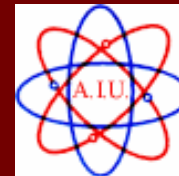




The Euro-Mediterranean Partnership A Macroeconomic Perspective

*Amb., Gamal Bayoumi,
Cairo - May 7th, 2008*



Arab Investors UNION



Amb., Gamal Bayoumi

- *Secretary General EG-EU AA Support Program (Ministry of International Cooperation).*
- *Secretary General, Arab Investors Union.*
- *Former Assistant Minister of Foreign Affairs.*
- *Egypt's Chief Negotiator with EU on AA.*

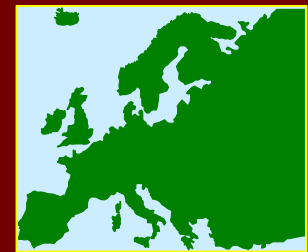
- ❖ Since 1961 Ambassador Bayoumi participated in Egypt's negotiations with more than 60 countries.
- ❖ He served in Egypt's missions in Bucharest, Rio de Janeiro, Bonn, and Yaoundé (Cameroon).
- ❖ Amb., Bayoumi lectures in many academic and public institutions in Egypt, the Arab countries and Europe.
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Egypt's Opportunities



National

Regional



International



The Euro-Med Process



The experiences gained in negotiations EEAA.

EU 27

(480 m.)

10 - S. MEDs

Security and Political Partnership

An area of peace and stability

Economic & financial Partnership

A common area of welfare

Social and cultural Partnership

Euro-Med FTA of 650m. by year 2010

Egypt's Foreign Trade - 2006

Reg.	Exp.	Imp.	Volume	%	Balance	EX/IM
Arab	2549	3100	5650	11%	-552	82.2%
EU	7521	12044	19565	37%	-4524	62.4%
USA	6069	6842	12912	25%	-773	88.7%
Japan*	397	1140	1536	3%	-744	35%
Africa	276	259	535.4	1%	+17.4	107%
Total	20546	33104	52650	100%	-12558	62%

FDI Inflows to Egypt

	2004	2005	2006
Total FDI	2.164	6.716	10.813
EU	246	2.135	4.349
USA	1.101	3.620	3.743
Arabs	127	363	3.274
GCC	512	250	3.041
Germany	1.7	123	73
France	7	599	319
UK	20	766	2.243
Italy	0.3	24	1.637

EU Development Assistance to Egypt

Industry - IMP	250
Education	100
Health	110
SFD	155
PSDP	55
Vocational Training	33
South Sinai	64
Scientific research	11
Foreign Trade	66
Fin. Investment Coop.	50



Textile	80
Water	80
SAAP& Twining	97
Social Dev.,	20
Higher Education	11
H. Rights	05



Egypt - EU

Trade

Year	Exports	Imports
2002	3,121	6.239
2003	4,012	7.014
2004	5213	9201
2005	6,326	10.259
2006	7,521	12.044

Development Assistance

1996/2006

1279 M.E

+ 558 ME (07- 2010)

Each ONE US\$ of Dev., Assistance creates 70 US\$ of Imports

The chances

Trade Zero Tariff

2 Jan. 2005



1 June. 2004



3 QIZ.
Jan. 2005



Investment

3

1

2



Pan Arab Free Trade Area (PAFTA)



- 306 m. inhabitants;
- Egypt's largest FDI sources; (KSA, Kuwait, UAE, Libya, Qatar, Oman & Bahrain)
- The largest labor market;
- 5 bn.\$ Workers-Transfers (2004)
- The largest tourism market;
- Total tariff dismantling in Jan.,2005;

The right of movement, Negative lists, Rules of origin, Standards, and Arbitration & Dispute Settlement.

MAFTA — Agadeer declaration

- Med- Arab Free Trade Area (Egypt. Jordan . Tunisia. Morocco)
- Industrial Integration, Trade promotion & Cumulation;
- Pan-Euro-Med rules of origin & more integration.



Arab indicators - 2006

- Area: 14.2 SQ. M - (10.2% of the world)
- Population 318 Millions (5% of the world)
- GDP 1277 bn. US\$. (per capita – 4142)
- Oil reserves: 57.6% of the world.
- Gas reserves 29.5% of the world.
- Exports 660 bn.\$ - Imports 373 bn.\$
- F. Reserves : 322 bn.\$
- FDI Outflows bn.\$ 1200 Intra/Arab: bn. 62
- Labour Forces 120 M.

What do we need ??

- **Integrated regional development programs**
- **Freedom of movement along with Freedom of Trade.**
- **Managing 350 billion USD. of Oil revenues searching for good Investment opportunities.**
- **Investing on industrial equipments and machines, components, food, fishery and agriculture needs and export oriented products.**
- **To learn more from EU experiences and management skills.**

Fields of Cooperation

- ❖ Investment promotion.
- ❖ Agriculture & Fishery.
- ❖ Transport & Maritime.
- ❖ Telecommunication
- ❖ Human resources
- ❖ Education Systems
- ❖ Scientific Research
- ❖ Health....
- ❖ Financial Services.
- ❖ Environment.
- ❖ Standards.
- ❖ Tourism.
- ❖ Banking.
- ❖ Energy.
- ❖ Culture Cooperation



3 Locomotives 4 FDI

Trade



Market access

Privatization



Attracting capital flows

Environment



FDI Friendly Env.,

350 bn\$ oil revenues looking for Investment opportunities

FACTS about what went WRONG ??

Negotiations Modern Glossary:

Human rights = respect other peoples culture, not dictating them.

Democracy = It is not your right to chose the people you rule.

White man is always right, but:



We discover, too late, that
KANGAROO means:

= I do not Know

Democracy is for all through dialogue

In March 1996 THE ECONOMIST called them:

The Bayoumi's Ghosts



IPR

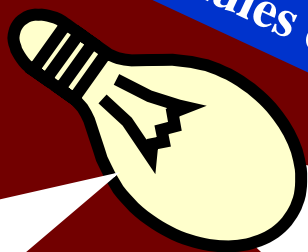


CAP



Tariff Dismantling

Rules of Origin



Competition, Monopoly,
Subsidies & Dumping

Ghosts disappear under more lights

Points of strength for EGYPT to attract FDI

By confirming national, regional and international economic commitments concerning :

- Trade liberalization according to WTO rules_(GATT 1947/1994).
- More liberalization within the national economic reform.
- Bringing custom duties to zero level with the main trade partners :
 - 17 Arab countries in the Arab Free Trade Area (2005) .
 - 27 countries members of EU (2004).
 - 10 South-Med. countries in Barcelona process.
 - 21 countries in the COMESA (2000).
- The operators in EGYPT produce for a market of 1600 million inhabitants.
- ***Free Trade qualifies EGYPT to attract FDI.***

Thank you

