

Brief on India-Egypt PTA

1. Egypt is the second largest economy after South Africa in the African Continent. It is a part of the COMESA Group and has recently concluded a Comprehensive Economic Agreement with the European Union. The Egyptian side had tabled a proposal for Counter Trade with India during 2001. The proposal was examined by the Indian side and it was informed to the Egyptian side that any counter trade arrangement with reduction of Customs duties is not possible as both countries are members of WTO and will have to provide the Most Favoured Nation (MFN) treatment to other member countries of the WTO. Therefore, it was clarified if both the countries are looking for some tariff reductions on commodities of mutual interest, a bilateral Preferential Trade Agreement under the GATT Enabling Clause has to be in place.

2. Subsequently, on 30th April, 2001 in an inter-ministerial meeting, it was decided to proceed for a PTA with Egypt. During the bilateral meeting between the two countries on 15th January, 2002, it was decided to constitute a Joint Working Group to negotiate a PTA.

3. This proposal has been discussed with the Egyptian side in two successive meetings held in October 2002 and in December 2003. During these two meetings, the Draft Text of the Preferential Trade Agreement tabled by India was discussed and has been finalized. On the Rules of Origin, two rounds of discussions have been held. There are some differences between the two sides regarding the criteria of 'originating products'. The Wish List from the Indian side has also been conveyed to the Egyptian side. We are awaiting the Egyptian Wish List.