GEOPOLITICS

INDIA AND EGYPT AGREE TO EXPLORE A TRADE PACT. THE $12 BILLION TEST

By **Kamlesh Bhagatkar**, *Politician, Author & Geopolitical Analyst · 17 November 2026*

India and Egypt have agreed to explore a trade agreement. On Monday, 16 November, Commerce and Industry Minister Piyush Goyal and Egypt's Minister of Investment and Foreign Trade, Mohamed Farid Saleh, co-chaired the seventh session of the India Egypt Joint Trade Committee in Egypt's New Administrative Capital. It was the first time this committee met at ministerial level, according to the government statement carried by DD News and the report in The Tribune.

The two sides will set up a Joint Working Group to examine the terms of reference for a Preferential Trade Agreement or a Free Trade Agreement. The stated aim is bilateral trade of USD 12 billion. They also discussed non-tariff barriers, customs procedures, standards, product registrations and market access, the kind of problems that often hold back trade as much as tariffs do.

Bilateral trade rose 35 per cent to USD 6.5 billion in 2025-26. Between April and September 2026 it grew 65 per cent, to USD 5.04 billion from USD 3.08 billion a year earlier. Indian investment in Egypt has crossed USD 5.5 billion, according to the official statement.

An old target, still out of reach

The USD 12 billion figure did not start this week. When President Abdel Fattah El-Sisi came to New Delhi as Chief Guest for Republic Day in January 2023, he and Prime Minister Narendra Modi set that target for the next five years. Trade then stood at USD 7.26 billion in 2021-22, The National reported, and Indian investment in Egypt was above USD 3.5 billion. In June 2023, Modi went to Cairo, the first bilateral visit by an Indian Prime Minister to Egypt in 26 years, and the two countries signed an agreement raising ties to a Strategic Partnership.

Then trade fell. When Egypt's trade minister visited India in March 2025, Daily News Egypt reported trade of USD 4.2 billion in 2024 and set the same USD 12 billion goal, again over five years. (That is an Egyptian calendar year figure, not our financial year, but the direction is clear.)

The target is now almost four years old. Trade has recovered from the dip, and this year's half-year growth is strong, but USD 6.5 billion is a little over half of USD 12 billion. I welcome the decision to study a trade agreement because it admits that summit goodwill alone did not get us there. Rules on

market access, product registration and customs will do more than another round of targets.

Goyal seems to see it the same way. At the India Egypt Business Forum, attended by more than 300 companies, he proposed a four-point agenda for the run-up to the 80th anniversary of diplomatic relations in 2027: clear the identified trade barriers within a fixed time, bring Egyptian investment into Indian states and industrial clusters, include the suppliers of large companies so that smaller firms benefit, and hold annual reviews to track progress. His line for the visit was "Made in Egypt, with India. Made in India, with Egypt."

Why Egypt matters to Bharat

The list of sectors tells you what each side wants. The official statement names industrial goods, energy, fertilisers, chemicals, pharmaceuticals, engineering, textiles, agricultural products, medical devices, renewable energy and emerging technologies. Goyal pointed to affordable medicines, vaccines, automobile components, fertilisers, irrigation, cold chains and digital payments. Fertilisers, which our farmers need, are on the list.

The larger reason, in my view, is geography. Egypt's General Authority for Investment and Free Zones and the Suez Canal Economic Zone presented their offers at the forum, and the official statement describes Egypt's position between the Mediterranean and the Red Sea, with access to African, Arab and European markets. An Indian factory in the canal zone sits on one of the main routes between Asia and Europe and next door to markets where our exporters still struggle to enter. Egypt offered land for Indian industries in that zone back in 2023, according to The National, which also noted that China had already invested over USD 1 billion in projects there. I think we have been slow to take up that offer.

The sea lanes give this extra weight. Last week I wrote about how India kept its oil flowing through the Hormuz crisis. The Suez route is the other half of the same story. A country that wants dependable passage between Asia and Europe needs friends on both shores of the Red Sea, and Egypt holds the canal itself.

What to watch

The Joint Working Group is the first test. The statement does not give it a deadline. If it settles the terms of reference within months, a real negotiation can begin. If it drifts, this will join the long list of studies that never became agreements. I would also watch the difference between "preferential" and "free". A preferential pact covers fewer goods and is quicker to close. Given how long the USD 12 billion goal has been waiting, I would take a smaller agreement signed soon over a larger one that takes years.

The second test is the everyday problem of business visas. Goyal raised visa issues faced by Indian businesses with Saleh.

The third is the follow-up calendar. These talks come after Modi met El-Sisi at the BRICS Summit in India in September. The next Joint Trade Committee will meet in New Delhi in 2028, or earlier if both sides agree. With the 80th anniversary of diplomatic relations falling in 2027, I hope it is earlier. That would also be a good moment to measure the Egypt talks against the trade deal Goyal is negotiating with the United States: both are tests of whether our trade diplomacy can turn statements into signed text.

Sources

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