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PUBLICATION:	Daily News
DATE:	15-December-2015
COUNTRY:	Egypt
CIRCULATION:	60,000
TITLE :	Israel to give Egypt 2% of QIZ earnings
PAGE:	Front page
ARTICLE TYPE:	General Industry News
REPORTER:	Staff Report

Israel to give Egypt 2% of QIZ earnings

Following the release of Israeli Ouda Tarabin from Egyptian prison last week, Israel revealed intentions to give Cairo 2% of earnings from the Qualified Industrial Zone (QIZ) in Egypt.

The percentage is equivalent to millions of dollars annually, The Times of Israel reported Sunday.

Tarabin was released on 10 December after serving his sentence. In exchange, Israel has released six Egyptian individuals from Israeli prisons, three of whom have served their sentence.

The QIZ concept was estab-

lished in 2004 under a trilateral agreement between the US, Egypt, and Israel. The agreement grants Egyptian products from pre-approved zones tariff-free entry to the US provided they contain a minimum of 11.7% as inputs from Israel.

The QIZ protocol with Egypt mirrors a similar agreement made between Israel, the US, and Jordan. QIZ exports from Jordan grew exponentially since the agreement took effect in 1996.

Egypt tried several times to reduce the Israeli component in

products exported under the QIZ agreement from 11.7% to 8%; a concession that was made to Jordan. Egypt's exports to the US under the QIZ agreement amounted to \$920m in 2014, about 50% of the total Egyptian exports to the US, according to the embassy's official data.

A year after the QIZ agreement, a 20-year deal was signed allowing the delivery of Egyptian gas to Israel and was said to have provided 40% of Israel's natural gas. However, the deal was terminated by Egyptian authorities in 2012.



2% of earnings are equivalent to millions of dollars annually