

Abstract

Egypt and the EU: an Assessment of the Euro-Mediterranean Partnership

When the Euro Mediterranean Partnership Agreement (EMP) between Egypt and the European Union came into force, it was the first regional agreement of this kind to involve north-south developing and developed countries. This type of regional agreements opened the door for many challenges facing the participating countries especially the developing ones. Therefore, this article is mainly concerned with a detailed assessment of the Egypt-Euro Mediterranean partnership Agreement through analyzing its objectives and instruments, providing an overview of the Egyptian EU economic relationship; the Egyptian economy's benchmark data; basic economic indicators before and after the EMP. This article also discusses the Egyptian trade structure before and after joining the EMP. From this analysis, we reach the conclusion that since the EMP entered into effect, intra and interregional trade and FDI flows have increased significantly for Egypt. However, Egypt's strong export growth and FDI inflows under EMP have not been translated into similarly strong economic and social progress. Indeed, the outcome of EMP has been disappointing with regard to key macroeconomic variables and social indicators. Since EMP came into effect, Egyptian GDP growth has been unstable. There is no evidence of accelerated change in the structure of production of the Egyptian economy since 1995 evidence shows that total employment has been the same since 1995, while the unemployment rate has been decreasing at a fairly low level.