

# EGYPT TRADE & TARIFF UPDATE (2021)

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)

Of these, only CONESA and CEN-SAD are recognised RECs

CEN-SAD has no FTA and COMESA has an FTA and aims to establish a customs union

Egypt has ratified the AfCFTA and has not yet submitted its revised tariff offer, but may well do so in the near future

## Intra-Africa total trade (imports & exports) 2021

5%

Egypt's intra-Africa trade as share of its Global trade

US\$6 bn

Egypt's intra-Africa trade in 2021

Egypt enjoys a trade surplus with Africa

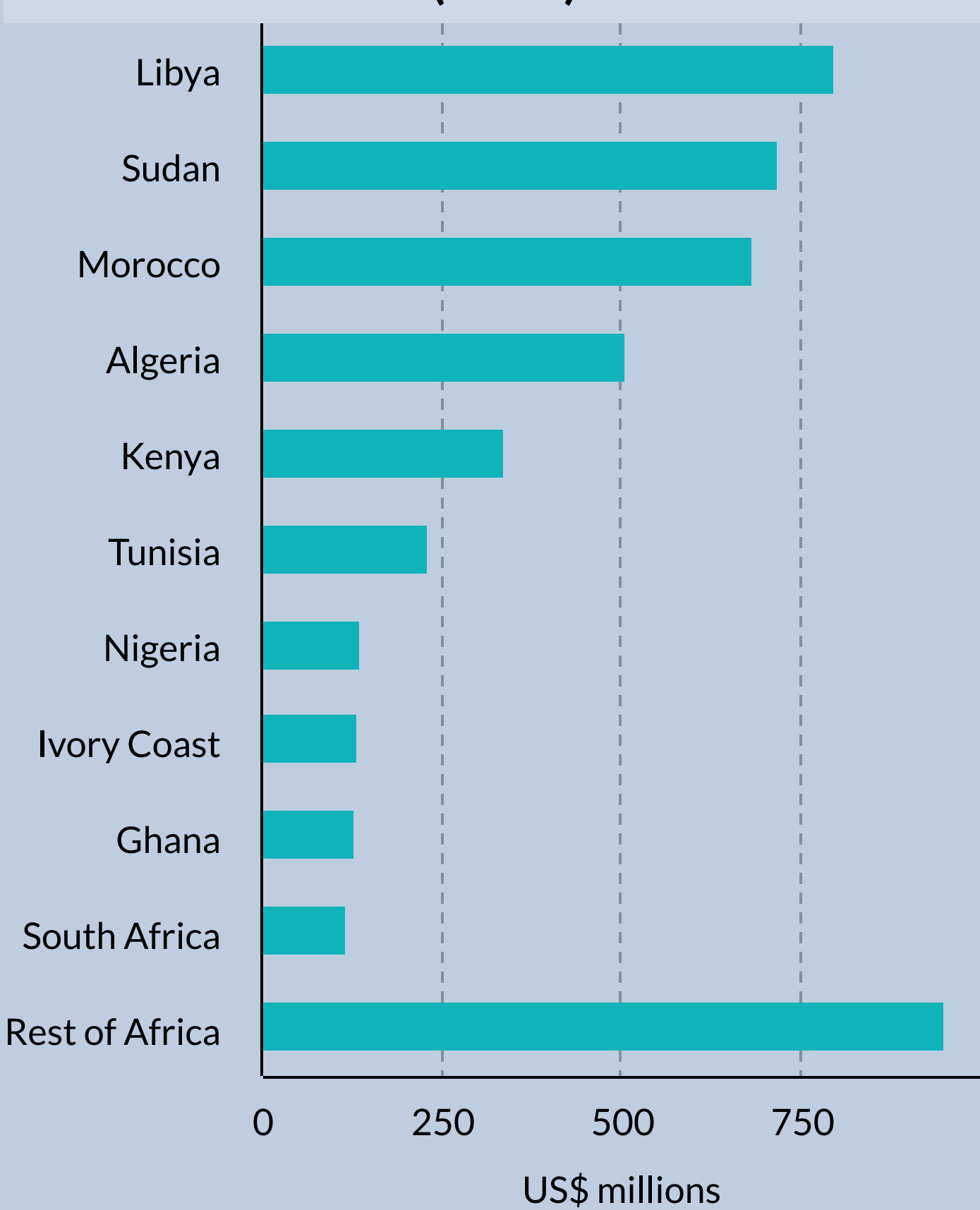
Exports accounted for 78% (US\$4.7 billion) in 2021

22%

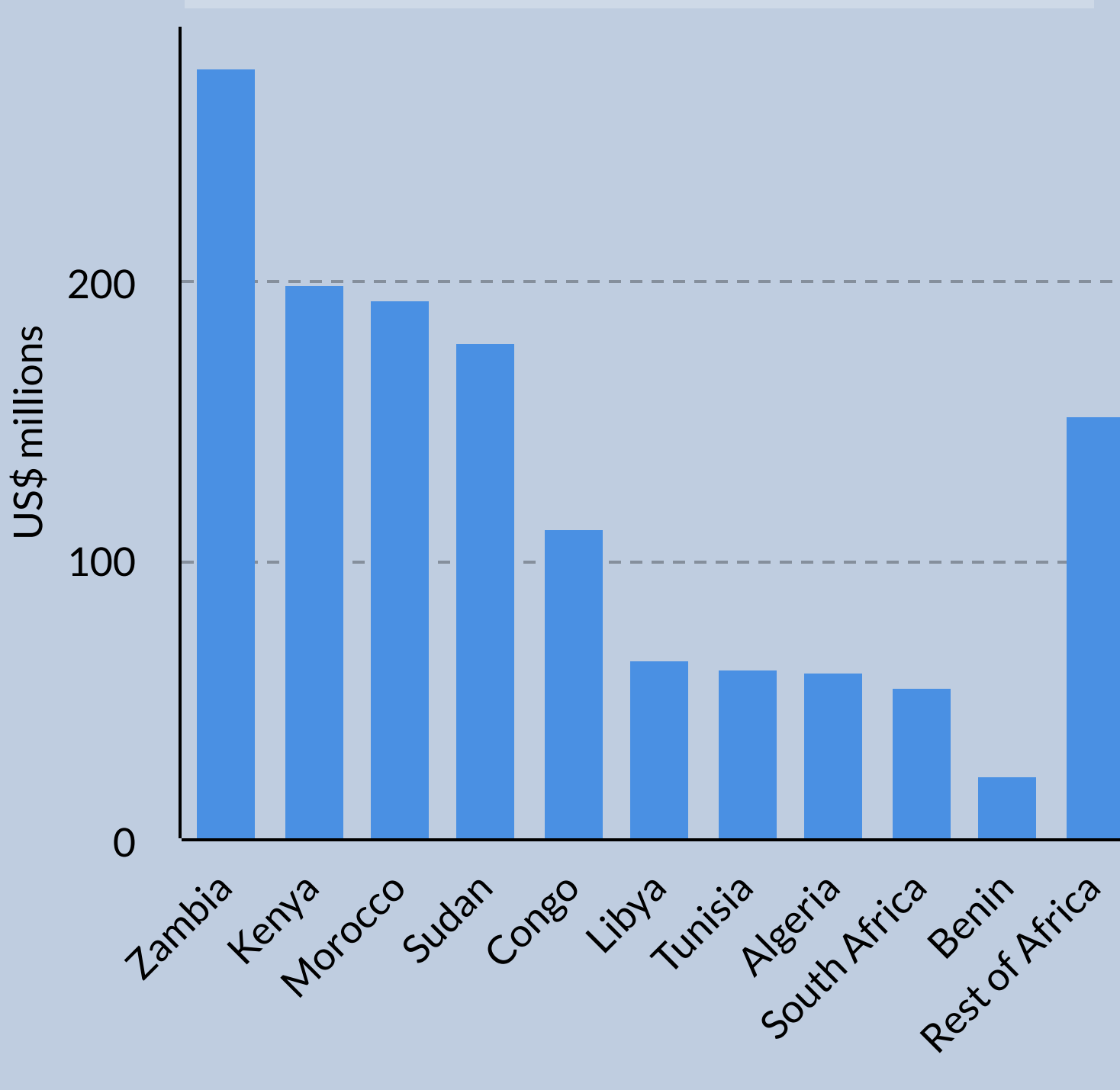
Between 2020 and 2021 intra-Africa trade has increased.

Egypt was affected by the COVID-19 pandemic but has since experienced growth following a decline in 2020

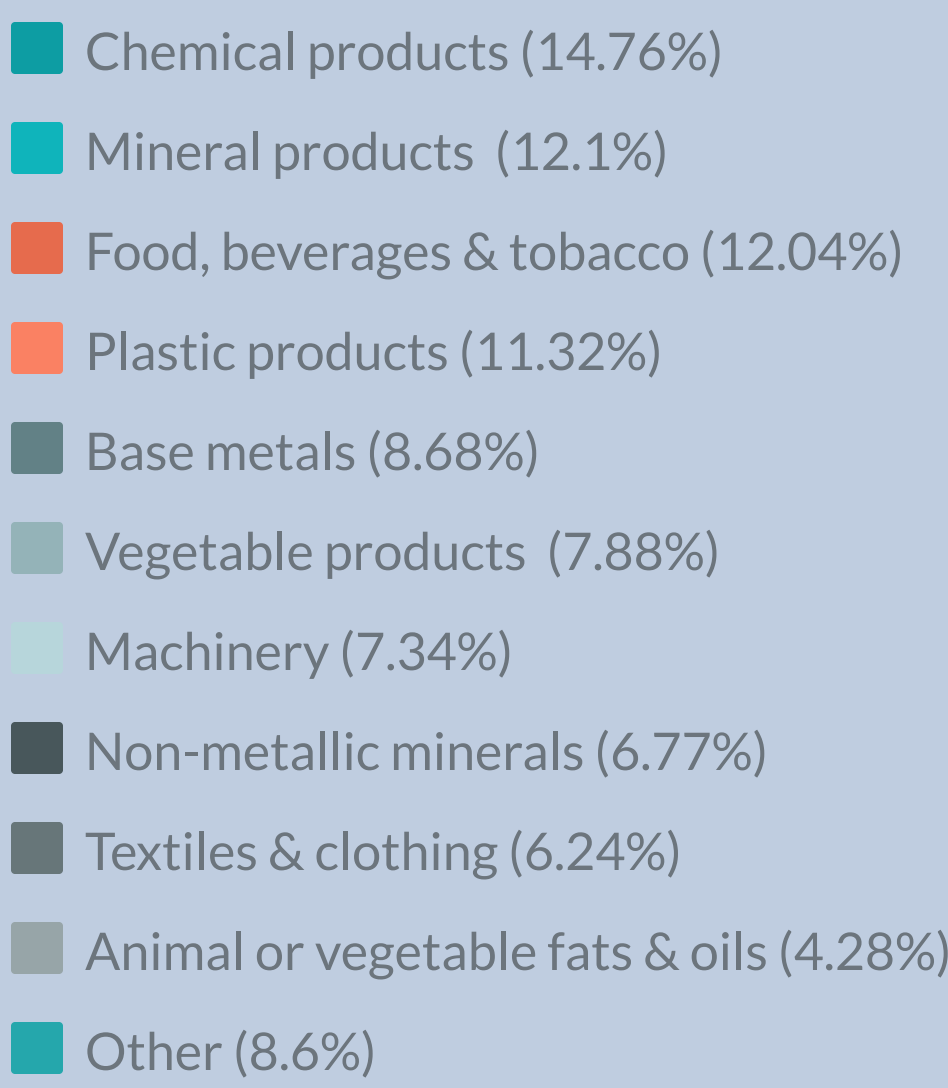
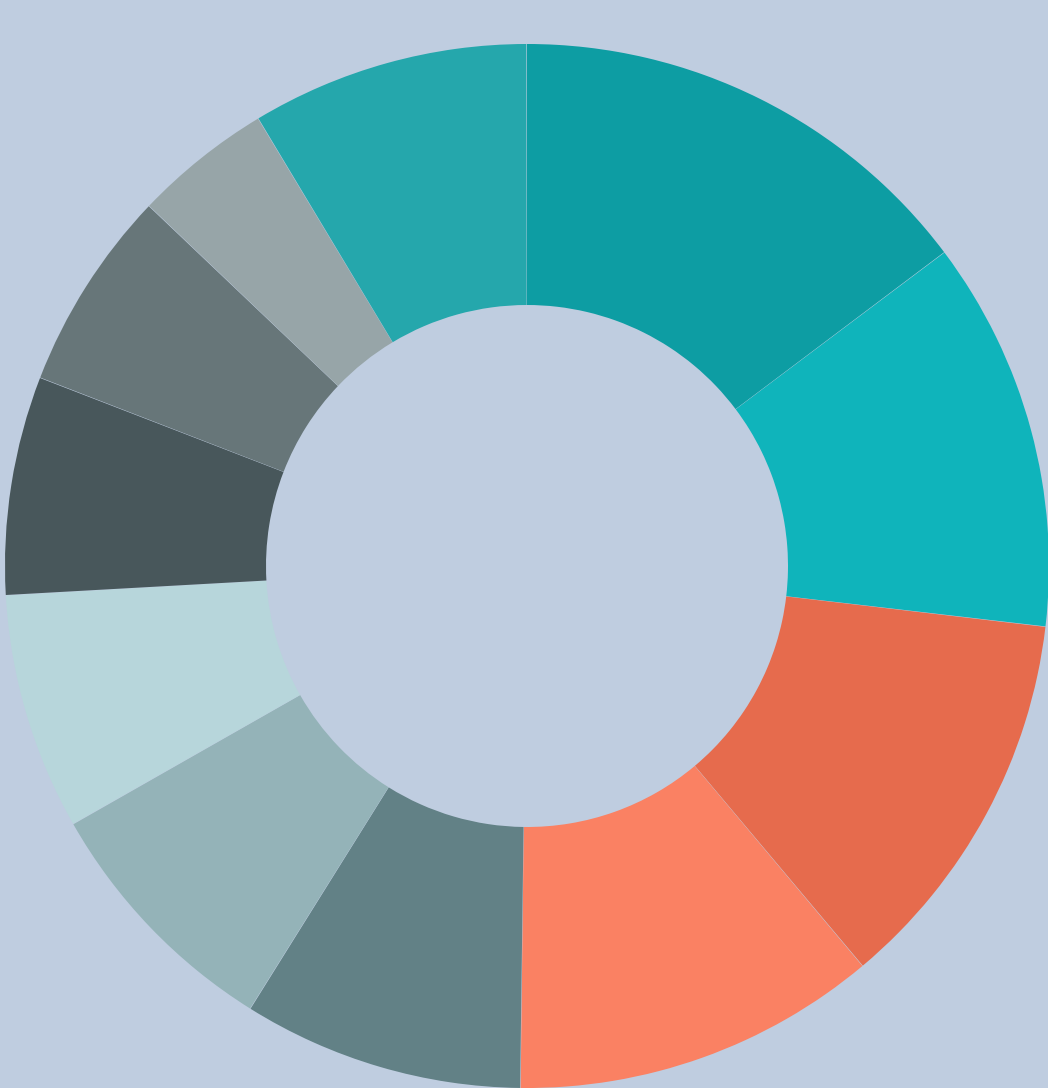
### Top 10 intra-Africa export destinations (2021)



### Top 10 intra-Africa import sources (2021)



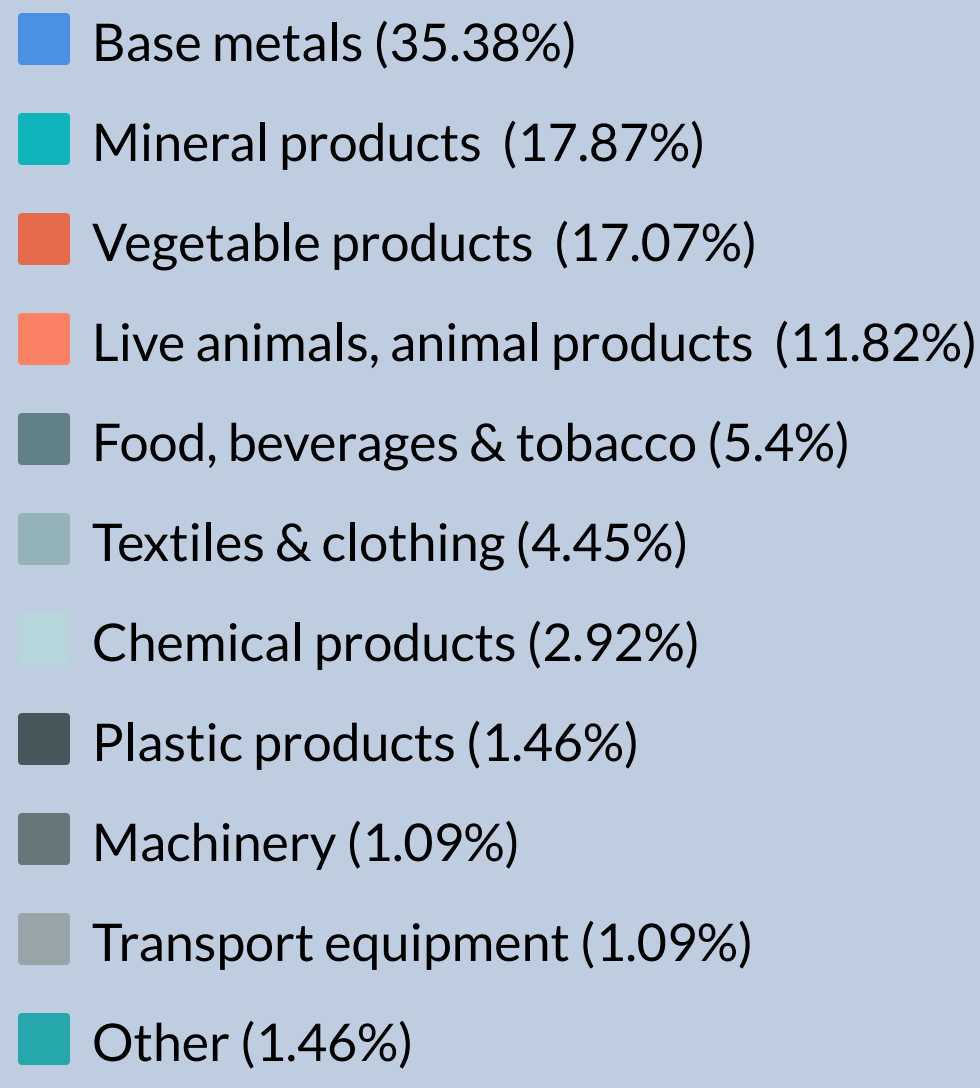
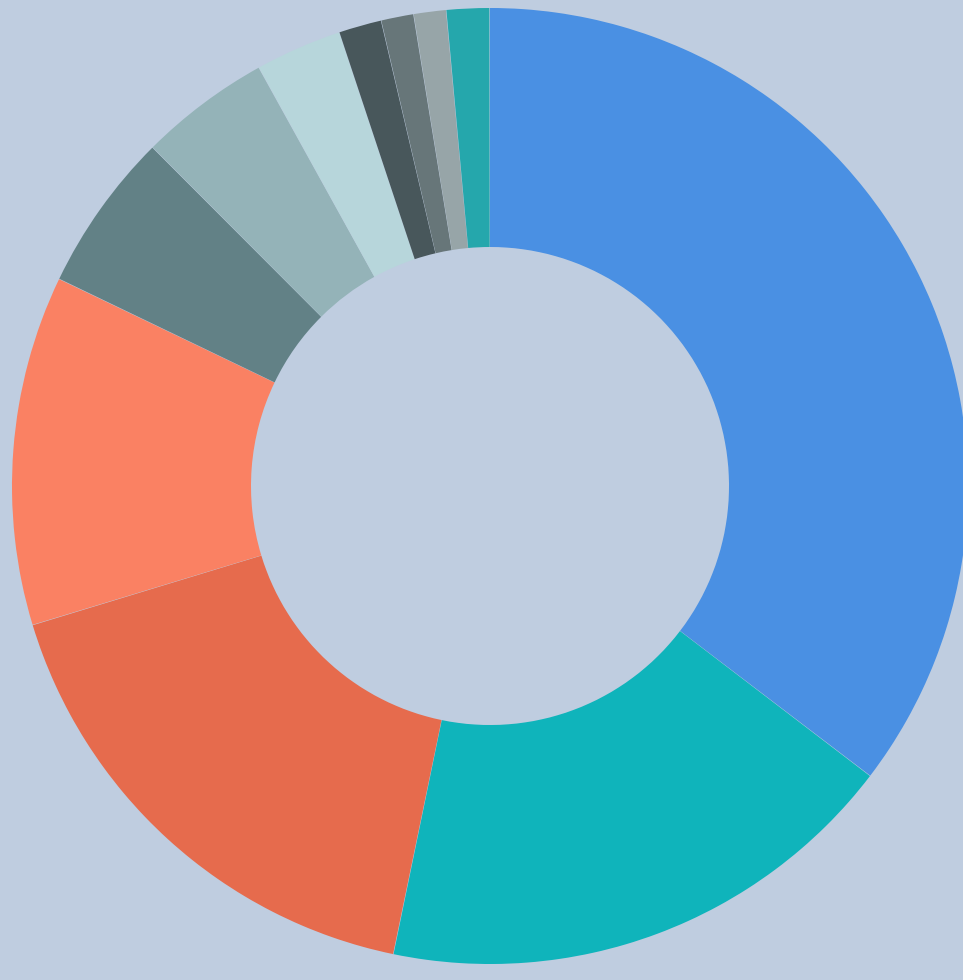
## Egypt's intra-Africa exports by product group (2021)



- No single product group dominates Egypt's export base
- Top 10 product groups account for about 91% of Egypt's total intra-Africa exports
- Egypt's intra-Africa exports are concentrated in few countries (Libya, Sudan, Morocco and Algeria)
- Top 10 intra-Africa export destinations account for 80% of Egypt's intra-Africa exports
- West African countries - Nigeria, Ivory Coast and Ghana feature in top 10 export destinations with a combined share of 9% in 2021
- South Africa was ranked Egypt's 10th top trading partner in 2021

## Egypt's intra-Africa imports by product group (2021)

- Base metals and mineral products dominate Egypt's intra-Africa imports.
- Top 10 product groups account for about 98% of Egypt's total intra-Africa imports
- Imports are mainly from COMESA member states and other North African countries where it enjoys preferential access
- Top 10 intra-Africa import sources account for 89% of Egypt's intra-Africa imports
- South Africa is ranked Egypt's 8th top supplier in Africa



### 5 year growth performance (exports)

Egypt's intra-Africa exports grew by 6% (CAGR) over review period 2017 - 2021

Exports to top destinations Libya, Sudan & Morocco grew by 16%, 12% & 15% (CAGR) respectively for review period 2017 - 2021

Footwear, animal & vegetable oils & textiles clothing recorded the highest growth rates of 122%, 24% & 14% (CAGR) respectively.

Between 2017 and 2021, footwear exports increased from US\$106 000 to US\$2.6 million

### 5 year growth performance (imports)

Egypt's intra-Africa imports declined by 7% (CAGR) over review period 2017 - 2021

Zambia surpassed Kenya to become Egypt's top supplier in 2021

Over the review period (2017-2021), Zambia's exports to Egypt have increased by 13% while Kenya's exports to Egypt declined by 7% during same period

Plastic products and live animals recorded the highest growth rates of 60% & 48% (CAGR) respectively over review period (2017-2021)

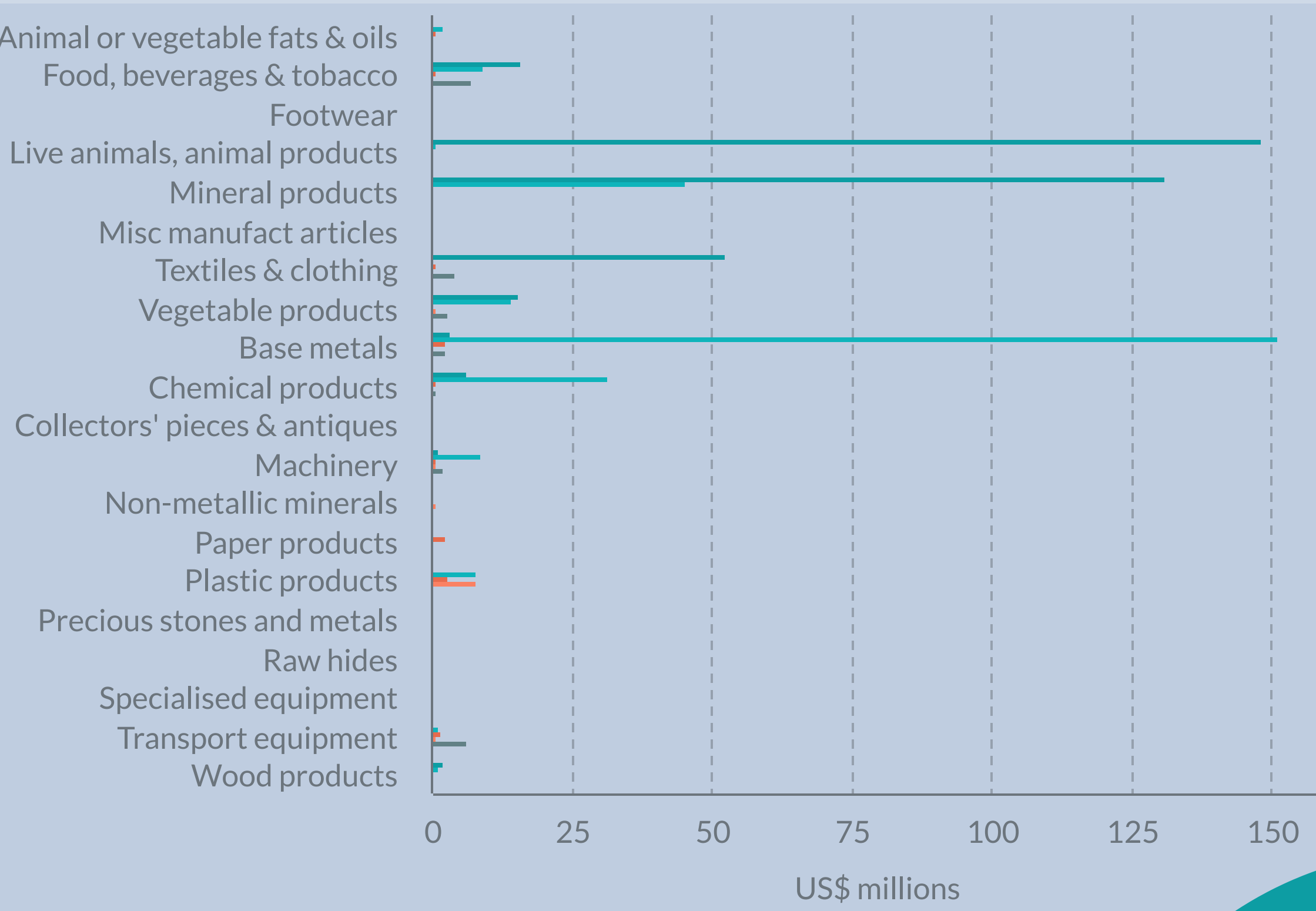
### Export markets showing significant growth

Egypt's exports to Liberia, Sao Tome & Principe showed significant growth although from a low base over period 2017-2021, growing by 50% & 38%, respectively

Egypt's intra-Africa trade share is relatively lower than the Continental average of 18%. There is scope for increased intra-Africa trade especially with West African countries where there are no preferential arrangements in place

Egypt can benefit from AfCFTA by strengthening its domestic industrial capabilities

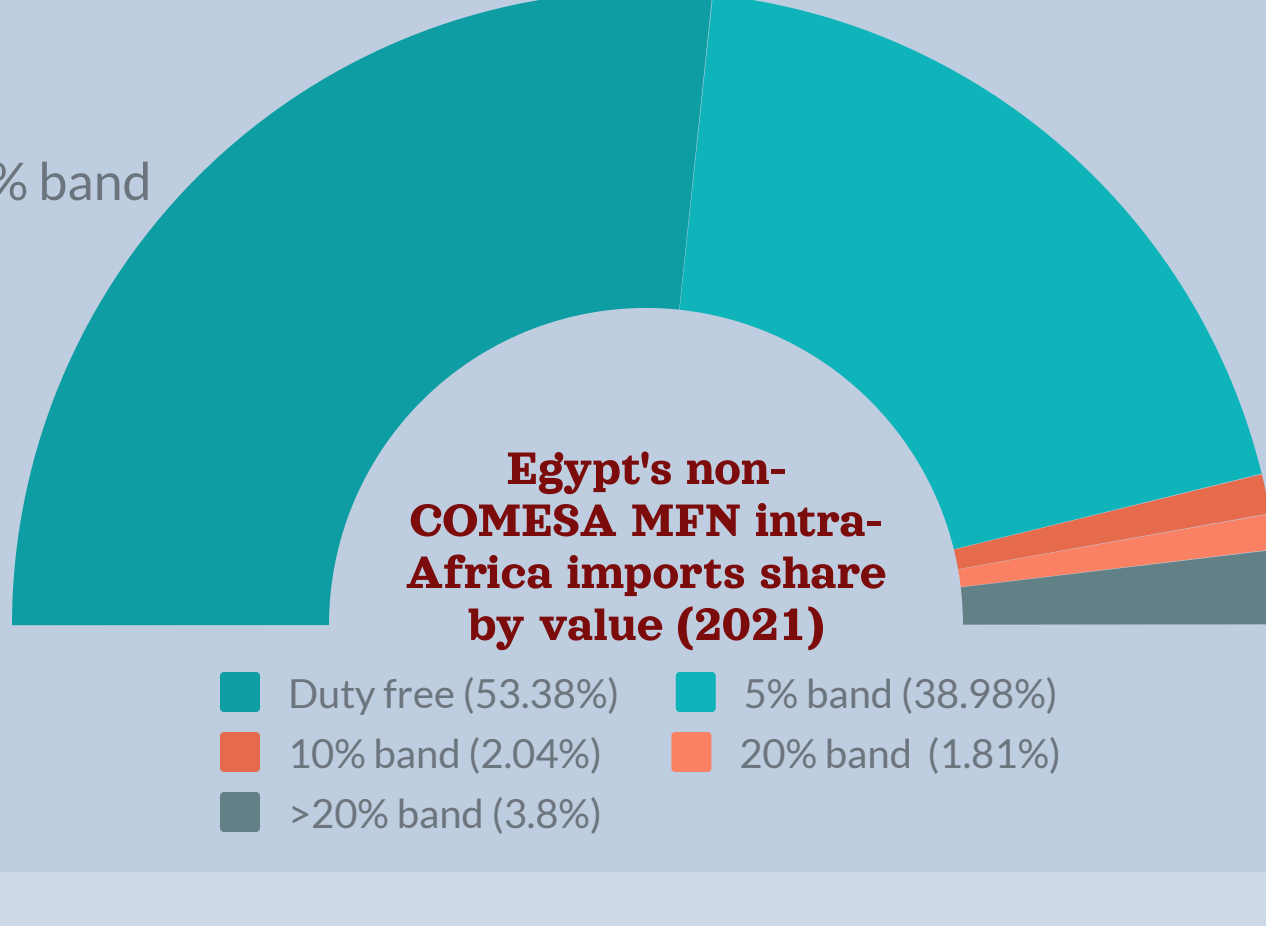
## MARKET ACCESS - Egypt's tariff regime



Duty free 5% band 10% band 20% band >20% band

### Most protected sectors

- Textiles and clothing, alcoholic beverages, transport equipment and Machinery are amongst the goods that are levied duties above 20% (AVE). These however constituted only 4% of Egypt's intra-Africa imports in 2021
- Alcoholic beverages can attract tariffs of up to 3000% based on latest ITC MacMap data. This is mainly attributed to Egypt's dominant Sunni Muslim religion which prohibits consumption of alcohol
- Textiles and Clothing are a strategic industry of importance to Egypt's economy and hence attract high tariffs



## Egypt's average intra-Africa non-tariff trade costs for manufactured & agricultural goods (2015-2019)

### EGYPT'S AGRICULTURAL PRODUCTS NON-TARIFF TRADE COSTS (2019) AD VALOREM EQUIVALENT

#### Highest average non-tariff trade cost countries

Mauritania - 472%

Zambia- 363%

Burundi - 328%

#### Lowest average non-tariff trade cost countries

South Africa -167%

Tunisia -187%

Kenya- 186%

### EGYPT'S MANUFACTURING PRODUCTS NON-TARIFF TRADE COSTS (2019) AD VALOREM EQUIVALENT

#### Highest average non-tariff trade cost countries

Namibia - 498%

Chad -366%

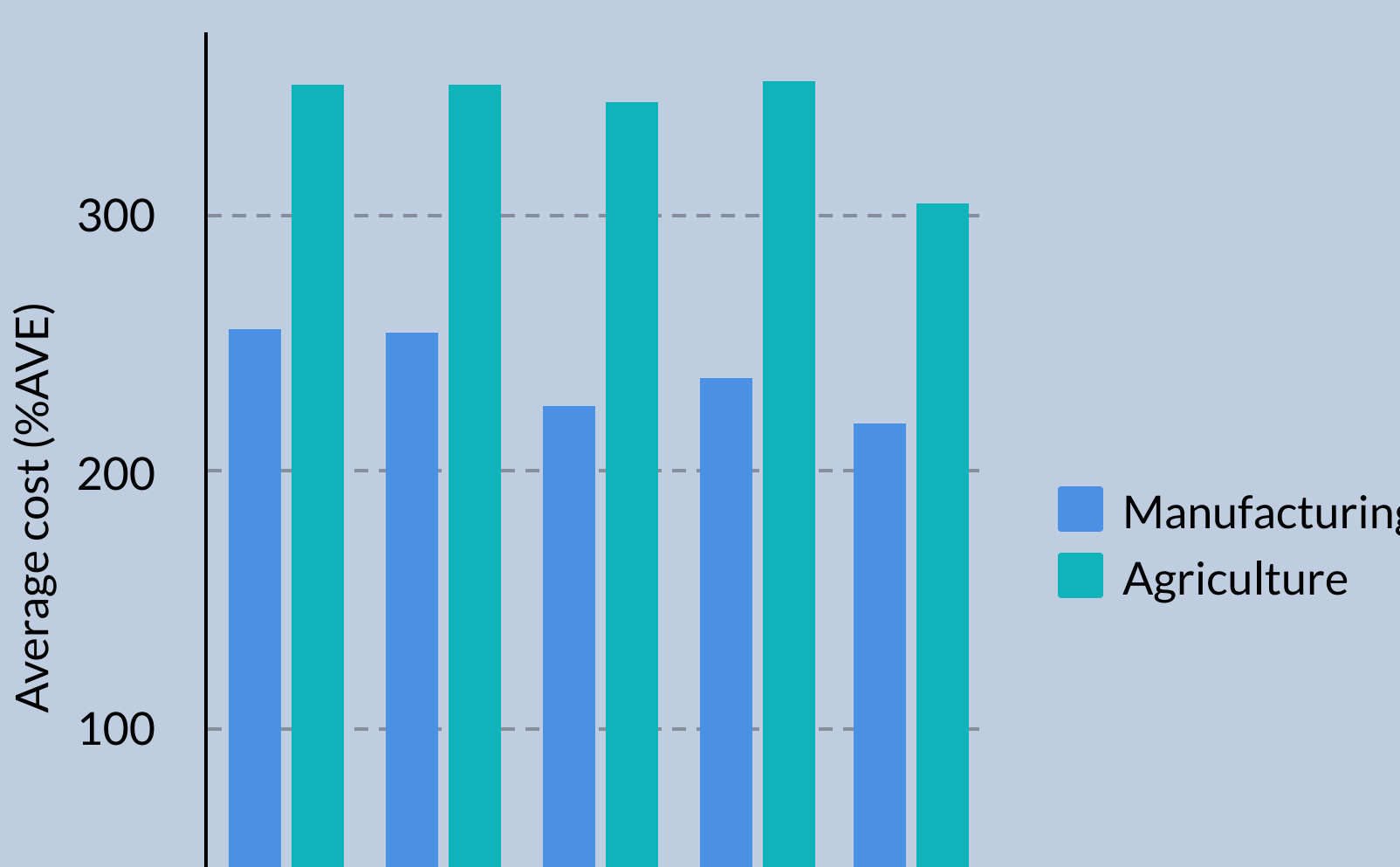
Botswana - 302%

#### Lowest average non-tariff trade cost countries

Tunisia - 87%

Morocco - 127%

Togo - 135%



Sources: ITC TradeMap; World Bank WITS (TRAINS); World Bank ESCAP Trade Cost databases