

Russia approves draft agreement between the governments of Russia and Egypt on setting up the Russian Industrial Zone in the Suez Canal Economic Zone and providing for its operation

The agreement is designed to set up a Russian Industrial Zone in the East Port Said region and provide for its operation with a view to enabling Russian companies to launch local manufacturing and promote high technology products for the high-potential markets of the Middle East and Africa.

Reference

Introduced by the Ministry of Industry and Trade of Russia.

The Agreement was drafted in execution of the agreements reached at the talks between the President of Russia Vladimir Putin and President of Egypt Abdel Fattah el-Sisi in Sochi on 12 August 2014.

A directive was issued in Russia to approve the draft Agreement between the Government of the Russian Federation and the Government of the Arab Republic of Egypt on setting up a Russian Industrial Zone in the Suez Canal Economic Zone of the Arab Republic of Egypt and providing for its operation (hereinafter the Agreement).

The Agreement is designed to set up a Russian Industrial Zone (RIZ) in the East Port Said region and provide for its operation with the view to enabling Russian companies to launch local manufacturing and promote high technology products in the high-potential markets of the Middle East and Africa.

The decision to establish the RIZ was driven by the need to expand exports of Russian industrial goods to high-potential markets and develop sustainable value-adding chains in importing countries.

One of the key purposes of the RIZ is to create synergies with Russian projects that are in the pipeline, including the construction of the al-Dabaa nuclear power plant, supply railway carriages for Egyptian National Railways, upgrade the country's rail network and Helwan Iron Foundries, and supply goods for the automotive industry, shipbuilding, transport, agricultural and special machine engineering.

The Agreement contains provisions governing relations during the course of joint efforts to set up the RIZ.