

Research proposal on time schedule 7

[Economics](#), [Trade](#)



Application of COMESA Agreement within Egypt on the Textile Sector

References⁸

1. 0 Chapter One

1. 1 Research Background

Egypt is among the nations within COMESA targeted for the local baseline study regarding cotton and textile (Hancock, 2009, p. 4). Studies indicate that, together COMESA nations accounts for approximately 90 percent of traded textile and cotton (El-Nakib, Roberts & Colquhoun, 2009, p. 4). Egypt is a main textile nation within Africa and even if the export amounts of textile are not comparable to those of Tunisia and Morocco, the Egyptian textile sector has potential. Although the textile of Egypt industry, for a long time has been self-reliant, it is opening up to the markets and there are chances for creating new trade connections with Egypt (Elmahdi, 2010). Egyptian cotton is regarded as among the best in the globe (Hancock, 2009, p. 2). It is the long staple (LS) and Extra Long Staple variety. The Egyptian ELS and LS cotton production has fifty percent of the globe share within this variety. LS and ELS cotton represent about 3-5 percent of the globe cotton production. Cotton productivity has been declining in the last ten years because of lower demand within the local market as well as the incapability of producers within Egypt to market cotton overseas. Government regulations on exports, imports, as well as trade in local trade never help change the trend.

Egypt became a member state of COMESA in May of 1998 and in 2004 COMESA came to a consensus to execute a CET and as this presently stand

the Common External Tariff will be 0% for capital goods, 5% for raw materials, 15% for intermediate goods and 30% for final goods. Nonetheless, there are many challenges concerning the Common External Tariff on compliance, on describing the modalities of managing Common External Tariff, the classification of goods on the proposed Common External Tariff structure, and on indentifying other revenue sources where loss of revenue could emerge from adopting the Common External Tariff.

Until currently, the influence of COMESA on the textile sector in Egypt is limited because most of African imports are either agricultural products or raw materials, which have no same competitive home goods. Nonetheless, the possible gains, which can be attained from the zero-tariff within COMESA member states, have not been exploited yet (El-Nakib, Roberts & Colquhoun, 2009, p. 5). The trade balance in COMESA nations indicates continuous deficit. The COMESA agreement can be significant to the Egyptian textile and cotton sector, as it still has a competitive edge within the region. Therefore, this research attempts to address the application of COMESA within Egypt on the textile and cotton industry.

1. 2 Research Questions

- What is the common market for eastern and southern Africa?
- How does the COMESA affect the Egyptian clothing and textile industry?
- How can the COMESA agreement help the Egyptian clothing and textile industry be more efficient?

1. 3 Research Objectives

2. 0 Chapter Two

2. 1 Literature Review

The history of common market for Eastern and Southern Africa started in December of 1994 when it was established to replace the PTA, which was operational from early 1981 (Musila, 2010, p. 4). COMESA was formed as a body of free sovereign countries that agreed to co-operate concerning their human and natural resources for the benefit of all their citizens. As such, COMESA has a broad-ranging series of objectives that involve in its priorities the establishment of a large trading and economic unit aiming to attain economic prosperity via regional integration as well as promote intra-trade via removing the barriers, which faced the member states.

Studies reveal that textile is excluded or kept out from the lists of goods, which are subjected or considered for trade liberalization (Elmahdi, 2010). Until currently, textile products in Egypt do not have easy or unconditional access to the countries' agreements and the imports of textile are handled on a reciprocal way. Without a thorough change within Egyptian textile the damage can be great and close down the textile and cotton sector. It can be concluded that the textile exports are modest whether as percentage of entire exports or in absolute terms (Musila, 2010, p. 6).

Because of COMESA, the Egyptian textile industry is faced with illegal importation of finished products and raw materials (Parachimonas, 2010, p. 8). In the past, the market has always been flooded with illegal or smuggled goods. The trade of smuggled imported products constitutes an important part of textile trade within Egypt; nonetheless, no official approximation of the value and size of such a trade within Egypt, and there, it remain unaddressed matter. Currently, smuggled fabrics are approximated to have declined because of devaluation of Egyptian currency and the present use of

novel customs regulations permitting the importation of finished products and raw material via legal means; nonetheless, no account for the trade exist and cannot be addressed by this research.

3. 0 Chapter Three

3. 1 Methodology

In any study, selecting the right research methods is crucial in order to obtain good answers to the research questions. The procedures to be implemented can be regarded as a “ fit” between the study’s aims and objectives, and the data at hand. This study will be carried out through surveys, documents, interview information compilation, and analysis. The documents considered will be covering questions concerning agreements as trade decisions, negotiations, as well as reports from common market for Eastern and Southern Africa organs. Most of the documents will be obtained from Ministry of Foreign Affairs in Egypt as well as Regional Co-operations, some from COMESA documentation database, others from COMESA website. Many stakeholders from NGOs will be interviewed for views and clarifications. Moreover, a survey will be conducted with 20 experts.

Time Schedule

The entire study will conducted for a period of 3 months starting from January 2014 up to April 2014. Throughout the 3-month period, all the activities of the research will be carried out as scheduled by the researcher. The Gantt chart below shows the distribution of study activities across the study period.

Figure 1: A Gantt chart showing the study timeframe and duration

References

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