

Egypt: Intra-Africa trade and tariff profile 2020



Regional Economic Communities

Egypt is a member of the Common Market for Eastern and Southern Africa (COMESA), the Community of Sahel-Saharan States (CEN-SAD), Pan-Arab Free Trade Area (PAFTA) and the Arab-Mediterranean Free Trade Area (AGADIR). The African Continental Free Trade Agreement (AfCFTA) entered into force on 30 May 2019. Egypt has ratified the AfCFTA and submitted the schedule of tariff concessions.

CEN-SAD

There is no trade agreement in place



CEN-SAD currently has 24 member states aspiring to establish an Economic Union for the free movement of goods, services and commodities. There is currently no free trade agreement in place.

AGIDIR & PAFTA



AGADIR provides for trade liberalisation among Egypt, Morocco, Tunisia and Jordan.

PAFTA is an FTA between 18 Arab countries.

COMESA

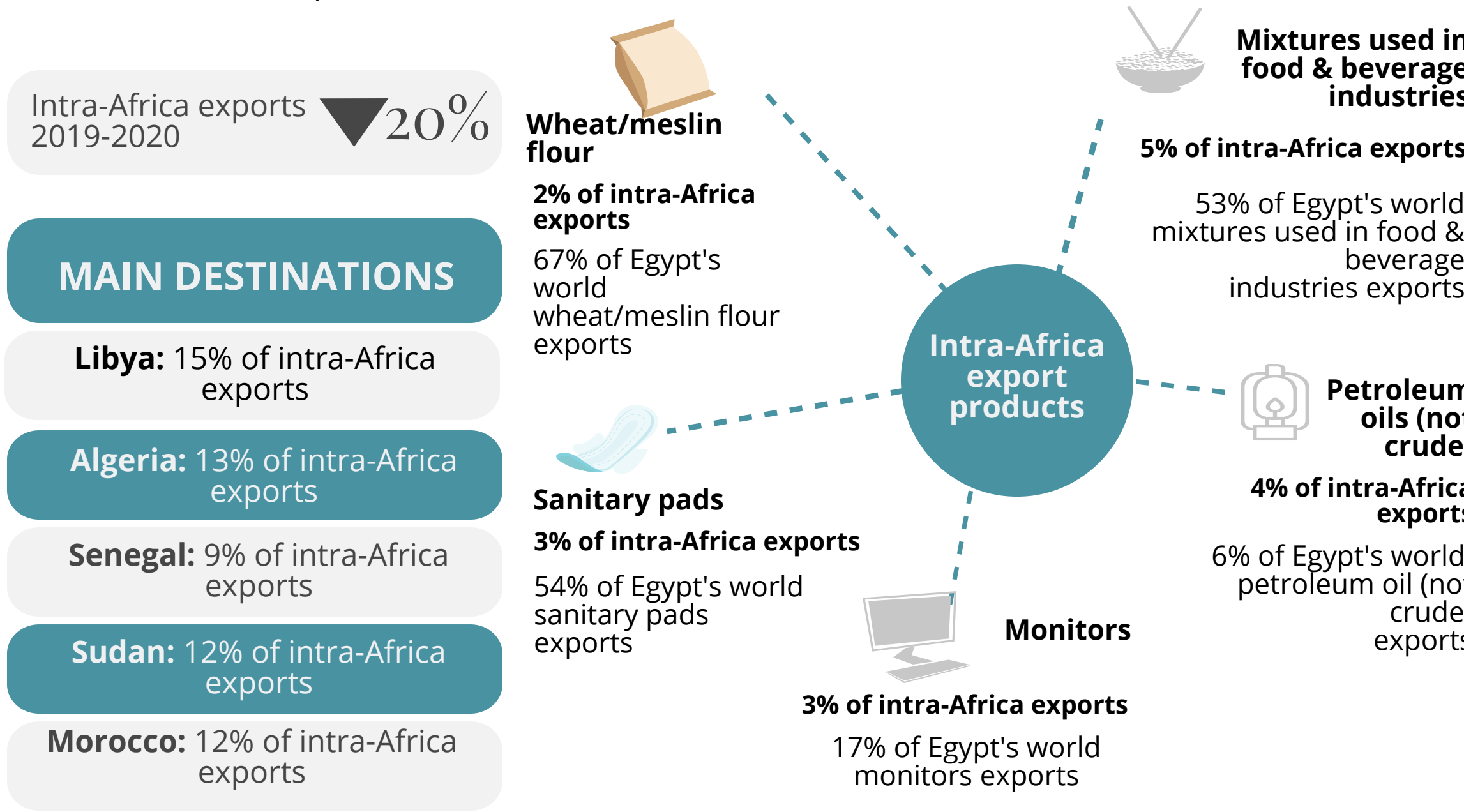
Members of the COMESA FTA:



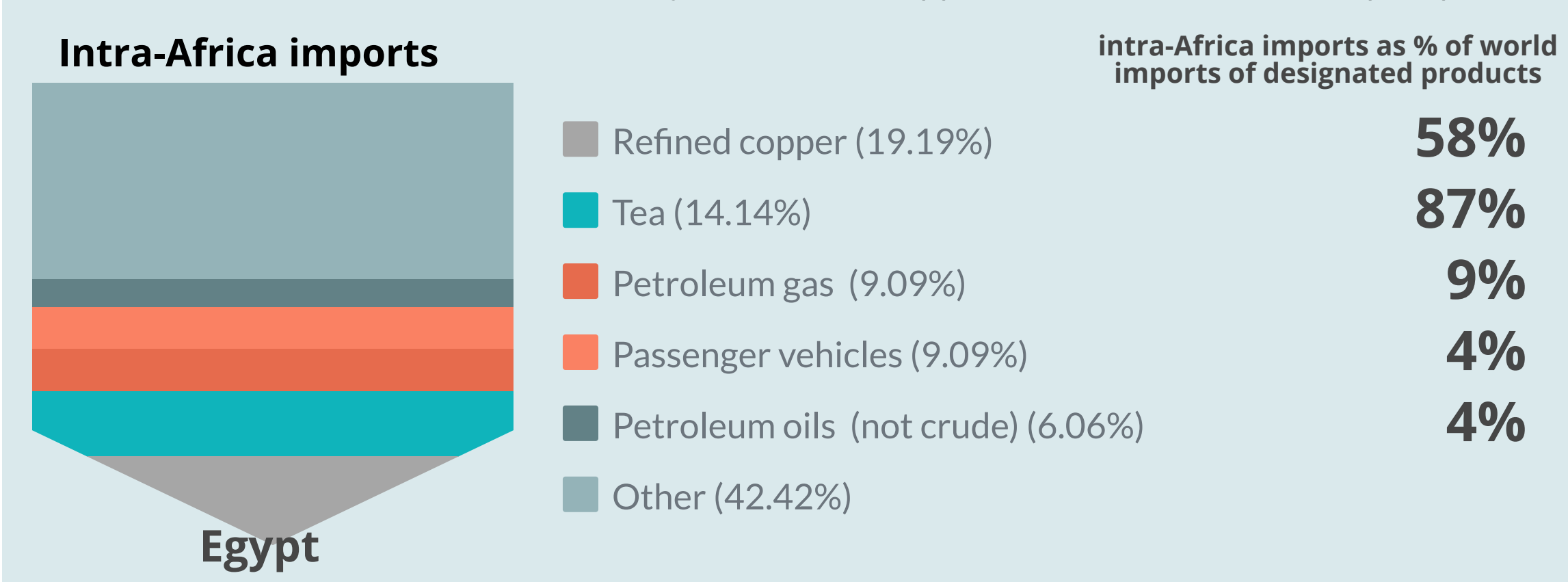
COMESA has 21 member states, 17 of which are part of the COMESA Free Trade Area. DRC, Eritrea, Ethiopia and Somalia are in the process of accession.

Intra-Africa exports

For 2020, 14% of Egypt's world exports were to the rest of Africa. Except for South Africa, Egypt's main African destination markets are fellow members of CEN-SAD, AGIDIR, PAFTA and COMESA. The value of 2020 intra-Africa exports is US\$3.8 billion.



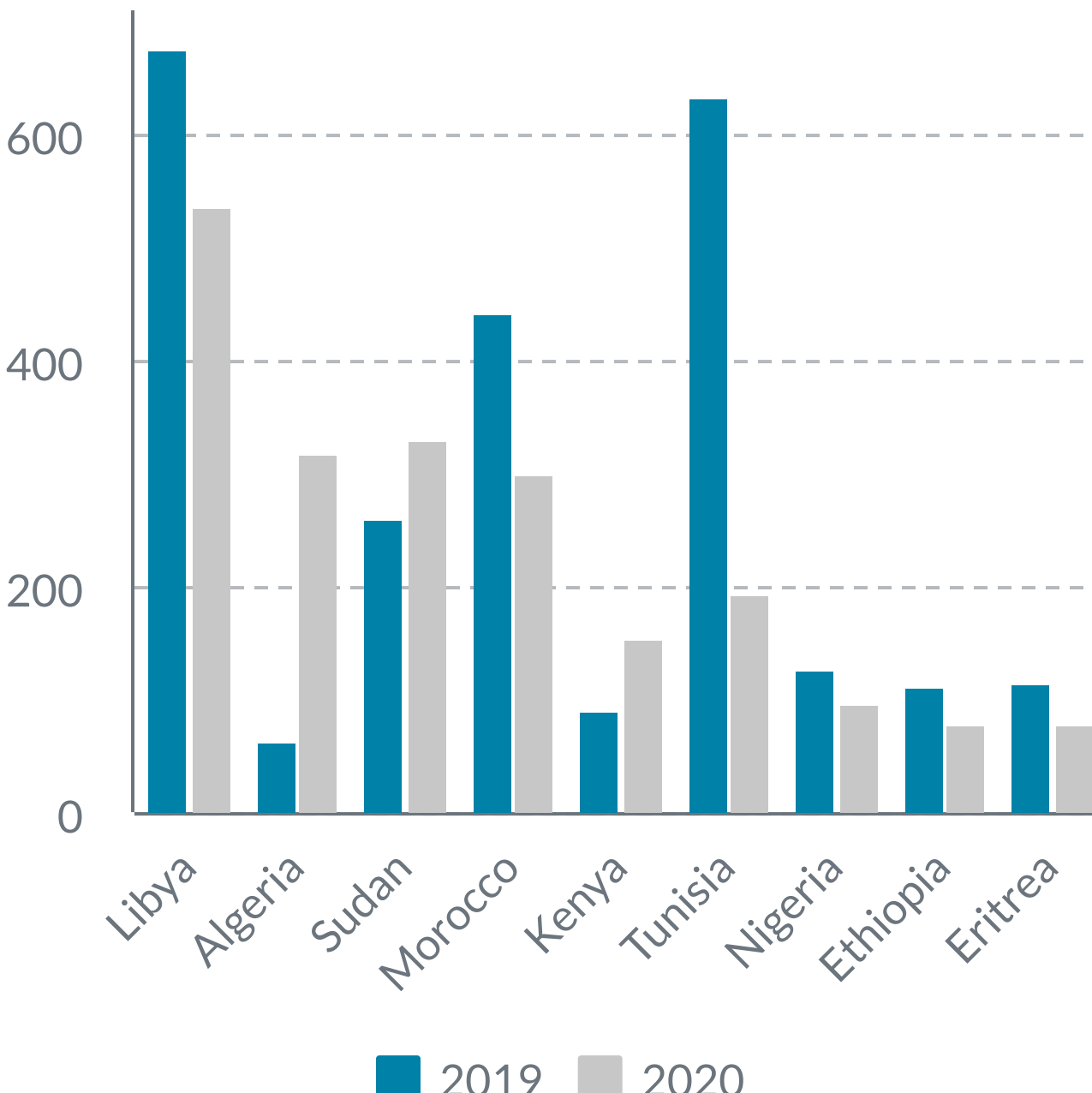
Intra-Africa imports
For 2020, 2% of Egypt's world imports were intra-Africa imports. Egypt's intra-Africa imports are mainly from Kenya, Algeria, Zambia, Morocco and Sudan. Between 2019 and 2020, intra-Africa imports declined by 2%. Refined copper and tea are the main import products.



% change in exports and imports (2019 to 2020)

Algeria	Exports: 12% decline Imports: 66% decline
Sudan	Exports: 1% increase Imports: 30% decline
Libya	Exports: 31% decline Imports: 77% decline
Morocco	Exports: 24% decline Imports: 1% increase
Kenya	Exports: 1% increase Imports: 24% decline
Tunisia	Exports: 65% decline Imports: 37% decline

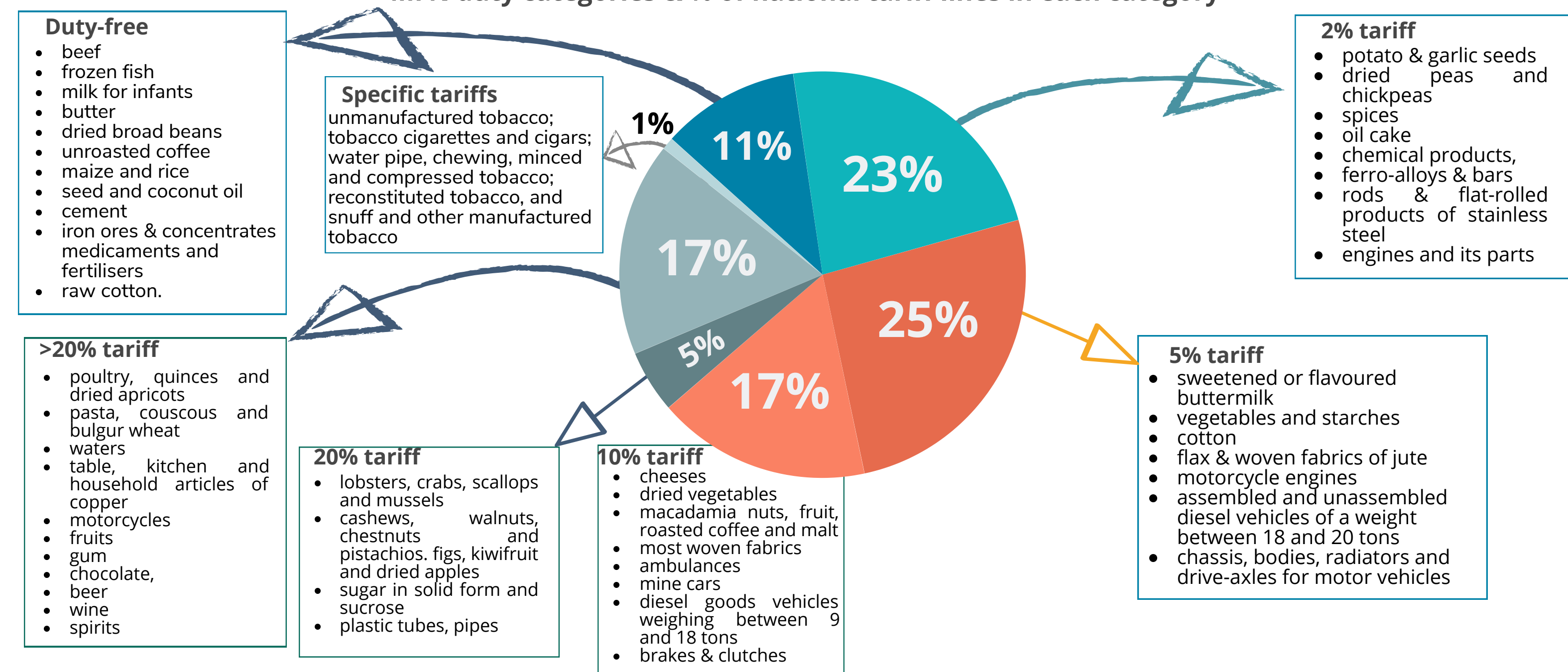
Trade balance with designated countries (US\$m)



Intra-Africa tariffs

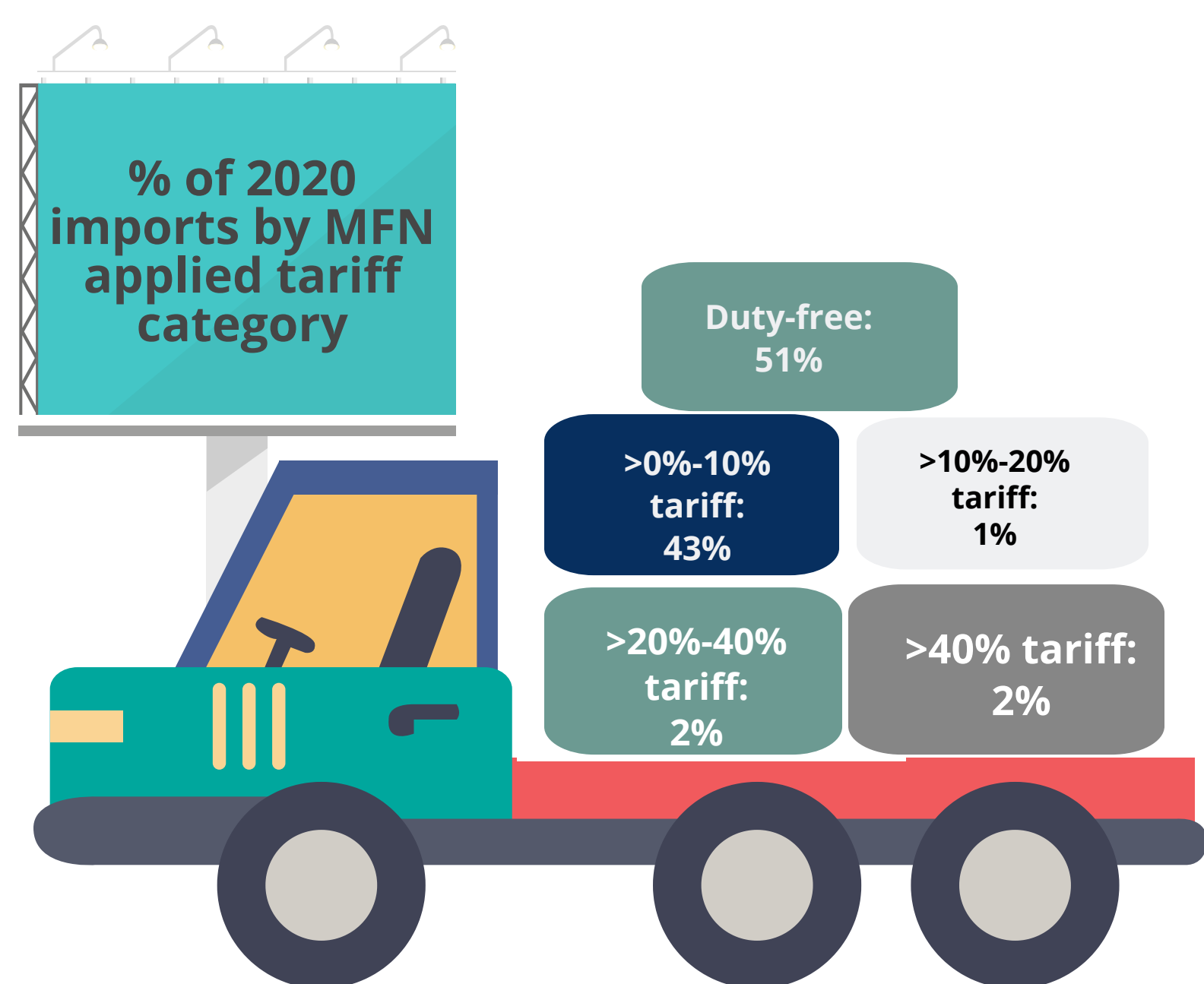
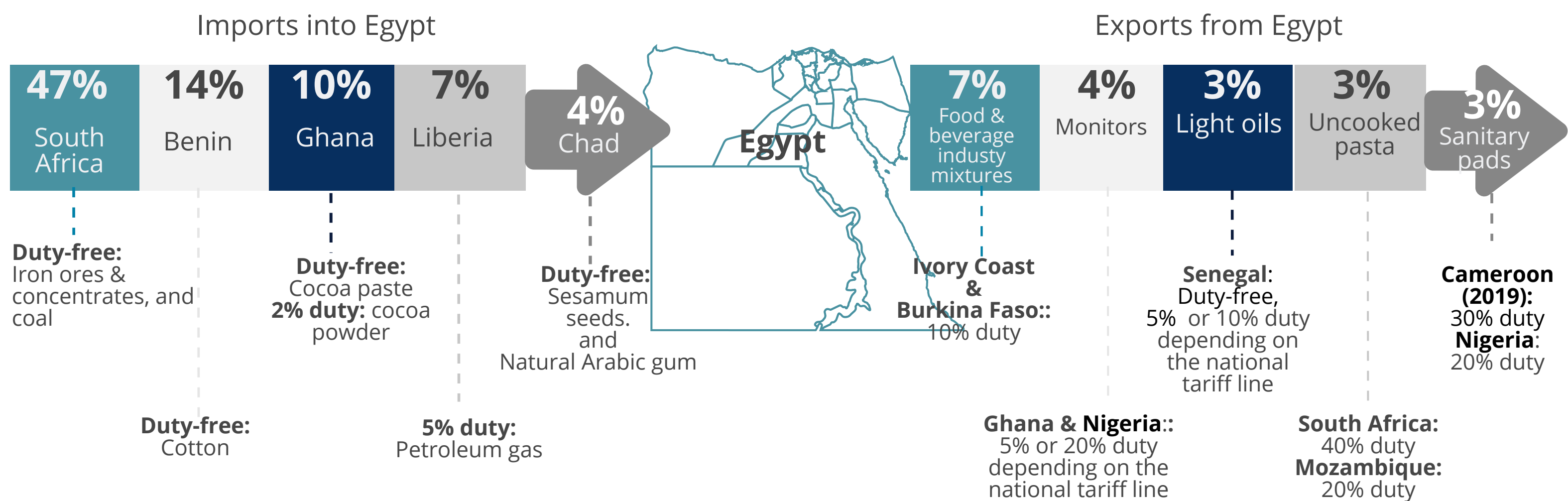
Most of the product imported into Egypt from AGADIR, PAFTA and COMESA FTA member states enter the Egyptian market duty-free. Under COMESA, Egypt applies preferential tariffs for imports from Uganda, Eritrea and Ethiopia. Imports from all other African countries are levied Egypt's MFN applied tariffs.

MFN duty categories & % of national tariff lines in each category



Trade with African countries outside COMESA, AGIDIR & PAFTA

Only 2% of world and 17% of intra-Africa exports are to African countries not members of COMESA, AGIDIR & PAFTA. In terms of imports, 0.2% of world and 10% of intra-Africa imports are sourced from countries outside COMESA, AGIDIR & PAFTA. Main imports are cotton, petroleum gas and cocoa paste.



All of Egypt's world imports of unwrought hafnium, nile perch, veneering sheets, frozen lamb carcasses, bamboo charcoal and vanilla are sourced from African countries not members of COMESA, AGIDIR & PAFTA.

Of the top 20 import products, the highest tariffs (5% duty) apply to imports of petroleum gas, copper or copper alloys tubes and pipes, iron/steek articles n.e.s, residual lyes from the manufacture of wood pulp, and sorting machines. A 2% duty is levied on imports of ginger, flat-rolled products of stainless steel, of a width of ≥ 600 mm, and cocoa powder.

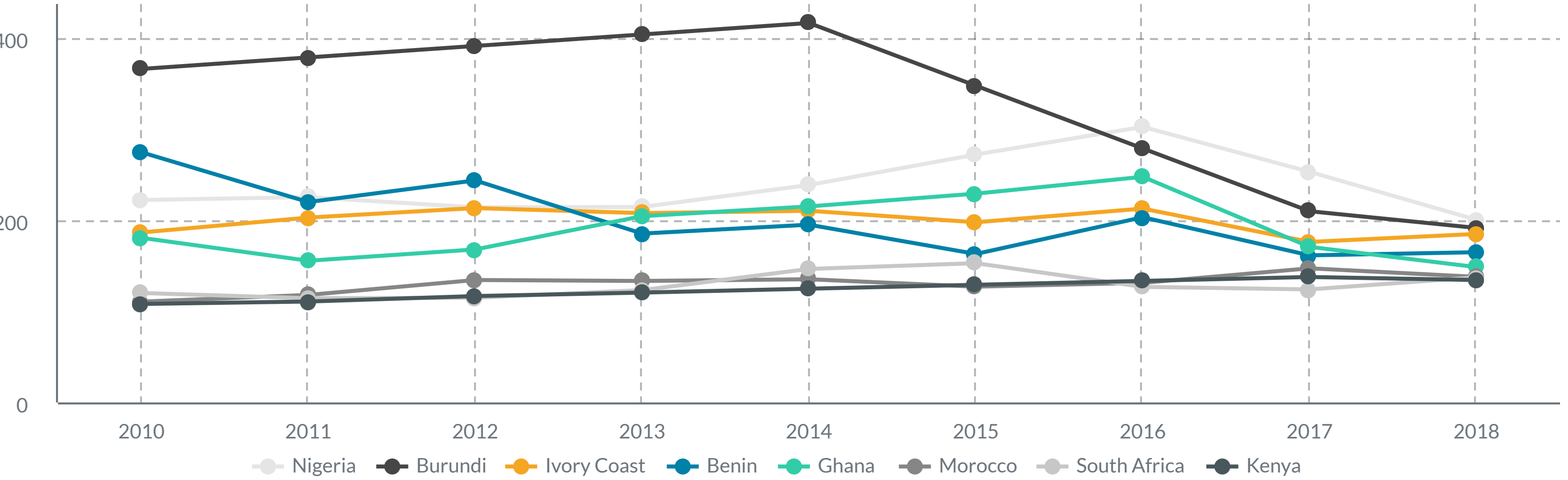
The following products are duty-free:


- cotton
- cocoa paste
- agglomerated iron ores and concentrates
- sesamum seeds
- bituminous coal
- greasy shorn wool
- frozen or chilled boneless beef animals or meat
- medicaments
- tropical wood

Non-tariff trade costs


The ESCAP-World Bank trade cost database includes the cost of transportation and the time to complete import procedures and obtain necessary information as non-tariff costs affecting bilateral trade between trade partners. Egypt's trade with some African countries (including Botswana, Eswatini, Comoros, Zimbabwe, Mauritius, Namibia, Burkina Faso, Senegal, Burkina Faso, Nigeria, Burundi, Ivory Coast, Benin, DRC, Ghana, Morocco, South Africa, Kenya) is more costly than trade with China, Germany, Brazil, France, United Kingdom, France, Brazil, Russia and UAE.

Cost of bilateral trade between Egypt and designated countries; 2010-2018






Most costly export to Cameroon via road transportation is ammonium chloride (US\$1.22 per unit).




Babies' cotton clothes:

- Tunisia US\$0.21 per unit
- Algeria (US\$0.20 per unit)
- Uganda (US\$0.67 per unit)




Fresh apples:

- Mali (US\$0.34 per unit)
- Ivory Coast (US\$0.44 per unit)
- Ghana (US\$0.34 per unit)




Per unit cost of transporting broken rice

- Ghana (US\$2.51)
- Zimbabwe (US\$1.35)

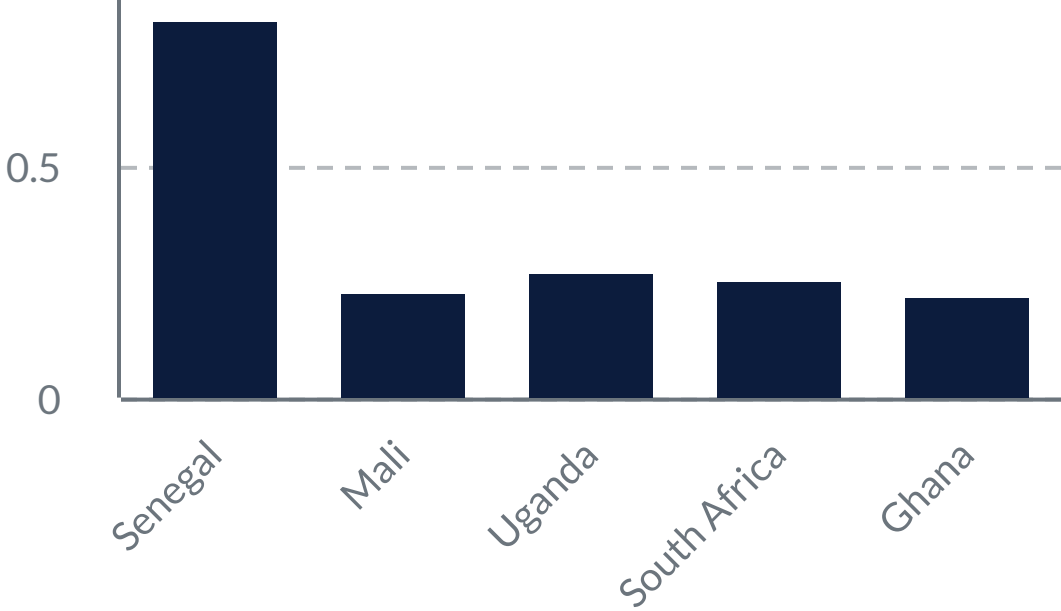


The most costly products to export to Tunisia: medium oils, anthracite, cotton t-shirts and shirts, detergents, soap and female trousers.

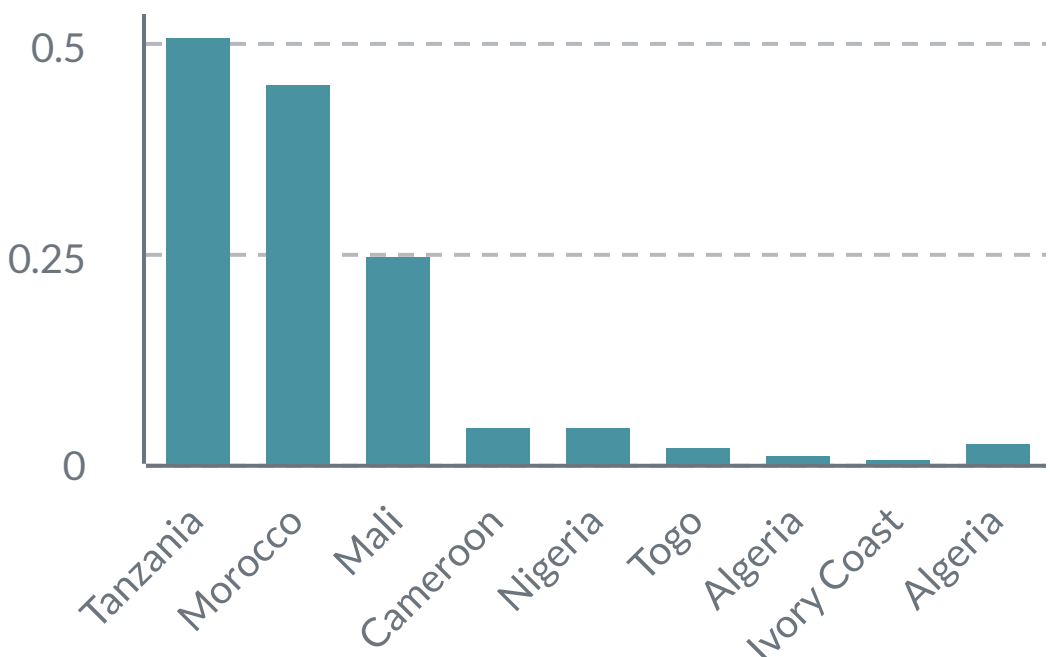


The per unit cost of transporting chalk (US\$1.61) to Ivory Coast, is higher than the cost of transporting the same to Nigeria (US\$0.08).

US\$ per unit road transport cost for apple juice



US\$ per unit road transport cost calcium carbonate



Transportation costs

The UNCTAD transport cost database measures the cost of bilateral transport by product. Transport cost is defined as the difference between the Cost, Insurance and Freight value and Free on Board value of goods. Transport cost across all modes of transport (road, rail, air, and sea) is included. The initial data is for 2016, but is in the process of being updated.

On average, road transportation of wooden clothes hangers is the most costly. Road transport to Senegal is the highest due to the high cost of wooden clothes hangers.

Trade in services

The WTO-OECD Balanced Trade in Services Dataset (BaTiS) is an experimental dataset which contains a complete, consistent and balanced matrix of international trade in services. Statistics cover the period 2005-2019, for over 200 reporters and partners, and 12 EBOPS 2010 categories in addition to total services.

Transport

Kenya: US\$67 million
Nigeria: US\$59 million
Angola: US\$54 million
Morocco: US\$46 million
Congo: US\$44 million

Commercial services

Nigeria: US\$244 million
Libya: US\$142 million
Morocco: US\$122 million
Angola: US\$118 million
South Africa: US\$110 million

Travel

Nigeria: US\$143 million
Libya: US\$107 million
Morocco: US\$64 million
South Africa: US\$55 million
Sudan: US\$47 million
Angola: US\$46 million

Other services

Ghana: US\$68 million
Nigeria: US\$46 million
Morocco: US\$20 million
Angola: US\$18 million
Kenya: US\$18 million
Libya: US\$15 million

Services exports 2019

Services imports 2019

TRANSPORT

Kenya: US\$34 million
Morocco: US\$25 million
Tunisia: US\$24 million

COMMERCIAL SERVICES

Morocco: US\$72 million
Tunisia: US\$52 million
Kenya: US\$49 million

OTHER BUSINESS SERVICES

Morocco: US\$30 million
South Africa: US\$18 million
Eritrea: US\$11 million

OTHER SERVICES

Kenya: US\$30 million
Morocco: US\$23 million
South Africa: US\$14 million

Sources: ITC TradeMap and MacMap for trade in goods and tariffs (2019); World Bank for non-tariff trade costs; UNCTAD for transportation costs; and WTO for trade in services

