

Egypt invites Indian cos to set up JVs

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Egypt has invited India to build an 'India industrial zone' in the Suez development area for setting up joint ventures with Egyptian companies

Egypt's Prime Minister Ahmed Nazif, at a meeting with commerce and industry minister Anand Sharma in Cairo, offered to designate an area for setting up of the zone exclusively for Indian companies.

India could gain significantly from the offer as it would give it easier entry to the European and African markets, since Egypt has preferential access to both, commerce & industry minister Anand Sharma said. 'We are very happy to receive the offer and will work on taking it forward,' Mr Sharma said.

The Suez development area, located on the north-west coast of the Gulf of Suez, has lower bureaucratic barriers to business formation and provides tax incentives.

The law gives more incentives for priority areas, such as infrastructure, auto parts, software, oil field services, tourism and manufacturing. The terms and conditions of investing in the proposed India zones and the tax benefits to industry are to be worked out.

'Special industrial zones in Egypt do get a lot of tax benefits. The exact structure of the benefits to be given to the proposed India zone will be worked out,' a government official, who did not wish to be named, said.

Indian companies have, till now, invested about \$750 million in 40 projects in Egypt. It has a significant presence in the IT and automobile sector with companies like Wipro, Satyam, Mahindra and Tatas, having invested in the country.

Mahindra, which sells Scorpio in the country, is also in talks for setting up a production zone in the country while IT company TCS is expected to set up shop shortly. 'Indian companies are already interested in Egypt. The India zone will help attract more investments,' the official added.

Mr Sharma, who also participated in the informal mini-ministerial meeting of the African group on the on-going Doha round of the WTO trade negotiations, emphasised India's support to the cause of the least developed countries.

'It was already agreed in the September informal ministerial in Delhi that the work agenda for LDCs on all issues should be put on fast track for negotiating convergence,' he said. India and the African group reviewed progress at the WTO on issues of joint interest like protecting farmers against import surges and ensuring that developed countries brought down their trade distorting farm support. The meeting was also attended by WTO director-general Pascal Lamy.

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