

The Food and Beverage Market Entry Handbook: Egypt:

**a Practical Guide to the Market in Egypt for European Agri-food Products
and Products with Geographical Indications**



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1 The Food and Beverage Market Entry Handbook: Egypt

This Handbook is intended to act as a reference for those agri-food producers planning for, or in the process of entering, the Egyptian market. This Handbook provides **step-by-step guides** on entering the agri-food market in Egypt including relevant information such as **analysis of the Egyptian market** for different product categories, **market access** and **market entry procedures**, **IP protection**, **referrals to professional buyers** and a signposting and referral system providing useful contacts and ways to penetrate the Egyptian market.

1.1 How to use this handbook

Depending on your stage of market entry, company profile, and product range, different sections within this handbook will be helpful to a different extent for your business strategies.

For those wishing to learn more about the Egyptian food and beverage market in general, section 2 provides a general country overview; section 3 provides an overview of the agri-food market; and section 4 an overview on market entry. These latter two sections contain information on: the food and beverage market, market access procedures, customs procedures, SPS and labelling requirements, and the status of Geographical Indicators and Intellectual Property protection. The information contained within these sections is of a general nature and so may not be relevant for those in the more advanced stages of market entry.

If you want to find out more information relevant for your product, then check out the **Market Snapshots for Selected Products** (section 5). This content illustrates the market situation, market access procedures, SPS requirements etc. specific for this product or product category. This information will provide more industry specific information to consider as part of any market entry or market expansion strategies.

If you already have decided that the Egyptian market is where you want to be, but you need some support, then the **Support Services Directory** can point you in the right direction. Contact information for a service provider, business facilitation support organisation, or from a business contact, could help put you in touch with the right parties who can help you to build your brand in the Egyptian market.

2 Country introduction and overview



Official name:	Arab Republic of Egypt
Capital:	Cairo
Population:	97.5 million (2017)
Area:	1,001,450 sq. km
Political structure:	• Presidential republic • Parliament of 596 seats
Major language:	Arabic (official); Egyptian Arabic (dialect of Arabic); Sa'idi Arabic
Major religions:	Predominantly Islam
Life expectancy:	69 years (men), 74 years (women)
Currency:	Egyptian pound (1EUR = 20.5 EGP)
GDP growth:	4.2 % (2017)
Exports:	16.3% of GDP (2017)
Imports:	28.5% of GDP (2017)
Main exports:	Oil and gas (14%); Metals (12%); Chemicals (11%); Textiles (11%)
Main imports:	Machinery and electrical equipment (16%); Mineral fuels (14%); Base metals (11%);
Unemployment rate:	12.1% (2017)
Labour force:	51% (2017)
Main industries:	• Agriculture: 11% GDP • Manufacturing: 16% GDP • Tourism: 11% GDP
Household income:	EUR 7 884 (2018)
Household expenditure on food and beverages:	EUR 2 341 (2018)
Food and beverage market:	EUR 60 billion (2018)

Sources: Central Bank of Egypt; Euromonitor International: Economies and Consumers, 2018; IMF; UN, World Bank; WHO, ECB

Note: Exports/imports relate to data concerning goods and services and share of GDP (World Bank database)

2.1 Country overview: Egypt at a glance

2.1.1 Past economic and political trends

- *The history of Egypt spans several centuries, having its roots in ancient times. Egypt went through many eras in its history, including Roman and Arab times as well as the British Protectorate period.*
- *In 1953, following the Egyptian revolution, and establishment of the Republic of Egypt, President Nasser was brought to power, which ruling was characterized by Arab Socialism ideology (Nasserism)*
- *During the 30-year presidency of H. Mubarak, the economic and political situation, fuelled by high poverty rate, unemployment and political corruption, led to uprising in 2011. In the aftermath of the revolution, president H. Mubarak was forced to resign.*
- *Early post-revolution situation brought both economic and political uncertainty leading to sluggish growth resulting from falls in foreign investments, tourism revenues and rapid devaluation of Egyptian pound.*
- *President el-Sisi triggered phase of deep economic and political reforms, continuing robust approach after re-election in 2018, however facing criticism in the area of human rights.*

The history of Egypt is extremely rich as the country has existed for centuries, having its roots in ancient, predynastic times. Egypt went through various phases of development, from prehistoric Middle Kingdom period, through New Kingdom era to Alexander the Great times and Roman Egypt. Subsequently, Egypt entered into over 1000 years of its Arab history. In 1882, the British, in the aftermath of Anglo-Egyptian War, took over the control of the country which lasted to the 1952 Egyptian revolution, when the Free Officers Movement ended the British Protectorate and established the Republic of Egypt in 1953.

Muhammad Naguib, a key figure in 1952 revolution became the first president of Egypt, however the second important figure – Gamal Abdel Nasser played greater role, as he replaced Naguib, after a conflict with Muslim Brotherhood and his placing under house arrest. Nasser introduced a crucial land reform, diametrically changing land ownership practices in Egypt - prior to reform the majority of land was owned by couple of percent of Egypt's population¹. Effectively, according to provisions of the reform (Law No. 178) land owners in the country were prohibited from possessing more than 200 feddans of land.

Nasser's era was often referred as "Nasserism"², as the president's ideology was characterized by Arab-socialism, Pan-Arabism, Arab nationalism and Anti-imperialism. Following the nationalisation of Suez Canal in 1956, his popularity in Egypt significantly increased, nevertheless triggering the Second Arab-

¹ Land Reform in Egypt; <https://ismaelhossein-zadeh.com/land-reform-in-egypt/>

² Nasserism;

<https://resources.saylor.org/wwwresources/archived/site/wp-content/uploads/2011/06/Nasserism.pdf>

Israeli War (Suez Crisis), which involved several European countries as well. Nasser remained president until 1970, when Anwar el-Sadat took over the seat. In 1973, tensions between Egypt and Israel re-occurred, as both sides clashed over Sinai Peninsula (Yom Kippur War). In the aftermath, Sadat regained the entire peninsula, claiming a victory.

Following President Sadat assassination by Islamic extremists in 1981, Hosni Mubarak, then vice-president was elected president. Mubarak stayed in office for almost 30 years, until the Egyptian revolution of January 2011. President Mubarak held office in times of economic crisis, resulting in failing oil prices, which led to interference by the International Monetary Fund (IMF). In the 1990s, despite the launch of an ambitious programme of economic reforms supported by the IMF and the World bank, and the relatively healthy state of economy, Egypt's economy struggled with a skyrocketing poverty rate as the devaluation of the currency, rising interest rates and decreasing subsidies on food and fuel impacted the Egyptian middle class as well as the poorest citizens. Moreover, Mubarak's era was often characterized by high political censorship, brutality, corruption and restrictions on freedom of speech and association. Despite following authoritarian patterns, Mubarak was re-elected four times – in 1987, 1993, 1999 and 2005. In January 2011, following few years of intensive demonstrations and protests, country-wide protests took place.

Protests forced long-standing president Hosni Mubarak to resign and transfer authority to The Supreme Council of Armed Forces (SCAF). Effectively, the constitution was suspended, and the parliament dissolved, leading to a period of political uncertainty. In 2012, presidential election brought President Mohamed Morsi to power, a candidate originated from the Muslim Brotherhood. After his attempts to pass an Islamic-leaning constitution, massive numbers of Egyptians went on streets, leading to 2013 *coup d'état*. The coalition against President Morsi was led by defence minister Abdel Fattah el-Sisi, who ultimately took over power in 2014, after winning presidential election.

The Egyptian economy in mid 2010s suffered from drastic falls in foreign investment and tourism revenues as well as fuel shortages, the devaluation of Egyptian pound and rapid increases of food prices. President el-Sisi undertook series of robust economic reforms, trying to boost the economic growth. Major initiatives were combined with structural reforms as well as considerable price rises for fuel, electricity and public transportation. In addition, this period of time brought launching national projects, such as development of *New Suez Canal*³, aiming at increasing revenue, by doubling the canal's capacity as well as other infrastructural projects.

In 2016, in the light of ongoing economic reform programme in Egypt, the International Monetary Fund (IMF) approved financial assistance for Egypt in the form of a US\$12 billion loan. The aid was aimed to restore macroeconomic stabilization and the return of international confidence. Bringing down the

³ 1 year on: Where does 'New Suez Canal' stand?; <https://madamasr.com/en/2016/08/06/feature/economy/1-year-on-where-does-new-suez-canal-stand/>

budget deficit and government debt, impacting job growth and functioning of the foreign exchange markets were identified as the main improvements areas⁴.

President el-Sisi, who was re-elected for a second term in spring 2018 and has been pushing ahead with the robust economic programme which was the cornerstone of the IMF loan, and has started to face criticism due to the painful reforms. Voices of dissatisfaction were fuelled by banning unfavourable online media, leading to increasing number of opponents raising issues of violation of human rights⁵.

2.1.2 Current economic situation and mid-term outlook

- ***Current economic situation shows signs of recovery, as inflation drops, unemployment eases and tourism rebounds.***
- ***Macroeconomic stabilization is also driven by political stability, public and private investments as well as resilient private consumption.***

First and foremost, it should be remembered that the oil industry dominates the Egyptian economy, as the country constitutes a significant player in the global market in the energy sector. Moreover, due to one of the biggest reserves in Africa, Egypt also produces considerable quantities of natural gas.

After a period of sluggish growth in mid 2010s, Egyptian economy has been on rise as growth accelerated. Due to the ambitious fiscal consolidation programmes plus public and private investments, macroeconomic stabilization has started to take hold. Unemployment has declined to slightly above 10% - the lowest since 2011 - and as inflation decreased, the price of goods went down. Consumers have benefited from the higher political stability, as Egypt has been restoring its significance as a touristic destination. Moreover, the state of public finances picked up with the current account deficit declining sharply, which reflected a recovery of tourism. Nonetheless, the levels of tourists in Egypt remains well below their levels before 2011 even though the sector has been rebounding.

The overall macroeconomic outlook is favourable. Real GDP growth is projected to reach 5.5% in 2019, supported by the recovery in tourism and the operationalisation of natural gas production⁶. Public investments are expected to grow further and, provided business environment reforms are implemented, so do private investments⁷. Increased tax revenues are likely to strengthen fiscal consolidation and the poverty rate is expected to decline to 15% in 2019, even considering disproportions in Egyptians' wealth across the country. The sound policy implementation and positive

⁴ IMF Executive Board Approves US\$12 billion Extended Arrangement Under the Extended Fund Facility for Egypt; <https://www.imf.org/en/News/Articles/2016/11/11/PR16501-Egypt-Executive-Board-Approves-12-billion-Extended-Arrangement>

⁵ Egypt's Sisi says country on 'right track' despite online criticism; <https://www.thenational.ae/world/mena/egypt-s-sisi-says-country-on-right-track-despite-online-criticism-1.745669>

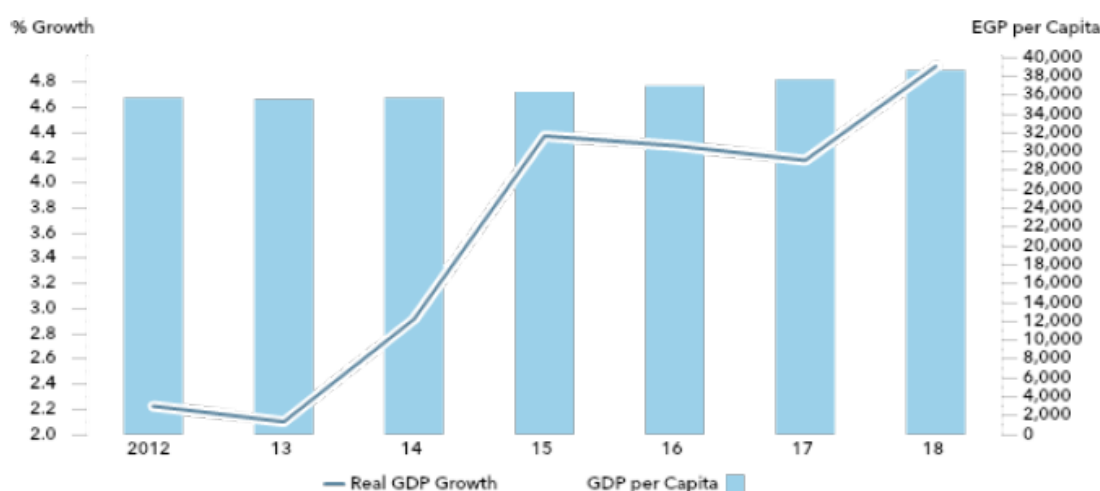
⁶ Arab Republic of Egypt; IMF; <https://www.imf.org/en/Publications/CR/Issues/2018/07/12/Arab-Republic-of-Egypt-Third-Review-Under-the-Extended-Arrangement-Under-the-Extended-Fund-46061>

⁷ Arab Republic of Egypt – Recent developments; <http://pubdocs.worldbank.org/en/183681538076787416/mpo-am18-egypt-egy-kc9-13-new.pdf>

outlook have been also mirrored in Egypt's recent ratings, as its credit ratings were reported as *B/B3*⁸ and its outlook as stable or positive.

As presented in Figure 2-1, the real GDP grew by 4.2% in 2017 whereas per capita has been slightly rising and reached EGP 38 000 (EUR1 890) in 2017. Considering consumer expenditure, it is expected that until the country fully recovers after the economic and political turmoil, consumers will be rather moderate in their expenditures. The higher consumer confidence is predicted to grow simultaneously to recovery of the tourism sector, as currently Egyptians allocate majority of their expenditure to essential categories⁹.

Figure 2-1: Real GDP Growth and Per Capita GDP in Egypt: 2012-2018



Note: Data for 2018 is forecast. GDP per capita are in constant 2017 prices

Source: Euromonitor International: Economies and Consumers, 2018

2.1.3 Populations trends

- ***The Egyptian population has been on rise and is expected to add almost 25 million of inhabitants between 2017 and 2030.***

Egypt is the most populous country in the Middle East and second most populous country of Africa, after Nigeria and Ethiopia. The population of Egypt will continue to grow (Figure 2-2), as fertility rate remains high - 3.2 births per female in 2017. In effect, in 2017, over 35% of Egyptians were children aged between 0 and 14 years. The median age was 23.8 years in 2017¹⁰.

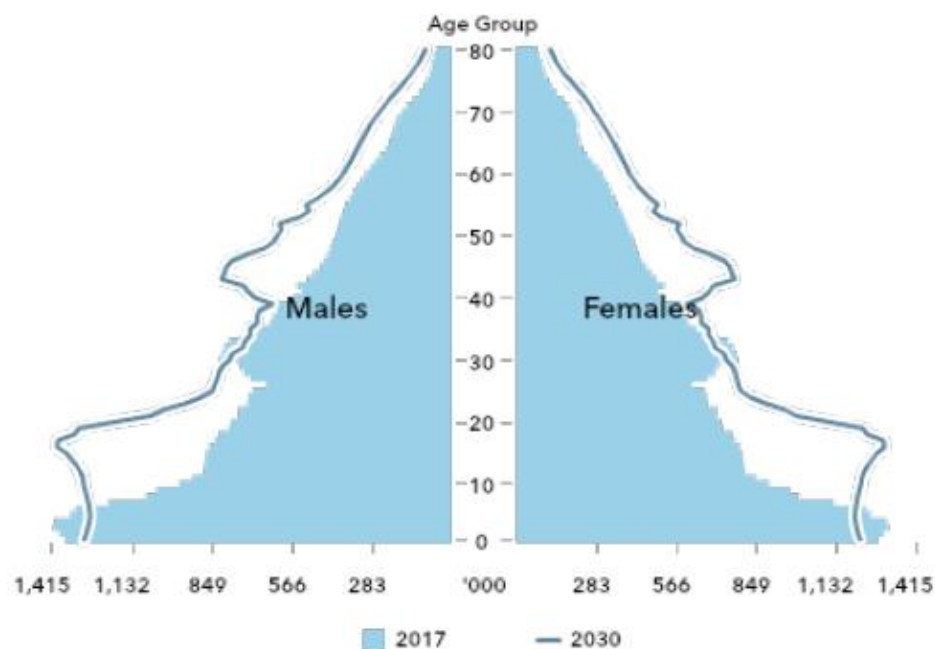
⁸ Moody's – B3 (August 2018); S&P – B (May 2018); Fitch – B (January 2018);

<https://countryeconomy.com/ratings/egypt>

⁹ Euromonitor International: Economies and Consumers, 2018

¹⁰ Euromonitor International: Economies and Consumers, 2018

Figure 2-2: Age Pyramid in 2017 and 2030 in Egypt



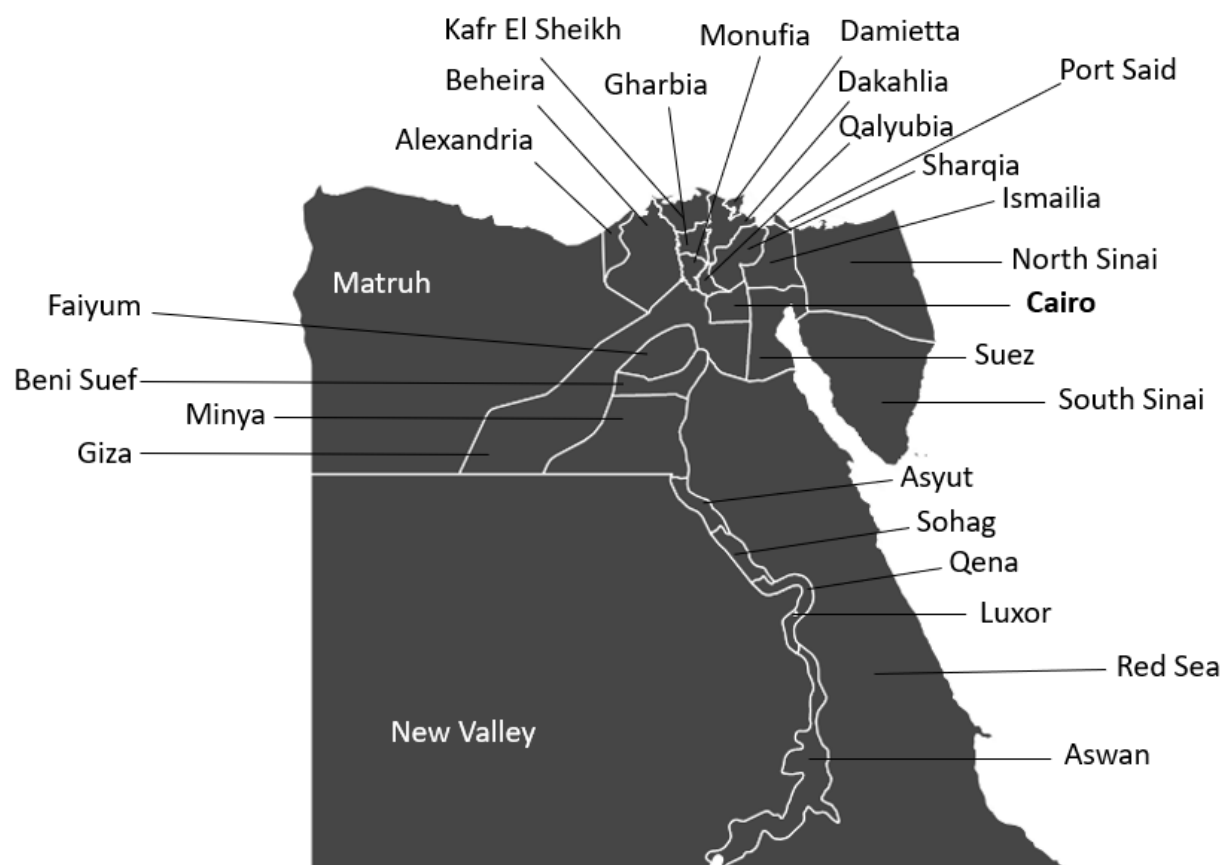
Source: Euromonitor International: Economies and Consumers, 2018

2.2 Geography and key markets

2.2.1 Overview of urban markets

Egypt has three-layered administrative system consisting of 27 governorates, which are divided into *marakiz* or *aqsam*. The third level comprises districts and villages. A governorate is administrated by a governor, appointed by the President of Egypt. Governorates differ in terms of size as well as population density. The administrative division is presented in Figure 2-3 and Table 2-1.

Figure 2-3: Administrative division of Egypt



Source: Agra CEAS

Table 2-1: Key details of top governates, by population

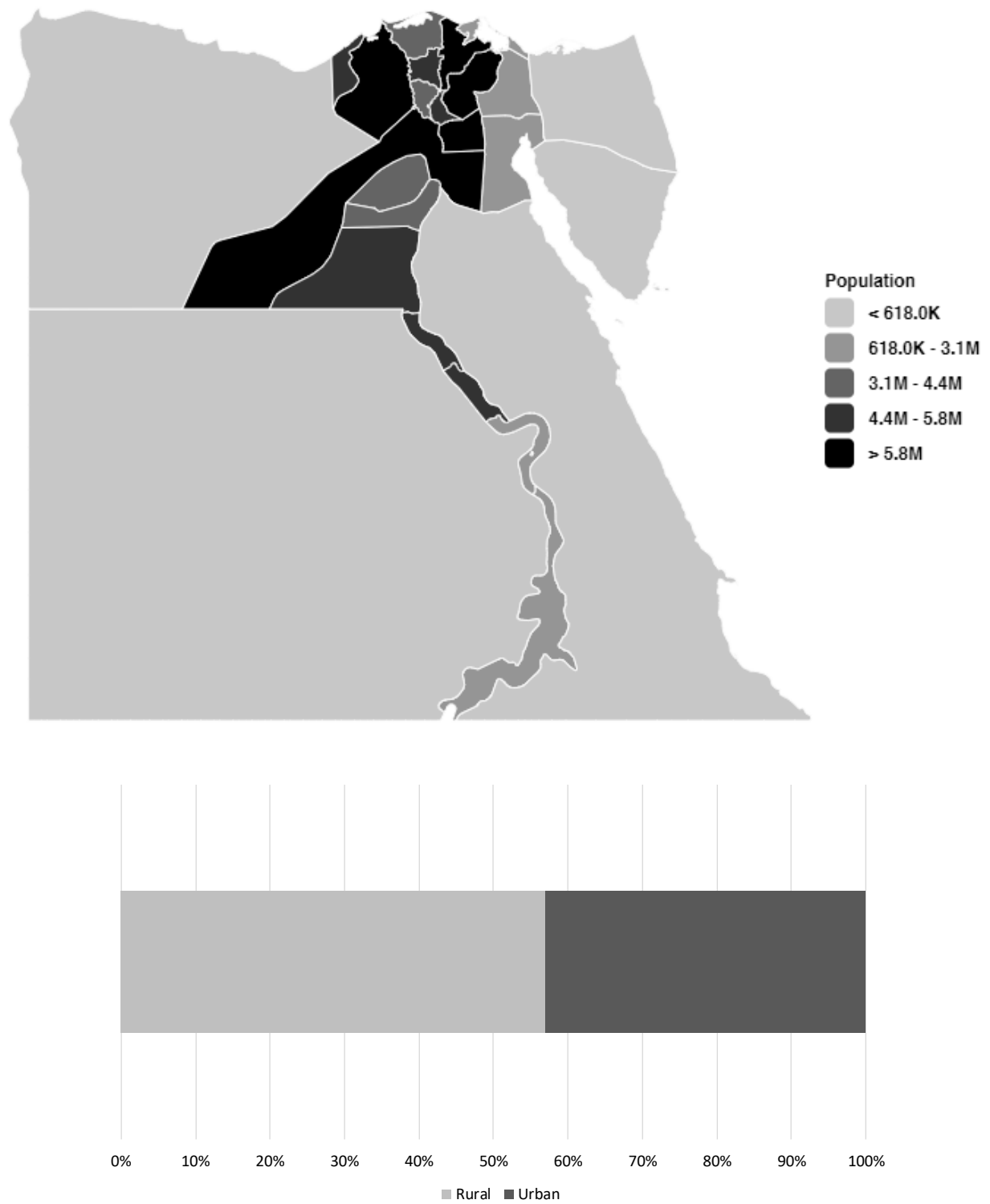
Governate	Population (2017)	Major industries (5 most populous governates)
Cairo (Greater Area ¹¹)	9,500,000 (19,000,000)	Iron and steel, engineering and electronics industries, chemical industries, building materials industries, textile
Giza	8,600,000	Tourism, automotive, agriculture, building materials industries
Sharqia	7,100,000	Logistics and transportation industries, agriculture, building materials industries, tourism
Dakahlia	6,500,000	Agriculture (poultry), logistics, building materials industries, textile
Beheira	6,200,000	Transportation, Tourism, Retail, Real Estate
Qalyubia	5,600,000	
Minya	5,500,000	

¹¹ Cairo Greater Area includes Giza Governate, Shuba el Kheima, 6th of October City and Obour

Governate	Population (2017)	Major industries (5 most populous governates)
Alexandria	5,200,000	
Gharbia	5,000,000	
Sohag	5,000,000	
Asyut	4,400,000	
Monufia	4,300,000	
Faiyum	3,600,000	
Beni Suef	3,200,000	
Qena	3,100,000	
Kafr El Sheikh	2,400,000	
Damietta	1,500,000	
Aswan	1,500,000	
Ismailia	1,300,000	
Luxor	1,300,000	
Port-Said	750,000	
Suez	730,000	
North Sinai	450,000	
Matruh	430,000	
Red Sea	360,000	
New Valley	240,000	
South Sinai	100,000	

Source: Agra CEAS based on Cairo University and Governing Authority for Investment and Free Zones (GAFI).

As Figure 2-4 presents, 57% of Egyptians reside in rural parts of the country. Population density differs and the highest is predominantly concentrated in the Northern part of the country. There are 10 Governates, which population exceeds 5 000 000 million inhabitants.

Figure 2-4: Egypt's population by governorates

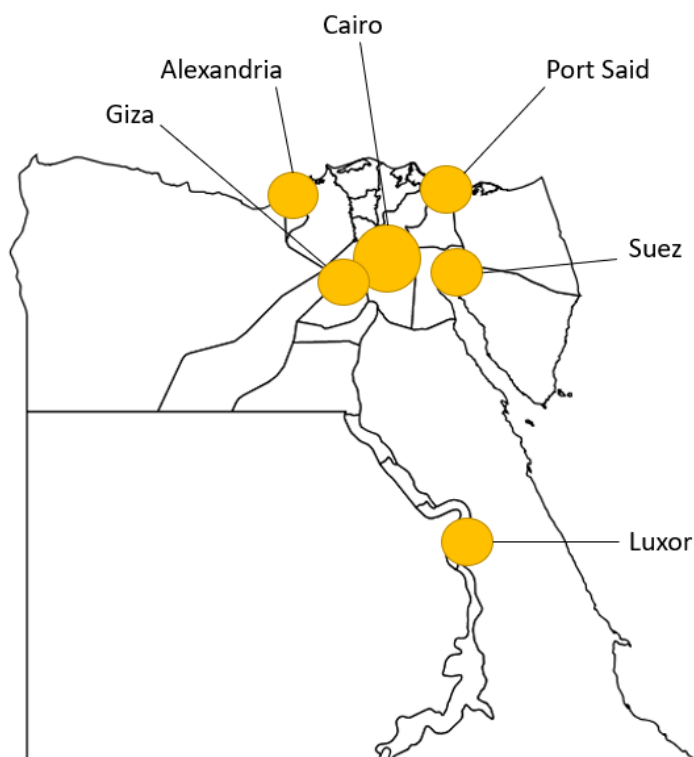
Source: Agra CEAS

2.2.2 Snapshots of important markets

The oil industry dominates the Egyptian industry, as the country constitutes a significant player in the global market in the energy sector. Moreover, due to one of the biggest reserves in Africa, Egypt also produces considerable quantities of natural gas. Despite that the vast majority of the country's area is covered with desert, the remaining parts are characterized with high fertility, enabling maximisation of sustainable production of crops.

Figure 2-5 presents the location of focus markets in Egypt. It should be pointed out that there are numerous highly populated urban locations in Lower Egypt, especially on the North from the capital – Cairo (Mansoura, Tanta, El-Mahalla among others). Moreover, there are 18 free zones in the country¹².

Figure 2-5: Location of focus markets



Source: Agra CEAS

¹² GAFI; <http://www.investinegypt.gov.eg/English/Pages/explore.aspx?map=true>

Cairo (Greater Area)**Key facts (2017/18):****Total GDP** (current prices):

EUR 90bn

Real GDP growth:

4.5%

Population:

9.5 million (city); ~19million (greater area)

Downtown Cairo serves as the commercial centre of Egypt. Given that the city is also a capital of the country, it is the main political hub as well as the most important business district. Apart from the Downtown part of the city, the Greater Area of Cairo (including Giza Governate, Shuba el Kheima, 6th of October City and Obour), is characterized by wide array of companies located in the area. Within 40 km from the centre of the city, the Cairo region hosts the major global companies, such as BMW, General Motors, Suzuki, Procter & Gamble among others.

Consumers residing in Cairo mainly find an occupation in the manufacturing industry, commerce or public services. As one of the biggest urban metropolitan area in the Middle East and Africa, the Cairo Greater Area is also characterized by large share of well-educated inhabitants (25% of people in Cairo held higher education qualifications in 2016). The city's population has been on gradual rise and due to high number of working age inhabitants (over 65%), the development of city is expected to remain on the upward trend.

However, household income inequality still remains one of the highest in North African and Middle Eastern cities. Generally speaking, consumer expenditure tends to be rather moderate in view of the latest political and economic turmoil in the country. The largest part of every household budget is transportation expenditure, given the size of the Cairo Greater Area. Consumer expenditure applying to food and non-alcoholic drinks oscillated around 31% of income in 2016, with a slightly downward trend.

Sources: Cairo University; Euromonitor International: Cities, 2018; GAFI Urban Gateway, Central Agency for Public Mobilization and Statistics

Alexandria**Key facts (2017/18):****Total GDP (current prices):***EUR 30bn***Population:***5.2 million*

As the one of the biggest cities in Egypt, Alexandria constitutes major economic centre of the country. Given natural gas resources, oil pipelines with Suez as well as shipping, manufacturing and petrochemicals industries, the city is seen as one of the most important outputs for the national economy. Furthermore, due to favourable conditions and partial land reclamation, land near Alexandria have been also important in terms of agriculture production.

Like in other parts of the country, consumers in Alexandria tend to be rather price-conscious, moderately planning their expenditures. Given political and economic turbulences also due a decreased number of tourists, Alexandrians' income declined. Consumer confidence, on the other hand, is likely to expand going forwards, as not only the country's growth is forecast to move upward, but Alexandria is restoring its touristic significance. Alexandria historically was extremely mixed community, with significant numbers of immigrants from many countries and despite the numbers being much lower nowadays, the city distinguishes itself with diversity.

Sources: Cairo University; Euromonitor International: Cities, 2018; GAFI Urban Gateway, Central Agency for Public Mobilization and Statistics

Giza**Key facts (2017/18):*****Population:****8.5 million*

Giza, as one of the oldest cities in Egypt, is mainly recognised due to ancient monuments and pyramids which have served as landmarks of the country. However, Giza hosts many automotive and machinery industries as well chemical companies and real estate agencies. Due to nearness to Cairo, Giza shares an extensive transportation network system, which significantly facilitates operating in the city.

Consumers in Giza have been focusing their expenditure rather on necessary items, however in the view of projected favourable forecast and Giza's touristic significance, it is expected that household expenditure will increase.

Sources: Cairo University; Euromonitor International: Cities, 2018; GAFI Urban Gateway, Central Agency for Public Mobilization and Statistics

Suez & Port Said**Key facts (2017/18):*****Population:****740 K (Suez); 570 K (Port Said)*

Suez and Port Said, due to the fact that the cities constitute two entries to Suez Canal as well as location of petrochemical plants, are significant economic hubs of the country. Moreover, in both cities there are several industrial zones, which host fishing industries, chemicals and processed food. Ports in Suez and Port Said play a major role in boosting cities' development.

Egyptians residing in Suez and Port Said have had one of the biggest household expenditures in the country (2017), which is largely connected to city's port performance. Although consumers in both cities take into account the latest turmoil in the country and spend less, expenditure is still higher than in any other parts of Egypt.

Sources: Cairo University; Euromonitor International: Cities, 2018; GAFI Urban Gateway, Central Agency for Public Mobilization and Statistics

Luxor**Key facts (2017/18):****Population:**

506 K

Luxor is regarded as one of the top destinations for tourists in Egypt, due to well-kept ruins of ancient temples. Despite the reliance on tourism, the city has developed considerable agriculture production. Given favourable conditions, locals often cultivate sugarcane and tomatoes among other crops.

Like to Suez and Port Said, Egyptians in Luxor have one of the highest household spending in Egypt. It is mainly due to the fact that tourism, despite drastic falls, is still beneficial as well as due to the fact that Egyptians in Luxor produce and distribute many agricultural products.

Sources: Cairo University; Euromonitor International: Cities, 2018; GAFI Urban Gateway, Central Agency for Public Mobilization and Statistics

3 Introduction to the food and beverage market and consumers

3.1 Overview of the food and beverage market and demand for imported products

3.1.1 F&B market summary

Egyptian agri-food production has developed in recent years, although the northern-African country continues to record a trade deficit in agricultural products (i.e. it imports more than it exports). Despite the production of some crops – including cotton, rice, vegetables and fruits – has expanded, the country is facing the challenge of an increasing demand from a fast-growing population.

3.1.2 International trade in F&B

Egypt relies on imports for several agri-food categories. European countries (notably France, Germany, Italy) account for most of the Egyptian imports of food and beverages. Nonetheless, US, Swiss, Thai and Chinese exports are gaining ground.

With regards to the European Union-Egypt trade in agricultural products, EU exports to Egypt largely exceed imports in terms of value. Nonetheless, the value of EU exports to Egypt has recently started to decrease, down to nearly EUR 1.4 billion in 2017 from 2.3 billion in 2015 (Figure 3-1).

As illustrated in

Figure 3-2, key EU exports to Egypt include: wheat (21% of exports by value), fresh and dried vegetables (11%), as well as milk powders and whey (7%). These are followed by beet and cane sugar (6%), cotton and fruit (5% each). Notable categories captured under “remaining agri-food products” include infant food, live animals, seeds and hop cones, as well as cheese.

European food is usually perceived as high-quality in Egypt. However, due to their high prices, European processed food items are likely to merely reach a small niche of upper-income consumers.

Nonetheless, EU enterprises wishing to export to Egypt should bear in mind that in most processed food categories they face the competition of multinational players that have established their factories in Egypt.



Figure 3-1: Structure of EU agri-food trade with Egypt, 2007 to 2017

Source: European Commission: agri-food trade statistical factsheet, European Union-Egypt. Based on Eurostat-COMEXT data

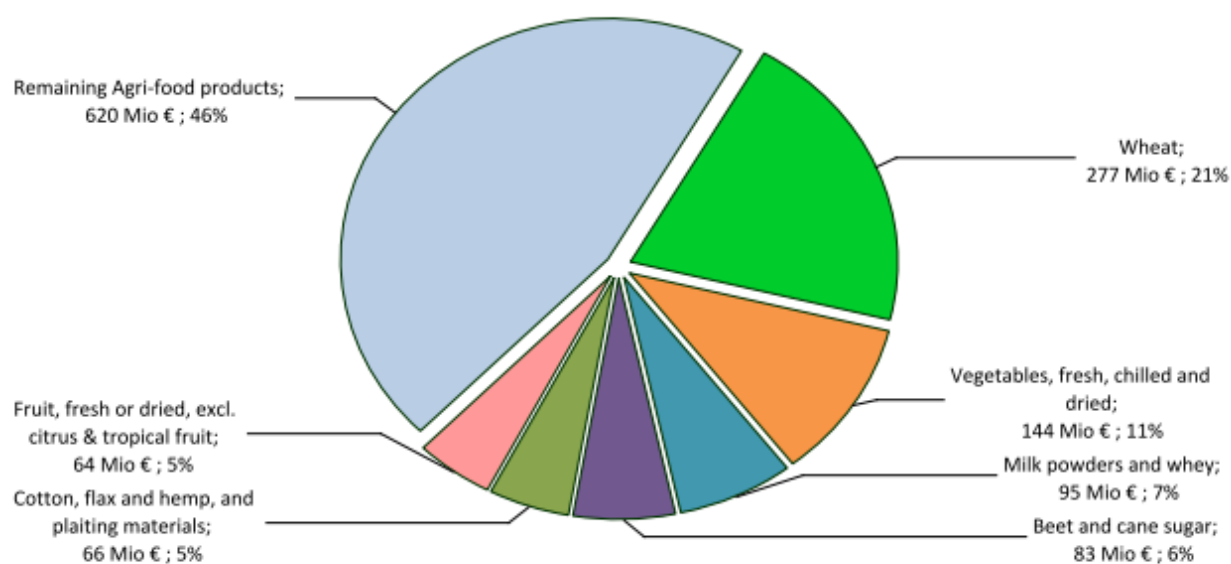


Figure 3-2: Top EU agri-food exports to Egypt in 2017

Source: European Commission: agri-food trade statistical factsheet, European Union-Egypt. Based on Eurostat-COMEXT data

3.1.3 The market for imported F&B

The Egyptian market offers several opportunities to EU exporters, as the country is limited by the available agriculture land along the Nile, but demand of food and beverages is on the rise (driven by a rapid increase of the Egyptian population). Indeed, as outlined in section 3.1.2, Egypt domestic consumption of wheat, sugar, red meat and fish among others continues to rely on imports from third countries.

Furthermore, the demand for convenience-based food has increased rapidly in Egypt due to changes in structures of workforce and the number of modern supermarkets and hypermarkets has risen. Acceptance of Western products and brands is also expected to surge driven by the new entries in the market¹³.

3.2 Growth Drivers and Trends

The development of the Egyptian market for food and beverage has been significantly influenced by the latest political and economic turmoil in the country. However, given the progressing political stability and signs of the economic recovery, consumers' confidence has been slowly rebounding.

It should be pointed out that, flotation of the currency, inflation and rising prices have ultimately re-structured consumer approach to certain products for the time being, making it out of reach for some group of consumers. Effectively, many consumers have developed strong domestic brand loyalty, as Egyptian products have been more affordable. Secondly, on the other hand, despite the obvious consequences of the economic slowdown on consumer expenditure patterns, the progressing recovery of late has started to impact consumers' attitudes towards imported products, especially among young adults. Last but not least, as prognoses predict, consumer expenditure is expected to grow, yet moderately. A further brief overview of the drivers and trends is provided below and Figure 3-3 summarizes the process.

Signs of economic recovery after political turmoil

As mentioned before, the political events in Egypt in 2010s considerably impacted the domestic food and beverage market as well as consumer attitudes towards spending, savings etc. Nevertheless, in the view of ongoing structural reforms and political stability, the progressing economic recovery has been crucial for regaining of consumers' confidence, which led to latest trends on the Egyptian food and beverage market. The main one relates to slow stabilization of purchasing power, which allows consumers to consider foreign products and diversify diet.

¹³ Food and beverage industry in Egypt and MENA region, <http://www.thaihalalfoods.com/upload/articles/Food-and-Beverage-in-North-Africa.pdf>

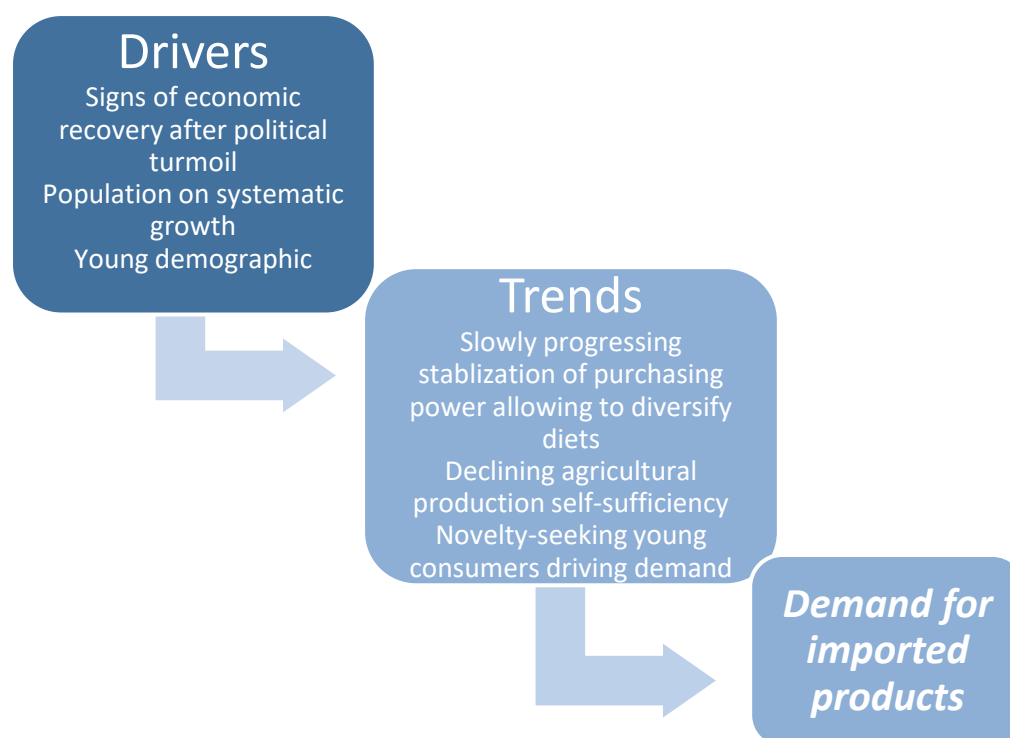
Population on systematic growth path

Given that the Egyptian population has steadily grown, the self-sufficiency of domestic agricultural production has been declining. Egypt, not having vast land suitable for cultivation, might consider even greater emphasis on imported products to simultaneously diversify the market and meet domestic demand.

Large young demographic

- As identified in section 2.1.3, the population of Egypt is fairly young (with prospects of further growth, as 35% of Egypt's population is between 1 and 14 years), which effectively leads to following trends: Novelty-seeking young consumers driving demand for modern and/or imported products
- Slow diversification of diets, especially among young consumers in urban locations

Figure 3-3: Growth drivers and trends – the Egyptian food and beverage market



Source: Agra CEAS based on European Commission agri-food factsheet; USDA GAIN reports, Central Agency for Public Mobilization and Statistics and Euromonitor International.

3.3 Consumer profiles and preferences

3.3.1.1 Consumer profiles

In general terms, as underlined in section 3.2, consumer approach towards expenditure has been considerably shaped by the latest economic turmoil of early 2010s in Egypt. Effectively, the average Egyptian consumer has started to pay much more attention to pricing, as household disposable income declined. Nowadays, an average household spending is expected to moderately grow, however the

socioeconomic status constitutes the crucial factor for purchasing foreign products as well as modes of consumption.

Furthermore, due to increasing prices of imported products in the times of political instability and shortly after, Egyptians have developed strong consumer loyalty towards domestic products and/or brands. Moreover, given persistent high prices and the fact that several products, including imported ones, have ultimately become out of reach for certain groups, consumers found authorities' social campaign – *Proudly Made in Egypt*¹⁴ particularly appealing. The campaign has aimed to embrace domestic products and encourage consumers to rely on locally manufactured products.

Consumer expenditure differs in terms of regions of the country. Differences can be seen between Upper and Lower Egypt as well as between rural and urban locations, which relates to employment possibilities. In addition, tourist destinations have had the highest average household spending. A brief overview of potential EU products target consumer groups in Egypt is presented below. These group mostly include mid-to-high income consumers, as low-income consumers are highly price sensitive and hence, they are very unlikely to purchase highly priced imported products. Due to their busier lifestyles, wealthy consumers prefer hypermarkets and supermarkets which bring a lot of products under one roof.

High net worth individuals

There are over 18 000 millionaires (considering wealth in United States dollar) in Egypt (2017), which place the country in the second place in the continent, after South Africa¹⁵. This upper class of consumers very often choose luxurious and high-quality products as well as famous restaurants and boutiques. Chosen products are usually exclusive, which may additionally underline the social status of high net worth consumers.

Affluent consumers

Egyptian affluent consumers pay great attention to quality of the product. Moreover, they are characterized by novelty-seeking approach to purchases, e.g. they are attracted by unknown and foreign products on the domestic market. This type of consumer, typically a frequent traveller, is accustomed to different food and drink cultures and is willing to purchase high quality imported products in Egypt. Affluent consumers are typically present in major urban locations and make up in the region of 5-10 percent of Egypt's population (2017)¹⁶.

Middle class consumers

This group of consumers is characterised by a rather high price-sensitivity, compared to wealthy consumers, which derives from lower disposable income. In addition, due to the persistent high prices of imported products, middle class consumers have developed consumer loyalty towards national

¹⁴ 'Proudly Made in Egypt' label granted to 121 companies;

<http://www.egypttoday.com/Article/3/15718/%E2%80%98Proudly-Made-in-Egypt%E2%80%99-label-granted-to-121-companies>

¹⁵ Cairo has second largest number of millionaires in Africa: Report; <https://www.egyptindependent.com/cairo-millionaires-africa/>

¹⁶ Euromonitor International, 2018: Economies and Consumers

brands due to their affordability. The middle class in Egypt, currently making up to roughly slightly below 1/3 of country's population (2017), is expected to grow in near future, due to restructuration of national economy and income inequality trends in near future as well as simultaneous population growth. This group has suffered the greatest changes in consumer spending approach resulting from economic disruption in the country. Nonetheless, compared to the lower-income segment, the Egyptian middle-class group of consumers presents wider opportunities for imported products offered at reasonable prices.

Young consumers

This group of consumers is particularly interested in imported products, due to high level of novelty-seeking. Given that young consumers are the group which is the most tech-savvy, they have been highly influenced by various retail and commercial campaigns and/or trends. However, imported products are not always in reach of young consumers' resources, thus in the light of ongoing economic progress in the country, this group is predicted to drive the market for imported food and beverages in the country.

3.3.2 Cultural Sensitivities and Other Considerations

3.3.2.1 Alcohol

The consumption of intoxicants is forbidden in Islam, and alcoholic beverages are considered to belong to this group. The Muslim population of Egypt (which accounts for somewhere in the region of 85-95% of the whole population,) is not allowed to consume alcoholic beverages. Nonetheless, Egyptian alcohol policy is fairly liberal, as unlike in other Arab countries, hotels, tourist facilities and clubs holding a "liquor licence" are allowed to sell alcoholic beverages to the non-Muslim population and tourists. Obtaining liquor licenses is easier in the area with a higher percentage of foreigners and tourists, such as Maadi and Zamalek in Cairo (see also section 5.8)¹⁷.

This sensitivity with alcohol should be borne in mind not only by alcoholic drink exporters, but also by sectors which use alcohol as an ingredient in their products such as chocolate confectionary.

3.3.2.2 Meat and products using parts of animals as an ingredient

As Islam is the official religion of Egypt, and vast majority of the population is Muslim, there are two impacts on meat and products using parts of animals as an ingredient: (1) the requirements for meat to be *halal*; and (2) restrictions on the sale of pork. More details on these two impacts are provided below:

- **Halal** - meat sold in the country must be *halal* – and therefore slaughtered in accordance with the halal principle. To this end, meat should be certified as halal by an Islamic Organization which is approved by Egyptian authorities¹⁸. Selling of halal products in Egypt is regulated by the Egyptian Organization for Standards & Quality and is permitted upon approval and granting of "Halal mark"¹⁹.

¹⁷ Egypt - Obtain Liquor License, https://www.wikiprocedure.com/index.php/Egypt_-_Obtain_Liquor_License

¹⁸ Exception relates to for shops which offer products to non-Muslim consumers.

¹⁹ <http://www.eos.org.eg/en>

- **Pork** – the consumption of pork is forbidden in the Muslim religion by the *Quran* (with an exception for certain extraordinary circumstances). The meat is therefore not consumed by Muslims in Egypt (which constitute the majority of the population). Pork products are considered “special product”; permission for dealing in such products must be sought and the presence of pork must be declared on the label. Pork products can only be sold in certain specific dedicated shops.

This sensitivity should be borne in mind not only for meat products, but also for products which use animal products in their manufacture such as confectionary containing gelatine.

3.3.2.3 Ramadan

Ramadan – the holy month which commemorates the revelation of the *Quran* – is the ninth month of the Islamic calendar. During this month, Muslims are required to fast from dusk to dawn. This fasting is considered one of the five pillars of Islam, and only certain categories (e.g. children, pregnant women, the sick) are exempt. Muslims will rise early to eat a pre-dawn meal before morning prayer; and break the fast after evening prayer. In addition to the fasting by Muslims during the day, there are certain other implication of *Ramadan* to bear in mind:

- While non-Muslims are not expected to fast, the consumption of food and drink in public during the daytime is forbidden²⁰. Restaurants may close their shutters during the day to become private areas in order to overcome this, or they may close entirely.
- Many Muslims will break the fast in the evening with others, leading to large food offerings by hotels and alike.
- Alcohol is available in hotels to foreigners only or through delivery in the mornings, until 1 pm.
- Shops generally have shorter opening hours²¹.

3.3.2.4 Fasting of the Coptic community

The Copts (Christians of Egypt, who are estimated to represent 10-15% of the population), observe long fasting periods according to the Coptic calendar. On occasion of fasting periods, which may reach 210 days per year, Copts are not allowed to eat animal products from midnight until the sunset. Apart from fasting almost all Wednesdays and Fridays, Copts also observe eight major fasting periods, as outlined below:

- Nativity Fast – lasting 40 days;
- Fast of Nineveh – three days;
- Fast of Great Lent – three weeks;
- Fast of the Holy Week – one week;
- Fast of the Apostles – 15 to 49 days;
- Fast of the Dormition of the Mother of God – two weeks.

²⁰ 'Don't eat in public': Ramadan edict angers Egyptians, <https://www.bbc.com/news/blogs-trending-36499488>

²¹ The Ramadan Guide for Expats in Cairo, <https://www.cairo360.com/article/city-life/the-ramadan-guide-for-expats-in-cairo/>

3.3.2.5 Traditional cuisine

Traditional Egyptian cuisine has much in common with the other Eastern Mediterranean countries and is very rich in vegetables. Vegetables have historically been part of traditional Egyptian cuisine, due to the rich farming soils along the Nile river and delta. Vegetables used also to be cheaper than meat, making them a staple of several Egyptian dishes. Furthermore, the importance of vegetables is further enhanced by the Coptic Christian community of Egypt which follows a strict diet that is almost vegan. Notably, during the fasting periods, the Coptic Egyptians are not allowed to eat most animal products, such as meat, poultry, milk, eggs, butter, etc.; Fish is only permitted in a few occasions.

Meat is widely available in Egypt, with the most popular types of meat being rabbit, pigeon, chicken, and duck. However, on the coast, seafood dishes are more common. Cheese has been another important part of traditional Egyptian cuisine since ancient time, as demonstrated by the fact that it was found in a number of Egyptian tombs²².

Further relevant details on Egyptian culinary traditions are presented within each market snapshot in section 50.

3.3.2.6 Colours

Colours, in Egypt, are associated with emotions and images, which diverge, in some cases, from the Western ones. Notably, the most important colour for Muslim Egyptians is green, while yellow and orange, in all their nuances, are the colours of mourning, as outlined below:

- **Green**, the colour of nature, is dominant in the Muslim world, as in the *Quran* it is associated with paradise. Egyptian Muslims would hence associate it with positive meanings, including peace, spirituality, hope, and fertility.
- Like in most Western countries, **red** indicates love and passion and is considered a lucky charm in Egypt.
- **Blue**, the colour of the sky and the seaside, is considered to be a sign of justice, safety and protection among Egyptians. Like in Western countries, the colour is also often associated with immortality, heaven, and spirituality.
- Unlike the whole Middle East, **yellow** is the colour of mourning in Egypt. Egyptians indeed associate yellow with gold, which was commonly used to paint mummies and tombs.
- Given its similarity to yellow and gold, **orange** is another colour of mourning in Egypt.
- **White**, another colour of nature (along with green and blue), symbolises cleanness and innocence.
- **Black** is the colour of rebirth and mystery in Egypt.
- **Purple** is symbolic of virtue and faith^{23,24,25}.

²² Curious About Traditional Egyptian Cuisine? Here's What You Need to Know!, <https://marocmama.com/traditional-egyptian-cuisine/>

²³ The meaning of color psychology in the Middle East, <https://stepfeed.com/the-meaning-of-color-psychology-in-the-middle-east-1935>

3.3.2.7 Gift giving

Gift giving is very common in Egypt, both in occasion of social and business gatherings. When invited at an Egyptian's home for dinner, common gifts include good quality fruit, pastries, cookies or other sweets. In the context of a first business meeting, gifts should be wrapped and high-quality, and should be given with the right hand. Big gifts are not well regarded, as they may be mistaken for bribes. It is recommended to give gifts which are representative of your country and that is hard to find in Egypt. Pork, alcoholic beverages, knives, and perfumes with alcohol should never be given to Muslim people. Also flowers should be avoided, as they are mostly given in occasion of marriages, sickness and at funerals in Egypt.

Gift giving in Egypt is also common in occasion of Egyptian holidays, such as *Mouled Al-Nabi* (the birthday of the Prophet Mohammed), in occasion of which children receive candy gifts; Beginning of Ramadan; *Eid Al Fitr* (the end of Ramadan); or Christmas for Coptic Christians²⁶²⁷²⁸.

²⁴ How Colours are Semantically Construed in the Arabic and English Culture: A Comparative study, <https://files.eric.ed.gov/fulltext/EJ1080712.pdf>

²⁵ International Color Symbolism, <https://www.six-degrees.com/pdf/International-Color-Symbolism-Chart.pdf>

²⁶ International Gift Giving Etiquette – Egypt, <http://www.1worldglobalgifts.com/egyptgiftgivingetiquette.htm>

²⁷ Egyptian Business Meeting Etiquette, <https://www.worldbusinessculture.com/country-profiles/egypt/culture/business-meeting-etiquette/>

²⁸ Egypt Gift Giving Customs, http://www.giftypedia.com/Egypt_Gift_Giving_Customs

4 Market access and entry

This section provides details on the necessary requirements for entry in to the Egyptian market, outlining existing market access restrictions and explaining procedures. The summary, containing the SWOT analysis, of market access and entry is presented in section 4.1.

4.1 Summary SWOT analysis

Strengths	Weaknesses
• Structural shortage of several agri-food products. • Huge market with growing demand for most of agricultural products. • High volume of Egyptian imports of F&B come from EU countries. • Trade in most EU agri-food products is fully liberalised, under the EU-Egypt Association Agreement. • Easy market access procedures for products that do not require registration with the GOEIC.	• Recent political and social instability. • Egypt is believed to be a difficult place to do business, due to administrative burdens • Fairly low average income and consumer price-sensitiveness derived from lower purchasing power. • Enter into force of modern FTA, such as the African Union FTA, may pose the EU with considerable competition in agri-food. • Highly fragmented distribution system with many small players.
Opportunities	Threats
• EU-Egypt Associate Agreement facilitates the export of some agricultural products. • Increasing demand for convenience food. • Great potential for EU exports of fresh F&V, dairy, fresh meat, chocolate & confectionary. • Rising health awareness among Egyptian consumers. • Positive image of EU products. • Creation of the NFSA may lead to a harmonised Food Law.	• Strict labelling and packaging requirements for agri-food products. • Currently unharmonised food safety legislation. • High duties imposed on some EU products. • Exporting certain products presupposes the registration with the GOEIC, which often is lengthy and untransparent • No EU GI is registered in Egypt.

4.2 Food and beverage legislation and regulations

4.2.1 Import requirements/restrictions, customs procedures and documentation

Import requirements/restrictions

European companies wishing to export food and beverages to Egypt must conform to mandatory standards. Procedures to ensure conformity with these standards are enforced by the [General Organisation for Export and Import Control \(GOEIC\)](#), an authority which is affiliated to the Ministry of Trade and Industry.

Under Ministerial Decrees 991/2015 and 43/2016, **certain products can be imported only if produced in companies included in the GOEIC Register of Importers**. This requirement is applicable to the agri-food products set out below:

- Milk and milk products for retail sale in packages of 2 kg or less;
- Preserved and dried fruits for retail sale in packages of 2 kg or less;
- Oils and fats for retail sale in packages of 2 kg or less;
- Chocolate and food products containing cocoa for retail sale in packages of 2 kg or less;
- Sugar confectioneries;
- Pastries and food preparations of cereals, bread and bakery products;
- Fruit juices for retail sale in packages of 10 kg or less.

Enterprises that wish to apply for registration, are requested to submit the following legalised documents (in Arabic or English):

- A copy of the factory's license;
- A certificate of the legal entity of the factory and its range of products;
- The trade mark of the product and the trademarks that are being produced under the license provided by the owner of the trademark;
- A certificate stating that the factory is implementing the quality control systems, environmental regulations, international labour law regulations and the international accords organisation. This certificate should be issued by a recognised institution accredited by International Laboratory Accreditation Cooperation (ILAC) or by an Egyptian or foreign governmental body approved by the Ministry of Foreign Trade;
- A list of the factories that are producing this trademark; in case the owner of the trademark is the one to submit the application;
- Approval from the factory to accept technical inspection to assure the compliance with the environmental and health & safety regulations and that the factory will provide all the assistance to do so²⁹.

European companies' experience suggest that the registration system may pose some challenges as regards the length of the procedure and related costs, hence representing a key barrier to importing into Egypt. It is hence advised that producers planning to export to Egypt consider the time needed to submit the documentation to complete the registration with the GOEIC.

Imports of all other agri-food products are not subject to registration in the GOEIC Register of Importers.

In order to ship all agri-food products to Egypt, it is mandatory to provide the GOEIC with the appropriate documents (a full list can be found in Table 4-1 and Table 4-2).

²⁹ Ministerial Decree No. 991 / 2015,
http://www.globelink-fallow.com/pdfs/notices/Egypt-Ministerial_Decrees_991_992.pdf

It is of outmost importance that documents comply with the requirements set out below:

- documents are drafted in either Arabic or English, or with a proper translation enclosed.
- one set of all import documents is presented to the GOEIC.
- documents are **countersigned by the Chamber of Commerce and notarised by the Egyptian Embassy or Consulate** in the country of origin.

N.B: European producers should be mindful of public holidays in Egypt, during which ports and storage areas are often closed, which may result in additional costs for exporters.

Table 4-1: List of documents to present to Customs to release all imported agri-food products

Documents to present to Customs	
Air Waybill or Bill of Lading	Depending on whether goods imported by air or sea; to be prepared by the carrier or their agent.
Authorisation of Foreign Foodstuffs Manufacturers (may be requested)	A document certifying that manufacturers of foodstuffs for other purposes than the nutrition of infants have been authorised by the competent authority in the country of exportation and comply with the principles of hazard analysis and critical control points (HACCP).
Certificate of Inspection, or Importer Card	A document proving registration at the General Organization for Export and Import Control (GOEIC). The certificate can be release by accredited and recognised food inspection bodies. <i>The full list of food inspection bodies can be consulted on the GOEIC website:</i> http://www.goeic.gov.eg/ar/pages/default/psiCompaniesList/type/tropical/m/6-141
Certificate of Origin	A document stating: - weight in kilograms - country of origin - country of manufacture - full name and address(es) of the manufacturer.
Commercial Registration	A document proving entry into the commercial registry at the Ministry of Trade and Industry. Upon successful registration, a trade licence will be issued. The processing time is usually one day from the time of payment for local companies. For branches of foreign companies, the processing time is not stipulated. <i>Detailed information can be consulted on the European Commission website:</i> http://madb.europa.eu/madb/viewPageI?Publi.htm?doc=com_req&hscod=&countryid=EG
Original Invoice	A document containing: - full description of the goods - price details - country of origin and country of manufacture - full name and address(es) of the manufacturer(s)
Packing List	A document indicating the details of the shipment.
Pro Forma Invoice	A document containing the details of the transaction made out prior to the proper invoicing and in addition to the Commercial Invoice.
Tax Registration Card	A document proving entry into the respective registries of the Egyptian Tax

	Authority (ETA), which comes under the Ministry of Finance.
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Source: European Commission

Table 4-2: List of documents to present to Customs to release specific agri-food products

Documents to present to Customs, if requested		Applicable to (product category)
Certificate of Fumigation for Plants and Plant Products	A document certifying that fumigation treatment has been conducted in accordance with the valid Egyptian quarantine requirements.	Fruit and vegetables; Live plants
Certificate of Radioactivity Inspection	A document certifying that tests on radioactivity levels have been carried out by an appropriate laboratory in the country of export.	Irradiated foodstuffs
Declaration for Milk and Milk Products	A document declaring the fitness of milk and milk products to be imported for human consumption.	Milk and milk products
Description of Meat and Meat Products	A document containing detailed information on the meat and meat products to be imported.	Fresh & processed meat; Dairy
Declaration of Organic Food	A document confirming that imported organic foodstuffs conform to the applied Egyptian or international standards.	Organic products
Free Sale Certificate	A document confirming that the goods in question are freely sold in the country of export.	Medicinal and related products
Halal Certificate	A document proving that imported foodstuffs of animal origin correspond to the standards required by Islamic rules.	Fresh & processed meat; Dairy; Prepared Pasta containing meat
Import Permit for Products of Animal Origin	It is valid for one import only. The processing time is three days, provided that all documents have been presented.	Fresh & processed meat; Dairy; Honey
Licence to Deal in Genetically Modified Plant Products	A document confirming that its bearer is authorised to import and deal in genetically modified plant products.	Fruit and vegetables (GMOs); Live plants (GMOs)
Licence to Deal in Seeds	A document proving that a company is entitled to import and deal in seeds.	Seeds (propagating material)
Permit to Import Endangered Species and Products Thereof	A document permitting the actual importation of species covered by the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). It is valid for one import only.	Meat; Plants (endangered species)
Permit to Import Plants and Plant Products	A document permitting the actual importation of plants and plant products other than seeds and plant propagating material.	Live plants
Permit to Import Seeds and Seedlings	A document permitting the actual importation of seeds and seedlings.	Seeds (propagating material)
Phytosanitary Certificate	A document confirming that plants and plant products to be imported have been inspected according to appropriate procedures, are free from quarantine	Fruit and vegetables; Live plants

	pests and practically free from other injurious pests and conform with the Egyptian phytosanitary regulations.	
Sample Environmental Analysis Request	A document confirming that soil, water, plants, fertilisers and agricultural environmental polluters to be imported have been subjected to an inspection and have been found to be in conformity with Egyptian environmental standards.	Fruit and vegetables; Live plants
Seed Registration	A document confirming that seeds to be imported are registered with the Ministry of Agriculture and Land Reclamation.	Seeds (propagating material)
Veterinary Health Certificate for Animal Products	A document confirming that imported products of animal origin have been inspected according to appropriate procedures, are not contaminated and do not carry any contagious diseases and are considered to conform with the current veterinary regulations of the importing country.	Fresh & processed meat; Dairy; Honey

Source: European Commission

Detailed information on procedures and formalities to export to Egypt can be consulted on the European Commission website:

http://madb.europa.eu/madb/viewPageIFPubli.htm?doc=com_reg&hscodex=&countryid=EG

All imported agri-food products are subject to health and quality inspection by the ministries of health, supply and agriculture. A health certificate is delivered if consignments comply with the regulations, i.e. if products meet the standards issued and approved by the Egyptian Organisation for Standardisation and Quality Control³⁰. In cases where no mandatory Egyptian standard exists, the following standards are accepted:

- International Standards (ISO/IEC)
- European Standards (EN); in their absence of EN standards, British (BS), German (DIN), and French (NF) standards may be applied
- American Standards (ANS)
- Japanese Standards (JAS)
- Codex Standards

Animal products, plants and plant products are subject to strict health controls, as outlined in Table 4-2 above. Furthermore, imports of some agri-food products are prohibited for different considerations (see box below).

³⁰ Australian Government – Egypt Tariffs and regulations, <https://www.austrade.gov.au/Australian/Export/Export-markets/Countries/Egypt/Doing-business/Tariffs-and-regulations>

Import prohibitions

For religious, safety, sanitary, and phytosanitary reasons it is forbidden to import:

- certain meat products (further details in the Fresh Meat snapshot, section 5.3);
- goods bearing marks considered sensitive to religious beliefs³¹.

Free Trade Zones

In Egypt two types of free zones exist: public and private. All products imported into free trade zones are subject to an annual duty of 1% of their Cost, Insurance and Freight (CIF), except for transit goods. Nonetheless, products brought into the Egyptian customs territory from a free trade zone are considered imports, hence they are subject to customs clearance and full customs duties.

Currently, 18 public free trade zones exist in Egypt, as set out below:

- Alexandria Free Zone
- Craftsmen Free Zone (Giza)
- Damietta Free Zone
- East Port Said Port
- Ismailia and New Ismailia Free Zones
- Matahra Free Zone (Minya)
- Media Free Zone (Giza)
- Nasr City Free Zone (near Cairo Airport)
- Nuweiba Free Zone (South Sinai)
- Port Said Free Zone
- Qeft Free Zone (Qina)
- Safaga Free Zone (Red Sea)
- Saleyeya Free Zone (Sharqiyya)
- Shebin El-Kom Free Zone (Manufiyya)
- Sohag Free Zone
- Suez Free Zone
- Toshka Free Zone (Aswan)
- 10th of Ramadan Free Zone (Sharqiyya)³².

4.2.2 Food safety and other food certification requirements

Established in 2017 and in operation since January 2018, the [Egyptian National Food Safety Authority \(NFSA\)](#) is responsible for the protection of public health and safety in Egypt. The authority's aim is to ensure that food consumed in Egypt meets the highest standards of food safety and hygiene.

³¹ WTO Trade Policy Review: Egypt, https://www.wto.org/english/tratop_e/tpr_e/s367_e.pdf

³² European Commission: Overview of Import Procedures – Egypt, <http://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=&countryid=EG#h8>

The establishment of a unified authority competent to supervise food safety is aimed at harmonising and consolidating the food safety system, including the food safety criteria and procedures for risk analysis, through structural and legislative reforms.

Indeed, food safety is currently regulated under several pieces of legislation, which can often be contradictory and outdated (the oldest goes back to 1898). Furthermore, the implementation of regulations is supervised by 17 different government bodies, including the Ministry of Agriculture and Land Reclamation, the Ministry of Economy, as well as the Ministry of Health and Population³³. What is more, food inspections are carried out by several bodies, according to unharmonised procedures.

The ultimate goal of the NFSA is hence to ensure the Egyptian government adopts a unified Food Law, along with reviewing and updating key regulations in the field of food safety^{34,35}. Nonetheless, so far, the only piece of legislation issued by NFSA is the Chairman's Decision No. 1/2018 on the Regulation and Registration of Food, published in 2018.

Currently, processed food falls mostly under the competence of the Ministry of Economy, while agri-food commodities fall under the competence of the Ministry of Agriculture. **Most competencies are nonetheless gradually being transferred to the newly established NFSA.** However, live animals and non-processed agricultural products (before harvest) will continue to be under the competence of the Ministry of Agriculture.

The two key pieces of relevant food safety legislation NFSA is currently responsible for are:

- **Law No. 10 of the Year 1966 on food control.** The Law aims at (a) identifying the hygienic conditions for the protection of food from pollution and contamination; (b) ensure that harmful ingredients are not used in food; and (c) monitoring the hygienic conditions of food³⁶.
- **Law No. 281 of the year 1994 on prevention of adulteration and fraud.** This Law prohibits the fraud in food and establishes fines and penalties for e.g. the non-conformity of goods with the contractual specifications. The law establishes also fines and penalties for the import of adulterated, rotten or expired food, agricultural, and organic products³⁷.

On top of that, the following other pieces of legislation should be bear in mind by potential exporters:

- Minister of Health decree 350/1986 concerning lab testing of imported food;
- Presidential decree 106/2000 concerning facilitating inspection and control procedures for exported and imported commodities;

³³ Egypt Establishes the National Food Safety Authority, <https://sharkawylaw.com/stay-informed/1693-2/>

³⁴ Egyptian National Food Safety Authority Website:

[http://www.nfsa.gov.eg/\(S\(5c1s4k4ysiubc3p30bj1mtx\)\)/App_PP/DeskTop/App_Web/App_Custom/1/Default.aspx?TabID=10000000](http://www.nfsa.gov.eg/(S(5c1s4k4ysiubc3p30bj1mtx))/App_PP/DeskTop/App_Web/App_Custom/1/Default.aspx?TabID=10000000)

³⁵ Food and beverage safety in Egypt, <https://www.lexology.com/library/detail.aspx?g=2a236aec-8843-4c94-bd92-751662fa5939>

³⁶ FAOLex Database: Egypt - Law No. 10 of 1966, <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC175126>

³⁷ FAOLex Database: Egypt - Law No. 281 of 1994, <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC176395>

- Prime Minister decree 291/1986 concerning regulation of control of imported goods;
- Minister of Health decree 60/1952 concerning specifications and standards for milk and dairy products;
- Presidential decree 1604/1967 amending edict no. 4/1953 concerning regulation of trade of meat and its products;
- Minister of Agriculture decree 517/1986 concerning slaughter of animals and trade of meat;
- Act No. 132/1950 on milk and milk products.

Note: several pieces of legislation, including the ones listed above, are set to be repealed by a unified Food Law, or to be updated as they are mostly outdated.

Food additives are regulated by **Minister of Health Decree 204/2015**, which sets out all food additives accepted for use in the food industry. Notably it establishes positive lists of:

- all acceptable food colours and concentration levels;
- all acceptable preservatives and concentrations levels;
- concentration levels of all acceptable flavouring (i.e. the ones accepted under *Codex Alimentarius*).

On top of that, the Egyptian Standards and Metrology Organization (ESO) published a new additive regulation (**Decree No. 2111**) in 2016. This decree compiles all rules related to additives in one comprehensive regulation, instead of multiple standards, as was the case previously.

4.2.3 Labelling Requirements

Foodstuffs are subject to very strict labelling and packaging requirements. First of all, packages of a specific product must be identical in weight and packaging, as well as clean and odourless in order to preserve the product and its characteristics.

The label borne by food products must be drafted in Arabic; however, alongside the Arabic print, a translation in another language is allowed. Foodstuffs labels must contain all details outlined below:

- name and address of the manufacturer
- manufacturer's brand and trade mark, if applicable
- name of the slaughterhouse and date of slaughter, if applicable
- country of origin
- name and kind of the goods
- name and address of the importer
- production and expiry date
- price of the product for the final consumer
- mode of preparation/user instructions, if applicable
- ingredients in order of their proportion to the whole product
- mode of preservation and storing conditions

- net and gross weights, including total number of packages per case/carton, if applicable
- additives and preserving/upgrading materials, if included in the goods
- the indication “*Hala*” and the name of the entity responsible for the adherence to Islamic Sharia guidelines in case of animal products.

Please note that some small products, such as small milk and beverage containers and wrapped dried sweets, may be exempted from the above-mentioned labelling requirements³⁸.

4.2.4 Protection of intellectual property rights and GIs

IPR protection framework

In Egypt, the Department of Trade Registry is the competent authority for the registration of trademarks.

Egypt is a member of the main international agreements on intellectual property rights (IPRs). Notably, as a member of the World Trade Organisation (WTO), Egypt is part to the Trade-Related aspects of Intellectual Property Rights (TRIPs) Agreement, which sets down minimum standards for the protection of copyrights and trademarks, including geographical indications. Indeed, in order to better align its IPR system to the international standards, Egypt approved the **Intellectual Property Rights Law No. 82** in May 2002, which covers also the protection of Marks, Tradenames and Geographical Indications.

Egypt’s Geographical Indication (GI) protection system

The Law No. 82 on the Protection of Intellectual Property Rights provides for the registration and subsequent protection of trademarks in Egypt, including Geographical Indications. Notably, Article 104 specifies that a geographical indication can be used “*to indicate the place of origin of such goods in a district or part in a country member in the World Trade Organisation or a country according Egypt reciprocity*”, provided that the geographical indication is registered in the country of origin. Furthermore, a registration is possible when the geographical indication does not mislead the public as to the real origin of the products (Article 110). Nonetheless, Law No. 82 is considered controversial by some parties, as it does not draw a clear distinction between geographical indications and trademarks. Furthermore, protection from the misuse of certain misleading expressions (e.g. “like”, “style”, “way” etc.) is not clearly provided for.

Protection of Geographical Indications under the EU-Egypt Association Agreement

Protection of EU geographical indications is also encouraged under the EU-Egypt Association Agreement (see section 4.3.3). Notably, in accordance with Article 37 of the Agreement Egypt shall “*grant and ensure adequate and effective protection of intellectual property rights in accordance with the prevailing international standards, including effective means of enforcing such rights*”. Furthermore, if problems in the area of intellectual property affecting trading conditions were to occur, “*urgent consultations shall be undertaken [...] with a view to reaching mutually satisfactory solutions*”.

³⁸ European Commission: Overview of Import Procedures – Egypt,
<http://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=&countryid=EG#h8>

Against this background, **the EU-Egypt Association Agreement does not include a list of European GIs to be protected in Egypt.** The European Union have been trying to create some interest regarding the GI policy, and technical assistance has been thus provided through EU funding, to enhance Egyptian GIs legislation. Although the protection of Geographical Indications is facilitated under Law No. 82, no European geographical indications are protected in Egypt.

Nonetheless, Egypt has been showing growing interest for this policy. The European Union has therefore been promoting geographical indications in the Governorates of Matrouh and Fayoum, under a Joint RDP (2016-2019). Furthermore, GIs were recently identified as one of the future areas of EU-Egyptian cooperation.

Overall, trademark counterfeiting remains a major problem in Egypt, as enforcement of IP law is not generally strong enough. For example, European enterprises have reported violations concerning geographical indication of Greek feta cheese, using the misleading expression “style”.

In order to protect IPRs, companies are encouraged to seek advice from local attorneys or consultants who are experts in Egyptian IPR law, as well as to work together with trade associations and organisations in the field. Key international organisations are set out below:

- The Confederation of Egyptian European Business Associations (CEEBA)
- European Communities Trade Mark Association (ECTA)
- International Intellectual Property Alliance (IIPA)
- World Intellectual Property Organisation (WIPO)
- International Trademark Association (INTA)
- International Anti-Counterfeiting Coalition (IACC)

4.2.5 Relevant authorities for IPR and GI protection and further contacts

Competent Authorities for IPR and GI protection

Permanent Office for the Protection of Copyright – Supreme Council of Culture (Ministry of Culture)

Supreme Council of Culture, 1 El Gabalaia St. Opera House, El Gezira, Cairo

Tel: (202 2) 405 2558

Email: mnfarahat@menanet.net

Website: www.moc.gov.eg

Egyptian Patent Office – Academy of Scientific Research and Technology (Ministry of Scientific Research)

101 Kasr El Ainy Street, 11516 Cairo

Tel: (202) 279 21 272

Email: patinfo@egypo.gov.eg

Website: www.itda.gov.eg

Trademarks and Industrial Designs Office – Internal Trade Development Authority (Ministry of Trade and Industry)

4 Nasr Road cross Makram Ebeid, Nasr City, Cairo

Tel: (202) 267 20 452

Email: egypt.id@gmail.com

Website: www.itda.gov.eg

4.3 International trade

4.3.1 Egypt and foreign trade

The Ministry of Trade and Industry is in charge of Egyptian foreign trade relations. Egypt participates in several multilateral agreements and has been a member of GATT since 1970 and a member of the WTO since 1995. As underlined in section 3.1.2, the EU is a major trading partner for Egypt, as about 30% of total Egyptian imports came from EU Member States in 2017. Commodities, including fruit and vegetable products, as well as milk powders and whey, accounted for most of Egyptian imports from the EU.

4.3.2 Key trade agreements, present and future

Egypt is part of several multilateral and regional organisms and forums, including the GATT and WTO. On top of that, Egypt has concluded several Trade Agreements, with European, African, Middle Eastern and Latin American countries, as reported in Table 4-3.

The most effective trade agreements Egypt has concluded are continental FTAs, notably the Agadir and COMESA agreements. Nonetheless, the bilateral FTA with Turkey is of particular importance for the agri-food sector: Turkish food items (notably apples, nectarines, chocolate and confectionary) are indeed similar to the ones produced in the EU, although they have a competitive advantage, i.e. they are produced at lower costs and hence offered at a more affordable price to the final consumer. Similarly, the Egypt-Mercosur FTA gives a competitive advantage to Brazilian exporters of fresh meat into the Egyptian market. Furthermore, the Tripartite Free Trade Agreement between COMESA, SADC and EAC, and the Continental Free Trade Area, which is still to materialise, upon ratification in some member states, are likely to provide EU agri-food producers with notable competition.

Table 4-3: Trade Agreements concluded by Egypt

Partner/s	Type of Agreement	Entry into force
Common Market for Eastern and Southern Africa (b)	Common Market	2000
EU	Free Trade Agreement	2004
Israel	Trade Protocol	2004
Arab League (a)	Free Trade Agreement	2005
Jordan, Morocco, Tunisia (Agadir Agreement)	Free Trade Agreement	2007

Partner/s	Type of Agreement	Entry into force
Turkey	Free Trade Agreement	2007
EFTA (c)	Free Trade Agreement	2007
Mercosur	Preferential Free Trade Agreement	2017
African Union (d)	Continental Free Trade Agreement	2018
Common Market for Eastern and Southern Africa (COMESA), Southern African Development Community (SADC) and East African Community (EAC)	Free Trade Agreement	2018

*Source: Agra CEAS

- (a) Algeria, Bahrain, Comoros, Djibouti, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Palestine, Qatar, Saudi Arabia, Somalia, Sudan, Syria, Tunisia, UAE, Yemen.
- (b) Burundi, Comoros, Congo, Dem Rep., Djibouti, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia, and Zimbabwe.
- (c) Iceland, Liechtenstein, Norway, and Switzerland.
- (d) 55 African states; 52 have signed, still to materialise, upon ratification in a further 3 out of 55 states.

Egypt is also at the early negotiating stage for the development a free trade zone with the members of the Eurasian Economic Union (Russia, Belarus, Kazakhstan, Kyrgyzstan, and Armenia). Nonetheless, the agreement is more likely to impact the agricultural commodity market, rather than the processed food market, as Eurasian countries are heavy exporters of cereals (especially wheat) to Egypt.

An up to date list of Trade Agreements concluded by Egypt can be consulted on the website of the Egyptian Ministry of Trade and Industry:
<http://www.mti.gov.eg/English/Pages/agreements.aspx?folder=Agreement>

4.3.3 EU Egypt Association Agreement

The Association Agreement between the European Union and Egypt entered into force on 1 June 2004. This agreement is of particular importance for Egypt, as the European Union is its main trading partner (see section 3.1.2). The agreement provides for the establishment of a free trade area, by removing tariffs on industrial products and most agri-food products³⁹. As described in section 4.2.4, the Agreement also promotes the protection of intellectual property rights, including geographical indications, but by not including GI lists it makes the effective protection of individual GI's ineffective.

The Association Agreement improved trade relations between the EU and Egypt. In fact, economic exchanges between the two countries have more than doubled from EUR 11.8 billion in 2004 to EUR 27.9 billion in 2017⁴⁰.

³⁹ WTO Trade Policy Review – Egypt, https://www.wto.org/english/tratop_e/tpr_e/s367_e.pdf

⁴⁰ European Commission – Trade Policy: Egypt, <http://ec.europa.eu/trade/policy/countries-and-regions/countries/egypt/>

In 2013, the EU and Egypt began talks about a Deep and Comprehensive Free Trade Agreement (DCFTA), which may include a significant level of liberalisation. Nonetheless, negotiations on trade in services are currently on hold and subsequently a DCFTA is unlikely to be concluded in the short term. However, in 2017, the 2018-20 EU-Egypt partnership priorities were agreed, and the two parties committed to find alternative ways to enhance reciprocal trade, other than the DCFTA.

4.3.4 Import tariffs

While Egypt levies prohibitive tariffs of 1 200-3 000% on alcoholic beverages, import duties on most agri-food products entering Egypt are well below 20%. Duties are imposed on some fresh and processed meat products, pasta, baked goods, chocolate and confectionary products. In addition to the import duty, European enterprises also face a Value Added Tax, which is levied at a rate of 14% of the duty paid value.

Nonetheless, under the EU-Egypt Association Agreement, **trade of several other agri-food products, mostly agricultural commodities** – including bovine, sheep/goat meat and almost all poultry meat products, dairy products, fruit and vegetables, olive oil, live plants, and processed cereals – **was fully liberalised**.

The list of import duties and taxes for the export of food and beverages to Egypt can be consulted here:

http://madb.europa.eu/madb/datasetPreviewFormATpubli.htm?datacat_id=AT&from=publi

4.3.5 WTO disputes and other trade barriers

Egypt has been involved as respondent in 4 WTO disputes, only one of which concern agricultural products, i.e. canned tuna with soybean oil.

An up to date list of WTO disputes can be consulted here:

https://www.wto.org/english/thewto_e/countries_e/egypt_e.htm

Furthermore, two trade barriers concerning the agricultural sector were reported to the European Commission, as set out below:

- **Bovine meat and live cattle:** Bovine Spongiform Encephalopathy (BSE) related measures;
- **Wheat and other cereals:** non-compliance with international standards⁴¹.

An up to date list of trade barriers reported to the EC can be consulted here:

http://madb.europa.eu/madb/barriers_result.htm?isSps=false&countries=EG

⁴¹ Further information can be consulted on the European Commission website:

http://madb.europa.eu/madb/sps_barriers_details.htm?barrier_id=10680 (bovine meat);

http://madb.europa.eu/madb/sps_barriers_details.htm?barrier_id=14062 (wheat).

4.3.6 Summary of key trade barriers

Despite the EU-Egypt Association Agreement being in force since 2004, European enterprises face several challenges when entering the Egyptian market. Trade barriers include tariff and non-tariff measures. The latter include strict labelling and packaging standards for agri-food products, complicated food safety regulatory framework, as well the untransparent and lengthy market entry process for certain goods. Furthermore, while imports of several products (e.g. bovine meat, F&V, dairy products etc.) have been fully liberalised, duties on some other goods remain quite high.

4.4 Operating in the Egyptian food and beverage market

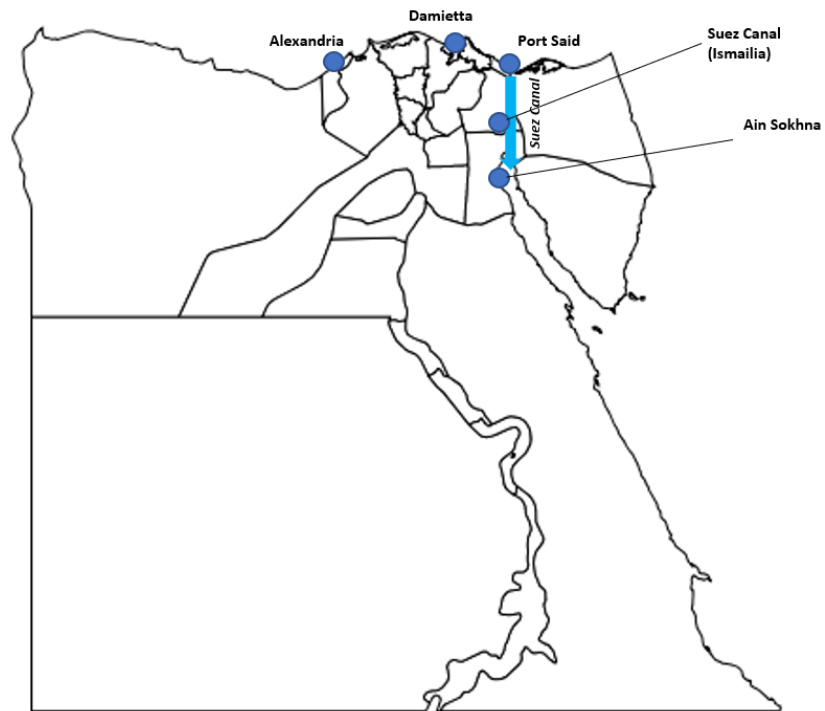
4.4.1 Logistical services and transportation infrastructure

Egypt's distribution network within the country predominantly relies on the roadway network, which is a subject of constant renovation, as the one of the flagship projects for the current government. The national distribution system comprises well developed ports, which are located both on the side of Mediterranean and Red Sea as well as air cargo terminals. Egypt has been expanding its profits from Suez Canal transportation, which capacity has been recently improved.

Shipping

Container ships are the standard method chosen when transporting goods to Egypt. The major ports are located in the North-Eastern part of the country as well as within the Suez Canal (*Ismailia*) and in the Gulf of Suez, leading to Red Sea. Ports traffic has been on continuous rise, with considerable renovation projects undertaken by the government, which flagged ports development as one of the key factors to re-boot economic recovery of the country. Major ports and terminals in Egypt are depicted on Figure 4-1.

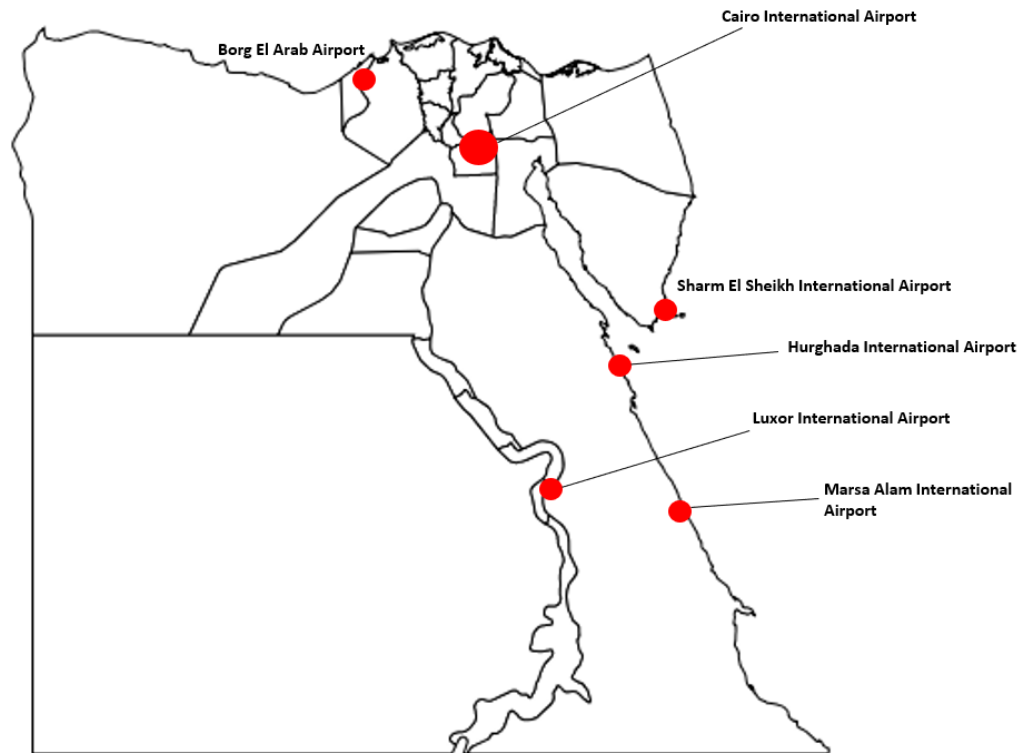
Figure 4-1: Major ports and terminals in Egypt



Source: Agra CEAS based on MOT and World Port Source.

Air freight

The Egyptian airport system consists of several international airports of different size, with the major ones presented in Figure 4-2. Key cargo terminals are located in Cairo International Airport, which is considered as main hub due to geographical location and terminal facilities.

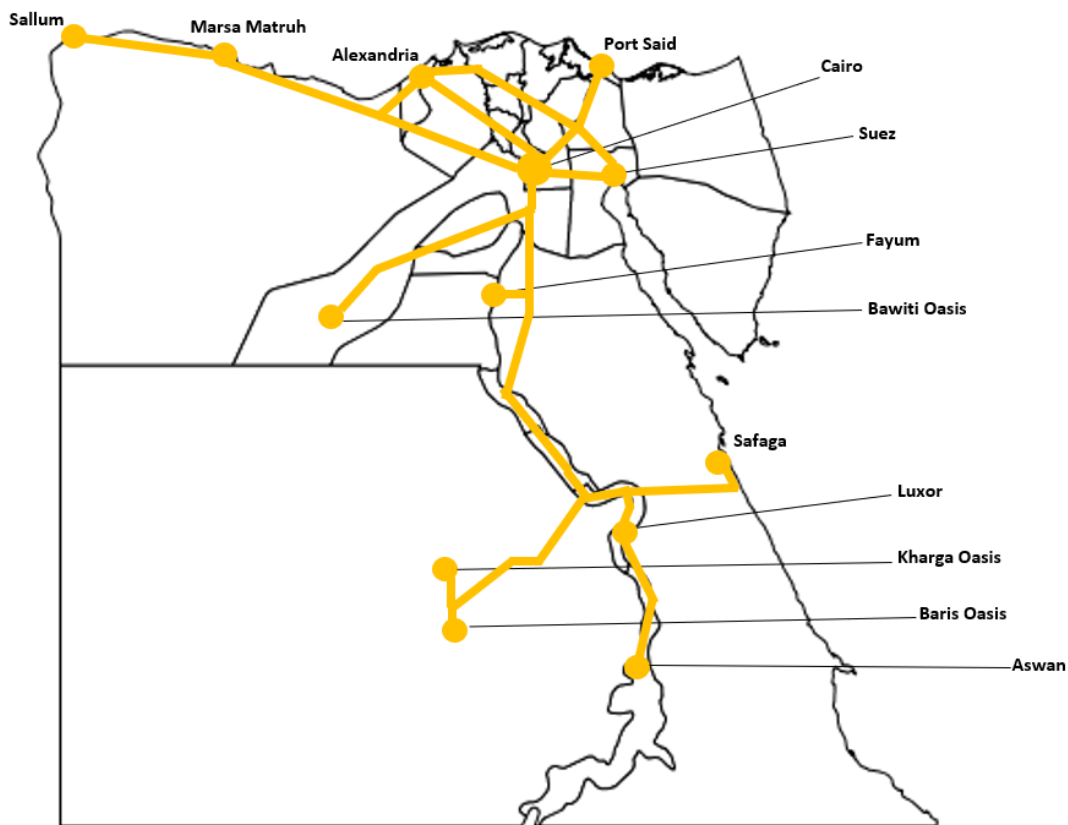
Figure 4-2: Main International airports in Egypt

Source: Agra CEAS based on MOT

Rail freight

Railway services were introduced in Egypt back in nineteenth century, with first line between Alexandria and Cairo. The network has been systematically extended throughout the years and nowadays the railway system covers wide areas of the country, excluding the remote desert parts of Egypt. Railways have been used both in cargo and passenger traffics, with large quantities of agricultural products transported, e.g. sugarcane. However, due to condition and considerable deficiencies in maintenance, lately there have been state interventions aimed renovation of services' standards.

Figure 4-3: Railway network in Egypt



Source: Agra CEAS based on MOT

Road Freight

Road transportation constitutes the greatest share of freight distribution due to extensive system of road system in the country. Moreover, road infrastructure, including bridges and roads across Nile, has been continuous priority for the current government. The aim of programme launched in 2014 is to add total length of 4400km of roads to link governates, also in Upper Egypt⁴².

4.4.2 Distribution

Distribution in Egypt is multi-layered, with levels of manufacturers, wholesalers, retailers etc. It is advised to interact with groups involved through an established business partner, as many procedural formalities may require the Arabic language. It should be pointed out that the Egyptian food and beverage market highly relies on traditional grocers and wet markets, which dominate the retail sector.

⁴² Sisi inaugurates road projects worth LE7B; <http://www.egypttoday.com/Article/3/57328/Sisi-inaugurates-road-projects-worth-LE7B>

4.4.2.1 Retail channel overview

Supermarkets & hypermarkets

The number of hypermarkets saw a great increase, comparing to levels before 2011, however the segment remains rather small and is available only in major urban locations of the country. The growth, on the other hand, is predicted to continue. In case of supermarkets, the number of small-scale facilities has been on rise with major chains including Carrefour, Hyper 1, Spinneys, Metro Market, Fathalla and Saudi.

Convenience stores

Convenience stores noted a strong growth, which have been associated with *kiosks* or petrol station locations. Egyptians appreciate making small purchases in stores, mostly due to their high availability in the country.

Traditional grocers & wet markets

This segment constitutes by far the most common retail channel in Egypt. Individual grocery firms are spread throughout the country and often constitute the primary channel for shopping. Moreover, this retail segment is characterized by strong level of consumer loyalty, as it is based on neighbourhood consumer base, offering credits to local consumers etc. Traditional grocers & wet markets are often limited with operating space.

Hotels, restaurants, and cafés

There is an abundance of restaurants and cafés in Egypt, which are mainly spread in urban locations. The segment comprises tourist-oriented smart and high-quality restaurants as well as variety of budget and street food places. Furthermore, cafés play a major role in Egyptian routine, which are open for most of the day and night.

eCommerce

E-commerce in Egypt has been moderately growing, however due to Egyptian Ministry of Communication, 54% of population use Internet connection⁴³. E-commerce is mostly popular among young adults, which are more tech savvy. It should be pointed out though, that vast majority of products are distributed through store-based retailers.

4.4.2.2 Intermediaries

EU enterprises that wish to export into Egypt are advised to closely work with distributors/agents from different areas, to broaden their distribution network. In order to find distributors/agents, specialists recommend going on a trade mission, which provide one-on-one meetings with pre-screened distributors and networking events with local businesses. However, directly working with big retailers

⁴³ Egyptian E-commerce Market today; https://egyptinnovate.com/en/innovation_digest/e-commerce-egypt-paved-or-bumpy-road

(see section 4.4.2.1) may speed up the export procedure and make it easy to reach the target consumers.

Business Contact Database:

A database of importers, wholesalers, retailers and distributors operating in Egypt can be found in section 9.

N.B. due diligence will have to be performed for any contacts on this database as no warranty is given as to the standing of these individuals, organisations or firms and no corresponding responsibility or liability is accepted by the authors.

4.4.3 Business environment

Egypt ranks amongst the most difficult places to do business globally. Businesses in Egypt suffer from relatively high tax rates and low economic freedom. Furthermore, business is hampered by:

- A burdensome regulatory environment and ineffective justice;
- Complications for trading across borders (see section 4.2);
- Widespread corruption;
- The high risk of terroristic attacks from extremist groups, such as Daesh-Sinai⁴⁴.

4.4.4 Key operational considerations and challenges: summary

EU producers planning to export their products to Egypt should be mindful of several challenges that might occur during the process. First and foremost, the regulatory environment tends to be rather opaque and procedures lengthy, which may considerably hamper the market entry process. Secondly, as outlined in section 4.4.2.1, retail market in Egypt primarily relies on traditional wet markets, which in general are characterized by strong consumer loyalty and a multi-layered supply chain. In effect, entrance to such a market is highly dependent on close ties with intermediaries. Last but not least, considering operational considerations, one must not forget about possible changes in law, given current political and status of the government and, in the specific area of food safety, the recent creation of the NFSA. Notably, exporters are advised to monitor the economic situation before shipping, to avoid incurring extra costs due to currency fluctuations and manage supply accordingly.

4.4.5 Other relevant information

4.4.5.1 Methods of payment in Egypt

The Egyptian Pound (EGP; symbol LE) is Egypt's official currency, which may only be issued by the Central Bank of Egypt (CBE). In Egypt, cash transactions are still dominant, with electronic payments accounting for a very small percentage of all transactions. Euros are widely accepted, although change

⁴⁴ Euromonitor International: Business Dynamics, 2018

may be often given in EGPs. Credit cards such as Mastercard, Visa, American Express and Diners Club are widely accepted in the capital and larger cities.

It is worth noting that some currency control measures are applied by the CBE, as outlined below:

- Payments for importations of a value of at least USD 5 000 (nearly EUR 4 400) must be made via letter of credit or cash against documents, rather than through direct money transfers.
- Import documents for payments to be made by documentary collection are to be sent directly from the exporter's bank to the bank of the Egyptian importer.
- Payments made by letter of credit are to be guaranteed by the importer's deposit of 100% of the sum. However, imports of staple foods, powdered milk and infant formulas are exempt from this requirement⁴⁵⁴⁶.

4.4.5.2 Travel from the EU to Egypt

Travel from the EU to Egypt requires a valid passport (for at least six months) and a VISA (see box below).

Nonetheless, if you are traveling to Sharm El Sheikh, Dahab, Nuweiba or Taba for **up to 15 days**, you can request a **free entry permission stamp** upon arrival.

The visa application form can be found at the link below:

<https://www.mfa.gov.eg/English/ConsularServices/Pages/VisaApplication.aspx>

The application form for an electronic visa (e-visa) can be found at the link below:

<https://visa2egypt.gov.eg/eVisa/Home?VISTK=REGL-SP84-ASH5-KJFE-BUFX-5YQ9-BY79-G9TH-S0WH-KM27-BY61-W2IW-9S56-7J3K-78L8-58IX> (e-visa)

⁴⁵ Money and duty free for Egypt, <https://www.worldtravelguide.net/guides/africa/egypt/money-duty-free/>

⁴⁶ European Commission: Overview of Import Procedures – Egypt, <http://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscod=&countryid=EG#h8>

5 Market Snapshots for Selected Products

This section provides specific information for various food and beverage categories and products. This information covers three main categories:

- **Consumption:** data on the evolution of consumption; consumer profiles and any notable consumer trends;
- **Offer:** domestic production; imports and exports; the competitive landscape; relevant specific customs procedures / import considerations;
- **Distribution:** main distribution channels used; domestic and imported offer;

Furthermore, each category contains a SWOT analysis and a key takeaways message.

Dairy	Fresh fruit and vegetables	Fresh meat
Chocolate and confectionary	Baked goods	Processed cereals
Processed fruit and vegetables	Spirits	Pasta
Olive oil	Beer	Live plants
Processed meat	Honey	Wine

5.1 Dairy

5.1.1 SWOT analysis



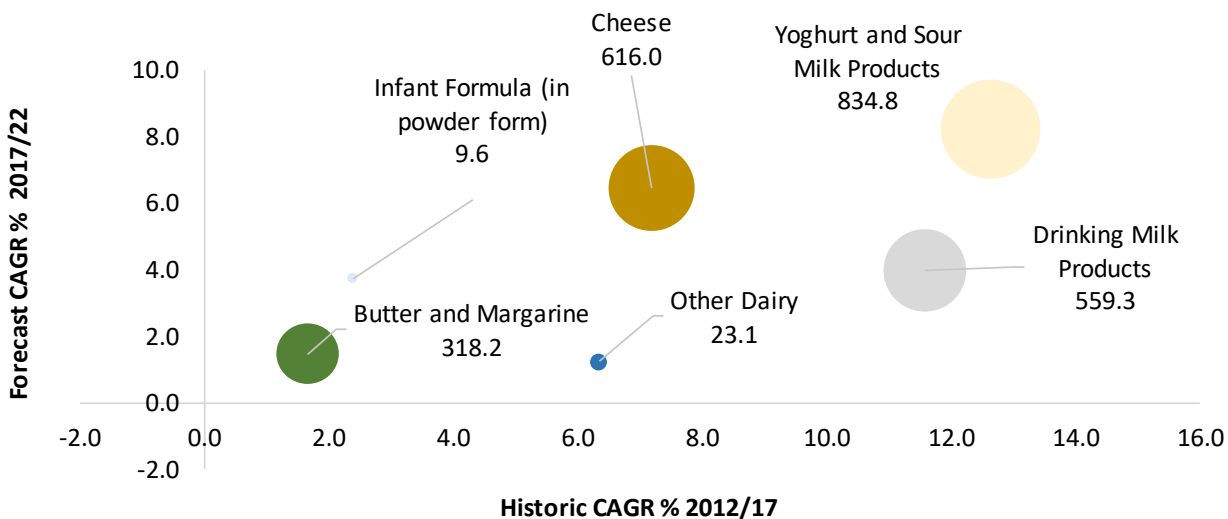
5.1.2 Consumption

5.1.2.1 Evolution of consumption

As presented in Figure 5-1, the market for dairy in Egypt has been on rise. All segments within the market have been noting an upward trend. Interestingly enough, the markets for the largest categories are fairly similar in size. The biggest category, yoghurts and sour milk products noted the highest growth of 13.3% per year in years 2012-2017 and is expected to rise further, however at slightly lower pace (8.4% per year).

The market size of cheese, the second biggest category, has been recording stable growth of 7.4% per year and is predicted to keep an upward trend over the forecast period. Drinking milk products noted significant rise between 2012 and 2017 (12.3% per year) and its market size is expected to grow further, however at much lower pace (4% per year). Butter and margarine's market size has been on continuous, yet moderate growth.

Figure 5-1: Evolution and forecast of dairy market (000 tonnes) in Egypt, retail total volume 2012-2022



Source: Euromonitor International: Packaged Food, 2018

5.1.2.2 Consumer profile and purchase criteria

Consumers



Egyptians have been familiar with dairy products for centuries. Nowadays, various dairy products often constitute staples in common dietary habits. Consumers in Egypt perceive dairy products as a valid source of health benefits, however rising prices have significantly impacted national palate, leading to changes in preferences. In the view of various types of products, it is useful to differentiate consumer groups in relation to a way of consuming dairy:

- **Yoghurts and sour milk products:** consumers in Egypt perceive yoghurts as a staple dessert. Due to increasing demand, especially during Ramadan and *Eid Al Fitr*, there is abundance of flavours available on the market. Strawberry yoghurts constitute the main choice of Egyptians, followed by other berries flavours. It should be mentioned that Egyptians appreciate certain texture, taste and composition of yoghurts, which can be obtained by mixture of selected food additives⁴⁷⁴⁸.
- **Cheese:** historically, cheese products have been known for centuries⁴⁹. In terms of preference, most Egyptians are familiar both with soft and hard types of cheeses. However, while fresh soft

⁴⁷ <http://www.awa-foodadd.net/Applications/3/Dairy.html>

⁴⁸ Euromonitor International: Packaged Food, 2018

⁴⁹ Cheese discovered in ancient Egyptian tomb may be world's oldest, researchers say;
<https://www.independent.co.uk/news/world/old-cheese-egypt-tomb-ancient-history-curse-ptahmes-memphis-a8496396.html>

cheeses are very often produced domestically, hard cheeses are usually imported from other countries. White soft cheese, e.g. *Domiat* constitutes a staple for Egyptian traditional breakfast, also including other spreadable forms. Usually shipped from EU Member States, parmesan, mozzarella, cheddar, edam and gouda cheeses established a solid consumer base in Egypt and have been popular as well as domestic Ras hard cheese.

- Milk: Consumers prefer domestically produced loose liquid milk sold at retail stores and by street vendors over packaged milk as the latter is perceived to be produced using powder milk, making it less attractive. The per capita consumption of liquid milk is at 5.6 litres while production stands at about 5 million tonnes, further substantiating the non-dependence on imports.
- Drinking milk products: Despite solid popularity of fresh unflavoured drinking milk products, other alternatives are available and include different flavours, lactose-free products as well as abundance of fresh and shelf stable products.
- Butter and margarine: the popularity of butter and margarine products has been re-shaped simultaneously with the rise of prices with more consumers shifting towards more affordable margarines. In general, the peak sales season for butter and other spreads is period around Ramadan⁵⁰. Butter and margarine are mostly seen as spread, however margarine has started to be used as cooking fat more frequently in recent years.
- Other dairy: this group of products include whipped cream, condensed milk, coffee whiteners as well as other dairy desserts. The majority of these products are widely used in cooking, especially sweets and/or desserts, however the category has continued to struggle due to rising prices.



Infant formula in Egypt is widely spread and consumption has been on a continuous rise due to the growing population and limited domestic production. In the view of subsidized baby formula shortages few years back, the government undertook steps to supply the market with affordable products⁵¹.

Drivers and method of consumption

Consumption of dairy products is mainly driven by Egyptian dietary habits, in which milk, yoghurts and cheese often constitute a daily staple. Moreover, consumers believe that dairy products bring healthy benefits and are valid source of vitamins and nutrition elements. Lastly, as mentioned previously, growing price-consciousness among Egyptians has indubitably impacted dairy consumption.

⁵⁰ Euromonitor International: Packaged Food, 2018

⁵¹ No increase in baby formula prices, gov't pumps large quantities: Min.; <http://www.egypttoday.com/Article/3/42057/No-increase-in-baby-formula-prices-gov%E2%80%99t-pumps-large-quantities>

Considering method of consumption, generally speaking, consumers in Egypt base this on drinking milk products, cheese and yoghurts. Milk products are mostly perceived as drinking beverage and yoghurts constitute very popular dairy dessert. In case of cheese, Egyptians consume it in many forms: spreadable, snacks as well as ingredient of several dishes or sandwiches.

Interestingly, occasions affect the demand of dairy products greatly. For instance, during Ramadan, white cheese, spreadable cheese and yoghurt see increasing demand.

Purchase criteria

The main factor determining purchase criteria is price. In view of the economic situation, most of Egyptians look for affordable alternatives, as some products became out of reach. The only exception tend to be high-income consumers, who seek nutritious and healthy food and trust more expensive imported products more than the affordable domestic ones.

Price-sensitive consumers usually purchase unpackaged cheese which is cheaper because it is unbranded. Interestingly, dairy retailers usually have their own farms producing cheese, yoghurts and milk at a lower price. Nonetheless, regarding dairy products purchase-making decision, also taste and application play an important role. Notably, Egyptian consumers prefer cheeses with a salty taste, such as Roomy, Karish, Barrels or Baramely cheeses. Similarly, packaged milk is popular among children, as most do not like the taste of the loose milk and prefer packaged flavoured items. Furthermore, the purpose of using cheese also dictates the purchase. For instance, mozzarella cheese is used in the preparation of dinner dishes such as pizza and pasta, while cream cheese is used to prepare desserts such as cheesecake. The growth in the number of TV programmes about cooking has led to more education about the usage of cheese.

Moreover, consumers do not shop in bulk, which used to be a trend, however many producers have introduced *Multipacks*, trying to encourage Egyptians to revert to the previous shopping habits. Furthermore, other purchase criteria are combined with flavour, texture and composition of products, especially in case of yoghurts.

5.1.2.3 Recent market trends

Most of latest market trends have been influenced by rising prices, with 20% price hikes in some cases, which effectively impacted consumers' dietary choices and purchasing choices. As imports become more expensive and domestic variants of dairy products become more commonly accepted, the former will likely decline, unless it is a part of the regular diet, such as drinking milk.

The main trend observed in the last years, relies on seeking for affordable alternatives and brands, often domestically produced, which has developed certain level of consumer loyalty towards Egyptian brands. Despite the economic instability, retail value sales of drinking milk products increased by 29% in 2017, as these products are considered a necessity good for all Egyptians at different income levels.

On the other hand, as packaged cheese saw a price increase of more than 70%, consumers shifted to the more affordable unpackaged cheeses. Subsequently, both fresh soft cheeses as well as hard types have maintained their status of high popularity with soft spreadable ones often being a staple for an average Egyptian. Yoghurts followed the opposite trend, with packaged variants growing at a faster rate, as they are considered healthier alternatives.



Regarding preferences, consumers in Egypt have appreciated vast array of flavours available, where strawberry flavour has been by far the most popular one, regardless to brand. Margarine has been used as cooking fat more frequently and the market for drinking milk products has expanded with emergence of flavoured and lactose-free products.

5.1.3 Offer

5.1.3.1 Domestic production

Egyptian production in dairy sector is driven by the vast production of cheese, which supplies both domestic market and exports. Cheese production notably comprises soft cheese production, and to lesser extent processed and hard cheese. Indeed, while the raw milk production has been on rise, over half of production is used for cheese making⁵². Although the dairy sector in Egypt has been developing and modernizing its operation schemes, it is still struggling with average logistics and cooperative systems and low use of automation.

The biggest producers on the market include Dina Farms, the country's leading producer of milk, Juhayna, a major processing company as well as Labanita, in the pasteurized milk sector, and Panda – leading in cheese production⁵³.

Given recent shortages and reliance on imported products, in the sector of infant milk formula, the Egyptian authorities undertook steps to secure self-sufficiency of the product throughout the country by boosting domestic production in several governorates⁵⁴.

5.1.3.2 Imports and exports

Incomplete data: 2016 figures – 0401, 0402

Due to incomplete data on 2016 figures in case of 0401 and 0402, the analysis does not cover 2016

⁵² Development stages in the Domestic Egyptian Dairy Industry;

<https://www.slideshare.net/MPOCEgypt/development-stages-in-the-domestic-egyptian-dairy-industry>

⁵³ Dairy sector in Egypt;

<https://www.agroberichtenbuitenland.nl/binaries/agroberichtenbuitenland/documenten/rapporten/2018/05/06/dairy-sector-in-egypt/Dairy+Sector+in+Egypt+.pdf>

⁵⁴ Egypt will be self-sufficient in infant milk by next year: Minister; <https://www.egyptindependent.com/egypt-will-self-sufficient-infant-milk-next-year-minister/>

volumes in case of mentioned CN codes.

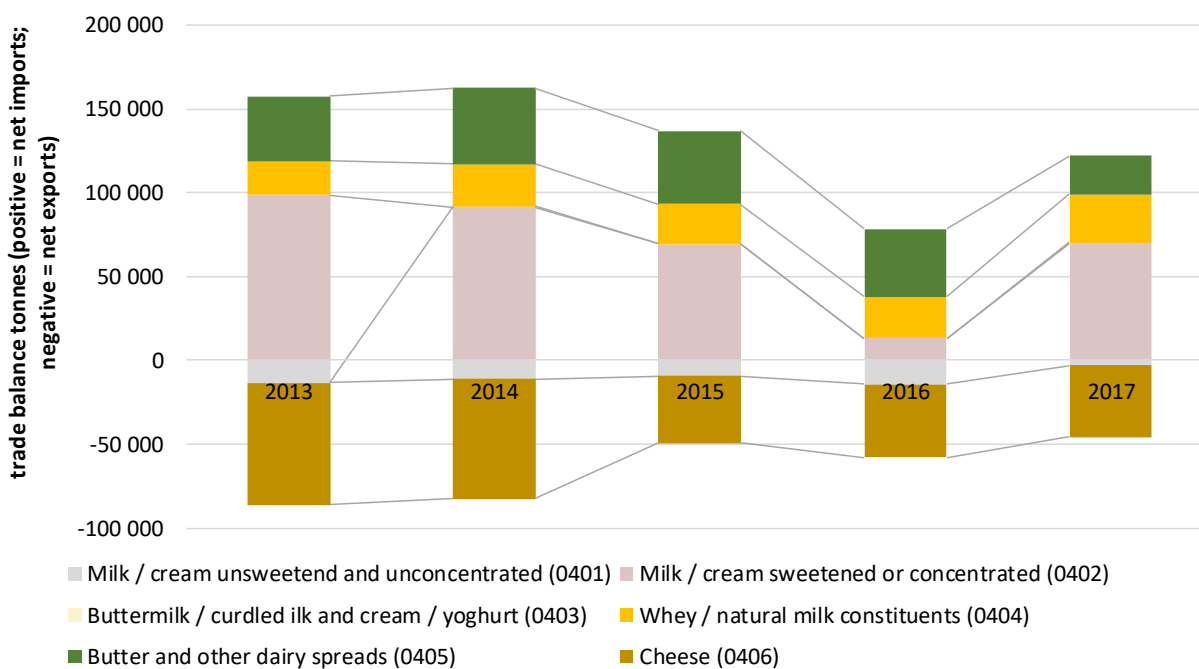
As presented in Figure 5-2, Egypt imports large volumes of milk, followed by butter and whey, while being net exporter of cheese. That said, cheese exports have been fluctuating and ultimately dropped in 2017. In general, imports of dairy products have declined when analysing the years 2013-2017. Whey has been only category maintaining its levels throughout this period, whereas sweetened milk and butter imports have been on downward trend.

Imports of dairy products include many European countries as sources, including The Netherlands, France, Poland and Germany among others (Figure 5-3). In case of unsweetened milk, Egypt imports the largest quantities from the Netherlands. Imports have been involving several countries, with significant drops of French cheese imports and increases in imports of Polish milk. Sweetened milk and cream imports, on the other hand, have been much more significant as well as diverse and have included several partners, including New Zealand, Canada and EU countries, i.e. Germany and France among others.

Egypt has had rather diversified imports in case of whey, including New Zealand, Turkey, USA and France. Whereas New Zealand's shares have been on gradual rise, other countries have oscillated around the same volumes. Butter, on the other hand, has been imported notably from New Zealand, which has remained its dominant position. Moreover, imports of butter from EU countries increased considerably in 2015.

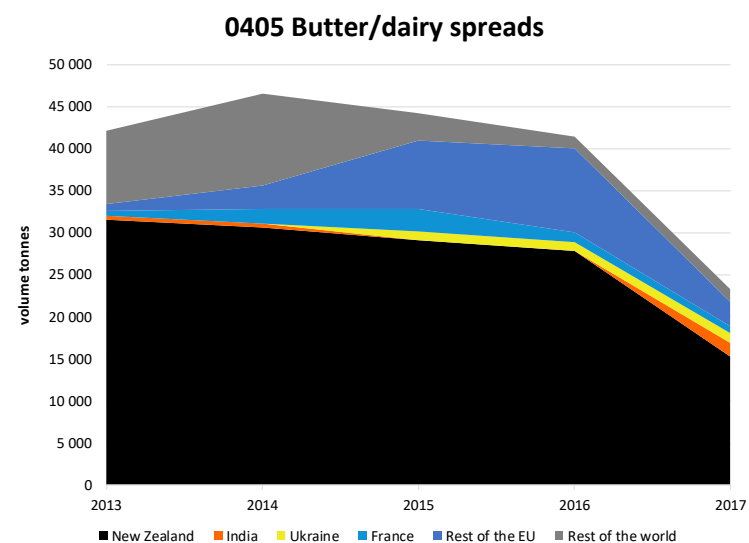
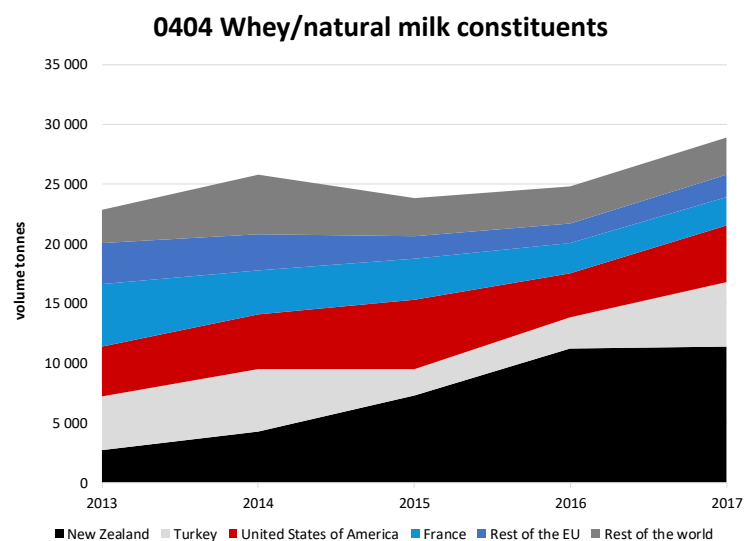
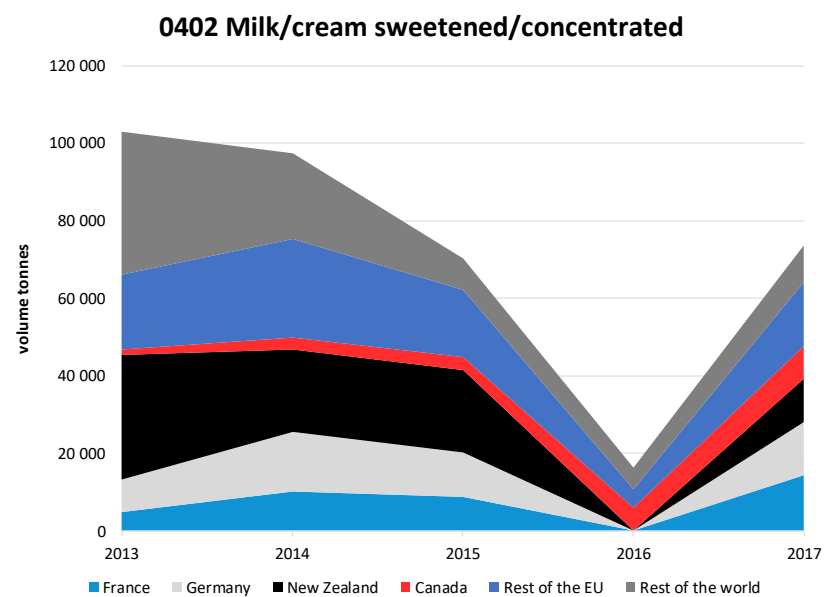
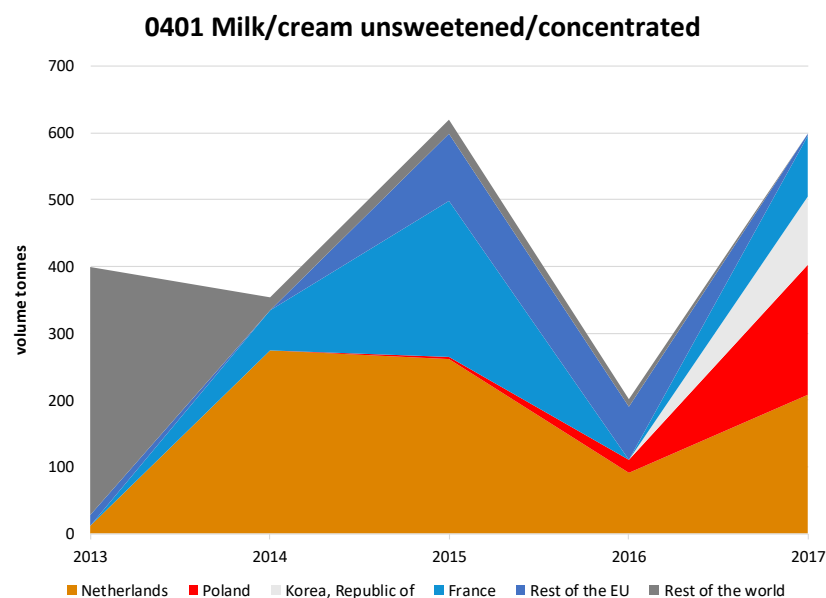
Imports of cheese reached their peak in 2014, amounting for almost 45 000 tonnes. Nonetheless, volumes of cheese shipped to Egypt have significantly declined due to the initiatives led by the Egyptian government to increase consumption of domestic products, in addition to the price increases. Main partners in cheese are The Netherlands and New Zealand, followed by Poland and other EU countries, i.e. Ireland, UK and Denmark. All countries have kept their shares in recent years, with slight increase of Dutch imports. Cheddar, Rumi cheese (Turkish), Falamank (Edam Cheese) and Roquefort cheese rank among the most imported cheeses. Furthermore, some varieties of cheeses from Netherlands, Denmark, France and Italy are growing popular due to the inability to produce them locally.

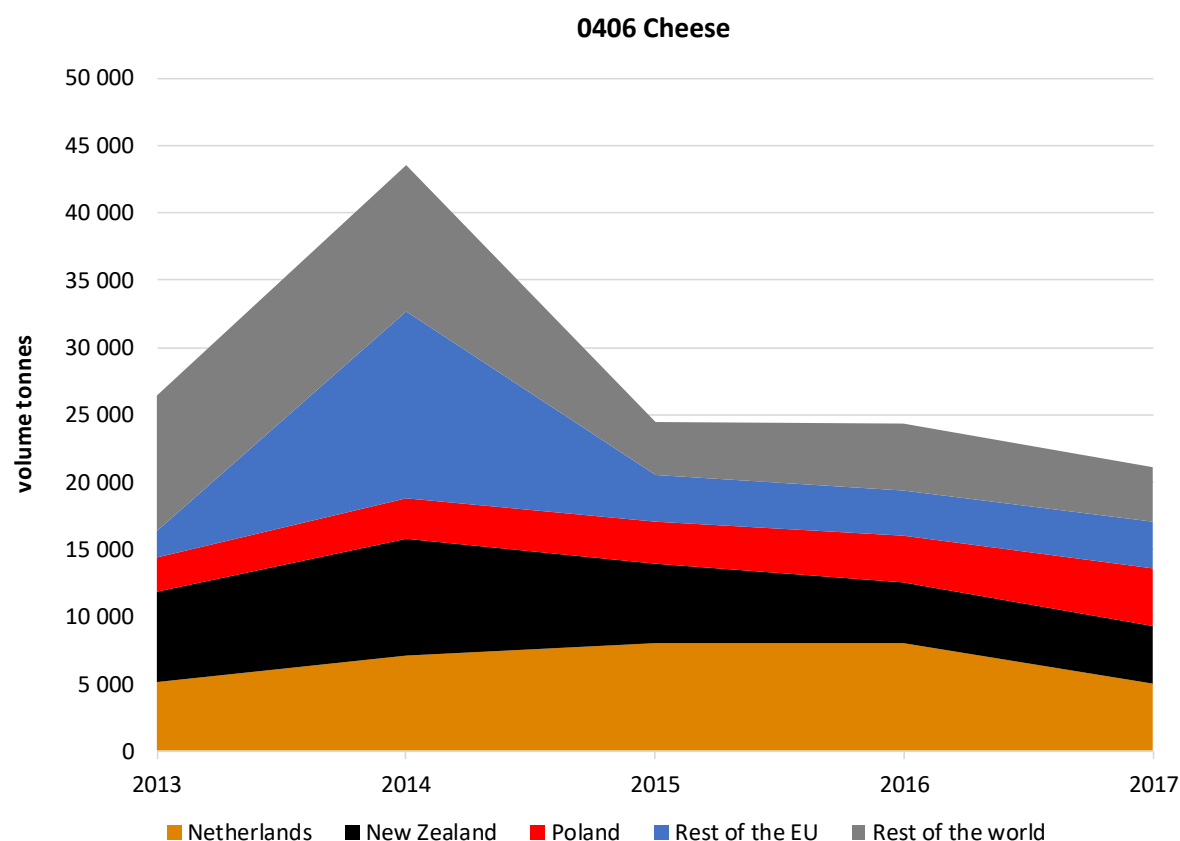
Figure 5-2: Trade balance (imports and exports) of dairy in Egypt, 2013-17; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> CN codes in brackets

Figure 5-3: Egyptian imports of different dairy categories by country, 2013-17; tonnes





Source: Trade Map, International Trade Centre - <https://www.trademap.org/> CN codes in brackets

Note: Due to incomplete data on 2016 figures in case of 0401 and 0402, the analysis does not cover 2016 volumes.

5.1.3.3 EU GI products

As indicated in section 4.2.4, Egypt is part to the Trade-Related aspects of Intellectual Property Rights (TRIPs) Agreement, which sets down minimum standards for the protection of geographical indications (GIs), amongst others. Despite the existence of a national legislative framework for the protection of GIs, no EU dairy GI product has been registered as such in Egypt.

5.1.3.4 Main competitors

As outlined in section 5.1.3.1, domestic production is driven by cheese production, thus the market of cheese, especially soft, is dominated by Egyptian producers. Despite the solid consumer base established by European producers in the sector of hard cheese, recent price rises led to emergence of domestic and more affordable products. Major Egyptian producers include Juhayna and Panda, Halayeb as well as Dina Farms in the raw milk production sector. Furthermore, the main competitor is New Zealand, dominating the butter market as well as present in cheese, sweetened milk and whey sectors.

5.1.4 Specific market entry requirements

Market Access and Entry

As reported in section 4.2.1, prior export, European producers of certain dairy products must complete a registration with the General Organisation for Export and Import Control (GOEIC), in accordance with the requirements set out in Ministerial Decrees 991/2015 and 43/2016.

European exporters of dairy products do not face any tariff-barrier when entering the Egyptian market. Indeed, under the EU-Egypt Association Agreement, European producers of most dairy products have a duty-free access to the Egyptian market. Nonetheless, fresh cheese (HS code 0406.10) in packaging holding less than 20 kg are subject to a 10% rate, or a 5% duty within a tariff quota of 1 000 tons.

Detailed information on import duties and Rules of Origin can be consulted on the European

Commission website:

http://madb.europa.eu/madb/datasetPreviewFormIFpubli.htm?datacat_id=IF&from=publi&hscod=&countryid=EG

Customs procedures

A list of standard documents required for import of dairy products to Egypt is presented in Table 4-1, in section 4.2.1. Furthermore, for some commodities it may be requested to present additional documents, as outlined in Table 4-2.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:

<http://madb.europa.eu/madb/datasetPreviewFormIFpubli.htm?countries=EG&hscod=>

SPS measures

All Sanitary and Phytosanitary measures concerning the import of dairy products to Egypt are in line with international standards.

Labelling

Dairy products must comply with the labelling rules outlined in 4.2.3.

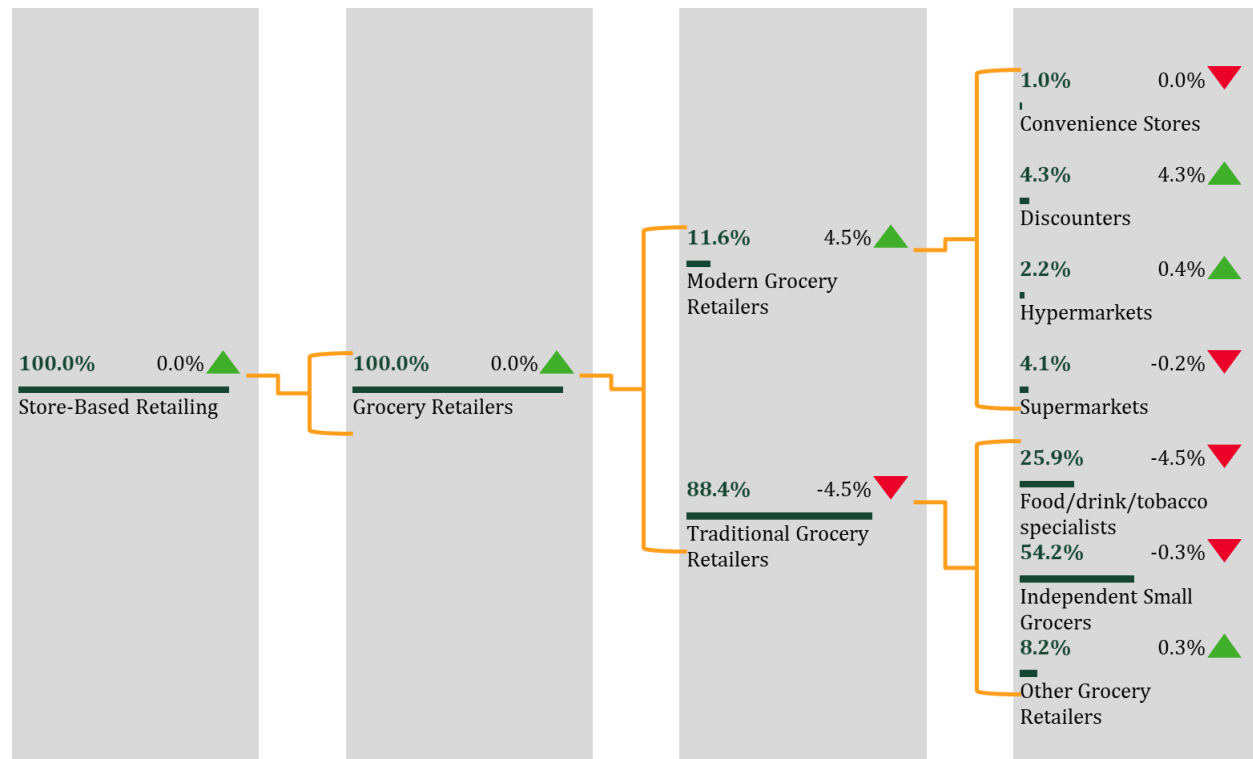
5.1.5 Distribution

As depicted in Figure 5-4, vast majority of dairy products are distributed through traditional grocery retailers (88.4%); from which independent small grocers constitute the largest part (54.2%), followed by food specialists (25.9%). Egyptians purchase dairy products through modern grocery retailers far less frequent (11.6%), notably through discounters and supermarkets, followed by hypermarkets. In 2017, food specialist distribution channel shares considerably dropped (4.5%), whereas discounters' rose by 4.3%.

In case of infant formula, products are distributed almost exclusively through store-based retailers (99.7%), including both grocery (60.5%) and non-grocery retailers (39.2%). Considering the first group,

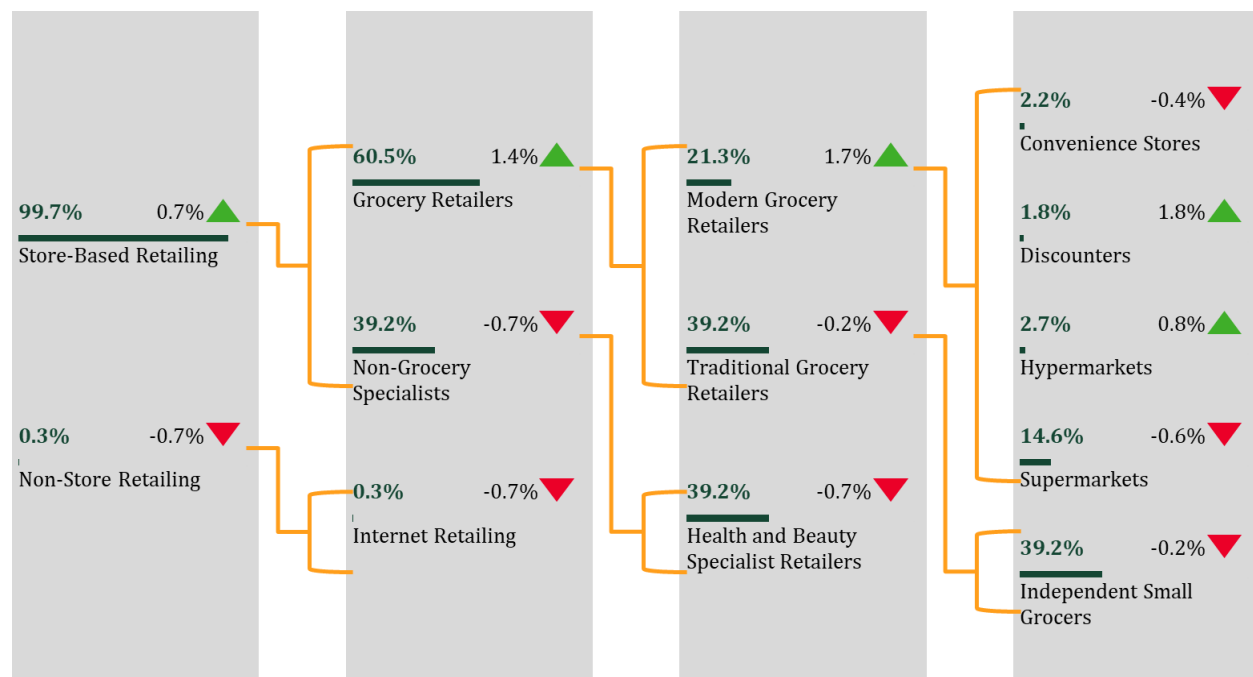
Egyptians tend to purchase infant formula products through traditional grocery retailers (39.2%) as well as modern stores (21.3%), particularly supermarkets (14.6%). On the other hand, large group of consumers do their infant formula purchases through non-grocery retailers, i.e. health and beauty specialists (39.2%).

Figure 5-4: Distribution channel overview of dairy in Egypt (2017); all dairy products; retail value



Source: Euromonitor International: Packaged Food, 2018

Figure 5-5: Distribution channel overview of baby food (including infant formula products) in Egypt (2017); retail value



Source: Euromonitor International: Packaged Food, 2018

5.1.6 Challenges for EU products

The main challenge for EU dairy producers is low purchasing power among Egyptian consumers as well as rising prices. As a result, consumers tend to seek for more affordable products, often domestically produced. Secondly, EU producers should take into account that Egyptian market is, in some segments, dominated by domestic producers, e.g. soft cheese market. Lastly, it should be mentioned that due to the stringent import procedure for some products, the process of gaining access might be lengthy.

Market Takeaway: Dairy

Consumption: Consumption of dairy products has been on rise across all categories and is projected to remain on upward trend; yoghurts and cheese consumption expected to note the highest growth.

Competition: Strong presence of domestic producers in the cheese sector; New Zealand as main competitor, especially in butter and cheese sectors.

Distribution: Dairy products mostly distributed through traditional grocery retailers, i.e. independent small grocers and food specialists. Supermarkets and hypermarkets account for only 6.5% of distribution shares, in terms of retail value (2017).

Challenges: The main challenge relating to rising prices, impacting consumers approach focused on affordability. Moreover, dominant position of domestic producers in some segments (e.g. soft cheese).

Opportunities: Growing demand for dairy products with simultaneous economic growth affecting purchasing power levels.

5.2 Fresh fruit and vegetables

5.2.1 SWOT analysis



5.2.2 Consumption

5.2.2.1 Evolution of consumption

Driven by a heavy domestic production, fresh fruit and vegetables are among the most popular amongst product categories in Egypt. Fruit and vegetables are indeed staple foods, present in most traditional dishes.

As outlined in Figure 5-6, in 2017 consumers purchased over 8.8 million tonnes of fresh fruit. Oranges, Tangerines and Mandarins, which accounted for 37% (or 3.3 million tonnes) of total consumption by volume, were the most popular segment. Grapes (1.8 million tonnes), bananas (1.2 million tonnes), and apples (1 million tonne) followed. The remaining segments accounted for 17% of total consumption by volume (i.e. over 1.5 million tonnes), with pears/quinces (273 500 tonnes), lemon and limes (251 500), and peaches/nectarines (147 500 tonnes) taking the lead. Strawberries, cherries, plums/sloes, and pineapples were the least popular segments, overall accounting for less than 2% of the total consumption in the category.

Growth rates widely varied between different categories, with pears/quinces and strawberries recording the most extraordinary historical yearly growth, by 17.8 and 15.3% respectively. However, some segments recorded negative, or very slow growth rates. Among these, lemons and limes as well as bananas stood out, respectively recording a -0.7% and 1.2% yearly growth.

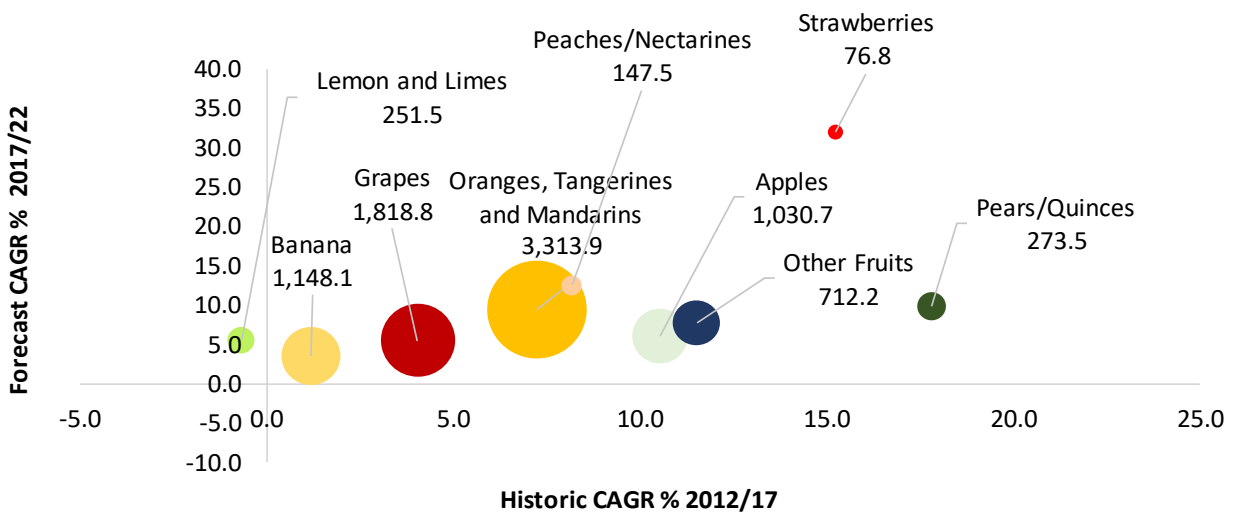
Per capita consumption of fresh fruit was also rather high compared to other product categories, amounting to 96 kg in 2017, a trend that is expected to further increase over the next years.

Consumption of fresh vegetables is significantly higher, amounting to over 15.4 million tonnes in 2017 (Figure 5-7). With nearly 4.7 million tonnes sold in 2017 (or 30% of total consumption by volume), tomatoes were the most popular vegetables commodities purchased by Egyptians, followed by maize (2.1 million tonnes), onions (522 200 tonnes), as well as cauliflowers and broccoli (131 300 tonnes). The “other vegetables” segment – including potatoes, green salad, eggplant, beet and other vegetables commonly available in Egypt – accounted for half of the total sales in the category.

Growth in the fresh vegetables category slightly varied between segments. In 2017, the “other vegetables” segment recorded the highest yearly growth rate (7%), followed by cauliflowers and broccoli (6.2%), maize (6%), tomatoes (5.6%), and onions (2.2%).

Given the importance of these staple foods in the Egyptian diet, per capita consumption of fresh vegetables amounted to 167 kg in 2017, which is can be considered rather high. Driven by a growing domestic production, per capita consumption is expected to further rise in the coming years, up to 223 kg in 2022⁵⁵.

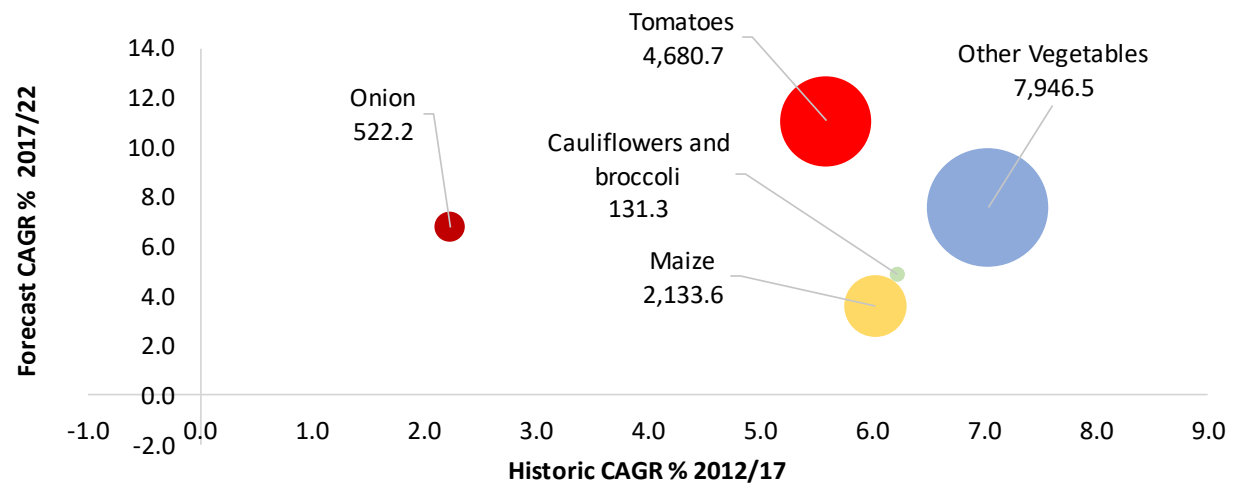
Figure 5-6: Evolution and forecast of fresh fruits market (000 tonnes) in Egypt, total volume 2012-2022



Source: Euromonitor International: Fresh Food, 2018

⁵⁵ Euromonitor International: Fresh Food, 2018

Figure 5-7: Evolution and forecast of vegetables market (000 tonnes) in Egypt, total volume 2012-2022



Source: Euromonitor International: Fresh Food, 2018

5.2.2.2 Consumer profile and purchase criteria

As meat is an expensive good for most consumers in Egypt, the population's diet is quasi-vegetarian. Fresh fruit and vegetables, along with pulses, bread, and cheese are hence considered the pillars of the traditional Egyptian cuisine.

Consumers

Fruit and vegetables are heavily consumed by the majority of the Egyptian population, especially the ones living in rural areas, where fresh products are available in abundance. This trend is however on the rise across the country as a whole, due to the adoption of healthier lifestyles by a large share of the population. Notably, mostly driven by health concerns, consumers in Cairo and Alexandria have started to use more vegetables in their dishes, especially salad as a starter. A growing going-out culture has contributed to a further rise in the consumption of vegetables, as restaurants tend to serve them alongside the main course.

In Egypt, households represent more than 50% of fruits and vegetables consumption, due to their cooking requirement. Furthermore, consumption varies on the basis of the age, as set out below:

- **Age group 18-25:** Although this group prefers fast food, increasing health consciousness is leading to higher consumption of fruit and vegetables in their daily diet. Additionally, this is the segment that is usually involved in sports activities, making inclusion of fresh fruit and vegetables highly important in their diet.
- **Age group 25-40:** Unlike teenagers who grab fast food, consumers become more aware of their health at this age and alter food choices accordingly, resulting in increased consumption of fruits



and vegetables. Additionally, this group is influenced by friends and family who offer advice on ideal diets.

- **Age group 40+:** Lifestyle disorders such as fatigue and diabetes are common among older people leading to stricter diet plans that include more vegetables which are necessary to maintain their health.

In Egypt a multitude of fresh fruits are available year-round. While bananas, dates and citrus fruits appear in winter, in summer melon, watermelon, peach, plum and grapes can be found⁵⁶. Regarding vegetables, tomatoes, cucumbers, garlic and onions are available year-round and form the basis for cooking and salads. Other popular vegetables are peppers, cauliflowers, potatoes and sweet potatoes, and sweet corn⁵⁷.

Drivers and method of consumption

Egyptian meals typically centre around stews and vegetables. Vegetables are indeed found in most Egyptian traditional dishes, usually in combination with pulses, rice, and pasta. Tourist localities usually have eastern cuisines which serve Egyptian food made mainly from leafy greens. For instance, dishes such as *okra* and *mulukhiyah* attract tourists, making consumption of vegetables in these areas higher compared to other regions.

Some kind of fruits (notably nuts and strawberries) are commonly used to top and decorate popular Egyptian desserts. Furthermore, fresh fruit is usually served as a dessert, both at home and at restaurants. Notably, in Egypt, fresh fruit is usually served the form of a rich fruit salad, commonly known as “*Fakhfakhina*”, which includes juice cocktails and ice cream. Fruit salad includes seasonal fruits, so consumers can get different tastes over the year.



On top of that, nuts are popular snack foods in Egypt, and vendors can be found selling them nearly anywhere. The most popular are hazelnuts, almonds and pistachios⁵⁸.

Purchase criteria

As Egyptians purchasing power is relatively low, consumption is mostly driven by price. High soil fertility in the Nile valley and the delta region has led to higher agricultural activities, resulting in the cultivation of a variety of produce at lower costs. This, in turn, has encouraged residents to opt for fruits and vegetables instead of the higher priced meat products. The competitive advantage of domestically

⁵⁶ Food, Drink and the Culinary Arts of Egypt, <http://www.touregypt.net/food.htm>

⁵⁷ Summer Fruits and Vegetables of Egypt, <http://livinginegypt.org/portal/OasisMagazine/Articles/tabid/199/ID/5707/Summer-Fruits-and-Vegetables-of-Egypt.aspx#.XE7H3FxKgdU>

⁵⁸ Food, Drink and the Culinary Arts of Egypt, <http://www.touregypt.net/food.htm>

produced fresh fruit and vegetables stands indeed in the low price at which they are offered. However, the search for a variety of tastes may occasionally lead some less wealthy consumers to opt for imported products (e.g. apples, which are not largely available in Egypt), especially in the winter season. On the contrary, wealthy consumers living in urban areas accounted for the highest consumption of imported fresh fruits and vegetables, including EU ones, as they are not price sensitive. Consumers in this group are usually looking for quality produce, especially organic fruits and vegetables. Additionally, retail chains in urban areas tend to sell a wide variety of imported fruits and vegetables, making these items more accessible for the urban crowd.

5.2.2.3 Recent market trends

Fresh fruits and vegetables are gaining market share at a tremendous pace, in Egypt.

In terms of market size, Egyptian fresh fruit sales have recorded a positive annual growth in 2012-2017. With the exception of bananas, whose sales grew slowly over the period, consumption of the other popular commodities grew at a rapid rate, i.e. 4.0% (grapes), 7.2% (oranges, tangerines and mandarins), and 10.7% (apples) per year. Annual growth is projected to further grow in 2018-2022. Notably, strawberries are expected to record an extraordinary 31% growth rate, with almost all the other segments projected to record a single-digit growth over the period. Among the most purchased commodities, oranges, tangerines and mandarins are projected to record the fastest annual growth (9.5%) over the period. Grapes are projected to grow at 5.5%, while sales of bananas are expected to recover, compared to the previous years, growing at a 3.5% rate per year. On the contrary, growth of apples consumption is set to slow down, decreasing to somewhat above 6%.

Similarly, the Egyptian vegetables market is further expanding. Sales have been growing at a positive single-digit rate and are they are projected to continue to grow over the next years. Notably, sales of tomatoes, which recorded a 5.6% annual growth in 2012-2017, are set to grow faster in 2018-2022, at a 11.1% annual rate. Similarly, onions and other vegetables are projected to grow at a faster rate over the period, i.e. 6.8% and 7.6% (vis-à-vis 2.2% and 7% in the previous five years). On the contrary, sales of maize as well as cauliflowers and broccoli are set to slow down over the coming years⁵⁹.

5.2.3 Offer

5.2.3.1 Domestic production

Due to a favourable climate, and the availability of fertile areas where to cultivate (albeit limited to certain regions), Egypt is one of the largest producers of fruit and vegetables in the world. Indeed, the warm climate favours plants growth and production of several fruit and vegetables, including potatoes and tomatoes, all year round.

⁵⁹ Euromonitor International: Fresh Food, 2018



With over 196 000 hectares cultivated area, oranges, tangerines and mandarins are the most important fruits produced in Egypt. Production amounted to 4.4 million tonnes in 2016, with oranges accounting for most of it. Approximately two thirds of the domestic production of citrus serve the local market, with the surplus being exported abroad. Domestic production of citrus is growing fast, and it is estimated to reach over 8 million tonnes by 2020⁶⁰.

With a production of 1.7 million tonnes, Egypt is also a large producer of grapes, especially premium qualities. Other important fruit harvested in Egypt are bananas (1.3 million tonnes, in 2016) and apples (nearly 700 000 tonnes).

Within the vegetables' category, Egypt is a major producer of maize (i.e. around 8 million tonnes were harvested in 2016). Two kind of maize (white and yellow) are planted in the country, especially in Lower Egypt, notably in Beheira and Sharquia⁶¹. With a harvested area of nearly 199 thousand hectares, and a production of nearly 8 million tonnes, Egypt is an extensive tomatoes producer, ranking first in the African continent and fifth in the world. Finally, with a harvested area of around 185 hectares, and a production of over 5 million tonnes (2016 figure), potatoes are the third most significant vegetable produced in Egypt.



5.2.3.2 Imports and exports

As reported in section 5.2.3.1, Egypt is a substantial producer of fruit and vegetables. Subsequently, the value of exports of both fruit and vegetables largely exceeds import, as outlined in Figure 5-8 and Figure 5-9.

The value of fruit and vegetables imports has widely fluctuated over the period 2012-2017, peaking in 2015-16. Imports of fruit reached a value of over EUR 645 million in 2015, but then declined, down to EUR 296 million in 2017. On the contrary, the value of vegetables imports grew between 2014 and 2016, peaking to EUR 503 million in 2016, but then went down to EUR 403 million.

Figure 5-9 indicates that Egypt is a net importer of apples and pears/quinces, which were valued at nearly EUR 194 million, which is far higher than EUR 2 million (the value of Egyptian exports of apples

⁶⁰ Egyptian Citrus Exporting Season: Challenges and Opportunities, <http://www.agq.com.es/article-en/egyptian-citrus-exporting-season-challenges-and-opportunities>

⁶¹ An Economic Analysis for Maize Market in Egypt, <http://www.curreweb.com/mejar/mejar/2015/873-878.pdf>

and pears/quinces). Other important commodities imported into Egypt include apricots, cherries, peaches (valued at EUR 18 million), as well as strawberries and other berries (over EUR 11 million).

Regarding vegetables, Egypt mostly imports and exports potatoes, which are a staple food in the country. Nonetheless, Egypt is a net exporter of potatoes, whose value (EUR 2.4 billion, in 2017) was three times higher than that of imports (EUR 76 million).

As outlined in

Figure 5-10, fruit is supplied by several countries, with European exporters accounting for over half the imports in terms of value. In 2017, Italy, whose exports of fruit to Egypt amounted to EUR 68 million (or 23% of total imports of fruit by value), took the lead, followed by Greece (15%), Syria (13%), Lebanon (12%), and Poland (9%). Italian and Greek producers are substantial exporters of apples, in competition with Syrian enterprises, which offer apples at a more competitive price. Nonetheless, in recent years, Polish apples have taken off, owing to their more competitive price. In general, a shift from Western to Eastern European apples has been recently observed.

Other European countries accounted for a further 6% of the Egyptian imports, most of which came from France and Spain (respectively 60% and 19% of exports from the rest of the EU), Czech Republic, Croatia, and Bulgaria (15% in total).

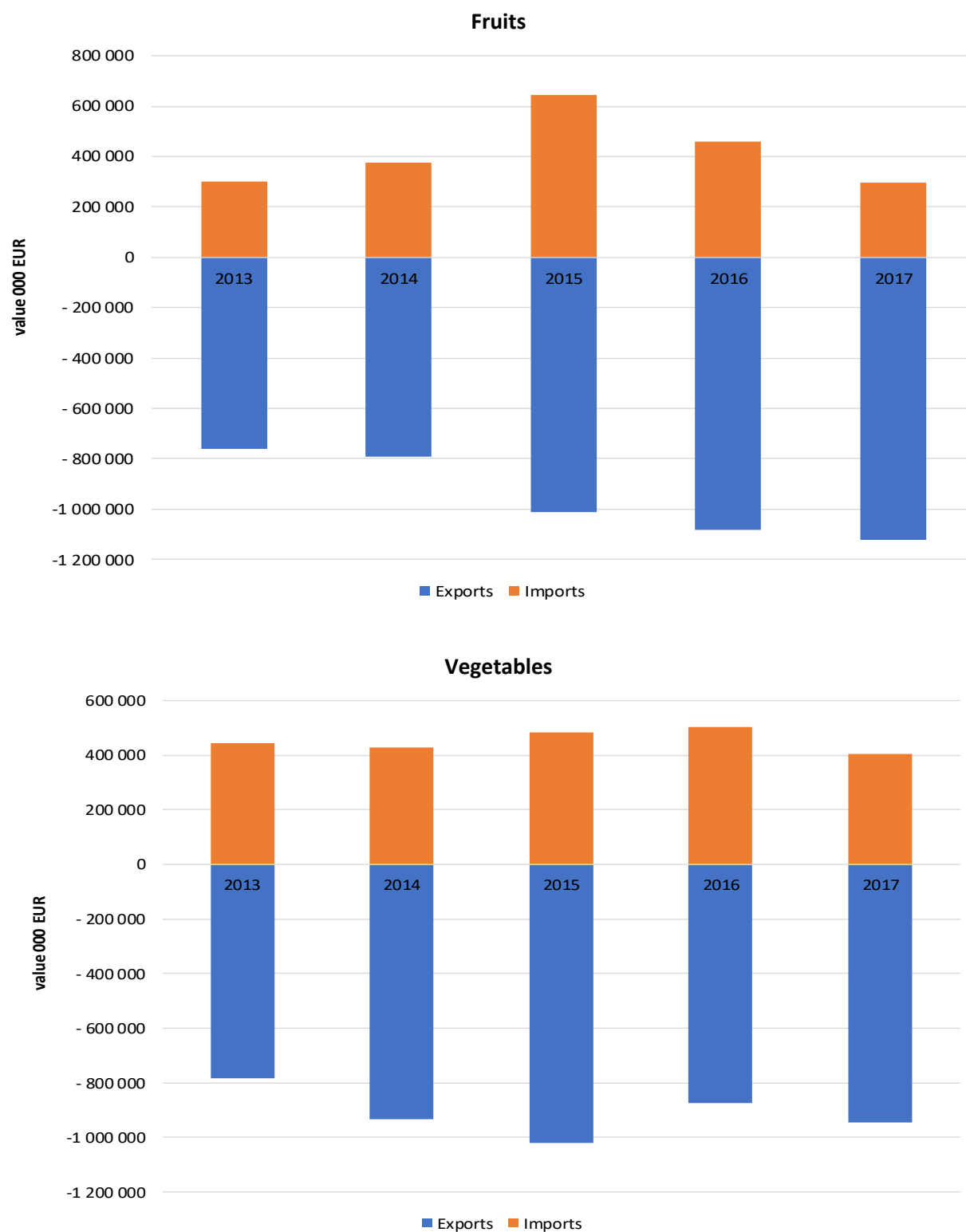
With regards to vegetables, Australia was the leading exporter to Egypt in terms of value, accounting for respectively 29% of total Egyptian imports in 2017; the United Kingdom (18%), Canada (10%), Lithuania (7%), the Netherlands (6%), Turkey (5%), and Latvia (4%) followed. Amongst these, Turkish vegetables represent a major threat for European exporters, as they are available at competitive prices.

Other European countries exported into Egypt 8% of the total imported vegetables in terms of value, which was mostly shipped from France (37% of exports from the rest of the EU)⁶².

Australia mainly exports fava beans to Egypt and since the economic conditions are reviving in the country, the demand rose steadily in 2017. Notably, 70% of Australian fava bean exports are to Egypt. Other countries that fulfil Egypt's fava beans demand are United Kingdom and France. However, Australian imports are well-accepted due to their preferred colour, size and premium quality.

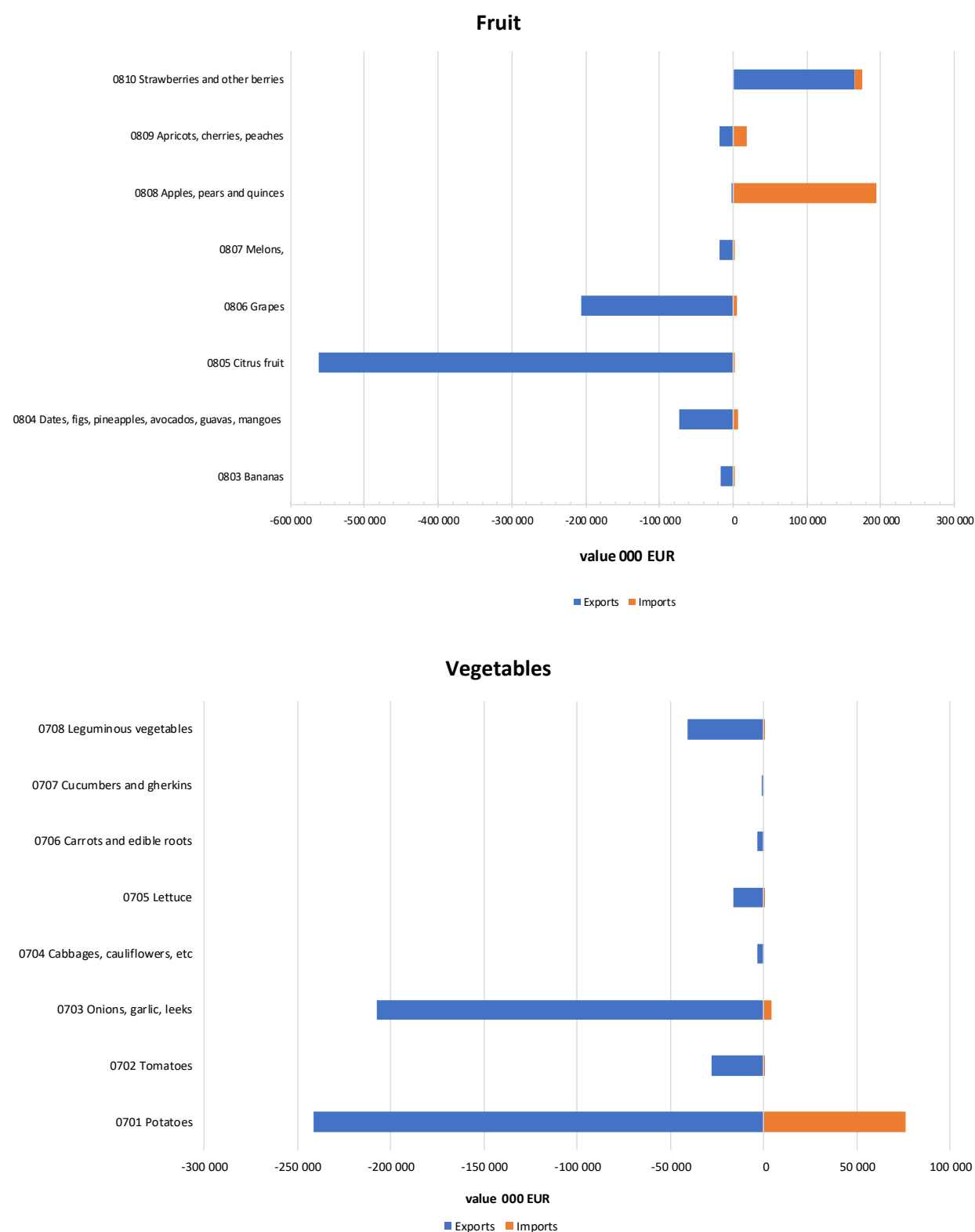
⁶² Trade Map, International Trade Centre, <https://www.trademap.org/>

Figure 5-8: Trade balance (imports and exports) of fruits and vegetables in Egypt, 2013-17; value 000 EUR



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 07 and 08

Figure 5-9: Trade balance of fruit and vegetables by type, 2017 (value 000 EUR)

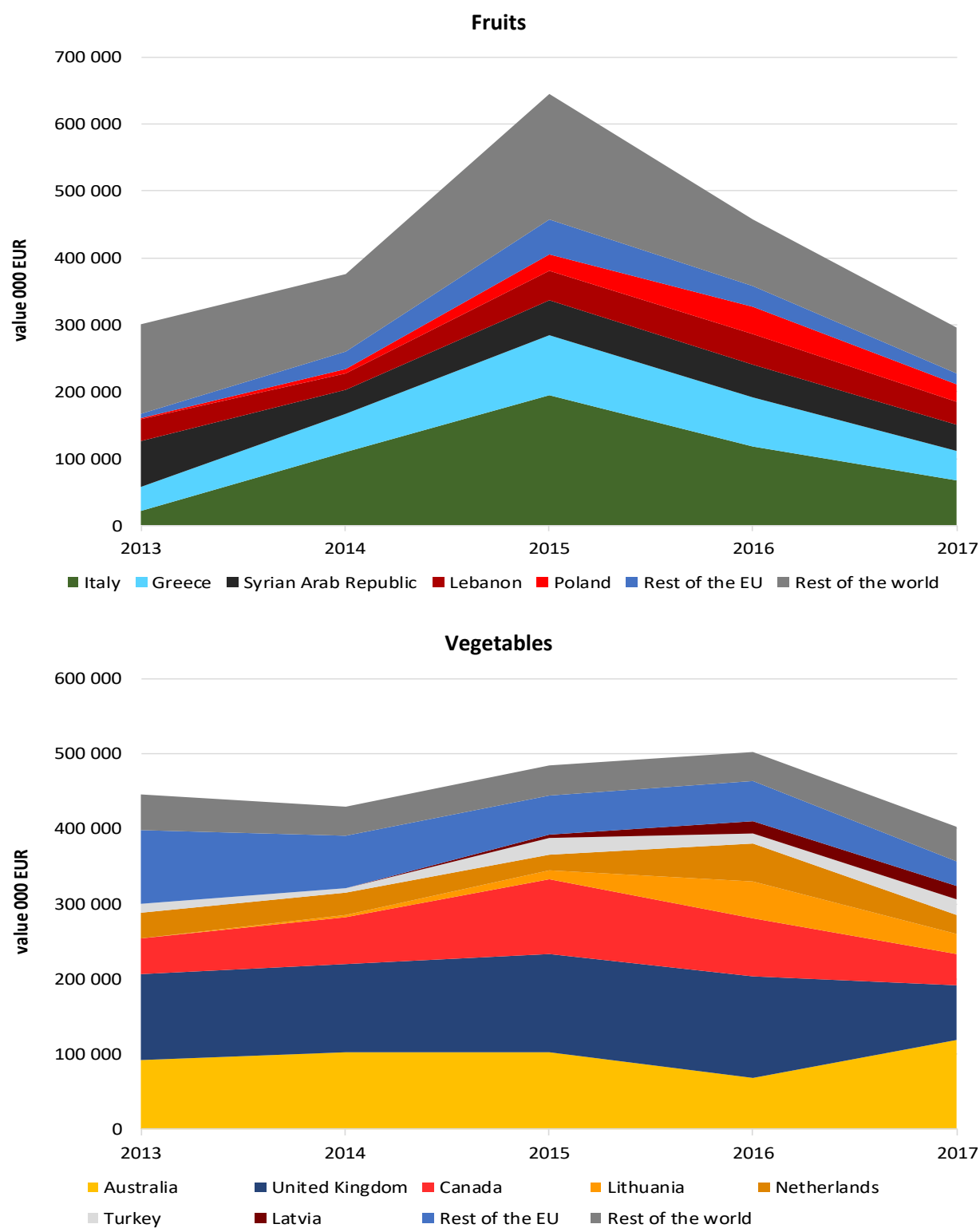


Note: Data for imports of cucumbers and gherkins (0707) were not available.

Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Note: names for CN codes abbreviated in most cases

Figure 5-10: Egyptian imports of fruits and vegetables by country, 2013-17; value 000 EUR



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 07 and 08

5.2.3.3 EU GI products

As indicated in section 4.2.4, Egypt is part to the Trade-Related aspects of Intellectual Property Rights (TRIPs) Agreement, which sets down minimum standards for the protection of geographical indications (GIs), amongst others. Despite the existence of a national legislative framework for the protection of GIs, no EU fruit/vegetable GI product has been registered as such in Egypt.

5.2.3.4 Main competitors

As illustrated in section 5.2.3.1, Egypt is a heavy producer of fruit and vegetables, which are offered at modest prices. The leading Egyptian producer of fruit and vegetables is the Modern Agriculture Company (MACO), which harvests bananas, grapes, strawberries, peaches, nectarines, plums, apricots, citrus fruits, iceberg lettuce, and peppers, among others⁶³.



Furthermore, although accounting for the largest share of exports into Egypt, European enterprises are challenged by producers from third countries. Notably, Syria and Lebanon are strong exporters of respectively citrus fruits and apples, pears and quinces, while Australian, Canadian and Turkish exporters provide European exporters with notable competition in the fresh vegetables category (see section 5.2.3.2).

5.2.4 Specific market entry requirements

Market Access and Entry

European exporters of fruit and vegetables do not face any tariff-barrier when entering the Egyptian market. Indeed, under the EU-Egypt Association Agreement, European producers of fresh fruit (HS code 08 03/04/05/06/07/08/09/10) and vegetables (HS code 07 01/02/03/04/05/06/07/08) have a duty-free access to the Egyptian market.

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:

http://madb.europa.eu/madb/datasetPreviewFormIfpubli.htm?datacat_id=IF&from=publi&hscod=&countryid=EG

Customs procedures

A list of standard documents required for import fresh fruit and vegetables into Egypt is presented in Table 4-1, in section 4.2.1. Furthermore, for some commodities it may be requested to present additional documents, as outlined in Table 4-2 in section 4.2.1.

⁶³ PICO Group website – Pico companies: MACO, <http://picocompanies.com/companies/pico-agriculture/>

Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:

<http://madb.europa.eu/madb/datasetPreviewIfpubli.htm?countries=EG&hscode=>

SPS measures

Sanitary and Phytosanitary measures concerning the import of fruit and vegetables into Egypt are in line with international standards.

Labelling

Fresh fruit and vegetables must comply with the labelling rules outlined in section 4.2.3.

5.2.5 Distribution

In major cities, consumers can buy fruits and vegetables through modern retail channels such as supermarkets, hypermarkets as well as vegetable markets and street vendors. In contrast, rural areas lack such sophisticated channels and consumers buy these products almost exclusively from wet markets. Another difference between urban and rural centres is that imported products are usually not available in rural regions due to the lack of modern retail channels, which are the channels that tend to carry such products.

5.2.6 Challenges for EU products

Although consumption of fruit and vegetables is very high – and this is a growing trend – the Egyptian population is more likely to purchase domestic products, which are offered at low prices to the final consumer. As the Egyptians' purchasing power is relatively low, Syrian, Lebanese and Turkish products, which are more affordable, represent a substantial competitor for European producers.

European exporters of fruit and vegetables do not face any tariff-barrier when entering the Egyptian market. However, non-tariff barriers (notably, the number of documents needed to ship products to Egypt), may represent an obstacle for (notable smaller and medium) enterprises.

Market Takeaway: Fresh fruit and vegetables

Consumption: Very high in both total and per-capita terms, as F&V are staple foods present in most traditional dishes. Consumption is expected to further rise, at high yearly rates.

Competition: The warm climate allows Egypt to have a rich production of F&V throughout the whole year; domestic products are offered at low prices to the final consumers. Among foreign competitors, Syria, Lebanon and Turkey pose a challenge to the European exporters, as they export similar products the EU exports offered at competitive prices.

Distribution: Street markets remain the main places where most Egyptians purchase fresh F&V.

Challenges: Shipping F&V to Egypt requires the preparation of an extensive set of documentation.

Opportunities: EU products have a duty-free access to the Egyptian market, under the EU-Egypt Association Agreement. EU F&V are considered high-quality; European apples and nectarines are very much appreciated by Egyptians.

5.3 Fresh meat

Note: all meat products in the Egypt are required to be certified as halal products. Certification should be issued by an Islamic Organization which is approved by the General Organization for Veterinary Services of Egypt (an exception applies to shops which offer products to non-Muslim consumers). An example of such certification might be consulted here:

http://madb.europa.eu/madb/viewPageIFPubli.htm?doc=cf_hall&hscod=0202&countryid=EG

The sale of halal products in Egypt is regulated by the Egyptian Organization for Standards & Quality and is permitted upon approval and granting of “Halal mark”.

The import and the selling of pork in the Egypt, while permitted, is highly regulated. Pork is considered a special product; and any product containing pork or pork products, should be clearly declared on the label upon approval from the authorities. Pork can be purchased only in specified shops dedicated for non-Muslim consumers.

5.3.1 SWOT analysis



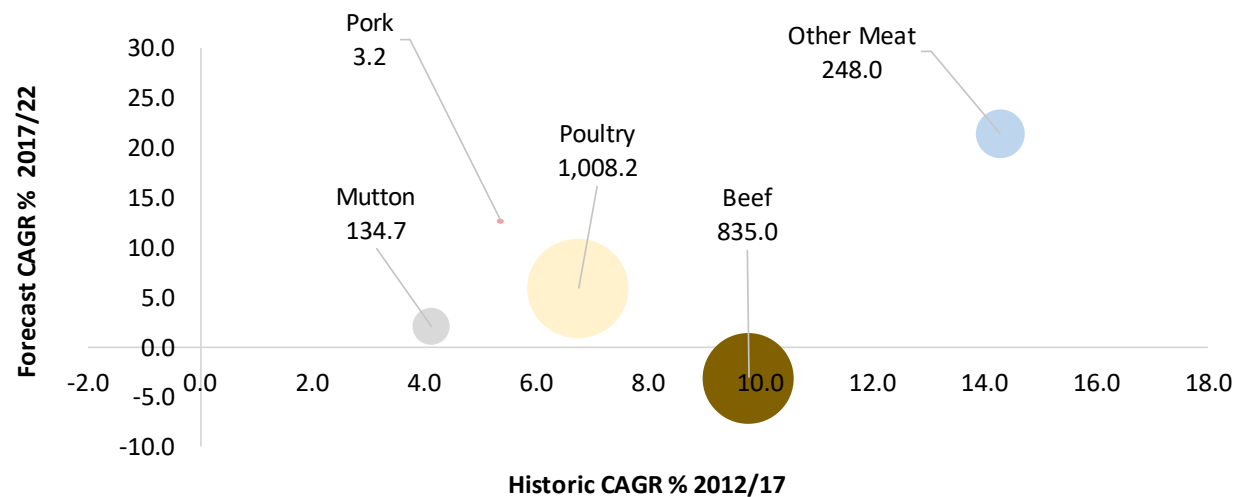
5.3.2 Consumption

5.3.2.1 Evolution of consumption

As presented in Figure 5-11, the market for fresh meat in Egypt has been on rise, however the pace of growth of individual meat segments has differed. Poultry, being the largest category, noted a growth of 6.7% per year in years 2012-2013 and is expected to remain on the upward trend (5.9% per year). Beef, on the other hand, the second biggest category, recorded growth of 9.8% per year, however its market size is projected to decline by 3.1% per year over the forecast period. Other meat, e.g. rabbit, recorded

the highest growth of 14.3% per year and is expected to grow further by 21.4% in the next years. The market of mutton has been steadily growing, whereas pork has had a marginalized size, however it is expected to grow by 12.6% per year over the forecast period.

Figure 5-11: Evolution and forecast of fresh meat market (000 tonnes) in Egypt, total volume 2012-2022



Source: Euromonitor International: Fresh Food, 2018

5.3.2.2 Consumer profile and purchase criteria

Consumers



Fresh meat tends to be popular in Egyptian cuisine, however many traditional dishes also include non meat-based compositions. However, meat constitutes the base of some traditional dishes, such as *Fattah* or more modern street food such as *Shawarma*. Consumption habits of fresh meat have been influenced both by declining purchasing power and rising prices as well as by tourist sites, offering wide spectrum of meat-based choices.

In general, poultry is by far the most popular meat among Egyptians, especially as a fresh product. Poultry is considered an important source of protein among Egyptian consumers. Most consumers who cannot afford cattle meat due to its high price rely on poultry for fresh meat. Chicken breast is the most popular chicken form among the Egyptians as it is cheap and can be used in various delicacies. Consumers pay great attention to the freshness of meat as well as perceive freshly slaughtered poultry as more nutritious, tastier and of higher quality⁶⁴. However, with an aim to combat the spread of avian

⁶⁴ Arab Republic of Egypt Broiler poultry industry: investment challenges and opportunities (Draft for discussion); <http://www.medagri.org/docs/group/71/Egypt%20Poultry%20Sector%202017.pdf>

flu, the government has started encouraging the consumption of frozen poultry and apostates and reduce the sale of live poultry. On top of that, some consumers tend to differentiate their patterns by consuming both fresh and frozen poultry, which may differ, e.g. frozen chicken has gained higher popularity in Alexandria Governorate, then in the Greater Cairo Area, whereas in other Governorates it might be much less popular. Additionally, many consumers are switching to frozen poultry as it is cheaper compared to its fresh counterpart. Lastly, the chilled products sector, while growing among Egyptians with a busy lifestyle who appreciate their convenience, remains rather undeveloped. Indeed, consumers find chilled meat to be unhealthy and full of preservatives and hence prefer fresh poultry or frozen products .

Beef consumption, on the other hand, is mainly based on locally produced fresh meat, imported ready for slaughter cattle or frozen beef, primarily imported. Given the high availability of affordably priced beef, it is common for Egyptians to choose fresh beef over poultry and lamb, especially during Islamic Al-Adha holiday⁶⁵.

Other popular meat include:

- **Duck Meat**, which is very popular in the countryside and low-income villages which prefer to raise such birds on the roofs of their houses.
- **Goat Meat**, which is considered the best alternative to beef meat and is also priced relatively lower. Damascene, Zarayby and Borage are the preferred breeds as well as Baladi goats which are commonly found in the valley and the delta.
- **Rabbit Meat**, which is one of the most preferred types of meat for many people, especially for health conscious and ill consumers, due to their high protein content and nutritional value. Moreover, the fat content in rabbit's meat is not very high compared to other meat types.

Camel, turkey, northern bobwhite and pigeon meats are also fairly popular in Egypt.

Drivers and method of consumption

Consumption of fresh meat in Egypt is mostly driven by population growth, tradition and dietary habits among consumers. Secondly, as mentioned before, price often determines consumption levels, as average purchasing power has declined. Moreover, the regular tourist influx impact both the consumption as well as the method of consumption, as the selection of diverse dishes broadens.

As previously mentioned, Egyptian consumers particularly appreciate the freshness of meat, as most preferred meat-based dishes are traditionally prepared using freshly slaughtered meat. While in Egypt there is an abundance of vegetarian compositions, the meat-centric food culture dominates the dietary patterns. Egyptians prepare meat in different ways, i.e. grilling, frying, broiling, griddling among others. Lastly, meat constitutes an important ingredient of dishes during *Eid Al Fitr Feast*, where celebrations after fasting take place.

⁶⁵ Egypt Livestock and Products Annual 2018 Egyptian Beef Prices Stable, Consumption and Imports to Rise in 2019; https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Livestock%20and%20Products%20Annual_Cairo_Egypt_9-19-2018.pdf

With regard to chicken, which is the most popular type of meat in Egypt, chicken legs (back attached) are used in the preparation of a popular Egyptian dish called “*shish taouk*”. On the other hand, whole chicken is not very popular for home preparation. Chicken is preferred grilled and mostly bought from fast food restaurants with tahini and rice.

Purchase criteria

The key purchase criteria are related to price. Given the devaluation of the Egyptian pound and rising prices, most consumers look for affordable alternatives or even cut the frequency of meat consumption. Against this background, low income groups mostly rely on poultry instead of beef and sheep meat. This is largely because most retailers and wholesalers in Cairo sell beef and sheep meat at double the original price. On the contrary, wealthy Egyptians purchases are driven by nutritional criteria. Indeed, they mostly prefer beef meat over poultry and lamb due to their nutritional benefits.

Egyptians also pay great attention to freshness of meat, perceiving it as a major criterion when choosing meat product. To this end, redness of the meat is an important purchase criterion, especially for high-income consumers, who associate it to the freshness of the meat. Despite the recognition of frozen meat as highly-practical, due to longer storage, consumers, notably wealthy ones, see frozen meat cuts as lower quality and in general less tasty and nutritional.

5.3.2.3 Recent market trends

Generally speaking, the market for fresh meat in Egypt remains vulnerable and struggles with resisting different market unrests (e.g. policy changes), which bring price fluctuations and product availability. The most important trend is related to the freshness of product, which remains the crucial factor in impacting demand-driven supply chain.



Poultry and beef remain the dominant products on the market for fresh meat in Egypt, as consumers perceive these types as high quality yet also affordable at the same time. Nonetheless, beef prices increased remarkably following the 2016 devaluation of Egyptian pound. As a result, most consumers replaced beef meat with cheaper poultry for their protein intake. However, this downward trend is expected to come to a halt soon as the Egyptian government is pursuing increased domestic beef production by growing the domestic herd size and increasing live cattle imports.

5.3.3 Offer

5.3.3.1 Domestic production

Domestic production of poultry in Egypt has been a growing sector⁶⁶, which currently is relatively self-sufficient. However, it must be said that, that poultry industry is simultaneously dependent on imported feed ingredients and vet medications⁶⁷. The majority of production is small scale, nevertheless, there have been recent trends of vertical integration. One of the issues that Egyptian producers are struggling with is lack of slaughtering capacity, given growing demand. Major manufacturers are mainly located in Governorates of Sharkia, Behera, Gharbia, Noubaria and Kalyoubia, dominating the market in terms of total chicken production.



In terms of beef, domestic supply is fairly balanced with imports, however while imported volumes have been on rise, domestic production has remained at relatively same level. The Egyptian government is pursuing to increase beef production by introducing set of policies helping to drive domestic production, such as National Veal Project, subsidizing farmers for the purchase of cattle and feed or policy limiting the slaughter of cattle under 400kg, introducing new slaughter

requirements⁶⁸. Given the major issue related to increased mortality due to lumpy skin disease, the Egyptian authorities have introduced disease control measures, e.g. restrictions on cattle movement between governorates, vaccinations schemes and intensifying veterinary services among others.

5.3.3.2 Imports and exports

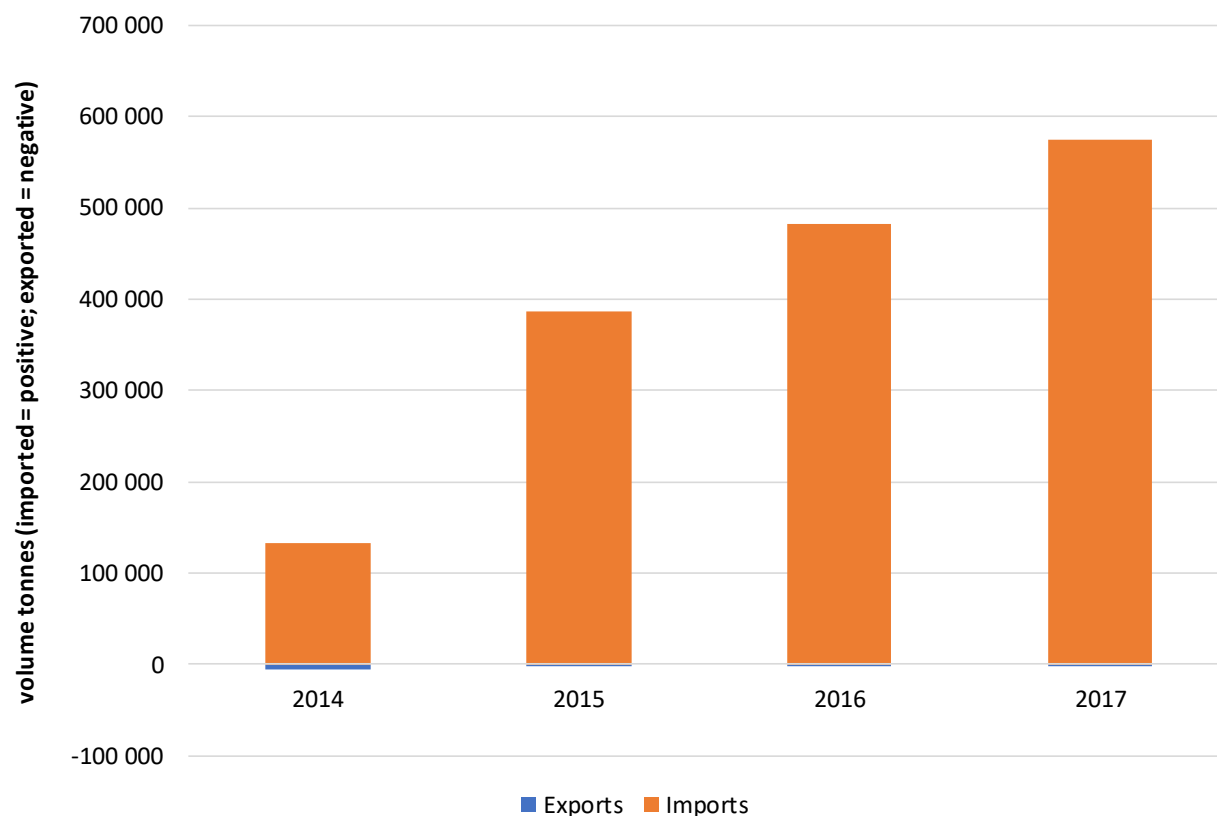
As shown in Figure 5-12, Egypt is a net importer of fresh meat, owing to the fact that imported meat is less expensive than domestically produced fresh meat. Indeed, many ready meals companies in the country import fresh meat and process it domestically to reduce production costs and limit the amount of meat used in production. Subsequently, the imported volumes have been on gradual rise and amounted to almost 600 000 tonnes in 2017, which is a fourfold increase in comparison to 2014. Exports of fresh meat, on the other hand, have been marginal.

⁶⁶ PM: EGP 64.5 bn in investments in poultry, broiler meat production; <http://www.sis.gov.eg/Story/135510/PM-EGP-64.5-bn-in-investments-in-poultry%2C-broiler-meat-production?lang=en-us>

⁶⁷ Arab Republic of Egypt Broiler poultry industry: investment challenges and opportunities (Draft for discussion); <http://www.medagri.org/docs/group/71/Egypt%20Poultry%20Sector%202017.pdf>

⁶⁸ Egypt Livestock and Products Annual 2018 Egyptian Beef Prices Stable, Consumption and Imports to Rise in 2019; https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Livestock%20and%20Products%20Annual_Cairo_Egypt_9-19-2018.pdf

Figure 5-12: Trade balance (imports and exports) of fresh meat in Egypt, 2014-17; tonnes

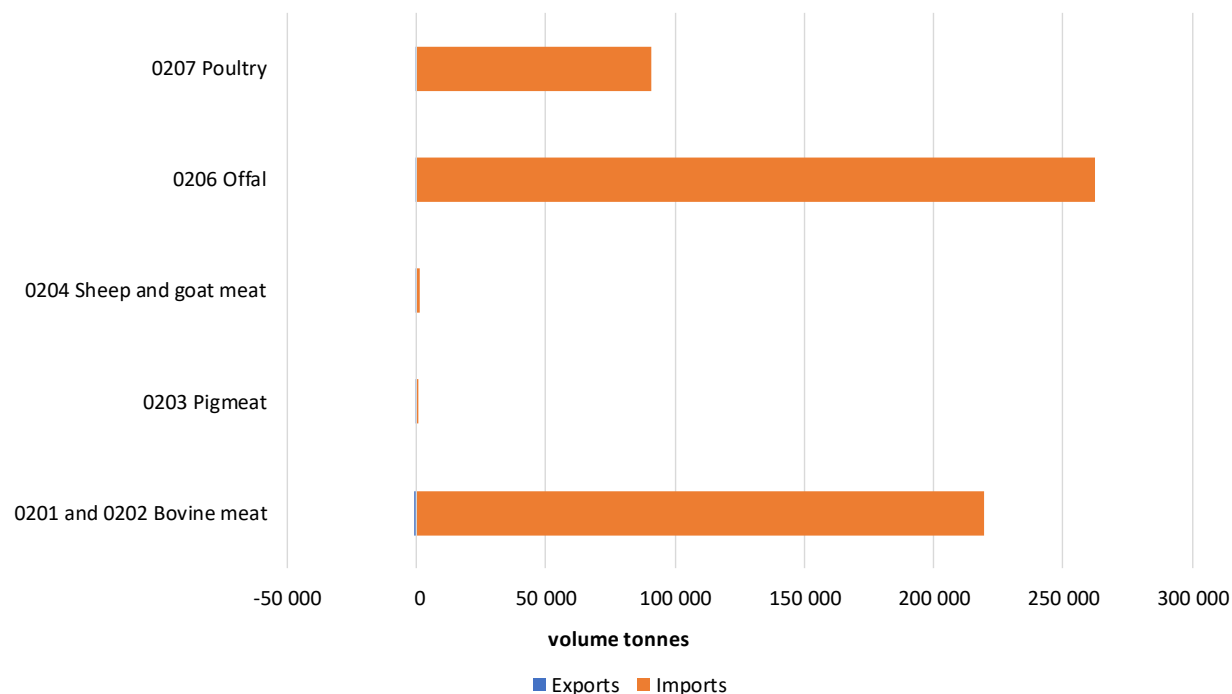


Note: lack of data relating to several countries

Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 0201, 0202, 0203, 0204, 0206, 0207

As depicted in Figure 5-13, fresh meat imports mostly comprise offal (e.g. bovine, mutton) and bovine meat, followed by poultry. Offal constitute the largest part of fresh meat imported to Egypt, amounting to above 260 000 tonnes (2017), whereas second-biggest, bovine meat, reached almost 220 000 tonnes (2017). Other types of imported fresh meat products include poultry, however in less quantity (90 000 tonnes in 2017).

Figure 5-13: Trade balance (imports and exports) of fresh meat in Egypt, by type, 2017; tonnes

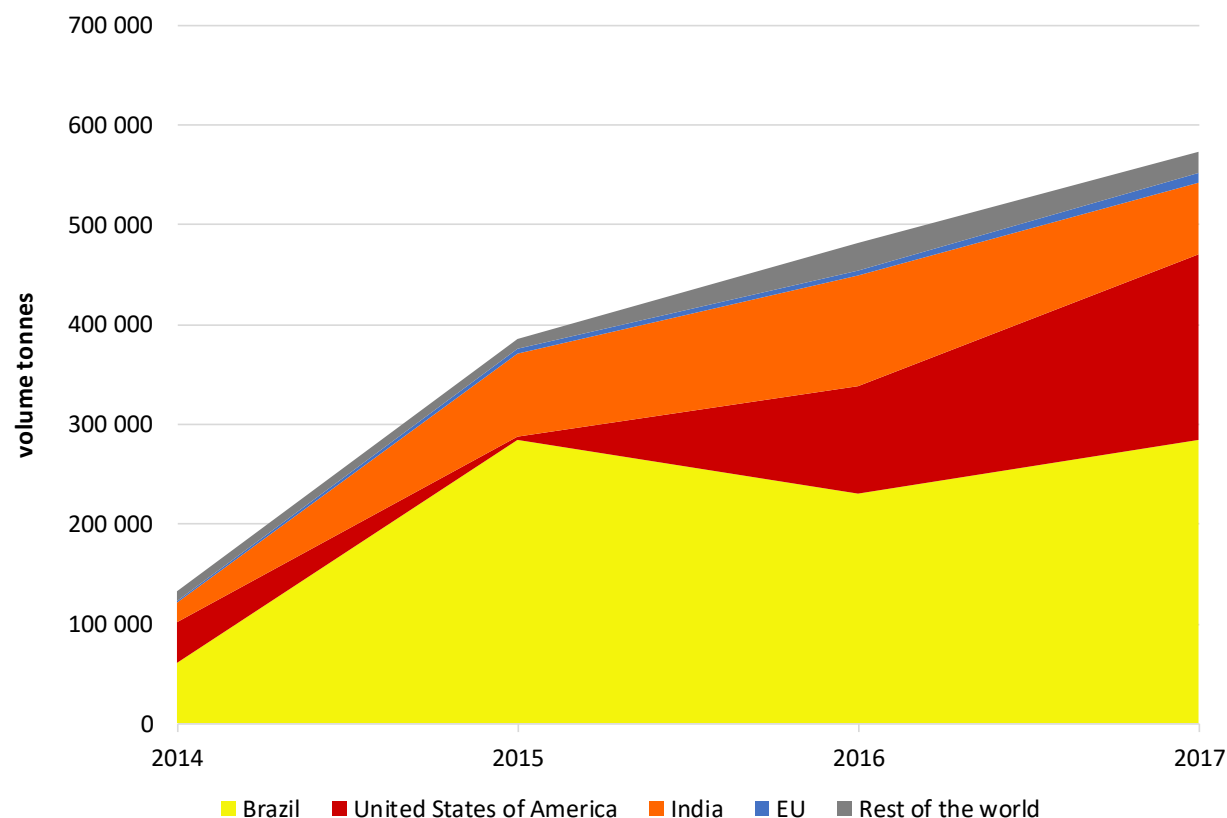


Note: lack of data relating to several countries

Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 0201, 0202, 0203, 0204, 0206, 0207

Egypt has three major partners when it comes to importing fresh meat products (Figure 5-14). The majority of fresh meat comes from Brazil, which dominates poultry imports and has strong presence in imports of offal and bovine meat. Other countries include USA, which holds strong position in offal imports. India, on the other hand, is particularly present in bovine meat imports. European countries do not constitute significant importer of fresh meat to Egypt. Nonetheless, this may slightly change over the next years, owing to the Egyptian government decision to lift its 17-year-old ban on Irish beef and live cattle in 2017.

Figure 5-14: Egyptian imports of fresh meat by country, 2013-17; tonnes



Note: lack of data relating to several countries

Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 0201, 0202, 0203, 0204, 0206, 0207

5.3.3.3 EU GI products

As indicated in section 4.2.4, Egypt is part to the Trade-Related aspects of Intellectual Property Rights (TRIPs) Agreement, which sets down minimum standards for the protection of geographical indications (GIs), amongst others. Despite the existence of a national legislative framework for the protection of GIs, no EU fresh meat GI product has been registered as such in Egypt.

5.3.3.4 Main competitors

As described in section 5.3.3.1, the Egyptian market for fresh meat is characterized by strong presence of domestic producers, especially in case of poultry industry. Moreover, European fresh meat producers should take into account the fact that large volumes of fresh meat are imported from Brazil, followed by USA and India, making producers from these countries' main competitors on the market.

5.3.4 Specific market entry requirements

Market Access and Entry

European exporters of fresh meat products face tariffs when entering the Egyptian market. However, they apply only in the following cases:

- Poultry – no cuts (0207.11, 0207.12) – 19.5% (duty applicable within a tariff quota of 5 000 tonnes) /30%
- Pork (0203) – 20%/30% (MFN tariffs)
- Edible offal of swine (0206.30, 0206.41, 0206.49) – 30%

Generally speaking, as reported in section 4.2.1, market entry access is often characterized by untransparent and lengthy procedure, which in case of fresh meat products, could be even more troublesome due to necessary documentation involved as well as halal related certifications.

Detailed information on import duties and Rules of Origin can be consulted on the European

Commission website:

http://madb.europa.eu/madb/datasetPreviewFormIFpubli.htm?datacat_id=IF&from=publi&hscod=&countryid=EG

Customs procedures

A list of standard documents required for import of fresh meat products to Egypt is presented in Table 4-1, in section 4.2.1. Furthermore, for some products it may be requested to present additional documents, as outlined in Table 4-2. In case of fresh meat these are:

- Description of Meat and Meat Products
- Halal Certificate
- Import Permit for Products of Animal Origin
- Veterinary Health Certificate for Animal Products

Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=EG&hscod=>

SPS measures

The key sanitary and phytosanitary issue is combined with Bovine Spongiform Encephalopathy (BSE) and effectively restricting the beef trade. Details on this barrier may be found on the European Commission MADB platform⁶⁹. Furthermore, exporters should be advised that prior to exportation, Egyptian competent authorities inspect slaughterhouses, for which the costs are borne by exporters. Negotiations facilitating the market entry, aimed at introduction of “system checks”, are ongoing.

Other issues are connected to halal requirements and no clear rules developed resulting in rejection of certificates issued by religious authorities.

Labelling

Fresh meat products must comply with the labelling rules outlined in 4.2.3.

⁶⁹ http://madb.europa.eu/madb/sps_barriers_details.htm?barrier_id=10680

5.3.5 Distribution

In general, despite the emergence of modern retail stores such as hypermarkets or supermarkets, Egyptian consumers tend to purchase fresh meat in traditional retailers, e.g. wet markets. The trend is particularly visible outside major urban locations.

With regard to pigmeat, two out of twenty-eight governments in Egypt allow pork sales, owing to the presence of Coptic Christians. Thus, pig meat is legally available in Alexandria and Cairo, especially in areas like Shobra, Almarg, and Manshiet elsadr. Among the retailers, Ramses Co., Amoun Co. and the shops of Israel Ayad are popular for pork distribution.

5.3.6 Challenges for EU products

All meat products imported to Egypt, apart from products available only for the non-Muslim community, must be certified as halal products. Such certification should be issued by an Islamic Organization, approved by Egyptian authorities which effectively might pose a challenge for European producers. The Egyptian consumer, in general, is loyal towards domestically produced meat, which lately has only been fuelled by rising prices of imported fresh meat products. Moreover, another major challenge is connected to the market entry procedures and lengthy registration within respective Egyptian administrative bodies. Furthermore, the market for fresh meat in Egypt is characterized by high competition both from domestic industry and foreign producers. Last but not least, it should be remembered that Egyptian consumers are not allowed to eat pig meat, which effectively comes down to consumption among a small group of non-Muslim consumers, and the import of which is highly restricted.

Market Takeaway: Fresh meat

Consumption: Consumption of fresh meat has been on rise and is expected to remain on upward trend, excluding beef.

Competition: Market characterized by strong presence of domestic production, especially poultry, as well as large volumes of imported fresh meat from Brazil, followed by USA and India.

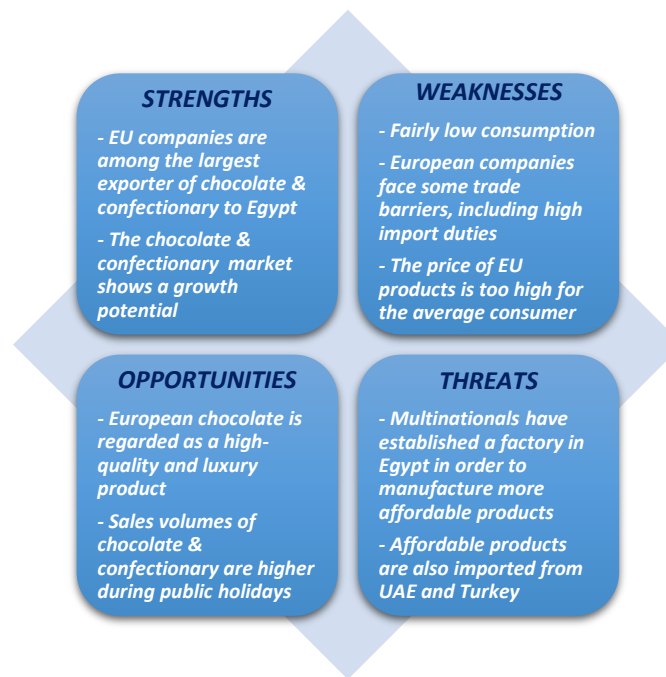
Distribution: Egyptian consumers in vast majority tend to buy fresh meat in traditional retail stores, e.g. wet markets

Challenges: Administrative-related burdens combined with stringent market entry procedure; requirement for halal certification issued by an Islamic Organization, approved by Egyptian authorities; high competition

Opportunities: Large market and systematic growth of demand

5.4 Chocolate and confectionary

5.4.1 SWOT analysis



5.4.2 Consumption

5.4.2.1 Evolution of consumption

Egyptians' total and per capita consumption levels of chocolate and sugar confectionary are amongst the lowest in the world. As illustrated in Figure 5-15 in 2017, consumers purchased nearly 24 000 tonnes of chocolate, 63% of which were in the form of countlines (14 900 tonnes). Tablets were the second most popular segment, accounting for 28% of total sales (or 6 600 tonnes), followed by boxed assortments (7% of total consumption, or 1 600 tonnes). Less popular, chocolate pouches and bags as well as chocolate with toys respectively accounted for 3% and 1% of total consumption in the category. Yearly growth rates varied between different segments: countlines, tablets and chocolate with toys recorded a rate of over 2.4% each; chocolate pouches and bags consumption stagnated; finally, boxed assortments recorded a negative yearly growth of -2.4%.

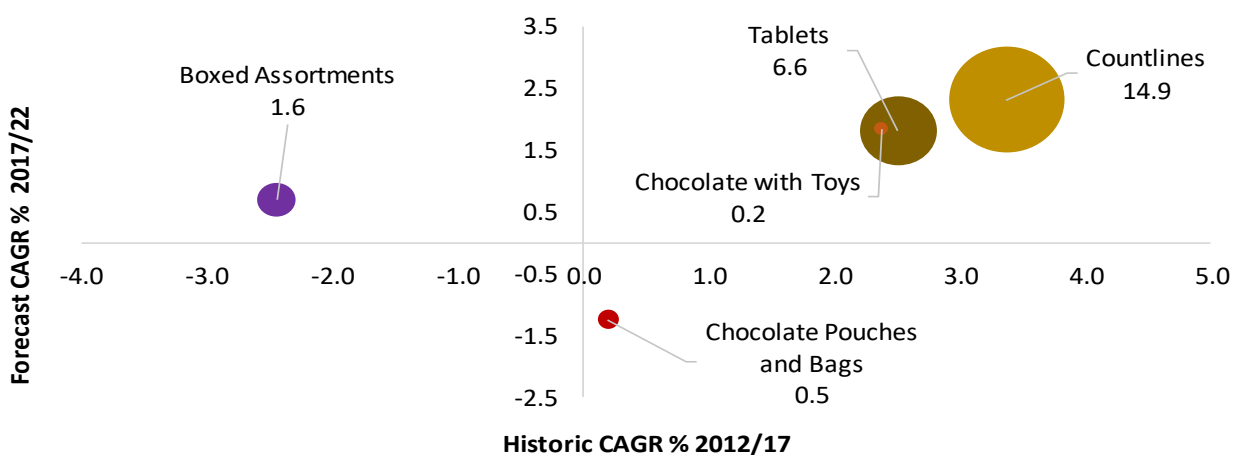
Consumption of sugar confectionary was higher, amounting to about 68 000 tonnes in 2017 (Figure 5-16). With nearly 14 700 tonnes sold in 2017, the most popular sugar confectionary items were gums, followed by boiled sweets (13 500 tonnes), pastilles, gums, jellies and chews (6 100 tonnes), and lollipops (5 500 tonnes). Mints, toffees, caramels and nougat, as well as medicated confectionery were less popular, overall accounting for nearly 8% of the total consumption by volume, in the category. On the contrary, the segment "Other sugar confectionery" – which includes the very popular Egyptian *halva* – accounted for 34% of total sales in terms of volume (around 22 800 tonnes), in 2017.

Contrarily to the chocolate category, most sugar confectionary segments recorded a negative growth in 2012-2017, due to the devaluation of the local currency and the subsequent declining purchasing power. The only exceptions were medicated confectionary, whose sales stagnated, as well as “other sugar confectionery” and toffees, caramels and nougat, which still grew at a rate of almost 1% per year, each.

Growth in the other segments ranged between -0.1% (gums and mints) and -2% (lollipops).

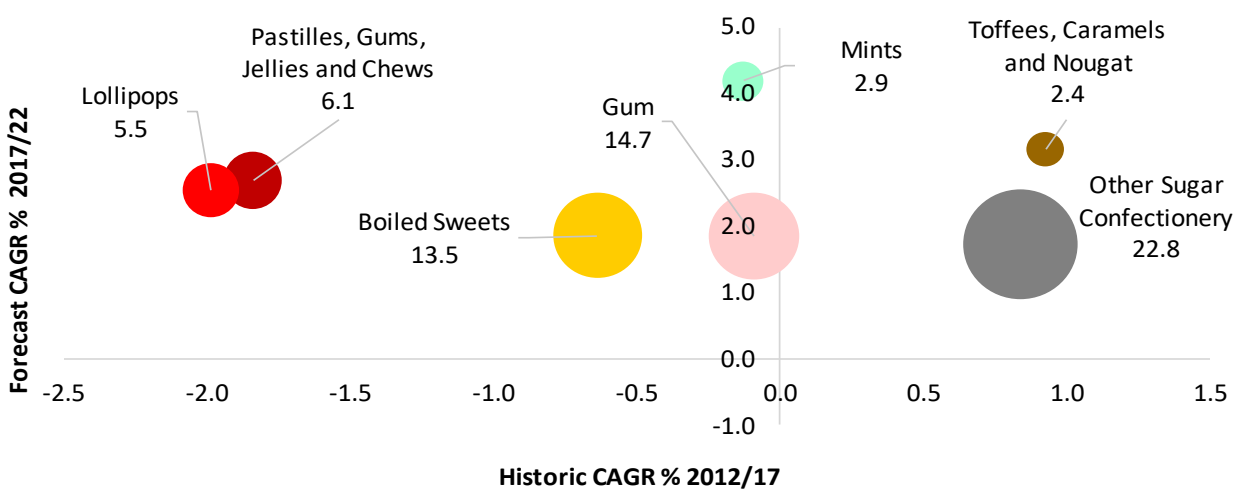
Over the period, per capita consumption of both sugar and chocolate confectionary was very low compared to European standards, though it is expected to grow slowly in the coming years.

Figure 5-15: Evolution and forecast of chocolate confectionary market in Egypt, total volume 2012-2022



Source: Euromonitor International: Packaged Foods, 2018

Figure 5-16: Evolution and forecast of sugar confectionary market in Egypt, total volume 2012-2022



Source: Euromonitor International: Packaged Foods, 2018

5.4.2.2 Consumer profile and purchase criteria

Due to the economic turmoil and the subsequent price inflation, Egyptian consumers have started turning to lower-quality but more affordable chocolate and confectionary items. Sales of confectionery products tend to be higher during the school period and lower in summer. Peaks are usually reached on occasion of Muslim and Catholics holidays.

Consumers

Children and millennials are the largest consumer base for confectionery.



Children prefer gums, bonbon candies, as well as chocolate in bar and drink formats; younger consumers, on the other hand, prefer filled chocolate, especially ones with hazelnut filling. However, parents in rich and middle-class families have started limiting their children's chocolate consumption due to health concerns. Nevertheless, grandparents tend to buy chocolates and candies for their grandchildren on special occasions or even without any occasion.

Millennials (up to 40 years old), purchase chocolate around twice per week, opting for very sweet milk chocolate or filled types, especially those with hazelnuts, caramel and raspberry. Other popular flavours include orange, strawberry, lemon, and mint⁷⁰. Dark chocolate and plain white chocolate have a minimal presence in the country and are mainly sold under niche brands, such as Lindt.

Students buy confectionary as a post-lunch snack during school, whereas, among adults, office-goers eat confectionary items mostly as afternoon bites due to their cheaper price.

Nonetheless, imported chocolate (including European items) is usually purchased by upper-income consumers, as usually it is offered at too high prices for the average consumer. Upper-income consumers are also increasingly looking out for their health. Consequently, they are more likely to opt for chocolates with no added sugar⁷¹.

In the confectionary category, candies, lollipops and boiled sweets are mostly eaten by children. Adults, on the other hand, are more likely to purchase *halva*, a traditional sweet confection usually made of *tahini* (sesame paste).

Drivers and method of consumption

In Egypt, chocolate and confectionary are mostly purchased during holidays or special occasions (such as marriages).



⁷⁰ Corona Marketing Plan, <https://www.academia.edu/32461378/Corona>

⁷¹ Euromonitor International: Packaged Foods, 2018

Notably, chocolates are exchanged by families as a gift on many occasions including weddings, engagements and welcoming new-borns.

Sales of sugar confectionery products, such as halva, boiled sweets and lollipops, are very seasonal. The high season for lollipops is from August to April, which is the school months. For boiled sweets, the season is around the Islamic periods of *Rajab* and *Sha'ban* (respectively the seventh the eighth month of the Islamic calendar) as well as Ramadan⁷². Furthermore, on the occasion of the Prophet Mohammad's birthday, Egyptians are accustomed to giving sugary sweets to children, mostly in the form of *Halwat El-Moulid*, which are candies decorated with colourful paper and shaped after a bride (for girls) and a horse (for boys)⁷³. Similarly, in occasion of one of the oldest celebrations in Egypt named "*Sham El-Neseem*" (a national holiday marking the beginning of spring) Egyptian family members and friends exchange chocolate. Hotels and restaurants also use this occasion to offer a wide selection of chocolate eggs. Finally, the upper-income segment is more likely to give high-quality imported chocolate and confectionary as a gift, on the occasion of festivities and special moments, including birthdays, Valentine's Day (celebrated only by non-Muslims), and the Mother's Day.

Purchase criteria

As the devaluation of the local currency has enormously reduced Egyptians' purchasing power, consumers have started to cut their budget for non-basic goods. Nonetheless, in the case of chocolate and confectionery, it has been observed that the population has rather opted for more affordable items at the expense of quality. The majority of the Egyptian consumers are very price sensitive, to the detriment of quality, and are likely to opt for promotions like "buy 3 and get 1 free"⁷⁴.

On the contrary, upper-income consumers purchases of chocolate and confectionery products are mostly driven by quality, country of origin and brand considerations. The high-income segment used to buy expensive domestic and imported chocolate (from countries such as Netherlands, Italy and UAE) as they were not concerned with premium pricing. Nonetheless, due to economic conditions and volatility in exchange rate, also this consumer segment has started to take price into consideration.

Furthermore, as it is a statement of social status, gifting usually is not price-sensitive. It is important to note that packaging is more important than the taste when giving gifts, making domestic producers unsuitable purchases, to the advantage of EU exporters.

5.4.2.3 Recent market trends

In terms of market size, Egyptian chocolate sales overall recorded a positive annual growth in 2012-2017, driven by a 3.4% growth in countlines and 2.4% growth in tablets. Notably, milk and filled chocolate types appear to show the greatest market potential. Nonetheless, growth is expected to

⁷² Euromonitor International: Packaged Foods, 2018

⁷³ Sweet and sour: price rises hit seasonal Egyptian candies, <https://www.reuters.com/article/us-egypt-religion-candy/sweet-and-sour-price-rises-hit-seasonal-egyptian-candies-idUSKBN1DT1RW>

⁷⁴ Euromonitor International: Packaged Foods, 2018

slightly slowdown in these segments, as well as in chocolate pouches and bags, and chocolate with toys. On the contrary, boxed assortments consumption is set to recover, growing at 0.7% in the next few years, which means +1.7% compared to the 2012-17 growth rate.

The confectionary market shows some growth potential. Indeed, sales, which have been growing at a negative or low rate, are projected to recover over the next years. Growth in the category is expected to fluctuate between 1.7% (other confectionery) and 4.2% (mints).

5.4.3 Offer

5.4.3.1 Domestic production

The domestic production of chocolate is dominated by multinational firms with factories in Egypt, notably Cadbury Egypt Group, accounting for 40.7% of the market share in 2017, Mars Egypt (25.3%), and Ferrero Egypt (6.5%). The largest Egyptian manufacturer of chocolate is Corona, which currently accounts for 2.7% of the market share. Not only these multinationals meet the needs of the domestic demand, they also export large volumes outside Egypt⁷⁵. Local companies mostly produce milk and filled chocolates as these are the preferred variations in the country. It should be noted that only one local producer (Alexandria Co Food Industries & Chocolate Co) produces “no-added” chocolates to appeal to the health-conscious segment.



Following the devaluation of the local currency in 2016, Egyptian chocolate production has declined at rates ranging between 10 to 50% across different producers, due to the higher production costs. Indeed, 95% of the raw materials used in the Egyptian chocolate industry are imported, hence the increased prices of imported commodities (such as sugar, butter and milk), along with the increased VAT, posed some challenges to domestic producers. Two trends have been since then observed. On one side, some companies, such as

the Egyptian Sima Group, have started focusing on the high-end segment, to boost sales locally; on the other hand, smaller companies have started providing alternative products to those imported, at a more affordable price but usually also lower quality⁷⁶. In 2018 a recovery in domestic production was observed due to the appearance of several new local manufacturers, including small enterprises, as well as multinational companies⁷⁷.

The Egyptian sugar confectionery market, on the contrary, is mainly dominated by local producers, such as El Rashidy El Mizan (20.6% market share), Sima Food Industries Group (9%), and Al Raay Food

⁷⁵ Corona Marketing Plan, https://www.academia.edu/32461378/Corona_Marketing_Plan?auto=download

⁷⁶ Chocolate market regains its taste and looks forward to growth, <https://www.pressreader.com/egypt/the-daily-news-egypt/20180308/textview>

⁷⁷ Euromonitor International: Packaged Foods, 2018

Industries (6.8%). However, like chocolate producers, they were heavily impacted by devaluation of the Egyptian pound, as even sugar confectionery relies on imported raw materials too⁷⁸.

Domestic production of confectionary is expected to grow over the next years, also driven by the government “Made in Egypt” program, aimed at cutting consumer expenditure on imported products. This has not only spurred local production but also led multinational companies to source from local producers as well as expand their existing facilities. This has further been supported by the new investment law passed in 2017, which provides various incentives to foreign companies who aim to invest in Egypt. The companies incorporated under this law and their shareholders are exempt from all duties and taxes. These initiatives may lead to multinational enterprises to establish a remarkable appearance in Egypt in near future. For example, Mars Group intends to increase its presence in Egypt by establishing two production lines to manufacture Galaxy and Jewels chocolate. Meanwhile, Sima Group is also considering establishing two production lines of its own in the country.

5.4.3.2 Imports and exports

Due to the economic crisis and the currency devaluation, Egyptians’ purchasing power has enormously decreased, and the consumers have thus started placing more importance on purchasing basic commodities, cutting their budget for chocolate and confectionery. Subsequently, sales of imported chocolate and confectionery have been therefore unavoidably affected, to an even greater extent than sales of domestic products.

Currently, Egyptian exports of chocolate and confectionary largely exceed imports, which is even more obvious in the sugar confectionary category (Figure 5-17). Nonetheless, exports in both categories dramatically fell between 2013 and 2017 (although 2015 figures are incomplete). Imports, on the contrary, which have rather fluctuated, went down in 2017, nearly halving compared to 2014 levels, in both categories.

Figure 5-18 indicates that chocolate items are mostly supplied by the United Arab Emirates, which exported 2 798 tonnes to Egypt (or 39% of total imported volumes), in 2017. Netherlands and Italy, each accounting for 9% of total volumes imported by Egypt, followed. Other European countries accounted for other 25% of the Egyptian imports, most of which came from Germany, Belgium and Poland.

Confectionary items are supplied by several countries, with Turkey and Spain taking the lead, accounting for respectively 24% and 16% of total 2017 imported volumes; United States and Germany (10% each), and Belgium (9%) followed. Other European countries exported into Egypt other 10% of the total imported confectionary, one third of which was shipped from France.

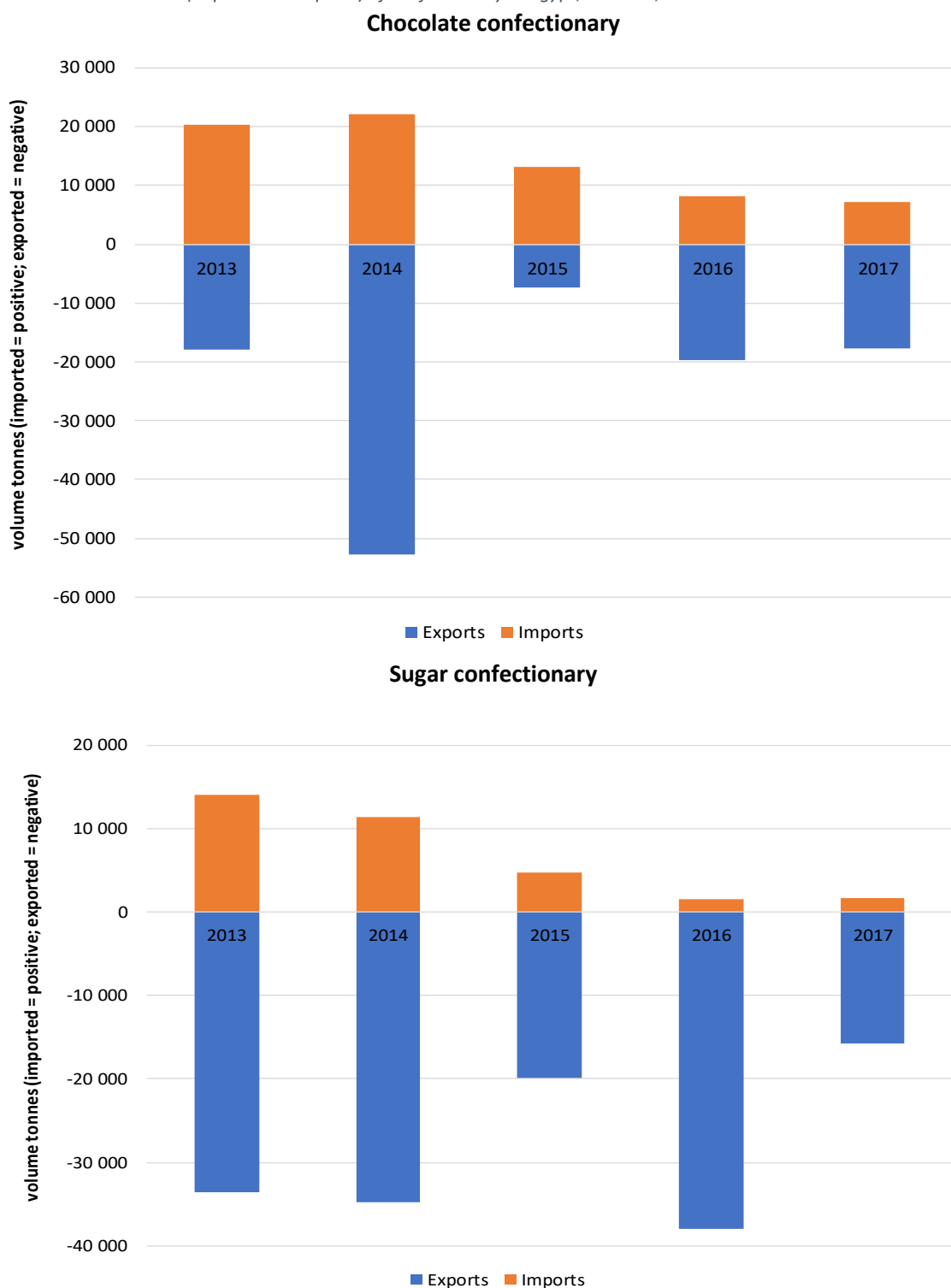
The value of chocolate exported to Egypt varied considerably in 2013-2017, notably due to the depreciation of the local currency. Nonetheless, European chocolate exports as a whole were highly

⁷⁸ Euromonitor International: Packaged Foods, 2018

valued in 2017, both in total and per unit terms. Thanks to the high unit value of Italian chocolate (4 498 EUR/tonne), Italian exports, while second to Dutch exports in terms of volume, recorded a higher total imported value, in 2017. Dutch exports, indeed, recorded a unit value of 4 071 EUR/tonne, slightly below the average of chocolates imported into Egypt (4 221 EUR/tonne). Germany, while exporting limited volumes, recorded a unit value of 4 824 EUR/tonne, standing out amongst EU major chocolate exporters. Nonetheless, as outlined in Figure 5-19, both Dutch and German exports in terms of unit value, recorded a downward trend in 2017.

With regards to confectionary, the unit value of Spanish, Belgian and German imports was not significantly different, standing at approximately 3 440 EUR/tonne (each), slightly below the world average (3 468 EUR/tonne).

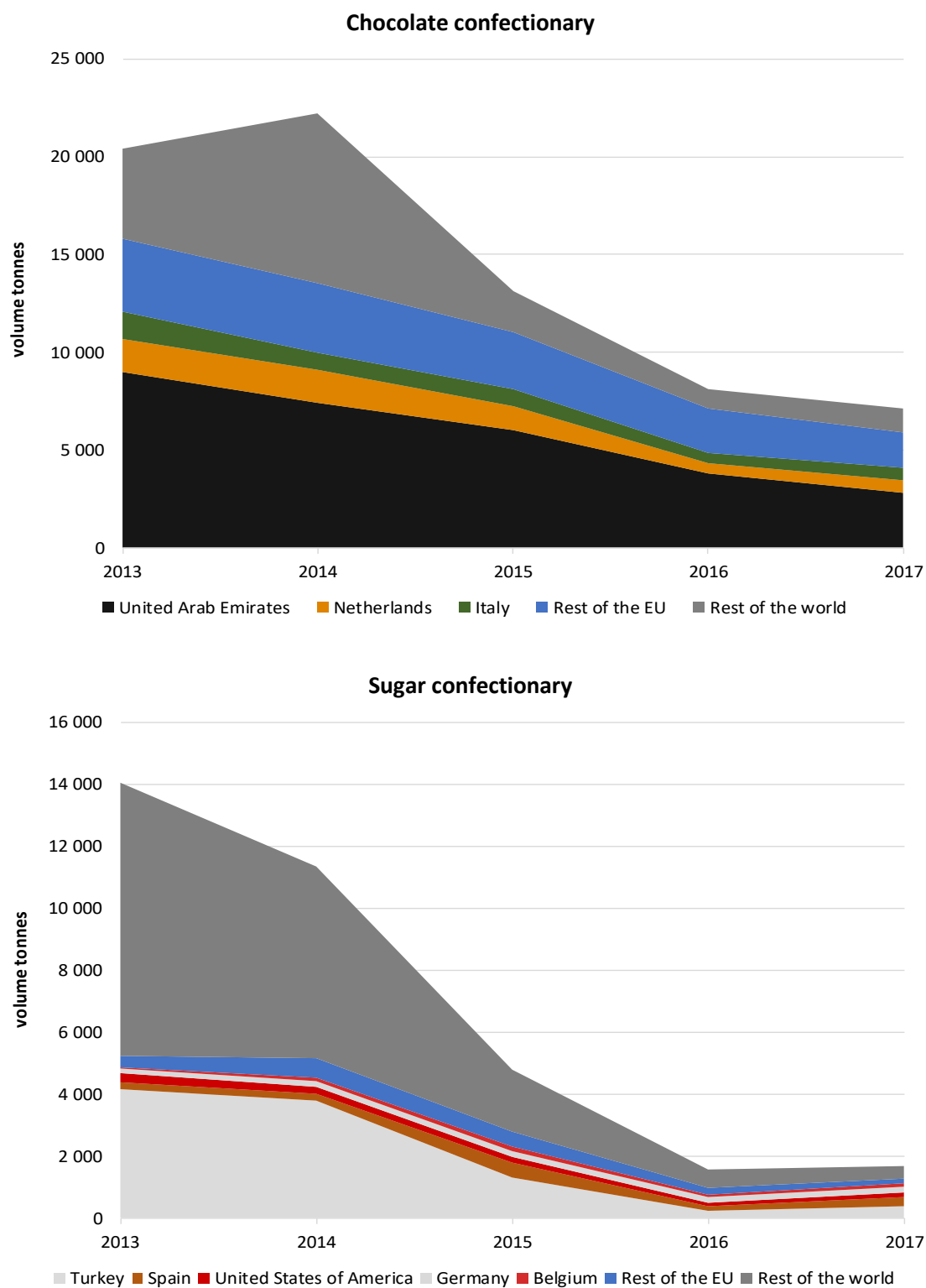
Figure 5-17: Trade balance (imports and exports) of confectionary in Egypt, 2013-17; tonnes



Note: Data for exports of chocolate confectionary in 2015 were incomplete.

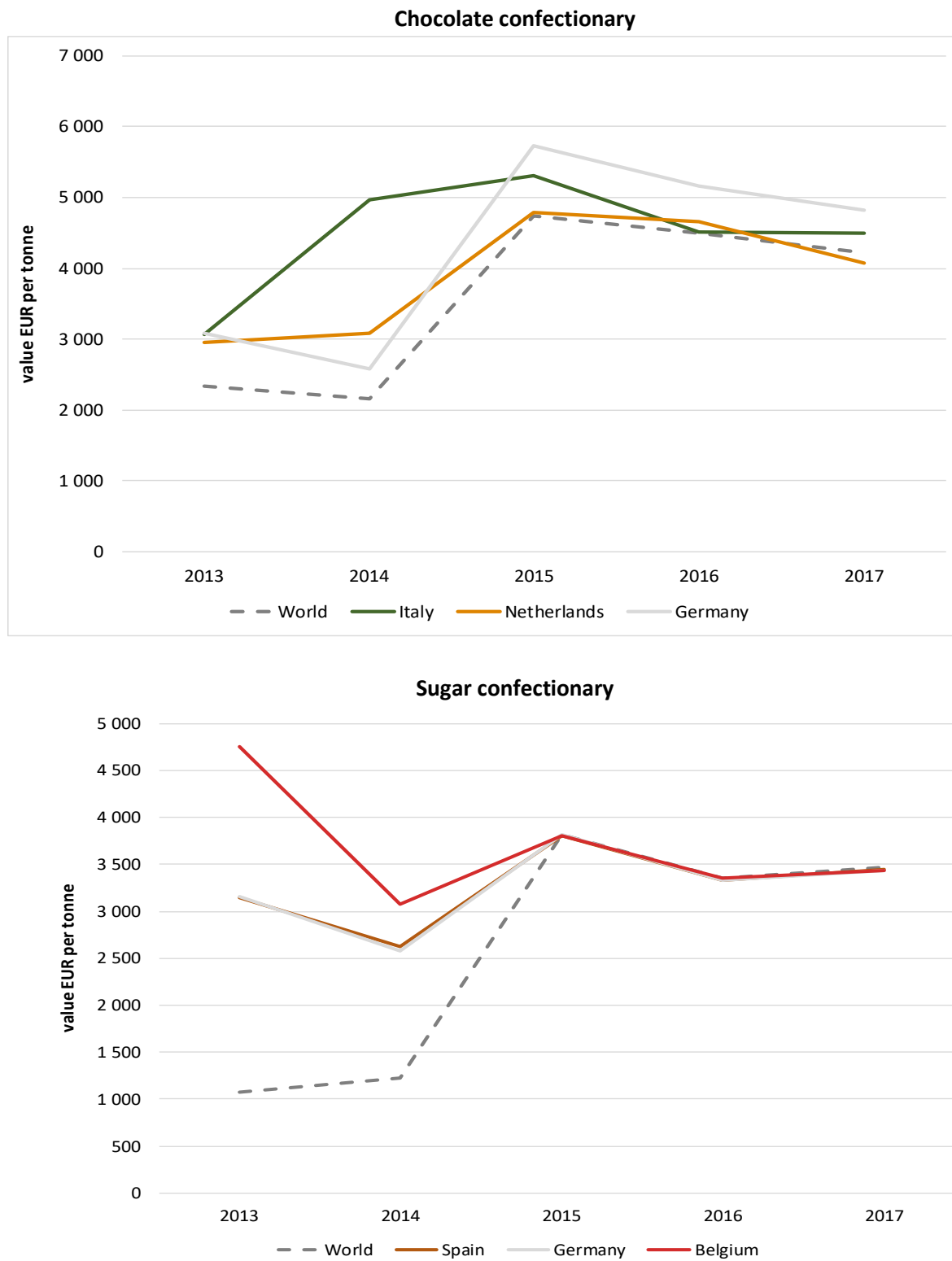
Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 1806 and 1704

Figure 5-18: Egyptian imports of confectionery by country, 2013-17; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 1806 and 1704

Figure 5-19: Per unit value of Egyptian imports of confectionary for selected countries, 2013-17 (EUR per tonne)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 1806 and 1704

5.4.3.3 EU GI products

As indicated in section 4.2.4, Egypt is part to the Trade-Related aspects of Intellectual Property Rights (TRIPs) Agreement, which sets down minimum standards for the protection of geographical indications (GIs), amongst others. Despite the existence of a national legislative framework for the protection of GIs, no chocolate/confectionary GI product has been registered as such in Egypt.

5.4.3.4 Main competitors

As described in section 5.4.3.1, domestic production of chocolate and confectionary has been affected by the devaluation of the local currency, as most raw materials for the production of products falling in these categories are imported. Nonetheless, as several new players entered the market or have foreseen further investments in Egypt, domestic production is likely to rise over the next years, posing some challenges to EU exporters.

Furthermore, European exports face the competition of products from UAE (chocolate) and Turkey (sugar confectionary), which offer a good price-quality relationship.

In terms of market share, Cadbury is the leader in countlines and tablets, followed by Mars, which led the segments of chocolate pouches and bags and boxed assortments, in 2018. The Egyptian company, Corona, is one of the few having benefited from devaluation of the local currency, recording double-digit value sales growth in the last few years. This is due to consumers turning to more affordable items produced by well-established and trusted companies, like Corona⁷⁹.



In the sugar confectionary category, Sima Food Industries is the biggest player within lollipops, while sales of jellies are mainly dominated by Haribo brands. Haribo has managed to widen its distribution through offering small packs, allowing them to be sold through kiosks and other traditional channels⁸⁰.

5.4.4 Specific market entry requirements

Market Access and Entry

As reported in section 4.2.1, prior export, European producers of certain chocolate and confectionary items should complete a registration with the General Organisation for Export and Import Control (GOEIC), in accordance with the requirements set out in Ministerial Decrees 991/2015 and 43/2016.

European exporters of chocolate and confectionary currently face 5-20% duties when entering the Egyptian market, as outlined below:

⁷⁹ Euromonitor International: Packaged Foods, 2018

⁸⁰ Euromonitor International: Packaged Foods, 2018

- Cocoa powder (HS code 1806.10) and other preparations in block (HS code 1806.20): 5% duty
- Other chocolate (HS codes 1806.31-32-90): 10% duty
- Sugar confectionary (HS codes 1704.10 and 1704.90): 20% duty

In addition, a value added tax is levied at a rate of 14% of the duty paid value.

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:

<http://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=EG&hscod=1806>

and

<http://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=EG&hscod=1704>

Customs procedures

A list of standard documents required for import chocolate and confectionary into Egypt is presented in Table 4-1, in section 4.2.1. Furthermore, for some products it may be requested to present additional documents, as outlined in Table 4-2 in section 4.2.1.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=EG&hscod=1806>

and

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=EG&hscod=1704>

SPS measures

Sanitary and Phytosanitary measures concerning the import of chocolate and confectionary into Egypt are in line with international standards.

Labelling

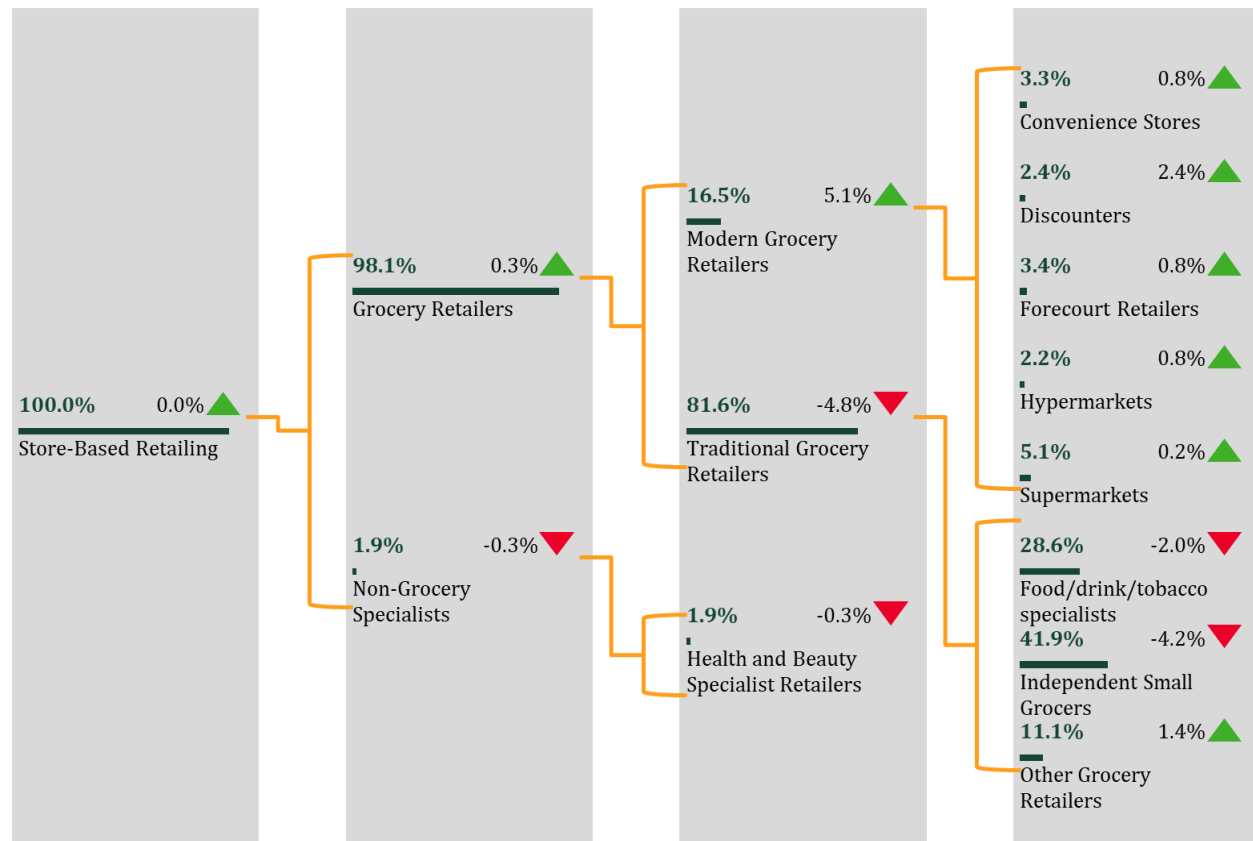
Chocolate and confectionary products must comply with the labelling rules outlined in section 4.2.3.

5.4.5 Distribution

As outlined in Figure 5-20, the off-trade distribution channel of chocolate and confectionary in Egypt is done through stores, specifically grocery retailers (98%). Of these, in 2017 the vast majority were traditional grocery retailers, notably independent small grocers (41.9%), food specialists (28.6%), and other grocery retailers (11.1%). Although on the rise (by 5.1% between 2016 and 2017), sales through modern grocery retailers merely accounted for 16.5% of the total volume. Amongst modern grocery retailers, discounters are the category which recorded the fastest growth, as they offer products at more affordable prices.

Furthermore, it needs to be pointed out that the internet channel is developing in the Egyptian market, with large companies such as Cadbury, Mars and Corona already displaying at internet retailing sites⁸¹.

Figure 5-20: Distribution channel overview of all confectionary in Egypt (2017); retail value



Source: Euromonitor International: Packaged Foods, 2018

5.4.6 Challenges for EU products

Although the chocolate and confectionary market show some growth potential, EU exporters face the competition of several players. Not only domestic production is considerable, as most multinational companies have established their own factories in Egypt, but EU has to face also strong exporters, such as the UAE and Turkey, which offer quality products at affordable prices.

EU products are indeed too expensive for the average Egyptian consumer, whose purchasing power has declined following the devaluation of the Egyptian pound. Furthermore, EU producers face significant obstacles when penetrating the Egyptian market, including relatively high (5-20%) import duties.

⁸¹ Euromonitor International: Packaged Foods, 2018

Market Takeaway: Chocolate and confectionary

Consumption: While chocolate consumption is expected to slow down compared to the previous years, the confectionary market shows some growth potential, with mints set to record the highest growth rate.

Competition: Domestic production is very strong, as several multinational players have established their own factories in Egypt. Furthermore, countries like UAE and Turkey, the leading exporters of respectively chocolate and confectionary to Egypt, produce items that are affordable by the average consumer, i.e. with a low purchasing power.

Distribution: Independent small grocers and food specialists are the main distribution channels, although modern grocery retailers' share is rapidly growing. E-commerce, though currently weak, should not be overlooked, as it is growing in importance.

Challenges: EU companies face relatively high import duties. Therefore, EU imported products end up getting too expensive for the average Egyptian consumer.

Opportunities: EU chocolate and confectionary items are considered high-quality and luxury. Targeting the high-end segment may offer some opportunities to EU imports.

5.5 Baked goods

5.5.1 SWOT analysis



5.5.2 Consumption

5.5.2.1 Evolution of consumption

Driven by the heavy consumption of bread, which is a staple food, sales of baked goods as a whole are massive in Egypt. The country is indeed one of the largest consumers of bread in the world, ranking sixth in 2016⁸².

As illustrated in Figure 5-21, in 2017, consumers purchased approximately 12.5 million tonnes of baked goods, with bread accounting for 98% of the total volume. With 129 000 tonnes purchased in 2017, packaged cakes were the second most popular baked goods segment, followed by packaged pastries (98 100 tonnes). On top of that, all segments in the category recorded a very positive annual growth rate in 2012-2017: pastries grew at 9.8%, bread at 8.9%, and cakes at 6.5% per year.

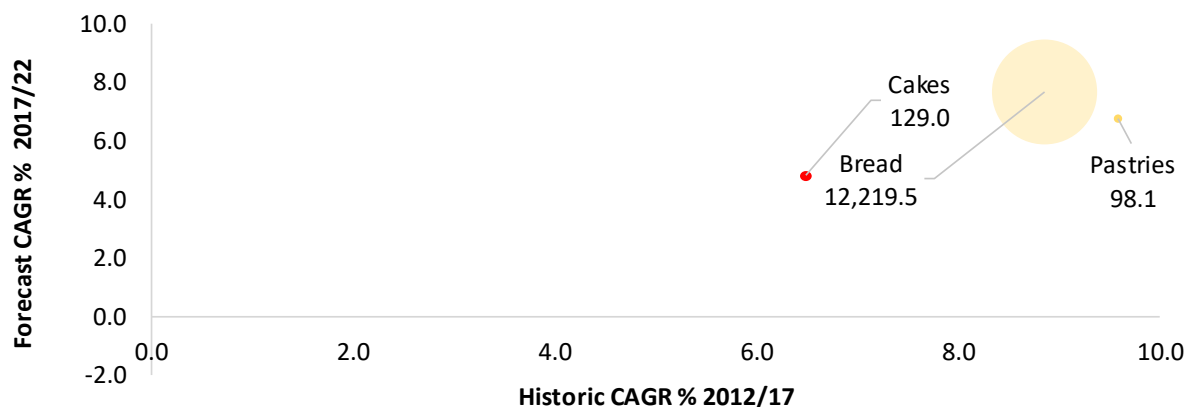
Not only total, but also per capita consumption of bread is substantial in Egypt, amounting to 132.5 kg in 2017, a figure that is set to dramatically grow over the next years, reaching 173 kg in 2022, as a result of the current economic situation. Indeed, especially following the devaluation of the Egyptian pound, and the subsequent incremental price of imported rice, noodles and pasta, the lowest segments of the population have been more and more relying on bread. The latter is indeed one of the cheapest staples

⁸² Global bread and bakery consumption continue to experience modest growth, <https://www.bizcommunity.com/Article/1/162/176273.html>

available on the Egyptian market and it is offered for free to lower-income families (see box in section 5.5.2.2).

On the contrary, per capita consumption of cakes and pastries remains exiguous (i.e. above 1 kg each, in 2017), and is expected to slightly raise over the next few years.

Figure 5-21: Evolution and forecast of baked goods market in Egypt, total volume 2012-2022



Source: Euromonitor International: Packaged Foods, 2018

5.5.2.2 Consumer profile and purchase criteria

Egypt is the largest bread consumer in the world in per capita terms, which is a rising trend, due to the current economic situation. Furthermore, small portions of sweet baked goods are consumed on an everyday basis in Egypt, mostly for breakfast, as a snack or a treat.



Subsidise bread

The current government policy allows some bakeries to sell bread at subsidised prices. Under the Egyptian ration card system, around 70 million people are indeed able to purchase a form of flat bread, known as “Baladi” bread, at a heavily subsidised price of 5 piastres (much less than EUR 0.01), compared to the free market price of 57 piastres⁸³⁸⁴.

⁸³ Focus on Egypt grain and wheat policy, <http://www.millermagazine.com/english/focus-on-egypt-grain-and-wheat-policy/>

⁸⁴ FAO GIEWS - Global Information and Early Warning System: Country Briefs - Egypt, <http://www.fao.org/giews/countrybrief/country.jsp?code=EGY>

Consumers

All consumer segments purchase this staple, with most consumers eat bakery products at least once or twice per day. Nonetheless, the working-class and rural Egyptians' diet is commonly richer in bread, which usually accompanies beans.

As regards sweet bakery products, such as pastries and cakes, they are more frequently purchased by young male professionals, looking for cheap snacks during working hours. Working women are more likely to purchase frozen baked goods and baked cakes. . Among the wide range of internationally well-known baked goods that consumers buy, croissants and cakes are the most popular. Notably, the two consumer groups that are more likely to purchase packaged baked goods are outlined below:

- **Foreigners (including tourists):** This group is more likely to prefer packed over unpacked goods as they perceive the former to be more hygienic and safer to eat. In addition, these consumers pay a greater attention to the expiry date written on packs.
- **Single women and men:** Working singles who lack the time to cook or are not aware of most of recipes, prefer to have ready-made baked goods as they have instructions outlined on the packaging and are less time-consuming. Packaged baked goods are often used as a snack or for a light dinner. Additionally, it is less expensive compared to fast food outlets.

Furthermore, among the new trends, a rising number of Egyptian consumers are adopting a healthier lifestyle; eating more natural ingredients, and cutting down on sugar, salt, white bread and processed products. Egypt mostly imports gluten-free bakery products from the EU. These products are targeted at this niche segment, with bread being the most picked up item among these consumers. However, for some, healthy eating is linked to freshness, hence fresh baked goods are deemed healthier⁸⁵.

Drivers and method of consumption

The most popular baked good amongst Egyptians is certainly bread. The local market is dominated by two types of bread, namely flat bread (*baladi*) and *fino*, namely long bread rolls, which are soft and light in taste⁸⁶. Bread is commonly used to accompany a meal and scoop up food, sauces, and dips. Furthermore, flat bread is also used to wrap kebabs, falafel, thus avoiding the hands become greasy.

Sweet baked goods (such as cakes, croissants etc.) are consumed on multiple occasions during the day, mostly at breakfast, after meals and with coffee as a sweet treat/dessert. The most popular sweet baked goods and their use in Egypt are set out below:

- Croissants are consumed daily, both in sweet and savoury versions, to replace a meal, or as a snack. They are purchased once a week or



⁸⁵ Dupont nutrition & health consumer survey: sweet baked goods consumption and packaging trends in Egypt, https://www.food.dupont.com/content/dam/Dupont2.0/General/Nutrition-Health/images/food-and-beverages/pdfFiles/White_paper_SBGs_Egypt.pdf

⁸⁶ Bread is 'life' in Egypt, <http://www.blackseagrains.net/novosti/bread-is-life-in-egypt>

more, usually from bakeries, but in some cases also in packaged versions, from supermarkets.

- Cakes are bought packaged, fresh or prepared at home and can be a meal replacement, treat or served to guests. They are also purchased or prepared on occasion of birthdays. The most popular cakes are rich in nuts, pistachios, fruits, honey or chocolate.
- Muffins are eaten for breakfast or to accompany a hot beverage or milk. They are seen as a real treat and hence they are mostly bought fresh from bakeries or cafés.
- Cookies are usually bought in bulk at least once a week. They are often consumed with a hot beverage and in the company of guests⁸⁷.

Purchase criteria

Consumers main purchase criterion is undoubtedly price, as due to the current economic situation, Egyptians' purchasing power is pretty low. On top of that, quality and taste are taken into consideration, especially when purchasing sweet baked goods. Although EU products are considered high-quality, most consumers are more likely to buy products that give the idea of freshness, as this is associated to better quality. Egyptian consumers have subsequently a preference for items with a colour that indicates freshness and flavour, e.g. golden-brown croissants, generous fillings, as well as a variety of flavours that complement each other⁸⁸. Amongst wealthy women, on the other hand, baked goods purchases are increasingly driven by health considerations. Therefore, low sugar content, high fibre, low carbohydrates and gluten-free products have gained traction amongst them, albeit still at a niche level.

5.5.2.3 Recent market trends

Egyptian baked goods sales overall recorded a positive annual growth in 2012-2017, up to 9.6% in pastries. Nonetheless, growth is expected to slightly slowdown over the next years, with bread showing the largest growing potential, as sales are set to rise at an annual rate of 7.7%. Notably, upper-income consumers are increasingly demanding higher-quality bread products. Amongst sweet baked products, pastries are set to grow at an annual rate of 6.8%, cakes at 4.8%. In this category, packaged backed goods are expected to grow at the fastest rate, due to the quest for convenience by workers, especially young ones^{89,90}.

⁸⁷ Dupont nutrition & health consumer survey: sweet baked goods consumption and purchasing habits in Egypt, https://www.food.dupont.com/content/dam/Dupont2.0/General/Nutrition-Health/images/food-and-beverages/pdfFiles/White_paper_SBGs_Egypt.pdf

⁸⁸ Dupont nutrition & health consumer survey: sweet baked goods consumption and purchasing habits in Egypt, https://www.food.dupont.com/content/dam/Dupont2.0/General/Nutrition-Health/images/food-and-beverages/pdfFiles/White_paper_SBGs_Egypt.pdf

⁸⁹ Euromonitor International: Packaged Foods, 2018

⁹⁰ FAO Egypt – Wheat Sector Review, <http://www.fao.org/3/a-i4898e.pdf><http://www.fao.org/3/a-i4898e.pdf>

5.5.3 Offer

5.5.3.1 Domestic production



The Egyptian bakery industry is still underdeveloped, as baked goods are commonly manufactured in small artisanal bakeries. Indeed, in Egypt, there are approximately 38 000 bakeries, of which 20 000 produce higher quality fino bread and pastries, and the remaining 18 000 are baladi bakeries, merely producing subsidised bread. In 2017, the Egyptian bakery industry recorded the highest revenue in the food sector, which reached EUR 5 billion⁹¹.

The Egyptian market is therefore saturated with a variety of artisanal breads, baladi bread being the most popular. Around 82% of the domestic and imported wheat is indeed used for the production of subsidised *baladi* bread. Notably, in 2018, the General Authority for Supply Commodities, which is responsible for the subsidy programme, over half of the 12 million MT tonnes imported, namely around 7.5 million MT tonnes^{92,93}.

Amongst Egypt-based baked goods companies producing packaged baked goods, ready-made items such as frozen pizza, puffs, pastries and cake mixes are the focus. On the other hand, retailers such as Carrefour and La Gourmet have introduced private label brands of baked goods. As women are contributing more to the workforce in Egypt, it has become essential to have baked goods in weekly food shopping list. As a result, several local companies such as Sunbula provide a wide range of baked goods, including *sambosek*, spring rolls and frozen pizza which are the treated as an alternate choice for dinners.

Similarly to bread, Egypt is mostly self-sustained in terms of sweet backed goods, which are sold at several small artisanal bakers, at very low prices. Additionally, even in packaged goods, most companies that top the charts are either Egyptian or have a local presence, the most prominent being Modern Bakeries with a market share of nearly 30% in 2018 in value terms.

5.5.3.2 Imports and exports

As outlined in Figure 5-22, the volume of exported baked goods largely exceeded imports in 2017. Nonetheless, it was observed that imports of bakery products have drastically reduced since 2013, when they reached above 20 000 tonnes, down to just 3 465 tonnes four years later. On the contrary, exports

⁹¹ Egypt's food industry achieved \$22.5 bn revenues in 2017: USDA, https://pressreader.com/@nickname10987943/csb_vMqusuPEnf41Y6FTc1m3uU235baJ_CGYh-r86twPiSqnknt3sF-4rBICM7qYSWDZ

⁹² FAO Egypt – Wheat Sector Review, <http://www.fao.org/3/a-i4898e.pdf><http://www.fao.org/3/a-i4898e.pdf>

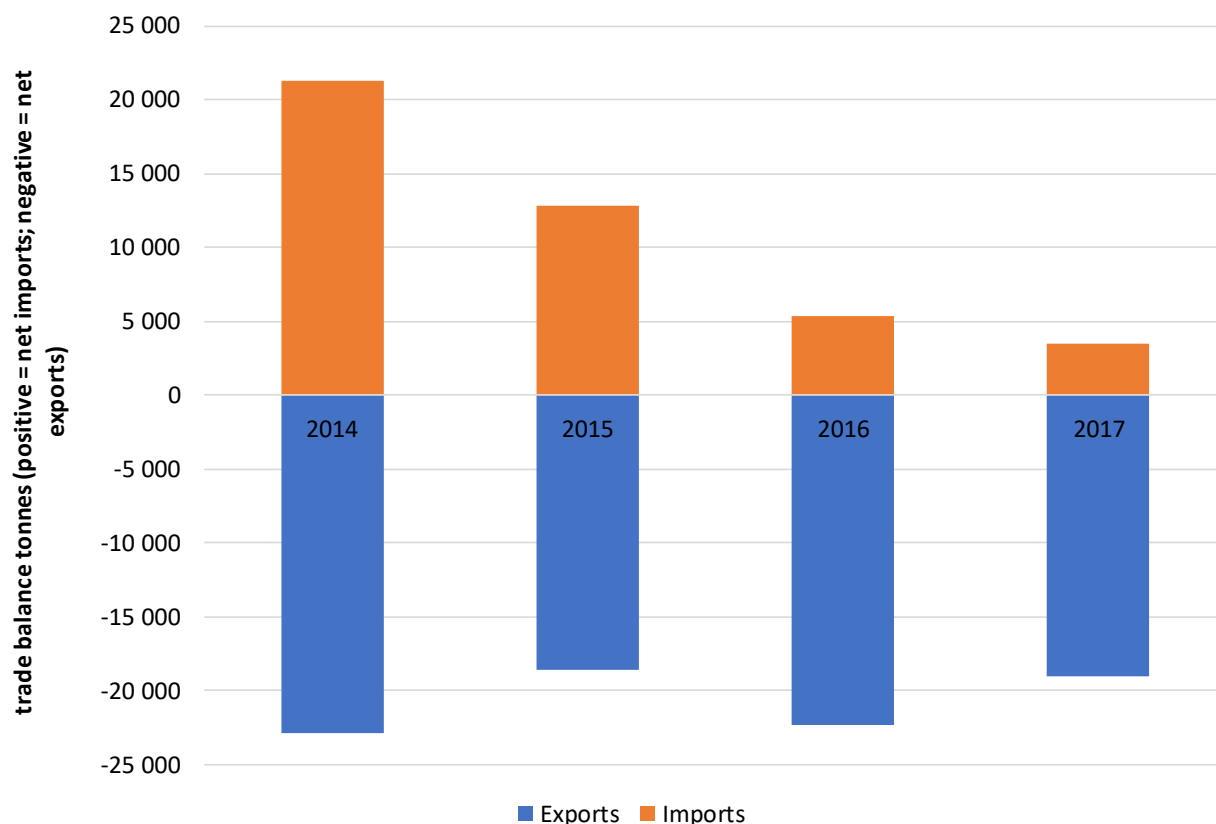
⁹³ USDA- GAIN Report: Egypt May Lose 1.4 Billion Pounds on Wheat Purchases in 2018, https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Egypt%20May%20Lose%201.4%20Billion%20Pounds%20on%20Wheat%20Purchases%20in%202018_Cairo_Egypt_3-19-2018.pdf

of baked goods have remained at largely the same level, despite some fluctuations. Exports indeed peaked in 2014 and 2016 (when they reached 22 860 and 22 362 tonnes respectively) and dropped slightly below 20 000 tonnes in 2015 and 2017.

As Figure 5-27 indicates, imports of baked goods into Egypt are negligible. With 1 197 tonnes (or 35% of the total exports to Egypt by volume), the UAE led the exports of baked goods to Egypt, followed by the UK (13%), and Saudi Arabia (11%). Other European countries accounted for a considerable share of total exports (33%), most of which came from Italy and Spain (respectively accounting for 20% and 17% of exports from the rest of the EU), followed by Belgium and Bulgaria (less than 15% each).

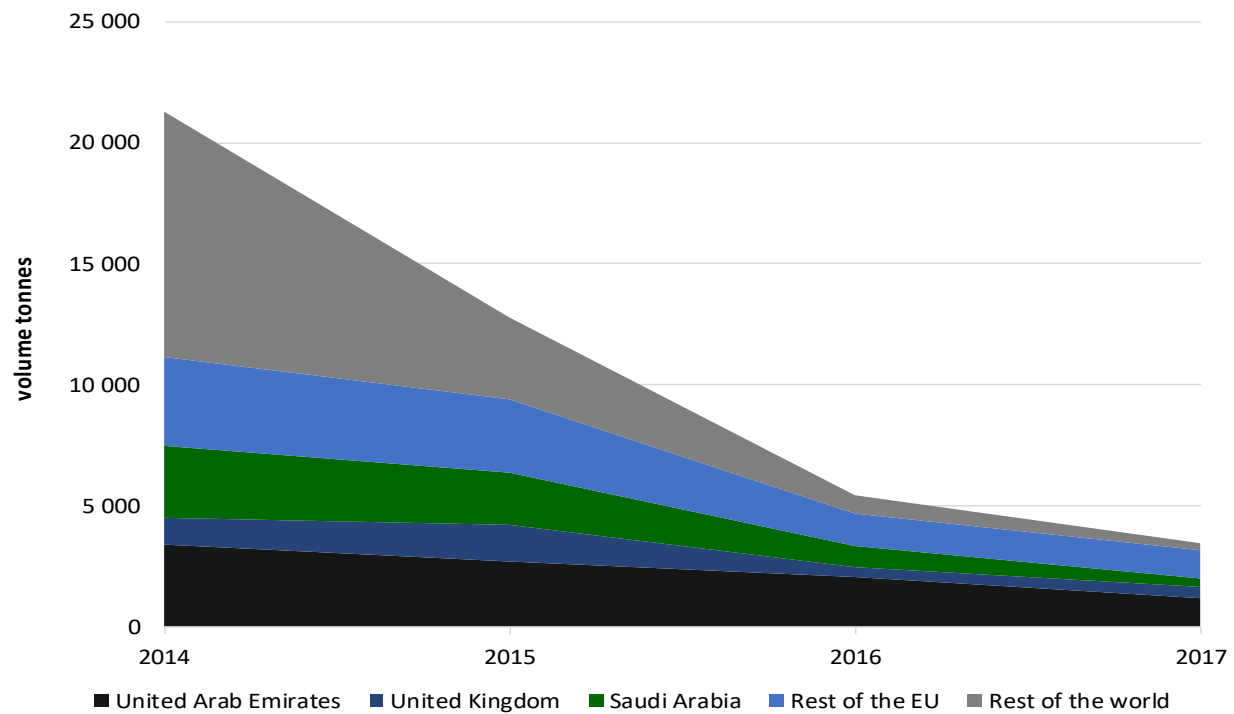
Among EU Member States, the UK has led imports into Egypt in terms of value, exporting baked goods for a EUR 1.2 million total value, in 2017. Nonetheless, the per unit value of UK exports of baked goods (i.e. 2 851 EUR/tonne) was lower than the average value of Egyptian imports (2 931 EUR/tonne). Even lower was the per unit value of Spanish exports (2 637 EUR/tonne), while Italian exports were well valued, i.e. at 3 002 EUR/tonne (Figure 5-24).

Figure 5-22: Trade balance (imports and exports) of baked goods in Egypt, 2013-17; tonnes



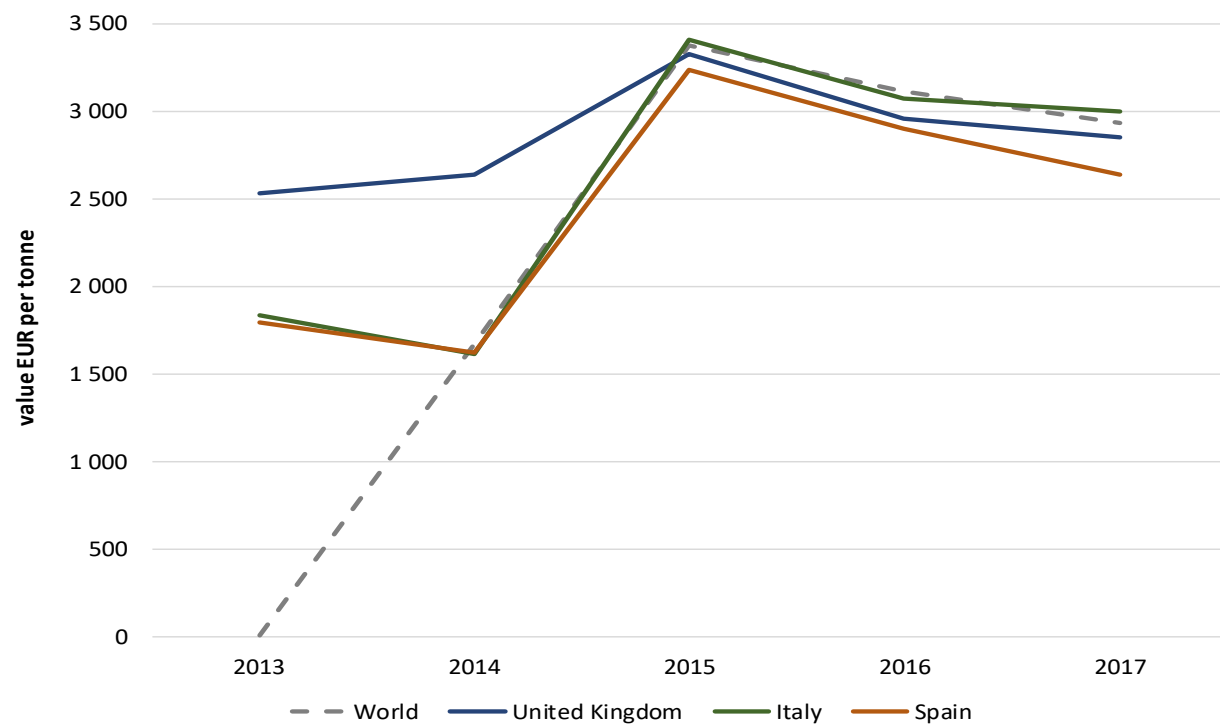
Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 1905

Figure 5-23: Egyptian imports of baked goods by country, 2013-17; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 1905

Figure 5-24: Per unit value of Egyptian imports of baked goods for selected countries, 2013-17 (EUR per tonne)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 1905

5.5.3.3 EU GI products

As indicated in section 4.2.4, Egypt is part to the Trade-Related aspects of Intellectual Property Rights (TRIPs) Agreement, which sets down minimum standards for the protection of geographical indications (GIs), amongst others. Despite the existence of a national legislative framework for the protection of GIs, no EU bakery GI good has been registered as such in Egypt.

5.5.3.4 Main competitors

As outlined in section 5.5.3.1, fresh baked goods from small and artisanal bakeries remain the biggest competitor for EU exporters, as they are even cheaper and more accessible than any packaged baked good items currently available in the Egyptian market⁹⁴. Furthermore, the government also provides freshly baked bread for free on the ration card for low-income families, with the majority of the population eligible. On top of that, EU exporters face the competition of the UAE and Saudi Arabia, which import large volumes of baked goods into the Egypt market.



In terms of market share, Rich Bake by Modern Bakeries 6 Of October SAE maintained its leadership in both flat and leavened bread with a wide variety of baked products with an attractive packaging and no added preservatives. The company has also developed a wide distribution through the majority of channels. Edita Food Industry, on the other hand, remains the leader in both cakes and pastries⁹⁵.

5.5.4 Specific market entry requirements

Market Access and Entry

As reported in section 4.2.1, prior export, European producers of certain bakery items should complete a registration with the General Organisation for Export and Import Control (GOEIC), in accordance with the requirements set out in Ministerial Decrees 991/2015 and 43/2016.

European exporters of baked goods currently face 15% duties when entering the Egyptian market. The only exception are Empty cachets of a kind suitable for pharmaceutical use (HS code 1905.90.10), on which a 1% import duty is applied. In addition, a value added tax is levied at a rate of 14% of the duty paid value.

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:

<http://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=EG&hscode=1905>

⁹⁴ Euromonitor International: Packaged Foods, 2018

⁹⁵ Euromonitor International: Packaged Foods, 2018

Customs procedures

A list of standard documents required for import bakery goods into Egypt is presented in Table 4-1, in section 4.2.1. Furthermore, for some products it may be requested to present additional documents, as outlined in Table 4-2 in section 4.2.1.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:
<http://madb.europa.eu/madb/datasetPreviewI?publi.htm?countries=EG&hscod=1905>

SPS measures

Sanitary and Phytosanitary measures concerning the import of bakery goods into Egypt are in line with international standards.

Labelling

Bakery goods must comply with the labelling rules outlined in section 4.2.3.

Please note that small items whose surface is 10 cm square or less are exempt from labelling obligations.

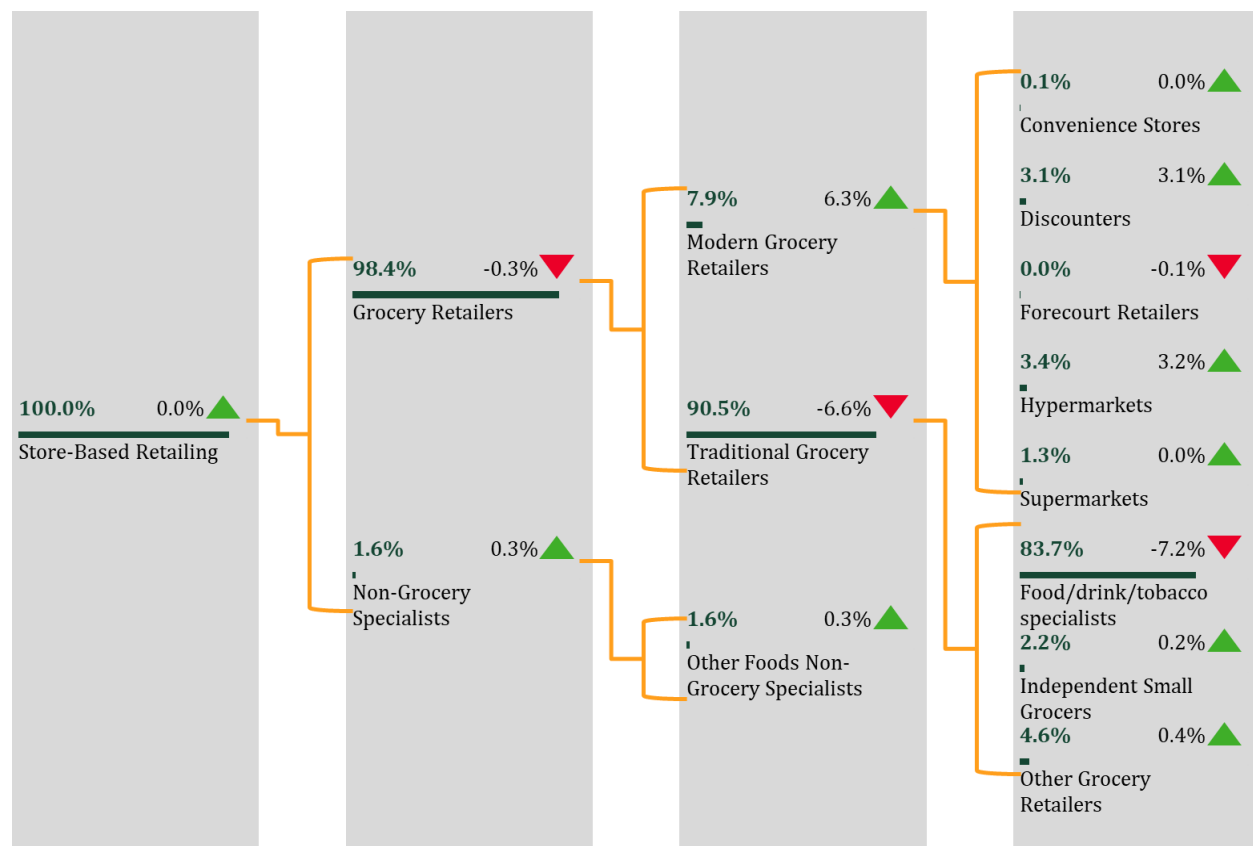
5.5.5 Distribution

As set out in Figure 5-25, the off-trade distribution of bakery goods in Egypt is done through mainly grocery retailers (98.4%). Of these, in 2017 the vast majority (over 90%) were traditional grocery retailers, notably food specialists (83.7%). Notably, bread is mainly available as unpackaged through artisanal outlets in every corner of Egypt, specifically targeting lower population segments. On the contrary, given its higher price, packaged bread mostly targets upper-income segments, and it is available through modern retailers. Furthermore, as unpackaged cakes and pastries are largely available through bakeries and patisseries, packaged baked goods have minimal availability in modern channels.

Although they have been growing at a fast rate (by 6.3%, in 2017), purchases through modern grocery retailers merely accounted for 7.9% of the total volume of sales. Amongst modern grocery retailers, supermarkets and discounters are the category which recorded the fastest growth rate (over 3%)⁹⁶.

⁹⁶ Euromonitor International: Packaged Foods, 2018

Figure 5-25: Distribution channel overview of baked goods in Egypt (2017); retail value



Source: Euromonitor International: Packaged Foods, 2018

5.5.6 Challenges for EU products

Although consumption of baked goods is heavy in Egypt, the population has a preference for fresh products from local bakeries, which are available at any corner in Egypt. Domestic production is indeed extensive, as the government allows some bakeries to sell bread at subsidies prices. Furthermore, EU enterprises have to face a declining import trend, as imported volumes have been enormously reducing since the beginning of the economic crisis, and consumers have been more and more relying on domestic production. On top of that, EU exporters also face a 15% import duty when penetrating the Egyptian market, along with some other non-tariff barriers (e.g. long inspection procedures).

Market Takeaway: Baked goods

Consumption: Egypt is one of the largest consumers of bread in the world, as bread is a cheap staple food. Also consumption of cakes and baked goods is considerable. Consumption of baked goods is on the rise in both total and per capita terms.

Competition: The domestic bread market is saturated, as there are many small artisanal bakeries producing affordable bread; industrial production is however pretty underdeveloped. UAE and Saudi Arabia are other competitors of EU exporters.

Distribution: Baked goods are mostly distributed through traditional grocery retailers, notably food specialists (i.e. artisanal bakeries).

Challenges: EU exporters face tariff (15% import duties) and non-tariff barriers when penetrating the Egyptian market.

Opportunities: Consumption of processed baked goods is on the rise amongst consumers looking for convenience (e.g. young workers); Upper-income consumers seek higher-quality and healthier products may offer some opportunities to EU imports.

5.6 Processed cereals

5.6.1 SWOT analysis

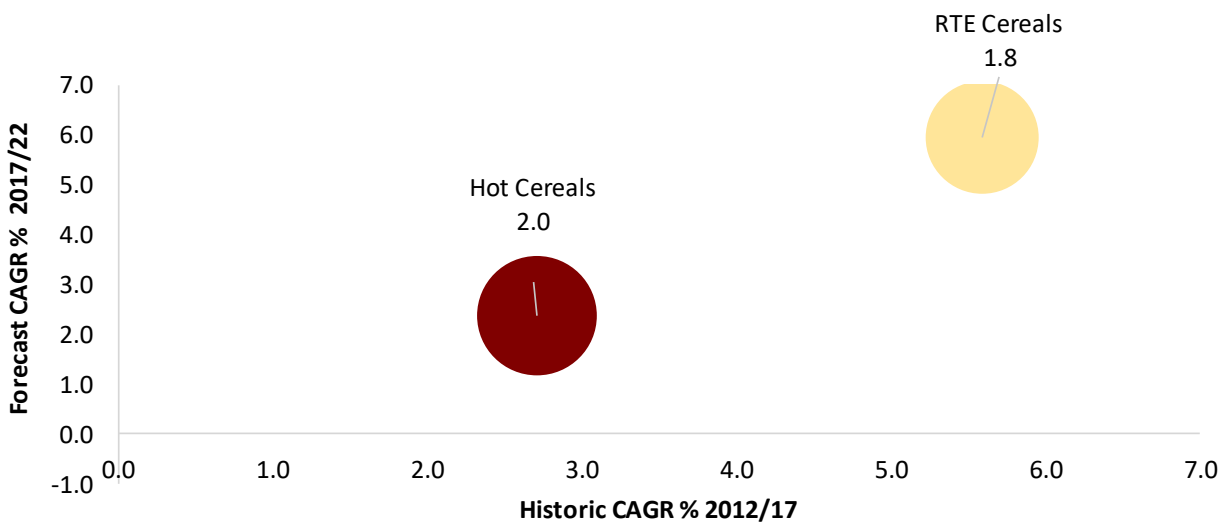


5.6.2 Consumption

5.6.2.1 Evolution of consumption

Processed cereals market in Egypt has been on rise (Figure 5-26). The market consists of hot cereals and RTE (Ready-To-Eat) cereals, of which market sizes are comparable volume-wise. The continuous growth might be connected to growing population as well as more healthy approach towards breakfast options. Hot cereals recorded growth of 2.7% per year in years 2012-2017 and it is expected that the market will continue rising, however at slightly lower pace (2.4% per year). RTE cereals, on the other hand, grew much faster than hot cereals between 2012 and 2017, noting growth of 5.6% per year. Moreover, the market size of RTE cereals is predicted to grow further by 6.0% over the forecast period.

Figure 5-26: Evolution and forecast of processed cereals market in Egypt, total volume 2012-2022



Source: Euromonitor International: Packaged Foods, 2018

5.6.2.2 Consumer profile and purchase criteria

Consumers

Processed cereals preferences vary between consumer groups, although they all share interest in health and wellness, as set out below:

- **Parents:** This group relies on processed cereals for their children's breakfast and prefers cornflakes of different flavours and types as most children do not like to drink raw milk. However, ever since the British health administration advised avoiding cornflakes for children considering the long-term effects and increasing concerns over obesity, parents have switched to buying non-flavoured cornflakes and other form of cereals such as fruit flakes and choco pops.
- **Adults:** This group forms a significant portion of the consumer base and mostly prefer muesli and granola for breakfast. However, these consumers mostly belong to upper class or upper-middle class given the high prices of such cereals in the country (muesli reached 100EGP/kg, i.e. approximately EUR 5/kg, in 2019). Oats also benefitted strongly from the WHO declaration that such products can be part of a healthy meal. This was especially embraced among the educated classes. Health and wellness are of paramount importance to these consumers as they tend to be more health conscious, on a diet and seeking weight loss options.
- **Athletes and Sportsmen:** most sportsmen prefer to consume either oats or cereal and milk for their breakfast, especially wholegrain and low/non-sugary cereals. Moreover, granola bars and nutritifit bars are gaining popularity among athletic consumers as a quick meal. This is because these snack bars serve as a great protein and vitamin refill while going to the gym or working out. Diet conscious and athletic consumers are preferring oats.

Regarding consumption patterns, traditional Egyptian breakfast mostly comprises various combinations of bread, beans, eggs, meat, vegetables and ghee among many others, with the most popular dishes including *Foul Medames*, *Taameya* and *Beid Bel Basterma*⁹⁷. The abundance of traditional breakfast options does not include processed cereals meals. However, in view of rising health-awareness, some types of meals are considered bringing certain health benefits, and hence Egyptian consumers have started to perceive processed cereals as a breakfast alternative. Notably, oat-based meals have been gaining popularity, due to their nutrition value as well as low positioning on the glycaemic index, making



the product attractive for diabetic consumers. Manufacturers present on the Egyptian market for processed cereals have also started to invent new nutrition combinations to attract consumers as well as offer health-aware labelling⁹⁸. The popularity of oats has also been picked up by other industries, which started to include them in their products. Juhyna, a leader in domestic dairy industry, expanded its offer by launching line of products, i.e. yoghurts with oats, whereas modern bakeries sector has been basing some of their products on

oats.

Drivers and method of consumption

Consumption of processed cereals in Egypt is mostly driven by rising health-awareness among consumers concerning breakfast options and continuously growing population. Additionally, given busy lifestyles, notably in major urban locations, some consumers choose processed cereals due to convenience added value and shorter meal preparation. In terms of method of consumption, cereals are usually prepared with dried nuts and/or frozen fruits, according to preferences.

Purchase criteria

Price remains as the key criterion when purchasing processed cereals. Given the devaluation of Egyptian pound and price increases, consumers have shifted towards more affordable options. Thus, consumers are switching to domestic brands as they are more affordable. Even among the mid income segment, consumers are slowly replacing cereals with dairy-based products that are cheaper and offer similar health benefits.

On the other hand, as outlined above, consumers in Egypt have started to pay greater attention to healthy breakfast options as well as convenience. Cereals are considered more convenient, energy-rich foods that save time, and the increasing rate of female employment and long working hours are supporting the growth of the category in Egypt. Concerning



⁹⁷ 3 Traditional Egyptian Breakfast Dishes; <https://spoonuniversity.com/lifestyle/3-traditional-egyptian-breakfast-dishes-that-will-make-your-day>

⁹⁸ Euromonitor International: Packaged Foods, 2018

health-oriented consumers, the positive image of oats has impacted consumers' approach, as they perceive it as the healthiest option among all processed cereals products.

Imported brands are however mostly bought by high income earners who become aware of such brands by travelling a great deal. Thus, global or international presence is the key to gaining the attention of these consumers.

5.6.2.3 Recent market trends

As above sections outlined, consumption of processed cereals has been on rise, mostly because of continuous population growth as well as more health and convenience-oriented approach to breakfast options. As local producers focus on cornflakes and children's breakfast cereals, EU imports have great opportunity in muesli and granola with growing awareness among mid and high-income groups. Furthermore, the latest trend is combined with emergence of oats, as its positive image has been particularly taken into account when purchasing processed cereals. Ready-to-Eat products have been gaining popularity due to much shorter meal preparation, which for some consumers constitutes an important factor due to their busy lifestyles. Last but not least, the popularity of processed cereals led to emergence of *cereals cafés*, offering cereals breakfast options. The first café was opened in 2017 and the sector has been moderately growing⁹⁹.

5.6.3 Offer

5.6.3.1 Domestic production

The market for processed cereals in Egypt is dominated by domestic producers, which focus on cornflakes and children's breakfast cereals¹⁰⁰. Mass Foods Group has been leading the market across RTE cereals, including muesli and granola, with its flagship product – Temmy's. Other major producers include Kellogg, the market leader in children's cereals targeting teenagers and children as well as Emco, which is the largest producer on the hot cereals market, with a strong presence in muesli, granola and oat flakes (including premium quality Oat Flakes)¹⁰¹. The brand is mostly found in supermarkets, hypermarkets and discounters and is priced lower than other imported counterparts. Additionally, the brand is well advertised and has a strong shelf presence. Sante is another brand that is gaining momentum in Egypt. Although, Sante's presence is smaller than that of Emco, its varied flavours, pack sizes and innovative packaging helped the brand register a 216% value growth over 2017-18.

In general, processed cereals remain a niche with operators seeking to appeal a wider consumer base. However, the lack of different formats and flavours amongst the affordable local brands has limited

⁹⁹ Cereal & Flakes: Egypt's First Cereal Cafe Offers Quirky Breakfast Options in Maadi;
<https://www.cairo360.com/article/cafes/cereal-flakes-egypts-first-cereal-cafe-offers-quirky-breakfast-options-in-maadi/>

¹⁰⁰ Overview of Egypt's Largest Food Companies by Sales;
https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Egypt%E2%80%99s%20Largest%20Food%20Companies%20by%20Sales_Cairo_Egypt_2-14-2018.pdf

¹⁰¹ Euromonitor International: Packaged Foods, 2018

growth. Meanwhile, imported brands, which feature a wider variety of flavours and ingredients, are relatively expensive and not widely available across all types of retailers.

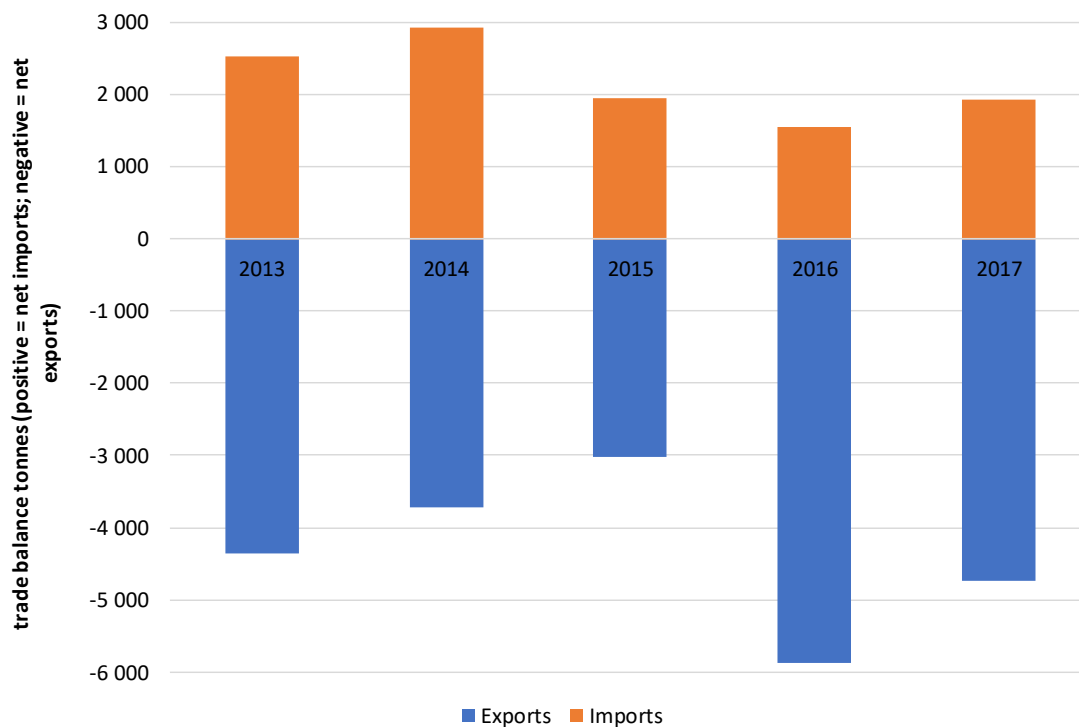
5.6.3.2 Imports and exports

As presented in Figure 5-27, exports have been exceeding import volumes in the last 5 years. It should be pointed out that volumes of both imported and exported processed cereals have been relatively small. In recent years, the balance has been fluctuating, with consecutive periods of growth and falls. Imports peaked in 2014, reaching almost 3 000 tonnes, to record a two-year decline and finally pick up in 2017 when they amounted to almost 2 000 tonnes. Exports, on the other hand, recorded a period of gradual decline between 2013 and 2015 to reach its peak in 2016, amounting to almost 6 000 tonnes. In 2017, exported volumes dropped to just above 4 500 tonnes.

Imports of processed cereals to Egypt are diverse and include many countries, such as Turkey, as well as several EU countries, i.e. Belgium, Poland, France and Spain (Figure 5-28). Interestingly enough, despite the decline in the total volume of imported products, the share of EU countries in imports remained relatively stable, with significant drops of other importers, such as China, Kuwait or Syrian Arab Republic. Belgian products emerged in more significant quantities on the Egyptian market in 2017, whereas Turkey remained its position on the market, after decline in 2014.

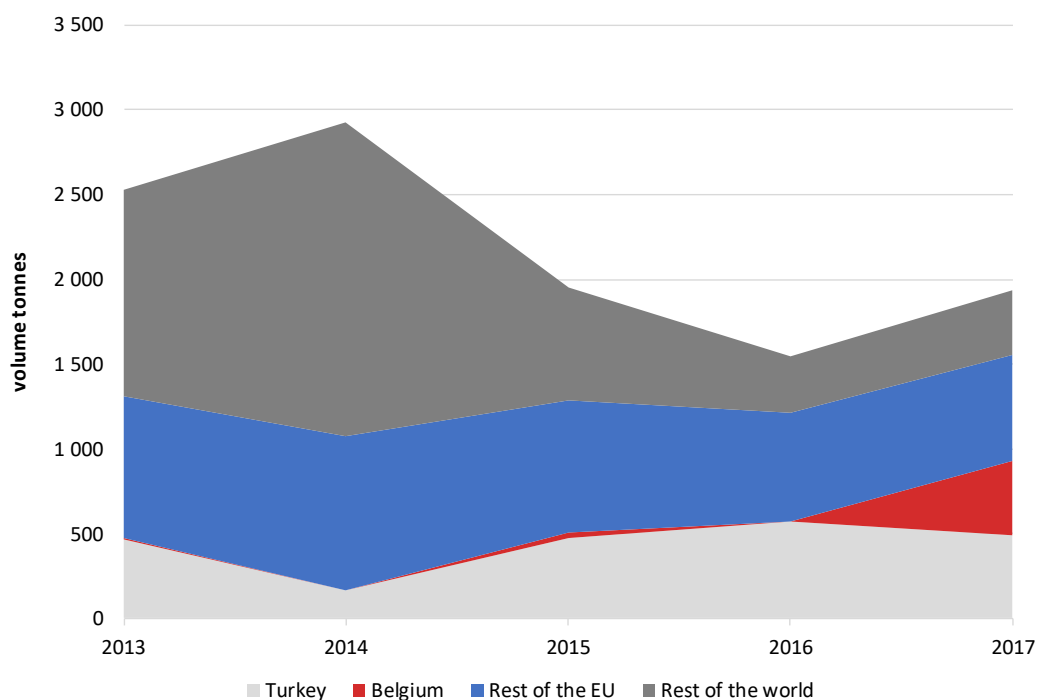
Imported processed cereals from EU countries have had the value per unit higher than world average, which oscillated between EUR 2 500 and EUR 2 000 in years 2015-2017. As Figure 5-29 depicts Belgian, French and Polish cereals have had almost identical value per unit, reaching slightly above EUR 2 700 per tonne in 2017. However, whereas the value of products from Belgium and France fluctuated in recent years, Polish products recorded a continuous growth between 2013 and 2015

Figure 5-27: Trade balance (imports and exports) of processed cereals in Egypt, 2013-17; tonnes



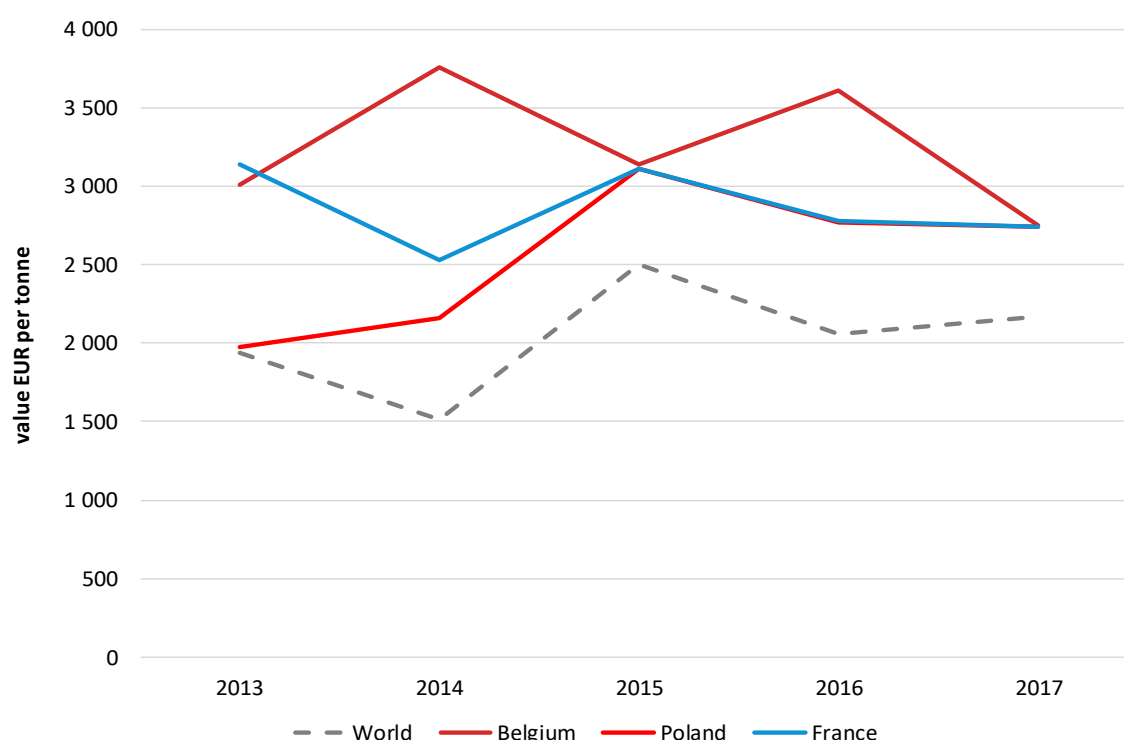
Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 1904

Figure 5-28: Egyptian imports of processed cereals by country, 2013-17; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 1904

Figure 5-29: Per unit value of Egyptian imports of processed cereals for selected countries, 2013-17 (EUR per tonne)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 1904

5.6.3.3 EU GI products

As indicated in section 4.2.4, Egypt is part to the Trade-Related aspects of Intellectual Property Rights (TRIPs) Agreement, which sets down minimum standards for the protection of geographical indications (GIs), amongst others. Despite the existence of a national legislative framework for the protection of GIs, no EU processed cereals product GI product has been registered as such in Egypt.

5.6.3.4 Main competitors

As described in section 5.6.3.1, processed cereals market in Egypt is led by domestic companies. The major producer is Mass Food Group, followed by internationally known Kellogg and Emco, a leader in hot cereals sector. In 2015-2016, Kellogg acquired Mass Food and its brand Temmy's to become the leading player in breakfast cereals in Egypt. This move also resulted in a rapid increase in the value share of Kellogg in 2016. Subsequently, in 2018, Kellogg Co remained the leader in breakfast cereals with Mass Food and Kellogg's holding 36% and 10% of the total value share, respectively. Emco ranked second with a retail value share of 18% in 2018. Emco entered Egypt in 2015 and is well known for its high standard of quality products and ingredients and enjoys great demand among high income consumers. The company offers different products such as corn flakes, oat flakes, and muesli and granola bars. In terms of brands, Kellogg's Temmy's, Emco's Oat Flakes and 4A Nutrition's Lino were the top players.

Additionally, as outlined in section 5.6.3.2, EU countries are among top importers of processed cereals to Egypt, followed by Turkish producers. However, it must be remembered that Egypt's balance of trade is positive.

5.6.4 Specific market entry requirements

Market Access and Entry

As reported in section 4.2.1, prior export, European producers of certain processed cereals should complete a registration with the General Organisation for Export and Import Control (GOEIC), in accordance with the requirements set out in Ministerial Decrees 991/2015 and 43/2016.

Under the EU-Egypt Association Agreement, European producers of processed cereals have a duty-free access to the Egyptian market.

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:

http://madb.europa.eu/madb/datasetPreviewIfpubli.htm?datacat_id=IF&from=publi&hcode=&countryid=EG

Customs procedures

A list of standard documents required for import of processed cereals products to Egypt is presented in Table 4-1 , in section 4.2.1. Furthermore, for some commodities it may be requested to present additional documents, as outlined in Table 4-2.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:

<http://madb.europa.eu/madb/datasetPreviewIfpubli.htm?countries=EG&hcode=>

SPS measures

Sanitary and Phytosanitary measures concerning the import of processed cereals products to Egypt are in line with international standards.

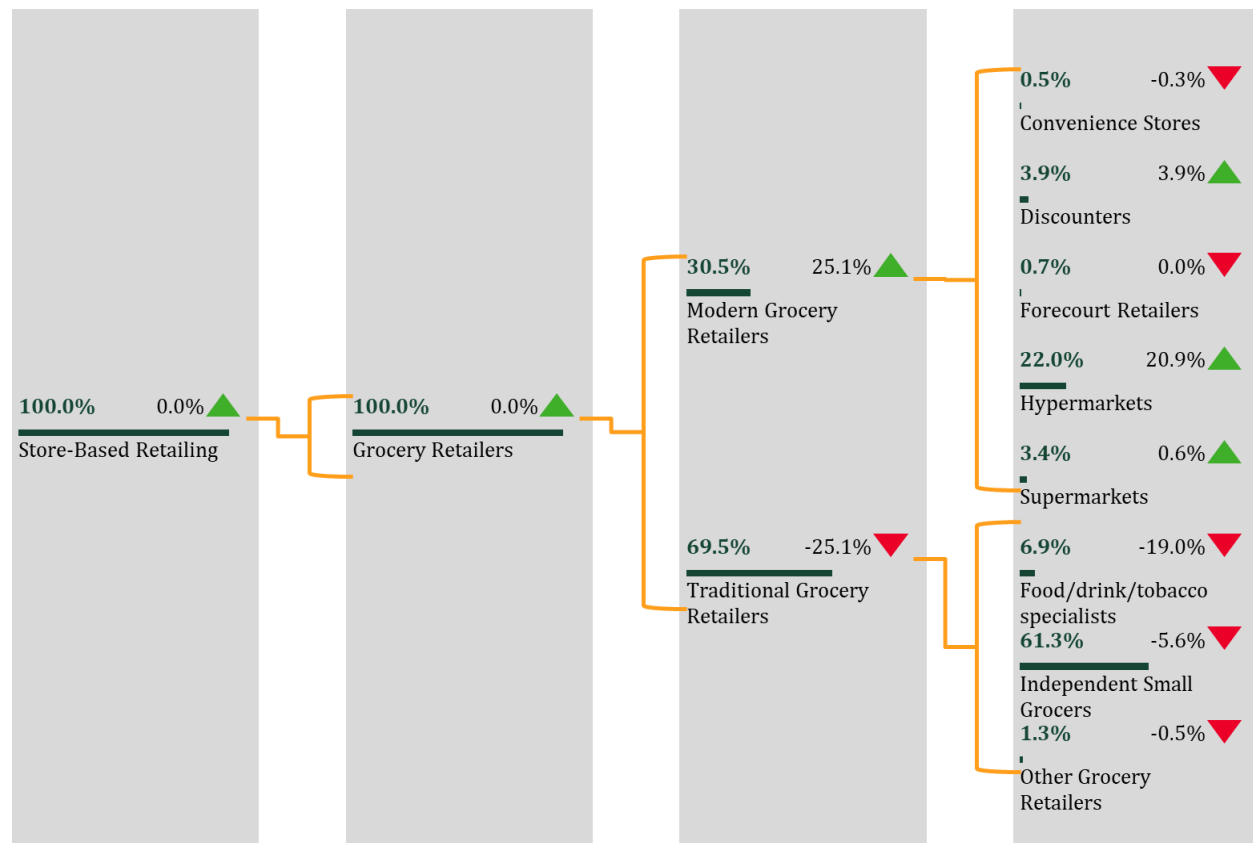
Labelling

Processed cereals products must comply with the labelling rules outlined in 4.2.3.

5.6.5 Distribution

As seen in Figure 5-30, processed cereals are mainly distributed through traditional grocery retailers (69.5% of shares, in terms of retail value in 2017). The majority of products are distributed through independent small grocers (61.3%), followed by food and drink specialists (almost 7%). Egyptian consumers purchase processed cereals also through modern grocery retailers, in particular through hypermarkets (22%) followed by discounters (3.9%) and supermarkets (3.4%).

Figure 5-30: Distribution channel overview of processed cereals in Egypt (2017); retail value



Source: Euromonitor International: Packaged Foods, 2018

5.6.6 Challenges for EU products

The greatest challenges for EU producers are related to the market dominance of domestic producers with simultaneous low volumes of imported products. Secondly, the market is characterized by consumer loyalty towards known products. Lastly, it must be remembered that large group of consumers pay great attention to price, seeking for affordable alternatives.

Market Takeaway: Processed cereals

Consumption: Consumption of processed cereals has been on continuous rise, with emerging products such as oats.

Competition: Market led by domestic producers with simultaneous low volumes of imported products. Turkey as main foreign competitor. Trade surplus.

Distribution: Processed cereals mainly distributed through traditional grocery retailers, particularly through independent small grocers. Approximately one fifth of products distributed through hypermarkets.

Challenges: Dominance of domestic brands, which developed strong consumer base; imports volumes relatively small; tradition of consuming other products for breakfast.

Opportunities: Growing demand for processed cereals; ongoing changes in consumers' approach towards breakfast options.

5.7 Processed fruit and vegetables

5.7.1 SWOT analysis

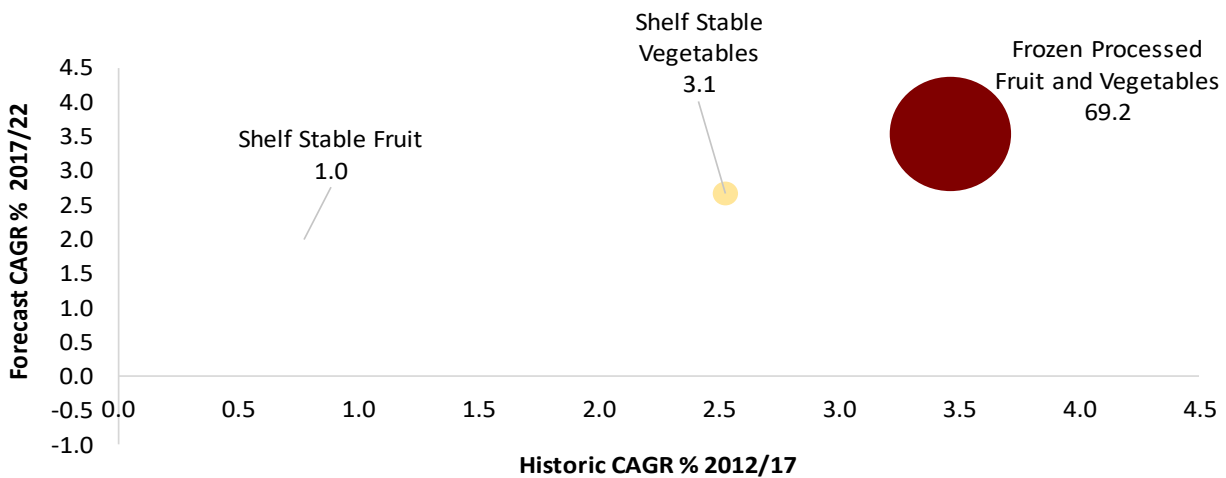


5.7.2 Consumption

5.7.2.1 Evolution of consumption

As consumers have a strong preference for fresh products, consumption of processed fruit and vegetables is rather limited, in Egypt. As outlined in Figure 5-31, consumers purchased approximately 73 300 tonnes of processed fruit and vegetables, in 2017, with frozen items accounting for nearly the entire volume of sales. Sales of shelf stable fruit and vegetables, indeed, amounted to respectively 1 000 and 3 100 tonnes, in 2017. Not only total consumption, but also per capita consumption of processed fruit and vegetables is limited, stable at less than 1 kg in 2017, a figure that is not set to significantly grow over the next years. The frozen processed fruit and vegetables segment also recorded the fastest annual growth rate in 2012-2017, i.e. 3.5%, followed by shelf stable vegetables (2.5%), and shelf stable fruit (0.8%).

Figure 5-31: Evolution and forecast of processed fruit and vegetable market (000 tonnes) in Egypt, total volume 2012-2022



Source: Euromonitor International: Packaged Food, 2018

5.7.2.2 Consumer profile and purchase criteria

Consumers

As outlined in section 5.7.2.1, while shelf stable fruit and vegetables are not very popular, frozen items (especially frozen vegetables) are more often purchased, in Egypt. Indeed, Egyptian consumers have limited awareness about shelf stable vegetables, as they are not widely available in all distribution channels, unlike frozen vegetables.



Although the majority of the population is more likely to opt for fresh items, a certain share of consumers may prefer frozen vegetables to fresh ones. The main reason is that frozen vegetables are more time convenient for Egyptians leading busy lifestyles. Furthermore, the lower-income segment of the population may prefer frozen fruit and vegetables to fresh ones for price reasons¹⁰².

Drivers and method of consumption

Purchases of processed fruit and vegetables are mainly driven by the convenience benefits offered by these products. Furthermore, lower prices, as in case of imported products, may affect consumers' purchasing choices. Consumers mostly defrost frozen fruit and vegetables according to preferences, by cooking, microwaving, baking, and frying among many others.

¹⁰² Euromonitor International: Packaged Food, 2018

Purchase criteria

The lower-income segment of the population is driven by price; therefore, they are more likely to purchase frozen fruit and vegetables, if the fresh version is available at a higher price (this is more recurrently the case for imported products). Furthermore, in case of workers with busier lifestyles, their main purchase criterion is convenience. Therefore, they prefer frozen vegetables as they can be quicker cooked than fresh vegetables.

5.7.2.3 Recent market trends

Recent trends in Egypt suggest a growing potential for the sales of processed fruit and vegetables in Egypt. Consumption is indeed expected to remain positive over the next few years, with sales of shelf stable fruit and vegetables setting to grow at a faster rate, compared to previous years. Despite the increase in prices, the domestic market for processed fruit and vegetables is still growing and there are many opportunities due to the increase in population and diversity in tastes¹⁰³.

5.7.3 Offer

5.7.3.1 Domestic production

A large part of the vegetable production is aimed at the processing industry, which is growing a very fast annual rate. Jams, juices and concentrates are among the most popular products in the sector, followed by dehydrated or frozen vegetables¹⁰⁴.

5.7.3.2 Imports and exports

Identifying data on trade in processed fruit and vegetables is extremely complicated due to the number of different lines under which such products can be imported. In Egypt, the imported processed fruit and vegetables value was estimated at approximately EUR 85 million in 2014¹⁰⁵. Overall trade in processed fruit and vegetables was captured in the data presented in section 5.2.3.2 on trade in fruit and vegetables as a whole.

5.7.3.3 EU GI products

As indicated in section 4.2.4, Egypt is part to the Trade-Related aspects of Intellectual Property Rights (TRIPs) Agreement, which sets down minimum standards for the protection of geographical indications (GIs), amongst others. Despite the existence of a national legislative framework for the protection of GIs, no EU processed fruit product GI product has been registered as such in Egypt.

¹⁰³ Euromonitor International: Packaged Food, 2018

¹⁰⁴ The Embassy of Denmark in Cairo: Egypt: Food, Agriculture and Agrobusiness, http://www.iberglobal.com/files/egipyp_food_agrobusiness.pdf

¹⁰⁵ GAIN Report: Egypt – Food Processing Ingredients, https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20Processing%20Ingredients_Cairo_Egypt_11-9-2015.pdf

5.7.3.4 Main competitors

As illustrated in section 5.2.3.1 (in the fresh fruit and vegetables market snapshot), Egypt is a heavy producer of fresh fruit and vegetables, which are offered at affordable prices. While inferior in terms of volume, domestic production of processed fruit and vegetables is not insignificant. Americana and California Garden by Americana Group remain the leaders in shelf stable beans and fruits with very high quality and good value. Harvest Group, which is focused on promotional activities and discounts, follows. Fresh Del Monte Produce Inc is a key player in shelf stable fruit, where the most popular products are peaches and pineapples. Sunbulah Group is the leader in frozen fruits. Basma by Ajwa Group remains the leader in frozen vegetables free from preservatives and chemicals. Harvest Foods Co remains the leader in shelf stable vegetables¹⁰⁶.

5.7.4 Specific market entry requirements

Market Access and Entry

As reported in section 4.2.1, prior export, European producers of certain processed fruit items should complete a registration with the General Organisation for Export and Import Control (GOEIC), in accordance with the requirements set out in Ministerial Decrees 991/2015 and 43/2016.

Under the EU-Egypt Association Agreement, European exporters of processed fruit and vegetables do not face any tariff-barrier when entering the Egyptian market.

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:

http://madb.europa.eu/madb/datasetPreviewFormIFpubli.htm?datacat_id=IF&from=publi&hscod=&countryid=EG

Customs procedures

A list of standard documents required for import processed fruit and vegetables into Egypt is presented in Table 4-1, in section Import requirements/restrictions, customs procedures and documentation. Furthermore, for some commodities it may be requested to present additional documents, as outlined in Table 4-2 in section Import requirements/restrictions, customs procedures and documentation.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:

<http://madb.europa.eu/madb/datasetPreviewFormIFpubli.htm?countries=EG&hscod=>

SPS measures

All sanitary and Phytosanitary measures concerning the import of processed fruit and vegetables into Egypt are in line with international standards.

¹⁰⁶ Euromonitor International: Packaged Food, 2018

Labelling

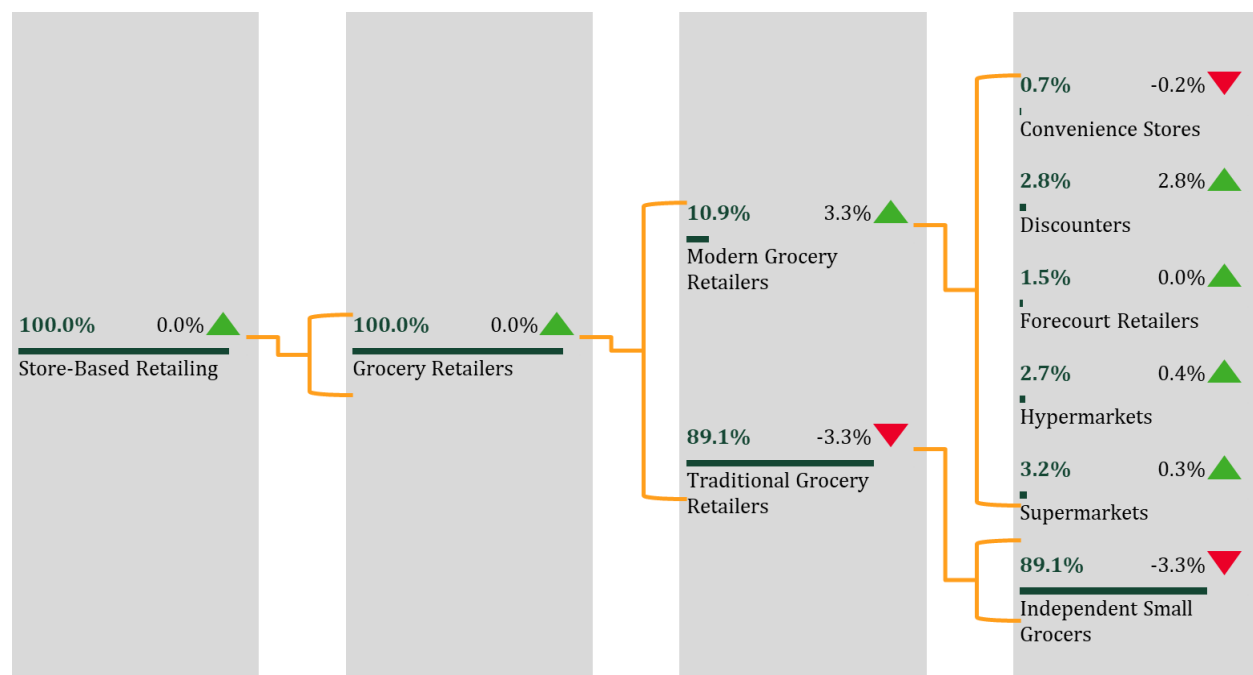
Processed fresh fruit and vegetables must comply with the labelling rules outlined in section Labelling Requirements.

5.7.5 Distribution

As outlined in Figure 5-32, the distribution of processed fruit and vegetables in Egypt is entirely done through grocery retailers. Of these, in 2017 the vast majority (89.1%) were traditional grocery retailers, all of them independent small grocers. Although on the rise (by 3.3 percentage points, in 2017), purchases through modern grocery retailers merely accounted for 10.9% of the total volume of sales. Amongst modern grocery retailers, discounters are the category which recorded the fastest growth, as they offer more affordable products.

Egypt does not produce shelf stable tomatoes which are mainly imported and limited to modern trade channels as prices are very high¹⁰⁷.

Figure 5-32: Distribution channel overview of processed fruit and vegetables in Egypt (2017); retail value



Source: Euromonitor International: Packaged Food, 2018

5.7.6 Challenges for EU products

As local fresh fruit and vegetables are widely available in Egypt at affordable prices, consumers are not tempted to purchase processed versions of the same products. Indeed, Egyptians tend to consider fresh

¹⁰⁷ Euromonitor International: Packaged Food, 2018

products as healthier and more nutritious. Although frozen vegetables appear to have some market in Egypt, driven by workers with busy lifestyle, the same cannot be said about frozen fruit. Fresh fruit production, which is abundant in Egypt, tends to be the first option for most consumers.

Market Takeaway: Processed fruit and vegetables

Consumption: is very limited, although on the rise. Notably, frozen vegetables are more and more purchased by workers with busy lifestyles.

Competition: international companies with factories in Egypt and local producers are the biggest competitors.

Distribution: most processed F&V are distributed through independent small grocers.

Challenges: consumers have a preference for fresh F&V, which they find healthier.

Opportunities: Busy workers look for convenience, hence they have a preference for frozen vegetables; imported fresh products may be offered at lower prices in processed versions.

5.8 Alcoholic beverages – general considerations

5.8.1 On consumption and consumers

In 1977, former Egyptian president Anwar Al-Sadat decided to tighten up its alcohol policy, restricting the sales and consumption of alcohol in Egypt. People selling and drinking alcoholic beverages have since then been stigmatised, even under the more liberal Mubarak government, until the revolution begun. Since 2011, indeed, consumers have started to increasingly purchase alcoholic beverages again¹⁰⁸.

Consumers

The Muslim population, including Muslim Egyptians, is not allowed to consume alcoholic beverages, as this constitutes a violation of the Sharia law. Nonetheless, adult non-Muslims – predominantly Coptic Christians and tourists – are allowed to purchase alcoholic beverages in Egypt. Indeed, unlike other Muslim-majority countries, Egypt is a rather liberal state when it comes to sales and consumption of alcoholic beverages. Although drinking alcohol in public places is forbidden, hotels, tourist facilities and clubs approved by the Minister of Tourism are allowed to sell it. These venues must, nonetheless, obtain a so-called “**liquor license**”, which proves challenging to obtain outside of areas with relatively high levels of foreign residents, such as *Maadi* and *Zamalek*¹⁰⁹.



In Egypt, there is an official legal purchasing and drinking age for beer (18 years), wine and spirits (21 years). Nonetheless, purchasing age restrictions are not always fully enforced. It is not uncommon to find public venues that sell alcohol without asking for proof of legal drinking age. However, in outlet chains and high-class bars or restaurants in wealthier areas, the age is habitually checked before entry.

The age at which people starts drinking largely depends on their social status, with many Egyptians starting before legal drinking age. Notably, wealthy young teens that are exposed to travel and hence more influenced by the Western culture tend to start before 18 years old. On the contrary, lower income consumers tend to be more conservative, hence they usually start at a later age. However, this may change in the future, as also lower-income consumers are more and more exposed to Western trends via social media¹¹⁰.

¹⁰⁸ Egyptian society and beer, a long story to tell, <http://english.ahram.org.eg/NewsContent/7/47/309169/Life--Style/Style/Egyptian-society-and-beer,-a-long-story-to-tell.aspx>

¹⁰⁹ Drinking Alcohol Is Always an Open Secret in Egypt, https://munchies.vice.com/en_us/article/4xbbqj/drinking-alcohol-is-always-an-open-secret-in-egypt

¹¹⁰ Euromonitor International: Alcoholic Drinks, 2018

Drivers and methods of consumption

With the exception of beer, alcoholic beverages are usually purchased at on-trade establishments, including hotels, bars, restaurants and nightclubs. Imported drinks are somewhat more expensive than in Europe because of taxes. However, a special tourist licence can be acquired from the Ministry of Tourism, allowing foreigners to purchasing a certain volume of imported alcohol that is taxed at only 450%.

A 1973 law **prohibits the sale of alcohol** to Egyptians, including the 10% of the Coptic population, **during Ramadan and other Islamic holydays**. On these occasions, bars and restaurants are merely allowed to sell alcohol to non-Egyptians in possession of a foreign passport¹¹¹.

5.8.2 Distribution

Alcoholic beverages can be sold in licensed on-trade and off-trade channels. However, most imported products can be found mainly in on-trade venues.



However, in Egypt, imported alcoholic beverages are usually less affordable than in Europe, due to taxes. For this reason, Egyptian consumers of alcohol are increasingly purchasing alcohol from **duty-free stores, as they offer imported products at lower prices**, the main reason being that exports addressed to these venues are not imposed heavy duty levies and taxes. Nonetheless, Egyptians are allowed to buy products from duty-free stores provided they are traveling from an international airport, with the current limit being four litres upon arrival, with such purchases being allowed only

twice per year. Moreover, the maximum amount that can be spent in a duty-free shop on any product is limited at about EUR 210. However, Egyptians with special passports (i.e. diplomats) are exempt from this rule, as they face limits only on the number of monthly purchases.

Similarly, due to high prices of imported alcoholic beverages, **contraband and parallel trade are spreading in Egypt**. Notably, there have been reports of establishments selling alcohol without a licence or selling smuggled alcoholic drinks. Also, due to inflation, many consumers purchase cheaper products on the black market. In addition, there has also been an increase in the availability of unbranded and unlicensed alcohol, as well as copies of international brands that are manufactured in an unlicensed facility with no oversight¹¹².

¹¹¹ Drinking Alcohol Is Always an Open Secret in Egypt, https://munchies.vice.com/en_us/article/4xbbqj/drinking-alcohol-is-always-an-open-secret-in-egypt

¹¹² Euromonitor International: Alcoholic Drinks, 2018

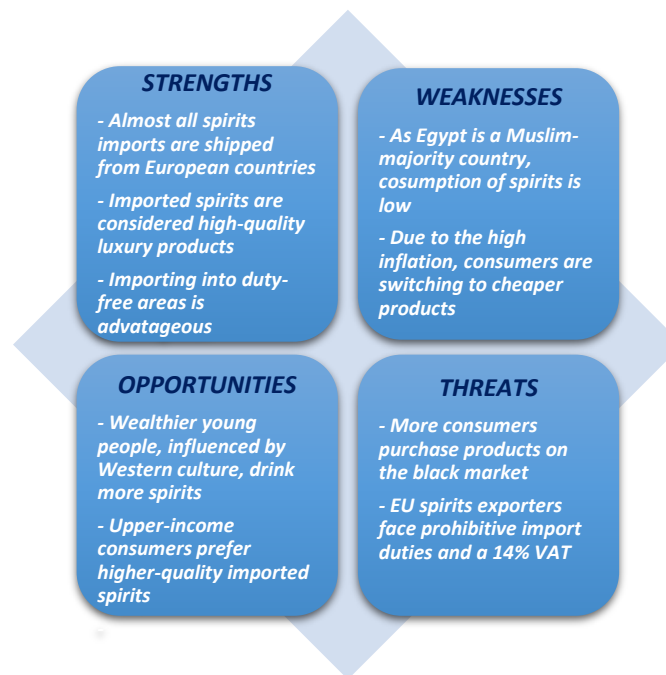
Advertising restrictions

Advertising alcoholic beverages via television, radio, or the press is forbidden in Egypt.

Nonetheless, online marketing through social media channels, which is not subject to Egyptian law or restrictions, is widely used. Furthermore, alcoholic brands are increasingly advertising their products through sponsorship of events and parties.

5.9 Spirits

5.9.1 SWOT analysis



5.9.2 Consumption

5.9.2.1 Evolution of consumption

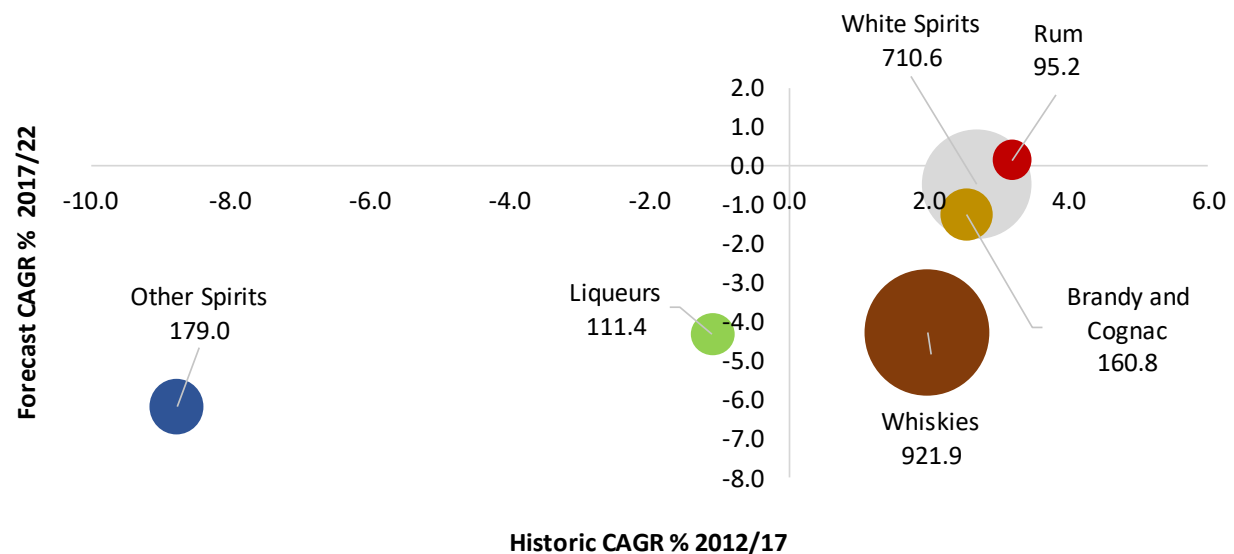
As Egypt is a Muslim-majority country, consumption of alcoholic beverages is exiguous compared to European countries. Despite that, due to the adoption of Western trends by non-Muslim Egyptian consumers, sales of spirits surged in Egypt until 2016. Recently, however, alcoholic drinks growth has been negatively affected by rampant inflation and declining consumer purchasing power.

Despite the recent slowdown in spirits sales and consumption, Egypt remains consumes a relatively large volume of spirits for a Muslim country - over 2.2 million litres in 2017. With respectively 921 900 and 710 600 litres, consumption of whiskies and white spirits (i.e. gin and vodka) accounted for 72% of all spirits sales in Egypt. “Other spirits” as well as Brandy and cognac were other two popular categories, respectively accounting for 8% and 7% of total spirits sales in terms of volume. Liqueurs, Rum and Tequila lagged behind with consumption volumes amounting to respectively 111 400, 95 200 and 35 100 litres.

Except “Other spirits” and liqueurs, all categories of spirits posted a positive growing rate in 2012-2017, ranging between -8.8% (other spirits) and 3.4% (tequila). Nonetheless, the growth of spirits sales is expected to dramatically fall over the next years, due to the high inflation and the subsequent reduced

consumer purchasing power¹¹³.

Figure 5-33: Evolution and forecast of spirits market (000 litres) in Egypt, total volume, 2012-2022



Source: Euromonitor International: Alcoholic Drinks, 2018

5.9.2.2 Consumer profile and purchase criteria

Although compared to other Muslim-majority countries Egypt is a rather liberal country, where alcohol sales and consumption are allowed, consumption of spirits remains limited amongst Egyptian consumers of alcohol, who have developed a stronger preference for beer. Although men and young generations from all segments consume large volumes of spirits, upper-income consumers account for most sales in terms of value.

Consumers

As Egypt is a Muslim-majority country, the percentage of consumers that drink spirits is exiguous compared to European countries. Egypt is indeed one of the countries with the least consumption of spirits in the world.

Within the non-Muslim consumer group, spirits are mostly purchased by men, although, influenced by the Western trends, wealthy teens are increasingly consuming spirits, in some cases even before reaching the legal drinking age. In general, Egyptian average alcohol consumers are more likely to drink reasonably priced but lower quality domestically produced spirits. On the contrary, upper-income consumers have a strong preference for (usually high-priced) imported items, including European spirits, which are more usually



¹¹³ Euromonitor International: Alcoholic Drinks, 2018

found in on-trade channels. Amongst domestic products, Auld Stag, the best premium whiskey in Egypt, is however gaining the trust of an increasing number of upper-income drinkers¹¹⁴¹¹⁵.

Drivers and method of consumption

As outlined in section 5.9.2.1, whisky, gin and vodka are the most popular spirits amongst Egyptian drinkers. In general, imported spirits, including European ones, are considered high-end products, as they are offered at very high prices. Subsequently, the average alcohol consumer is more likely to purchase more affordable domestic products. This trend has been further increasing after the 2016 currency devaluation, following which many consumers have started to trade down to cheaper domestic brands, or shift to other areas such as wine and beer. In addition, an increasing number of consumers has started to purchase spirits from the black market or at duty-free stores while traveling¹¹⁶.



Purchase criteria

Lower-income consumers' purchases are mostly driven by price. This trend has particularly increased in recent years, as high duty levies, the 2016 currency devaluation, and increase of VAT to 14% have made spirits more expensive. On the contrary, wealthy consumers pay more attention to quality, hence they usually opt for higher-quality imported products¹¹⁷.

5.9.2.3 Recent market trends

Sales of spirits in terms of volume overall recorded a positive annual growth in 2012-2017, driven by the Westernisation trend amongst younger drinkers. Notably, tequila, rum and white spirits recorded the highest growth rates over the period. Nonetheless, growth is expected to dramatically slowdown in the next few years, due to the high inflation and the subsequent reduced consumer purchasing power. Notably, consumption of "Other spirits" is set to record the worst performance, growing at -6.2% per year. Similarly, sales of whiskies and liqueurs are expected to post a -4.3% yearly growth each. All other segments are expected to grow at a negative rate, ranging between -2.4% in tequila and -0.5% in white spirits. Contrarywise, rum is the only segment expected to grow at a positive (though very slow) rate, that is 0.2%¹¹⁸.

¹¹⁴ A Boozer's Guide to Cairo (and Egypt), <http://www.touregypt.net/featurestories/boozer.htm>

¹¹⁵ Euromonitor International: Alcoholic Drinks, 2018

¹¹⁶ Euromonitor International: Alcoholic Drinks, 2018

¹¹⁷ Euromonitor International: Alcoholic Drinks, 2018

¹¹⁸ Euromonitor International: Alcoholic Drinks, 2018

5.9.3 Offer

5.9.3.1 Domestic production



Unlike other Arabic countries, which usually have their own traditional spirits, in Egypt, there is nothing like this. Domestic production, which is subsequently quite small, is therefore focused on whiskey and white spirits¹¹⁹. As multinational companies established in the country dominate the market, the only worthy of note Egyptian spirits manufacturer is Al Ahram Beverages. The company ranks far ahead of second placed Diageo, which offers several international brands. However, in 2017, domestic brands gained sales share from

international players as consumers shifted to cheaper alternatives in response to high inflation. As consumers are expected to continue shifting towards cheaper alternatives, Egyptian manufacturers are set to meet this demand with new affordable products¹²⁰.

5.9.3.2 Imports and exports

As domestic production is relatively limited, most spirits sold across Egypt are imported. Imports recorded a steady growth between 2013 and 2016. Despite the lack of comprehensive data (*figures were not available for 2015 and 2016 imports from several countries*), it was observed that following the 2016 currency devaluation, imports of spirits went down, and then grew again, reaching a volume of 3 344 tonnes in 2017.

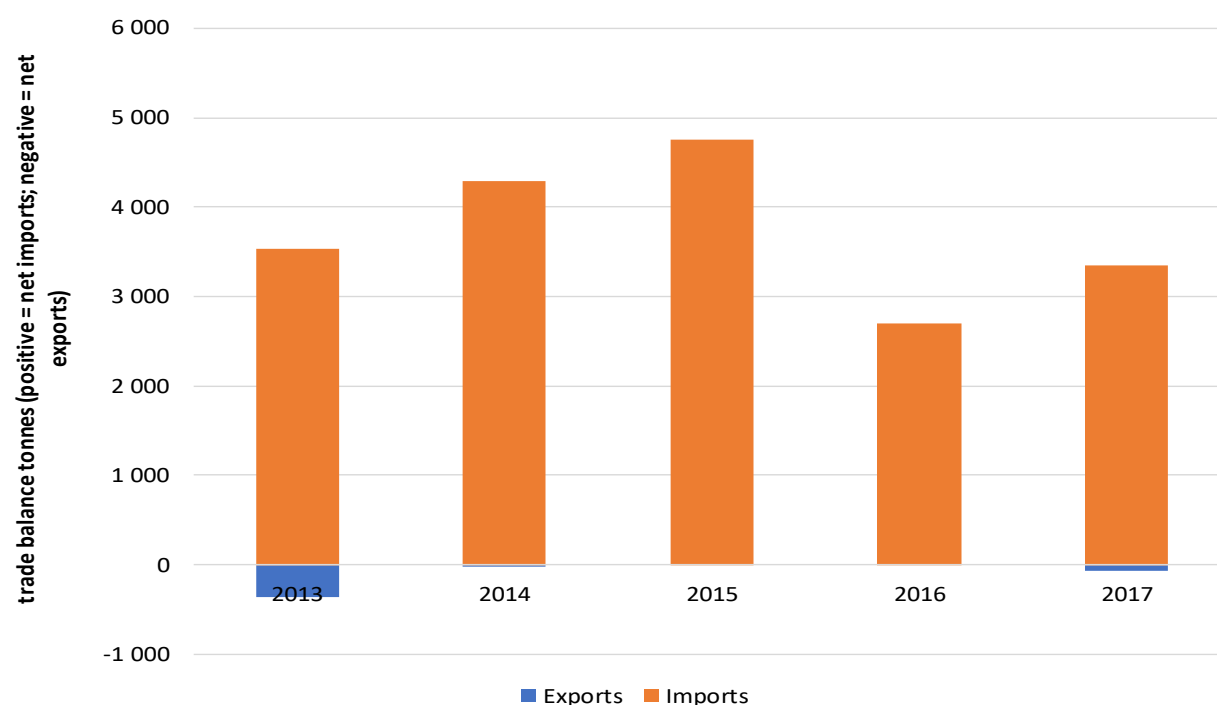
87% of total spirits imported to Egypt were shipped from European countries. With 1 387 tonnes in 2017 (or 41% of the total imports in terms of volume), the UK was the leading importer of spirits to Egypt. France followed, with an imported volume of 993 tonnes. The rest of the EU accounted for further 16% of total Egyptian imports of spirits, with Germany accounting for most of them.

UK and France have recently posted the highest-value spirits: their imports were respectively valued at over EUR 6.2 and 4.4 million in 2017. However, in per unit terms, the value of UK, French and German spirits did not differ significantly, reaching well above 4 400 EUR/tonne in 2017, slightly below the average value of spirits imported into Egypt (4 506 EUR/tonne).

¹¹⁹ Local Egyptian Alcohol, http://en.chinainfoguide.info/egypt_egypt-local-alcohol.html

¹²⁰ Euromonitor International: Alcoholic Drinks, 2018

Figure 5-34: Trade balance (imports and exports) of spirits in Egypt, 2013-2017; tonnes



Note: 2015 and 2016 imports figures were not available for all countries.

Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 2208

5.9.3.3 EU GI products

As indicated in section Protection of intellectual property rights and GIs, Egypt is part to the Trade-Related aspects of Intellectual Property Rights (TRIPs) Agreement, which sets down minimum standards for the protection of geographical indications (GIs), amongst others. Despite the existence of a national legislative framework for the protection of GIs, no spirits GI product has been registered as such in Egypt.

5.9.3.4 Main competitors

As outlined in sections 5.9.3.1 and 5.9.3.2, as domestic production is limited, most spirits distributed in Egypt are shipped from foreign countries, notably EU Member States. However, in terms of company shares, the Egyptian Al Ahram Beverages lead spirits sales, by offering products in a range of different areas¹²¹.

5.9.4 Specific market entry requirements

Market Access and Entry

The European spirits producers face several barriers, notably tariff-barriers, when importing into Egypt. Indeed, as the EU-Egypt Association Agreement does not cover alcoholic beverages, EU exporters of

¹²¹ Euromonitor International: Alcoholic Drinks, 2018

spirits face a 3 000% import duty (MFN) when entering the Egyptian market. Furthermore, a 14% VAT is imposed on spirits, since 2017.

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:

<http://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=EG&hscod=2208>

Customs procedures

A list of standard documents required for import spirits into Egypt is presented in Table 4-1, in section Import requirements/restrictions, customs procedures and documentation. Furthermore, for some products it may be requested to present additional documents, as outlined in Table 4-2 in section Import requirements/restrictions, customs procedures and documentation.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:

<http://madb.europa.eu/madb/datasetPreviewIffpubli.htm?countries=EG&hscod=2208>

SPS measures

Sanitary and Phytosanitary measures concerning the import of spirits into Egypt are in line with international standards.

Labelling

Spirits must comply with the labelling rules outlined in section Labelling Requirements.

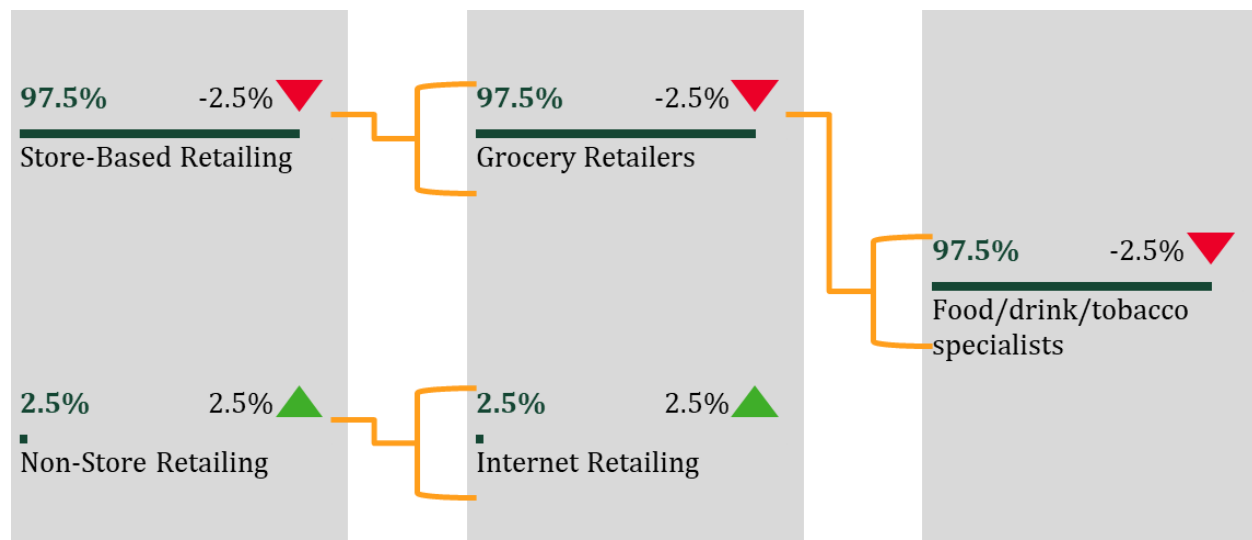
5.9.5 Distribution

As outlined in section 5.8.2, in Egypt, other than on-trade channels, imported alcohol can also be found in duty-free stores at more affordable prices. Subsequently, an increasing number of consumers have been buying a stock of bottles in occasions of their travels, or requesting friends who are traveling to do so, as prices of imported spirits became prohibitive after 2016.

In Egypt, spirits are divided between high priced imported brands found only in on-trade channels, and more affordable but lower quality domestically produced alternatives, available off-trade. For this reason, on-trade channels (hotels, bars and similar venues) are the dominant distribution channels in Egypt, with a share of 75.8%. As regards to off-trade distribution channels, almost all sales take place in food/drink/tobacco specialists (Figure 5-35). Only 2.5% of total sales are done through e-commerce, a channel which should not be overlooked, as it posted a 2.5% growth in 2017¹²².

¹²² Euromonitor International: Alcoholic Drinks, 2018.

Figure 5-35: Distribution channel overview of spirits in Egypt (2017); off-trade volume



Source: Euromonitor International: Alcoholic Drinks, 2018

5.9.6 Challenges for EU products

As Egypt is a Muslim-majority country, consumption of spirits is small and purchased by a small niche of consumers, i.e. mostly wealthy Christians and tourists. On top of that, due to the economic turmoil, the average Egyptian consumer finds imported products prices prohibitive. As a result, domestic brands have been offering less pricey alternatives, which are also available off-trade. Not only European products are accessible to a small non-Muslim and wealthy niche, but they also face several barriers when exporting their products to Egypt, mainly of an economic nature. Notably, EU spirits imports into Egypt are charged with a 3 000% import duty plus a 14% VAT.

Market Takeaway: Spirits

Consumption: spirits consumption is small, as most Egyptians are Muslims. Due to the economic turmoil, this trend is set to increase more, as spirits sales are expected to collapse.

Competition: Although European producers lead exports to Egypt, domestic production of affordable spirits pose a challenge.

Distribution: Most sales of spirits are done through on-sale channels, especially in the capital and larger cities. Amongst off-trade channels, food/drink/tobacco specialists are dominant.

Challenges: EU exporters face prohibitive tariff barriers when entering the Egyptian market.

Opportunities: Upper-income consumers have a preference for imported spirits; adolescents, influenced by the Western culture, are starting drinking at young ages.

5.10 Pasta

5.10.1 SWOT analysis



5.10.2 Consumption

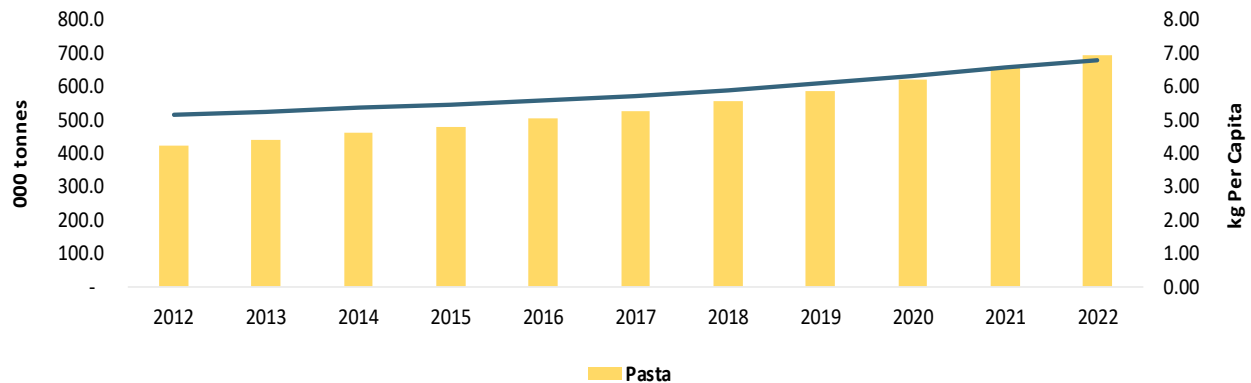
5.10.2.1 Evolution of consumption

Total consumption of pasta, rice and noodles as a whole is growing in Egypt. Notably, due to limitations on rice cultivation imposed by the Ministry of Irrigation, and the subsequent consumption shift to pasta and noodles, purchases of the latter have been on the rise and are projected to further grow over the next few years.

Notably, pasta consumption in Egypt grew at an annual rate of 4.6% in 2012-2017 and is projected to see sustained growth in the coming years, passing from 528 000 tonnes in 2017 to nearly 693 000 tonnes in 2022 (Figure 5-36). Per capita consumption of pasta, which grew from 5.2 kg per capita in 2012, to 5.7 in 2017, is expected to increase in the coming years, reaching 6.8 kg in 2022.

More interestingly, noodles, whose consumption is rather limited in Egypt (15 800 tonnes were purchased in 2017) are gaining momentum. Total sales of noodles recorded a double-digit annual growth of 13.8%. This trend is set to continue in the future, as consumption, which has been steadily increasing, is set to reach 23 300 tonnes in 2022. While remaining the most purchased food in the category, rice recorded the lowest growth rate in 2012-17, as a consequence of the Ministry of Irrigation decision to limit the space for rice cultivation, starting from 2017. Current consumption of rice, namely nearly 2.4 million tonnes (2017 figure), is nonetheless set to go up to nearly 2.9 million tonnes in 2022 (Figure 5-37).

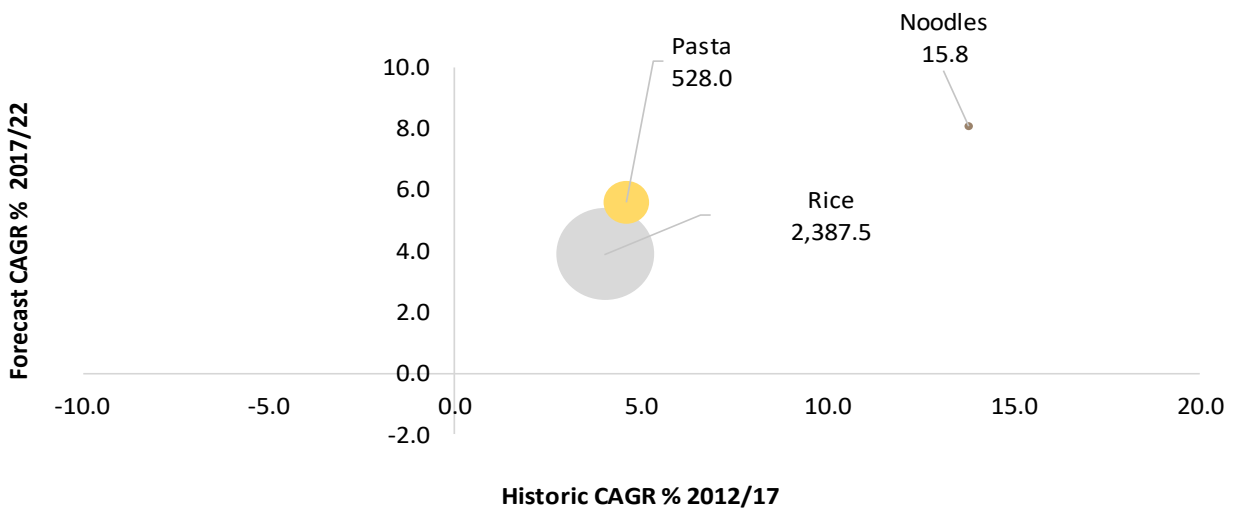
Figure 5-36: Evolution and forecast of market for pasta (000 tonnes) and per capita (kg) pasta consumption in Egypt, 2012-2022



Source: Euromonitor International: Packaged Foods, 2018

Note: figures for 2018 to 2022 based on forecasts

Figure 5-37: Market size, and evolution and forecast of rice, pasta and noodles markets (000 tonnes) in Egypt, 2012-2022; total



volume

Source: Euromonitor International: Packaged Foods, 2018

5.10.2.2 Consumer profile and purchase criteria

In 2017, the Ministry of Irrigation decided to drop rice cultivation areas, to ensure that the country had enough water to cultivate other crops and for domestic use¹²³. Pasta has since then become even more

¹²³ Adapting to water shortages, Egypt reduces rice cultivation, <https://thearabweekly.com/adapting-water-shortages-egypt-reduces-rice-cultivation>

popular, as it is an affordable alternative to rice. On top of that, in 2017, domestically produced pasta was for the first time added to the government ration card for consumers who receive food subsidies¹²⁴.

Consumers

Due to the economic instability, consumption of pasta has increased in Egypt, mostly due to the affordability, ease to prepare, and store of this product. Furthermore, its canned format can be eaten as a meal unlike rice, which needs a side dish. That is this product is gaining momentum amongst Egyptian consumers, who have started to increasingly shun rice in favour of pasta. Pasta is more popular amongst the lowest segment of the population, which find it an affordable source of carbohydrate. Furthermore, workers with busy lifestyle prefer it to rice, as the latter comes with longer cooking time¹²⁵.



Drivers and method of consumption



Although rice is far more popular overall, pasta is gaining momentum in Egypt, as it is affordable, nutritious, and can be combined with different sauces, vegetables, and even chicken. Egyptians mostly consume pasta at lunch, in two main traditional dishes:

- *Kusharyi*: an Egyptian national dish and a very popular street food, *kusharyi* is made of rice, pasta and lentils mixed together, topped with a spiced tomato sauce and garlic vinegar, usually topped with fried onions and chickpeas. It is sold from carts by street vendors, in restaurants or even made at home.
- Macaroni Béchamel: penne pasta with a creamy white (béchamel) sauce sometimes topped with cooked spiced meat, all baked in an oven¹²⁶.

Purchase criteria

As the average consumers' purchasing power is limited, price has become an extremely important purchase criterion. Some brands of pasta are cheaper than beans and several other products, hence they are gaining momentum amongst lower-income consumers. Furthermore, Egyptians workers, especially younger ones, are also increasingly driven by convenience when purchasing food. Therefore, they are more likely to purchase pasta and noodles, as a pasta and noodles dishes can be quickly prepared.

¹²⁴ Euromonitor International: Packaged Food, 2018

¹²⁵ Euromonitor International: Packaged Food, 2018

¹²⁶ Typical Food of Egypt, <http://www.egypt.cl/typical-food.htm>

5.10.2.3 Recent market trends

Driven by growth in pasta and noodles, the category of rice, pasta and noodles has been showing a growing trend. Notably, pasta is expected to record a positive annual growth in 2017-22 (i.e. 5.6%), higher than in 2012-2017. Noodles consumption, while still growing at very positive rates, is projected to slow down compared to 2012-2017. However, in the category rice is the segment which is project to grow slower, at 3.9%, because of the reduced production, following the decision of the Ministry of Irrigation to limit the space for rice cultivation¹²⁷.

5.10.3 Offer

5.10.3.1 Domestic production

With 400 000 tonnes produced in 2015, Egypt is the seventh main producers of pasta in the world¹²⁸. Al Farasha Co is the leading Egyptian producer of pasta. This company offers a variety of high-quality products that cover all consumer segments. It targets the middle B class with Maleka pasta (main segment) and class A with higher-quality Italiano pasta and class C with more affordable Macaronto pasta.



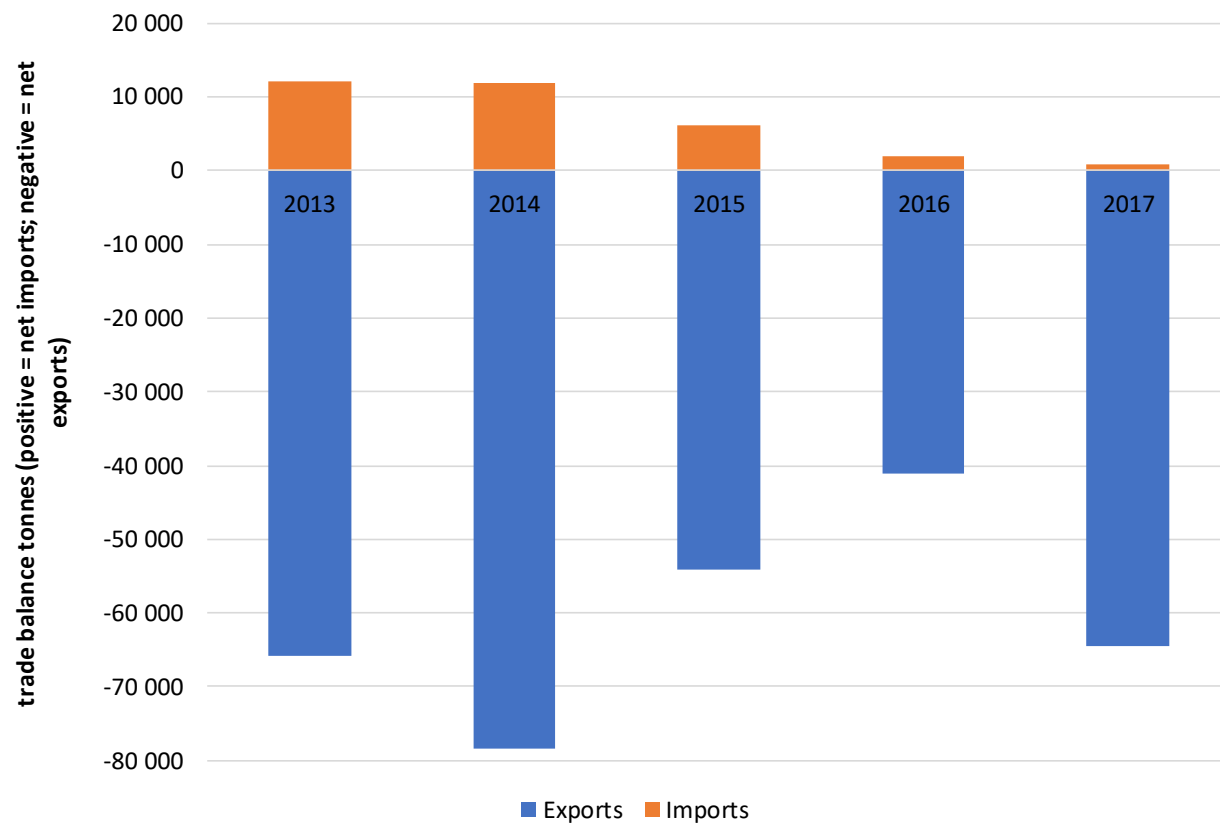
5.10.3.2 Imports and exports

As outlined in Figure 5-38, Egypt exports of pasta, noodles and couscous largely exceed imports in the country. Exports, which have largely fluctuated between 2013 and 2017, grew dramatically between 2016 and 2017, passing from 41 047 to 64 447 tonnes. On the contrary, imports, which reached 12 204 tonnes in 2013, have since then seen a sustained decline, down to 936 tonnes in 2017. This can be attributed to the economic downturn and the subsequent reduction of consumers' purchasing power: imported products have become too costly for the average Egyptian consumer.

¹²⁷ Euromonitor International: Packaged Food, 2018

¹²⁸ UNAFPA: Estimate of world pasta production (tons), <http://www.pasta-unafpa.org/ingstatistics5.htm>

Figure 5-38: Trade balance (imports and exports) of pasta, noodles and couscous in Egypt, 2013-17; tonnes



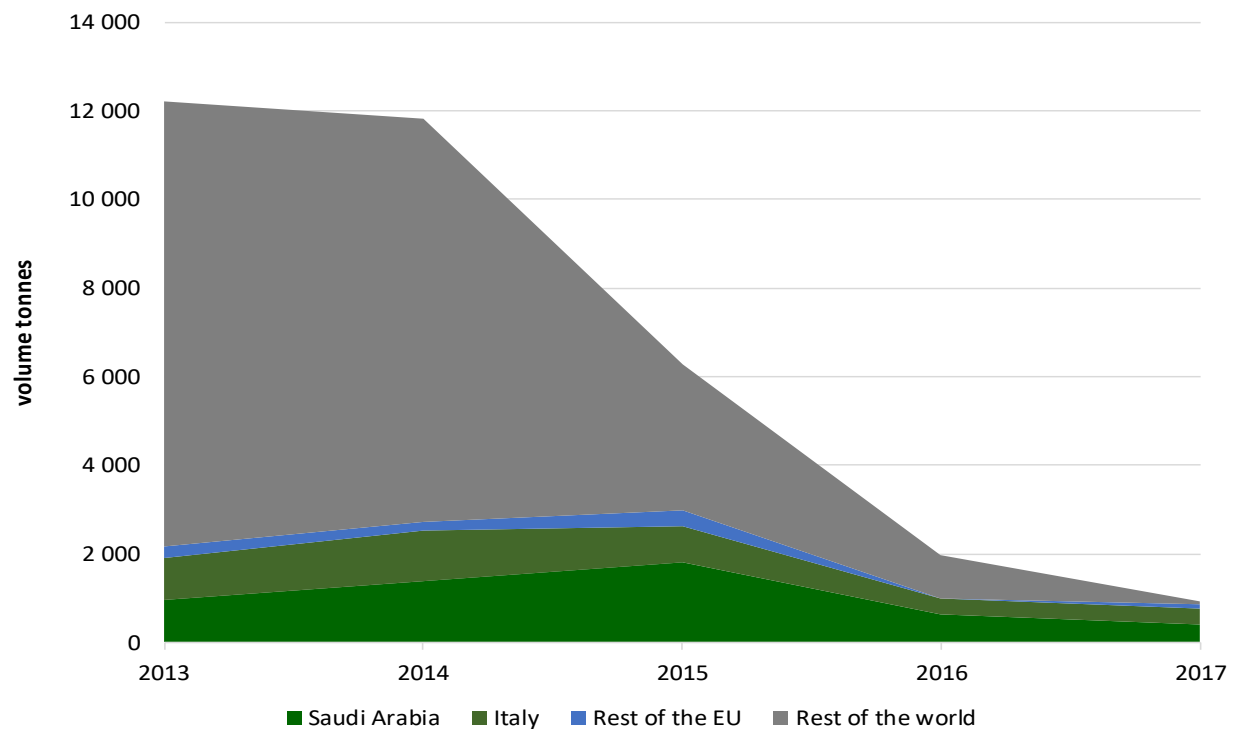
Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 1902

As outlined in Figure 5-39, Saudi Arabia and Italy, which accounted for respectively 44% and 39% of the total imports in 2017, lead the exports of pasta, noodles and couscous to Egypt. Saudi Arabia exports of pasta saw a sustained growth until 2015, peaking to 1 820 tonnes in 2015, but then declined, down to 410 tonnes in 2017. Similarly, Italian exports of pasta dropped to 364 tonnes in 2017 from 1 142 tonnes in 2014. However, Lebanon, Jordan and Turkey are the countries which were more affected by the decrease in imports, as they passed from exporting large volumes of pasta, noodles and couscous, to have no presence at all in the Egyptian market.

The rest of the EU accounted for 8% of total Egyptian imports of pasta, noodles and couscous, with almost all of these coming from the UK and France.

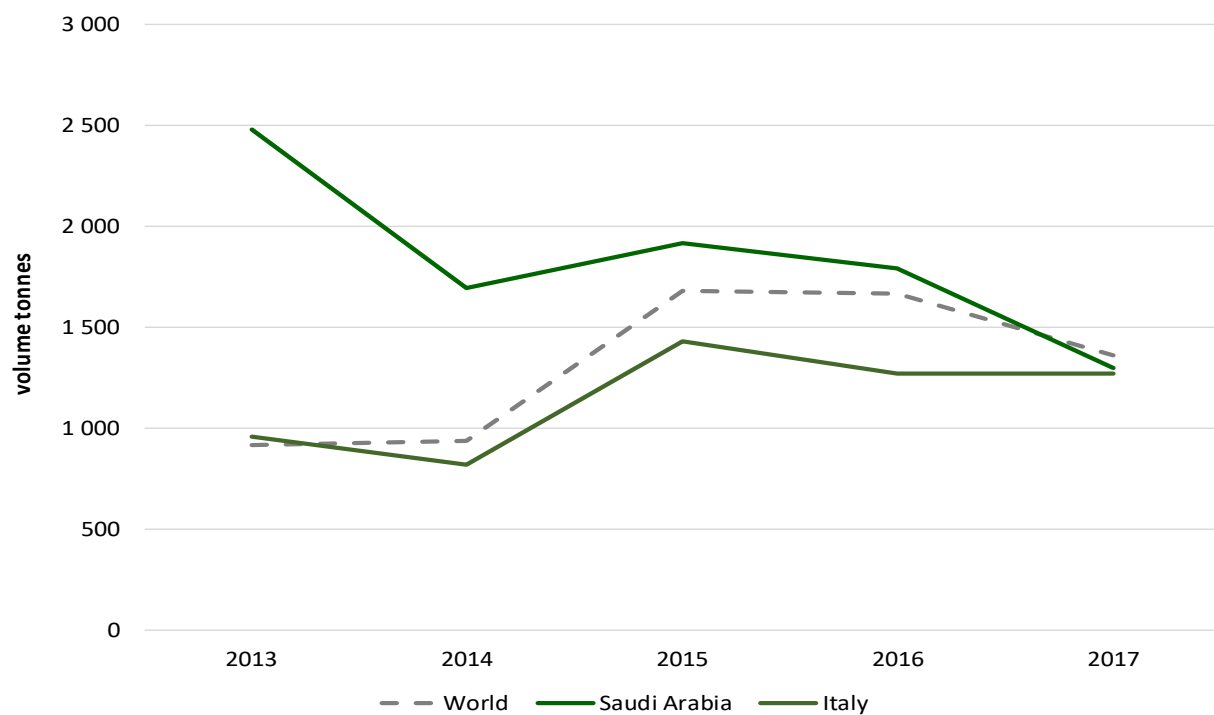
In terms of unit value, Saudi Arabian and Italian exports were respectively valued at 1 295 EUR/tonne and 1 267 EUR/tonne, below the world average of 1 360 EUR/tonne. Nonetheless, it is noteworthy that the unit value of Italian imports has shown an upward trend in recent years (Figure 5-40).

Figure 5-39: Egyptian imports of pasta, noodles and couscous by country, 2013-2017; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 1902

Figure 5-40: Per unit value of Egyptian imports of pasta for selected countries, 2013-17 (EUR per tonne)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 1902

5.10.3.3 Main competitors

As outlined in sections 5.10.3.1 and 5.10.3.2, not only domestic production of pasta is considerable, but EU enterprises also face the competition of foreign producers of pasta when exporting to Egypt. Notably, Saudi Arabia is a major exporter of pasta, although its exports to Egypt have been dropping in recent years.

In terms of market share, Al Farasha Co remains the leader in pasta. Recently, the company has also introduced new express pasta which takes only five minutes to prepare, as it saw that consumers were moving towards ready meals that are convenient¹²⁹.

5.10.4 Specific market entry requirements

Market Access and Entry

European exporters of pasta currently generally face 15% duties when entering the Egyptian market. In addition, a value added tax is levied at a rate of 14% of the duty paid value for most products. Macaroni, except macaroni made of semolina, are exempted from value added tax.

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:

<http://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=EG&hscod=1902>

Customs procedures

A list of standard documents required for import pasta into Egypt is presented in Table 4-1, in section Import requirements/restrictions, customs procedures and documentation. Furthermore, for some products it may be requested to present additional documents, as outlined in Table 4-2 in section Import requirements/restrictions, customs procedures and documentation.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=EG&hscod=1902>

SPS measures

Sanitary and Phytosanitary measures concerning the import of pasta into Egypt are in line with international standards.

Labelling

Pasta must comply with the labelling rules outlined in section Labelling Requirements.

¹²⁹ Euromonitor International: Packaged Food, 2018

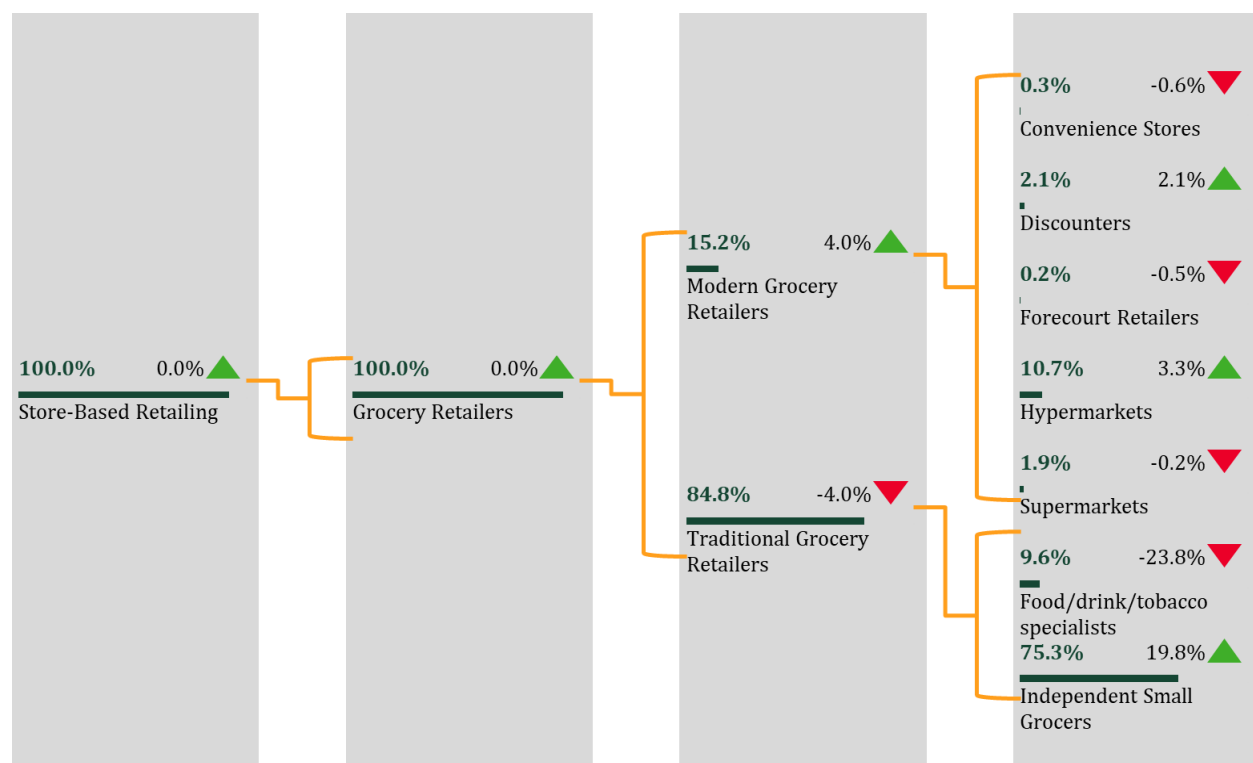
5.10.5 Distribution

As set out in Figure 5-41, the off-trade distribution channel of pasta in Egypt is exclusively done through grocery retailers, notably traditional grocery retailers (84.8%). Of these, independent small grocers accounted for 75.3% of total sales. The latter also recorded an extraordinary 19.8% growth in 2017.

Although they have been growing at a fast rate (by 4%, in 2017), sales through modern grocery retailers accounted for 15.2% of the total volume of sales. Amongst modern grocery retailers, hypermarkets recorded the fastest growth rate (by 3.3%)¹³⁰.

However, the on-trade channel is of particular importance for pasta, as, for example, *Kushari*, the national pasta, rice and lentils dish is commonly sold at street stalls and in restaurants, some only specialising in this dish.

Figure 5-41: Distribution channels overview of pasta in Egypt (2017); retail value



Source: Euromonitor International: Packaged Foods, 2018

5.10.6 Challenges for EU products

Although pasta is gaining momentum in Egypt, European enterprises face some challenges when exporting to this country. Notably, domestic production is heavy and dynamic, and Egypt manufactures and exports huge volumes of pasta every year. Furthermore, competitors like Saudi Arabia are also

¹³⁰ Euromonitor International: Packaged Foods, 2018

noteworthy. On top of that, EU exporters also face a 15% import duty when penetrating the Egyptian market, along with some other non-tariff barriers (e.g. long inspection procedures).

Market Takeaway: Pasta

Consumption: pasta consumption is on the rise, driven by lower production in rice and workers' quest for convenience.

Competition: domestic production is extensive and is expected to grow; Saudi Arabia is the major exporter of pasta to Egypt, although imports have been collapsing in recent years.

Distribution: pasta is mostly distributed through traditional grocery retailers, notably independent small grocers.

Challenges: importers of pasta face several barriers, including a 15% import duty.

Opportunities: consumers' quest for convenience and affordable products is driving sales of pasta.

5.11 Olive oil

5.11.1 SWOT analysis

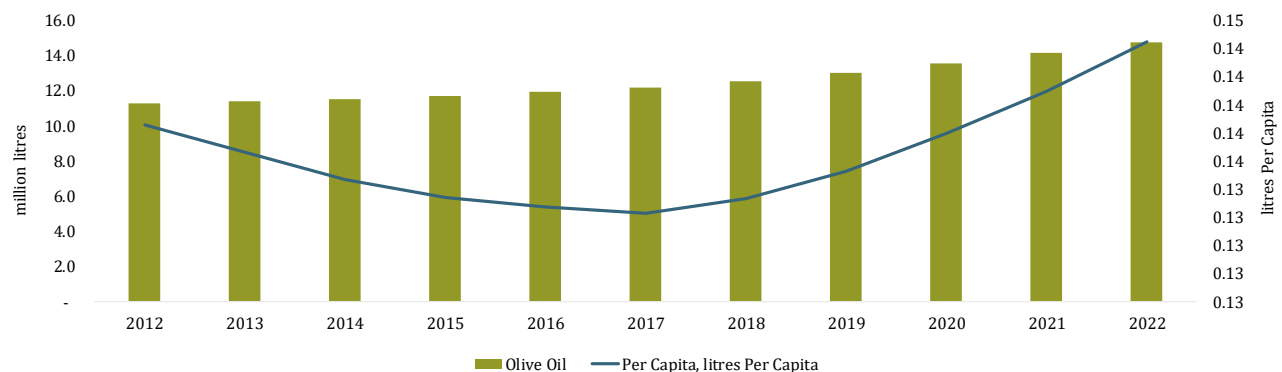


5.11.2 Consumption

5.11.2.1 Evolution of consumption

As presented in Figure 5-42, the olive oil market in Egypt has been on gradual rise and is expected to stay on the upward trend over the forecast period. However, consumption levels have been growing rather slowly, with minor growth of consumption per capita (0.13 litres in 2017 / projected 0.14 in 2022). Moderate growth has been combined with economic status of an average consumer and relatively high prices of olive oil as well as high popularity of other edible oils.

Figure 5-42: Evolution and forecast of market for olive oil (size; million litres) and olive oil consumption per capita in Egypt, 2012-2022



Source: Euromonitor International: Packaged Food, 2018

Note: figures for 2018 to 2022 based on forecasts

5.11.2.2 Consumer profile and purchase criteria

Consumers



Olive oil does not constitute the primary edible oil for consumers, as they have been relying on vegetable and seed oil products. The most popular products include corn oil and sunflower oils; however, the self-sufficiency rate of Egypt has been declining due to reliance on imported crude materials¹³¹. That said, given rising consumers' awareness of health benefits, olive oil consumption levels have been rapidly increasing. Nevertheless, it should be pointed out that due to relatively

higher prices, the popularity of olive oil has been limited to more affluent audiences¹³². Lastly, Egyptian consumers have started to familiarize themselves with olive oil from the influx of foreigners, such as Syrians, where olive oil is widely consumed.

Drivers and method of consumption

Consumption of olive oil is mostly driven by higher-income consumers, who choose olive oil due to its alleged health benefits, whereas majority of consumers rely on traditional vegetable and seed oils, which in majority include affordable and quality blended oil products¹³³. Egyptians usually use olive oil similarly to Europeans, i.e. salad toppings, ingredient of side dishes etc. Despite the consumption of

¹³¹ Production of vegetable oils in the world and in Egypt: an overview; <https://bnrc.springeropen.com/articles/10.1186/s42269-018-0019-0> s

¹³² Euromonitor International: Packaged Food, 2018

¹³³ Egypt, Oilseeds and Products Annual 2018; Huge Comeback for U.S. Soybeans, Egypt Offers Great Potential; <https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Oilseeds%20and%20Products%20Annual%20Cairo%20Egypt%202-27-2018.pdf>

olive oil is gradually increasing, generally the Egyptian population is still unaware of olive oil health benefits, except more affluent clientele and mostly use other vegetable and seed oils.

Purchase criteria

Quality remains the main purchase criterion for health-oriented Egyptian consumers, whereas lower-income residents choose other, more affordable edible oils.

5.11.2.3 Recent market trends

The market for olive oil in Egypt has been continuously expanding, as demand for olive has increased due to increasing health awareness as well higher product availability. Decreased global supply and increasing demand helped boost domestic producers of olive oil, effectively impacting production, which considerably grew¹³⁴.

Despite the dynamic performance of olive oil on the market, it is predicted that olive will continue to face the competition of other edible oils, due to their popularity and wide availability across all grocery formats.



5.11.3 Offer

5.11.3.1 Domestic production

The Egyptian market for olive oil mainly relies on domestic producers, which recently significantly increased their production by 20% in 2017¹³⁵. Indubitably, currency devaluation, restrictions on imports as well as higher customs taxes impacted domestic production and boosted country's olive oil production. Egypt, as one of the largest producers of table olives, re-joined the International Olive Council (IOC) in 2018 with prospects of financial grants to support olive growers. Al Wadi Foods is the major producer on the Egyptian market, focusing on offering natural and quality products, having in mind aspects of affordability.

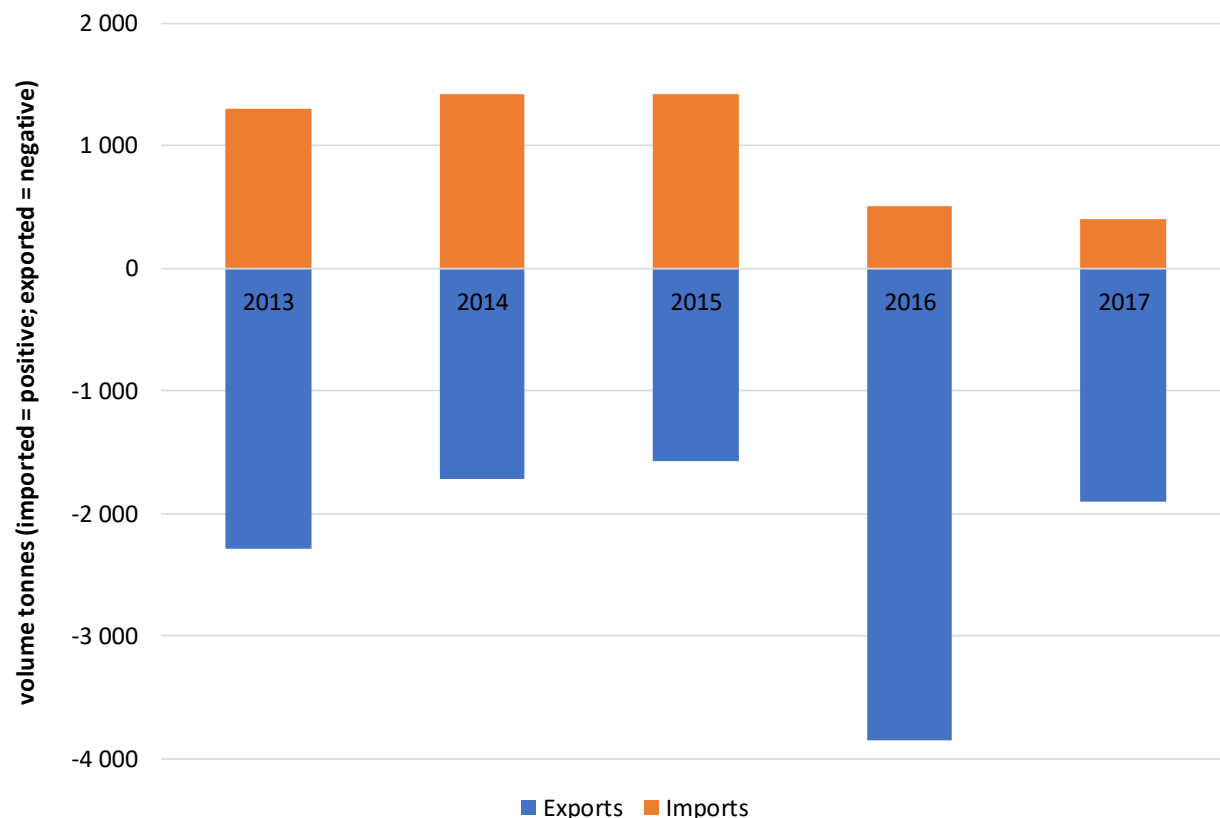
5.11.3.2 Imports and exports

As depicted in Figure 5-43, Egypt's exports exceed the imported volume of olive oil. Exported olive oil volumes oscillated around 1 500-2 000 tonnes throughout recent years, with an exception of 2016 where exports went up to almost 4 000 tonnes. Imports, on the other hand, have been on decline since 2015 and amounted to 400 tonnes in 2017.

¹³⁴ Demand for Egyptian Olive Oil Increases Following Currency Floatation; <https://www.oliveoiltimes.com/olive-oil-business/demand-egyptian-olive-oil-increases-following-currency-floatation/55745>

¹³⁵ Egypt Rejoins International Olive Council; <https://www.oliveoiltimes.com/olive-oil-business/egypt-rejoins-international-olive-council/63215>

Figure 5-43: Trade balance (imports and exports) of olive oil in Egypt, 2013-2017; tonnes

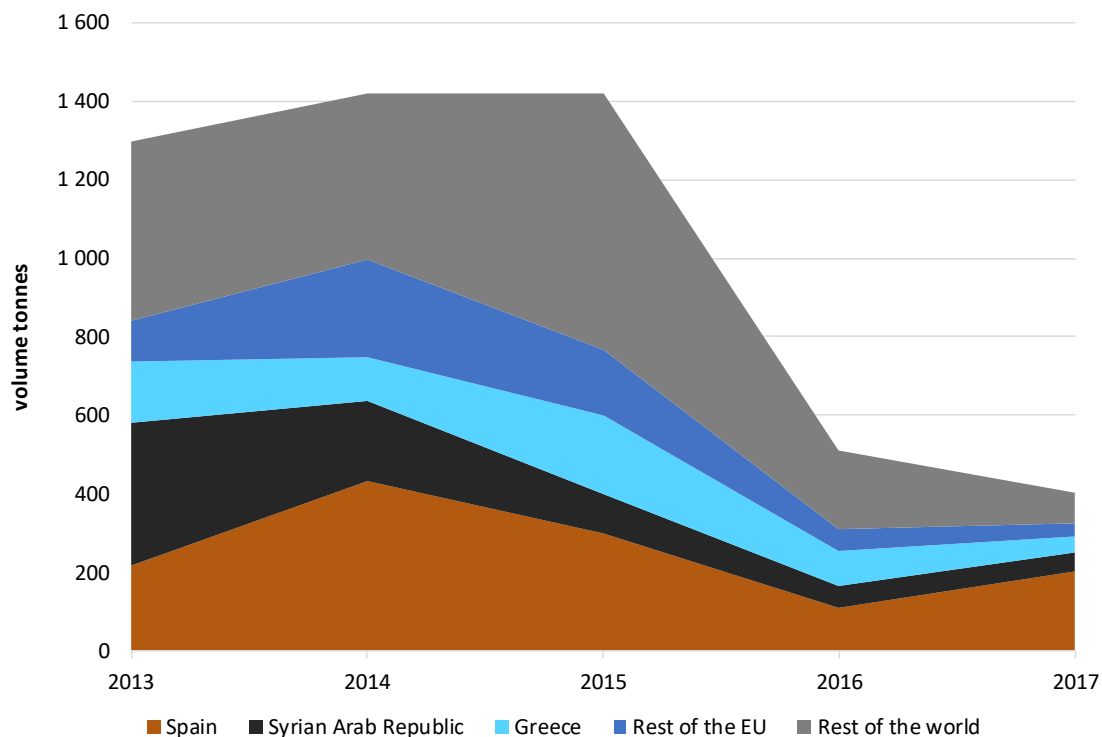


Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 1509

Egypt imports olive oil mainly from Spain, Syria and Greece. However, other countries also included Lebanon, Tunisia and Italy. In the years 2013-2017, there were no significant fluctuations in imported volumes of olive oil from respective countries, which maintained their positions. In 2017, Spanish producers were the only ones who recorded a growth in imports in comparison to the previous year.

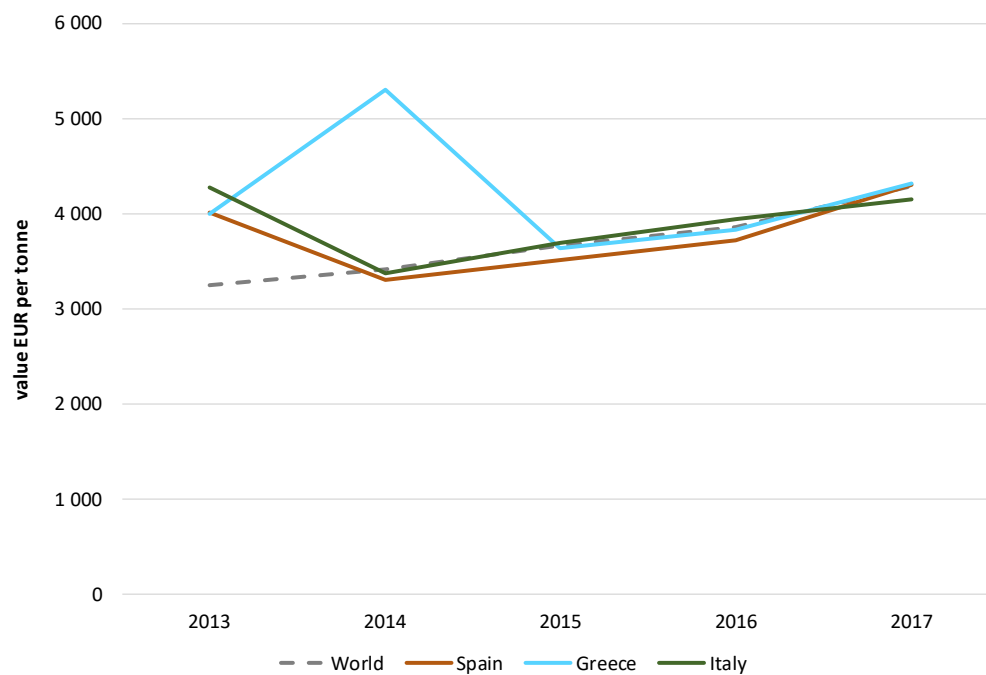
Figure 5-45 presents value of Egyptian imports of olive oil. As seen, the value per unit of all imported products was very similar in years 2015-2017 and oscillated around EUR 4 000 per tonne. However, in 2014, Greek products had the value per unit of above EUR 5 000 per tonne to drop a year later. Lastly, as from 2015 the value per unit of all imported products was on rise.

Figure 5-44: Egyptian imports of olive oil by country, 2013-2017; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 1509

Figure 5-45: Per unit value of Egyptian imports of olive oil for selected EU countries, 2013-2017 (EUR per tonne)



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 1509

5.11.3.3 EU GI products

As indicated in section 4.2.4, Egypt is part to the Trade-Related aspects of Intellectual Property Rights (TRIPs) Agreement, which sets down minimum standards for the protection of geographical indications (GIs), amongst others. Despite the existence of a national legislative framework for the protection of GIs, no EU olive oil GI product has been registered as such in Egypt.

5.11.3.4 Main competitors

As identified in section 5.11.3.1, the market for olive oil in Egypt is led by domestic producers, with Al Wadi Foods as the crucial player. Given projected upward trend of domestic production, Egyptian manufacturers constitute the main competitor on the olive oil market. Concerning foreign competitors, the main ones include importers from Syria, Lebanon and Tunisia.

5.11.4 Specific market entry requirements

Market Access and Entry

European exporters of olive oil do not face any tariff-barrier when entering the Egyptian market. Indeed, under the EU-Egypt Association Agreement, European olive oil producers have a duty-free access to the Egyptian market.

Customs procedures

A list of standard documents required for import of olive oil products to Egypt is presented in Table 4-1 , in section 4.2.1. Furthermore, for some commodities it may be requested to present additional documents, as outlined in Table 4-2.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:

<http://madb.europa.eu/madb/datasetPreviewIfpubli.htm?countries=EG&hscod=>

SPS measures

All sanitary and Phytosanitary measures concerning the import of olive oil into Egypt are in line with international standards, including rudimentary documentation as well as certificate of radioactivity inspection, from countries: Bulgaria, Croatia, Czech Republic, Hungary, Poland and Romania.

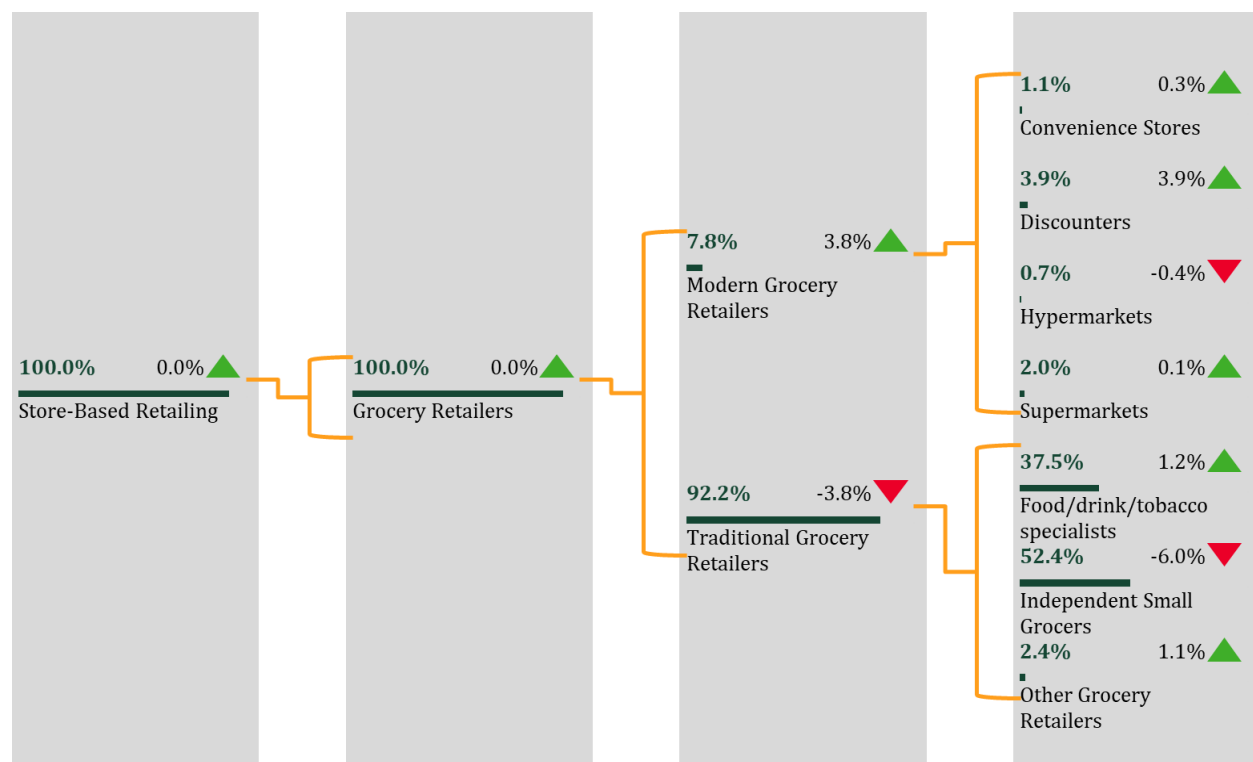
Labelling

Olive oil products must comply with the labelling rules outlined 4.2.3

5.11.5 Distribution

As seen in Figure 5-46, the majority of edible oils, including olive oil, is distributed through traditional grocery retailers (over 92% in terms of retail value), mainly independent small grocers (52%) and food and drink specialists (37%). Olive oil has maintained upmarket image and is mainly distributed through modern grocery retailers¹³⁶.

Figure 5-46: Distribution channels overview of edible oils (including olive oil) in Egypt (2017); retail value



Source: Euromonitor International: Packaged Food, 2018

5.11.6 Challenges for EU products

The greatest challenge for EU producers is competition from Egyptian manufacturers, which have been gradually expanding their production. Moreover, it should be remembered that olive oil is not a primary choice among edible oils for an average Egyptian consumer. Due to higher prices and relatively low general knowledge about olive oil usage and benefits, olive oil is being chosen by more health-oriented and affluent consumers, who very often purchase it through modern grocery retailers.

¹³⁶ Euromonitor International: Packaged Food, 2018

Market Takeaway: Olive oil

Consumption: Consumption gradual rise; however, olive oil as not a primary consumers' choice among edible oils.

Competition: Strong presence of continuously expanding domestic producers with simultaneous decreases in imported volumes of olive oil.

Distribution: Unlike other edible oils, olive oil is mainly distributed through modern grocery retailers, i.e. supermarkets and hypermarkets.

Challenges: Fierce competition from domestic producers; olive oil as not primarily consumed edible oil among Egyptian consumers.

Opportunities: Growing demand for quality products due to growing awareness of olive oil health benefits.

5.12 Beer

5.12.1 SWOT analysis



5.12.2 Consumption

5.12.2.1 Evolution of consumption

Accounting for just over half of total alcohol sales, beer is the most consumed alcoholic beverage across Egypt¹³⁷. Although consumption of beer continues to be relatively high for a Muslim-majority country, this trend has been recently undermined by a rampant inflation and declining consumer purchasing power.

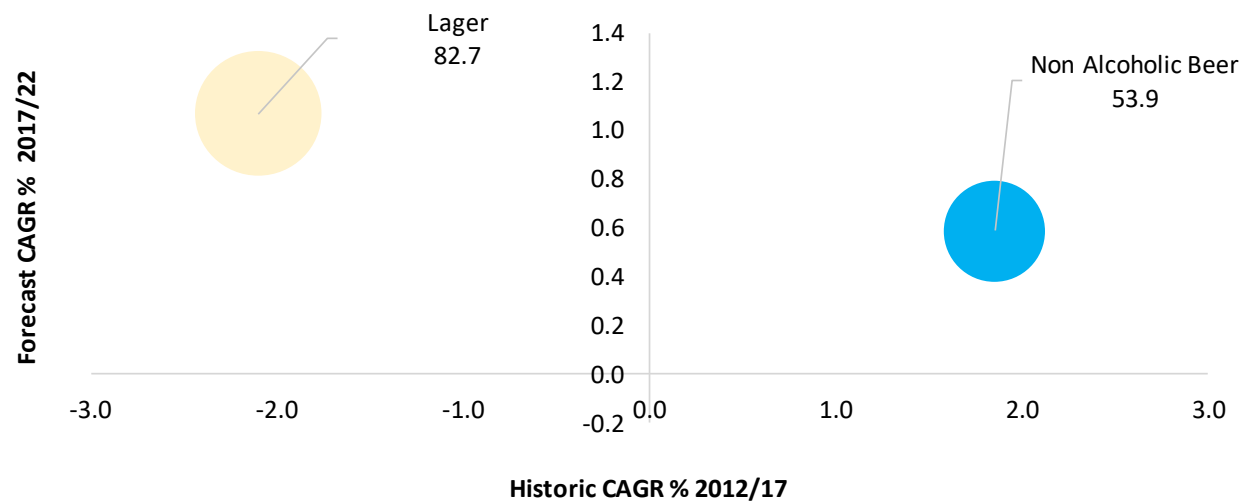
Nonetheless, despite a recent slowdown, consumption amounted to over 136 million litres in 2017. With 82.7 million litres, consumption of lager accounted for 61% of total beer sales in Egypt. Driven by Muslims' consumption, non-alcoholic beer was the second most popular category, accounting for the remaining 30% of total beer sales in terms of volume (or nearly 60 million litres).

While lager beer recorded a negative growing rate (i.e. by -2.1%) in 2012-2017, non-alcoholic beer grew at a positive rate (i.e. by 1.9%). Nonetheless, while lager sales are set to recover, consumption of non-alcoholic beer is expected to slightly decrease over the next years¹³⁸.

¹³⁷ Drinking Alcohol Is Always an Open Secret in Egypt, https://munchies.vice.com/en_us/article/4xbbgj/drinking-alcohol-is-always-an-open-secret-in-egypt

¹³⁸ Euromonitor International: Alcoholic Drinks, 2018

Figure 5-47: Evolution and forecast of beer market (000 litres) in Egypt, total volume, 2012-2022



Source: Euromonitor International: Alcoholic Drinks, 2018

5.12.2.2 Consumer profile and purchase criteria

Beer has effectively been the Egyptian national beverage for ages for the non-Muslim consumers group, as it used to be a staple of the ancient Egyptian diet. Although as outlined in section 5.8.1 consumption fell between the 1970s and 2011, in recent years consumption has recovered, driven by price convenience as well as the new emphasis on healthy eating and drinkings. Indeed, compared to other drinks, beer is available at affordable prices. Furthermore, amongst non-Muslim consumers, a large share has recently started to purchase beer for its lower alcohol content, compared to other alcoholic beverages.

Consumers

As outlined in section 5.8.1, the Muslim consumers are not allowed to consume alcoholic beverages. As a result, consumption of beer amongst the Egyptian population is mostly polarised. Most lager is indeed purchased by non-Muslim men within all age groups, while demand remains limited amongst women. Nonetheless, consumption is expanding amongst younger female consumers who are now more exposed to Western trends. Notably, flavoured beers have become trendy amongst young generations.

Tourists account for a large share of lager consumption (especially in coastal cities, which are the favourite destination of Western tourists). Amongst the most popular beers, there is the domestically



produced *Bouza*, which is made from barley. This beer is often associated with the working class, as it is more affordable. Non-alcoholic beers, on the other hand, are very popular amongst Muslims too¹³⁹¹⁴⁰.

Drivers and method of consumption



Beer is very popular amongst non-Muslim Egyptians, as it is commonly lighter in alcohol and cheaper in price, compared to other alcoholic beverages. Egyptians consumers of alcohol from all social classes are indeed used to have a cold beer as a refreshing drink, especially during warmer summer days¹⁴¹.

While Egyptian beer is mostly purchased at stores, imported beer is more commonly drunk by wealthier consumers and tourists in licenses on-trade outlets (such as bars, hotels and restaurants). Furthermore, consumers are increasingly purchasing beer at duty free shops, where imported brands are available at more affordable prices¹⁴².

Purchase criteria

Although tradition is the main driver for sales, as beer has effectively been the national drink since ancient times, price considerations and the focus on reducing calorie intake are gaining importance in determining consumers' purchasing choices. With a growing health trend in Egypt, many non-Muslim consumers are increasingly opting for beer due to its lower content of alcohol, which makes it healthier than other alcoholic drinks. Furthermore, price became strong driver for lower-income Egyptians' purchases, especially following the 2016 currency devaluation. Several Egyptian alcohol consumers (i.e. non-Muslim ones) are indeed shifting from spirits and wine to beer, which is less pricey. On the other hand, wealthier consumers, especially younger ones, are more likely to purchase imported brands, as they are more influenced by Western trends.

5.12.2.3 Recent market trends

Driven by the negative performance in lager beer, sales of total beer in terms of volume recorded a negative annual growth in 2012-2017.

Lager beer sales posted a negative growth over the period, driven by the negative performance of domestic premium lager, due to some consumers shift to cheaper options. Unlike lager, non-alcoholic beer recorded a positive growing rate, as this beverage is widely available in Egypt and popular among

¹³⁹ Poor of Cairo drown their sorrows in moonshine, <http://www.jonjensen.com/2010/01/28/poor-of-cairo-drown-their-sorrows-in-moonshine/>

¹⁴⁰ Euromonitor International: Alcoholic Drinks, 2018

¹⁴¹ Egyptian society and beer, a long story to tell, <http://english.ahram.org.eg/NewsContent/7/47/309169/Life--Style/Style/Egyptian-society-and-beer,-a-long-story-to-tell.aspx>

¹⁴² Euromonitor International: Alcoholic Drinks, 2018

Muslim consumers, who account for 90% of the population. Nonetheless, growth in this category is expected to slow down over the next years, due to the reduced consumer purchasing power, with products in this area not being perceived as essential. On the contrary, benefitting from several consumers trading up spirits and wine for more affordable beer, sales of lager are expected to post a positive growth in 2018-2022¹⁴³.

5.12.3 Offer

5.12.3.1 Domestic production

According to 2014 figures, Egypt was responsible for the production 100 000 tonnes of beer from barley¹⁴⁴. Indeed, the Egyptian beer brand “Stella” remains by far the most popular in the country, with 47.5 million litres sold in 2016, which account for over 30% of the country’s total beer consumption¹⁴⁵. Stella is available in three different varieties, with a difference in alcohol content. Stella Premium is a strong dark beer, with the highest alcohol content and sold at higher prices.

5.12.3.2 Imports and exports

As outlined in Figure 5-48, due to the relatively heavy domestic production, exports of beer largely exceeded imports. However, while imports have been steadily growing over the years, reaching 688 tonnes in 2017, exports dropped to 896 tonnes in 2017, from 3 039 tonnes in 2014.

Egypt imports beer from a few countries, most of which are European. Nonetheless, as set out in

Figure 5-49, 48% of total volume imported to Egypt (or 333 tonnes) were shipped from the United States. With 142 tonnes in 2017 (or 21% of the total imports in terms of volume), Czech Republic was the second leading importer of beer into Egypt. The rest of the EU accounted for further 19% of total Egyptian imports of beer, which were all exported from Germany, Netherlands, Italy, and the UK.

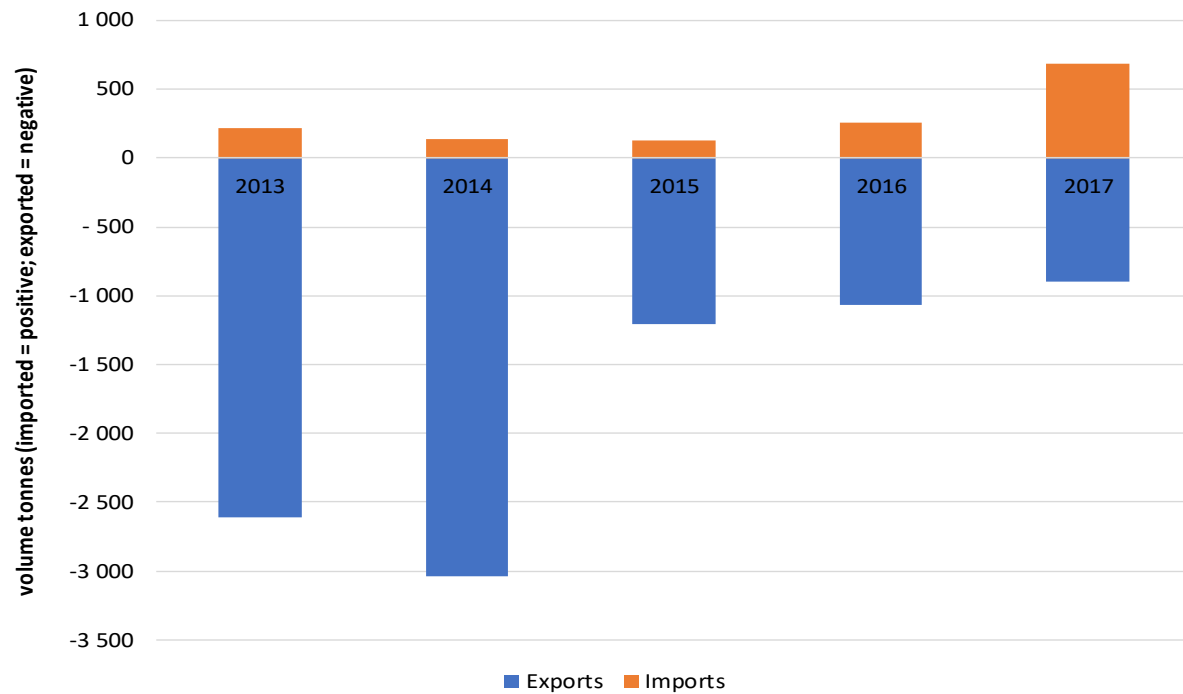
In terms of per unit value, exports from all European countries amounted to 885 EUR/tonne in 2017, slightly above the average value of beer imported into Egypt (883 EUR/tonne).

¹⁴³ Euromonitor International: Alcoholic Drinks, 2018

¹⁴⁴ FAOSTAT – Crops processed, <http://www.fao.org/faostat/en/#data/QD>

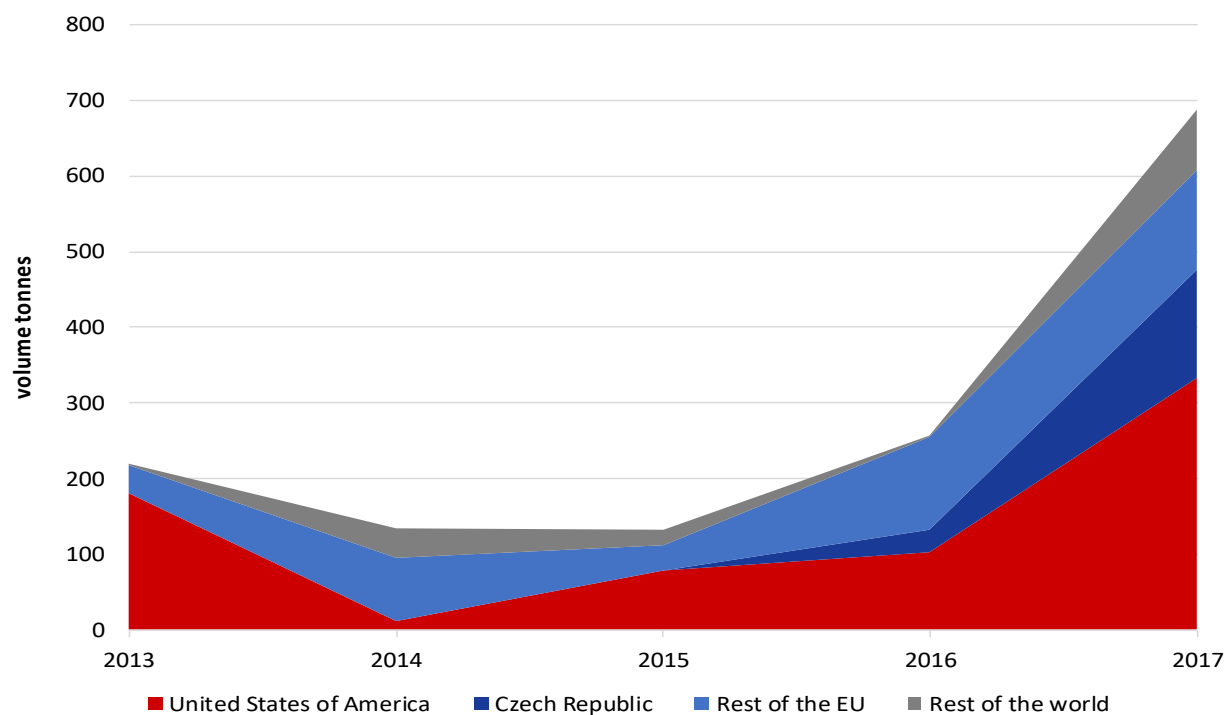
¹⁴⁵ Egypt's beer industry toasts long history, <https://www.al-monitor.com/pulse/originals/2014/10/beer-egypt-stella-heineken-pyramids.html>

Figure 5-48: Trade balance (imports and exports) of beer in Egypt, 2013-17; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 2203

Figure 5-49: Egypt imports of beer by country, 2013-17; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 2203

5.12.3.3 EU GI products

As indicated in section Protection of intellectual property rights and GIs, Egypt is part to the Trade-Related aspects of Intellectual Property Rights (TRIPs) Agreement, which sets down minimum standards for the protection of geographical indications (GIs), amongst others. Despite the existence of a national legislative framework for the protection of GIs, no beer GI product has been registered as such in Egypt.

5.12.3.4 Main competitors

As outlined in sections 5.12.3.1 and 5.12.3.2, both domestic producers and US exporters pose a challenge to European enterprises that wish to import beer into Egypt. Notably, domestic beer is available at affordable prices, which make it more accessible to various segments of the population.

In terms of market share, Al Ahram Beverages dominates the beer market in Egypt. This can be attributed to the company's strong positioning in all price ranges. Nonetheless, Heineken dominates premium priced lager, while Sakara is the leading mid-priced lager, and Stella leads economy lager sales. Economy priced lager is the largest area in terms of total volume sales, while the introduction of new innovative products and flavoured beer is also helping to boost Al Ahram Beverages' sales¹⁴⁶.

5.12.4 Specific market entry requirements

Market Access and Entry

The European beer producers face several barriers, notably tariff-barriers, when importing into Egypt. Indeed, as the EU-Egypt Association Agreement does not cover alcoholic beverages, EU exporters of beer face a 1 200% import duty (MFN) when entering the Egyptian market. On top of that, not only a 14% VAT is imposed on beer, since 2017, but this product is also subject to tax at a rate of 250% of the duty paid value, but at least 500 EGP (approximately EUR 25) per hectolitre.

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:

<http://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=EG&hscod=2203>

Customs procedures

A list of standard documents required for importing beer into Egypt is presented in Table 4-1, in section Import requirements/restrictions, customs procedures and documentation. Furthermore, for some products it may be requested to present additional documents, as outlined in Table 4-2 in section Import requirements/restrictions, customs procedures and documentation.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:

<http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=EG&hscod=2203>

¹⁴⁶ Euromonitor International: Alcoholic Drinks, 2018

SPS measures

Sanitary and Phytosanitary measures concerning the import of beer into Egypt are in line with international standards.

Labelling

Beer must comply with the labelling rules outlined in section Labelling Requirements.

5.12.5 Distribution

Unlike spirits and wine, which are mostly distributed through on-trade channels, beer is widely available in off-trade channels, which account for 75.2% of total beer sales. This is particularly the case of domestically produced and non-alcoholic beer, which can be found in a wide range of distribution channels, including supermarkets, grocery stores and forecourt retailers. On the contrary, imported beer are often purchased from on-trade channels, or duty-free stores, at more affordable prices (see section 5.8.2).

Accounting for 57.8% of total sales in 2017, Food/drink/tobacco specialists is the main off-trade distribution channel for beer in Egypt. The leading food/drink/tobacco specialist chains are Drinkies (owned by Al-Ahram Beverages) and GoCheers (Egyptian International Beverages). Food/drink/tobacco specialists were followed by small grocery retailers (17.3% of total sales), whose importance has been substantially decreasing, supermarkets (11.1%), and other grocery retailers (9.2%).

Internet retailing is growing in importance, especially for imported beer, with chains like the Drinkies and GoCheers offer websites accepting online orders. In addition, Drinkies also offers an app for smartphones that allows consumers to order from their phones¹⁴⁷.

¹⁴⁷ Euromonitor International: Alcoholic Drinks, 2018.

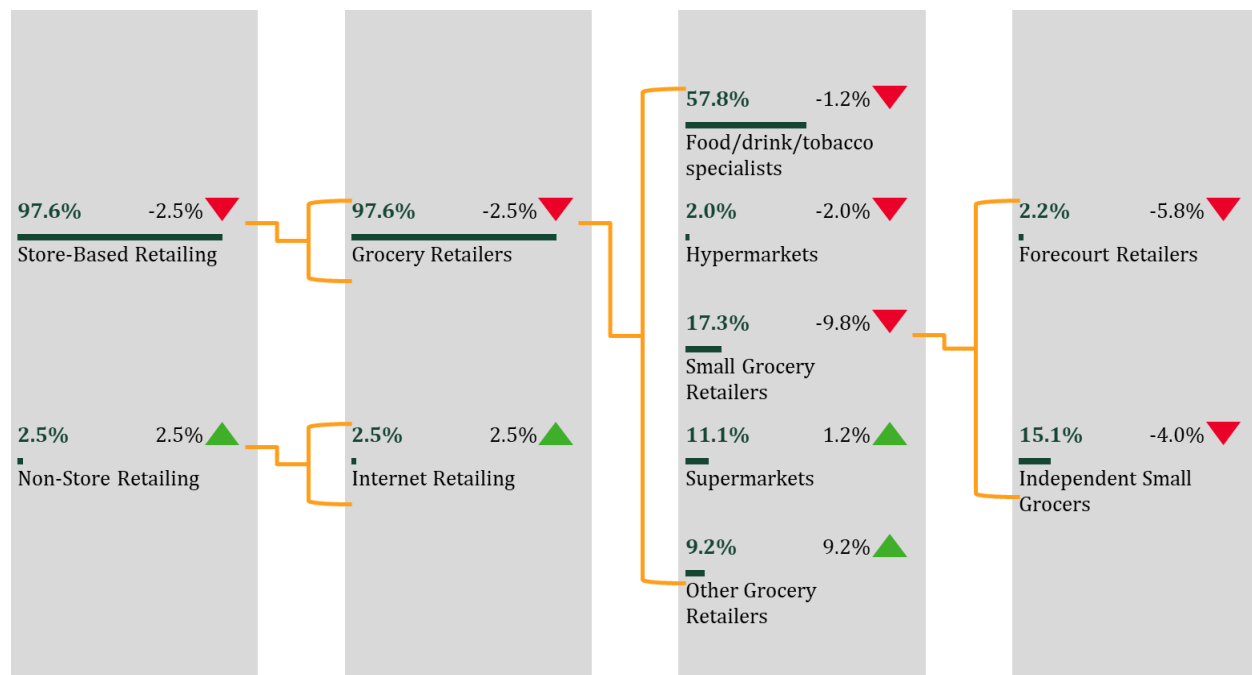


Figure 5-50: Distribution channel overview of beer in Egypt (2017); off-trade volume

Source: Euromonitor International: Alcoholic Drinks, 2018

5.12.6 Challenges for EU products

Although beer is a national drink, consumption of beer is limited in Egypt, compared to Western countries, as most of the population is Muslim. On top of that, due to the economic situation, the average Egyptian consumer finds imported products prohibitive, hence they prefer domestically produced cheaper beer. Not only European products are accessible to a small non-Muslim and usually wealthy niche, but they also face several barriers when exporting their products to Egypt, mainly of an economic nature. Notably, EU beer imports into Egypt are charged with a 1 200% import duty plus a 14% VAT.

Market Takeaway: Beer

Consumption: beer consumption is high for a Muslim country, as beer has been the national alcoholic drink since ancient times. Due to the economic difficulties, this trend is set to further increase, as consumers are shifting from spirits and wine to cheaper beer.

Competition: large domestic production of affordable beer poses a challenge; the US are the largest importers of beer into Egypt.

Distribution: Most sales of beer are done through off-sale channels, notable food/drink/tobacco specialists. The on-trade and internet channels are however important for imported beers.

Challenges: EU exporters face prohibitive tariff barriers when entering the Egyptian market.

Opportunities: younger consumers, influenced by the Western culture, purchase beer to a higher extent; all consumer segments drink non-alcoholic beer, which is a popular refreshing drink in Egypt.

5.13 Live plants

Note: There is a lack of data on the market size of live plants in Egypt. The sections below therefore summarize general characteristics of the Egyptian live plants market without any conclusions drawn based on sales/market-related figures.

5.13.1 SWOT analysis



5.13.2 Consumption

5.13.2.1 Evolution of consumption

The market for live plants in Egypt is rather small, mainly comprising indoor plants, which due to high pollution of major urban locations' air, found their detoxicating use in some of Egyptians' households. Given the unfavourable weather conditions in most parts of the country, there are only certain varieties of plants that can be cultivated in Egypt, such as palm trees and date palms. More fertile terrains along the Nile allow to cultivate an array of flowers, such as *Rose Poinciana*, *Lotus* or *Jasmine*¹⁴⁸.

¹⁴⁸ Flora of Egypt: its plants and trees; <https://www.sharm-club.com/egypt/wildlife/flora>

5.13.2.2 Consumer profile and purchase criteria

Consumers

Egyptian consumers, aware of negative effects of pollution, use live plants mostly to detoxicate air inside households. In the view of busy lifestyles and climatic conditions, consumers particularly appreciate medium-sized indoor plants, with feasible care instructions. The most popular indoor plants include *Spathiphyllum Mauna Loa*, Jade Plant, Spider Plant or Peace Lilly. In general terms, live plants often do not constitute the priority for consumers due to limited living area, lack of garden or time needed for plant care.



Drivers and method of consumption

Consumption of live plants in Egypt is mainly driven by rising health awareness about plants' role in impacting air qualities. Therefore, certain indoor plants, have started to be regarded as not only an aesthetic enhancement enriching the living space, but also a valid mean to improve household air pureness, effectively positively impacting e.g. the quality of sleep.

Purchase criteria

As previously mentioned, Egyptian consumers mainly look for plants which could bring certain health-related benefits as well as, at the same time, be straightforward to care. Lastly, consumers tend to pay great attention to price of the product.

5.13.2.3 Recent market trends

The market for live plants in Egypt has been on moderate rise, as more consumers have started to perceive indoor plants as natural aid in improving household's air properties. However, it must be remembered that for many Egyptians live plants are not a product of primary interest. There have been several gardening campaigns, encouraging to include more live plants in one's surroundings, nevertheless advertised by magazines and online platforms, which inevitably have applied to certain and more affluent target audiences¹⁴⁹.



5.13.3 Offer

5.13.3.1 Domestic production

Due to unfavourable weather conditions, e.g. draught, saline conditions, the Egyptians gardeners have had a limited choice when it comes to cultivating outdoor live plants. More feasible conditions along the Nile allowed to produce more varied products, however the scale of production remains rather small.

¹⁴⁹ A Greener Egypt: Detox your house with indoor plants; <https://www.egyptindependent.com/greener-egypt-detox-your-house-indoor-plants/>

5.13.3.2 Imports and exports

Note: trade data for live plants in Egypt is extremely patchy and hence not readily presentable in graphic form.

The Egyptian market for live plants mostly relies on imported products, however it should be underlined that typical and native domestic plants are also being exported to several countries, such as Qatar, Libya or Kuwait. On the other hand, Egypt mainly imports live plants from the Netherlands.

5.13.3.3 EU GI products

As indicated in section 4.2.4, Egypt is part to the Trade-Related aspects of Intellectual Property Rights (TRIPs) Agreement, which sets down minimum standards for the protection of geographical indications (GIs), amongst others. Despite the existence of a national legislative framework for the protection of GIs, no EU live plant GI product has been registered as such in Egypt.

5.13.3.4 Main competitors

As sections 5.13.3.1 and 5.13.3.2 outlined, live plants market in Egypt relies on imports from the Netherlands. However, due to weather conditions allowing to cultivate certain varieties of live plants along the Nile, small-scaled producers may constitute competitors.

5.13.4 Specific market entry requirements

Market Access and Entry

As reported in section 4.2.1, prior export, European producers should complete a registration with the General Organisation for Export and Import Control (GOEIC). In order to ship their products into Egypt, potential exporters must also comply with the requirements set out in Ministerial Decree 43/2016 and Law No. 7 of 2017.

European exporters of live plants do not face any tariff-barrier when entering the Egyptian market. Indeed, under the EU-Egypt Association Agreement, European live plants producers have a duty-free access to the Egyptian market.

Customs procedures

A list of standard documents required for import of plant products to Egypt is presented in Table 4-1 , in section 4.2.1. Furthermore, for some commodities it may be requested to present additional documents, as outlined in Table 4-2. In case of plants, these are:

- Permit to Import Endangered Species and Products Thereof
- Permit to Import Plants and Plant Products
- Phytosanitary Certificate
- Permit to Import Seeds and Seedlings
- Seed Registration
- Sample Environmental Analysis Request

Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:

<http://madb.europa.eu/madb/datasetPreviewIfpubli.htm?countries=EG&hscod=>

SPS measures

Sanitary and Phytosanitary measures concerning the import of live plants into Egypt are in line with international standards. In addition, it must be remembered that supplementary documentation should be attached, as listed above.

Labelling

Live plants products must comply with the labelling rules outlined 4.2.3.

5.13.5 Distribution

Live plants in Egypt are distributed through specialists' retailers, focused on homewares and gardening products, especially in bigger urban locations. However, as previously mentioned, some products can be distributed through small-scale producers, omitting store-based retailing.

5.13.6 Challenges for EU products

The greatest challenge for EU products is the fact that the market is small and effectively the consumer interest in live plants is low. Admittedly, there has been growing group of consumers focused on plants' health benefits, however in larger perspective, the group is rather minor.

Market Takeaway: Live plants

Consumption: Moderately growing, mostly due to rising health awareness.

Competition: Majority of products imported from the Netherlands; presence of small-scale producers.

Distribution: Live plants distributed both through specialist retailers as well as through small scale producers.

Challenges: Small market and relatively low interest in live plants.

Opportunities: Rising health awareness among some of Egyptian consumers.

5.14 Processed meat

Note: all meat products in the Egypt are required to be certified as halal products. Certification should be issued by an Islamic Organization which is approved by the General Organization for Veterinary Services of Egypt (an exception applies to shops which offer products to non-Muslim consumers). An example of such certification might be consulted here:

http://madb.europa.eu/madb/viewPageIFPubli.htm?doc=cf_hall&hscode=0202&countryid=EG

The sale of halal products in Egypt is regulated by the Egyptian Organization for Standards & Quality and is permitted upon approval and granting of “Halal mark”.

The import and the selling of pork in the Egypt, while permitted, is highly regulated. Pork is considered a special product; and any product containing pork or pork products, should be clearly declared on the label upon approval from the authorities. Pork can be purchased only in specified shops dedicated for non-Muslim consumers.

5.14.1 SWOT analysis

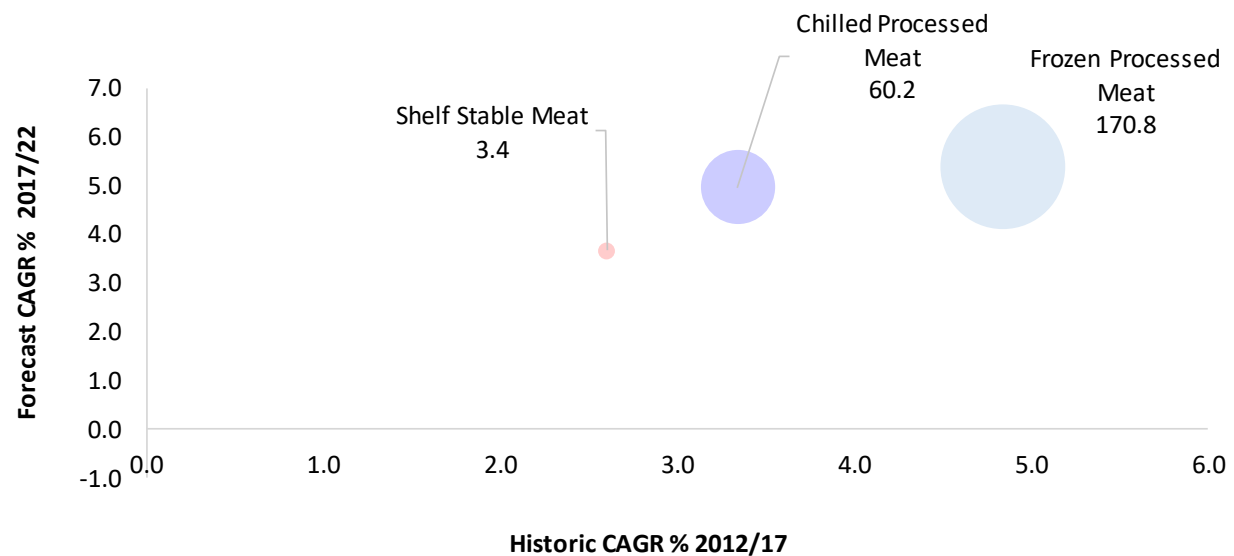


5.14.2 Consumption

5.14.2.1 Evolution of consumption

The market for processed meat in Egypt has been growing, with all categories increasing their market size. As seen in Figure 5-51, frozen processed meat constitutes the largest segment within the market, with growth of 4.8% per year in years 2012-2017. The market size of frozen processed meat, volume wise, has been growing the fastest and is projected to remain on upward trend, increasing by 5.4% per year over the forecast period. The second biggest category, chilled processed meat rose by 3.3% per year between 2012 and 2017 and is expected to rise further by 5.0% per year. The market size of shelf stable meat is much smaller than other two categories, however it is predicted to grow by 3.7% per year in next years.

Figure 5-51: Evolution and forecast of processed meat market (000 tonnes) in Egypt, total volume 2012-2022



Source: Euromonitor International: Packaged Food, 2018

5.14.2.2 Consumer profile and purchase criteria

Consumers



As described in section 5.3.2.2, Egyptian diet tends to include variety of meat-based dishes. In this regard, processed meat, mainly frozen, often constitutes an affordable alternative for highly priced fresh products. It should be pointed out that processed meat sector comprises mostly poultry and beef products. Therefore, frozen processed boneless chicken, nuggets, wings and drumsticks are particularly popular among consumers. Beef products, on the other hand, consumers

appreciate combinations of processed burgers and steaks, rather than minced meat¹⁵⁰.

Drivers and method of consumption

As in the case of fresh meat section, consumption of processed meat products in Egypt is mainly driven by population growth, tradition and dietary habits among consumers. Additionally, consumption of processed meat, especially frozen, is influenced by price, as it often defines the purchasing approach.

Egyptian consumers, as previously mentioned, tend to regard frozen processed meat as affordable alternative to fresh products. Moreover, the systematic tourist influx impact both the consumption as well as the method of consumption, as the selection of diverse preparations widened.

Purchase criteria

Price remains the key factor, as consumers tend to look for affordable alternatives for fresh meat. Secondly, Egyptians pay great attention to the convenience added value of processed meat products, e.g. longer storage. Therefore, canned products have been also receiving growing attention from consumers.

5.14.2.3 Recent market trends

The market for processed meat in Egypt has been continuously growing, particularly the frozen sector, which has been attracting consumers with the low prices of meat and variety of preparations, i.e. boneless chicken, wings, drumsticks etc. Given busy lifestyles, more and more consumers are getting attracted by ready-to eat products, such as canned meat.



5.14.3 Offer

5.14.3.1 Domestic production

The market is dominated by domestic producers of processed meat, with companies leading segments within the market. Americana Egypt leads the shelf stable meat category, whereas Halwani Bros Co is the dominant leader in chilled meat segment, especially poultry. The frozen processed meat sector is led by Atyab Co, however the market is characterized by other domestic producers, which are continuously expanding their portfolios with new products. However, Atyab Co offers a wide variety of frozen products, covering many consumer groups¹⁵¹. Moreover, it should be pointed out that quality of processed meat may vary from one area to another due to emergence of unknown packaged brands.

¹⁵⁰ Euromonitor International: Packaged Food, 2018

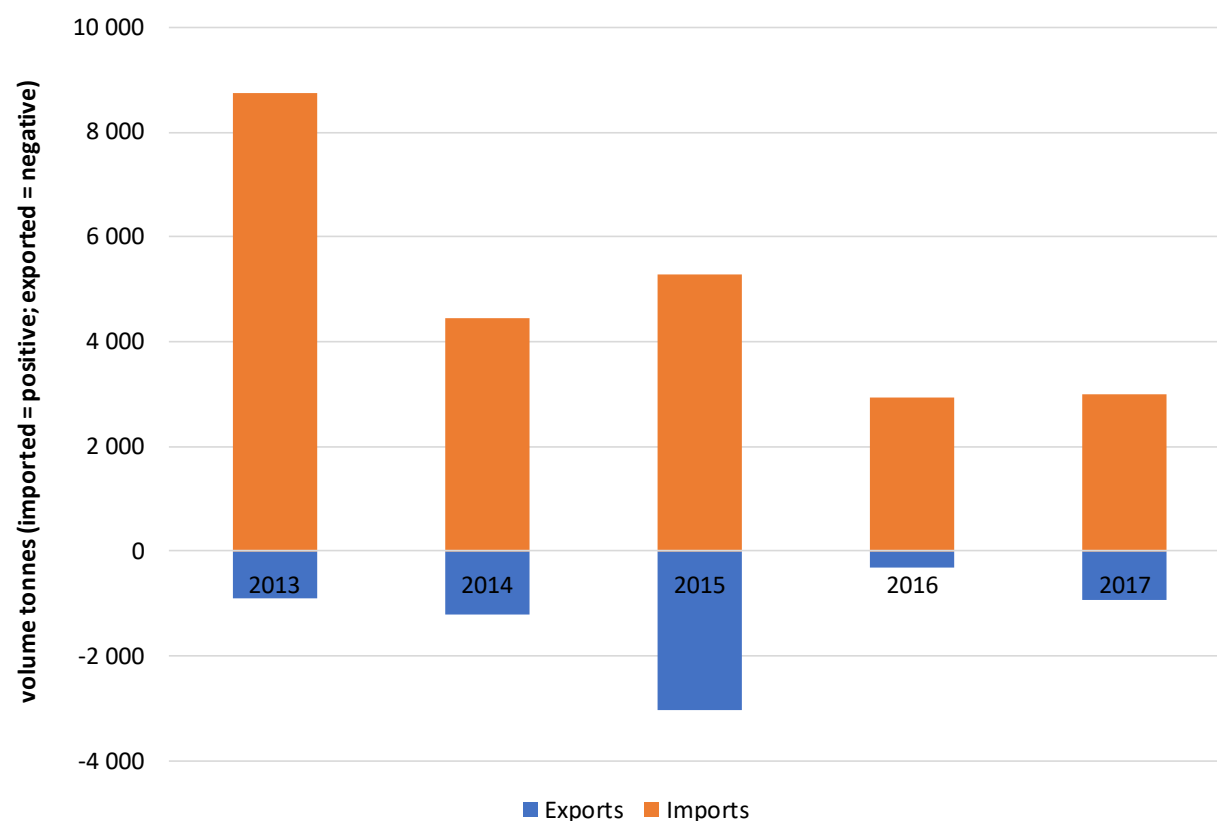
¹⁵¹ Euromonitor International: Packaged Food, 2018

Lastly, given growing demand for processed meat products, Egyptian authorities have committed to allocate substantial funds to boost domestic production. Interestingly enough, processing plants have also been constructed with these funds outside Egypt, e.g. in Tanzania¹⁵².

5.14.3.2 Imports and exports

As presented in Figure 5-52, imports outweigh the exported volume of processed meat. It should be pointed that though, that in view of the domestic market size outlined in section 5.14.2, imported volumes are relatively minor. Moreover, during the years 2013-2017 there was a threefold decrease in imported volume of products. Imports fluctuated with consecutive increases and decreases and amounted to slightly above 3 000 tonnes in 2017. Exports, on the other hand, reached their peak in 2015, amounting just above 3 000 tonnes. In other years, exported volumes oscillated around 1 000 tonnes.

Figure 5-52: Trade balance (imports and exports) of processed meat in Egypt, 2013-17; tonnes



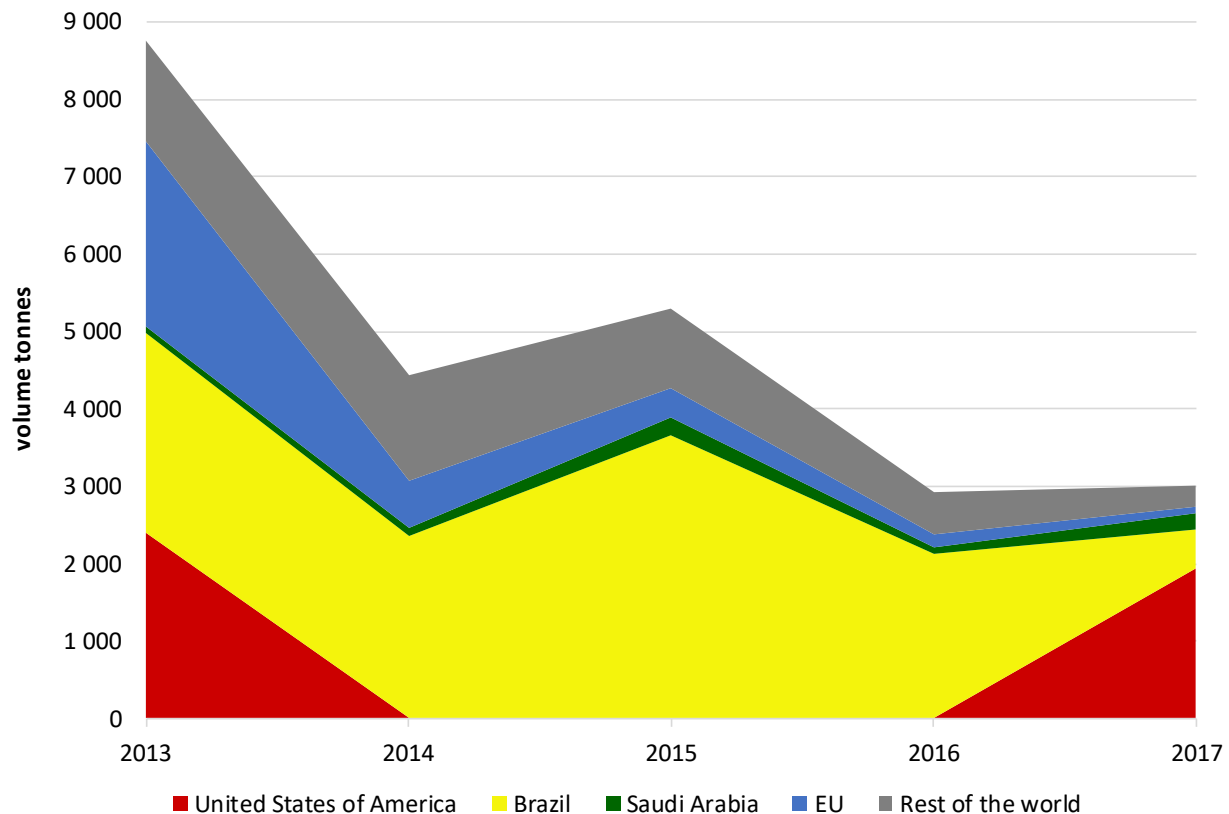
Note: lack of data relating to several countries (2015/2016)

Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 0210, 1601 and 1602

¹⁵² Egypt to construct a mega-meat processing plant in Tanzania; http://www.xinhuanet.com/english/2017-08/15/c_136525998.htm

As Figure 5-53 shows, the majority of processed meat is imported from Brazil, followed by products from USA. Moreover, some imports come from EU countries, notably from France, the Netherlands and Denmark; however the total volumes exported have decreased over the years. Imports of processed meat from Brazil significantly dropped in 2017.

Figure 5-53: Egyptian imports of processed meat by country, 2013-17; tonnes



Note: lack of data relating to several countries (2015/2016)

Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 0210, 1601 and 1602

5.14.3.3 EU GI products

As indicated in section 4.2.4, Egypt is part to the Trade-Related aspects of Intellectual Property Rights (TRIPs) Agreement, which sets down minimum standards for the protection of geographical indications (GIs), amongst others. Despite the existence of a national legislative framework for the protection of GIs, no EU processed meat GI product has been registered as such in Egypt.

5.14.3.4 Main competitors

As outlined in sections 5.14.3.1 and 5.14.3.2, domestic producers dominate the market. Egyptian companies offer rather specialised array of products within the market segment. In addition, due to low purchasing power, some consumers look for alternatives by purchasing considerably cheaper unknown packaged brands. In terms of foreign competition, Egypt imports the majority of processed meat from

Brazil, followed by USA. However, it should be remembered that total volumes of imported products are relatively minor in comparison to scale of the domestic production.

5.14.4 Specific market entry requirements

Market Access and Entry

European exporters of processed meat products face tariffs when entering the Egyptian market. However, they apply only in the following cases:

- Other prepared or preserved meat, meat offal or blood
 - homogenised preparations – 20%; (1602.10)
 - of liver of any animal – 20%; (1602.20)
 - of swine – 30%; (1602.41; 1602.42; 1602.49)
- Meat and edible meat offal, salted, in brine, dried or smoked; edible flours and meals of meat or meat offal
 - of swine (0210.11; 0210.12; 0210.19)

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:

http://madb.europa.eu/madb/datasetPreviewFormIfpubli.htm?datacat_id=IF&from=publi&hscod=&countryid=EG

Customs procedures

A list of standard documents required for import of processed meat products to Egypt is presented in Table 4-1, in section 4.2.1. Furthermore, for some commodities it may be requested to present additional documents, as outlined in Table 4-2. In case of processed meat these are:

- Description of Meat and Meat Products
- Halal Certificate
- Import Permit for Products of Animal Origin
- Veterinary Health Certificate for Animal Products

For pork products, their status as a restricted good must be remembered.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:

<http://madb.europa.eu/madb/datasetPreviewIfpubli.htm?countries=EG&hscod=>

SPS measures

The key sanitary and phytosanitary issue is connected to Bovine Spongiform Encephalopathy (BSE) which has effectively restricted trade in beef. Details on this barrier may be found on the European Commission MADB platform¹⁵³. Other issues are connected to halal requirements and no clear rules developed resulting in rejection of certificates issued by religious authorities.

¹⁵³ http://madb.europa.eu/madb/sps_barriers_details.htm?barrier_id=10680

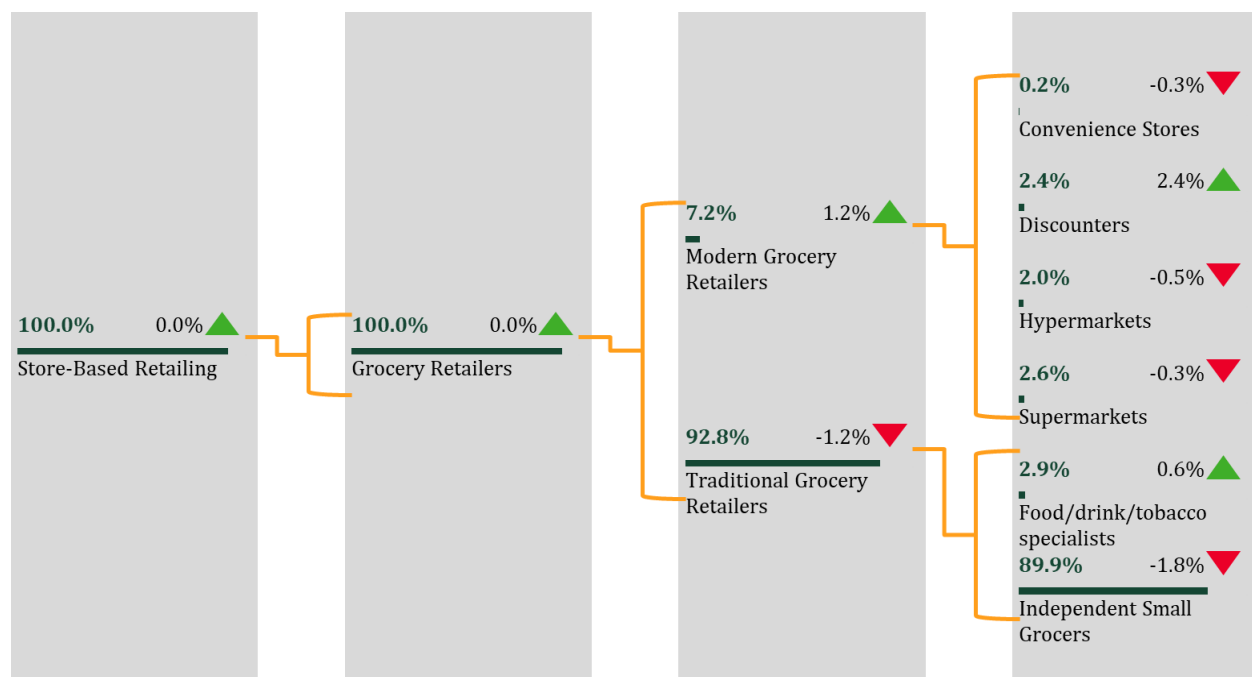
Labelling

Processed meat products must comply with the labelling rules outlined in 4.2.3. *Please note that halal certifications are not required for ham meat, bacon meat and pork.*

5.14.5 Distribution

As seen in Figure 5-54, the vast majority of processed meat products are distributed through traditional grocery retailers (above 92% of retail value in 2017), notably independent small grocers, which accounted for almost 90% of retail value. Independent fresh meat retailers remain indeed the leading source of procuring fresh meat in the country, followed by government outlets. The government outlets are mostly mobile vehicles selling fresh and frozen meat throughout the city at a discounted price. Supermarkets and hypermarkets accounted for 2.6% and 2.0% respectively. In 2017, shares of independent small grocers in the distribution channels decreased by 1.8%, whereas discounters increased theirs by 2.4%. Their growth is mainly driven by the fact that many of these retailers have their own farms that produce meat, which is then sold under the “fresh meat” section of these shops. Growth is expected to continue, as consumers tend to have more trust in these retailers and the quality of meat they sell.

Figure 5-54: Distribution channel overview of processed meat in Egypt (2017); retail value



Source: Euromonitor International: Packaged Food, 2018

5.14.6 Challenges for EU products

As in the case of fresh meat market, one of the greatest challenges for EU producers of processed meat are the market entry procedures. Firstly, all meat products imported to Egypt, apart from products

available only for the non-Muslim community, must be certified as halal products. Secondly, the market entry process, due to lengthy registration within respective Egyptian administrative bodies may pose another challenge. In addition, rising prices have significantly impacted purchasing criteria, with price being a crucial factor, as consumer shift towards more affordable products. Last but not least, it should be remembered that the majority of Egyptian consumers are not allowed to eat pig meat; effectively, consumption of this meat only occurs among non-Muslim consumers.

Market Takeaway: Processed meat

Consumption: Consumption of processed meat has been continuously growing and is projected to keep the upward trend, especially frozen processed meat segment.

Competition: Market led by domestic producers with companies specialised within particular market's sector. Brazil, followed by USA the most prominent import origins of processed meat.

Distribution: Vast majority of products distributed through traditional grocery retailers, mainly independent small grocers.

Challenges: Stringent and lengthy control measures combined with market entry procedures. No significant market for pork processed products; high competition from domestic producers.

Opportunities: Growing demand for all processed meat products.

5.15 Honey

5.15.1 SWOT analysis

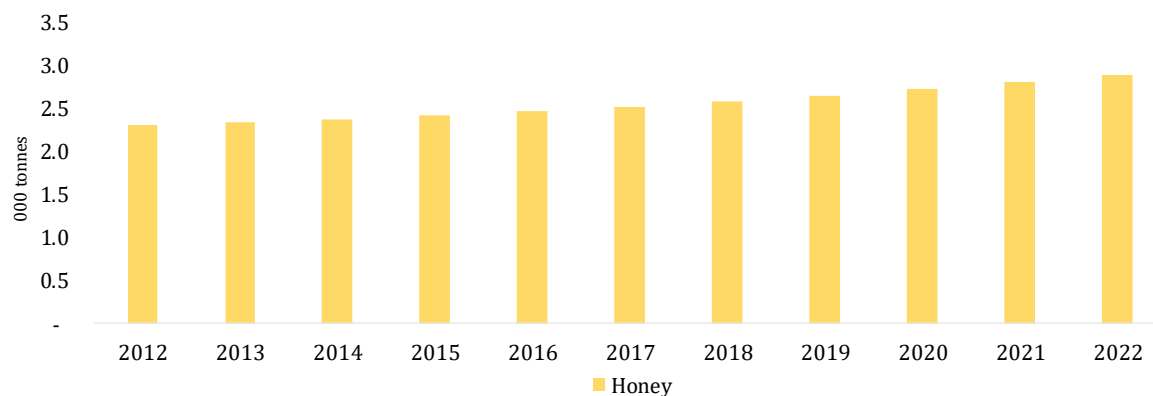


5.15.2 Consumption

5.15.2.1 Evolution of consumption

The honey market in Egypt has been on moderate and steady rise in recent years (Figure 5-55). It grew by 1.7% per year in years 2012-2017 and it is expected to increase by 2.8% per year over the forecast period. The growing market is driven mainly by the growth of population; however, it should be mentioned that the market size of honey in Egypt, despite long-standing traditions of bee keeping, is rather small.

Figure 5-55: Evolution and forecast of market for honey (000 tonnes) in Egypt, 2012-2022



Source: Euromonitor International: Packaged Food, 2018

Note: figures for 2018 to 2022 based on forecasts

5.15.2.2 Consumer profile and purchase criteria

Consumers



Honey has been present in Egypt since centuries. Many drawings and paintings on ancient tombs and other monuments depict beekeeping attributes. As such, Egyptians consider honey as a natural treatment. However, some consumers see it as a sweet spread that can be added to breakfast. An average Egyptian consume about 0.5 up to 2kg per year¹⁵⁴, which may confirm that the primary use of honey is rather medicine-related. Honey is a symbolic product in Egypt, however due to ongoing changes in Egyptian dietary patterns, some groups of consumers have started to appreciate the taste qualities along with health benefits associated with honey.

Drivers and method of consumption

Consumption of honey in Egypt is largely driven by its alleged health added value as well as by population growth. Some consumers believe honey with its antibacterial and anti-inflammatory activity is highly beneficial for any type of wound, whereas other see honey as natural aid helpful in case diseases of the intestine. Other groups of consumers perceive honey as useful skin treatment aid, effecting skin moisture, wrinkle reduction etc.

Purchase criteria

The main factor impacting the purchasing approach is the quality of honey. Given the perceived health added value, consumers in Egypt pay great attention to the product's smell and flavour, which is generally associated with naturality of the product. Lastly, similarly to other goods, price plays an

¹⁵⁴ Egyptian Beekeeping; https://pcela.rs/Egyptian_Beekeeping_2.htm

important role when purchasing honey, however in this case, in general, the quality and naturality of honey is regarded as a decisive factor.

5.15.2.3 Recent market trends

The market for honey in Egypt has been on uptrend, which has been due to population growth as well as the positive and well-regarded image of honey products. Given the healthy image of honey, consumers have continuously paid great attention to the quality of the product. Organic honey has been perceived as having the highest product quality and standards.



5.15.3 Offer

5.15.3.1 Domestic production

Production of honey in Egypt has had a long-standing tradition and given there are no taxes on beekeeping sector, it has attracted many people to establish apiaries throughout Egypt¹⁵⁵. The Egyptian beekeeping sector is considered as one of the most important ones in the Middle East, despite relatively low consumption levels. Subsequently, a fair amount of domestic production is exported. In recent years the sector was hit by shortage of sugar, which caused major economic losses¹⁵⁶.

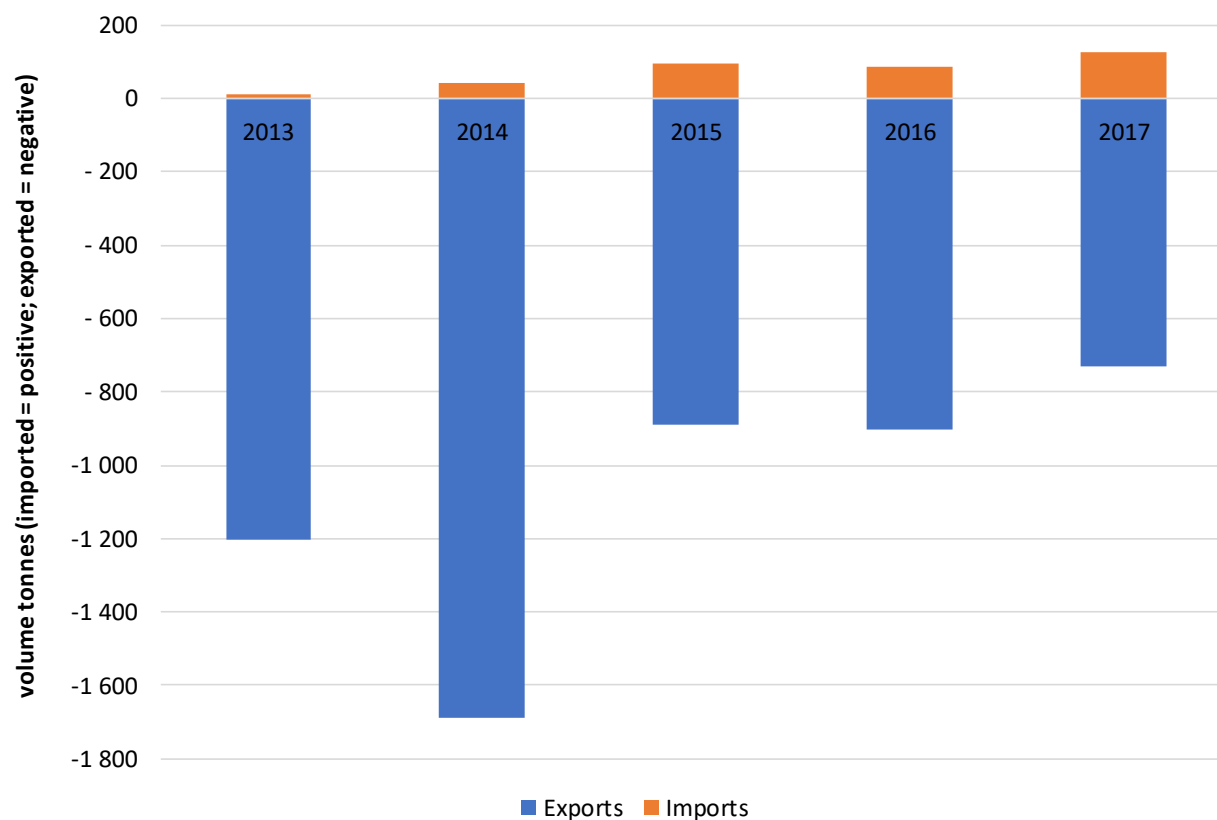
5.15.3.2 Imports and exports

As presented in Figure 5-56, Egypt's exports of honey significantly outweigh imported products. However, in 2017, the exported volume of honey reached its lowest levels in the last 5 years. Imports, on the other hand rose.

¹⁵⁵ Egyptian Beekeeping; https://pcela.rs/Egyptian_Beekeeping_2.htm

¹⁵⁶ Egypt's beekeepers under threat as economy slumps; <https://www.reuters.com/article/us-egypt-beekeeping/egypts-beekeepers-under-threat-as-economy-slumps-idUSKBN13W209>

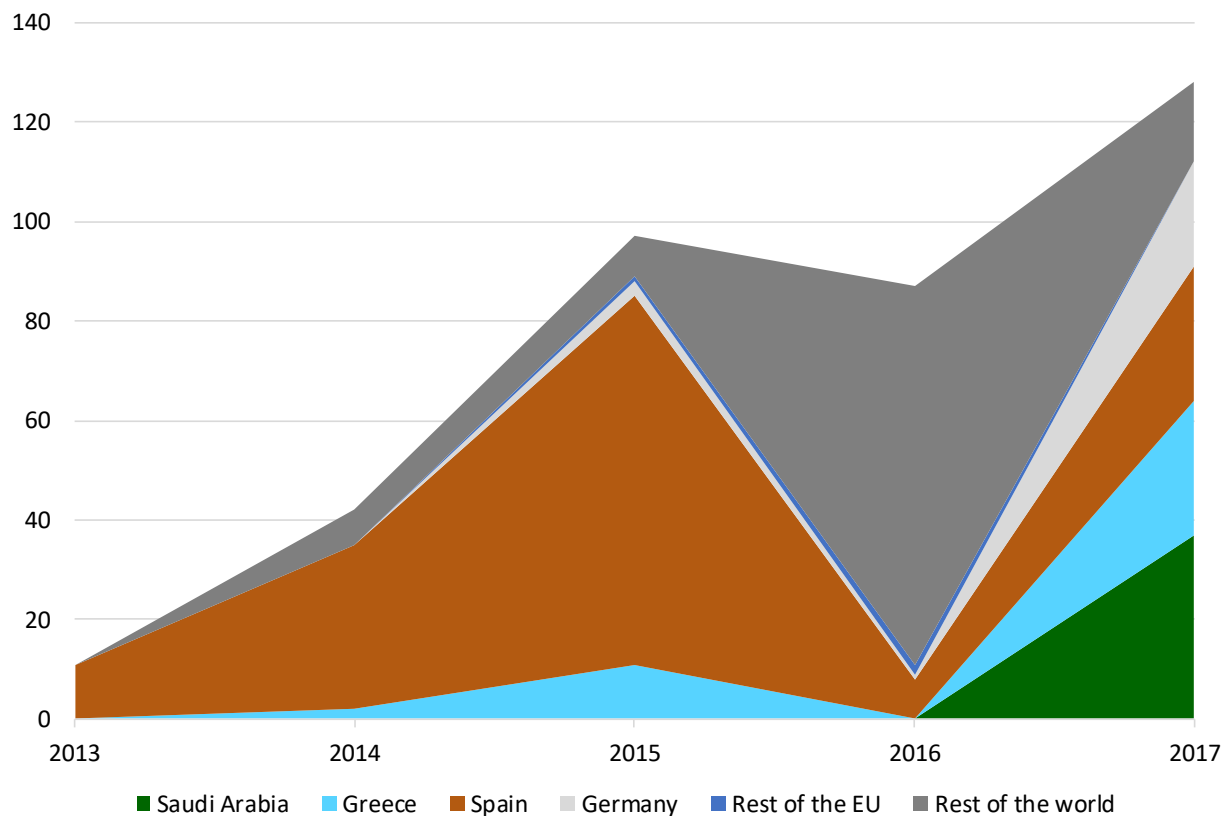
Figure 5-56: Trade balance (imports and exports) of honey in Egypt, 2013-17; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 0409

Egypt imports honey from several countries, including Saudi Arabia, Spain, Greece and Germany (Figure 5-57). The involvement of countries where imports originate from fluctuated considerably throughout recent years with significant decrease of Spanish honey in 2016.

Figure 5-57: Egyptian imports of honey by country, 2013-2017; tonnes



Source: Trade Map, International Trade Centre - <https://www.trademap.org/> Data for CN code 0409

5.15.3.3 EU GI products

As indicated in section 4.2.4, Egypt is part to the Trade-Related aspects of Intellectual Property Rights (TRIPs) Agreement, which sets down minimum standards for the protection of geographical indications (GIs), amongst others. Despite the existence of a national legislative framework for the protection of GIs, no EU honey GI product has been registered as such in Egypt.

5.15.3.4 Main competitors

As mentioned in section 5.15.3.1, the market of honey in Egypt is predominantly led by domestic producers, including small-scale producers, as well as larger manufacturers, such as Imtenan for Trade & Export and SEKEM Group (Isis). In terms of foreign competitors for Spanish, Greek and German companies, the most recent and notable ones include producers from Saudi Arabia.

5.15.4 Specific market entry requirements

Market Access and Entry

European exporters of honey do not face any tariff-barrier when entering the Egyptian market - under the EU-Egypt Association Agreement, European honey producers have a duty-free access to the Egyptian market.

Customs procedures

A list of standard documents required for import of honey products to Egypt is presented in Table 4-1 , in section 4.2.1. Furthermore, for some commodities it may be requested to present additional documents, as outlined in Table 4-2.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:
<http://madb.europa.eu/madb/datasetPreviewIfpubli.htm?countries=EG&hscod=>

SPS measures

All sanitary and Phytosanitary measures concerning the import of honey into Egypt are in line with international standards. Additionally, EU honey producers are required to submit supplementary documentation, such as Veterinary Health Certificate for Animal Products.

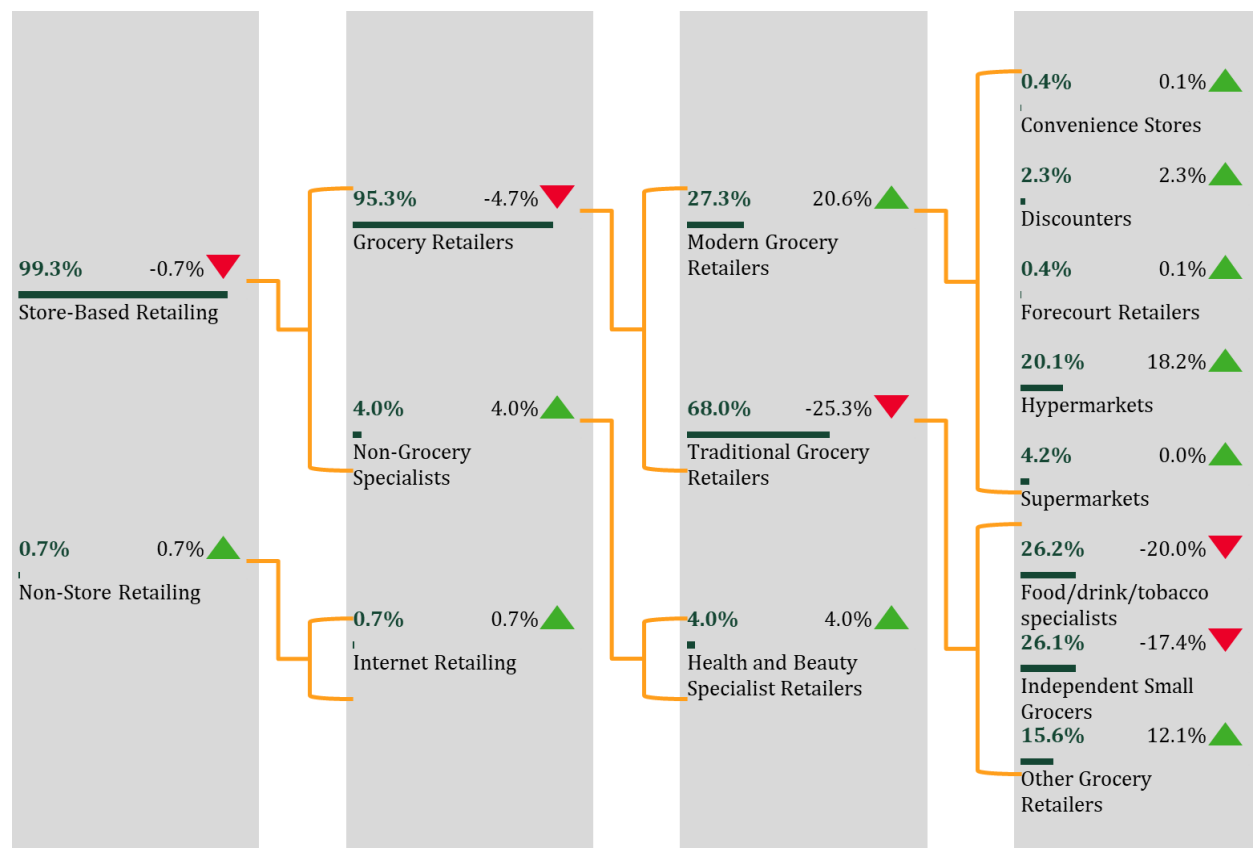
Labelling

Honey products must comply with the labelling rules outlined 4.2.3.

5.15.5 Distribution

As seen in Figure 5-58, the majority of consumers purchase spreads including honey products through traditional grocery retailers (68% in 2017, in terms of retail value). This includes small independent grocers, food and drink specialists and other grocery retailers. In case of modern retailers, hypermarkets account for the majority of shares, accounting for over 20%, in terms of retail value (2017). Interestingly enough, in 2017, shares of traditional retailers dropped considerably, whereas those of modern retailers rose.

Figure 5-58: Distribution channels overview of spreads (including honey) in Egypt (2017); retail value



Source: Euromonitor International: Packaged Food, 2018

5.15.6 Challenges for EU products

The greatest challenge for EU honey producers is the fact that not only Egyptian imports of honey are minor but also the market is rather small, as an average Egyptian consumer do not find honey as product of daily use, having it considered as natural treatment aid.

Market Takeaway: Honey

Consumption: Consumption in moderate rise, which can be connected to population growth.

Competition: Market led by large domestic producers including small-scale manufacturers.

Distribution: Majority of products are distributed through traditional grocery retailers.

Challenges: Small market; large domestic production; historically minor volumes of imported honey.

Opportunities: Growing consumption and demand for honey products.

5.16 Wine

5.16.1 SWOT analysis



5.16.2 Consumption

5.16.2.1 Evolution of consumption

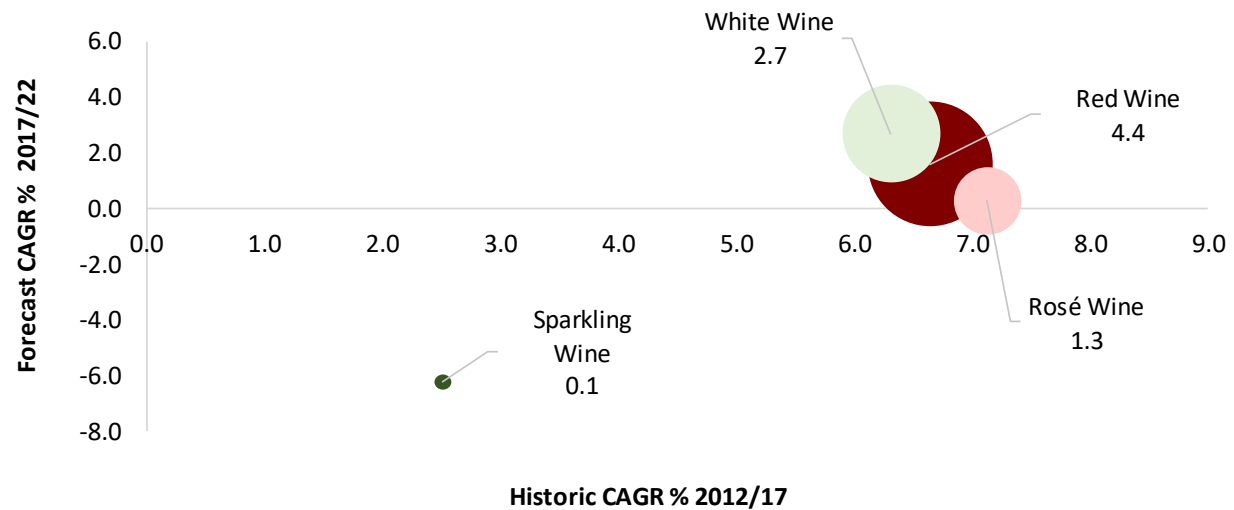
As 90% of the population is Muslim, Egypt's consumption of wine is low compared to European countries. Nonetheless, amongst all alcoholic beverages, wine has posted the highest growth in 2012-2017, driven by consumers shifting from spirits to more affordable alcoholic beverages.

Consumption of wine achieved 8.4 million litres in 2017. With a volume of 4.4 million litres, consumption of red wine accounted for 52% of total wine sales in Egypt. White wine was the second most popular segment, accounting for 2.7 million litres (or 32% of total wine sales), followed by rosé wine, with 1.3 million litres (15%). Sparkling wine continued to be the least popular variety, as there is a lack of domestic production, with a volume of 0.1 million litres, in 2017.

Growth rates slightly varied between different segments, with rosé wine recording the most extraordinary yearly growth, by 7.1%, followed by red (6.6%), white (6.3%), and sparkling (2.5%) wine. Nonetheless, sales are expected to decline, as a consequence of the economic uncertainty the country is facing, with consumers forced to cut purchases of not-necessary goods, including wine¹⁵⁷.

¹⁵⁷ Euromonitor International: Alcoholic Drinks, 2018

Figure 5-59: Evolution and forecast of wine market (000 litres) in Egypt, total volume, 2012-2022



Source: Euromonitor International: Alcoholic Drinks, 2018

5.16.2.2 Consumer profile and purchase criteria

Consumers

As outlined in section 5.8.1, Muslims, that account for most of the Egyptian population, are not allowed to consume alcoholic beverages. Therefore, most wine consumers in Egypt are tourists and Christians. Notably, wine is popular amongst a small niche of mid-upper income segments, who mostly purchase higher-end priced wine. Amongst wealthier consumers, younger ones, influenced by Western trends, are developing a taste for imported wine. Cheaper wines, especially the ones domestically produced, are on the contrary purchased by middle income or younger consumers with limited budgets¹⁵⁸.



Drivers and method of consumption

In Egypt, middle- and upper-income consumers continue to adopt Western lifestyle trends. As a result, more and more Egyptian consumers of alcohol are now open to trying wine as a new alternative to beer. On-trade channels that offer alcohol are also increasingly serving wine. However, recent economic challenges related to the devaluation of the local currency and subsequent double-digit inflation have resulted in lower purchasing power. The most popular packaging format for wine in Egypt is glass bottles, with the availability of other types e.g. bag in box remaining very limited. The increase in VAT to 14% in 2017 also put upwards pressure on prices, with further rises expected when fuel subsidies are reviewed at the end of the fiscal year.

¹⁵⁸ Euromonitor International: Alcoholic Drinks, 2018

Purchase criteria

Lower-income consumers' purchases of wine are mostly driven by price, hence their preference for cheaper domestic brands. This trend has particularly increased in recent years, as high duty levies, the 2016 currency devaluation, and increase of VAT to 14% have made imported wine more expensive. On the contrary, wealthier consumers pay more attention to quality, hence they usually opt for imported luxury wine¹⁵⁹.

5.16.2.3 Recent market trends

Overall, Egyptian wine sales grew at a positive rate in 2012-2017. With the exception of sparkling wine, whose consumption posted a 2.5% growth over the period, consumption of the other varieties of wine grew at well over 6%. Nonetheless, annual growth is projected to slowdown in 2018-2022, due to double-digit inflation, which resulted in a price hike for all brands. Notably, sparkling wine is set to post a -6.3% growth, due to a lack any domestic products and the subsequent dependability on international brands which have been hit by the recent increase of prices. Other segments, especially the ones in which domestic manufacturers are dominant (i.e. in still light grape wine) are expected to record a positive but slower growth, ranging between 0.3% (rosé wine) and 2.7% (white wine)¹⁶⁰.

5.16.3 Offer

5.16.3.1 Domestic production



Due to the arid climate of Egypt, viticulture is not very common, hence few Egyptian wines are in production. The fertile Nile Delta is the only area where winegrowing is practiced. The grapes used in Egyptian wines are those found in the warmer, drier wine regions of Europe, as outlined below:

- For red wines: Cabernet Sauvignon, Syrah, Grenache, Bobal and Tempranillo
- For white wines: Viognier, Chardonnay and Muscat¹⁶¹.

Other areas, such as sparkling wine, lack any domestic products, only offering international brands.

The largest manufacturer of wine are Al Ahram Beverages and Egyptian International Beverages, which are particularly active in still light grape wine segment¹⁶².

¹⁵⁹ Euromonitor International: Alcoholic Drinks, 2018

¹⁶⁰ Euromonitor International: Alcoholic Drinks, 2018

¹⁶¹ Egyptian wine, <https://www.wine-searcher.com/regions-egypt>

¹⁶² Euromonitor International: Alcoholic Drinks, 2018

5.16.3.2 Imports and exports

While exports data were not available, it was observed that Egypt imports negligible volumes of wine. Notably, in 2017, wine imported into Egypt reached 7 000 litres, half of which was shipped from the United Kingdom and the rest from the United States¹⁶³.

5.16.3.3 EU GI products

As indicated in section Protection of intellectual property rights and GIs, Egypt is part to the Trade-Related aspects of Intellectual Property Rights (TRIPs) Agreement, which sets down minimum standards for the protection of geographical indications (GIs), amongst others. However, currently the country lacks a national legislative framework for the protection of GIs.

5.16.3.4 Main competitors

As set out in sections 5.16.3.1 domestic production is limited but dynamic, although it is focused on red and white wines. Furthermore, although most imported wine has historically been shipped from European countries, the United States account for a large share of exports (see section 5.16.3.2).

In terms of market share, Al Ahram Beverages remains the leading player in wine in Egypt, mainly due to its wide variety of brands in still light grape wine. The company's Omar Khayyam brand is particularly popular among Egyptian consumers due to its good quality and reasonable pricing compared to other domestically manufactured products. Egyptian International Beverage ranked second in 2017 due to the popularity of its Jardin du Nil range in still light grape wine¹⁶⁴.

5.16.4 Specific market entry requirements

Market Access and Entry

The European wine producers face several barriers, notably tariff-barriers, when importing into Egypt. Indeed, as the EU-Egypt Association Agreement does not cover alcoholic beverages, EU exporters of wine face prohibitive duties and taxes when entering the Egyptian market, as outlined below:

- Sparkling wine (HS code 2204.10): 3 000% duty, plus 14% VAT and a tax of 150% of the duty paid value, but at least 15 EGP (approximately EUR 0.75) per litre.
- Other wine (HS code 2204.21/22/29): 1800% duty, plus 14% VAT and a tax of 150% of the duty paid value, but at least 15 EGP (approximately EUR 0.75) per litre.
- Other grape must (HS code 2204.30): 600% duty, plus 14% VAT.

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:

<http://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=EG&hscode=2204>

Customs procedures

¹⁶³ Trade Map, International Trade Centre - <https://www.trademap.org/>, Data for CN code 2204

¹⁶⁴ Euromonitor International: Alcoholic Drinks, 2018

A list of standard documents required for import wine into Egypt is presented in Table 4-1, in section Import requirements/restrictions, customs procedures and documentation. Furthermore, for some products it may be requested to present additional documents, as outlined in Table 4-2 in section Import requirements/restrictions, customs procedures and documentation.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:
<http://madb.europa.eu/madb/datasetPreviewI?publi.htm?countries=EG&hscod=2204>

SPS measures

Sanitary and Phytosanitary measures concerning the import of wine into Egypt are in line with international standards.

Labelling

Wine must comply with the labelling rules outlined in section Labelling Requirements.

5.16.5 Distribution

In Egypt, on-trade total volume sales are higher than off-trade sales, highlighting the preference among Egyptian consumers to drink wine in a bar or restaurant, rather than at home. This is also connected to the Westernisation trend that is impacting middle to upper income consumers of alcoholic beverages, with it now being popular to have dinner with wine. Domestically produced wine can be found both on-trade and off-trade, while imported wine is mainly available in high-end expensive on-trade channels. As outlined in section 5.8.2, imported wine can also be found in duty-free stores at more affordable prices.

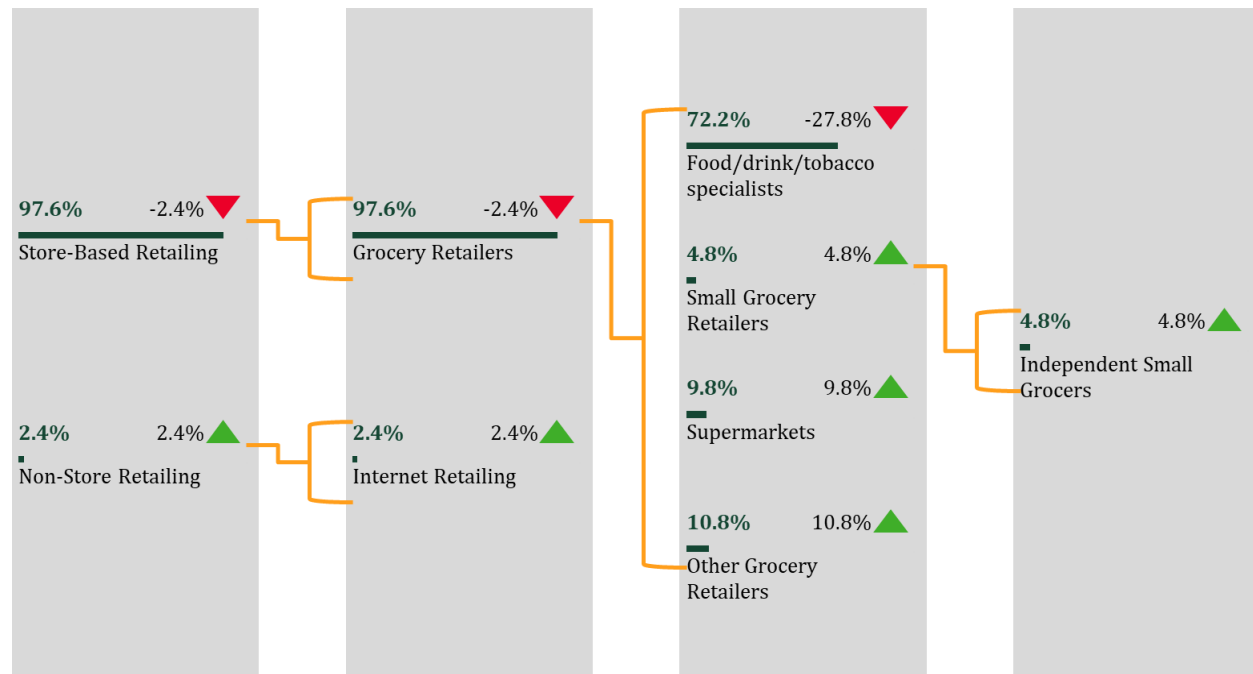
Domestic wine accounts for nearly all off-trade sales, while imported wine can mainly be found in high-class on-trade channels due to high prices, particularly following the recent devaluation of the local currency. Amongst off-trade channels, grocery retailers are dominant, with food/drink/tobacco specialists accounting for 72.2% of total sales. Nonetheless other grocery retailers, and supermarkets recorded a high growth¹⁶⁵.

Egypt's two wine manufacturers, Al Ahram Beverages and Egyptian International Beverages, each have their own respective Drinkies and GoCheers distribution channels. Moreover, each store has its own online website which arranges deliveries. This explains the growing importance of the internet channel for wine distribution¹⁶⁶.

¹⁶⁵ Euromonitor International: Alcoholic Drinks, 2018.

¹⁶⁶ Euromonitor International: Alcoholic Drinks, 2018.

Figure 5-60: Distribution channel overview of wine in Egypt (2017); off-trade volume



Source: Euromonitor International: Alcoholic Drinks, 2018

5.16.6 Challenges for EU products

As Egypt is a Muslim-majority country, wine consumption is very small and only common amongst a small niche of consumers, i.e. wealthy Christians and tourists. Although limited, domestic production does indeed fulfil the lower-income segments demand of wine. Furthermore, market access of potential new players is challenging due to the several barriers faced. Notably, EU wine imports into Egypt are charged with a 1 800-3 000% import duty plus a 14% VAT.

Market Takeaway: Wine

Consumption: although exiguous, as most Egyptians are Muslims, wine consumption rose in recent years. Due to the economic uncertainty, this growing trend is set to slowdown, as wine prices have surged.

Competition: Although European producers lead imports into Egypt, US exports and domestic production of affordable wine pose a challenge.

Distribution: Most sales of wine are done through on-sale channels, as consumers prefer drinking wine in a bar or restaurant, especially in the capital and larger cities. The on-trade and internet channels are of particular importance for imported brands. Amongst off-trade channels, food/drink/tobacco specialists are dominant.

Challenges: EU exporters face prohibitive tariff barriers when entering the Egyptian market, and indeed imports from the EU are very small.

Opportunities: Upper-income consumers have a preference for imported wine; adolescents, influenced by the Western culture, are developing a taste for wine.

6 Communication

6.1 Communication strategy

This section sets out the main communication channels (new and traditional medias, as well as fairs) available, as well as key regulations for the advertisement of F&B.

6.1.1 Online & Digital Medias

Egypt has the largest population of Internet users in the MENA region, amounting to 45 million users¹⁶⁷¹⁶⁸. Most internet users are between 15 and 44 years-old, have tertiary education, and are almost equally likely to be male or female. Most of them uses the mobile phones to access the web and social medias, as over 97% Egyptians owns one. Among internet users, social medias such as Facebook, YouTube, Twitter, and Instagram are becoming increasingly popular (see infographic in section 6.1.1.1). Currently, Egyptians spend an average of three hours on social networks, mostly to exchange messages¹⁶⁹.

Social media platforms provide several opportunities for brand marketing in the Egyptian market. However, in order to plan and implement a successful advertising strategy through social medias, it is essential to understand the different platforms and how they are used by target customers. Digital advertising agencies (see box below) may provide companies with support to develop a successful digital marketing strategy.

Internet advertising has proved successful for several companies, in terms of enhancing brand awareness and online brand presence, as well as penetrating a specific target market. The way online and social medias can be used in Egypt for marketing purposes is further analysed in the sections below.

¹⁶⁷ Advertising and marketing in Egypt, <https://www.nordeatrade.com/fi/explore-new-market/egypt/marketing>

¹⁶⁸ 2017 Trends Report: The Top Online Statistics in Egypt, <http://consultyasser.com/egypt-digital-report-2017-top-online-statistics/>

¹⁶⁹ Euromonitor International: Consumers Lifestyles, 2018

Egyptian Top Digital Marketing Agencies:

2lamp5, www.2lamp5.com
 ARQQA, www.arqqa.net
 Arrows Egypt, www.arrowsegypt.com
 BeBrand Advertising Agency, www.bebrand.tv
 BrandLab, www.brand-lab.net
 BSocial, www.bsocial-eq.com
 Cord Digital, www.corddigital.com
 Dottopia, www.dottopia.com
 GetSircles, www.getsircles.com
 IDV Digital, www.idvdigital.com
 Indigo Media, www.indigomedia.me
 MRCO Egypt, www.mrco-egypt.com
 NetArabia, www.netarabia.com
 PARAGURU, www.paraquru.com
 Pimula Agency, www.pimula.net
 Raqameyyah Solutions, www.raqameyyah-solutions.business.site
 RK Anjel, www.rkanjel.com
 Spinzomedia, www.spinzomedia.com
 The App Concept, www.theappconcept.com
 The Marketers Hub, www.themarketershub.org

6.1.1.1 Social media platforms

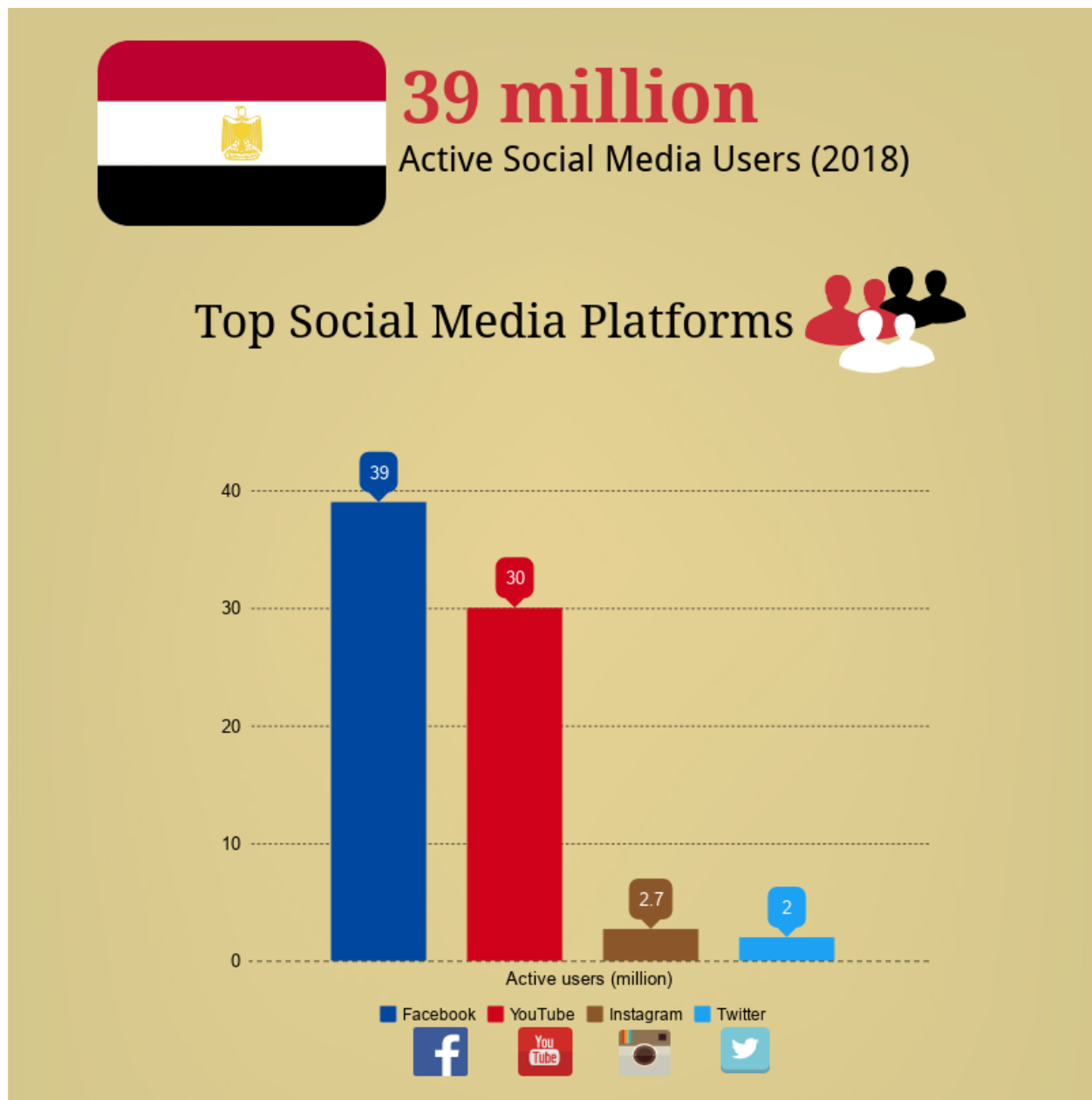
Social media marketing is growing in importance in the Egyptian F&B sector, given that:

- Approximately 39 million (of 45m internet users) actively use social media of some description¹⁷⁰;
- On average, people spend around 3 hours a day on social medias;
- Egyptians increasingly rely on information and reviews published on social media platforms when making their purchase decisions. They consider these reviews to be honest and objective¹⁷¹;
- About 26% of internet users in Egypt like to follow digital advertising¹⁷².

¹⁷⁰ Analysis: What are Egyptians using the internet for?, <http://www.egypttoday.com/Article/3/50919/Analysis-What-are-Egyptians-using-the-internet-for>

¹⁷¹ Euromonitor International: Consumer Lifestyles, 2018

¹⁷² 2017 Trends Report: The Top Online Statistics in Egypt, <http://consultyasser.com/egypt-digital-report-2017-top-online-statistics/>



Source: Agra CEAS / designed with Piktochart

Top social media platforms in Egypt

With 39 million users in 2018, Egypt leads the Arab region in terms of Facebook users. Facebook is the top social media platform among Egyptians as it is broadly used by people of all age groups. However, millennials males appear to be dominant user group. Almost all Facebook users (97%) access the platform daily, with 26% remaining active between two and six hours.

YouTube, with around 30 million users, and Instagram (2.7 million active users) come next. Unlike most countries of the world, where Instagram is rather popular among girls, most Instagram users are men aged 18-34 in Egypt. Twitter is the fourth most popular social network in Egypt, with 2 million active users. However, while it is very popular among people over 50, adolescents and millennials are more Facebook, YouTube and Instagram aficionados¹⁷³¹⁷⁴¹⁷⁵.

Tips to advertise products on social networks and video platforms



- Custom account/page: One way to enhance brand awareness on social networks is to create an account/page specifically for Egypt, and post content, preferably in Arabic, or at least in English. Instagram is particularly useful to highlight the visual identity of the brand, while Facebook and Twitter accounts enable interaction with the consumers including keeping them

up to date with companies' news. A successful post on these social networks can increase traffic to the company's website. In this respect, understanding the target consumers and what best gain their attention is crucial. Digital campaign: another way increase awareness of the brand, is to encourage social connections with customers. For example, in 2015, Nescafé developed a Facebook and Instagram campaign that celebrated friendship. The feel-good "First Tag" campaign encouraged people to share a coffee with the first person they had ever tagged on Facebook. The result of the campaign, which reached 12 million people, were therefore very positive for the brand.

- Paid advertising: Facebook, Twitter and Instagram allow to start a paid campaign, which can be personalised according to the final goal (e.g. attract new followers, send traffic to the website), the audience, and the budget. The audience can be selected on the basis of several criteria e.g. location, gender, interests etc.
- Influencers: working with an influencer is key to enhancing brand awareness and penetrating a specific target audience. Through native speaking celebrities the brand can indeed connect more personally with target users. Furthermore, influencers' advertising ensures more exposure through spreading the brand among their followers. Influencers can be remunerated with a fee, or (mostly micro-influencers) with an exclusive experience (e.g. a discount), and/or recognition

¹⁷³ Instagram or Snapchat: Here are Egypt's Favorite Social Media Platforms, <https://itp.live/content/3467Egypt-Loves-Facebook>

¹⁷⁴ Euromonitor International: Consumers Lifestyles, 2018

¹⁷⁵ 2017 Trends Report: The Top Online Statistics in Egypt, <http://consultyasser.com/egypt-digital-report-2017-top-online-statistics/>

(e.g. share their posts on the company's social media accounts). Currently, the most popular Egyptian food bloggers/Instagram influencers are [@mattersofthebelly](#), [@kitchen_keys](#), [@omarsfood](#), and [@midoeats](#).

Please not that, despite the increasing importance of social medias to advertise products, a recent law will allow the state to regulate social media users. Notably, a personal social media account, blog or website with over 5 000 followers could be considered a media outlet and thus subject to media law¹⁷⁶.

6.1.1.2 Food blogs

Another successful strategy to promote a product in Egypt is to work with food bloggers to write a promotional post on their blog. The tips indicated in section 6.1.1.1 are valuable also with regards to food blogs. Popular food bloggers (a list is provided in section 6.1.1.1) are also influencers who often cross over between written blogs and social media platforms; therefore, working with them often means the opportunity to expose the brands on several platforms.

6.1.2 Traditional Medias

Egypt has one of the most established and influential media industries in the Middle East¹⁷⁷. The National Media Council (NMC) is responsible for all state radio and television broadcasting, while The National Press Council is responsible of national print medias.

Penetration of traditional medias in Egypt and their potential for marketing purposes are set out below:

Television

Television is the most popular media for news and entertainment in Egypt, as nearly 99% of the population has a television at home, and over 84% Egyptians watch television daily or most days a week. As a result, TV advertisements have the potential to reach and influence several spectators.

The state owns two national terrestrial channels, six local channels, and a network of satellite channels. Egypt was the first Arab nation to have its own satellite, called Nilesat.

The most popular television channels are set out below:

- National Media Authority (NMA) - state-run
- Dream TV – private (on satellite)
- Al-Mihwar – private (on satellite)
- Al-Nahar – private (on satellite)
- ON E – private (on satellite)
- Al-Hayah – private (on satellite)
- CBC – private (on satellite)



¹⁷⁶ Egypt to regulate popular social media users, <https://www.bbc.com/news/world-middle-east-44858547>

¹⁷⁷ Egypt's Media Landscape, <https://fanack.com/egypt/society-media-culture/egypt-media/>

Although Egyptian terrestrial broadcasting is owned and controlled by the government, it relies heavily on advertising revenues. Advertisements in TV are indeed very frequent, especially during the Ramadan. However, due to the higher frequency of advertising, during the Ramadan people are more likely to turn to YouTube.

Cost of advertising in television largely varies between state-run and private channels. A primetime commercial may cost LE 40 000-60 000 (approximately EUR 800-1 200) per minute on a private channel, and LE 5 000-10 000 (about EUR 100-200) per minute on a state-owned channel¹⁷⁸¹⁷⁹¹⁸⁰.

Radio

Egypt has the most extensive and powerful radio broadcasting system in the Arab region. Radio as a medium comes second in terms of popularity after television. The system is under direct control of the government. Radio have been traditionally more conservative in expressing views than the print media. The most popular radio networks are the National Media Authority (NMA), which is state-owned, Nile FM and Nogoum FM, which are private¹⁸¹¹⁸².

Print media

Egypt print media landscape is diverse, as over 600 newspapers, journals, and magazines exist. Therefore, as television and radio, they have the potential to reach and influence wide audiences. However, as 24% of the population is illiterate and the trend to go online for news is spreading, newspapers are set to lose importance in the coming years.

¹⁷⁸ BBC Egypt profile – Media, <https://www.bbc.com/news/world-africa-13313373>

¹⁷⁹ European Journalism Centre: Media Landscapes Report - Egypt, <https://medialandscapes.org/country/egypt>

¹⁸⁰ Advertising expenditure on the rise in Egypt, <https://oxfordbusinessgroup.com/analysis/bouncing-back-after-difficult-period-advertising-expenditure-once-again-rise>

¹⁸¹ European Journalism Centre: Media Landscapes Report - Egypt, <https://fanack.com/egypt/society-media-culture/egypt-media/>

¹⁸² BBC Egypt profile – Media, <https://www.bbc.com/news/world-africa-13313373>

Private print medias are the ones that mostly depend on advertisements as a source of revenue, while national newspapers have additional sources, such as government subsidies.

Most print medias are owned by the government, the opposition or other political parties. The most popular are outlined below:

- Al-Ahram (the oldest newspaper in the Arab world): state-owned
- Al-Ahram Weekly (in English)
- Al-Jumhuriyah: state-owned
- Al-Misri al-Yawm: private
- Al-Shuruq: private
- Al-Yawm al-Sabi: private
- Egypt Independent (in English)
- Daily News Egypt (in English): private¹⁸³¹⁸⁴.

6.1.3 Fairs and exhibitions

In addition to the digital approach, some companies decide to advertise their products on various trade fairs, which presence on the Egyptian market is constantly growing. Most of them are endorsed by governmental ministries and agencies, or other bodies. Exhibitions constitute a promising opportunity to develop better brand recognition and initiate market interest. However, as some exhibitions might only reach local audience, it is advisable to research the exhibition's profile in advance. On the other hand, some of them might create synergies when accompanied by an online presence. It is also worth remembering that participation costs are usually directly proportional to the rank of the exhibition and its scope.

A list of upcoming exhibitions is included in an annex to this document, and further lists may be found online on websites such as:

- <https://10times.com/egypt/food-beverage>
- <https://www.tradefairdates.com/Fairs-Egypt-Z63-S1.html>
- <http://tofairs.com/fairs2.php?cnt=1133&cty=&page=>
- https://www.eventseye.com/fairs/c1_trade-shows_egypt.html

6.2 Advertising regulations

Advertising in Egypt is regulated under Article 5 of the Civil Code – establishing when an action is considered unlawful - as well as Decree no. 220 of 1976 on censorship of artistic works, including advertising. In order to advertise, producers must provide the permit number provided by the Ministry of Trade and Supply. Furthermore, most traditional medias require proof of trademark ownership before approving an advertisement.

¹⁸³ European Journalism Centre: Media Landscapes Report - Egypt, <https://fanack.com/egypt/society-media-culture/egypt-media/>

¹⁸⁴ BBC Egypt profile – Media, <https://www.bbc.com/news/world-africa-13313373>

In general, advertisements should respect Egyptians customs, traditions, and religion. Notably:

- Advertising alcoholic on national TV, national radio and print media is forbidden.
- Political speech in advertising is legal, but not recommended as Egypt has undergone two revolutions since 2011.
- Religion is considered as a sensitive subject and has very strict requirements that should not be breached. In general, it is recommended to avoid references to religious issues.

Advertisements that do not comply with the above-mentioned rules may be banned by the Egyptian Consumer Protection Agency¹⁸⁵.

¹⁸⁵ Egypt: The State of Media Laws in Egypt,
<http://www.mondaq.com/x/640084/advertising+marketing+branding/The+State+Of+Media+Laws+In+Egypt>

7 Egyptian Etiquette

7.1 Quick facts

- **Appropriate Attire:** Egyptians find dressing well in informal situations very important. Notably, in occasion of a business meeting, men are advised to wear trousers and shirts, jacket and tie; women, on the other hand, are recommended to dress modestly, with not too short skirts. In mosques, both men and women are expected to take off shoes, and women must also cover their heads.
- **Body language:** Before a meeting, shake hands, introduce yourself, and take a moment to get to know people are very important ceremonies in Egypt. To point the soles of the shoes or even show them is considered offensive, as they are considered unclean. Similarly, pointing at someone with a finger is disrespectful. Also using the left hand is not recommendable, as it is considered dirty. On the contrary, looking in someone's eyes is a sign of honesty and trust.
- **Working days:** Before scheduling a meeting, you must bear in mind that Egyptians work from Sunday to Thursday, as Friday is Muslims' holy day. Furthermore, working hours are also shortened during the Ramadan.
- **Business meetings:** Handshaking and exchanging business cards are the norm. Expect water, tea, coffee, and sweets to be served. Hospitality is a very important component of Egyptian culture, and refusing food or drinks is disrespectful. Also expect a lot of smoking during meetings.
- **Time:** Unlike social appointments, where it is fine to be late, business meetings are held as close to the set time as possible. Although Egyptians are not strict about tardiness, is it advisable to always be on time at business meetings.
- **Gifts:** A small gift is always appreciated when visiting someone or meeting him/her for the first time.
- **Conversation topics:** Egyptians are usually easy-going and sociable, although some conversation topics are recommended to be avoided. Among them, there are religion, national politics and the Israel issue. Welcome topics of conversation include Egyptian ancient and modern achievements, Egyptian cotton, and sports.
- **Photography:** Photographing anything official will usually prompt an official warning.

7.2 Key DOs and DON'Ts



Source: Agra CEAS / designed with Piktochart

8 Directory of Trade Support Projects, Organisations, and Service Providers

There are a variety of services available, both within the EU and in Egypt, for producers wishing to develop their business in Egypt. These service providers include EU funded projects, services provided by Member States and their embassies, and other organisations and service providers.

- Section 8.1 contains the contact information for Member State embassies within Egypt.
- Section 8.2 contains a listing of service providers including some information on the services available.
- Section 8.3 provides a calendar of exhibitions, trade shows, and other events to be held in Egypt in 2019.

8.1 Directory of EU Member State Embassies

EU MS	Address	Website	Contact information
Austria	El Nile Street, Corner 5 Wissa Wassef St., 11111 Giza Cairo	www.bmeia.gv.at/oeb-kairo	Tel: +20 2 3570 29 75 Email: kairo-ob@bmeia.gv.at
Belgium	20, Kamel El Shennawi St., Garden City 11511 Cairo	www.diplomatie.be/cairo	Tel: +20 2 279 47 494/5/6 Email: cairo@diplobel.fed.be
Bulgaria	6, El Malek El Afdal St., 11211 Zamalek Cairo	www.mfa.bg/embassies/egypt	Tel: +20 2 2736 30 25 Email: Embassy.Cairo@mfa.bg
Croatia	3, Abou El Feda St. 11211 Zamalek Cairo	http://eg.mvep.hr	Tel: +20 2 2738 31 55 Email: croemb.cairo@mvpei.hr
Cyprus	Mohamed Mazhar St. Bld. No. 23B, 11211 Zamalek Cairo	www.mfa.gov.cy/mfa/Embassies/Embassy_Cairo.nsf/DMLlocation_en/DMLlocation_en?OpenDocument	Tel: +20 2 2737 70 12/3/4 Email: cairoembassy@mfa.gov.cy
Czech Republic	4, Dokki St., 12511 Giza Cairo	www.mzv.cz/cairo	Tel: +20 2 3748 55 31 Email: cairo@embassy.mzv.cz
Denmark	12, Hassan Sabri St., 11211 Zamalek Cairo	www.ambkairo.um.dk	Tel: +20 2 2739 65 00 Email: caiamb@um.dk
Estonia	8th Floor, Abou El Feda Building 3, Abou El Feda St., 11211 Zamalek Cairo	www.kairo.vm.ee	Tel: +20 2 2738 41 90 Email: embassy.cairo@mfa.ee
Finland	3, Abu El Feda St., 11211 Zamalek Cairo	www.finland.org.eg	Tel: +20 2 7363 722 Email: sanomat.kai@formin.fi
France	29, Charles de Gaulle St., 11111 Giza Cairo	www.ambafrance-eg.org	Tel: +20 2 3567 32 00 Email: questions@ambafrance-

EU MS	Address	Website	Contact information
			eg.org
Germany	2, Sh. Hassan Sabri, 11211 Zamalek Cairo	www.kairo.diplo.de	Tel: +20 2 2739 96 00 Email: germemb@tedata.net.eg
Greece	18, Aisha El Taymouria Garden City, 11451 Cairo	www.mfa.gr/missionsabroad/en/egypt.html	Tel: +20 2 2795 59 15 Email: gremb.cai@mfa.gr
Hungary	29, Mohamed Mazhar Str. 11211 Zamalek Cairo	www.mfa.gov.hu/emb/cairo	Tel: +20 2 2735 86 59 Email: mission.cai@kum.hu
Ireland	22, Hassan Assem St. 11211 Zamalek Cairo	www.embassyofireland.org.eg	Tel: + 20 2 2735 82 64 Email: cairoembassy@dfa.ie
Italy	24, El Galaa Street, Boulaq Cairo	www.ambilcairo.esteri.it	Tel: +20 2 2773 01 09 Email: ambasciata.cairo@esteri.it
Latvia	8th Floor Abou El Feda Building, 3 Abou El Feda Street, 11211 Zamalek Cairo	www.mfa.gov.lv/en/egypt	Tel: +20 2 2738 41 88 Email: embassy.egypt@mfa.gov.lv
Lithuania	23, Muhammad Mazhar St., 11211 Zamalek Cairo	www.eg.mfa.lt	Tel: +20 2 2736 64 61 Email: amb.eg@urm.lt
Luxembourg	3, Ahmed Pacha St., Garden City Cairo	<i>Not available</i>	Tel: +20 2 2792 89 24 Email: francois@consulux.net
Malta	1, El Saleh Ayoub St., 11211 Zamalek Cairo	www.foreignaffairs.gov.mt/en/Embassies/Me_Cairo/Pages/ME_Cairo.aspx	Tel: +20 2 2736 23 68 Email: maltaembassy.cairo@gov.mt
Netherlands	18, Hassan Sabri, 11211 Zamalek Cairo	www.egypt.nlembassy.org	Tel: +20 2 2739 55 00 Email: kai@minbuza.nl
Poland	5, El Aziz Osman St.	www.kair.polemb.net	Tel: + 20 2 2736 74 56 Email: sahafa@bolanda.org
Portugal	1, El Saleh Ayoub St., 11211 Zamalek Cairo	www.cairo.embaixadaportugal.mne.pt	Tel: +20 2 2735 07 79 Email: embpcai@link.net
Romania	6, El-Kamel Mohamed St., 11211 Zamalek Cairo	www.cairo.mae.ro	Tel: +20 2 2736 01 07 Email: cairo@mae.ro
Slovakia	3, Adel Hosein Rostom, Dokki Giza	www.mzv.sk/Cairo	Tel: +20 2 2335 82 40 Email: emb.cairo@mzv.sk
Slovenia	21, Soliman Abaza St. Mohandessin, Giza Cairo	www.cairo.embassy.si	Tel: +20 2 3749 17 71 Email: sloembassy.cairo@gov.si
Spain	41, Ismail Mohamed, 11211 Zamalek Cairo	www.exteriores.gob.es/embaejas/elcairo	Tel: +20 2 2735 58 13 Email: emb.elcairo@maec.es
Sweden	13, Mohamed Mahzar St. 11211 Zamalek Cairo	www.swedenabroad.com/Cairo	Tel: +20 2 2728 92 00 Email: ambassaden.kairo@gov.se
United Kingdom	7, Ahmed Rageb St., Garden City Cairo	www.gov.uk/government/world/egypt	Tel: +20 2 2791 60 00 Email:

EU MS	Address	Website	Contact information
			consular.cairo@fco.gov.uk

8.2 Other organisations and service providers

Service provider	Address	Website	Contact information
Services for Austrian companies			
Advantage Austria Egypt	8, Ismail Mohamed St., 11211 Zamalek Cairo	www.advantageaustria.org/ eg	Tel: +20 2 2735 76 07 Email: cairo@advantageaustria.org
Austro-Egyptian Chamber of Commerce	1, Lobkowitzplatz, 1010 Vienna, Austria	www.aecc1.tripod.com	Tel: +43 1 581 65 00/1 Email: handelskammer.oesterr.aegyptische@chello.at
Services for Belgian companies			
Arab- Belgian- Luxembourg Chamber of Commerce	60, Rue Mignot Delstanche, 1050 Brussels Belgium	www.ablcc.org	Tel: +32 2 344 82 04 Email: info@ablcc.org
Flanders Investment & Trade	20, Kamel El Shennawi St., Garden City, 11511 Cairo	www.flandersinvestmentand trade.com/en/contact/foreign-offices/egypt	Tel: +20 2 2792 38 57 Email: cairo@fitagency.com
Services for British companies			
Egyptian-British Chamber of Commerce	24, New Broadway, 2nd Floor, London W5 2XA, United Kingdom	www.theebcc.com	Tel: +44 20 7499 3100 Email: info@theebcc.com
British-Egyptian Business Association (BEBA)	2, Mesaha Sq. (Alkan Building), Dokki Giza	www.beba.org.eg	Tel: +20 2 3749 14 21 Email: hala.elhalabi@beba.org.eg
Arab-British Chamber of Commerce	43, Upper Grosvenor Street, London W1K 2NJ, United Kingdom	www.abcc.org.uk	Tel: +44 20 7235 4363 Email: info@abcc.org.uk
Services for Bulgarian companies			
Bulgarian Association of Arabic Chambers of Commerce	9 Iskar St., 1058 Sofia	www.bcci.bg/JointChamBG	Tel: +359 2 8117 489 Email: g.dimitrova@bcc.bg
Services for Croatian companies			
Croatian Chamber of Commerce	Rooseveltovej trg 2, 10000 Zagreb	www.hgk.hr	Tel: +385 1 456 1555 Email: hgk@hgk.hr
Services for Czech companies			
Czech - Arab Chamber of Commerce	Na Pískách 19, 160 00 Prague 6	<i>Not available</i>	Tel: +420 2 3332 4932

Service provider	Address	Website	Contact information
Services for Cypriot companies			
Cyprus Trade Centre in Cairo	17, Omar Tosson St., Mohandessin Giza	<i>Not available</i>	Tel: +20 2 3345 54 99 Email: info@cyprustradeegypt.com
Services for Danish companies			
Danish Trade Council in Cairo	Nile City Towers North Tower, 2005C Corniche el Nil Ramlet Boulag, 11221 Cairo	http://egypten.um.dk/en/the-trade-council/the-trade-council-in-egypt/	Tel: +20 2 2461 93 30 Email: caiamb@um.dk
Scandinavian Arabic Chamber of Commerce (SACC)	193 40 Sigtuna, Stockholms län	https://sa-cc.org/	Tel: +46 70 875 57 88 Email: gustaf.grof@sa-cc.org
Services for Dutch companies			
Netherlands Chamber of Commerce	Sint Jacobsstraat 300 Utrecht 3511 BT Netherlands	www.kvk.nl	Tel: +31 88 585 2222
Services for Estonian companies			
Estonia Chamber of Commerce & Industry	Toom-Kooli 17, 10130 Tallinn	www.koda.ee	Tel: +372 604 0060 Email: koda@koda.ee
Services for Finnish companies			
Egyptian-Finnish Business Council EFBC	3, Abu El-Feda Street, 11211 Zamalek Cairo	www.finland.org.eg/Public/Default.aspx	Tel: +20 2 2736 37 22 Email: sanomat.kai@formin.fi
Services for French companies			
French Chamber of Commerce & Industry in Egypt	1, Wadi El Nil St., 12411 Mohandeseen Cairo	www.ccfе.org.eg	Tel: +20 2 3346 94 17 Email: hassan.behnam@ccfe.org.eg
Services for German companies			
German-Arab Chamber of Industry and Commerce	7, El Fardos Street Alfa Scan Building 4, Semouha, Alexandria	www.aegypten.ahk.de	Tel: +20 2 3427 33 38 Email: yasmine.kandil@ahk-mena.com
Services for Greek companies			
Greek Chamber of Commerce in Egypt	18 Sidi Metwally, 21518 Alexandria	www.greekchambercairo.com	Tel: +20 2 3486 85 83 Email:
Egypt-Greece Business Council	5, Xenophontos Str., 105 57 Athens, Greece	www.sev.org.gr	Tel: +30 211 5006 144 Email: patsiavos@sev.org.gr
Services for Hungarian companies			
Egypt-Hungary	Budapest, Szabadság tér	www.mkik.hu/en	Tel: +36 1474 5140

Service provider	Address	Website	Contact information
Business Council	7, 1054 Hungary		Email: stark@mkik.hu
Services for Irish companies			
Arab-Irish Chamber of Commerce	34 Fitzwilliam Place, Dublin 2, Ireland	www.aicc.ie/egypt	Tel: +353 1 662 4451 Email: info@aicc.ie
Services for Italian companies			
Italian Chamber of Commerce in Egypt	33, Abdel Khalek Sarwat St. Down Town, 11511 Cairo	www.cci-egypt.org	Tel: +20 2 2392 22 75
Italian Trade Agency	3, Abou El Feda St., 11212 Zamalek Cairo	www.ice.it/en/markets/egypt	Tel: +20 2 2735 17 34 Email: ilcairo@ice.it
Services for Latvian companies			
Latvian Chamber of Commerce Representative in Egypt	4D, El Guezira St. Zamalek Cairo	<i>Not available</i>	Tel: +20 2 2738 40 12 Email: oelderini@gmail.com
Arab-Latvian Chamber of Commerce	14-2 Terbatas St., Riga LV-1011 Latvia	www.alcc.lv	Tel: +371 67 11 84 99 Email: info@alcc.lv
Services for Lithuanian companies			
Association of Lithuanian Chambers of Commerce, Industry and Crafts	Vašingtono sq. 1-63a, LT- 01108 Vilnius	http://chambers.lt/	Tel: +370 5 2612 102 Email: info@chambers.lt
Services for Luxembourgian companies			
Arab- Belgian-Luxembourg Chamber of Commerce	60, Rue Mignot Delstanche, 1050 Brussels Belgium	www.ablcc.org	Tel: +32 2 344 82 04 Email: info@ablcc.org
Services for Maltese companies			
Malta-North Africa Business Council	The Exchange Buildings, Republic St., Valletta 1117, Malta	<i>Not available</i>	Tel: +356 2123 3873
Services for Polish companies			
Poland Export Promotion Portal	8, Ahmed Nessim St., 11511Giza Cairo	www.egypt.trade.gov.pl	Tel: +20 1147 455 155 Email: dina.shall@paih.gov.pl
Services for Portuguese companies			
Arab-Portuguese Chamber of Commerce	Rua das Portas de Santo Antão, 89 1169 022 Lisbon	www.cciap.pt	Tel: +351 213 138 100 Email: info@cciap.pt
Services for Romanian companies			

Service provider	Address	Website	Contact information
Egypt-Romania Business Council	2.Octavian Goga Blvd., sector 3, 030982, Bucharest, Romania	www.ccib.ro/ctt	Tel: +40 2131 901 32 Email: office@ccib.ro
Services for Slovakian companies			
Slovak Chamber of Commerce & Industry	Gorkého 9, 81603 Bratislava, Slovakia	www.sopk.sk	Tel: +421 2 54433272
Services for Slovenian companies			
Chamber of Commerce and Industry of Slovenia	Dimičeva 13, SI-1504 Ljubljana	www.eng.gzs.si	Tel: + 386 1 5898 000 E-mail: info@gzs.si
Services for Spanish companies			
Economic Trade Office in Cairo	19, Boulous Hanna St. Midan Fini-Dokki 12311 Cairo	www.exteriores.gob.es/embajadas/elcairo	Tel: +20 2 3336 15 88 Email: elcairo@comercio.mineco.es
ICEX	19, Boulous Hanna St. Midan Fini-Dokki, 12311 Cairo	www.icex.es	Tel: +34 913 496 100 Email: icex@icex.es
Services for Swedish companies			
Scandinavian Arabic Chamber of Commerce (SACC)	193 40 Sigtuna, Stockholms län	https://sa-cc.org/	Tel: +46 70 875 57 88 Email: gustaf.grof@sa-cc.org

8.3 Calendar of trade events and exhibitions in 2019

Event	Date	Recurrence	Venue	Organiser Details
APRIL				
CAFEX: The Hub Of The Cafe & Restaurant Industry	4-6	Annual	Egypt International Exhibition Center, Cairo	Tel: +2 0122 8787 111 Email: info@events-me.com Website: cafex-me.com
Africa Food Manufacturing	7-9	Annual	Egypt International Exhibition Center, Cairo	Tel: + 20 10 2888 86 71 Email: afmexpo@informa.com Website: www.africa-foodmanufacturing.com
JUNE				
Food & Hospitality Show Egypt	24-26	New event	Egypt International Exhibition Center, Cairo	Tel: +971 4 4380355 Email: marketing@foodnadhospitalityegypt.com

Event	Date	Recurrence	Venue	Organiser Details
				Website: www.foodandhospitalityegypt.com
SEPTEMBER				
Sahara Cairo	9-12	Annual	Egypt International Exhibition Center, Cairo	Tel: +20 2 3346 42 16 Email: info@saharaexpo.com Website: www.saharaexpo.com
DECEMBER				
Food Africa Cairo	9-11	Annual	Egypt International Exhibition Center, Cairo	Tel: +961 5 959 111 Email: ghassan.nawfal@ifpexpo.com Website: www.foodafrica-expo.com

9 Database of professionals' contacts

9.1 List of relevant buyers, importers and distributors

Company name	Type	Area of interest	Phone	Email	Website
Agro International Trading	Import	F&V	+20 3 48 38 542	info@agro-egypt.com	www.agro-egypt.com
Ahmed Zaki Company	Import	Meat	+20 23 4837 351	<i>Not available</i>	www.ahmed-zaki.com
Al Ahram Beverages Company	Import	Spirits, Beer	+20 2 2461 41 000	info@alahrambeverages.com	alahrambeverages.com
Al Awael Foodstuff Trading	Import/ Distribution	Food products	<i>Not available</i>	info@alawaelfood.com	www.alawaelfood.com
Al Heba Import And Export	Import	F&V	+20 2 4665 22 13	info@alhebagroup.com	www.alhebagroup.com
Al Karma Import & Export	Import/ Distribution	Olive oil	+20 2 2633 96 17	sales@alkarma.net	www.alkarma.net
Alfa Market	Retail	F&B	+20 2 2521 82 22	food@alfa.com.eg	www.alfa.com.eg
Alkabaely Import & Export Co.	Import	Chocolate & Conf	+20 3 4839 298	info@alkabaely.net	www.alkabaely.net
Al-Shahin co.	Import/ Distribution	Beer, Confectionary, Processed fruit	+20 2 2269 29 10	import@alshahin-eg.com	www.alshahin-eg.com
AM foods	Import/ HoReCa	Meat, Bakery, Dairy etc.	+20 2 2737 06 50	info@amgroup-egypt.com	amgroup-egypt.com
Amed Zaki Company	Import	Meat	+20 3 4837 351	ahmedzaki@ahmed-zaki.com	ahmed-zaki.com
Amin Trading	Import	Processed F&V	+20 2 2516 79 57	<i>Not available</i>	<i>Not available</i>
Arab Co. For Import & Export	Import/ Distribution	F&V	+20 5523 60019	sales@arab-import-export.com	www.arab-import-export.com
Arab Dairy – The House of	Import	Dairy	+20 10 6882 06 74	info@arabdairy.com	www.arabdairy.com

Cheese					
Awlad Ragab	Retail	F&B	+20 2 2671 21 79	huda.mahmoud@awladragab.com	www.awladragab.com
Ayman Afandy Co.	Import	FMCG	+20 2 2291 76 20	info@aac-asgeg.com	aymanafandy.com
Bardees Catering Suppliers	Import	Edible oils	+20 3 4872 365	bardees@safwait.com	<i>Not available</i>
Belco - Egyptian International Trading	Import	F&V	+20 2 2735 72 13	belco@link.net	<i>Not available</i>
Bell Food	Import/ HoReCa	Food ingredients	+20 3 485 31 31	algaras@bellfoods.com.eg	www.bellfoods.com.eg
Boe Trade	Import	F&V	+20 111 000 9307	info@boetrade.com	boetrade.com
Carrefour Egypt	Retail	F&B	+20 2 2520 43 00	j.akel@mafgroup.com.eg	www.carrefouregypt.com
Confec Egypt	Import	Confectionary	<i>Not available</i>	<i>Not available</i>	www.confecegypt.com
Drinkies	Retail/ E-commerce	Alcoholic beverages	<i>Not available</i>	<i>Not available</i>	www.drinkies.net
Egypt Bakery Stories	Import	Chocolate etc.	+20 2 2704 20 32	<i>Not available</i>	www.egyptbakerystores.com
Egypt Star Company	Import	F&V	+20 10 1461 03 04	<i>Not available</i>	egyptstarco.diytrade.com
Egyptian Group For Trading And Contracting	Import	Chocolate & Confectionary	+20 2 2704 02 78	mahmoud@egyptec.net	www.egyptec.net
El Magd Foods	Import/ Wholesale	Meat, F&V	+20 2 2550 37 27	info@elmagdfoods.com	www.elmagdfoods.com
El-Masreya for Export & Import-Ahmed Abd El-Kerim Ahmed	Import	Processed F&V	+20 2 3582 45 26	<i>Not available</i>	www.elmasrya.com
En Nour Export & Import	Import	F&V	+20 4 7325 66 03	info@elnourexport.com	elnourexport.com
Elyasmen Import & Export	Import	F&V, Live plants	+20 2 3742 978	<i>Not available</i>	<i>Not available</i>
El-Fayrouz Trade	Import	Dairy	+20 2 2620 64 85	alfayrouz_eg@yahoo.com	<i>Not available</i>
Elgezira for Import & Export	Import	Chocolate & Confectionary	+20 3 5760 956	info@elgeziraco.com	www.elgeziraco.com

Elmina	Import	Food products	+20 3 3932 429	mina.s.anwer@gmail.com	<i>Not available</i>
Elsaada Import-Export	Import	F&V	+20 1222568859	sales@elsaada-eg.com	elsaada-eg.com
F.M.C.G Trading & Distribution	Import/ Distribution	Chocolate & Confectionary	+20 2 3761 43 90	mail@fmcg-egypt.com	fmcg-egypt.com
Far Trading Company	Import	Chocolate & Confectionary, Olive oil	+20 2 2270 12 50	elfar@starnet.com.eg	<i>Not available</i>
Fathallah Group	Wholesale	F&B	+20 2 5801 081	<i>Not available</i>	www.fathallamarket.com
Fresh Connect	Import	F&V	+20 2 3304 74 50	azuzhyder@gmail.com	www.freshconnect.co
FreshLand Import & Export	Import	F&V	+20 2 2273 93 85	info@freshlandegy.com	www.freshlandegy.com
Ghazy Egypt	Import	Confectionary, Bakery	+20 1006111988	info@ghazyegypt.com	ghazyegypt.com
Ghoneim Import & Export	Import	F&V	+20 1010987718	info@ghoneimegypt.com	www.ghoneimegypt.com
GMA for Import	Import	Pasta, Dairy, Baklery etc.	+20 2 2677 94 85	info@foodstuffegypt.com	www.gma-eg.com
G.M.A Import-Islam El-Badry & Co.	HoReCa	Food products	+20 2 26709163	<i>Not available</i>	<i>Not available</i>
GO Green	Import	Organic F&V	+9 6659 805 4000	info@gogreen-egypt.com	gogreen-egypt.com
Golden Pyramids	Import	Processed F&V	+20 2 2639 84 15	<i>Not available</i>	<i>Not available</i>
Gourmet Egypt	Import	Gourmet food	<i>Not available</i>	<i>Not available</i>	www.gourmetegypt.com
Gulf Egyptian Centre	Import	F&V	+20 2 2262 93 89	goldalex@goldalex.net	www.goldalex.net
Healthy Foods Int.	Import	Fine food	+20 10 0602 34 97	<i>Not available</i>	bassem-barkat.wix.com/hf
Khaled Khoshala & Partners Company	Import/ Distribution	Dairy, Olive oil	+20 2 4481 00 57	info@khoshala.net	www.khoshala.net
KSPARK International Trading Corporation	Import	F&B	+20 12 2218 58 20	info@k-spark.com	www.k-spark.com
Integral Group	Import	Confectionary, Bakery etc.	+20 3 4205 087	tiba2006_reko@yahoo.com	www.integralgroupeg.com

Lotus Foreign Trade	Import	F&V	+20 2 2414 89 22	lotusft@lotus-egypt.com	<i>Not available</i>
Magdy Mandour	Import	Meat	+20 3 4807 120	mohamed@magdymandour.com	www.magdymandour.com
Makro Egypt	Retail	F&B	+20 2 2322 11 00	<i>Not available</i>	www.makro.com.eg
Marco for Import & Export	Import	F&V	+20 3 4872 754	margoegypt@hotmail.com	www.marcoegypt.com
Mavericks General Trading	Import	Food products	+20 10 2001 07 40	info@maverickstrading.com	www.maverickstrading.com
Metro	Retail	F&B	+20 2 2521 80 80	feedback@metro-markets.com	www.metro-markets.com
MG Trading	Import	Pasta	+20 2 2860 70 54	ahmed.marghany@mg-dmcc.com	www.mgteg.com
MGK Import & Export	Import	Dairy	+20 2 4479 32 86	sales@elamrity.com	www.elamrity.com
MIDO Food&Beverage Supplier	Import/ Distribution	Bakery, Confectionary	+20 2 2266 84 12	support@mido.com.eg	www.mido.com.eg
MIRASCO International Trading	Import	Meat	+20 2 2404 93 31	info.egypt@mirasco.com	mirasco.com
Misrexport	Import	Food products	+20 2 2403 69 82	info@misrexport.com	<i>Not available</i>
MMB Import & Export	Import	F&B	+20 2 01066601062	info@mmb-egypt.com	www.mmb-egypt.com
Modest Fruits	Import	F&V	+20 3 5413 862	info@medestfruits.com	www.medestfruits.com
Mostafa El Ashry for Import & Export	Import	F&V	<i>Not available</i>	Mostafa.elashry@gmail.com	<i>Not available</i>
Multi Food	Import/ Distribution	Confectionary, Meat	+20 2 2690 29 05	info@multigroupeg.com	www.multigroupeg.com
M/s. Fast Import & Export	Import	Food products	+20 1 2345 877	said.barr@yahoo.com	<i>Not available</i>
Nada Import & Export	Import	F&V	+20 2 7618 434	info@nadagroup.net	www.nadagroup.net
NANA	Import	F&V	+20 3 4868 859	sales@nana-rall.com	www.nana-rall.com
Premiere Food Services	Distribution	HoReCa	+20 2 2269 64 07	info@premierefoodservices.com	www.premierefoodservices.com
QEEBA	Import/	FMCGs	+20 3 3011 631	<i>Not available</i>	www.qebaa.com.eg

	Distribution				
Quattro International	Import/ Distribution	F&B	+20 2 2579 45 91	info@quattro- international.com	quattro-international.com
Raslan	Import/ Distribution	Confectionary, Canned food	+20 2 4630 00 03	MAR@RASLAN.ORG	raslan.co
ROYAL Import & Export	Import	Canned food	+20 2 23913545	<i>Not available</i>	<i>Not available</i>
SADCO Importing & Exporting	Import	Meat	+20 2 2499 26 25	info@sadco-egypt.com	www.sadco-egypt.com
Sakr Group	Import	Meat	+20 3 5462 890	localsales@sakrgroup.net	www.sakrgroup.net
Samo Trading Co.	Import/ Distribution	Confectionary, Honey etc.	+20 2 6053 031	<i>Not available</i>	www.abu-auf.com
Sana Trading Agencies	Distribution	Confectionary	+20 3 4292 671	info@sana.com.eg	sana.com.eg
Seoudi	Retail	F&B	+20 2 3761 70 86	shussien@seoudisupermar ket.com	www.seoudimarket.net
Seven Stars	Distribution	F&V	+20 122 988 4798	info@7stars-fruits.com	7stars-fruits.com
Smart Goods – Smart Company	Distribution	F&B	<i>Not available</i>	<i>Not available</i>	smart-co.net
Soudanco	Import	F&B	+20 2452 30 51	alex@soudanco.com	www.soudanco.com
Spinneys	Retail	F&B	+20 2 2268 68 15	info@spinneys-egypt.com	www.spinneys-egypt.com
Tanbouli Foods	Import/ Distribution	Milk	+20 2 3749 39 08	info@african- tradingegy.com	www.tanboulifoodstuff.com
Universal for Trade & Supplies	Import	Cheese, Processed cereals	+20 2 2291 83 44	<i>Not available</i>	<i>Not available</i>
WA Food Additives	Import/ Distribution	Food ingredients	+20 3 4292 030	<i>Not available</i>	www.awa-foodadd.net
Wakalex	Import	Meat, Pulses	+20 3 5013 752	info@wakalex.com	www.wakalex.com
Zad Supermarket	Retail	F&B	+20 2 2270 05 61	hassan.shatory@zadmarke ts.com	zadfresh.com
Zadelkhear	Import	F&V, Olive oil	+20 10 1111 29 11	Admin@zadelkhear.net	zadelkhear.net

Zahrn Market	Retail	F&B	+20 03 4259 333	zahrn_market@yahoo.com	www.zhrangroup.com
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