

## **Trade and Investment**

- Two-way trade between the countries is growing as Egypt reforms its economy and expands its basic infrastructure. As it does so, significant opportunities exist for Canadian firms in the transportation, energy, environment and telecommunications sectors.
- In 1999, Canadian exports to Egypt were valued at \$187 million, an increase of over 63 per cent since 1993. Exports included paper, cardboard, mineral fuel, mechanical and electrical machinery, and cereals. Canadian imports from Egypt in 1999 totalled nearly \$40 million, consisting of knitted and textile goods, mineral fuel, rugs and flooring, and clothing.
- A focus on the environmental sector in Egypt has led to an increase in Canadian exports of environmental machinery and services. In 1998, Industry Canada and the Egyptian Environmental Affairs Agency signed a letter of understanding to enhance environmental co-operation. In 1998 and in November 1999, the departments of Industry and Foreign Affairs and International Trade led missions of Canadian environmental firms to Egypt. An Egyptian delegation participated in Globe 2000.
- Canada and Egypt signed a double-taxation agreement in 1983 and a foreign investment protection agreement in 1996, which facilitate the work of Canadian and Egyptian exporters and investors. The Export Development Corporation (EDC) supports transactions in the Egyptian market and in 1999 participated in financing the Sidi Kriir power station, the first build-own-operate-transfer arrangement in the country. The EDC also signed a \$10 million US line of credit with the United Bank of Egypt.
- Canadian investment in Egypt, estimated to exceed \$250 million, is growing as Egypt continues to reform its economy and privatize its public sector companies. Canadian investment has concentrated in the petroleum sector, but is now expanding into the areas of telecommunications, transport and the environment.
- More than 15 Canadian companies now have offices in Egypt, including Dessau and SNC Lavalin.

## **Development Assistance**

- Since 1971 when Egypt became eligible for Canadian official development assistance, total outlays have exceeded \$950 million. Initially, aid programs provided financial support for infrastructure projects and lines of credit for commodities. By the mid-1980s, however, the focus shifted to technical assistance and capacity development, with emphasis on the