

**COUNTRY PROFILE REPORT OF ITJ DIVISION, DGCI&S
INDIA-EGYPT BILATERAL TRADE RELATIONS**

INTRODUCTION & BRIEF ECONOMIC OVERVIEW

The Arab Republic of Egypt occupies the north-eastern corner of Africa, with an extension across the Gulf of Suez into the Sinai Peninsula, sometimes regarded as lying within Asia. Egypt is bounded to the north by the Mediterranean Sea, to the northeast by Israel, to the east by the Red Sea, to the south by Sudan, and to the west by Libya. Egypt is a member of the UN, WTO, the League of Arab States, OAPEC (Organization of Arab Petroleum Exporting Countries), the African Union, African Development Bank, COMESA, IOM, OIC and the International Organization of the Francophone. This report emphasises on India-Egypt bilateral trade relations, inter-alia. As per available data from DGCI&S database India and Egypt have noticeable bilateral trade relations.

2. Egypt's economy depends mainly on agriculture, media, petroleum exports, natural gas, and tourism. There are also more than three million Egyptians working abroad, mainly in Libya, Saudi Arabia, the Persian Gulf and Europe. According to IMF Executive Board Completes the First and Second Reviews of Extended Fund Facility Arrangement for Egypt, Approves Augmentation of the Arrangement March 29, 2024, ‘Egypt is facing significant macroeconomic challenges that have become more complex to manage given the spill overs from the recent conflict in Gaza and Israel. The disruptions in the Red Sea are also reducing Suez Canal receipts, which are an important source of foreign exchange inflows and fiscal revenue’.

A snapshot of Egypt’s select economic indicators is as under.

TABLE-I

Egypt: Selected Macroeconomic Indicators¹			
	2022/23	2023/24	2024/25
Output			
Real GDP growth (%)	3.8	3.0	4.4
Employment			
Unemployment (%)	7.2	--	--
Prices			
Inflation (% , end of period)	35.7	32.1	15.3
Inflation (% , period average)	24.4	32.5	25.7
Budget sector²			
Revenue and grants (% GDP)	15.4	15.3	16.2
Expenditure (% GDP)	21.4	21.7	24.7
Overall balance (% GDP)	-6.0	-6.3	-8.5
Primary balance including divestment proceeds (% GDP)	1.6	7.1	4.5
Gross debt, general government (% GDP)	95.9	96.4	82.6
Money and credit			
Broad money (M2, % change)	24.7	38.6	18.5
Credit to the private sector (% change)	25.4	30.0	25.0

Balance of payments			
Current account (% GDP)	-1.2	-6.3	-2.4
FDI, net (% GDP)	2.5	9.3	2.5
Reserves (months imports)	5.3	7.3	6.9
External debt (% GDP)	41.8	43.0	45.4
Exchange rate			
Real Effective Exchange Rate (% change; appreciation +)	-22.1	--	--
Sources: Egyptian authorities; and IMF staff estimates and projections.			
1/ Fiscal year ends June 30.			
2/ Budget sector comprises central government, local governments, and some public corporations.			

Sources: IMF Executive Board Completes the First and Second Reviews of Extended Fund Facility Arrangement for Egypt, Approves Augmentation of the Arrangement March 29, 2024.

FOREIGN TRADE

3. As per recent available inputs on WITS (World Integrated Trade Solution), the five major merchandise export partners of Egypt are Unspecified, Turkey, Italy, India and United States. On the other hand five major import partners of Egypt are China, Unspecified, Saudi Arabi., United States and Germany. Major five exported goods of Egypt are (i) Petroleum oils, etc, (excl. crude); preparation (ii) Natural gas, liquefied, (iii) Petroleum oils and oils obtained from bituminous (iv) Gold in unwrought forms non-monetary and (v) Urea. On the other hand major five imported goods of Egypt are (i) Petroleum oils, etc, (excl. crude); preparation; (ii) Petroleum oils and oils obtained from bituminous, (iii) Durum wheat (iv) Maize (excl. seed)and (v) Other medicaments.

4. Egypt's total exports globally in 2019 were of the order of US\$ 30,505 million. It had scaled upto US\$ 42,052 million in 2023. Exports from Egypt had steeply increased by 48.81% in the year 2021 just after the initial serious impact of Covid-19 pandemic followed by another 19.43% increase in 2022. During the period from 2019 to 2023, the annual average compound rate of growth of exports was 8.36%.

5. Egypt's total imports from the world in 2019 were of the order of US\$ 76,515 million and had touched US\$ 83,159 million mark in 2023. During the period from 2019 to 2023, the annual average compound rate of growth of imports was 2.10%.

6. Egypt faced an overall Balance of Trade deficit from 2019 to 2023. Egypt had a trade deficit of USD 46,010 million in 2019 to USD 41,107 million in 2023. During the period from 2019 to 2023, the annual average compound rate of growth of total volume of trade was 4.00%.

A snapshot of Egypt's overall Trade Statistics is presented in Table 2 and Figure 1 below.

A snapshot of India's merchandise trade statistics w.r.t. Egypt is presented in Table 3 Figure 2.

BILATERAL TRADE WITH INDIA

Merchandise Trade

7. Egypt has traditionally been one of India's most important trading partners in the African continent. The India-Egypt Bilateral Trade Agreement has been in operation since March 1978 and is based on the Most Favoured Nation clause and the bilateral trade has increased more than five times in last ten years. The bilateral trade in 2018-19 was US\$ 4.55 billion. Despite Pandemic, the volume of trade declined only marginally to US \$ 4.5 billion in 2019-20 and to US \$ 4.15 billion in 2020-21. Egypt ranked 34th as an export destination of India in FY 2023-24. India had exported to Egypt almost 0.81% of its total export value in FY2023-24. In the same financial year imports from Egypt was 0.18% of India's total import value. Almost 0.43% of India's total international trade value of goods was between India and Egypt as has been recorded in DGCI&S data base for FY 2023-24.

8. Indo-Egypt total volume of bilateral trade in FY 2019-20 was of the order of US\$ 4,535.62 million. It had scaled to US\$ 4,748.97 million in FY 2023-24. The annual compound growth rate of total volume comprising both exports and imports during the period from 2019-20 to 2023-24 had been of the order of 1.16%.

9. It is seen from the available figures that between 2018-19 and 2023-24, India has had a surplus Balance of Trade with Egypt. It has been observed that exports from India to Egypt increased by 65.33% in FY2021-22. The annual average compound rate of growth of Exports was 8.89% during the period under review. On the other hand, imports from Egypt to India increased steeply by 86.05% in FY 2021-22. During the period from 2019-20 to 2023-24, the annual average compound rate of growth of imports was -11.82%.

10. Additionally, **from Tables 4 & 5 presented** below the following are stated:

a. **(i) Petroleum Products. (ii) Buffalo Meat** and **(iii) Cotton Yarn** had occupied the top three slots in India's exports to Egypt in FY 2023-24. **Petroleum Products** had occupied 27.09% share of India's total exports to Egypt in FY2023-24.

b. **(i) Petroleum: Crude (ii) Fertilizers Crude** and **(iii) Cotton Raw Incl. Waste** were the three major commodities in India's imports list from Egypt in the year 2023-24, India had imported a significant amount of **Petroleum Crude** from Egypt with a share of 45.63% of total imports from Egypt recorded in 2023-24.

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TABLE - 2

EGYPT'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE AND BALANCE OF TRADE

BETWEEN 2019 TO 2023

(Figures in USD Million)

Year	Exports	Percentage Growth in Exports	Imports	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2019	30505		76515		1,07,020		-46010
2020	29323	-3.87	70437	-7.94	99,760	-6.78	-41114
2021	43637	48.81	89206	26.65	1,32,843	33.16	-45569
2022	52116	19.43	96189	7.83	1,48,305	11.64	-44073
2023	42052	-19.31	83159	-13.55	1,25,211	-15.57	-41107
Annual Compound Growth Rate		8.36		2.10		4.00	

NOTE : Figures relate to calendar year (January to December)

SOURCE : UN COMTRADE PUBLICATION

Figure - 1

Egypt's Exports, Imports and BoT 2019-2023



TABLE - 3

INDIA'S MERCHANDISE EXPORTS & IMPORTS w.r.t. EGYPT

FY 2019-2020 to 2023-2024

(Value in USD Million)

Year	Exports from India to Egypt	Percentage Growth in Exports	Imports from Egypt to India	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2019-20	2504.24		2031.38		4535.62		472.86
2020-21	2264.52	-9.57	1892.40	-6.84	4156.92	-8.35	372.12
2021-22	3743.93	65.33	3520.83	86.05	7264.76	74.76	223.10
2022-23	4109.93	9.78	1951.54	-44.57	6061.47	-16.56	2158.39
2023-24	3520.72	-14.34	1228.25	-37.06	4748.97	-21.65	2292.47
Annual Compound Growth Rate		8.89		-11.82		1.16	

NOTE : Figures relate to Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

Figure 2

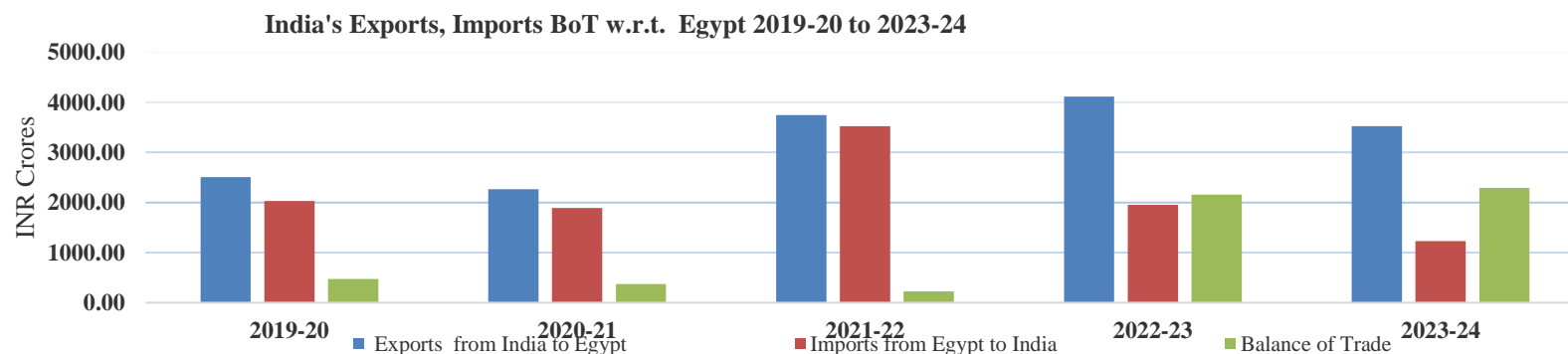


TABLE -4
INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO EGYPT
2019-2020 TO 2023-2024 AND THEIR GROWTH RATES

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2019-20	2020-21	2021-22	2022-23	2023-24	20-21 over 2019-20	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23
1	Petroleum Products	338.56	109.66	32.76	1248.33	953.71	-67.61	-70.13	3710.53	-23.60
	Share in total export	13.52	4.84	0.88	30.38	27.09				
2	Buffalo Meat	335.36	377.81	739.66	408.84	541.52	12.66	95.78	-44.73	32.45
	Share in total export	13.39	16.68	19.76	9.95	15.38				
3	Cotton Yarn	179.78	124.94	241.44	171.84	203.52	-30.50	93.24	-28.83	18.44
	Share in total export	7.18	5.52	6.45	4.18	5.78				
4	Iron And Steel	69.98	80.93	517.32	223.35	163.73	15.65	539.22	-56.83	-26.69
	Share in total export	2.79	3.57	13.82	5.43	4.65				
5	Indl. Machinery For Dairy Etc.	46.35	57.50	79.84	106.90	119.13	24.06	38.85	33.89	11.44
	Share in total export	1.85	2.54	2.13	2.60	3.38				
6	Residual Chemmical And Allied Prods.	97.69	93.72	116.32	1269.44	106.63	-4.06	24.11	991.33	-91.60
	Share in total export	3.90	4.14	3.11	30.89	3.03				
7	Bulk Drugs, Drugs Intermediates	115.17	126.46	138.18	131.63	96.94	9.80	9.27	-4.74	-26.35
	Share in total export	4.60	5.58	3.69	3.20	2.75				
8	Manmade Yarn, Fabricsw, Madeups	133.58	114.90	230.41	100.72	96.59	-13.98	100.53	-56.29	-4.10
	Share in total export	5.33	5.07	6.15	2.45	2.74				
9	Plastic Raw Materials	55.62	45.71	103.00	96.27	74.61	-17.82	125.33	-6.53	-22.50
	Share in total export	2.22	2.02	2.75	2.34	2.12				
10	Auto Components	79.10	84.75	96.18	35.68	70.02	7.14	13.49	-62.90	96.24
	Share in total export	3.16	3.74	2.57	0.87	1.99				
	Total export to EGYPT	2504.24	2264.52	3743.93	4109.62	3520.72	-9.57	65.33	9.77	-14.33

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

TABLE -5

**INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM EGYPT
2019-2020 TO 2023-2024 AND THEIR GROWTH RATES**

(Value in USD Million)

Sl. No	Name of the Merchandise Commodities	Value of Imports					Annual Growth Rates			
		2019-20	2020-21	2021-22	2022-23	2023-24	20-21 over 2019-20	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23
1	Petroleum Crude	1160.96	758.73	1768.11	716.30	560.41	-34.65	133.04	-59.49	-21.76
	Share in total imports	57.15	40.09	50.22	36.70	45.63				
2	Fertilizers Crude	78.46	109.41	138.82	184.92	169.62	39.45	26.88	33.21	-8.27
	Share in total imports	3.86	5.78	3.94	9.48	13.81				
3	Cotton Raw Incl. Waste	85.26	98.19	155.18	73.68	101.18	15.17	58.04	-52.52	37.32
	Share in total imports.	4.20	5.19	4.41	3.78	8.24				
4	Inorganic Chemicals	101.49	99.03	173.92	266.08	69.56	-2.42	75.62	52.99	-73.86
	Share in total import	5.00	5.23	4.94	13.63	5.66				
5	Petroleum Products	207.97	281.19	318.11	280.26	56.78	35.21	13.13	-11.90	-79.74
	Share in total import	10.24	14.86	9.04	14.36	4.62				
6	Fertilizers Manufactured	180.07	329.30	671.01	177.57	56.62	82.87	103.77	-73.54	-68.11
	Share in total import	8.86	17.40	19.06	9.10	4.61				
7	Fresh Fruits	26.39	23.62	79.56	51.00	46.20	-10.50	236.83	-35.90	-9.41
	Share in total import	1.30	1.25	2.26	2.61	3.76				
8	Residual Chemicals And Allied Prods.	9.89	6.47	5.64	11.54	21.75	-34.58	-12.83	104.61	88.47
	Share in total import	0.49	0.34	0.16	0.59	1.77				
9	Bulk Minerals And Ores	2.81	3.65	5.27	11.25	14.95	29.89	44.38	113.47	32.89
	Share in total import	0.14	0.19	0.15	0.58	1.22				
10	Finished Leathers	10.89	5.21	13.08	18.97	14.05	-52.16	151.06	45.03	-25.94
	Share in total import	0.54	0.28	0.37	0.97	1.14				
	Total import from EGYPT	2031.38	1892.40	3520.83	1951.54	1228.25	-6.84	86.05	-44.57	-37.06

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I