

**GROWING BUSINESS
THROUGH REGULATION**

N Gage Trade Report
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N Gage Consulting

Public Strategy and Government Relations Specialists

Abstract

The Foreign Trade Quarterly report acts as a surveillance of foreign trade being a fundamentally important aspect of focus, by providing an insightful update on emerging issues concerning trade such as changes in foreign trade regulations that may impact the different business sectors. This issue features several sections including latest foreign trade regulations and free trade agreements news.

The Foreign Trade Quarterly Report introduces new trade terms as part of its 'Trade Dictionary', as well as reviews a different trade agreement each quarter, with this issue focusing on the Transatlantic Trade and Investment Partnership (TTIP) in light of the re-launching of negotiations between the EU and the USA.

The report also identifies and analyzes the latest foreign trade statistics, with a special focus on the Egyptian agricultural sector trade statistics.

LATEST NEWS

Egypt – Related Trade Updates

- According to a report issued by the Egyptian Commercial Office in Cyprus, to the Minister of Trade and Industry, H.E. Tarek Kabil; The Egyptian exports to Cyprus increased by 111%, from EUR9m in 2015 to EUR 19m in the first half of 2016. On the other hand, the imports from Cyprus to Egypt declined from EUR28.5m to EUR6m, in the same period.
 - ➔ Top Egyptian Exports to Cyprus:
 - Raw Salt
 - Natural Sand
 - Stones, and goods made of stones
 - Marble and ceramic tableware
 - Foil paper and tableware made from aluminum
 - Cables
 - Tobacco
 - Cigars
 - Chemicals
 - Organic Solvents
 - Fresh fruits and vegetables

- On the 22nd of September, 2016, Russia decided to start suspending fruit and vegetable imports from Egypt (estimated at \$350 million annually), shortly after Cairo formally rejected a Russian wheat shipment, after finding trace levels of the common grains fungus Ergot –

which is a common grains fungus that can cause hallucinations when consumed in large amounts but which is considered harmless in low quantities, and which most countries permit shipments with up to 0.05% - . Later on, Russia agreed to lift the ban, assuming Egypt will ensure the safety of its agricultural exports to Russia.

- Having mentioned ergot, grain traders in Egypt have been infuriated lately with Egypt reinstated a zero-tolerance policy on ergot and applied it retroactively to all outstanding contracts, after approving an 0.05% policy. Luckily, Egypt (re)reversed its position, and will once again endorse the 0.05% ergot tolerance, in sync with international standards.
- The European Bank for Reconstruction and Development (EBRD) is stepping up its support for Egypt's exporters and importers with a \$50 million trade facility to Crédit Agricole Egypt under the EBRD's Trade Facilitation Program (TFP), which according to the bank includes 120 partner banks in 25 countries where the bank invests, with limits exceeding €1.5 billion in total and more than 800 confirming banks worldwide.
- 70 cases of Hepatitis A, in seven different states in the United States of America, have been said to be caused by a tainted frozen strawberries shipment from Egypt, after a smoothie chain used the infected fruit batch. Egypt is in turn taking random samples, as part of the Ministry of Agriculture's investigation, but has not yet found signs of the virus. This incident has put Egypt's exports of 40 million tons of fresh and frozen strawberries, to 30 countries in America, Southeast Asia and Europe, at stake.
- According to H.E. Tarek Kabil's statement in the Euromoney, conference, which took place in Cairo in September, 2016; when another devaluation hits, Egyptian exports would be expected to be actually boosted by 10%, following the earlier trend since January, where the country's imports have gone down by \$7 billion and exports have risen by \$1 billion.

Global Trade News

- On the 12th of September, the African Export-Import Bank (Afreximbank) has closed a US\$300mn syndicated loan with 16 investors and banks from China and Taiwan, aimed at boosting trade between Africa and Asia. The deal was guaranteed by the China Exim Bank, and is open to investors from China and Taiwan only, but will increase and attract investments and resources into Africa and will have a positive impact on Sino-Africa trade.

FREE TRADE AGREEMENTS

Transatlantic Trade and Investment Partnership (TTIP) | Overview

The TTIP, is a bilateral trade agreement between the EU and the USA, and has been one of the most controversial topics on the EU's international trade agenda, however the timeline for its adoption is still unclear, yet the deadline to finalize it is end of this year. An initial impact assessment was issued by the Center for Economic Policy Research (CEPR), based on a request by the European Commission, estimates that full tariff liberalization and a one-quarter reduction in the costs arising from non-tariff barriers (NTBs) would bring an additional EUR 119 billion per year for the EU and between EUR 49.5 billion and EUR 95 billion per year for the USA.

The TTIP is considered as the world's largest FTA, accounting for more than 40 % of global GDP and a third of global trade; given the huge area it is supposed to be covering, this FTA will not only impact the EU and the US citizens, but also other economies as well, and could have significant effects on various aspects of world trade. From a purely economic standpoint, it could alter trade and investment patterns and have resilient impact on countries with which the EU or the USA already has close trade relations, including customs and trade agreements, which of course include Egypt.

Despite having many protests, mainly anti-globalization movements, opposing the TTIP across the EU and the USA; a team of 90 trade negotiators are meeting in New York in the first week of October (allegedly, for five days starting Monday the 3rd) to search for common ground on this debated trade deal.

The UK's vote to exit the EU (UK is a main supporter of the trade deal), along with elections in Germany and France (both countries are not huge fans of the trade deal), and not-so-supportive Presidential candidates in the USA; it appears that the TTIP is in jeopardy. The current situation is quite tough for campaigners of the TTIP, and its destiny remains unclear.

THE N GAGE DEBATES WILL BE ORGANIZING A DEBATE ON 'BREXIT AND WHAT IT MEANS FOR EGYPT'. The Exact date will be announced and circulated soon. Please, stay tuned.

For more information on the N Gage Debates, please visit the following link:

http://www.ngage-consulting.com/ngage_debates.html

TRADE DICTIONARY

Intellectual Property Rights (IPR)

- According to the World Intellectual Property Organization (WIPO), IPR refers to “creations of the mind, such as inventions; literary and artistic works; designs; and symbols, names and images used in commerce”, which are protected by law in the form of “patents, copyright and trademarks”.

THE N GAGE DEBATES WILL BE ORGANIZING A DEBATE ON ‘INTELLECTUAL PROPERTY RIGHTS’. The Exact date will be announced and circulated soon. Please, stay tuned.

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FOREIGN TRADE STATISTICS (MILLION USD)

	2011	2012	2013	2014	2015	2016 (Midyear)
Arab States						
Trade balance	984	-405	538	-502	-1,288	806
Exports	9,000	8,885	9,313	9392	7,998	4,515
Imports	8,016	9,290	8,775	9,894	9,286	3,709
COMESA						
Trade balance	766	1,571	1,658	1,292	1,075	475
Exports	1,672	2,481	2,385	1,985	1,669	786
Imports	906	910	727	693	594	311
Aghadir						
Trade balance	56	182	162	211	543	216
Exports	96	256	218	303	1,047	511
Imports	40	74	56	92	504	294
EU						
Trade balance	8,463-	-12,227	-13,159	-14,302	-18,091	-7,097

Exports	9,678	7,832	8,072	7,886	5,890	3,025
Imports	18,141	20,059	21,231	22,188	23,981	10,122
EFTA						
Trade balance	-620	-511	-1285	-1037	-727	-147
Exports	284	354	119	47	235	250
Imports	904	865	1404	1084	962	397
Turkey						
Trade balance	-1,107	-1,823	-885	-1,383	-2,074	-3,842
Exports	1,528	1,558	1,741	1,449	1,233	2,433
Imports	2,635	3,381	2,626	2,832	3,307	6,275
World						
Trade balance	-30,652	-39,355	-28,549	-44,173	-53,024	-51,346
Exports	31,567	29,275	28,717	26,799	21,345	41,883
Imports	62,219	68,630	57,266	70,972	74,369	93,229

A FOCUS ON THE AGRICULTURAL SECTOR

Egyptian Agricultural Trade Statistics to The World (Million USD)

	2013	2014	2015	2016 (Midyear)
World				
Trade balance	-5237.66	-5506.43	-4888.17	-1240.88
Exports	2843.65	2898.9	2821.5	1727.11
Imports	8081.31	8405.33	7709.67	2967.99

THANK YOU

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