

FREE TRADE AGREEMENT BETWEEN THE EFTA STATES AND EGYPT

Summary

The Free Trade Agreement between the EFTA States and Egypt was signed in Davos, Switzerland on 27 January 2007 and entered into force on 1 August of the same year. The Agreement covers trade in industrial products, including fish and other marine products, and processed agricultural products. In addition, individual EFTA States and Egypt concluded bilateral agreements on basic agricultural products, which form part of the instruments creating the free trade area.

The main objective of the Agreement (Objectives, Article 1) is to achieve the liberalisation of trade in goods in conformity with Article XXIV of the GATT 1994. By 1 January 2020, customs duties on almost all industrial products will have been eliminated.

The Agreement also includes provisions relating to the elimination of other trade barriers as well as trade-related disciplines including rules of competition, state monopolies and subsidies. Moreover, the Agreement contains provisions on the protection of intellectual property, investment, services, current payments and capital movements, government procurement, economic co-operation and institutional and procedural matters. The Agreement establishes a Joint Committee which supervises the application of the Agreement and provides for binding arbitration.

NAVIGATING THE AGREEMENT

The Agreement consists of a total of 50 Articles, six Annexes (I to VI) and three protocols (A, B and C) (table of contents).

- General provisions**
- Trade in Goods**
- Protection of Intellectual Property**
- Investment and Services**
- Payment and Capital Movements**
- Competition and other Economic Matters**
- Technical and Financial Assistance**
- Institutional and Procedural provisions**
- Final provisions**

TRADE IN GOODS

Bilateral trade in goods between the EFTA States and Egypt amounted to 425 million USD in 2005, with EFTA exports amounting to 369.5 million USD, whereas import from Egypt to the EFTA States represented 55.5 million USD (EFTA trade statistics/Egypt).

Rules of Origin

The rules of origin (Article 5 and Protocol B) concerning the definition of the concept of originating products and the methods for administrative cooperation are based on the current Euro-Mediterranean (Euro-Med) model, maintaining the general structure and the substance of the European standard rules. The specific list rules (Annex II to Protocol B) are also based on the current Euro-Med model.

Industrial Goods

The Agreement provides for effective market access for industrial goods in terms of tariffs and rules of origin, practically creating EU parity for EFTA exports to Egypt. By 1 January 2020, almost all industrial goods originating in the EFTA States will enjoy duty free access into Egypt (Article 6 and Annex IV). Egyptian exports into the EFTA States are duty-free as from the entry into force of the Agreement.

Fish and other marine products

The Agreement covers trade in all fish and other marine products (Article 4(c) and Annex II). The EFTA States grant duty-free access on imports of all Egyptian fish products. As regards EFTA exports to Egypt, the Agreement provides for the lowering of tariffs within quotas from the entry into force of the Agreement. The quotas for certain products will be eliminated 6 years after the entry into force of the Agreement. The Parties envisage achieving full elimination of customs duties on all fish and other marine products within 14 years after the entry into force of the Agreement.

Agricultural products

Trade in processed agricultural products is covered in a Protocol to the main Agreement (Article 4(b) and Protocol A).

In addition, trade in basic agricultural products is covered in three bilateral agreements negotiated separately between Iceland (Agricultural Agreement between Iceland and Egypt), Norway (Agricultural Agreement between Norway and Egypt) and Switzerland/Liechtenstein (Agricultural Agreement between Switzerland and Egypt) on the one hand and Egypt on the other hand. These agreements, which form part of the instruments establishing the free trade area (Article 4(d)), provide for tariff concessions.

INTELLECTUAL PROPERTY

The Agreement sets a high standard for the protection of intellectual property rights, covering areas such as patents, copyright, industrial designs, undisclosed information and geographical indications. It goes, in certain areas, beyond what is provided for in the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and other international conventions and treaties (IPR Article 23 and Annex V IPR).

INVESTMENT AND SERVICES,

The Parties agree to create stable, favourable and transparent conditions for companies of the other Parties that are making or seeking to make investments in their territories. They grant each other's investments full protection and security as well as fair and equitable treatment in accordance with international law. The Parties recognize the importance of promoting cross-border investment and technology flows (Articles 24 and 25).

The Parties aim at achieving gradual liberalisation and the mutual opening of their markets for trade in services in accordance with the provisions of the General Agreement on Trade in Services (GATS) (Articles 26 and 27).

PAYMENT AND CAPITAL MOVEMENT

The Agreement provides for unrestricted payments concerning "current transactions" and ensures that capital relating to direct investments can move freely, including repatriation and liquidation of benefits (Articles 28 to 30).

COMPETITION AND OTHER ECONOMIC MATTER

Agreements between, and abuses of dominant positions by, economic operators of the Parties are incompatible with the Agreement if they affect trade between the EFTA States and Egypt (Article 31).

The Joint Committee shall ensure that as from the fifth year following the entry into force of this Agreement there is neither enacted nor maintained any measure distorting trade between the Parties contrary to their interests as regards public enterprises and enterprises to which special or exclusive rights have been granted (Article 32).

The Parties agree on the objective of a progressive liberalisation of public procurement (Article 33).

ECONOMIC CO-OPERATION AND TECHNICAL ASSISTANCE

The EFTA States commit themselves to engage in economic co-operation and to provide technical assistance to Egypt in order to facilitate the implementation of the Agreement. Such co-operation and assistance include the enhancement of trading and investment opportunities and support to Egypt's own efforts to achieve sustainable economic and social development. They will focus on sectors that face particular challenges as well as on sectors that will generate growth and employment (Articles 34 to 36). Additionally, there are bilateral Memoranda of Understanding on concrete technical cooperation projects between Iceland and Egypt, Norway and Egypt, and Switzerland and Egypt.

INSTITUTIONAL AND PROCEDURAL PROVISIONS

A Joint Committee composed of representatives of the EFTA States and Egypt supervises and administers the application of the Agreement (Articles 37 and 38). The Parties may hold consultations and, failing an agreement, apply provisional measures (Articles 39 and 40).

Moreover, Egypt or any EFTA State may refer a dispute relating to the interpretation of rights and obligations under the Agreement to binding arbitration if consultations do not lead to a settlement. The arbitral tribunal will settle the dispute in accordance with the provisions of the Agreement and the customary rules of interpretation of public international law (Article 41).
