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**Agriculture-Led Export Businesses**  
Supporting Egypt's Processed Foods Export Industry

# JUICE & Concentrates

## Situation & Outlook



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## Processed Products

# 2

### Fruit and Vegetable Juice and Concentrates Export Market Potential And Opportunities

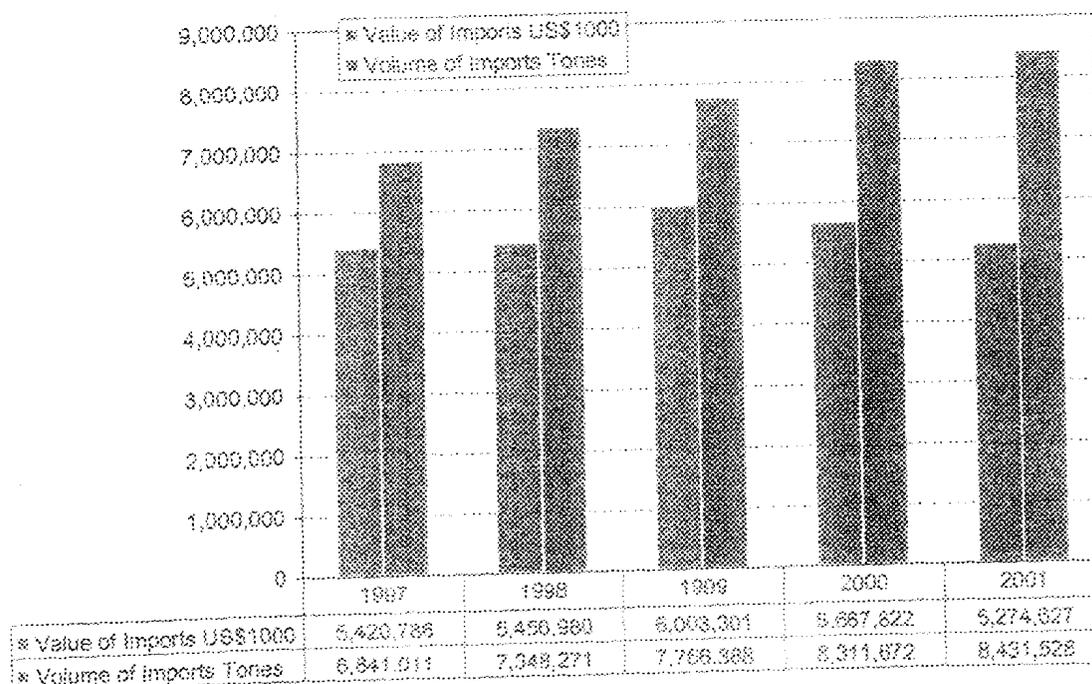


## Overview of world juice trade

### Imports

According to the UNSO/ITC Comtrade Database System, world imports of fruit and vegetable juices and concentrates (HS 20.09) valued \$5.3 billion in 2001. Import volume showed steady growth over the period 1999 – 2001. Value of imports showed some fluctuations reflect changes in price levels and foreign exchange rates. The decline in 2001 from the peak of the year 1999 (in value terms) was caused principally by lower world market prices for certain juices, notably frozen concentrated orange juice (FCOJ).

### World Trade Juice



A few major markets account for the bulk of imports. The five largest markets, comprising the United States of America, Germany, the Netherlands, France, and the United Kingdom, together absorbed close to 50% (\$2,570 million) of world imports in 2001. The ten largest markets took about 83% of the total, or \$3,500 million.

There are a large number of juice-importing countries and areas, including many developing countries and the economies in transition in Central and Eastern Europe. The most important markets in the latter group are FSU, GCC, and LDC. Imports into these markets reached \$75.5 million in 2001, a rise of 90% during the five-year period under review.

The Russian Federation is by far the largest market with \$33.1 million worth of imports in 2001, or about 44% of imports into this group of countries. Germany is the biggest supplier with 20% of the total in 1999, followed by Finland (15%), Israel (7.3%) and the United States (6.8%). Several other suppliers, including Poland, Algeria, the Netherlands, China, Spain, India and Slovenia, each provided the Russian Federation between \$1 million and \$2 million (3% - 6%) worth of juice in 1999. It should be noted that some of these suppliers, notably Germany, Finland and the Netherlands are mainly re-exporters. Finland's exports



consist almost entirely of retail-packed products. Orange juice is the leading import into the Russian Federation, accounting for 41% of total supplies. Other imported juices include grapefruit (2%), other citrus fruit (5%), pineapple (6%), tomato (2%), juices of other fruit and vegetables (22%), and mixtures of different juices (22%), followed by Slovenia, accounted million in for almost importance was Poland with imports of \$10.4 million in 2001, Croatia (\$9.7 million). The main suppliers to Croatia were Austria, Hungary, Israel and the Netherlands. Orange juice accounted for 43% of total imports. Imports into Slovenia amounted to \$8.6 1997, Austria being the leading source. Orange juice accounted half the imports into Poland.

Romania, the fifth largest market, imported \$5.5 million worth of supplies, mainly from Hungary. Greece, Israel and Ireland. Orange juice accounted for 18% of all imports; other citrus fruit juices had a share of 36%.

Several other economies in transition, e.g. the Slovak Republic, Ukraine and Belarus import some quantities, mostly of retail-packed juices, nectars and drinks, very often from neighboring countries like Austria, Hungary and Poland. The Baltic States (Estonia, Latvia and Lithuania) are importing fruit juice and fruit juice raw material on a growing scale, mainly from the Netherlands and Germany, and retail-packed juices, largely from Finland and Sweden.

The three markets covered by this survey, the Czech Republic, Hungary and Poland, together imported \$18.6 million worth of juices in 1997, or about 25% of total imports into the group of countries. Additional information is provided in the country chapters.

### **Exports**

Developing countries/regions accounted for between 37% and 48% of world exports of juices during the period 1997 – 2001. In fact, their actual share will be much higher, since a considerable proportion of the exports, for example from the Netherlands and Germany, consist of re-exported products originating in developing countries. As shown, Brazil is by far the largest exporter of fruit juices (mainly FCOJ, but also other citrus and tropical juices). Other important suppliers among developing countries include Thailand, Argentina, and Mexico. Chile, the Philippines and Turkey, each exporting more than \$25 million in juices annually.

### **Demand for fruit juices**

For several years fruit juice has been one of the growth segments in the world beverage market. Underlying this international success has been the general shift towards a healthier lifestyle and the highly attractive position of fruit juice as a natural, fresh product, high in vitamins and low in sugar and artificial additives. Fruit juice is also a refreshing drink and has enjoyed growth as part of the soft drinks sector, which as a whole has been benefiting from a gradual global shift away from alcoholic drinks.

### **Factors influencing consumption**

#### ***Economic Growth***

Economic growth and the increasing wealth of consumers in large parts of the world have been key factors stimulating market growth in the fruit juice industry. Demand for fruit juices has started to increase in line with the rise in disposable income.



An increasing share of total food expenditure is spent on food consumed outside the home. This growth in out-of-home consumption is also affecting beverage consumption, not only in terms of volume but also in terms of the types of beverages consumed. The latter is particularly true for juices since food outlets tend to serve beverages with a higher perceived value such as pure, freshly squeezed juices. Increasing out-of-home consumption is therefore stimulating the growth of the premium segment of the juice market.

In many of the new consumer markets the potential for fruit juice consumption is still largely untapped. With the economies still developing and per capita income levels still low, the acceptance of fruit juices in these markets depends to a large extent on the industry's ability to create affordable products. The industry will also have to combat the long-standing tradition of homemade juices and the ready availability of a great variety of fresh fruits in many markets.

Certain developed markets are now starting to show the first signs of saturation and some predict that the era of major growth for the fruit juice industry is nearing its end. A decline is predicted in growth rates for the classic juices and nectars.

### **More Demanding Consumers**

The already dominant share of pure juices in the fruit juice market will become even more pronounced in the future. As disposable incomes increase, consumers are tending to select products with higher juice contents and shifting away from diluted juice-based products. In some markets pure juices already account for as much as 70% – 80% of the total fruit juice and nectars market.

In many markets, fruit juices are seen as a breakfast drink, ensuring a healthy, refreshing and nutritious start to the day. It is this breakfast image, which is hampering growth in the juice market. The industry needs to bring about a 'breakfast break-out' in order to achieve further growth in consumption. Consumers have to be convinced that juices are an appropriate drink for all occasions.

Growth in mature markets depends on the availability of value-added premium and innovative products. In the pure juice market a polarization is occurring between premiums, chilled fresh products such as Not From Concentrate (NFC) juices and lower priced pasteurized long-life juices. Furthermore, continuous innovations are needed to keep the consumer interested in juice products.

The current emphasis on a healthy lifestyle is stimulating demand for beverages with certain properties, such as functional or nutraceutical (nutritional and pharmaceutical) benefits. New Age beverages are being developed to exploit the increasing segmentation of the market.

#### **Some definitions**

- New Age beverages are defined as: 'alternative beverages (i.e. alternative to soft drinks) that have functional properties, new direction and flavor applications', or as: 'all beverages which were not on the market five years ago'.
- Functional drinks are defined as: 'similar in appearance to conventional foods and intended to be consumed as part of a usual diet, but modified to fulfill physiological roles beyond the provision of simple nutrient requirements'.

Source: Asia Pacific Food Industry, 1997;  
International Fruit Juice Conference, 1997



This product group is able to meet a wide variety of consumer demands while at the same time achieving higher margins for the producers. The juice industry is able to benefit from these New Age beverages and functional drinks since many of them are juice-based. They include blends of fruit and vegetable, fruit and tea, milk and fruit, mineral water and juice and drinks with added vitamins and minerals.

While there is indeed increasing demand for healthy products (in terms of ingredients, flavor and image), the single most important factor influencing acceptance in the market continues to be taste.

### **World fruit juice demand**

#### **Major Consumption Regions**

Some 28.8 billion litres of fruit juice was drunk worldwide in 2001, a 22% increase on 1997 consumption levels. North America and Western Europe still account for over 60% of world consumption but the largest growth is occurring in the developing regions of Eastern Europe, Asia and South America.

Although these new markets have also been responsible for most of the growth of value in the fruit juice market - from US\$ 25.3 billion in 1997 to US\$ 30.9 billion in 2001 - growth was also significant in the relatively mature markets of the USA, Western Europe, and Japan. It is interesting to note that while price levels have increased in the new market regions, they have decreased in the mature markets - an indication that volume growth occurs partly at the expense of value growth.

In absolute terms, growth has been almost equal in Western Europe, Eastern Europe and Southeast Asia, while growth is still highest in the North American region. It is the high relative growth rates, however, which indicate those regions or markets with the most potential for the future. The markets displaying the highest levels of individual growth are Brazil and the Czech and Slovak Republics, all of which have average annual growth rates exceeding 25%. In terms of global volume, however, these markets are still insignificant.

Market growth in the Latin American and Southeast Asian regions in particular tends to depend on the wide availability of fresh fruits. Not only are fresh fruits an important part of the regular diet, but people are accustomed to squeezing fresh fruits at home or purchasing them from street vendors. Demand for commercially produced fruit juices is still limited and largely untapped. The key will be to develop products, which are affordable and thus accommodate the low-income levels.

It is per capita consumption that gives an indication of the stage of development of market. Australia, the USA and a number of European countries have the highest per capita consumption and are considered mature markets. In these markets, the industry has to focus on keeping the consumer interested in its products; continuous innovations in both product and packaging are required.

In many other markets, per capita consumption is still relatively low and future potential enormous growth is enormous. The countries with the highest growth rates in per capita consumption regions where incomes are still relatively low. Among these, the largest growth rates were achieved in Eastern European countries, but China, Russia and Brazil were also among the fastest growers even though per capita consumption remains insignificant there.



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**Flavor Preference**

With an estimated world market share of approximately 43.3%, orange is by far the juice flavor most in demand. Apple juice comes in second with a market share of about 17.3% and tropical juices (12.8%). Other juices such as grape, pineapple and grapefruit are some way behind. Can't read this table!!!!!!!!!!!!

**Table 1. Juice flavor preference and performance, 1997 - 2001**

CODE (HS)	DESCRIPTION	% of CLUSTER	1997	1998	1999	2000	2001	Annual change in value terms over 1997-2001	Annual change in volume terms over 1997-2001	% change in market share over 1997-2001	Performance quadrant
200811	Orange juice, unfermented, not spiced, whether or not sugared/sweet, frozen	23.9	1949	2260	2412	2036	1434	-8.9	-1.2	0.1	Achiever in Adversity
200810	Orange juice nes, unfermented, not spiced, whether or not sugared or sweet	19.4	771	879	980	889	1163	9.9	9.9	11.8	Product Champion
200870	Apple juice unfermented, not spiced whether or not sugared or sweetened	17.3	1182	982	1080	1136	1036	-6.8	6.6	2.2	Achiever in Adversity
200880	FRUITING juice nes (etc nes) unferment unspriced, whether/not sug/sweet	12.8	665	662	748	727	788	4	6.8	0.4	Product Champion
200890	Mixtures of juices unfermented, not spiced whether or not sugared or sweet	7.7	408	382	400	413	482	3.4	6.9	6.2	Product Champion
200860	Grape juice (incl grape must) unfermented, unspriced, wh/nt sug/sweet	6.4	447	387	428	373	323	-8.9	-0.1	-2.2	Declining Market
200840	Pineapple juice, unfermented, not spiced, whether or not sugared or sweet	6.3	353	338	376	278	316	-4.1	6.1	0.6	Achiever in Adversity
200820	Grapefruit juice, unfermented, not spiced, whether or not sugared or sweet	4.3	177	178	213	277	280	12.9	3.8	5	Product Champion
200830	Other fruit juice nes etc nes unferment unspriced, wh/nt sug/sweet	3.3	191	180	177	188	200	1.5	5.1	6.3	Product Champion
200800	Tropical juice unfermented, not spiced, whether or not sugared or sweet	0.9	98	80	40	44	38	-10.9	-5.2	6.6	Achiever in Adversity
<b>Total cluster</b>		<b>100%</b>	<b>6188</b>	<b>6260</b>	<b>6523</b>	<b>6473</b>	<b>6001</b>				

Flavor preferences can differ substantially between countries. Germany, Spain and Italy are the main exceptions here with orange not being the overwhelmingly dominant flavor. In Germany, apple juice has a major market share whereas in Spain orange, pineapple and peach rank fairly equal with 30% market share each. For nectars, peach is clearly the dominant flavor in Spain with a market share of almost 50%. In Italy, pineapple is among the dominant flavors, although a fair share of homemade freshly squeezed orange juice from domestic fruit is consumed.

With the current development of a premium-chilled segment in juices, the market share of oranges is stimulated further as orange flavored drinks dominate this sector. Other fruits are following now with chilled grapefruit, apple, grape and pineapple appearing on the shelves.

The number of flavors in the market is due to rise further, not only because consumers in the developed markets want more flavors and flavor combinations but also because consumers in the new markets have their own local taste preferences.

**Fruit Juice product range**

The pure juice segment continues to be the largest, and further growth is anticipated because health consciousness is stimulating demand for 100% juice. The most popular



flavors in this segment are orange, apple, pineapple, grape and grapefruit. There are, however, also a number of countries where juice-based drinks are dominant. Examples include Belgium, Brazil, Indonesia and Thailand. Demand for pure fruit juices and nectars can be obstructed by a relatively high price in many developing countries, and this is especially relevant when fresh fruits are widely available (see figure 2.5).

### **Product Innovation**

Because of the nature of the product, product development in the pure juice segment mainly confines itself to packaging innovations, new blends and the introduction of premium, chilled fresh products. Not From Concentrate orange juice is one example of a pure juice product, which offers great opportunities.

Nectars have more opportunities for product development than pure juices because the number of possible product combinations is much larger. Nectars became important in the seventies when Florida orange production was severely reduced by frosts. Alternative raw materials had to be used for the production of juices. Blends and exotic juices entered the market and gained the consumers' interest. The popular flavors in this segment were and continue to be peach, apricot and pear as well as exotic flavors.

Most innovations, however, have taken place in the fruit drinks segment of the market and this is still the case. This segment is the least restricted in terms of flavor combinations and offers a good base for all types of product innovations. Many of the New Age beverages and functional drinks use fruit concentrates and could be labeled as fruit drinks.

### **Tropical Fruit Juices Market**

Based on information from trade sources, it has been reported by the International Trade Center (ITC)/UNCTAD/WTO that annual world trade in tropical juice products (excluding pineapple) is estimated to be in the range of 185,000 to 210,000 MT (in single strength the equivalent), valued between \$175 million and \$225 million. The three most important fruits, apart from pineapple, are banana, passion fruit and mango. The major markets are the European Union, the United States and the Middle East.

In addition to India, the world market for mango puree and concentrate is also supplied by Latin America (primarily Mexico, Brazil, Columbia, Ecuador, Peru, Venezuela and Guatemala) and South East Asia, namely Thailand & Philippines. Major exporters of guava puree and concentrate include South Africa, Malaysia, the Philippines, Thailand and the Latin America countries of Mexico, Brazil, Peru, Columbia and Venezuela.

### **Three segments in the juice market**

- **Pure '100%' juice:** this juice is normally made of concentrates and usually contains no additives. However, Not From Concentrate 100% juices are also available; these are lightly pasteurized and distributed in chilled chains just like milk products.
- **Nectars:** these can contain between 25% and 90% juice or pulp. However, nectars hardly ever contain more than 50% juice or pulp; nectars are sold in either mixed or unmixed form.
- **Fruit juice drinks:** fruit flavored soft drinks which normally contain no more than 10% juice or pulp; nevertheless, due to the high sales volume, a considerable amount of fruit juice concentrate is processed in this segment of the beverage industry - approximately 25%.



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The demand for mango puree and concentrate has been said to be growing at an annual rate of 10% in recent years. The total worldwide consumption, based on an estimate by *Foodnews*, was estimated to be around 45,000 MT – 50,000 MT, of which India supplies 40,000 MT – 45,000 MT. The major markets are the Middle East, which buys 32,000 MT, Europe 8,000 MT and U.S. 4,000 MT. Statistics of the foreign trade of India (D.G.C.I.S, Calcutta) reported a total of 45,875 MT of mango puree and concentrate exported by India. Of this total, 28,478 MT were exported to Middle Eastern countries (Saudi Arabia and the UAE being the most important), and 10,194 MT to Europe (primarily The Netherlands, UK and Germany). Other countries, including the U.S., imported the balance of 7,203 MT during that marketing season.

Given the above mentioned trade levels, and the fact that production and export levels in other countries have been growing due to increasing world demand, current world trade levels for mango puree and concentrate are probably now in the range of 55,000 – 60,000 MT at a minimum.

World consumption of white guava puree and concentrate is also reported to be increasing steadily in recent years, and was estimated at around 15,000 MT in 2001. Europe reportedly accounted for 13,000 MT, followed by the Middle East and the U.S. with 1,000 MT each. India supplies 5,000 MT of this trade in white guava puree and concentrate. For pink guava puree/concentrate, the U.S. alone currently imports about 4,500 MT of this product, according to one U.S. trader. According to Fintrac, Inc., pink guava is normally the more popular of the guava varieties for juice making purposes, and can be sourced from Malaysia, Brazil, South Africa and Venezuela. In most years, supplies of pink guava are insufficient to meet demand, and European importers have indicated that they would gladly purchase more of the pink variety if it were made available.

This seems to be the norm for world trade in mango and guava puree and concentrates, with demand usually outstripping supply, and the supply situation in major producing countries dictating the future export potential for these products.

According to the ITC the following product characteristics are generally the norm in the international trade of mango and guava juices, purees and concentrates:

**Table 2. Normal Product Characteristics in International Trade of Mango and Guava Purees and Concentrates**

Product	Brix	Main Sources
Mango:		
Puree	13 – 18°	India, Peru, Ecuador
Concentrate	28 – 32°	
Guava:		
Puree	8 – 11	South Africa,
Concentrate	20 – 25°	Malaysia, India

According to the Agricultural and Processed Food Products Export Development Authority (APEDA), an autonomous organization attached to the Ministry of Commerce of the Government of India, tropical fruit juices, concentrates and purees, by and large, continue to be traded internationally mainly in bulk form, for use as raw material by various industries.

The various packing options offered by India are as follows:



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**Table 3. Various Tropical Juice Packing Options Offered by India**

	Net Weight (Kg)
Bag – in – drum aseptic pack	210.00
Bag – in – box aseptic pack	20.00
Cans (A – 10) (6x3.1 kg/Carton)	18.60
Cans (24 x 850 gm)	20.40

The range of mango and guava puree and concentrate products presently offered by India is comprised of:

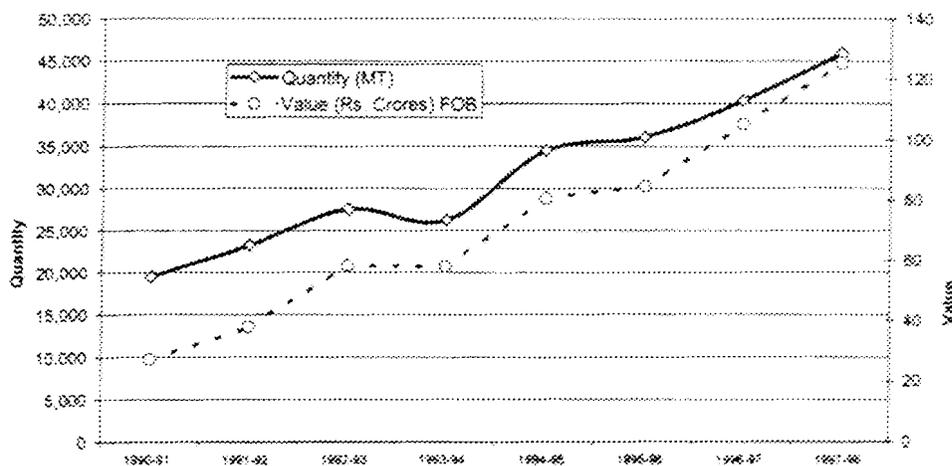
- Totapuri Mango Puree (14 brix)
- Totapuri Mango Concentrate (28 brix)
- Neelam Mango Concentrate (28 brix)
- Raspuri Mango Puree (15 brix)
- Alphonso Mango Puree (17 brix)
- Guava Puree (10 brix)

The industry in India is largely seasonal in nature. The seasonal production pattern of mango and guava purees and concentrates is indicated below:

- Alphonso Mango: April to May
- Totapuri Mango: May to July
- Guava: September to January

Indian exports of mango puree (including concentrate) during the 1990-91 through 1997-98 period are furnished below. It is very interesting to note that in addition to the healthy growth in export tonnage over this period (135 percent increase), FOB price levels (expressed in local currency) have also increased dramatically, rising 343 percent.

**Figure 1 Indian exports of mango puree, 1990/91 through 1997/98**



Source: (ALEB/MIS - Market Intelligence System) based on MONTHLY STATISTICS OF THE FOREIGN TRADE OF INDIA (D.G.C.I.S. Calcutta)



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**Table 4. Tropical Fruit Juices World Trade**

Value of Imports of HS 200980														
MAIN IMPORTING COUNTRIES														
Value in (in thousand USD)								Volume in Metric Ton						
Rank	Country	1997	1998	1999	2000	2001	Annual % growth (1997-2001)	Rank	Country	1997	1998	1999	2000	2001
1	United States	113,862	83,809	108,122	96,495	95,758	-9.87	1	United States	171,110	134,758	185,074	181,225	212,396
2	Germany	91,200	96,716	94,328	82,314	91,369	-1.85	2	Germany	49,678	47,397	46,518	54,821	68,374
3	Japan	48,883	51,800	86,056	97,108	89,355	19.3	3	Japan	14,807	17,182	28,431	32,881	35,534
4	Netherlands	39,882	48,152	57,354	50,485	51,410	5.38	4	Netherlands	14,754	17,164	24,282	24,815	34,280
5	France	23,371	32,165	35,192	34,737	38,108	9.83	5	France	12,554	16,030	18,120	24,410	25,788
6	United Kingdom	35,332	37,348	52,589	35,389	34,758	-0.97	6	United Kingdom	14,035	14,151	14,493	17,284	22,045
7	Canada	34,280	27,309	35,114	35,858	34,127	4.25	7	Canada	17,088	26,101	23,380	34,138	25,150
8	Saudi Arabia	n.a.	21,088	16,832	31,435	29,777	n.a.	8	Saudi Arabia	n.a.	27,354	21,760	31,283	34,579
9	Austria	20,177	21,314	21,894	19,184	26,691	3.41	9	Austria	11,244	9,102	11,865	8,281	17,118
10	Korea, Republic	11,038	4,492	4,653	21,259	21,577	83.4	10	Korea, Republic	4,708	1,638	1,445	3,761	4,933

Value of Imports of HS 200980														
Main Supplying Countries to the United States														
Value in (in thousand USD)								Volume in Metric Ton						
Rank	Country	1997	1998	1999	2000	2001	Annual % growth (1997-2001)	Rank	Country	1997	1998	1999	2000	2001
1	Argentina	14,176	8,848	14,408	17,598	17,132	14.58	1	Argentina	47,041	43,202	74,133	60,847	65,471
2	Chile	22,026	9,375	13,512	16,656	16,989	1.38	2	Chile	47,004	27,325	36,731	32,681	43,680
3	Poland	4,368	3,253	10,643	11,869	10,473	34.39	3	Poland	3,987	3,088	9,260	11,336	15,112
4	Canada	1,993	2,862	5,118	3,858	5,967	22.45	4	Canada	1,681	1,750	1,514	1,823	3,060
5	Ecuador	7,518	6,025	5,783	4,627	5,168	-10.23	5	Ecuador	6,191	5,776	5,253	6,068	7,953
6	Egypt	1,035	1,785	3,503	4,323	4,592	40.14	6	Egypt	1,219	1,914	3,592	4,597	5,183
7	Thailand	1,213	1,362	2,400	3,675	4,559	45.81	7	Thailand	1,257	1,383	2,301	3,875	5,055
8	China	41	104	226	2,569	4,299	337.28	8	China	3	72	261	7,291	15,076
9	France	1,405	2,865	2,937	2,143	3,781	10.88	9	France	327	508	464	385	502
10	Brazil	3,333	2,736	3,971	2,784	2,956	-2.01	10	Brazil	7,880	7,398	6,314	4,265	4,950



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Value of Imports of HS 200980 Main Supplying Countries to Germany														
Value in (in thousand USD)								Volume in Metric Ton						
Rank	Country	1997	1998	1999	2000	2001	Annual % growth (1997: 2001)	Rank	Country	1997	1998	1999	2000	2001
1	ds	6,018	9,957	13,879	16,176	18,252	27.2	1	ds	1,741	3,156	7,071	6,726	7,663
2	Italy	15,532	13,750	12,601	12,537	17,563	0.97	2	Italy	14,958	14,966	11,556	14,875	24,659
3	Poland	4,828	9,834	4,702	7,927	9,250	6.3	3	Poland	2,305	2,303	1,337	2,402	5,476
4	Austria	4,958	7,383	7,210	6,366	9,030	7.53	4	Austria	1,535	1,875	2,525	2,643	4,241
5	Ecuador	8,560	9,415	8,360	6,812	6,647	-8.98	5	Ecuador	2,940	3,466	3,075	3,429	3,844
6	Islam.R	7,296	6,428	4,687	3,850	4,901	-18.83	6	Islam.R	2,787	2,508	1,500	1,811	2,409
7	Denmark	3,728	5,965	5,185	2,860	4,578	-7.81	7	Denmark	3,614	4,673	3,427	2,454	4,003
8	States	3,156	4,626	4,728	3,941	3,131	-2.85	8	States	1,257	1,942	2,254	2,439	1,924
9	Turkey	9,582	4,308	11,133	722	3,077	-32.75	9	Turkey	3,094	931	3,777	638	1,832
10	France	3,513	3,794	4,144	3,753	2,961	-2.62	10	France	1,598	1,524	1,432	2,216	1,498

Value of Imports of HS 200980 Main Supplying Countries to Saudi Arabia														
Value in (in thousand USD)								Volume in Metric Ton						
Rank	Country	1997	1998	1999	2000	2001	Annual % growth (1997: 2001)	Rank	Country	1997	1998	1999	2000	2001
1	India	7,036	7,036	7,175	11,584	9,825	15.19	1	India	n.a.	10,451	11,249	16,477	17,313
2	USA	3,899	3,899	2,311	13,006	9,349	99.39	2	USA	n.a.	2,380	1,407	6,799	4,789
3	Lebanon	95	95	107	76	2,290	188.56	3	Lebanon	n.a.	112	206	144	1,527
4	Kuwait	54	54	98	154	2,174	292.4	4	Kuwait	n.a.	100	103	286	2,794
5	Thailand	622	622	925	722	913	8.64	5	Thailand	n.a.	1,079	2,350	1,661	2,447
6	Arab	5,975	5,975	1,554	640	792	-52.95	6	Arab	n.a.	9,550	1,975	984	1,388
7	Denmark	525	525	377	415	601	-1.27	7	Denmark	n.a.	289	214	249	401
8	Turkey	9	9	199	481	945	137.68	8	Turkey	n.a.	9	125	336	352
9	Egypt	538	538	493	620	473	6.54	9	Egypt	n.a.	651	635	943	780
10	Malta	172	172	46	314	428	41.24	10	Malta	n.a.	88	24	146	210

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**Table 5. Product performance Index**

Product Performance Table			Austria		Canada		Germany		Netherlands		United Kingdom	
Indicators			Value	Rank	Value	Rank	Value	Rank	Value	Rank	Value	Rank
General profile	G1	Value of exports (in thousand US\$)	162,576		38,578		502,121		468,626		44,453	
	G2	Trend of exports (1997-2001) p.a.	3.9%	19	4%	18	1.8%	27	6.2%	14	5.7%	16
	G3	Share in national exports	0.3%		0%		0.1%		0.3%		0%	
	G4	Share in national imports	0.2%		0.2%		0.2%		0.3%		0.1%	
	G5	Average annual change in exports	0.7%	28	-8.3%	46	2.3%	20	4.3%	13	3.4%	15
	G6	Relative unit value (World average = 1)	1.73		1.35		1.68		1.59		1.71	
	G7	Average annual change in relative unit value	1.6%		7.9%		-0.2%		1.2%		3.6%	
Position in 2001 (Current Index)	P1	value of net exports (in thousand US\$)	31,857	47	-325,519	49	-236,218	47	-57,419	43	-318,623	48
	P2	Per capita exports (US\$ per inhabitant)	19.80	3	1.24	31	6.11	11	28.60	2	0.78	36
	P3	Share in World market	3%	9	0.7%	27	9.1%	3	8.6%	5	0.8%	25
	P4a	Product diversification (N° of equivalent products)	3	19	4	9	3	20	3	15	4	15
	P4b	Product spread (concentration)		19		9		20		11		13
	P5a	Market diversification (N° of equivalent markets)	6	1	3	48	8	3	5	12	4	22
	P5b	Market spread (concentration)		6		25		3		7		11
Change 1997 - 2001 (Change Index)	Percentage change of World market share p.a.		0.4%		-7.6%		2%		4.1%		4.7%	
	Competitiveness effect p.a.		-0.6%	28	-4.2%	42	-2.1%	32	3.7%	12	-3.5%	40
	Initial geographic specialisation p.a.		0.2%	32	-4.8%	46	0.4%	29	2.6%	8	6.1%	3
	Initial product specialisation p.a.		0.4%	37	-2%	52	4.5%	9	-0.7%	34	7.5%	5
	C1	Sources Adaptation p.a.	0.4%	34	3.3%	7	-0.8%	27	-1.4%	31	-6.8%	45
	C2	Trend of import coverage by exports	-1.5%	29	-5.7%	33	0.5%	15	3.1%	20	7.5%	12
	C3	Matching with dynamics of world demand		11		44		10		11		4
	C4a	Change in product diversification (N° of equiv.)		6		9		37		12		44
	C4b	Change in product spread (concentration)		7		8		36		8		46
	C5a	Change in market diversification (N° of equivalent markets)		26		14		23		35		49
C5b	Change in market spread (concentration)		28		15		25		34		45	
Composite indices	Current Index			4		34		9		6		28
	Change index			13		22		17		8		19
Indicators			Value	Rank	Value	Rank	Value	Rank	Value	Rank	Value	Rank
Product Performance Table			Austria		Canada		Germany		Netherlands		United Kingdom	



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**Table 6. Indicative prices for bulk packed mango juices in Europe as of July 31, 2003**

Origin	Form	Brtx	Pack	Price: \$/ton
India	P	16-18	asep. Alph	1250-1275 cfr neth
	C	28	asep. Tota	1150-1175 cfr neth
	P	14	asep. Tota	750-775 cfr neth
Peru	C	28-30	froz. Chato	1150-1175 cfr neth. duty free
	P	16-17	froz. Chato	750-800 -cfr neth. duty free
	C	16-17	froz. Chato	800-900 (USA) cfr -cfr neth. duty free
	C	28-30	froz. Crio/Had	1150 cfr neth. duty free
	C	28-30	froz. Crio/Had	1200-1300 (USA)
Costa R.	C	28	asep. Atkins	950-1000 fot neth duty free
Mexico	C	30-32	asep. atk/ken/thom	1000 cfr USA
	P	14-16	asep. atk/ken/thom	650-750 cfr USA
Ecuador	C	28	asep. atk/ken/had	1000 cfr neth (duty free)
	P	14-16	asep. atk/ken/had	1000 cfr USA
	P	14-16	asep. atk/ken/had	700 cfr neth
	P	14-16	asep. atk/ken/had	800 cfr USA

**Note:**

In India the estimates at the beginning of the season were for a bumper crop and, as a result, fruit prices were very low (10 Rs/kg for Alphonso in April, and Rs 2.20/kg for Totapuri beginning of June), mango juices were relatively cheap and large contracts were signed. The prolonged drought and the intensive heat, which affected the country from mid-May to the beginning of June, followed by heavy late monsoon rains as of mid-June, have affected the mango production. To what extent this is the question? See Foodnews for article on how this affected prices. Although fruits were smaller than usual, according to some traders, as the Alphonso harvest was almost over, this crop should not have been too much influenced. Totapuri fruits were definitely more severely hit by the climatic conditions as their harvesting period begins in June. How badly this crop has been stricken is still not very clear.

Concerning Totapuri, the harvest ended by end-June instead of end-July; processed quantities have been only half the forecasts, and prices for raw material increased to Rs 8/kg at the end of the season, thus giving an average seasonal price of Rs 6.50 to 7.- per kg. Therefore price for "authentic" Totapuri mango concentrate (it is reported that some processors used other cheaper mango varieties such as Neelam to reduce costs) jumped from \$800 – \$850 at the beginning of the season to \$ 1150 – \$1200 now. Is this reasonable or not, we cannot say, but some traders have their doubts concerning the real shortfall of this crop. This problem is even more evident with the Alphonso production. The harvest of this mango started earlier and the crop was reported to be excellent. Suddenly the information arrived from origin that the crop and the juice production were 50% below expectations, that fruit prices had increased to Rs 18/kg (season's average Rs 13-14) and therefore that the early season price of \$900 – \$925 had to be changed to \$1250 – \$1275 for "authentic" juice (by authentic, according to specialists, one means only the fruit coming from the district of Ratnagiri in the Maharashtra State and also from the North of Mumbai, and not the Alphonso Badami mango grown around Bangalore. There are also reports that



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Alphonso juice adulterated with cheaper Lalbaung mangoes is also apparently offered on the market). All this news seem to be very bad and a shortage of produce could be expected, but as a matter of fact it is reported that up to now, the Indian producers have shipped without problem the contracted volumes (at least to their traditional customers). The lack of interest from the Near and Middle East this year for this type of produce may explain the larger quantities available for other markets, and surprisingly, for the moment, nobody seems to complain and the market is well supplied, to the satisfaction of the good growing demand for this product. Latin American prices are all nominal as they are almost all sold out, while the Mexican crop of Tommy Atkins and other Manila is reported to be good and mostly sold on the also growing US market. So, surprisingly, for the time being this market seems to be doing well, demand is good but supply, at least for the moment, is adequate.



## Potential markets for Egypt mango and guava juices

### USA Juice Market

The following graph lists the CIF values of all juice imports, by individual juices, into the U.S. market during CY 2001. Apple juice was the leading juice imported at a CIF value of about \$233 million, followed by orange juice at \$202 million, pineapple juice at \$75 million, grape juice at \$45 million, and other citrus juices at \$25 million.

Figure 2 USA imports of juices and concentrates, 1999/2000

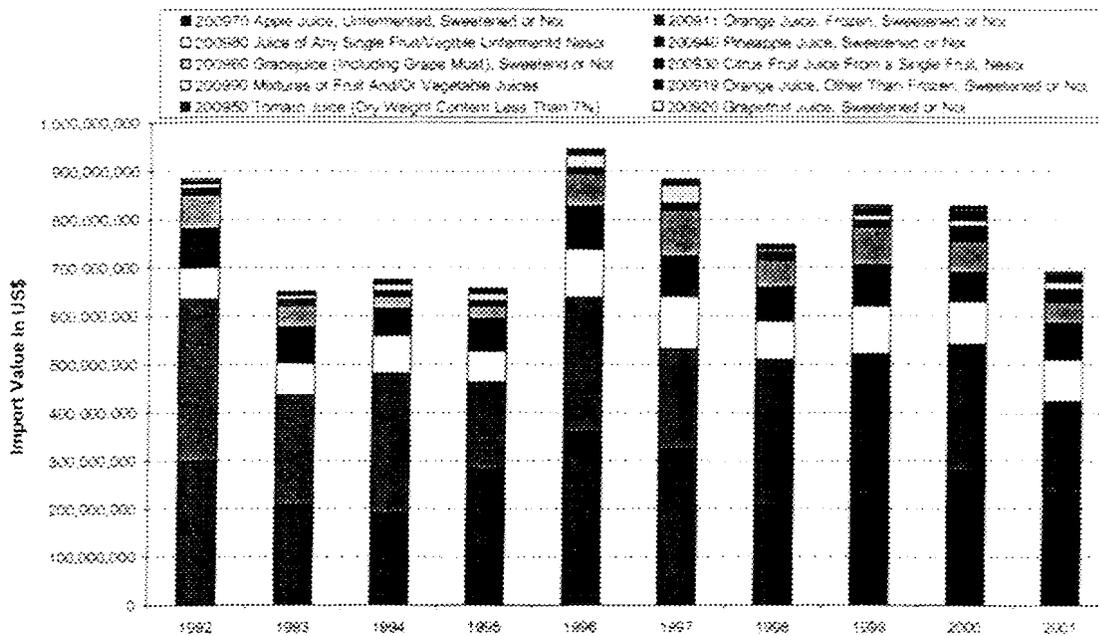


Table 7.

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Apple Juice, Unfermented, Sweetened or Not	190,807,000	207,951,120	198,818,320	267,162,200	267,438,200	327,782,200	327,782,200	202,521,320	232,997,800	232,997,800
Orange Juice, Frozen, Sweetened or Not	133,248,000	230,720,120	297,818,320	192,194,100	280,432,100	209,320,120	209,320,120	302,854,360	280,542,120	280,542,120
Juice of Any Single Fruit/Vegetable Unfermented	60,231,400	58,397,120	79,818,320	67,827,100	57,779,200	107,584,200	78,079,800	98,034,320	82,212,120	82,212,120
Grapejuice (Including Grape Must), Sweetened or Not	30,781,900	73,259,300	10,302,200	67,502,100	68,502,200	34,708,800	70,282,400	88,791,420	87,898,120	87,898,120
Mixtures of Fruit And/Or Vegetable Juices	10,718,200	47,073,800	20,770,120	28,887,100	60,304,100	37,843,120	10,708,800	12,220,120	12,220,120	12,220,120
Tomato Juice (Dry Weight Content Less Than 7%)	12,508,200	12,508,200	9,302,200	10,702,200	11,144,100	12,878,100	11,878,100	12,220,120	12,220,120	12,220,120
Pineapple Juice, Sweetened or Not	4,702,440	8,807,100	17,878,100	14,838,100	27,182,100	17,212,100	8,367,100	12,220,120	12,220,120	12,220,120
Orange Juice, Other Than Frozen, Sweetened or Not	4,178,100	4,178,100	7,632,100	12,718,100	8,602,100	8,102,100	8,102,100	8,102,100	12,220,120	12,220,120
Citrus Fruit Juice From a Single Fruit, Not	1,380,100	221,120	114,100	201,100	7,688,100	8,102,100	8,102,100	8,102,100	8,102,100	8,102,100
Grapefruit Juice, Sweetened or Not	4,118,100	4,118,100	1,638,100	1,201,100	1,101,100	1,101,100	1,101,100	1,101,100	1,101,100	1,101,100
Total Juice	684,258,120	642,262,120	678,278,120	698,988,120	642,262,120	682,882,120	682,882,120	742,222,120	698,288,120	698,288,120

The top five suppliers of other fruit juices of other single fruit (USHTS 2009806090) to the U.S. market are: (1) Chile, (2) Ecuador, (3) Egypt, (4) Brazil, and (5) Thailand. Though overall U.S. imports of other fruit juices under this category were down 10.6 percent in volume, imports from Egypt continued to climb, rising 28 percent to almost 4.6 million liters during CY 2000 period, valued at over \$4.3 million CIF basis (up 23.4 percent). Egypt moved past Brazil last year to become the 3<sup>rd</sup> leading supplier of juices of any other single fruit (USHTS 2009806090) to the U.S. market.



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**Table 8. USA imports of HTS 2009806090 Juice of any other single fruit, unfermented**

Time Item	2002		2001		2000		1999	
	Value (Dollars)	Quantity						
Country								
World Total	42,535,594	56,839,631	31,384,154	40,769,816	27,824,015	31,781,284	31,709,440	46,603,272
Thailand	5,287,313	7,128,558	3,866,387	5,015,801	3,581,860	3,620,337	2,023,502	2,217,126
Ecuador	4,576,022	6,222,214	4,732,190	7,950,777	4,323,763	6,158,571	5,394,113	5,244,571
Egypt	4,357,939	5,896,567	4,141,374	6,172,745	3,874,147	4,596,637	3,151,849	3,585,859
Brazil	3,389,555	5,904,432	2,413,278	4,949,147	2,317,279	4,252,589	3,429,639	6,056,930
Mexico	3,371,500	2,482,332	1,928,232	1,869,105	2,199,377	1,675,348	2,039,178	2,008,712
Chile	3,218,101	7,788,210	2,113,819	7,125,105	1,358,183	6,307,814	1,902,849	8,741,118
Korea, South	2,816,645	1,469,672	60,476	58,948	90,777	75,896	24,900	10,560
Colombia	2,107,903	3,034,160	1,275,795	2,627,529	1,392,876	2,022,488	1,328,672	1,603,949
Taiwan	1,585,453	1,559,023	598,490	581,562	180,883	185,354	58,475	47,500
South Africa	1,249,255	2,647,896	1,328,547	1,917,773	1,395,333	2,071,729	1,016,476	1,736,706
China	1,072,699	1,033,721	752,128	946,657	117,807	213,197	12,667	16,512
Peru	956,260	677,768	691,271	768,570	477,013	566,214	935,626	1,294,132
French Polynesia	922,926	298,253	1,538,196	455,248	2,094,832	2,548,032	2,615,352	3,581,561
Israel	838,369	1,114,381	861,585	1,039,710	713,171	778,721	712,953	788,533
Argentina	717,613	1,871,993	579,166	1,498,321	335,420	836,962	503,183	1,076,865
United Arab Emirates	683,595	1,000,165	342,677	484,489	270,559	368,405	202,298	238,873
Poland	638,440	970,882	491,837	781,215	692,893	1,027,885	864,192	1,147,799
Canada	626,216	1,364,980	87,661	100,313	122,723	159,036	337,134	944,972
New Zealand	487,760	1,737,658	214,978	455,294	2,804	1,000	147,650	202,423
El Salvador	403,942	747,355	199,830	289,219	107,377	118,107	60,903	80,124
Philippines	337,872	391,105	313,268	547,031	141,999	126,598	339,808	425,363
Dominican Republic	272,672	270,230	163,054	135,438	170,801	1,064,506	465,557	1,605,245
India	216,758	237,341	209,849	202,182	366,051	614,306	281,022	455,647
Guatemala	161,559	236,410	77,105	129,172	97,503	137,652	45,781	102,585
Hungary	150,981	284,339	153,429	296,333	74,493	185,475	167,178	248,183
Latvian	127,087	145,930	136,554	50,512	183,319	93,181	138,040	64,743
Costa Rica	126,201	474,508	355,503	663,056	49,193	30,930	140,025	109,808
Venezuela	120,005	153,127	173,175	201,699	142,885	188,163	171,608	221,029
Oman	107,983	163,890	0	0	0	0	0	0
Vietnam	104,650	114,438	75,072	73,245	38,125	8,539	55,600	53,010
Turkey	95,738	203,658	174,341	348,524	136,767	250,817	171,482	261,829
Armenia	93,377	121,567	74,775	104,772	39,463	50,902	2,131	5,328
Bulgaria	83,205	174,980	10,825	14,149	3,373	3,180	0	0
Panama	86,400	87,402	2,317	3,240	0	0	0	0
Jamaica	86,359	106,712	5,437	2,566	11,508	689	19,755	6,228
Barbados	81,291	89,038	66,147	71,267	21,909	23,006	0	0
Russia	80,182	110,690	38,416	61,432	69,470	96,012	28,114	40,164
Spain	73,280	81,299	25,634	53,273	2,035	2,880	61,111	59,108
Honduras	64,329	83,601	13,880	10,126	0	0	0	0
France	61,639	22,070	37,923	11,487	75,968	45,943	137,804	39,385
Hong Kong	59,205	75,825	14,400	15,000	26,703	4,953	21,381	5,643
Ukraine	48,188	102,277	26,075	28,224	7,001	18,865	0	0
Western Samoa	40,720	32,000	30,657	21,900	50,901	15,385	7,407	2,422
Lithuania	37,501	38,952	0	0	5,903	5,180	0	0
Malaysia	37,478	46,845	0	0	16,319	18,763	2,486	600
Croatia	35,631	37,884	23,637	25,344	22,803	23,810	0	0
Sri Lanka	32,056	25,992	2,587	1,848	67,609	24,529	0	0
Malta	31,979	13,175	3	0	0	0	0	0

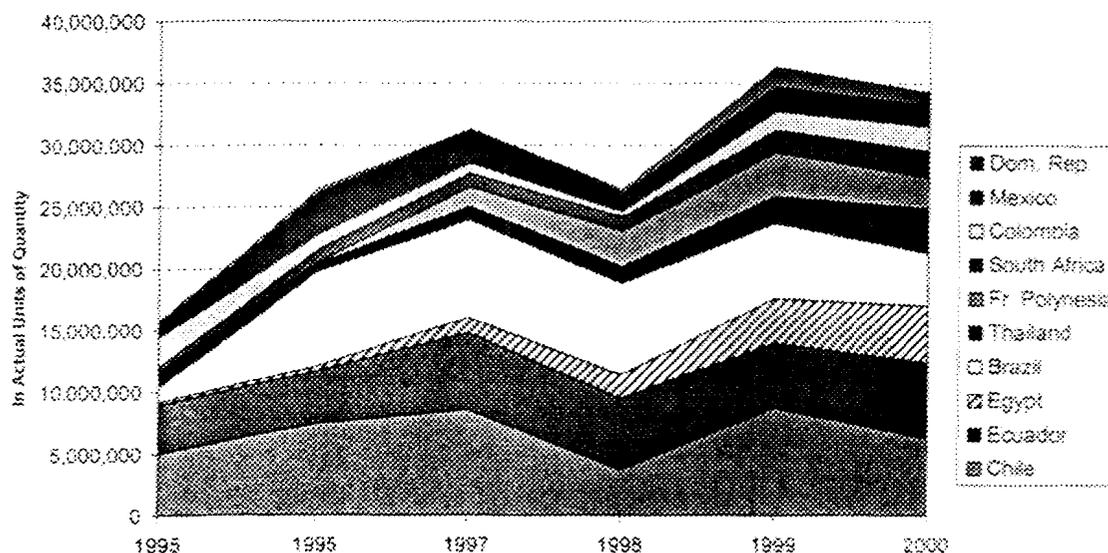
The figure below (overleaf) details the top ten suppliers of other fruit juices to the U.S. market over the calendar years 1995 through 2000. Average CIF prices per liter for each of these top ten suppliers have also been calculated for calendar year 2000, but we must emphasize here that this USHTS category includes a number of different juices, so comparisons on average CIF prices between origins is complicated by this factor. Also, countries may be shipping more than one type of juice, e.g., both mango and guava juices,



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entering into the U.S. market under this USHTS category, so this also needs to be considered.

**Figure 3 Top ten suppliers of other fruit juices to the US market, CY 1999/2000**  
 (in liters)



(USHTS 2009800090: Juice of Any Other Single Fruit, Unfermented, Nasci)  
 Sources: U.S. International Trade Commission Database Online ([www.database.fto.gov](http://www.database.fto.gov)) Data compiled from U.S. Department of Commerce, U.S. Treasury, and U.S. International Trade Commission.

During CY 2000 imports of guava puree increased 6.3 percent to almost \$4.2 million CIF value, while imports of mango puree were down 4.6 percent to slightly less than \$6.0 million CIF value. Import volumes, however, of both mango and guava puree were up, with mango puree imports up 10.9 percent to 5,086 MT and guava puree increasing 9.5 percent to 4,192 MT. The major suppliers over this period have been Mexico, India and the Philippines, though imports from the Philippines were off significantly the last two years. Imports over this period have fluctuated from 8,084 MT in 1995 to 4,212 MT in 1999 (averaging about 6,300 MT/year), indicating perhaps the holding of stocks to hedge against fluctuating production levels in major suppliers. Also, due to these fluctuating production levels average CIF import values have ranged from \$1.02 in 1996 to \$1.39 in 1999. It is interesting to note in the table below that average CIF import prices from major suppliers also vary widely, with imports from the Philippines rising to an average of \$1.89 in 1999 compared to an average CIF import value of \$0.85 from Mexico during the same year. Peak import periods are normally over the summer months.



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**Table 9. U.S. Imports of Mango Puree for Consumption, by Major Countries of Origin, CY1995-2000, in Kilograms with Average CIF \$/Kilogram**

Country	1995	1996	1997	1998	1999	2000	%Change YTD1999 YTD2000
	In Actual Units of Quantity (kilograms)						
India	1,199,372	1,549,261	1,024,180	1,138,022	1,138,744	1,648,221	44.7%
Avg \$/kg	\$1.06	\$1.00	\$1.23	\$1.39	\$1.22	\$1.16	
Mexico	1,480,991	2,153,807	849,948	3,178,937	817,521	1,638,063	100.4%
Avg \$/kg	\$0.71	\$0.63	\$0.72	\$1.00	\$0.90	\$1.02	
Philippines	2,004,077	1,698,200	2,185,803	1,632,258	959,059	246,720	-74.3%
Avg \$/kg	\$1.24	\$1.26	\$1.34	\$1.37	\$1.89	\$1.15	
Colombia	826,852	3,000	239,470	793,537	716,867	706,920	-1.4%
Avg \$/kg	\$1.29	\$0.80	\$1.33	\$1.10	\$1.14	\$1.11	
Peru	726,482	362,700	528,850	0	348,060	512,028	47.1%
Avg \$/kg	\$1.02	\$1.07	\$1.08	N/A	\$1.00	\$1.06	
Subtotal	6,237,774	5,756,968	4,828,061	6,742,754	3,980,251	4,751,952	19.4%
% Top 5	77.2%	85.1%	78.8%	94.8%	86.8%	93.4%	
TOTAL	8,084,298	6,777,871	6,123,533	7,106,448	4,585,770	5,086,826	10.9%
Avg \$/kg	\$1.05	\$1.02	\$1.24	\$1.11	\$1.37	\$1.18	

(USHTS 2007995020: Mango pastes and puree, cooked preparation whether or not sweetened)

Sources: U.S. International Trade Commission Database Online ([www.database.itc.gov](http://www.database.itc.gov)). Data compiled from U.S. Department of Commerce, U.S. Treasury, and U.S. International Trade Commission, compiled by ALEB.

**Table 10. U.S. Imports of Guava Puree for Consumption, by Major Countries of Origin, CY 1995-2000, in Kilograms with Average CIF \$/Kilogram**

Country	1995	1996	1997	1998	1999	2000	% Change YTD1999 YTD2000
	In Actual Units of Quantity (kilograms)						
Brazil	694,661	717,438	514,649	467,933	936,227	1,201,157	28.3%
Avg \$/kg	\$0.97	\$1.11	\$1.15	\$1.16	\$1.03	\$1.04	
Dom. Rep.	527,624	629,014	941,432	1,166,240	1,033,002	820,513	-20.6%
Avg \$/kg	\$0.93	\$1.04	\$1.06	\$1.10	\$1.20	\$1.16	
India	95,715	164,800	105,663	33,163	571,389	773,655	35.4%
Avg \$/kg	\$0.62	\$0.74	\$0.61	\$0.66	\$0.64	\$0.60	
Colombia	177,993	89,108	145,414	226,162	345,769	395,733	14.5%
Avg \$/kg	\$1.56	\$2.04	\$1.77	\$1.26	\$1.21	\$1.16	
Mexico	102,867	572,035	643,550	130,501	90,276	365,484	355.3%
Avg \$/kg	\$1.00	\$0.76	\$0.73	\$0.83	\$1.06	\$1.07	
Ecuador	112,174	270,961	541,948	527,213	320,708	272,167	-16.1%
Avg \$/kg	\$1.08	\$1.10	\$1.15	\$1.11	\$1.23	\$1.17	
S. Africa	252,636	427,460	76,660	57,561	235,320	219,440	-6.7%
Avg \$/kg	\$0.72	\$0.90	\$0.73	\$0.96	\$0.77	\$0.72	
Philippines	842,800	1,418,473	321,425	886,030	17,200	0	-100.0%
Avg \$/kg	\$0.75	\$0.77	\$0.80	\$0.73	\$0.81	N/A	
Subtotal	3,006,470	4,289,289	3,290,641	3,494,803	3,589,873	4,048,149	12.8%
% Top 8	92.2%	94.6%	92.4%	96.6%	92.5%	96.6%	
Total	3,260,361	4,532,227	3,560,283	3,618,166	3,828,106	4,192,205	9.5%
Avg \$/kg	\$0.91	\$0.93	\$1.02	\$1.03	\$1.02	\$0.99	

(USHTS 2007995010: Guava pastes and puree, cooked preparation whether or not sweetened)

Sources: U.S. International Trade Commission Database Online ([www.database.itc.gov](http://www.database.itc.gov)). Data compiled from U.S. Department of Commerce, U.S. Treasury, and U.S. International Trade Commission, compiled by ALEB.



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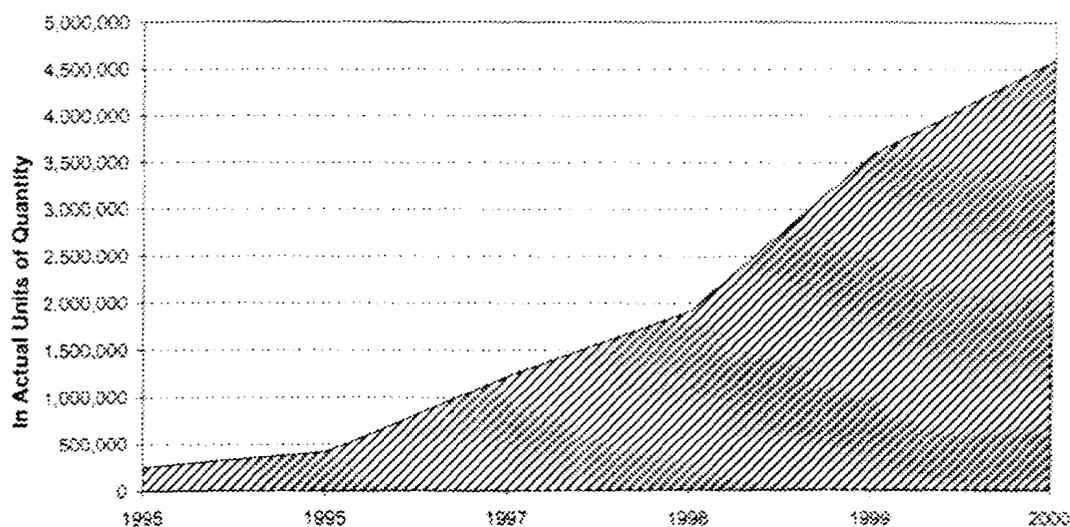
U.S. imports of guava puree were up 9.5% in volume to 4,192 MT during CY 2000. Import volumes over the 1995 – 2000 period have fluctuated from 4,532 MT in 1996 to 3,260 in 1995, averaging 3,800 MT over this six-year period (see Tables 8 and 9 in the Statistical Appendix). Major suppliers are Brazil, the Dominican Republic and India. As was the case for mango puree, shipments of guava puree from the Philippines, which were as high as 1,418 MT in 1996, have fallen dramatically over the past years to nothing in 2000. Here again, we also see a wide range of average CIF import prices from major suppliers, with Colombian prices the highest and ranging from 89 percent to 190 percent over Indian prices (the lowest), as detailed in the table below (overleaf). Peak import periods are normally over the fall months, and sometimes also in the spring.

### Imports of Tropical Juice Products from Egypt

As mentioned previously, U.S. imports of juices of any other single fruit (USHTS 2009806090) from Egypt, which is estimated to be primarily mango and perhaps some guava juice/concentrate, continued to climb, rising 28 percent to almost 4.6 million liters during CY 2000 period, valued at over \$4.3 million CIF basis (up 23.4 percent).

This dramatic increase occurred despite the fact that total U.S. imports of juices under this category declined 11 percent in value to almost \$30.9 million CIF value during CY 2000, while import volume was off 10.6 percent to 40.8 million liters.

Figure 4 Egypt exports of other fruit juices to the US market, CY 1999/2000, in liters



(USHTS 2009806090) Juice of Any Other Single Fruit, Unfermented, Neesoi

Sources: U.S. International Trade Commission Database Online ([www.dataweb.ita.doc.gov](http://www.dataweb.ita.doc.gov)). Data compiled from U.S. Department of Commerce, U.S. Treasury, and U.S. International Trade Commission.

In addition, U.S. imports of mixtures of fruit juices, unfermented, under USHTS 2009904000 from Egypt last year increased 326 percent in value from \$9,410 CIF value (11,734 liters) during CY 1999 to \$40,114 CIF (45,913 liters) during CY 2000. Total U.S. imports of fruit juice mixtures under this category were \$12.1 million CIF value during CY 2000, up 17.5 percent over the CY 1999 level.

There was also a small amount (739 kilograms valued at \$2,792 CIF) of imports of fruit or nut pastes and puree, nesoi (not elsewhere specified or included), cooked whether or not sweetened (USHTS 2007996500) from Egypt over the CY 2000 period, compared to nothing a year earlier. It is difficult to assess what exactly this product may be, but we can tell from



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the tariff schedule that it is not mango puree, guava puree, papaya puree, strawberry puree nor apple, quince or pear puree.

The growth in U.S. imports of juices of any other single fruit (USHTS 2009806090) from Egypt has been impressive. Over the CY 1995 – 2000 period, this trade has increased from 247,379 liters valued at \$282,094 CIF in 1995 to almost 4.6 million liters valued at over \$4.3 million CIF in CY 2000, representing a growth in volume and the CIF value of these imports of 1,758 percent and 1,632 percent, respectively.

**Table 11. U.S. imports of other fruit juices from Egypt, CY 1995-2000**

US Imports from Egypt							% Chg 2000/1995
	1995	1996	1997	1998	1999	2000	
Liters	247,379	412,256	1,217,343	1,914,074	3,591,795	4,596,637	1758%
CIF \$	282,094	392,513	1,033,789	1,785,498	3,503,334	4,322,764	1632%

Sources: U.S. International Trade Commission Database Online ([www.database.ftc.gov](http://www.database.ftc.gov)). Data compiled from U.S. Department of Commerce, U.S. Treasury, and U.S. International Trade Commission.

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In view of this success, it is recommended that ALEB work with its mango and guava juice product exporters to build on this promising trade and expand into the U.S. market for mango and guava purees. Import volume for these two products averages over 10,000 MT per year and with the wide variations in supplier prices, Egypt may be in a position to break into this market and further expand its trade with the U.S. in tropical fruit juice products. In addition, with the fluctuations in mango production levels from major supplying countries over the past few years, U.S. importers would most probably welcome the addition of another, reliable source of mango puree. This approach may also lead to additional strategic alliance possibilities in the form of new joint ventures with direct investment potential, as has taken place in a number of Latin American countries.

In addition, new shipments of mixtures of fruit juices and other fruit purees may also add to this growing trade in tropical juice products from Egypt to the U.S. market.

At the New York Restaurant Show held at the end of February, ALEB met with La Fe Foods, a tropical and ethnic foods distributor that is now importing retail shelf-stable mango juice from Egypt co-packed under their brand label. La Fe is located in North Bergen, New Jersey and Miami, Florida serving both the Eastern United States, and through a network of sub-distributors and wholesalers, covering the mid-western states and the West Coast. La Fe sells to supermarket chains, convenience stores, neighborhood grocery stores and restaurants in all of the Hispanic, West Indian and mainstream markets. La Fe reported that they are very happy with the mango juice product from Egypt and stated that sales are increasing at a rate of 15 percent. They also mentioned that their Egyptian supplier's prices are very competitive and cheaper than mango juice out of India.

The list of North American importers of tropical fruit juice products was greatly expanded over the period of this scope of work. Of the ninety-four importers of tropical fruit juice products contacted over the period of this scope of work, a total of seven of these import companies expressed interest in being contacted by our Egyptian exporters with offers and product samples. It is believed, however, that additional import companies would in fact be



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interested if follow-up phone survey contacts, or personal meetings, were conducted in the future.

These seven U.S. importers of tropical fruit juice products that expressed an interest in developing new market linkages with our Egyptian suppliers are listed below:

- Blansh International
- S.A. Carlson, Inc.
- Encore Fruit Marketing
- Osage Food Products
- Three Vee Food & Syrup Co., Inc.
- J.R. Wood, Inc.
- Cracovia Brands, Inc.

In conclusion, it is believed that there exists an excellent potential for further increasing Egyptian exports of tropical fruit juices products to the U.S. market. It is recommended that our recent efforts be continued, both here in the U.S. and through assisting our exporters on the ground in Egypt, to use the interest expressed by the seven U.S. importers to build new business relationships and market linkages leading to increased export sales. Efforts should also continue to further explore possibilities with the other eighty-seven U.S. and Canadian companies identified as importing tropical fruit juices products to build their interest in Egyptian mango and guava products exports, too.

## **GCC Markets**

### **Bahrain**

Total fruit juice imports into Bahrain amounted to US\$4,091,252 in 1999 based on Bahrain Directorate of Statistics data. Mango Juice was the largest imported single juice (39%) with imports totaling US\$1,613,608, followed by Orange Juice with imports valued at US\$1,081,002. Egypt's main contributions to this juice market according to official Bahrain statistics appeared in the "Other Guava Juice" category (a 0.05% market share) and "Concentrated Orange Juice" (2.6% of the market).

The predominant juice exporters to Bahrain include: Saudi Arabia, Kuwait and the United Arab Emirates. According to FAO data, Bahrain exported \$770,000 of Fruit Juices in 1998, a decrease of \$187,000 under 1997 exports.

### **Market analysis**

In 1999, Bahrain imported an estimated \$4,091,252 of combined fruit juices according to the Bahrain Directorate of Statistics. The largest single juice imported was mango juice with \$1,613,608 in imports, followed by orange juice with imports valued at \$1,081,002 in 1999. Egypt's contributions to this juice market appeared in the "Other Guava Juice" category (0.05% of market) and "Concentrated Orange Juice" (2.6% market share). Bahrain's major juice importers are: Saudi Arabia, Kuwait, and the United Arab Emirates.



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Statistics from the U.N. Food and Agriculture Organization (FAO) indicates that Bahrain imported \$7,165,000 in fruit juices during 1998. These data, however, are not supported by Bahrain Directorate of Statistics data. FAO also indicated that Bahrain exported approximately \$770,000 of fruit juices in 1998, a decrease of \$187,000 over 1997 exports.

According to FAO, Egypt imported an estimated \$117,000 of Apple Juice in 1998, a decrease of \$108,000 from 1997 imports. Egypt also imported approximately \$2,000 of mango juice in 1998, a decrease of \$6,000 over 1997 imports of mango juice. Available Egyptian CAPMAS data did not indicate any fruit juice exports to Bahrain in 1998.

**Table 12. Bahrain Market Basket Survey Averages – April 2000**

Products	Size	Avg. Price (B.D.)	Price (US\$) Rate: 0.373	Country of Origin
Juice - Apricot	1 lit.	0.450	\$1.21	UAE (Sharja)
Juice - Carrot	1 lit.	0.450	\$1.21	UAE (Sharja)
Juice - Grape	1 lit.	0.450	\$1.21	UAE (Sharja)
Juice - Mango	1 lit.	0.450	\$1.21	UAE (Sharja)
Juice - Orange	1 lit.	0.450	\$1.21	UAE (Sharja)
Juice - Pineapple	1 lit.	0.450	\$1.21	UAE (Sharja)
Juice (Refrig.)-Apple	1 lit.	0.500	\$1.34	Bahrain
Juice (Refrig.)-Apple	2 lit.	1.000	\$2.68	Bahrain
Juice (Refrig.)-Grape	1 lit.	0.500	\$1.34	Bahrain
Juice (Refrig.)-Grapefruit	1 lit.	0.500	\$1.34	Bahrain
Juice (Refrig.)-Orange	1 lit.	0.500	\$1.34	Bahrain
Juice (Refrig.)-Orange	2 lit.	1.000	\$2.68	Bahrain
Juice (Refrig.)-Pineapple	1 lit.	0.500	\$1.34	Bahrain
Juice (Refrig.)-Pineapple	2 lit.	1.000	\$2.68	Bahrain
Juice/Nectar - Apple	1 lit.- 2 pak	0.750	\$2.01	Oman
Juice/Nectar - Grape	1 lit.- 2 pak	0.750	\$2.01	Oman
Juice/Nectar - Mango	1 lit.- 2 pak	0.750	\$2.01	Oman
Juice/Nectar - Orange	1 lit.- 2 pak	0.750	\$2.01	Oman

SOURCE: ALEB - Bahrain Market Basket Surveys, April 2000.

**Opportunities**

The Bahrain fruit juice market offers over a \$4,000,000 export potential for Egyptian juice processors. Mango and orange juices represent the largest single strength juices currently imported into Bahrain.

Presently, Kuwait is the largest exporter of guava juice to Bahrain; Kuwait and Saudi Arabia are the largest exporters of mango and orange juice. Certainly there is a potential for Egypt's juice processors to acquire a share of Bahrain's juice market from these two countries.

As is the case with Egypt, well-known "Western"/American known juice brands, like the brand pictured at right, seem to have gained acceptance among expatriate consumers and Bahraini nationals.

Juice mixes and chilled juices also offer good opportunities for expansion in Bahrain. However, due to the potential for claims caused by temperature damage to frozen or chilled



juices in transit, the Egyptian exporter should place a temperature-recording device in each shipment to indicate transit condition. To preserve the quality of the shipment, the exporter should also ensure a completely chilled sea shipping container or overland truck trailer container before loading any shipment from Egypt destined for the Gulf.

### **UAE-Dubai**

Dubai imported an estimated US\$4,273,301 of "Single Fruit Juices" in 1997 representing an increase of US\$607,401 over 1996 imports based on official Dubai statistical data. Data from the U.N. Food and Agriculture Organization (FAO) indicated that the UAE combined total for fruit juices imports reached an estimated US\$8,737,000 in 1998.

The most interesting aspect of the Dubai fruit juice industry is that this small emirate exported a large amount of fruit juices to neighboring GCC countries, in addition to Egypt and Libya. For example: From Dubai, Oman imported US\$1,890,000; Kuwait imported US\$646,901; Bahrain imported US\$107,292; Libya imported US\$110,236 and Egypt imported US\$43,135 in 1997. The total exports from Dubai to these neighboring GCC countries and Egypt/Libya amounted to US\$2,797,564, almost 65% of Dubai's total imports. This established re-export market represents yet another opportunity for Egypt's juice processors.

The largest "Single Fruit Juice" imports were Orange Juice, followed by Apple Juice and the category labeled "Single Juice or Vegetable."

Re-exports from Dubai amounted to an estimated US\$794,289 in 1997, to countries where Egypt could be exporting.

### **Market analysis**

There was a \$607,401 increase in imports for fruit juices into Dubai (UAE) between 1996 & 1997 according to Dubai Trade Statistics. FAO Data indicated that the UAE imported \$8,737,000 in 1996, 1997, 1998; these numbers are very suspect due to the uniformity of the numbers across the board.

The juice with the largest gain in one year was HS Code 200910, Orange Juice, with a total importation of \$554,261 between 1996 & 1997.

Re-exports from Dubai (UAE) amounted to \$794,289 in 1997, \$43,135 of which was exported to Egypt. The largest importers in 1997 of fruit juice from Dubai (UAE) were Oman (\$1,890,000) Kuwait (\$646,901), Bahrain (\$107,292), and Libya (\$110,236). With this amount of exports originating from Dubai (UAE), Egyptian fruit juice exporters should actively pursue these markets – Oman, Kuwait, Bahrain, and Libya – which are in their own backyard.



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**Table 13.**

DUBAI - FRUIT JUICES, SINGLE / EXPORTS 1997 (CODE: 200920 - 200930 - 200940 - 200950 - 200960 - 200970 - 200980)				
COMMODITY JUICES	WEIGHT (Kg)	VALUE (Dhms.)	VALUE (USD)	\$/Kg
GRAPEFRUIT	140,650	338,790	\$95,433.80	\$0.68
SINGLE CITRUS	273,724	853,983	\$240,558.59	\$0.88
PINEAPPLE	243,454	722,416	\$203,497.46	\$0.84
TOMATO	73,056	183,631	\$51,727.04	\$0.71
GRAPE	192,857	691,950	\$194,915.49	\$1.01
APPLE	873,520	2,943,514	\$829,158.87	\$0.95
SINGLE FRUIT OR VEG.	1,397,697	3,529,099	\$994,112.39	\$0.71
<b>Total</b>	<b>3,194,958</b>	<b>9,263,383</b>	<b>\$2,609,403.66</b>	<b>\$0.82</b>

SOURCE: DUBAI RESEARCH & STATISTICS OFFICE

DUBAI - JUICE, ORANGE / IMPORTS 1997 (CODE: 200910) FRUIT JUICES & VEGETABLE JUICES, UNFERMENTED & NOT CONTAINING ADDED SPIRIT, WHETHER OR NOT CONTAINING ADDED SUGAR OR OTHER SWEETENING MATTER				
COUNTRY OF EXPORT	WEIGHT (Kg)	VALUE (Dhms.)	VALUE (USD)	\$/Kg
Australia	50,334	153,603	\$43,268.45	\$0.86
Brazil	183,070	919,327	\$2,589.65	\$0.01
Canada	183,070	919,327	\$258,965.35	\$1.41
Cyprus	271,097	674,178	\$189,909.30	\$0.70
Egypt	0	0	\$0.00	\$0.00
Malta	173,557	369,398	\$104,055.77	\$0.60
Netherlands	91,023	526,450	\$148,295.77	\$1.63
Other	270,409	505,619	\$142,427.89	\$0.53
Pakistan	91,023	526,450	\$148,295.77	\$1.63
South Africa	59,536	181,912	\$51,242.82	\$0.86
USA	768,157	4,392,357	\$1,237,283.66	\$1.61
Yemen	58,674	133,353	\$37,564.23	\$0.64
<b>TOTAL</b>	<b>1,966,546</b>	<b>8,229,044</b>	<b>\$2,318,040.56</b>	<b>\$1.18</b>

SOURCE: DUBAI RESEARCH & STATISTICS OFFICE

EGYPT - FRUIT JUICES, INDIVIDUAL - 1999 EXPORTS TO U.A.E.				
HTS CODE	HTS DESCRIPTION	Quantity (Kg)	Dollar Value	\$/Kg
2009110000	JUICE - Orange, Frozen.	4,000	2,754.11	\$0.69
2009190000	JUICE - Orange, Not Frozen	1,600	1,100.29	\$0.69
2009400000	JUICE - Pineapple	2,400	1,651.70	\$0.69
2009700000	JUICE - Apple	3,800	2,616.70	\$0.69
2009800010	JUICE - Mango	59,630	19,543.50	\$0.33
2009800020	JUICE - Guava	9,130	7,122.89	\$0.78
2009900000	JUICE - Mixtures of	18,210	13,623.99	\$0.75
	<b>TOTAL:</b>	<b>98,770</b>	<b>48,413.19</b>	<b>\$0.49</b>

SOURCE: CAPMAS - EGYPT



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Most of the juices observed during market basket surveys were packed in TetraPak cartons, which were sometimes bulk-wrapped in packs of 18 for 330 ml. Sizes (\$7.88) and packs of 4 1-liter cartons (\$5.44). Single 330 ml. TetraPak juices retailed for approximately \$0.43 and single 1- liter cartons sold for \$1.39.

Packaging like this will enhance any product. Not only will this packaging idea make the product more attractive to the consumer because of it's convenience, but it will in effect raise sales potential because bulk packaging.

This type packaging is what is needed to not only impress a consumer, but it is this type of innovative products that importers are asking for.

**Table 14. Dubai: Supermarket survey averages – April 2000**

Products	Size	Avg. Price (U.Dh.)	AVG. Price US\$ (Rate: 3.55)	Country of Origin
Juice - Apple	330 ml./6 pak	10.00	\$2.82	Saudi Arabia
Juice - Apple	1 lit.	4.62	\$1.30	U.A.E
Juice - Apple	1 lit.	4.63	\$1.31	South Africa
Juice - Apple	1 lit.	4.15	\$1.17	UAE (Sharjah)
Juice - Apple	1 lit.	4.15	\$1.17	South Africa
Juice - Apple	1 lit.	7.75	\$2.18	United Kingdom
Juice/Drinks - Vegetable	473 ml.	2.75	\$0.77	United States
Juice - Fruit Cocktail	1 lit.	4.62	\$1.30	U.A.E
Juice - Fruit Cocktail	1 lit.	4.15	\$1.17	UAE (Sharjah)
Juice - Fruit Cocktail	1 lit.	3.75	\$1.06	South Africa
Juice - Grape	1 lit.	7.75	\$2.18	United Kingdom
Juice - Grape	330 ml./6 pak	10.00	\$2.82	Saudi Arabia
Juice - Grape (Hanepoot)	1 lit.	4.70	\$1.32	South Africa
Juice - Grapefruit	1 lit.	4.62	\$1.30	U.A.E
Juice - Grapefruit	1 lit.	3.95	\$1.11	UAE (Sharjah)
Juice - Grapefruit Ruby Red w/ Calcium	1.89 lit. (Refrig.)	22.75	\$6.41	United States
Juice - Guava	1 lit.	4.70	\$1.32	South Africa
Juice - Litchi	1 lit.	4.63	\$1.30	South Africa
Juice - Mango	1 lit.	4.62	\$1.30	U.A.E
Juice - Mango	1 lit.	4.50	\$1.27	South Africa
Juice - Mango	1 lit.	4.15	\$1.17	UAE (Sharjah)
Juice - Mango	1 lit.	4.15	\$1.17	South Africa
Juice - Orange	330 ml./6 pak	10.00	\$2.82	Saudi Arabia
Juice - Orange	1 lit.	4.62	\$1.30	U.A.E
Juice - Orange	1 lit.	4.15	\$1.17	UAE (Sharjah)
Juice - Orange	1 lit.	4.15	\$1.17	South Africa
Juice - Orange	1 lit.	7.75	\$2.18	United Kingdom
Juice - Orange	1.89 lit. (Refrig.)	22.75	\$6.41	United States



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Products	Size	Avg. Price (U.Dh.)	AVG. Price US\$ (Rate: 3.55)	Country of Origin
Juice - Orange, Fresh	2.0 lit.	7.50	\$2.11	UAE
Juice - Orange, Fresh	2.0 lit.	5.90	\$1.66	UAE
Juice - Peach	1 lit.	4.63	\$1.30	South Africa
Juice - Pear	1 lit.	4.63	\$1.30	South Africa
Juice - Pineapple	1 lit.	4.62	\$1.30	U.A.E
Juice - Pineapple	1 lit.	4.25	\$1.20	UAE (Sharjah)
Juice - Pineapple	1 lit.	4.25	\$1.20	UAE (Dubai)
Juice - Pineapple	1 lit.	4.15	\$1.17	South Africa
Juice - Pineapple	330 ml./6 pak	10.00	\$2.82	Saudi Arabia
Juice - Pink Lemonade	1.89 lit. (Refrig.)	22.75	\$6.41	United States
Juice - Red Currant	1 lit.	4.63	\$1.30	South Africa
Juice - Tomato	1 lit.	4.62	\$1.30	U.A.E
Juice - Tomato	1 lit.	4.15	\$1.17	UAE (Sharjah)
Juice - Tomato	1 lit.	4.15	\$1.17	South Africa
Juice - Tomato/Cocktail	473 ml.	7.75	\$2.18	United States
Juice (Bottled) - Apple	1 lit.	3.75	\$1.06	Germany
Juice (Bottled) - Grape	1 lit.	3.75	\$1.06	Germany
Juice Concentrates - Fruit Cocktail	1 lit.	12.95	\$3.65	Denmark
Juice Concentrates - Lemon	1 lit.	12.95	\$3.65	Denmark
Juice Concentrates - Orange	1 lit.	12.95	\$3.65	Denmark
Juice Concentrates - Peach	60 cl.	13.50	\$3.80	Lebanon
Juice Concentrates - Red Orange	1 lit.	12.95	\$3.65	Denmark
Juice Concentrates - Rose	60 cl.	13.50	\$3.80	Lebanon
Juice Concentrates - Strawberry	1 lit.	12.95	\$3.65	Denmark
Juice Concentrates - Strawberry	60 cl.	13.50	\$3.80	Lebanon
Juice Concentrates - Vanilla	60 cl.	13.50	\$3.80	Lebanon
Juice Drinks - Mango Cocktail	407 ml. Bottle	3.25	\$0.92	United States
Juice Drinks - Peach Iced Tea	407 ml. Bottle	3.25	\$0.92	United States
Juice Drinks - Pineapple Passion	1 lit.	3.00	\$0.85	United States
Juice Drinks - Pink Lemonade	407 ml. Bottle	3.25	\$0.92	United States
Juice Drinks - Strawberry/Kiwi	407 ml. Bottle	3.25	\$0.92	United States
Juice Drinks - Watermelon-Kiwi	1 lit.	3.00	\$0.85	United States



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SOURCE: ALEB - Dubai, UAE Market Basket Surveys, April 2000.

Glass bottles occupy a large portion of the shelf space in the hypermarkets and grocery stores in Dubai.

Bottled juices are primarily mixed juice drinks, containing less than 10% fruit juice, as opposed to the nectars or pure juices in TetraPak cartons.

Sparkling juices are finding their way into more upscale markets to satisfy the more sophisticated consumer. Many of these sparkling juices are single juice offerings, as opposed to the blended "fruit punch" or "tropical blend" juices.

There is a marked distinction between the juice and nectar products offered in most stores. Fruit nectars are usually packaged distinctively to distinguish them from the lower priced "single strength" juices.

Fruit juice concentrates are also popular with consumers because of their convenience. These fruit drink concentrates cost on average \$3.64 per liter.

Other types of convenience juices that are making an impact on the GCC markets are the premium single strength refrigerated juices from the US. These juices can cost as much as \$6.00 for a 1.8 liter carton of fruit juices such as, grapefruit, orange, or pink lemonade. These juices seemed to sell quite well, despite the cost, according to one stock clerk in Dubai.

### **Opportunities**

Dubai is estimated to import \$8,000,000 to \$9,000,000 in fruit juices per year. Almost \$714,000 was exported from Dubai in 1997 alone, not accounting for the other Emirates.

Dubai also re-exported an estimated \$2,754,429 of Fruit Juices into the Gulf Region and Libya in 1997 according to Dubai Trade Statistics.

All of these opportunities are in close proximity to Egypt; transportation cost are one reason why exports are low, but better marketing and sales can provide higher volumes of exports which will drive down transportation cost.

### **Kuwait**

In 1998, based on Kuwait Planning Ministry data, Kuwait imported an estimated US\$19,260,323.43 of combined "Fruit Juices." Of this import market, Saudi Arabia acquired the largest share (33% valued at US\$6,422,310.23), followed by India with about a 30% share (valued at US\$5,858,801).

### **Market analysis**

Kuwait imported about \$19,260,000 worth of fruit juices and exported an estimated \$5,252,138 of fruit juices in 1998, \$643,530 of which was exported into Gulf Cooperation Council (GCC) countries. Of the import market reflected in the above table, Saudi Arabia acquired a 33% share, followed by India with about a 30% share. Egypt was not listed as an



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importer by Kuwait Planning Ministry data. Mixed juices, single juices, and nectars are very popular.

Not only were fruit juices popular, but vegetable juices were also found in abundance in most stores. Juices packaged in 1-liter Tetra Pak cartons were often more evident than the smaller sized cartons. Smaller sizes were packaged in over-wrapped, bulk packages of either 330 liter or smaller individual containers, which are becoming popular in the GCC.

**Table 15. Kuwait: Market basket survey averages – April 2000**

Products	Size	Price (K.D.)	Price (US\$) Rate: 0.303	Country of Origin
Juices - Apple	330 ml./8-pak	0.480	\$1.58	UAE (Al Ain)
Juices - Apple	1 lit.	0.295	\$1.39	Austria
Juices - Apple	1 lit.	0.360	\$1.19	UAE (Al Ain)
Juices - Apple	1 lit.	0.290	\$1.39	Saudi Arabia (Dammam)
Juices - Apple	1 lit.	0.275	\$0.91	Kuwait
Juices - Apple	1 lit.	0.420	\$1.39	Italy
Juices - Apple	1 lit.	0.475	\$1.57	Australia
Juices - Apple	1 lit./12 pak	3.900	\$12.87	Kuwait
Juices - Banana	1 lit.	0.420	\$1.39	Italy
Juices - Banana/Orange	1 lit.	0.420	\$1.39	Italy
Juices - Fruit Cocktail	330 ml./8-pak	0.480	\$1.58	UAE (Al Ain)
Juices - Fruit Cocktail	1 lit.	0.360	\$1.19	UAE (Al Ain)
Juices - Fruit Cocktail	1 lit. - 4 pk.	0.890	\$2.94	Kuwait
Juices - Grape	1 lit.	0.475	\$1.57	Australia
Juices - Grape	1 lit.	0.350	\$1.16	Kuwait
Juices - Grape	1 lit./12 pak	3.900	\$12.87	Kuwait
Juices - Grape/Berry	1 lit.	0.420	\$1.39	Italy
Juices - Grapefruit	1 lit.	0.420	\$1.39	Italy
Juices - Grapefruit	1 lit.	0.330	\$1.09	Kuwait
Juices - Grapefruit	1 lit.	0.275	\$0.91	Austria
Juices - MultiVitamin	1 lit.	0.275	\$0.91	Austria
Juices - Orange	330 ml./8-pak	0.480	\$1.58	UAE (Al Ain)
Juices - Orange	1 lit.	0.475	\$1.57	Australia
Juices - Orange	1 lit.	0.420	\$0.96	Italy
Juices - Orange	1 lit.	0.290	\$0.96	Saudi Arabia (Dammam)
Juices - Orange	1 lit.	0.360	\$1.19	UAE (Al Ain)
Juices - Orange	1 lit.	0.295	\$0.97	Austria
Juices - Orange	1 lit. - 4 pk.	0.890	\$2.94	Kuwait
Juices - Orange	1 lit. - 4 pk.	0.890	\$2.94	Kuwait
Juices - Orange	1 lit./12 pak	3.900	\$12.87	Kuwait
Juices - Peach	1 lit.	0.295	\$0.97	Austria
Juices - Pineapple	500 ml./bottle	0.205	\$0.68	Lebanon/USA
Juices - Pineapple	1 lit.	0.420	\$1.39	Italy
Juices - Pineapple	1 lit.	0.460	\$1.52	Kuwait



**Export Market Potential for Egyptian Food Products  
Investment rational**

Products	Size	Price (K.D.)	Price (US\$) Rate: 0.303	Country of Origin
Juices - Pineapple	1 lit.	0.290	\$0.96	Saudi Arabia (Dammam)
Juices - Pineapple	1 lit.	0.295	\$0.97	Austria
Juices - Pineapple	1 lit./bottle	0.645	\$2.13	Lebanon/USA
Juices - Pineapple	1 lit./12 pak	3.900	\$12.87	Kuwait
Juices - Tangerine	1 lit.	0.295	\$0.97	Austria
Juices - Tomato	500 ml./bottle	0.205	\$0.68	Lebanon/USA
Juices - Tomato	1 lit.	0.275	\$0.91	Kuwait
Juices - Tomato	1 lit./bottle	0.645	\$2.13	Lebanon/USA
Juices/Concentrates Apple	900 ml.	0.590	\$1.95	Austria
Juices/Concentrates Grape	900 ml.	0.590	\$1.95	Austria
Juices/Concentrates Lemon	330 ml.	0.450	\$1.49	Denmark
Juices/Concentrates - Lime	330 ml.	0.450	\$1.49	Denmark
Juices/Concentrates Orange	330 ml.	0.450	\$1.49	Denmark
Juices/Concentrates - Red Orange	330 ml.	0.450	\$1.49	Denmark
Juices/Concentrates White Grape	900 ml.	0.590	\$1.95	Austria
Juices/Nectars - Apricot	1 lit.	0.495	\$1.63	Kuwait
Juices/Nectars - Guava	250 ml.	0.100	\$0.33	Kuwait
Juices/Nectars - Guava	500 ml./bottle	0.205	\$0.68	Lebanon/USA
Juices/Nectars - Guava	1 lit.	0.310	\$1.02	Kuwait
Juices/Nectars - Guava	1 lit. - 4 pk.	0.890	\$2.94	Kuwait
Juices/Nectars - Guava	1 lit./bottle	0.645	\$2.13	Lebanon/USA
Juices/Nectars - Mango	250 ml.	0.100	\$0.33	Kuwait
Juices/Nectars - Mango	330 ml./8-pak	0.480	\$1.58	UAE (Aj Ain)
Juices/Nectars - Mango	500 ml./bottle	0.205	\$0.68	Lebanon/USA
Juices/Nectars - Mango	1 lit.	0.420	\$1.39	Kuwait
Juices/Nectars - Mango	1 lit.	0.360	\$1.18	UAE (Aj Ain)
Juices/Nectars - Mango	1 lit. - 4 pk.	0.890	\$2.94	Kuwait
Juices/Nectars - Mango	1 lit./bottle	0.645	\$2.13	Lebanon/USA
Juices/Nectars - Pear	1 lit. - 4 pk.	0.890	\$2.94	Kuwait

Source: ALEB - Kuwait Market Basket Surveys, April 2000.

While most juices are packaged in Tetra Pak® and glass, American pasteurized single strength juices are emerging in the Kuwaiti markets. These juices are sometimes as much as twice the price of other juices, but there is an expatriate demand for these juices.

Many of these juices are blends using tropical fruits like banana, coconut, and passion fruit. This innovative blending of juices is just one example of how the consumer will purchase a new product even if it is at a much higher price, just because it is different. The longevity of these new products is high due to their high quality and consistent flavor.



**Export Market Potential for Egyptian Food Products**  
**Investment rational**

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Egypt was not listed as an importing country by Kuwait Planning Ministry data and CAPMAS- Egypt data did not indicate any Fruit Juice exports to Kuwait in 1998.

**Opportunities**

With a \$33,000,000 market for juices in Kuwait alone, Egypt has an ample opportunity for export sales. After speaking with several buyers, it became obvious that the juice market has been considered to be a "cut-throat" market in which to become involved. Fruit juice processors have been known to sell their products at cost just to hold market share until prices stabilize after a reduction in import costs.

According to 1998 CAPMAS-Egypt data, Egypt exported almost \$1 million dollars of assorted juices to the United States, but failed to export any juice to Kuwait. It is very difficult to understand why Kuwait was not on the list of exporting countries since it is so geographically close to Egypt.

There is a good market for innovative products that don't compete in the traditional fruit juice market. Blended juices using tropical fruits and non-traditional blends offer an excellent opportunity to attract buyers.

Packaging has become state-of-the-art in the Gulf, employing brightly colored, high quality graphics and packaging designs. High quality packaging has become the best tool to meet competition in the fruit juice market. Distinctive packaging for nectar products is used to distinguish them from traditional strength juices (see overleaf).

**Qatar**

According to the Qatar Planning Council data, Qatar imported approximately US\$8,180,904 of Fruit Juices in 1998. Saudi Arabia was the largest single exporter with US\$3,710,426 (24%) followed by the UAE with US\$2,046,496 (13% of market share).

The remainder of the imports came from a wide variety of exporting countries like U.S., Canada, India, Indonesia, and of course European Union countries.

Egypt supplied approximately US\$5,194 of Fruit Juices to Qatar's import market in 1998. With a market opportunity of almost US\$8,180,000, Egyptian processors have an opportunity to expand sales rapidly.

**Market analysis**

Qatar imported an estimated \$8,180,904 of fruit juices from over 33 countries in 1998 according to Qatar Planning Council data. Saudi Arabia and the United Arab Emirates supplied the most juice with Egypt representing one of the smallest suppliers. Exports from Qatar totaled approximately \$14,154 and re-exports were estimated at \$63,975 in 1998.

The U.N. Food and Agriculture Organization (FAO) estimated that Qatar imported \$2,759,000 of assorted juices in 1998, a slight difference of \$5,421,904 from the Qatar Planning Council's official data. FAO also reported an estimated \$4,000 exports for 1998, so it is safe to assume that the Qatar's official figures are more accurate.



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According to FAO reports, Egypt imported an estimated \$119,000 of apple and mango juice in 1998, a decline of \$114,000 over 1997 imports. Egypt's exports amounted to \$1,389,000 according to FAO in 1998, a decline of \$116,000 for apple Juice, and a decline for mango juice of \$22,000 over 1997, exports.

EGYPTIAN FRUIT JUICES EXPORTED TO QATAR - 1998				
HTS CODE	HTS DESCRIPTION	Quantity (Kg.)	Dollar Value	\$/Kg.
2009800010	JUICE-MANGO	200	\$270.23	\$1.35
2009800020	JUICE-GUAVA	300	\$249.99	\$0.83
	TOTAL	500.00	\$520.22	\$1.04

As evidenced in the two tables above, Egypt has under-reported exports again. In 1998, Egyptian CAPMAS data indicated that exports totaled \$520.22, while official Qatar Planning Council data showed that Qatar imported an estimated \$5,194.44 worth of juice from Egypt in 1998 – a difference of \$4,674.22.

**Table 17. Qatar: Supermarket survey averages – April 2000**

Products	Size	Avg. Price (Q.R.)	Price (US\$) Rate: 3.60	Country of Origin
Juice – Apple	200 ml. - 8 pk.	10.00	\$2.78	U.A.E
Juice – Apple	250 ml.	1.50	\$0.42	Kuwait
Juice – Apple	1 lit.	5.00	\$1.39	Saudi Arabia
Juice – Apple	1 lit.	4.50	\$1.25	U.A.E
Juice – Apple	1 lit.	5.00	\$1.39	Kuwait
Juice – Apple	1 lit.	3.50	\$0.97	Kuwait
Juice – Apple	1 lit.	5.00	\$1.39	Oman
Juice – Carrot	1 lit.	5.25	\$1.46	U.A.E. (Sharja)
Juice - Fruit Cocktail	200 ml. - 8 pk.	10.00	\$2.78	U.A.E
Juice - Fruit Cocktail	1 lit.	4.50	\$1.25	U.A.E
Juice – Grape	250 ml.	1.50	\$0.42	Kuwait
Juice – Grape	1 lit.	5.00	\$1.39	Kuwait
Juice – Grape	1 lit.	5.25	\$1.46	U.A.E. (Sharja)
Juice – Grape	1 lit.	5.00	\$1.39	Oman
Juice - Grapefruit	250 ml.	1.50	\$0.42	Kuwait
Juice - Grapefruit	1 lit.	5.00	\$1.39	Kuwait
Juice - Orange	200 ml. - 8 pk.	10.00	\$2.78	U.A.E
Juice - Orange	250 ml.	1.50	\$0.42	Kuwait
Juice - Orange	1 lit.	5.00	\$1.39	Saudi Arabia
Juice - Orange	1 lit.	4.50	\$1.25	U.A.E
Juice - Orange	1 lit.	5.00	\$1.39	Kuwait
Juice - Orange	1 lit.	5.25	\$1.46	U.A.E. (Sharja)
Juice - Orange	1 lit.	3.50	\$0.97	Kuwait
Juice - Orange	1 lit.	5.00	\$1.39	Oman
Juice - Pineapple	1 lit.	5.00	\$1.39	Saudi Arabia



**Export Market Potential for Egyptian Food Products  
Investment rational**

Products	Size	Avg. Price (Q.R.)	Price (US\$) Rate: 3.60	Country of Origin
Juice - Pineapple	1 lit.	4.50	\$1.25	U.A.E
Juice - Pineapple	1 lit.	5.25	\$1.46	U.A.E. (Sharja)
Juice - Pineapple	1 lit.	3.50	\$0.97	Kuwait
Juice - Tomato	250 ml.	1.50	\$0.42	Kuwait
Juice - Tomato	1 lit.	4.50	\$1.25	U.A.E
Juice - Tomato	1 lit. - 4 pk.	14.25	\$3.96	U.A.E
Juice - Tomato	1 lit.	5.00	\$1.39	Kuwait
Juice/Nectar - Apricot	1 lit.	5.00	\$1.39	Saudi Arabia
Juice/Nectar - Apricot	1 lit.	5.25	\$1.46	U.A.E. (Sharja)
Juice/Nectars - Guava	250 ml.	1.50	\$0.42	Kuwait
Juice/Nectars - Guava	1 lit.	5.00	\$1.39	Kuwait
Juice/Nectars - Mango	200 ml. - 8 pk.	10.00	\$2.78	U.A.E
Juice/Nectars - Mango	250 ml.	1.50	\$0.42	Kuwait
Juice/Nectars - Mango	1 lit.	5.00	\$1.39	Saudi Arabia
Juice/Nectars - Mango	1 lit.	4.50	\$1.25	U.A.E
Juice/Nectars - Mango	1 lit.	5.00	\$1.39	Kuwait
Juice/Nectars - Mango	1 lit.	5.25	\$1.46	U.A.E. (Sharja)
Juice/Nectars - Mango	1 lit.	5.00	\$1.39	Oman

SOURCE: ALEB - Qatar Market Basket Surveys, April 2000.

### Opportunities

In 1998, Qatar imported \$8,180,904 worth of fruit juice, comprised of shipments made up from 34 separate countries. Australia exported over \$52,790.98 of fruit juices in 1998. So, excessive freight must not have been an issue that hindered exports from this country.

In contrast, Egypt exported only \$5,267.60 in fruit juices to Qatar 1998. Freight costs should not have caused these low exports since Egypt is geographically MUCH closer to Qatar than Australia. When compared to distance and the expense disadvantage that Australia overcame, Australia's pricing was even lower at \$0.84 per kilogram than Egypt's \$0.91 per kilogram. So, Egypt's processors must have experienced problems with either: marketing, production cost, labeling, packaging, and quality OR all of these issues combined.

Clearly, opportunities to increase juice sales in Qatar abound – processors merely have to prepare to take advantage of these.

### Saudi Arabia

Imports of total combined "Mixtures of Fruit Juices" to Saudi Arabia amounted to US\$12,218,223 in 1998. Kuwait, the largest exporter of Mixed Juices, exported US\$3,233,680 worth of products (27% of the market), followed by The Netherlands with exports valued at US\$2,144,163 (18% of the market). Egypt's juice exports to Saudi Arabia were negligible according to Jeddah Chamber of Commerce data – Mixtures of Juices totaled a mere 0.2% of the market (or US\$22,464).

According to CAPMAS, Egypt's exports of combined juices amounted to approximately US\$198,000 in 1998.



**Export Market Potential for Egyptian Food Products**  
**Investment rational**

In the "Single Fruit Juice" category, the United States dominated the market with US\$3,821,751 (41% of the market) of total imports, while the UAE exported an additional US\$2,436,440 (26% of the market). Egypt managed to acquire a 1% share of this market.

**Market analysis**

Fruit juice imports into Saudi Arabia amounted to over \$21,628,895 in 1998, the largest groupings comprised of "Mixed Juices" and "Single Juices." Kuwait dominated the mixed juice category with over \$3,233,680 (27%) in imports, while The Netherlands ranked second, capturing 18% of this market based on product value. Egypt managed to acquire only 0.2% of this market – also based on product value.

The United States (U.S.) dominated the "single fruit juice" market with \$3,821,751 (41%) in imports, while the United Arab Emirates (UAE) supplied another 26% valued at \$2,436,440. (See table on following page.) Egypt's exports captured 1% of this market.

The combined total for these two categories and other assorted juices is approximately \$32,628,895 for fruit Juices imported into Saudi Arabia. Exports from Saudi Arabia were reached \$9,000,000 in 1998.

Between 1997 and 1998, Saudi Arabia saw a \$1,866,000 increase in imports for Single Fruit Juices. The U.S. increased exports to Saudi Arabia by \$2,233,898 in 1998. It is thought that this increase was partially fueled by higher imports of single strength high value juices from company's like Tropicana® and Dole®. These high-value juices are sometimes mixed with tropical fruits like banana and other exotic flavors to enhance sales in a very common market place.

SAUDI ARABIA - OTHER SINGLE FRUIT JUICES / IMPORTS 1998 (CODE: 20098090)				
COUNTRY	WEIGHT (ML)	VALUE (SR)	VALUE (USD)	\$/ML
UAE	3,725	8,625,000	\$2,436,440.68	\$654.08
USA	2,344	13,529,000	\$3,821,751.41	\$1,630.44
Thailand	1,040	2,148,000	\$606,779.68	\$583.44
Netherlands	533	2,789,000	\$787,853.11	\$1,478.15
Others	1,858	6,223,000	\$1,757,909.60	\$946.13
<b>TOTAL - 1998:</b>	<b>9,500</b>	<b>33,314,000</b>	<b>\$9,410,734.46</b>	<b>\$990.60</b>

SOURCE: JEDDAH CHAMBER OF COMMERCE

It is worth noting that Saudi Arabia exported approximately \$9,422,000 in juices to Kuwait in 1988, while importing \$3,233,680 from Kuwait. This discrepancy is apparently due to the fact that the juices exported back into Kuwait were packaged as opposed to the bulk shipments that may have been received from Kuwait.

The competition for the fruit juice market is very high, with as many as 23 different brands vying for the attention of the consumers. Packaging is very high tech, using several new types of innovative packaging schemes. Tetra Pak® is the primary packaging system being used by most juice processors.



**Export Market Potential for Egyptian Food Products  
Investment rational**

Advertising is widespread, including billboard sized ads, television ads, bus stop signs, and individual handout materials. Innovative packaging designs using high gloss catalytic lacquer printing, or metal materials are commonplace.

Bulk packaging is very common with Tetra Pak® juices (6 Pack – 330 ml. SR 11.00). Juices packaged in 1-liter Tetra Pak® cartons are very common (S.R. 5.00). Another popular size is the 2-liter refrigerated plastic jug (S.R. 12.00).

**SAUDI ARABIA: Market survey averages – April 2000**

Products	Size	Price (S.R.)	Price (US\$) Rate: 3.54	Country of Origin
Juices – Apple	250ml./24 bottles	39.00	\$11.02	Saudi Arabia (Jeddah)
Juices – Apple	330 ml./24 Tetrapak	39.00	\$11.02	Saudi Arabia (Jeddah)
Juices – Apple	330 ml./Tetrapak - 27 carts/1case	18.95	\$5.35	Saudi Arabia (Riyadh)
Juices – Apple	330 ml./carts-18	31.00	\$8.76	Saudi Arabia (Jeddah)
Juices – Apple	1 lit./case-12	56.00	\$15.82	Saudi Arabia (Riyadh)
Juices – Apple	1 lit./case-12.	33.00	\$9.32	Saudi Arabia
Juices – Apple	1 lit./case-6	29.00	\$8.19	Saudi Arabia (Jeddah)
Juices – Apple	1 lit./Plastic-Refrig.	6.00	\$1.69	Saudi Arabia (Al Khobar)
Juices – Apple	2 lit./Plastic-Refrig	10.00	\$2.82	Saudi Arabia (Al Khobar)
Juices – Grape	330 ml./Tetrapak - 27 carts/1case	18.95	\$5.35	Saudi Arabia (Riyadh)
Juices – Grape	1 lit./case-12	56.00	\$15.82	Saudi Arabia (Riyadh)
Juices – Mango	1 lit./Plastic-Refrig.	6.00	\$1.69	Saudi Arabia (Al Khobar)
Juices – Mango	250ml./24 bottles	39.00	\$11.02	Saudi Arabia (Jeddah)
Juices – Mango	330 ml./24 Tetrapak	39.00	\$11.02	Saudi Arabia (Jeddah)
Juices – Mango	1 lit./case-12	56.00	\$15.82	Saudi Arabia (Riyadh)
Juices – Mixed Fruit Punch	1 lit./Plastic-Refrig.	5.50	\$1.55	Saudi Arabia (Al Khobar)
Juices – Mixed Fruit Punch	330 ml./carts-18	31.00	\$8.76	Saudi Arabia (Jeddah)
Juices – Mixed Fruit Punch	1 lit./case-6	29.00	\$8.19	Saudi Arabia (Jeddah)
Juices – Orange	1 lit./case-6	29.00	\$8.19	Saudi Arabia (Jeddah)
Juices – Orange	250ml./24 bottles	39.00	\$11.02	Saudi Arabia (Jeddah)
Juices – Orange	330 ml./24 Tetrapak	39.00	\$11.02	Saudi Arabia (Jeddah)
Juices – Orange	330 ml./carts-18	31.00	\$8.76	Saudi Arabia (Jeddah)
Juices – Orange	1 lit./case-12	56.00	\$15.82	Saudi Arabia (Riyadh)
Juices – Orange Pineapple	250ml./24 bottles	39.00	\$11.02	Saudi Arabia (Jeddah)
Juices – Orange Pineapple	330 ml./24 Tetrapak	39.00	\$11.02	Saudi Arabia (Jeddah)
Juices – Peach	250ml./24 bottles	39.00	\$11.02	Saudi Arabia (Jeddah)
Juices – Peach	330 ml./24 Tetrapak	39.00	\$11.02	Saudi Arabia (Jeddah)
Juices – Pineapple	1 lit./case-12	56.00	\$15.82	Saudi Arabia (Riyadh)
Juices/Drinks – Apple	280 ml.	2.00	\$0.56	Saudi Arabia (Al Khobar)



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Products	Size	Price (S.R.)	Price (US\$) Rate: 3.54	Country of Origin
Juices/Drinks - Apple	450 ml.	3.00	\$0.85	Saudi Arabia (Al Khobar)
Juices/Drinks - Apple	250 ml./case-27	18.00	\$5.08	Saudi Arabia (Al Khobar)
Juices/Drinks - Lemon	2 lit./Plastic-Refrig	8.00	\$2.28	Saudi Arabia (Al Khobar)
Juices/Drinks - Lemon	1 lit./Plastic-Refrig.	5.00	\$1.41	Saudi Arabia (Al Khobar)
Juices/Drinks - Lemon Drink	280 ml.	2.00	\$0.56	Saudi Arabia (Al Khobar)
Juices/Drinks - Lemon Drink	1 lit./Plastic-Refrig.	6.00	\$1.69	Saudi Arabia (Al Khobar)
Juices/Drinks - Mango	250 ml./case-27	18.00	\$5.08	Saudi Arabia (Al Khobar)
Juices/Drinks - Mango	280 ml.	2.00	\$0.56	Saudi Arabia (Al Khobar)
Juices/Drinks - Mango	450 ml.	3.00	\$0.85	Saudi Arabia (Al Khobar)
Juices/Drinks - Mixed Fruit	280 ml.	2.00	\$0.56	Saudi Arabia (Al Khobar)
Juices/Drinks - Mixed Fruit	450 ml.	3.00	\$0.85	Saudi Arabia (Al Khobar)
Juices/Drinks - Mixed Fruit	2000 lit./Plastic-Refrig	9.00	\$2.54	Saudi Arabia (Al Khobar)
Juices/Drinks - Orange	250 ml./case-27	18.00	\$5.08	Saudi Arabia (Al Khobar)
Juices/Drinks - Orange	280 ml.	2.00	\$0.56	Saudi Arabia (Al Khobar)
Juices/Drinks - Orange	450 ml.	3.00	\$0.85	Saudi Arabia (Al Khobar)
Juices/Nectars - Apricot (Special)	2 lit./Plastic-Refrig	8.00	\$2.28	Saudi Arabia (Al Khobar)
Juices/Nectars - Orange	1 lit./case-12	55.00	\$15.54	Saudi Arabia (Riyadh)
Juices/Nectars - Peach	1 lit./case-12	55.00	\$15.54	Saudi Arabia (Riyadh)
Juices/Nectars - Pineapple-Guava	1 lit./case-12	55.00	\$15.54	Saudi Arabia (Riyadh)
Juices/Nectars - Strawberry	2000 lit./Plastic-Refrig	11.50	\$3.25	Saudi Arabia (Al Khobar)
Juices/Nectars - Strawberry	1 lit./Plastic-Refrig.	6.00	\$1.69	Saudi Arabia (Al Khobar)
Juices/Nectars -Apple-Cherry	1 lit./case-12	55.00	\$15.54	Saudi Arabia (Riyadh)
Juices/Nectars - Pineapple-Coconut	1 lit./case-12	55.00	\$15.54	Saudi Arabia (Riyadh)

SOURCE: ALEB-Saudi Arabia Market Basket Surveys, April 2000.

A large percentage of the juices found in the markets were packaged in Saudi Arabia. A small percentage was imported pre-packed from Gulf States producers. A growing trend toward U.S. packed pure juices from Tropicana® and Dole® are making an appearance in



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the up-scale markets. During an in-store interview, one customer commented that he was "tired of the taste of locally produced juices" and "interested in trying something new, as long as it is pure and fresh, regardless of the price."

When pricing between two juices is close, the packaging seems to be the deciding factor when customers choose one brand over the other. While observing a chilled juice case in a Riyadh supermarket for approximately 30 minutes, the brand with the better graphics was observed to clearly outsell its equally priced competition. A side note to this observation is that the better-selling brand had provided strategically placed, in-store advertising materials to gain the attention of the consumers.

To distinguish its nectars from its 100% juice products, the better-selling brand used high-gloss metallic Tetra Pak-aging incorporating a water droplet, "wet look" background with photo-quality, superimposed depictions of the fruit used for the nectars. The stock clerk at this particular store indicated that he had to re-stock this brand more than the other brands, and he thought that it was because of the packaging that the customers bought this particular brand. The stock clerk was asked if he thought that the juice itself was better, and replied that there was not that much difference between the two brands relative to taste (the authors agree with this assessment).

Any company wishing to enter the Saudi Arabian market place with juices must realize that this is a "cut throat" sector of the food industry according to one importer. There is a tremendous amount of competition in the market place, which will require a great deal of money for mounting a successful campaign in order to gain access into this lucrative market. It is advisable to approach this market as a bulk juice exporter to some of the more established producers in Saudi Arabia.

### **Opportunities**

With a \$32,000,000 market for fruit juices available in Saudi Arabia, Egyptian processors should take a good portion of the market share providing that the quality, pricing, packaging and transportation cost improve across the board.

The image of Egyptian products must improve to increase exports. A reputation for poor quality reinforced by poor packaging dilutes any advantages Egypt might have with low production costs and geographic location.

Most of the major exporting countries other than Kuwait and the United Arab Emirates (UAE) are at a major disadvantage geographically when compared to Egypt. Transportation costs are high in Egypt, but these costs can be offset by cost control measures and volume sales.

Egypt has the advantage of low-cost labor when compared to countries like the U.S., and competing European Union countries. This is a distinct advantage when competing with these other processors half way around the world.

Aggressive marketing campaigns in the Gulf and other importing countries, in conjunction with increased advertising will need to be budgeted to make importers aware of the products produced in Egypt.



## **Other potential markets**

### **Economies in transition**

With total imports of fruit juices into the major economies in transition amounting to just over \$75 million in 2001, these new markets are still quite small and account for less than 2% of world imports. However, it is significant that imports almost doubled, in value terms, over the five-year period 1997 – 2001.

Imports into the three markets, Czech Republic, Poland and Hungary (with a total population of 59 million inhabitants – roughly the same as France or the United Kingdom), amounted to \$18.6 million in 2001. Compare these with the figures for France and the United Kingdom, which imported \$332 million and \$295 million worth of juices respectively in that year.

While imports remain small, it should be noted that total imports into the markets covered by this study also doubled in value during the period under review, though considerable fluctuations took place. In all three markets a very low per capita consumption in comparison with that of the West suggests an enormous potential.

There is strong interest among consumers in fruit juices, nectars and juice drinks, and most supermarkets offer a wide range of these products, including both foreign and domestic brands. There seems to be no doubt that the market will develop further in the future and provide interesting outlets for fruit juices from developing countries. This will be particularly true for orange and other citrus juices and concentrates, but also for raw materials for tropical fruit juices, albeit to a smaller extent.

However, it should be emphasized that rapid market development is unlikely. All three countries still face serious economic problems because of the liberalization process and the collapse of their markets in the East. With gross monthly wages averaging \$300 or less, most households are likely to limit their purchases of fruit juices and other drinks with high fruit content. With an eventual improvement in the general economic situation and an increase in the consumers' buying power, the market for fruit juices is certain to pick up.

Most imported fruit juices were obtained through importers and processors in Western Europe; imports consisted either of retail-packed products, mainly from Austria and Germany, or of fruit juice raw material, e.g., from the Netherlands and Germany. With the exception of direct supplies from European sources like Italy, Spain and Greece, the bulk of the raw material for fruit juice will probably continue to be obtained mainly through middlemen in the European Union. In view of the geographical distances and the difficult financial situation of most companies in the three markets covered, it is believed that exporters from developing countries are best advised to work with a carefully selected agent or importer in Europe.

Several economies in transition are likewise important producers/exporters of fruit juices and concentrates. As shown, exports of fruit juices from these countries fluctuated considerably over the period under review, peaking in 1997 at \$267 million. In 2001, their total exports of \$172 million corresponded to just over 4% of the world total. However, taken as a group. These countries appear to be net exporters of fruit juices, their exports being more than twice their imports in 2001. They produce and export mainly temperate-zone fruit and berry juices and concentrates in bulk; however, they also trade in some quantities of retail-packed juices, including citrus and tropical juices.



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Investment rational**

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Poland is by far the largest exporter with \$100 million worth of exports in 2001, followed by Hungary with \$34 million, and the Russian Federation with close to \$12 million. The other suppliers are Slovenia (\$6.1 million), Bulgaria (\$5.7 million), Ukraine (\$5.6 million), Romania (\$4.6 million), and the Czech Republic (\$3 million).

Poland, Hungary and the Czech Republic together exported \$136.4 million of juices in 2001, or close to 80% of all exports from the origins. Additional details are given in the country chapters

### **Market characteristics**

Product preferences and market requirements vary from market to market. However, in all three markets covered by this survey domestically produced fruit and berries (temperate-zone) are an important raw material for the local beverage industries, and domestic consumers appreciate the fruit juices, nectars and drinks produced from them. Nevertheless, these consumers are also showing great interest in trying products that were not previously available to them, e.g. juices and other beverages made from orange and other citrus fruit, pineapple, and other tropical fruit.

This rising interest is reflected in the import statistics. Domestic packers/bottlers use imported fruit juice raw material in the manner of their counterparts in the West, but in smaller quantities because of the average buyer's low income. Orange juice is the leading imported juice and is expected to remain so, though consumers are offered a wide range of other juices as well.

When the three markets first opened up to foreign trade, juice was imported almost entirely in retail packs, but with the installation of a number of carton-packing plants more and more fruit juice raw material is being obtained from abroad. However, a considerable volume of retail-packed fruit juices, nectars and drinks continues to be imported.

Juices and nectars are sold largely in carton packs, mainly Tetra-Pak and Combibloc. Fruit Juice drinks particularly domestic brands with low fruit juice content are typically sold in bottles. However, packers or carton-packed juices and nectars normally also offer fruit juice drinks packed in the same way. Some quality bottled juices and nectars are imported, mainly from Germany. A very large number of brands, both domestic and foreign, are found in all three markets.

The country sub-chapters provide more information on market characteristics, and give an indication of the product ranges available to consumers in each market covered.

### ***The Czech Republic***

#### **Supply and demand**

#### ***Domestic production***

In 2000, total production of fresh fruit and berries amounted to 533,000 tons. The most important tree fruit are apples (308,000 tons in 1998), pears (28,000 tons), plums (17,000 tons), peaches and nectarines (11,000 tons), and cherries and apricots. The most important berries are currants (24,000 tons), strawberries (16,800 tons) and raspberries (an estimated 600 tons).



It is not clear how much of this is used for processing. However, according to official statistics, the Czech Republic produced the following amounts of fruit juice (probably mainly apple juice concentrate) in recent years: 10,623 tons in 1999 and 6,306 tons in 2001. Trade sources have indicated that these were much lower than in the previous years. Production of soft drinks (probably including fruit juice drinks) amounted to 289,983 tons in 1997 and 294,052 tons in 1998. No figures are available for 2001, but trade sources are of the view that production fell in that year as a result of increased production costs and the financial difficulties experienced by fruit growers and processors.

### **Imports and exports**

Imports of fruit juices (MS 20.09) into the former Czechoslovakia averaged about \$2.7 million annually during the period 1989 to 1992. In 2001 the Czech Republic imported \$3.94 million worth of fruit juice and concentrate in bulk as well as retail-packed juices (mainly). In addition, a certain amount of fruit juice bases, including mixtures, etc. (HS 21.06) was imported, though figures are not available.

Imports of retail-packed juices as well as fruit juice raw material came mainly from *Austria and Germany*. Imports from these countries include re-exported juices, e.g. orange juice concentrate from Brazil. Official import statistics, broken down by type of juice, do not exist. However, based on the export statistics of major suppliers, could provide an idea of the country's import trade.

About 51% of imports appear to consist of orange juice. The balance is made up of grapefruit juice (about 5%), other citrus (mainly lemon) juices (about 13%), pineapple juice (around 3% pineapple juice), and other juices (approximately 28%). It should be noted that lemon is used in fruit juice drinks and other products rather than in juices and nectars.

Exports of fruit and vegetable juices (mainly apple juice concentrate) from the former Czechoslovakia averaged about \$10.4 million during the period 1995-1998. In 1998 the Czech Republic exported only \$3 million worth of fruit juice.

### **Market characteristics**

#### ***Consumption and product preferences***

It is difficult to estimate per capita consumption of fruit juices and similar beverages because of the lack of detailed statistics on production and foreign trade. However, it is clear that this consumption, in terms of single-strength equivalent, is extremely low.

Consumers are offered a good choice of fruit juice and nectars, including juices and nectars of orange, grapefruit, pineapple and mixed tropical fruit. Orange juices and nectars are the most popular but the others also sell well.

Pure juices and nectars, being expensive by local standards, are consumed mainly by foreigners, whether tourists or foreign residents, and a smaller group of high-income Czech. The average Czech consumer is more inclined to buy fruit juice drinks or similar products, usually with a very low fruit content.

Whereas the juices and nectars seen in supermarkets, usually in carton packs, are mostly foreign brands, domestic production of fruit juice drinks, syrups, lemonades, etc. with low



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fruit juice content is substantial. However. Some Czech companies have started to develop new products, including fruit juice drinks with higher fruit content.

The Czech Republic's catering sector (hotels, restaurants, bars, etc.) may account for close to half of total sales of fruit juices and nectars, the balance being sold by the retail trade.

**Product range**

A list follows of some of the pure juices (100% juice), nectars and juice drinks seen in supermarkets in October 1999 during the field research for this survey. The type of packaging, brand names and processing companies are also given. It should be noted that the list does not enumerate all the products offered by the individual processors.

Most of the items listed are foreign products, though some nectars and drinks packed by Czech companies are also included. The list excludes the huge range of bottled fruit juice drinks, syrups, lemonades, etc. produced mainly from domestic fruit by Czech companies.

**Retail prices**

Typical retail prices for one-litre carton packs in October 2001 were as follows:

- Fruit juices (100%) CK 23.00-33.20 (SO.83-1.20)
- Fruit nectars (40-50%) CK 18.30-25.80 (SO.66-0.93)
- Fruit juice drink (10%) CK 13.50-15.00 (\$0.49-0.54)

As shown, retail prices are high, particularly in comparison with the average monthly wage (\$235). The price variations in each category reflect differences in brands as well as in products. Orange juice, for example, was priced at CK 23.00, whereas a multi-vitamin juice with 11 fruit was quoted at CK 33.20.

**Distribution channels**

**Foreign trade**

Until the mid-1980s, Koospol had a monopoly of foreign trade in foodstuff and agricultural commodities, including fruit juices and similar products. Since then, and particularly since 1990, foreign trade has been liberalized, and a large number of companies, including manufacturing companies now carry out their own import and export activities.

Koospol a.s., now a holding company, continues to be involved in the fruit juice business, though on a much smaller scale. Frutalco a.s., which forms part of the group, for example, exports and imports fruit juice in retail packs. Another member of the group, Fruchtim s.a., markets a maracuja (passion fruit) drink under its Ornela brand, which is packed under contract by a Czech packer. Passion fruit juice is imported through Agrosug S.A., a Swiss-registered member of the group.

It seems that only a few Czech companies, if any, operate as specialized importers of fruit juices. Some companies have been appointed as agents for foreign suppliers, notably suppliers in the European Union.

Most bottlers/packers and other end-users of fruit juice raw material do their own importing and probably obtain most of their requirements through intermediaries in the European



Union.

### **Fruit juice beverage industry and major processors of fruit and vegetables**

There are a considerable number of producers of non-alcoholic drinks in the Czech Republic. The most important are all members of the Association of fruit and vegetable processors, are listed in the annex to this chapter ("Fruit juice processors."). Most of these, if not all, use some quantities of fruit juice raw material.

STKOLI as. (a State company, now privatized), produces a large number of food products in its eight plants, including baby food, canned fruit, apple juice concentrate and various beverages. It mostly uses domestic raw material, but also utilizes imported juices and concentrates. These include orange juice, pineapple juice and tropical bases for its line of drinks and banana puree for its baby food.

At the time of the survey, only a few companies, e.g. Fruko, Labena and ZD Chelcice, had carton-packing lines. Other members of the producers association were considering buying such equipment.

According to trade sources, only one Czech company, Linea in Nivnice, currently packs a pure-juice (100%) consumer pack (apple juice). However, several companies have plans to do so.

### **Other industrial end-users**

In addition to the above-mentioned processing companies, several other food manufacturers use fruit juice raw material.

One such company is Pragolaktos in Prague, one of the country's major dairy companies, which packs a range of beverages on its Tetra Pak line. These include some drinks with little or no fruit, as well as products with a higher fruit content: a tropical drink and an orange drink (both with 8% fruit) and a multi-fruit / multi vitamin drink (with 20% fruit). The company may consider packing 100% juices in the future.

Another end-user is Bonita, a trading company with a small plant that produces various drinks, e.g. instant (powder) drinks and syrups. In cooperation with the dairy company Bohusovicka Mlekarna, it also markets some ready-to-serve drinks in Tetra Paks. Bonita may also decide to pack 100% juices at some stage.

### ***The retail trade and the catering sector***

Most of the Republic's retail sector has now been privatized. The sector is highly fragmented with a very large number of small shops, many with limited stocks and in poor financial shape. However, many retailers operate quite efficiently and are likely to consolidate. Others may be forced to close shop.

There are a growing number of supermarkets and department stores, including many that are foreign-owned or run in cooperation with foreign companies. The major retail organizations include K Mart (United States), Kione (German), Delvita (Belgian), Pronto, Schwarz, Spar and Rema 1000. A Norwegian group and Koospol operate Rema jointly.

The catering sector may be supplied either direct by the foreign supplier of juices and



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nectars in the case of the larger establishments or through wholesalers in the case of smaller outlets like bars, small restaurants and hotels, etc.

**Market access**

According to the customs tariff schedule, imports of orange juice, grapefruit juice, other citrus juice, pineapple juice and juices from passion fruit and guava are free of customs duty if imported from countries with most favored nation (MFN) status. For other countries, a duty of 10% (15% for passion fruit and guava) is imposed. Customs duties for other juices from countries with MFN status vary between 5% (e.g. on pears) and 20% (e.g. on apple, grape).

The information on custom duties given here is indicative only. More specific and up-to-date information should be sought from competent authorities and importers.

Detailed information on food legislation was not available at the time of the preparation of this survey, but laws and regulations similar to those of the European Union are being introduced,

**Market prospects**

With imports of fruit juices amounting to about \$4 million in 1998 (excluding fruit juice bases), the Czech market is the smallest of the three economies in transition covered by this survey.

However, it imports a wide range of juices and nectars, These are available in supermarkets and other retail outlets, and are packed almost entirely by companies in neighboring countries, particularly Austria and Germany. Czech companies pack very little beverages with high fruit content, though they produce a wide range of cheaper and traditional products with low fruit content,

The products with higher fruit juice content are sold mainly to the tourist trade and the expatriate population, two categories of consumers that are of enormous importance to The Czech economy. Though some hotels and other outlets still offer cheaper beverages, this segment of the market is extremely important for the juice industry. For the majority of the Czech population, fruit juice products remain expensive.

Czech companies find it extremely difficult, if not impossible, to compete with foreign suppliers, though several are considering packing 100% juice and nectar products in The future.

For the time being, the Czech Republic offers fairly limited prospects for exporters from developing countries. Although imported juice raw material from these countries reach the market through companies in other European countries. In the longer run, the Czech market is likely to grow considerably, provided that disposable income goes up and Czech companies become more involved in processing.



## **Hungary**

### **Supply and demand**

#### **Domestic production**

Total production of fresh fruit and berries averaged about 2,150,000 tons annually during the three-year period 2000/2001. It fell from 2,090,000 tons in 2000 to 1,814,000 tons in 2001 and again to 1,750,000 tons in 1996. In 1995 the main crops were grapes (700,000 tons), apples (666,000), plums (142,000), pears (65,000), peaches (61,000), sour cherries (an estimated 60,000), apricots (35,000), raspberries (23,000), strawberries (14,000) and currants (16,000). Grapes and apples are by far the most important crops.

Industry sources estimate that about 40% of the total crop is consumed domestically in fresh form, another 25% is exported fresh, and 35% is used for processing.

It is not known how much is used for juices and similar products, but annual production of apple juice concentrate is usually in the range of 30,000 -40,000 tons, most of which is exported. Other fruit, e.g. pears, peaches and apricots, are processed into pulp and used, for example, in the production of fruit nectars, mainly for the domestic market.

Detailed production figures for retail-packed fruit juices, nectars and fruit juice drinks, whether from domestic or imported raw material, are not available. According to a statistical source, total production of this product group reached 4.7 million hectoliters in 1992. This was around 50% more than the previous years' levels (averaging three million hectoliters annually during the period (1990-2001).

### **Imports and exports**

#### **Imports**

Imports of fruit juices, whether retail-packed or as raw material, reached just over \$4.2 million in 2001. In addition, a considerable amount of fruit juice bases (HS 21.06) was imported, though it is not known how much.

Orange juice is the single largest import item, accounting for one third of all imports, or \$1.4 million in 2001. Imports from Austria, the United Kingdom and Germany, the three biggest suppliers, consist of re-exported products (mainly from Brazil). Israel is also a major supplier.

Imports of grapefruit juice amounted to a mere \$55,000 in 2001. The main suppliers were Germany and Austria (re-exporters). Israel was the largest supplier in 2001.

Imports of other citrus fruit juices amounted to \$166,000 in 1998, the main suppliers being Austria, Italy and Israel.

Imports of pineapple juice fluctuated considerably over the period and amounted to \$109,000 in 2001. The leading suppliers (re-exporters) were the United Kingdom and Austria.

Imports of juices of other fruit and vegetables varied substantially over the period under review and amounted to \$1.8 million in 2000. Spain, Romania and the Netherlands were the largest suppliers.



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Finally, Hungary imported \$672000 worth of mixed juices in 1996. The main suppliers were Israel, Italy and Austria.

As mentioned earlier, Hungary also imports some quantities of fruit bases (HS 21.06), which are not specified in the statistics. Germany and the Netherlands are believed to be the major suppliers.

### **Exports**

Hungary has traditionally been an important exporter of fruit juices. During the period 1998-2001 annual exports averaged about \$45 million. They peaked at \$67 million in 1996, but had fallen to about half of that by 2001.

Apple juice concentrate is, by far, the largest export item. Exports in recent years were as follows (in concentrations of 70° - 71° Brix): 25,100 tons in 2000/2001; 27,900 tons in 2000/2001; and 25,000 tons in 1997/98. The main markets are usually the United States, Germany, Austria, Canada and the Netherlands. Certain quantities of other temperate-zone fruit juices and pulps were also exported.

Smaller amounts of retail-packed fruit juices, nectars and fruit juice drinks were exported, mostly to neighboring countries in Eastern Europe and the former USSR, as well as the Middle East. The corresponding export figures are not available.

### **Market characteristics**

#### **Consumption and product preferences**

Consumption of fruit juices, nectars and fruit juice drinks is low compared with levels in Western Europe, though per capita consumption is probably higher than in most other economies in transition. According to a recent survey, per capita consumption reached 15.3 litres in 1997, of which: fruit juice drinks 8 litres, fruit nectars 4.3 litres, fruit juices 2.7 litres, and vegetable juices 0.3 litres.

However, most consumption is of beverages with low fruit content, i.e. fruit juice drinks (5-12%) or nectar (25-50%). Consumption of pure juice is very small.

The reasons for this pattern are not only that fruit juices are more expensive, but also that the traditional fruit nectars, such as apple (the most sold), grape, peach, apricot and pear, are popular amongst consumers. Even apple is mostly sold as nectar rather than as a juice.

There is, nevertheless, strong consumer interest in other products like orange. Grapefruit, pineapple and tropical mixes, but most of these products are sold as nectars and juice drinks.

#### **Product range**

Most fruit juices and nectars are marketed in carton packs. i.e. Combibloc and Tetra Pak. Retail shops offer a big range of domestic or foreign brands, mostly packed in Hungary.

The largest proportion of fruit juice drinks is sold in PVC (polyvinyl chloride) or PET (polyethylene terephthalate) bottles. Drinks are also available in carton packs.



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Some of the juices (100%), nectars and drinks seen in supermarkets during the field research undertaken in October 1998 are enumerated below. Note that not all the products offered by the processors mentioned are listed.

This list excludes a large range of bottled fruit Juice drinks, syrups, lemonades. etc., prepared from fruit juices. fruit juice bases, etc., often of domestic origin.

***Retail prices***

In October 1998, typical retail prices were as follows:

**Carton packs, 1 litre**

- Fruit Juices (100%)	Ft 99 - 169 (\$0.92 -1.56)
- Fruit nectar (25-100%)	Ft 65 - 129 (\$0.60 -1.19)
- Fruit drinks (10-25%)	Ft 59 - 109 (\$0.55- 1.01)

**Glass bottles. 1 litre**

Fruit nectar (60%)	Ft 270 (\$2.50)
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As can be seen, retail prices are high, particularly in comparison with the average monthly wage (\$295). The price variations in each category reflect different brands as well as products. In the case of fruit juices, for example, the following prices were noted:

***Importers' requirements***

The beverage industry imports various forms of fruit juice raw material, including frozen concentrated orange juice, frozen concentrated pineapple juice and tropical mixes, in addition to its requirements of fruit juices. The beverage industry also buys fairly large quantities of fruit juice bases and compounds, which are supplied by specialized companies like Dohler in Germany.

***Distribution channels***

***Foreign trade***

Where previously a few big State-owned trading companies were responsible for all foreign trade, all companies are in principle now free to import. However, for about 10% of the goods traded, including fruit juices, an import license is still needed.

It seems that Hungary currently has very few, if any, specialized importers of fruit juice, concentrate and pulp. The beverage industry and other end-users obtain their supplies either direct from origin (from Israel and Italy, for example) or through Western Europe (for instance, Brazilian orange juice concentrate from companies in Austria, Germany and the United Kingdom).

***The beverage industry***

There are about 20 producers of fruit juices, nectars and fruit juice drinks. Many of them are



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still State-owned, though they enjoy a high degree of financial and managerial autonomy. Several companies have mixed ownership, that is, they are partly State-owned and partly privatized with Hungarian and/or foreign participation. Imported fruit juice raw material is obtained as described above. Domestic products, such as apple juice concentrate and pulp of peach and apricot, are acquired from Hungarian processors.

The main companies use some quantities of imported fruit juice raw material (such as orange juice concentrate). Among these companies are: BB Foods Ltd, Elma Ltd, Garden Kit., Olympos-Top (ft.), Rauch Hungaria Kit. and Sio-Eckes Kit.

Sio-Eckes Kit is owned by Eckes-Granini GmbH & Co. KG, one of the biggest fruit juice bottlers in Germany. Rauch Hungaria Kit. is a subsidiary of Rauch Fruchtsäfte GmbH, a major bottler in Austria.

Szobi Szbrp Rt., a joint venture with Teisse re-France, produces various types of syrup. The company also offers beverages like fruit juice drinks.

The addresses of these and other companies are given in the annex.

#### **The retail trade and the catering sector**

The Hungarian retail trade is dominated by a large number of small shops, which are now mainly owned by private individuals. Many of these shops have financial problems. The number of Western-style department stores and supermarkets is growing: most of these are foreign-owned or partly foreign-owned.

Skala, a large retail organization, which is owned by a Hungarian-German holding company, has supermarkets and other retail outlets in Budapest and other major cities. When visited in October 1994, one of its supermarkets in Budapest offered a huge range of juices, nectars and fruit juice drinks, including several well-known Western brands of juice and over 10 Hungarian brands mainly of nectars and fruit juice drinks.

Another major supermarket chain, the Austrian Csemege Julius Meini, offered a smaller but also quite extensive range of juice products. The other supermarket chains in the country include Delhaize (Belgium), Spar (Austria) and Tesco (United Kingdom).

Most bottlers/packers of fruit juice, nectars and fruit juice drinks sell direct to the big retail organizations. They also sell through wholesalers, who in turn deliver to smaller retailers.

The catering trade, hotels in particular, is a fairly important outlet for juices (orange and grape mainly) and fruit nectars (peach, apricot, pear, etc.). The trade seems to obtain most of its requirements (mainly in one-litre carton packs) from wholesalers, though some bottlers may deliver direct. Some supplies also come in five-litre glass bottles.

#### **Market access**

##### ***Customs duties and quantitative restrictions***

According to the Hungarian Customs Regulations, as of September 1993 MFN tariff rates were 20% *ad valorem* for all fruit juices under HS 20.09, except for "other (non-frozen) orange juice, grapefruit juice and juice of any other single citrus fruit (whether frozen or not)", for which the rate was only 10%. The regulations grant duty-free access to fruit juices from a



number of developing countries.

During the period 1992-1994 preferential rates were introduced for juices originating in the European Union as follows: from 20% to 17% (1992), 14% (1993), 11% (1994); and from 10% to 8.5% (1992), 7% (1993), 5.5% (1994).

Though Hungary applies a quota system for certain consumer goods, trade sources say there are no quotas for fruit juices. However, an import license is required. A customs handling charge of 2%, a statistical fee of 3%, and a permit fee of 1% are charged when relevant.

In order to improve the competitive situation of domestic producers, the Hungarian Government, with effect from 1 November 1994, increased customs duties on certain agricultural products, including fruit juices. At the time of the writing of this survey, it was not clear exactly what effect this would have on imports of fruit juices. Except that importers expected sales to fall. According to trade sources, an additional tax of 9% was to be introduced in March-April 1995. No details were as yet available when this publication was being prepared.

The information on customs duties given here is indicative. Complete and up-to-date information should be sought from competent authorities and importers.

### **Market prospects**

With imports of fruit juices amounting to less than \$5 million (excluding fruit juice bases) in 1997, Hungary is a fairly small import market for these products. Though per capita consumption of juices, nectars and juice drinks has increased considerably over the last decade, the fruit content of most of these products is relatively low. Furthermore, consumers do appreciate domestically grown fruit (apricot, peach, apple, pear), typically sold as nectars. According to most trade sources, the market slowed down somewhat in 1997/98 because of the low incomes of the majority of consumers and the generally weak national economic situation.

A positive factor is the growing consumer interest in new products, which will help sales of imported juices such as citrus (mainly orange) and tropical juices. Furthermore, tourists and business travelers are more likely to favor these juices.

Per capita consumption is also expected to be pushed up by more aggressive marketing by fruit juice packers as a large number of Tetra Pak and Combibloc packaging lines have been installed in recent years. Some of these companies are comparatively successful exporters to other economies in transition.

In summary it may be concluded that the market is likely to remain fairly stagnant for some time, though growth may resume as the economic situation improves, and more consumers become willing to pay for beverages with higher fruit content. This will ultimately benefit exporters of citrus (mainly orange) and tropical fruit juices.



## **Poland**

### **Supply and demand**

#### ***Domestic production***

With an annual average output of 2.3 million tons of fresh fruit and berries during the period 1999-2001 (2.7 million in 2000), Poland is one of the largest fruit producers in Europe. The most important tree fruit are apples (1.8 million tons in 2000), plums (99,000 tons), pears (90,000 tons) and cherries. Amongst the berries, the most significant are strawberries (200,000 tons in 1998), cherries (145,000 tons, 2000), currants (195,700 tons, 2000), gooseberries (45,000 tons, 1997) and raspberries (32,500 tons, 2000).

Poland has a large fruit-processing industry, which absorbs an estimated half of the country's output of fresh fruit. However, the industry faces enormous financial and other problems. It also suffers from over-capacity and the privatization process is slow.

Poland is one of the world's largest producers and exporters of apple juice concentrate. In 1998, it produced about 130,000 tons of apple concentrate, most of which (around 100,000 tons) it exported. In 2000, the national output fell to an estimated 105,000 tons.

Poland processes other juice concentrates such as blackcurrant. Production of all juice concentrates fell from 144,000 tons in 1997 to 115,000 tons in 2000.

The country has a substantial output of ready-to-drink fruit juices and drinks for the home market and for export to neighboring markets in the East. According to trade sources, production was close to 100,000 tons in 1993 and increased considerably in 1994.

The leading companies in the fruit-processing industry include Hortex and Agros, which are discussed in greater detail on page 51.

### **Imports and exports**

#### ***Imports***

In 2001, imports of fruit and vegetable juices amounted to \$8.1 million, according to official trade statistics, which do not break down imports by type of juice. Brazil was the largest supplier with 26% of the total, followed by Germany (22%) and Italy (16.8%). The smaller suppliers included Spain (6.1%), the Netherlands (5.3%) and Austria (4.8%). Imports from Germany, the Netherlands and Austria were mainly re-exports (mostly orange juice).

No official trade statistics are available for the years immediately preceding 1997. However, the export figures of the world's major suppliers indicate that imports of the product group under review averaged \$9.7 million yearly during the period 1997-2001, Imports peaked in 1991 at about \$12.6 million.

The composition of imports by product group (estimates) is as follows; orange concentrate 70-75%; grapefruit concentrate 5%; other citrus juices 5%; and other juices, including pineapple, 15-20%.

In addition, a considerable amount of fruit juice bases, including mixtures (classified under HS 21.06), was imported during the period reviewed. No figures, however, are available.



## **Exports**

Poland has traditionally been a major exporter of fruit juices. During the period 1997-2001 annual exports averaged about \$96 million. They peaked in 2000 at \$122.5 million and fell to about \$100 million in 2001. Exports consist mainly of apple juice concentrate. The principal market is Germany, which absorbs about two thirds of all exports. Other important markets are the Netherlands, Austria, the United States, Denmark and the Russian Federation.

## **Market characteristics**

### **Consumption and product preferences**

It is difficult to estimate the apparent per capita consumption of fruit juices and similar products because of the lack of detailed foreign trade and production statistics. However, on the basis of information provided by trade sources, consumption of fruit juices, nectars and juice drinks in 1993 can be estimated at 50,000-60,000 tons in single-strength equivalent.

Retail sales account for an estimated 90% of consumption. The catering trade may have only 10% of the total, a very small share in comparison with that of the catering sector in the Czech Republic for example.

Though domestic juices and juice drinks are sold in large quantities. Imported juices have become very popular. According to some traders, orange juice, nectars and drinks are the most sold followed by apple and blackcurrant juice, nectars and drinks. The other important products based on imported raw material are grapefruit, multi-fruit and pineapple juices and juice beverages.

### **Product range**

Retail trade offers a wide range of fruit juice products, including a large choice of 100% fruit juices, which are mostly packed in cartons. Most of these products are bottled or packed by Polish companies, the two leading ones being Agros and Hortex. Comparatively few consumer-packed fruit juices, nectars and drinks are imported. These include carton-packed nectars and drinks from Hungary (BB) and juices and nectars in glass bottles from Germany (Kring).

In addition there are plenty of fruit juice drinks with low fruit content produced from local or imported fruit.

The other important end-uses for fruit juice and pulps/purees include baby food products. The leading processors of these items, Gerber Polska and BZPOW "Białystok", produce a range of items, including fruit juices and drinks. Several imported fruit products are used, e.g. apple, pineapple concentrate and banana puree.

#### **Retail prices**

Typical retail prices in October 1998 were as follows:

##### **One-litre carton packs**

- Fruit juices (100%) Zlotys 21,900 - 23,900 (\$0.94-1.03)
- Fruit drinks (<25%) Zlotys 14,900 - 17,500 (\$0.64-0.76)



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One-litre glass bottles, imported brand  
- Fruit juices (100%)  
- Fruit nectars ( 60%)

**Zlotys 39,900 (\$1.72) Zlotys 34,900 (\$1.51)**

As shown, retail prices are high, particularly in relation to the level of the consumers' purchasing power.

### **Distribution channels**

The transition to a market economy continues to affect the trading structure, and the distribution system is still undergoing considerable changes. As a result, it is often difficult to identify market participants.

### **Foreign Trade**

Where previously a few big State-owned foreign trade organizations were responsible for all imports, any company is, in principle, now free to import. As a result, many new and small enterprises have entered the import trade. These companies will often trade in any product of interest and may move on to other products or disappear from the market.

It seems that only a few Polish companies act as intermediaries in the fruit juice business today. Though some foreign suppliers operate through Polish agents. Bottlers/packers and other end-users obtain a considerable part of their requirements of citrus and tropical fruit juice raw material through intermediaries in Western Europe, notably Germany and the Netherlands. The two largest importers, Agros and Hortex, are discussed in greater detail in the section that follows.

### **The beverage industry**

Thanks to its well-developed fruit and vegetable processing sector, in particular its apple juice industry, Poland has a large number of companies in the beverage industry. These companies produce a range of goods, including fruit juices, nectars and fruit juice drinks. Both from domestic fruit and imported fruit juice raw material.

Traditionally, glass bottles have been the dominant form of retail packaging, but during the last few years carton packaging has risen greatly in importance, particularly for fruit juices and nectars. By the end of 1994, an estimated 25 carton-packaging lines had been installed in Poland, resulting in an over-capacity vis-a-vis the domestic market.

The two leading fruit juice packers for the Polish market are the former State-owned companies Agros and Hortex, which together hold about 75% of the market for this product group. Among the other important brands are Donald Duck (with an estimated market share of 5-10%), Baritpol, Ambrosia and Kesz.

Agros (now privatized) has several fruit-processing plants, including three (located in Lowicz, Pinczow and Bialystok) with a total of six Tetra Pak lines using imported fruit juice raw material. The Agros group consists of various companies involved in production, trade and services. Agros Trading Co. Ltd handles the import of fruit juices and similar products. The company is also responsible for exporting: it handles a considerable volume of exports of apple concentrate.



Hortex (currently owned by three banks and the cooperative sector) has about 10 fruit-processing plants, seven of which handle fruit juices. The plant in flora Kaiwaria has four PKL (Combibloc) lines: most of the other plants have a Tetra Pak line. The Hortex Group is also involved in transportation and the wholesale and catering sectors. Though fruit juice raw materials used to be imported direct by the individual plants, (coordinated in Oora Kaiwaria), the trade is now handled centrally by the foreign trade office of Hortex Co. Ltd. in Warsaw, which is also responsible for exporting fruit juices and other products.

These and other bottlers and packers of fruit juices, nectars and fruit juice drinks are listed in annex I.

#### **Other industrial end-users**

As mentioned above, Gerber Polska Sp. z O.O, offers a range of baby food, including juices and juice drinks sold under the Bobo Frut and Junior Frut brands. Alima-Gerber SA in Rzeszow, produces them mainly for the Polish and the French markets, though some exports go to the Russian Federation and other countries in Eastern Europe. Gerber imports the following juice concentrates: orange, lemon and pineapple. It also imports multi-fruit bases and banana puree in addition to several non-tropical products such as apricot and peach purees.

The other large Polish producer of baby food, BZPOW "Bialystok" Co. Ltd, belongs to the Agros Group. It uses a range of raw materials similar to that of Gerber.

#### **The retail trade and the catering sector**

The wholesale and retail distribution system is changing radically. One result of the privatization of consumer cooperatives and State-owned enterprises is the formation of a large number of small wholesalers and retail shops.

While the small neighborhood grocery shop continues to dominate the food and beverage trade, the retail trade is concentrating increasingly in bigger outlets. These include supermarkets and shopping centers, many of which are established by or in cooperation with major Western European retail groups.

Among the leading retail outlets are Marcpol, Spolem, PEMA 1000 (Norwegian), Sezam, Billa (Austrian), Globi (Belgian), Aldi (German) and HFT. At the beginning these companies imported almost everything, but now obtain more and more supplies from local producers.

Agros Market Co. Ltd is the wholesale and retail arm of the Agros Group. It already has several AGROS MARKET shops in Warsaw. Other retail outlets, including department stores, are planned. The company sells food products imported by Agros Trading as well as domestic products.

Hortex also supplies the food trade through a system of wholesalers, including three in Warsaw for supermarkets and hotels. In addition, the Hortex Group runs its own bars, restaurants and other catering outlets.

#### **Market prospects**

With imports of fruit juices (excluding fruit juice bases and compounds) amounting to



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between \$8 million and \$10 million in 2001, Poland is a relatively small market for these products. Though the country produces a sizeable volume of fruit juice raw material, annual per capita consumption of fruit juices and nectars is still very low compared with that of Western Europe.

There is no lack of consumer interest in fruit juices and nectars, but the majority of low-income consumers consider these products luxury goods, not to be bought on a daily basis. The situation is further aggravated by high customs duties and various taxes levied on imported products.

However, with its 38 million inhabitants, Poland remains a potentially interesting market for fruit juices, both for locally produced products such as apple, cherry, black and red currants, as well as for imported juices. Frozen concentrated orange juice will remain the biggest import item, followed by frozen concentrated grapefruit juice and tropical mixtures (mainly in the form of juice bases). Pineapple and mango are also imported, though in fairly small quantities.

In summary, it may be concluded that the market is likely to expand considerably in the future, though any major increase in per capita consumption will depend on a rise in the consumers' buying power and an improvement of the economic situation in general.



## **Markets in Asia**

### **Summary of market opportunities for Egypt**

Imports of fruit juices into the four markets covered by this market survey, i.e. Hong Kong, Japan, the Republic of Korea and Singapore, increased from US\$ 356 million in 1996 to US\$ 618 million in 1998. Corresponding to an increase of 73.5%. In terms of quantity, imports into the four markets increased from 184,741 tons to 350,541 tons during the period under review, corresponding to a rise of close to 90%. As shown, the markets in question have increased significantly, by any standard, in recent years.

Japan accounts for the largest share of imports, with 72.6% of total import value into these markets in 1998, followed by the Republic of Korea (18.6%), Singapore (5%) and Hong Kong (3.8%). Japan and the Republic of Korea are not only the two biggest markets, but they have also expanded most during the period under review, by 75.3% and 86.9% in value terms, respectively.

The major reasons for the strong increase in these two markets are that the import quota system in Japan was finally removed completely in 1992, and that a gradual liberalization started to take place in the Republic of Korea during the period under review. In all four markets covered by this survey, increased health awareness and a trend towards buying beverages with higher juice content, including 100%juices, have helped to push up sales.

Product preferences and market requirements obviously vary from market to market. However, orange juice (mainly frozen concentrated orange juice) will most probably remain the biggest import item in all four markets covered by this survey. Apple juice (mainly concentrate) is the second largest import item in Japan, and it is also a big item in Hong Kong. Grapefruit juice and other citrus juices (mainly lemon) are relatively important in Japan. Mixtures of different juices are imported in fairly large quantities in all the markets covered.

Though Japan is the biggest market for pineapple juice (mainly concentrate), this item is relatively more important in Singapore. Where it is the third largest single juice import item. Imports of other tropical fruit juices and pulps are currently fairly small in all markets, though there are some openings for exporters of these products. It is quite possible that the general interest of consumers in trying new products will stimulate sales of tropical fruit beverages through product development and aggressive marketing by major beverage manufacturers.

Japan and the Republic of Korea import almost entirely fruit juices in bulk, usually in concentrated form, e.g. frozen concentrated orange juice (FCOJ). Imports into Hong Kong and Singapore consist mainly of juices in bulk, but they are also interesting markets for retail-packed juices and juice beverages.

In conclusion, all four markets are expected to develop further over the medium-to-long term, though probably at a slower rate than during the last few years. Because of its large population, Japan will remain by far the largest market, whereas the Republic of Korea may have the highest growth rates in the short-to-medium run. Singapore is likely to remain an important market in its own right and as an exporter of retail-packed juices and juice drinks (packed in Singapore) to other markets in the region. Hong Kong is also expected to grow in importance, not least because of a growing demand for fruit juices in China.



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It should be emphasized that the competition is keen and that consumer preferences are changing rapidly in the markets covered by this study. Exporters and potential exporters from developing countries should monitor the situation carefully to take advantage of present and future market opportunities.

