

**AGREED MINUTES  
OF THE FIRST MEETING  
OF THE EGYPTIAN - CZECH  
JOINT ECONOMIC COMMITTEE**

**Cairo, 24<sup>th</sup> April 2016**

In the framework of the visit of H.E. Jan Mládek, Minister of Industry and Trade of the Czech Republic to Egypt, the First Meeting of the Egyptian - Czech Joint Economic Committee (First Meeting) was held in Cairo on 24<sup>th</sup> April, 2016, in accordance with the Memorandum of Understanding between the Ministry of Industry and Trade of the Czech Republic and the Ministry of Industry and Foreign Trade of the Arab Republic of Egypt, signed in Cairo on 21<sup>st</sup> May, 2013. The Czech – Egyptian Joint Economic Committee was established to explore and develop aspects of economic, commercial and industrial cooperation between the two countries.

During his stay in Egypt, H.E. Jan Mládek, Minister of Industry of the Czech Republic met with H.E. Tarek Kabil, Minister of Trade and Industry of the Arab Republic of Egypt and H.E. Mohamed Shaker, Minister of Electricity and Renewable Energy. H.E. Jan Mládek, Minister of Industry and Trade of the Czech Republic and H.E. Tarek Kabil, Minister of Trade and Industry of the Arab Republic of Egypt addressed the Egyptian – Czech Business Forum organized by the Cairo Chamber of Commerce and the Czech Chamber of Commerce in Cairo on 24 April, 2016. The programme included a visit to Alexandria on 25<sup>th</sup> April, 2016, with the call of H.E. Jan Mládek on H.E. Mr. Mohamed Ahmed Abdel-Zaher, the Governor of Alexandria and attendance of a Business Seminar organized by the Alexandria Business Association and the Czech Chamber of Commerce.

The First Meeting of the Egyptian - Czech Joint Economic Committee proceeded in a plenary session, co-headed by H.E. Ali Samy Al Laithy, First Under-Secretary, Head of the Egyptian Commercial Services, and H.E. Lenka Kovačovská, Deputy Minister of Industry and Trade of the Czech Republic.

H.E Tarek Kabil, Minister of Trade and Industry of the Arab Republic of Egypt, and H.E Jan Mládek, Minister of Industry and Trade of the Czech Republic, attended the conclusion of the First Meeting of the Egyptian - Czech Joint Economic Committee and signed the Agreed Minutes thereof.

Both delegations comprised of government representatives and private business people. The lists of participants are attached in Annexes I and II. The indicative list of Czech companies and their fields of interests in doing business in Egypt is attached in Annex III.

Both sides exchanged information on current economic situation in their respective countries and exchanged views on regional and multilateral development, sharing the opinion that at the present time, when the world economy is still facing many difficulties and uncertainty, solutions should be sought for closer mutual economic cooperation as well as for promotion of multilateral, inter-regional and bilateral trade and removal of existing barriers to trade.

Both sides reviewed the existing contractual framework between their countries with the multilateral, regional and bilateral agreements in the economic field and stated with satisfaction that both, the umbrella of the membership of the WTO, and the Association Agreement between Egypt and the European Union provide the principal basis for their bilateral economic relations. A number of bilateral agreements and protocols contribute to the framework, namely a treaty for the protection and reciprocal encouragement of Investment and a treaty on the avoidance of double taxation.

Both sides appreciated that the trade and investment relations between the European Union and the Arab Republic of Egypt have been developing positively under the existing Association Agreement. The two sides underlined that another important step in EU – Egypt relations has been an exploratory dialogue on how to deepen trade and investment relations.

The two sides stated that the promotion of mutual trade and economic cooperation is the objective shared by the two Governments. In this connection the sides highlighted the role of the Memorandum of Understanding between the Ministry of Industry and Trade of the Czech Republic and the Ministry of Industry and Foreign Trade of the Arab Republic of Egypt on Economic Cooperation signed in Prague on 21<sup>st</sup> May, 2013 and the Joint Economic Committee established under the mentioned Memorandum as a facilitator to promote contacts between business enterprises of the two countries, to encourage the development of bilateral economic cooperation in various fields and to advise on measures aimed at supporting commercial activities.

The discussions took place in a friendly and constructive atmosphere, reflecting the historical and firm relations between both countries and their desire to deepen and strengthen bilateral relations on basis of equality and mutual benefit.

## **1. Review of Bilateral Trade**

Having reviewed the development of their trade, the two sides noted with satisfaction the increasing trend of trade between the Czech Republic and Egypt and highlighted that the total volume of bilateral trade had marked a substantial increase during the last twelve years, reaching the level of over 400 million Euros in 2015. The sides noted that Egypt is one of the most important trade partners of the Czech Republic in the MENA region.

However, both sides shared the opinion that the existing level of bilateral trade does not reflect the traditions and quality of mutual relations as well as the real potential of their economies. The sides pointed out that the scope for developing trade and economic cooperation between the two countries is considerable and agreed to exert efforts to encourage further development of their trade on a mutually beneficial basis. Both Sides expressed their belief that the bilateral trade could pass the level of one billion Euros by the year 2020.

## **2. Business Dialogue and Exchange of Information**

Both sides stressed their wish to promote frequent exchange of trade visits, official delegations, mutual participation in trade fairs, among other forms of promoting business. The two sides also reiterated their support to the efforts exerted for enhancing trade and industrial dialogue such as holding conferences, seminars, panel discussions and workshops in both countries and stressed the importance of participation in these events. The two parties agreed that the dialogue should include all relevant sectors of economic activity and all potential players. In this connection the two sides noted the recent cooperation protocol signed between the Federation of Egyptian Industries and the Confederation of Industry of the Czech Republic.

The Czech side informed about the Czech official participation at the MACTECH 2016 machine tool exhibition held in Cairo in November 2016, mentioned participations at other trade shows in Cairo organized by Czech Trade Agency (Go Green Egypt Expo, April 2016; Food Africa May 2016) and stated its continuing interest to participate in trade fairs and exhibitions in Egypt in the future. The Czech side also invited Egyptian companies and organizations to take part in specialized Czech fairs like SALIMA (International Food Fair), MOBITEX (International fair of Living), STYL/KABO (International Fashion, Textiles, Footwear and Leather Ware Fair) held in Brno and to visit the Brno Engineering Fair – the leading industrial trade fair in Central Europe.

Both sides agreed to encourage their institutions and corporate sectors to explore opportunities and identify concrete projects of business cooperation in the line of mutual interest, particularly in the sectors of energy, infrastructure and transportation, metallurgy and metal-working industry, development of water resources and environment protection, natural resources, mining industry, defence industry, tourism, agro- and food industry, health-care industry.

Both sides further agreed to encourage their commercial offices in Prague and Cairo to facilitate the flow of information about developments of their countries' economies, trade and investment regulations and business opportunities available to the Czech and Egyptian businesses.

The Czech side requested the Egyptian side for information regarding additional formal requirements (registration of producers, legalization of invoices) introduced recently by Egyptian authorities for importing goods into Egypt.

### **3. Bilateral Foreign Direct Investment**

The two sides highlighted the promising prospects for two-way flows of investment. In this connection, the sides expressed their belief that the examples of El Sewedy Electrometer Group in the Czech Republic and PEGAS NONWOVENS in Egypt will be followed by other activities.

The Czech side informed about the current investment climate in the Czech Republic, with the target sectors being: Nanotechnologies and Advanced Materials, Automotive Industry, Aerospace, Energy and Environment, Life Sciences, High-Tech Mechanical Engineering, ICT, Business Support Services and Electronics & Electrical Engineering. In this connection, the Czech side presented a detailed information of the CzechInvest agency on the investment regime and incentives in the Czech Republic.

Both Sides noted with satisfaction the Memorandum of Understanding between the General Authority for Investment and Free Zones of the Arab Republic of Egypt and the Czech Export Bank signed on 24th April 2016 in Cairo as a framework for investment promotion activities.

The Egyptian side pointed out that Free Zones (GAFI) and The General Authority for Investment proposed enhancing the institutional cooperation framework of investment between the two investment promotion agencies, GAFI and CzechInvest. The new institutional framework should aim at creating a mechanism for exchange of information about investment environment in the two countries as well as providing information about the available investment opportunities and further learning about the services provided by CzechInvest. GAFI also seeks the knowledge and experiences accumulated by CzechInvest in establishing joint venture projects, and attracting FDI, through organizing training courses for GAFI'S team, by arranging a study tour to CzechInvest or dispatching a Czech expert to GAFI.

#### 4. Energy

Both sides shared the view that the commercial and industrial cooperation in energy sector, owing to its tradition and new perspective possibilities, represented an important area of development of the trade and economic relations between the Czech Republic and Egypt in the future.

The Czech side referred to the cooperation between Czech and Egyptian companies in the field of rehabilitation, modernization and expansion of coal-fired power plants and hydro power plants in Egypt. In this connection, the Czech side informed about interest of Czech companies in carrying out conversion of gas turbines into combined cycle and reconstruction of power plants for Egyptian Electricity Holding Company (EEHC) as well as in ecologization of power plants (coal feeding, desulfurization, dedusting).

The Czech side also informed that Czech companies expressed their interest to cooperate in the field of power transmission, namely in reconstruction and expansion of high voltage lines as well as in supplies of power equipment (substations, transformers, insulators).

In the field of conventional energy, the Egyptian side highlighted exchanging regular technical meetings of experts from both sides, for follow up, human resources development through workshops and training courses, and development of technical and economic and environment studies of electricity projects.

Both sides agreed to encourage cooperation in the fields of Renewable Energy and Energy Efficiency, such as water, biomass, wind and solar resources. In this connection, the Egyptian side suggested:

- Exchanging of experiences in the field of economic, technical and environmental studies for wind and solar projects, carbon emissions mitigation and support of innovation, as well as capacity building.
- Exchanging expert visits and organizing conferences, workshops and meetings in the field of Renewable Energy.
- Calling Czech companies to participate in bids through Egyptian Electricity Transmission Company (EETC) and New & Renewable Energy Authority (NREA).

## 5. Industry

Emphasizing the important role of industrial cooperation in the development of economic relations between the two countries, both sides agreed to encourage industrial and technical cooperation, including supplies of equipment, transfer of know-how and technologies, particularly in the following areas:

- Power engineering,
- Heavy engineering,
- Metallurgy and Metalworking,
- Mining industry (equipment for surface and pit mines),
- Transportation engineering,
- Automotive industry,
- Electrical equipment and appliances,
- Oil and gas industry (equipment for pipelines, compressor and regulation stations, valves),
- Petrochemical and chemical industry,
- Environmental engineering (pumps, water treatment and purification, incinerating plants, waste management),
- Textile industry (machinery and equipment)
- Agro-industry (equipment for sugar plants, mills, dairies, bakeries, food processing),
- Pharmaceutical and health industry (medical equipment, pharmaceuticals),
- Defence industry,
- Construction industry and materials

The Egyptian side stated that the Industrial Development Authority encourages joint projects between the private sectors of both countries based on the comparative advantages and the natural resources available, and proposed the establishment of a Czech industrial zone in Egypt. The suggested industries are: engineering industries, textile, leather, crystal and jewellery, petrochemicals, feeding industries, information technology industry.

The Egyptian side informed that the Federation of Egyptian Industries would like to activate the cooperation with respective partners in the Czech Republic in various sectors including exchange of economic data and technology transfer in the various industrial fields that are of common interest to both countries:

- a) The Chamber of Engineering Industries has shown interest in the car manufacturing and feeding industries especially in the following areas:

- Promoting the cooperation and exchange between the commercial car manufacturing companies in both countries by implementing the cooperation protocol signed between the Federation of Egyptian Industries and the Confederation of Industry of the Czech Republic, in addition to technology transfer.
  - Providing studies about the Czech market, and its needs of commercial cars.
  - Holding fora and conferences between both countries to stimulate all aspects of cooperation between them.
- b) The chamber of Metallurgical Industries, expressed interest in cooperating with Czech counterparts in the following fields:
- The manufacture of forging parts of vehicles, buses, crankshafts for trucks and tractors, connecting rods, Pilates, axe gears, wheel axes, and wheel hubs.
  - The manufacture of chains, towing hooks for tractors and trucks from 6-45 mm.
  - Expanding parts of the laser-cutting machines up to 20 mm for steel and up to 11 mm ST.ST.
- c) The Chamber of Food Industries would like to cooperate with Czech counterparts in the Industry fields, and to expand the exports of its high quality products.

## **6. Transportation and Related Infrastructure Development**

The two sides shared the view that development of transportation infrastructure provide another scope of opportunities for mutual cooperation.

The Egyptian side represented in the Egyptian Railways Authority has suggested cooperation in the following fields:

- Exchanging scientific and human expertise in the fields of railway signals system, communication and infrastructure.
- Preparation of economic and technical feasibility studies in the fields electronic signals projects.
- Programs related to the maintenance and renovation of the authority's railways.
- Technical cooperation and exchange of experiences in the fields of rolling stock, operating of trains and other projects enlisted in the authority's plan.
- Exchange of experiences and holding training courses for engineers and technicians related to infrastructure and rolling stock.

The Czech side informed about the interest of Czech transport equipment manufacturers in cooperation with Egyptian partners in the development of railway infrastructure, including respective technologies and equipment (rolling stock and components, security, signal and controlling devices, mass rail transport systems, light rail, metro) as well as in solutions for road transportation (cars, buses, heavy duty trucks).

The Czech side further stated that Czech companies are ready to participate in projects of modernization and development of airports (airport lighting, monitoring and control systems, radars, specially designed container modules, ATC towers, signal lighting and energy systems).

#### **7. Irrigation and water resources**

The Ministry of Irrigation and water resources in Egypt requested the cooperation in proposed projects in the following fields:

- Replacement & rehabilitation of irrigation & drainage pump stations.
- Reinforcement and maintenance of irrigation facilities.
- Integrated water management of river basins.
- Water resources development.
- Capacity building of effective water resources management.

The Czech side informed about the interest of Czech companies to cooperate with their Egyptian counterparts in the field and irrigation and water resources.

Based on the positive experience from February 2015, when a Czech-Egyptian expert exchange on flood prevention took place in Prague, supported by the EU instrument, Technical Assistance and Information Exchange (TAIEX), the above listed areas of cooperation can be implemented through know-how and expert exchanges or in the framework of EU programmes.

#### **8. Environment Protection**

Both Sides noted the continuing and deepening cooperation in the environmental field in accordance with the Protocol on Cooperation in the field of Environmental Protection between the Ministry of the Environment of the Czech Republic and the Ministry of State for Environmental Affairs of the Arab Republic of Egypt, signed in 2004, and Joint Statement within the context of this Protocol, signed in 2008, particularly in the following areas:

- Waste management,
- Wildlife protection



The Czech Side informed about capabilities of Czech companies in providing environment protection equipment and services and stated that comprehensive information in this respect is available at a database of the Ministry of Environment of the Czech Republic available at the website: <http://www.mzp.cz/Envibase>.

### **9. Communication and Information Technology**

The two sides stated that there is a large unutilized potential for cooperation in electronics and software/information technology between the two countries and agreed that this sector needs to be further highlighted for the growth of mutual trade. Both sides stressed that close contacts, exchange of visits between companies and organizations in this field ought to be encouraged to strengthen cooperation in this sector.

### **10. Small and Medium-sized Enterprises (SMEs)**

Both sides acknowledged the important position of SMEs in their economies. The Egyptian side expressed its interest to benefit from the Czech experience in the development of SMEs and their promotional services.

### **11. Tourism**

The Egyptian side stated that it aspires to enhance cooperation in the field of tourism, through:

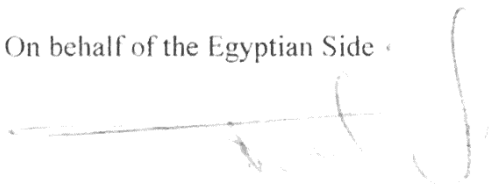
- Encouraging the participation in tourism fairs, festivals, and events held in both countries.
- Exchanging information and experts in the field of tourism, hotel training and investment.
- Exchanging visits of the tourism officials and media representatives to be acquainted with the different tourism potentials in both countries.
- Displaying the incentives offered in the field of investment in tourism sector in both countries.

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Both sides agreed to hold the next Meeting of the Joint Economic Committee in Prague, at a date to be determined through diplomatic channels.

Done and signed on 24th April, 2016 in Cairo, in two originals in the English language, both texts being equally authentic.

On behalf of the Egyptian Side



H.E. Tarek Kabil

Minister of Trade and Industry  
of the Arab Republic of Egypt

On behalf of the Czech Side



H.E. Jan Mládek

Minister of Industry and Trade  
of the Czech Republic