

## Bilateral relations with Egypt

### Main Country Indicators 2013

	Egypt	EU28
Total area (in km2)	1.001.450	4.385.992
Population (million)	82,1	506,7
Population density (per km2)	82,4	120
GDP (current US \$)	272 billion	17,3 trillion
GDP per capita (current US \$)	3.314	34.240
GDP growth (% change with previous year)	2,1	0,1

Sources: Eurostat, World Bank

### Economic importance of agriculture (2011)

	Egypt	EU28
Agricultural land ( km2)	36.650	1.878.817
Agricultural land as proportion of land area (%)	3,7	44,3
Arable land as % of land area	2,9	25,6
Permanent cropland (% of land area)	0,8	2,8
Employment in agriculture (% of total employment)	29,2	5 *
Agriculture, value added (% of GDP)	14,5 **	1,6 *

Sources: World Bank

\* year 2012

\*\* year 2013

### Agriculture in Egypt

About 96% of Egypt's total area is desert. Lack of forests, permanent meadows, or pastures places are heavy burden on the available arable land, which constitutes only about 3 percent of the total area. This limited area, which sustains on the average 8 persons per acre (20 per hectare), is, however, highly fertile and is cropped more than once a year. Agriculture remains an

important sector of the Egyptian economy. It contributes nearly one-seventh to the GDP, employs roughly one-fourth of the labour force, and provides the country—through agricultural exports—with an important part of its foreign exchange. The rapid increase in Egypt's population has prompted an intensification of cultivation almost without parallel elsewhere. Heavy capital is invested in the form of canals, drains, dams, water pumps, and barrages; the investment of skilled labour, commercial fertilizers and pesticides is also important. Strict crop rotation—in addition to government controls on the allocation of area to crops, on varieties planted, on the distribution of fertilizers and pesticides, and on marketing—contributes to high agricultural yield.

Unlike the situation in comparable developing countries, Egyptian agriculture is geared towards commercial rather than subsistence production. Field crops represent ca three-fourths of the total value of Egypt's agricultural production, while the rest comes from livestock products, fruits and vegetables, and other specialty crops. Egypt has two seasons of cultivation, one for winter and another for summer crops. The main summer field crop is cotton, which absorbs much of the available labour and represents a notable portion of the value of exports. Egypt is the world's principal producer of long-staple cotton (1.125 inches [2.85 cm] and longer), normally supplying about one-third of the world crop; total Egyptian cotton production, however, constitutes just a tiny fraction of the global yield.

Among other principal field crops are corn (maize), rice, wheat, sorghum, and fava (broad) beans (*fūl*). Despite a considerable output, the cereal production in Egypt falls short of the country's total consumption needs; a substantial proportion of foreign exchange is spent annually on the import of cereals and milling products. Other important crops include sugarcane, tomatoes, sugar beets, potatoes, and onions. Many varieties of fruit and vegetables are grown, out of which mainly oranges, table grapes, strawberries, artichokes, potatoes and beans are exported to the EU.

## EU-Egypt Relations

The EU and Egypt began diplomatic relations in 1966. The EU seeks to develop a particular close relationship to Egypt, its geographical neighbor, and to support Egypt's domestic and political reforms. The relationship emphasizes close cooperation on democratic reform, economic modernization, social reform, and migration issues. The current agenda of EU-Egypt relations is spelled out in an Action Plan under the European Neighborhood Policy. Egypt and the EU are bound by the Association Agreement which came into force in 2004.

Trade remains an important subject of relations, as well as financial co-operation, details of which can be found in the Country Strategy Paper. The EU-Egypt Association Agreement, in force since 2004, establishes a free-trade area with the elimination of tariffs on industrial products and significant concessions on agricultural products. An ambitious agreement on trade concessions for agricultural, processed agricultural and fisheries products (link to [http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L\\_.2010.106.01.0039.01.ENG](http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2010.106.01.0039.01.ENG)) entered into force on 1 June 2010.

Egypt is a major trading partner for the EU in the Southern Mediterranean region. The entry into force of the Association Agreement improved conditions for trade. Since 2004, EU-Egypt bilateral trade has more than doubled and reached its highest level ever in 2012 (from €11.8 billion in 2004 to €23.9 billion in 2012).

The EU is Egypt's main trading partner, covering 23.4% of Egypt's trade volume in 2012 and ranking first both as Egypt's import and export partner.

## Trade Statistics

EU28 **exports** of agricultural products to Egypt (2013): €1.5 billion

EU28 **imports** of agricultural products from Egypt (2013): €817 million

>> More statistical information (link to : [http://ec.europa.eu/agriculture/trade-analysis/statistics/outside-eu/egypt\\_en.pdf](http://ec.europa.eu/agriculture/trade-analysis/statistics/outside-eu/egypt_en.pdf))