



Agriculture and
Agri-Food Canada

Agriculture et
Agroalimentaire Canada

Agri-Food COUNTRY PROFILE

EGYPT

July 2004



Canada

Egypt

AGRI-FOOD COUNTRY PROFILE

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Executive Summary

- Egypt is the most populous country in the Arab world with the second largest economy.
- Egypt's economic objectives seek to improve its trade balance by maximizing exports; create jobs as the population rates and unemployment rates soar; attract foreign direct investment to facilitate the critical job creation process, and move towards privatization.
- GDP growth is anticipated to accelerate to between 4 and 4.5% in 2005.
- Of the 69 million Egyptians 12-13 million are in a position to afford imported food products.
- Egyptian consumers are inclined to spend, but spend on products that are competitively priced while still offering a high quality standard.
- Canadian companies carry an excellent reputation, and are known for their business culture, quality and advanced technology.
- Market access questions surround the Egyptian government's requirements for packaging and labelling for the food and agricultural sector. Canadian exporters should ensure that these regulations are adhered to.
- Canadian exports to Egypt dropped considerably in 2002 to \$184 million, only to rebound to a record high of \$231.6 million on 2003. These numbers reflect positively on market growth and potential for consistent future growth.
- Products that have made their way into the Egyptian food market, and have potential for growth are microwave popcorn, cheese and confectionary products. However, potential for growth and market penetration in many other categories exists.

The Government of Canada has prepared this report based on primary and secondary sources of information. Readers should take note that the Government of Canada does not guarantee the accuracy of any of the information contained in this report, nor does it necessarily endorse the organizations listed herein. Readers should independently verify the accuracy and reliability of the information. This report is intended as a concise overview of the market for those interested in its potential and is not intended to provide in-depth analysis which may be required by the individual exporter.

EGYPT

COUNTRY PROFILE

Economy

Egypt is the most populous country in the Arab world with the second largest economy. Annual GDP in 2003 was estimated at US\$70 billion.

With direction from the International Monetary Fund (IMF) Egypt has managed to improve its economic performance through fiscal, monetary and structural reform policies. These reforms subdued inflation, reduced budget deficits and attracted foreign investment, while simultaneously activating a private sector that plays a critical role in Egypt's economy.

Overview

Egypt enjoys a diverse economy backed by a rich supply of natural resources, highly integrated manufacturing capabilities, a thriving agricultural sector, an attractive tourism sector as well as a skillful labor force. These factors support the country's potential for sustainable growth.

Industries such as textiles, food processing, tourism, chemicals, hydrocarbons and construction fuel the economy. Industrial production holds a growth rate of nearly 2.5%. The agriculture industry represents 17% of gross domestic production (GDP), while industry accounts for 34% and services for 49%.

In 2000 Egypt experienced an economic downturn. The fall was fueled by a prolonged dollar shortage, a decrease in exports, with a simultaneous increase in capital spending on ambitious infrastructure projects. The government responded to the situation by drawing US\$25 billion from foreign exchange reserves. The situation gradually improved with the draw on reserves stabilizing. Since 2000 macroeconomic indicators have stabilized with the development of the oil and gas export market being a positive contributing factor to the economy, and one that will extend beyond short term growth well into the future. In the midst of this time line Egypt's tourism industry the biggest foreign exchange earner

was devastated by effects of September 11th, and again Egypt was looking to recover economically, now the tourism industry is experiencing growth and expected to continue to grow as government supports expansion through monetary support and marketing initiatives.

Egypt's economic challenges are unemployment levels being so high and the solution resting in the development of the private sector. This private sector development is hindered in the face of bureaucratic delays and outdated infrastructure. Also, liquidity problems persist with currency shortages quite common specifically after September 11th.

Egypt's economic objectives seek to improve the trade balance by maximizing Egyptian exports; create jobs as the population rates and unemployment rates soar; attract foreign direct investment to facilitate the critical job creation process; and finally, move towards privatization as the government sells many state-owned companies.

Current situation

Presently the Egyptian Government struggles to continue the drive towards transforming the economy. Concern revolving around the potential for social disruption, as well as excessive spending on infrastructure mimicking issues faced in 2000, are resulting in deeper deficits which have slowed the pace of an economic turnaround. As a result foreign investment has decreased and the push towards privatization has also lost force. The government is currently recovering from the effects of floating the pound in 2003, and hoping to harness inflation and widening deficits this year.

The mixed outlook, is also partially positive. Dollar shortages, the need to address the fiscal deficit as well as job creation, remain priority issues. The potential for exports to grow and strong government spending in place to support growth foster a promising look into Egypt's

economic future. The trend towards higher oil prices will give a strong boost to the economy.

The decision to adopt a more flexible exchange rate and the resulting currency depreciation have enhanced Egypt's worldly competitiveness, and improved Egypt's ability to recover from external shocks to the economy. Marked improvements have been seen in oil exports, tourism and Suez Canal traffic. These tangible results prove the current situation is moving in a positive direction in some areas, and priorities are in place to carry this positive turn into all areas of the economy for future years. It is up to government to proceed with carrying out these priorities to experience positive outcomes in the economy.

Gross Domestic Product	
GDP	US\$ 68.7 billion
GDP growth	3%
GDP per capita	US\$ 1000
GDP by Sector	
Services	49%
Industry	34%
Agriculture	17%

Government Role

The Egyptian government continues to be active in the economy through sectoral planning, projects to curb unemployment and foreign promotion to attract tourism and investment dollars and to open up trade markets.

In 2003, partially as an attempt to attract foreign investors, the government took the positive step of floating the Egyptian currency and while this did bring immediate benefits the government has been reluctant to give total control over the Pound to the open market. In order to stabilize the value of the currency the government has been using its influence over the state-owned banking sector.

Tumbling currency and rising consumer prices have put the Egyptian government in a difficult and uncomfortable position. With changes to subsidy programs, rising unemployment due to economic slowdowns and a rapidly growing labour force the government has been forced to temper more

aggressive reforms. While these reforms are needed, the short-term problems for the population associated with aggressive fiscal policies has led the government to be tentative for fear of social unrest. The ruling party is very well entrenched and rarely faces much difficulty in getting reelected, but they seem fearful of negative reactions from the population associated with their reforms. In fact political stability seems to be the driving force behind many fiscal policies regardless of the long-term benefits of more active fiscal policies.

Beside domestic reforms the government is actively focused on the future of trade. It has been active in joining numerous free trade agreements with the intention of enlarging market size, attracting foreign direct investment as well as modern technological expertise. Through the promotion of trade, the government projects other issues such as unemployment and the need for advanced technology integration into the country will be indirectly addressed.

The government is especially interested in investment for projects relating to the reclamation and desert lands for agriculture, industry, tourism, housing and reconstruction and projects that inject modern technology into Egypt's infrastructure. Many of these projects would be large in scale thus requiring intense levels of labor which would serve to address the issue of unemployment. Besides attracting foreign investment, Egypt also takes a self supportive approach as they pump resources into marketing tourism hoping to stimulate the sector.

Forecast

With an economic backdrop of slower growth rates, government has wavered between expansionary policies or fiscal strictness. The outlook is mixed, Egypt will benefit from oil price increases and then end of the war in Iraq, but dollar shortages and the need to address the deficit are main outstanding issues.

GDP growth is anticipated to accelerate to 4-4.5% in 2005. Inflation is also expected to settle at a lower rate of 3.5% in 2005, ideally this will curb the sharp rise in consumer prices as well as

increasing domestic interest rates. Moderate expansion this year will be in most part due to an increase in exports, more specifically hydrocarbon exports, and a regeneration of the tourism sector. The government will continue to make difficult decisions surrounding severe economic constraints, with an effort to maintain living standards and regenerate public confidence. In order for confidence to be restored government has to look beyond short term social adjustments costs and plan multi-year approaches to fiscal policy with ambition to generate long term positive effects.

An overall goal of increasing revenues and containing expenditures to bring the consolidated budgetary deficit down to 4-5% of GDP would be a step towards reestablishing public confidence in the economy.

Consumer Market

Egypt has a high population growth rate of 1.88% and a young population. Of the 69 million Egyptians 12-13 million are in a position to afford imported food products.

Demographics	
Total Population	69 million
Population Growth Rate	1.88%
Breakdown by Age	
0-14 yrs	34%
15-64 yrs	62%
65 yrs and over	4%
Life Expectancy	
Male	68 yrs
Female	73 yrs
Total	71 yrs

Egypt's middle income households represent the greatest portion of total household expenditure. Generally an urban household spends approximately 1.5 times more than a rural one. Despite the difference in spending both urban and rural households generally follow the same spending patterns.

Egypt's per capita purchasing power sits at around US\$1000. Egyptians spend lavishly on food, beverages and clothing regardless of the level of

income they earn, food and beverages generally constitute 50-55% of a family's total spending, while 10-15% is channeled towards clothes and footwear. At the same time, as the Egyptian pound declines, consumers are still inclined to spend, but spend on products that are competitively priced while still offering a high quality standard. Also, with inflation at a rate of approximately 5% in 2004, local costs have increased for goods that are imported or require imported parts. Consumers in as well as the private sector are feeling the effects of inflated prices and spending is done with more reluctance and thought.

Presently, products classified as western and new-to-market have a strong appeal to the Egyptian Consumer. Generally the Egyptian consumer is aware of quality and variety. Egyptian buying behaviors have changed in the past few years. Open market shopping and fresh products direct from the butcher or market are being replaced by supermarket settings offering cleanliness, quality, variety and convenience. Consumption of prepared foods is growing rapidly. Also, Egyptians are placing more importance on physical fitness and leisure. Buying behavior is a reflection of the Egyptian consumer wanting more time allocated to leisure made possible by convenient services such as the supermarket.

Major Cities	
Cairo	7.6 million
Giza	5.5 million
Sharkia	5 million
Dekahlia	4.8 million
Behera	4.6 million

Geography

Egypt's total land area is approximately 1 million km². Summers are hot and dry and winters are mild and dry with cold nights. Rainfall is negligible except on the coast. The river Nile and the Suez Canal divide the country in three parts. Beyond the highly cultivated Nile valley and Delta, a fertile region that is the most densely populated area of the country. The vast majority of the remaining land is made up of sparsely inhabited, arid desert.

Narrow strips on the Mediterranean coast and on the African Red Sea are also inhabited.

Natural resources include petroleum, natural gas, iron ore, phosphates, manganese, limestone, gypsum, talc, asbestos, lead and zinc.

Infrastructure

Although Egypt is well developed, there are some notable deficiencies. Due to a tremendous amount of borrowing in the late 1970's to the late 1980's, Egypt encountered debt problems which prevented it from continuing to upgrade infrastructure to keep up with the exploding population. Just recently rapid growth in telecommunications has begun to catch up with global telecommunication standards. Egypt still continues to better its road network as part of an ongoing plan to establish sound infrastructure.

There are 89 airports in Egypt, 70 of which have paved runways. The main hub is Cairo, which is served by many major airlines.

Due to an increase in commercial, passenger and tourists transactions Egypt plans to expand existing seaports as well as construct new ones. Egypt's main 8 ports handle an annual flow of 60.5 million tons of goods. The Suez Canal, one of the most critical waterways in the world received priority attention from the Egyptian government to deepen its channel allowing access for major vessels.

The Egyptian government is relying increasingly on the private sector to provide investment needed to develop key sectors such as power and telecommunications, as well as key infrastructure such as roadways and maritime ports. Until infrastructure is free of limitations the Egyptian government understands that trade and investment may be restricted. Therefore emphasis on generating money and interest in these projects is a main focus. The government's agenda of privatization and economic reform offers significant opportunity for companies and is a step toward generating the foreign interest and investment necessary.

Distribution and Sales Channels

Egypt offers Canadian exporters opportunities in several product categories. Transparency and simplicity is something the Egyptian Government strives to offer in their import market, however, it is still something the market lacks on an overall level. The government directly or indirectly controls important sectors such as alcoholic drinks and agricultural commodities. For such sectors it is advisable to deal through a government or government associated body for access to those in control. Use a local agent or partner to facilitate this process.

Generally importers sell to wholesalers, who in turn distribute food products to retail outlets. There are three major supermarket chains which import food products directly, however; most food retailing chains rely on Egyptian importing companies for wholesale distributing.

All imports into Egypt must be facilitated by an Egyptian agent or by a business entity that is Egyptian-owned. It is not difficult to find reliable representation and distributors in Egypt. Agency agreements must be registered with the Ministry of Foreign Trade. One agent is appointed if there is only one product or service, but different products or services can warrant the representation of more than one agent. Agency contracts can be established on a per-project basis, and can be terminated with relative ease.

Exporters should utilize the knowledge and experience of the importer with whom they are dealing concerning Egyptian import requirements. In general, most importers tend to bring in a wide range of products but in small quantities. Consumer ready products are imported by hundreds of relatively small companies. Importers sell to retailers as well as wholesalers.

In the past most Egyptians bought fresh meat and produce from local markets, today middle and upper class Egyptians are buying foodstuffs from supermarkets offering variety, cleanliness, quality and convenience. Though retail trade is still made up largely of privately-owned shops and vendors, shifts towards a more central approach to shopping

are evident. Of the nearly 65 000 food, beverage and confectionary outlets 73% are super-markets and grocery format, 16% are kiosks, 5% wholesalers, 5% other retail formats and 1% gas stations. Supermarket chains are continuously expanding, with international interest from the British, French, German and South African chains to penetrate the market.

General Merchandise Trade

Egypt's total trade was valued at US\$22.9 billion in 2003. Egyptian exports totalled US\$8.2 billion while imports were valued at US\$14.7 billion. This gave Egypt a negative trade balance of US\$6.5 billion in 2003.

Egypt's main exports are petroleum and petroleum products, cotton and cotton textiles, as well as aluminum products. Numerical breakdowns allocated 17.6% of the 2003 Egyptian export market to raw materials and cotton, 38% to manufactured or semi-manufactured goods, 38.3% to petroleum and 6.1% to free zones trade. Egypt's principal export destinations are the United States accounting for 19% of Egyptian exports, Italy at 14%, the United Kingdom at 8.4%, France at 3.9% and India at 3.9%.

Egypt's main imports are machinery and equipment, foodstuffs, chemicals, wood products and fuels. Egypt's principal import sources are the United States at 17%, Germany at 8%, Italy at 7%, France at 6.5% and China at 5%.

Trade Agreements

Egypt aims to increase export capabilities through the creation of an export-oriented community and a link to trade blocks and organizations such as the WTO and the Common Market for Eastern and South Africa (COMESA). Egypt has signed an association agreement with the European Union.

Due to Egypt's deficiencies in technology, there is an increased push towards establishing transfer agreements with foreign companies to improve its industrial base and domestic output.

Investment

Egypt's strong domestic market, coupled with its proximity to major European markets make it an attractive target for foreign investors. Investment is centred around the oil and gas sector, but slowly other sectors like manufacturing, tourism and finance are beginning to generate investment.

Ongoing discrepancies in business procedures, particularly in import procedures and bureaucratic delays limit investment from reaching its potential. Annual foreign direct investment (FDI) averaged US\$ 1 billion per year from the mid 1990's through to 2000. Investment peaked at US\$1.6 billion. In 2000. Since this high, the Egyptian economy has slowed, economic reform has progressed but at a leisurely pace resulting in decreased FDI. FDI inflow through the first three quarters of the 2002/03 fiscal year was US\$578 million.

The Egyptian government holds FDI as a priority and critical component to an economic strategy aiming to sustain high growth. Egypt's General Authority for Free Zones and Investment (GAFI) is the body that promotes and regulates FDI. Investment incentives and guarantees range from the right to own up to 100% of businesses, the right to maintain foreign currency bank accounts, the right to send home capital and profits and equal treatment regardless of nationality.

Barriers to FDI include the prohibition of a foreign individual owning agricultural land in specific farming regions. Also, the roles of commercial agents as well as importers or traders are limited to Egyptian nationals.

Market Access

The Egyptian government has made strides in economic, legal and monetary arenas to create a business environment that offers incentives and opportunities for international and bi-lateral trade. The government also focuses on building an infrastructure capable of facilitating modern business.

Free trade zones have been established in cities around the country and, new satellite cities will

offer industrial parks to warehouse or manufacture products tax free.

Canadian companies carry an excellent reputation, and are known for their business culture, quality and advanced technology. In Egypt Canada is seen as a leader in telecommunications, oil and gas, forest products, transportation and infrastructure, the environment and agriculture. Our reputable status makes Canada an alternative trader in place of American or European goods.

Market access questions surround the Egyptian government's requirements surrounding packaging and labelling for the food and agricultural sector. Canadian exporters should ensure that these regulations are adhered to. Further details on these requirements can be obtained from the Trade Division of the Canadian Embassy in Cairo, contact information appears on page 16 of this document.

Tariffs

Tariff reductions in 1998 promised a maximum rate not exceeding 40%, but there continue to be exceptions. Tariffs on poultry sit at an 80%, beverages and spirits at 60-3,000%, and raw manufactured tobacco 85%. Despite bound tariffs enforced by the WTO, certain violations as mentioned above still exist within the import market. These severe barriers are an effort to discourage the importation of certain goods and reduce competition from abroad.

Certification Requirements

Certification, like labelling and packaging is extensive and specific to product categories. Canadian exporters should consult with the Trade Division abroad to ensure the most up-to-date and accurate certification methods are adhered to.

Detailed and specific certification is required for meat products supplied to Egypt. For a detailed look at these requirements please refer to the Canadian Food Inspection Agency website www.inspection.gc.ca

Egyptian certification requirements for seafood are also detailed at www.inspection.gc.ca

Halal certification

Due to the largely Muslim population within the country, Halal certification is required on certain food imports. Halal certification for all meat and poultry is required. Halal export-certified establishments must make sure that their meat products have originated from a source approved by the country of destination.

There are several organisations that offer Halal certification. Canadian companies interested in obtaining Halal certification should contact one of the certification bodies mentioned in at the end of the report for specific regulations. In general the procedure is as follows:

Request for certification

Submit an application form requesting desire to be Halal certified. (For a more detailed overview of Halal certification please consult the Agri-Food Trade Service website ats-sea.agr.gc.ca)

Inspection of the facility

An inspector must inspect the facility to determine that it complies with Halal standards, such as process, equipment and sanitation procedures. Once the inspection report is complete, it is submitted to the Halal Slaughter Certification Committee (SCC) along with any recommendations.

Registration of slaughter facility

Upon approval of the plant by the SCC, the registrant will receive an official letter, specifying the terms and conditions of the registration.

Supervision

A supervisor will be assigned to perform the necessary procedures in the plant. The fee is usually dependent upon the work required.

Certification fee

A certification fee is negotiated and an agreement is signed. In general, the agreement extends for a

period of one year. The certification fee is set after the plant is registered and takes into consideration various elements such as the number of plants involved, the complexity of the product line, the volume of product and the projected consultation requirements throughout the year.

Issue certification and sign agreement

Every certifying body has a registered symbol for labels of Halal products. Certificates are issued for each batch of Halal products.

Labelling Requirements

It cannot be emphasized enough, that labelling requirements are strict and extensive. Further details on these requirements can be obtained from the Trade Division of the Canadian Embassy in Cairo.

Poultry and Meat

1997 legislation demanded that meat be packed in sealed bags with the following information listed outside and inside the bag:

- Country of origin
- Name of the product and trade mark if any
- Name of Slaughter House
- Slaughter date
- Name and address of importer
- Name of quarter supervising slaughter. Quarter is by the commercial office of the country of origin and ensures slaughter was done to according to Islamic Shari'a,

The information must be written permanently in Arabic, and all products must be shipped direct from the country of origin.

Foodstuffs

Labelling requirements for foodstuffs are very in-depth and stringent. The following information must be provided in at least two languages with Arabic being one.

- Name of producer or factory, and trade mark, if any
- Country of origin

- Commodity name, grade and kind
- Name and address of importer
- Production date, and expiration date
- Mode of preparation
- Components included in the commodity, and proportion
- Mode of preservation and storage
- Net and gross weight according to the commodity
- additives and preserving or upgrading materials.

Such strict requirements are not placed on domestically produced goods.

Market Constraints

Despite how well positioned Canada is in terms of reputation and ability to penetrate what sounds like a welcoming market - there still exists many underlying barriers to market access. Food items intended for human consumption are required to undergo rigorous and often time consuming Ministry of Health testing. Besides testing, extensive labelling and certification requirements make the exporting process difficult.

Products not present in the food market due to strict trade barriers are: wine and beer (due to high custom tariff rates), high quality beef (due to maximum of 7% fat restrictions) and turkey (only small amounts of turkey are imported by Egypt).

Agriculture And Agri-food Overview and Outlook

The Egyptian government places great emphasis on the agricultural sector, understanding its significant role in the national economy. It accounts for nearly 20% of GDP and total exports and employs nearly 30% of the working population. Despite the agricultural sector's productivity, Egypt still remains one of the world's larger food importers due to it's high population growth rate and increasing disposable incomes.

Agriculture's significance would be even more pronounced if account were taken of the industries from which it purchased, such as fertilizer and

machinery and those to which it sold such as food processing and textiles. Food processing is Egypt's second largest industry next to textiles with annual production valued at \$US3.5 billion, and a strong annual growth rate of 20% to support it.

Egyptian farming is confined to less than 5% of the total land area because the country falls within arid and hyper-arid zones. About 90% of agricultural production is concentrated in the Nile delta and the rest is located in the narrow ribbon along the Nile between Aswan and Cairo (upper Egypt) and a strip along the Mediterranean. New land reclamation programs continuously seek to expand useable land mass, while crating new communities on targeted lands in the upper Egypt area.

Egyptian farmers grow a variety of crops, including grains, cotton, *barsim* (clover), legumes, fruits, and vegetables, thanks to the warm climate, plentiful water along the Nile, and exceptionally fertile soil. The most important change in the cropping pattern in Egypt's modern history was the introduction of cotton, because it led to the transformation of irrigation methods.

Egypt is not a self sustaining country in food production, although they continue to make strides in increasing production and reducing the food gap. High population growth paired with slow growth in agricultural yields makes Egypt an import reliant country.

Agricultural Policy

Agricultural policy up to the end of the 1970's was dominated by government intervention in production, trade and prices. The 1980's brought with them a government agenda to drastically change agricultural policy. The new policy removed government control on pricing, removing constraints on importing and exporting agricultural crops, additional financing for agricultural development projects, limiting state ownership of land while selling existing state owned land to the private sector, along with many more specific reforms to pre-existing policy.

Besides altering existing agricultural policy, the Egyptian government aimed to further develop the

sector in the 1990's. The main objectives of the development strategy were to:

- ensure optimum allocation and use of agricultural resources, while continuously conserving, improving and developing these resources.
- to capitalize on comparative advantages to increase exports.
- create opportunities for employment within the agricultural sector.

The latest agricultural policy has had significant positive impact on agricultural sector performance as cultivated areas increased, the total value of agricultural production increased, the value of exports increased, investment in the sector increased and finally self-sufficiency ratios in food production increased lessening the food gap in Egypt.

A negative side effect resulting from the new reforms was a general increase in the cost of agricultural production due to the cancellation of input subsidies. Despite the short-term consequence - the overall impact of agricultural reforms implemented in the 90's was a positive one, and one that has shaped the present day approach towards agricultural sector development. This approach continues to demand agricultural production growth rates at around 4% from year to year. It also schedules the sustainment of key crop production, the increase of certain edible oil crops and sugar production, maintaining restrictions on excessive pesticide use, emphasizing irrigation water use efficiency as well as supporting agricultural restock and development to carry sectoral growth into the future.

Agri-Food Import Market Competitors

The United States consistently dominates the agri-food export market to Egypt. Year after year the US account for approximately 30% of the market. However, US domination of the Egypt export market has shown a downward trend since 2000. American agri-food exports have decreased from 35% in 2000, to 33% in 2001 to 29% in 2002. This displays the small but apparent potential for other exporting countries to gain market share.

The top five exporters to Egypt account for over 60% of the entire agri-food export market. According to global trade statistics, leading agri-food exporters to Egypt are the United States representing nearly 30% of the export market, Brazil at 10%, Australia at 9%, Argentina at 8% and France at 5%. These export leaders outweigh the Canadian export market to Egypt, which accounts for less than 1% of the total agri-food export market. Close competitors with Canada (which sits at .67% of Egypt's import market), all hovering in the 0.5-0.7% market share range are Syria at .74%, Germany at .66%, Slovenia at .63% and Ireland at .58%.

Market potential

Products that have made their way into the Egyptian food market, but have potential for growth are microwave popcorn, cheese and confectionary products.

As government strives to reduce trade barriers, improve transparency and facilitate world market participation, the potential for these restrictions to lessen exists. These are markets that should be monitored due to their potential to grow if barriers are reduced or eliminated:

Other sub-sectors with potential to expand are:

- turkey
- wine/beer
- edible oils (sunflower and soybean)
- animal and chicken feed
- fresh and preserved fruits and vegetables
- tomato paste and ketchup
- natural juices and concentrates
- cheese and milk
- snack and cereals
- nuts

As long as Canadian exporters are competitively priced and willing to respond to client inquiries, exporters can capitalize on the high quality agri-food products they have to offer.

Canada - Egypt Trade and Investment

Since the establishment of diplomatic relations between Canada and Egypt in 1954, consistently positive relations with this key Arab partner have been enjoyed. Canada and Egypt's collaborations do not simply revolve around resolutions to Middle East conflict - though it is a key issue it is one of many. Canada and Egypt continue to expand their relations in areas of international trade, disarmament, and educational and cultural exchanges. Canada first earned recognition from Egypt with our successful intervention of the Suez Crisis in 1956, since then Canada has maintained a bond with Egypt through collaborative peace keeping efforts as well as being a key destination for Egyptian immigrants.

Bilateral trade between Canada and Egypt is expanding as economic reform is slowly integrated in Egypt. Total merchandise trade between Canada and Egypt was valued at \$347.8 million dollars in 2003. Exports still remain at low levels, only breaking to \$200 million mark in 2001. Exports dropped considerably in 2002 to \$184 million, only to rebound to a record high of \$231.6 million in 2003, while imports from Egypt were valued at \$116.2 million. This resulted in a positive trade balance of \$115.4 million. These numbers reflect positively on market growth and potential for consistent future growth. Egyptians are focused on continuing to liberalize their trading arrangements with Canada.

Canada - Egypt Bilateral Trade 2003	
Total trade	US\$ 22.9 billion
Exports	US\$8.2 billion
Imports	US\$14.7 billion
Balance	US\$-6.5 billion
Canada-Egypt Trade	\$347.8 million
Exports	\$231.6 million
Imports	\$116.2 million
Balance	\$115.4 million
Canada-Egypt Ag-Trade	\$52.6 million
Exports	\$48 million
Imports	\$4.6 million
Balance	\$43.4 million

Paper mill product comprised 24.7% of Canada's total exports to Egypt in 2003. Coal mining and production was at 15%, wheat exports represented 11.8% of all exports and aerospace product and parts manufacturing represented 7.5%.

Imports from Egypt were dominated by oil and gas industry output at 37.8%, followed by fertilizer manufacturing output at 22%. Petroleum refinery output represented 9.2% and carpet and rug mill output represented 5.4%.

Egypt's expanding infrastructure has and will continue to attract Canadian companies. Opportunities for Canada's transportation, energy and telecommunications sectors are abundant. Presently 150 Canadian companies are working, or established with offices in Egypt. To date Canadian firms have invested close to \$500 million in the oil, water and communication sectors.

Egypt is home to only 1% of the world's population, but imports 4% of the world's cereal exports. Potential to continue to expand the wheat export market is good. Export of pulses continues to rise and canola oil is gradually being introduced to the market.

Two-way agricultural trade was valued at \$62.6 million in 2003. Canada's exports were valued at \$48 million in 2003 and imports from Egypt were valued at \$4.6 million resulting in a positive trade balance of \$34.4 million.

Wheat exports accounted for 56.9% or \$27.3 million of Canada's agricultural exports to Egypt in 2003. After a 16 year lull in the market Canada re-established the wheat export market to Egypt in 2001. Major fluctuations in total wheat exports have since occurred. Canada's other principal exports were lentils at \$16.8 million, linseed at \$13.2 million and milk powder at \$6.7 million.

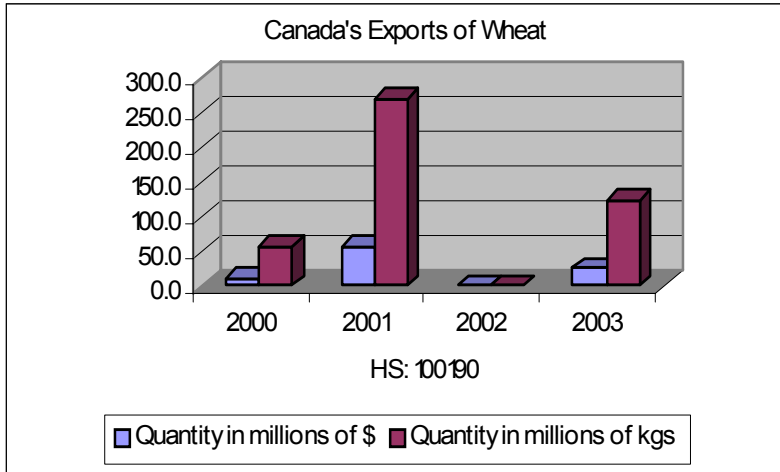
Imports from Egypt were dominated by olives which represented 12.5% of the total import market, or a value of over \$570,000. Plant imports accounted for 11% of Canada's imports from Egypt, while vegetables represented 9.2% and non-alcoholic beverages 8.7%. Strawberries rounded out the top

five agricultural imports from Egypt, representing 7.7% of the total import market.

Bulk exports grew dramatically from the 2002 total of \$9.3 million to \$34.4 million in 2003. This was a result of the absent wheat export market in 2002 reemerging in 2003. Intermediate good exports grew slightly, while consumer good exports remained the same from 2002 to 2003.

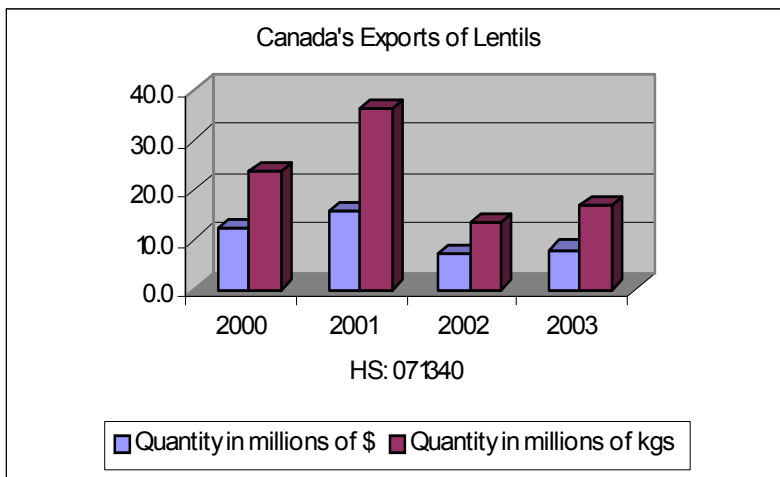
Canada's Exports to Egypt

The following four products represented 93.6% of Canada's agricultural exports to country in 2003. Data provided by STATS Can.



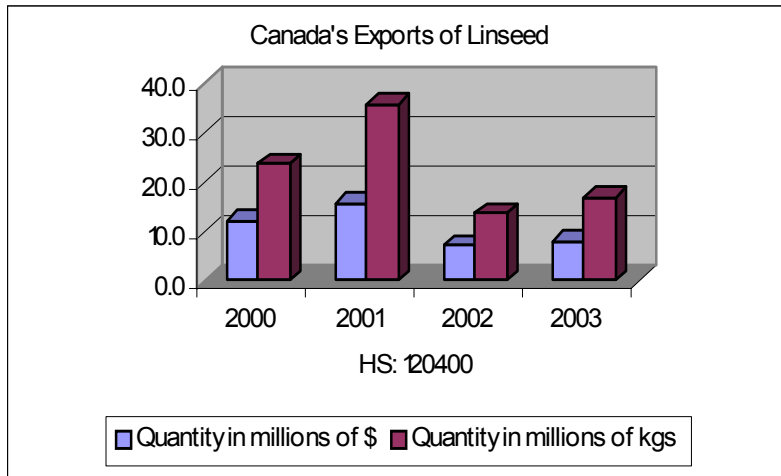
Exports of wheat represented 56.9% of Canada's exports to Egypt in 2003. Egypt was Canada's 22nd largest export market for this product in 2003.

Canada exported \$26.3 million dollars worth of wheat to Egypt in 2003, a complete turnaround from a wheatless export market in 2002.



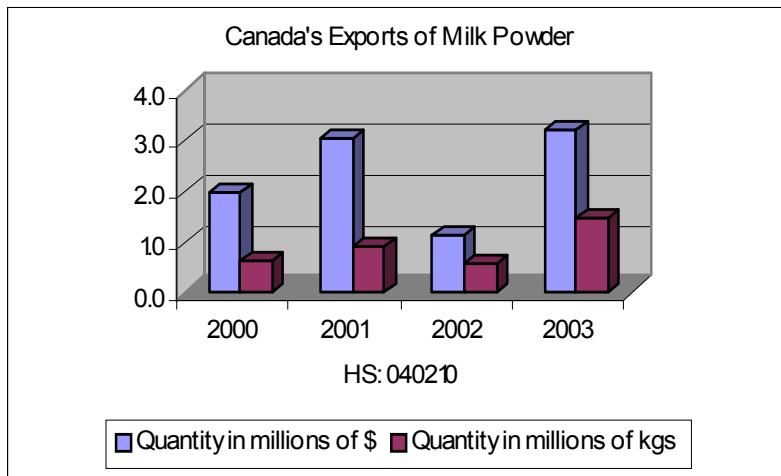
Exports of lentils represented 16.8% of Canada's exports to Egypt in 2003. Egypt was Canada's 7th largest export market for this product in 2003.

Canada exported \$8 million dollars worth of Lentils in 2003. An increase of \$1 million from 2002.



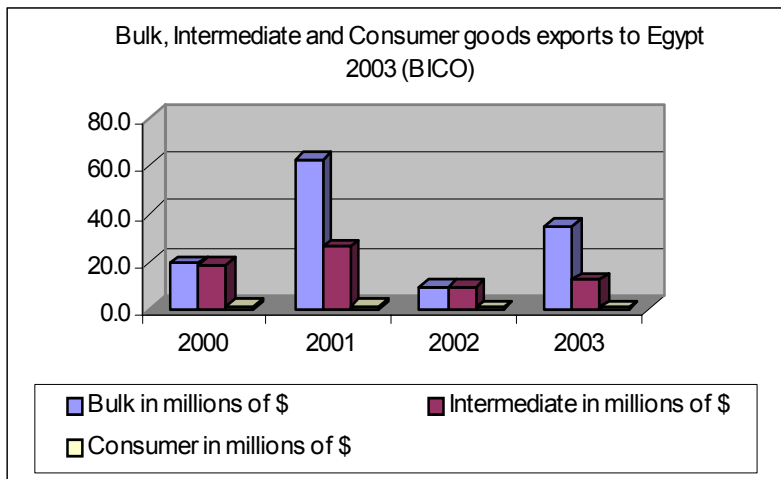
Exports of linseed represented 13.2% of Canada's exports to Egypt in 2003. Egypt was Canada's 5th largest market for this product in 2003.

Canada exported \$6.3 million worth of linseed to Egypt in 2003. This was a decrease of \$2.5 million from 2002.



Exports of milk powder represented 6.7% of Canada's exports to Egypt in 2003. Egypt was Canada's 9th largest market for this export in 2003.

Canada exported a total of \$3.2 million dollars worth of milk powder in 2003. This was an increase of more than \$2 million dollars from 2002.



Bulk exports to Egypt totalled \$34.4 million in 2003. Intermediate exports to Egypt totalled \$12.5 million, while Consumer oriented exports totalled \$1 million. These are healthy increases from the poor export year of 2002, but still considerably lower than their high's reported in 2001.

Additional Information

Promotional Venues

Bakery
Cairo, Cairo Fair Ground
Egyptian Group for Marketing
EGY-11111 Cairo
53, Youssef Abbas St., Tawfik Building, Nasr City
Tel.: +20-2/263 52 15
Fax: +20-2/263 52 15
Email: egm@mailers.datum.com.eg

Food Fair
International Exhibition for Food & Beverage
Cairo, International Trade Fairs Ground Nasr City
AGD Arabian Group for Development | EGY- Giza, | 56
Riyadh St. Mohandiseen |
Tel.: +20-2/3046049 | Fax: +20-2/3046007 |
Email: info@agd-exhibitions.net
www.agd-exhibitions.net

Foodtech Cairo
International Food Processing and Packaging Equipment
Exhibition
AGD Arabian Group for Development
EGY -Giza
56 Riyadh Street Mohandiseen
Tel.: +20-2/3046049
Fax: +20-2/3046007
Email: info@agd-exhibitions.net

Ingredients Africa-Arabia
Exhibition for Food Ingredients, Additives and
Flavourings
Cairo, International Convention Centre
ACG & ITE Trade Fairs
EGY-11111 Cairo
30 Adnan El Madany Street - Sahafeyin
Tel.: +20-2/3023605
Fax: +20-2/3023628
Email: info@acg-itefairs.com

Inter-Food - Exhibition of the Food Industry
Cairo, Fairground
Egyptian Group for Marketing
EGY-11111 Cairo
53, Youssef Abbas St., Tawfik Building, Nasr City
Tel.: +20-2/263 52 15
Fax: +20-2/263 52 15
Email: egm@mailers.datum.com.eg

Sahara Exhibition of the Food Industry
Cairo, International Conference and Exhibition Centre
Ancom
EGY-Sahafyeen, Giza
347 Sudan Street
Tel.: +20-2/3447980
Fax: +20-2/3471155
Email: info@saharaexpo.com
www.saharaexpo.com

Canadian Contacts in Egypt

The Canadian Embassy in Egypt
Street Address:
26 Kamel El Shenawy St., Garden City ,
Cairo, Egypt
Mailing Address:
P.O. Box 1667
Cairo, Egypt

Tel: (011-20-2) 794-3110
Fax: (011 20 2) 794-7659
E-Mail: cairo-td@dfait-maeci.gc.ca

www.infoexport.gc.ca/eg/

Key Egyptian Contacts

Government

Ministry of Agriculture, Animal & Fish Wealth
& Land Reclamation
H.E. Dr. Youssef Amin Wally,
Deputy Prime Minister & Minister
Nadi El Seid St.,
Dokki, Giza
Tel: 702-677, 702-596, 702-758,
Fax: 703-889, 704-660

Ministry of Foreign Affairs
H.E. Mr. Amre Moussa, Minister
Maspero, Corniche El Nil, Cairo
Tel: 354-1414, 354-2215, Fax: 354-6285

General Authority for Export & Import Control (GOEIC)
Mr. Fakhr Eldin Aboul Ezz, Chairman
Atlas Building, El Sheikh Maarouf & 1 Ramses Street, Cairo
Tel: 574-2830, 575-6095/031

Egyptian Government Agencies

Central Agency for Public Mobilization & Statistics
(CAPMAS)
Salah Salem St., Nasr City, Cairo
Tel: 402-4110, 402-3191, Fax: 604-099

General Organization for Industrialization (GOFI)
6 Khalil Agha St., Garden City, Cairo
Tel: 354-0678, 354-4640, 355-7005,
Fax: 354-4984

Central Bank of Egypt
31 Kasr El Nil St., Cairo
Tel: 392-3679, 392-6211, 393-1514,
Fax: 392-5045

Egyptian Export Promotion Centre (EEPC)
106 Gameat El Dowal El Arabia St., 5th Fl.,
Mohandessin, Giza
Tel: 349-3919/20/21/22, 700-037, 348-4056, Fax: 348-
4142

Suez Canal Authority
Marshall Ahmed Ali Fadel, Chairman
6 Lazoghly St., Garden City, Cairo
Tel: 354-0749/8/6

General Authority for Investment & Free Zones (GAFI)
Dr. Ibrahim Fawzi, Executive Director
8 Adly St., Cairo
Tel: 390-0597/7
Ministry of Economy
H.E. Dr. Youssef Boutros Ghali, Minister
8 Adly St., Cairo
Tel: 390-6796, 390-6804, 391-9661,
Fax: 390-3029

General Authority for Int'l Fairs & Exhibitions (GOIEF)
Fair Grounds, Nasr City, Cairo
Tel: 260-7811/5, Fax: 260-7845

General Authority for Supply Commodities
99 Kasr El Aini St., Cairo
Tel: 356-0766, Fax: 356-1255

Customs Authority
4 El Tayaran St., Nasr City, Cairo
Tel: 260-5710, 604-402, 608-683,
Fax: 261-2672

Taxation Authority
5 Hussein Hegazi Street, Cairo
Tel: 355-7784

Sales Tax Authority
4 El Tayaran St., Nasr City, Cairo
Tel: 260-7500/1, Fax: 260-7501

Halal Certification Bodies

The following associations provide Halal certification. Associations providing Halal certifications in Canada wishing to be added to this list may do so by contacting the International Markets Bureau of Agriculture and Agri-Food Canada by fax at (613) 759-7506.

Islamic Society of North America - Canada Office
2200 South Sheridan Way
Mississauga, Ontario
L5J 2M4
Tel: (905) 403-8406
Fax: (905)403-8409
Email: isna@isnacanada.com
www.isnacanada.com/

Islamic Foundation of Toronto
441 Nugget Ave.
Toronto, Ontario
M1S 5E3
Tel: (416) 321-0909
Fax: (416) 321-1995

Islamic Food and Nutrition Council of America (IFANCA)
5901 N. Cicero Ste. 309
Chicago, IL 60646
Tel: (773) 283-3708
Fax: (773) 283-3973
Web site: www.ifanca.org
E-mail: comments@ifanca.org

Muslim Consumer Group
P.O. Box 8538
Rolling Meadows, Illinois, 60008
Tel: (847) 392-8971
Web site: www.muslimconsumergroup.com
E-mail: Halalfoods@Juno.Com

Halal Meat Importers in Egypt

Alexandria Agriculture

Km.75 Alex/Cairo Rd.;El-Nubareya
Alex./Cairo Road, Alexandria
Tel: +20-3 4483106
Fax : +20-3 4483106
Email : hbeltagy@cns-egypt.com

Beefy/Mohandes National Meat Processing
1st Industrial Zone; Area 27
6th October, Giza
Tel: +20-11 330629/331868/333589
Fax : +20-11 331868

Cooperative Society Development
(Animal Wealth-El-Bosaty Farm)
Kafr Saad, Damietta
Tel: +20-57 600766/600815
Fax : +20-57 900687

Farag El-Qasaby & Sons
Extend of Belas Rd.
Beginning of Talka/Mansoura Rd.
Talkha, Dakahleya
Tel: +20-50 520983/520389
Fax : +20-50 360105

Faragalla (Egyptian Freezing & Beef Processing)
1st Industrial Zone; Area 4; Block 25
Borg El-Arab, Alexandria
Tel: +20-3 4592040/4592041/4593190
(12 line) /4592043
Fax: +20-3 4592044/4593189
Email: faraga1a@ritse2.com.eg
Website: www.fara2alla.com

Fresh Food for Meat products
1st Industrial Zone; Area 62-61/11
6th October, Giza
Tel: +20-11 330442/334881
Fax : +20-11 334882

Gangari Meat Manufacturing
1st Industrial Zone; Area 78
6th October, Giza
Tel: +20-11 335738/335739/335734
Fax: +20-11 335734

Halwani Bros
P.O.Box 574
10th of Ramadan, Sharkeya
Tel:+20-15 369520/369525/
369530/369540/369415
Fax : +20-15 369510
Email : halwaniz@rite.com

National Frozen Food
49 A El-Nahda & Salah Salem St.
El-Sharq, Port Said
Tel: +20-66 335997
Fax : +20-66 333418

Royal Beef/Egyptian American Int'l Meat Processing
Industrial Zone No.1; Plot No.1; Block 27
Borg El-Arab, Alexandria
Tel: +20-3 4593033/4593059
Fax : +20-3 4593059

Three M.S.
P.O Box 2546 Cairo, Garden City, Cairo
Tel: +20-2 5316696/5316486/3542815/
20-12-2194120 (expected change in tel.)
Fax : +20-2 3561791

Tiba Food Production & Meat Industry
Industrial Zone C1; Plot Wub
10th of Ramadan, Sharkeya
Tel: +20-15 368117
Fax: +20-15 368117

These reports are available on the Agri-Food Trade Service (ATS) web site: www.ats.agr.ca
Please address any comments or suggestions you have on this report to:

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Market and Industry Services Branch	Fax: (613) 759-7505
Agriculture and Agri-Food Canada	E-mail: westb@agr.gc.ca

Ces rapports sont également disponibles en français.

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