

Trade Agreements Sector Program For the Promotion of Egyptian Exports during 2004-2005

Introduction

The Ministry of Foreign Trade and Industry, within the framework of its Executive Program for 2004-2005, has been working to bring about sustained growth in Egyptian exports and reduce deficits in the balance of trade. Towards this end, the Ministry has adopted several policies and programs to develop the necessary institutional and legislative export infrastructure and enhance the promotion and marketing capacities of exports. In addition, these policies and programs will serve to finance, support and provide guarantees for exports and ensure effective international and regional action to bring about increased access of exports to the most critical world markets, as well as open up new markets for Egyptian exports. This will be achieved through the enhancement of trade relations with different countries and regions in the form of free trade agreements, as well as the adoption of negotiating stances within the context of the World Trade Organization (WTO), and will be based on shared interests and harmonized positions with developing countries.

The following are the focal points the Ministry has developed in order to achieve the strategic goals for the promotion of Egyptian exports during the forthcoming period.

I. Development of Information and Databases

The Ministry has issued several studies, reports and newsletters, which were distributed to government entities, businesspeople, and exporters. These documents relate most importantly to countries such as India, Japan, Nigeria, Saudi Arabia, Singapore, Sri Lanka and Turkey, as well as economic unions, such as the West African Economic and Monetary Union (WAEMU), the South American Common Market (Mercosur) and the Central African Economic and Monetary Community (CEMAC). In addition, the Ministry has released reports on trade exchanges with Arab countries for the period 1998–2003 and on trade relations with the Common Market for Eastern and Southern Africa (COMESA) over the period 1999–2003, including substantial trade exchanges, in addition to barriers obstructing their execution.

II. Support of Promotional and Marketing Capacities of Egyptian Exports

The Ministry has developed a special interest in the promotion and marketing of Egyptian exports, which is bound to open new markets for Egyptian products and orient the international market thereon, as well as put in place relevant mechanisms through promotional and marketing programs. Efforts meanwhile are slated to inform producers and exporters of different market export requirements.

Toward this end, the Ministry revived Ministerial Decree No. 44/1996 on the formation of a permanent consultative committee for the promotion of Egyptian exports, which would involve all of the Ministry's departments and sectors.

Concerning the promotion of Egyptian service exports in foreign markets in the area of construction, consultation, health and medical treatment and others, the Ministry, in cooperation with the Federation of Egyptian Industries, has undertaken to form a committee to track Iraq's reconstruction contracts and to deduce benefits. At the same time, Egyptian companies are being prompted to implement, whether directly or as sub-contractors, some of these contracts, or to provide commodities and services to Iraqi and foreign parties to the contract.

III. Enhancing Regional and International Efforts to Increase Exports

A. At the European Level: The Egyptian–European Partnership Agreement

The Ministry cooperates with all ministries and authorities concerned to maximize benefits from the Egyptian–European Partnership Agreement via modernization measures and programs, upgraded Egyptian industry and the conformity of Egyptian agricultural exports with European Union (EU) market standards. The Ministry's program in the forthcoming stage focuses on the following steps:

1. Prepare orientation programs for exporters and businesspeople with a view to clarifying the Egyptian-European Partnership, explaining how to benefit from it and publishing studies on EU markets of the major Egyptian export commodities, which involves:
 - Explaining the EU and its institutions and its importance as a market for Egyptian exports.
 - Explaining the provisions of the Egyptian-European Partnership Agreement, along with related import and export procedures with respect to Egyptian exports.
 - Identification of EU rules and regulations affecting exported commodities.
 - Publication of studies dealing with the most important commodities subject to export to the EU markets, in addition to the distribution of manuals containing the indications and results of these studies.
2. Follow up on the application of the traceability system for Egyptian agricultural exports to the EU to correspond with its requirements for 2002, which require that processed foodstuffs can be imported to EU countries only according to the above-mentioned system. The Ministry aims to assist those who intend to export agricultural and processed agricultural products to European markets by informing them of European regulations regarding food safety and marketing. This is especially important given that the tracking system is considered to be among the main factors contributing to the enhanced competitive capacity of Egyptian exports to EU markets.
3. Help Egyptian fish exporting companies to meet EU import requirements in order to increase Egyptian fish exports.
4. Apply the above-stated procedure to peanut-exporting companies, taking into account Ministerial Decree No. 62/2000 on the production and inspection of peanuts for export, by which a list of qualified peanut exporters shall be prepared, similar to that for potato exports. This will prevent the issuing of the EU's rapid warning system, which leads to the rejection of non-conforming shipments.

5. Publish the environmental trade manual entitled “Environmental Challenges Ahead of Exporters to EU Markets,” which will address critical environmental issues facing Egyptian exporters in EU transactions. These will serve as guidelines for Egyptian exporters dealing with EU members, and will inform Egyptian exporters of environmental rules and requirements relevant to EU imports of Egyptian products of potential value, notably leather, textiles, vegetables and fruit, plants and flowers, ceramics, fish and maritime creatures, to boost their competitiveness, ensuring access to EU markets.
6. Track and publish EU regulations for the exporting and business communities in keeping with the Ministry’s European Partnership Agreement Unit’s publishing of the Egyptian-European Partnership’s implementing decrees, as well as manuals concerning the exporting of cut-flowers, vegetables and fruit. The main purpose of this is to keep Egyptian exporters constantly updated on any and all laws and regulations affecting exports to EU markets.
7. Issue weekly periodicals to elaborate on the European-Egyptian Partnership Agreement and the ways to optimize its benefits. The prime objective is to reach small exporters and small enterprises that are not part of exporters’ unions and business associations, with the eventual goal of increasing Egyptian exported products to EU markets.
8. Establish a Rapid Intervention sub-unit within the European Partnership Unit for the settlement of problems facing exporters and importers on a day-to-day basis and as a corollary of the enforcement of the Partnership Agreement.
9. Prepare for the next round of negotiations between Egypt and the European Union on the liberalization of the fish trade in light of a preliminary study intended to promote Egyptian fish exports to the EU.

To accomplish these goals, the Ministry is currently in the process of implementing a plan directed at upgrading the professional skills of the European Partnership Unit staff, in cooperation with the USAID-funded ATR Project, and in conjunction with the Trade Enhancement Program jointly established with the EU. The plan is expected to include the following:

1. Upgrading the skills of the European Partnership Unit staff to prepare studies analyzing the implications resulting from the enforcement of the Egyptian-European Partnership Agreement and the impact of reduced custom tariffs pursuant to the percentages set forth in the Agreement.
2. Developing skills to lend support to all parties in Egypt in search of information on provisions and protocols related to the Agreement.
3. Conducting workshops and seminars on the Egyptian-European Partnership Agreement, to be organized especially for exporters and business associations.
4. Devising a mechanism to monitor the implementation of the Agreement.
5. Tracking amendments to EU regulations.
6. Publishing information about exporter and business meetings.
7. Developing a consultative mechanism to allow for the participation of the private sector.

B. At the Arab Level: Trade Exchange Facilitation and Development

The Ministry is intensifying its efforts to urge the Arab countries to commit themselves to finalizing the transitional phase of the Greater Arab Free Trade Area (GAFTA) and to immediately eliminate non-tariff barriers, as well as apply the established reduced percentage of custom duties and other fees of equivalent effect. The Ministry is also earnestly working with the other ministries concerned in Arab countries to coordinate stances toward the resolution of outstanding issues raised among member states within the framework of the GAFTA executive program in respect to the following:

Services Agreement

Accelerate the completion of the Services Agreement among GAFTA member countries to allow Egyptian service sectors to benefit from opportunities made available in the area of exporting Egypt's services to the Arab countries, especially with regard to relative advantage or emerging sectors in Egypt (e.g., cultural and recreational, communications and Egyptian banking services). As a consequence of liberalizing trade in services, direct investments will be necessarily liberalized and Arab companies will have the right to exist in each other's markets, while removing barriers to freedom of movement for Arab businessmen and investors. This is likely to lead to improved investment prospects in Arab countries, with more Arab and foreign investments in the Arab region to utilize available investment opportunities.

Importance of Standardization

Exports of Arab countries do not maintain specific standards, as every country applies its own, whether local or international. As a result, there is an absence of uniform specifications for exchanged Arab commodities, which has more or less resulted in their rejection and the restriction of the volume of trade exchange among members of the Arab region. It is thus necessary to hold joint meetings to develop a pan-Arab standard or to accredit an international standard with the aim of putting into effect this standardization and consequently stepping up the trade exchange movement, as well as increasing Egyptian exports.

Detailed Rules of Origin

Detailed Arab rules of origin should be fully developed in order to prevent non-Arab products from qualifying for FTA privileges. This will likely lead to higher-quality Arab industry, coupled with enhanced competitive capacity, expanded trade exchange in the region, and increased exports.

Contact Points

Contact points in Arab countries assume a crucial role as focal units of dealing with all concerned parties within the State, the General Secretariat and committees in the Region. In addition, they address private sector problems, problems related to the effectiveness of the dispute-settlement mechanism and orientation on GAFTA. Therefore, it is essential that contact point relations with all entities concerned within the State should be certified, so as to positively result in the quick resolution of trade exchange problems, which will then encourage further trade among Arab countries.

C. Strategy on Orientation toward Africa

The African market is considerable, with a total population amounting to 860 million. This market offers a broad consumer base markedly characterized by considerable diversity in taste, demand scales and levels of income. Its total exports were estimated at \$141 billion, accounting for 2% of aggregate world exports, whereas its imports totaled \$11 billion, representing a meager percentage of its entire trade transactions for 2003.

Accordingly, it represents an emerging market for Egyptian products in unexploited commodity and service sectors. Total Egyptian exports to Africa were estimated at \$500 million. The relatively low Egyptian contribution to African markets was due to the high cost of trading, given shipping and storage difficulties, as well as growing commercial and non-commercial risks in some of these markets. Another reason was the presence of stable European marketing and financial channels in most of these countries, which generally added to the lack of competitiveness of Egyptian products in their markets.

Efforts are being made to promote Egyptian exports and expand the market base of Egyptian products in Africa. Concomitantly, the Ministry of Foreign Trade and Industry has entered into a concerted African-oriented program, bearing in mind the massive and diversified export opportunities that African markets could provide for Egyptian products. Thus the Ministry has drawn up a plan based on Egypt's strategy on trade movement in the African continent, and it hinges on three basic themes to be summarized as follows:

Theme 1: Cooperation at the Bilateral Level

Cooperation with Nigeria and South Africa, as Nigeria is at the helm of the West African economy, as is South Africa in southern Africa. The Ministry thus is set to negotiate with each of these two countries to create free trade agreements, with the hope of getting rounds of negotiation off to a good start during 2005.

Theme 2: Efforts in West Africa

The West African Monetary and Economic Union (UEMOA) comprises eight West African countries. A framework agreement has already been signed with the goal of arriving in two years' time at a free trade agreement. The West African region can be divided into four main gateways, namely Dakar (Senegal), Abidjan (Ivory Coast), Cotonou (Benin), and Douala (Cameroon), that cover 20 potential markets for Egyptian goods. These four gateways were chosen as chief trade centers based on their distinctive geographic positions, and their ability to provide warehouses for transit trading with neighboring countries, thus allowing direct sales. Egyptian producers shall undertake to export demand-intensive products to be stored in warehouses rented by the General Organization of Exhibitions in collaboration with the private sector, and later marketed, promoted and directly sold, either at the major trade centers or in neighboring markets, through such companies as the Dakar-based Egyptian Company for Export to West Africa.

Theme 3: Eastern and Southern Africa

The trade expansion strategy with COMESA member countries is built around four focal points: Kenya, Mauritius, Djibouti and Tanzania. (Despite Tanzania's walkout from COMESA, it still

represents the principal gateway for several COMESA members, including Burundi, Democratic Republic of Congo, Malawi – Rwanda, Zambia and Zimbabwe.) Kenya is also considered to be the gateway to Comoros, Southern Ethiopia, Southern Somalia and Uganda. Mauritius, meanwhile, is the gateway to Madagascar and Seychelles, whereas Djibouti is the gateway to Eritrea, Ethiopia and Somalia. Given Sudan's geographic proximity and close links to Egypt, and its existence as a vast market with a massive absorption capacity, the Ministry tended to use it as a trading destination, especially for Egyptian products, without relying on it as a stepping stone for accessing nearby markets. Access to markets of member countries can be made feasible through common markets with these countries while leasing storage and display areas in free zones. Export can be carried out through direct sale and equivalent deals to overcome difficulties and sales to a third party through rented stores in some countries in part of an attempt to offset the scarcity of foreign currency.

In addition to the efforts intended to implement the Ministry's strategy to connect the eastern, western and southern regions of Africa by means of free trade agreements, the Ministry is also targeting Central Africa by entering free trade agreement negotiations with member countries of CEMAC: Cameroon, Central African Republic, Chad, Congo, Equatorial Guinea and Gabon.

Theme 4: Maximizing Benefits from Finalized Agreements

There are several challenges facing Egyptian exports to the African market, the greatest of which is the strong competition from some European countries. Their presence in African markets is made possible by market access and permanent exhibitions that provide ready merchandise, in addition to low production costs. Therefore, the conclusion and implementation of Egyptian-African trade agreements is certain to enhance the competitive capacity of Egyptian exports through the following steps to be taken on the part of the Ministry:

a. Maximizing Benefits Accrued from COMESA

The Common Market for Eastern and Southern Africa (COMESA) is composed of 20 members. Nine member countries established a free trade area in 1999: Djibouti, Egypt, Kenya, Madagascar, Malawi, Mauritius, Sudan, Zambia and Zimbabwe. Rwanda and Burundi joined on 1-1-2004, with the remaining member states to join the free trade area and enter into a customs union.

The Ministry is endeavoring to maximize benefits from the COMESA Agreement during 2005, by way of:

- Focusing on activating trade exchange between Egypt and member states in the free trade area, through the repeal of all exceptions some countries apply (as in the case of Kenya, Sudan and Mauritius), while encouraging other countries which are yet to accede to do so.
- Treating Sudan as a trading gateway for Egyptian products by virtue of geographic proximity and close links between the two peoples, in addition to being a vast market with massive absorption capacity.
- Giving effect to the COMESA Regional Investment Area (RIA) in Egypt, which is likely to increase investments among member countries.

- Adopting the Regional Competition Law in COMESA member countries and underscoring future benefits in the area of Egyptian investments and service exports in relation to construction and infrastructure in a number of African countries. This is especially important since Egypt is one of the countries that took the lead in developing the law on competition and the prevention of monopolistic practices.
- Stepping up Ministry efforts to promote Egyptian products in COMESA member countries, such as holding specialized exhibitions and dispatching promotional missions to East and Southern Africa.
- Defining and promoting a set of Egyptian products that provide considerable opportunities in COMESA markets, such as agricultural commodities, foodstuffs, detergents paper and sanitary products, construction materials, medicines and medical supplies, household and electric appliances, and car tires.
- Urging Egyptian businesspeople to invest in transportation, especially maritime transport, for example, the Transmar Transport Company, which is expected to extend lines to several ports in the east and south of Africa.
- Pressing ahead with the finalizing of the Agreement on Trade in Services, subject to negotiation with the COMESA members.
- Forming a unit at the Trade Agreements Sector to be responsible for coordination and communication between the COMESA Secretariat and authorities within Egypt to increase benefits and enforce effective participation in COMESA programs.
- Giving effect to the Egyptian-French Partnership Agreement on the African arena to promote French investments in Egyptian free areas. French products made in Egypt would be given access to the COMESA markets with an Egyptian certificate of origin.
- Putting into operation recently finalized deals relating to the foundation of joint chambers of commerce with 13 African countries including two COMESA member countries (Democratic Republic of Congo and Burundi).

b. Maximizing Benefits from Other Trade Agreements with African Countries

Optimizing benefits from trade agreements with other African states can be achieved in the manner specified below:

- Increasing the number of warehouses and direct sale centers within African markets, which will allow the provision of ready goods and reduce financial risk.
- Putting into action the joint cooperation protocol between the Egyptian National Bank and the SGS Company which the Ministry finalized on 1-4-2004, stipulating for the National Bank's financing of African market-oriented export operations. SGS will be charged to run the export process as part of this protocol.
- Maximizing benefits from deals finalized between the Ministry and two Switzerland-based firms, SGS and Cotecna. These companies will be responsible for warehouse management and insurance on behalf of Egyptian banks and exporters, as well as the pre-export inspection of Egyptian goods at Egyptian ports. By informing exporters of the services offered by the above-mentioned companies, Egypt can better benefit from these deals.
- Increasing exporters' awareness of the contract with the French company Bellore, and its role in overseeing African ports to facilitate export to African markets.

- Making use of the line of credit for Egyptian exports offered by the Egyptian National Bank, which is estimated at 100 million Egyptian pounds, according to the ready goods system. In addition, there are increased credit lines in local currency as administered by Egyptian banks to Egyptian industries in exchange for exporting their manufactured products.
- Ensuring that exporters make use of financial aid extended by the African Development Bank and other international financial institutions in export promotion in connection with African countries, as well as low-value long-term loans offered by the same bank.
- Carrying out the joint cooperation agreement with the French Exhibition Authority Promosalons to support specialized fairs promoting Egyptian commodities within African markets. The French expertise and databases can be used to inform the African consumer about Egyptian products.
- Accelerating the finalization of the work of the Egyptian-led Interim Committee, which was entrusted with drawing up regulations governing the establishment of the General African Chambers Federation, as agreed upon at the Chambers of Commerce Industry and Agriculture Conference held in Alexandria in December 2004.
- Publishing and expanding on information regarding tenders funded by donor countries and African banks overseas for the Egyptian investor to benefit from, which are estimated at approximately \$35 billion annually.
- Assigning researchers to prepare detailed studies on African markets as part of a specific plan to get better acquainted with the realities of these markets and prospects available for Egyptian exports.

D. At the Latin American Level: Trade Relations with Mercosur

Mercosur, the Common Market of South American States, is composed of four member countries (Argentina, Brazil, Paraguay and Uruguay) with a population of approximately 230 million. It represents a massive market the Egyptian exports are attempting to access in order to reduce deficit in the trade balance with its members, which registered around \$705 million in 2003. In addition, approaching the Latin American countries as new markets constitutes a third stage goal of the Egyptian export promotion strategy, which focuses on a number of Egyptian commodities with considerable competitive advantage, both agricultural and industrial. These commodities are gaining greater access to Mercosur markets and include wooden furniture, marble, ceramics, cement, medicines, medicinal and aromatic plants, chemical and organic materials, cotton, rice, dried vegetables, tomatoes, potatoes and garlic.

E. Trade Relations with Asia and Eastern Europe

Exports to non-Arab Asian countries account for 18% of Egypt's total volume of exports. The Ministry hopes to increase exports to these markets and improve trade deficits.

The Ministry is also concerned with problems related to effective market access of Egyptian products to foreign markets, including the Russian Commonwealth as well as Southeast Asian markets (China, Malaysia and Thailand), which are markedly characterized by Arab immigrant congregations. The Ministry is soundly oriented toward them with the eventual bid of finding a wide market for Egyptian products.

F. Trade Relations with the United States

The Egyptian Government places high value in its current negotiations with the U.S. In its preparations the Ministry has made arrangements for a series of meetings with Egyptian authorities. These meetings will influence the form of scheduled negotiations with the U.S. on the envisaged technical fundamentals of negotiating stages and topics of the free trade agreement. Several teleconferences have already taken place between Egyptian and U.S. officials on different topics including sanitary and phytosanitary measures, technical barriers to trade, intellectual property rights, and government procurement.

These negotiations are expected to result in a free trade agreement similar to those concluded between the U.S. and Jordan, Canada, Mexico and Israel. This agreement is likely to promote Egyptian exports to the U.S., in addition to the prospect of improving access for Egyptian exports to the Mexican and Canadian markets via the U.S. market. The Ministry is also intent on enhancing cooperation under the Trade and Investment Framework Agreement (TIFA), in addition to reinforcing the role of the presidential councils of the two countries.

G. Trade Relations with Turkey

Turkey represents a major arena for increasing Egypt's exports because of its massive market with a population of almost 70 million. In addition, Egypt is attempting to reduce its trade deficit with Turkey, which reached \$34 million in 2003.

Several rounds of negotiations on the establishment of a free trade area between the two countries have already been held.

Contact has been made with the Turkish side to announce the Egyptian position relating to the full exemption of Egyptian industrial exports, as well as the gradual liberalization of Egyptian imports of industrial goods from Turkey over a period of time. As for agricultural products, a list of major commodities with comparative advantage needs to be exchanged between the two countries.

The harmonization of the two countries' positions is underway with the aim of arriving at a final decision in this respect while taking into account the interests of both parties.

H. Trade Relations with the European Free Trade Agreement (EFTA) Countries

EFTA countries, composed of Iceland, Liechtenstein, Norway and Switzerland, have a population of approximately 12 million, which makes it an important European market for Egyptian exports.

Several rounds of Egyptian-EFTA negotiations have been held. These negotiations resulted in the conclusion of an agreement to immediately liberalize Egyptian exports of industrial goods to EFTA member countries. Egypt has also provided to EFTA members lists of Egyptian agricultural commodities, highlighting products like potatoes, fruit and cut flowers. With regard

to rules of origin, Egypt confirmed its intention to apply Euro-Mediterranean rules pursuant to the Euro-Egyptian Partnership Agreement.

IV. Maximizing Benefits from WTO Agreements and Negotiations

Current WTO negotiations involve a number of agreements on agriculture, industrial market access, trade facilitation, anti-dumping, trade and environment, intellectual property rights and trade in services.

The Egyptian attitude toward current negotiations is increasingly reform- and liberalization-oriented, from the international trade perspective. The Egyptian position is guided by the importance of trade liberalization and of improving the performance of the world economy and putting in place a fair and equitable multilateral trading system. This system would provide for fair market access, as well as for enhanced competitive capacity and optimal resource allocation. It might also be more substantially beneficial in terms of opening markets and curbing unilateral protectionist measures that distort international trade.

To preserve Egypt's economic and trade interests and to ensure shared and substantiated gains for all WTO members, particularly developing countries, Egypt assumed a key role during the ongoing negotiations, starting with the Doha-held Fourth Ministerial Conference. This role reflects Egypt's effective contribution at the multilateral level in leading WTO African and Arab parties, as well as its concerted coordination with developing countries in formulating resolutions and rules pertinent to the international trading system.

When ranking Egypt's negotiating priorities, the negotiating position has to meet the country's objectives of increasing investments, exports, and employment opportunities through expanded foreign market access for Egyptian agricultural, industrial and service products. Developing Egypt's negotiating position is done in cooperation with all ministries and government authorities concerned as well as the private sector through a higher national committee formed to this effect.

Egypt's WTO negotiating stances are oriented as follows:

- Expanding opportunities for Egyptian exports to access foreign agricultural markets through reduced applicable tariffs, the conversion of all fixed and compound fees to ad valorem fees, the reduction of trade-distorting subsidies and the phased cancellation of all forms of export subsidies during an agreed period of time. In addition, Egypt's stance is that developing countries, including Egypt, be allowed flexibility in connection with granting donations to their agricultural exports consistently with their developmental goals.
- Increasing access of industrial exports to international markets by eliminating tariff and non-tariff impediments, especially in relation to Egyptian export-oriented industrial goods. Developed countries would not request that developing countries make similar reductions on industrial products, provided that such reductions are processed over longer periods.

- Adoption of the special and preferential treatment principle for developing countries as one of the basic rules of the WTO, and provision of technical assistance and capacity-building for developing countries to help them meet their commitments vis-à-vis the liberalization of international trade and mitigation of liberalization's negative implications.
- Consideration of liberalizing trade in services in high-priority sectors. This should be done in a manner that reflects Egypt's economic and trade interests in this area, and that creates a suitable atmosphere for investment, as well as further promotes Egypt's exporting of services to international markets.
- As regards entering negotiations on trade facilitation within the framework of the WTO, the current Egyptian position is consistent with the government's new policy set to improve the customs system. This policy will reduce time consumed in the release of goods and the submission of required documents and enhance the activity of custom windows and ports. This will likely attract more investments and ease burdens on both importers and exporters.

The Ministry will also strive to improve the institutional basis for export services through the following activities:

- Issue legislation on trade in commodities that violate intellectual property rights in implementation of Egypt's WTO commitments vis-à-vis trade aspects of intellectual rights. This legislation is certain to encourage more Arab and foreign investments to operate in Egypt and to introduce an atmosphere of trust and confidence in the possibility of establishing industries with high competitive export capacity.
- Study Egypt's observance of its commitments under WTO agreements. This task should be jointly conducted with the Assistance for Trade Reform Project, and should look into agreements that include but are not limited to the Sanitary and Phytosanitary Agreement and whatever legal text is the outcome of the trade facilitation negotiations. In addition, we should study the implication of liberalized trade in services depending on the ongoing negotiations.
- The TRIPS (Intellectual Property Rights) Contact Point affiliated with the Ministry should undertake an effective role, in coordination with commercial representation overseas, in protecting Egyptian intellectual property rights and tracking in different countries issues such as copyright, literary works, trademarks, and patents, while taking necessary measures for the retrieval and preservation of Egyptian entity rights.

V. Protecting the Local Market against Unfair Trade Practices

The Ministry seeks to provide support and protection for Egyptian products from unfair trade practices because of subsidized, dumped or imported goods. The Egyptian Subsidy, Anti-Dumping and Safeguards Department is adopting trade remedies necessary for industry protection and the sound investment and labor management of related firms.

The protection of local industry against harmful practices in international trade will allow industries to fully take advantage of their available production capacities. Consequently, they will expand their output as a result of free and fair competition, which will result in lower production costs and safer competitive capacity for better access to foreign markets. In addition,

applying fair competition protection mechanisms contributes to the flow of Arab and foreign investments.

Targets for 2005

Institutional development and restructuring efforts of the Subsidy, Anti-Dumping and Safeguards Department should be continued, with material and human capacities being reinforced and the automated work system model in dealing with subsidy, dumping and safeguard issues applied. An automated workflow system for correspondence should be set up at the department level, alongside the use of e-mail and the Internet. This would allow the Department to assume an increasingly active role, reflecting Egypt's growing participation in international trade and expanded competition. In addition, it would be appropriate given the improvement of the Department's technical personnel, as a result of advanced in-house and overseas training programs organized in collaboration with counterparts in developed countries and international organizations specialized in international trade.

In light of targeted trade remedies investigations for 2005, investigation procedures regarding fluorescent lamps, galvanized metal sheets, stainless steel sinks, porcelain tableware, plungers, sulphur, polyserum, pipes and their accessories, pencils and glassware shall be completed and the anti-dumping fees on products from the Russian Federation and Kazakhstan finally revised.

VI. Providing Legal Support for Exports

The Ministry intends to provide legal support to Egyptian exports to foreign markets against unjust trade practices in those markets, including subsidy, dumping and safeguard actions filed against foreign companies abroad, through:

- Providing financial support for contracting with specialized international legal offices.
- Offering legal advice and technical assistance for national industry in trade remedy cases against Egyptian exports in foreign markets. In this way, the Egyptian steel industry was exempted from anti-dumping and countervailing duties from the two steel lawsuits filed by the US and the European Union against Egypt's steel exports.
- Extending legal advice and technical assistance for the protection of national industry against dumping practices and increased imports.
- Providing legal advice and technical assistance during negotiations within the context of the WTO.
- Enhancing the Ministry's efforts in providing legal support to Egyptian exporters involved in legal disputes or trade remedy cases in foreign markets.

Targets for 2005

1. Following up on final duties imposed by South Africa on Egypt's carbon exports.
2. Tracking safeguards imposed by Jamaica on Egypt's exports of gray cement. The Ministry may refer this matter to the WTO Dispute-Settlement Mechanism.

VII. Training and Human Resource Development

One goal is the completion of administrative and technical development processes in all the Sector's departments to help find capable and qualified institutional entities competent to boost efforts to improve foreign trade levels.

Another target is to finalize training programs already underway and to pursue sustained training techniques through the job mandate of the Sector's staff to comply with modern systems of preparing qualified technical and administrative personnel to competently deal with international organizations and trade partners while following up on trade agreements and commitments in the following manner:

1. Completion of the Automated Workflow System (AWFS) Project
This project relates to the transfer of work on subsidy, dumping and safeguard issues from a manual system to an electronic system to reduce the time needed to complete related tasks. The project was begun in 2004; now in the final testing stage, it is expected to be operating in early 2005.
2. Internet website
A website will serve the purpose of promoting transparency and upgrading services provided to customers, be they exporters, importers, or local producers.
3. Introducing the Sector's staff to the use of e-mail service.
4. Establishing an E-Library
A major goal is to develop the E-Research Center to house relevant research and the major periodicals and reference materials of interest to the Foreign Trade Sector and Trade Agreements Sector.
5. Connecting with external sources of data (e.g., the Customs Administration) to provide statistical data on imports and exports.
6. Establishing the Information System Group to improve performance. This Information System Group will provide the following
 - An information system providing trade and economic data on all world countries.
 - Bills, regulations and decrees on trade remedies, including information on critical issues and experiences of other countries.
 - Trade agreements database activity.
 - Egypt's WTO commitments activity.
 - Automated financial, administrative, and legal system.
 - An automated human resource management system.