FRAMEWORK AGREEMENT BETWEEN THE ARAB REPUBLIC OF EGYPT AND THE MERCOSUR

The Arab Republic of Egypt and the Argentine Republic, the Federative Republic of Brazil, the Republic of Paraguay, and the Republica Oriental del Uruguay, parties to the MERCOSUR;

Desiring to establish clear, predictable and lasting rules to promote the development of reciprocal trade and investments;

Reaffirming their commitment to further strengthen the rules of international trade in accordance with the rules of the World Trade Organization;

Recognizing that the free trade agreements contribute to the expansion of world trade, to greater international stability and, in particular, to the development of closer relations among their peoples;

Considering that the process of economic integration includes not only gradual and reciprocal trade liberalization but also the establishment of greater economic co-operation;

AGREE:

Article 1.

For the purposes of this agreement, the Contracting Parties are MERCOSUR and the Arab Republic of Egypt. The Signatory Parties are the Governments of the Argentine Republic, the Federative Republic of Brazil , the Republic of Paraguay, the Republica Oriental del Uruguay and the Arab Republic of Egypt.

Article 2.

The aim of this Framework Agreement is to strengthen relations between the Contracting Parties, to promote the expansion of trade and to provide the conditions and mechanisms to negotiate a Free Trade Area in conformity with the rules and disciplines of the World Trade Organization.

Article 3.

As a first step towards the objective referred to in article 2, the Contracting Parties agree to conclude a Fixed Preference Agreement, aimed at increasing bilateral trade flows through granting effective access to their respective markets by means of mutual concessions.

The Contracting Parties further agree to undertake periodic negotiations with a view to expanding the scope of the Fixed Preference Agreement.

Article 4.

The Contracting Parties agree to create a Negotiating Committee. Its Members shall be for the MERCOSUR; the Common Market Group, or its representatives, for the Arab Republic of Egypt: the Ministry of Foreign Trade, or its representatives. In order to achieve the aim set out In Article 2, the Negotiating Committee shall establish a schedule of work for the negotiations.

The Negotiating Committee shall meet as often as the Contracting Parties agree.

Article 5. The Negotiating Committee Shall Serve as the Forum to:

a) Exchange information on customs tariffs applied by each party; on bilateral trade and trade with third parties as well as

on their respective trade policies;

b) Exchange information on market access; tariff and non tariff measures, sanitary and phytosanitary measures, technical standards, rules of origin, safeguard, anti-dumping and countervailing measures; special customs regimes and dispute settlement among other matters;

c) Identify and propose measures to achieve the objectives set out in Article 3, including those related to trade facilitation;

d) Establish criteria for the negotiation of a Free Trade Area between MERCOSUR and the Arab Republic of Egypt;

e) Negotiate an agreement for the establishment of a Free Trade Area between MERCOSUR and the Arab Republic of Egypt on the basis of the agreed criteria;

f) Carry out other tasks as determined by the Contracting Parties.

Article 6.

In order to broaden reciprocal knowledge about trade and investment opportunities between both parties, the Contracting Parties shall stimulate trade promotion activities such as seminars, trade missions, fairs, symposia and exhibitions.

Article 7.

The Contracting Parties shall promote the development of joint activities aimed at the implementation of co-operation projects in the agricultural and industrial areas among others, by means, of information exchange, training programmes and technical missions.

Article 8.

The Contracting Parties shall promote the expansion and diversification of trade in services between them in a manner to be determined by Negotiating Committee and in accordance with the General Agreement on Trade in Services (GATS).

Article 9.

The Contracting Parties agree to co-operate in promoting closer relationships among their relevant organizations in the areas of plant and animal health, standardization, food safety, mutual recognition of sanitary and phytosanitary measures, including through equivalence agreements in accordance with relevant international criteria.

Article 10.

1. This Agreement shall enter into force thirty days after the Contracting Parties have notified formally, in writing and through diplomatic channels, the completion of the internal procedures necessary to that effect.

2. This Agreement shall remain in force for a period of three years and thereafter shall be deemed to have been automatically extended, unless one of the Contracting Parties decides by written notification and through diplomatic channels, not to renew it. This decision has to be taken thirty days before the expiration of the three year period. The denunciation will enter into force six months after its notification date.

3. For the purposes of article 10.1, the government of the Republic of Paraguay shall be the Depositary of this Agreement for the MERCOSUR.

4. In fulfillment of the Depositary functions assigned in article 10.3, the Government of the Republic of Paraguay shall notify the other member states of MERCOSUR, the date on which this Agreement shall enter into force.

Article 11.

This Agreement may be amended by mutual consent between the Contracting Parties by an exchange of notes through diplomatic channels.

DONE in the city of Puerto Iguazu, Republic of Argentina, on the seven day of July two thousand and four, in two copies in

the Spanish, Portuguese, English and Arabic languages, all texts being equally authentic. In case of any divergence in the interpretation of this Agreement, the English text shall prevail.

MAGDY FARAHAT

For the Arab Republic of Egypt

RAFAEL BIELSA

For the Argentine Republic

CELSO LUIZ NUNES AMORIM

For the Federative Republic of Brazil

LEILA RACHID

For the Republic of Paraguay

DIDIER OPERTTI

For the Republica Oriental del Uruguay