

# The Arab Republic of Egypt

Market Access Series  
2021-22





# THE ARAB REPUBLIC OF EGYPT

Market Access Series 2021 - 22



## ● Acknowledgements

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## ● The Pakistan Business Council: An Overview

The Pakistan Business Council (PBC) is a business policy advocacy platform, established in 2005 by 14 (now 86) of Pakistan's largest private-sector businesses and conglomerates, including multinationals. PBC businesses cover nearly all sectors of the formal economy. It is a professionally-run organization headed by a full-time chief executive officer.

The PBC is a not-for-profit entity, registered under Section 42 of the Companies Ordinance 1984. Though it is not required under the law to do so, the PBC follows to the greatest extent possible, the Code of Corporate Governance as applicable to listed companies.

The PBC is a pan-industry advocacy group. It is not a trade body nor does it advocate for any specific business sector. Rather, its key advocacy thrust is on easing barriers to allow Pakistani businesses to compete in regional and global arenas. The PBC conducts research and holds conferences and seminars to facilitate the flow of relevant information to all stakeholders in order to help create an informed view on the major issues faced by Pakistan.

The PBC works closely with relevant government departments, ministries, regulators and institutions, as well as other stakeholders including professional bodies, to develop consensus on major issues which impact the conduct of business in and from Pakistan. The PBC has submitted key position papers and recommendations to the government on legislation and other government policies affecting businesses. It also serves on various taskforces and committees of the Government of Pakistan as well as those of the State Bank, the SECP and other regulators with the objective to provide policy assistance on new initiatives and reforms.

## ● The PBC's Founding Objectives

The major objectives of the PBC as stated in its founding documents are:

- To provide for the formation and exchange of views on any question connected with the conduct of business in and from Pakistan.
- To conduct, organize, set up, administer and manage campaigns, surveys, focus groups, workshops, seminars and fieldwork for carrying out research and raising awareness in regard to matters affecting businesses in Pakistan.
- To acquire, collect, compile, analyze, publish and provide statistics, data analysis and other information relating to businesses of any kind, nature or description and on opportunities for such businesses within and outside Pakistan.
- To promote and facilitate the integration of businesses in Pakistan into the World economy and to encourage in the development and growth of Pakistani multinationals.
- To interact with governments in the economic development of Pakistan and to facilitate, foster and further the economic, social and human resource development of Pakistan.

The PBC is a Section 42 not-for-profit Company Limited by Guarantee. Its working is overseen by a Board of Directors. More information on the PBC, its members, and its workings, can be found on its website: [www.pbc.org.pk](http://www.pbc.org.pk)

# The PBC's Member Companies





# Contents

<i>Executive Summary</i> .....	1
<i>Major Findings</i> .....	4
<i>Recommendations:</i> .....	5
● <b>Chapter 1: Overview of Egypt</b> .....	6
1.1 Development Challenges .....	7
1.2 Economic Outlook .....	7
1.3 Demographic Outlook: .....	9
1.4 Global Business Ranking: .....	10
● <b>Chapter 2: Impact of Covid-19 on Trade and Economy</b> .....	12
2.1 Egypt .....	13
2.2 Pakistan .....	14
● <b>Chapter 3: Egypt's Trade Profile:</b> .....	15
3.1 Egypt's Exports to the World .....	17
3.2 Major Export Destinations of Egypt .....	19
3.3 Egypt's Imports from the World .....	19
3.4 Major Import Sources for Egypt .....	21
3.5 Trade with India .....	22
3.5.1 Egypt's Exports to India .....	22
3.5.2 Egypt's Imports from India .....	23
3.6 Trade with China .....	25
3.6.1. Egypt's Exports to China .....	25
3.6.2. Egypt's Imports from China .....	26
3.7 Trade with the United States of America (USA): .....	28
3.7.1 Egypt's Exports to the USA .....	28
3.7.2 Egypt's Imports from the USA .....	29
● <b>Chapter 4: Pakistan-Egypt Bilateral Trade Analysis</b> .....	31
4.1 Pakistan's Top Exports to Egypt: .....	33
4.2 Pakistan's Top Imports from Egypt: .....	35
4.3 Trade Indicators: .....	37
4.3.1. Export Competitiveness .....	37
4.3.2. Trade Complementarity Index .....	38
4.3.3. Revealed Comparative Advantage .....	39
4.3.4. Revealed Market Access Index .....	40
4.3.5. Bilateral Market Access Analysis .....	42
4.3.6. Correlation Analysis .....	43
● <b>Chapter 5: Trade Agreements &amp; Trade Blocs of Egypt</b> .....	45
5.1 Trade Agreements: .....	47
5.2 Trade Blocs: .....	47
5.2.1. African Continental Free Trade Area (AfCFTA): .....	47
5.2.2. Common Market for Eastern & Southern Africa (COMESA): .....	48
5.2.3. Qualifying Industrial Zones (QIZs) .....	49
5.2.4. Agadir Agreement (AA) .....	50
5.2.5. Tripartite Free Trade Area (TFTA) .....	51

5.2.6. Greater Arab Free Trade Area (GAFTA):	51
5.2.7. MERCOSUR – Egypt FTA:	51
5.2.8. European Free Trade Association (EFTA) – EGYPT:	52
5.2.9. European Union – Egypt Association Agreement:	52
● <b>Chapter 6: Opportunities for Pakistani Exports to Egypt</b>	53
6.1 Pakistan’s Export Potential	55
6.2 Potential Agriculture Products	55
6.3 Potential Textile Products	56
6.4 Potential Pharmaceutical Products and Surgical Instruments	58
6.5 Potential Plastic & Rubber Products	60
● <b>Chapter 7: Competitors’ Analysis:</b>	62
7.1 Competitive Strategy – India	63
7.2 Competitive Strategy – China	65
7.3 Competitive Strategy – the United States of America (USA):	67
● <b>Chapter 8: Trade Barriers</b>	70
8.1 Tariff barriers	71
8.1.1. Trade barriers on Specific Sectors:	72
8.2 Non-Tariff Barriers	69
● <b>Chapter 9: Government of Pakistan’s Policies and Initiatives</b>	74
9.1 Look Africa Initiative	75
9.2 Pakistan – Africa Trade Development Conference	76
9.3 Pakistan – Egypt Joint Working Group (JWG)	76
9.4 Participation in International Trade Exhibitions	76
9.5 Duty drawbacks	76
9.5.1 Duty Drawback for Plastic goods (SRO 461(1)/2020)	77
9.5.2 Duty Drawback for Medicaments (SRO 751(1)/2021)	76
● <b>Chapter 10: Inputs from the Commercial Section, Pakistan Embassy in Egypt</b>	74
● <b>Chapter 11: Recommendations for Entering the Egyptian Market</b>	82
11.1 Market Dynamics & Consumers’ Behavior	83
11.2 Marketing Strategies	83
● <b>Chapter 12: Pakistani Rice Products Complement Egyptian Market</b>	85
12.1 Pakistan’s Rice Industry – An Overview	87
12.2 Egypt’s Rice Market and Pakistan	88
12.3 Competitors – Egypt’s Main Import Sourcing Countries for Rice	89
● <b>Chapter 13: Liquefied Natural Gas – Egypt’s Exports and Pakistan’s Increasing demand</b>	91
13.1 Egypt’s Natural Gas industry – An Overview	93
13.2 Pakistan’s Natural Gas Consumption	94
13.2.1 Alternate Gas Import Sources of Pakistan	95
13.2.2 Actual and Forecasted Gas Demand in Pakistan	96
<i>Bibliography</i>	98
<i>Appendix</i>	99

# List of Tables

Table 1:	Key Economic Indicators - Egypt.....	8
Table 2:	Key Demographic Indicators - Egypt .....	9
Table 3:	Global Rankings on Business Competitiveness Indicators.....	11
Table 4:	Trade Measures adopted by Egyptian Government Amidst Covid-19.....	14
Table 5:	Egypt's Top 10 Exports to the World (HS-02) .....	17
Table 6:	Egypt's Top 25 Exports to the World (HS-06) .....	18
Table 7:	Egypt's Top 10 Imports from the World (HS-02) .....	20
Table 8:	Egypt's Top 25 Imports from the World (HS-06) .....	20
Table 9:	Egypt's Top 25 Exports to India (HS-06).....	22
Table 10:	Egypt's Top 25 Imports from India (HS-06) .....	24
Table 11:	Egypt's Top 25 Exports to China (HS-06) .....	25
Table 12:	Egypt's Top 25 Imports from China (HS-06) .....	27
Table 13:	Egypt's Top 25 Exports to the USA (HS-06) .....	28
Table 14:	Egypt's Top 25 Imports from the USA (HS-06).....	30
Table 15:	Pakistan's Top 10 Exports to Egypt Sector-wise (HS-02) .....	33
Table 16:	Pakistan's Top 25 Exports to Egypt (HS-06).....	34
Table 17:	Pakistan's Top 10 Imports from Egypt Sector-wise (HS-02) .....	36
Table 18:	Pakistan's Top 25 Imports from Egypt (HS-06).....	36
Table 19:	Bilateral Export Competitiveness.....	38
Table 20:	Pakistan's top 10 Revealed Comparative Advantages for Sector wise Product Exports to the World (HS-02).....	39
Table 21:	Egypt's Top 10 Revealed Comparative advantages for Sector wise Product Exports to the World (HS-02).....	40
Table 22:	Revealed Market Access Index for Pakistan's Exports to Egypt (HS-02) .....	41
Table 23:	Revealed Market Access Index for Egypt's Exports to Pakistan (HS-02) .....	42
Table 24:	Correlation Matrix.....	44
Table 25:	Egypt's Trade Agreements .....	47
Table 26:	Top 10 QIZ Imports of the USA from Egypt 2020 Sector-wise (HS-02): .....	50
Table 27:	Pakistan's Potential Agriculture products for Exports to Egypt (Intensive Margin).....	55
Table 28:	Pakistan's Potential Agriculture products for Exports to Egypt (Extensive Margin).....	56
Table 29:	Pakistan's Potential Textile Products for Exports to Egypt (Intensive Margin).....	57
Table 30:	Pakistan's Potential Textile products for Exports to Egypt (Extensive Margin) .....	58
Table 31:	Pakistan's Potential Pharmaceutical & Surgical products for Exports to Egypt (Intensive Margin) ....	59
Table 32:	Pakistan's Potential Pharmaceutical & Surgical products for Exports to Egypt (Extensive Margin) ...	59
Table 33:	Pakistan's Potential Plastic & Rubber products for Exports to Egypt (Intensive Margin) .....	60
Table 34:	Pakistan's Potential Plastic & Rubber products for Exports to Egypt (Extensive Margin) .....	61
Table 35:	Major Bilateral Agreements India – Egypt: .....	64
Table 36:	Major Bilateral Agreements between the USA & Egypt:.....	67
Table 37:	Recommended Exhibitions for Pakistani Participants.....	84
Table 38:	Top 10 World Exporters of Rice (HS-1006).....	87
Table 39:	Top 10 Export Destinations of Egypt for Liquefied Natural Gas Exports (HS-271111).....	94
Table 40:	Comparison of Alternate Gas Suppliers of Pakistan .....	95
Table 41:	Actual & Forecasted Liquefied Natural Gas (LNG) Consumption of Pakistan (HS-271111).....	96
Table 42:	Top Exports Destination for Egypt's Products .....	99
Table 43:	Top Import Sourcing markets for Egypt.....	99
Table 44:	India's Overseas Investments in Africa (US\$ Million):.....	100
Table 45:	Pakistan's Major Gas Pipeline Projects.....	100

## List of Figures

Figure 1:	Real GDP Growth - Egypt.....	8
Figure 2:	Inflation Rate - Egypt.....	8
Figure 3:	Unemployment Rate - Egypt.....	8
Figure 4:	Egypt's Population Pyramid 2021.....	9
Figure 5:	Global Business Ranking Comparison of Egypt & Pakistan.....	10
Figure 6:	Pakistan's Monthly trade with Egypt: July 2019 – June 2020.....	14
Figure 7:	Egypt's Trade Overview.....	17
Figure 8:	Top Exports Destination for Egypt's Products, 2020.....	19
Figure 9:	Top Import Sourcing markets for Egypt, 2020.....	21
Figure 10:	Egypt's Trade with India.....	28
Figure 11:	Egypt's Trade with China.....	25
Figure 12:	Egypt's Trade with the USA.....	28
Figure 13:	Pakistan's Trade with Egypt.....	33
Figure 14:	Trade Complementarity Index.....	39
Figure 15 (a):	Bilateral Tariff Regime – Tariffs Applied by Pakistan on Egypt.....	43
Figure 15 (b):	Bilateral Tariff Regime – Tariffs Applied by Egypt on Pakistan.....	43
Figure 16:	Proposed Timeline for the Implementation of AfCFTA.....	48
Figure 17:	Top 5 COMESA Exports to and Imports from Egypt 2020 at HS-02 level (Sector-wise):.....	49
Figure 18:	Top 5 Agadir Exports to and Imports from Egypt 2020 at HS-02 level (Sector-wise):.....	50
Figure 19:	Top 5 Mercosur Exports to and Imports from Egypt 2020 at HS-02 level (Sector-wise):.....	51
Figure 20:	Top 5 EFTA Exports to and Imports from Egypt 2020 at HS-02 level (Sector-wise):.....	52
Figure 21:	EU-Egypt Multilateral Trade.....	52
Figure 22:	Competitors of Pakistan in the Major Sectors.....	63
Figure 23:	Exports to Egypt – Pakistan & its competitors.....	63
Figure 24:	Land and Sea Corridors of the Belt and Road Initiative.....	66
Figure 25:	Initiatives Taken by DFC.....	69
Figure 26:	Tariff Barriers and Reliefs used by Egyptian Government.....	71
Figure 27:	NTBs Imposed by Egypt.....	73
Figure 28:	Products that can benefit from Look Africa.....	75
Figure 29:	Rice – Production, Consumption, Exports and Area Cultivated of Pakistan (2016-20).....	87
Figure 30:	Pakistan's Exports and Prices of Basmati and Non-basmati Rice.....	88
Figure 31:	Egypt's Imports of Rice from the World Against Egypt's Imports of Rice from Pakistan (HS-1006).....	89
Figure 32:	Basmati Rice Price Comparison – India and Pakistan (2016-2020).....	89
Figure 33:	Natural Gas – Production, Consumption and Exports of Egypt (2000-20).....	93
Figure 34:	Sectoral Consumption of Gas – Pakistan, FY2010 - FY2020.....	94
Figure 35:	Pakistan's Imports of LNG from the World against Egypt's Exports of LNG to the World (HS-271111).....	95
Figure 36:	Pakistan's Natural Gas – Production-Imports & Demand-Supply Forecasts.....	96

## List of Acronyms

<b>AA</b>	Agadir Agreement
<b>AAGC</b>	Asia-Africa Growth Corridor
<b>AfCFTA</b>	African Continental Free Trade area
<b>AGOA</b>	African Growth and Opportunity Act
<b>ATU</b>	Agadir Technical Unit
<b>AU</b>	African Union
<b>AUC</b>	African Union commission
<b>BRI</b>	Belt and Road Initiative
<b>CAGR</b>	Compound Annual Growth Rate
<b>CAPQ</b>	Central Administration of Plant and Quarantine
<b>CII</b>	Confederation of Indian Industry
<b>CIIE</b>	China International Import Export
<b>COMESA</b>	Common Market for Eastern & Southern Africa
<b>CPEC</b>	China Pakistan Economic Corridor
<b>CTMC</b>	China Textile Machinery Company
<b>DCFTA</b>	Deep and Comprehensive Free Trade Agreement
<b>DFC</b>	Development Finance Corporation
<b>DFQF LDC</b>	Duty Free Quota Free for Least Developed Countries
<b>DFTP LDC</b>	Duty Free Tariff Preference for Least Developed Countries
<b>EAC</b>	East African Community
<b>ECGC</b>	Export Credit Guarantee Corporation
<b>ECOWAS</b>	Economic Community of West African States
<b>EDA</b>	Egypt Drug Authority
<b>EFI</b>	Economic Freedom Index
<b>EFTA</b>	European Free Trade Agreement
<b>EGEMAC</b>	Egyptian German Manufacturing Company
<b>EIPET</b>	Egypt India Polyester Company
<b>EU</b>	European Union
<b>FBR</b>	Federal Board of Revenue
<b>FOCAC</b>	Forum on China -Africa Cooperation
<b>FTA</b>	Free Trade Agreement

## List of Acronyms

<b>GACC</b>	General Administration of Customs and China
<b>GAFTA</b>	Greater Arab Free Trade Area
<b>GOEIC</b>	General Organization of Exports and Imports Control
<b>GSP</b>	Generalized System of Preference
<b>GSTP</b>	General System of Trade Preference
<b>IAFS</b>	India-Africa Forum Summit
<b>IBF</b>	Indian Business Forum
<b>IFPRI</b>	International Food Policy Research Institute
<b>LNG</b>	Liquefied natural gas
<b>MCC</b>	Millennium Challenge Corporation
<b>MERCOSUR</b>	Common Market for the South
<b>MFN</b>	Most Favored Nation
<b>OBOR</b>	One Belt One Road
<b>PAENP</b>	Pan-African E-Network Project
<b>PITAD</b>	Pakistan Institute of Trade and development
<b>QIZs</b>	Qualifying Industrial Zones
<b>RBI</b>	Reserve bank of India
<b>RCA</b>	Revealed Comparative Advantages
<b>RMA</b>	Revealed Market Access
<b>SACU</b>	South African Customs Union
<b>SADC</b>	South African Development Community
<b>SPS</b>	Sanitary and Phytosanitary
<b>TBT</b>	Technical Barrier to Trade
<b>TDAP</b>	Trade and Development Authority Pakistan
<b>TEDA</b>	Tianjin Economic - Technological Development Area
<b>TFTA</b>	Tripartite Free Trade Area
<b>UDHR</b>	Universal Declaration of Human Rights
<b>USIFTA</b>	US-Israel Free Trade Agreement
<b>WTO</b>	World Trade Organization

## Executive Summary

The Pakistan Business Council (PBC), in 2015, initiated a Country Profile Series to promote Pakistan's trade with its non-traditional trading partners including countries in the African continent. Analyzing trading opportunities with Pakistan's non-traditional trading partners is a part of the PBC's Market Access Series. This series aims to promote Pakistan's trade with its non-traditional partners by identifying the key potential export / import products for Pakistan & the trading partner.

For the purpose of selection, the African continent has been divided into four sub-regions: North Africa, South Africa, East Africa and West Africa. Egypt is the third-largest country in Africa in terms of population and is located in the Northern African region.

Egypt, officially the Arab Republic of Egypt, is a transcontinental country with its major area lying in Northeastern Africa and the remaining area lying in Southwestern Asia in the Sinai Peninsula connected through a land bridge. Egypt's Suez Canal is considered to be the world's largest and busiest canal without any locks which facilitates seaborne trade between Europe and Asia. In 2020, revenues from the Suez Canal recorded their highest revenues in the history of the canal amounting to US\$ 5.8 billion, a 2 percent increase from the previous year.

Egypt derives its GDP from services (50 percent), industry (36 percent) and agriculture (11 percent)<sup>1</sup>. The exports of Egypt to the world in 2020 were US\$ 26.8 billion with the export basket dominated by mineral fuels and oils, precious stones, plastics, electrical machines, fruits, vegetables and fertilizers. Egypt's major export destinations in 2020 included the UAE (10.7 percent), Saudi Arabia (6.4 percent), Turkey (6.2 percent), the USA (5.5 percent) and Italy (5.2 percent).

Imports of Egypt from the world in 2020 were worth US\$ 60.3 billion with the major import items being mineral fuels and oils, machineries and mechanical appliances, cereals, vehicles, electrical machinery, plastics, pharmaceutical products and oil seeds. Egypt's major import sourcing countries in 2020 included China (15.0 percent), the USA (6.7 percent), Saudi Arabia (6.3 percent), Germany (5.8 percent) and Turkey (4.9 percent).

Egypt is part of several bilateral trade agreements such as the Turkey-Egypt Free Trade Agreement (FTA); multilateral trade agreements such as Qualifying Industrial Zones (QIZs); and trade blocs such as Agadir, Common Market for Eastern and Southern Africa (COMESA) and Greater Arab Free Trade Area (GAFTA).

To promote trade and to boost exports to African countries, Pakistan's Ministry of Commerce has adopted a "Look Africa" policy. Some of the policy measures introduced by Pakistan to promote exports to non-traditional markets including those in Africa include:

- Duty drawback of 0.3 – 2.1 percent of the FOB value for exports of pharmaceuticals products including medicine.
- Duty drawback of Rs. 5.42/kg on the import of 10 different raw materials used in the manufacture of plastic goods meant for exports.

The exports of Pakistan to Egypt in 2020 were worth just US\$ 71.3 million with the export basket dominated by cotton, plastics, pharmaceutical and surgical instruments, rubber, iron and steel,

<sup>1</sup><https://globaleledge.msu.edu/countries/egypt/memo>

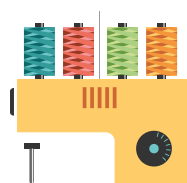
woven apparel and leather. Imports of Pakistan from Egypt in 2020 were US\$ 273.6 million with the major import items included mineral fuels and oil, cotton, sugar and sugar confectionary, oil seeds, plastics, salt and coffee.

In 2020, Pakistan had a potential to increase its exports to Egypt in the agriculture sector (US\$ 105.7 million), textile sector (US\$ 226.5 million), pharmaceutical and surgical sector (US\$ 258.0 million) and plastic and rubber sector (US\$ 62.3 million).



#### Agriculture products:

Exports of Pakistan of **“Semi-milled or wholly-milled rice...”** (HS-100630) to Egypt are under the zero-tariff regime with an estimated export potential of US\$ 46.0 million. Egypt’s rice imports from the world in 2019 amounted to US\$ 293.3 million whereas Egypt’s rice imports from Pakistan amounted to just US\$ 2.0 million. **“Sesamum seeds...”** (HS-120740), **“Plants...”** (HS-121190), **“Flours, meals and pellets of fish...”** (HS-230120) and **“Spices...”** (HS-091099) are the other agricultural products that have a combined export potential of US\$ 59.6 million.



#### Textile products:

Despite facing tariffs of up to 10 percent, Pakistan’s exports of textiles to Egypt have been increasing. The export of **“Plain woven fabric...”** (HS-520911) increased by 86.7 percent in 2020 over 2019. High potential textile products include **“Denim...”** (HS-520942 & HS-521142), **“Single cotton yarn; combed and uncombed...”** (HS-520522, HS-520511 & HS-520523), **“Woven fabrics...”** (HS-551219, HS-551211 & HS-551299) and **“Plain woven fabric...”** (HS-520911) having a combined export potential of US\$ 226.5 million.



#### Pharmaceutical products and Surgical instruments:

The Egyptian market offers an export potential of US\$ 257.9 million for exports of pharmaceutical products and surgical instruments from Pakistan. The export potential of **“Instruments...”** (HS-901890) is estimated to be US\$ 138.5 million whereas **“Medicaments...”** (HS-300490 & HS-300420) are estimated to have an export potential of US\$ 119.5 million.



#### Plastic and rubber products:

In 2020, Pakistan exported US\$ 382.6 million worth of plastic and rubber products to the world. However, Pakistan only exported US\$ 5.6 million worth of plastic and rubber goods to the Egypt in the same year. The export of Pakistan of **“Polystyrene...”** (HS-390319) to Egypt are under zero-tariff regime with an estimated exports potential of US\$ 40.6 million. **“Plates...”** (HS-392062), **“Inner tubes of rubber...”** (HS-401390), **“New pneumatic tyres...”** (HS-401140 & HS-401150) and **“Articles of plastics...”** (HS-392690) had a combined export potential of US\$ 21.8 million in 2020.

The regional and non-regional competitors of Pakistan in the Egyptian market include China, India and the USA. These countries have strengthened their ties with Egypt through investments and by adopting Africa-centric policies to enhance trade. The Egyptian government has established 3 to 4 regulatory authorities in the past few years in order to closely monitor imports.

The tariffs imposed by Egypt on its imports from Pakistan range between 0-60 percent whereas tariffs imposed by Pakistan on its imports from Egypt range between 0-20 percent. A negative correlation exists between Egypt's inflation and Pakistan's exports to Egypt suggesting that rising inflation in Egypt has been the major reason for decreasing exports to Egypt in the last few years.

Rice is one of the staple foods in Egypt. However, in order to adapt to water shortages, Egypt reduced its area under rice plantation from 445,000 hectares to 248,100 in 2018. Chapter 12 discusses the potential of Pakistan's rice exports in the Egyptian market. In 2020, Egypt imported 66.0 percent of its rice from India whereas only 0.8 percent was imported from Pakistan.

Pakistan's overall supply of gas has been increasing at an annual growth rate of 2.4 percent whereas demand has been increasing at 11.7 percent, this has resulted in a shortfall of 4.0 billion cubic feet per day of natural gas. Chapter 13 discusses the prospects of Pakistan's Liquefied natural gas (LNG) (HS-271111) imports from the world including Egypt in the coming years.

## Major Findings

- Pakistan's exports to Egypt decreased by US\$ 21.0 million in 2020, showing a decline of 23.6 percent over the previous year. On the other hand, Egypt's exports to Pakistan declined by US\$ 33.5 million in 2020, showing a decline of 13.4 percent over the previous year.
- The export of "**Medicaments...**" (HS-300490) from Pakistan to Egypt reported a decline of 63.8 percent in 2020 over 2019. The CAGR reflects an average decrease of 1.6 percent during the period 2016-2020.
- Among the top export products, "**Denim...**" (HS-520942 & HS-521142) is subject to a tariff of 10 percent whereas the exports of "**Medicaments...**" (HS-300490) is subject to zero-tariff.
- The highest increase of 2,937 percent in 2020 over 2019 was witnessed in Pakistan's exports of "**Woven fabrics of cotton, containing >= 85% cotton by weight and weighing > 200 g/m<sup>2</sup>, in three-thread or four-thread twill, incl. cross twill, unbleached**" (HS-520912). The CAGR reflects an average increase of 14.5 percent during the period 2016-2020.
- "**Maize...**" (HS-100590), "**T-shirts, singlets and other vests...**" (HS-610990), "**Medicaments...**" (HS-300439) and "**Polycarbonates...**" (HS-390740) provide both product and market diversification opportunities for Pakistan's export basket.
- Pakistan's exports to the Egypt are positively correlated with the GDP growth of Egypt whereas negatively correlated with inflation, the exchange rate (LE/USD) and the current account balance.
- Pakistan's imports from Egypt are dominated by "**Liquefied natural gas**" (HS-271111) with imports worth US\$ 128.8 million in 2020 and constituting 47.0 percent of total imports from Egypt. The largest consumer of imported natural gas is the power sector in Pakistan. In 2020, the power sector consumed approximately 437.0 billion cubic feet gas.
- Pakistan's top export items to Egypt are exposed to tariffs ranging between 0-40 percent. Top imports from Egypt are however given access to the Pakistani market at a lower tariff range of between 0-20 percent.
- There exists an export potential for Pakistan of around US\$ 1.1 billion to Egypt mainly driven by agriculture, textile, pharmaceutical, surgical, plastic and rubber products.

## Recommendations:

### Revision of Egypt's Tariffs for Pakistan's High Potential Exports:

Pakistan's top exports to Egypt are exposed to high tariffs which range between 0 & 40 percent; however, Egypt is given access to the Pakistani market at relatively lower tariffs that range between 0 & 20 percent. It is recommended to rationalize tariffs fairly to enhance Pakistan's exports to Egypt.

### Pricing Strategies:

The price conscious nature of the Egyptian consumers has affected Pakistan's exports. There is a need to revise the costs of products that Pakistan exports to the Egypt by providing access to cheaper raw materials and other inputs to the local manufacturers.

### Cooperation with Private sector to promote Pakistani brands:

Pakistani products enter Egypt through third-country labels which deprives Pakistan of maximizing its potential<sup>2</sup>. Therefore, the government of Pakistan should cooperate with its private sector for the promotion of local Pakistani brands in Egypt.

### Duty Drawback schemes should be improved:

- Duty drawbacks should be made accessible to indirect exporters as well as the importers of raw material who produce finished goods for the purpose of re-exports.
- A 5-year duty drawback scheme be provided to exporters of finished goods that use indigenous raw materials.

### Simplifying Export Regulations:

- Implement and create greater awareness of the Single Window System to facilitate the customs procedures.
- Paper work be reduced and bureaucratic procedure be smoothed in order to encourage new exporters.
- Collection and dissemination of information about foreign markets and export requirements should be improved.

### Export subsidies should be time bound and performance specific:

Government should provide export subsidies to the businessmen based on their performance. This will require the authorities to keep a thorough check on exporters and withdraw the subsidies as soon as the threshold is crossed. This will bring transparency in the system and among the exporters.

### Improve Export Competitiveness by empowering SMEs and providing training:

Export competitiveness can be improved by empowering SMEs through access to finance, easily available subsidized credit, low interest rates on loans and skills training/development programme<sup>3</sup>. The exporters should be educated and trained on the regulations and standards that have to be met before exporting to Egypt.

### Online Visa Policy needs to be activated:

Currently, Pakistani exporters are denied e-visa (online visa) by Egypt. It is recommended that the government of Pakistan take up the matter of issuance of visas with the Egyptian government as this can improve bilateral trade.

### Direct linkages:

Pakistan's export cargo shipments do not have direct linkages with Egypt. The shipments coming from and going to Egypt have drop centres in Dubai. Similarly, there is an absence of direct air links between Egypt and Pakistan. There is a need to develop direct linkages between the two countries to encourage trade and investment.

<sup>2</sup><https://profit.pakistantoday.com.pk/2020/08/11/egypt-keen-to-enhance-tie-with-pakistan-diplomat/>

<sup>3</sup><https://pide.org.pk/blog/how-to-increase-exports-for-pakistans-sustainable-economic-growth/>

## Chapter 1

# Overview of Egypt



The Arab Republic of Egypt (Egypt) is a land with a rich history. Egypt is a transcontinental country with its major land area lying in Northeastern Africa and the remaining in Southwestern Asia in the Sinai Peninsula connected through a land bridge.

Egypt had a population of 103 million<sup>4</sup> in 2020, making it the most populous country in the Middle East and the 14th most populous country in the world. Almost half of Egypt's population resides in its urban centers. In the last few years, it has become one of the fastest growing economies in the world primarily due to the policy changes made in 2016 to boost economic activity. Discovery of a new natural gas field has contributed to the country's growth along with a rise in remittances and tourism.

## 1.1 Development Challenges

For decades, Egypt followed an inward-looking economic policy of protecting its markets and domestic firms, this led to its private sector becoming less dynamic and dependent on the government for support. Despite having the advantage of being a trans-continental country, it has been unable to achieve its potential. To foster growth and adopt an export-led growth strategy, the Egyptian Government since 2016 has broadened its Structural Reform Agenda with reforms to improve land use efficiency, and strengthening competition and public procurement through improving transparency in state-owned firms<sup>5</sup>.

### Key Challenges faced by the Egyptian Economy:

- Creation of jobs for a young and growing population.
- Reducing the State's involvement in most economic activities which have resulted in misallocation of resources.
- Heavy state subsidies for energy, and basic staple foods that has led to price distortions as both energy and wheat are kept below market prices.

## 1.2 Economic Outlook

Since 2016, Egypt has seen an upward trajectory in its real growth rate, a fact which is being attributed to the policies adopted by the current Egyptian Government. However, since the emergence of Covid-19, there has been a significant drop in the growth rate, which has fallen from 5.6 percent in 2019 to 3.6 percent in 2020. The World Bank estimates that the growth rate will fall to 2.5 percent in 2021. Shutting down of the tourism sector, which accounts for 5.5 percent of GDP is seen as a major contributor to this slowdown.

Egypt's Inflation rate decreased from 13.9 percent in 2019 to 5.7 percent in 2020, paving the way for a loose monetary policy to encourage spending in the economy. By the end of 2021, inflation is expected to further decline to 4.8 percent. Main reason for the sharp decline in inflation after 2019 has been reduced food inflation.

Current account deficit showed a decline from 3.6 percent in 2019 to 3.1 percent in 2020, this was primarily due to a strong increase in remittances and a fall in imports by about 21.0 percent. Table 1 below shows the key economic indicators of Egypt for the past 7 years.

<sup>4</sup>Egypt's Population  
<https://www.worldometers.info/>

<sup>5</sup>International Monetary Fund (IMF)

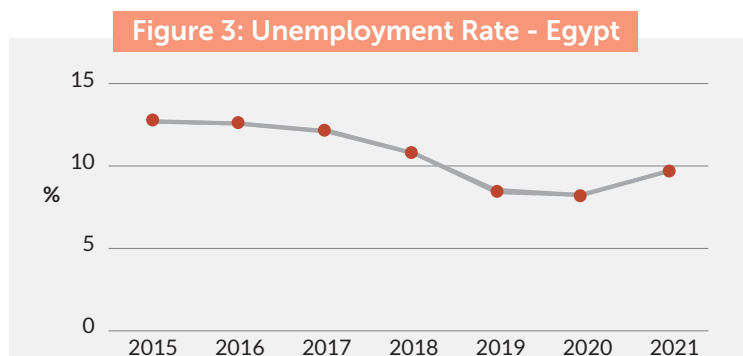
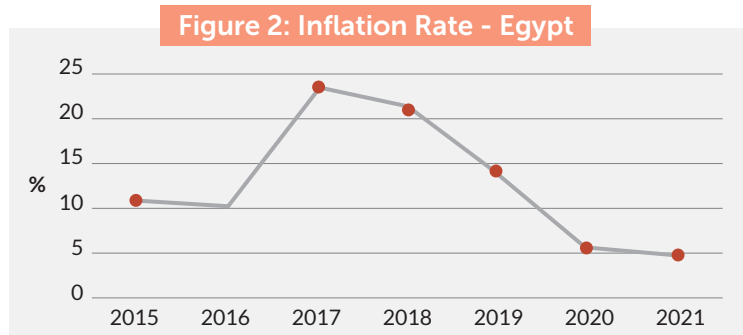
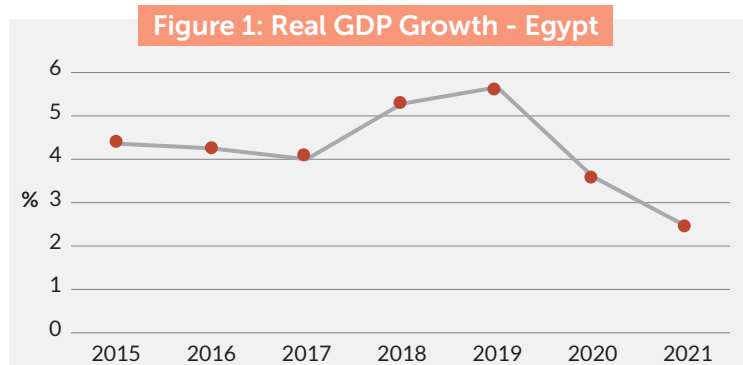
**Table 1: Key Economic Indicators - Egypt**

All Values in US\$ Million

Economic Indicators	2015	2016	2017	2018	2019	2020	2021*
Real GDP Growth (%)	4.4	4.3	4.1	5.3	5.6	3.6	2.5
GDP per capita, current prices (\$)	3,731.2	3,653.7	2,484.5	2,577.3	3,056.9	3,586.9	3,831.9
Inflation Rate, average consumer prices (Annual, %)	10.9	10.2	23.5	20.9	13.9	5.7	4.8
Population (Millions of people)	89	91	95.2	97.1	98.9	100.9	102.9
Unemployment Rate (%)	12.9	12.7	12.2	10.9	8.6	8.3	9.8
Current account balance, percent of GDP (% of GDP)	-3.7	-5.9	-6.1	-2.4	-3.6	-3.1	-4.0
Exchange rate	7.7	10	17.8	17.8	16.8	-	-
GDP, current prices (Billions of U.S. dollars)	332.1	332.5	236.5	250.3	302.3	361.8	394.3

Source: World Bank; IMF World economic Outlook  
\*Projected

Figure 1-3 illustrates the trends of Real GDP growth rate, Inflation rate and the Unemployment rate based on data in Table 1. GDP growth rate peaked in 2019 and since then it has seen a significant fall. The Inflation rate peaked in 2017 reaching 23.5 percent. However, since 2018, inflation has been gradually coming down indicating a positive change in the economic outlook for Egypt. The unemployment rate however has been rising since 2019 owing to an increasing population and decreasing economic opportunities due to the pandemic.



### 1.3 Demographic Outlook:

Egypt is the 14th most populous country in the world and had a population of approximately 103 million in 2021. The population of Egypt is growing at a rate of 1.88 percent per annum. The Median age of the Egyptian population is 23.9 years. A majority of the population has settled around the banks of the River Nile due to arability and fertility of the land.

Around 91.0% of the population is of ethnic Egyptians and the remaining comprise of Turks, Greeks, Abazas and Bedouin Arab tribes.

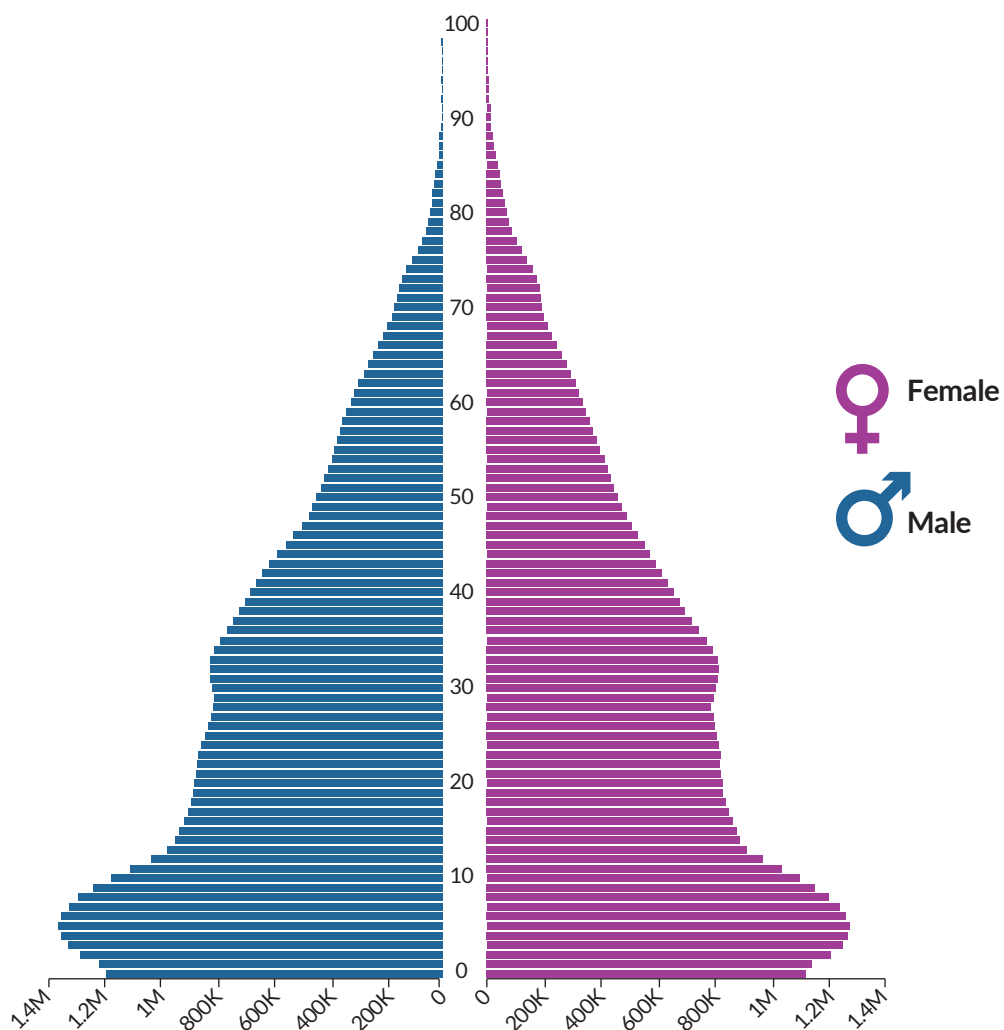
Table 2 shows the key demographic trends along with density and world rankings over the past four years.

**Table 2: Key Demographic Indicators - Egypt**

	2018	2019	2020	2021*
Population (in millions)	98.4	100.4	102.3	104.3
Population Growth Rate (%)	2.05%	2.00%	1.94%	2.00%
Population Rank	14	14	14	14
Population Density (km <sup>2</sup> )	98.87	100.85	102.80	104.73

Source: World Population Review  
\*Projected

**Figure 4: Egypt's Population Pyramid 2021**



Source: World Population Review

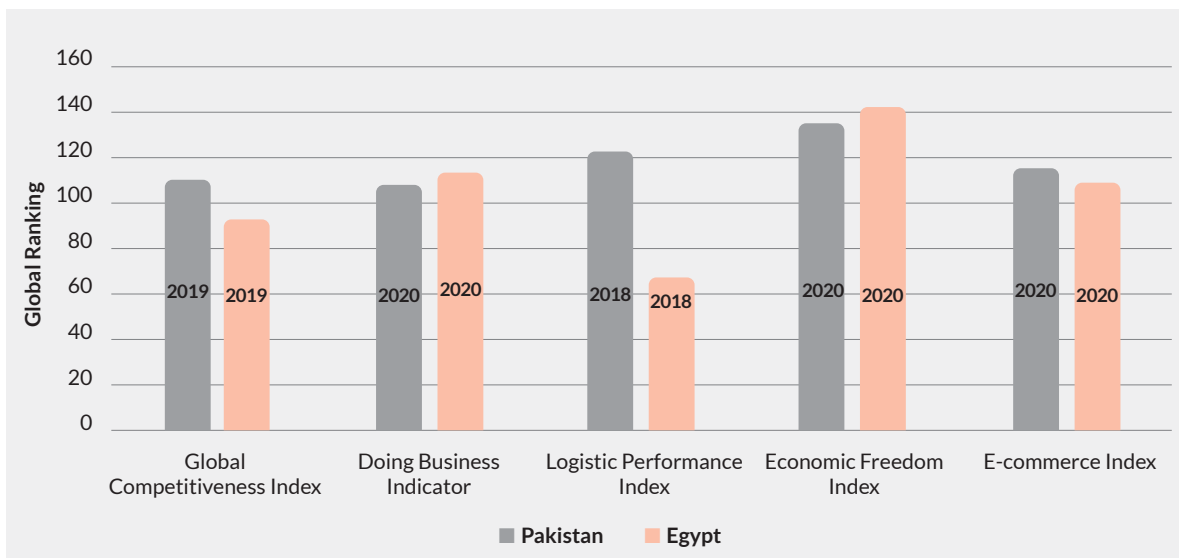
Figure 4 shows the population pyramid of Egypt in 2021. Population distribution along gender lines shows symmetric data across all age groups. Egypt has a relatively young population, where about 60 percent of the population is under 30 years<sup>6</sup>. Age-wise distribution of the population is however skewed towards the younger population particularly in the age bracket of 0-10 years.

## 1.4 Global Business Ranking:

Global rankings for Egypt and Pakistan on business indicators are more or less the same with Logistics Performance Index being an exception, here Egypt has a relatively better standing than Pakistan, having 67<sup>th</sup> position globally whereas the later ranks 122<sup>nd</sup>.

Figure 5 shows a comparison of both countries global ranking in the Global Competitiveness Index (GCI), Doing Business Indicator (DB), Logistics Performance Index (LPI), Economic Freedom Index (EFI) and E-commerce Index.

**Figure 5: Global Business Ranking Comparison of Egypt & Pakistan**



Source: Global Rankings 2020

To further understand the business environment in both countries, a detailed analysis is done in Table 3 where sub-indicator rankings is given for both Egypt and Pakistan.

<sup>6</sup>Egypt Population 2021, World Population Review

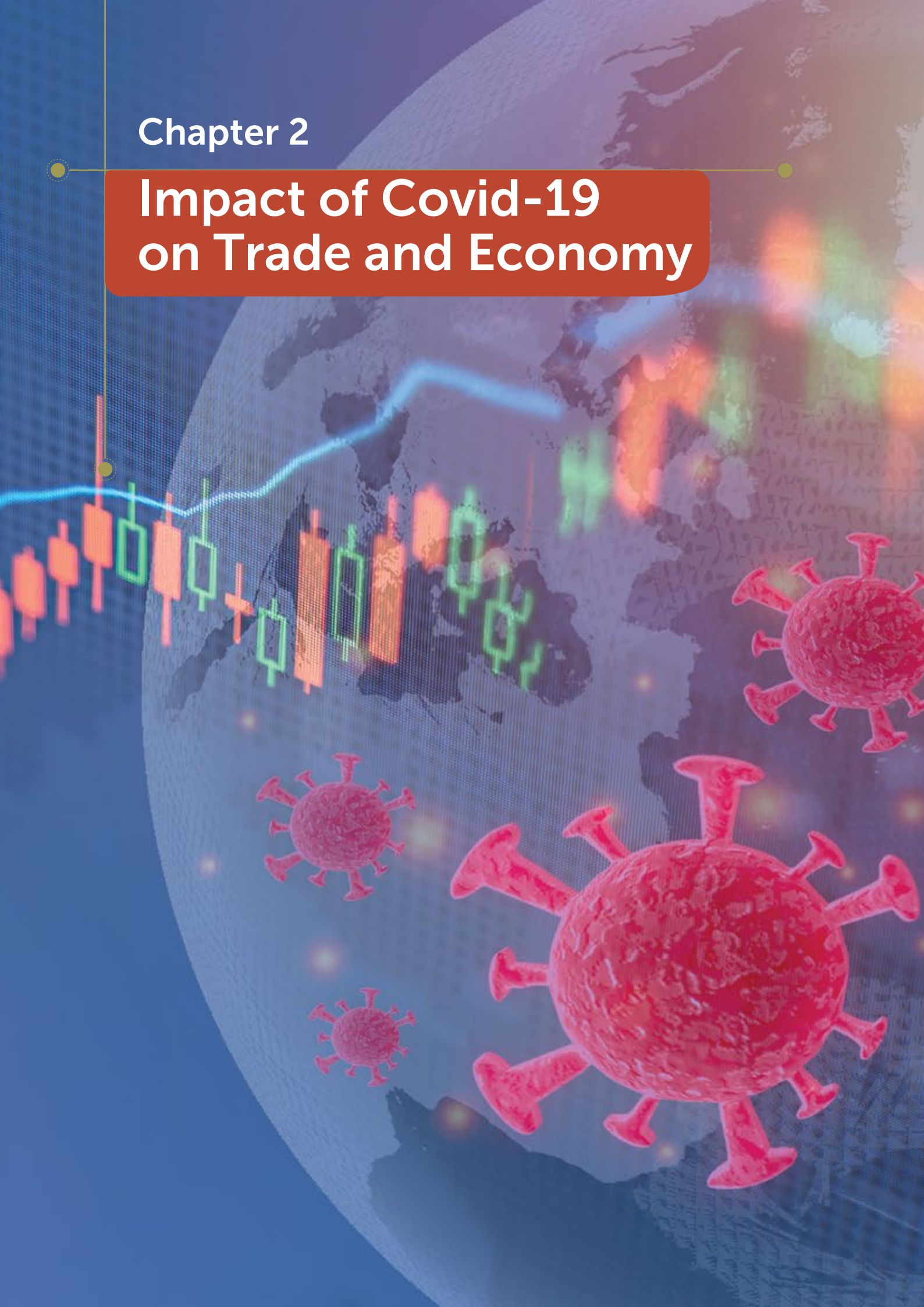
**Table 3: Global Rankings on Business Competitiveness Indicators**

Ranking on Indicators			Ranking on Sub-Indicators											
Global Competitiveness Index (GCI)			Institutions	Infrastructure	ICT Adoption	Macroeconomic Stability	Health	Skills	Product Market	Labor Market	Financial System	Market Size	Business Dynamism	Innovative Capability
Year	2018	2019	2019											
Egypt	94	93	82	52	106	135	104	99	100	126	92	23	95	61
Pakistan	107	110	107	105	131	116	115	125	126	120	99	29	52	79
Doing Business Indicator (DB)			Starting a Business	Dealing with Construction Permit	Getting Electricity	Registering Property	Getting Credit	Protecting Minority Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	Resolving Insolvency		
Year	2019	2020	2020											
Egypt	120	114	90	74	77	130	67	57	156	171	166	104		
Pakistan	136	108	72	112	123	151	119	28	161	111	156	58		
Logistics Performance Index (LPI)			Customs	Infrastructure	International Shipment	Logistics Quality and Competence	Tracking and Tracing	Timeliness						
Year	2016	2018	2018											
Egypt	49	67	77	58	73	63	89	74						
Pakistan	68	122	139	121	97	89	136	136						
Economic Freedom Index (EFI)			Property Rights	Judicial Effectiveness	Government Integrity	Tax Burden	Government Spending	Fiscal Health	Business Freedom	Labor Freedom	Monetary Freedom	Trade Freedom	Investment Freedom	Financial Freedom
Year	2019	2020	2020											
Egypt	144	142	116	60	112	51	97	180	103	136	175	117	96	94
Pakistan	131	135	119	95	134	82	36	148	137	171	134	147	117	127
Logistics Performance Index (LPI)			Share of Individuals using Internet	Share of Individuals with an account	Secure Internet Servers	UPU* Postal Reliability Score								
Year	2019	2020	2020											
Egypt	102	109	57	33	31	26								
Pakistan	114	116	24	21	35	50								

Source: Global Competitiveness Index 2018-2019; Logistics Performance Index 2016-2018; Doing Business- 2019-2020; E-commerce Index 2020-UNCTAD; Economic Freedom Index

## Chapter 2

# Impact of Covid-19 on Trade and Economy



## 2.1. Egypt

The Covid-19 pandemic has affected every economy. With countries struggling to reduce the pressure on their healthcare facilities to cope with increasing cases, business activities were severely restricted. Egypt was no exception. Business activities slowed down in Egypt as the country implemented social distancing measures and lockdowns which led to 2.7 million people losing their jobs. This disruption in economic activity had a ripple effect on all key economic indicators.

Employment losses were reported mainly in the wholesale trade, retail trade, tourism, manufacturing, transport and construction sector especially for informal workers<sup>7</sup>. To provide relief to its people and workers, Egypt's government introduced the following measures:

- An Emergency Response Package of LE100 Billion was announced to be spent on health care facilities and on social protection programs. Under this package, workers were given cash grants, especially those who worked in the informal sector.
- Delayed tax filings and loan repayment moratoriums were approved to provide financial relief to citizens & businesses.
- Government provided subsidized credits to targeted sectors.
- Egypt's central bank cut the policy rate by 400 basis points to ensure businesses and individuals can get credit on favorable terms and to ease liquidity<sup>8</sup>.

It has been suggested by the International Food Policy Research Institute (IFPRI) that without the emergency response package, Egypt's growth rate in 2020 would have been 1.9 percent against the actual rate of 3.8 percent. The tourism sector, revenues from the Suez Canal and remittances were majorly hit during the pandemic, this was important as they contribute to the GDP in one way or another. Impact on the agriculture sector of Egypt was however less severe as compared to that in other countries.

If the vaccine rollout continues, it is forecast by the world bank that Egypt's economy will gradually gain the momentum that it lost in 2020 during the Covid-19 pandemic. The growth rate despite falling is however, expected to remain positive at 2.3 percent in 2021 before rebounding in 2022.

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<sup>7</sup>Egypt's Economic Update, World Bank 2020

<sup>8</sup>The World Bank in Egypt

Table 4 below shows Covid-19 trade measures adopted by Egypt.

**Table 4: Trade Measures adopted by Egyptian Government Amidst Covid-19**

Type of Measure	Affected Products	Measure	Effect on Trade	Affected Partners	Status of Measure	Start Date	End Date
Export Prohibition (exports)	Beans, peas, lentils	<ul style="list-style-type: none"> <li>April 4, 2021: According to WTO notification, this export ban has been extended for an additional three months.</li> <li>January 31, 2021: Export ban on all kind of beans has been terminated.</li> <li>October 05, 2020: New measure imposes a temporary (three months) export prohibition on fava beans only</li> <li>June 15, 2020: New measure imposes a temporary (three months) export prohibition on beans and lentils only.</li> <li>March 31, 2020: Minister of Industry and Trade introduced an export ban on certain type of vegetables.</li> </ul>	Restrictive	All Countries	Active	2020/03/31	2021/07/03
Prohibition for SPS reasons (Imports)	Garlic, carrots and green ginger	<ul style="list-style-type: none"> <li>Egypt announced that imports of garlic, carrots and green ginger from China would be temporarily suspended.</li> </ul>	Restrictive	China	Active	2020/02/09	Unknown
Export Prohibitions (Exports)	Masks, gloves, disinfection alcohol	<ul style="list-style-type: none"> <li>September 16, 2020: Egypt lifts export ban on all kinds of alcohol and its derivatives as well as face masks and medical supplies.</li> <li>June 18, 2020: Egypt extends export ban for further 3 months.</li> <li>March 17, 2020: Egypt bans exports of medical masks and rubbing alcohol for 3 months.</li> </ul>	Restrictive	All countries	Terminated	2020/03/17	2020/09/16

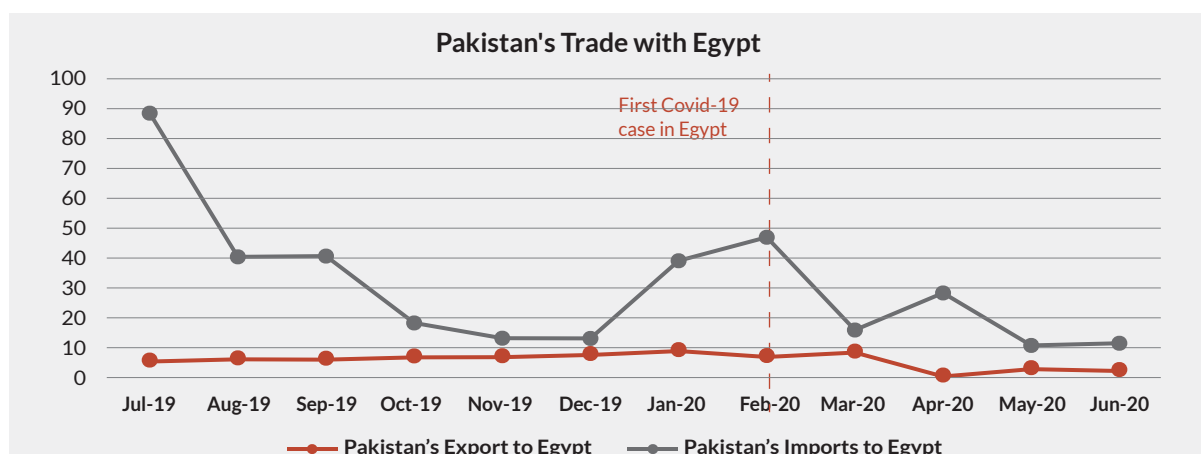
Source: ITC Market Access Map

## 2.2. Pakistan

In Pakistan, almost half of the working population was affected due to the closure of businesses and lockdowns<sup>9</sup>. Major sectors that were affected include Manufacturing, Construction, Transport and storage, and Retail and trade.

Figure 6 below shows Pakistan's trade with Egypt and the impact of Covid-19 on the trade. Pakistan's imports from Egypt decreased from US\$ 39 million in February '20 to US\$ 8 million in June '20, a decline of 79.5 percent. Pakistan's exports to Egypt declined from US\$ 7.9 million in February '20 to US\$ 3.7 million, a decline of 53.2 percent.

**Figure 6: Pakistan's Monthly trade with Egypt: July 2019 – June 2020**



Source: ITC Trade Map

<sup>9</sup>Pakistan Bureau of Statistics  
[https://www.pbs.gov.pk/sites/default/files//other/covid/Final\\_Report\\_for\\_Covid\\_Survey\\_0.pdf](https://www.pbs.gov.pk/sites/default/files//other/covid/Final_Report_for_Covid_Survey_0.pdf)

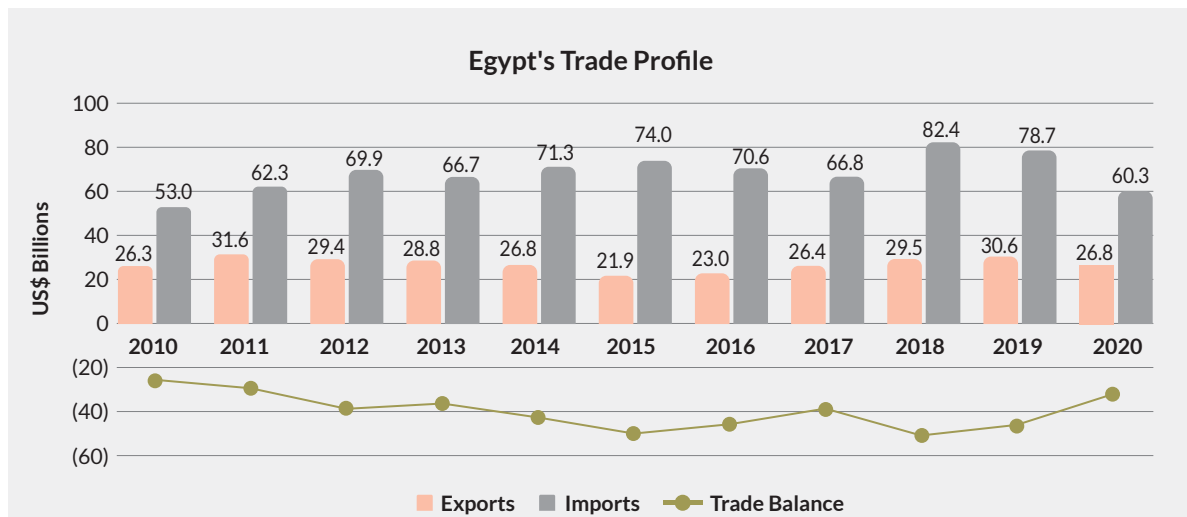
## Chapter 3

# Egypt's Trade Profile



In 2020, Egypt exported US\$ 26.8 billion worth of goods to the world with imports being US\$ 60.3 billion. Trade balance in 2020 amounted to negative US\$ 33.5 billion. Figure 7 shows the exports, imports and trade balance of Egypt for the last 10 years. Egypt's imports have been showing an increasing trend over the last 10 years with exports being more or less the same, ranging between 20 & 30 billion.

Figure 7: Egypt's Trade Overview



Source: ITC Trade Map

### 3.1. Egypt's Exports to the World

Major exports of the country include gold products, oil products, liquified gas, oranges, polypropylene and textile products. Egypt's exports to the World have seen a decline of 12.5 percent in 2020 over 2019. Export of Gold products have increased around 40 percent in the period 2019 to 2020 indicating its global demand. However, Egypt's fossil fuel exports have seen a decline in 2020 compared to 2019. This decline in oil exports has been mainly due to a crash in prices of fossil fuels due to global slowdown and the Covid-19 pandemic.

Table 5 shows Egypt's top 10 exports to the World at HS-02 level.

Table 5: Egypt's Top 10 Exports to the World (HS-02)

All Values in US\$ Million

Code	Product label	2016	2017	2018	2019	2020	Change 2019-2020 (%)	CAGR 2016-2020 (%)
<b>TOTAL</b>	<b>All products</b>	<b>22,973.37</b>	<b>26,434.04</b>	<b>29,483.04</b>	<b>30,632.55</b>	<b>26,815.15</b>	<b>-12.46</b>	<b>3.14</b>
27	Mineral fuels and oils	3,165.09	5,116.44	7,242.90	8,114.93	4,724.23	-41.78	8.34
71	Precious stones	2,672.29	2,116.76	1,458.90	2,048.25	2,956.38	44.34	2.04
39	Plastics and articles thereof	1,189.58	1,545.77	1,801.89	2,016.60	1,731.55	-14.14	7.80
85	Electrical machines and parts thereof	1,578.17	1,759.15	1,563.56	1,707.38	1,563.93	-8.40	-0.18
08	Edible fruit and nuts	1,209.73	1,281.92	1,397.40	1,416.76	1,454.12	2.64	3.75
31	Fertilizers	844.98	1,099.28	1,387.92	1,335.29	1,163.72	-12.85	6.61
07	Edible vegetables and certain roots and tubers	966.62	1,070.25	911.24	1,105.22	1,033.86	-6.46	1.35
62	Articles of apparel and clothing accessories	889.99	989.77	1,067.59	1,097.83	891.83	-18.76	0.04
72	Iron and steel	512.40	871.92	1,054.13	694.48	696.24	0.25	6.32
33	Essential oils and resinoids; perfumery, cosmetic or toilet preparations	447.34	545.94	559.28	586.29	571.66	-2.50	5.03

Source: ITC Trade Map

**Table 6: Egypt's Top 25 Exports to the World (HS-06)**

All Values in US\$ Million

Code	Product label	2016	2017	2018	2019	2020	Change 2019-2020 (%)	CAGR 2016-2020 (%)
<b>TOTAL</b>	<b>All products</b>	<b>22,973.37</b>	<b>26,434.04</b>	<b>29,483.04</b>	<b>30,632.55</b>	<b>26,815.15</b>	<b>-12.46</b>	<b>3.14</b>
710812	Gold, incl. gold plated with platinum, unwrought, for non-monetary purposes (excluding...	2,608.75	2,097.38	1,411.66	2,017.78	2,872.12	42.34	1.94
271012	Light oils and preparations, of petroleum or bituminous minerals which >= 90% by volume "incl. ...	675.39	2,119.76	3,274.26	2,828.36	1,465.91	-48.17	16.76
271019	Medium oils and preparations, of petroleum or bituminous...	227.47	332.17	926.94	1,764.72	1,434.67	-18.70	44.53
270900	Petroleum oils and oils obtained from bituminous minerals, crude	1,808.11	2,106.11	2,146.80	1,940.59	1,197.76	-38.28	-7.91
310210	Urea, whether or not in aqueous solution (excluding...	716.50	938.33	1,142.42	1,085.30	891.35	-17.87	4.46
852872	Reception apparatus for television, colour, whether or not incorporating radio-broadcast...	593.82	573.16	553.15	826.47	714.24	-13.58	3.76
080510	Fresh or dried oranges	503.85	548.12	666.70	656.59	648.63	-1.21	5.18
271111	Natural gas, liquefied	159.30	178.98	501.44	1,263.18	438.27	-65.30	22.44
390210	Polypropylene, in primary forms	242.72	286.80	306.84	346.79	306.16	-11.72	4.75
610990	T-shirts, singlets and other vests of textile materials, knitted or crocheted (excluding cotton)	67.34	154.70	216.64	280.66	240.85	-14.18	29.03
080610	Fresh grapes	218.49	237.35	221.55	234.89	235.77	0.38	1.53
961900	Sanitary towels (pads) and tampons, napkins and napkin liners for babies...	231.63	244.77	238.80	225.42	217.15	-3.67	-1.28
330210	Mixtures of odoriferous substances and mixtures, incl. alcoholic solutions...	2.71	7.16	188.77	228.19	216.63	-5.06	140.15
720826	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, in coils, simply ...	142.19	217.34	317.22	282.66	216.58	-23.38	8.78
070190	Fresh or chilled potatoes (excluding seed)	144.23	263.08	197.28	259.48	216.21	-16.68	8.43
300490	Medicaments consisting of mixed or unmixed products for therapeutic...	219.29	203.94	175.72	205.91	202.54	-1.64	-1.58
854420	Coaxial cable and other coaxial electric conductors...	336.51	275.19	243.44	252.81	201.57	-20.27	-9.74
390120	Polyethylene with a specific gravity of >= 0,94, in primary forms	146.82	224.36	281.50	262.18	199.14	-24.05	6.29
390760	Poly"ethylene terephthalate", in primary forms	8.48	6.50	75.28	261.63	195.74	-25.18	87.37
392020	Plates, sheets, film, foil and strip, of non-cellular ...	165.20	208.85	203.47	198.35	192.58	-2.91	3.11
290511	Methanol "methyl alcohol"	94.37	265.17	398.73	143.69	175.85	22.39	13.26
070310	Fresh or chilled onions and shallots	201.33	207.24	117.85	243.90	175.10	-28.21	-2.75
940360	Wooden furniture (excluding...	328.24	280.19	266.75	202.79	172.14	-15.11	-12.11
701990	Glass fibres, incl. glass wool, and articles thereof (excluding...	102.41	170.81	199.56	195.41	170.03	-12.99	10.67
854430	Ignition wiring sets and other wiring sets for vehicles...	122.03	188.38	170.09	144.23	164.58	14.11	6.17

Source: ITC Trade Map

### Key Findings:

- Egypt's top 25 exports to the World at the HS-06 level accounted for 49.1 percent of total exports in 2020.
- Out of the 25 items listed above, "Gold..." (HS-710812) accounted for 10.7 percent of the total exports of Egypt to the World in 2020.
- Export of "Gold..." (HS-710812) increased from US\$ 2.0 billion in 2019 to US\$ 2.9 billion in 2020 resulting in an increase of 42 percent.
- Exports of "Mixtures of odoriferous..." (HS-330210) showed a positive CAGR of 140.2 percent for the period 2016-2020.

## 3.2. Major Export Destinations of Egypt

Egypt's top export destinations include the UAE (10.7 percent), Saudi Arabia (6.4 percent), Turkey (6.2 percent), the USA (5.5 percent) and Italy (5.2 percent).

Figure 8 shows the top export destinations of Egypt in 2020, where thickness of the arrow represents the export value.

**Figure 8: Top Exports Destination for Egypt's Products, 2020**



Source: ITC Trade Map

## 3.3. Egypt's Imports from the World

Egypt's major imports from the world include mineral fuels and oils, machinery and mechanical appliances, cereals, vehicles and parts thereof, Electrical machinery and equipment, plastics and articles thereof, iron and steel, pharmaceutical products and oil seeds.

Table 7 shows Egypt's top 10 imports from the World at HS-02 during the period 2016-2020 along with the percentage change between 2019 & 2020 and the CAGR (2016-2020). The top 10 import sectors all showed a decline in imports in 2020 as compared to 2019.

**Table 7: Egypt's Top 10 Imports from the World (HS-02)**

All Values in US\$ Million

Code	Product label	2016	2017	2018	2019	2020	Change 2019-2020 (%)	CAGR 2016-2020 (%)
<b>Total</b>	<b>All Products</b>	<b>70,649.46</b>	<b>66,763.87</b>	<b>82,444.51</b>	<b>78,657.52</b>	<b>60,279.55</b>	<b>-23.36</b>	<b>-3.12</b>
27	Mineral fuels and Oils	10,829.62	11,696.77	14,385.52	11,066.20	7,072.11	-36.09	-8.17
84	Machinery and mechanical appliances	6,328.10	5,752.67	6,533.28	6,690.05	5,255.90	-21.44	-3.64
10	Cereals	4,146.47	4,432.45	4,758.96	5,256.92	4,627.70	-11.97	2.22
87	Vehicles and parts thereof	5,160.98	3,145.01	4,805.65	4,694.91	4,619.35	-1.61	-2.19
85	Electrical machinery and equipment	4,997.93	4,857.46	6,883.01	6,909.42	3,979.86	-42.40	-4.45
39	Plastics and articles thereof	3,143.55	3,208.09	3,924.92	3,838.64	2,978.58	-22.41	-1.07
72	Iron and Steel	3,536.82	3,248.08	4,479.09	3,648.80	2,636.81	-27.73	-5.70
30	Pharmaceutical Products	2,220.70	2,195.12	2,323.79	2,605.67	2,264.29	-13.10	0.39
12	Oil seeds and oleaginous fruits...	917.51	1,166.21	1,780.42	2,074.52	1,949.14	-6.04	16.26
73	articles of Iron and Steel	2,764.07	2,748.14	3,315.48	2,670.44	1,909.76	-28.49	-7.13

Source: ITC Trade Map

**Table 8: Egypt's Top 25 Imports from the World (HS-06)**

All Values in US\$ Million

Code	Product label	2016	2017	2018	2019	2020	Change 2019-2020 (%)	CAGR 2016-2020 (%)
<b>TOTAL</b>	<b>All products</b>	<b>70,649.46</b>	<b>66,763.87</b>	<b>82,444.51</b>	<b>78,657.52</b>	<b>60,279.55</b>	<b>-23.36</b>	<b>-3.12</b>
270900	Petroleum oils and oils obtained from bituminous minerals, crude	1,384.76	1,750.71	3,562.76	2,909.01	3,806.58	30.85	22.41
100119	Durum wheat (excluding seed for sowing)	2,238.45	2,636.49	2,804.78	3,024.16	2,693.85	-10.92	3.77
100590	Maize (excluding seed for sowing)	1,850.77	1,729.44	1,880.59	1,925.67	1,878.98	-2.42	0.30
999999	Commodities not elsewhere specified	631.63	1,098.41	1,484.64	1,734.24	1,701.19	-1.91	21.92
300490	Medicaments consisting of mixed or unmixed products...	1,655.33	1,667.75	1,720.55	1,915.39	1,620.09	-15.42	-0.43
870323	Motor cars and other motor vehicles principally designed for the transport of persons, incl. ...	2,102.99	1,031.15	1,633.01	1,676.77	1,611.23	-3.91	-5.19
271012	Light oils and preparations, of petroleum or bituminous minerals which >= 90% by volume "incl. ...	4,806.92	4,849.32	6,150.59	5,388.91	1,476.80	-72.60	-21.02
020230	Frozen, boneless meat of bovine animals	1,163.33	1,028.27	1,148.86	1,491.46	1,233.27	-17.31	1.17
851712	Telephones for cellular networks "mobile telephones"...	447.31	559.33	1,031.14	1,579.64	899.18	-43.08	14.99
870322	Motor cars and other motor vehicles principally designed for the transport of persons, incl. ...	475.31	433.94	819.71	641.99	885.83	37.98	13.26
271113	Butanes, liquefied (excluding...	898.26	1,279.79	1,288.66	1,074.88	843.38	-21.54	-1.25
720449	Waste and scrap of iron or steel (excluding...	275.72	538.47	867.26	778.03	754.53	-3.02	22.30
260112	Agglomerated iron ores and concentrates (excluding...	423.99	794.35	967.78	866.83	733.89	-15.34	11.60
151190	Palm oil and its fractions, whether or not refined (excluding...	565.88	744.37	686.16	655.55	731.07	11.52	5.26
732690	Articles of iron or steel, n.e.s. (excluding...	1,051.52	1,101.45	1,016.25	953.40	717.86	-24.71	-7.35
440710	Coniferous wood sawn or chipped lengthwise...	796.30	739.17	900.33	792.22	615.65	-22.29	-5.02
740311	Copper, refined, in the form of cathodes...	494.58	487.05	694.44	565.79	391.30	-30.84	-4.58

All Values in US\$ Million

Code	Product label	2016	2017	2018	2019	2020	Change 2019-2020 (%)	CAGR 2016-2020 (%)
271111	Natural gas, liquefied	2,299.37	2,233.18	1,131.52	-	383.59	-	-30.10
390210	Polypropylene, in primary forms	358.62	381.82	477.86	473.04	354.59	-25.04	-0.23
020622	Frozen edible bovine livers	265.11	310.76	345.11	331.05	323.37	-2.32	4.05
390110	Polyethylene with a specific gravity of < 0,94, in primary forms	272.71	338.71	390.38	373.44	318.96	-14.59	3.18
080810	Fresh apples	358.45	218.41	229.47	410.17	309.25	-24.60	-2.91
852990	Parts suitable for use solely or principally...	618.54	536.79	578.84	688.34	289.18	-57.99	-14.11
240110	Tobacco, unstemmed or unstripped	100.36	66.91	209.15	341.66	273.70	-19.89	22.22
401120	New pneumatic tyres, of rubber, of a kind used for buses and lorries (excluding...	271.14	241.45	289.42	312.18	261.05	-16.38	-0.76

Source: ITC Trade Map

### Key Findings:

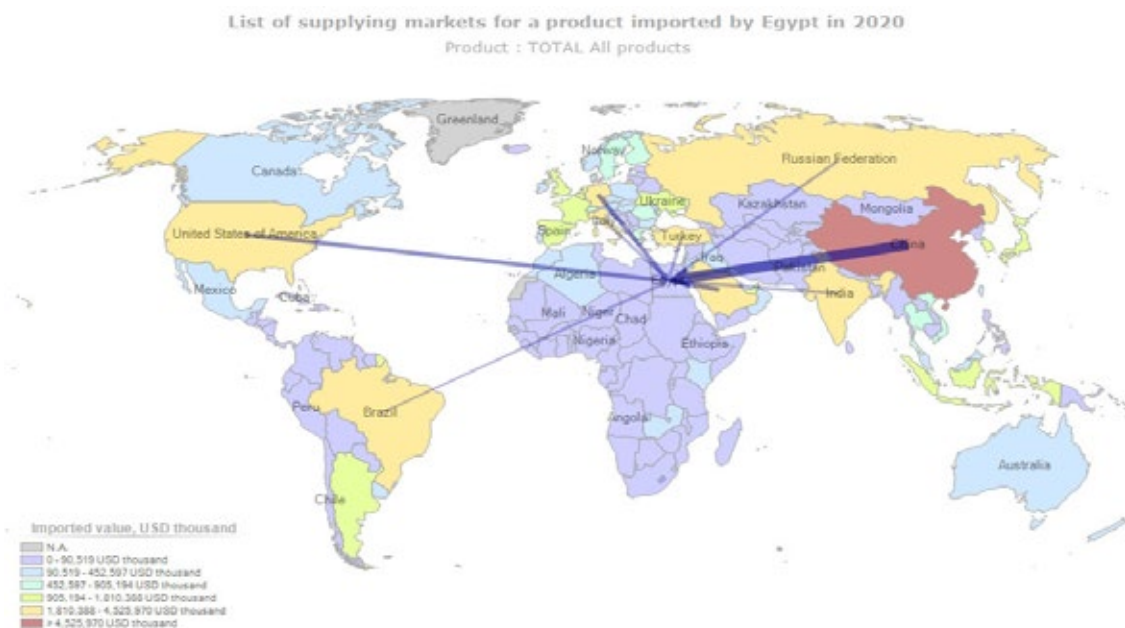
- Import of “**Light oils...**” (HS-271012) decreased from US\$ 5.4 billion in 2019 to US\$ 1.5 billion in 2020, showing a decline of 72.6 percent.
- In 2020, Egypt was the world’s top wheat importer with Indonesia and Turkey being the second and third largest.

## 3.4. Major Import Sources for Egypt

Top import sourcing markets for Egypt include China (15.0 percent), the USA (6.7 percent), Saudi Arabia (6.3 percent), Germany (5.8 percent) and Turkey (4.9 percent).

Figure 9 shows the major import sourcing markets for Egypt, and the thickness of the arrow represents the import value. All countries have shown a positive CAGR (2016-2020) except for Germany, Turkey, Italy, Russia and Brazil<sup>10</sup>.

Figure 9: Top Import Sourcing markets for Egypt, 2020



Source: ITC Trade Map

<sup>10</sup>Appendix Table 43

### 3.5 Trade with India

Despite not having a free or preferential trade agreement between them, bilateral trade between Egypt and India has been over US\$ 1.0 billion since 2006. India was the 6th largest Export destination for Egyptian products and the 8th largest import sourcing market in 2020. In 2020, bilateral trade between the two countries reached US\$3.5 billion. Approximately 50 Indian companies are working in Egypt's major sectors with an investment of about US\$ 3.2 billion. Similarly, Egyptian companies have invested US\$ 36.7 million in India's manufacturing and construction sectors<sup>11</sup>.

Figure 10 shows an overview of Egypt's Trade with India over the last 19 years.

Figure 10: Egypt's Trade with India



Source: ITC Trade Map

#### 3.5.1 Egypt's Exports to India

Table 9 shows Egypt's top 25 Exports to India at HS-06 level for the 2016 to 2020 period along with their CAGR (2016-2020) and the percentage change in exports in 2020 over 2019. Items exported include petroleum and oil products, urea, cotton, calcium, ammonia, liquefied natural gas (LNG), coal products and oranges. Compound Annual Growth Rate (CAGR) over the last five years was 13.7 percent indicating an increasing trend with a declining growth rate of 18.3 percent in 2020 over 2019.

Table 9: Egypt's Top 25 Exports to India (HS-06)

All Values in US\$ Million

Code	Product label	2016	2017	2018	2019	2020	Change 2019-2020 (%)	CAGR 2016-2020 (%)
TOTAL	All products	643.62	899.12	1,152.54	1,497.84	1,224.30	-18.26	13.72
270900	Petroleum oils and oils obtained from bituminous minerals, crude	337.61	527.49	597.66	873.32	596.26	-31.72	12.05
310210	Urea, whether or not in aqueous solution (excluding...	33.97	-	74.07	119.80	130.72	9.12	30.94
251010	Natural calcium phosphates and natural aluminium ...	41.22	36.27	41.56	50.86	91.25	79.42	17.23
520100	Cotton, neither carded nor combed	55.71	49.71	68.21	94.85	87.54	-7.71	9.46
271019	Medium oils and preparations, of petroleum or bituminous minerals, not containing ...	17.26	16.00	21.20	69.86	62.66	-10.31	29.42

<sup>11</sup>Embassy of India, Cairo  
<https://www.eoicairo.gov.in/page/economic>

All Values in US\$ Million

Code	Product label	2016	2017	2018	2019	2020	Change 2019-2020 (%)	CAGR 2016-2020 (%)
271111	Natural gas, liquefied	-	46.14	36.57	44.28	56.63	27.89	-
281410	Anhydrous ammonia	-	4.06	70.77	48.19	37.51	-22.15	-
283650	Calcium carbonate	7.41	8.76	11.19	12.90	16.43	27.40	17.28
390410	Poly"vinyl chloride", in primary forms, not mixed..	2.85	3.62	25.58	26.87	16.27	-39.44	41.70
080510	Fresh or dried oranges	24.49	16.20	36.89	23.35	15.15	-35.13	-9.16
150710	Crude soya-bean oil, whether or not degummed	-	-	-	-	12.39	-	-
280920	Phosphoric acid; polyphosphoric acids...	0.32	-	-	5.70	10.87	90.77	102.16
120921	Alfalfa seed for sowing	11.54	10.78	13.74	6.57	8.66	31.77	-5.60
180632	Chocolate and other preparations containing cocoa, in blocks, slabs or bars of <= 2 kg (excluding ...	1.49	1.74	1.37	3.38	6.50	92.28	34.36
392020	Plates, sheets, film, foil and strip, of non-cellular polymers of ethylene, not reinforced, ...	1.81	3.00	2.46	5.23	6.36	21.53	28.62
701990	Glass fibres, incl. glass wool, and articles thereof (excluding...	5.72	15.33	10.48	9.82	5.42	-44.85	-1.07
070310	Fresh or chilled onions and shallots	-	2.73	0.06	8.13	4.27	-47.41	-
280300	Carbon (carbon blacks and other ...	2.13	10.67	23.68	3.53	3.87	9.67	12.66
340220	Surface-active preparations, washing preparations...	-	-	-	0.30	3.06	936.61	-
711299	Waste and scrap of silver, incl. metal clad with silver, and other waste ...	-	-	-	-	3.04	-	-
720421	Waste and scrap of stainless steel (excluding...	2.10	3.94	1.73	2.56	2.61	1.87	4.49
411390	Leather further prepared after tanning or crusting "incl. parchment-dressed leather" ...	5.21	6.73	5.51	6.62	2.52	-61.88	-13.51
381519	Supported catalysts, n.e.s. (excluding...	-	-	-	-	2.51	-	-
731010	Tanks, casks, drums, cans, boxes and similar containers, of iron or steel, for any material, ...	-	-	-	-	2.26	-	-
251020	Natural calcium phosphates and natural aluminium calcium phosphates ...	36.32	13.22	1.78	2.71	2.10	-22.33	-43.43

Source: ITC Trade Map

### 3.5.2 Egypt's Imports from India

Table 10 shows Egypt's top 25 imports from India at HS-06 level for the 2016 to 2020 period along with their CAGR (2016-2020) and the percentage change in imports in 2020 over 2019. Major items include frozen meat, oil products, rice, cotton products, electrodes, telephones, amino acids, motor vehicles and denim. Imports of Egypt from India have shown a positive CAGR of 0.9 percent with a decrease of 22.8 percent in 2020 over 2019.

**Table 10: Egypt's Top 25 Imports from India (HS-06)**

All Values in US\$ Million

Code	Product label	2016	2017	2018	2019	2020	Change 2019-2020 (%)	CAGR 2016-2020 (%)
TOTAL	All products	2,187.18	2,342.42	2,334.41	2,957.04	2,284.18	-22.75	0.87
020230	Frozen, boneless meat of bovine animals	445.92	323.61	113.18	465.96	462.36	-0.77	0.73
240110	Tobacco, unstemmed or unstripped	17.66	14.85	38.48	35.68	172.36	383.03	57.73
520522	Single cotton yarn, of combed fibres, containing >= 85% cotton ...	67.40	68.28	103.15	76.37	59.88	-21.60	-2.34
870321	Motor cars and other motor vehicles principally designed for the transport of persons, incl. ...	86.95	68.92	122.87	54.19	45.29	-16.42	-12.23
851712	Telephones for cellular networks "mobile telephones" ...	-	0.94	12.86	67.02	40.25	-39.94	-
730519	Line pipe of a kind used for oil or gas pipelines, having circular ...	-	-	50.39	-	39.72	-	-
020622	Frozen edible bovine livers	28.02	2.76	9.79	18.52	39.09	111.10	6.89
100630	Semi-milled or wholly milled rice ...	38.58	44.25	26.17	101.22	31.00	-69.37	-4.28
854511	Electrodes of graphite or other carbon, for electric furnaces	12.73	20.25	67.13	79.31	30.69	-61.31	19.25
720230	Ferro-silico-manganese	4.85	20.92	21.93	26.31	30.03	14.15	43.98
551511	Woven fabrics containing predominantly, but < 85% polyester staple fibres ...	3.27	4.12	14.92	30.14	24.88	-17.46	50.05
271012	Light oils and preparations, of petroleum or bituminous minerals which >= 90% by volume "incl. ...	91.77	402.49	63.08	137.92	22.30	-83.83	-24.65
520942	Denim, containing >= 85% cotton by weight and weighing > 200 g/m <sup>2</sup> , made of yarn of different ...	10.39	7.21	21.58	43.36	22.25	-48.69	16.45
761490	Stranded wires, cables, ropes and similar articles ...	0.87	0.41	3.35	1.45	22.06	1420.33	90.77
382479	Mixtures containing halogenated derivatives of methane, ethane or propane (excluding...	1.60	2.83	8.42	25.71	22.05	-14.24	68.96
870899	Parts and accessories, for tractors...	35.28	29.32	34.52	30.84	21.44	-30.48	-9.48
090931	Cumin seeds, neither crushed nor ground	8.07	6.06	18.02	20.84	21.25	1.98	21.36
292249	Amino-acids and their esters; salts thereof (excluding...	2.28	3.87	6.06	55.44	20.77	-62.53	55.61
732690	Articles of iron or steel, n.e.s. (excluding...	11.22	18.02	18.24	26.87	20.76	-22.75	13.09
294190	Antibiotics (excluding...	13.94	14.14	22.51	21.12	19.49	-7.73	6.93
680293	Granite, in any form, polished, decorated or otherwise worked (excluding tiles...	0.12	0.19	0.01	14.69	16.94	15.33	168.68
520511	Single cotton yarn, of uncombed fibres, containing >= 85% cotton by weight ...	18.08	14.17	10.93	23.47	16.81	-28.38	-1.44
540247	Filament yarn of polyester, incl. monofilament of < 67 decitex...	1.77	2.39	6.79	27.04	15.77	-41.68	54.82
390760	Poly"ethylene terephthalate", in primary forms	49.64	68.81	79.67	41.85	15.68	-62.53	-20.59
293329	Heterocyclic compounds with nitrogen hetero-atom[s] only...	3.32	4.10	6.10	15.12	15.47	2.30	36.08

Source: ITC Trade Map

## 3.6 Trade with China

China has signed MOUs with 49 out of 55 African Countries, Egypt being one of them. The purpose of these MOUs is to formally include Africa in China's Belt and Road Initiative (BRI). Egypt signed an MOU with China in 2016. China's exports to Egypt have increased 4 times since 2008. On the other hand, Egypt's exports to China have remained insignificant over the last 19 years. To promote trade, huge investments have been made by China in Egypt's ports along the Suez Canal especially at Port Said, Port Tewfik and Port Ain Sokhna<sup>12</sup>.

Figure 11 shows Egypt's trade overview with China over the last 19 years. In 2020, bilateral trade amounted to US\$ 9.7 billion with the trade balance in favor of China.

**Figure 11: Egypt's Trade with China**



Source: ITC Trade Map

### 3.6.1. Egypt's Exports to China

Table 11 shows Egypt's top 25 Exports to China at HS-06 level for the 2016 to 2020 period along with their CAGR (2016-2020) and the percentage change in exports in 2020 over 2019. Export items include petroleum products, oranges, liquified natural gas (LNG), marble, polyethylene, ammonia, beat and strawberries. Egyptian export to China had a positive CAGR (2016-2020) of 3.9 percent with an increase of 8.3 percent in 2020 over 2019.

**Table 11: Egypt's Top 25 Exports to China (HS-06)**

All Values in US\$ Million

Code	Product label	2016	2017	2018	2019	2020	Change 2019-2020 (%)	CAGR 2016-2020 (%)
TOTAL	All products	497.56	696.44	1,040.57	556.92	603.11	8.29	3.92
270900	Petroleum oils and oils obtained from bituminous minerals, crude	301.17	403.46	543.39	119.29	180.17	51.04	-9.76
271019	Medium oils and preparations, of petroleum or bituminous minerals...	9.83	24.17	124.21	56.22	122.54	117.95	65.62
271111	Natural gas, liquefied	19.44	14.69	61.42	69.61	64.43	-7.45	27.09
080510	Fresh or dried oranges	16.37	53.37	54.54	103.53	63.39	-38.77	31.10
680221	Marble, travertine and alabaster articles thereof, simply cut ...	44.16	24.71	39.92	41.54	20.50	-50.65	-14.23
230320	Beet-pulp, bagasse and other waste of sugar manufacture	-	-	-	3.41	16.15	373.10	-

<sup>12</sup>Venkateswaran Lokanathan, "China's Belt and Road Initiative: Implications in Africa," ORF Issue Brief No. 395, August 2020, Observer Research Foundation.

All Values in US\$ Million

Code	Product label	2016	2017	2018	2019	2020	Change 2019-2020 (%)	CAGR 2016-2020 (%)
081110	Frozen strawberries, uncooked or cooked...	1.89	3.12	3.98	9.59	10.49	9.34	40.89
841191	Parts of turbojets or turbopropellers, n.e.s.	-	-	-	-	7.60	-	-
760110	Aluminium, not alloyed, unwrought	-	-	-	0.32	7.37	2201.56	-
390410	Poly"vinyl chloride", in primary forms, not mixed...	-	1.74	1.04	7.70	6.46	-16.13	-
520100	Cotton, neither carded nor combed	2.40	7.64	11.49	12.63	6.36	-49.67	21.52
390120	Polyethylene with a specific gravity of >= 0,94, in primary forms	-	26.42	31.95	28.94	5.76	-80.11	-
410449	Hides and skins of bovine "incl. buffalo" or equine animals, in the dry state "crust", without ...	2.04	5.40	2.09	3.36	5.71	69.98	22.90
530129	Flax, hackled or otherwise processed, but not spun (excluding...	3.71	1.55	10.50	11.05	5.37	-51.37	7.67
271012	Light oils and preparations, of petroleum or bituminous minerals which >= 90% by volume "incl. ...	13.77	-	-	-	5.02	-	-18.27
281410	Anhydrous ammonia	-	12.42	32.86	14.84	4.99	-66.38	-
701990	Glass fibres, incl. glass wool, and articles thereof (excluding...	4.57	1.76	5.45	2.51	4.15	65.44	-1.94
740811	Wire of refined copper, with a maximum cross-sectional dimension of > 6 mm	1.85	-	0.50	0.41	3.92	846.14	16.14
570190	Carpets and other textile floor coverings, of textile materials, knotted, whether ...	5.99	5.36	5.34	4.69	3.38	-27.89	-10.80
901890	Instruments and appliances used in medical, surgical or veterinary sciences, n.e.s.	0.34	0.61	0.76	2.22	3.13	40.99	55.89
740321	Copper-zinc base alloys "brass" unwrought	-	-	-	-	2.86	-	-
080540	Fresh or dried grapefruit	1.08	1.42	0.95	2.53	2.79	9.91	20.77
411390	Leather further prepared after tanning or crusting "incl. parchment-dressed leather" ...	1.82	3.46	4.52	4.50	2.70	-40.07	8.23
940320	Metal furniture (excluding...	1.06	1.79	1.59	1.83	2.41	31.42	17.96
392210	Baths, shower-baths, sinks and washbasins, of plastics	0.89	1.03	1.48	1.59	2.32	45.75	21.13

Source: ITC Trade Map

### 3.6.2. Egypt's Imports from China

Table 12 shows Egypt's top 25 imports from China at HS-06 level for the 2016 to 2020 period along with their CAGR (2016-2020) and the percentage change in imports in 2020 over 2019. Major items include telephone products, woven fabric, motor cars, machine, yarn products, iron and steel products and textile. The CAGR for the period 2016-2020 was 0.1 percent showing nominal positive growth with a percentage change in 2020 over 2019 of minus 24.8 percent.

**Table 12: Egypt's Top 25 Imports from China (HS-06)**

All Values in US\$ Million

Code	Product label	2016	2017	2018	2019	2020	Change 2019-2020 (%)	CAGR 2016-2020 (%)
<b>TOTAL</b>	<b>All products</b>	<b>8,994.90</b>	<b>8,112.42</b>	<b>11,665.37</b>	<b>12,040.87</b>	<b>9,051.94</b>	<b>-24.82</b>	<b>0.13</b>
851712	Telephones for cellular networks "mobile telephones" ...	420.94	449.57	787.93	1,102.22	710.51	-35.54	11.04
852990	Parts suitable for use solely or principally with transmission ...	236.37	250.26	341.65	442.96	229.40	-48.21	-0.60
540772	Woven fabrics of yarn containing >= 85% synthetic ...	29.76	31.82	63.74	123.85	216.31	74.65	48.70
870322	Motor cars and other motor vehicles principally designed ...	26.10	66.57	96.50	88.93	203.31	128.62	50.77
551219	Woven fabrics containing >= 85% polyester staple fibres by weight, dyed...	171.69	246.25	277.80	287.20	174.08	-39.39	0.28
732690	Articles of iron or steel, n.e.s. (excluding...	116.72	110.37	147.78	174.80	174.08	-0.41	8.32
851770	Parts of telephone sets, telephones for cellular...	168.65	177.74	256.50	273.27	132.39	-51.55	-4.73
540247	Filament yarn of polyester, incl. monofilament of < 67...	17.66	19.32	56.96	175.42	126.88	-27.67	48.35
851762	Machines for the reception, conversion and transmission...	124.89	171.09	178.85	220.13	123.47	-43.91	-0.23
600690	Fabrics, knitted or crocheted, of a width of > 30 cm (excluding...	20.77	23.20	59.57	100.88	113.89	12.89	40.54
580190	Woven pile fabrics and chenille fabrics (excluding...	11.72	11.29	70.17	82.40	110.14	33.67	56.54
540246	Filament yarn of polyester, incl. monofilament of < 67 ...	48.95	78.29	167.91	175.90	108.07	-38.56	17.16
120600	Sunflower seeds, whether or not broken	78.07	101.91	114.99	145.07	101.89	-29.76	5.47
847130	Data-processing machines, automatic, portable, weighing <= 10 kg, consisting ...	29.96	29.71	59.35	65.59	89.16	35.94	24.37
870829	Parts and accessories of bodies for tractors, motor vehicles...	118.10	52.52	76.26	73.21	76.88	5.01	-8.23
401120	New pneumatic tyres, of rubber, of a kind used for buses and lorries (excluding...	57.16	47.64	70.06	82.36	69.80	-15.25	4.08
720851	Flat-rolled products of iron or non-alloy steel, of a width >= 600 mm...	12.75	17.73	66.53	12.75	66.39	420.55	39.09
320611	Pigments and preparations based on titanium dioxide ...	17.51	37.47	37.05	47.68	66.34	39.13	30.52
850220	Generating sets with spark-ignition internal combustion piston engine	1.01	0.87	23.30	77.78	64.01	-17.70	129.11
294190	Antibiotics (excluding...	37.51	40.69	36.03	44.66	63.77	42.78	11.20
871410	Parts and accessories of motorcycles, incl. mopeds ...	45.05	35.62	45.37	55.24	63.43	14.82	7.08
581100	Quilted textile products in the piece, composed of one or...	26.56	39.42	39.17	77.08	60.81	-21.11	18.01
392190	Plates, sheets, film, foil and strip, of plastics, reinforced...	53.75	56.92	72.33	65.92	58.59	-11.13	1.74
540233	Textured filament yarn of polyester (excluding ...	167.81	215.62	215.93	81.09	58.56	-27.79	-18.99
854140	Photosensitive semiconductor devices, incl. photovoltaic...	26.46	56.55	519.70	261.57	57.03	-78.20	16.60

Source: ITC Trade Map

### 3.7 Trade with the United States of America (USA):

In 2004, Egypt joined the Qualifying Industrial Zones (QIZs) program initiated by the United States of America to promote peace and trade in the Middle East. Being a party to QIZ has enabled Egypt to enjoy preferential treatment from the USA through duty-free access, provided that Egyptian products contain 10.5 percent inputs of Israeli origin.

Figure 12 shows Egypt's trade overview with the USA over the last 19 years. In 2020, bilateral trade accounted for US\$ 5.5 billion with the trade balance being in favor of the USA.

Figure 12: Egypt's Trade with the USA



Source: ITC Trade Map

#### 3.7.1 Egypt's Exports to the USA

Table 13 shows Egypt's top 25 Exports to the USA at HS-06 level for the 2016 to 2020 period along with their CAGR (2016-2020) and the percentage change in exports in 2020 over 2019. Items include T-shirts, carpets, urea, men's trousers, polyethylene, and plants. Egyptian export to USA had a positive CAGR (2016-2020) of 0.05 percent with a decrease of 33.6 percent in 2019-2020.

Table 13: Egypt's Top 25 Exports to the USA (HS-06)

All Values in US\$ Million

Code	Product label	2016	2017	2018	2019	2020	Change 2019-2020 (%)	CAGR 2016-2020 (%)
<b>TOTAL</b>	<b>All products</b>	<b>1,145.52</b>	<b>1,375.72</b>	<b>1,734.11</b>	<b>2,216.69</b>	<b>1,472.36</b>	<b>-33.58</b>	<b>0.05</b>
610990	T-shirts, singlets and other vests of textile materials, knitted or crocheted (excluding ...	47.11	118.60	160.63	211.56	195.56	-7.56	0.33
620319	Men's or boys' suits of textile materials (excluding ...	0.21	0.35	11.71	101.14	80.22	-20.68	2.29
570190	Carpets and other textile floor coverings, of textile materials, knotted ...	127.71	117.34	116.24	88.63	75.68	-14.62	-0.10
310210	Urea, whether or not in aqueous solution (excluding ...	62.24	20.72	49.30	106.73	69.73	-34.67	0.02
620349	Men's or boys' trousers, bib and brace overalls, breeches and shorts of textile materials (excluding ...	145.86	101.58	105.88	112.70	60.35	-46.45	-0.16
390760	Poly"ethylene terephthalate", in primary forms	3.22	1.26	16.00	81.63	57.43	-29.65	0.78
610910	T-shirts, singlets and other vests of cotton, knitted or crocheted	79.98	77.99	63.67	49.22	53.67	9.02	-0.08

All Values in US\$ Million

Code	Product label	2016	2017	2018	2019	2020	Change 2019-2020 (%)	CAGR 2016-2020 (%)
620342	Men's or boys' trousers, bib and brace overalls, breeches and shorts, of cotton (excluding ...	57.74	88.74	81.79	96.33	50.36	-47.72	-0.03
621040	Men's or boys' garments of textile fabrics, rubberised or impregnated, coated ...	64.53	85.44	97.15	50.10	49.19	-1.82	-0.05
121190	Plants, parts of plants, incl. seeds and fruits, used primarily in perfumery, in pharmacy or ...	31.17	32.29	32.10	34.27	41.39	20.79	0.06
620520	Men's or boys' shirts of cotton (excluding ...	17.04	18.13	25.92	43.43	40.54	-6.67	0.19
620343	Men's or boys' trousers, bib and brace overalls, breeches and shorts of synthetic fibres (excluding ...	12.24	12.87	12.62	10.83	34.13	215.18	0.23
570310	Carpets and other floor coverings, of wool or fine animal hair ...	0.31	0.48	0.17	17.57	32.29	83.81	1.53
701990	Glass fibres, incl. glass wool, and articles thereof (excluding ...	0.09	0.02	4.00	12.55	27.32	117.74	2.16
620462	Women's or girls' trousers, bib and brace overalls, breeches and shorts of cotton (excluding ...	13.55	23.56	26.48	25.29	18.41	-27.19	0.06
392020	Plates, sheets, film, foil and strip, of non-cellular polymers of ethylene ...	4.41	10.20	10.06	4.80	18.23	280.23	0.33
620463	Women's or girls' trousers, bib and brace overalls ...	1.61	6.73	8.31	12.02	17.19	43.02	0.61
071080	Vegetables, uncooked or cooked by steaming or by boiling in water, frozen (excluding ...	5.25	4.89	6.57	13.59	16.68	22.77	0.26
570500	Carpets and other textile floor coverings, whether or not made up (excluding ...	0.39	0.43	3.36	7.26	16.63	128.96	1.12
570232	Carpets and other floor coverings, of man-made textile materials, woven ...	0.16	0.50	0.85	11.30	15.88	40.60	1.52
482010	Registers, account books, notebooks, order books, receipt books, letter pads ...	20.03	24.38	30.24	7.33	15.73	114.68	-0.05
620530	Men's or boys' shirts of man-made fibres (excluding ...	14.91	10.21	12.28	12.42	14.22	14.52	-0.01
621139	Men's or boys' tracksuits and other garments, n.e.s. of textile materials (excluding ...	55.79	59.35	48.48	43.83	14.15	-67.73	-0.24
701090	Carboys, bottles, flasks, jars, pots, phials and other containers, of glass, of a kind used ...	2.40	2.50	6.01	9.07	14.11	55.54	0.43
610711	Men's or boys' underpants and briefs of cotton, knitted or crocheted	5.00	7.16	8.64	19.00	12.75	-32.92	0.21

Source: ITC Trade Map

### 3.7.2 Egypt's Imports from the USA

Table 14 shows Egypt's top 25 imports from the USA at HS-06 level for the 2016 to 2020 period along with their CAGR (2016-2020) and the percentage change in imports in 2020 over 2019. Items include frozen liver, woven fabric, polyvinyl chloride, butanes, soy beans, pharmaceutical products, iron and steel products and coal products. The CAGR for the period 2016-2020 was 1.2 percent depicting a positive growth with a percentage change in 2020 over 2019 to be a negative 22.8 percent.

**Table 14: Egypt's Top 25 Imports from the USA (HS-06)**

All Values in US\$ Million

Code	Product label	2016	2017	2018	2019	2020	Change 2019-2020 (%)	CAGR 2016-2020 (%)
<b>TOTAL</b>	<b>All products</b>	<b>3,803.00</b>	<b>3,907.56</b>	<b>5,526.00</b>	<b>5,216.35</b>	<b>4,026.30</b>	<b>-22.81</b>	<b>1.15</b>
999999	Commodities not elsewhere specified	60.60	392.83	1,215.74	1,162.92	1,186.05	1.99	81.27
020622	Frozen edible bovine livers	179.16	223.39	275.81	270.48	227.55	-15.87	4.90
390410	Poly"vinyl chloride", in primary forms, not mixed...	139.49	164.44	200.22	196.29	144.50	-26.39	0.71
271113	Butanes, liquefied (excluding...	-	31.42	19.31	17.63	142.56	708.73	-
120190	Soya beans, whether or not broken (excluding...	37.33	-	-	-	111.39	-	24.44
300490	Medicaments consisting of mixed or unmixed products...	41.41	87.04	132.09	151.66	102.08	-32.69	19.77
720449	Waste and scrap of iron or steel (excluding...	38.43	120.42	260.40	152.66	73.43	-51.90	13.82
732690	Articles of iron or steel, n.e.s. (excluding...	291.79	231.38	187.84	175.07	72.43	-58.63	-24.32
230310	Residues of starch manufacture and similar residues	118.33	88.43	97.31	83.37	68.71	-17.57	-10.30
270400	Coke and semi-coke of coal, of lignite or of peat...	0.02	21.74	122.42	245.34	53.65	-78.13	380.24
040210	Milk and cream in solid forms, of a fat content by weight of <= 1,5%	14.23	9.24	8.65	6.71	51.74	671.35	29.46
470500	Wood pulp obtained by a combination of mechanical...	74.73	67.91	81.26	73.35	45.77	-37.61	-9.34
290315	Ethylene dichloride "ISO" "1,2 dichloroethane"	16.81	4.44	22.39	59.15	45.33	-23.36	21.95
880330	Parts of aeroplanes or helicopters, n.e.s. (excluding...	-	-	0.00	0.42	40.95	9720.86	-
382200	Diagnostic or laboratory reagents on a backing...	35.51	31.12	36.42	59.42	34.84	-41.37	-0.38
853710	Boards, cabinets and similar combinations of apparatus ...	10.29	16.10	11.78	15.41	32.17	108.73	25.61
841370	Centrifugal pumps, power-driven (excluding...	30.50	20.23	35.73	27.25	30.36	11.44	-0.09
470790	Recovered "waste and scrap" paper or paperboard, incl. unsorted waste and scrap (excluding ...	-	0.02	0.21	0.60	30.25	4958.36	-
901890	Instruments and appliances used in medical, surgical ...	20.16	26.21	31.01	42.93	29.45	-31.40	7.88
848330	Bearing housings for machinery, not incorporating ball...	5.76	4.72	7.37	22.32	28.93	29.64	38.09
271311	Petroleum coke, non-calcined	57.94	55.95	43.95	17.30	28.03	62.04	-13.51
842951	Self-propelled front-end shovel loaders	25.09	15.60	29.96	31.41	27.75	-11.68	2.03
848790	Parts of machinery of chapter 84, not intended for a specific purpose, n.e.s.	48.26	47.71	54.21	62.12	26.35	-57.59	-11.40
230210	Bran, sharps and other residues of maize "corn" ...	14.94	31.80	35.10	29.23	25.34	-13.32	11.15
520100	Cotton, neither carded nor combed	21.90	59.55	53.70	30.85	25.14	-18.52	2.80

Source: ITC Trade Map

Chapter 4

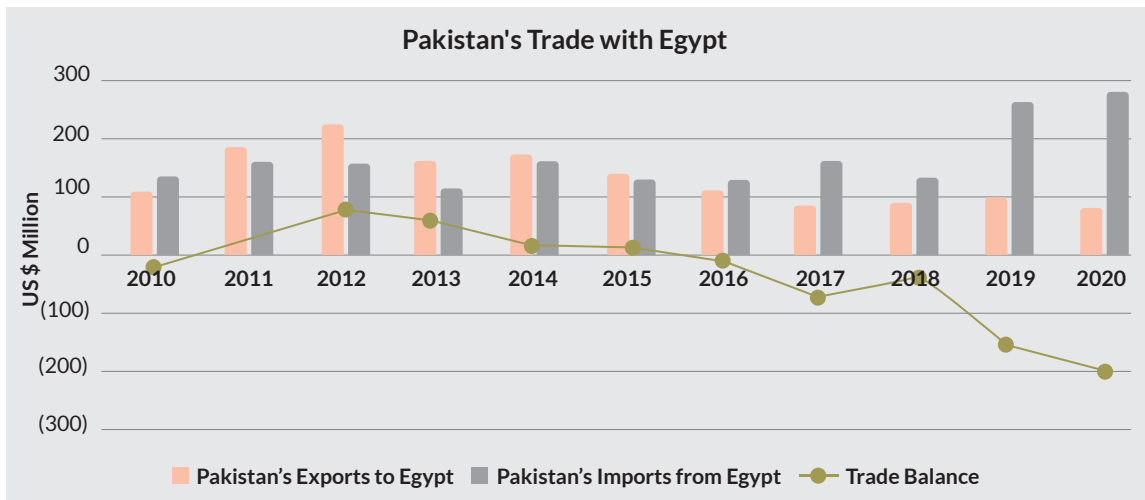
# Pakistan-Egypt Bilateral Trade Analysis



Diplomatic relations between Pakistan and Egypt were established in 1948. There have been several ups and downs in diplomatic ties owing primarily to political and regime changes in the two countries, which at times has impacted bilateral trade.

Figure 13 presents a 11-year trade overview of Pakistan-Egypt bilateral trade. In 2010, Pakistan had a positive trade balance with Egypt, however, from 2016 onwards, Pakistan has seen a decline in its exports to Egypt and an increase in imports. In 2020, Pakistan's trade deficit with Egypt was US\$ 273.6 million.

**Figure 13: Pakistan's Trade with Egypt**



Source: ITC Trade Map

#### 4.1. Pakistan's Top Exports to Egypt:

Pakistan exported US\$ 71.26 million worth of goods to Egypt in 2020 which was 23.6 percent lower than what it had exported in 2019. One reason for this decline in exports were Covid-19 restrictions.

Table 15 shows Pakistan's top 10 Exports to Egypt at HS-02 level in the last five years along with the Compound Annual Growth Rate (CAGR) for the period 2016-2020 and the percentage change in exports in 2020 over 2019. A CAGR (2016-2020) of negative 7.2 percent shows that if exports follow a similar trend in the future, Pakistan's trade deficit with Egypt will worsen.

Major Export items included "Cotton" (HS-52), "Plastics..." (HS-39), "Optical, photographic..." (HS-90), "Rubber..." (HS-40), "Pharmaceutical products" (HS-30), "Man-made staple..." (HS-55), "Iron and Steel" (HS-72), "Articles of Apparel..." (HS-62) and "Articles of leather..." (HS-42).

**Table 15: Pakistan's Top 10 Exports to Egypt Sector-wise (HS-02)**

*All Values in US\$ Million*

Code	Product label	2016	2017	2018	2019	2020	Change 2019-2020 (%)	CAGR 2016-2020 (%)	Average Tariff imposed by Egypt (%)
<b>TOTAL</b>	<b>All products</b>	103.53	77.30	83.19	93.25	71.26	-23.58	-7.20	-
52	Cotton	66.54	59.27	57.82	59.69	42.78	-28.32	-8.45	6.59
39	Plastics and articles thereof	1.68	1.26	4.20	4.08	2.97	-27.23	12.09	6.68
53	Other vegetable textile fibres...	-	-	0.83	2.05	2.92	42.37	-	4.97
90	Optical, photographic, cinematographic, measuring...	3.59	2.10	1.80	2.55	2.90	13.71	-4.20	5.04

All Values in US\$ Million

Code	Product label	2016	2017	2018	2019	2020	Change 2019-2020 (%)	CAGR 2016-2020 (%)	Average Tariff imposed by Egypt (%)
40	Rubber and articles thereof	1.20	1.13	1.42	1.86	2.61	40.34	16.86	9.21
30	Pharmaceutical products	2.72	2.52	3.16	6.81	2.58	-62.12	-1.02	-
55	Man-made staple fibres	4.05	1.03	3.44	3.57	2.42	-32.25	-9.81	5.80
72	Iron and steel	-	-	0.06	0.38	1.30	246.40	-	3.03
62	Articles of apparel and clothing accessories, not knitted or crocheted	0.06	0.17	0.28	0.61	1.06	72.96	80.13	37.55
42	Articles of leather; saddlery and harness; travel goods, handbags...	0.74	0.53	1.60	1.42	1.05	-26.22	7.19	54.41

Source: ITC Trade Map

Table 16 shows Pakistan's top 25 exports to Egypt at HS-06 level along with the CAGR for the period 2016-2020 and the percentage change in the export value in 2020 over 2019.

**Table 16: Pakistan's Top 25 Exports to Egypt (HS-06)**

All Values in US\$ Million

Code	Product label	2016	2017	2018	2019	2020	Change 2019-2020 (%)	CAGR 2016-2020 (%)	Average Tariff imposed by Egypt (%)
<b>TOTAL</b>	<b>All products</b>	<b>103.53</b>	<b>77.30</b>	<b>83.19</b>	<b>93.25</b>	<b>71.26</b>	<b>-23.58</b>	<b>-7.20</b>	<b>-</b>
520942	Denim, containing >= 85% cotton by weight	35.18	31.57	36.56	45.54	30.29	-33.49	-2.95	10
521142	Denim, containing predominantly, but < 85% cotton by weight...	1.06	1.46	0.36	1.45	5.01	246.47	36.56	10
901890	Instruments and appliances used in medical...	2.11	2.06	1.75	2.26	2.88	27.45	6.45	2
300490	Medicaments consisting of mixed or unmixed...	2.67	2.52	3.16	6.77	2.45	-63.76	-1.64	0
531090	Woven fabrics of jute or of other textile bast fibres...	-	-	-	-	2.42	-	-	5
390319	Polystyrene, in primary forms (excluding...	1.19	0.38	3.36	2.73	2.08	-23.76	11.89	0
401140	New pneumatic tyres, of rubber...	0.42	0.57	1.17	1.16	1.71	47.38	32.80	5
551219	Woven fabrics containing >= 85% polyester staple fibres ...	0.72	0.41	1.18	0.71	1.70	138.54	18.82	10
520912	Woven fabrics of cotton, containing >= 85% cotton ...	0.71	0.99	2.26	0.05	1.40	2,936.96	14.50	10
721049	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm...	-	-	0.02	0.38	1.30	246.40	-	5
520932	Woven fabrics of cotton, containing >= 85% cotton ...	4.30	2.57	3.56	1.48	0.91	-38.10	-26.65	10
420329	Gloves, mittens and mitts, of leather or composition leather (excluding...	0.50	0.20	1.24	1.21	0.86	-29.43	11.49	10
621132	Men's or boys' tracksuits and other garments, n.e.s. of cotton (excluding...	-	-	-	0.44	0.84	90.64	-	40
401390	Inner tubes, of rubber (excluding...	0.13	0.13	0.09	0.30	0.68	130.30	38.75	10

All Values in US\$ Million

Code	Product label	2016	2017	2018	2019	2020	Change 2019-2020 (%)	CAGR 2016-2020 (%)	Average Tariff imposed by Egypt (%)
392062	Plates, sheets, film, foil and strip, of non-cellular poly"ethylene...	0.01	-	0.06	0.50	0.67	35.15	131.78	2
481159	Paper and paperboard, surface-coloured, surface-decorated or ...	3.43	1.55	0.98	0.15	0.65	333.33	-28.30	2
520812	Plain woven fabrics of cotton, containing >= 85% cotton ...	1.00	1.37	1.24	0.61	0.62	1.64	-9.16	10
761210	Collapsible tubular containers ...	-	-	-	-	0.56	-	-	10
521223	Woven fabrics of cotton, containing predominantly...	2.10	1.91	2.06	1.75	0.55	-68.42	-23.44	10
531010	Woven fabrics of jute or of other textile bast fibres...	-	-	0.83	2.05	0.51	-75.38	-	5
100630	Semi-milled or wholly milled rice...	0.44	0.58	0.20	0.61	0.48	-21.70	1.62	0
520532	Multiple "folded" or cabled cotton yarn, of uncombed fibres...	3.53	4.18	2.70	1.52	0.48	-68.57	-32.98	5
520839	Woven fabrics of cotton, containing >= 85% cotton ...	2.29	3.41	0.43	0.20	0.44	119.00	-28.15	10
290545	Glycerol	-	-	-	0.17	0.43	156.02	-	2
950662	Inflatable balls	0.92	0.43	0.41	0.24	0.37	58.47	-16.38	4

Source: ITC Trade Map

### Key Findings:

- Twelve out of the top 25 items belonged to textile and textile products which amounted to US\$ 45.2 million. These items made up 62.6 percent of the total exports to Egypt.
- Exports of "**Denim...**" (HS-521142) increased from US\$ 1.5 million in 2019 to US\$ 5.0 million in 2020 with a positive CAGR of 246.5 percent.
- Egypt imposes heavy tariffs in the range of 5 – 40 percent on textile products that it imports from Pakistan.
- Only 3 items out of the top 25 have a zero-tariff rate namely "**Medicaments...**" (HS-300490), "**Polystyrene...**" (HS-390319) and "**Semi-milled rice...**" (HS-100630). Despite zero-tariff, exports of these products to Egypt have declined in 2020 over 2019.

## 4.2. Pakistan's Top Imports from Egypt:

Pakistan imported US\$ 273.6 million worth of goods from Egypt in 2020 which was 6.6 percent more than what it imported in 2019.

Table 17 shows Pakistan's top 10 imports at HS-02 level from Egypt in the last five years along with the CAGR (2016-2020) and the percentage change experienced in the 2019-2020 period. A CAGR (2016-2020) of positive 17.4 percent indicates that Egypt's exports are increasing.

Major Import items include "**Mineral fuels...**" (HS-27), "**Cotton**" (HS-52), "**Sugars...**" (HS-17), "**Oil seeds...**" (HS-12), "**Miscellaneous edible...**" (HS-21), "**Plastics...**" (HS-29), "**Salt...**" (HS-25), "**Ships, boat...**" (HS-89) and "**Coffee...**" (HS-09). In 2020, Pakistan's all-time high imports of "**Sugar and sugar confectionary**" (HS-17) from Egypt amounted to US\$24.3 million showing an increase of 35,089 percent over 2019.

**Table 17: Pakistan's Top 10 Imports from Egypt Sector-wise (HS-02)**

All Values in US\$ Million

Code	Product label	2016	2017	2018	2019	2020	Change 2019-2020 (%)	CAGR 2016-2020 (%)	Average Tariff imposed by Pakistan (%)
<b>TOTAL</b>	<b>All products</b>	<b>122.60</b>	<b>154.28</b>	<b>126.18</b>	<b>256.79</b>	<b>273.60</b>	<b>6.55</b>	<b>17.42</b>	<b>-</b>
27	Mineral fuels and mineral oils ...	0.11	0.15	0.11	155.88	129.19	-17.12	309.64	7.45
52	Cotton	10.11	16.37	14.54	31.82	38.72	21.67	30.82	13.04
17	Sugars and sugar confectionery	0.29	0.22	0.19	0.07	24.28	35,089.86	143.27	17.84
12	Oil seeds and oleaginous fruits ...	18.72	21.73	19.83	13.56	15.88	17.13	-3.24	3.32
96	Miscellaneous manufactured articles	54.61	60.16	45.16	18.16	14.50	-20.15	-23.30	19.34
21	Miscellaneous edible preparations	7.00	5.11	4.75	5.51	6.42	16.59	-1.69	18.93
39	Plastics and articles thereof	1.89	3.36	4.72	3.03	6.25	106.40	27.11	13.38
25	Salt; sulphur; earths and stone; plastering materials...	3.73	1.89	3.37	1.96	5.23	166.45	6.96	11.51
89	Ships, boats and floating structures	2.41	21.96	2.00	2.66	4.63	74.04	13.90	4.84
09	Coffee, tea, maté and spices	0.02	0.27	0.48	0.66	4.09	523.66	179.38	10.00

Source: ITC Trade Map

Table 18 shows Pakistan's top 25 imports at Hs-06 level from Egypt in the last five years along with the CAGR (2016-2020) and the percentage change in the imported value in 2019-2020.

**Table 18: Pakistan's Top 25 Imports from Egypt (HS-06)**

All Values in US\$ Million

Code	Product label	2016	2017	2018	2019	2020	Change 2019-2020 (%)	CAGR 2016-2020 (%)	Average Tariff imposed by Pakistan (%)
<b>TOTAL</b>	<b>All products</b>	<b>122.60</b>	<b>154.28</b>	<b>126.18</b>	<b>256.79</b>	<b>273.60</b>	<b>6.55</b>	<b>17.42</b>	<b>-</b>
271111	Natural gas, liquefied	-	-	-	155.21	128.80	-17.01	-	11
520100	Cotton, neither carded nor combed	5.31	12.39	13.29	30.99	38.02	22.67	48.22	0
170199	Cane or beet sugar and chemically pure sucrose, in solid form (excluding...	-	-	-	-	24.19	-	-	20
120922	Clover "Trifolium spp" seed ...	18.71	21.60	19.83	13.56	15.88	17.12	-3.23	3
961900	Sanitary towels (pads) and tampons...	54.61	60.16	45.16	18.16	14.50	-20.15	-23.30	11
210690	Food preparations...	5.34	4.19	3.96	5.16	6.26	21.31	3.21	20
251010	Natural calcium phosphates and natural aluminium...	3.73	1.88	3.37	1.95	5.17	164.79	6.75	3
890800	Vessels and other floating structures for breaking up	2.41	21.96	2.00	2.66	4.63	74.04	13.90	0
390410	Poly"vinyl chloride", in primary forms...	-	-	0.21	0.02	4.33	17,937.50	-	11
090421	Fruits of the genus Capsicum or of the genus Pimenta...	-	-	-	-	3.23	-	-	16
310430	Potassium sulphate (excluding...	0.33	0.78	2.23	1.72	2.34	36.28	47.69	0
901839	Needles, catheters, cannulae...	0.44	0.59	1.52	0.35	1.67	374.43	30.40	0
481820	Handkerchiefs, cleansing or facial tissues and towels...	-	0.00	1.13	1.87	1.66	-11.22	-	20
350691	Adhesives based on polymers of heading 3901 to 3913 or on rubber (excluding...	0.05	0.00	-	1.85	1.42	-23.24	97.71	11

All Values in US\$ Million

Code	Product label	2016	2017	2018	2019	2020	Change 2019-2020 (%)	CAGR 2016-2020 (%)	Average Tariff imposed by Pakistan (%)
200410	Potatoes, prepared or preserved...	0.08	0.51	-	0.46	1.26	173.38	74.08	20
401120	New pneumatic tyres, of rubber, of a kind used for buses and lorries (excluding...	2.37	1.21	1.42	0.61	1.18	95.54	-12.99	16
300230	Vaccines for veterinary medicine	-	-	0.73	0.94	1.11	17.43	-	3
200570	Olives, prepared or preserved otherwise than by vinegar or acetic acid (excluding...	0.28	0.52	0.72	1.26	1.09	-13.64	31.50	20
740400	Waste and scrap, of copper (excluding...	-	0.00	-	1.10	1.04	-5.55	-	0
180690	Chocolate and other preparations...	0.05	0.01	0.04	0.67	0.95	41.43	80.89	20
090961	Juniper berries and seeds of anise...	0.02	0.06	0.32	0.58	0.86	47.59	104.53	3
310230	Ammonium nitrate, whether or not in aqueous solution (excluding...	-	-	-	0.16	0.66	303.68	-	0
481810	Toilet paper in rolls...	-	-	0.34	0.42	0.64	52.03	-	20
340219	Organic surface-active agents, whether or not put up for retail sale (excluding...	-	-	-	0.06	0.63	943.33	-	0
340211	Anionic organic surface-active agents, whether or not put up for retail sale...	0.00	0.04	0.07	0.11	0.62	490.48	261.81	11

Source: ITC Trade Map

### Key Findings:

- **“Natural Gas, Liquefied”** (HS-271111) and **“Natural calcium phosphates...”** (HS-251010) made up 50.0 percent of the total imports of Pakistan from Egypt in 2020.
- Out of the 25 products listed above, Pakistan provides zero-tariff on 7 items. Egypt has managed to increase its exports of 6 of these items in 2020, the exception being **“Waste and scrap...”** (HS-740400).
- For the first time, Pakistan imported **“Cane or beet sugar...”** (HS-170199) from Egypt worth US\$24.2 million in 2020.

## 4.3. Trade Indicators:

### 4.3.1. Export Competitiveness

Bilateral Exports Competitiveness is measured as the change in share of exports of one country in overall imports of the trade partner.

Table 19 shows the bilateral export competitiveness (i.e., change in share 2019-2020) of the top 10 import partners of Egypt as well as Pakistan. Export Competitiveness of the USA, Germany, Turkey, India and Brazil show a single-digit growth in market share in 2020. Pakistan has seen its market share decline by 43.0 percent in 2020 emphasizing on the need to enhance export competitiveness of Pakistan in the Egyptian market.

**Table 19: Bilateral Export Competitiveness**

Rank	Import Partner	Egypt's Imports in 2020 (USD Million)	Share in Egyptian Imports (%)		Change in share 2019-2020 (%)
			2019	2020	
1	China	9,051.94	15.31	15.01	-1.96
2	United States of America (USA)	4,026.30	6.63	6.68	0.75
3	Saudi Arabia	3,817.86	6.63	6.33	-4.52
4	Germany	3,486.02	5.52	5.78	4.71
5	Turkey	2,957.18	4.67	4.91	5.14
6	Italy	2,606.50	4.6	4.32	-6.09
7	Russia	2,522.14	4.19	4.18	-0.24
8	India	2,284.18	3.76	3.79	0.80
9	Kuwait	1,988.84	3.55	3.3	-7.04
10	Brazil	1,931.15	3.01	3.2	6.31
72	Pakistan	47.14	0.14	0.08	-42.86

Source: ITC Trade Map

### 4.3.2. Trade Complementarity Index

The Trade complementarity Index indicates the extent to which a reporting country's export profile matches or complements the import profile of a partner country. A high degree of complementarity is assumed to indicate more favorable prospects for a successful trade arrangement. It is calculated using the formula given below:

**Complementarity of Country i's exports with country j's imports**

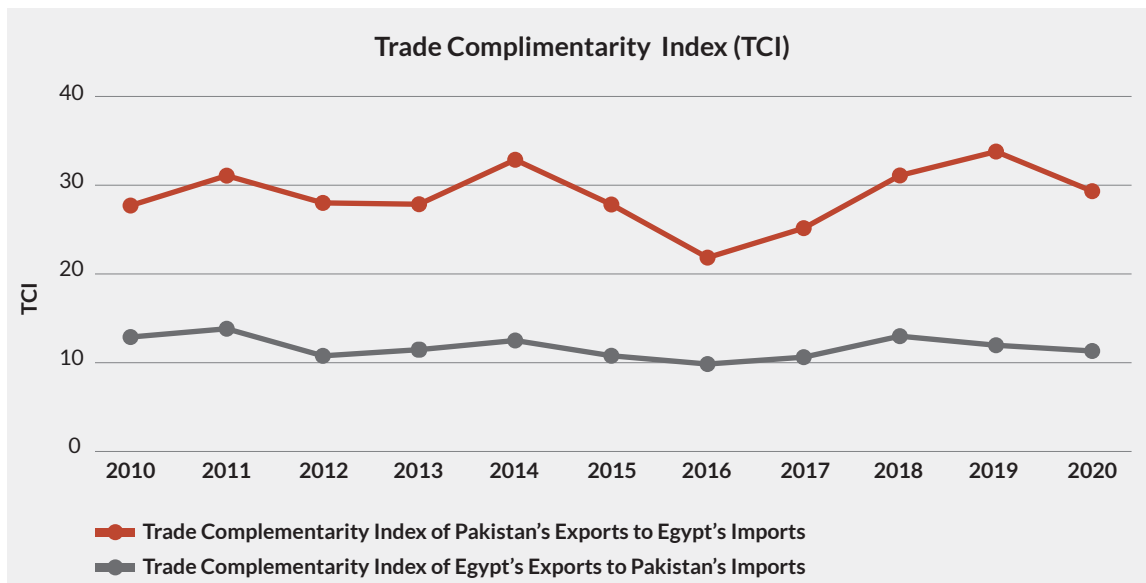
$$= 100 \times \left\{ 1 - \sum \left| \frac{m_{jk} - x_{ik}}{2} \right| \right\}$$

Where ' $x_{jk}$ ' is the share of product 'k' in exports of reporting country to the world and ' $m_{ik}$ ' is the share of product 'k' in imports of partner country from the world.

Trade Complementarity Index (TCI) ranges between 0-100 where 100 represents perfect complementarity and indicates that the country is an ideal trading partner. On the contrary, zero complementarity indicates that the country is a perfect competitor. TCI can be a useful indicator to determine if a bilateral trade agreement is feasible.

Figure 14 shows that Pakistan's exports complement Egypt's imports more closely as compared to Egypt's exports complementing Pakistan's imports. Around 11 percent of Egypt's exports compliment Pakistan's imports whereas 29 percent of Pakistan's exports compliment Egyptian imports. Trade complementarity of Pakistan had been increasing before a slight decline in 2019. Over the span of 11 years Pakistan's trade complementarity increased from 28.0 in 2010 to 29.6 in 2020, showing an increase of 1.6 index points. This increase in the value indicates that during the period of 2010-2020 Pakistan has been diversifying its exports basket in Egypt for better market access.

Figure 14: Trade Complementarity Index



Source: ITC Trade Map

### 4.3.3. Revealed Comparative Advantage

The Revealed Comparative Advantage Index, based on the Ricardian Theory of comparative advantage, is an index which reveals a country's advantage (disadvantage) over others in a particular product group. It is also known as the Balassa index. The numerator depicts a country's share of export in a particular product from its total export, while the denominator depicts world's share of export in the same commodity from total world exports. Country K is said to have a revealed comparative advantage in a given product 'i' when its ratio of exports of product 'i' to its total exports of all goods (products) exceeds the same ratio for the world as a whole<sup>13</sup>.

$$RCA_{ik} = \frac{X_{ik}/X_{wk}}{X_i/X_w}$$

A country has comparative advantage over another country if the  $RCA > 1$ , which means that a country can produce that product at a relatively low opportunity cost or an autarky price<sup>14</sup>. The RCA index shows a country's actual gains from trade based on their technological advancement and factor endowments.

Tables 20 and 21 show Top 10 Revealed comparative Advantages (RCA) for sector wise product export to the World for Pakistan and Egypt in the years 2016 and 2020 respectively. "**Cotton**" (HS-52) and "**Other made-up textiles...**" (HS-63) show the highest RCA for Pakistan in both years. For Egypt, "**Carpet...**" (HS-57), and "**Fertilizers**" (HS-31) show the highest RCA in both the years.

Table 20: Pakistan's top 10 Revealed Comparative Advantages for Sector wise Product Exports to the World (HS-02)

Code	Product Label	RCA 2016	Code	Product Label	RCA 2016
52	Cotton	51.44	52	Cotton	44.58
63	Other made-up textile articles; sets; worn clothing and worn textile articles; rags	48.77	63	Other made-up textile articles; sets; worn clothing and worn textile articles; rags	27.23
10	Cereals	13.82	10	Cereals	13.98
41	Raw hides and skins (other than furskins) and leather	10.31	61	Articles of apparel and clothing accessories, knitted...	11.13
25	Salt; sulphur; earths and stone; plastering materials, lime and cement	9.07	62	Articles of apparel and clothing accessories, not knitted or crocheted	9.79
61	Articles of apparel and clothing accessories, knitted or crocheted	8.46	41	Raw hides and skins (other than furskins) and leather	8.15

<sup>13</sup>UNCTAD – United Nations Conference on Trade and Development

<sup>14</sup>Autarky refers to an economic situation of self-sufficiency and limited trade i.e., country is a closed economy with limited or no international trade

Code	Product Label	RCA 2016	Code	Product Label	RCA 2016
62	Articles of apparel and clothing accessories, not knitted or crocheted	8.11	55	Man-made staple fibres	8.05
11	Products of the milling industry; malt; starches; inulin; wheat gluten	8.10	25	Salt; sulphur; earths and stone; plastering materials, lime and cement	8.04
42	Articles of leather; saddlery and harness; travel goods, handbags and similar containers ...	6.89	42	Articles of leather; saddlery and harness; travel goods, handbags and similar containers ...	6.32
14	Vegetable plaiting materials; vegetable products not elsewhere specified or included	6.15	13	Lac; gums, resins and other vegetable saps and extracts	3.96

Source: ITC Trade Map

**Table 21: Egypt's Top 10 Revealed Comparative advantages for Sector wise Product Exports to the World (HS-02)**

Code	Product Label	RCA 2016	Code	Product Label	RCA 2016
57	Carpets and other textile floor coverings	14.13	57	Carpets and other textile floor coverings	17.37
31	Fertilisers	12.08	31	Fertilisers	13.71
07	Edible vegetables and certain roots and tubers	9.54	07	Edible vegetables and certain roots and tubers	8.88
13	Lac; gums, resins and other vegetable saps and extracts	8.27	25	Salt; sulphur; earths and stone; plastering materials, lime and cement	7.37
17	Sugars and sugar confectionery	7.74	08	Edible fruit and nuts; peel of citrus fruit or melons	7.18
08	Edible fruit and nuts; peel of citrus fruit or melons	7.66	11	Products of the milling industry; malt; starches; inulin; wheat gluten	5.79
25	Salt; sulphur; earths and stone; plastering materials, lime and cement	6.40	52	Cotton	5.64
52	Cotton	6.16	20	Preparations of vegetables, fruit, nuts or other parts of plants	3.81
20	Preparations of vegetables, fruit, nuts or other parts of plants	4.48	70	Glass and glassware	3.75
11	Products of the milling industry; malt; starches; inulin; wheat gluten	3.89	17	Sugars and sugar confectionery	3.48

Source: ITC Trade Map

#### 4.3.4. Revealed Market Access Index

A study performed by (Mamoon et al. 2011) of the Pakistan Institute of Trade and Development (PITAD) computed Revealed Market Access (RMA) index to explore market access issues faced by the exporting country. RMA is an extension of Revealed Comparative Advantage (RCA) that helps assess by product, whether there is any evidence that Pakistani product's access to Egyptian market is higher or lower than that suggested by its RCA.

$$RMA_{i,k} = \frac{BRCA}{RCA}$$

Concept of this index is that Pakistan should gain entry into the Egyptian market following its global comparative advantage. An  $RMA < 1$  suggests that Pakistan is not entering the Egyptian market at the rate that would be expected according to its global revealed comparative advantage. One explanation would be that Pakistan faces market access barriers for that product in the Egyptian market.

Tables 22 and 23 give detailed overviews of sector wise products divided into two groups,  $RMA > 1$  and  $RMA < 1$ . According to the data, Pakistani "**Prepared feathers...**" (HS-67), "**Live trees and other plants...**" (HS-06), "**Organic chemicals**" (HS-29), "**Other vegetable textile fibres...**" (HS-53) and "**Rubber and articles thereof**" (HS-40) have a better market access in the Egyptian market.

**Table 22: Revealed Market Access Index for Pakistan's Exports to Egypt (HS-02)**

Average RMA's Greater Than 1 (2016-2020)			Average RMA's Less Than 1 (2016-2020)		
Code	Product Label	RMA >1	Code	Product Label	RMA <1
67	Prepared feathers and down and articles made of feathers or of down; artificial flowers; articles ...	649.14	65	Headgear and parts thereof	0.92
06	Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage	349.57	82	Tools, implements, cutlery, spoons and forks, of base metal; parts thereof of base metal	0.87
29	Organic chemicals	330.34	15	Animal or vegetable fats and oils and their cleavage ...	0.80
53	Other vegetable textile fibres; paper yarn and woven fabrics of paper yarn	103.10	99	Commodities not elsewhere specified	0.68
40	Rubber and articles thereof	101.67	05	Products of animal origin, not elsewhere specified or...	0.57
93	Arms and ammunition; parts and accessories thereof	80.42	95	Toys, games and sports requisites; parts and accessories thereof	0.44
59	Impregnated, coated, covered or laminated textile fabrics; textile articles of a kind suitable ...	24.15	34	Soap, organic surface-active agents, washing preparations, lubricating preparations, artificial...	0.43
83	Miscellaneous articles of base metal	18.56	55	Man-made staple fibres	0.41
16	Preparations of meat, of fish or of crustaceans, molluscs or other aquatic invertebrates	15.78	03	Fish and crustaceans, molluscs and other aquatic invertebrates	0.37
87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	15.60	14	Vegetable plaiting materials; vegetable products not elsewhere specified or included	0.28
30	Pharmaceutical products	15.05	73	Articles of iron or steel	0.18
48	Paper and paperboard; articles of paper pulp, of paper or of paperboard	11.65	09	Coffee, tea, maté and spices	0.13
84	Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	9.79	52	Cotton	0.10
38	Miscellaneous chemical products	9.36	44	Wood and articles of wood; wood charcoal	0.09
72	Iron and steel	9.28	60	Knitted or crocheted fabrics	0.08
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers ...	8.62	13	Lac; gums, resins and other vegetable saps and extracts	0.07
28	Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth ...	8.23	57	Carpets and other textile floor coverings	0.07
88	Aircraft, spacecraft, and parts thereof	7.94	42	Articles of leather; saddlery and harness; travel goods, handbags and similar containers ...	0.07
54	Man-made filaments; strip and the like of man-made textile materials	7.24	94	Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed	0.03
35	Albuminoidal substances; modified starches; glues...	6.48	64	Footwear, gaiters and the like; parts of such articles	0.03
39	Plastics and articles thereof	5.96	08	Edible fruit and nuts; peel of citrus fruit or melons	0.02
70	Glass and glassware	4.49	01	Live animals	0.02
92	Musical instruments; parts and accessories of such articles	3.98	25	Salt; sulphur; earths and stone; plastering materials, lime and cement	0.02
32	Tanning or dyeing extracts; tannins and their derivatives; dyes, pigments and other colouring ...	3.86	24	Tobacco and manufactured tobacco substitutes	0.02
23	Residues and waste from the food industries ...	3.44	07	Edible vegetables and certain roots and tubers	0.01
49	Printed books, newspapers, pictures and other products of the printing industry; manuscripts, ...	3.42	20	Preparations of vegetables, fruit, nuts or other parts of plants	0.01
76	Aluminium and articles thereof	3.32	10	Cereals	0.01
36	Explosives; pyrotechnic products; matches; pyrophoric...	3.31	22	Beverages, spirits and vinegar	0.01
12	Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit...	3.20	61	Articles of apparel and clothing accessories, knitted or crocheted	0.01
90	Optical, photographic, cinematographic, measuring, checking, precision...	3.12	62	Articles of apparel and clothing accessories, not knitted or crocheted	0.01

Source: ITC Trade Map

**Table 23: Revealed Market Access Index for Egypt's Exports to Pakistan (HS-02)**

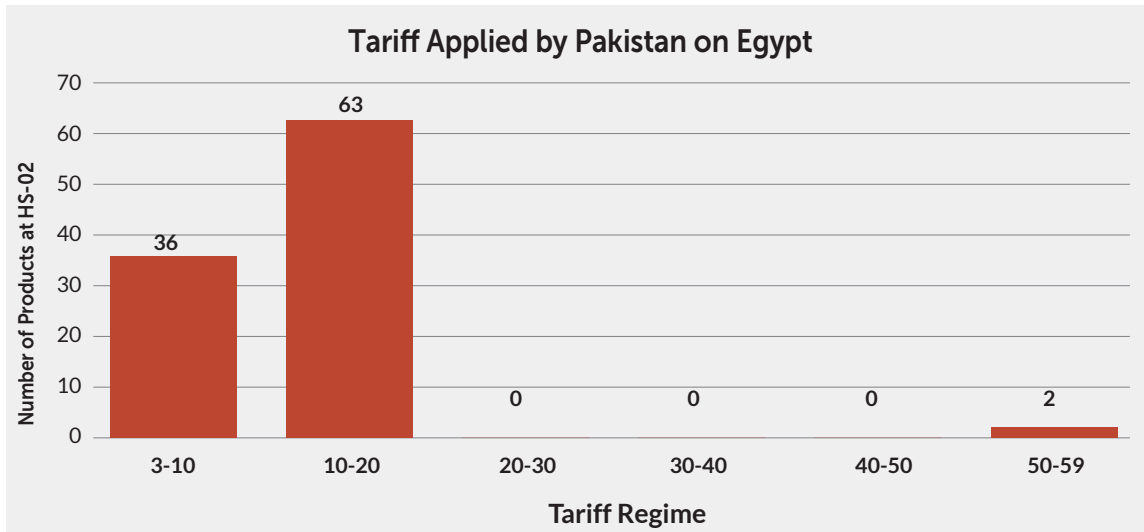
Average RMA's Greater Than 1 (2016-2020)			Average RMA's Less Than 1 (2016-2020)		
Code	Product Label	RMA >1	Code	Product Label	RMA <1
43	Furskins and artificial fur; manufactures thereof	3,045.45	73	Articles of iron or steel	0.79
02	Meat and edible meat offal	109.49	32	Tanning or dyeing extracts; tannins and their ...	0.63
10	Cereals	76.89	38	Miscellaneous chemical products	0.56
16	Preparations of meat, of fish or of crustaceans...	49.60	48	Paper and paperboard; articles of paper pulp...	0.50
90	Optical, photographic, cinematographic, measuring, checking, precision...	12.75	27	Mineral fuels, mineral oils and products of their distillation...	0.49
84	Machinery, mechanical appliances, nuclear reactors...	12.50	44	Wood and articles of wood; wood charcoal	0.47
82	Tools, implements, cutlery, spoons and forks, of base...	12.48	22	Beverages, spirits and vinegar	0.37
09	Coffee, tea, maté and spices	10.64	87	Vehicles other than railway or tramway rolling stock...	0.34
96	Miscellaneous manufactured articles	8.30	17	Sugars and sugar confectionery	0.27
40	Rubber and articles thereof	8.03	20	Preparations of vegetables, fruit, nuts or other parts...	0.20
12	Oil seeds and oleaginous fruits; miscellaneous ...	3.75	39	Plastics and articles thereof	0.20
85	Electrical machinery and equipment and parts thereof...	2.36	13	Lac; gums, resins and other vegetable saps...	0.18
21	Miscellaneous edible preparations	2.16	49	Printed books, newspapers, pictures and other products of the printing industry ...	0.16
83	Miscellaneous articles of base metal	2.02	18	Cocoa and cocoa preparations	0.15
52	Cotton	1.98	05	Products of animal origin...	0.15
55	Man-made staple fibres	1.51	94	Furniture; bedding, mattresses, mattress supports...	0.13
30	Pharmaceutical products	1.17	33	Essential oils and resinoids; perfumery, cosmetic or ...	0.12
35	Albuminoidal substances; modified starches; glues; enzymes	1.03	34	Soap, organic surface-active agents, washing preparations...	0.11

Source: ITC Trade Map

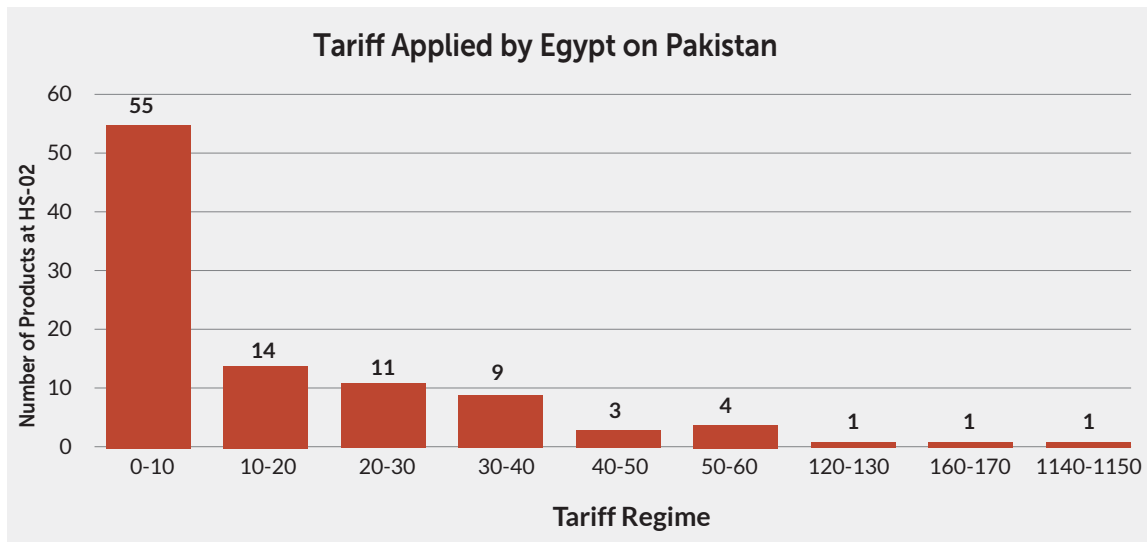
#### 4.3.5. Bilateral Market Access Analysis

Pakistan has applied tariff rates on Egypt in the range of 3 - 59 percent whereas Egypt imposes tariffs on Pakistan in the range of 3 to 59 percent. Out of the 99 products, Pakistan imposes tariffs on 36 items imported from Egypt in the range of 3-10 percent, 63 items in the range of 10-20 percent and 2 items in the range of 50-59 percent. This can be seen in figure 15(a).

On the other hand, out of 99 products, Egypt imposes tariff on 55 items imported from Pakistan between 3-10 percent, on 14 items in the range of 10-20 percent, 11 items in the range of 20-30 percent, 9 items in the range of 30-40 percent, 3 items in the range of 40-50 percent, 4 items in the range of 50-60 percent, 1 item in the range of 120-130 percent, 1 item in the range of 160-170 percent, and 1 item in the range of 1140-1,150 percent. This can be seen in figure 15(b).

**Figure 15(a): Bilateral Tariff Regime – Tariffs Applied by Pakistan on Egypt**

Source: ITC Trade Map

**Figure 15(b): Bilateral Tariff Regime – Tariffs Applied by Egypt on Pakistan**

Source: ITC Trade Map

#### 4.3.6. Correlation Analysis

Correlation study provides a detailed analysis of the correlation of Pakistan's exports to Egypt and the major economic indicators of Egypt. It is found that Pakistan's exports to Egypt are contingent on economic conditions in Egypt.

Table 24: Correlation Matrix

Correlation Matrix	Real GDP Growth (%)	Inflation (%)	Population (In Millions)	Unemployment Rate (%)	Current account balance (%)	Exchange rate (LE/USD)	Pakistan's Exports to Egypt
Real GDP Growth (%)	1	-	-	-	-	-	-
Inflation (%)	0.39	1.00	-	-	-	-	-
Population (In Millions)	0.11	0.00	1.00	-	-	-	-
Unemployment Rate (%)	-0.17	0.30	-0.92	1.00	-	-	-
Current account balance (%)	0.37	-0.19	0.46	-0.56	1.00	-	-
Exchange rate (LE/USD)	0.47	0.84	0.92	-0.62	0.16	1.00	-
Pakistan's Exports to Egypt	0.14	-0.26	-0.84	0.58	-0.05	-0.93	1.00

Source: ITC Trade Map; World Bank

### Key Findings:

- Pakistan's exports to Egypt are positively correlated to the real GDP growth rate of Egypt. It implies that an improvement in the GDP improves the living standards hence increasing imports.
- The Exchange rate (LE/USD) of Egypt is negatively correlated to Pakistan's exports to Egypt. This indicates that a depreciation in the value of the local currency depresses the consumer's purchasing power for imported goods.
- A negative correlation exists between Egypt's inflation rate and Pakistan's exports to Egypt. Inflation weakens the domestic currency so that imports become expensive leading to a decrease in demand for imported items.

## Chapter 5

# Trade Agreements & Trade Blocs of Egypt



## 5.1. Trade Agreements:

For achieving maximum integration in the international market, expanding trade with other countries and blocs is a vital approach<sup>15</sup>. Egypt has signed various trade agreements with other countries and within the African region to promote trade.

Table 25 lists all trade agreements that Egypt is a part of along with their respective years of coming into force.

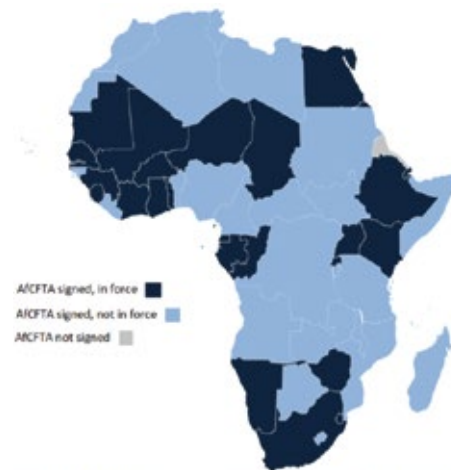
**Table 25: Egypt's Trade Agreements**

Country	Types of Agreements	Forced into Agreement
Syria	Partial Scope Agreement	1991
Palestine	Partial Scope Agreement	1994
Lebanon	Partial Scope Agreement	1999
Jordan	Partial Scope Agreement	1999
Sudan	Free Trade Agreement (FTA)	1965
Morocco	Free Trade Agreement (FTA)	1999
Iraq	Free Trade Agreement (FTA)	2001
European Union (EU)	Free Trade Agreement (FTA)	2004
Tunisia	Free Trade Agreement (FTA)	2007
Turkey	Free Trade Agreement (FTA)	2007
China	Strategic Partnership Agreement	2014
Russia	Comprehensive Partnership and Strategic Cooperation Agreement	2021

Source: Market Access Map; American Chamber of Commerce

## 5.2. Trade Blocs:

Countries in the continent of Africa formed the African Union (AU) in 1963 with the aim of promoting solidarity and unity among African countries, to defend the sovereignty of its members, to promote international cooperation with due regard to the UN charter and the Universal Declaration of Human Rights (UDHR), and to coordinate and harmonize member states' economic, educational, diplomatic, scientific, health, welfare and defense policies<sup>16</sup>.



Source: U.S. Trade and Investment with Sub-Saharan Africa: Recent Trends and New Developments; USITC

### 5.2.1. African Continental Free Trade Area (AfCFTA):

The African Continental Free Trade Area (AfCFTA) is a flagship project under Agenda 2063 of the African Union (AU). It came into force in 2019 for 24 of the 55 African countries whose ratification got approved by the African Union Commission (AUC)<sup>17</sup>. Pre-eminent aim of the AfCFTA is to accelerate and boost intra-African trade by establishing cohesiveness among African countries through strengthening of a common voice and policy space in global trade negotiations<sup>18</sup>.

<sup>15</sup>American Chamber of Commerce in Egypt

<sup>16</sup>African Union (AU), Nuclear Threat Initiative

<sup>17</sup>Status of AfCFTA ratification, infographics, Tralac  
<https://www.tralac.org/resources/infographic/13795-status-of-afcfta-ratification>

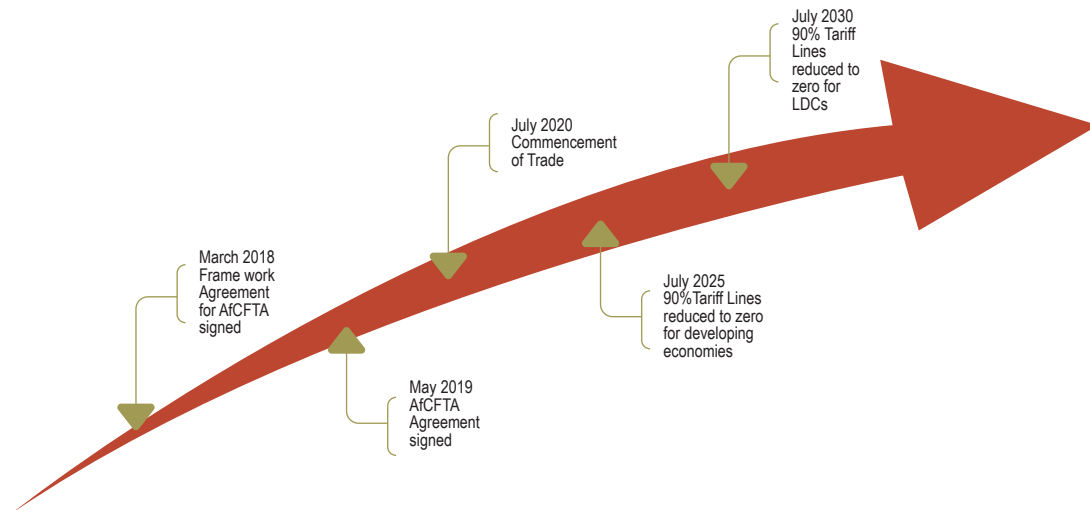
<sup>18</sup>About the African Continental Free Trade Area (AfCFTA)

<https://afcfta.au.int/en/about>

### Some of the Key Objectives of AfCFTA are listed below:

- For the promotion of the Pan Africa Vision of “An integrated, prosperous and peaceful Africa”<sup>19</sup>, a single market for goods and services to be created to deepen economic integration of the African continent.
- Promotion of Industrial development by diversification and improvement of regional value chains, agricultural development and food security.

Figure 16: Proposed Timeline for the Implementation of AfCFTA



Source: AfCFTA: Opportunity for India in Africa's Economic Integration<sup>20</sup>

### 5.2.2. Common Market for Eastern & Southern Africa (COMESA):

The Common Market for Eastern & Southern Africa (COMESA) was established in 1994 as a replacement for the Preferential Trade Agreement (PTA) of the 1980s between the eastern and southern regions of Africa. Primary aim of COMESA is to create an environment of economic integration among countries of the African region through provision of a harmonized and competitive market in Industrial, Agricultural, Banking and Financial sectors.

The COMESA comprises of 21 countries namely Egypt, Burundi, Comoros, D.R. Congo, Eritrea, Djibouti, Eswatini, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Somalia, Sudan, Tunisia, Uganda, Zambia and Zimbabwe<sup>21</sup>.



In 2020, the COMESA member countries exports to Egypt amounted to US\$ 270.0 million while COMESA member countries import from Egypt totaled US\$ 1.6 billion. Figure 17 shows the top 5 products exported and imported to and from Egypt by the COMESA members. It also shows the amount exported and/or imported along with the product's percentage share in total exports/imports.

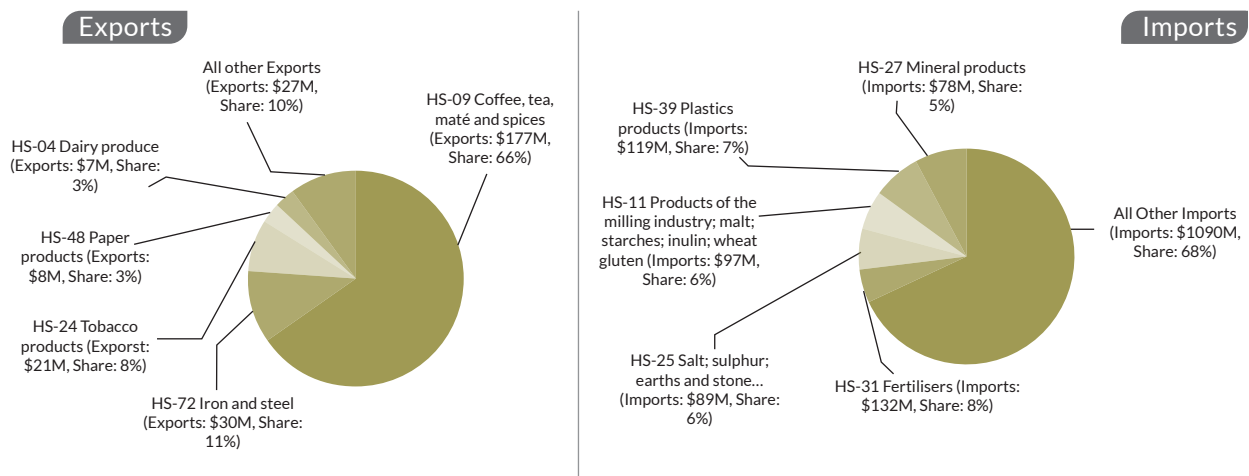
<sup>19</sup>Ibid

<sup>20</sup>[https://www.ciiximafriacaconclave.com/Document/Reports/Exim%20Bank%20Occasional%20Paper%20no.197%20on%20AfCFTA\\_CII-EXIM-Conclave-2020.pdf](https://www.ciiximafriacaconclave.com/Document/Reports/Exim%20Bank%20Occasional%20Paper%20no.197%20on%20AfCFTA_CII-EXIM-Conclave-2020.pdf)

<sup>21</sup>COMESA

<https://www.comesa.int/>

Figure 17: Top 5 COMESA Exports to and Imports from Egypt 2020 at HS-02 level (Sector-wise):



Source: ITC Trade Map

### 5.2.3. Qualifying Industrial Zones (QIZs)

The United States of America (USA) in 1996 established the Qualifying Industrial Zones (QIZs) in order to promote peace in the Middle Eastern region<sup>22</sup>. It was also an economic-amendment to the US-Israel Free Trade Agreement (USIFTA). Jordan joined the program in 1997 whereas Egypt joined the program in 2004. Duty-free exports of Egyptian and Jordanian products are allowed to the USA under the QIZ initiative, as long as these products are co-produced with Israel and/or contain raw materials and inputs of Israeli origin.

The six zones that are designated QIZs in Egypt are listed below:

- The Greater Cairo Zone
- The Alexandria Zone
- The Suez Canal Zone
- The Central Delta Zone
- The Beni Suef Zone
- The Al-Minya Zone

For a product to be eligible for duty-free export to the USA, the value of the product co-produced by Egypt and Israel must total at least 35 percent combined; Egypt (11.7 percent), Israel (10.5 percent) and remainder 12.8 percent from among any one of the involved parties<sup>23</sup>. In 2020, Egypt's QIZs exports amounted to US\$ 1.1 billion which were 4 percent higher than what they were in 2019. It is evident that the Textile and Apparel industry has benefitted the most from the establishment of QIZs and duty-free exports to the USA. Ready-made textile products that make up the largest export volume to the USA include jackets, pants, shirts, shorts, pullovers, tops, T-shirts and twin-sets<sup>24</sup>.

Table 26 lists Top 10 Imports of the USA from Egypt under the Qualifying Industrial Zone (QIZ) program in 2020. Four out of the ten items belonged to Textile and textile articles and amounted to US\$ 780.2 million which was 34 percent of the USA's total imports from Egypt in 2020. Under the QIZ, the USA grants a special status to Egypt and Jordan.

<sup>22</sup>Qualifying Industrial Zones (QIZs), International trade Administration <http://web.ita.doc.gov/tacgi/fta.nsf/7a9d3143265673ee85257a0700667a6f/196ed79f4f79ac0085257a070066961d>

<sup>23</sup>Qualifying Industrial Zone – Egypt, International Trade Administration <https://www.trade.gov/qiz-egypt>

<sup>24</sup>Ibid, Qualifying Industrial Zones (QIZs), International trade Administration

**Table 26: Top 10 QIZ Imports of the USA from Egypt 2020 Sector-wise (HS-02):**

All Values in US\$ Million

Code	Product Label	Imports 2020
61	Articles of apparel and clothing accessories, knitted or crocheted	476.38
62	Articles of apparel and clothing accessories, not knitted or crocheted	293.61
25	Salt; Sulfur; Earths and stone; plastering materials, lime and cement	11.13
57	Carpets and other Textile floor coverings	8.32
07	Edible vegetables and certain roots and tubers	8.06
20	Preparations of vegetables, fruit, nuts or other parts of plants	6.81
70	Glass and Glassware	5.80
52	Cotton	1.84
63	Made-up textile articles Nesoi; needlecraft sets; worn clothing and worn textile articles; rags	1.80
48	Paper and paperboard; articles of paper pulp, of paper or of paperboard	1.56

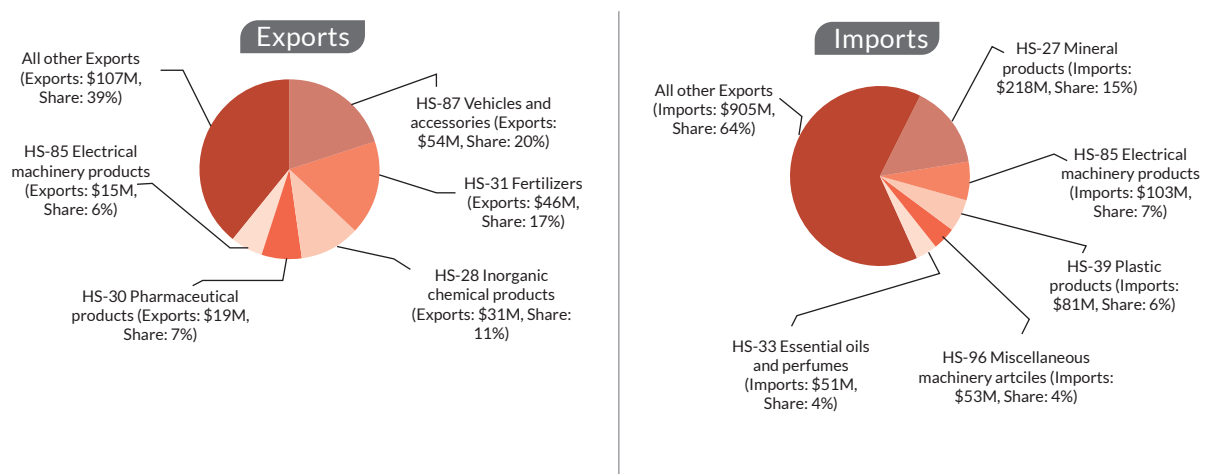
Source: United States International Trade Commission (USITC)

#### 5.2.4. Agadir Agreement (AA)

Agadir Agreement (AA), is named after the Moroccan city where it was signed in 2004 between Egypt, Jordan, Morocco and Tunisia. AA calls for the establishment of a Free Trade Area between the signatories to promote economic activity in the region and support employment to achieve increased productivity and living standards of the people. In addition, to this, it also aims at increasing its presence in the EU markets and solely for this purpose it uses EU rules of origin<sup>25</sup>.

The agreement came into force after 2 years of signing in 2006 with the liberalization of industrial, agricultural and services sectors. In 2016, Lebanon and Palestine Authority also joined the Agadir Agreement. To ensure smooth operations and transactions, Agadir Technical Unit (ATU) was formed in 2007 with its headquarters in Amman, Jordan. In 2020, Agadir states (excluding Egypt) exported US\$ 271 million worth of goods to Egypt while the Agadir-states' imports from Egypt amounted to US\$ 1.4 billion.

Figure 18 shows the Agadir-states' exports and imports to and from Egypt.

**Figure 18: Top 5 Agadir Exports to and Imports from Egypt 2020 at HS-02 level (Sector-wise):**

Source: ITC Trade Map

<sup>25</sup><https://www.bilaterals.org/%3F-Agadir-Agreement>

### 5.2.5. Tripartite Free Trade Area (TFTA)

Tripartite Free Trade Area (TFTA), also known as Tripartite Corporation, is the amalgamation of three major trading blocs in Africa namely the Common Market for Eastern and Southern Africa (COMESA), the Southern African Development Community (SADC) and the East African Community (EAC). The negotiations for the establishment of the TFTA started in 2011<sup>26</sup> and an agreement was finally signed in 2015 in Egypt. Along with the aim of economic integration in the entire African region, TFTA also focuses on industrial and infrastructural development.

As of yet, the TFTA has not come into force and is expected to come into force by 2021. Egypt is among the 10 countries that have ratified the agreement; the ratification threshold of 14 countries has to be achieved before the agreement can come into force.

### 5.2.6. Greater Arab Free Trade Area (GAFTA):

Inception of the Greater Arab Free Trade Area (GAFTA), also known as the Pan-African Free Trade Area (PAFTA), came in the form of an agreement that was signed in 1997 by 14 countries to develop an environment for a free trade area among the countries of the Arab League. The original 14 signatories included Egypt, Bahrain, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia and the United Arab Emirates (UAE). Currently there are 17 countries who are part of the GAFTA, with Sudan, Algeria and the Palestine Authority having joined after 1997. Full trade liberalization has been achieved by exempting all custom duties and charges to trade in the GAFTA region<sup>27</sup>.

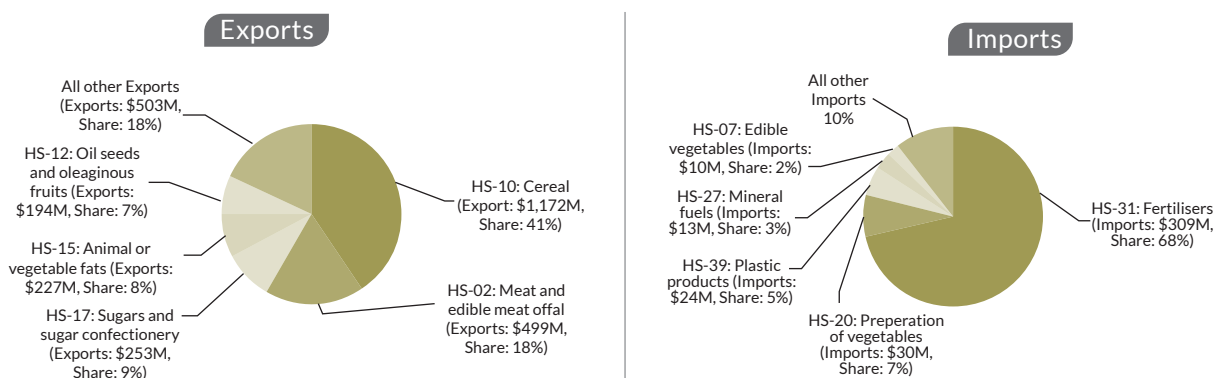
Despite a decline of 3 percent in 2019-2020, Egypt's majority exports were made to the GAFTA countries amounting to US\$ 9.8 billion compared to US\$ 10.1 in 2019<sup>28</sup>. Similarly, Egyptian imports from the GAFTA states amounted to US\$ 9.3 billion in 2020 compared to US\$ 11.2 billion in 2019. The major reason for the decline in both import and export can be attributed to the Covid-19 lockdowns which impacted businesses worldwide.

### 5.2.7. MERCOSUR – Egypt FTA:

Mercosur, which is Spanish for the Common Market for the South; is a South American Regional Economic Bloc comprising of 5 countries namely Argentina, Brazil, Paraguay, Uruguay and Venezuela, and 7 associate member countries. Three rounds of negotiations took place, starting from 2004, between the Mercosur states and Egypt before formal signing of an agreement in 2010. Main objective behind signing of this FTA is to promote and strengthen relations between both parties through trade. In 2020, Mercosur's exports to Egypt amounted US\$ 2.8 billion while Mercosur's imports from Egypt were valued at US\$ 0.4 billion.

Figure 19 show the Top 5 exports to and imports from Egypt in 2020 at HS-02 level.

Figure 19: Top 5 Mercosur Exports to and Imports from Egypt 2020 at HS-02 level



Source: ITC Trade Map

<sup>26</sup>Tripartite corporation, South African Development Community (SADC) <https://www.sadc.int/about-sadc/continental-interregional-integration/tripartite-cooperation/>

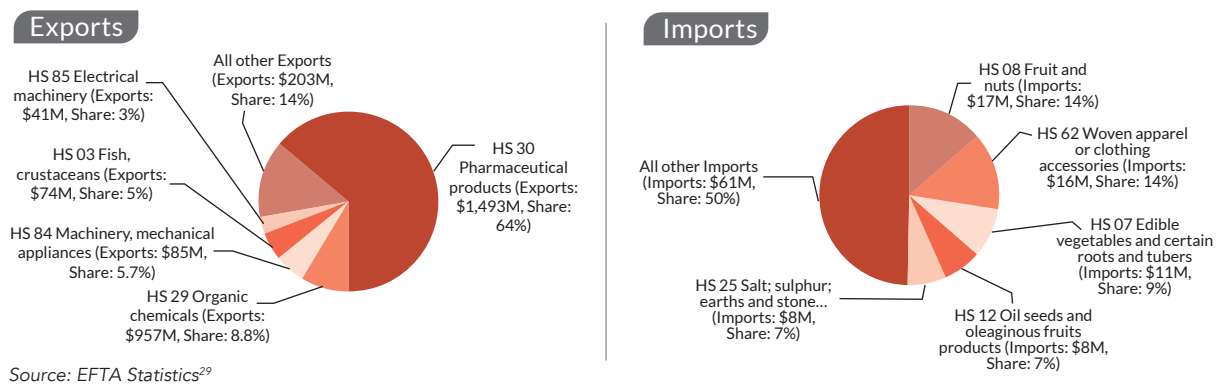
<sup>27</sup>Doing business in Egypt, American Chamber of Commerce in Egypt <http://www.amcham-egypt.org/dbedtls.asp?sec=4&subsec=49>

<sup>28</sup>[https://www.zawya.com/mena/en/economy/story/Egypt\\_exports\\_decrease\\_64\\_to\\_28bln\\_in\\_2020\\_CAPMAS-SNG\\_217286140/](https://www.zawya.com/mena/en/economy/story/Egypt_exports_decrease_64_to_28bln_in_2020_CAPMAS-SNG_217286140/)

### 5.2.8. European Free Trade Association (EFTA) – EGYPT:

Governments of Iceland, Liechtenstein, Norway and Switzerland joined hands in 1960 to form the European Free Trade Association (EFTA) for the promotion of trade and integration among the member countries. In 2007, an FTA came into force between Egypt and the EFTA with the aim of liberalizing trade in goods and services; the removal of non-tariff-barriers and economic integration. It was agreed in the FTA that exports of Egyptian products to the EFTA would be liberalized whereas duties on the products imported from the EFTA-states by Egypt would be reduced gradually. In 2020, EFTA states exported US\$ 1.5 billion worth of goods to Egypt while EFTA-states’ imports from Egypt amounted to US\$ 1.2 billion.

Figure 20: Top 5 EFTA Exports to and Imports from Egypt 2020 at HS-02 level (Sector-wise):

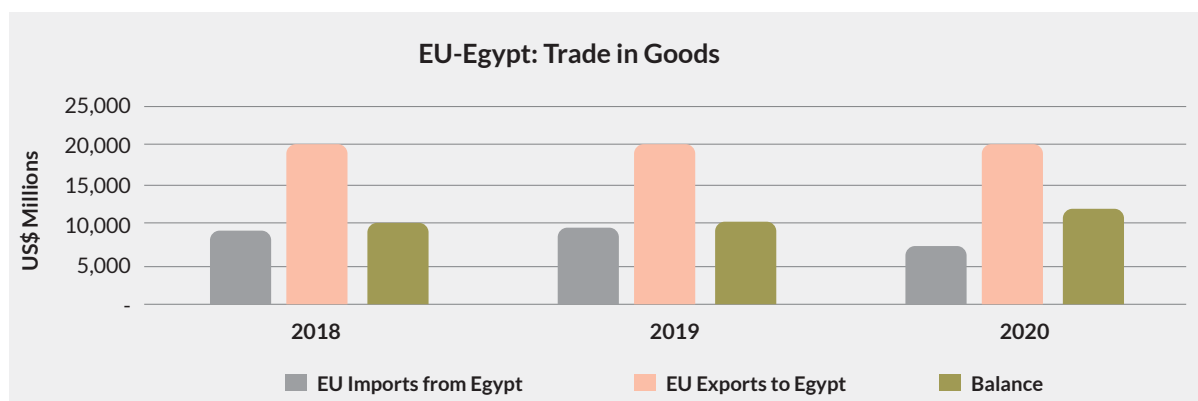


### 5.2.9. European Union – Egypt Association Agreement:

A Trade Association Agreement between the European Union (EU-27) and Egypt was signed in 2001 which came into force in 2004. This Agreement provided for an immediate duty-free access area between the EU and Egypt for trade in Industrial and Agricultural products<sup>30</sup>. In 2020, EU imported US\$ 7.6 billion worth of goods from Egypt whereas the EU exports to Egypt amounted to US\$ 20.3 billion making multilateral trade more favorable for the EU than Egypt.

Figure 21 shows 3-year trade in goods between the EU and Egypt.

Figure 21: EU-Egypt Multilateral Trade



The EU and Egypt, in 2013, started rounds of informal discussions on how to step-up the Association Agreement and convert it into a Deep and Comprehensive Free Trade Agreement (DCFTA). The aim for DCFTA would be to improve market access and the investment environment between the EU states and Egypt. However, official negotiations have not yet started. Furthermore, due to the Association Agreement, Egypt’s GSP status has been revoked by EU.

<sup>29</sup>EFTA International Statistics  
<http://trade.efta.int/#/country-graph/EFTA/EG/2020/HS2>  
<sup>30</sup>Egypt, countries and regions, European Commission (EC)  
<sup>31</sup>Egypt, Countries and regions, European Commission (EC)  
<https://ec.europa.eu/trade/policy/countries-and-regions/countries/egypt/>

## Chapter 6

# Opportunities for Pakistani exports to Egypt



## 6.1. Pakistan's Export Potential

In this section, the export potential of Pakistani products to Egypt is identified at HS-06 level. This exercise has been done to identify those products in which Pakistan has the potential to increase its exports.

Export potential is calculated using the following formula:

$$\text{Export Potential} = \text{Minimum (Pakistan's Exports to World, Egypt's Imports from World)} - \text{Pakistan's Exports to Egypt}$$

Further classification of the export potential of products at HS-06 level is done in terms of Intensive Margin and Extensive Margin. **Intensive Margin** of export is defined as the opportunities for the growth of exports in goods that are already being exported whereas the **Extensive Margin** of exports is the opportunity for growth of exports in new categories.

## 6.2. Potential Agriculture Products

Contribution of the agricultural sector in the national GDP of Pakistan was 19.3 percent in 2020. Table 27 shows the Intensive Margin products, their potential in 2020, the tariff faced by Pakistani exporters, the top exporting countries of these products to Egypt, percentage change in their exports in 2020 over 2019 and the average tariffs faced by these top exporting countries.

**Table 27: Pakistan's Potential Agriculture products for Exports to Egypt (Intensive Margin)**

All Values in US\$ Million

	Code	Product label	Export Potential 2020 (USD)	Tariff Faced by Pakistan (%)	Top Exporters to Egypt				
					Countries	Exports in 2020 (USD)	Change in Exports (%)	Tariffs faced by Competitors (%)	Average Unit Price (\$/ton or \$/sq. meter)
Intensive Margin	100630	Semi-milled or wholly milled rice...	46.12	0	India China Thailand	31.0 10.4 4.7	(63.4) (93.9) (19.8)	0 0 0	1,058 1,058 1,058
	120740	Sesamum seeds, whether or not...	39.53	0	Sudan India Chad	64.1 13.3 4.4	(12.3) 6.3 3,343.8	0 0 0	1,978 1,978 1,978
	121190	Plants, parts of plants, incl. seeds and fruits...	7.42	2	Tunisia India Pakistan	1.8 1.1 0.8	(28.5) (25.3) (45.5)	0 2 2	5,794 5,745 5,739
	230120	Flours, meals and pellets of fish or crustaceans...	6.61	2	Yemen Morocco Spain	2.1 1.6 0.9	47.7 31.6 100	0 0 0	1,497 1,496 1,497
	091099	Spices (excluding pepper...	6.05	2	Syria India Tunisia	3.8 0.9 0.4	17.6 21 (62.8)	0 2 0	4,991 5,005 5,013

Source: ITC Trade Map; Market Access Map

### Key Findings:

- An estimated US\$ 105.7 million export potential exists for the top Pakistani products that are already being exported to the Egyptian market.
- In 2020, Pakistan was the third largest supplier of "**Plants...**" (HS-121190) to Egypt following Tunisia and India. Pakistan's exports to Egypt for this product increased by 46 percent during 2019-2020.
- Tariffs applied by Egypt on imports of agricultural products range between 0 - 2 percent for most countries of the world, including Pakistan. This indicates that there is a lot of potential in this sector for Pakistan.
- India is the major competitor of Pakistan in the Egyptian agricultural market.

Table 28 shows the Extensive Margin products, their potential in 2020, the tariff faced by Pakistani exporters, the top exporting countries of these products to Egypt, percentage change in their exports in 2020 over 2019 and the average tariffs faced by these top exporting countries.

**Table 28: Pakistan's Potential Agriculture products for Exports to Egypt (Extensive Margin)**

All Values in US\$ Million

Code	Product label	Export Potential 2020 (USD)	Tariff Faced by Pakistan (%)	Top Exporters to Egypt					
				Countries	Exports in 2020 (USD)	Change in Exports (%)	Tariffs faced by Competitors (%)	Average Unit Price (\$/ton or \$/sq. meter)	
Extensive Margin	210690	Food preparations...	48.69	254.17	Ireland UK Germany	50.9 30.3 16.9	(35.6) 190.7 (11.5)	250 - 250	7,262 7,262 7,262
	151620	Vegetable fats and oils and their fractions...	40.76	5	Malaysia Indonesia Sweden	33.9 10.3 1.9	(11.2) (12.4) (7.2)	5 5 0	1,462 1,462 1,462
	240220	Cigarettes, containing tobacco	14.78	20.01	Kenya UAE Greece	7.8 4.5 3.6	100 313.1 (69.5)	0 0 20.1	20,184 20,211 20,193
	100590	Maize (excluding...	11.82	0	Argentina Ukraine Brazil	731.5 491.6 477.2	37.5 (23.6) (15.3)	0 0 0	221 221 221
	230400	Oilcake and other solid...	11.09	5	Argentina USA	13.2 0.2	(82.1) (0.9)	5 5	423 422
	230230	Bran, sharps and other residues of wheat...	9.43	2	Yemen Ukraine Syria	18.7 2.2 1.5	77.8 100 35.3	0 2 0	168 168 168
	190190	Malt extract; food preparations...	8.52	5	Ireland Netherland France	4.4 2.6 2.3	(13.3) 73 (27.3)	0 0 0	2,448 2,448 2,449
	230990	Preparations of a kind used in animal feeding (excluding...	6.17	2.7	Belgium France China	10.5 9.1 7.8	(17.2) (12.7) (11.6)	0 0 2.7	1,579 1,579 1,579
	080390	Fresh or dried bananas (excluding...	6.16	60	Ecuador Mexico USA	6.1 0.03 0.03	74.5 100 100	60 60 60	730 732 725
	110313	Groats and meal of maize "corn"	5.42	2	Turkey Ukraine India	3.8 1.4 0.1	3.1 44.7 100	2 2 2	394 395 395
	080410	Fresh or dried dates	5.18	20	Saudi Arabia Iraq Jordan	3.6 1.3 0.2	(8.2) (69.8) (67.1)	0 0 0	2,858 2,862 2,875

Source: ITC Trade Map; Market Access Map

### Key Findings:

- Export potential for the agricultural products with an extensive margin amounted to US\$ 168.0 million in 2020.
- Egypt imposed a tariff of 254.2 percent on Pakistan on the export of **"Food preparation..."** (HS-210690) in 2020.
- Egypt imposes high tariffs on the imports of **"Cigarettes..."** (HS-240220), **"Fresh or dried Bananas..."** (HS-080390) and **"Fresh or dried dates"** (HS-080410) from Pakistan.

## 6.3. Potential Textile Products

Textile sector is a significant sector in Pakistan's economy as it is the largest manufacturing sector with the highest export earnings.

Table 29 shows the Intensive Margin textile products, their potential in 2020, the tariff faced by Pakistani exporters, the top exporting countries of these products to Egypt, percentage change in their exports in 2020 over 2019 and the average tariffs faced by these top exporting countries.

**Table 29: Pakistan's Potential Textile Products for Exports to Egypt (Intensive Margin)**

All Values in US\$ Million

	Code	Product label	Export Potential 2020 (USD)	Tariff Faced by Pakistan (%)	Top Exporters to Egypt				
					Countries	Exports in 2020 (USD)	Change in Exports (%)	Tariffs faced by Competitors (%)	Average Unit Price (\$/ton or \$/sq. meter)
Intensive Margin	520942	Denim, containing >= 85% cotton ...	69.09	10	China India Turkey	41.4 22.2 20.2	(49) (49) (43.2)	10 10 0	7,361 7,361 7,360
	520522	Single cotton yarn, of combed fibres...	42.46	5	India Turkey Uzbekistan	59.88 19.19 13.56	(21.6) (1.35) 18.65	5 0 5	3,282 3,282 3,282
	520511	Single cotton yarn, of uncombed fibres, containing >= 85% ...	37.71	5	India Turkey Viet Nam	16.8 13.4 2.8	(28.4) (22.8) 621	5 0 5	2,200 2,200 2,199
	551219	Woven fabrics containing >= 85% polyester staple...	27.54	10	China Turkey Israel	174 6.4 5.5	(39.4) (73.8) (43.7)	10 0 10	13,923 13,922 13,921
	551211	Woven fabrics containing >= 85% polyester staple...	18.89	10	China India USA	19.2 0.2 0.03	3.3 100 100	10 10 10	4,444 4,473 4,286
	520523	Single cotton yarn, of combed fibres, containing...	12.21	5	India Turkey Indonesia	9.8 2.3 1.8	72.6 (43) 1500	5 0 5	3,304 3,302 3,303
	520911	Plain woven fabrics of cotton, containing >= 85% cotton...	6.74	10	Pakistan China Turkey	3.16 1.9 1.67	86.7 (31.5) 418	10 10 0	3,776 3,777 3,776
	551299	Woven fabrics containing >= 85% synthetic staple...	6.28	10	China Italy Thailand	6.5 0.09 0.08	(14.1) (44.6) 100	10 0 10	43,046 46,500 40,000
	521142	Denim, containing predominantly, but < 85% cotton...	5.61	10	China Turkey Pakistan	6.7 1.7 1.6	(74.8) 295 (26.2)	10 0 10	8,503 8,510 8,513

Source: ITC Trade Map; Market Access Map

### Key Findings:

- For the above listed intensive margin items, an export potential of US\$ 226.5 million exists.
- Egypt imposes tariffs between 5 – 10 percent on most countries it imports these products from.
- Six out of the ten items belong to “**Cotton**” (HS-52) having an export potential of US\$ 173.8 million.
- In 2020, Pakistan was the leading supplier of “**Plain woven fabrics...**” (HS-520911) to Egypt. Pakistan's exports to Egypt for this product increased by 86.7 percent during 2019-2020.
- India, China and Turkey are the major competitors of Pakistan and face almost the same tariff as Pakistan.

Table 30 shows the Extensive Margin products, their potential in 2020, the tariff faced by Pakistani exporters, the top exporting countries of these products to Egypt, percentage change in their exports in 2020 over 2019 and the average tariffs faced by these top exporting countries.

**Table 30: Pakistan's Potential Textile products for Exports to Egypt (Extensive Margin)**

All Values in US\$ Million

	Code	Product label	Export Potential 2020 (USD)	Tariff Faced by Pakistan (%)	Top Exporters to Egypt				
					Countries	Exports in 2020 (USD)	Change in Exports (%)	Tariffs faced by Competitors (%)	Average Unit Price (\$/ton or \$/sq. meter)
Extensive Margin	610990	T-shirts, singlets and other vests of textile materials...	63.21	40	China	47.9	32.5	40	33,405
					Turkey	13.4	36.4	0	33,420
					Bangladesh	0.8	(53)	40	33,577
	620469	Women's or girls' trousers, bib and brace overalls...	41.63	40	Turkey	31.9	52.4	0	33,082
					Bangladesh	3.6	32.8	40	32,927
					Portugal	3.5	314	0	33,121
	630790	Made-up articles of textile materials...	28.85	20	China	39.4	715	26.43	28,876
					Turkey	0.8	72.3	0	28,433
					UK	0.5	81.9	-	28,526
	610690	Women's or girls' blouses, shirts and shirt-blouses...	17.56	40	Turkey	17.3	(14.6)	0	50,997
					China	0.2	(39)	40	46,250
					Bangladesh	0.02	12.5	40	-
	520512	Single cotton yarn, of uncombed fibres...	12.86	5	India	8.5	(48.8)	5	2,509
Turkey					3.8	(56)	0	2,509	
Syria					0.2	(84)	0	2,510	
520919	Woven fabrics of cotton, containing >= 85% cotton...	10.51	10	China	6.8	2.56	10	4,176	
				Turkey	1.52	2.22	0	4,179	
				India	0.9	(89.4)	10	4,176	
600690	Fabrics, knitted or crocheted, of a width of > 30cm...	9.69	10	China	113.8	12.89	10	10,493	
				Turkey	6.6	78.5	0	10,483	
				Hong Kong	1.7	17130	10	10,506	
551511	Woven fabrics containing predominantly...	8.69	10	China	32.1	(29.4)	10	11,000	
				India	24.8	(17.5)	10	10,999	
				Turkey	0.7	315	0	10,986	
560311	Nonwovens, whether or not...	8.41	5	China	11.3	45.2	5	3,145	
				Saudi Arabia	10.2	(6)	0	3,145	
				Turkey	5.5	6.8	0	3,145	
620462	Women's or girls' trousers, bib...	7.42	40	Bangladesh	3.6	51	40	25,807	
				China	2	26.1	40	25,795	
				Indonesia	1.2	127.5	40	25,646	

Source: ITC Trade Map; Market Access Map

**Key Findings:**

- For the above listed items, an export potential of US\$ 208.8 exists.
- Tariffs imposed by Egypt on the imports of these textile products range between 5-40 percent.

**6.4. Potential Pharmaceutical Products and Surgical Instruments**

In 2020, Pakistan exported US\$ 237.5 million worth of pharmaceutical products to the world. However, only US\$ 2.6 million worth of goods were exported to Egypt.

Table 31 shows the Intensive Margin pharmaceutical & surgical products, their potential in 2020, the tariff faced by Pakistani exporters, the top exporting countries of these products to Egypt, percentage change in their exports in 2020 over 2019 and the average tariffs faced by these top exporting countries.

**Table 31: Pakistan's Potential Pharmaceutical & Surgical products for Exports to Egypt (Intensive Margin)**

All Values in US\$ Million

	Code	Product label	Export Potential 2020 (USD)	Tariff Faced by Pakistan (%)	Top Exporters to Egypt				
					Countries	Exports in 2020 (USD)	Change in Exports (%)	Tariffs faced by Competitors (%)	Average Unit Price (\$/ton or \$/sq. meter)
Intensive Margin	901890	Instruments and appliances used in medical, surgical...	138.46	4.8	Germany	31.1	3.5	0	100,415
					USA	29.4	(31.4)	4.8	147,509
					China	19.1	(5)	4.8	31,062
	300490	Medicaments consisting of mixed or unmixed...	103.16	3.33	Switzerland	377.4	(28.3)	3.33	148,522
					Germany	297.1	(11.2)	0	148,522
					France	189.1	(8.3)	0	148,522
	300420	Medicaments containing antibiotics...	16.29	2.5	Switzerland	42.6	147.9	2.5	114,902
					Ireland	26.6	2,552.3	0	114,903
					France	26.3	11.4	0	114,903

Source: ITC Trade Map; Market Access Map

### Key Findings:

- For the above listed items, an Export potential of US\$ 257.9 million exists for the products categorized as having intensive margin.
- Egypt imposes tariff rates ranging between 2.5 – 4.8 percent on most of the countries it imports pharmaceutical products from.
- Among pharmaceutical products, "**Medicaments...**" (HS-300490 & HS-300420) offer a combined export potential of US\$ 119.5 million.
- Among surgical products, "**Instruments...**" (HS-901890) offer an export potential of US\$ 138.5 million.

Table 32 shows the Extensive Margin pharmaceutical & surgical products, their potential in 2020, the tariff faced by Pakistani exporters, the top exporting countries of these products to Egypt, percentage change in their exports in 2020 over 2019 and the average tariffs faced by these top exporting countries.

**Table 32: Pakistan's Potential Pharmaceutical & Surgical products for Exports to Egypt (Extensive Margin)**

All Values in US\$ Million

	Code	Product label	Export Potential 2020 (USD)	Tariff Faced by Pakistan (%)	Top Exporters to Egypt				
					Countries	Exports in 2020 (USD)	Change in Exports (%)	Tariffs faced by Competitors (%)	Average Unit Price (\$/ton or \$/sq. meter)
Extensive Margin	300439	Medicaments containing hormones or steroids...	16.19	2.5	France	4.8	81.2	0	502,176
					Germany	3.4	47.8	0	502,173
					Belgium	2.4	20.7	0	502,157
	300390	Medicaments consisting of two or more...	9.70	1.3	Ireland	4.3	(55.1)	0	84,073
					France	3.4	(7.7)	0	84,068
					India	3	0.4	1.3	84,070
	300410	Medicaments containing penicillins...	6.60	2.5	Germany	24.7	44.6	0	50,242
					Italy	18.8	32	0	50,227
					China	13.2	545.7	2.5	50,205
	300450	Medicaments containing provitamins, vitamins...	4.89	2.50	Italy	5.8	2,288.1	0	53,167
					Denmark	4.8	31.6	0	53,163
					Switzerland	2.3	(56.5)	2.5	53,158
	901580	Instruments and appliances used in geodesy, topography...	5.80	5	Japan	2.5	(30.5)	5	503,000
					Switzerland	0.8	(5.7)	5	414,500
					Singapore	0.7	43.1	5	657,000

Source: ITC Trade Map; Market Access Map

### Key Findings:

- Export potential for extensive margin pharmaceutical and surgical products amounted to US\$ 43.2 million in 2020.
- Tariff rates applied by Egypt on these products ranged between 1.3 – 5 percent.
- Among pharmaceutical products, "**Medicaments...**" (HS-300439, HS-300390, HS-300410, HS-300450) offered a combined export potential of US\$ 37.4 million in 2020.

## 6.5 Potential Plastic & Rubber Products

In 2020, Pakistan exported US\$ 382.6 million worth of plastic and rubber products to the world. However, Pakistan only exported US\$ 5.6 million worth of plastic and rubber goods to Egypt in the same year.

Table 33 shows the Intensive Margin plastic and rubber products, their potential in 2020, the tariff faced by Pakistani exporters, the top exporting countries of these products to Egypt, percentage change in their exports in 2020 over 2019 and the average tariffs faced by these top exporting countries.

**Table 33: Pakistan's Potential Plastic & Rubber products for Exports to Egypt (Intensive Margin)**

*All Values in US\$ Million*

	Code	Product label	Export Potential 2020 (USD)	Tariff Faced by Pakistan (%)	Top Exporters to Egypt				
					Countries	Exports in 2020 (USD)	Change in Exports (%)	Tariffs faced by Competitors (%)	Average Unit Price (\$/ton or \$/sq. meter)
Intensive Margin	390319	Polystyrene, in primary forms (excluding...	40.55	0	Taipei	12.1	(24.3)	0	1,150
					Korea	10.4	81	0	1,150
					Belgium	9.1	(61)	0	1,150
	392062	Plates, sheets, film, foil and strip...	5.61	3.50	China	3.9	(34.4)	3.50	2,646
					India	0.9	32.8	3.50	2,648
					Korea	0.6	76.1	3.50	2,641
	401390	Inner tubes, of rubber (excluding...	5.02	10	China	2.9	(33.4)	10	3,726
India					2.5	5.8	10	3,720	
Viet Nam					0.2	(39.7)	10	3,707	
401140	New pneumatic tyres, of rubber...	4.73	5	China	7.7	(32.6)	5	6,736	
				India	4.2	(1.9)	5	6,732	
				Thailand	2.4	18.6	5	6,728	
392690	Articles of plastics and articles of other materials of heading ...	4.08	7	China	56.7	(33.8)	7	15,043	
				Germany	27.3	7	0	15,047	
				Italy	16.5	(17.3)	0	15,046	
401150	New pneumatic tyres, of rubber...	2.35	5	China	1.3	27.0	5	9,319	
				India	0.5	(1.7)	5	9,280	
				Indonesia	0.3	(0.6)	5	9,455	

Source: ITC Trade Map; Market Access Map

### Key Findings:

- For the above listed items, Export potential of US\$ 62.3 million exists for the products categorized as intensive margin products.
- Egypt imposes tariffs ranging between 0 - 10 percent on most of the countries it imports plastic and rubber products from.
- Among plastic products, "**Polystyrene...**" (HS-390319) alone offers an export potential of US\$ 40.5 million. Egypt imposes zero tariff on the import of this product.
- India and China are the major competitors of Pakistan for Plastic and rubber products in the Egyptian market. Both of these countries face the same tariff as Pakistan.

Table 34 shows the Extensive Margin plastic and rubber products, their potential in 2020, the tariff faced by Pakistani exporters, the top exporting countries of these products to Egypt, percentage change in their exports in 2020 over 2019 and the average tariffs faced by these top exporting countries.

**Table 34: Pakistan's Potential Plastic & Rubber products for Exports to Egypt (Extensive Margin)**

All Values in US\$ Million

	Code	Product label	Export Potential 2020 (USD)	Tariff Faced by Pakistan (%)	Top Exporters to Egypt				
					Countries	Exports in 2020 (USD)	Change in Exports (%)	Tariffs faced by Competitors (%)	Average Unit Price (\$/ton or \$/sq. meter)
Extensive Margin	390740	Polycarbonates, in primary forms	21.02	0	Saudi Arabia	8.1	6.2	0	2,830
					Korea	4.2	(51.7)	0	2,831
					Hungary	2.8	(19.2)	0	2,831
	390110	Polyethylene with a specific gravity...	20.63	0	Saudi Arabia	218.6	(12.8)	0	1,099
					UAE	31.9	(7)	0	1,099
					USA	24	(35.9)	0	1,099
392020	Plates, sheets, film, foil and strip...	11.66	10	Saudi Arabia	32.8	(16.3)	0	2,939	
				Germany	10.0	61.8	0	2,940	
				China	3.9	(23.7)	10	2,939	
392490	Household articles and toilet articles, of plastics (excluding...)	7.23	60	China	2.7	(7.2)	60	5,678	
				Turkey	1.4	(34.2)	0	5,668	
				Italy	1.0	(2.6)	0	5,692	
401519	Gloves, mittens and mitts, of vulcanised rubber (excluding...)	7.05	10	Malaysia	8.9	140.2	10	9,241	
				China	0.9	(12.6)	10	9,232	
				Pakistan	0.1	404.8	10	9,636	
392390	Articles for the conveyance or packaging of goods, of plastics (excluding...)	5.15	5	Turkey	1.1	(10.8)	0	4,991	
				China	0.8	(68.5)	5	5,012	
				Italy	0.5	(25.2)	0	5,000	

Source: ITC Trade Map; Market Access Map

**Key Findings:**

- Export potential for plastic and rubber products with an extensive margin amounted to US\$ 72.7 million in 2020.
- Tariff applied by Egypt on these products ranges between 0 – 60 percent.
- Among plastic products, "**Polycarbonates...**" (HS-390740), "**Polyethylene...**" (HS-390110) and "**Plates, sheets, foil...**" (HS-392020) combine offer an export potential of US\$ 53.3 million.

## Chapter 7

# Competitors' Analysis:



This chapter analyses the strategies adopted by regional and non-regional competitors of Pakistan to gain market share in the Egyptian market. Figure 22 shows that the USA, India and China are the three countries that have a major presence in the Egyptian market.

**Figure 22: Competitors of Pakistan in the Major Sectors**

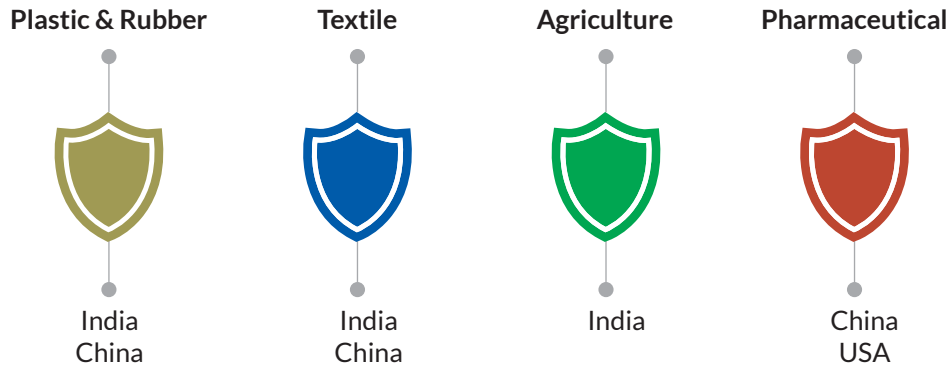
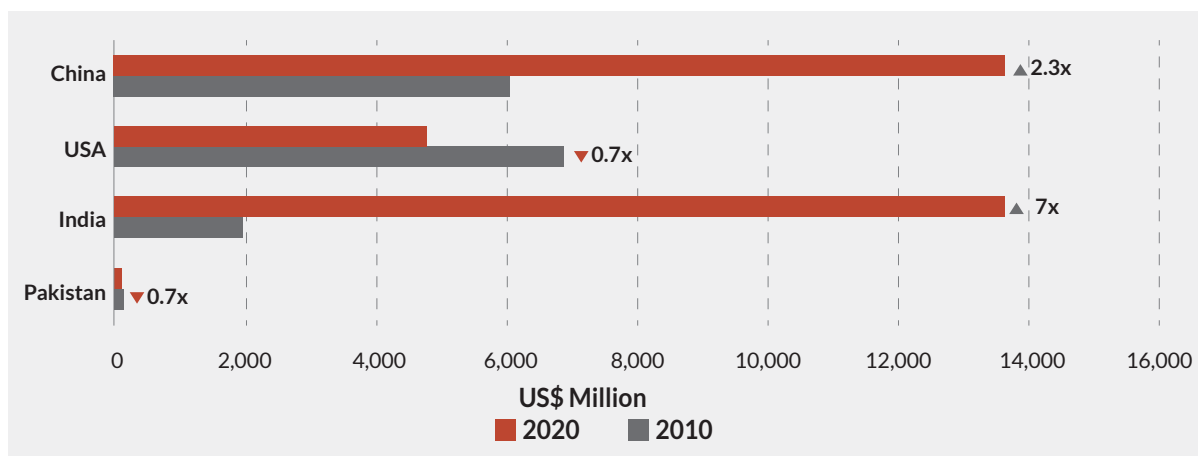


Figure 23 compares Exports to Egypt from China, the USA, India and Pakistan in the period 2010-2020, it also identifies by how many times exports to Egypt from these countries increased or decreased in the given period. Among the four, India's exports to Egypt have increased seven times, whereas China's exports to Egypt have more than doubled in the last ten years. On the other hand, exports from the USA and Pakistan to Egypt have declined.

**Figure 23: Exports to Egypt – Pakistan & its competitors**



Source: ITC Trade Map

## 7.1. Competitive Strategy – India

India's trade with Egypt, prior to 1990, was small as India was busy in achieving self-sufficiency through import substitution. However, 1990 onwards, India started a trade liberalization program and gradually moved towards openness in trade. There was also a major shift in Indian policy towards Africa which manifested itself in the form of the Asia-Africa Growth Corridor (AAGC), the India-Africa Forum Summit (IAFS), Focus Africa Programme, Duty-Free Tariff Preference for Least Developed Countries (DFTP LDC) and the Pan-African E-Network project.

India's strategy aims at increasing footprint of Indian products and companies and capacity-building in Africa in all areas including industrial, educational and technical.

Table 35 lists the major agreements and MOUs signed between India and Egypt.

**Table 35: Major Bilateral Agreements India – Egypt:**

Agreement	Year
Trade Agreement	1978
Agreement on the establishment of Joint Commission	1983
MOU on Trade and Technical Cooperation	2008
MOU on Renewable Energy Cooperation	2011
MOU on the establishment of Centre for Excellence in IT	2013
MOU on cooperation in the field of Micro, Small & Medium Enterprises (MSMEs)	2013
MoU on Cooperation in the field of Quality & Standards	2016
MoU on Cooperation in the field of Promoting Investments	2018

Source: World Trade Centre Mumbai (WTC)<sup>32</sup>

### Focus Africa Programme

Focus Africa Programme was started in 2002 with focus given to seven African countries in the first phase. However, after a number of follow-up phases, India's Focus Africa Programme now covers the entire African continent in one way or another. This programme strives for increased bilateral trade through dialogue and constant discussions to identify areas of potential cooperation in Africa.

### India-Africa Forum Summit (IAFS):

India-Africa Forum Summit (IAFS) was launched in 2008 with its first meeting held in New Delhi between the heads of states of African countries and the government of India. Fourteen African countries participated in the first summit. Since then, similar meetings have been held in 2011, 2015 and 2020. To fulfill the commitments made at these summits, India has committed to opening 18 new trade commissions in Africa, thus increasing the number of such offices from 29 to 47 by 2021<sup>33</sup>.

### Indian Investments:

India has been investing in Egypt's major industrial sectors including textile, power, chemicals, pharmaceuticals, information technology, paints, consumer goods, plastics, paper and auto vehicles<sup>34</sup>. Major investments in companies include Egypt-India Polyester Company (EIPET), Velocity Apparelz, Galaxy Chemicals, Lulu Hypermarket, Misr Hytech Seed International, Dabur India, Godrej, Alexandria Carbon Black etc<sup>35</sup>.

A cumulative investment of US\$ 64.6 billion has been made by the Government of India and the Reserve Bank of India (RBI) spanning the period 1996 to 2019<sup>36</sup> in Egypt, Mozambique, Sudan, Mauritius and South Africa. Egypt is the 4th largest FDI destination for Indian companies in the 1996-2019 period<sup>37</sup>.

### Indian Business Forum (IBF):

In 2012, Indian Business Forum (IBF) was launched by the Indian embassy in Cairo with the Confederation of Indian Industry (CII) to provide a discussion platform to companies from both sides with the aim of exchanging information and enhancing trade and investment.

<sup>32</sup>Egypt and India – World Trade Centre Mumbai  
<https://wtcmumbai.org/pdf/report-presentiton/2019/wtexpo2019/Egypt.pdf>

<sup>33</sup><https://journalsofindia.com/india-africa-forum-summit/>

<sup>34</sup>India-Egypt Economic and Commercial relations  
<https://www.eoicairo.gov.in/page/economic/>

<sup>35</sup>India-Egypt economic and commercial relations  
<https://www.eoicairo.gov.in/page/economic/>

<sup>36</sup>AfCFTA: Opportunities for India in Africa's Economic Integration, EXIM Bank of India  
[https://www.cieximafriacaconclave.com/Document/Reports/Ex-im%20Bank%20Occasional%20Paper%20no.197%20on%20AfCFTA\\_CII-EXIM-Conclave-2020.pdf](https://www.cieximafriacaconclave.com/Document/Reports/Ex-im%20Bank%20Occasional%20Paper%20no.197%20on%20AfCFTA_CII-EXIM-Conclave-2020.pdf)

<sup>37</sup>Appendix Table 44

### Concessional Lines of Export Credit:

To increase its footprint in Africa, the EXIM Bank of India provides loans and credits to African countries for exports, imports and capacity building through financing projects spanning over a period of 15-25 years. India has classified African countries into three major categories namely i) Low and Lower middle-income countries with IMF bindings, ii) Low and lower middle-income countries without IMF bindings and iii) Other developing countries. Egypt falls in the second category.

### Export Credit Guarantee Corporation of India Limited (ECGC Ltd.):

Export Credit Guarantee Corporation Scheme (ECGC) provides an incentive to exporters by hedging their export credit risk. ECGC provides<sup>38</sup>:

- A range of insurance coverages to Indian exporters against risk of non-realization of export proceeds;
- Different types of credit insurance that covers banks and other financial institutions to enable them to extend credit facilities to exporters, and;
- Export Factoring facility for the MSME sector which is a package of financial products consisting of working capital financing, credit risk protection, maintenance of sales ledger, and collection of export receivables from buyers overseas.

### Pan-African E-Network Project (PAENP):

The Pan-African E-Network Project was set up in 2009 to provide satellite connectivity, tele-medicine and tele-education by setting up a fibre-optic network<sup>39</sup>. Alexandria Faculty of Commerce has been set up under this project. The Government of India provides full funding and faculty training to promote bilateral relations with Egypt. Similarly, Tele-medicine centres have been set up in the specialty hospitals of Egypt, Mauritius, Republic of Congo and Nigeria.

## 7.2. Competitive Strategy – China

Diplomatic ties between Egypt and China date back to 1956 when China gave aid to Egypt during the Suez Canal crisis. China's interest in Africa, particularly in Egypt, is not limited to only trade and natural resources but rather covers the entire spectrum of security, diplomacy and soft power<sup>40</sup>.

### Belt and Road Initiative (BRI)

Belt and Road initiative (BRI), also called One Belt One Road (OBOR), was proposed in 2013 by the Chinese president and aims to connect via sea and land routes Asia to Europe mainly through Eurasia. Figure 24 shows the Chinese 21st century Maritime Silk Road and the Silk Road Economic Belt.

With BRI, China aims at achieving economic integration with its major trading partners. In the past decade, China has been trying to reduce its dependence on the US market by targeting new markets for its goods. As part of this strategy, China has been investing heavily in infrastructure projects in developing and emerging economies.

<sup>38</sup>Ministry of Commerce and Industry  
<https://commerce.gov.in/about-us/public-sector-undertakings/export-credit-guarantee-corporation-of-india-limited>

<sup>39</sup>Pan-African E-Network Project (PAENP), Ministry of External Affairs India  
[https://mea.gov.in/Portal/ForeignRelation/Pan\\_African\\_e\\_docx\\_for\\_xp.pdf](https://mea.gov.in/Portal/ForeignRelation/Pan_African_e_docx_for_xp.pdf)

<sup>40</sup>China in Africa: Implications of a Deepening Relations by Larry Hanauer and Lyle. J Morris  
[https://www.rand.org/pubs/research\\_briefs/RB9760.html](https://www.rand.org/pubs/research_briefs/RB9760.html)

### Projects in Egypt under BRI include:

- Suez Canal Economic zone
- Egypt's New Administrative Capital
- Light Rail Transit to connect Egypt's New Administrative Capital with the rest of the country
- 3 Chinese built solar power projects in Benben Solar Park

Figure 24: Land and Sea Corridors of the Belt and Road Initiative



Source: Social Risk Management (SRM) of the World Bank

### Duty-Free Quota-Free Scheme for Least Developed Countries (DFQF LDCs):

Duty-Free Quota-Free scheme for Least Developed Countries (DFQF LDC) came into force in 2010 and was later renewed in 2015. The General Administration of Customs China (GACC) issued administrative measures, in 2017, suggesting that goods imported from least developed countries be given a special preferential tariff treatment<sup>41</sup>. To date, the scheme covers 97 percent of all tariff lines.

### Forum on China – Africa Cooperation (FOCAC):

The Forum on China-Africa Co-operation is a platform established by China and friendly African countries for collective consultations and dialogue and is a cooperation mechanism between developing countries, which falls under the category of South-South cooperation. Since 2000, six ministerial conferences have been held with an interval of three years. Fourth conference was held in 2009 at Sharm El Shaikh in Egypt.

In the 2018 summit, the presidents of China & Egypt agreed to jointly advance the China-Egypt comprehensive strategic partnership.

### China – Egypt Suez Economic and Trade Cooperation Zone:

The Suez Economic and Trade Cooperation Zone (SETC) is an industrial estate in Egypt where hundreds of Chinese companies have set up operations, as part of the Belt and Road project.

The zone was created in 2008 by the Tianjin Economic-Technological Development Area (Teda) and extended in 2016 in a ceremony attended by Chinese President Xi Jinping on a state visit to Egypt.

<sup>41</sup>Preferential Market Access: China's DFQF Scheme for LDC Products  
<https://www.un.org/ldcportal/preferential-market-access-chinas-dfqf-scheme-for-ldc-products/>

The Suez route provides China access to the world's principal maritime routes which results in shortened distance for the Chinese products to reach consumer markets<sup>42</sup>. This zone contains four major industrial clusters<sup>43</sup>:

**1. Textile and Clothing:**

Main company in this cluster is the Chinese state-owned company China Textile Machinery Company (CTMC) producing non-woven products including show covers, consumer and medical face masks, patient clothing, disposable surgical gowns etc.

**2. Petroleum Equipment:**

Two companies dominate this cluster namely Sino-Egyptian Petroleum HH rig manufacturing Company (EPHH Co.) producing drillings rigs and its components and, the International Drilling Materials Manufacturing Company producing casings for oil pipes. International Drilling Material Manufacturing Company is a joint venture of Egypt (50 percent), China (40 percent) and Japan (10percent).

**3. Fiberglass:**

Jushi Egypt is the leading manufacturing company in this economic zone.

**4. High and Low voltage electrical equipment:**

Company XDEGEMAC is the major operational company in this zone; jointly owned by China XD (51 percent) and Egyptian-German Electrical Manufacturing Company (EGEMAC) (49 percent). XDEGEMAC produces transformers and related components.

### 7.3. Competitive Strategy – the United States of America (USA):

A Bilateral Investment Treaty (BIT) was signed between Egypt and the USA in 1982 to promote trade and economic integration. Since 1978, the United States has provided Egypt with what now totals over US\$ 50 billion in military and US\$ 30 billion in economic assistance. In 1996, the U.S. Congress established the Qualifying Industrial Zone (QIZ) initiative to support the peace process in the Middle East. The QIZ initiative allows Egypt and Jordan to export products to the United States duty-free as long as such products contain inputs from Israel.

Table 36 lists the major bilateral agreements that have been signed between the USA and Egypt.

**Table 36: Major Bilateral Agreements between the USA & Egypt:**

Trade Agreement	Year
U.S. Generalized System of Preferences Program	1976
Double Taxation Treaty	1981
Bilateral Investment Treaty	1982
The U.S.-Egypt Partnership for Economic Growth and Development	1994
Trade and Investment Framework Agreement	1999
Investment Incentives Agreement	1999
Cooperation in Energy Technology Agreement	1999
Egypt-U.S. Electronic Commerce Joint Statement	1999
Qualified Industrial Zones Agreement	2004

Source: American Chamber of Commerce in Egypt

<sup>42</sup>China goes Global in Egypt: A Special Economic Zone in Suez by Emma Scott

<sup>43</sup>Ibid

### African Growth and Opportunity Act (AGOA):

Since its enactment in 2000, the African Growth and Opportunity Act (AGOA) has been at the core of U.S. economic policy and commercial engagement with Africa. AGOA provides eligible sub-Saharan African countries with duty-free access to the U.S. market for over 1,800 products, in addition to the more than 5,000 products that are eligible for duty-free access under the Generalized System of Preferences (GSP) program.

### U.S. African Leaders Summit:

In 2014, former US President Barack Obama initiated the US – African Leaders Summit after his three-nation tour of Africa. Fifty out of 55 African leaders attended the summit including the Egyptian Premier Ibrahim Mahlab. Main agenda of the 3-day summit was the US administration's focus on trade and investment in Africa along with security. The Summit was divided into three sessions; each having its own theme: Investing in Africa's Future, Peace and Regional stability and, Governing for the Next Generation.

### Africa Strategy:

In 2018, the USA initiated its Africa Strategy in former president Donald Trump's presidency which focuses on three major areas: Prosperity, Security and Stability. The Africa Strategy is aimed at countering Chinese presence in the African continent by increasing trade.

### Prosper Africa:

Prosper Africa is a US Trade and Investment initiative which started in 2018 as part of the Africa Strategy. And while the Africa Strategy was devised to counter the predatory business approaches of China and Russia in the continent, the Prosper Africa is an innovative method of engaging the African leaders and entrepreneurs through coordination with US agencies.<sup>44</sup> By engaging with African entrepreneurs, the US aims at improving its two-way trade with Africa.

US based companies closed 44 deals with Egypt valuing US\$ 5.7 billion in 2019, mostly in the Egyptian healthcare sector<sup>45</sup>.

### International Development Finance Corporation (DFC):

The US International Development Finance Corporation (DFC) was formed in 2018, and works as America's Development Bank with its focus on global development by providing financial solutions to the private sector.

#### DFC's initiatives and work in Egypt:

1. Financing and providing insurance to the gas supply pipeline by rehabilitating the pipeline from Israel to Egypt. Insurance has been provided to advance energy security in Egypt amounting to US\$ 430 million.
2. To help Egypt diversify its power supply and to strengthen energy security, DFC is financing a 252MW windfarm near the Suez Canal which is expected to increase Egypt's wind energy supply by 18 percent and avoid 550,000 tons of carbon emission annually<sup>46</sup>.

#### Energy Security

- US\$ 430 Million insurance provided to rehabilitate gas supply pipeline from Israel to Egypt

#### Wind Power Plant

- Financing 252MW windfarm near Suez Canal to diversify Egypt's power supply; expected to avoid 550,000 tons carbon emission

<sup>44</sup><https://www.brookings.edu/blog/africa-in-focus/2019/06/26/can-trumps-prosper-africa-make-america-greater-than-china-and-other-partners-in-africa/>

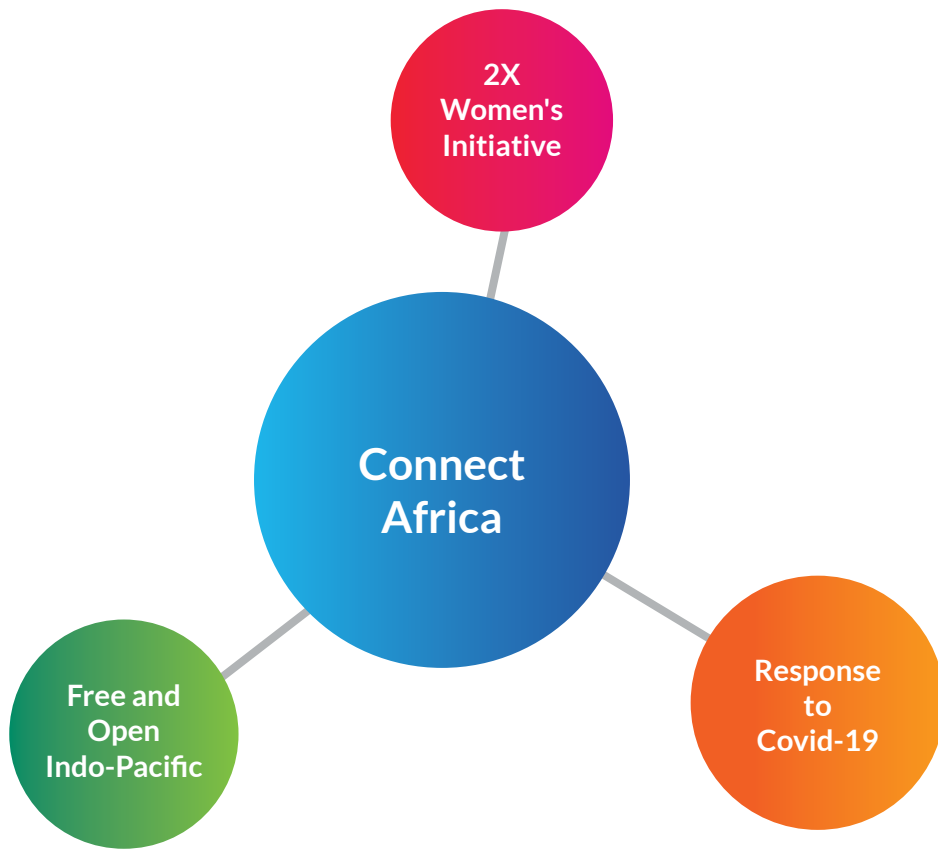
<sup>45</sup>Prosper Africa

<https://www.prosperafrika.gov/>

<sup>46</sup>Building a wind power plant to help Egypt diversify its power supply

<https://www.dfc.gov/investment-story/building-wind-power-plant-help-egypt-diversify-its-power-supply>

Figure 25: Initiatives Taken by DFC



## Chapter 8

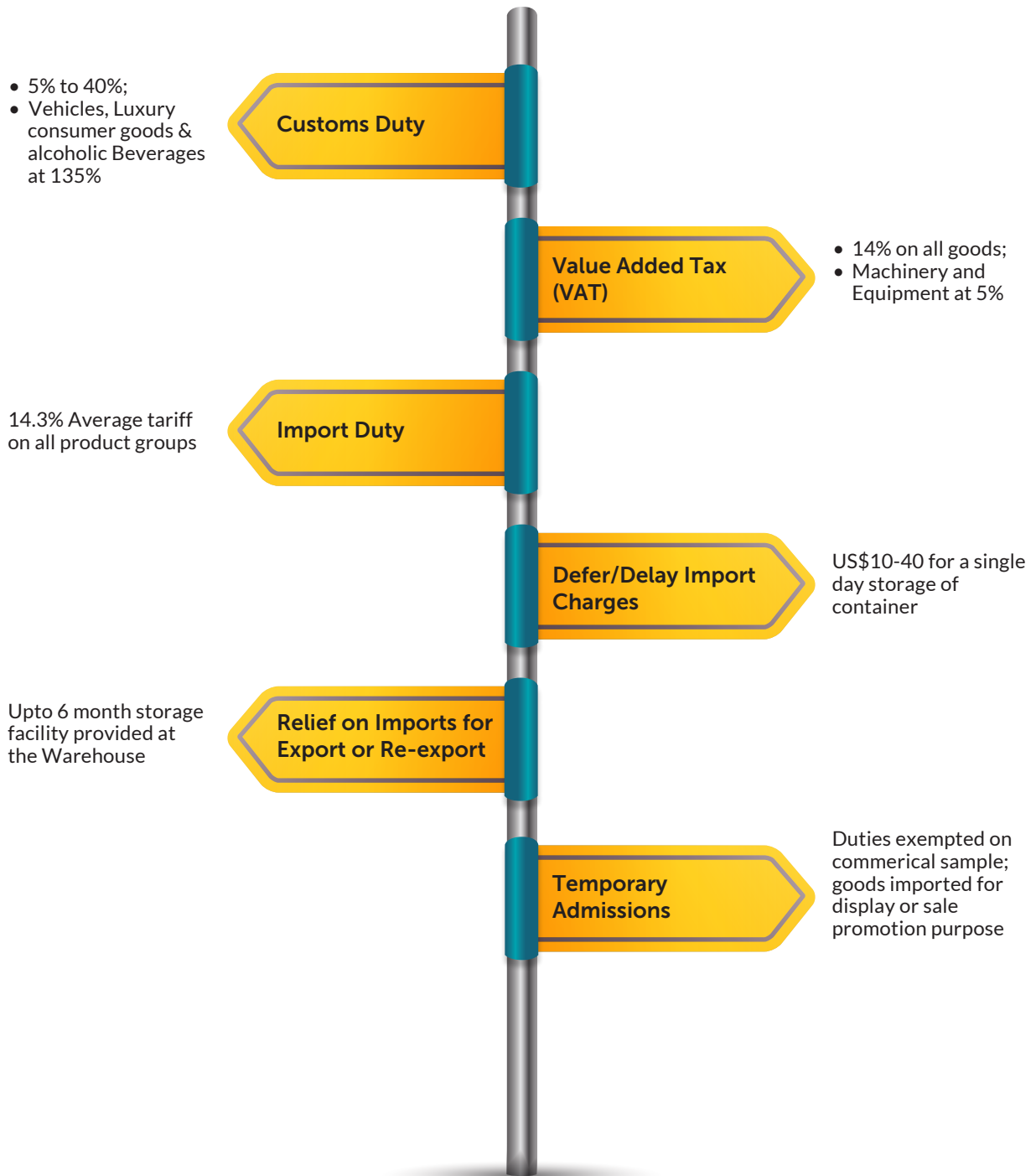
# Trade Barriers



## 8.1. Tariff barriers

Figure 26 shows the major Trade barriers and Reliefs that Egyptian Government imposes and provides.

**Figure 26: Tariff Barriers and Reliefs used by Egyptian Government**



### 8.1.1. Trade barriers on Specific Sectors:

#### Agriculture Sector:

Since 1970, the Egyptian Government has been working on policies to reduce the country's heavy reliance on imports of agricultural products. In 2015, almost 40 percent of export earnings were spent on agricultural imports. Owing to this, Egypt has tightened its monitoring process for imports of agricultural products at its ports.

An Importer in Egypt is required to send a written request when importing agriculture products to the Ministry of Agriculture which usually takes two weeks for approval. On approval, imports are made. Furthermore, when goods enter an Egyptian port, a three-member committee is formed under the supervision of the Ministry of Agriculture which then provides a Letter of Approval after inspection.

Letter of Approval is then provided to the customs department which calculates the customs duty on the imported cargo. Finally, after the payment of duties and taxes, clearance is finalized<sup>47</sup>.

#### Processed Food Industry:

A similar procedure is followed when importing processed food items, in addition to a preliminary inspection that is carried out by a three-member committee comprising of the Ministry of Health, the Ministry of agriculture and customs, a visual inspection is done before taking the sample to a laboratory for further inspection. If a product fails visual inspection, goods are either re-exported or discarded.

#### Pharmaceutical Sector:

Before carrying out any imports, an importer needs to get registered with the Egypt Drug Authority (EDA) as an approved importer. For importing pharma goods, approval is to be taken through an application in which the importer is required to provide a prequalification file of the manufacturer and the product<sup>48</sup>. It usually takes a year for EDA to grant approval. Following approval, a letter is issued by EDA and shipment documents are received through the bank. Importer is also required to record the shipment at the Customs Data Centre. After payment of taxes and duties, clearance is finalized.

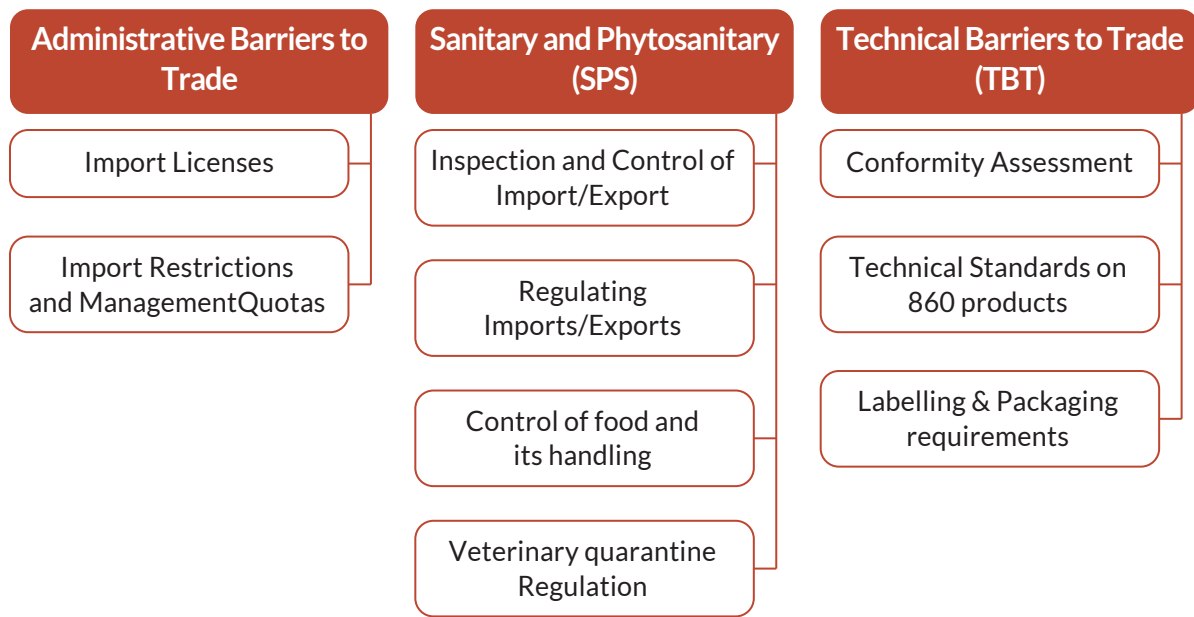
## 8.2. Non-Tariff Barriers

Non-Tariff Barriers are divided into 3 categories namely Technical Barriers to Trade (TBT), Sanitary and Phytosanitary (SPS) and Administrative Barriers to Trade. Figure 27 classifies the non-tariff barriers that Egypt imposes under each category.

<sup>47</sup>Trade and Investment Section, Cairo; Import-profile-Pakistan

<sup>48</sup>Ibid

Figure 27: NTBs Imposed by Egypt



Source: Trade and Investment Sector of Egypt; Exports Market - Egypt

- An Import Card is authorized to importers by the General Organization of Exports and Imports Control (GOEIC) without which import trade can not take place.
- As of 2017, it has been made mandatory for companies to have been in business for a minimum of 2 years in addition to having a minimum turnover of EGP 2 million before applying for an Import license.
- The National Authority for Food Safety inspects food products; Atomic Energy Agency inspects for radiation; Central Administration for Plant and Quarantine (CAPQ) and Ministry of Agriculture inspects plants and their harvestings; GOEIC and General Organization for Veterinary Services inspects live animals and their health.
- There is a prohibition on the import of chicken offals, fowl liver and hazardous chemicals and pesticides.

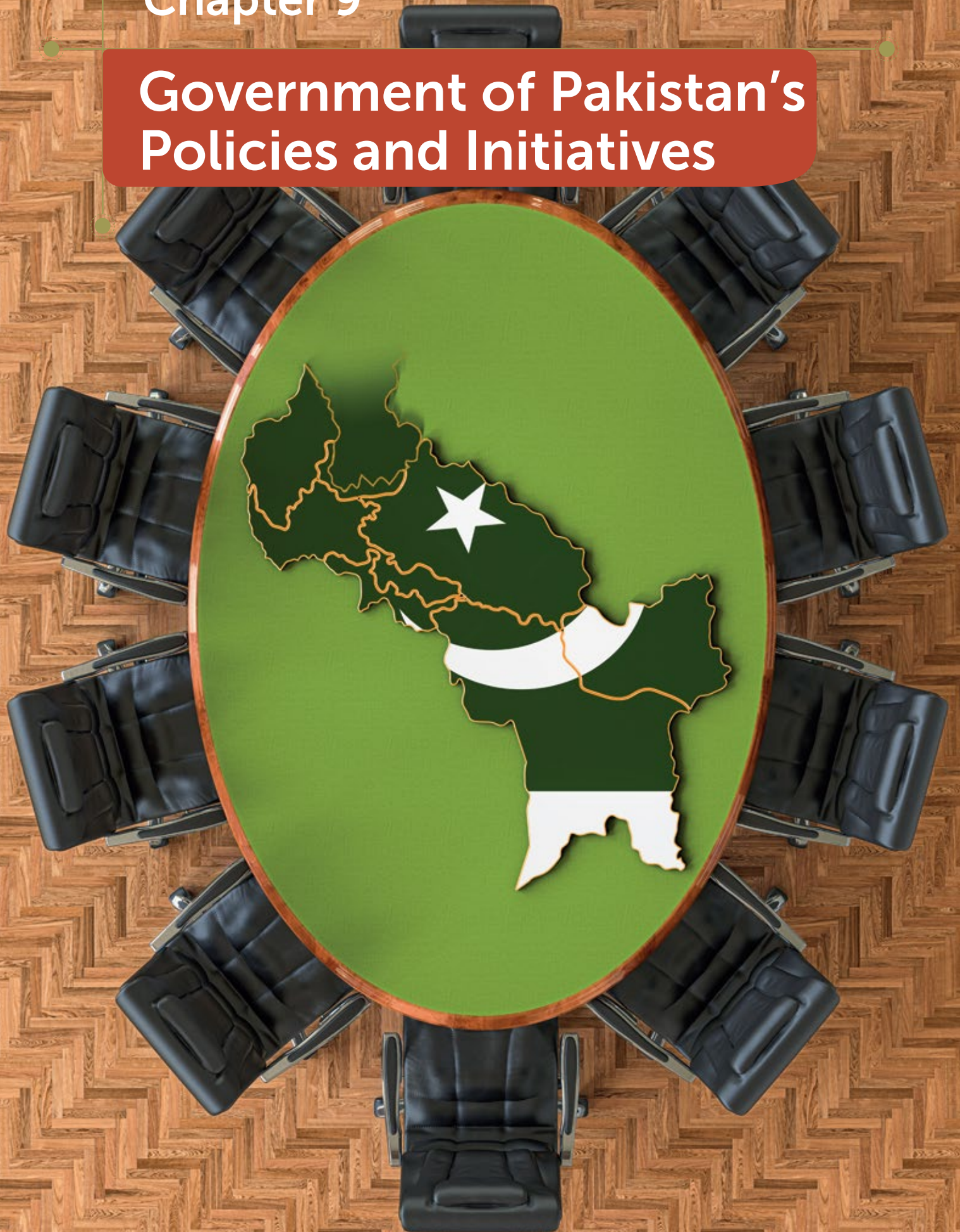
#### Preferential Treatment:

Egypt, being a signatory of the General System of Trade Preferences (GSTP), provides tariff preferences to other signatory countries. In addition to this, Egypt's approach towards the least developed countries is liberal which allows the LDCs to have better market access in the Egyptian market; reduced tariffs are offered on 100 products ranging between 10 percent to 20 percent.

Tariff preferences are granted to countries and blocs with whom Egypt has signed an FTA. These include Turkey, EU, EFTA as well as trade blocs such as GAFTA, COMESA and Agadir agreement; reduced tariffs are offered on 75 to 100 percent tariff lines.

## Chapter 9

# Government of Pakistan's Policies and Initiatives



Pakistan has cordial relations with African countries and has provided military assistance through UN Peacekeeping Missions to promote political stability in the continent. However, recently, a policy shift has been made to promote trade and investment activities in Africa.

Bilateral trade between Pakistan and Africa has increased from US\$ 2.0 billion in 2012-2013 to US\$ 4.0 billion in 2019-2020.

## 9.1. Look Africa Initiative

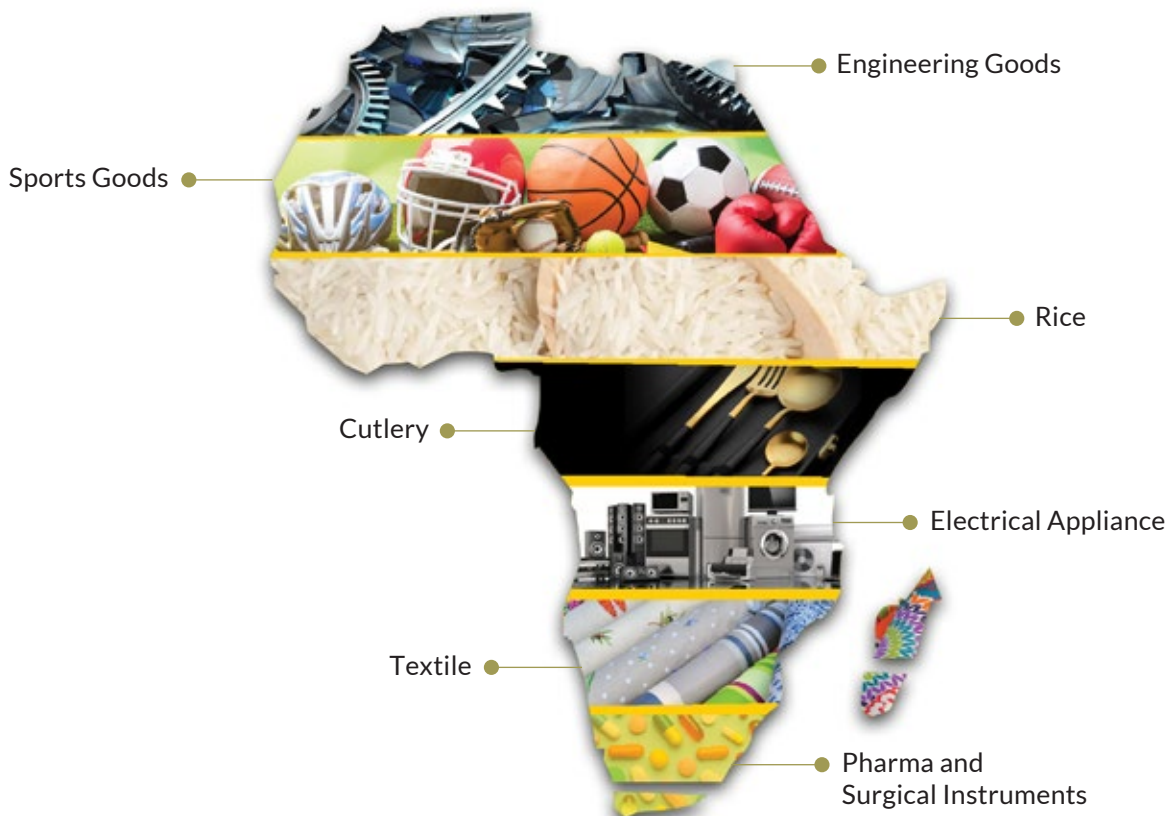
Ministry of Commerce, in 2017, launched the Look Africa Initiative seeking to promote trade and investment in 10 African countries i.e., Egypt, Nigeria, Kenya, South Africa, Morocco, Algeria, Sudan, Senegal, Tanzania and Ethiopia. These 10 countries contributed 78 percent to the total GDP of Africa<sup>49</sup>.

Through its Look Africa plan, Pakistan has been able to start negotiations for Preferential Trade Agreements (PTAs) with the three major trading blocs in Africa including the Southern African Customs Union (SACU), East African Community (EAC) and the Economic Community of West African States (ECOWAS).

**Key policy measures to promote exports to Africa include:**

- Increasing of commercial footprint by opening 6 new commercial sections in Egypt, Algeria, Ethiopia, Senegal, Sudan and Tanzania;
- Formation of Joint Working Groups (JWGs);
- Establishing an Africa cell at the Trade Development Authority Pakistan (TDAP).

**Figure 28: Products that can benefit from Look Africa**



<sup>49</sup>'Look Africa' policy yields \$5m orders from Sudan', 31st January, 2021, Dawn Newspaper  
<https://www.dawn.com/news/1604604>

## 9.2 Pakistan – Africa Trade Development Conference

Pakistan inaugurated a two-day conference “Pakistan – Africa Trade Development Conference” which was held on 30-31 January 2020 in Nairobi the capital city of Kenya. Major agenda items of the conference included trade enhancement, developing banking and transportation channels, improving connectivity and engagement, and removal of tariff and non-tariff barriers<sup>50</sup>. More than 100 delegates participated in the conference belonging to such diverse sectors as Textiles, Agro-food, Pharmaceuticals and surgical goods, Engineering, Cement & chemicals and others.

The 2<sup>nd</sup> Pakistan – Africa Trade Development Conference is scheduled to be held between 23 & 25 November 2021 also in Nairobi, Kenya.

## 9.3 Pakistan – Egypt Joint Working Group (JWG)

The First meeting of the joint working group formed between Egypt and Pakistan was held in 2019. A Memorandum of Understanding (MoU) was signed between the Trade Development Authority of Pakistan (TDAP) and Egyptian Commercial Service to enhance trade through participation in International Trade fairs in both countries.

Business to business meetings were also arranged for the businessmen of Egypt and Pakistan<sup>51</sup>.

## 9.4 Participation in International Trade Exhibitions

Trade Development Authority of Pakistan (TDAP), facilitates exporters from different sectors to participate in International Exhibitions in order to get export leads. TDAP offers a special 80 percent subsidy to participants attending international trade fairs in Africa<sup>52</sup>.

## 9.5 Duty drawbacks

### 9.5.1 Duty Drawback for Plastic goods (SRO 461(1)/2020)

The Federal Board of Revenue (FBR) introduced duty drawback at the rate of Rs.5.42 per kilogram on the import of 10 different raw materials used in the manufacture of plastic goods meant for exports. According to this S.R.O the repayment of the custom duty shall be paid on manufacturing of 100 percent goods including packaging materials used in goods meant for export such as bottles, jars, vials, containers, droppers etc<sup>53</sup>.

Plastic goods (HS-3926) offer an export potential of US\$ 4.1 million in the Egyptian market.

### 9.5.2 Duty Drawback for Medicaments (SRO 751(1)/2021)

The Federal Board of Revenue (FBR) provides duty drawback from 0.3 to 2.1 percent of the FOB value for the exports of pharmaceutical products including medicines for human and animal use vide S.R.O. No. 751(I)/2021 dated June 7, 2021.

Pharmaceutical products (HS-300490) offer an export potential of US\$103.2 million in the Egyptian market.

<sup>50</sup>Pakistan-Africa Trade Development Conference, 30-31 January 2020, Kenyatta International Convention Centre, Nairobi, Kenya Ministry of Foreign Affairs, Pakistan. <http://mofa.gov.pk/>

<sup>51</sup>Pakistan, Egypt agrees to promote trade <https://www.dawn.com/news/1511300>

<sup>52</sup>Rate of subsidy for participation in exhibitions in countries other than Africa is 60 percent.

<sup>53</sup><https://pkrevenue.com/fbr-allows-repayment-of-customs-duty-on-import-of-plastic-raw-material/>

Chapter 10

## Inputs from the Commercial Section, Pakistan Embassy in Egypt



## General Issues

### Tariff Regime:

Tariff regimes in Egypt were changed through Presidential Decree after 2015-16. In order to reduce the trade deficit, the Egyptian government increased tariff rates to 40-60 percent for a wide variety of tariff lines. These tariff lines covered most of the products that Pakistan was exporting to Egypt. Exports reduced from US\$ 130.0 million in 2015 to US\$ 47.0 million in 2020, a decrease of 64 percent.

### Branding and Product Placement:

Pakistan does not have a strong commercial footprint in Egypt as compared to the other regional and non-regional competitors of Pakistan. Pakistan lacks brand placement and product placement in the Egyptian markets which is one of the major reasons for low exports to Egypt.

### Pakistan's Basket of Exports:

There is a lack of diversification when it comes to the products that Pakistan has to offer for exports to Egypt. Pakistan's basket of goods has not changed in past 10 years which has hindered the exports.

### Price Conscious Egyptians:

The buying behavior of Egyptians is price dependent. The major competitors of Pakistan such as India and China are highly price competitive.

### Access to West through Free Zones:

Egypt has been portraying itself as the "hub" for the rest of the Africa for which Egypt has introduced Free Zones<sup>54</sup>. Egypt has signed various trade agreements with regional trade blocs and Western countries which can provide duty free access opportunities to Pakistani businesses who are willing to use Egypt as a manufacturing base.

### Regulatory Bodies:

Egypt has established 3 to 4 regulatory authorities in the past few years in order to closely monitor imports. In 2017, Egypt established the National Food Safety Authority (NSFA) which has increased food safety and hygiene measures. A lot of clearances are required by different authorities when goods reach the borders of Egypt which delays the process.

### Banking, Payments and Insurance:

- **Insurance:**  
Africa as a whole is considered a high-risk region due to which insurance companies in Pakistan do not give credit insurance to exporters when they export to Egypt.
- **Payment:**  
Payments by traders between Egypt and Pakistan have to be made through intermediary banks which increases the cost and time. It is also a hassle to find a reliable bank abroad to carry out the task.
- **Letters of Credit**  
Letters of Credit (LC) established by Pakistani Banks are not discounted.

### Language Barrier:

All meetings and business deals in Egypt have to be in the Arabic language which creates a huge barrier for the international community. Therefore, an Arabic language speaker has to be hired by Pakistani exporters, this increases costs for SMEs.

<sup>54</sup>Free zone is an area where goods are stored and kept without any custom duty payment.

**Trade Routes:**

- **Air:** Egypt Air is planning to start two cargo flights per month from Lahore to Cairo. Currently there is no direct airlink between the two countries.
- **Sea:** Currently, there are no direct shipping line between Pakistan and Egypt, this delays shipments.

**Sector - Specific****Textile:**

- **Denim:**  
In 2020, Pakistan exported denim to Egypt valued at US\$ 30.3 million which was 43 percent of the total exports to Egypt. Pakistani textile exporters have made huge investments in the designated free zones of Egypt which has given them duty free access to USA, EU and other western countries.
- **Jute:**  
Jute products manufactured in Pakistan have been gaining attention in recent years. Egypt imports 60-70 percent of its woven jute from Pakistan. Jute imported by Pakistan is used mainly in the packaging of wheat, coffee beans and cheese.
- **Gloves:**  
Gloves produced by Pakistan which are in high demand in Egypt include worker gloves and gloves used for mining.

**Rice:**

Large quantities of Pakistani rice are available in Egypt but this data is not directly reported. The Pakistani broken rice and semi milled rice variants (basmati, sela, golden sela) are easily available in the Egyptian market at outlets such as Carrefour. However, the labelling and packaging of Pakistani rice sold under Carrefour's label is done in Saudi Arabi and then sent to Egypt. Spinney's is another famous brand in Egypt which sells Pakistani rice under its own brand.

Indian rice varieties are highly price competitive as compared to the Pakistani rice varieties. However, recently 60-70 percent of rice containers coming from India were rejected by the NFSA due to increased pesticide residue level. This can give Pakistani rice an edge over Indian rice as the exporters from Pakistan are well aware of these issues and know how to handle them.

**Surgical and Pharmaceutical products:**

There is an opportunity for Pakistani surgical products in the Egyptian market. In order to export surgical and pharmaceutical products to Egypt, a local Egyptian agent has to be hired who should be registered with the Egyptian authorities who will then get the product registered with the authorities.

A lot of interest has been shown by the Pakistani exporters in this sector because of the huge potential of around US\$ 258.0 million in the products "*Instruments and appliances...*" (HS-901890), "*Medicaments...*" (HS-300490) and "*Medicaments containing antibiotics...*" (HS-300420).

Commercial section of Pakistan in Egypt has been trying to educate Pakistani exporters on the regulations and standards that have to be met in this sector. New and stringent regulations have increased paperwork. In addition, the commercial section has also been working on connecting the exporters with reliable and trustworthy agents to tap the potential.

**Meat:**

In the MENA region, Egypt is the second largest importer of meat products amounting to US\$ 2.1 billion on average each year. Major import sourcing countries include India, Brazil, USA and New Zealand. Under halal regulatory body, an office has to be set up in the import sourcing countries where meat testing will be carried out after which a license of approval will be provided to them for trading.

Pakistan has never exported meat to Egypt. In order for Pakistan to do that, meat has to be inspected at the slaughterhouse by the quarantine team from Egypt. Due to the Covid-19 situation, this could not happen. However, once the inspection process has been passed by the Pakistani meat exporters, they will gain access to the Egyptian market.

*The views expressed in this section are those of the Commercial section of the Pakistan Embassy in Cairo, Egypt. Some minor editing has been done to the original text for brevity and clarity.*

**Details:**

*Mrs. Sidrah Haque - Trade and Investment Attaché at Pakistan Embassy Cairo.*

## Chapter 11

# Recommendations for Entering the Egyptian Market



## 11.1 Market Dynamics & Consumers' Behavior

### Price conscious:

- Inflation and high food-prices have made Egyptian consumers price conscious. Egyptian consumers have cut down on apparel purchases, reduced out-of-home entertainment and tried to save on gas and electricity in the last few years<sup>55</sup>.
- Egyptian consumers have reduced purchasing luxury and branded items at supermarkets. According to a Nielsen Survey of 2017, 71 percent of Egyptians look for promotions before making a purchase, 35 percent of them shop less and 17 percent of Egyptians have reduced the quantities in their grocery shopping.

### Spending shift from imported products towards local products:

- Consumers in Egypt have shifted their preference from imported products towards locally manufactured products as local products are cheaper compared to imported products.

### Egypt's E-commerce lags behind as compared to other Arab countries:

- Due to low internet penetration rate, online shopping in Egypt has been hampered. Only 8 percent of the internet users in Egypt make online payment transactions.

### Egypt's Service apps have been growing over the past few years:

- In the MENA region, Egypt has become one of the largest "online supermarket" markets for supplying and delivering groceries and other household goods<sup>56</sup>.

## 11.2. Marketing Strategies

### Branding

**Surgical Instruments:** Egyptian market has shown a demand for Pakistani surgical goods. The Egyptian market is however dominated by suppliers from the USA & Germany even in items in which Pakistan has a competitive advantage. There is a need to make the market aware of the superior quality of Pakistani surgical instruments and appliances.

**Agriculture:** India is the significant competitor of Pakistan for the Egyptian agricultural market despite not having any significant trade agreement.

### Rice:

- In January 2021, Pakistani Basmati rice was granted a Geographical Indication (GI)<sup>57</sup> tag by the European Union (EU). To get their due share in the Egyptian market, Pakistani exporters need to compete with Indian companies who are offering lower prices. Taking advantage of GI tag and proper branding Pakistani rice exporters need to tap the premium segment of the Egyptian rice market.

### International Exhibitions / Events

- **Exhibitions:** Pakistan participated in the Agro-food exhibition held in Egypt between 9th to 11th December 2020. Ten Pakistani companies participated in the exhibition showcasing their products and conducting face-to-face meetings with Egyptian businessmen<sup>58</sup>.

<sup>55</sup><https://santandertrade.com/en/portal/analyse-markets/egypt/reaching-the-consumers>

<sup>56</sup>Egypt: Reaching the Consumer, Santander Trade Markets

<sup>57</sup>Geographical Indication (GI) tag is a sign used for products that have specific geographic origin and reputation

<sup>58</sup>TDAP

- **Trade Conferences:** In 2019, Pakistan's Ministry of Commerce & Textile organized a Pakistan-Egypt Trade Conference in Islamabad. The conference was attended by an Egyptian delegation comprising of officials and businessmen led by the First Undersecretary of Egyptian Commercial Service, Mr. Ahmed Anter<sup>59</sup>. The meetings were held between the business communities of both countries from the pharmaceutical, power, fertilizer, tourism, construction, shipping and bed-linen sectors.
- **Biryani Festival:** Rice Exporters Association of Pakistan has organized biryani festivals in numerous countries. It is suggested to organize similar festivals in Egypt on an annual basis to advertise Pakistani rice to the locals and increase its exports to the Egyptian market.

**Table 37: Recommended Exhibitions for Pakistani Participants**

Textile and Textile Articles industry	Pharmaceutical & Surgical Sector	Agriculture Sector	Plastic and Rubber Sector
Textiles Technologies Edition (Stitch & Tex-Africa: Edition 2)	Pharma & Lab Expo	Sahara Expo	PLASTEX
Cairo Fashion & Tex	Pharmaconex (PERCENT)	Agrena Middle East	
Egy Stitch & Tex Expo Garment Edition	EgyMedica (E-MEDICA)		
Garment Processing Technologies Edition (Stitch & Tex Africa Edition 1)			
Egy Home Tex Expo			
Cairo Inter Leather			

Source: <https://10times.com/egypt/>

## Digital Marketing

- **Virtual B2B Sessions:** Despite the Corona epidemic, there have been no virtual B2B meetings between businessmen of the two countries. Virtual B2B meetings should be setup to assist exporters with understanding details of items being imported and preferences of Egyptian importers.
- **E-Commerce, Business-to-Consumers (B2C):** According to the UNCTAD, Pakistan ranks at 116 while Egypt ranks 109 on the B2C e-commerce index, 2020<sup>60</sup>. Worldwide online customers for both cross-border as well as non-cross-border business have been expanding especially after the Covid pandemic. Pakistani exporters need to register their products both on worldwide platforms (like Amazon, Alibaba, and so on) and on Egyptian sites (e.g., Souq, Lynks, Eshtereely) for better product outreach.

<sup>59</sup><https://www.arabnews.pk/node/1587381/pakistan>

<sup>60</sup>[https://unctad.org/system/files/official-document/tn\\_unctad\\_ict4d17\\_en.pdf](https://unctad.org/system/files/official-document/tn_unctad_ict4d17_en.pdf)

## Chapter 12

# Pakistani Rice Products Complement Egyptian Market

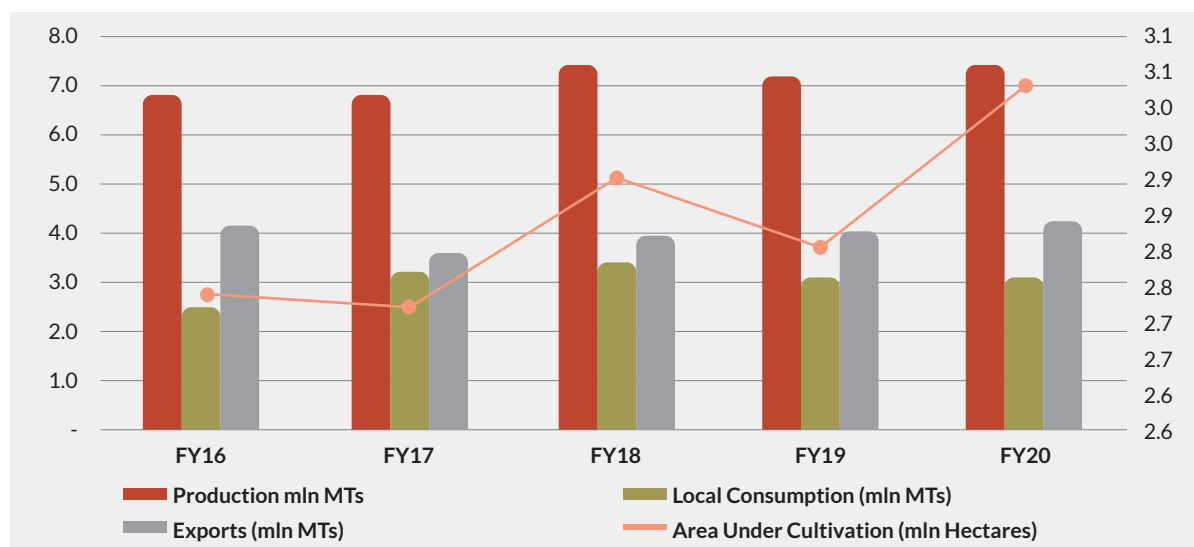


## 12.1 Pakistan's Rice Industry – An Overview

Pakistan is the world's 4th largest rice exporter contributing around 8.2 percent to global rice exports in 2020. Rice is the third largest cash crop of Pakistan after wheat and cotton, in terms of area<sup>61</sup>. Rice exports from Pakistan amounted to US\$ 2.1 billion in 2020, a decline from US\$ 2.3 billion in 2019. During the years 2017-18 and 2019-20, an increase in the area under the rice cultivation can be seen which has contributed to increased production, an increase of 2.9 percent despite the Covid-19 outbreak.

Figure 29 below shows Pakistan's rice production, consumption, exports and area under cultivation during the period of 2016-2020.

**Figure 29: Rice – Production, Consumption, Exports and Area Cultivated of Pakistan (2016-20)**



Source: Pakistan Economic Survey (PES); Pakistan Credit Rating Agency (PACRA)  
\*mIn MTs = Million metric-tons

Table 38 below shows top 10 global rice exporters. Pakistan's rice exports declined by 7.7 percent during the 2019-20 period due to worldwide lockdowns leading to reduced movements and trade.

**Table 38: Top 10 World Exporters of Rice (HS-1006)**

*All Values in US\$ Million*

Rice Exporters	Export 2019 (USD)	Export 2020 (USD)	Change in Exports 2019-2020 (%)	Share in Total Exports to the World (%)
World	24,092.04	25,524.08	5.94	-
India	6,800.67	7,980.03	17.34	31.26
Thailand	4,206.80	3,688.85	-12.31	14.45
Viet Nam	2,434.25	2,790.95	14.65	10.93
Pakistan	2,277.01	2,101.27	-7.72	8.23
USA	1,877.05	1,888.78	0.63	7.40
China	1,058.98	916.64	-	3.59
Myanmar	782.43	773.18	3.03	-1.18
Italy	619.02	715.23	2.80	15.54
Brazil	367.59	503.58	1.97	37.00
Cambodia	421.11	470.67	1.84	11.77

Source: ITC Trade Map

<sup>61</sup>Grain and Feed Annual by United States Department of Agriculture (USDP) Foreign Agriculture Service

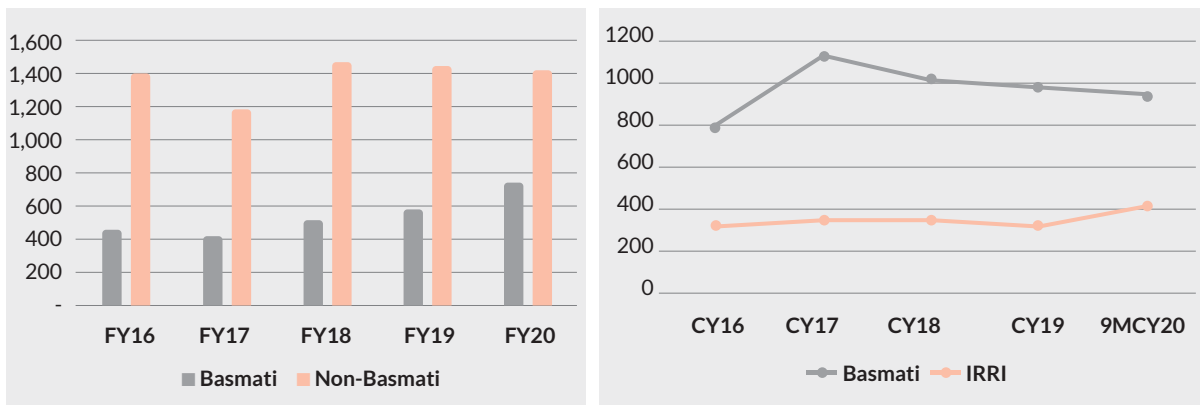
### Variants of Rice:

Pakistan's major rice variants that are produced for local consumption and exports are listed below:

- **Basmati (aromatic):** It is a unique long grain rice that is grown only in the subcontinent. It is grown in Pakistan, Nepal and India. Its characteristics include aroma, taste and fluffiness, varieties include Super Kernel Basmati etc.
- **Non-Basmati rice:** It comes in all shapes and sizes – long, short and round – with no aroma or special taste. This includes IRRI-6 and Sella rice (parboiled).

Figure 30 shows two graphs; on the left: Pakistan's exports of basmati and non-basmati rice to the world during the period 2016-2020 and, to the right: Average prices of Basmati and non-basmati (IRRI) rice during the same period. As shown, price of the basmati rice is higher than the price of non-basmati rice. However, Pakistan's exports of non-basmati rice are nearly twice those of basmati.

**Figure 30: Pakistan's Exports and Prices of Basmati and Non-basmati Rice**



Source: PARCA; USDA  
\*All Values in US\$ Million

Source: PARCA; USDA  
\*Values represent Average Price (US\$/million ton)

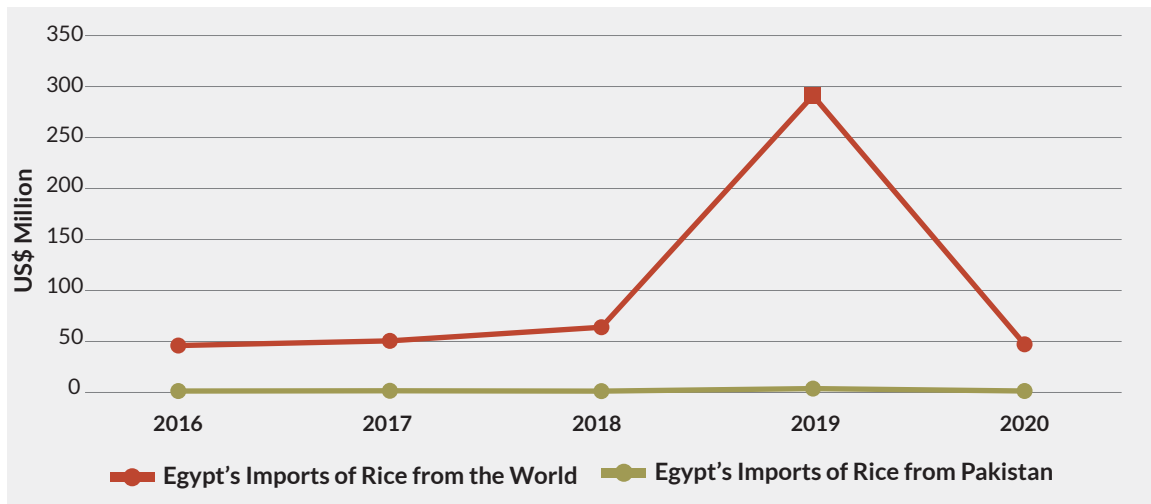
## 12.2 Egypt's Rice Market and Pakistan

In 2018, Egypt reduced the production of rice in order to adapt to the water shortages faced by the country. To produce one kilogram of rice, an average of 1,400 litres of water is used<sup>62</sup>. Egypt used to plant 445,000 hectares of rice annually, this has now been reduced to 248,100 hectares since 2018.

Figure 31 shows Egypt's imports of rice from the World and Pakistan during the period of 2016-2020. In 2019, Egypt's imports of rice from the World increased by 361.2 percent due to low production in the country.

<sup>62</sup><https://thearabweekly.com/adapting-water-shortages-egypt-reduces-rice-cultivation>

**Figure 31: Egypt's Imports of Rice from the World Against Egypt's Imports of Rice from Pakistan (HS-1006)**

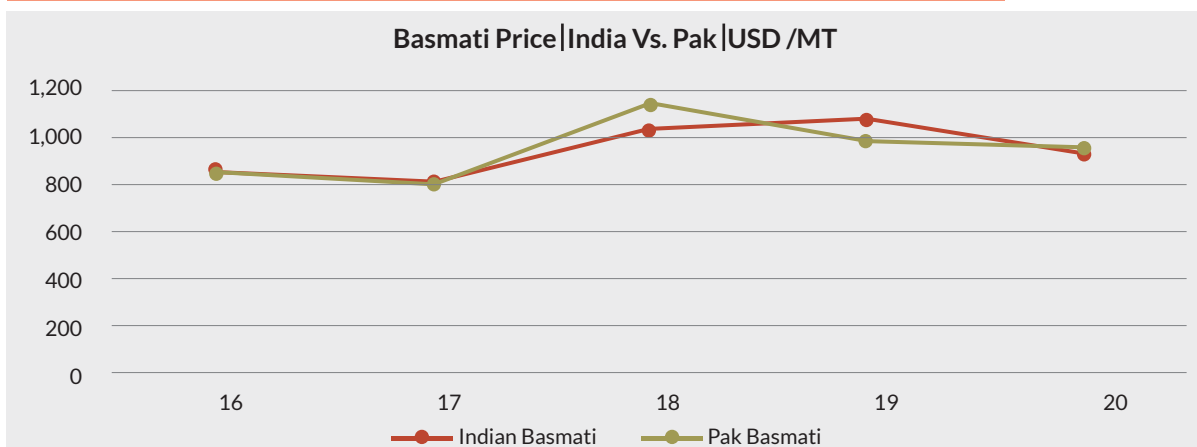


Source: ITC Trade Map

### 12.3 Competitors – Egypt's Main Import Sourcing Countries for Rice

India is the main competitor of Pakistan in the Egyptian market for rice. In 2020, Egypt imported 66 percent of its total rice from India whereas only 0.8 percent was imported from Pakistan. Figure 32 compares the prices of basmati rice offered by India and Pakistan. In 2018, basmati rice prices offered by Pakistan were higher than the prices offered by India. However, India's basmati rice price surpassed the price offered by Pakistan in 2019.

**Figure 32: Basmati Rice Price Comparison – India and Pakistan (2016-2020)**



Source: PARCA; Thai Rice Index

\*Values on vertical axis represents the average price (USD/MT) and on horizontal axis represents years.

### Key Findings:

- Pakistan has an export potential of US\$ 46.0 million in “*Semi-milled or wholly milled rice...*” (HS-100630) to Egypt. In addition, Pakistan has increased the area under rice cultivation by 29 percent which has in turn increased the production of rice in Pakistan by 54.0 percent during the period 2010-2020.
- New techniques introduced by rice growers and millers in Pakistan has improved the quality and quantity of rice variants. These techniques include alternate wetting and drying, direct seeding, mechanized system for rice amplification and an aerobic rice system<sup>63</sup>.
- In the past, Pakistan has sent its trade missions to the Middle Eastern and African countries to enhance trade. Pakistan should send its trade missions to Egypt as well to sell its rice.
- Egypt limited its rice production to adapt to the water shortages in the country in 2018. This resulted in increased imports to meet the domestic demand. Egypt’s rice imports from the South Asian countries amounts to just over \$100 million each year<sup>64</sup>.
- Freight charges have been increased by 400 percent by the International Shipping companies in 2021. Freight rate that was initially \$100/ton has been increased to \$300/ton which has resulted in a decline in exports of rice to 3.3 million ton in 11FY2021 from 3.9 million ton in 11FY2020<sup>65</sup>.
- Pakistani rice is branded by international grocery stores under their own name such as Tesco and White Pearl. Pakistan should brand its basmati and non-basmati rice variants in Egypt to increase exports. Some of the Pakistani rice brands include Falak, Habib, Amber, Ideal, Miraj etc.

<sup>63</sup>Economic outlook of rice crops in Pakistan: a time series analysis (1970–2015) by Abdul Rehman, Luan Jingdong, Abbas Ali Chandio, Muhammad Shabbir & Imran Hussain

<sup>64</sup><https://www.egypttoday.com/Article/1/107114/Egypt-to-plant-Basmati-Rice-to-reduce-importation>

<sup>65</sup><https://profit.pakistantoday.com.pk/2021/07/14/pakistan-rice-exports-hit-by-400pc-increase-in-freight-rate/>

## Chapter 13

# Liquefied Natural Gas – Egypt's Exports and Pakistan's Increasing demand



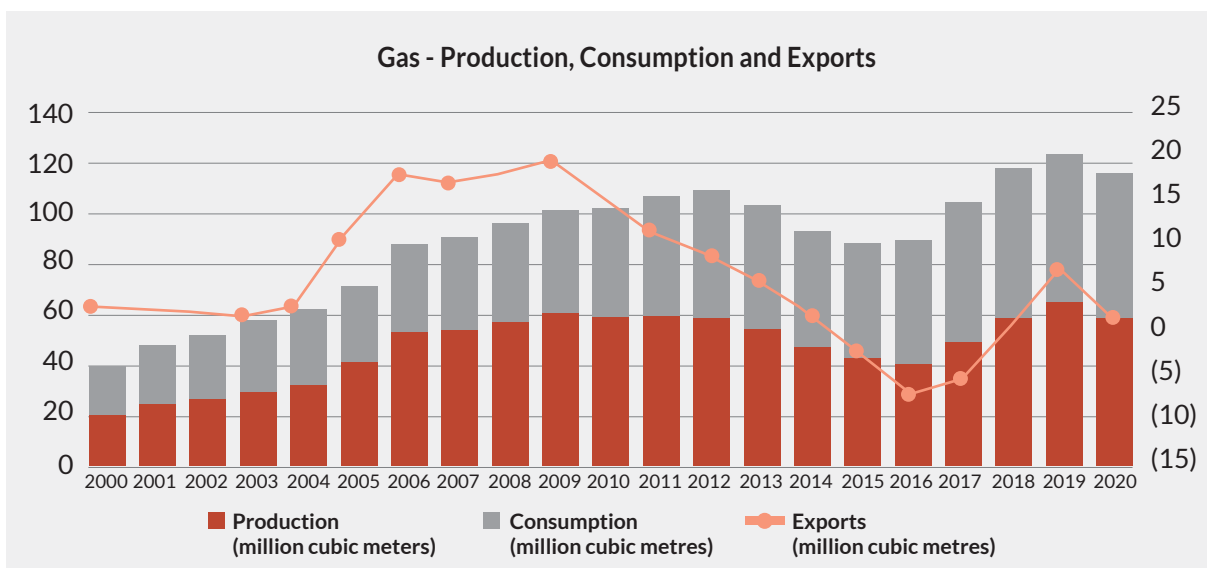
## 13.1 Egypt's Natural Gas industry – An Overview

Egypt is the third-largest dry natural gas<sup>66</sup> producer on the African Continent behind Algeria and Nigeria. The estimated natural gas reserves of Egypt amounted to 75.5 trillion cubic feet in 2020<sup>67</sup>, an increase from 59 trillion cubic feet in 2010. The reason for the increase in the estimated reserves was the discovery of new natural gas fields.

Figure 33 below shows the Natural Gas Production, Consumption and Exports of Egypt during the period 2000 – 2020. The exports of Egypt started to increase in 2004 and followed an increasing trajectory till 2006 after which it became stagnant for three years. In 2009, the exports of Liquefied Natural Gas (LNG) fell drastically and reached an all-time low in 2016. However, discoveries of new gas fields have led to an increase in exports of natural gas since 2016.

In 2020, Egypt exported US\$ 438 million worth of Liquefied Natural Gas (HS-271111) to the world.

**Figure 33: Natural Gas – Production, Consumption and Exports of Egypt (2000-20)**



Source: BP – Statistical Review of World Energy 2021

<sup>66</sup>Natural gas can either be dry or wet depending on the quantity of methane proportion in it. Dry natural gas contains 85 percent methane elements, whereas Wet natural gas has methane quantity lower than 85 percent as well as ethane, propane or butane elements.

<sup>67</sup>BP – Statistical Review of World Energy 2021

In 2020, top 3 export destinations of Egypt for LNG exports included Pakistan, Jordan and China as shown in table 39. Pakistan had the highest CAGR of 65 percent during the period 2018-2020.

**Table 39: Top 10 Export Destinations of Egypt for Liquefied Natural Gas Exports (HS-271111)**

All Values in US\$ Million

Rank	Import Partner	2018	2019	2020	Change (2019-2020) (%)	CAGR (2018-2020) (%)
-	World	501.44	1,263.18	438.27	-65.30	-4.39
1	Pakistan	17.43	140.41	78.32	-44.22	65.01
2	Jordan	82.2	365.5	71.03	-80.57	-4.75
3	China	61.42	69.61	64.43	-7.45	1.61
4	India	36.57	44.28	56.63	27.89	15.69
5	Taipei, Chinese	-	35.34	38.49	8.90	-
6	Japan	36.05	18.59	33.08	77.94	-2.83
7	United Kingdom	38.17	16.21	29.55	82.25	-8.17
8	Singapore	-	98.64	20.04	-79.68	-
9	Spain	36.08	-	20.04	-	-17.80
10	Turkey	52.4	80.68	16.1	-80.05	-32.52

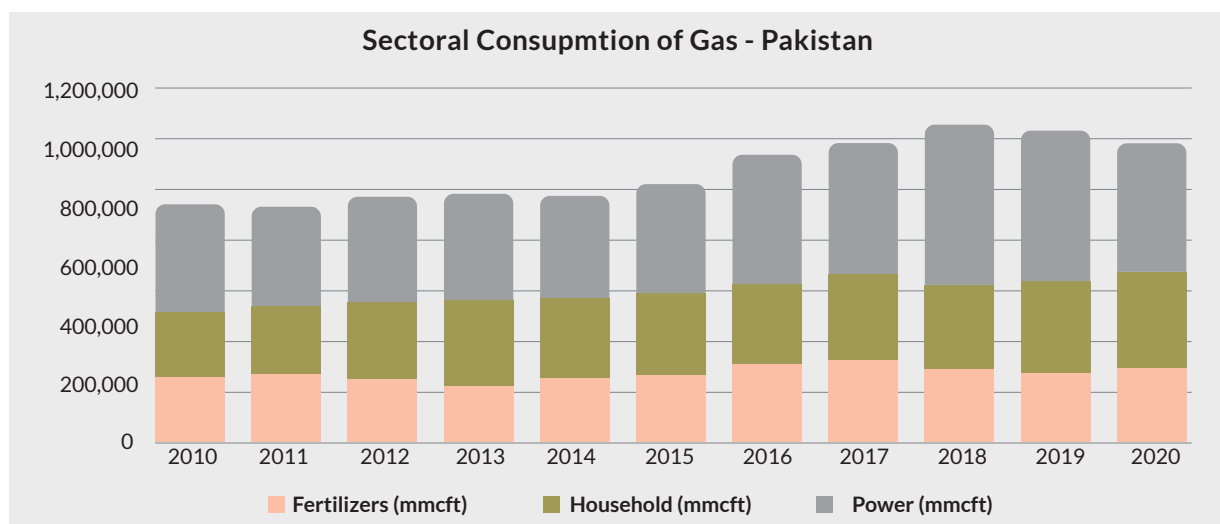
Source: ITC Trade Map

## 13.2 Pakistan's Natural Gas Consumption

Gas is being consumed in the power, domestic and fertilizer sectors in Pakistan. Figure 34 shows Sectoral consumption of Gas in Pakistan for the period 2010 - 2020. As an energy source, gas consumption has increased from 806 billion cubic feet in 2010 to 1,014 billion cubic feet in 2020, an increase of 26 percent. Share of gas in power generation has increased from 28.7 percent of total gas consumed (or 367 billion cubic feet) in 2010 to 33.2 percent (or 437 billion cubic feet) in 2020. Similarly, share of gas in households has increased from 17.2 percent of the total gas consumed (or 219 billion cubic feet) in 2010 to 24.7 percent (or 325 billion cubic feet) in 2020.

The largest consumer of natural gas was the power sector during the period 2010-2020, consuming approximately 437 billion cubic feet of gas in 2020.

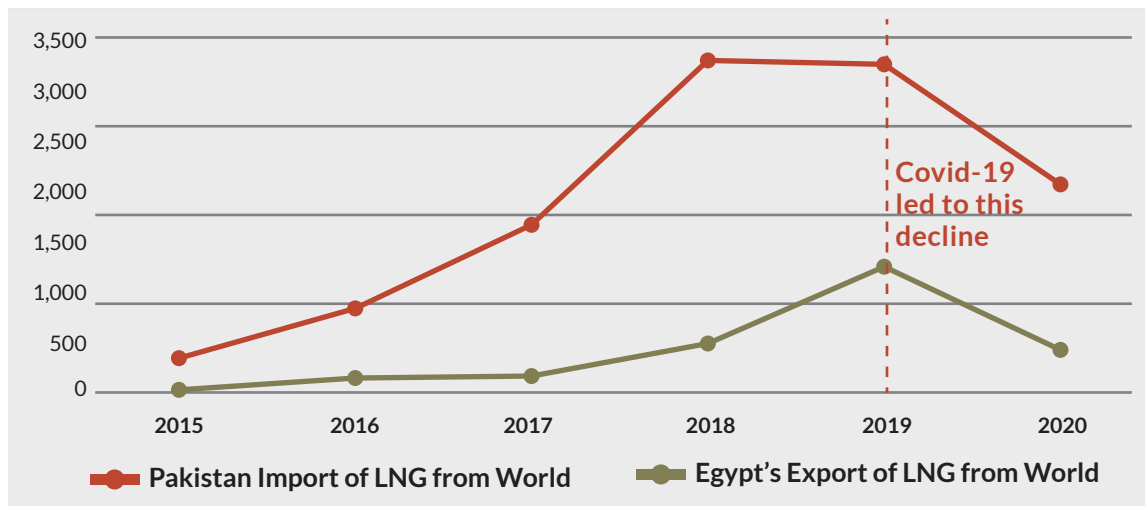
**Figure 34: Sectoral Consumption of Gas – Pakistan, FY2010 - FY2020**



Source: Pakistan Economic Survey 2020 – 21  
\*mmcft = Million Cubic Feet

Egypt's overall exports of LNG (HS-271111) to the world were US\$ 438 million in 2020 whereas Egypt's export of LNG to Pakistan amounted to US\$ 78 million, accounting for 18 percent of Egypt's total LNG exports. Figure 35 shows that Pakistan's imports of LNG from the World and Egypt's exports of LNG to the World have both shown an increasing trend in the period 2015-2020.

**Figure 35: Pakistan's Imports of LNG from the World against Egypt's Exports of LNG to the World (HS-271111)**



Source: ITC Trade Map

In 2020, Pakistan imported US\$ 2,079 million worth of LNG from the world. Pakistan started importing LNG from the Egypt in 2018<sup>68</sup>. A meeting was held between Pakistan's Petroleum division SAPM<sup>69</sup> and Egypt's ambassador to Pakistan in 2020 in which an interest was shown to strengthen the ties between both the countries through cooperation in the energy sector<sup>70</sup>.

### 13.2.1 Alternate Gas Import Sources of Pakistan

In 2020, Pakistan's top 3 LNG import sourcing countries included Qatar (US\$ 1,340.5 million), Oman (US\$ 221.8 million) and Iran (US\$ 167.2 million). Table 40 compares Pakistan's LNG imports from the top 3 sources as well as Egypt. In 2020, share of Egypt's LNG exports to Pakistan was 18 percent of the total LNG exported by Egypt to the world.

However, the average prices per unit offered by Qatar (US\$ 308/ton), Oman (US\$ 389/ton) and Iran (US\$ 431/ton) were higher than the average price per unit offered by Egypt (US\$ 269/ton).

**Table 40: Comparison of Alternate Gas Suppliers of Pakistan**

All Values in US\$ Million

Rank	Competitors	Total exports to Pakistan 2020 (USD)	Total Exports to the world 2020 (USD)	Share (%)	Price Per Unit (USD/tonn)
1	Qatar*	1,340.47	20,452.88	6.55	308
2	Oman*	221.77	3,677.16	6.03	389
3	Iran	167.23	-	-	431
-	Egypt	78.32	438.27	17.87	269

Source: ITC Trade Map  
\*Mirror Data used

<sup>68</sup>The reason as to why Pakistan did not import LNG from Egypt before 2018 was the Egyptian Crisis (2011-2014) which led to economic downturn in Egypt. Egypt became a net importer in 2015. However, Egypt resumed its LNG exports to the world in 2018.

<sup>69</sup>Special Assistant to Prime Minister

<sup>70</sup><https://tribune.com.pk/story/2261396/egypt-willing-to-engage-in-g2g-cooperation>

### 13.2.2 Actual and Forecasted Gas Demand in Pakistan

Table 41 shows the forecast for Pakistan's total supply and demand of Natural gas till 2028. Pakistan's local production of natural gas continues to decrease owing to the absence of new discoveries. The effect of this decrease can be seen in the continuous decline in Pakistan's total gas supply whereas the demand keeps increasing. As domestic natural gas supply continues to decrease, Pakistan's domestic gas supply gap continues to increase<sup>71</sup>.

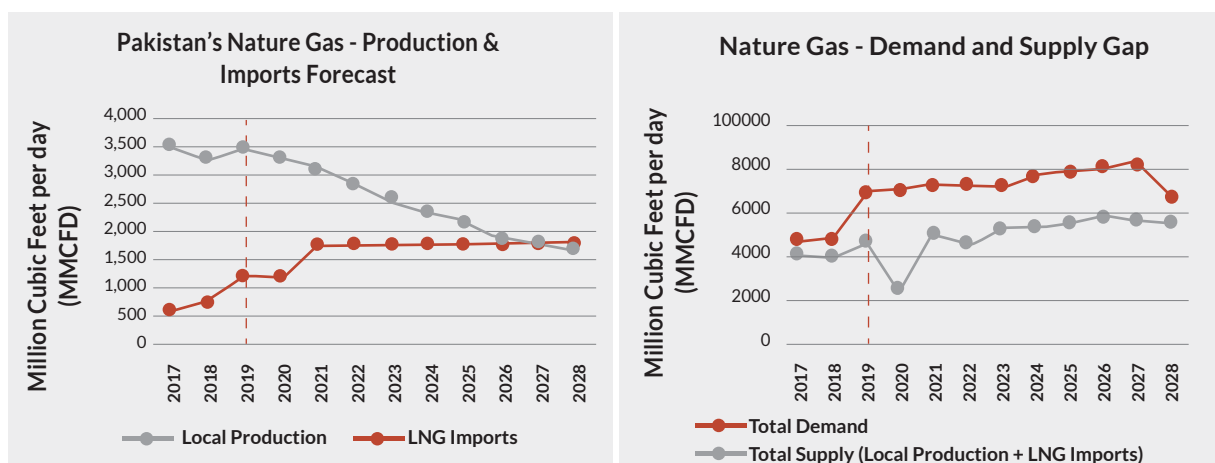
**Table 41: Actual & Forecasted Liquefied Natural Gas (LNG) Consumption of Pakistan (HS-271111)**

	Year	Local Production (MMCFD)*	LNG Imports (MMCFD)	Total Supply (Local Production + LNG Imports) (MMCFD)	Total Demand (MMCFD)
Actual	2017	3,534	600	4,134	4,537
	2018	3,321	754	4,075	4,768
	2019	3,509	1,200	4,709	6,917
	2020	3,343	1,200	4,543	7,063
CAGR (2017-2020) %		-1.38	18.92	2.39	11.7
Forecast	2021	3,133	1,800	4,933	7,212
	2022	2,860	1,800	4,660	7,365
	2023	2,592	1,800	4,392	7,244
	2024	2,353	1,800	4,153	7,680
	2025	2,145	1,800	3,945	7,850
	2026	1,897	1,800	3,697	8,027
	2027	1,777	1,800	3,577	8,209
	2028	1,677	1,800	3,477	6,726

Source: Development Plan for Pakistan – Oil & Gas Industry 2020; OGRA; ISGS  
MMCFD = Million Cubic Feet per Day

Figure 36 shows the forecasts for Pakistan's local production of natural gas and imports of LNG along with the demand and supply gap. As shown, Pakistan's natural gas demand continues to rise at an increasing rate whereas total supply is showing a decreasing trend after 2026.

**Figure 36: Pakistan's Natural Gas – Production-Imports & Demand-Supply Forecasts**



Source: Development Plan for Pakistan – Oil & Gas Industry 2020; OGRA; ISGS

<sup>71</sup>Development plan for Pakistan – Oil and Gas Industry 2020

### Key Findings:

- Pakistan's overall supply of gas has been increasing with a CAGR of 2.4 percent whereas the demand has an annual growth rate of 11.7 percent. This has resulted in a shortfall of 4 billion cubic feet per day of natural gas. During the period of 2016-2020, Pakistan's LNG imports from the world increased at a growth rate of 19.6 percent. This implies that Pakistan will increase its imports of LNG in the future to meet demand.
- Due to the tight demand and supply fundamentals, LNG import prices in Asia are expected to be high during the winter season<sup>72</sup>. Currently, Pakistan meets its natural gas shortfall by importing LNG from Qatar, Oman and Iran.
- The Average prices offered by Qatar (US\$308/ton), Oman (US\$389/ton) and Iran (US\$ 431/ton) for LNG exports to Pakistan are comparatively higher than the average price offered by Egypt (US\$ 269/ton). In 2020, Pakistan imported 6.9 billion tons of Liquefied Natural Gas (HS-271111) which cost Pakistan around US\$ 2.1 billion.
- Pakistan should devise a framework to ensure a robust natural gas import diversification strategy to avoid over-dependence on one or two suppliers. In this regard, Pakistan could look to increase its imports of LNG from Egypt.
- Natural gas is considered to be the cleanest fuel which generates 30 percent less carbon-dioxide than fuel oil and 45 percent less than coal<sup>73</sup>. The government of Pakistan launched the "Eco-system Restoration Initiative" (ESRI) to facilitate the transition towards the reduction of Greenhouse gas emissions.

<sup>72</sup><https://www.spglobal.com/platts/en/market-insights/latest-news/lng/082621-asian-gas-importers-brace-for-steep-winter-lng-prices>

<sup>73</sup>LNG: An Energy of the Future  
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## Appendix

**Table 42: Top Exports Destination for Egypt's Products**
*All Values in US\$ Million*

Importer	2016	2017	2018	2019	2020	Share (%) of Exports (2020)	CAGR 2016-2020 (%)
World	22,973.37	26,434.04	29,483.04	30,632.55	26,815.15	-	3.14
United Arab Emirate (UAE)	2,878.68	2,758.96	2,012.07	2,069.45	2,863.63	10.68	-0.10
Saudi Arabia	1,794.30	1,572.72	1,442.30	1,702.15	1,703.79	6.35	-1.03
Turkey	1,434.55	1,932.88	2,016.22	1,743.46	1,671.56	6.23	3.11
United States of America (USA)	1,145.52	1,375.72	1,734.11	2,216.69	1,472.36	5.49	5.15
Italy	1,494.63	2,209.53	2,062.25	1,694.18	1,396.00	5.21	-1.36
India	643.62	899.12	1,152.54	1,497.84	1,224.30	4.57	13.72
Spain	679.65	813.87	1,290.65	1,057.64	764.06	2.85	2.37
UK	1,055.84	1,099.75	1,347.95	1,551.77	763.69	2.85	-6.27
Canada	55.01	100.09	80.17	758.38	704.39	2.63	66.52
Greece	139.97	286.87	409.20	716.77	682.04	2.54	37.26

Source: ITC Trade Map

**Table 43: Top Import Sourcing markets for Egypt**
*All Values in US\$ Million*

Exporters	2016	2017	2018	2019	2020	Share (%) of Imports (2020)	CAGR 2016-2020 (%)
World	70,649.46	66,763.87	82,444.51	78,657.52	60,279.55	-	-3.12
China	8,994.90	8,112.42	11,665.37	12,040.87	9,051.94	15.02	0.13
United States of America (USA)	3,803.00	3,907.56	5,526.00	5,216.35	4,026.30	6.68	1.15
Saudi Arabia	2,947.33	4,149.69	5,700.49	5,214.09	3,817.86	6.33	5.31
Germany	6,056.65	4,530.96	4,208.05	4,338.86	3,486.02	5.78	-10.46
Turkey	3,314.92	2,096.09	3,335.21	3,675.59	2,957.18	4.91	-2.26
Italy	3,323.55	4,380.34	3,762.54	3,299.55	2,606.50	4.32	-4.74
Russia	2,905.23	3,631.41	5,030.19	3,621.18	2,522.14	4.18	-2.79
India	2,187.18	2,342.42	2,334.41	2,957.04	2,284.18	3.79	0.87
Kuwait	1,411.73	1,398.53	2,317.80	2,156.03	1,988.84	3.30	7.10
Brazil	2,128.06	2,710.99	3,184.28	2,793.52	1,931.15	3.20	-1.92

Source: ITC Trade Map

**Table 44: India's Overseas Investments in Africa (US\$ Million):**

All Values in US\$ Million

S.No.	Country	April 1996 to March 2010	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	April 1996 to March 2019
1	Mauritius	9,081.4	13,106.9	7,421.1	4,438.9	4,581.9	4,580.8	3,670	5,392.7	1,387.1	3,086.8	56,748
2	Mozambique	18.2	3	1	0.6	2,643.1	7.7	1.7	8	37.3	40.2	2,760.8
3	Sudan	1,224.8	13.9	-	-	-	-	-	-	-	-	1,238.8
4	Egypt	821.8	24	11.8	76.6	29.2	17.6	8.3	1	13.8	22	1,026.1
5	South Africa	197.5	41.8	12.2	137.5	19.1	29.5	60.6	32.5	64.9	54.8	650.4
6	Libya	163.2	56	-	0.8	27.2	7.4	0.1	0.5	0.6	5.2	261
7	Kenya	150.4	0.7	1.8	8.7	1.8	6.1	3.8	7.8	28.1	20.7	229.9
8	Tunisia	5.2	-	-	4.7	103.6	-	82.2	0.1	2.5	-	198.2
9	Liberia	191	-	0.4	0.4	0.3	0.2	-	-	-	-	192.3
10	Zambia	3.1	0.9	2.6	4.5	12.0	41.7	79.7	10.8	10.2	2.6	168.3
	<b>Africa Total</b>	<b>12,216</b>	<b>13,346.7</b>	<b>7,510</b>	<b>4,717.5</b>	<b>7,492.5</b>	<b>4,790.2</b>	<b>3,970.5</b>	<b>5,520.9</b>	<b>1,651.6</b>	<b>3,335.5</b>	<b>64,551</b>
	<b>Total</b>	<b>89,480</b>	<b>43,929</b>	<b>30,862.9</b>	<b>26,872.4</b>	<b>36,900.5</b>	<b>30,919.5</b>	<b>22,016.5</b>	<b>24,863</b>	<b>18,654.9</b>	<b>21,322.6</b>	<b>345,821</b>
	<b>Share of Africa</b>	<b>13.70%</b>	<b>30.40%</b>	<b>24.30%</b>	<b>17.60%</b>	<b>20.30%</b>	<b>15.50%</b>	<b>18.00%</b>	<b>22.20%</b>	<b>8.90%</b>	<b>15.60%</b>	<b>18.67%</b>

Source: Ministry of Finance, Government of India and Reserve bank of India; Exim Bank Analysis; AfCFTA: Opportunities for India in Africa's Economic Integration

**Table 45: Pakistan's Major Gas Pipeline Projects**

Project Name	Capacity	Status
Turkmenistan Afghanistan Pakistan India (TAPI) pipeline	1.3 BCFD* (Pakistan's Share)	Target completion by 2024
North - South Pipeline	1.2 BCFD	Target completion by 2023
Off-shore Gas Pipeline (OSGP)	0.5 - 1 BCFD	Preparation of Feasibility plan in progress

Source: Development Plan for Pakistan - Oil and Gas Industry 2020; Interstate Gas Systems (ISGS)

\* Billion Cubic Feet per Day



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