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India – Egypt relations

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Why is in news? PM Modi & Egyptian President Abdel Fattah El-Sisi hold bilateral talks in Cairo

India and Egypt on Sunday signed an agreement on a strategic partnership as Prime Minister of India held bilateral talks with President of Egypt in Cairo.

The Government of Egypt bestowed the **highest honour of the land — the Order of the Nile** — on the visiting Indian leader and Mr. Narendra Modi described his first state visit to Egypt as “historic”.

The two leaders discussed ways to further deepen the partnership between the two countries, including in trade and investment, defence and security, renewable energy, cultural and people to people ties. They reviewed the full range of India-Egypt relations and agreed to further augment economic and cultural linkages.

The four agreements that were signed during the visit (June 24-25) of the honourable Prime Minister —

The most important and a landmark development in the history of bilateral relationship was the **signature on the strategic partnership between India and Egypt**.

Green and renewable collaboration will be an important part of future partnership with Egypt because of the importance the two sides attach to clean energy.

Three memoranda of understanding (MoUs) in the **fields of agriculture, archaeology and antiquities, and competition law** were also signed.

India-Egypt Bilateral Relations:

India and Egypt, two of the world’s oldest civilizations, have enjoyed a history of close contact from ancient times.

Ancient Civilizational Links:

The **oldest civilizational link** between India and Egypt **dates back to 2750 BCE** when the **Pharaoh Sahure sent ships to the “Land of Punt,”** identified with peninsular India.

Additionally, **Egyptian mummies** were **wrapped in Indian muslin dyed with indigo** during the second millennium BCE.

Ashoka’s edicts refer to his relations with Egypt **under Ptolemy-II**.

Diplomatic ties:

In modern times, Mahatma Gandhi and Saad Zaghloul shared common goals on the independence of their countries, a relationship that was to blossom into an exceptionally close friendship between President Nasser and Prime Minister Nehru, leading to a **Friendship Treaty between the two countries in 1955**.

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This period **coincided with the emergence of the Non-Aligned Movement**, which both countries actively participated in.

Since 2014, there has been an **increased focus on political cooperation** between India and Egypt. The heads of both sides met on the side-lines of the UNGA in 2015, discussing counterterrorism, economic engagement, and regional issues.

The relationship between India and Egypt has witnessed an upswing in recent years. **President el-Sisi was the chief guest at India's 74th Republic Day parade in 2023**, and during the meeting, both countries **agreed to elevate their bilateral relationship to a "strategic partnership."**

Political Relations:

The establishment of diplomatic relations between India and Egypt at the Ambassadorial level was announced jointly in **1947**.

The two countries have **maintained close cooperation in multilateral fora** and were among the founding members of the Non-Aligned Movement.

During the COVID-19 pandemic, Egypt demonstrated solidarity with India by **dispatching three planes carrying medical supplies in 2021**.

Operation Sankalp serves as an example of India's expanded role in the region. It involved **the Indian Navy escorting oil tankers through the Strait of Hormuz during escalating tensions** between Saudi Arabia and Iran, showcasing India's commitment to protecting national assets and interests.

Economic Relations:

Since March **1978**, the India-Egypt Bilateral Trade Agreement has been in effect, operating **under the Most Favoured Nation clause**.

In the fiscal year 2018-19, the bilateral trade reached a value of US\$ 4.55 billion.

Despite the challenges posed by the pandemic, the volume of trade only experienced a slight decline to US\$ 4.5 billion in 2019-20 and further decreased to US\$ 4.15 billion in 2020-21.

Notably, the bilateral trade between India and Egypt reached a **record high of US\$ 7.26 billion in the fiscal year 2021-22**.

The trade relationship between the two countries has been characterized by a **fairly balanced trade flow**, with Indian exports to Egypt amounting to US\$ 3.74 billion, while imports from Egypt to India totalled US\$ 3.52 billion.

Development Assistance:

The **grants-in-aid projects** include: Pan Africa Tele-medicine and Tele-education project in Alexandria University, Solar electrification project in Agaween village and Vocational Training Centre for textile technology in Shoubra, Cairo, which have been completed.

Technical cooperation and assistance have been a major part of our bilateral relationship. Since 2000, over 1250 Egyptian officials have benefited from ITEC and other programs like ICCR and IAFS scholarships.

In the **field of scientific cooperation**, ICAR and the Agricultural Research Centre of Egypt are working in the field of agricultural research.

Science & Technology:

'Science & Technology' cooperation is implemented through **biennial Executive Programmes and Scientific Cooperation Programme** between CSIR (India) and NRC (Egypt).

Space cooperation is an emerging vertical of cooperation between India and Egypt.

Joint Working Group meetings and discussions between ISRO and NARSS (National Authority for Remote Sensing and Space Sciences) have been held, since an MoU was signed in 2008.

With Egypt having **establish EgSA (Egyptian Space Agency) in 2019**, both sides have agreed on drafting a new MoU to include EgSA and cover other developments in the sector and is in process.

Egypt **signed the ISA framework agreement** as a founding member in March 2018 and ratified it in January 2019. Egypt has also supported ISA being granted Observer Status in UNGA in mid-October 2021.

Defence Relations:

During the 1960s, there was a **significant level of cooperation** between the Air Forces of India and Egypt, including joint efforts to develop a fighter aircraft. **Egyptian pilots received training** from Indian Air Force (IAF) pilots during this period, with the training continuing until 1984.

The **Joint Defence Committee (JDC)** plays a crucial role in shaping the current defence cooperation between India and Egypt. The 8th JDC took place in New Delhi in 2018, followed by the 9th JDC held in Cairo in 2019.

Egypt actively participated in the **Multinational Training Exercise** held in Pune, India, in 2019, which involved friendly African countries. Furthermore, in 2021, the **first-ever joint tactical air exercise** named “**Desert Warrior**” took place between the Indian Air Force (IAF) and the Egyptian Air Force (EAF).

In January 2023, a ground breaking **joint exercise** called “**Exercise Cyclone-I**” commenced at Jaisalmer in Rajasthan, involving the special forces of both the Indian Army and the Egyptian Army.

Cultural Relations:

The **Maulana Azad Centre for Indian Culture (MACIC)** in Egypt promotes cultural cooperation through activities such as language classes, seminars, film shows, exhibitions, and participation in local cultural events.

The “**Sawt-ul-Hind**” magazine highlights the strong bond and vibrant cultural exchanges between the two countries.

Yoga has gained immense popularity in Egypt.

Indian Community:

The Indian community in Egypt, numbering around 3,200, plays a significant role in cultural and people-to-people exchanges.

Concentrated mainly in Cairo, the community contributes to fostering closer ties between India and Egypt.

A majority of the Indians are either employed with Indian companies or are professionals with various multinationals.

Challenges for India-Egypt Relations:

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The **Egyptian economy is facing significant challenges**, including a static economy, pandemic-related impacts, global slowdown, and the Ukraine conflict. These factors have **led to a drop in tourism, increased import costs, high inflation (surpassed 30%), and a depreciating currency** (more than 50% since February 2022). India would need to navigate these economic challenges to strengthen bilateral trade and investment.

Egypt's **huge financial commitments**, coupled with a **substantial foreign debt and negative net foreign assets**, have led to foreign exchange scarcity. This situation has resulted in deferred payments for essential imports like wheat.

Although a **\$3 billion bailout package** was recently secured **from the International Monetary Fund**, its implementation is contingent upon challenging economic reforms.

The affluent **Gulf Arab states initially supported the Egyptian economy** with nearly \$30 billion, but have been **lately reluctant citing various governance issues** in Egypt. **Egypt's foreign debt is over \$163 billion** (43% of the GDP) and its net foreign assets are minus \$24.1 billion.

The acute forex situation compelled the government to issue in January 2023 an order for the postponement of projects with a large foreign currency component and cuts to non-essential spending.

Geopolitical challenges: China's bilateral trade with Egypt is currently at \$15 billion, double that of India's \$7.26 billion in 2021-22.