Required Report: Required - Public Distribution **Date:** April 28, 2023

Report Number: EG2021-0029

Report Name: Exporter Guide

Country: Egypt

Post: Cairo

Report Category: Exporter Guide

Prepared By: Ibrahim Mohamed

Approved By: Elizabeth Mello

Report Highlights:

In October 1, 2021, Egypt launched a new pre-clearance system to facilitate trade and improve custom clearance and release time, the Advanced Cargo Information system (ACI) require all shipping documents be received electronically at least 48 hours prior to the arrival of the shipment. Egypt's Hotel-Restaurant-Institutional (HRI) sector rebounded in 2021 from a sore year in 2020. The HRI sector generated over $13 billion in revenues, recovering to pre-pandemic levels. Egypt imported some $3.35 billion worth of consumer-oriented products in 2021. The United States was the fourth largest exporter to Egypt with approximately $243 million in exports accounting for roughly 10 percent market share. This represents a 19 percent increase over 2020 export value of $204 million. However, U.S.-origin food exports to Egypt face competition from European, Middle Eastern, and increasingly African-origin exports.

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

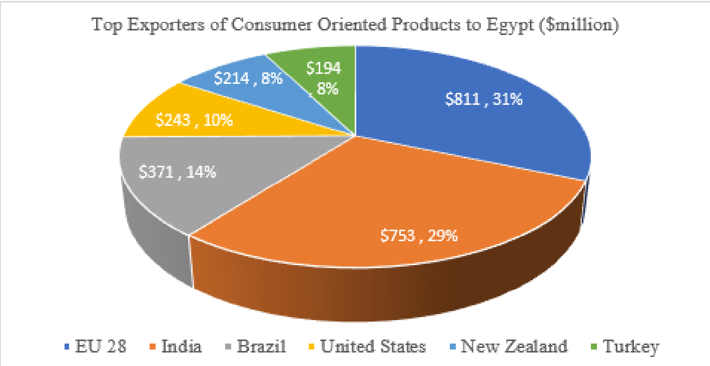
Market Fact Sheet: Egypt

Executive Summary

In October 1, 2021, Egypt launched a new pre-clearance system to facilitate trade and improve custom clearance and release time, the Advanced Cargo Information system (ACI) require all shipping documents be received electronically at least 48 hours prior to the arrival of the shipment. Egypt's Hotel-Restaurant-Institutional (HRI) sector rebounded in 2021 from a sore year in 2020. The HRI sector generated over $13 billion in revenues, recovering to pre-pandemic levels. Egypt imported some $3.4 billion worth of consumer-oriented products in 2021. The United States was the fourth largest exporter to Egypt with approximately $243 million in exports accounting for roughly 10 percent market share. This represents a 19 percent increase over 2020 export value of $204 million. However, U.S.-origin food exports to Egypt face competition from European, Middle Eastern, and increasingly African-origin exports. Free trade agreements, shipping proximity and lower production costs often provides exporters in these countries an advantage over U.S.-origin food products.

Imports of Consumer-Oriented Products

Primary consumer-oriented products imported were beef and beef products, dairy products, spices, fresh fruits, tea, chocolate and cocoa products, tree nuts, soups and other food preparations, fresh vegetables, poultry meat and products (ex. eggs). The main suppliers were the European Union, India, Brazil, United States, New Zealand, and Turkey.



GDP per capita *(USD)*: 12,607 PPP
Population: 103.1 million

Sources: World Bank, CAPMAS, FAS Cairo office research.

Food Processing Sector

Egypt's exports of processed food and beverage reached $32.1 billion in 2021 (about 26 percent) increase compared to $25 billion in 2020. Egypt imported about $7.3 billion worth of food and beverage ingredients and additives in 2021. This is a 19 percent increase from the 2020 import value of $6 billion. The United States was Egypt's fifth largest supplier with $433 million in sales accounting for about six percent of total market share. This is about a 92 percent increase from 2020 exports value of about $225 million.

Food Retail Industry

In 2021, the sector grew by about 3.4 percent from 2020. The sector recorded sales of $31.3 billion in 2021 compared to $30.2 billion (estimates). Product leading sales are staple foods $8.2 billion, dairy products and alternatives $3.5 billion, snacks $3 billion, baked goods $2.9 billion, rice, pasta, and noodles $2.8 billion, Processed Meat, Seafood and Alternatives To Meat $2.3 billion, Cooking Ingredients and Meals $1.4 billion, and cheese $1.4 billion (estimates). Modern retail channels, such as supermarkets, hypermarkets and convenience stores, have a combined 4,041 outlets and represent around 27.1 percent of total sales. Traditional grocery retailers have 116,578 outlets and represent 72.9 percent of total sales.

Top Growth Products in Egypt ($million)

848	Beef & beef products
756	Dairy products
200	Spices
192	Fresh fruits
175	Tea
142	Chocolate & Cocoa prod.
131	Tree nuts
101	Soups & Food Prep.
91	Fresh Vegetables

SECTION I: MARKET OVERVIEW

Egypt’s economy grew by 3.6 percent in 2020 despite the coronavirus pandemic shock, Egypt's real GDP expanded by 3.3 percent in 2021, trailing the Middle East and Africa's average growth of 4.1 percent. The ongoing COVID-19 pandemic, imposed limitations, sluggish vaccine implementation, depressed private investment, and gradual recovery in the country's tourism sector were all factors in the slower growth in 2021, as incoming arrivals remained much lower than pre-pandemic levels. As a result, Egypt's GDP per capita reached $3,981 in 2021, compared to the Middle East and Africa's average of $4,045. When it comes to certain significant industries, manufacturing continues to be the country's largest contributor, accounting for 18.5 percent of total gross value added (GVA). Egypt's economy is expected to grow at a CAGR of 4.5 percent between 2022 and 2040, compared to the Middle East and Africa average of 3.6 percent. The service sector, which accounted for 50.5 percent of total gross value added (GVA) in Egypt in 2021, will be a major driver of future economic development. Stronger domestic demand, as well as supportive measures implemented by the Egyptian government and international organizations, are expected to drive the country's economic growth in the coming years. Egypt's Inclusive Growth for Sustainable Recovery reforms, which were approved in the autumn of 2021, are expected to stimulate private sector development, improve macro-fiscal sustainability, and promote women's economic inclusion. Furthermore, the World Bank approved a $360 million Development Policy Financing (DPF) loan to Egypt in 2021 to support economic growth and recovery.

Egypt's inflation rate increased to 5.5 percent in 2021, up from 5.0 percent the previous year, due to supply constraints and surging global commodity prices. Food and non-alcoholic beverages, alcoholic beverages and tobacco products, as well as leisure and recreation, experienced the highest price increases in 2021 among major groups of consumer goods and services. Inflation is expected to rise further in the medium term, driven by stronger domestic demand and rising commodity prices, but it is expected to remain within the central bank's 5.0-9.0 percent target range. The Central Bank of Egypt (CBE) maintained its supportive monetary policy to promote economic recovery through 2021. Since November 2020, when they were cut to the lowest levels since 2014, the central bank has kept the overnight lending rate at 9.25 percent and the overnight deposit rate at 8.25 percent. The CBE kept key policy rates unchanged in February 2022, as inflation remained within its target range and the economy continued to recover. However, as the world shifts toward monetary tightening in response to rising inflationary pressures, the Egyptian government is expected to begin raising policy rates later in 2022.

Table 1: Advantages and Challenges Facing U.S. Suppliers

Advantages	Challenges
- U.S. origin products continue to enjoy acceptance in the Egyptian market	- U.S. exporters face competition from the European Union (EU) member states. Egypt has a free trade agreement with the EU, which sometimes disadvantages U.S.-origin products.
- U.S. products are associated with high quality.	- Many importers indicate lack of U.S. supplier interest in Egypt. - Geographic proximity favors competing suppliers due higher shipping costs from the United States. - Egyptian import regulations are at times non-transparent.
- Companies seek new ingredients, especially affordable unprocessed commodities.	- Egypt often recurs to EU standards, which do not coincide with U.S. or Codex standards.
- There is growing demand for high-value, highly processed ingredients.	- Importers often indicate a lack of U.S. supplier interest in Egypt.
- Egyptian food processing is growing; it requires more imported food ingredients.	- Import regulations are complex, non-transparent.

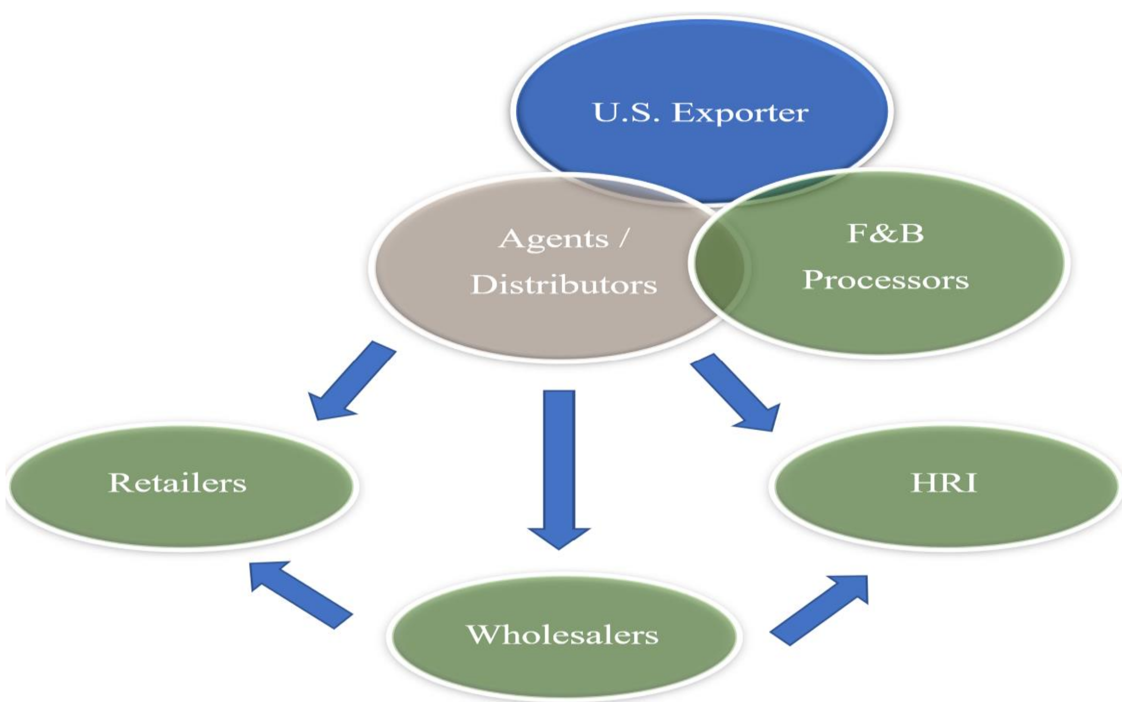
- Egypt's food processors and manufactures are exporting to the region. Within 500 kilometers, Egypt has access to 339 million consumers.	- Importers are largely unfamiliar with U.S. Export controls, procedures, standards, and certifications.
- Egyptian importers of U.S.-origin agricultural products could benefit from USDA's GSM-102 Credit Guarantee Program.	- Lack of awareness among local banks and importers of the GSM-102. - Similar government-funded financing programs.

SECTOIN II: EXPORTER BUSINESS TIPS

Market Research: U.S. exporters should identify an Egyptian importer or distributor, with whom they can build a relationship. Egyptian firms are best suited to navigate local regulations, understand distribution chains, and have relationships with retailers, food processors, hotels, restaurants and institutions (see GAIN EGYPT - Egypt Food Processing Ingredients 2020, GAIN- Egypt Retail Foods Annual 2020, and GAIN-EGYPT Food Service – Hotel Restaurant Institution Annual 2020.

Market Structure: Egypt's market structure is straightforward. Importers are food processors, manufacturers, and or agents/distributors of these. Large companies will source food ingredients and products directly to lower prices, guarantee product flow, and ensure quality. Agents/distributors service the food processing and manufacturing sectors, comprised of numerous fragmented small- and medium-size companies. Smaller manufacturers purchase reduced quantities, do not import directly, pay in Egyptian pounds, and maintain small inventories.

Chart 1: Market Structure



General Consumer Tastes and Trends: The growth of consumption in local and imported consumer-oriented goods may be attributed to Egypt's time-pressed middle-class customers. Instant noodles and ready-to-eat frozen meals are popular time-saving dinner alternatives; the ingredients for these items are imported. Packaged food products are becoming more widely available.

SECTION III: IMPORT FOOD STANDARDS AND REGULATIONS AND IMPORT PROCEDURES

Customs Clearance: The Egyptian Parliament approved the law number 1/2017 **establishing the** National Food Safety Authority **(NFSA) on Monday 2, January 2017**. The implementing regulation mandates that NFSA assumes full responsibility from other ministries, public institutions, government agencies, and municipalities for the regulation of foodstuffs. This law eliminates the previous patchwork of food-related regulation, which created confusion and inefficiencies for Egyptian exporters and importers. As of November 15, 2019; NFSA officially assumed responsibility for all ports' inspections and sampling/testing. (see GAIN EGYPT – FAIRS Egypt Country Annual 2021, and the GAIN EGYPT – FAIRS Egypt Country Export Certificate 2021 reports).

Documents normally required for food imports include:

- Bill of lading
- Commercial invoice
- Certificate of origin (countersigned by the Chamber of Commerce and notarized by the Egyptian Embassy or Consulate in the country of origin)
- export/health certificate (FDA certificate of free sale, sanitary, phytosanitary)
- Packing List
- Certificate of Insurance
- Import Permit (issued to Egyptian importers)
- Payment guarantee (form 11) from a local bank advising payment transfer to the supplier

Country Language Labeling Requirements: The translation into Arabic of the foreign language label information is required. Inconsistency in the translation may result in a rejection. Arabic labeling can be printed on the package or be a permanent adhesive label. Products cannot show more than one date of manufacture or expiration. Label information cannot be erased, scratched, or altered in any way (see GAIN EGYPT – FAIRS Egypt Country Annual 2021, and the GAIN EGYPT – FAIRS Egypt Country Export Certificate 2021 reports).

Tariffs and Free Trade Agreements (FTA): Egypt provides information on tariff duty and VAT required to be paid on different commodities through the Egyptian Customs Authority. The website generates information according to the different codes of the commodity. The information includes trade agreements and arrangements with foreign governments that allow specific exemptions and tariff reduction. The website also provides information of trade agreements between Egypt and its trading partners. The website is available only in Arabic. Access to tariff information through the following portal address: https://www.customs.gov.eg/Services/Inquiries/Tarrif?searchquery.

The United States does not have a free trade agreement (FTA) with Egypt. However, the 1999 U.S.-Egypt Trade and Investment Framework Agreement (TIFA) serves as a forum for continuing dialogue for expanding fair and reciprocal trade and investment. Egypt has FTAs with the European Union, Turkey, the Southern Common Market (MERCOSUR), and the Common Market for Eastern and Southern Africa (COMESA). Egypt is a member of the Greater Arab Free Trade Area (GAFTA), composed of 18-member states. It is also a member of the Tripartite Free Trade Area; composed of member states and partners from COMESA, the East African Community, and the Southern African Development Community. In 2018, Egypt joined the African Continental Free Trade Area (AFCFTA), composed of 44 countries. The EU-Egypt FTA and other free trade agreements are eroding the competitiveness of some of U.S. products.

Trademarks and Patents Market Research: In June 2002, [Egypt passed the Intellectual Property Rights (IPR) Law 82/2002](). The law describes copyright's legal rights and enforcement procedures, expedited trademark registration, and piracy protection (see [GAIN EGYPT – FAIRS Egypt Country Annual 2021]()).

SECTION IV: MARKET SECTOR STRUCTURE AND TRENDS

Key developments for top Food Sector:

Retail Food Sector: In 2021, the sector grew by about 3.4 percent from 2020. The sector recorded sales of $31.3 billion in 2021 compared to $30.2 billion (estimates). Product leading sales are staple foods $8.2 billion, dairy products and alternatives $3.5 billion, snacks $3 billion, baked goods $2.9 billion, rice, pasta, and noodles $2.8 billion, Processed Meat, Seafood and Alternatives To Meat $2.3 billion, Cooking Ingredients and Meals $1.4 billion, and cheese $1.4 billion (estimates). Modern retail channels, such as supermarkets, hypermarkets and convenience stores, have a combined 4,041 outlets and represent around 27.1 percent of total sales. Traditional grocery retailers have 116,578 outlets and represent 72.9 percent of total sales. Small traditional grocers remain the dominant retail outlet in Egypt. These outlets are conveniently located in urban centers, carry a wide variety of food and beverage products, provide reasonably priced home delivery service and, in some cases, offer credit to buyers.

Food Processing Sector: Despite a slow-down in operations in 2020 due to the COVID-19 which led to diminished tourism, the impact of the pandemic on the sector was not substantial. The food processing sector did not undergo closures throughout the pandemic's first and second waves. The Egyptian government, despite its nationwide closure of foodservice, allowed the food processing sector to continue operations. The sector quickly rebounded in 2021 and achieved unprecedented exports. Egypt's exports of processed food and beverage reached $32.1 billion in 2021 (about 26 percent) increase compared to $25 billion in 2020. Egypt imported about $7.3 billion worth of food and beverage ingredients and additives in 2021. This is a 19 percent increase from the 2020 import value of $6 billion. The United States was Egypt's fifth largest supplier with $433 million in sales accounting for about six percent of total market share. This is about a 92 percent increase from 2020 exports value of about $225 million.

Hotels, Restaurants, Institutions Sectors: The sector is volatile, as it relies heavily on tourism which represents 15 percent of Egypt's GDP and is an important source of foreign exchange. The global COVID-19 pandemic led to a complete suspension of tourism and revenues of about only $4 billion during the first half of 2020. However, in 2021, Egypt has tourism rebounded, recording over $13 billion in revenues (pre pandemic levels). The recent conflict between Russia and Ukraine which broke in February 2022 is predicted to cause a complete suspension of inflow tourism from both countries which accounted for about 60-65 percent of incoming tourists to Egypt in 2021. In 2021, 700,000 Russian tourists visited Egypt, and 125,000 in the first half of January 2022. Ukrainian tourists were the largest Eastern Europeans to visit Egypt in 2021.

Best product prospects categories

Products present in the market, which have good sales potential, such as cheese, beef products, and tree nuts, continue to represent good prospects for U.S. exporters. As in past years, Egypt remains an important market for U.S. beef liver and offal. The country is by far the largest importer of U.S. beef liver, reaching about $67.2 million in 2021. U.S. beef muscle cuts are well known for their quality among affluent buyers and represent a category with growth potential.

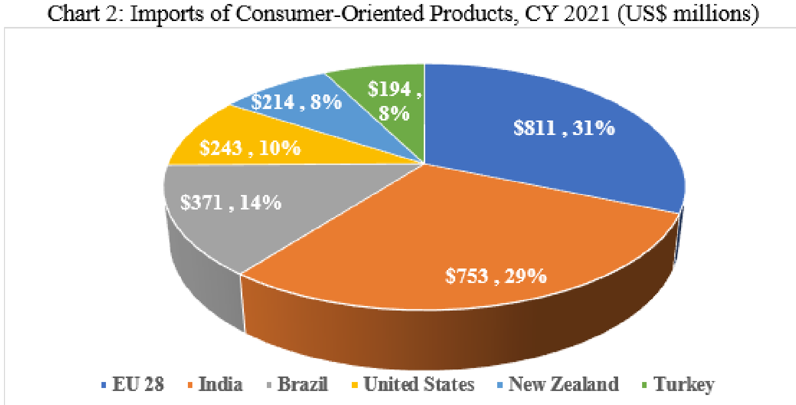
Table 2: Egypt, Company Profiles and Top Retailers

Company	Activity	Outlets	Remarks
Carrefour	Supermarket/Hypermarket	44	Domestic & Imported Goods
Mansour Group	Retail/Distribution	130	Domestic & Imported Goods
Seoudi	Retail	19	Domestic & Imported Goods
On-the-Run	Convenience Store	63	Domestic & Imported Goods
HyperOne	Retail	3	Domestic & Imported Goods
Spinneys Egypt	Retail	19	Domestic & Imported Goods
BIM	Retail	300	Primarily Domestic Goods
Kazyon	Retail	463	Primarily Domestic Goods
Gourmet Egypt	Retail	18	Domestic & Imported Goods
Alfa Market	Retail	8	Domestic & Imported Goods
Ayman Afandi	Importer/Distributor	Marketing & Distribution	
Al-Shaheen Co.	Importer/Distributor	Marketing & Distribution	
GMA	Importer/Distributor	Marketing & Distribution	
Amin Trading	Importer/Distributor	Marketing & Distribution	
Samo Trading	Importer/ Distributor	Tree Nut Importer/Processor/Distributor	

FAS Cairo research

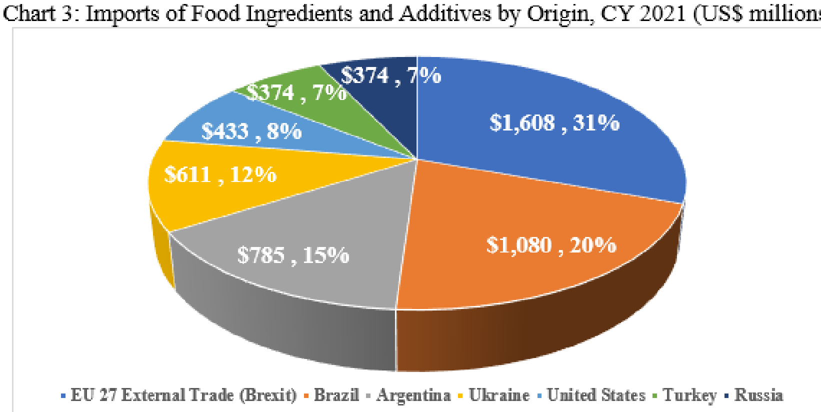
Charts of key issues or competitive situation:

Chart 2: Imports of Consumer-Oriented Products, CY 2021 (US$ millions)



Source: ITC Trade Map, CAPMAS, FAS Cairo office research

Chart 3: Imports of Food Ingredients and Additives by Origin, CY 2021 (US$ millions)



Source: ITC Trade Map, CAPMAS, FAS Cairo office research

Table 3: Egypt, 3-Year Food and Agricultural Imports, CY 2019-2021

HS	Product Label	Value in 2019 $mil		Value in 2020 $mil		Value in 2021 $mil		% Change 2021 / 2020	
		World	US	World	US	World	US	World	US
	Totals	$10,709.44	$1,404.93	$11,168.61	$1,767.06	$7,281.17	$1,929.90	-34.81%	9.22%
'01	Live animals	$93.55	$9.35	$114.24	$5.94	$47.47	$3.80	-58.45%	-36.05%
'02	Meat and edible meat offal	$908.64	$77.44	$871.78	$56.80	$376.25	$73.64	-56.84%	29.66%
'03	Fish and crustaceans, molluscs and other aquatic invertebrates	$405.09	$1.69	$377.40	$1.82	$232.23	$0.25	-38.47%	-86.29%
'04	Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere ...	$575.94	$43.28	$550.60	$75.53	$473.06	$104.43	-14.08%	38.28%
'05	Products of animal origin, not elsewhere specified or included	$26.40	$2.72	$26.72	$1.04	$14.13	$2.05	-47.12%	97.68%
'06	Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage	$21.88	$0.53	$20.13	$3.46	$2.44	$0.12	-87.90%	-96.64%
'07	Edible vegetables and certain roots and tubers	$449.45	$0.59	$458.02	$3.11	$462.45	$1.32	0.97%	-57.59%
'08	Edible fruit and nuts; peel of citrus fruit or melons	$281.54	$32.29	$321.21	$51.61	$124.62	$41.43	-61.20%	-19.73%
'09	Coffee, tea, maté and spices	$432.62	$0.97	$515.95	$0.70	$56.96	$0.92	-88.96%	32.14%
'10	Cereals	$4,476.01	$183.94	$4,744.92	$38.27	$3,090.36	$185.48	-34.87%	384.69%
'11	Products of the milling industry; malt; starches; inulin; wheat gluten	$32.77	$0.10	$32.55	$0.06	$28.17	$0.11	-13.44%	85.96%
'12	Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal	$727.73	$1,004.06	$508.34	$1,450.74	$565.80	$1,446.20	11.30%	-0.31%
'13	Lac; gums, resins and other vegetable saps and extracts	$25.44	$2.85	$28.19	$3.11	$13.79	$3.21	-51.08%	3.05%
'14	Vegetable plaiting materials; vegetable products not elsewhere specified or included	$2.41	$0.00	$2.20	$0.00	$0.60	$0.08	-73.00%	0
'15	Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal	$1,091.24	$31.30	$1,348.45	$59.91	$849.72	$47.17	-36.99%	-21.25%
'16	Preparations of meat, of fish or of crustaceans, molluscs or other aquatic invertebrates	$261.75	$0.08	$305.50	$0.00	$215.87	$0.00	-29.34%	0
'17	Sugars and sugar confectionery	$276.76	$1.44	$317.09	$1.76	$366.87	$2.40	15.70%	36.48%
'18	Cocoa and cocoa preparations	$151.54	$0.71	$154.77	$0.27	$68.10	$1.59	-56.00%	494.03%
'19	Preparations of cereals, flour, starch or milk; pastrycooks' products	$166.44	$1.02	$171.86	$0.98	$112.76	$1.25	-34.39%	27.42%
'20	Preparations of vegetables, fruit, nuts or other parts of plants	$74.50	$1.93	$83.55	$1.42	$47.31	$2.22	-43.37%	55.99%
'21	Miscellaneous edible preparations	$175.19	$6.41	$176.25	$9.10	$112.90	$11.40	-35.94%	25.24%
'22	Beverages, spirits and vinegar	$52.57	$2.23	$38.91	$1.48	$19.31	$0.86	-50.38%	-41.87%

Source: ITC Trade Map, FAS Cairo research

Best high-value consumer-oriented products prospects categories:

Frozen beef, condensed milk and cream, black tea, fresh apples, meal preparations, and beef liver are among the top consumer-oriented items imported from across the world. Beef liver, dairy products, and tree nuts are among the most popular consumer-oriented items imported from the United States. Sweets & snacks, healthful and nutritional meals, and pet foods are examples of US items that are not widely available yet have a high sales potential among Egypt's more wealthy consumers. Fresh apples owing to high tariffs and poultry parts due to non-tariff obstacles are examples of US items that are not present because they encounter severe restrictions.

Egypt is a feasible market for the following food ingredients originating in the United States: Corn grown in the United States that is not seed corn. Fixed vegetable fats and oils (including Jojoba oil) and their fractions, whether refined or not, that have not been chemically changed. Petroleum oils, bituminous mineral oils (other than crude), and products having by weight Gt=70% or more of these oils, excluding biodiesel and waste. The Egyptian government forbids the importation and/or use of food components and additives (oils, fats, and so on) originated from non-halal origins and/or those containing alcohol, as well as pork products and derivatives.

SECTION VI: KEY CONTACTS AND FURTHER INFORMATION

U.S. Embassy Cairo, Foreign Agricultural Service (FAS) Office of Agricultural Affairs
Mailing Address: 8 Kamal El Din Salah Street, Garden City, Cairo, Egypt
Phone: +20-2-2797-2388 ● Fax: +20-2-2796-3989 ● Agcairo@fas.usda.gov

Egyptian Hotel Association
Mailing Address: 8, El Sad El Aly St. Dokki- Giza- Egypt
Phone: +20-2-3748-8468 ● Fax: +20-2-3748-5083
Email: eha@egyptianhotels.org ● Website: http://www.egyptianhotels.org/Default.aspx

Egyptian Tourism Federation
Mailing Address: 8, El Sad El Aly St. Dokki- Giza- Egypt
Phone: +2 02 33378473 ● Fax: +2 02 37490223 +2 02 33378450
Email: etaa@etaa-Egypt.org ● Website: http://www.etf.org.eg/

Cairo Chamber of Commerce
4 Falaki Square, Bab Ellok, Cairo Governorate
Phone: +20-2-2795-8261 and +20-2-2795-8262 ● Fax: +20-2-2796-3603 and +20-2-2794-4328
Email: info@cairochamber.org.eg ●**Error! Hyperlink reference not valid.** Website: www.cairochamber.org.eg

General Organization for Export and Import Control
Sheraton Al Matar, Heliopolis, Cairo
Phone: +20-2-2266-9627
Website: http://www.goeic.gov.eg

Egyptian Customs Authority
Ministry of Finance Buildings, Tower 3, Ramsis Street Extension, Cairo Governorate
Phone: +20-2-2342-2247
Email: info@customs.gov.eg ● Website: http://customs.gov.eg

Chamber of Food Industries
Mailing Address: 1195 Nile Corniche, Boulaq, Cairo Governorate
Phone: +20-2-2574-8627 ● Fax: +20-2-2574-8312
Cellphone: +20-122-7825232 ● +20-122-782-5233
Email: info@fei.org.eg ● Website: http://www.mvegypt.com/egycfi/en

Ministry of Agriculture
Mailing Address: 9 El Gamaa Street, Giza, Egypt
Phone: (+202) 3568-6373/ 1658 ● Website: www.agr-egypt.gov.eg/

Ministry of Investment and International Cooperation
Mailing Address: 3 Salah Salem Street, Cairo
Mailing Address: 8 Adly Street – Down Town, Cairo
Phone: +20-2-2405-5417 ● +20-2-2391-0008 ● +20-2-2390-8819 ● +20-2-2393-5147
Email: ministeroffice@miic.gov.eg

Sources: Euromonitor
ICT Trade Map
Trade Data Monitor

USDA BICO
CAPMAS
FAS Cairo Market Research

Attachments:

No Attachments