

Cairo International Automotive Conference 2008 Recommendations on Automotive Strategy's Principles



1. Vehicles & Production Standards:

The agreement of UNECE “1958” Which talks about homologation regulation Safety, Energy, Environmental & Anti-theft.

1. OEM's are obliged to sign this agreement because they are multinational companies
2. Need test centers in Egypt to reduce cost of testing.
3. OEM's & the auto feeders need to learn more about this subject.
4. Egypt better export opportunity to EU: China focused on USA, cannot meet EU standards.
5. To facilitate government signatory: can comply with standards over an agreed period.
6. The cost of locally produced & imported vehicles will rise significantly.
7. Once producers achieve these standards they will be able to export to EU countries,

2. Trade Agreements Recommendations:

1. Activate the agreements of GAFTA, AGADIR & COMESA that will lead to production and exports increase.
2. Need to prioritise the activation of such agreements with specific countries with Sudan, Syria, Jordon, Algeria, Tunisia and Morocco.
3. Studying, revising and eliminate the automotive negative lists.
4. Identify one governmental authority for resolving automotive companies' export problems.
5. Arab cooperation and integration is needed to compete globally.
6. Support OEM's Export as well as Auto feeders and continuing support to Auto feeder manufacturers.

3. Custom Duties and Local Content:

For feeding component producers

1. The vehicle export percentage has no effect on the current local content percentage
2. Exporting from local factories to Egyptian and Foreign Free Zones is considered as an exporting process?
3. Incentives should be also awarded to newly established component producers



For Car Manufacturers

1. Setting the appropriate time-line for implementing local content proposals
2. Some car manufacturers find some difficulties in reaching the proposed local content and export percentage due to the high technology required for manufacturing some cars
3. Set policies for increasing the market share of local manufactured_cars

4. Incentives:

1. They need written incentives (official paper) because there is a lot of confusion of how to qualify for incentives in Egypt.
2. A question is what is the meaning of Made in Egypt?
3. Incentives help to differentiate between countries with the same preferential market access e.g. Tunisia, Morocco and Egypt all share the same access to the European Union.
4. The proposed business must be commercially viable before incentives are applied the project feasibility
5. Incentives also compensate for poor infrastructure

5. Logistics:

1. To shorten the delivery time from Egypt, the roll on and roll off services are needed
2. Packaging solutions is one of the potential areas if we are targeting to increase our exports. Replace plastic packaging with steel boxes packaging, for handling flexibility and cost competitiveness.