

EGYPT TRADE & TARIFF UPDATE (2021)

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). Of these, only COMESA and CEN-SAD are recognised RECs
- Egypt signed the AfCFTA and also ratified the Agreement on 8 April 2019

CEN-SAD

- 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**.



COMESA

- COMESA has 21 member states, 17 of which are part of the COMESA Free Trade Area.
- DRC, Eritrea, Ethiopia and Somalia are all in the process of acceding to the COMESA FTA



Intra-Africa total trade (imports & exports) 2021

5%

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

US\$6 bn

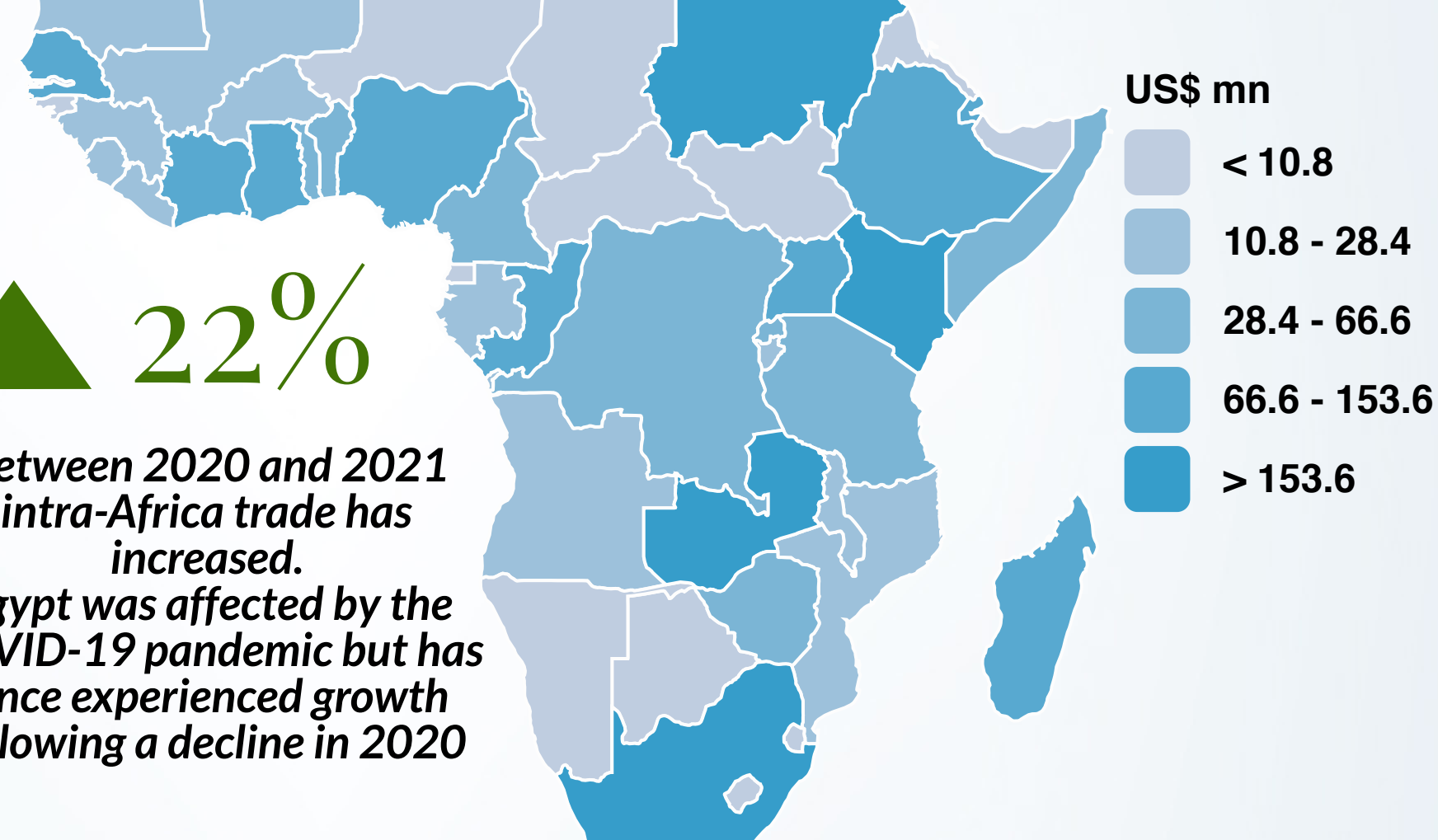
Egypt's intra-Africa trade in 2021

Egypt enjoys a trade surplus with Africa

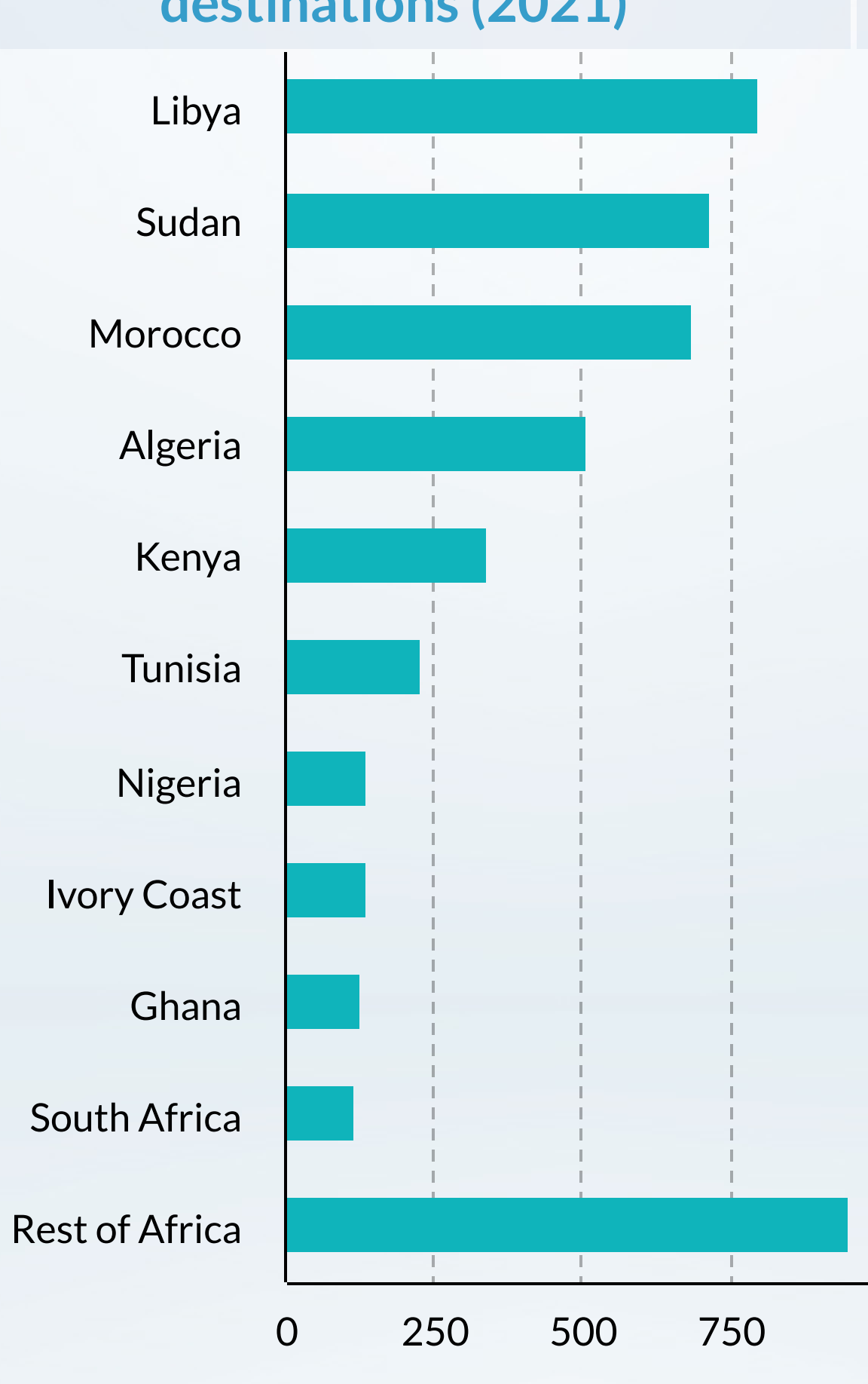
Exports accounted for 78% (US\$4.7 billion) in 2021

22%

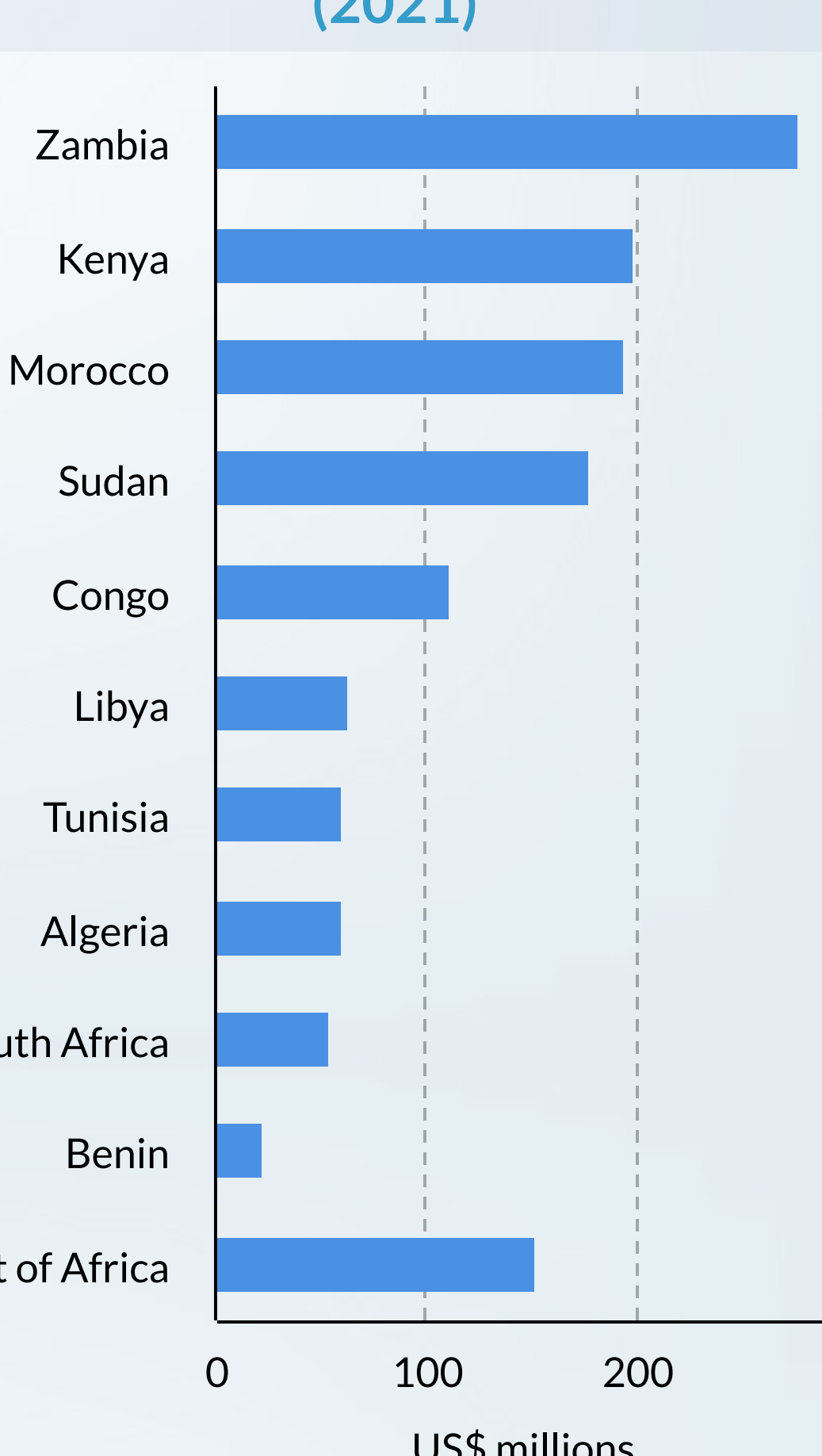
Between 2020 and 2021 intra-Africa trade has increased. Egypt was affected by the COVID-19 pandemic but has since experienced growth following a decline in 2020



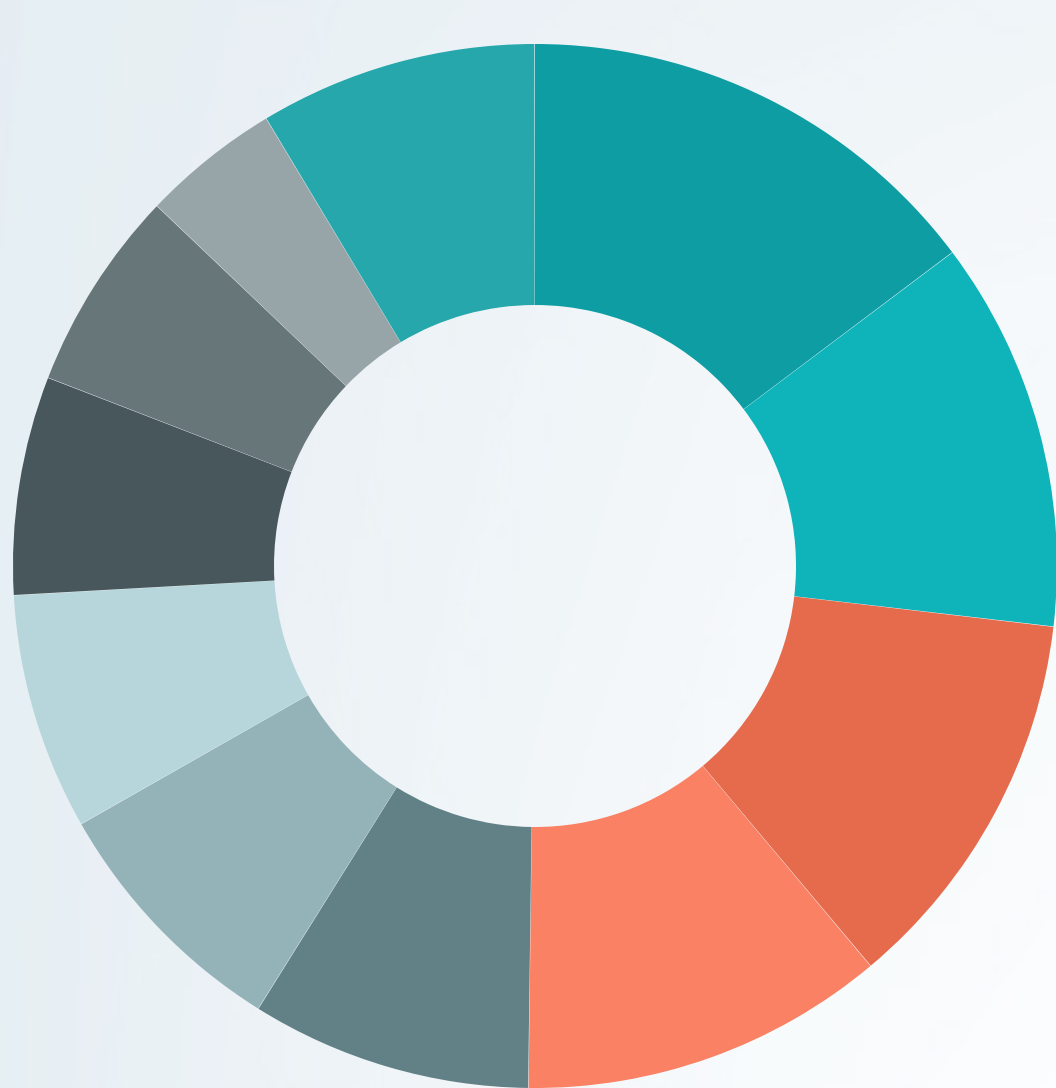
Top 10 intra-Africa export destinations (2021)



Top 10 intra-Africa import sources (2021)



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

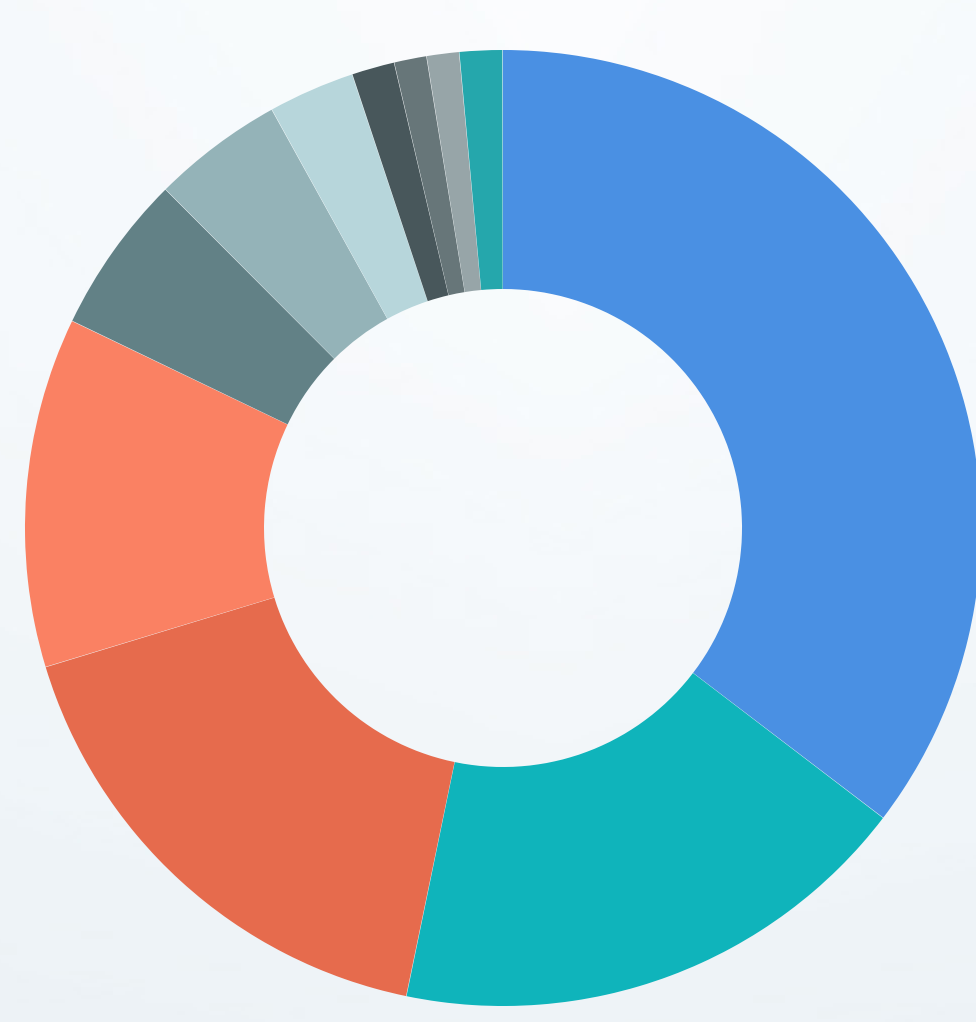


- Chemical products (14.76%)
- Mineral products (12.1%)
- Food, beverages & tobacco (12.04%)
- Plastic products (11.32%)
- Base metals (8.68%)
- Vegetable products (7.88%)
- Machinery (7.34%)
- Non-metallic minerals (6.77%)
- Textiles & clothing (6.24%)
- Animal or vegetable fats & oils (4.28%)
- Other (8.6%)

- 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



- Base metals (35.38%)
- Mineral products (17.87%)
- Vegetable products (17.07%)
- Live animals, animal products (11.82%)
- Food, beverages & tobacco (5.4%)
- Textiles & clothing (4.45%)
- Chemical products (2.92%)
- Plastic products (1.46%)
- Machinery (1.09%)
- Transport equipment (1.09%)
- Other (1.46%)

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)

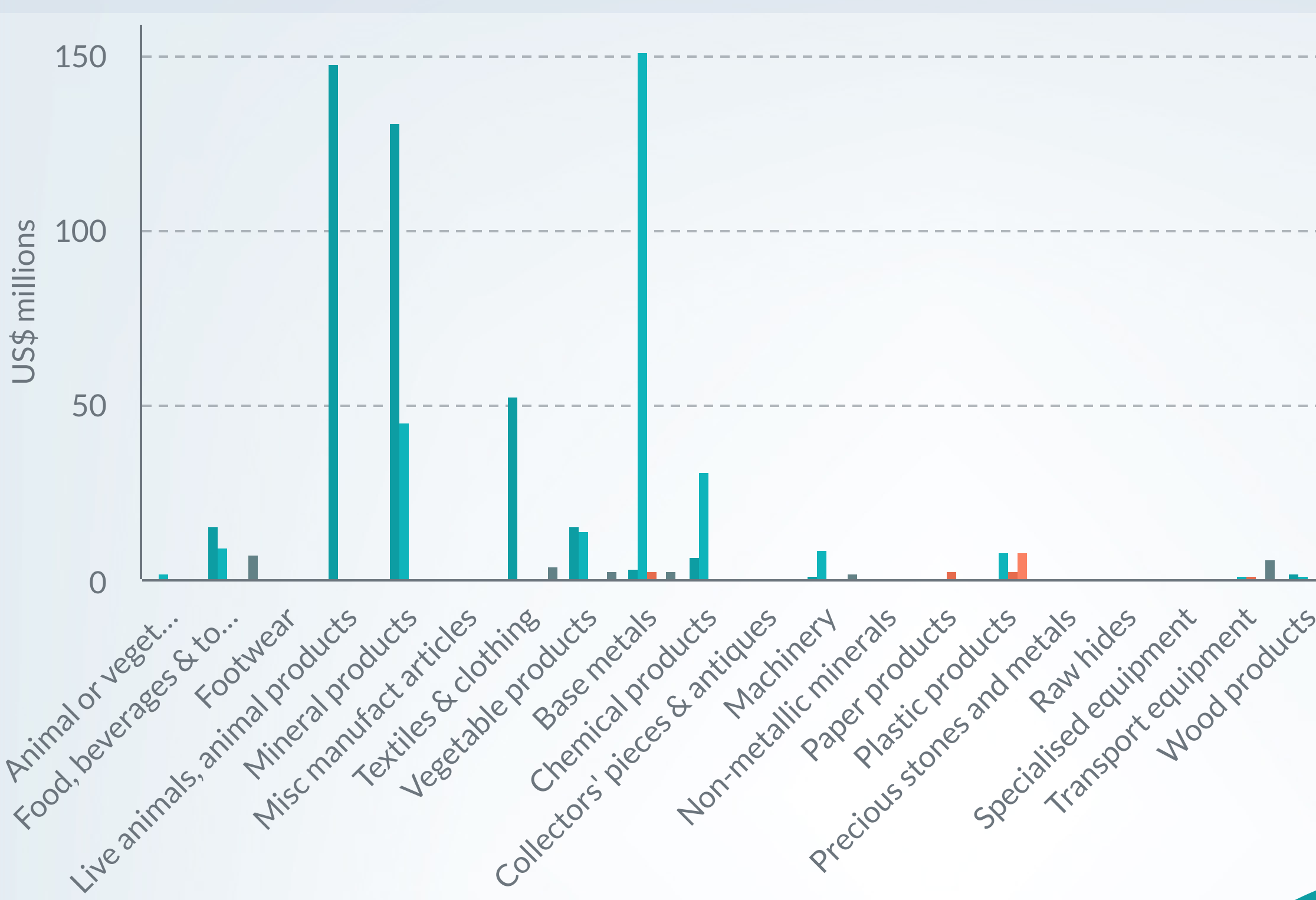
Export markets showing significant growth

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

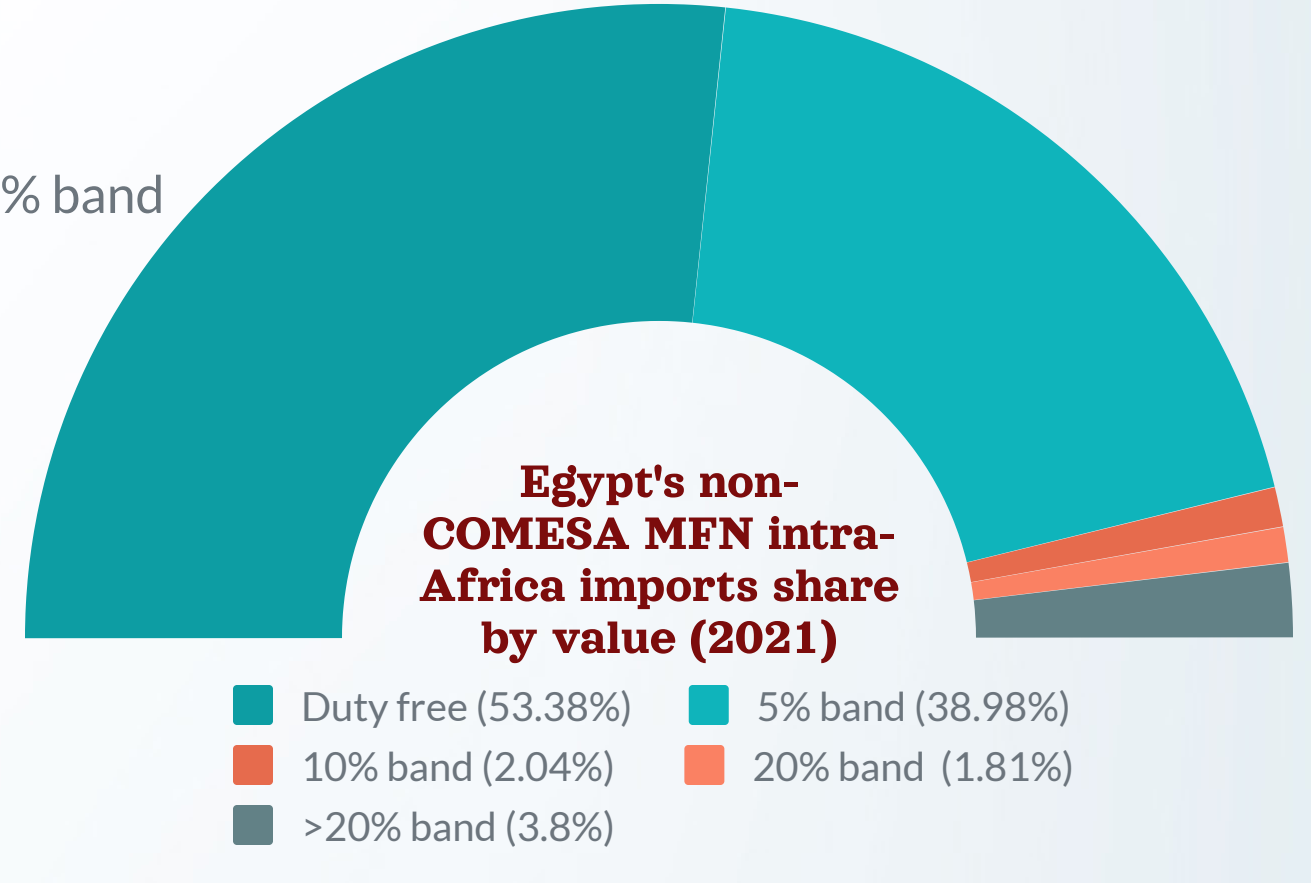
Egypt's intra-Africa trade share is relatively lower than the Continental average of 18%. There is scope for increased intra-Africa trade especially with West African countries where there are no preferential arrangements in place

Egypt can benefit from AfCFTA by strengthening its domestic industrial capabilities

MARKET ACCESS - Egypt's tariff regime



- Most of the product imported into Egypt from AGADIR, PAFTA and COMESA FTA member states enter the Egyptian market duty-free
- Non-COMESA (excluding Morocco) account for about 39% of Egypt's intra-Africa imports and attract MFN rates
- The bulk of product origination from non-FTA member states also attract duty free tariffs.
- 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



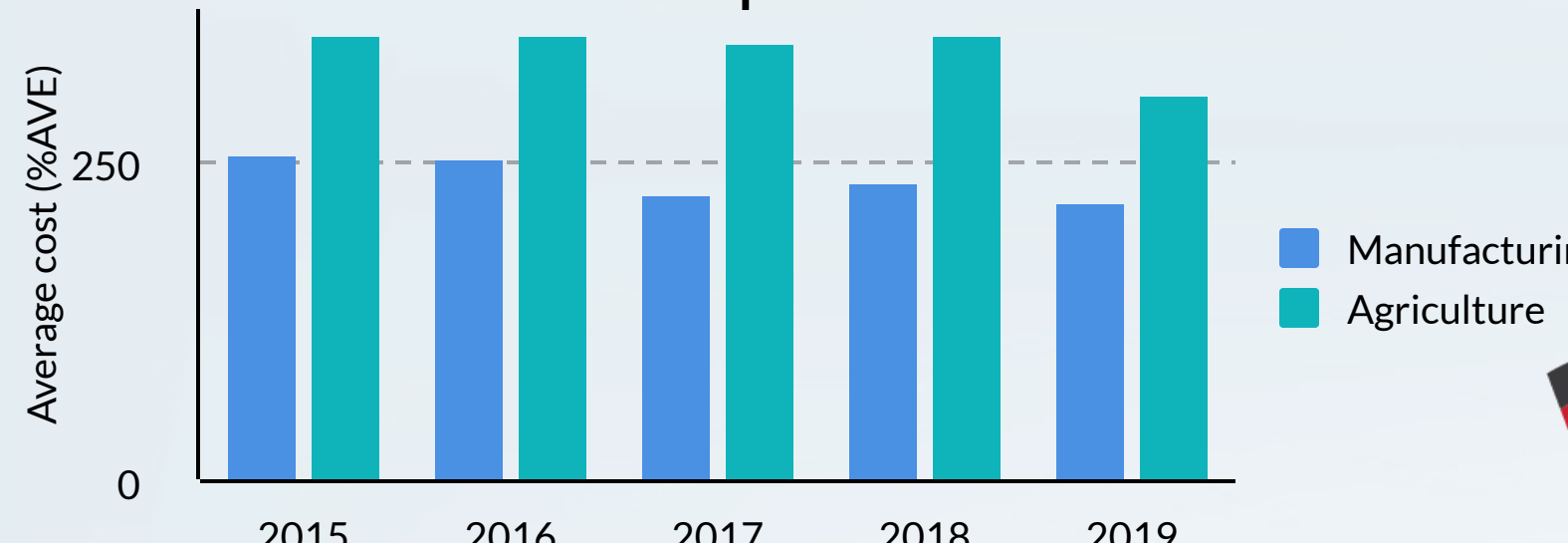
Egypt's average intra-Africa non-tariff trade costs for manufactured & agricultural goods (2015-2019)

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

Highest average non-tariff trade cost countries	Lowest average non-tariff trade cost countries
Mauritania - 472%	South Africa - 167%
Zambia - 363%	Tunisia - 187%
Burundi - 328%	Kenya - 186%

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

Highest average non-tariff trade cost countries	Lowest average non-tariff trade cost countries
Namibia - 498%	Tunisia - 87%
Chad - 366%	Morocco - 127%
Botswana - 302%	Togo - 135%



This activity was commissioned by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ)