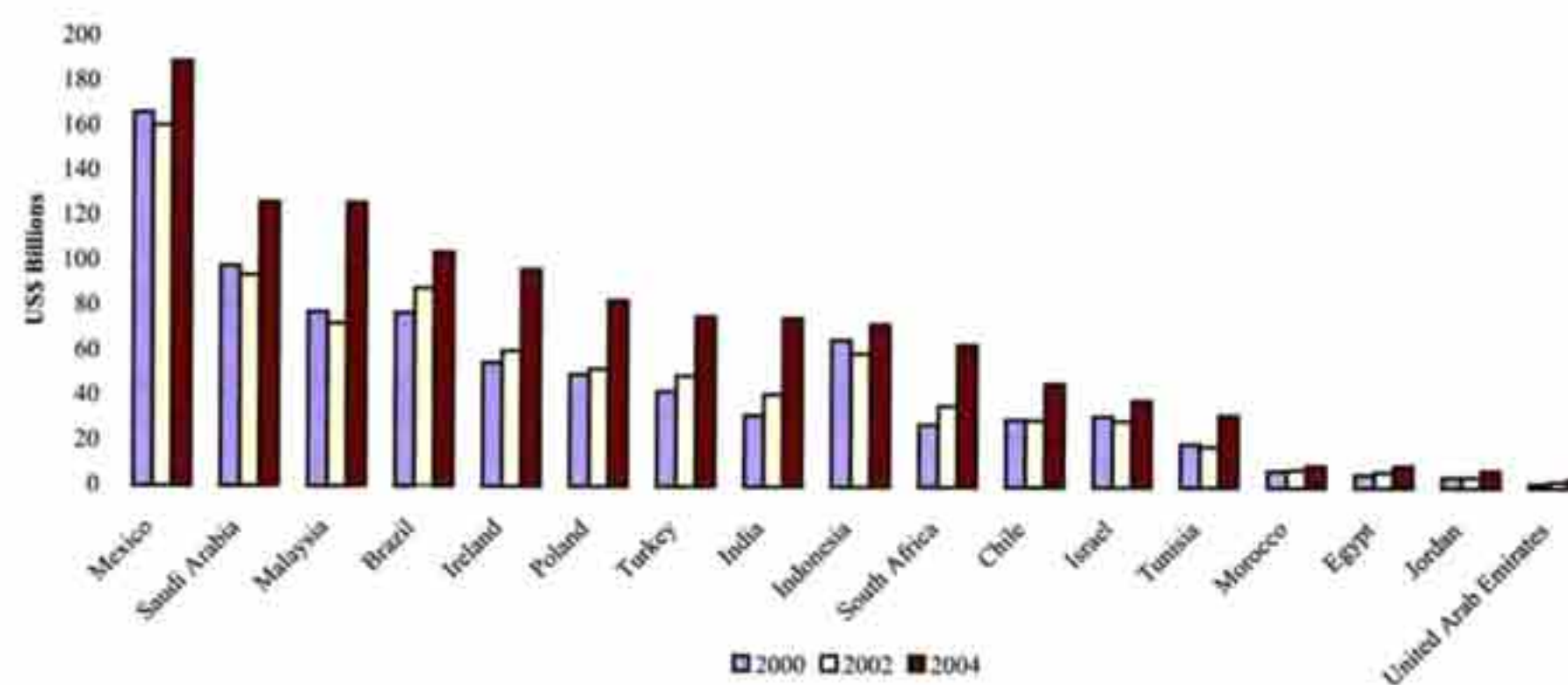
Source: International Trade Statistics 2005, WTO.

Table (6-2): Merchandise Imports 2000-2004 US\$ Billions

	2000	2001	2002	2003	2004
Mexico	182.7	176.2	176.6	178.5	206.4
Saudi Arabia	82.0	73.9	79.9	83.6	105.3
Malaysia	54.5	41.4	51.6	69.3	97.5
Brazil	51.5	50.4	56.5	71.2	97.3
Ireland	48.9	50.2	55.3	68.3	89.2
Poland	58.6	58.4	49.6	50.7	65.9
Turkey	51.0	50.6	52.4	53.9	60.7
India	29.7	28.2	29.3	41.1	57.1
Indonesia	43.6	37.5	38.3	42.2	54.9
South Africa	26.7	30.1	32.5	39.5	47.6
Chile	30.2	31.2	32.3	37.0	44.6
Israel	37.7	35.4	35.5	36.3	42.9
Tunisia	18.5	17.4	17.1	19.4	24.9
Morocco	11.5	11.0	11.9	14.2	17.6
Egypt	14.0	12.8	12.6	10.9	12.8
Jordan	8.6	9.5	9.5	10.9	12.7
United Arab Emirates	4.6	4.9	5.1	5.7	8.1

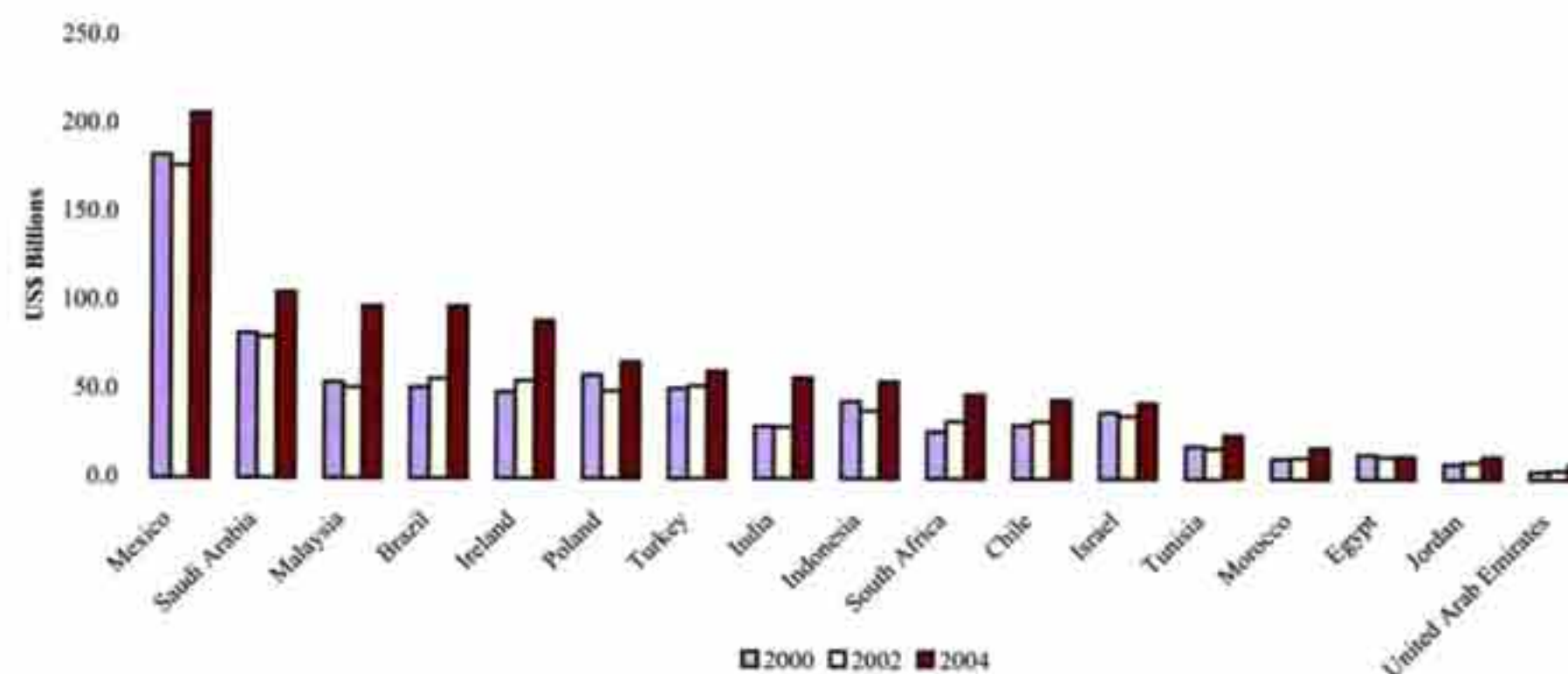
Source: International Trade Statistics 2005, WTO.

Figure (6-1):Merchandise Exports



Source: International Trade Statistics 2005, WTO.

Figure (6-2):Merchandise Imports



Source: International Trade Statistics 2005, WTO.

Table (6-3): Leading Exporters in World Trade in Commercial Services 2004

Rank	Exporters	Value US\$ Billion	% Share	Annual percentage change
1	Extra-EU exporters	427.1	27.8%	16
2	United States	318.3	20.7%	11
3	Japan	94.9	6.2%	25
4	China	62.1	4.0%	34
5	Hong Kong	53.6	3.5%	18
6	Canada	46.8	3.0%	11
7	Korea	40	2.6%	27
8	India	39.6	2.6%	..
9	Switzerland	36.8	2.4%	11
10	Singapore	36.5	2.4%	19
11	Norway	25.9	1.7%	21
12	Tapei, China	25.5	1.7%	11
13	Australia	24.8	1.6%	20
14	Turkey	23.8	1.5%	25
15	Russian Federation	20.2	1.3%	25
16	Thailand	18.9	1.2%	21
17	Malaysia	16.7	1.1%	24
18	Israel	14.2	0.9%	16
19	Egypt	14.0	0.9%	30
20	Mexico	13.9	0.9%	12
21	Brazil	11.5	0.7%	20
22	Croatia	9.6	0.6%	11
23	South Africa	8.1	0.5%	10
24	New Zealand	7.8	0.5%	23
25	Macao, China	7.6	0.5%	44
26	Indonesia	6.7	0.4%	..
27	Morocco	6.4	0.4%	25
28	Ukraine	6.0	0.4%	21
29	Chile	5.9	0.4%	21
30	Saudi Arabia	5.9	0.4%	3

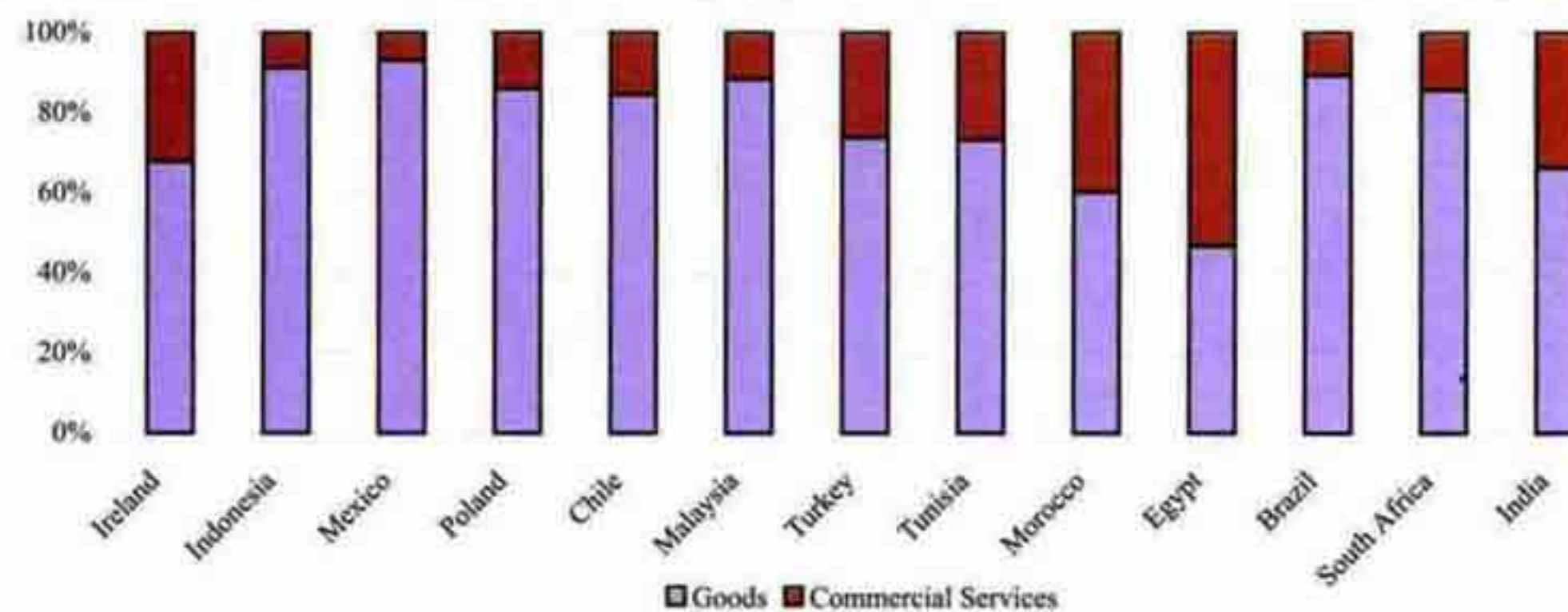
* Excluding Intra-EU (25) Trade.
Source: International Trade Statistics 2005, WTO.

Figure (6-3): Leading Exporters in World Trade in Commercial Services 2004



Source: International Trade Statistics 2005, WTO.

Figure (6-4): Share of Goods & Commercial Services Exports in Total Trade 2004



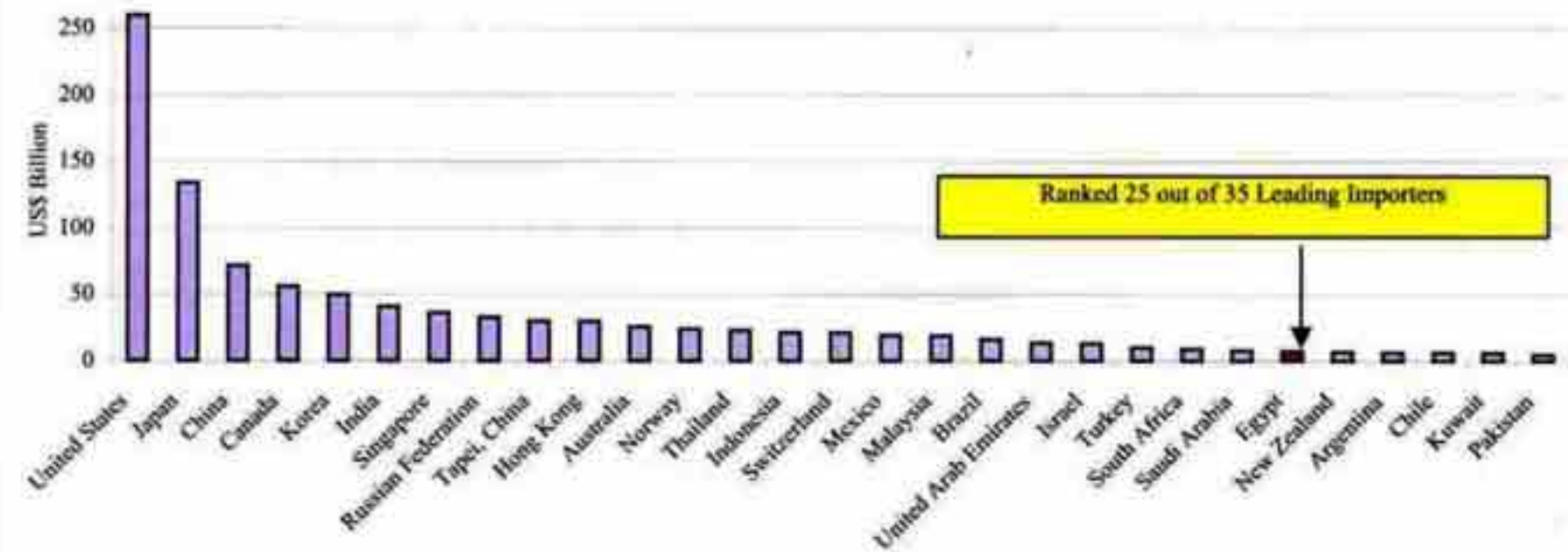
Source: International Trade Statistics 2005, WTO.

Table (6-4): Leading Importers in World Trade in Commercial Services 2004

Rank	Importers	Value US\$ Billion	% Share	Annual percentage change
1	Extra-EU exporters	381.7	25.1%	16
2	United States	260	17.1%	14
3	Japan	134	8.8%	22
4	China	71.6	4.7%	31
5	Canada	55.9	3.7%	12
6	Korea	49.6	3.3%	25
7	India	40.9	2.7%	..
8	Singapore	36.2	2.4%	23
9	Russian Federation	32.8	2.2%	24
10	Taipei, China	29.9	2.0%	20
11	Hong Kong	29.8	2.0%	16
12	Australia	25.6	1.7%	22
13	Norway	24	1.6%	21
14	Thailand	23	1.5%	28
15	Indonesia	21.3	1.4%	..
16	Switzerland	21.1	1.4%	10
17	Mexico	19.3	1.3%	10
18	Malaysia	18.8	1.2%	8
19	Brazil	16.1	1.1%	12
20	United Arab Emirates	13.4	0.9%	..
21	Israel	13.3	0.9%	13
22	Turkey	10.3	0.7%	33
23	South Africa	9.1	0.6%	16
24	Saudi Arabia	7.9	0.6%	10
25	Egypt	7.4	0.5%	22
26	New Zealand	6.8	0.4%	24
27	Argentina	6.4	0.4%	22
28	Chile	6.4	0.4%	18
29	Kuwait	6.1	0.4%	11
30	Pakistan	5.1	0.3%	..

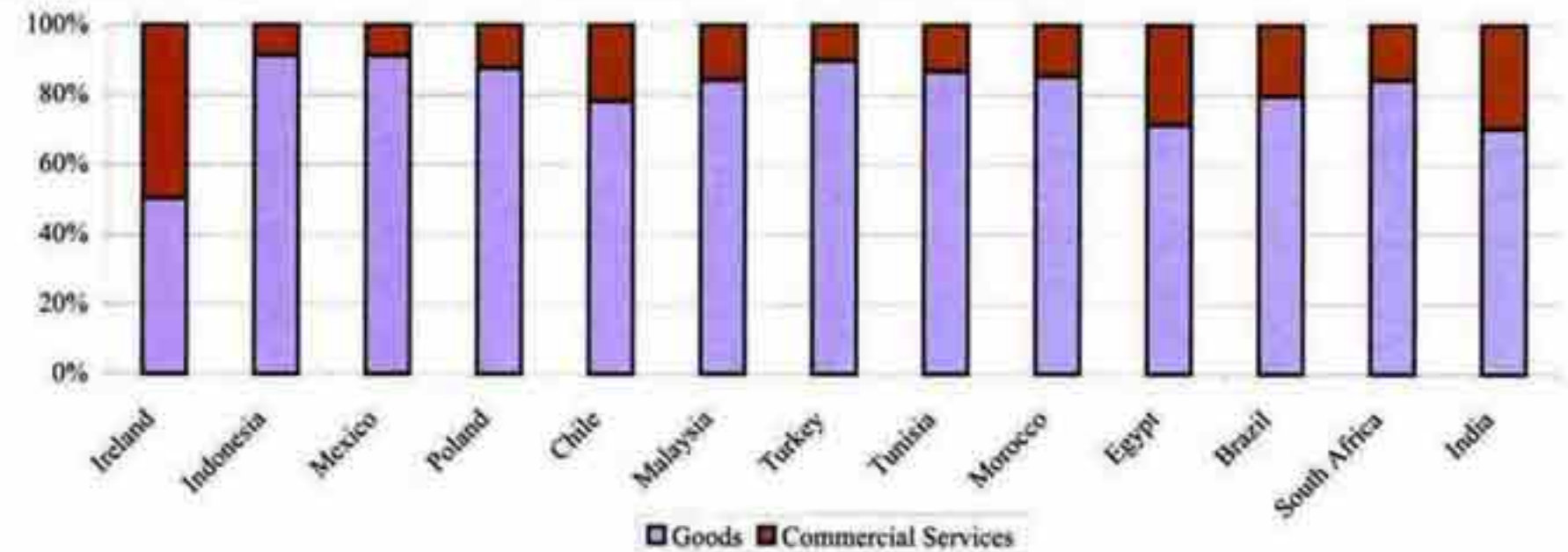
* Excluding Intra-EU (25) Trade.
Source: International Trade Statistics 2005, WTO.

Figure (6-5): Leading Importers in World Trade in Commercial Services 2004



Source: International Trade Statistics 2005, WTO.

Figure (6-6): Share of Goods and Commercial Services Imports in Total Trade 2004



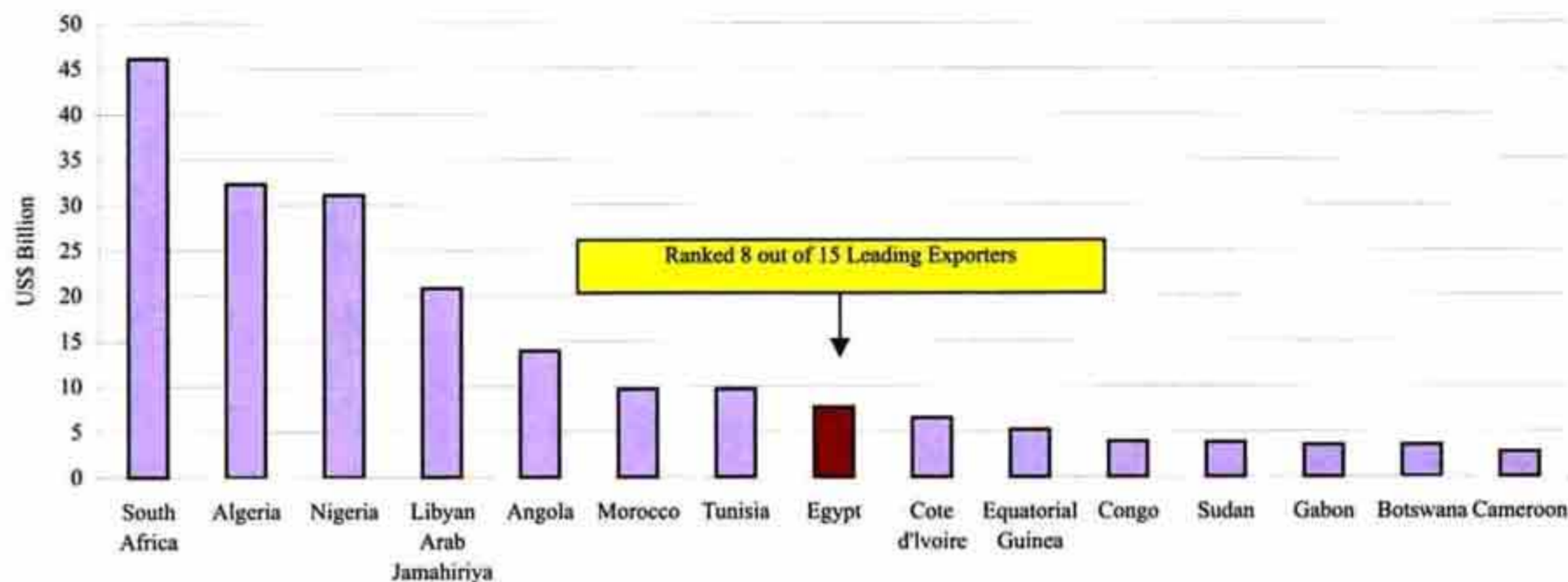
Source: International Trade Statistics 2005, WTO.

Table (6-5): Leading Merchandise Exporters in Africa 2004

Rank	Exporters	Value US\$ Billion	% share
	Africa	231.7	100
1	South Africa	46.1	19.9
2	Algeria	32.3	13.9
3	Nigeria	31.1	13.4
4	Libyan Arab Jamahiriya	20.8	9
5	Angola	13.9	6
6	Morocco	9.7	4.2
7	Tunisia	9.7	4.2
8	Egypt	7.7	3.3
9	Cote d'Ivoire	6.5	2.8
10	Equatorial Guinea	5.2	2.2
11	Congo	3.9	1.7
12	Sudan	3.8	1.6
13	Gabon	3.5	1.5
14	Botswana	3.5	1.5
15	Cameroon	2.7	1.2

Source: International Trade Statistics 2005, WTO.

Figure (6-7): Leading Merchandise Exporters in Africa 2004



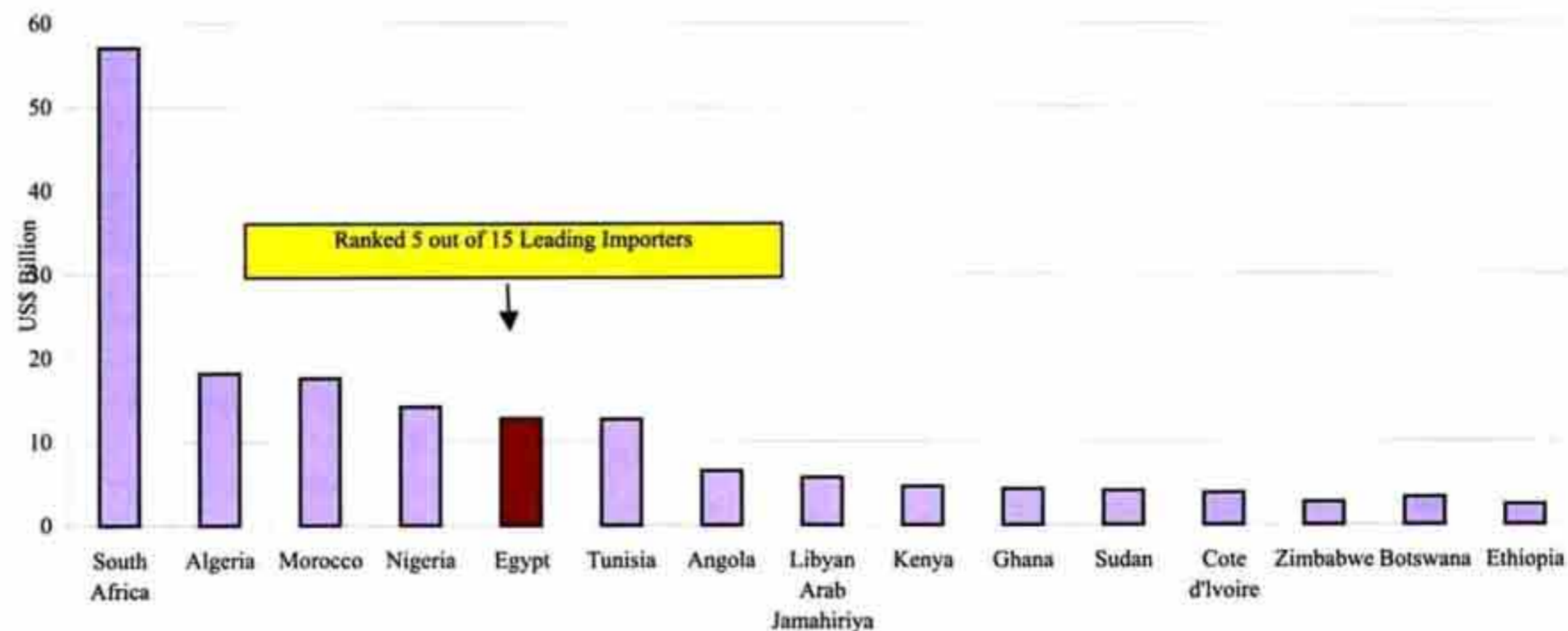
Source: International Trade Statistics 2005, WTO.

Table (6-6): Leading Merchandise Importers in Africa 2004

Rank	Importers	Value US\$ Billion	% share
	Africa	211.8	100
1	South Africa	57.1	27
2	Algeria	18.2	8.6
3	Morocco	17.6	8.3
4	Nigeria	14.2	6.7
5	Egypt	12.8	6.1
6	Tunisia	12.7	6
7	Angola	6.5	3.1
8	Libyan Arab Jamahiriya	5.7	2.7
9	Kenya	4.6	2.2
10	Ghana	4.3	2
11	Sudan	4.1	1.9
12	Cote d'Ivoire	3.8	1.8
13	Zimbabwe	2.7	1.6
14	Botswana	3.3	1.5
15	Ethiopia	2.4	1.3

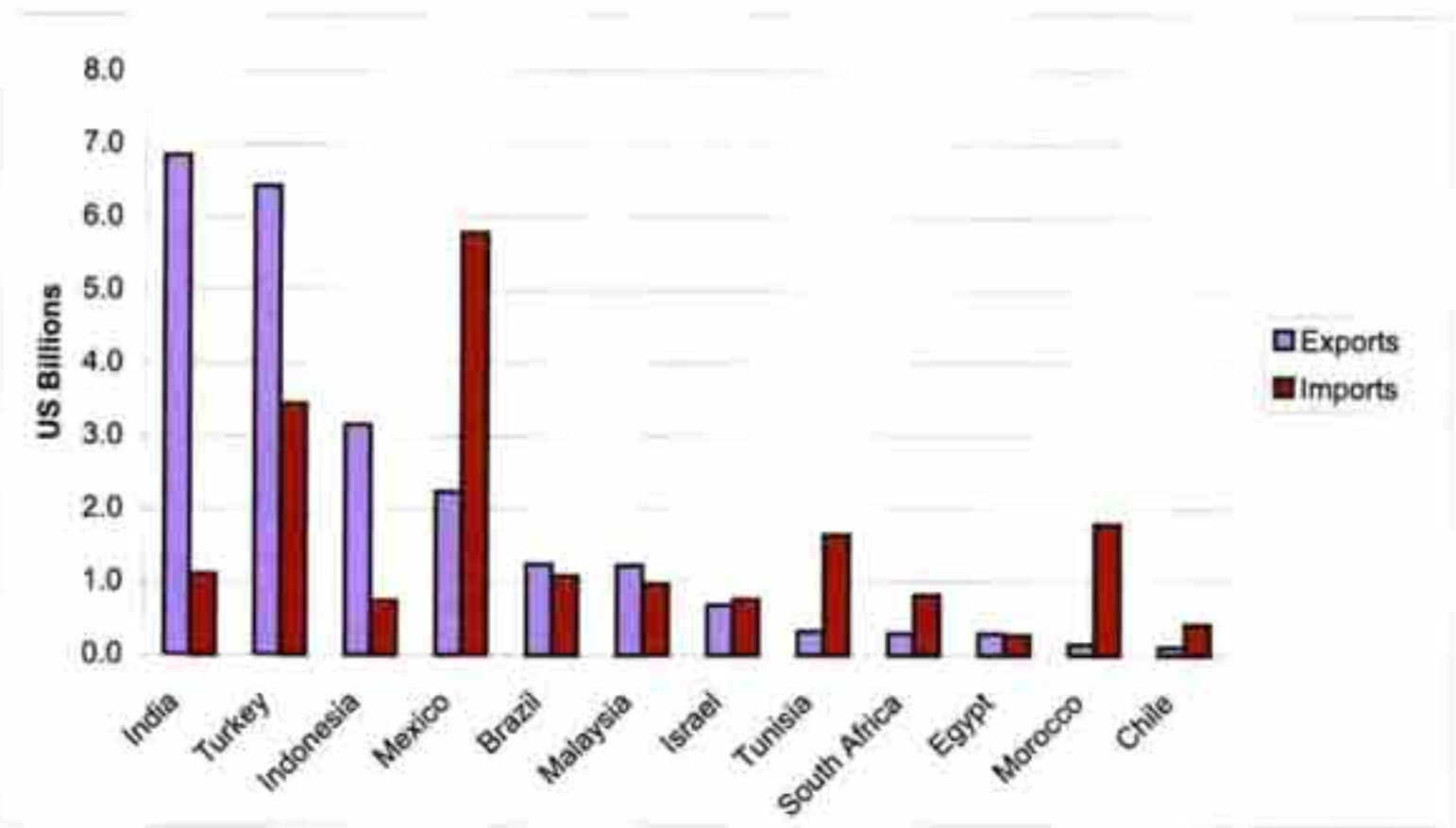
Source: International Trade Statistics 2005, WTO.

Figure (6-8): Leading Merchandise Importers in Africa 2004



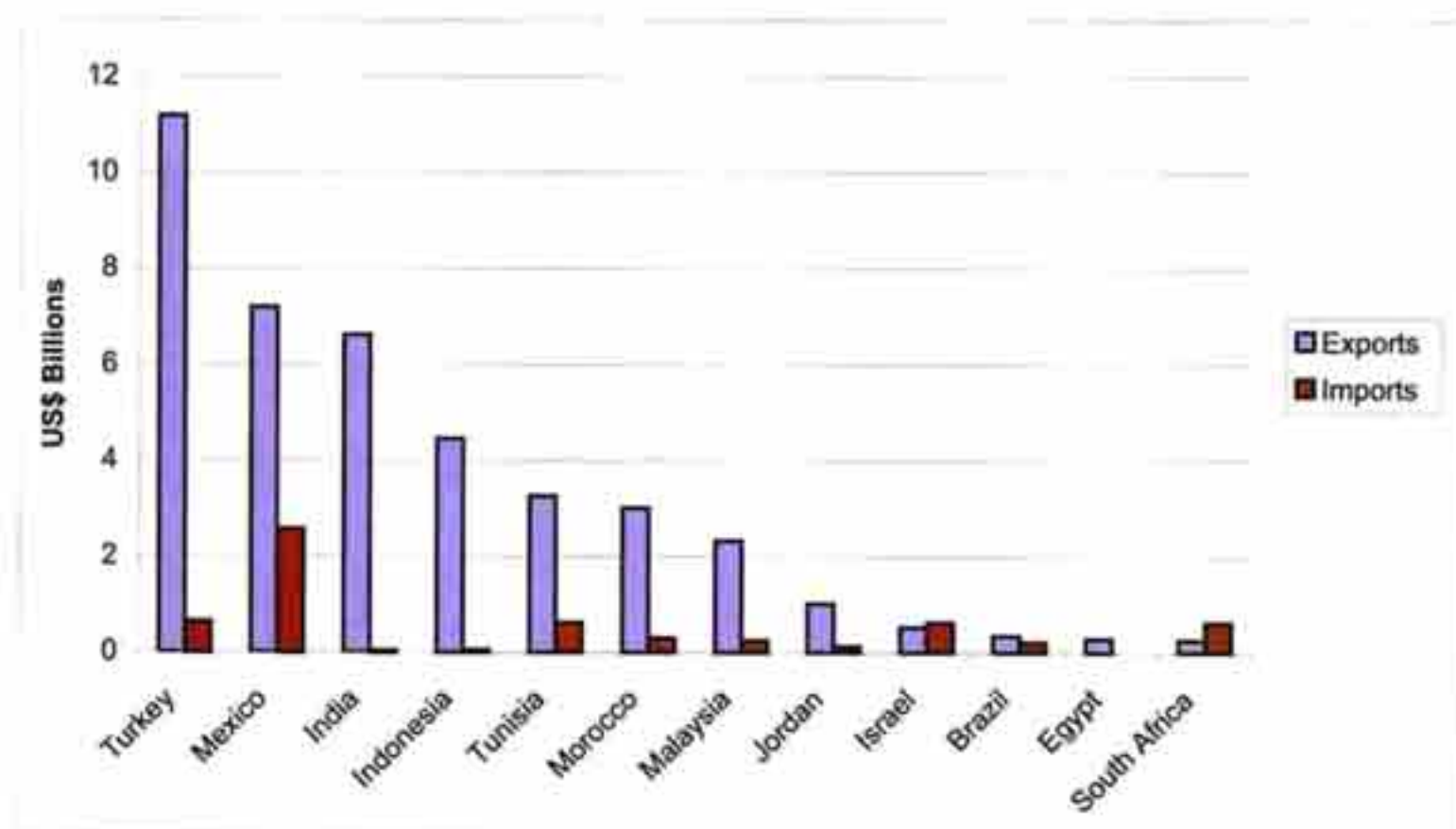
Source: International Trade Statistics 2005, WTO.

Figure (6-9):Textile Exports and Imports 2004



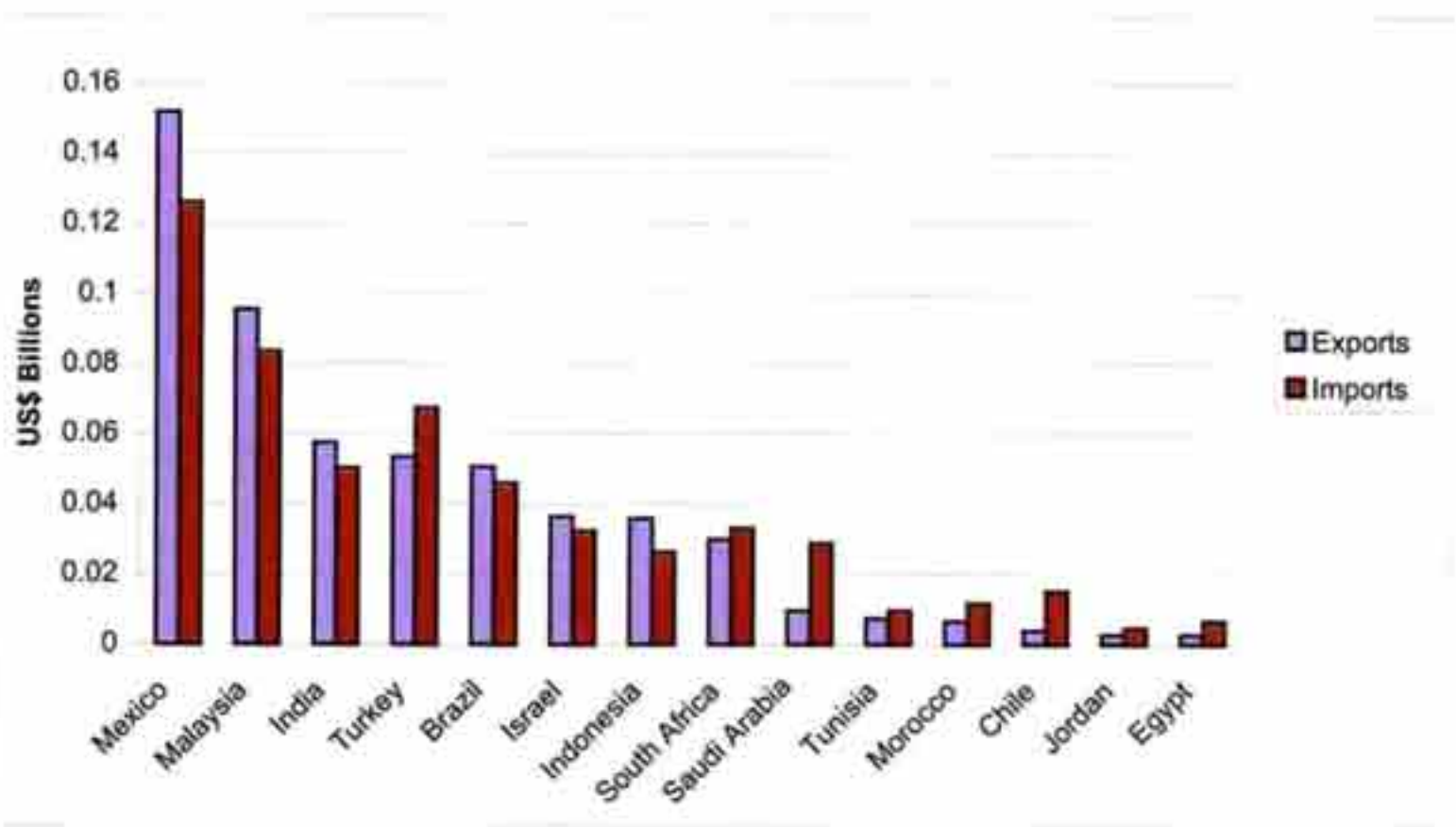
Source: International Trade Statistics 2004, WTO.

Figure (6-10):Clothing Exports and Imports 2004



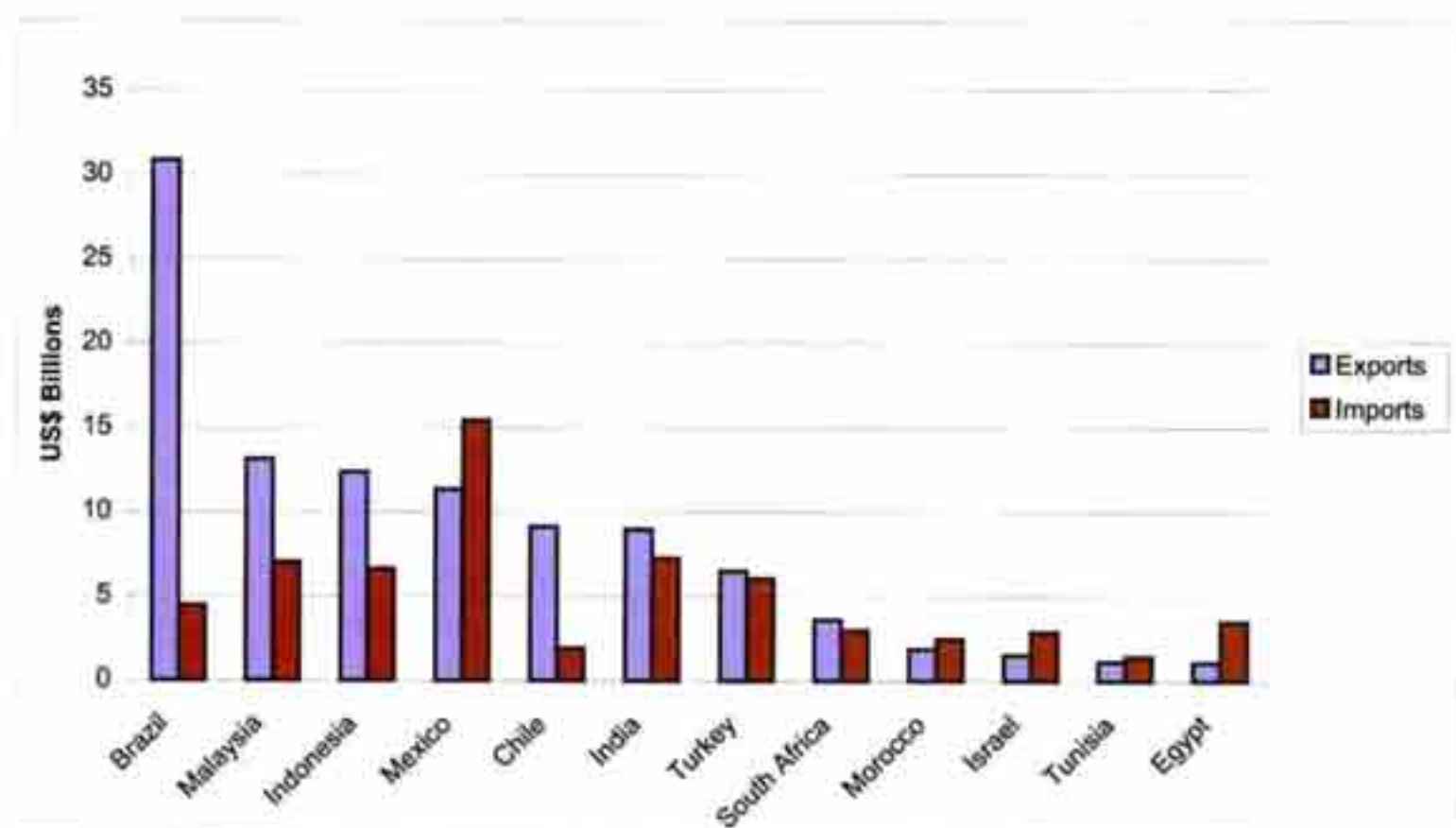
Source: International Trade Statistics 2004, WTO.

Figure (6-11): Exports and Imports of Manufactures 2004



Source: International Trade Statistics 2004, WTO.-

Figure (6-12):Exports and Imports of Agricultural Products 2004



Source: International Trade Statistics

VII. International Agreements



International Agreements

(7-1): COMESA Agreement¹

Establishment of the COMESA	<ul style="list-style-type: none">- The Preferential Trade Area PTA Agreement between the countries of East and South Africa was signed on December 21st 1981, and entered into force on September 30th 1982.- As a result of the success of this agreement the signatory countries decided to establish the Common Market for East and South Africa (COMESA). It is considered to be a new step closer to the African Economic Community. <p>COMESA Treaty was signed on December 8th 1994, thus replacing the PTA Agreement.</p>
Duration	Valid unless the Heads of States and Governments Assembly decides to terminate it upon the recommendation of the Ministerial Council.
Date Egypt joined the Agreement	Egypt became a member in May 1998.
Main Objectives of The Common Market	Objectives of the common market are: <ol style="list-style-type: none">1. To attain sustainable growth and development of member States by promoting a more balanced production and marketing structure.2. To promote joint development in all fields of economic activity, in addition to jointly adopting macroeconomic policies and its programs to improve the welfare of the citizens and encourage close relations between member States.3. To co-operate in the creation of suitable environment for domestic, foreign, and cross border investment.4. To collaborate in strengthening the relations between the common market and the rest of the world.5. To cooperate in driving peace and security process between member States so as to strengthen the economic development ties in the region.
Member States	COMESA constitute of 20 States members as follows: Angola, Burundi, Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia, Zimbabwe and Libya. Tanzania withdrawn from the COMESA in September 2000 and Namibia in July 2003.
The Organizational Structure of COMESA	The structure of COMESA consists of the following bodies: <ul style="list-style-type: none">• The Authority (Heads of States and Governments)• The Council of Ministers• Inter-Governmental Committee• The Committee of Governors Of Central Banks• Court of Justice• Technical Committees The following organizations are subsidiaries to the COMESA: <ul style="list-style-type: none">• Eastern And Southern African Trade And Development Bank (PTA Bank) , current headquarter in Nairobi.• Clearing House, current headquarter in Harare.• COMESA Bankers Association, current headquarter in Harare.• Leather And Leather Products Institute, current headquarter in Ads-Ababa• Reinsuring COMESA Company, current headquarter in Nairobi.
Goods eligible for preferential treatment	exports of originating goods from member states (with a minimum local value added of 45%) should be exempted from customs duties and other fees and duties having similar effects when imported into the other member States.
Procedures to be adhered to by member states of COMESA	<ol style="list-style-type: none">1. Exempting exports of originating goods from member States from customs duties and other fees and duties having similar effects.2. Removing all non-tariff barriers on imports from member States within one year of joining COMESA.3. Participating in the preparation of a unified custom tariff (customs union) by December 2007.
Status of Member states in dismantling tariffs on imports from other member states.	<ul style="list-style-type: none">• 9 States members of COMESA have joined the FREE TRADE AREA (FTA) in 31 october2000, so they dissimilated all customs duties and other fees and duties having similar effects on originating imports from other members of the FTA.• Those States are: 1-Egypt 2-Kenya 3-Mauritius 4-Sudan 5-Zambia 6-Zimbabwe 7-Djibouti 8-Madagascar 9-Malawi and in January 2004 Burundi and Rwanda joined the FREE TRADE AREA.• Uganda and Eritrea currently applies 80% reduction on tariffs on its imports from COMESA members.• Ethiopia currently applies 10% reduction on tariffs on its imports from COMESA members.• Angola and republic of the Congo democratic did not apply any kind of reduction on its imports from COMESA members.• Libya not yet applying reduction on imports from COMESA member states.• Swaziland is still negotiating with SACU to agree on how to implement its obligation under COMESA
Dumping, Subsidies & Safeguard measures	-Provisions similar to those of the WTO on Anti-dumping, Countervailing and Safeguard measures are applicable in COMESA to insure fair competition.

¹ For more information visit www.comesa.int

(7-2): Egypt-EU Partnership Agreement² :

Signature Of The Agreement	The Agreement was signed on June 25, 2001.
Entry Into Force	The trade provisions of the Agreement entered into force on January 1, 2004 and the other provisions of the agreement entered into force on June 1, 2004; after being ratified by the Egyptian people's assembly .
Objectives of the Agreement	<ol style="list-style-type: none">1. Establishing an adequate framework for a political dialogue to develop close political ties between the parties.2. Gradual liberalization of trade in industrial goods and agricultural products as well as, services and capital movement.3. Developing balanced economic and social relations through mutual cooperation.4. Contributing to the process of economic and social development in Egypt.5. Encouraging regional cooperation to promote peaceful coexistence and economic and political stability.6. Promoting cooperation in other fields of mutual interest.
Free Trade Area (FTA)	<p>According to the Agreement, FTA to be established during 12-year transitional period, from the date of entry into force of the Agreement. During the third year of the implementation of the agreement the two parties shall determine the measures to be applied from the fourth year to further liberalize their trade in agricultural, fisheries and processed agricultural products.</p> <p>The Agreement permits Egypt to take certain exceptional measures for specific periods during the transitional stage, if and when certain domestic industries face a threat as a result of liberalization of imports of similar goods from the EU.</p> <p>The Agreement includes implementation of WTO and GATT regulations against anti-dumping, subsidy and safeguard measures. The Agreement allows each party to receive Most Favorite Nation treatment from the other party in trade in services.</p> <p>The Agreement aims at increasing the flow of foreign capital, expertise and technology to Egypt.</p> <p>Egyptian exports of manufactured goods to the EU will be exempted from tariffs from the date the Agreement entered into force, meanwhile, EU exports of manufactured goods to Egypt shall be tariff-exempted according to the lists and time frame specified in the Agreement.</p> <p>Agricultural products and agricultural processed products shall be treated according to the provisions stipulated in the agreement which defines certain quotas for specific goods with tariff privileges .</p>
<u>Benefits from the Establishment of FREE TRADE AREA (FTA) between Egypt and the EU³</u>	
Manufactured Products	Both parties shall benefit from trade liberalization of tariff and non tariff barriers within the Agreement.
Exempted Egyptian Exports	<p>Egyptian exports of manufactured goods to the EU shall be exempted from tariffs or any other duties and fees having similar effects from the date the Agreement entered into force.</p> <p>Manufactured goods exported from EU to Egypt are to be exempted from all tariff and non tariff barriers having the same effect according to the following time frame:</p> <p>- (GOODS IN ANNEX 2) Tariffs are to be gradually eliminated over 3 years. A reduction of 25% has been applied on first of January 2004, 2005, 2006 and 2007.</p>
Exempted EU Exports	<p>-(GOODS IN ANNEX 3) Tariffs will be reduced gradually in the following manner: 10% after 3 years from the date the Agreement enters into force to be followed by an annual tariff reduction of 15% over 6 years until tariffs are fully eliminated.</p> <p>-(GOODS IN ANNEX 4) Tariffs will be reduced gradually in the following manner: 5% after 5 years from the date the Agreement enters into force to be followed by a 10% reduction on the following year, followed by a reduction of 15% annually for 5 years and 10% reduction in the final year.</p> <p>-(GOODS IN ANNEX 5) Tariffs will be gradually reduced by 10 % annually after the elapse of 6 years from the date the Agreement enters into force, until tariffs are fully eliminated.</p>
<u>Liberalization of Trade In Agricultural Commodities</u>	
Agricultural Products	<p>Egypt and the EU agreed on preferential treatment of certain quotas of agricultural products.</p> <p>Egypt and the EU have agreed to start negotiations in the near future on the liberalization of agricultural and agro-agricultural and fisheries products in accordance with Rabat road map.</p>

² For more information visit <http://www.eu-delegation.org.eg/>

³ These Annexes are displayed in a publication titled "Trade Liberalization in the Egyptian-EU Partnership Agreement (2)", published by the Ministry of foreign trade, July 2002.

Arrangements Applicable to Imports into the EU of the Egyptian Agricultural Products

Egypt and the European commission shall progressively establish a greater liberalization of their trade in agricultural, fisheries and processed agricultural products of interest to both parties. During the third year of implementation of the association agreement, both parties shall examine the situation in order to determine what further liberalization measures can be applied.
Egyptian agriculture products for several products get a 100% reduction of customs duties, (annex to protocol 1 and annex II to protocol 3) European agriculture products: reduction of customs duties between 25% and 100% for a list of products, (annex to protocol 2).
European processed agricultural products: gradual reduction depending on the products (annex I to protocol 3).

Processed Agricultural Products

A specific number of European processed agricultural products shall be exempted from tariffs in Egypt after two years from the date the Agreement enters into force. to attain the domestic

EU Treatment of Processed Agricultural Imports from Egypt

The agricultural products used in the production of agricultural commodities are subject to CAP (Common Agricultural Policies) prices higher than those prevailing in the international markets (especially products like grains, sugar and dairy products). The EU imposes the following duties on its imports of processed agricultural commodities:
1) Relative custom fees (between 2% and 12%) are applicable based on the processing operations of those commodities. Egyptian exports will be exempted from this custom fee.
2) A tariff fee on the agricultural components, equivalent to the difference between their international prices and domestic (EU) prices. A list of Egyptian processed agricultural products will be exempted from the relative custom fee while the tariff fee on the agricultural component will remain unchanged, whereas a number of other Egyptian processed agricultural products will enjoy a 30% exemption of the tariff fee on the agricultural component in addition to the complete exemption from the relative custom fee.
3) An additional fee shall apply on commodities whose component includes ingredients of grains, rice, sugar or dairy products.

Treatment of EU Exports of Processed Agricultural Products to Egypt

EU exports of processed agricultural products to Egypt will be treated according to the following categories:
1. Products that will be exempted of all tariffs and other fees with a similar effect after two years from the date the Agreement enters into force.
2. Products whose tariffs and other similar fees will be reduced according to the following timetable:
A reduction of 5% of the basic fees after two years from the date the Agreement enters into force.
A reduction of 10% of the basic fees after three years from the date the Agreement enters into force.
A reduction of 15% of the basic fees after four years from the date the Agreement enters into force.
3. Products whose tariffs and other similar fees will be reduced according the following timetable:
A reduction of 5% of the basic fees after two years from the date the Agreement enters into force.
A reduction of 10% of the basic fees after three years from the date the Agreement enters into force.
A reduction of 25% of the basic fees after four years from the date the Agreement enters into force.

Duration

Valid until terminated by either party by notification to the other party. The Agreement shall cease to function after the elapse of 12 calendar months from date of notification.

(7-3) Free Trade Agreement between Egypt and Turkey

The Establishment of the Agreement According to the Agreement

Egypt and Turkey have signed on December 27, 2005 a Free Trade Agreement. The Agreement is drafted in accordance with the provisions of the chapters related to the free trade area in the Association Agreement between Egypt and the EU.
Imports into Turkey of industrial products originating in Egypt shall be allowed free of customs duties and other charges having equivalent effect, upon the entry into force of the Agreement.

Regarding agricultural, processed agricultural & fishery products

On the other hand, customs duties and other charges having equivalent effect on imports into Egypt of industrial products originating in Turkey shall be gradually abolished according to the schedules of four lists which are identical to the lists attached to the Association Agreement.
The dismantling of customs duties on Turkish goods of each list shall be affected one year behind the similar list of EU.
The two parties have agreed to grant each other concessions either as free tariff quotas or reduction of the customs duties on lists of these products.

Rules of Origin	The two parties have agreed to apply the Pan - Euromrd Rules of Origin on the goods exchanged among themselves
Trade in Services	Egypt and Turkey are now in the process of ratifying the Agreement. Once this process been finalized the Agreement shall enter into force

(7-4)Agreement on the Establishment of a Free Trade Area between the Arab Mediterranean Countries (AGADIR Agreement)

Declaration and Members	"Agadir Declaration" was signed by the Hashemite Kingdom of Jordan, the Tunisian Republic, the Arab Republic of Egypt, and the Kingdom of Morocco in the Moroccan city of Agadir on 5/8/2001 for the establishment of a free trade area for the Arab Mediterranean countries. Therefore the four countries signed in Rabat on 25 February 2004 the agreement on the establishment of the Free Trade Area between the four countries.
Rules of Origin	It was agreed to apply the Pan-Euromed rules of origin on the goods exchanged among themselves.
Other Arab Members	The Arab countries member of the Arab league who are members of the Pan Arab Free Trade Area and have Association or a Free Trade Area agreement with the EU can join Aghadir agreement on the acceptance of its members.
Objectives of the Agreement	<ul style="list-style-type: none"> ☐ To establish a free trade area between the member states by 1/1/2005. ☐ To develop economic and commercial cooperation between the member countries. ☐ To encourage economic and industrial integration among member countries by applying cumulation rule to produce goods for export to EU as well as to their domestic markets.

(7-5): Egypt- USA Trade and Investment Framework Agreement(TIFA)

Duration	This agreement shall remain in force unless terminated by mutual consent of the parties (Egypt and the USA) or by either party upon six months notice to other party.
The Establishment of Agreement	Egypt –USA Trade and Investment Framework Agreement (TIFA) was signed in Washington D.C on July 1, 1999. The Agreement aims to expand the flow of trade and investment by taking appropriate measures to encourage and facilitate the exchange of goods and services and to secure favorable conditions for long term development and diversification of trade between both countries nationals and companies.
Establishment of the United States- Egypt Council on Trade and Investment	<ul style="list-style-type: none"> -This agreement established a United States- Egypt Council on Trade and Investment (TIFA Council) which is composed of Representatives of both parties. - The Egyptian side is chaired by the Ministry of Trade and Industry and the U.S side is chaired by the United States Trade Representative (USTR). - The Agreement calls that the Council is to meet at such times as agreed by the two parties. - The TIFA Council has met four times so far. The first meeting was held in Cairo (November 19,1999). The second in Washington D.C (October 1, 2002).The third in Cairo (February 2005).The fourth in Washington(December 2005). - The objective of the Council is to hold consultations on specific trade matters, and those investment matters, not arising under the Investment Treaty, of interest to the parties, and to identify and work toward the removal of Impediments to trade and investment flows. - The USA – Egypt Trade and Investment Framework Agreement is a first step towards working on initiating talks between the two sides in regards to establishing a Free Trade Agreement.

(7-6): Qualifying Industrial Zones QIZ:

What is QIZ?

Qualifying Industrial Zones is a preferential trade protocol allowing Egyptian products customs-free access to US markets, provided these products satisfy certain rules of origin requirements, and satisfy an Israeli content requirement.

The protocol applies to four geographic areas in Egypt that contain a large percentage of Egyptian industry, which are Greater Cairo, Alexandria, Central Delta region, and the Suez Canal region. Further areas may be added at the approval of the US government.

In light of Egypt's developed infrastructure, highly competitive production costs, and well established business and regulatory environment, Qualifying Industrial Zones present a strong export base to US markets.

For more information, please visit the QIZ website <http://www.qizegypt.gov.eg>

QIZ Trade Statistics

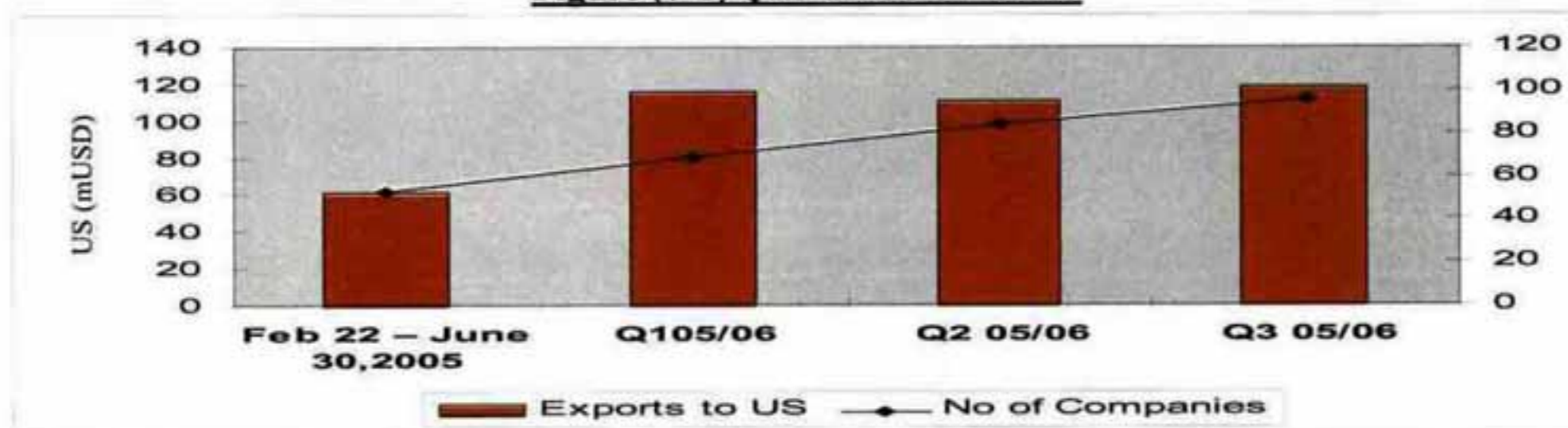
Table (7-1) QIZ Trade Statistics

QIZ Trade Information			
	No. of Companies	Exports to US (mUSD)	Imports from Israel* (mUSD)
Feb 22 - June 30, 2005	54	61.6	8.2
July 1 - Sept 30, 2005	70	116	14.7
Oct 1 - Dec 30, 2005	85	110.7	13.5
Jan 1 - March 31, 2006	96	118.1	13
Cumulative Total	305	406.4	49.4

* The import statistics are the numbers reported by the companies and do not necessarily reflect their total imports because some companies buy large amounts and only report what is needed to cover the required percentage of Israeli content.

** The decline in QIZ exports during the last quarter is a reflection of US apparel buying patterns, as Egyptian exports have usually declined during the last three months in previous years.

Figure (7-1) QIZ Trade Statistics



Source: QIZ Unit - Ministry of Trade and Industry - May 2006.

(7-7): Pan Arab Free Trade Area (PAFTA)

The Establishment of the Pan Arab Free Trade Area

The Agreement On Facilitation And Development of Trade Among Arab States was signed by the members of the Arab league on the February 27, 1981. To enhance the implementation of this Agreement the member states agreed on February 19, 1997 on the arrangements to establish the Pan Arab Free Trade Area to be completed within 10 years.

Member States of the PAFTA

The Arab Summit held in Beirut in march 2002 and the Economic And Social Council meeting held in September 2002 decided to reduce the transitional period for the implementation of the Pan Arab Free Trade Area (PAFTA) to be seven years ending in January 2005.

Egypt – United Arab Emirates (UAE) – Bahrain – Jordon – Tunisia – Saudi Arabia – Sudan – Syria – Iraq – Oman – Palestine – Qatar – Kuwait – Lebanon – Libya – Morocco – Yemen.

Non Member States

Members of the Arab League who have not yet finalized the proceduers to join the area: Algeria - Djibouti - Somalia - Comoros Islands - Mauritania

Establishment of Free Trade Area (FTA)

Elimination of customs duties and other fees and duties having similar effects was implemented as follows: 10% annual reduction on first of January of each year from 1998 to 2003 and by 20% for the years 2004 and 2005.

Elimination of Non Tariff Barriers (NTB's)

Member States should eliminate all non tariff barriers, including Administrative, Monetary, Financial and Technical barriers.

Preferential treatment for the least developed member states:

The Arab Summit decided to grant the least developed member states a preferential treatment, through which their exports to the other member states should enjoy free access and exemption and custom duties, meanwhile they have to reduce their customs tariffs gradually in five installments starting from January 1, 2005.

Rules of Origin

The rules of origin applicable at the moment requires that the value added should not be less than 40% of ex- factory cost. Detailed rules of origin have been under discussion among member states for some time, when agreed upon, it will replace the previous one.

Trade in Services

Agreement have been reached on the general Provisions of the Agreement. Negotiations shall start soon between member states to agree on the specific commitments of each member.





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