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Development

EEC-EGYPT COOPERATION AGREEMENT

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May 1978

ABBREVIATIONS

ACP : The African, Caribbean and Pacific States which are signatories to the Lomé Convention.

ARE : Arab Republic of Egypt

CAP : Common agricultural policy

CCT : Common Customs Tariff

EUC : European Unit of Account

EIB : European Investment Bank

EEC : European Economic Community

GATT : General Agreement on Tariffs and Trade

GNP : Gross national product

GSP : Generalized Scheme of Preferences

MCA : Monetary compensatory amount

OJ : Official Jounal of the European Communities

Glossary

CAP : The Community's agricultural policy: is designed to rationalize agricultural production and establish a Community wide system of supports and import controls. It covers more than 95% of the Community's agricultural production.

EUC : The monetary unit used by the Community in giving financial aid to Egypt. It is composed of a basket of currencies of the EEC's Nine Member States and reflects a weighted average of their market values.

MCA : These take account of basic price differences in intra-Community trade.

Levies : These are equivalent to countervailing duties and are import duties designed to offset an export subsidy imposed by another country.

Reference
price : This applies to the prices of fruit and vegetable imports and is designed to protect Community producers. It acts as a guide to the Community's internal market price.

For copies of the EEC-Egypt cooperation agreement apply to DG X (Directorate-General for Information) at the European Commission in Brussels.

EEC-EGYPT COOPERATION AGREEMENT

I - SUMMARY

The main object of the agreement between Egypt and the EEC signed in Brussels on 18 January 1977 is to establish a wide area of cooperation between the two sides and contribute to Egypt's economic and social development. The agreement covers the whole area of cooperation. This includes trade, economic, and technical cooperation as well as financial aid totalling 170 million European units of account (LE 1=2.25 EUC official rate).

Because the agreement is for an unlimited period, there is a stable contractual framework for making long-term planning decisions. Projects giving far reaching benefits, e.g. investment in basic infrastructure such as roads and power supplies, as well as measures to open up the Community market to Egyptians exports, can be implemented.

The agreement is also dynamic in the sense that it is capable of continuous improvement based on the principle of interdependence, equality, and joint management. It is managed by a Cooperation Council, a Cooperation Committee, and specialist committees as required. A timetable is laid down for examining the results of the agreement and introducing improvements. The first review will take place in 1979 and the second in 1984.

II - INTERIM AGREEMENT

On 1 July 1977 an interim agreement between Egypt and the EEC came into force. It will bridge the gap between the signing of the cooperation agreement and its ratification by the parliaments of Egypt and the nine Member States. This process will probably not be completed before 1978 (Egypt has already ratified the agreement). Ratification is necessary because the agreement contains financial provisions.

The interim agreement enables the trade section of the cooperation agreement to be implemented from 1 July 1977. This means that most Egyptian agricultural exports to the Community now benefit from substantial tariff concessions. With the temporary exception of a few sensitive items, all Egyptian industrial and raw material exports (including those covered by the European Coal and Steel Community) enjoy free access to the Community market.

At the same time, preparations are under way so that implementation of economic, financial and technical aid can start as soon as the agreement is ratified.

III - TRADE MEASURES

1. EEC-EGYPT TRADE

Although the overall amount of trade between the EEC and Egypt is small Egypt still recorded a serious trade deficit of 800 million u.a. in 1976. This was an improvement on 1975 but nearly four times the 1973 figure. The main reason for the growth in Egypt's trade deficit is that its imports from the Community have grown far more quickly than its exports.

In 1976 Egyptian exports to the Community were worth 675 million u.a. Of this amount crude oil accounted for 56% (compared with 20% in 1974) and refined petroleum products 14%.
Cotton is Egypt's third most valuable export to the Community (8% of total exports) even though the 1976 figure of 54 million u.a. was only half the record 1974 figure.

Vegetables are Egypt's fourth most important export to the EEC (7.7% of total exports). However between 1973 and 1976 the share of Egyptian agricultural exports to total exports has dropped from 57.8% to 22.2%. The tariff concessions granted in the agreement cover about 70% of Egyptian agricultural exports to the Community, including the main commodities, and could reverse the trend.

Community exports to Egypt in 1976 amounted to 1.4 thousand million u.a. but this only represented 1% of its total world exports. The main EEC exports were machines and electrical equipment (52%), chemical products (13%) and food (12%-mainly cereals).

Community exports to Egypt benefit from most-favoured-nation treatment (MFN) except as regards certain developing countries notably in the Mashreq area. Egypt is entitled to grant these countries trade concessions without extending them to the EEC.

Egypt is also under no immediate obligation to make reciprocal trade concessions to the EEC. It thus has time to consolidate the present regime and can even increase tariff protection so as to encourage its own industrialization programme.

The long-term objective of the agreement remains free trade but this will only be possible when the economic gap between Egypt and the Community has been reduced.

EGYPT'S EXTERNAL TRADE WITH THE EEC 1973-76

(million u.a.)

	1973	1974	1975	1976
Imports	396.3	812.9	1 349.7	1 475.4
Exports	186.2	263.5	318.4	675.2
Trade balance	- 210.1	- 549.4	- 1 031.3	- 800.2
Index 1970 = 100				
Imports	122	251	417	456
Exports	94	134	161	342
Breakdown of exports %				
Agricultural products	57.8	49.8	24.0	22.2
Industrial products	42.2	50.2	76.0	77.8

Source: Statistical Office of the EEC (SOEC).

EGYPT'S TRADE WITH THE EEC 1976

(million u.a.)

Product	Imports (million u.a.)	%	Exports (million u.a.)	%
Total	1 475	100	675.2	100
Food products	176.3	12.0	75.8	11.2
of which:				
Vegetables	15.5	1.1	67.1	7.7
Cereals	102.0	6.9	3.2	0.5
Inedible raw materials	11.4	0.8	75.8	11.2
of which:				
Cotton			54.0	8.0
Burnable minerals	44.3	3.0	473.0	70.1
of which:				
Crude oil			378.2	56.0
Refined petroleum products	27.8	1.9	94.0	14.1
Chemical products	188.9	12.8	6.27	0.9
Manufactured articles	187.5	12.7	37.9	5.6
Machines and material	763.9	51.8	1.63	0.2
of which:				
Non-electric machines	377.2	25.6		
Transport material	239.3	16.2		
Machines and electrial appliances	147.3	10.0		
Others	102.0	6.9	4.8	0.8

Source: SOEC

2. OBJECT OF TRADE MEASURES

The object of the trade measures, according to Article 8 of the agreement, is to promote trade between Egypt and the European Community and to 'ensure a better balance in their trade, with a view to increasing the rate of growth of ARE's trade, and improving the conditions of access for its products to the Community market'.

The trade measures, covering both agricultural and industrial goods, took effect from 1 July 1977 under the terms of an interim agreement. With the exception of commodities covered by the EEC's common agricultural policy (CAP) tariff duties on Egyptian imports were abolished on this date. This means that Egyptian exports no longer have to pay the EEC's third country customs tariff which averages 6%.

Apart from annual ceilings on a few sensitive products, Egyptian exports are also no longer subject to quantitative restrictions or measures having equivalent effect. The only exceptions are those products covered by the CAP and those listed in Annex B of the agreement (textiles covered by the GATT Multifibre Arrangement). Quantitative restrictions are annual quotas placed on the volume of imports of specified products. Measures having equivalent effect include other non-tariff barriers such as administrative procedures, e.g. import documentation, as well as packaging norms, etc.

A - Industrial products annual ceilings on 4 sensitive products

Annual duty free ceilings were fixed for imports of the following sensitive products until 31 December 1979.

Unlike tariff quotas, ceilings are a flexible tariff restriction. Once a tariff quota has been exceeded full customs duties are immediately and automatically applied by EEC Member States. However once the volume of imports reaches the specified ceiling Member States can choose whether to restore full customs duties or to maintain the preference.

Sensitive products are those produced in the Community at a higher cost than in developing countries which possess a comparative advantage in having the raw materials and cheap labour. Of the sensitive products listed below only 'other woven cotton fabrics' currently pose a threat to Community production. However Egypt has the potential to greatly expand its exports of refined petroleum products and cotton yarn to the Community.

The ceilings listed below are based on present export levels and will be raised by 5% annually. Allowance has been made for the fact that Egyptian exports fluctuate widely from year to year. When exports to the Community have reached 75% of the ceiling then the Joint Committee should be informed. Once the ceilings have been reached the Community may restore duties at the third country rate until the end of the calender year. The ceilings are as follows:

- REFINED PETROLEUM PRODUCTS:	450 000 tonnes	Third country import duty
- petroleum oils (CCT No ex 27.10)		3.5 to 6%
- petroleum gases (CCT No ex 27.11)		17.5%
- petroleum jelly (CCT No ex 27.12)		
- petroleum wax (CCT No ex 27.13)		2 to 7%
- petroleum bitumen (CCT No ex 27.14)		
- PHOSPHATIC FERTILIZERS (CCT No 31.03)	35 000 tonnes	2.4 to 4.8%
- COTTON YARN, not put up for retail sale: (CCT No 55.05)	7 000 tonnes	4 to 8%
- OTHER WOVEN COTTON FABRICS: (CCT No 55.09)	3 250 tonnes	13 to 15%

In 1975 the EEC imported the following amounts of the above products from Egypt:

Refined petroleum products: 719 230 tonnes (all petroleum oils),
Phosphatic fertilizers: 27 201 tonnes,
Cotton yarn, not put up for retail sale: 3 461 tonnes,
Other woven cotton fabrics: 1 846 tonnes.

In addition the Community reserves the right to introduce ceilings on imports of the following two products should the market situation make it necessary:

- Phosphate (CCT No 28.40 B II) 11.2%
- Aluminium (CCT Chapter 76) 2.5 to 12% depending on product category.

The EEC may change the arrangements concerning petroleum products but only after consulting Egyptian representatives in the EEC-Egypt Joint Committee. Changes may take place under the following circumstances but in no case may they lead to a reduction in benefits:

- Adoption of a common definition of origin for petroleum products,
- Modification of the EEC common commercial policy,
- Creation of a common energy policy.

B - PROCESSED AGRICULTURAL PRODUCTS

The fixed element of charges levied on a number of processed agricultural products has been removed but the variable element is still applied (Article 16). For a list of products concerned see Annex A.

The fixed element refers to the normal industrial tariff protection given to Community producers. The variable element compensates Community producers for fluctuations between world and EEC prices of the various inputs used. For example cocoa is processed into chocolate using fats, milk and sugar: EEC sugar and milk prices are considerably higher than world prices and compensation is needed if Community producers are to remain competitive.

C - AGRICULTURAL PRODUCTS

a) Egypt-EEC farm trade

The EEC is Egypt's second largest market for agricultural exports after the Eastern European countries. However, between 1973 and 1976 their share compared with industrial products fell by half to 22%. In 1976 Egyptian agricultural exports to the Community were worth 150 million u.a. of which 95 million u.a. were products covered in the EEC's common agricultural policy. Egyptian farm exports fluctuate greatly from year to year and cannot be relied upon as a steady source of export earnings. Moreover, despite being mainly an agricultural country (46% of the labour force) Egypt imported ten times as much food (mainly cereals and dairy products) from the Community in 1975 than she exported to it.

Put into a Community perspective, EEC farm trade with Egypt is minimal accounting for under 1% of its total world farm trade.

The main Egyptian farm exports to the Community are onions and garlic, potatoes, citrus fruit and beans. For the most part Egyptian exports complement Community production either by providing different produce, e.g. dates, mangoes, or the same produce out of season, e.g. onions, sweet peppers. Only in a few cases is there direct competition such as with citrus fruit but the quantity involved is very small.

b) General provisions

Under the 1977 cooperation agreement about 70% of Egyptian farm exports to the EEC benefit from tariff concessions ranging from 40 to 80% of the standard EEC Common Customs Tariff (CCT). This represents a considerable improvement on the 1972 agreement in which only 40% of Egyptian farm exports benefited from tariff reductions of 25 to 50%.

Egypt thus enjoys privileged access to the Community market for its main products. Three other Mashreq countries - Lebanon, Jordan and Syria - enjoy similar concessions. Other Mediterranean countries also enjoy agricultural trade benefits under the Community's global Mediterranean approach.

c) Safeguards

Because the concessions cover some highly sensitive agricultural products they are subject to certain safeguards in order to protect the interests of Community producers. The sensitive products are those produced in the Community, e.g. citrus fruit, which directly compete with Egyptian products. They are often in surplus or have an unstable market situation. The safeguards are:

- Respect for the Community's common agricultural policy (CAP): This means respecting Community reference prices for fruit and vegetables, levies on brans and sharps, etc.
- Quotas: Restricting the preferences on the annual amounts of imports of certain products, e.g. rice.
- Import calendars: Tariff reductions valid only for certain periods of the year.
- Safeguard clause: To protect the interests of Community producers in the event of market disruption. The EEC can use this clause to suspend imports of sensitive products.

D) KEY PRODUCTS

Egypt's key farm exports to the Community enjoy the following benefits under the agreement. For a full list of concessions see Annex B.

a) Fruit and vegetables

Under the agreement tariff concessions vary from 40 to 80% for a wide range of fruit and fresh vegetables, e.g. water melons, grapes, dates, peppers and tomatoes. The concessions are usually limited by calendars covering off-season periods in the Community. The following products deserve special mention.

b) Onions and garlic

These are traditionally Egypt's most important farm export to the EEC and were worth 17 million EUC in 1976, representing 18% of Egyptian farm exports covered by the CAP.

In the 1977 agreement the concession on onions has been increased from 50 to 60% but that on garlic remains unchanged at 50%. This means that Egyptian onions can now enter the Community paying only a 4.8% tariff while garlic imports continue to pay 6%.

The three-month concessional period for onion imports remains unchanged (1 February to 30 April). The four-month concessional period for garlic is also unchanged (1 February to 31 May). This is to protect Community producers who mainly come from the poorer areas such as Brittany and Ireland. About 70% of Egyptian onion and garlic exports are made during the concessional period. However the main problem is not the import calendar but the quality of the onions. Often they are not up to Community standards.

Dried onions and garlic (CCT No 07.04) pay import duties of 15 and 14% respectively. In 1976 imports were worth 5.4 million EUC.

c) New potatoes

In the 1977 agreement eight new products were granted tariff concessions of which the most important are new potatoes. In 1976 they were exceptionally Egypt's most valuable farm export to the EEC being worth 35.6 million EUC (compared with 2.6 million EUC in 1975). This was largely due to the drought in the Community which badly affected the potato crop. Most exports go to the United Kingdom and Ireland.

Egyptian new potatoes enjoy a 40% tariff reduction which means that during the concessional period from 1 January to 31 March they can enter the Community at a tariff rate of only 9%.

d) Citrus fruit

In 1976 Egyptian citrus fruit exports to the EEC were worth 8 million EUC. They consisted entirely of oranges and are Egypt's third most important farm export. The Community is only 45% self-sufficient in citrus fruit.

In the 1977 agreement the tariff concession has been raised from 40 to 60%. This means for example that Egyptian oranges and mandarines can enter the Community at a residual rate of 8% during the winter instead of 12% as previously (full CCT rate is 20%). This is of special importance to the UK which takes a large share of Egyptian orange exports. There is no import calendar limiting the validity of the concession.

The tariff concession on lemon imports remains at 40%.

The three new Member States - UK, Ireland and Denmark - were authorized to apply an 80% concession until the end of the transitional period (31 December 1977) for citrus fruit. Before this date the EEC must decide whether to apply the 60% or 80% concession for all nine Member States.

e) Beans

These are a major Egyptian farm export to the EEC (2 million EUC in 1976). Under the 1977 agreement they enjoy a tariff concession for the first time: a 60% reduction on the standard CCT for six months of the year (1 November to 30 April). This means that beans imported from Egypt need only pay a 5.2% duty compared with 13% before.

f) Rice

Although rice is Egypt's main world farm export it has not usually exported any to the EEC. However in 1976 it exported 17 000 tonnes. Most of its exports have gone to the USSR and East European countries in barter exchange to pay for imports. However there are indications that Egypt might now become a significant exporter to the EEC.

Under the 1977 agreement Egyptian rice exports benefit from a 25% reduction in the levy up to an annual ceiling of 32 000 tonnes. This is on condition that Egypt levies an equivalent tax on its rice exports.

The levies are calculated on a quarterly basis i.e. 1 February, 1 May, 1 August, 1 November and are published in the Official Journal (OJ) by the 10th of the month before the date of application, e.g. 10 January for the first quarter.

Proof that the special export tax has been collected shall be provided by the custums authorities marking the movement certificate with the phrase 'special export charge collected'.

g) Brans and sharps

The variable component of the levy imposed on imports of brans and sharps (CCT No 23.02 A 11) is reduced by 60% provided Egypt applies an equivalent tax on its exports. The levies are calculated and published in the same way as for rice. The customs authorities must provide similar proof that the export tax has been collected.

Concessions on Egypt's main agricultural exports to the EEC

Product	Rate of reduction %	Calendar	CCT duty %	Duty left %	Value (1000 EUC) 1976
Potatoes	40	1.1 to 31.3	15	9	35 572
Onions	60	1.2 to 30.4	12	4.8	10 552
Citrus fruit	60	-	15	6	7 939
Dried onions	-	-	18	15	5 445
Rice	25 of levy	-	-	-	3 015
Garlic	50	1.2 to 31.5	12	6	1 397
Beans	60	1.11 to 30.4	13	5.2	1 981
Watermelons	50	1.4 to 15.6	11	5.5	1 114

Source: SOEC.

E - RULES OF ORIGIN FOR EGYPTIAN GOODS

1. In the Egypt-EEC agreement products originating in Egypt and not covered by the EEC's common agricultural policy enjoy duty free access to the Community (see page 5). In order to enjoy this advantage Egyptian products must satisfy certain conditions laid down in the second protocol to the agreement. This not only defines the concept of 'originating products' but also how it should be applied. (1)

In certain circumstances (see 2 (b)) these rules also apply to EEC products exported to Egypt even though no preferences are given.

(1) A further more detailed guide to the rules of origin is planned for 1978.

Refined petroleum products are not covered by the origin protocol and separate rules of origin apply in each EEC Member State. However any refined petroleum product based on Egyptian crude oil will have originating status.

2. Definition of an originating product

a) A product is considered to be 'originating' if it has been entirely produced ('wholly obtained') in the country concerned, e.g. a tomato picked from a plant growing in Egypt is an originating tomato. In addition a product can also be considered to be 'originating' if sufficient work has been carried out.

b) Sufficient working or processing

Sufficient working or processing is defined as that working or processing which places the final product under a different tariff heading in the Customs Cooperation Council Nomenclature. However there are exceptions to this general rule because if it was applied literally it could produce some anomalies between the amount of work necessary for different products. This is because the nomenclature was not constructed for the purpose of fixing the origin of products.

There are two lists of exceptions called Lists A and B. List A states that in addition to the change in tariff heading products must also fulfill some extra conditions. On the other hand List B states that alternative conditions to the change of tariff heading may be fulfilled.

The rules in Lists A and B are either 'specific rules' relating to special processes and inputs which must be used or cannot be used or else 'percentage rules' specifying the proportion of the value of the product which must come from the country concerned.

Some products are listed in both Lists A and B in which case the conditions of both lists must be fulfilled. If both lists refer to a percentage rule then the proportion of non-originating imported parts cannot exceed the higher percentage. In no circumstances can the two percentages be added together.

The rule of sufficient working or processing of imported products does not apply to those inputs imported by Egypt from the Community provided that they are 'originating'.

c) Minimal processing

Whether or not a change of tariff heading has taken place and the List A and B rule has been satisfied, more than a minimal amount of processing must take place. For example the following processes are considered as 'minimal' and do not involve sufficient processing to give originating status:

- Preservation of goods during transport and storage (ventilation, spreading out, drying, chilling, placing in salt, sulphur dioxide or other aqueous solutions, removal of damaged parts and like operations);

- Simple operations such as removal of dust, sifting or screening, sorting, classifying, matching (including the making up of sets of articles) washing, painting, cutting up;

- Simple mixing of products whether or not of different kinds, where one or more components of the mixture do not meet the conditions laid down in the Protocol to enable them to be considered as originating;

- Simple assembly of parts of articles to constitute a complete article.

d) Direct shipping or 'direct transport'

In addition to meeting to the above criteria an originating product must also be transported directly from the country of origin to the country of destination. This means that products may not pass through another country unless this is necessary for geographical reasons and then only subject to the following stringent conditions:

- Nothing more than transhipment or temporary warehousing is involved, i.e. unloading and reloading. However any process to keep the goods in good condition is allowed;

- The goods do not 'enter into the commerce of the transit country', e.g. they are not bought or sold there;

- The goods are not used domestically, e.g. are not cleared through customs;

- The goods remain under customs control in the country of transit.

Evidence must be shown that the above conditions have been met. This is normally done by presenting a through bill of lading.

There are slightly different rules for goods sent to exhibitions in other countries.

3. Export documentation

Normally a certificate EUR I is used. This is issued by the customs authorities after the exporter has filled in the application forms.

If the consignment is to be sent by post, which includes parcel post, and does not exceed 1 000 units of account in value (LE 2 250) the exporter may choose to use a form EUR 2 which he either fills in himself or allows an authorized representative to complete. The form is then placed in the parcel and does not have to be seen by the customs of the country of export.

No document is required whatever the means of transport if the consignment is:

- less than 60 units of account in value,
- contains goods destined for the personal use of the recipient, does not have any commercial purpose and quantity and represents an isolated case.

Information on the detailed application of the rules of origin can be obtained from the appropriate Egyptian authorities or from the customs administrations in the EEC Member States.

Logical tree to establish whether a product has originating status

Q 1 Is your product entirely produced in Egypt?
YES - originating product
NO - Q 2

Q 2[+] Are the imported parts used originating parts of the EEC?
YES - originating product
NO - Q 3

Q 3[+] Do the imported parts not of EEC origin, have a different 4-figure CCCN classification than the final product?
YES - Q 4
NO - Q 6

Q 4[+] Is your product listed in List A?
YES - Q 5
NO - originating product

Q 5 Does your product satisfy the additional criteria set out in List A?
YES - originating product
NO - non-originating product

Q 6[+] Is your product listed in List B?
YES - Q 7
NO - non-originating product

Q 7 Does your product satisfy the alternative criteria set out in List B?
YES - originating product
NO - non-originating product

NB: At the head of List B in the last column is a general 5% waver for some products: Chapters 84 to 92, 73.37, 97.07 and 98.03.

[+] If your answer is YES and NO you have to follow through both the YES and NO possibilities. Only if all the answers come out to be 'originating product' do you have one.

F - EGYPTIAN IMPORT REGIME

MFN treatment (Article 26)

Community exports to Egypt represent only 1% of its total world exports. Under the cooperation agreement, Egypt is not obliged to make reciprocal trade concessions with the EEC. Instead it will grant the Community most-favoured-nation treatment (MFN). This means that Egypt will extend to the Nine any favourable trading terms offered in subsequent agreements with other countries. The only exceptions are if Egypt forms a customs union or a free trade area with the other Mashreq countries. The same applies if Egypt joins a larger regional group of developing countries aimed at promoting economic integration.

In order to satisfy its own industrialization and development requirements, Egypt may introduce new customs duties or quotas on Community exports. Alternatively it may increase existing duties and quotas. Consultations must be held in the Cooperation Council before such measures are applied. The quotas must apply to the Community as a whole and in no case can there be discrimination between EEC Member States.

Anti-dumping procedure (Article 31)

Should either Egypt or the Community find that dumping is taking place in their trade with each other, then it can take action under Article VI of the General Agreement on Tariffs and Trade. Similar action can be taken against bounties or subsidies.

However the matter must first be discussed in the Cooperation Council and all necessary trade information be provided so that the matter can be fully examined. Any proposed safeguard measures must be discussed by the Council. Such measures must disturb the functioning of the agreement as little as possible and be withdrawn as soon as circumstances permit. In the event of serious balance-of-payments difficulties similar safeguard measures can be taken by Egypt or the EEC Member States.

IV - ECONOMIC COOPERATION

The aim of the Egypt-EEC Cooperation Agreement is to promote the economic and social development of Egypt through economic, technical and financial cooperation. This should complement the Egyptian government's own development plans and programmes and give special emphasis to regional projects.

A - Types of cooperation

Cooperation between Egypt and the EEC can take the following forms (Article 4):

- Development of economic infrastructure, e.g. water and power supplies, communications, etc. so as to encourage economic diversification, notably the promotion of industry and the modernization of agriculure.

- Industrial cooperation: The Community can help in several ways to develop Egyptian industry:
  - Participate in Egypt's industrial development programmes;
  - Promote business contacts between Egypt and the Community both in the public and private sectors;
  - Facilitate the transfer of technology by arranging favourable terms for the purchase of patents, licenses etc;
  - Eliminate non-tariff barriers, e.g. packaging, health and safety regulations, impeding exports to either market.
  - Scientific, technological and environmental protection.
  - Assistance in the exploration, production and local processing of Egypt's natural resources, e.g. oil, gas.
  - Help develop Egypt's fishing industry, e.g. expansion of fishing fleet, fishermen's training, construction of fish-processing factories.
  - Encouragement of mutually beneficial private investment through political and economic guarantees against nationalization, tax rebates, repatriation allowances, etc.
  - Exchange of economic and financial information.

The Cooperation Council is responsible for defining the various methods of cooperation outlined above and supervising their implementation.

Community financial aid shall be provided in accordance with Protocol No 1 on technical and financial cooperation and shall take account of the possibility of triangular cooperation.

B - Cooperation guidelines

In order to speed up the commitment of Community aid, it was agreed that aid programmes should be drawn up without waiting for the agreement to be ratified (expected sometime in 1978). Accordingly a Community fact-finding mission visited Egypte from 18 to 25 March 1977, to study the economic situation and discuss development needs with the Egyptian authorities.

Following the mission a report was drawn up and in October 1977 the Commission sent a proposal to the EEC Council of Ministers defining guidelines for technical and financial cooperation.

After the Nine have adopted the guidelines they will be submitted to the Egypt-EEC Joint Committee.

C - General objectives

- Development of Egypt's human and technical potential;
- Expansion of industrial and agricultural production;
- Promotion of industrial cooperation between firms so as to encourage the transfer of technology, private investment and the creation of joint ventures;

- Development of basic infrastructure.

Community aid should be used to support the various forms of economic cooperation defined in Article 4 of the agreement, e.g. exploitation of natural resources. It should also serve as a catalyst to attract aid from other sources and encourage triangular cooperation, i.e. Egyptian projects, OPEC capital and Community know-now.

D - Economic priorities

The Commission has proposed that the following sectors be given priority:

Training and technical assistance

- Technical and professional training schemes in the industrial, agricultural and tourist sectors.
- Technical assistance to help identify, prepare and manage projects.
- Technical assistance in creating a centre for development, training and industrial, technological and commercial information.

Development of production

Industry

- Modernize and develop industries to meet domestic demand and help diversify intersectoral trade,
- Develop local raw material processing industries.

Agriculture

- Increase productivity and extend the area of cultivated land through drainage, irrigation schemes etc.
- Exploit water resources.
- Modernize the stocking, transport and distribution of the main agricultural products so as to meet local and regional demand.
- Expand fedd-grain production for export.

Basic infrastructure

- Develop basic infrastructure required to establish new production areas and remove economic bottlenecks.

V - TECHNICAL AND FINANCIAL COOPERATION

As stated in Article 1 of Protocol No 1 of the agreement, the object of Community financial aid is to contribute towards Egypt's economic and social development.

A - Amount and duration of aid

The aid totals 170 million units of account (LE 75.5 million) and extends until 31 October 1981. However the aid can only be released once the agreement has been ratified by the parliaments of the Nine Member States and Egypt. This process is expected to be completed by the end of 1978.

Although the aid will be distributed as evenly as possible during the period of application a relatively greater amount may be committed during the first couple of years so as to compensate for the delay over ratification. Any funds remaining at the end of October 1981 can still be used according to normal procedure until exhausted.

The aid is made up as follows:

EIB loans	:	93 million EUC	(LE 41.3 million)
Loans on special terms	:	14 million EUC	(LE 7 million)
Grants	:	63 million EUC	(LE 28 million)
Total	:	170 million EUC	(LE 75.5 million)

The EIB loans will be covered by Community rather than national guarantees. The grants and special loans will come from the Community budget which from 1 January 1978 will use the new European unit of account.

The EIB loans come from the bank's own resources and usually benefit from a 2% interest rebate financed by the 14 million EUC set aside for grants.

The loans on special terms will be issued for a period of 40 years at a nominal interest rate of 1%. There is a 10% grace period before repayment starts.

Both types of EIB loan may be granted to the Egyptian Government or appropriate Egyptian organizations, e.g. development banks, for on-lending. They must however observe the terms laid down in the Financial Protocol.

B - Purpose of financial aid

EEC financial aid can be used to wholly or partly finance:

- Production and economic infrastructure investment projects especially those aiming to diversify the Egyptian economy, promote industrialization and modernize agriculture. These will usually be financed by EIB loans, loans on special terms or a combination of both. However the use of grants for financing capital projects is not precluded.

- Technical cooperation connected with the above projects, e.g. feasibility studies, planning, choice of technology. This will normally be financed by grants.

- Training of staff to work on and later operate the above projects. As with other forms of technical cooperation, training will be financed by grants.

EEC aid should only be used to cover the cost of executing the projects. It may not be used to cover administrative, maintenance or running costs.

Given the modest volume of Community aid in relation to Egypt's development needs, co-financing is of special importance. The EEC may jointly finance projects along with Egyptian credit and development organizations, EEC Member States and international finance organizations, e.g. Arab funds.

C - Aid beneficiaries

The following are eligible for EEC financial aid:

- The Egyptian Government which in turn can authorize aid for the following bodies:
  - Official Egyptian development agencies,
  - Private Egyptian development agencies,
  - Private enterprise in Egypt,
  - Egyptian producer groups,
  - Egyptian industrial trainees and scholarship holders.

D - Presentation and appraisal of projects

With the approval of the Egyptian Government each of the above groups may submit a formal request for aid to the EEC. It will then be jointly considered by the EEC and the Egyptian Government. On the European side it has not yet been decided how this task will be shared between the European Commission and the European Investment Bank. The exact procedure for appraising projects and making financial decisions has also still to be worked out.

The Egyptian Government or other aid beneficiaries shall be responsible for the execution, management and maintenance of projects financed by the Community. The Community will check that the aid is used as efficiently as possible and in accordance with the objectives laid down in the Protocol.

E - Award of contracts

All Egyptian and EEC citizens are eligible to tender for contracts for projects financed by the Community.

For projects worth less than 1 million EUC (LE 444 500) an accelerated procedure will be used so as to encourage Egyptian firms. This means a shorter time limit for the submission of tenders for small projects of special interest to Egyptian firms.

In special cases other countries may be permitted by mutual consent to submit tenders. This could apply to co-financed projects.

For the execution of these contracts Egypt will apply fiscal and customs arrangements at least as favourable as those applied to other international organizations.

The Community may require a guarantee before granting a loan to a non-governmental body.

Throughout the duration of EIB loans the Egyptian Government will make available the foreign currency needed for the payment of interest and commission as well as for the repayment of principal.

The Cooperation Council will be responsible for the overall supervision of financial and technical cooperation. It will examine annually how the aid is being used and will examine before 31 October 1981 how the cooperation can be extended for a further period.

VI - INSTITUTIONS

1. Joint Committee

The agreement is managed by a Joint Committee composed of representatives of the European Community and the Egyptian Government. The Joint Committee normally meets annually though extra meetings can be held at the request of either side. The Committee is chaired alternately by a representative of the EEC and of the Egyptian Government.

A - Functions

The Joint Committee has the power to take decisions to reach the objectives laid down in the agreement. It may also recommend measures to ensure the smooth running of the agreement. Decisions are taken by mutual consent and are binding on both sides.

The Joint Committee can set up other specialist committees to help it carry out its duties. It can also organize meetings between members of the European and Egyptian Parliaments so as to encourage an exchange of views at a more democratic level.

If either side fails to honour the agreement then the other may take appropriate action. But it must first inform the Joint Committee and supply it with all relevant information so that the problem can be thoroughly examined beforehand. Any measures taken must affect the smooth running of the agreement as little as possible.

Neither side is obliged to disclose information which it considers classified and essential for its own security.

B - Non-discrimination

Both Egypt and the EEC agree not to discriminate between each others citizens, companies or firms (Article 34). However under Articel 24 certain trade restrictions are allowed for reasons of public policy or public security, etc. but they must not 'constitute a means of arbitrary discrimination or a disguised restriction on trade'.

In an exchange of letters on the above two articles the Egyptian Government says that '...... its undertakings do not require it to repeal laws and regulations in force in so far as they remain necessary for the protection of its essential security interests. Egypt will ensure that such laws and regulations are applied in such a way as to ensure compliance with Article 34 of the agreement'.

For its part the EEC '..... expects the principles set out in the agreement, including those in Articles 24 and 34 of the agreement, to be put into full application'.

The European Community considers in particular that the application of the principle of non-discrimination should ensure the correct and smooth application of the agreement.

C - Review of the agreement in 1979

As the agreement is of unlimited duration, reviews will be made firstly in 1979 and secondly in 1984. This will provide an opportunity to examine the effectiveness of the agreement and to propose possible improvements.

Finally the agreement may be terminated twelve months after either side has handed in notification.

2. EUROPEAN UNIT OF ACCOUNT

The European unit of account (EUC) used to express the amounts of aid in Protocol No 1 of the EEC-Egypt agreement is defined as a 'basket' of the currencies of the Community's nine Member States.

The proportion of each Member States currency in the basket reflects that country's productive and trading importance and is as follows:

German mark	:	0.828
Pound sterling	:	0.0885
French franc	:	1.15
Italian lira	:	109
Dutch guilder	:	0.286
Belgian franc	:	3.66
Luxembourg franc	:	0.14
Danish krone	:	0.217
Irish pound	:	0.00759

The value of the unit of account in each of the 9 currencies is calculated daily by the European Commission using daily market exchange rates.

The daily value of the EUC in each of the Community currencies is published each afternoon and telexed to central banks and financial and press agencies. They are also published periodically in the Official Journal of the European Communities (Part C Communications and Information).

The EUC is calculated as follows. First of all, it is calculated in Belgian francs according to the official daily exchange rate in Brussels. Then, this initial value of the EUC in Belgian francs is multiplied by the official national daily exchange rate of Member States currencies to give the value of the EUC in each of the 9 currencies.

The value of the EUC is not calculated in Egyptian pounds because financial transfers will normally be made in the currency of one of the EEC Member States and then converted into Egyptian pounds.

The value of the European unit of account (1EUC) on 1 July 1977 was USD 1.10.

ANNEX A:

PROCESSED AGRICULTURAL PRODUCTS REFERRED TO IN ARTICLE 10

Common Customs Tariff heading No	Description
ex 17.04	Sugar confectionery, not containing cocoa, but not including liquorice extract containing more than 10% by weight of sucrose but not containing other added substances
18.06	Chocolate and other food preparations containing cocoa
19.01	Malt extract
19.02	Preparations of flour, starch or malt extract, of a kind used as infant food or for dietetic or culinary purposes, containing less than 50% by weight of cocoa
19.03	Macaroni, spaghetti and similar products
19.04	Tapioca and sago; tapioca and sago substitutes obtained from potato or other starches
19.05	Prepared foods obtained by the swelling or roasting of cereal products (puffed rice, cornflakes and similar products)
19.06	Communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products
19.07	Bread, ships' biscuits and other ordinary bakers' wares, not containing added sugar, honey, eggs, fats, cheese or fruit
19.08	Pastry, biscuits cakes and other fine bakers' wares, whether or not containing cocoa in any preparation

Common Customs Tariff heading No	Description
ex 21.01	Roasted chicory and other roasted coffee substitutes: extracts, essences and concentrates thereof: - excluding roasted chicory and extracts thereof
21.06	Natural yeasts (active or inactive); prepared baking powders: A. Active natural yeasts: II. Bakers' yeast
ex 21.07	Food preparations not elsewhere specified or included, containing sugar, dairy products, cereals or products based on cereals (1)
ex 22.02	Lemonade, flavoured spa waters and flavoured aerated waters and other non-alcoholic beverages, not including fruit and vegetable juices falling within heading No 20.07: - containing milk or milkfats
29.04	Acyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives: C. Polyhydric alcohols: II. Mannitol III. Sorbitol
35.05	Dextrins and dextrin glues; soluble or roasted starches; starch glues
38.12	Prepared glazings, prepared dressings and prepared mordants, of a kind used in the textile, paper, leather or like industries: A. Prepared glazings and prepared dressings: 1. With a basis of amylaceous substances
38.19 T	Sorbitol, ...

(1) This heading covers only products which, on importation into the Community, are subject to the duty laid down in the Common Customs Tariff, comprising (a) an ad valorem duty constituting the fixed component; (b) a variable component.

ANNEX B:

AGRICULTURAL PRODUCTS

Article 10

1. Customs duties on imports into the Community of the products originating in the Arab Republic of Egypt which are listed below shall be reduced by the rates indicated for each of them.

Common Customs Tariff heading No	Description	Rate of reduction
03.03	Crustaceans and molluscs, whether in shell or not, fresh (live or dead), chilled, frozen, salted, in brine or dried; crustaceans in shell, simply boiled in water:	
	A. Crustaceans:	
	ex IV. Shrimps and prawns	
	- fresh or frozen	50%
05.04	Guts, bladders and stomachs of animals (other than fish), whole and pieces thereof	80%
07.01	Vegetables, fresh or chilled:	
	A. Potatoes:	
	II. New potatoes:	
	ex a) from 1 January to 15 May	
	- from 1 January to 31 March	40%
	F. Leguminous vegetables, shelled or unshelled:	
	II. Beans (of the species Phaseolus):	
	ex a) from 1 October to 30 June:	
	- from 1 November to 30 April	60%
	ex H. Onions, shallots and garlic:	
	- Onions, from 1 February to 30 April	60%
	- Garlic, from 1 February to 31 May	50%
	M. Tomatoes:	
	ex I. From 1 November to 14 May	
	- From 1 December to 31 March	60%

Common Customs Tariff heading No	Description	Rate of reduction
	ex S. Sweet peppers:	
	- From 15 November to 30 April	40%
07.05	Dried leguminous vegetables, shelled, whether or not skinned or split:	
	B. Other (than for sowing)	80%
08.01	Dates, bananas, coconuts, Brazil nuts, cashew nuts, pineapples, avocados, mangoes, guavas and mangosteens, fresh or dried, shelled or not:	
	ex A. Dates:	
	- dried	80%
	H. Other (Mangoes, guavas and mangosteens)	40%
08.02	Citrus fruit, fresh or dried:	
	ex A. Oranges:	
	- fresh	60%
	ex B. Mandarins (including tangerines and satsumas); clementines, wilkings and other similar citrus hybrids:	
	- fresh	60%
	ex C. Lemons:	
	- fresh	40%
	D. Grapefruit:	80%
	ex E. other	
	- Limes	80%
08.04	Grapes fresh or dried	
	A. Fresh	
	I. Table grapes:	
	ex a) From 1 November to 14 July	
	- From 1 December to 30 April	60%
ex 08.09	Other fruit, fresh:	
	- Watermelons, from 1 April to 15 June	50%
08.12	Fruit, dried, other than that falling within heading No 08.01, 08.02, 08.03, 08.04 or 08.05	
	E. Papaws	50%

Common Customs Tariff heading No	Description	Rate of reduction
09.04	Pepper of the genus 'Piper'; pimento of the genus 'Capsicum' or the genus 'Pimento'	80%
09.09	Seeds of anise, badian, fennel, coriander, cumin caraway and juniper	80%
12.03	Seeds, fruits and spores of a kind used for sowing:	
	E. Other----	50%
12.07	Plants and parts (including seeds and fruit) of trees, bushes, shrubs or other plants, being goods of a kind used primarily in perfumery, in pharmacy or for insecticidal, fungicidal or similar purposes, fresh or dried, whole, cut, crushed, ground or powdered:	
	A. Pyrethrum (flowers, leaves, stems, peel and roots)	80%
	B. Liquorice roots	80%
	C. Tonquin beans	80%
	exD. Other:	
	- Camomile, mint, cinchona bark, quassia amara (wood and bark), calabar bark, cubeb powder, coca leaves, other wood, roots and bark; mosses, lichens and algae	80%
12.08	Locust beans, fresh or dried, whether or not kibbled or ground, but not further prepared; fruit kernels or other vegetable products of a kind used primarily for human food, not falling within any other heading	80%

This concession is solely for seeds complying with the provisions of the Directives on the marketing of seeds and plants.

Common Customs Tariff heading No	Description	Rate of reduction
16.05	Crustaceans and molluscs, prepared or preserved:	
	ex B. other:	
	- Shrimps	50%
20.01	Vegetables and fruit, prepared or preserved by vinegar or acetic acid, with or without sugar, whether or not containing salt, spices or mustard:	
	A. Mango chutney	80%

ANNEX C

BASIC DATA ON EGYPT

Land area : 1 001 450 km^2 of which 35 580 km^2 (4%) is inhabited and cultivated

Climate : Hot and dry with mild winters

Temperature : (Cairo: 116 m altitude): Hottest month July 21 to 36° C; Coldest month January 8 to 18°C

Time : 2 hours ahead of Greenwich Mean Time (GMT) - summer 3 hours ahead

Monetary unit: Egyptian pound (LE)
LE 1 = USD 2.56 (official rate)
LE 1 = USD 1.43 (parallel market rate from 1 December 1976)
LE 1 = u.a. 2.25 (official rate)
LE 1 = u.a. 1.26 (parallel market rate from 1 December 1976)

PEOPLE, RESOURCES AND EQUIPMENT

Population: 38 million (1976)
Annual growth of population (1960-76) = 2.2 to 2.5%
Density: 36 per km^2
1 042 per km^2 for inhabited and cultivated land

Cities (population in 1970):

Cairo (capital)	4 961 000
Alexandria	2 032 000
Giza	712 000
Suez	315 000
Port Said	313 000

Labour force: (1970) 9 174 000 of which agriculture 5 023 000 (55%)
National income per person: (1975) USD 320
Mineral reserves: Coal (1965) 25 million tonnes
Crude oil (1973) 288 million tonnes
Natural gas (1973) 85 000 million cubic metres
Petroleum refinery capacity: (1973) 1.2 million tonnes
Electrical capacity: 4 012 megawatts, of which hydro 2 454 megawatts
Ships : (registered 1975) 143 totalling 301 383 gross registered tonnes
Ports: Alexandria, Ras Shukheir (crude oil), Suez, Port Said
Airports: Cairo, Alexandria, Luxor, Aswan, Mersa Matruh

PRODUCTION

Gross domestic product (1974): USD 9 361 million
Growth in real terms (1970-74): 4% per annum
Structure of gross domestic product (1974):

Agriculutre	29%
Manufacturing and mining	17%
Distribution and hotels	8%
Transport	4%
Construction	3%

MAIN ECONOMIC SECTORS

1. Agriculture

The importance of agriculture to the Egyptian economy is shown by the fact that it occupies 46% of the labour force, contributes 24% of the gross domestic product (GDP) and 33% of total exports (processed agricultural products excluded).

Farming in Egypt is limited to the Nile Valley and the Delta area representing only 2.5% of national territory. The Aswan Dam has added 1.4 million hectares of new cultivable land making a total of 14.5 million hectares. However the area under crops is almost double the cultivable land due to the availability of water throughout the year.

The table below shows that vegetables, cotton and cereals are the main crops. Cotton is of crucial importance providing about 24% of total exports in the form of raw cotton and over 30% as yarn and textiles. Cereals production does not meet local demand and accounts for the bulk of food imports which at LE 750 million (1975) are nearly double food exports.

TABLE 1

Structure of agricultural production (for 1975, in current prices)

	Value (million LE)	Share (%)
Vegetable	248	14.6
Cotton	170	10.0
Maize	141	8.3
Wheat	104	6.1
Fruits	100	5.9
Rice	98	5.8
Sugar cane	59	3.5
Sorghum and barley	37	2.2
Beans	24	1.4
Onions	19	1.1
Other	120	6.9
All crops	1 120	65.8
Livestock and fisheries	581	34.2
Total agricultural production	1 701	100.0

Source: Ministry of Agriculture.

Egyptian agricultural production has stagnated in recent years due partly to lack of investment and inadequate price incentives. The average rate of growth is now less than 2% per annum which signifies a decline in *per capita* terms. Cotton production has fallen and cereals stagnated but fruit and vegetables, whose prices are not controlled, have risen. Meat and milk production has not increased fast enough to keep pace with population growth.

2. Petroleum and gas

The Sinai oilfields were returned to Egypt in 1976 and production has now regained its former level 16 million tonnes per year. About half this amount is available for export. Production is expected to rise to about 35 million tonnes per year by 1980 of which 25 million tonnes would be available for export yielding USD 2.5 million at present prices (equivalent to 30% of projected foreign exchange earnings). Four refineries with a total capacity of 11 million tonnes per year are being repaired after war demage.

Gas production is currently 3 million cubic tonnes per day and could rise greatly.

3. Manufacturing and mining

This sector employs 13% of the labour force, contributes 20% of GDP and 35% of total exports. Annual average growth rate has been over 5% mainly due to government efforts to develop import substitution industries. Agro-based industries such as textiles, beverages, food and cigarettes have been given priority and now contribute 61% of the sector's output.

Most of the large and medium scale enterprises belong to the public sector which accounts for 75% of the manufacturing sector's output. The small private sector is mainly limited to textiles, food and leather goods.

Mining is mostly limited to iron ore which has an annual output of 2.4 million tonnes. Phosphate production could be expanded from its present level of 0.5 million tonnes p.a. following the discovery of new deposits in western Egypt.

TABLE 2

Structure of manufacturing industry in 1975

Industrial sector	Production		Public	Exports	
	Gross value (million LE)	Share	sector ownership (%)	Gross value (million LE)	Share %
Spinning and weaving Products	690	30	73	106	46
Foodstuffs	698	31	79	39	17
Chemicals	267	12	76	16	7
Engineering products	221	10	82	19	8
Metallurgical products	165	7	89	11	5
Building materials	93	4	82	4	2
Wood working	40	2	0	11	5
Leather products	87	4	0	25	10
Total	2 261	100	74	231	100

Source: Ministry of Industry and Mining.

4. Transport

The Suez canal was re-opened in June 1975 and earnings reached USD 350 million in 1976. Earnings are expected to rise to USD 700 million by 1980 (8% of projected foreign exchange earnings). The canal is being enlarged to allow ships up to 150 000 tonnes, compared with 60 000 tonnes at present, to use the canal.

5. Tourism

Despite political instability in the area the tourist industry has rapidly expanded. Visitors now number 1 million p.a. and foreign exchange earnings are USD 225 million. The government is planning to increase the number of hotel beds from 42 000 to over 60 000 and establish a hotel training school to ease the shortage of trained manpower. By 1980 it is expected that the number of tourists will have grown to 1.5 million p.a. and earnings to USD 600 million.

6. Trade

Egypt's world trade deficit has deteriorated rapidly in recent years from USD 400 million in 1971 to USD 3 000 million in 1975.

TRADE BALANCE 1971-75 (million USD)

	1971	1972	1973	1974	1975
Imports cif	- 1 244	- 1 286	- 1 664	- 3 491	- 4 497
Exports fob	850	814	1 003	1 674	1 569
Balance	- 394	- 472	- 661	- 1 817	- 2 928

Imports rose fourfold between 1972-75 to USD 4 500 million, equivalent to 38% of GDP. The increase was due to escalating import prices plus a chronic food deficit. In 1975 food imports accounted for half the cost of imports.

Egyptian exports totalled USD 1 500 million in 1975, equivalent to 13% of GDP. The doubling in value of exports since 1971 is mainly due to inflation. Agricultural exports, of which cotton is the most important, account for 33% of total exports. Yarns and textiles followed by petroleum are the next most important.

As regards the direction of trade, most of Egypt's imports come from Western Europe and the USA. Although the USSR still supplies 20% of total imports its share has declined in recent years. On the other hand most of Egyptian exports still go to Eastern Europe, especially the USSR.

ANNEX D

EEC FOOD AID

Food aid is not covered by the EEC-Egypt cooperation agreement. However in order to meet Egyptian food shortages the Community has provided food aid worth about 100 million u.a. between 1970 and 1977. This represents just under 50% of the value of food aid given to the four Mashreq countries during this period.

In 1977 the amount of food aid was substantially increased due to the serious food situation in Egypt and in 1978 the amount will be only slightly less.

The aid is allocated according to several criteria such as the size of the food deficit, *per capita* gross national product and balance-of-payments deficit.

FOOD AID (tonnes)

	1970-77	1978
Cereals	211 400	100 000 (including 48 000 from EEC reserve)
Powdered milk	46 500	5 000
Butteroil	18 400	300

ANNEX E

Bilateral aid given by EEC Member States to Egypt in 1975 (million USD)

	Net ODA (1)	Of which grants:
Belgium	0.2	0.2
Denmark	4.8	0.1
France	23.0	12.2
Germany	65.3	13.0
Italy	6.0	6.0
Netherlands	5.3	5.3
UK	5.6	3.4
EEC Total	110.2	40.2

Source: OECD

Notes: - EEC bilateral aid doubled between 1974 and 1975.

- Rapid growth in EEC aid from 1972 level of USD 6.6 million
- 1975: total EEC aid flows (public and private) amounted to USD 218 million representing 50% of total DAC (2) aid (nearly 100% of grant aid).
- 1977: massive increase in world aid for Egypt to USD 4 000 million.

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(1) ODA = Official development assistance.
(2) DAC = Development Assistance Committee of OECD (18 members).

ANNEX F

EEC embassies in Egypt (in Cairo unless otherwise stated):

Belgium	: 20 Kamel El Shnaoui St (Garden City)
Denmark	: 12 Sh. Hassan Sabri (Zamalek)
France	: 29 Sh. Giza
Germany, Federal Republic	: 20 Boulos Hanna St
Ireland	: Sheraton Hotel, Room 1606
Italy	: 15 Sh. El Salamlek (Garden City)
Netherlands	: 18 Sh. Hassan Sabri (Zamalek)
United Kingdom	: Kasr El Doubara (Garden City)

Banking:

Central Bank of Egypt	: 31 Sharia Kasr-el-Nil, Cairo
Bank of Alexandria, SAE	: 49 Kasr El-Nil St, Cairo
Banque du Caire	: 22 Adly Pasha St, Cairo
Banque Misr, SAE	: 151 Mohammed Farid St, Cairo
National Bank of Egypt, SAE	: 24 Sherif Pasha St, Cairo
Arab African Bank	: 44 Abdel-Khalek Sarwat St, Cairo
Arab International Bank	: Cairo

Stock Exchange

Cairo Stock Exchange : 4A Cherifein St, Cairo

Insurances:

Al Chark Insurance Company, SAE : 15 Sharia Kasr-el-Nil, Cairo
Commercial Insurance Company of Egypt, SAE : 7 Midan E. Tahrir, Cairo

Chambers of Commerce

Egyptian Chamber of Commerce, Alexandria : El Ghorfa Eltegareia St
Cairo Chamber of Commerce : 4 Midan El Falaki St
Italian Chamber of Commerce : 33 Sharia Abdel Khalek Sarwat, PO Box 19, Cairo
German-Arab Chamber of Commerce : 2 Sharia Sherif Pasha, Cairo

Nationalized organizations:

Egyptian General Organization for Food Industries: No 4 Gomhoria Motaheda St, Dokki Cairo

Egyptian General Organization for Spinning and Weaving: 5 Tolombat St, Garden City, Cairo

Egyptian General Organization for Engineering, Electric and Electronic Industries: 28 Talaat Harb St, Cairo

Maritime Transport: 8 Nasser St, Alexandria

Egyptian General Organization of Foreign Trade, Cairo

Egyptian Cotton General Organization: 19 El Gomhouria St, Cairo

Chemical Industries: 49 Kasr El Nil St, Cairo

Oil:

Egyptian General Petroleum Authority: PO Box 2130, Cairo

Employers' organizations

Federation of Egyptian Industries: PO Box 251, 26A Sharia Sherif Pasha, Cairo and PO Box 1658, 65 Horia Rd, Alexandria

Trade unions

Egyptian Federation of Labour (EFL): 90 El Galaa St, Cairo

Shipping:

Egyptian Navigation Co.: 2 El Nasr St, Alexandria

Suez Canal Authority : 6 Lazokhli St, Garden City, Cairo

Civil aviation

EgyptAir: Head Office: Cairo International Airport, Heliopolis, Cairo

Tourism:

Ministry of Tourism: 110 Sh. Kasr-el-Aini, Cairo

Useful addresses in the EEC

1. The Directorate-General of Development
   Commission of the European Communities
   200, rue de la Loi
   B-1049 Brussels

2. The Directorate-General of Information
   Commission of the European Communities
   200, rue de la Loi
   B-1049 Brussels

3. European Investment Bank
   2, Place de Metz BP 2005
   Luxembourg

4. The Official Journal of the EEC comes out every day. Subscriptions and sales of issues can be obtained from the following addresses:

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Chambers of commerce in the nine Member States:

1. **BELGIUM:** Fédération Nationale des Chambres de Commerce et d'Industrie de Belgique
40, rue du Congrès - 1000 Brussels

2. **DENMARK:** Danish National Committee of International Chamber of Commerce
Børsen - 1217 Copenhagen K

3. **FRANCE:** Chambre de Commerce de Paris
27, avenue de Friedland - 75008 Paris

4. **GERMANY:** Deutsche Industrie und Handelstag
Adenaueralle 148 - 53 Bonn

5. **IRELAND:** Association of Chambers of Commerce of Ireland
7 Clare Street - Dublin 2

6. **ITALY:** Unione Italiana delle Camere di Commercio Industria Artigianato e Agricoltura
Piazza Sallustio 21 - 00187 Rome

7. **LUXEMBOURG:** Chambre de Commerce
8, avenue de l'Arsenal - Luxembourg

8. **NETHERLANDS:** Nederlandse Organisatie voor de Internationale Kamer van Koophandel
Prinses Beatrixlaan 5 - The Hague

9. **UNITED KINGDOM:** Association of British Chambers of Commerce
68 Queen Street - London EC4

PUBLICATIONS ABOUT 'DEVELOPMENT AID'

Other EEC publications about the Community's relations with the Third World in general and the Arab world in particular can be obtained from the following address:

Spokesman's Group and Directorate-General for Information
Publications Division, Room 2/27 A
Commission of the European Communities
Rue de la Loi, 200
B-1049 Brussels (Belgium)

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