

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Egypt

### Exporter Guide

### Exporter Guide 2017 Annual

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**Report Highlights:**

Egypt's population of 97 million makes it the Arab world's most populous country; its population is growing at 2.45 percent, adding 2 million Egyptian consumers yearly. On November 3, 2016, the Central Bank of Egypt floated the Egyptian pound, causing it to shed eventually 60 percent of its value. Consumer behavior has changed as retail prices of goods and services have increased. Consumers are turning to shopping at hyper- and supermarkets, which offer better deals and most value for money. The U.S.-Egypt bilateral food and agricultural products trade in calendar year (CY) 2017 (January-October) at \$763 million is down \$13 million or off by 1.7 percent compared to CY 2016. Egypt is imposing stricter rules on importers; it aims to reduce imports by 25 percent to save foreign currency reserves and protect local industries.

## SECTION I: MARKET OVERVIEW

Egypt is the most populous country in the Arab world. Ninety-five percent of this North African country's 97 million inhabitants (Central Intelligence Agency – July 2017 estimate) are concentrated in the narrow strip of land along the Nile River; or on about five percent of the total land area. The country is predominantly rural with roughly 56 percent of the population residing in rural areas; by 2030, the percentage of the rural population will drop to 53 percent.

The country's population is growing at 2.45 percent per annum, adding roughly 2 million Egyptian consumers every year. The population will surpass 100 million by 2021 and reach 117 million by 2030, making Egypt the 15<sup>th</sup> largest country in the world in terms of population. This makes Egypt also one of the world's fastest growing markets for food. Egypt however is a price-sensitive market, it continues to struggle due to a weak tourism sector (security concerns remain), government austerity measures, soaring youth unemployment, and double-digit inflation. Egypt with roughly 1 million square kilometers is about 68 percent the size of Alaska. By 2030, its ten largest cities will count with a combined population of 29 million people.

The United States has viewed Egypt as a strategic ally since the Camp David Accords (signed in the 1970s). Egypt enjoys most-favored nation status, as well as is among 120 countries receiving preferential duty-free entry for certain exports to the United States under the Generalized System of Preferences (GSP). Egypt in 2017 however was placed on the Office of the U.S. Trade Representatives watch list ([2017 Special 301 Report](#)) of countries with problematic protection and enforcement regimes for intellectual property rights.

In 2016, Egypt implemented a number of new [import regulations](#), tariff increases, and subsidy and tax reforms aimed at stemming the outflow of foreign (hard) currencies, as well as meant to cut back on public spending. On November 3, 2016, the Central Bank of Egypt floated the Egyptian pound (EGP – pound) in an effort to eliminate the parallel market; this caused the pound to eventually shed close to 60 percent of its value against the U.S. dollar (initially dropping from EGP 8.88 to \$1.00 to EGP 13.75 to \$1.00). With the adoption of a more flexible exchange rate, Egyptian importers of food and agricultural products have seen their costs double. The pound's free float will make it vulnerable to volatility in the near- to medium-term. Today the pound is trading at EGP 17.84 to \$1.00.

The rollout of tough reform measures included the introduction of a value-added-tax (VAT) of 13 percent, which in July 2017 climbed to 14 percent. Measures also included a reduction in fuel subsidies, business and investment structural reforms, as well as an increase in the import duty rate on [364 tariff lines](#) (some increasing between 50 and 700 percent). Fifty-three food and agricultural products, described as provocative or unnecessary luxury goods are on that list.

Millions of low- and middle-income Egyptian consumers have seen their living standards deteriorate due to soaring inflation (averaged nearly 27 percent in 2017, but forecast to drop to 18 percent in 2018), stagnant incomes, and high unemployment (12.5 percent in 2017). Expanded employment is contingent on greater economic activity, especially in critical employment sectors such as tourism.

Egypt's nominal gross domestic product (GDP) in 2017 is estimated at about \$193 billion; reportedly it is forecast to reach \$251 billion in 2018. The country has seen real GDP grow by 4.2 percent in 2017, down 0.1 percent compared to 2016; real GDP growth during 2013-17 has averaged about 3.8 percent. Egypt's real GDP growth is estimated to reach 4.8 percent in 2018 and forecasted to come in around the 5.2-5.4 percent range in 2019 as the construction and the energy sectors expand (especially the latter with the supergiant Zohr natural gas field coming on stream in the 4<sup>th</sup> quarter of 2017, which will reduce the need for costly fuel imports).

Consumer behavior has been changing in recent years as retail prices of nearly of all goods and services have increased. This is limiting disposable income, which was already low. The floating of the pound, which stoked inflation, is also pressuring importers to raise prices charged for imported products. The government is imposing stricter rules on importers; reportedly the government aims to reduce imports by 25 percent to save foreign currency reserves and protect local industries.

FAS Cairo believes that Egypt will remain an importer of food and agricultural products for foreseeable future. Consumers at the same time are increasingly turning to shopping at hyper- and supermarkets, as these offer better deals and most value for money. Both hypermarkets and supermarket expansion is ongoing as a consequence of high demand for lower prices; there are an estimated 120,000 grocery retailers in the country (4,000 of which a modern grocery retailers). Key seasonal food shopping dates include Ramadan (lasting usually one month); as well the Eid Al-Adha and Eid Al-Fitr holidays – occasions for which consumers usually commence preparation one-to-two weeks prior to the holidays.

Internet retailing is also expanding; about 40 percent of the population routinely utilizes the internet. As the country's financial system and payment procedures improve, we anticipate greater internet purchases. Metro supermarkets is one of the existing grocery retailers that is now providing online shopping services; other online grocers of note include Knockmart.com, Dakakyn.com, and Awfar.com. Convenience of delivery is the key driver for time starved consumers.

**TABLE 1: Main Economic Indicators, Egypt, Expenditure of GDP (Percentage)**

	2015 Actual	2016 Actual	2017 Estimate	2018 Forecast
<b>Nominal GDP (\$ billions)</b>	\$316.8	\$268.9	\$193	\$251
<b>Real GDP Growth</b>	4.4	4.3	4.2	4.8
<b>Consumer Price Inflation</b>	10.4	13.8	26.8	15
<b>Imports of Goods and Services (\$ billions FOB)</b>	\$57.5	\$56.7	\$57.6	\$58.3
<b>Private Consumption (% real change)</b>	3.1	4.6	3.9	4.0
<b>Public Sector Consumption (% real change)</b>	7.0	3.9	2.5	2.4
<b>Exports of Goods and Services (\$ billions FOB)</b>	\$19	\$20	\$26.3	\$30.6
<b>Unemployment Rate</b>	12.8	12.5	12.5	12

Sources: Central Bank of Egypt, Economist Intelligence Unit, FAS Cairo office research.

## **General and Agricultural Export-Import Trade Situation**

The U.S.-Egypt bilateral food and agricultural products trade in calendar year (CY) 2017 (January-October) at \$763 million is down \$13 million or off by 1.7 percent compared to the same period in CY 2016. Food and agricultural trade between the two countries has dropped from nearly \$2 billion in CY 2012 to roughly \$890 million in CY 2016.

U.S. food and agricultural products exports to Egypt in CY 2017 (January-October) at \$657 million are down \$13 million or off two percent compared to CY 2016. U.S. food exports to Egypt in CY 2016 reached \$775 million, making Egypt our 32<sup>nd</sup> largest export market.

Since CY 2012's U.S. export values of \$1.9 billion, American exports of food and agricultural products to Egypt have been on the decline. FAS Cairo attributes the steady fall to Egypt shifting its imports of bulk commodities (namely wheat and soybeans) away from U.S. suppliers to lower cost Black Sea and South America origins; CY 2017 however has been a very good year for U.S. soybeans that at \$289 million are up 300 percent as Brazilian soybean exports stumble due to low protein levels and discoloration concerns. Higher shipping costs do however make U.S.-origin wheat less competitive than wheat from Black Sea origins. The November 2016 float of the pound has caused a cash crunch, which has slowed imports of U.S. products with higher freight costs.

Intermediate (namely soybean meal and oil) and consumer-oriented (namely beef and beef products) food categories have also dropped significantly. The intermediate products category has seen a retreat from a record high of \$459 million (highest export levels since CY 1970) in CY2012 to \$151 Million in CY 2017 (January-October). The consumer-oriented products category has seen a drop from \$342 million in CY 2012 to \$102 million in CY 2017 (January-October); namely U.S. beef and beef products (i.e., mainly livers) exports have fallen from \$215 million to \$59 million so far this year (down 30 percent compared to 2016).

Egyptian consumers remain cautious about their household spending and are concerned by still-high unemployment and elevated inflation, especially for food products. U.S.-origin consumer-oriented food products however do also face increased competition from countries with which Egypt has signed free trade agreements (FTA). The United States and Egypt do not have an FTA currently in place; the recent [Trade and Investment Framework Agreement](#) (TIFA) talks held in Cairo (December 5, 2017) raised the need to further expand fair and reciprocal trade and investment between the two countries. There is no serious discussion presently about holding talks leading to the establishment of a U.S.-Egypt Free Trade Agreement.

In terms of the free trade agreement with the European Union (EU), Egypt signed an Association Agreement with the EU which entered into force on June 1, 2004. This agreement provided for immediate duty-free access for Egyptian products into EU markets, while duty-free access for EU products was phased in over a twelve-year period. In 2010, Egypt and the EU completed an agricultural annex to their FTA, liberalizing trade in over 90 percent of agricultural goods.

Egypt is a signatory to several multilateral trade agreements and operating conventions for facilitating trade including:

- The General Agreement on Tariffs and Trade (GATT)
- The General Agreement on Trade in Services (GATS)
- Egyptian-European Mediterranean Partnership Agreement
- The Common Market for Eastern and Southern Africa (COMESA)
- Pan Arab Free Trade Area (PAFTA)
- Turkey-Egypt Free Trade Agreement
- Egypt-Mercosur Free Trade Agreement (effective June 22, 2017)

Egypt has also signed several bilateral agreements with Arab Countries: Jordan (December 1999), Lebanon (March 1999), Libya (January 1991), Morocco (April 1999), Syria (December 1991), and Tunisia (March 1999). In 1995, Egypt and China entered into a trade accord. Egypt also signed an economic treaty with Russia.

Egypt's food and agricultural products exports to the United States in CY 2017 (January-October) at \$106 million are up \$9.8 million or 10 percent compared to CY 2016. Egypt's exports to the United States over the past five years have grown from \$93 million in CY 2012 to \$114.5 million in CY 2016; CY 2015 Egyptian exports recorded a record high of \$114.7 million (highest export levels since CY 1970).

The bulk of Egypt's CY 2017 exports to the United States are mainly consumer-oriented products such as processed fruits and vegetables (\$30 million), spices (\$24 million), and fruit and vegetable juices (\$8 million), as well as essential oils (\$10 million) and edible fish and seafood (\$9 million) products.

## Advantages and Challenges Facing U.S. Products in Egypt

Advantages	Challenges
<ul style="list-style-type: none"> <li>- An active supermarket industry that is promoting better deals and more value for money.</li> <li>- Appreciation for U.S. food quality</li> <li>- Perception of modern retail outlets as cleaner, convenient and time saving.</li> <li>- Receptivity toward buying into the notion of American luxury.</li> <li>- Expansion of internet grocery retailing.</li> <li>- Tourism is starting to recover.</li> </ul>	<ul style="list-style-type: none"> <li>- Consumers prefer to buy fresh produce in traditional markets.</li> <li>- Supermarkets, the main source of imported food products, account for less than five percent of the retail food market. Traditional and local grocery stores account for over 95 percent of all retail food product sales.</li> <li>- New local food brands are appearing in the market at very low prices.</li> <li>- Provincial supermarkets are supplied by Cairo-based companies.</li> <li>- Lack of brand awareness among some consumers.</li> <li>- Traditional markets dominate retail sales in secondary cities.</li> <li>- Domestic producers manufacture more affordable product according to local taste preferences.</li> <li>- Higher import tariffs levied on U.S.-origin goods than on similar products originating in the European Union.</li> <li>- Importers indicate a lack of U.S. supplier interest in Egypt.</li> <li>- Import regulations are complex, non-transparent.</li> <li>- Importers largely unfamiliar with U.S. Export controls, procedures, standards, and certifications</li> <li>- Lack of adequate cold storage facilities outside of Alexandria and Cairo.</li> <li>- Proximity to market of EU and Arab food and agricultural products exporters.</li> </ul>

## **SECTION II: EXPORTER BUSINESS TIPS**

Supermarket chains are the main channel for marketing imported food products. These target mainly middle- and upper-income consumers.

When dealing with Egypt, it is advisable that U.S. small- and medium-sized companies should find an Egyptian firm to represent them in the local market. It is advisable to take a long-term approach to the Egyptian market rather than seeking immediate returns. There exists however niche markets for higher-value products for upper-income consumers, where pricing is not necessarily a concern.

Be diligent in selecting an agent or a representative. Visits to Egypt and face-to-face meetings are highly recommended. Conduct a background check of the prospective partner before signing permanent contractual arrangements. The local partner selected should provide information on consumer trends, as well as identify niche markets, market development activities, and business practices.

It is highly recommended that U.S. companies enter the Egyptian market via a well-placed agent or distributor, particularly if working to capture government tender business for example. Established agents and distributors offer in-depth knowledge of local laws and regulations and can offer key introductions in a society that is relationship-based. Agents can coordinate transactions with Egyptian buyers, including after-sales services, and are committed to finalizing transactions to their client's satisfaction.

Additionally, agents and distributors perform a "public relations" role to introduce the U.S. brand, product, or services to a wide network of contacts within Egypt.

### **Road Map for Market Entry**

FAS Cairo recommends that U.S. exporters consider the following steps:

- Identify the distribution channel that will best fit the export company's market strategy
- Depending of the channel chosen, identify a strategic import partner
- Obtain the sanitary registration either directly or through a local partner
- Request import permits as required
- Forward to the import partner copies of customs clearance documentation prior to shipment
- Provide ongoing support to the importer to help build consumer demand

### **Food Standards and Regulations**

On January 2, 2017, the Egyptian Parliament approved law number 001/2017 establishing the Egyptian National Food Safety Authority (NFSA). The law was published in the official gazette on January 10, 2017. Since then prime ministerial decrees 683/2017 and 1733/2017 have been issued establishing a Board of Trustees and a Board of Directors for the new agency. According to the new law, the NFSA will commence operations on January 10, 2018.

The new law requires that the NFSA assume all responsibilities to regulate the handling of foodstuffs from all other ministries, public institutions, government agencies and municipalities. The approval of this law ends the patchwork of food-related regulation that has created confusion and inefficiencies for importers and exporters working in the Egyptian market for years.

Until the NFSA fully assumes its responsibilities in 2018, the Ministries of Trade and Industry (MTI), Health (MOH), and Agriculture and Land Reclamation (MALR) currently in charge of overseeing food safety will continue to function as they previously have done (see, [FAIRS – EGYPT Country Report 2016](#)).

### **General Import and Inspection Procedures**

Egypt's import regulations require that every component of a product be inspected, regardless of the compliance history of the product, country of origin, exporter or the importer. No import can be sold in Egypt without first proving that it conforms to Egyptian standards. If there are no Egyptian standards that suit the imported product, then an international standard such as the *Codex Alimentarius* (Codex) standard is applied. In lieu of these standards, U.S. and EU standards are used occasionally. For import requirements, documentation, and certification requirements see, the FAIRS – EGYPT Certificate and Narrative 2017 reports (available late December 2017).

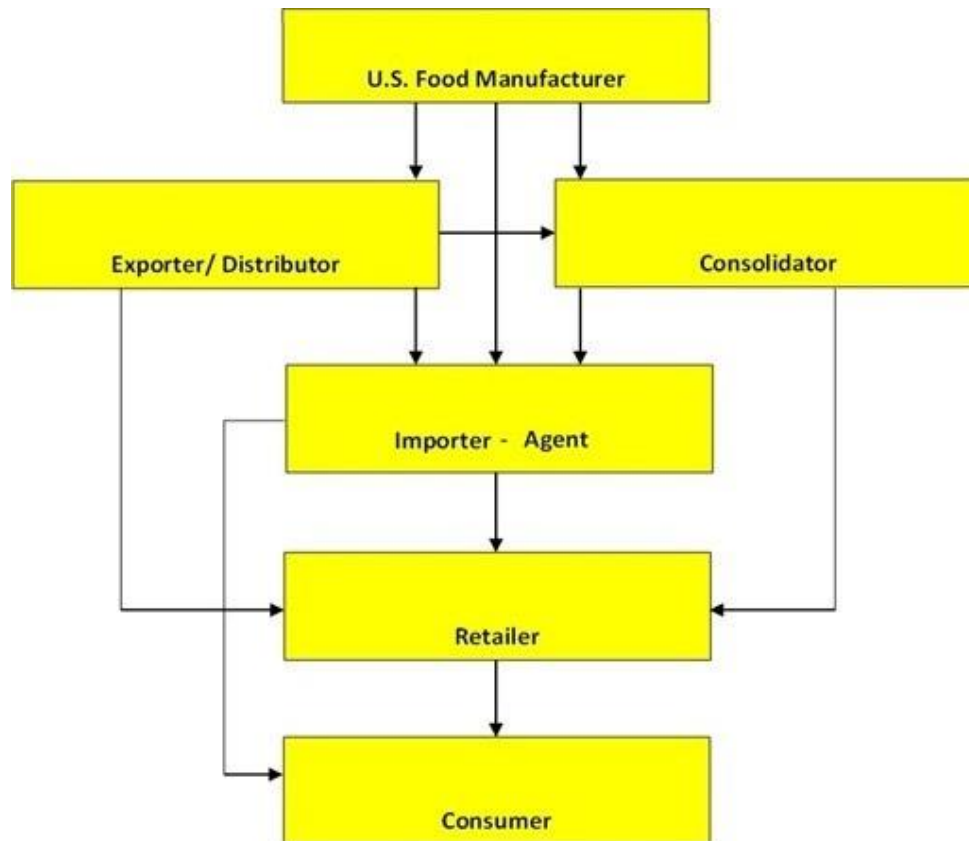
Egypt's Customs Authority is responsible for applying the corresponding import duties. The World Bank estimates that the tariff rate, applied, weighted mean, all products (%) in Egypt was 7.04 in 2015.

Tariffs on the vast majority of goods entering the country are below 15 percent. Vehicles, alcohol, apples, and tobacco products however are among the items on which tariffs are 40 percent or greater. The tariff for alcoholic beverages ranges between 1,200 percent and 3,000 percent; however, the tourism industry continues to enjoy a substantial reduction at 300 percent duty, to which a 40 percent sales tax is added.



## SECTION III: MARKET SECTOR STRUCTURE AND TRENDS

### Market Structure



In Egypt, only a few importers specialize in one product. Most importers are generalists who import a wide range of food products. It is important for U.S. exporters to work with someone locally who knows the market well for a specific product.

### Retail Food Sector

The Egyptian retail market is fragmented, but moving towards consolidation. The market, outside of a handful of large retail chains, is dominated by smaller retailers. Most large retailers are discounters who sell to smaller retailers. The latter are competitive thanks to more convenient locations and flexibility in providing informal credit to shoppers. See, the GAIN – EGYPT Retail Report 2017 (available late December 2017) for details.

There are approximately 120,000 grocery retailers in Egypt. Of these, close to 4,000 are modern grocery retailers (i.e., hyper and supermarkets and convenience stores). Traditional grocery retailers which number around 116,000 units are food/drink specialists and small independent grocers. The

overall number of grocery retailers (modern and traditional) has been increasing by around 1,000 units per annum since 2011.

Modern grocery retailers reportedly generated sales in 2016 in excess of EGP 67.5 billion (or over \$7.6 billion (calculated on EGP 8.88 to \$1.00, prior to the November 3, 2016 currency float). Traditional grocery retailers that same year generated close to EGP 158 billion sales (or \$17.8 billion). Both modern and traditional grocery retailers generated sales of approximately EGP 225 billion (or \$25 billion) in 2016. Sales as a whole were up nearly 11 percent compared to 2015's total sales of EGP 203 billion (\$23 billion). The sector as a whole has grown with a compound annual growth rate (CAGR) of almost nine percent throughout 2011-16.

Egypt's middle class consumers by some estimates made up roughly 40 percent of the population prior to the pound's November 2016 float; or about 38 million people. Some estimates put the middle class at no more than 20 percent of the population today. Importers of consumer-oriented foodstuffs are indicating based on their own sales that the middle class is actually contracting because of high unemployment, double digit inflation, and the halving of income and purchasing power. The average middle class household has four people and reportedly food and groceries purchases take up half of the household income. The middle class prior to the pound's float reportedly accounted for 45 percent of total consumption in the Egyptian economy.

### **Food Processing Sector**

FAS Cairo sees growing opportunities for supplying Egypt's food processing sector. This sector in 2016 reportedly accounted for approximately 4.7 percent of the country's gross domestic product. The food processing sector has been growing with a CAGR of 14.7 percent [2011-16] (see, GAIN – EGYPT Food Processing and Ingredients 2017, available late December 2017).

### **Trade Promotion/ Marketing Strategies**

Newspaper and magazine advertisements remain effective marketing tools, as newspapers alone have a daily circulation of over 4.3 million. Television (TV) is watched by all Egyptians; TV advertising is increasingly sophisticated and a prominent means of advertising messaging. POP-radio stations have proliferated, capturing a large segment of the youth market. Other forms of advertisement in Egypt consist of roadside billboards, flashing neon signs on building roofs, building walls painted with advertising signs, bulk mailer advertisements, faxed advertisements, and messenger/courier-delivered direct mail campaigns.

Trade promotion is becoming more sophisticated. Trade shows are growing in frequency, aimed either at targeted business audiences or at the general public. Several shows take place each month at one or more of the downtown hotels or the Cairo International Conference Center (CICC). The annual Cairo International Trade Fair, held in the spring of every year, is the historical centerpiece of Egyptian trade promotion events.

It is highly advisable that companies wanting to do business in Egypt attend trade shows. Leading Egyptian food sector shows include [HACE Hotel Expo](#) (held in November) and the [Food Africa Trade Show](#) which takes place in April.

## SECTION IV: BEST HIGH-VALUE PRODUCT PROSPECTS

**TABLE 2: Best Consumer-Oriented Product Prospects**

Product / Product Category	2016 Market Size \$ Million	2016 Imports \$ million	2012-2016 Average Annual Import Growth	Import Tariff Rate	Key Constraints Over Market Development	Market Attractiveness for USA
0202.30 Bovine Boneless Frozen	\$1,001.0	\$1,001.0 (220,100.8 MT)	2%	0%	Competitors: Brazil (59%), India (38%), and New Zealand (0.5%). Devaluation of the Egyptian pound in 2016 increased import costs, as well as reduced the purchasing power of Egyptian consumers.	With \$4.9 million in export sales, the United States is the 4 <sup>th</sup> largest supplier. With tourism returning, demand will grow for U.S. beef in the high hotel and restaurant sector. Economic recovery/ growth in 2018/19 should help increase demand for U.S. product. Egypt's domestic production of bovine boneless is sold fresh.
0206.22 Bovine Livers, Frozen	\$206	\$206 (152,011.7 MT)	4%	5%	Competitors: Brazil (18%) and India (13%). Devaluation of the Egyptian pound in 2016 increased import costs, as well as reduced the purchasing power of Egyptian consumers.	With \$127 million export sales, the United States is the main supplier (62% market share). U.S.-origin bovine livers will continue to face little competition; the majority of Egyptian consumers regard livers as main source of affordable animal protein. Economic recovery/growth in 2018/19 should help increase demand for U.S. product. Egypt's domestic production of livers is sold fresh.
0206.29 Bovine Offal Frozen	\$69	\$69 (36,882.2 MT)	17%	5%	Competitors: Brazil (45%) and India (10%). Devaluation of the Egyptian pound in 2016 increased import costs, as well as reduced the purchasing power of Egyptian consumers.	With \$26 million in export sales, the United States is the 2 <sup>nd</sup> largest supplier (38% market share). Economic recovery/ growth in 2018/19 should help increase demand for U.S. product. Egypt's domestic production of offal is sold fresh.

**TABLE 2: Best Consumer-Oriented Product Prospects (continued)**

0402.10 Milk Powder <1.5% Fat	N/A	\$142 (58,008.5 MT)	- <b>7%</b>	0%	Competitors: Germany (22.5%), France (13%), New Zealand (12%), and Canada (10.5%). Russia's ban on European dairy, led EU exporters cut their prices (due to high stocks) and offloaded product into Egypt.	With \$12.8 million in export sales, the United States is the 5 <sup>th</sup> largest supplier. Post anticipates increased demand due to expanded dairy, confectionary, and bakery manufacturing industry in Egypt.
0406.90 Cheese Except Fresh	\$498	\$95 (17,879.8 MT)	- <b>4%</b>	2.5%	Competitors: Netherlands (45%), New Zealand (21%), and Ireland (17%). Devaluation of the Egyptian pound in 2016 increased import costs. Egypt grants its EU FTA partners preferable tariff treatment. U.S. shipping costs are higher compared to European ones.	U.S. exports grew 32% in 2016 to \$1 million. Post anticipates increased demand due to the expansion of the Egyptian dairy processing sector industry.
1901.20 Mixes and Doughs	N/A	\$3 (1,214.8 MT)	- <b>1%</b>	20%	Competitors: Germany (33%), Belgium (33%), France (13%), and UAE (12%). Devaluation of the Egyptian pound in 2016 increased import costs. Egypt grants its EU FTA partners preferable tariff treatment. U.S. shipping costs are higher compared to European ones.	With \$197 thousand in export sales, the United States is the 5 <sup>th</sup> largest supplier. Post anticipates increased demand due to the expansion of the Egyptian bakery industry.
0802.12 Almonds, No Shell	\$18	\$18 (1,688.0 MT)	2%	20%	Competitors: Australia (10%) and Spain (2%). Devaluation of the Egyptian pound in 2016 increased import costs. Egyptian monetary measures drive up costs; banks require 100% collateral for Letters of Credit.	With \$15.5 million in export sales, the United States is the largest supplier (88% market share). Post anticipates increased demand due to the expansion of the Egyptian food processing industry. Egypt does not produce Almonds.

**TABLE 2: Best Consumer-Oriented Product Prospects (continued)**

0802.32 Walnuts, No Shell	\$5	\$5 548.1 MT	3%	20%	Competitors: India (7%) and Vietnam (5%). Devaluation of the Egyptian pound in 2016 increased import costs. Egyptian monetary measures drive up costs; banks require 100% collateral for Letters of Credit.	With \$4 million in export sales, the United States is the largest supplier (88% market share). Post anticipates increased demand due to the expansion of the Egyptian food processing industry. Egypt does not produce Walnuts.
2309.10 Dog & Cat Food	\$6	\$6 3,308.7 MT	1%	40%	Competitors: Germany (33%), France (17%), and Italy (17%). Devaluation of the Egyptian pound in 2016 increased import costs. Egypt grants its EU FTA partners preferable tariff treatment. U.S. shipping costs are higher compared to European ones.	With \$655 thousand in export sales, the United States is the 4 <sup>th</sup> largest. Economic recovery/ growth in 2018/19 should help increase demand for U.S. product. Egypt does not produce dog and cat food in commercial quantities.
2103.90 Sauces NES	\$375	\$10 2,578.1 MT	- <b>10%</b>	20%	Competitors: Saudi Arabia (37.5%) and India (12.5%). Devaluation of the Egyptian pound in 2016 increased import costs. Egypt grants its EU FTA partners preferable tariff treatment. U.S. shipping costs are higher compared to European ones.	With \$1.8 million in export sales, the United States is 2 <sup>nd</sup> largest supplier (12.5% market share). Economic recovery/ growth in 2018/19 should help increase demand for U.S. product. Post anticipates increased demand due to the expansion of the Egyptian food processing industry.

Note: Percentages have been rounded.

Sources: FAS-UNTrade, Euromonitor International, FAS Cairo office research.

## **SECTION V: KEY CONTACTS AND FURTHER INFORMATION**

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For additional information, see [www.fas.usda.gov](http://www.fas.usda.gov). See also to our Food and Agricultural Import Regulations and Standards (FAIRS) reports, FAIRS Export Certificate, Food Processing Ingredients Sector, and HRI Food Service Sector GAIN reports.

### **Trade Associations**

#### **Chamber of Food Industries**

Mailing Address: 1195 Nile Corniche, Boulaq, Cairo Governorate  
Phone: +20-2-2574-8627 • Fax: +20-2-2574-8312  
Cellphone: +20-122-7825232 and +20-122-782-5233 • [info@fei.org.eg](mailto:info@fei.org.eg)  
Website: <http://www.mvegypt.com/egyctfi/en>

### **Ministries and Government Agencies**

#### **Ministry of Trade and Industry**

Mailing Address: 2 Latin America, Garden City, Cairo  
Commercial Affairs Phone: +20-2-2792-1207 • [mfti@mfti.gov.eg](mailto:mfti@mfti.gov.eg)  
Website: <http://www.mti.gov.eg/English/Pages/default.aspx>

#### **Ministry of Investment and International Cooperation**

Mailing Address: 3 Salah Salem Street, Cairo  
Mailing Address: 8 Adly Street – Down Town, Cairo  
Phone: +20-2-2405-5417 • +20-2-2391-0008 • +20-2-2390-8819 • +20-2-2393-5147  
Email: [ministeroffice@miic.gov.eg](mailto:ministeroffice@miic.gov.eg)

#### **Ministry of Supply and Internal Trade**

Mailing Address: 99 Al Kasr Al Aini, Al Inshaa WA Al Munirah, Qasr an Nile, Cairo Governorate, Egypt  
Phone: +20- 2- 2794-4338/ 8224/ 8184 • +20-2- 2795-8481 • [info@msit.gov.eg](mailto:info@msit.gov.eg)  
Website: [www.msit.gov.eg](http://www.msit.gov.eg)

#### **Ministry of Agriculture**

Mailing Address: 9 El Gamaa Street, Giza, Egypt  
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Website: [www.agr-egypt.gov.eg/](http://www.agr-egypt.gov.eg/)

## APPENDIX - STATISTICS

**Table A: Key Trade and Demographic Information**

Agricultural Imports From All Countries (\$Mil) / U.S. Market Share (%) <sup>1/</sup>	\$7.3 billion/ 10%
Consumer Food Imports From All Countries (\$Mil) / U.S. Market Share (%) <sup>1/</sup>	\$1.7 billion/ 11%
Edible Fishery Imports From All Countries (\$Mil) / U.S. Market Share (%) <sup>1/</sup>	\$354 million/ 1%
Total Population (Millions) / Annual Growth Rate (%)	97 million/ 2.45%
Urban Population (Millions) / Annual Growth Rate (%)	42 million/ 1.8%
Number of Major Metropolitan Areas (over 1 Million)	Two Metropolitan Areas Cairo (capital) 18.4 million Alexandria (port) 4.1 million
Size of the Middle Class (Millions) / Growth Rate (%)	~38 million/ N/A
Per Capita Gross Domestic Product (U.S. Dollars)	\$12,097 PPP
Unemployment Rate (%)	12.5%
Per Capita Food Expenditures (U.S. Dollars)	\$920 (2016)
Percent of Female Population Employed	23.2%
Exchange Rate (December 2017)	\$1.00 = 17.84 EGP

Sources: (1) FAS-UNTrade, Economist Intelligence Unit, Central Intelligence Agency, USDA-Economic Research Service, World Bank, FAS Cairo office research.

**Table B: Consumer Food and Edible Fishery Product Imports (2016)**

Egypt Imports (In Millions of Dollars)	Imports from World			Imports from the U.S.			U.S. Market Share		
	201	201	201	201	201	20	20	20	
	4	5	6	4	5	16	14	15	16
<b>CONSUMER-ORIENTED</b>	<b>4,42</b>	<b>4,93</b>	<b>3,72</b>	<b>434</b>	<b>348</b>	<b>22</b>	<b>10</b>	<b>7</b>	<b>6</b>
<b>AGRICULTURAL TOTAL</b>	<b>6</b>	<b>1</b>	<b>2</b>	<b>434</b>	<b>348</b>	<b>4</b>	<b>%</b>	<b>%</b>	<b>%</b>
Beef & Beef Products	1,46	1,86	1,29	262	263	15	18	14	12
	6	0	3			9	%	%	%
Dairy Products	1,01	921	688	129	40	23	13	4%	3%
	4						%		
Fresh Fruit	376	573	405	2	2	1	0%	0%	0%
Tea	345	291	283	0	0	0	0%	0%	0%
Food Preps. & Misc. Bev	244	257	193	7	8	8	3%	3%	4%
Fresh Vegetables	123	86	165	0	0	0	0%	0%	0%
Poultry Meat & Prods. (ex. eggs)	154	166	123	1	0	0	1%	0%	0%
Spices	114	135	114	0	0	0	0%	0%	0%
Chocolate & Cocoa Products	123	136	113	1	1	0	1%	1%	0%
Tree Nuts	88	107	76	21	26	26	24	24	35
							%	%	%
Fruit & Vegetable Juices	84	97	71	0	0	0	0%	0%	0%
Processed Fruit	57	65	51	1	1	0	1%	2%	1%
Processed Vegetables	47	47	39	3	3	3	7%	6%	8%
Meat Products NESOI	59	44	35	0	0	0	0%	0%	0%
Coffee, Roasted and Extracts	28	37	26	0	0	0	0%	0%	0%
Snack Foods NESOI	58	61	23	1	1	1	2%	1%	3%
Condiments & Sauces	18	23	10	2	2	2	12	10	19
							%	%	%
Dog & Cat Food	8	10	6	1	1	1	17	9%	11
							%	%	%
<b>FISH &amp; SEAFOOD PRODUCTS</b>	<b>737</b>	<b>751</b>	<b>602</b>	<b>8</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>0</b>
							<b>%</b>	<b>%</b>	<b>%</b>
160414 - Tuna, prep	163	172	167	0	---	---	0%	---	---
030354 - Mackerel, frozen	206	225	154	5	1	1	3%	1%	0%
030617 - Other shrimps, frozen	75	79	78	0	0	0	0%	0%	0%
030369 - Fish other, frozen	82	79	57	---	---	---	---	---	---
030351 - Herrings, frozen whole	63	58	50	0	0	0	0%	0%	0%
030489 - Fish other, fillets, frozen	27	26	19	0	0	0	0%	0%	0%
030749 - Cuttle fish, frozen	22	26	19	---	---	---	---	---	---
030389 - Fish other, frozen	42	32	14	1	1	0	2%	2%	1%
160413 - Sardine, prep	6	9	9	---	---	---	---	---	---
030319 - Pacific Salmon NESOI	7	7	7	---	---	---	---	---	---
frozen									
030353 - Sardines, frozen	5	8	5	---	---	---	---	---	---
<b>AGRICULTURAL PROUDCTS TOTAL</b>	<b>14,4</b>	<b>13,9</b>	<b>10,6</b>	<b>2,0</b>	<b>1,2</b>	<b>76</b>	<b>14</b>	<b>9</b>	<b>7</b>
	<b>92</b>	<b>21</b>	<b>46</b>	<b>40</b>	<b>83</b>	<b>7</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>AGRICULTURAL, FISH &amp; FORESTRY TOTAL</b>	<b>17,0</b>	<b>16,4</b>	<b>12,5</b>	<b>2,0</b>	<b>1,3</b>	<b>79</b>	<b>12</b>	<b>8</b>	<b>6</b>
	<b>99</b>	<b>12</b>	<b>60</b>	<b>79</b>	<b>18</b>	<b>7</b>	<b>%</b>	<b>%</b>	<b>%</b>

Note: Based on latest full calendar year 2016 (January-December) data. The United States is a negligible supplier of fish and seafood products to Egypt; only \$2 million in product was shipped in CY 2016.

Source: FAS-UNTrade, FAS Cairo office research.



**Table C: Top 15 Suppliers of Consumer Foods and Edible Fishery Products (2016)**

**Egypt – Top 15 Suppliers**

**Consumer Oriented Products Top 15 Suppliers**

	2014	2015	2016
Brazil	775,309	1,272,961	780,280
India	605,505	459,748	450,001
New Zealand	347,272	353,238	283,480
Kenya	309,814	255,615	251,571
United States	433,603	347,872	224,262
Netherlands	191,758	185,552	168,030
Italy	172,998	246,480	150,055
France	141,460	142,442	103,077
Greece	87,527	113,503	92,013
Ireland	78,494	95,278	91,091
Germany	113,859	107,910	84,902
UAE	110,838	120,513	84,834
United Kingdom	86,548	72,575	82,868
Syria	64,403	90,561	82,094
Poland	55,789	69,840	77,860
Others	851	997	716
World	4,426	4,931	3,722

**Fish & Seafood Products Top 15 Suppliers**

	2014	2015	2016
Thailand	157,080	168,711	160,722
Netherlands	193,549	138,570	74,202
UAE	22,508	25,274	43,770
Vietnam	62,530	56,241	40,843
Brazil	7,196	41,933	35,933
Japan	30,476	44,471	33,391
Norway	42,131	45,828	32,422
Spain	23,537	42,841	27,294
China	29,302	19,764	27,010
India	17,931	18,645	22,044
Yemen	20,473	21,844	20,099
Ireland	20,806	11,901	12,976
Morocco	6,670	8,986	9,439
Iceland	5,176	26,128	7,559
Indonesia	8,816	7,628	6,977
<sup>a</sup> Others	89	72	47
World	737	751	602

Note: Based on latest full CY 2016 (January-December) data. The United States is a negligible supplier of fish and seafood products to Egypt; only \$2 million in product was shipped in CY 2016.

Source: FAS-UNTrade, FAS Cairo office research.