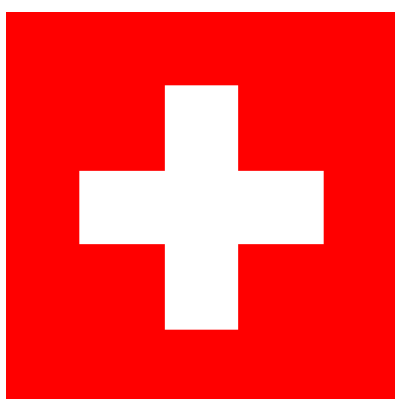


Joint Conclusions

**of the 1st session of the Joint Economic Commission between the Arab
Republic of Egypt and the Swiss Confederation**

Bern, 9 May 2025



The 1st session of the Joint Economic Commission (JEC) between Switzerland and Egypt was held in Bern on 9 May 2025. The JEC was co-chaired by Ambassador Andrea Rauber Saxer, Delegate of the Federal Council for Trade Agreements and Head of Bilateral Economic Relations at the State Secretariat for Economic Affairs (SECO), and Dr. Samar Al-Ahdal, Supervisor of the European Cooperation Sector at the Egyptian Ministry of Planning, Economic Development and International Cooperation. Representatives of both the public and the private sector participated in the meeting (list of participants attached in Annex A).

Following the agreed upon agenda attached in Annex B, both delegations discussed ways to deepen and intensify bilateral economic relations. Both sides took into consideration that the 1st session of the commission is held during a time of rapid global developments and unprecedented economic challenges. The commission's convening signals a strong political will from both leaderships to strengthen the existing partnership and open new avenues for cooperation in the mutual interest.

Both sides considered recent initiatives, such as the establishment of the Egyptian Switzerland Business Chamber and of the Joint Economic Commission, a signal of the mutual commitment to further enhance economic cooperation. While Egypt offers significant potential growth and actively improves its investment climate, the complementary strengths of both economies indicate potential growth in their bilateral economic relations.

Stable economic outlook in an evolving policy environment

Both sides exchanged views on their respective economic situations and growth outlooks amid the global economic outlook marked by intensifying downside risks. They noted the increased uncertainty surrounding international economic and global trade policy and their macroeconomic impact amid an escalation of trade tensions among major trading partners and financial market adjustments affecting the prospective economic development of both countries.

Switzerland's shared that its economic outlook is stable, with controlled inflation, stable growth around 1.4%, and a balanced labour market situation with a 2.8% unemployment rate. Switzerland also informed the Egyptian side about recent budget cuts totalling over CHF 2 billion to address a projected financing deficit of CHF 800 million, while still adhering to the constitutional "debt brake" rule. These cuts included reductions in development aid, funding for asylum services, and federal administrative expenses, while creating the financial headroom to significantly increase defence spending.

As for Egypt's economic outlook, it is stable and improving, with growth rates recording around 4.3% during the Q2 2024/2025, up from 2.3% in the same period last year. Such growth is mainly driven by the diversified nature and skilled talent of the Egyptian economy with remarkable growth rates during the first half of 24/25 in the ICT sector (15.1%), tourism (13.1%) and manufacturing (12.4%).

Egypt also shed the light on its National Structural Reform Program and its main three pillars which are: Building Macroeconomic Resilience & Stability relying on fiscal discipline and debt sustainability; Enhancing Competitiveness and Improving Business Environment to achieve private sector led growth; Supporting the Green Transition and highlighted key promising fiscal indicators including – among others - the increase in tax revenues by around 38% during the first nine months of the fiscal year, and a primary surplus of around 2.5% of GDP – the highest on record in decades.

Alongside the domestic policy reform, the backing from global and regional partners is also helping Egypt weather the current challenging regional instability and providing additional support to the Egyptian economy. Overall, the improved confidence in Egypt's economic outlook is affirmed through the recent Fitch Ratings upgrade to B in November 2024, reaffirmed in April 2025. In comparison, several countries have been downgraded by rating agencies on the back of prevailing uncertainties due the Trade war.

Inflation expectations remain anchored, with the Central Bank of Egypt (CBE) committed to achieving its inflation target of $7\pm 2\%$ by Q4 2026. Egypt's external position is supported by a prudent approach to external debt management, strong remittances and tourism flows, the maintenance flexible exchange rate regime to act as a shock absorber, and record high net international reserves. While the oil trade balance may come under pressure due to persistent global market volatility, non-oil exports are projected to register substantial gains.

The IMF's Fourth Review under the Extended Fund Facility commended Egypt's progress in restoring foreign exchange market functioning and advancing reform momentum. Currently, the Fifth review is under way, and successful completion of this review is expected to pave the way for further reform implementation.

Given the current global volatility, ongoing policy discipline and international cooperation remains essential. In this context, Egypt's collaboration with Switzerland reflects a shared commitment to institutional reform and economic stability.

Strong bilateral trade and investment ties

Both sides considered the strong nature of their bilateral economic relations, especially the trade and investment relations which are evolving positively, and which are based on solid foundations including a free trade agreement between the European Free Trade Area (EFTA) States and Egypt, as well as an investment protection agreement and double taxation agreement between Switzerland and Egypt. Switzerland has consistently ranked among the top foreign direct investors in Egypt. In total there are around 100 Swiss companies and business partners operating in Egypt, including but not limited to pharmaceuticals, food and beverage, construction, logistics and services, generating jobs locally and often investing in training programs. As of 30 June 2024, the total number of the established companies in Egypt that include Swiss investments reached 462 companies, according to Egyptian records.

Switzerland emphasized that Egypt is its number one trade partner in Africa, excluding gold. Switzerland underlined the importance of the Pan-Euro-Mediterranean Convention (PEM convention) as a means to harness the potential of the existing free trade agreement and increase Egyptian exports internationally. In this context, both sides agreed to incorporate the rules of origin from the revised PEM convention into the free trade agreement between EFTA and Egypt by creating a dynamic link between the two agreements. Egypt also emphasized the importance of funding for the documentary checks and training of the competent authorities charged with implementing the new rules under the revised PEM-Convention.

Moreover, both sides expressed their willingness to start new negotiations for bilateral concessions for processed agricultural products (PAPs). Switzerland asked Egypt for a timely response to the EFTA Secretariat on the proposed dates.

Egypt confirmed that the Joint Committee of EG-EFTA, which will discuss the next steps regarding processed agricultural products should be held very soon. The experts' meetings conducted alongside the EG-EFTA Joint Committee will enable both sides to discuss the liberalisation of PAPs in line with Article 4 of Protocol A.

Furthermore, Egypt outlined the difficulties faced by its exporters in penetrating the market for PAPs in Switzerland, noting that this was not the case with the EU. The Egyptian side emphasized the importance of providing targeted projects for technical assistance.

Multilateral trade relations

Multilateral aspects were also covered during the discussions, including putting forward the respective sides' priorities within the World Trade Organisation (WTO) and for the WTO 14th Ministerial Conference in March 2026 in Yaoundé (Cameroon). Switzerland underlined the need for a fully functional dispute settlement system, as well as the necessity for a second phase fisheries subsidies agreement and its support for processes on trade and industrial policy, trade and environmental sustainability, and inclusiveness. Egypt agreed on the importance of restoring a fully functional two-tiered dispute settlement system. Egypt also highlighted the priority of achieving substantial progress on agricultural negotiations and early harvesting issues related to food and livelihood security, as well as a second phase fisheries subsidies agreement incorporating appropriate and effective special and differential treatment for developing countries. Egypt further stressed the importance of issues of policy space for industrial development and technology transfer. Switzerland and Egypt shared their concern about the systemic impact of the recent trade restrictive measures announced by major trading partners and about the risk of an escalation of trade tensions, drawing into sharp focus the need for a reform of the WTO to respond to international developments.

The African Continental Free Trade Area (AfCFTA) was also discussed, with both sides underscoring its long-term potential and its transformative nature for the way businesses operate in and across the African continent. Switzerland explained its interest in its implementation, especially as numerous Swiss companies are established in Africa, and the need to understand its opportunities and consequences, as well as its ongoing efforts to collaborate with, the AfCFTA Secretariat in the implementation of the AfCFTA.

Engaging the private sector – challenges and opportunities

A comprehensive discussion on the business climates in Egypt and Switzerland, with the active participation of private sector representatives, ensued. Both sides emphasized the importance of transparency, policy predictability, and the creation of a level playing field, while underlining the strong interest of the Swiss private sector in Egypt, due to factors such as market size driven by strong population growth, a young workforce, and Egypt's geographically and diplomatically strategic location.

The Swiss side and private sector representatives mentioned challenges the Swiss private sector faces when conducting business in Egypt (high inflation, exchange rate fluctuations, bureaucratic burdens, and an uneven protection of intellectual property rights were mentioned). The Swiss side also welcomed the recent progress by the Egyptian government in creating a conducive business climate, especially regarding foreign currency availability, epitomized by the recent IMF approval to unlock its latest funding package, and encouraged the Egyptian government to pursue its reform agenda.

Egypt highlighted the country's ambitious economic reform program, which has positioned Egypt as one of the most attractive investment destinations in the Middle East and North Africa. In 2024, Egypt secured \$46.6 billion in foreign direct investment (FDI), reflecting growing investor confidence in the government's efforts to enhance macroeconomic stability, improve the business climate, and implement structural reforms. Key measures include monetary and fiscal stabilization, the streamlining of bureaucratic procedures such as the establishment of an integrated investment platform for simplified registration, licensing, simplified and automated tax system, as well as the recent major customs reform to boost trade competitiveness & cut clearance time, and the empowerment of the private sector through the State Ownership Policy and the expansion of public-private partnerships (PPPs). The Egyptian side also underlined its continuing efforts to enhance the legal and institutional framework for intellectual property protection. Overall, the share of private investment increased to 59% of total investment in July-December 2024/2025 in comparison to around 30% during previous periods, recording a growth rate of 80%. While such results are very promising, Egypt recognizes that the continuation of the current efforts is essential to resume to private led growth trajectory.

Egypt reaffirmed that financial sector resilience continues to underpin macroeconomic reforms. Key Financial soundness indicators—including a decline in non-performing loans, stable capital adequacy ratios, and improved returns on assets and equity—attest to the strength of the banking sector.

Looking ahead, Egypt remains committed to deepening these structural reforms. Within this context, continued engagement with international partners, including Swiss stakeholders, is essential to reinforcing reform outcomes and expanding mutually beneficial economic cooperation.

Egypt highlighted that it is actively investing in vocational training and education programs that align workforce capabilities with market needs. These integrated reforms collectively aim to foster a more stable, resilient, and competitive economic environment aligned with Egypt's Vision 2030. A series of policies and actions have been taken over recent years through restructuring vocational training system, launching national initiatives to improve Workforce competences, strengthening international Partnerships, as well as encouraging Entrepreneurship and Small and Medium Enterprises.

Economic cooperation development program

Finally, both sides exchanged on the economic cooperation development program of SECO in Egypt and its priorities under the 2025-2028 program. SECO's targeted macroeconomic support and urban development programs, which are aligned with Egypt's development strategy, support economic growth and management, while promoting a sustainable and competitive private sector through the strengthening of private sector governance, support for sustainable value chains, and creation of decent jobs.

Egypt mentioned that the new cooperation program's main pillars and targets were discussed and coordinated between both sides during 2024, and that Switzerland and Egypt look forward to the launching of the program soon in Egypt and the different projects to be implemented to continue the successful cooperation between both sides.

On the basis of the above discussed points, Switzerland and Egypt agreed:

- To advocate in the appropriate forums, whether bilaterally or multilaterally, that global uncertainty should be addressed with the aim of achieving maximum predictability for international economic actor.
- To initiate with immediate effect the necessary steps for the swift incorporation of the revised PEM convention into the EFTA-Egypt free trade agreement, through Egypt's approval of EFTA's proposal formulated within the EFTA-Egypt Joint Committee.
- To identify a suitable date for a virtual exchange between EFTA and the relevant Egyptian counterpart regarding negotiations for bilateral concessions on processed agricultural products (PAPs).
- To emphasize the need to maintain a rules-based multilateral trading system and keeping markets open are crucial for fostering economic growth and prosperity, and to coordinate common interests and priorities for the 14th WTO Ministerial Conference in March 2026 in Yaoundé (Cameroon).
- To provide direct follow-ups to the specific challenges mentioned by the business delegations during this first session of the JEC.
- To maintain ongoing dialogue and strengthen coordination to facilitate investments in both countries, with follow-up and engagement to be conducted through the competent investment authorities or via the Embassies in both Switzerland and Egypt.
- To support the implementation of Switzerland's new cooperation program 2025-2028, which is aligned with Egypt's development strategy 2030, in the priority areas agreed between both sides.
- To facilitate efforts and cooperation in the mutual interest of both parties to build-up skilled human capital capable of achieving sustainable development and realizing mutual interests and benefits for both countries.

The present Joint Conclusions were prepared for the 1st session of the Joint Economic Commission between the Swiss Confederation and the Arab Republic of Egypt in Bern, Switzerland, on 9 May 2025 in English language. The next session of the Joint Economic Commission will be held in Cairo, Egypt, on a date to be determined and agreed upon by both sides through diplomatic channels.

The Swiss Co-Chair

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