

PN. ACA-124
93138

TRANSPORTATION ASSESSMENT FOR EGYPTIAN EXPORT PRODUCTS

**Report
by Pamela D. Michel
Trade/Transportation Specialist
Chemonics International Consulting Division**

December 1993

Provided to the Trade Development Center under the auspices of:

**Export Enterprise Development Project
U.S. Agency for International Development (USAID/Cairo)
Contract AID No. 263-0226-C-00-3095-00**

I. INTRODUCTION AND BACKGROUND

A. Dates and Place of Assignment

The research for the report was conducted December 1 - 12, 1993 in Cairo and Alexandria, Egypt at the Trade Development Center (TDC) as well as in respective offices of transportation carriers, service providers and private sector representatives. Report write-up was done in Washington, D.C.

B. Purpose of Assignment/Methodology

The Export Enterprise Development (EED) project funded by USAID/Egypt is designed to help the TDC and the Government of Egypt increase agricultural and light industry exports to Europe and the Middle East with a view toward generating increased foreign exchange earnings and ultimately improved incomes and standards of living for Egyptians. In recent months, EED project advisors and the TDC have been working closely with the New Desert Growers (NDG), a group of associated growers who intend to work together to expand their exports of grapes, peaches, potatoes, and other horticultural exports. Transportation will play a key role in the successful development of these exports. Under the EED project, a trade and transportation specialist was called upon to provide assistance to the local counterpart, Trade Development Center (TDC), in its collection and dissemination of transportation information relevant to the export sector.

Together with the TDC's Deputy Director for Agriculture, Ms. Howayda Edriss, the consultant met with selected representatives of TDC's private sector clientele, carriers and port authorities, with the objective of beginning the process of inventorying existing transportation services, reporting on problems/opportunities, and making recommendations for actions to be taken under the EED project. Priority was placed on meeting with current/prospective providers of transportation services with a view toward identifying those carriers which were most capable of supplying consistent, dedicated refrigerated ocean cargo services into key European and Middle Eastern markets for Egyptian exporters of agricultural products.

C. Persons Contacted

More than 30 persons were contacted in the context of the assignment, including personnel representing air and ocean carriers, freight forwarders, customs brokers, port authorities, private sector exporters representing the New Desert Growers as well as light industry, USAID, and the Trade Development Center (TDC).

A schedule of appointments and related business cards from a majority of the contacts are attached (Exhibit I-1). Highlights of appointments with carrier representatives are detailed in Section E of this report.

SCHEDULE (Pamela Diehl Michel, Trade/Transportation Specialist)

Types of visits:

- a) air cargo -- British Airways, Egyptair, Air France
- b) ocean cargo -- Lykes, Nedlloyd, Farrell, MSC, Norasia, Messina, Zim, DSR, Bulcon
- c) port authorities -- Alexandria (port), and Alexandria container terminal
- d) freight forwarders -- Egyptans (Cairo and Alexandria), ITAMCO, Orient Trade, ArabExpress
- e) US Foreign Commercial Service -- USFCS in Alexandria (John Abdelnour and Hamdy Soliman)
- f) New Desert Growers --group meeting on Tues.; indiv. mtgs (Eissa and Elaguizy)
- g) textiles -- Mz Textile company.
- h) brokers/booking agent -- Martrans
- i) USAID -- Fred Kirshstein (EED project officer), Bastian Schouten, Priscilla del Bosque
- j) TDC -- Howayda Edriss, Emad Habel Razek.
- k) Chemonics/EED project -- Rick Miller, Hilary Wilson
- l) Other short-term EED consultants -- Shachar Kardiel, Norm Mackenzie

WEDNESDAY/THURSDAY (travel)

Washington, D.C. - New York - Athens - Cairo (via TWA)

FRIDAY (free day)

Visited pyramids, Citadel, pet market, and bazaars

Lunch with: Rick Miller and family (EED), Emad Habel Razek (TDC), Fred Kirshstein (USAID), Bastian Schouten (USAID), Priscilla del Bosque (USAID)

SATURDAY (Cairo)

Review SOW with Howayda Edriss (TDC); discuss plan of work/general itinerary for week; review files and background information; begin scheduling appts via fax request.

- Dinner with Kardiel (Israeli grape expert)

SUNDAY (Cairo)

- Continue with appt scheduling.
- Meet with Rick Miller on SOW and questions
- Egyptair -- Ahmed Diab, General Manager/Cargo Sales Promotion
- ITAMCO - Ahmed Amin, (at TDC offices)
- Elaguizy Industries -- Hussein El Aguizy and Sherif Attia, European Export Specialist.
- TDC (meet with Rick Miller, 6 p.m.)
- Dinner with Norm McKenzie (business/financial plan consultant)

MONDAY (Cairo)

- MARTRANS -- Mohamed El Ghandour, Liner General Manager,
- TDC offices -- scheduling of additional appts (Cairo, Alexandria)
- British Air -- Roland Naim, Senior Cargo Officer
- Orient Transport -- Hany Mohsen, Airfreight Manager.
- Air France -- Raed Jreissati, Commercial Inspector, Alphonse Chalabi, Cargo Manager.
- TDC - Met with Rick Miller, Emad Razek, Howayda Edriss. (Call for Rick Miller from Maersk Line). Discussions re NDG and program (volumes/info)

TUESDAY (Cairo)

- EGYTRANS -- Wa'el Leheta, Chairman; Hamdy Barghout, Business Development and Marketing Manager; Mohamed El Fatatry, Air Freight Dept Chief.
- New Desert Growers -- map (production sites); need for plan, i.e., spreadsheets (projections/timing) and realism; individual meeting with Eissa Trade (Ali Helmy Eissa, General Manager) regarding potatoes. Gathered loadability info also on grapes.
- Depart via car for Alexandria, Hotel Palestine (arrived 7 p.m.)

WEDNESDAY (Alexandria)

- US Foreign Commercial Service- John Abdelnour, Senior Commercial Specialist; and Hamdi Soliman, Shipping Supervisor
- Nedlloyd (represented by Naggar Shipping). Ibrahim Hakem, General Manager.
- Alexandria Port Authority - Rear Admiral Ahmed El Sayed Hemeida, Chairman
- Zim (represented by ArabExpress). Zakaria Radwan.
- Farrell Lines -- (represented by WORMS), Zaki Chamma, Country Manager, Egypt.
- Messina -- (represented by WORMS), Ahmed Ragal.
- Lykes and DSR Lines (represented by Milmar) -- Milad Abousaif. Lunch

THURSDAY (Alexandria/Cairo)

- Alexandria Port Authority -- Hassan Fahmy El-Yazzy regarding container terminal and tour facilities (container operation, container yard, staging).
- Norasia and MSC (represented by MESCO) -- Abd El Moneim Beshir
- Egytrans (also represent Bulcon). Hussam Leheta, Deputy Managing Director for Logistics; Magdi Shehata, Deputy Manager for Logistics.
- CMA (represented by Efficotrans): note: had to cancel this appt due to time.

FRIDAY (Cairo) free day

- update notes/report
- touring (Egypt museum, camel market, tentmakers, Marriott)
- pyramids and dinner with Norman Mckenzie, Rick Miller & family

SATURDAY (Cairo)

- Mz Textile Company -- Nader Enany, Export Manager
- TDC -- spreadsheets, NDG directory, contact reports, review findings and "next steps" with Howa
- dinner with Norman Mckenzie, Imad Rezak.

SUNDAY (departure)
- Cairo - Athens - New York - Washington, D.C.

EGYPTIAN LLOYD

all Egypt

IBRAHIM HAKEM
GEN. MANAGER

Fahrer SQ.
Box : 91
31 Alex. - Egypt

Tel. : 4828133 - 4906000 - 4921818
Fax : ~~4828133~~
Tx. : 54133 - 54254 - 55996
AOH : 5962201

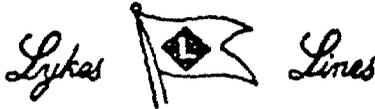
BRITISH AIRWAYS **WORLD CARGO**

Roland Naim

Sr.

8:30 - 5:30

29056/2919325
17
2916186



New Orleans La U.S.A.

3F

MILAD ABOUSAIF
SPECIAL REPRESENTATIVE FOR EGYPT

AHMED ORABI STREET
ALEXANDRIA - EGYPT

TEL. 4820.542 or 4829.441 - FAX. 4835.644
TLX: 54737 or 55653 - CABLES: MILMAR



ALPHONSE CHALABI
Chef Traitement

Khartoum - Aéroport du Caire - Tél. 673059 - 677083 - Fax 667478
Représentant Commercial : UTA - AIR AFRIQUE

MAR SHIPPING Co.
AD ABOUSAIF & Co.



شركة ميامار للملاحة
ملاحة وخدمات بحرية

ملاحة أبو سيف
MILAD ABOUSAIF
PRESIDENT

AHMED ORABI STREET - ALEX. EGYPT.
4820.542 or 4829.441 - FAX: 4835.644
54737 or 55653 - CABLES: MILMAR

أ. شارع أمهرى الإسكندرية ج. ٤٠٠
تلفون : ٤٨٢٩٤٤١ - ٤٨٢٥٤١١ - ٤٨٣٥٦٤٤
فاكس : ٤٨٣٥٦٤٤ - ٤٨٣٥٦٤٤



Ahmed Diab
GENERAL MANAGER

EGYPTAIR
CARGO PROMOTION
D.E.P.

TEL. OIK. 912812
932886
Ho. 3524945

5

MESCO Marine & Engineering Services Co.

HISHAM EL ZOHAIRO

Liner Manager
Msc Line

Head Off.: 5 Ahmed Orabi St. Manshia Alex. Tel.: 4821173 - (8 Lines)
Tlx: 54389 Mesco Un Fax: 4836958
Cairo : 36 Rouchdi St. Apdine Tel.: 3911219 - 3900606 - Tlx: 21649 Mesco Un
Port Said : 19 El GOMHORIA Str. Tel.: 324694 - Tlx.: 63417 - Fax.: 226674

MESCO Marine & Engineering Services Co.

MOHAMED GABER
Export (MSC)

Head Off.: 5 Ahmed Orabi St. Manshia Alex. Tel.: 4821173 - 4829414 - 4831523 -
4835315 - 4815158 - Tlx.: 54389 Mesco Un Fax.: 4836958
Cairo : 36 Rouchdi St. Apdine Tel.: 3911219 - 3900606 - Tlx: 21649 Mesco Un
Port Said : 19 El GOMHORIA Str. Tel.: 324694 - Tlx.: 63417 - Fax.: 226674

MESCO Marine & Engineering Services Co. *NORASIA*

HEBA ALY HATAB
N/L Exp. Deprt

Head Off.: 5 Ahmed Orabi St. Manshia Alex. Tel.: 4821173 - (8 Lines)
Tlx.: 54389 Mesco Un Fax.: 4836958
Cairo : 36 Rouchdi St. Apdine Tel.: 3911219 - 3900606 - Tlx: 21649 Mesco Un
Port Said : 19 El GOMHORIA Str. Tel.: 324694 - Tlx.: 63417 - Fax.: 226674

KARIA RADWAN



ARAB EXPRESS Co.
Shipowners Representatives
Shipping Services - Forwarding

**HORRIA STR.
XANDRIA**

TEL 4939142 / 4929706
TELEX 54175 / 54363
FAX 4909696

MESCO Marine & Engineering Services Co.

AZZA EL SARHA

Liner Manager
Norasia Line

*** Head Off.: 5 Ahmed Orabi St. Manshia Alex. Tel.: 4821173 - (8 Lines)
Tlx.: 54389 Mesco Un Fax.: 4836958
** Cairo : 36 Rouchdi St. Apdine Tel.: 3911219 - 3900606 - Tlx: 21649 Mesco Un
* Port Said : 19 El GOMHORIA Str. Tel.: 324694 - Tlx.: 63417 - Fax.: 226674

MESCO Marine & Engineering Services Co. *NORASIA*

DR. SONIA MARIE
N/L Deprt

*** Head Off.: 5 Ahmed Orabi St. Manshia Alex. Tel.: 4821173 - (8 Lines)
Tlx.: 54389 Mesco Un Fax.: 4836958
** Cairo : 36 Rouchdi St. Apdine Tel.: 3911219 - 3900606 - Tlx: 21649 Mesco Un
* Port Said : 19 El GOMHORIA Str. Tel.: 324694 - Tlx.: 63417 - Fax.: 226674

MESCO Marine & Engineering Services Co. *NORASIA*
5 Ahmed Orabi St. Manshia Alexandria



COMMODORE
ABD EL MONEIM BECHIR
TREASURER

PHONE : 4821173
FAX : 4836958
TLX : 54389 MESCO UN



ZAKI CHAMMA
COUNTRY MANAGER
EGYPT

FARRELL LINES INC.

VIA FIASELLA 1
GENOVA, ITALY
P.H. 630.031
TLX. 270104
FX 5531380

WORMS - 37, Bagdad Str.
Heliopolis-Cairo, Egypt
Ph. 668.461
Tlx: 63740 WORMS

WORMS - 8, Beni El Abbas Str.
Alexandria, Egypt
Ph. 4820374/4834185/4825572
Tlx: 54521 WACS
Fx 4836361

WORMS
I.A.C.S.

Mossina

Ahmed P. Ragab
Managing Director
Worms Alexandria Cargo Services

8. Beny El - Abbas St.
P. O. B. 2234 Alexandria
Tel. : 4825572 (4 Lines)
Fax : 4836361 WORMS
Tlx. : 54521 WACS UN

I-6

Cairo office
37 Bagdad St., Heliopolis
P. O. Box 193
Tel. : 2919633
Fax : 666461

Va el Lohda
CHAIRMAN



EGYTRANS

EGYPTIAN TRANSPORT & COMMERCIAL SERVICES Co. S A E

ADDRESS : 21 AHMED ORABI STR. MOHANDSEEN - CAIRO
Tel : (02) 3448787 - 3479925
Fax : 92404 - 20498 GTRANS UN FAX : (02) 3450761



Mohamed El Fataty

1st. Cairo Branch MGR. for A/F Affairs
and Air Freight Dept. Chief



EGYTRANS

EGYPTIAN TRANSPORT & COMMERCIAL SERVICES CO S A E

ADDRESS : 21 AHMED ORABI STR. MOHANDSEEN - CAIRO
(02) 3448787 - 3479925
92404 - 20498 GTRANS UN FAX (02) 3450761



Hamedy Barghout

Business Development
& Marketing Manager



EGYTRANS

EGYPTIAN TRANSPORT & COMMERCIAL SERVICES CO. S.A.E

ADDRESS : 21 AHMED ORABI STR. MOHANDSEEN - CAIRO
(02) 3448787 - 3479925
92404 - 20498 GTRANS UN FAX (02) 3450761



Hussam Lohda
Deputy Managing Director
Logistics



EGYTRANS

EGYPTIAN TRANSPORT & COMMERCIAL SERVICES CO. S.A.E

KAMEL MORSY STR. SHATBY - ALEXANDRIA
(03) 5964696 (5 LINES)
55741 EGYF UN - 54044 EGYT UN
(03) 5950193



Magdi Nohata
Deputy Manager Logistics



EGYTRANS

EGYPTIAN TRANSPORT & COMMERCIAL SERVICES Co. S.A.E

KAMEL MORSY STR. SHATBY / ALEXANDRIA
Tel : (03) 5964696 (5 Lines)
Fax : 55741 EGYF UN / 54044 EGYT UN
Fax : (03) 5950193



الشركة الدولية للنقل والخدمات الملاحية (ش.م.م.)
INTERNATIONAL TRANSPORT & MARITIME SERVICES CO. L.L.C.

Ahmed Amin
Marketing Department

CAIRO

16 Dr. Anwar El Mofly St., Tiba Center 2000
Nasr City - Tel. 2613715/18 - 2604718
Fax: 2613719 - Tlx.: 21769 MERCA UN

ALEXANDRIA

4, Mohamed Massoud St.,
Wabour El Mayah - Tel. 4202091/92
Fax: 4203224 - Tlx. 54492 MERAL UN

Mohamed A. El Ghandour
LINER GENERAL MANAGER
MARTRANS

Phone : 5748472
Tlx : 92243

Home : 5440425
Fax : 5742995

ORIENT TRANSPORT

Hany Mohsen
Airfreight Manager

Orient Transport Co. Ltd.
Cairo International Airport
Air Cargo Dawlia Terminal
Room 23/24
Tel.: 2914255/66/77/88
ext. 4455
Direct & Fax.: 669237

DC - EGYPT
ADE DEVELOPMENT CENTER - EGYPT

Howayda S. Edriss
Deputy Director Agriculture

Box 28 Giza 12211, Tel. : (202) 627 006/570 2511
Tower Bldg., Floor 24, (202) 570 2532, 43/54/65/86
Giza St., Giza, Egypt Fax: 623 120 Tlx. 93550 USEBC UN

EISSA TRADE
ALI HELMY EISSA & CO
EXPORT - IMPORT - TRADE



ALI HELMY EISSA
GENERAL MANAGER

Ali Helmy Eissa *Quin & partners*

70, GAMEAT EL DOWAL AL ARABIA ST. P.O BOX 77 MOHANDSEEN
GIZA, EGYPT. TEL. (02)3606385 - 3498044 FAX (02)3462066 TLX. 21285

C - EGYPT
DE DEVELOPMENT CENTER - EGYPT

Emad Abdel Razeq
Executive Director

Box 28 Giza 12211, Tel. : (202) 627 006/570 2511
Tower Bldg., Floor 24, (202) 570 2532/43/54/65/86
Giza St., Giza, Egypt Fax: 623 120 Tlx. : 93550 USEBC UN

Hussein El Aguizy

21, Guiza St Nile Tower Bldg., 9th Floor, Egypt
P.O.Box 1779 Cairo Tel. : 5702645 Fax : 5702646



INTERNATIONAL

KHALED SADEK
Assistant Sales Manager
EGYPT

CAIRO RAMSES HILTON
1115 Corniche El Nil, Cairo Tel: 777444 - 5744400
Tlx: 94262 HIRAM UN Fax: (202) 757152

Sherif Attia
European Export Specialist

7

ELAGUIZY INDUSTRIES



OFFICE : 21 Giza St. (Nile Tower) 9 th floor - P.O.B. 1779 Cairo
Tel : 5702645 - Fax : 5702646
FACTORY : Sadat City - Third Industrial Zone - P.O.B. 68 Sadat
Tel : (049) 201079 - Fax : (049) 200730



Maady office

*Tel : 3515 870
Fax : 378 1280*

Engineer
Mader A. Enany
Export Manager

EL FAYOUM STR, DAR EL SALAM
(11716) MAADI - CAIRO 298

TEL. { 0-188016
3180558
3182775
FAX: 3180357
TLX: 20230 ZAFRN. UN

8



JOHN ABDELNOUR
SENIOR COMMERCIAL SPECIALIST

AMERICAN CONSULATE GENERAL
AVENUE EL HORREYA
ALEXANDRIA - EGYPT

TEL. 4821911
4825607
FAX 4838830



Hamdi M. Soliman

SHIPPING SUPERVISOR
AMERICAN CONSULATE GENERAL
ALEXANDRIA

4821911
4828438
5482130
4828179 4838830

R. Admiral
Hassan Fahmy El-Yazzy
Consultant in Alexandria Container and Handling Co.
Member in Port Said Container and Cargo Handling Co.

Office 809209
Home 03/ 4829961

Alexandria Port Authority

Admiral
AHMED EL SAYED HEMEDA
Chairman

EL HORREYA ROAD
ALEXANDRIA - A. R. E.

TEL. : 481100
TEL. : 4816 UN
FAX. : 482716

II. SUMMARY

The scope of work for this assignment called for reviewing background material, meeting with key contacts related to transportation in Egypt, and generating pieces of transportation information useful to the TDC and New Desert Growers in the development of their exports (terms of reference are shown in Exhibit II-1). Findings are described in the sections shown below:

- A. Background Information on Agricultural Export Products Planned for the 1994 season
- B. Target Markets for Egyptian Exports (map)
- C. Farm locations for Egyptian Agricultural Products (3 maps)
- D. Transportation Services (air and ocean matrices)
- E. Carrier Contact Reports
- F. Transportation Rates
- G. Problems/Issues
- H. Resources: "Tropical Products Transport Handbook" and "Agricultural Export Transportation Workbook"

In addition to bound copies of the report, a separate unbound version is being provided to TDC so that sections may be used independently of one another, updated, and distributed. The consultant's "Recommendations/Next Steps" and "Additional Observations/Suggestion for TDC and the NDG are found at the end of the report, following the summary.

EXPORT ENTERPRISE DEVELOPMENT PROJECT
Contract No. 263-0226-C-00-3095-00

SCOPE OF WORK

**TRANSPORTATION SPECIALIST
(SHORT TERM)**

BACKGROUND:

The Export Enterprise Development (EED) Project sponsored by USAID/ EGYPT is designed to assist Egypt to increase private sector exports and foreign exchange earnings. The project is based on two premises, that Egypt needs:

- to increase its exports to earn more foreign exchange, and
- to introduce Egyptian producers to foreign markets and hence to the requirements of international competition.

The project has been targeted to focus activities on two export sectors--vegetables and fruits (non-citrus) and light manufacturing. In addition, the project will concentrate on introducing and expanding exports in these product categories to two principal target markets --Europe and the Middle East.

The project will work within a two-tier strategy. The two-tier approach is based on the industrial structure of the target product areas with the greatest potential. The EED project will primarily finance assistance to support firms within the first tier--those most likely to achieve near-term increases in exports.

The project is being carried out by the Egypt-U.S. Joint Business Council (JBC) over a five-year period. The Trade Development Center (TDC), the action arm of the JBC, has primary responsibility for implementing the project.

Consistent, reliable, and cost-efficient air and ocean transportation of export products to key target markets in Europe and Asia will be essential to the **sustainability of exports** initiated under the EED project through the TDC. It has been noted in both project documents pre-dating the technical assistance contract that transportation has been considered a key area for improvement as noted by AID and other donor groups, such as The World Bank. In more recent discussions, the USAID/Egypt project officer for the EED project, Fred Kirchstein, has indicated that there is a need to analyze current transport regimes, i.e., review existing carrier services against export needs anticipated under the project, highlight problems and opportunities, and propose practical solutions for their resolution (Phase I). TDC, together with private sector firms in TIER I--particularly light industry and agricultural

firms--would play a key role in Phase II by implementing the recommendations. TDC would also perform an important role related to the sustainability of reliable, consistent transportation services, which could well include monitoring of services, dialogue/negotiation with carriers regarding rates/services, dissemination of key pieces of information to the private sector on a systematic as well as on-request basis, and where feasible, coalition-building. This type of action can be used successfully toward effecting necessary legislative changes, communicating a message from multiple users of transportation, and so forth.

In the early stages of the project, there is already considerable interest in bringing about a service (or building on existing ones) in response to the needs of the evolving Premium Brand System (PBS) and New Desert Growers (NDG) organized through the TDC. The September 1993 retreat and work plan session indicated that additional analysis along commodity lines of several prospective export products should be done, not only in production, but also in post-harvest handling and transport, yielding some basic but essential baseline information for the project. Although it is anticipated that a 7-10 day service is needed for the Agricultural Marketing Company, the first step to making this a reality is to inventory existing services (pros and cons), build where possible on improving those services to the levels required under the project, and negotiate with the most viable carriers a service which is suitable to the projected needs of the New Desert Growers during the coming season.

STATEMENT OF WORK:

The transportation specialist, together with a designated TDC staff person, will meet with key representatives of TDC's private sector clientele, carriers and port authorities, with the objective of beginning the process of inventorying existing transportation services, reporting on problems/opportunities, and making recommendations for actions to be taken under the EED project for their improvement. Primary emphasis will be placed on meeting with current/prospective providers of consistent, dedicated refrigerated ocean cargo service into key European and Middle Eastern markets, particularly the United Kingdom, which is the intended market for first season exports by the New Desert Growers. These meetings will build on discussions to date, e.g., Sea-Land Service and Maersk shipping companies. The inventory process will be initiated under this assignment, but additional and more comprehensive contact with the carriers will rest with the TDC staff-designee, as the consultant will devote "prime" time in Egypt to the issue of agribusiness and a service for this season's anticipated exports for the New Desert Growers.

DUTIES:

1. **Background reports** -- Review all relevant reports, studies and data already collected by the contractor, USAID/Egypt, the TDC, and any additional sources of information and "lessons learned" from the experiences of similar export promotion organizations in other countries. (Note: TDC and the EED team will send these documents via pouch to Chemonics home office so that they may be reviewed in advance of the visit to Cairo, and to do following-up/clarification is necessary, e.g., with the World Bank.).

2. **Clarification on SOW priorities -- Meet with project long-term contract team, TDC staff, and USAID/Egypt project management to gain a clearer understanding of what is expected under the terms of the SOW, and efforts to date which impact on the task at hand. (1-2 appointments)**
3. **Review with TDC staff counterpart scheduled appointments, and outstanding needs (appointments, drivers). (1 appointment)**

Note: Designated TDC staff counterpart(s) will assist in preliminary scheduling prior to arrival of consultants, will make additional appointments as requested, and will accompany consultants on some appointments (training, background). This process will help to assure maximum utilization of consultants' time during allocated stay in Egypt, and will facilitate continuity of recommendations/implementation of program related to transportation.

4. **Meet with key representatives of the New Desert Growers regarding prospective needs related to transportation. (Note: One group meeting organized by TDC, as well as some individual meetings) (4 appointments)**
5. **Meet with key business associations stakeholders from the Egyptian private sector. Subjects to be covered include current/prospective air and ocean transportation needs, and experience with existing services. (10 appts)**
6. **Meet with existing air and ocean carrier representatives to gather information on current services to key markets targeted under the EED project. Emphasis will be placed on refrigerated ocean cargo companies (personal interviews at carriers' offices - minimum 5 appointments).**

Subjects to be covered include:

- a) Carrier name/key contact/responsibility
- b) Type of service (LO/LO, RO/RO, break-bulk), reefer/dry, types of equipments, frequency of service, and deployments.
- c) Ability to provide consistent service on 7-day basis to key European and Middle Eastern markets; especially into the UK.
- d) Current operational problems/opportunities with exporters.
- e) Overview of EED project goals/objectives and developments to date, e.g., New Desert Growers Group. Review products, timing, volumes, markets. (note: spreadsheet on prospective needs to be prepared by EED team leader and TDC).

- f) Current operational or institutional problems related to ports, customs, regulations in general related to doing business in Egypt (e.g., port congestion of an institutional nature; regulations regarding the port/labor; customs delays)
8. Meet with key airport and port authority representatives and customs officials in Cairo (airport), Alexandria (port and possibly airport), Said (port), and Suez (port) regarding infrastructure/equipment, problems/opportunities, future plans (e.g., meetings regarding expansion, equipment, and warehousing desirable, but only if time permits. This would be important to the reefer side of the business, too, as problems often occur at the port.)
 9. Contact the Foreign Commercial Officer in Cairo regarding the transportation study (progress-to-date and scope) to glean useful information and avoid duplication of effort. (telephone contact may be sufficient)

PRIORITIES AND VENUE:

The major emphasis of this assignment is the need for a dedicated refrigerated ocean service between Egypt and key European ports (especially Felixstowe). The team leader is in agreement that a more comprehensive analysis including the dry cargo services (both air and ocean) is warranted, but this assignment will concentrate primarily on agriculture. The process for obtaining key pieces of information (useful as well for dry cargo and light industry) will be imparted to the TDC staff, so that the completion of the inventory may be done by TDC staff. This is key as it is conceivable that some of these could become refrigerated carriers as volumes build related to agriculture and light industry exports, and agriculture exporters will look to have multiple choices in selecting their carriers, rather than be limited by a single carrier's service (i.e., harvesting schedules necessitate this, as to operational issues).

The scope-of-work defined above will require approximately 20 appointments. Some of the contacts will be group sessions, organized at TDC, e.g., New Desert Growers. Other will require visits to offices in Cairo, e.g., carrier representatives and certain exporters. It is suggested that visits also be made to key ports, especially Alexandria but possibly Said and Suez as this is the only way in which infrastructure can be assessed, and key representatives from port authorities will be located in these areas, not Cairo.

RESPONSIBILITIES BY EED STAFF AND TDC:

Because of the contemplated rigorous schedule, the advisor will rely on receiving solid support for the assignment, both prior to the stay in Egypt and on-site. The team leader will designate a counterpart from TDC staff who could help with preliminary identification of materials, key carrier contacts, appointment scheduling, and accompanying the advisor on some of the visits. In advance of her visit, the advisor will be sent the following information via pouch or fax:

1. **Background information** -- Reports from TDC files, World Bank reports, memos and notes related to transportation (reports commissioned, actual lists of carriers/contacts, contacts made to date, e.g., Sea-Land and Maersk).
2. **New Desert Growers** -- Overview of players, plus a spreadsheet of information by company according to current/prospective exports by commodity, origin and destination point, mode of transport, volumes, load-abilities (if possible), and time-frame (case counts or container loads by week or month).
3. **Definition of markets** -- List of key markets in Europe and Middle East (country, port (if possible), and point (if possible)).
4. **Identification of location of existing packhouses** as well as prospective plans, capacities, and proximity to origin points/ports.
5. **Contact information** (telephone, fax) for Larry Jensen, Foreign Commercial Officer/Cairo.
6. **Contact information for carriers, port authorities** -- Any lists of carriers from TDC files, carrier representatives (especially decision-makers), contacts to date (Sea-Land, Maersk). If TDC does not maintain this information in its files, please fax air and ocean company information from the telephone book (pls include a fax number as well). Note: The intention is that with the preliminary information, the advisor will send a standard fax to a target list, informing them of the project, estimated dates in-country and interest in meeting with decision-makers, e.g., country manager, marketing manager, operations. The fax will also indicate name of TDC counterpart who will be helping to schedule appointments. By the time the transportation advisor arrives, a skeleton schedule of appointments should have been set up.

TIMING/DURATION OF ASSIGNMENT AND REPORTING RESPONSIBILITIES:

The transportation specialist will report directly to the EED team leader, John R. Miller, for overall guidance and direction on the assignment. The specialist will work on a day-to-day basis with appropriate members of the TDC staff and various other stakeholders. The executive director of the TDC and the USAID/Egypt projects officer will also be actively participating in providing guidance and direction throughout the assignment.

The preliminary research, in-country information-gathering and post-travel report write-up, including findings and recommendations, will take about 2 weeks (late November, first half of December 1993).

Some of the initial research can be done from the U.S. With the assistance of TDC and the project officer, appointments will be made with carriers, private sector exporters, and port authority representatives to assure better utilization of time once in Egypt.

In addition, the findings will be organized for a short in-country briefing, prior to the writing of the report.

ANTICIPATED OUTPUTS:

It is expected that as a result of this assignment, EED project managers, along with the TDC will receive:

- the preliminary basis, a "skeleton" matrix of some of the key ocean and air services to key destination markets (i.e., a format which is suitable for completion by TDC as well as for monitoring/updating/disseminating key information to private sector users in-country and foreign importers);
- select maps of Egypt/Europe/Middle East showing key information related to ports;
- a report detailing meetings and negotiations with carriers regarding service, interest in providing the 7-10 day service to the UK, as well as findings with respect to problems, opportunities, and recommendations. It should also detail negotiations with respect to start-up, equipment, and transport rates -- what has been decided, what aspects/actions remain and responsibilities by respective parties. This baseline report, having involved many of the interested players in the industry, should serve as the basis for key areas of action under the EED project related to transportation, including enhancement of existing services as well as start-up of new ones; and
- basic information to be distributed to Egyptian agricultural exporters regarding loading patterns and commodity information, which will be useful to their operational challenges in conjunction with exporting.

QUALIFICATIONS:

Ms. Pamela Michel, our proposed transportation specialist, brings to this assignment considerable private sector experience in the transportation sector. In addition, she has worked in marketing, pricing/rates, strategic planning, operations, problem-solving related to transportation services in developing countries, and successfully implemented programs which have resulted in more reliable and consistent services for exporters in the agricultural and light industry sectors.

**BACKGROUND INFORMATION ON AGRICULTURAL EXPORT PRODUCTS
PLANNED FOR THE 1994 SEASON**

3

A. Background Information on Agricultural Export Products Planned for the 1994 Season by the New Desert Growers (NDG)

Prior to arrival in Cairo, the consultant reviewed workplans and documents generated during the September retreat. Ms. Howayda Edriss, provided the consultant with selected information from TDC files -- background on the European market, some information on EC legislation, and yearly historical volumes of some export products. The EED Project Team Leader, Rick Miller, provided highlights of intended export product tonnages and markets under the NDG project. Additional pieces of information were added or clarified throughout the assignment.

Unfortunately, the preliminary data contained some gaps, e.g., not all NDG grower information had been received by TDC, volumes were reflected in tonnages rather than containerloads or pallets, timeframes were shown in months rather than weeks. In addition to completing the information, it also needed to be re-formatted in a manner which could be easily transmitted to carrier representatives for their quick review or for their referral to decision-makers.

As a result, the consultant has taken background information on each of the three export products and reproduced it in a standardized format which could be easily updated. If additional products are added to the NDG exports, these could follow the same format. The basic use of the information is for communication purposes -- to use in 1) dialoging with the transportation carriers, forwarders/customs brokers; 2) discussions with with David Levin, or importers; 3) internal planning among the NDG growers and TDC; and 4) providing a quick synopsis to advisors to the project by capturing the "basics" on the NDG, i.e., a "shortcut" to the issues which most short-term advisors would need early on in conducting his/her assignment. This document is entitled "Background Information on Agricultural Exports for the 1994 Season" and is shown on the following pages.

Action: The background information should be circulated among NDG members, updated if necessary, and disseminated to transport carriers and service providers. It should also be provided to consultants to the project as part of their background reading material.

file: background

BACKGROUND INFORMATION FOR 1994 SEASON
(as of December 10, 1993)

NEW DESERT GROWERS (NDG)

The following information is to be used internally among NDG and Trade Development Center (TDC), as well as shared with air and ocean carriers, agents, freight forwarders and customs brokers in shipping community. These highlights are the preface to a more detailed plan (specific weekly projections and equipment needs) to be presented and discussed with carriers well in advance of shipments.

Notes on abbreviations:

1. New Desert Growers = NDG
2. Ocean Container or trailer = TL
3. Preferred trans = Preferred mode of transport (air vs. ocean), and equipment types.
4. Port/Airport of Discharge = POD
5. Terms of sale = TOS
6. Port/Airport of Loading = POL
7. Kilogram = kg
8. Origin Point(s) for Cargo = Org Pt.
9. Destination Point(s) = Dest. Pt.

POTATOES (New Desert Growers, as of December 10)

Volume: Minimum 1000 tons (approximately 40 40-foot TLs); maximum 5000 tons. (equates to about 200 40-foot TLs). Note: Estimated container numbers calculated based on projected tonnage using loadability factors provided below.

Pref Trans.: Ocean

Equipment: Preferred refrigerated ocean containers (40-foot reefers), particularly into northern European ports during winter months. Depending on POD and terms of sale (TOS), there is some possibility that open tops or ventilated vans could be used to southern European ports. This would largely depend on climatic conditions between port and inland destination, cargo transfer costs at POL, and inland trucking costs and equipment. These details need to be worked out with consignee.

Loadability: 20-foot TL = 15 tons (750 bags @ 20 kg/bag)
40-foot TL = 24 tons (1200 bags @ 20 kg/bag)
Floor-loaded (not on pallets)

Period: Mid-January through mid/end of March 1994 (6-8 week period)
Cargo to move fairly evenly throughout.

Package: Either 20 kg jute bags or 25 kg jute bags (depending on market requirements).

Markets: N. Europe (Belgium, Holland, Denmark)
Central Europe (Switzerland, Austria)

Note: destination markets will not include traditional markets (UK or Germany).

Org Pt(s): (refer to attached map for farm locations)

POL: Alexandria or Damietta

POD: Antwerp or Rotterdam (for cargoes destined to N. Europe); La Spezia (for cargoes destined to southern or central Europe, e.g., Switzerland and Austria. Options on southern route: via ocean to La Spezia, trucked in same container to inland point (container redelivered to agreed-upon inland point rather than back to La Spezia); or consignee arranged trucking from La Spezia (cargo may have to be transferred).

Dest Pt: to be advised, according to markets shown above.
NDG Shippers: (refer to NDG directory).

PEACHES, New Desert Growers (as of December 10, 1993)

Volume: 75-100 tons

Pref trans: air cargo

Equipment: air cargo containers

Loadability: (need to calculate according to air cargo containers offered by carriers; check with carriers regarding dimensions)

Period: April 15 - May 15, 1993 (note: this period represents "market window" for Egyptian peaches; occurs prior to Spanish product in marketplace). Expected move approximately 15 tons per week.

Package: 4-kg box

Markets: Start with London and Bremen; later, Switzerland, Austria and Belgium.

Org Pt(s): Refer to attached map for farm locations.

POL: Cairo, Egypt.

POD: London, Bremen, possibly Antwerp or Amsterdam.

Dest pt(s): London and Bremen; points in Switzerland, Austria and Belgium to be advised.

NDG Shippers: (refer to NDG directory)

GRAPES (New Desert Growers, as of December 10, 1993)

Volume: Approximately 1500 tons for 1993 as follows:
King Ruby variety: 500 tons (100,000 cartons @ 5 kg each, or 45 TLs)
Thompson seedless: 600 tons (120,000 cartons @ 5 kg each, or 55 TLs)
Flame seedless: 400 tons (80,000 cartons @ 5 kg each, or 36 TLs)

Pref transport: ocean, however, due to short European windows, ocean transits, it is likely that some grapes will have to moved via air.

Equipment: If moving via ocean, then 40-ft ocean reefers
If moving via air, then air containers

Period: King Ruby: July 25 - August 30; then August through third week November.
Thompson Seedless: June 15 - July 20 (note: this movement could extend into August; market window is until July 15 as after this period Egyptian grapes are subject to increased duty.)
Flame Seedless: June 5 - July 10 (note: like the Thompson seedless, good market window until mid-July).

Package: 5-kg carton (net); 5.650 (gross). Palletized.

Loadability: 2200 cases @ 5 kg each into 40-foot ocean container
(Note: for air cargo, contact air carrier regarding dimensions of air cargo container).

Markets: King Ruby: England, Germany (Bremmen), Jeddah, Dubai (Europe being main markets).
Thompson Seedless: UK as main market, followed by Germany, Jeddah, Dubai.
Flame Seedless: UK as main market, followed by Germany, Jeddah, Dubai.

POL: Alexandria or Damietta (if via ocean).
Cairo (if via air)

GRAPES (Cont'd)

POD:

To England or Germany, options include:

- 1) via ocean into northern ports: Felixstowe, Antwerp, Hamburg, or Rotterdam;
- 2) via ocean into southern ports, then trucked north: via La Spezia.
- 3) via air into London, Frankfurt, Bremen, Amsterdam.

To Middle East:

- 1) via ocean to Jeddah or Dubai.
- 2) via truck to Jeddah (using reefer trucks/ferry). (note: this option is about 48 hours, costs about \$2400; requires Saudi visa for trucks 15 days in advance).
- 3) via air to Jeddah or Dubai.

Org Point(s):

(refer to map showing farm locations and packhouse)

Dest Point(s):

(to be advised based on TOS; likely to key ports/airports)

NDG Shippers:

(refer to 8 shippers on NDG directory)

TARGET MARKETS FOR EGYPTIAN EXPORTS (MAP)

B. Target Markets for Egyptian Exports (map)

As shown in the preceding section highlighting information on three export products, the NDG will try to market their exports to both European and Middle Eastern markets. While growers within the NDG organization have individual export experience, this is the first time that they will attempt to export collectively under a brand name, and many of these exports will be destined for new markets, i.e., markets which in some cases are not the traditional destination points for established Egyptian exports.

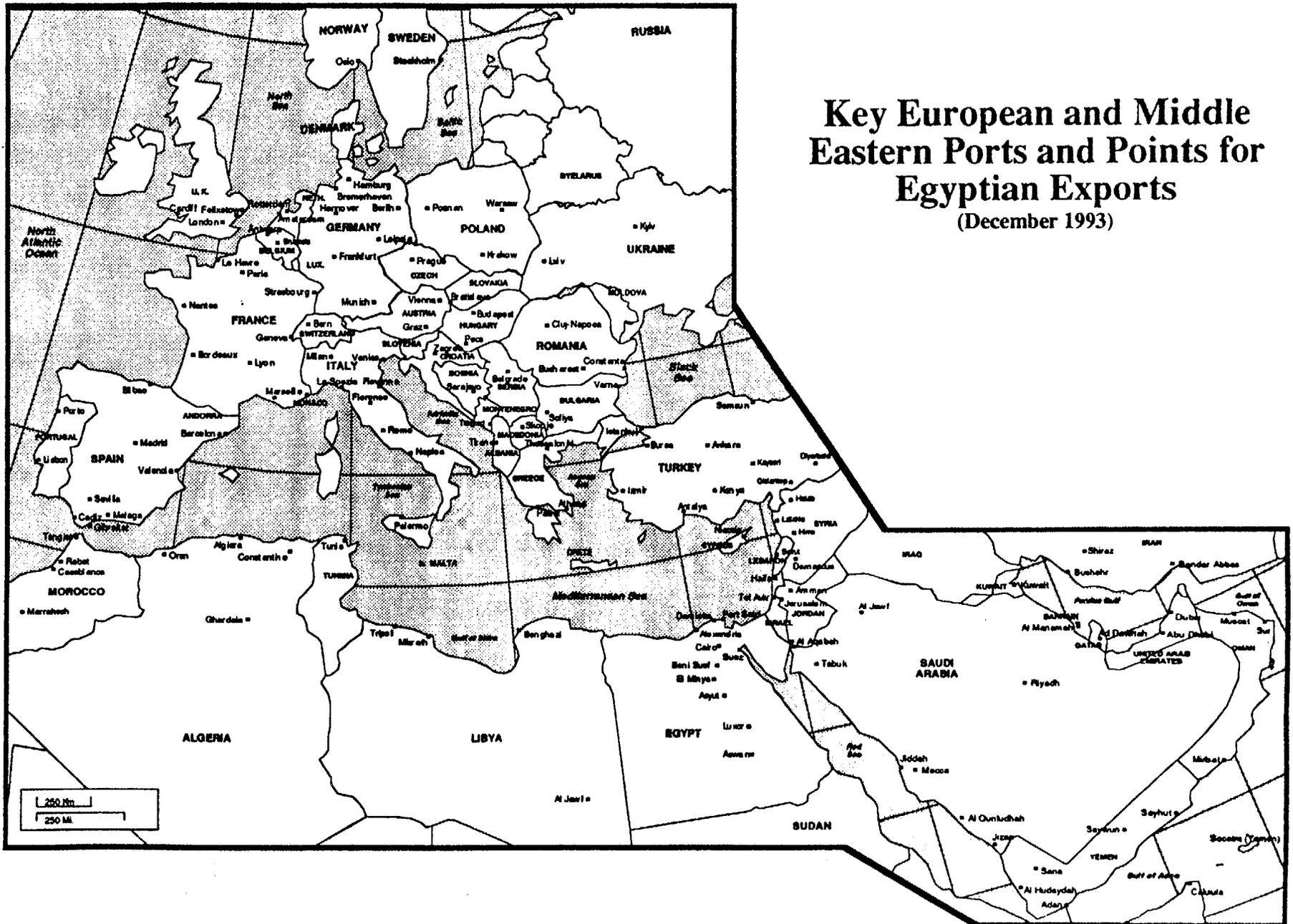
A basic first step (and one that is often overlooked in new export ventures) is to develop some visual tools which capture solid information at a glance, have multiple uses, and which can be easily transmitted via fax. One such tool is a "markets and ports" map highlighting intended markets, destination cities and countries, principle ports and airports.

The map on the following page details key European and Middle Eastern markets as well as principle ports/airports. It is a very useful tool for dialoging with both air and ocean carriers regarding their schedules and deployments and whether their is a "fit" with planned Egyptian exports to a given market, and if so, which port pairing, e.g., Alexandria - La Spezia, is most suited to the ultimate market. The decision to select a given carrier begins with the schedules and acceptable routings. Other important considerations for perishables as well as light industry products of a "just-in-time" nature include: frequency of service, i.e., how often the service takes place, e.g., daily, weekly, fortnightly, and transit time (number of hours in the case of air cargo, and number of days in the case of ocean cargo for product to arrive at its destination.

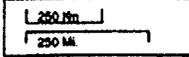
It is worth noting that the most suitable and cost-effective way of moving the cargo is not necessarily to ship it via the closest port/airport to the destination market. With the advent of intermodalism and its impact on the changing EC trucking regulations, it may make sense for the NDG to consider shipping to a southern European port (shorter transit from Egypt), and trucking the cargo to market (additional days in transit), rather than a longer transit at sea. Terms-of-sale will also be a factor in dictating certain routings. Using a regional map of Egypt, the European continent, and some Middle Eastern countries, one can more easily understand how "invisible lines" begin to be drawn regarding the "natural" entry points for the products. This is especially important as some of the newer markets contemplated by the NDG are located in central Europe, or interior locations. It is recommended that the map also be used in combination with the service matrices (Section D) and the recommendations found at the end of the report.

Key European and Middle Eastern Ports and Points for Egyptian Exports

(December 1993)



91-II



92

FARM LOCATIONS FOR EGYPTIAN AGRICULTURAL PRODUCTS (3 MAPS)

C. Farm Locations for Egyptian Agricultural Products (3 maps)

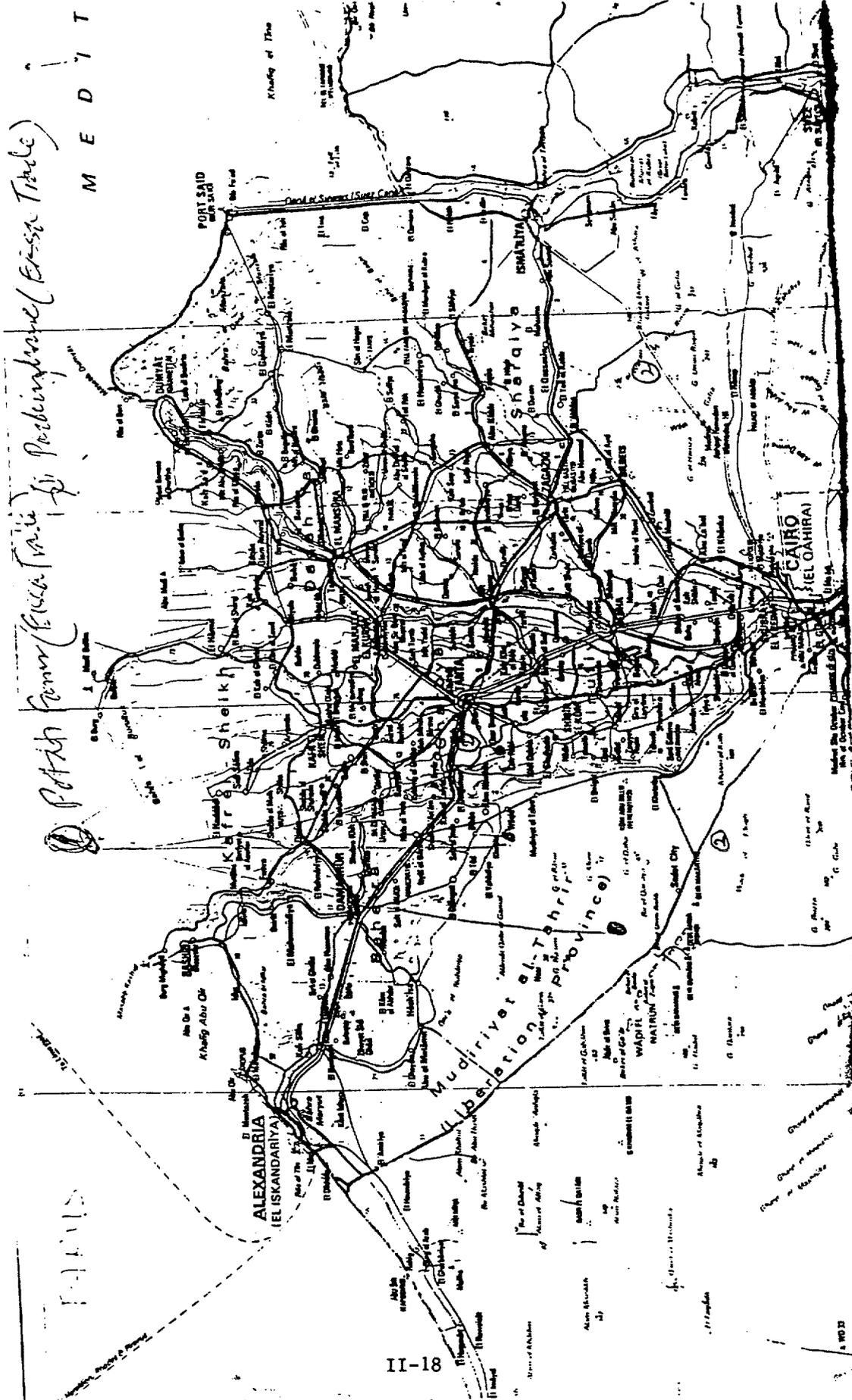
The "markets and ports map" shown in the previous section should be supported by supply-side information -- maps showing production sites in Egypt for the various export products. By identifying the farms on a map, the opportunities for realizing some economies of scale (production, grading, packing and packaging, transportation) are further clarified. At a glance, one can identify the name and farm locations for the two potato shippers, four peach shippers, and the eight grape shippers.

In contrast to most container transport movements where containers are loaded at the origin site (farm, packhouse, or plant), the general practice in Egypt is that cargo must be taken to the port/airport and "stuffed" there. The NDG will have to consider both the costs and the logistics of how the internal transportation in Egypt will be handled, whether to opt for centralized grading at a packingshed such as the one near Sadat City, or to pack, grade and ship directly from the shipper's own farm. Other issues include who will handle the trucking and the stuffing between the farms, packingsheds, Alexandria and Damietta ports, and Cairo airport. Because agricultural products are subject to damage caused from rehandling, these details are important.

While the various export products and farms of the NDG (grapes, potatoes, peaches and possibly melons) could be graphically shown on a single map using color coding and various product images in the legend to denote exports, it is preferable to create separate product maps in black-and-white (colors don't fax well, and if there is too much information, the map loses its utility). If farm locations change (or new ones are added), it is easy to update the product maps.

During the consultant's visit, the NDG growers were asked to mark the location of their farms on three different product maps (one each for potatoes, grapes, and peaches), and to label them according to the shipper name (note: carriers tend to use the name of the company (shipper), not the individual). The draft maps are attached.

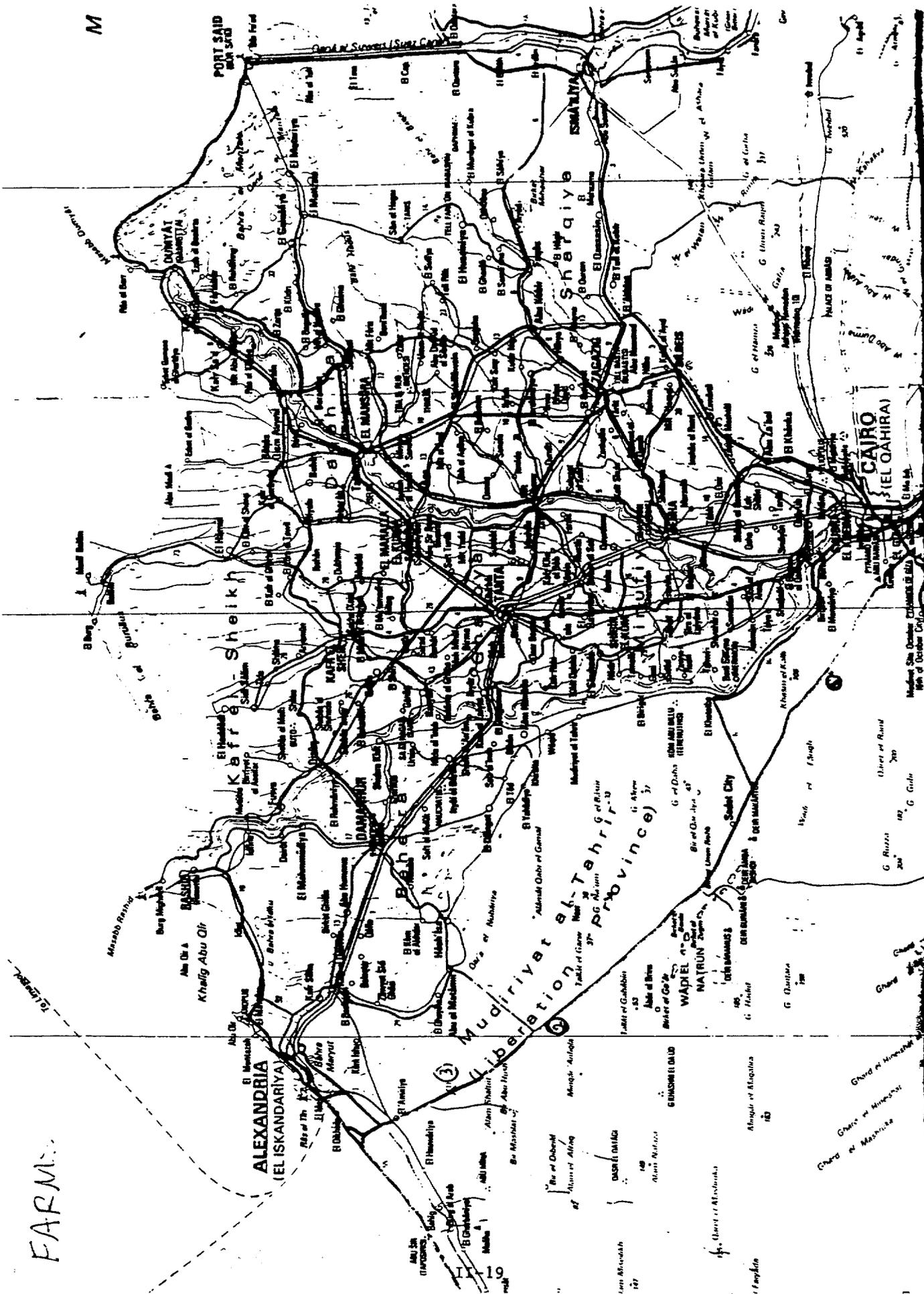
Action: There remains a small amount of information to be gathered from NDG members not present at the meeting. This should be included on the maps and produced by the TDC; copies of the product maps should be circulated internally among the NDG and disseminated to carriers, transport service providers (agents, freight forwarders/custom brokers, David Levin). These should be updated as necessary and disseminated to interested parties. Copies of these should be on-hand at NDG meetings; extras should be kept in the files at TDC for quick retrieval.



POTATOES

BEST AVAILABLE COPY

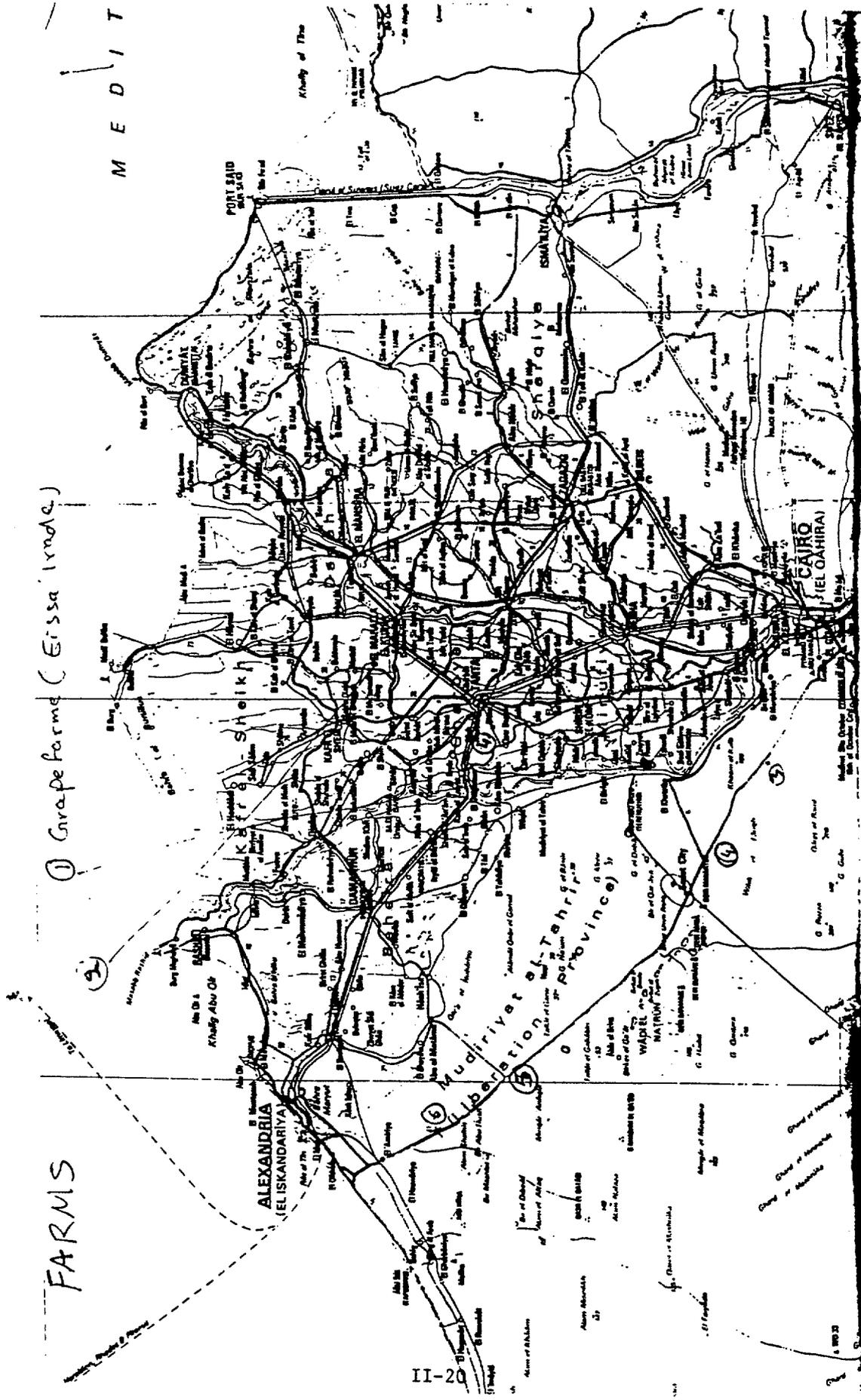
M



FARMS

BEST AVAILABLE COPY

DE ACHFC



① Grape farms (Eissa) (Indo.)

FARMS

GRAPES

Flagging Ind. farm (in yellow).

Pachamoc & Agriway

TRANSPORTATION SERVICE MATRICES (AIR AND OCEAN)

D. Transportation Services (air and ocean matrices)

This consulting assignment called for creating a "basic inventory" of ocean and air services serving between Egypt and the Middle East and Europe and "skeleton" matrices (one for ocean, another for air) which could be completed by TDC in the near term as followup to the assignment. The purpose of having these matrices was a quick reference tool for use by exporters (agricultural and light industry), defining which carriers provide service to which ports/airports in Europe and the Middle East.

Face-to-face contact with the carrier representatives was crucial to both gathering of the information as well as providing some outreach on behalf of TDC and the NDG. In preparation for the consultant's arrival, a series of business cards and contacts were collected from the files and one of the NDG companies, although no appointments had been set up. As a result, a considerable amount of time early in the assignment was devoted to securing appointments via telephone and fax. We were fortunate to have the assistance of two contacts in Alexandria with the Department of Commerce's Foreign Commercial Service, who helped to set up our meetings and accompany us during meetings held in Alexandria with ocean carrier representatives and the port authority.

We were not able to uncover any directories or good lists of transportation providers (especially carriers, owner's representatives, et al). Even in our meeting with the Alexandria port authority chairman, and subsequently at the refrigerated terminal, a list did not exist. The terminal manager provided us with a hand-written list of some refrigerated container carriers and figures for the year to date. However, the imports were not segregated from exports, and we later discovered that some of the figures did not match with the carriers' own numbers, hence they were not reliable.

Using very basic information and some contacts in the trade, we developed a preliminary list of carriers. Some 26 carriers serve Alexandria, Egypt's principle port. Not all of these are container carriers; some are bulk cargo, and not every carrier offers refrigerated service. Those carriers that provide refrigerated equipment have not actively solicited refrigerated cargo, particularly for the export trade. Some have been dissuaded that perishables are not the target cargos, because equipment was tied up in customs delays related to inspection of inbound cargo.

In the time allotted, we were not able to meet with all of the carriers or their representatives, although we managed to meet with quite a few. During the meetings, we sought information on the carrier's services, and reconfirmed to the extent possible information on other carriers in the trade. As a result, we were able to gain more information, but some of the information conflicted between various parties. Information from these interviews on carriers services, equipment, schedules, rates, and interest in the NDG project is included in Section E. Carrier names and ports/airports served in the target markets are shown in the "skeleton" matrices attached.

Efforts were concentrated on carriers currently providing services to/from Egypt. Contact was also made with Maersk Line by EED advisor Rick Miller. Maersk is a Danish

carrier and one of the largest container carriers in the world. Its solid reputation is well-known in the industry. Maersk does not appear on the service matrices as it does not currently provide service to/from Egypt. Discussions held with the carrier's representatives would indicate that Maersk could provide two options to northern European ports: 1) via a feeder vessel in Malta (resulting in +15 days transit from Egypt to Europe, provided that the connection is made); or 2) via Jeddah to Rotterdam (11 days transit), however, the Egyptians would have to first transport their cargo to Jeddah. This would take 2 days overland plus barge or minimum four days transit from Damietta (the connection in Jeddah is uncertain, therefore the transit could take more than 15 days to Rotterdam or Antwerp, but would be an additional 3 days to Felixstowe). While perhaps not a viable alternative this first season for the NDG, the TDC may wish to reconsider Maersk's offer to rather to induce the carrier in future seasons to make a direct call in Alexandria. This can be done provided the consistent volumes and demand for the service is warranted.

While in Alexandria, we visited with the chairman of the port, Ahmed El Sayed Hemeda who arranged for us to tour the port facilities the following day as well as the container terminal. The port has general cargo facilities, passenger terminal, bulk, container, and livestock areas. The port is in the process of nearly doubling its capacity (up to 400,000 twenty-foot-equivalent units (TEUs) per year), is adding more container cranes, and seems to be making some strategic moves toward containers (LO/LO) and away from roll-on, roll-off (RO/RO) cargo. Refrigerated containers are stuffed at the port; containers are not allowed to move out to the farms. Although described as a 24-hour port, most of the "stuffing" or cargo transfer into containers, takes place in the evening, between midnight and dawn. The port has the capacity for 200 reefers. A brochure on the port of Alexandria has been provided to TDC.

Alexandria is the main port for Egypt, but Damietta and Said are also important. Nedlloyd, one of the prospective carriers for the NDG movements, does not call Alexandria. It serves the port of Damietta; the owners representative was firm in his viewpoints that Damietta's services and private-sector orientation were superior to those offered in Alexandria. Zim Lines, the Israeli carrier, calls Alexandria, but also calls Port Said. Due to lack of time, we were not able to visit Damietta or Said to tour the facilities.

Action: Howayda Edriss and the TDC should complete the matrices. This can be done by a combination of telephone calls, personal interviews with carriers, and reconfirmation of information with the freight forwarders, e.g., Egytrans, ITAMCO, and Orient Trade. Once the matrices are completed, they should be disseminated to the New Desert Growers and other exporters with whom the TDC is currently working. The information should be updated on a monthly basis and distributed accordingly. (Note: the matrices were produced on the MacIntosh; if the TDC prefers to keep them in this same software, Chemonics home office would be happy to make the corrections/updates as received).

Air Cargo Services Between Egypt and Major European and Middle Eastern Markets ¹

(December 1993)

Airports

England (London)
France (Nice)
France (Paris)
Belgium (Brussels)
Germany (Munich)
Germany (Dusseldorf)
Holland (Frankfurt)
Italy (Milan)
Italy (Amsterdam)
Spain (Rome)
Spain (Barcelona)
Switzerland (Madrid)
Switzerland (Zurich)
Austria (Vienna)
Hungary (Budapest)
Denmark (Copenhagen)
Norway (Oslo)
Sweden (Stockholm)
Finland (Helsinki)
Greece (Athens)
Lebanon (Beirut)
Syria (Damascus)
Jordan (Amman)
Saudi Arabia (Jeddah)
Kuwait (Kuwait)
UAE (Dubai)

II-23

Airlines	England (London)	France (Nice)	France (Paris)	Belgium (Brussels)	Germany (Munich)	Germany (Dusseldorf)	Holland (Frankfurt)	Italy (Milan)	Italy (Amsterdam)	Spain (Rome)	Spain (Barcelona)	Switzerland (Madrid)	Switzerland (Zurich)	Austria (Vienna)	Hungary (Budapest)	Denmark (Copenhagen)	Norway (Oslo)	Sweden (Stockholm)	Finland (Helsinki)	Greece (Athens)	Lebanon (Beirut)	Syria (Damascus)	Jordan (Amman)	Saudi Arabia (Jeddah)	Kuwait (Kuwait)	UAE (Dubai)	
Air France ²	■	■																									■
Alia																							■				
Alitalia						■	■																				
Austrian Air													■														
British Airways	■																										
CSA																											
Egypt Air	■		■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Emirates Airline																											■
Gulf Air																											
Iberia											■													■			
KLM						■																					
Kuwait Air																									■		
Lufthansa				■	■																						
Olympic	■																										■
Saudi Arabia																								■			
Swiss Air ³	■											■	■														
TWA																											■
Yemen Airways																											

NOTES:

- 1 - Not all carriers offer cargo containers or pallet capability. Shippers should check with individual carriers for specifics.
- 2 - Air France to London connects in Paris.
- 3 - Swiss Air to London connects in Geneva or Zurich.

26

**Ocean Cargo Services
Between Egypt and Major
European and Middle
Eastern Markets**
(December 1993)

Destination Ports

England (Felixstowe)
Germany (Bremen)
Germany (Hamburg)
Holland (Rotterdam)
Belgium (Antwerp)
France (Le Havre)
France (Marseilles/Fos)
Spain (Barcelona)
Spain (Cadiz)
Portugal (Valencia)
Italy (Lisbon)
Italy (Naples)
Italy (La Spezia)
Italy (Leghorn)
Italy (Genoa)
Italy (Venezia)
Saudi Arabia (Jeddah)
UAE (Dubai)

Ocean Carriers	England (Felixstowe)	Germany (Bremen)	Germany (Hamburg)	Holland (Rotterdam)	Belgium (Antwerp)	France (Le Havre)	France (Marseilles/Fos)	Spain (Barcelona)	Spain (Cadiz)	Portugal (Valencia)	Italy (Lisbon)	Italy (Naples)	Italy (La Spezia)	Italy (Leghorn)	Italy (Genoa)	Italy (Venezia)	Saudi Arabia (Jeddah)	UAE (Dubai)
Borchard (D)						■				■								
Bulcon*																		
CMA*																		
Conship (S)	■		■	■														
Dem*																		
DNOL (S)	■		■	■														
DSR (S)																		
Ellermann (S)	■		■	■														
Evergreen*																		
FAMCO*																		
Farrell (D)										■		■						
KNSM (S)	■		■	■														
Messina (D)						■	■				■	■						
MSC	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Nedlloyd						■	■				■	■					■	■
Norasia	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
PANARAB*																		
Zim	■		■	■		■	■		■	■				■				

11-24

* = Information to be completed
(S) = Carriers share space on same vessel
(D) = Dry cargo only

NOTE: In some cases, refrigerated containers may be available by special arrangement only. Shippers should check availability and transit times prior to shipping.

26

CARRIER CONTACT REPORTS

E. Carrier Contact Reports

The consultant developed a form that was used to during interviews with carrier representatives as a checklist of topics to be covered. The form includes basic information on key contacts, service, schedules, frequencies, past experiences with exporters, rate information, interest in providing service for the NDG program, and "next steps." Information gleaned from the agents, owner's representatives and carriers has been recorded in these forms for quick referral. Based on the meetings which were held, we were able to gain an overview of key services, problems, and opportunities related to Egyptian exports. Furthermore, we were able to systemetize a means of obtaining the information, recording it, and disseminating it in a usable fashion for exporters.

The pertinent information from the interviews is included in the attached series of carrier contact reports. Brochures and sailing schedules received during these meetings have been collected by Ms. Edriss and will be filed at the TDC along with other transport information. Service and schedule information drawn from these reports was used in producing the "skeleton" matrices shown in the previous section.

While the main purpose in meeting with the carriers was to gather information, the meetings also served to provide significant outreach on behalf of the TDC in its connection to the transportation carriers -- none of those we met with recalled having ever met with the TDC. The face-to-face interaction was important as it provided the entree for Ms. Edriss to get to know the carrier representatives on a first-name basis. This time investment should be very helpful over the longer term in that it should facilitate subsequent communications and information exchange.

Action: Due to time constraints, we were not able to meet with all the air and ocean carriers or their representatives. As followup, Ms. Edriss should meet with the remaining carriers to continue to provide outreach on behalf of TDC (the NDG and light industry), and to gather information. This information should be recorded in the same format and disseminated. Ms. Edriss is creating new transportation files at the TDC to have readily available information organized according to carrier or other entity (freight forwarder).

CARRIER CONTACT FORM (air)

COMPANY NAME/KEY CONTACT & TITLE/ADDRESS/TEL/FAX:

Air France
Alphonse Chalabi
Chef Traitement
Cairo Airport
tel: 673059, 677083
fax: 667479

SERVICE/EQUIPMENT:

Equipment: Passenger vs. air cargo (pallets) or containers (if air containers, specify sizes)

Passenger, loose cargo (sometimes preferred over pallets), and containers offered.
Brochures provided to TDC (see files)

Egyptian origin airport(s) to European destination airports:

Cairo to Paris (6 days per week, except Wednesdays)
Cairo to Nice - Paris) - 1/week.

Some interline agreements; good connections also to Frankfurt and London. Had claim on Paris to Vienna. Priority locations are Paris, London, Brussels, and Amsterdam.

Danzas is GSA (general service agent) for Swissair and AirFrance.

Egyptian origin airport(s) to Middle Eastern destination airports:

Cairo to Dubai (1/week on Sat)

CARRIER'S COMMENTS RE OPERATIONAL EXPERIENCES WITH EXPORTERS:

generally good; handling green beans, artichokes (Oct-March).
Have handled Pico's grapes (good experience).

INSTITUTIONAL OR OPERATIONAL PROBLEMS (customs, ports, labor, regulations):

All European carriers except Air France, use EAS; Air France prefers to exercise more controls = better handling.

RATES: (attach separate quote sheets if necessary):

Cairo - London = 3.20 EL/kg
Cairo - Nice = 2.90 EL/kg
Cairo - Paris = 2.90 EL/kg

INTEREST IN NEW DESERT GROWERS/ABILITY TO PROVIDE SERVICE:

quite interested, BUT want to see a program (1 month in advance of shipping season; 48-hour advance booking for actual shipments).

space during peak periods is issue; need to work out specifics.

NEXT STEPS/RESPONSIBLE PARTY:

1. Send thank-you note via fax with NDG directory. (TDC)
2. Send initial product programs as background to discussions.
3. Meet with carrier's representative to work out specifics (rates, space, etc). Involve freight forwarder/agent in discussions.

file: transport\airfrance.rpt

CARRIER CONTACT FORM (air)

COMPANY NAME/KEY CONTACT & TITLE/ADDRESS/TEL/FAX: (December, 1993)

British Airways
Mr. Roland Naim
Senior Cargo Officer
Cairo International Airport
IACC Warehouse
Cairo, Egypt
tel: 2905617 or 2919325 (airport)
fax: 2916186

(usually at office between 8:30 a.m. and 3:30 p.m.)

SERVICE/EQUIPMENT

767 Passenger aircraft. Capacity in cargo holds, pallets and containers for LD-3 and LD-2. (limited space/capacity) -- BA currently working with 6-7 exporters (good customers) and wants to protect relationship. Willing to handle additional cargoes, but space limited.

BA has access to shared cold room at airport (also used by Lufthansa, Alitalia, KLM) as well as freezer. General practice however is that neither are being used for outbound exports (only imports). Actual practice is that shipper brings perishables to BA's facility in evening (midnight) and product is loaded on-site. Note: no air containers allowed off premises to exporter's facilities.

Egyptian origin port/airport(s) - European destination ports/airports:

Cairo - London (daily flight; 7/week)

Egyptian origin port/airport(s) - Middle Eastern destination ports/airports:

All flights to Middle East are via London (no direct flights)

CARRIER'S COMMENTS RE OPERATIONAL EXPERIENCES WITH EXPORTERS:

Ag products: Currently handling 14 tons/day -- spring onions, French beans, coriander, cucumbers, baby squash, red dates cantaloupe, mangos.

Problems: shippers sometimes arriving late to cargo handling area at airport.

INSTITUTIONAL OR OPERATIONAL PROBLEMS (customs, ports, labor, regulations):

Infrastructure/equipment: No problems. BA uses own equipment; also using Egyptian Aviation Services (competitor to Egyptair) for ramp handling services.

RATES: (attach separate quote sheets if necessary):

3.65 EL per kilo (pallet rate) (note: Howayda should check with Roland re minimum weights for this rate). For AKC container (min 1100 kilos); APE container, minimum 800 kilos.

BA does not need contract, rather "gentleman's agreement" based on discussions and detailed program with shipper and agent.

INTEREST IN NEW DESERT GROWERS/ABILITY TO PROVIDE SERVICE:

Space is problem during October-March. The April - June period is light. Willing to work with NDG. Needs program (shipper names, weekly volumes, products, destinations) one month in advance of scheduled movements.

NEXT STEPS:

1. Send thank-you note via fax with NDG directory, along with rate request re weight minimums for pallets as shown above. (HE/Dec)
2. Send spreadsheets of initial programs (peaches and grapes; doubtful that potatoes will move via air). (TDC in conjunction with NDG by Jan)
3. Meet with BA to work out specifics (rates, space, etc). Involve freight forwarder/agent in discussions.

file: transport\british.rpt

CARRIER CONTACT FORM (air)

COMPANY NAME/KEY CONTACT & TITLE/ADDRESS/TEL/FAX:

Mr. Ahmed Diab
General Manager
Cargo Sales (Commercial Sector)
EygptAir
Cairo, Egypt

Tel: 932886, 912612 (office); 3524945 (res)
Fax: 5912612

SERVICE/EQUIPMENT:

Equipment: Passenger vs. air cargo (pallets) or containers (if air containers, specify sizes)

747 combis, as well as cargo pallet capabilities.

Egyptian origin airport(s) to European destination airports:

Cairo to: London, Paris, Brussels, Munich, Dusseldorf, Frankfurt, Amsterdam, Milan, Rome, Barcelona, Madrid, Zurich, Geneva, Vienna, Budapest, Copenhagen, Oslo, Stockholm, Athens.

Egyptian origin airport(s) to Middle Eastern destination airports:

Cairo to: Beirut, Damascus, Ahman, Jeddah, Kuwait, Dubai.

Indicated that 60% of export business to Middle East is moving via truck (2-3 days); cargo being consolidated in Nassar City. Mainly Jordanians, some Syrians, Lebanese, and Saudis in business-- few Egyptians.. thought it a good business.

CARRIER'S COMMENTS RE OPERATIONAL EXPERIENCES WITH EXPORTERS:

Handling 60,000 tons perishables between Oct-May: green beans, onions, cucumbers, grapes.

Perishables represent 45-50% of every load.

Cargo breakdown for Egyptair (approx): textiles 35-40%, vegetables 50-60% (note this is different than shown above); leather goods 2-5%.

Working well in general but space can be problem.

INSTITUTIONAL OR OPERATIONAL PROBLEMS (customs, ports, labor, regulations):

None. Indicates facilities are "excellent". Have own cold room.

RATES: (attach separate quote sheets if necessary):

Fruits and vegetables to most European ports: 2.76 EL per kg

Fruits and vegetables to Lond: 2.85 EL per kg (note: revised later in Dec to increase to 3.05 EL per kilo)

INTEREST IN NEW DESERT GROWERS/ABILITY TO PROVIDE SERVICE:

Interested. Need more information (program specifics).

NEXT STEPS/RESPONSIBLE PARTY:

1. Send thank-you note via fax with NDG directory. (HE/Dec)
2. Send background information on 3 products. (TDC in conjunction with NDG by Jan).
3. Meet with Egyptair to work out specifics (rate, space, etc). Involve freight forwarder in discussions. (note: some shippers have indicated that space problem is quite severe. Have had to re-route product to alternate European points).

file: egyptair.rpt

CARRIER CONTACT FORM (ocean)

COMPANY NAME/KEY CONTACT & TITLE/ADDRESS/TEL/FAX:

BULCON
Hussam Leheta
Deputy Managing Director/Logistics
Egytrans
11, Kamel Morsy Str. Shatby
Alexandria, Egypt
tel: (03) 5964696 (5 lines)
fax: (03) 5950193

SERVICE/EQUIPMENT

Equipment: RO/RO trailers (re-verify)
Sizes: 20 dry, 20 refrig (some, when available), 40 dry
Pricing: independent ocean carrier

Egyptian origin port(s) to European destination ports - transits (indicate if direct call, feeder service or relay, and departure day/arrival day, # of days in transit, availability of inland trucking/BL to inland points)

Bulgarian carrier

Alexandria - S. European ports (longer transits), e.g., Naples (20 days), Genoa (17),
Marseilles, Barcelona (14).

Alexandria - N. Europe (relayed via ?Ismir, resulting in +20 days transit.

Egyptian origin port(s) to Middle Eastern destination ports - transit times: (indicate if direct call, feeder service or relay, and departure day/arrival day, if available)

N/A

CARRIER'S COMMENTS RE OPERATIONAL EXPERIENCES WITH EXPORTERS:

Egytrans attempted to work out perishables deal via one of S. European ports. Idea was to induce Bulcon to provide more regular service for prospective reefer movement. Didn't work out (partly because landed transit to N. Europe were too long; and war situation in E.Europe).

INSTITUTIONAL OR OPERATIONAL PROBLEMS (customs, ports, labor, regulations):

RATES: (attach separate quote sheets if necessary):

INTEREST IN NEW DESERT GROWERS/ABILITY TO PROVIDE SERVICE:

possible.

NEXT STEPS/RESPONSIBLE PARTY:

1. Send thank-you note via fax with NDG directory. (HE/Dec)
2. Send background information on 3 products; can be used for followup discussions.
3. Meet with carrier to work out specifics (rate, space, etc). Involve freight forwarder/agent in discussions (remain in contact with Egytrans on issue).

file: transport\

CARRIER CONTACT FORM (ocean)

COMPANY NAME/KEY CONTACT & TITLE/ADDRESS/TEL/FAX:

DSR
Milad Abousaif
President
Milmar Shipping *
8, Ahmed Orabi St.
Alexandria, Egypt
tel: 4820542, 4829441
fax: 4835644

*(note: Milmar also represents Lykes Lines, which does not have service to Europe as it sails directly back to US)

SERVICE/EQUIPMENT

Equipment: LO/LO containers
Sizes: 20 dry, 20 refig, 40 dry, 40 refig
Pricing: independent ocean carrier

DSR has 30% of space on vessel. DSR shares vessels with 4 other carriers (DNOL, KNSM, Ellermann, Conship)

Egyptian origin port(s) to European destination ports - transits (indicate if direct call, feeder service or relay, and departure day/arrival day, # of days in transit, availability of inland trucking/BL to inland points)

Every 5 days:

Alexandria - Antwerp (14 days transit)
Alexandria - Rotterdam (15 days transit)
Alexandria - Hamburg (15 days transit); to Bremen every 10 days
Alexandria - Felixstowe (17 days transit)

Note: suggested DEM and Messina into southern Europe. Possibly CMA?

Egyptian origin port(s) to Middle Eastern destination ports - transit times: (indicate if direct call, feeder service or relay, and departure day/arrival day, if available)

Sailings to Beirut, La Tecchia (Syria), and Turkey.

CARRIER'S COMMENTS RE OPERATIONAL EXPERIENCES WITH EXPORTERS:

INSTITUTIONAL OR OPERATIONAL PROBLEMS (customs, ports, labor, regulations):

Alexandria port (and with new expansion) is good.

RATES: (attach separate quote sheets if necessary):

(on request)

INTEREST IN NEW DESERT GROWERS/ABILITY TO PROVIDE SERVICE:

yes, but needs to confirm interest with principals.

NEXT STEPS/RESPONSIBLE PARTY:

1. Send thank-you note via fax with NDG directory. Request per discussions, rates and specifics on DSR's interest/ability to carry reefers to Europe (specify key ports, transits, rates). (HE/Dec)
2. Send background information on 3 products; can be used for followup discussions.
3. Meet with carrier to work out specifics (rate, space, etc). Involve freight forwarder/agent in discussions.

file: transport\dsr.rpt

CARRIER CONTACT FORM (ocean)

COMPANY NAME/KEY CONTACT & TITLE/ADDRESS/TEL/FAX:

Farrell Lines
Zaki Chamma
Country Manager/Egypt
Worms - 8, Beni El Abbas St.
Alexandria, Egypt
tel: 4820374, 4834165, 4825572
fax: 4836361

SERVICE/EQUIPMENT

Equipment: LO/LO containers
Sizes: 20 dry, 40 dry, (1-2 reefers every 2 months; not regular. And very few opentops.
Pricing: independent ocean carrier

Egyptian origin port(s) to European destination ports - transits (indicate if direct call, feeder service or relay, and departure day/arrival day, # of days in transit, availability of inland trucking/BL to inland points)

Alexandria - Naples/Leghorn (9-10 days transit).
(additional information provided to TDC for files).

Note: since reefers are rarely offered, listed as dry cargo only.

Egyptian origin port(s) to Middle Eastern destination ports - transit times:

not mentioned

CARRIER'S COMMENTS RE OPERATIONAL EXPERIENCES WITH EXPORTERS:

not handling perishables; garments to US.

INSTITUTIONAL OR OPERATIONAL PROBLEMS (customs, ports, labor, regulations):

none mentioned.

RATES: (attach separate quote sheets if necessary):

not requested as not handling reefers to Europe.

INTEREST IN NEW DESERT GROWERS/ABILITY TO PROVIDE SERVICE:

marginal, as very few reefers and not regularly offered.

69

NEXT STEPS/RESPONSIBLE PARTY:

1. Very personable, however service is not relevant to TDC. Send thank-you note via fax.
(HE/Dec)

file: transport\farrell.rpt

CONTACT FORM (ocean)

COMPANY NAME/KEY CONTACT & TITLE/ADDRESS/TEL/FAX:

MARTRANS
Mohamed El Ghandour
Liner General Manager
Cairo, Egypt
tel: 5748472
fax: 5742995

SERVICE

MARTRANS functions as ship broker or non-vessel operator (NVOCC); owned by holding company. Described as "union of shippers"? Able to provide guaranteed service, loading/unloading, preferential/lower rates, can arrange freight forwarding.

Receives commission from carrier.

CARRIER'S COMMENTS RE OPERATIONAL EXPERIENCES WITH EXPORTERS:

More import experience than with exports. Mentioned good relations with DAHER (French provider of inland transport in Europe and good freight forwarder/customs broker.

INSTITUTIONAL OR OPERATIONAL PROBLEMS (customs, ports, labor, regulations):

none mentioned. Note: Martrans is parastatal; in process of privatizing.

RATES: (attach separate quote sheets if necessary):

provided some sample rate quote as part of research performed for client; actual shipments did not materialize as client ended up using information and negotiating own deal.

INTEREST IN NEW DESERT GROWERS/ABILITY TO PROVIDE SERVICE:

yes, but would like to receive requests in writing (program, projections, carrying temperatures, other specifics), and would like to work under contract (guarantees).

NEXT STEPS/RESPONSIBLE PARTY:

1. Send thank-you note via fax with NDG directory. (HE/Dec)
2. Send background information on 3 products; can be used for followup discussions.
3. Meet with carrier to work out specifics (rate, space, etc). Involve freight forwarder/agent in discussions.

CARRIER CONTACT FORM (ocean)

COMPANY NAME/KEY CONTACT & TITLE/ADDRESS/TEL/FAX:

Mediterranean Shipping Company (MSC)
Abd El Moneim Bechir
Mohamed Gaber, Export Manager
Marine & Engineering Services Co. (MESCO)
5 Ahmed Orabi St. Manshia
Alexandria, Egypt
tel: 4821173 - 482914
fax: 4836958

(MESCO is also owner's rep for Norasia)

SERVICE/EQUIPMENT

Equipment: LO/LO containers
Sizes: 20 dry, 20 refrig, 40 dry, 40 refrig
Pricing: independent ocean carrier

Egyptian origin port(s) to European destination ports - transits (indicate if direct call, feeder service or relay, and departure day/arrival day, # of days in transit, availability of inland trucking/BL to inland points)

Alexandria to N. European ports (Antwerp, Hamburg, Le Havre, Rotterdam, Bremerhaven) = approx. 14 days transit (fortnightly)

Alexandria to S. European ports (Naples, Genoa, Marceilles, Valencia) = 5-7 days transit

(refer to shipping schedule; brochure furnished to TDC's office)

Egyptian origin port(s) to Middle Eastern destination ports - transit times: (indicate if direct call, feeder service or relay, and departure day/arrival day, if available)

1. no service to Jeddah or Dubai

CARRIER'S COMMENTS RE OPERATIONAL EXPERIENCES WITH EXPORTERS:

no problems mentioned

INSTITUTIONAL OR OPERATIONAL PROBLEMS (customs, ports, labor, regulations):

Alexandria -- working well.

RATES: (attach separate quote sheets if necessary):

Alex - Felixstowe: US \$400/20-foot dry container; \$800/40-footer (dry)

Alex - Naples: US \$1300/20-foot reefer; US \$3600/40-foot reefer

Alex - Le Havre: DM2600/20-foot reefer; DM4400/40-foot reefer

INTEREST IN NEW DESERT GROWERS/ABILITY TO PROVIDE SERVICE:

very interested

NEXT STEPS/RESPONSIBLE PARTY:

1. Send thank-you note via fax with NDG directory. (HE/Dec)
2. Send background information on 3 products; can be used for followup discussions.
3. Meet with carrier to work out specifics (rate, space, etc). Involve freight forwarder/agent in discussions.

file: transport\MSC.rpt

CARRIER CONTACT FORM (ocean)

COMPANY NAME/KEY CONTACT & TITLE/ADDRESS/TEL/FAX:

Messina Line
Ahmed Ragab
Managing Director
Worms Alexandria Cargo Services
8, Beny El - Abbas St.
PO Box 2234 Alexandria, Egypt
tel: 4825572
fax: 4836361

SERVICE/EQUIPMENT

Equipment: RO/RO trailers
Sizes: 20 dry, 40 dry (Note: can handle shipper-owned reefers)
Pricing: independent ocean carrier

(more information provided to TDC for files)

Egyptian origin port(s) to European destination ports - transits (indicate if direct call, feeder service or relay, and departure day/arrival day, # of days in transit, availability of inland trucking/BL to inland points)

Alexandria to La Spezia, Italy = 3-4 days transit
Alexandria to Naples, Italy = 3 days transit
Alexandria to Marseilles, France = 8-9 days transit
Alexandria to Barcelona, Spain = 10-11 days transit

?? frequency: every 14 days

Egyptian origin port(s) to Middle Eastern destination ports - transit times: (indicate if direct call, feeder service or relay, and departure day/arrival day, if available)

Alexandria to Jeddah (via La Spezia) = 21 days
Alexandria to Dubai (via La Spezia) = 30 days

Note: due to these transits, and carrier's inability to carrier reefers, these routings have been left off the matrix. (there are other carriers with shorter transits, or cargo can be trucked in 2 days).

CARRIER'S COMMENTS RE OPERATIONAL EXPERIENCES WITH EXPORTERS:

not shipping perishables

INSTITUTIONAL OR OPERATIONAL PROBLEMS (customs, ports, labor, regulations):
none mentioned

RATES: (attach separate quote sheets if necessary):

Alexandria - Jeddah - US \$1400/20-footer, US \$2500/40-footer

INTEREST IN NEW DESERT GROWERS/ABILITY TO PROVIDE SERVICE:

yes, but doubtful, since carrier not providing reefers, dry service only

NEXT STEPS/RESPONSIBLE PARTY:

1. Send thank-you note via fax with NDG directory. (HE/Dec)
2. Send background information on 3 products; can be used for followup discussions.
3. Doublecheck reefer options. If appropriate, meet with carrier to work out specifics (rate, space, etc). Involve freight forwarder/agent in discussions.

file: transport\messina.rpt

CARRIER CONTACT FORM (ocean)

COMPANY NAME/KEY CONTACT & TITLE/ADDRESS/TEL/FAX:

Ibrahim Hakem
General Manager
Egyptian Lloyd (rep for Nedlloyd); Naggar's offices
23 Tahnir SQ.
PO Box 91
21131 Alexandria, Egypt
tel: 4828133, 4906000, 4921818
fax: 4828133

SERVICE/EQUIPMENT

Equipment: LO/LO containers
Sizes: 20 dry, 20 refrig, 40 dry, 40 refrig (note: Oct-March, limited reefers for NDG; citrus moving)
Pricing: independent ocean carrier

Note: Nedlloyd is sharing space with CGM and MISC.

Egyptian origin port(s) to European destination ports - transits (indicate if direct call, feeder service or relay, and departure day/arrival day, # of days in transit, availability of inland trucking/BL to inland points)

Weekly sailings (refer to sailing schedule, provided to TDC)

Damietta to La Spezia, Italy (4 days transit)
Damietta to Fos (near Marseilles) (7 days transit)
Damietta to Barcelona (6 days transit) (note: for Paris, this might be best route).

Note: Need 15 days notice before bookings-- solid information on program planned by NDG. Carrier can provide 7 days credit (need to get more specifics on this).

Egyptian origin port(s) to Middle Eastern destination ports - transit times: (indicate if direct call, feeder service or relay, and departure day/arrival day, if available)

Damietta to Jeddah - 4 days transit
Damietta to Dubai (via Jeddah) - 10 days transit

CARRIER'S COMMENTS RE OPERATIONAL EXPERIENCES WITH EXPORTERS:

Currently handling: oranges, artichokes, and potatoes to Europe; has not previously handled grapes.

INSTITUTIONAL OR OPERATIONAL PROBLEMS (customs, ports, labor, regulations):

Damietta works well-- new generation port, four cranes, all new equipment. No restrictions on hours for stuffing containers. (Note: critical of Alexandria, but Nedlloyd is not moving cargo via Alexandria).

RATES: (attach separate quote sheets if necessary):

Damietta into S.European ports:

20-foot reefer = US \$1600

40-foot reefer = US \$3000

Damietta to Jeddah:

20-foot reefer = US \$2000

40-foot reefer = US \$4000

plus stuffing. Containers move under "shipper load and count".

INTEREST IN NEW DESERT GROWERS/ABILITY TO PROVIDE SERVICE:

Yes, but very difficult during Oct-March period as Nedlloyd already handling citrus. Also, wants a "program"-- specifics on shipments, volumes, etc.

NEXT STEPS/RESPONSIBLE PARTY:

1. Send thank-you note via fax with NDG directory. (HE/Dec)
2. Send background information on 3 products; can be used for followup discussions.
3. Meet with carrier to work out specifics (rate, space, etc). Involve freight forwarder/agent in discussions.

file: transport\nedlloyd.rpt

CARRIER CONTACT FORM (ocean)

COMPANY NAME/KEY CONTACT & TITLE/ADDRESS/TEL/FAX:

Norasia
Abd El Moneim Bechir
Treasurer
Mesco (owner's rep for Norasia; also for MSC)
5 Ahmed Orabi St.
Manshia, Alexandria, Egypt
tel: 4821173
fax: 4846958

SERVICE/EQUIPMENT

Equipment: LO/LO containers
Sizes: 20 dry, 20 refig, 40 dry, 40 refig
Pricing: independent ocean carrier

Egyptian origin port(s) to European destination ports - transits (indicate if direct call, feeder service or relay, and departure day/arrival day, # of days in transit, availability of inland trucking/BL to inland points)

weekly service: Alexandria to most ports in N.Europe (via Malta)
transit is 12-16 days. (ports include: Le Havre, Antwerp, Rotterdam, Hamburg, Bremen, Felixstowe)

Alexandria to S.Europe (via Malta)-- 7-8 days.
Ports include: Venice, Trieste, Salerno, La Spezia, Marseilles, Barcelona, Lisbon, and others.

(refer to separate sailing schedule and brochure provided to TDC for files).

Egyptian origin port(s) to Middle Eastern destination ports - transit times: (indicate if direct call, feeder service or relay, and departure day/arrival day, if available)

Alexandria to Jeddah - 2 week transit
Alexandria to Dubai - 3-4 weeks

Note: routing not included in matrix due to long transits.

CARRIER'S COMMENTS RE OPERATIONAL EXPERIENCES WITH EXPORTERS:

Mesco handling reefers from Alexandria; mainly with MSC rather than Norasia. Their export figures (received from Malta) showed that port authority figures were "double-counted", probably because MESCO represents 2 carriers.

5

INSTITUTIONAL OR OPERATIONAL PROBLEMS (customs, ports, labor, regulations):

Mentioned port to be good.

RATES: (attach separate quote sheets if necessary):

Need to request in writing.

INTEREST IN NEW DESERT GROWERS/ABILITY TO PROVIDE SERVICE:

Very interested. Mesco seems to be very professional operation. Would like requests on routings, rates in writing so that all details can be discussed with principles.

NEXT STEPS/RESPONSIBLE PARTY:

1. Send thank-you note via fax with NDG directory. (HE/Dec)
2. Send background information on 3 products; can be used for followup discussions.
3. Meet with carrier to work out specifics (rate, space, etc). Involve freight forwarder/agent in discussions.

file: transport\norasia.rpt

CARRIER CONTACT FORM (ocean)

COMPANY NAME/KEY CONTACT & TITLE/ADDRESS/TEL/FAX:

Zim Line
Zadaria Radwan
Arab Express Co.
59, El Harria Str.
Alexandria, Egypt
tel: 4939142, 4929706
fax: 4909696

SERVICE/EQUIPMENT

Equipment: LO/LO containers
Sizes: 20 dry, 20 refrig, 40 dry, 40 refrig
Pricing: independent ocean carrier

Egyptian origin port(s) to European destination ports - transits (indicate if direct call, feeder service or relay, and departure day/arrival day, # of days in transit, availability of inland trucking/BL to inland points)

Vessel calls Port Said also

Via Haifa, Israel every 15 days:

Alexandria - Trieste/Venice - 7-9 days transit (direct, not via Haifa)
Alexandria - Marseilles
Alexandria - Barcelona - 12-15 days
Alexandria - Cadiz
Alexandria - Valencia

Alexandria - Antwerp - 15 days
Alexandria - Rotterdam 15 days
Alexandria - Hamburg - 16 days
Alexandria - Felixstowe - 15-20 days

Egyptian origin port(s) to Middle Eastern destination ports - transit times: (indicate if direct call, feeder service or relay, and departure day/arrival day, if available)

No service as yet to Jeddah or Dubai. If Middle East talks produce positive outcome, Zim representative assured that carrier would call Middle East.

CARRIER'S COMMENTS RE OPERATIONAL EXPERIENCES WITH EXPORTERS:

none mentioned.

INSTITUTIONAL OR OPERATIONAL PROBLEMS (customs, ports, labor, regulations):

none mentioned.

RATES: (attach separate quote sheets if necessary):

Alexandria - Venice = US \$2950 per 40-footer

INTEREST IN NEW DESERT GROWERS/ABILITY TO PROVIDE SERVICE:

definitely interested.

NEXT STEPS/RESPONSIBLE PARTY:

1. Send thank-you note via fax with NDG directory. (HE/Dec)
2. Send background information on 3 products; can be used for followup discussions.
3. Meet with carrier to work out specifics (rate, space, etc). Involve freight forwarder/agent in discussions.

file: transport\zim.rpt

TRANSPORTATION RATES

F. Transport Rate Information (air and ocean)

One of the tasks under the assignment was to begin the process of identifying carriers that could carry the NDG shipments in a consistent, cost-efficient manner. Before one can begin to calculate the rates, there are some preliminary steps, namely to identify:

- export products and markets
- best mode of transport (air, ocean, truck) [note: relates to shelf-life and market]
- cargo carriers (routings, equipment, transit times, space availability, rates)
- transport-related services (freight forwarders/customs brokers)

From this initial information, it is possible to begin to narrow the field and to select the preferred carriers to handle the shipments. Although time did not permit our meeting with every carrier to ascertain space and rate information, the interviews with carriers provided some initial information and level of interest. This information is shown in the respective carrier contact reports found in Section E. A separate document entitled "Transportation Rate Information" summarizing rate information by routing and carrier is attached.

In order to determine one's freight rate or the transportation portion of landed costs, the rate quotations should be used in conjunction with the loadability factors shown in Section A on "Background Information on Agricultural Export Products Planned for the 1994 Season." Transportation rates are usually quoted by ocean carriers on a per ton or per container basis. Most of the rate quotes received in Alexandria were on a per container basis, i.e., per 20-footer or per 40-footer. The airfreight rates were usually quoted in kilos, but one has to check the minimums if loading air containers vs. pallets. The loadability factors refer to assumptions used in how many cases or cartons would typically be loaded into a given ocean cargo container (note: for air the rates are quoted on a per kilogram basis with assigned minimums). Using the loadabilities and rates, the transportation cost can be calculated on a per unit basis, e.g., per carton of grapes or peaches (the unit for making cost comparisons should ultimately be the typical unit used in the sale of the product, i.e., the standard in the trade).

It is paramount that for purposes of collective information, that the NDG agree upon certain loadabilities, so that everyone is using the same figures in their calculations and projections. These should be agreed upon by the various growers according to products produced. While small variances do occur from carrier to carrier as to the interior capacity of the equipment, these are small, unless the equipment is hi-cube vs. standard, allowing the shipper to load more product in a larger piece of equipment due to increased interior cubic capacity. Although maximizing on the space to improve utilization (and lower per unit costs) is desirable, careful consideration should be given to proper loading, i.e. air circulation, block the load, etc. Exporters should solicit input from the carriers, and also consult the resource handbooks left with TDC which are described in Section H.

Action: There is additional rate information which remains to be researched by the TDC (Ms. Edriss). The outstanding "gaps" are described. Followup should be made with

the carriers (some information was solicited during our visit); other information should be obtained through one or more reliable freight forwarders, e.g., Egytrans, ITAMCO, or Orient Transport, that should be able to provide written responses to the key questions. Rates are subject to change; some of the quotes received in early December changed twice since then.

Some pointers to keep in mind as the information is reviewed and later applied to the NDG exports:

1. Low vs. high rate. The lowest rate does not necessarily imply the worst service; nor does it imply the same service as the most expensive carrier. It may be that the highest rate carrier also has the highest demand for service (better equipment, more direct routes, better customer service, or scarce equipment).
2. Rates are largely determined by three factors: operational costs, the regulatory environment, and what the market will bear.
3. The NDG as an entity does not have a previous "track record" with the carriers, hence, this first season there will be considerable "muddling through" which requires a good deal of give and take by shippers and carriers, and above all, communication.
4. Perishable exports are more risky, tend to be more seasonal, and almost always are more costly for carriers to handle than are dry cargo exports. Hence, rates are usually higher than for dry cargo, and not all carriers have the capability (equipment) or interest in handling perishables.
5. Preferred carrier. Although selecting one carrier or a "favorite" carrier may seem to be the preferred way to go about getting the best rate, it is almost always better to have more than one carrier to handle your cargo. In other words, don't put all of your eggs in one basket. Agricultural exports are not all harvested on the same day; an exporter needs more than one option to deliver his product. Do your homework, select a few carriers to handle the cargo, and "spread the freight around", and learn together who handles the cargo most satisfactorily, based on experience. This is good business, keeps the service competitive, and exerts a downward pressure on the rates. At the same time, don't play one carrier off against the other just to obtain a lower rate.
6. Use a freight forwarder/customs broker, and more than one. Some shippers try to cut costs by avoiding intermediaries. When significant volumes dictate that a shipper can perform certain services "in-house", this is fine. In most cases, the economies of scale are not there, and exporters would be much better off concentrating on other issues (production, marketing, etc), and utilizing the services of a customs broker to handle the documentation/clearance as a professional. Keep in mind that for every day a shipment sits in customs because of missing documentation, the product becomes less marketable. Freight forwarders can also assist in negotiating rates.

7. Space may be more the issue than rates this first season. From October to March, air cargo space is tight, and without a previous track record with a carrier, the NDG may need to direct its attention first to securing space (reliable, consistent) and be prepared to pay more this first year while building experience. Even during the non-peak periods, getting a good program in place should take precedence over rate. As for ocean cargo shipments, citrus exports will exert considerable demands for reefer equipment. Not many carriers are actively soliciting refrigerated exports from Egypt. In order to induce carriers to handle these cargoes, shippers should plan to provide accurate information (projections) well in advance of their shipments, otherwise the equipment may not be positioned in a timely fashion. It may not be necessary or even desirable to sign a services contract (lowered rate in return for specified equipment and services), however there is no substitute for giving good information and a "gentleman's agreement." If the NDG should decide to opt for signing a contract, the issues of liabilities need to be well-understood by all prior to signing.
8. Base rates and what else? As indicated in the attached document, the preliminary rate quotations do not include:
- freight forwarder/customs broker charges for export documentation and cargo clearance
 - inland rates (Egypt) from packhouse (Sadat City) to Cairo airport
 - transfer costs (loading/unloading) Cairo airport or Egyptian port
 - inspection costs (European destination airport/port)
 - inland rates (Europe) from airport to destination

These costs need to be incorporated into the overall calculations.

TRANSPORTATION RATE INFORMATION (NDG) as of January 6, 1993

AIRFREIGHT (fruit and vegetable rate) (see notes)

Cairo - London

LE 3.75/kg (US \$1.11/kg); with British Airways (quote from BA)
LE 3.77/kg (US \$1.12/kg); with Air France (quote from Air France)
LE 2.85/kg (US \$0.85/kg); with EgyptAir (quote from EgyptAir)

Cairo - Paris or Nice

LE 3.10/kg (US \$0.92/kg); with Air France (quote from Air France)

Cairo - Europe (most European points on continent except UK)

LE 2.67/kg (US \$0.79/kg); with EgyptAir (quote from EgyptAir)
LE 3.19-3.77/kg (US \$0.95-\$1.12/kg) depending on destination (quotes from KLM, SwissAir, Air France)

Notes:

- 1) Rates have changed twice since consultant's early December trip to Egypt. Prior to shipping, shippers should consult carriers for updates.
- 2) Quotes are based on prepaid basis. Shippers should clarify payment terms with carrier prior to shipping (prepaid, credit terms, freight collect). In some cases rebates on prepaid freight can range from 3-5 percent.
- 3) Rate quotes do not include documentation/clearance charges. Some sample costs as received from TDC are shown below:
 - a) freight forwarder/customs broker charges for export documentation and cargo clearance
?? per airway bill based on palletized or air cargo containers
 - b) inland rates (Egypt) from packhouse (Sadat City) to Cairo airport
 - up to 1.5 ton = LE150 (US \$44.64)
 - from 1.5 to 4 tons = LE 225 (US \$66.96)
 - c) transfer costs (loading/unloading) Cairo airport ??
 - d) transfer costs (loading/unloading) European destination airport ??

e) inland rates (Europe) from airport to destination ??

2) Exchange rates used in calculations were as follows:

3.36 LE = US \$1

5.80 Fr Francs = US \$1

1.71 D. Marks = US \$1

Next Steps:

a) TDC (H. Edriss) should complete outstanding information above.

b) Above quotations should be double-checked with carriers.

OCEAN FREIGHT (general fruit and vegetable rate; refer to rate if dry rate vs. refrigerated container).

Alexandria - Trieste or La Venezia (Italy)

US \$2950/40-foot reefer, with Zim (quote from Arab Express and Egytrans)

Action: send written request rates to Mesco for Norasia's reefer rates

Alexandria - Marseilles (France)

US \$3950/40-foot reefer, with Zim (quote from MARTRANS and Arab Express)

Action: send written request to Arabexpress to check Zim's rate

Alexandria - Naples or Leghorn(Italy)

US \$400/20-dry container; US \$800/40-foot dry container with MSC (quote from MESCO)

US \$1300/20-foot reefer; US \$3600/40-foot reefer with MSC; (Naples only)

Action: send written request to Mesco for MSC rates; reefers by special arrangement)

Alexandria - La Spezia (Italy)

US \$1500/20-foot reefer; US \$2000/40-foot reefer with Messina. (quote from Messina and Egytrans). Reefers on special arrangement. Cannot be allowed to move outside of La Spezia port.

Damietta - La Spezia (Italy), Fos (near Marseilles, France), Barcelona (Spain)

US \$1600 per 20-foot reefer with Nedlloyd (quote from Naggar)

US \$3000 per 40-foot reefer with Nedlloyd (quote from Naggar)

Action: Reconfirm service from Naggar (Egytrans indicates that service not available).

Alexandria to Valencia, Spain

US \$650 per 20-foot reefer; US \$1200/40-foot reefer with Norasia (quote rec'd from MESCO through TDC) -- appears to be a dry rate, not a reefer rate.

Action: Reconfirm above rates with MESCO as to dry vs. reefer.

Alexandria - Felixstowe, UK

GBP 325 (US \$480) per 20-foot reefer; GBP 600 (US \$886) with Norasia, (quote rec'd from MESCO through TDC offices) ?? must be dry rates, not reefer.

Action: Reconfirm rates with Mesco; rates seem much too low for reefers. Also, explore with Zim, CMA, and DSR possibilities for handling reefers to Felixstowe and related transit times; cargo may have to be handled via Rotterdam or Le Havre.

Alexandria - Antwerp, Rotterdam, Hamburg

US \$3950/20-foot reefer, free in, prepaid with Zim (quote from Arab Express)

Action: Reconfirm information with Arab Express for Zim's rates on 20 and 40-foot reefers and also request rate to Felixstowe (Egytrans indicates service not available).

D.Marks 2300 (US \$1345) per 20-foot reefer; D. Marks 4400 (US \$2574) per 40-foot reefer with MSC; (quote from Egytrans)

D.Marks 800 (US \$468) per 20-foot reefer to Antwerp or Rotterdam; D. Marks 1500 with Norasia (quote from MESCO). (this looks to be a dry rate, not reefer)

Action: Quotes from Mesco for MSC and Norasia need to be rechecked in writing. MESCO indicated to TDC that only Norasia has reefers by special arrangement, not MSC, and yet quotes were received on reefers from Mesco, and from Egytrans. Egytrans indicated that MSC, not Norasia has reefers. Since both carriers are represented by MESCO, this needs to be reconfirmed as well as transits.

Alexandria - Le Havre (France)

D.Marks 900 (US \$527) per 20-foot reefer; 1800 (US \$1053) per 40-foot reefer with Norasia (quote from MESCO) (Note: is this a dry rate? Seems low)

D.Marks 2600 (US \$1520) per 20-foot reefer with MSC (quote from Mesco)

D.Marks 2300 (US \$1345) per 20-foot reefer; D. Marks 4400 (US \$2574) per 40-foot reefer with MSC (quote from Egytrans)

Action: Reconfirm conflicting information with MESCO regarding whether MSC provides reefer service to Le Havre, transit time, and rates for 20 and 40-foot reefers. The lower rates above appear to be dry rates, not reefer rates. In same fax from TDC's offices, MESCO indicates that MSC offers reefer service only to Naples (usually doesn't offer reefers). Mesco also represents Norasia (reefers by special arrangement).

Damietta - Jeddah

US \$2000 per 20-foot reefer with Nedlloyd (quote from Naggar)

US \$4000 per 40-foot reefer with Nedlloyd (quote from Naggar)

Action: Reconfirm with Naggar if reefer service offered to Jeddah and transit time.
(Egytrans indicated service does not exist).

Alexandria - Jeddah

US \$1400 per 20-foot dry container with Messina Lines (quote from WORMS)
US \$2500 per 40-foot dry container with Messina Lines (quote from WORMS)

Alexandria - Dubai

US \$1600 per 20-foot dry container with Messina Lines (quote from WORMS)
US \$2600 per 40-foot dry container with Messina Lines (quote from WORMS)

Notes:

1) Rates quotes above do not include:

a) freight forwarder/customs broker charges for export documentation and cargo clearance;
(Martrans gave a sample customs rate of F.Fr 375 in Marseilles -- is this typical?)

20-foot container:

documentation, bill-of-lading = LE 150-250 (US \$74.40 using LE 250)
inspection per container = LE250 (US \$74.40)
route direction clearance = LE 150 (US \$44.64)

40-foot container:

documentation, bill of lading = LE 250 (US \$74.40)
inspection per container = LE 300 (US \$89.29)
route direction clearance = LE 150 (US \$44.64)

b) inland trucking rates (Egypt) from packhouse (Sadat City) to Alexandria port

20-foot container, up to 10 tons = LE 480 (US \$142.86)
from 10-20 tons = LE 580 (US \$172.62)
40-foot container (or 2 20-footers) = LE 630 (US \$187.50)

c) inland rates (Egypt) from packhouse (Sadat City) to Damietta port ?

d) transfer costs (loading/unloading), Alexandria port (agent holds product in cold storage prior to stuffing) ??

e) transfer costs (loading/unloading) European destination port, if necessary
(Martrans gave a sample of F.Fr 4250 to warehouse in Marseilles; is this typical?)

f) inland trucking rates (Europe) from port to destination

(Martrans gave a sample trucking rate from Marseilles to London of F.Fr 14,000 (U.S.\$2,413.79 per 40-footer), and Marseilles to Rotterdam of F.Fr 10,125 (U.S.\$1,745.69 per 40-footer). Indicated that DAHER can do Europe-wide trucking. Are these rates typical?

g) insurance (Martrans gave a sample of CIF value + 10% -- equated to 0.5% of freight bill. Is this typical?

h) demurrage (note: per Martrans, depending on carrier, this can be U.S.\$85/day. Does NDG wish to include any demurrage in calculations or assume container will be returned within free time period?)

i) electrical hookup on pier for reefer -- assessed based on usage; difficult to include estimates for this.

2) Exchange rates used in calculations were as follows:

3.36 LE = U.S.\$1

5.80 Fr Francs = U.S.\$1

1.71 D.Marks = U.S.\$1

0.68 B. pounds = U.S.\$1

Next Steps:

a) TDC (Howayda Edriss) should contact carrier representatives mentioned above as well as CMA and freight forwarders, e.g., Egytrans or ITAMCO to get suggested quotes on items outstanding and any new information. It should detail rate per unit (either kg, or pallet, or truckload, or containerload, or airway bill), i.e., if export documentation costs are typically assessed per bill of lading, not per kg, it should specify as such as well as the currency used for quotation.

b) refer to various quotes for port pairs listed above. Where "action" is indicated, contact as shown, and provide information to Pamela Michel and Norm Mckenzie.

c) Above quotations should be double-checked with carriers or their representatives.

PROBLEMS/ISSUES

G. Problems/Issues

Some of the perceived problems related to transportation of exports from Egypt include:

1. Lack of experience in projecting export volumes; reluctance to share information.
2. Inability to load refrigerated containers at packhouse or farm, i.e., have to "stuff" at port, and restricted hours for loading.
3. Shortage of cargo space during peak periods.
4. Shortage of refrigerated equipment (or lack of supply in marketplace).
5. Lack of understanding of export documentation process, roles of freight forwarders, customs brokers.
6. Shortage of refrigerated trucks.
7. Shortage of direct sailings to northern Europe, i.e., most carriers have multiple stops resulting in longer transits.
8. Few carriers offering refrigerated equipment to southern European ports.
9. Need for additional commitment to "details" of logistics.

Issues which still remain to be resolved, in addition to those already described in other sections, include:

1. Who will book the freight?
2. Who controls the freight (makes the decisions)?
3. Will bookings be made in the name of the individual shipper or the NDG?
4. Who will present the projections to the carriers, and negotiate the space?
5. How will inland transportation be handled in Egypt?
6. Will European marketers buy all products in full containerloads?
7. Are the loadabilities shown in the background information accurate?

Suggestions on resolving some of these issues are included in the "Recommendations/Next Steps" section III at the end of this report. Particular attention should be devoted to the three product information sheets and observations at the end of each.

It should be noted that the problems and issues listed above are not confined to agriculture. The "lessons" and solutions are in many cases applicable as well to light industry. During the consultant's visit to Egypt, an interview was held with Nader Enany, Export Manager of Mz, a cotton-knit garment manufacturer with eight factories, two in Alexandria, two in Cairo (none in the free zone). Mz produces mens' and ladies undergarments for the domestic market and all-cotton and cotton blends t-shirts, Polo shirts, turtle-necks and underwear for the export market. Mz's export markets have shifted -- in 1992, fifty percent of production went to Europe, the remaining to the U.S. In 1993, the U.S. began to source more product from Bangladesh and Pakistan, and as a result 95 percent of Mz's production now moves to Europe. The company is shipping full containerloads (20 and 40-footers) to Europe and Scandinavia, e.g., December/January shipments for February arrivals. The logistics of putting together an order are most challenging -- one order might

be destined to four countries, and three of the destination lots might be on one letter of credit. Considerable problems occur if a vessel is a few days off schedule, affecting not only the letter of credit/payment terms, but as well the arrival for particular sale.

Careful planning, monitoring, and record-keeping are essential to Mz's success. Problem-solving is a daily occurrence, and cost-reduction schemes are equally important. While in Mz's offices, we discussed some suggestions for followup: 1) use of hi-cube containers for increased cubic capacity (he was not aware of this); and 2) research into trade schemes, similar to the 807 program in U.S. legislation, which could facilitate Mz's diversification of products and markets and provide another way of working with the existing markets.

**RESOURCES: TROPICAL PRODUCTS TRANSPORT HANDBOOK"
AND "AGRICULTURE EXPORT TRANSPORTATION WORKBOOK"**

H. Resource Information on Transporting Perishables and Export Documentation

The consultant was accompanied on almost all visits by TDC staff member, Ms. Edriss. This interaction afforded frequent exchange on various aspects of transportation; it helped to give Ms. Edriss some first-hand experience into the issues which will require additional attention related to successful export of Egyptian products. Even with this brief experience, it would be unrealistic to expect that Ms. Edriss could become fully versed in all aspects of transportation sufficient to answer the many questions which will arise from the NDG members in the context of making their transportation arrangements. Over time, (and with assistance from some good freight forwarders and interested carriers), she will absorb much more regarding transportation schedules/routings, rates, how decisions are made, how to negotiate rates/services, understanding implications of product handling/requirements (perishables, shelf-life), packing, loading, and cargo carriage.

In addition to help from those already in the business, she will need to turn to publications for answers. Anticipating some of TDC's needs for quick referral guides for information, the consultant provided Ms. Edriss with two books, the "Tropical Products Transport Handbook" and the "Agricultural Export Transportation Workbook".

The "Tropical Products Transport Handbook" published by the USDA includes useful tips on quality control/grading, packaging, precooling, choosing best mode of transport, proper loading practices, transit and storage requirements/procedures, characteristics of individual agricultural commodities, and additional sources of information. The "Agricultural Export Transportation Workbook", also published by the USDA includes information on roles of freight forwarders, customs brokers, air and ocean cargo carriers, transport documentation and examples of each, methods of payment, insurance, transport guidelines (much of this section is taken from the "Tropical Products Transport Handbook", government regulations, and trade assistance. Both of these books are valuable resource guides to the NDG. More information on the contents of these two books is attached.

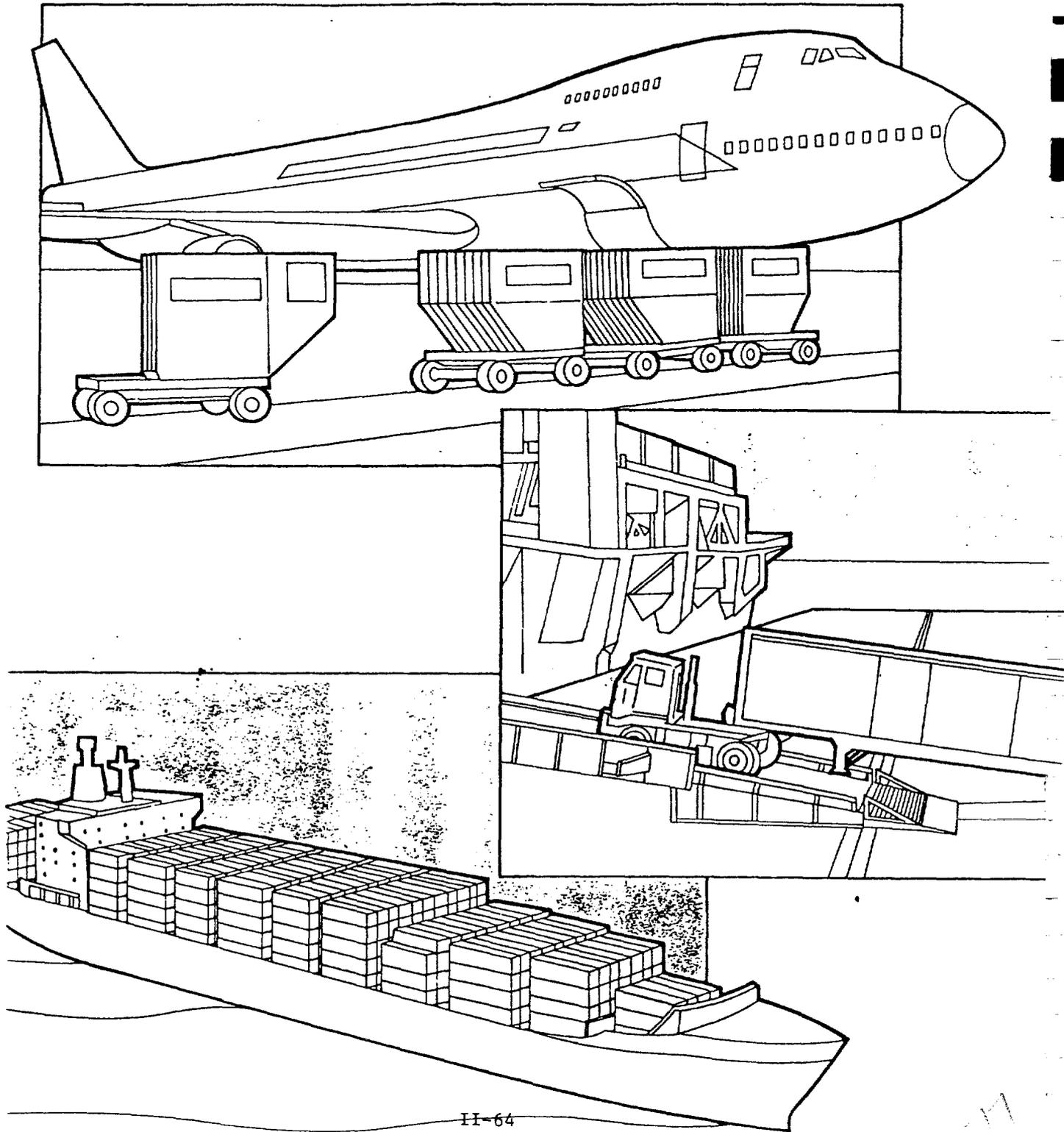
Action: Both of these books should be used as "primers" by the TDC. Key sections should be reproduced and distributed to the NDG. If the TDC would like to distribute single copies of both books to all of the NDG, they should notify Chemonics' office in Washington. (we may be able to secure copies for the project).

United States
Department of
Agriculture

Office of
Transportation

Agricultural
Handbook
Number 668

Tropical Products Transport Handbook



United States
Department of
Agriculture

Office of
Transportation

Agriculture
Handbook No. 668

Tropical Products Transport Handbook

By
Brian M. McGregor
Agricultural Marketing Specialist
Export Services Branch
U.S. Department of Agriculture
Office of Transportation
Washington, DC 20250-4500

Contents

Subject	Page
Introduction	viii
Plan Ahead Before Growing and Shipping	1
Transport Only Top Quality Products	2
Ensure Quality Control With Grading	3
Grading Practices	3
Grade Standards	4
Official Inspections	4
Maintain Quality With Effective Packaging	6
Materials	6
Fiberboard Box Styles	7
Methods	10
Types of Packs	10
What Packaging Must Withstand	11
Standardization	30
Unit Loads	34
Pallets	35
Slipsheets	40
Labeling and Branding	40
Precool Produce To Ensure Quality	41
Factors	41
Methods	42
Precautions	43
Precooling Equipment	44
Choose The Best Mode of Transport	46
Factors	46
Equipment	47
Refrigeration Systems	47
Insurance	48
Design Features	48
Transport Equipment	49
Check The Transport Equipment Before Loading	56

Subject	Page
Use Proper Loading Practices	57
Methods	57
Air Circulation	57
Temperature Control	57
Bracing.....	58
Pest Control	58
Air Cargo Equipment.....	58
Trailers and Van Containers	58
Top Air Delivery	59
Bottom Air Delivery	61
Top Icing.....	61
Temperature Recorders	62
Mixed Loads	62
Multi-Temperature Loads.....	62
Modified Atmosphere Loads.....	63
Ventilation	63
Loaded Equipment.....	63
 Use Recommended Transit and Storage Procedures	 66
Mixed Loads and Storage	66
Compatibility Groups	67
Chill Sensitivity.....	70
Freeze Sensitivity.....	70
Moisture Loss Sensitivity.....	70
Ethylene Sensitivity	72
Odor Sensitivity.....	72
Receiving Procedures	73
Air Circulation and Sanitation.....	73
 Tropical and Subtropical Fruits and Vegetables, and Specialty Products	 74
Amaranth	76
Anise.....	76
Artichokes	76
Asian Pear	77
Asparagus.....	77
Atemoya.....	77
Avocado.....	78
Babaco.....	79
Baby Vegetables	79
Bananas.....	80
Barbados Cherry	80
Bean Sprouts	80
Beans.....	81

Subject

Page

Belgian Endive	81
Bitter Melon	82
Black Sapote	82
Blood Orange	82
Bok Choy	83
Boniato	83
Breadfruit	83
Broccoli	84
Brussels Sprouts	84
Cactus Leaves	84
Cactus Pears	85
Caimito	85
Calabaza	85
Calamondin	85
Canistel	86
Cantaloupe	86
Carambola	86
Carrots	87
Cashew Apple	87
Cauliflower	87
Celeriac	88
Celery	88
Chayote Squash	88
Cherimoya	89
Chinese Broccoli	89
Chinese Cabbage	89
Chinese Long Bean	90
Clementine	90
Coconut	90
Corn	91
Cucumbers	91
Custard Apple	91
Daikon	92
Durian	92
Eggplant	92
Feijoa	93
Figs	93
Granadilla	93
Ginger Root	93
Grapefruit	94
Grapes	94
Guava	95
Haricot Vert	95
Horseradish	95
Jaboticaba	95

Subject	Page
Jackfruit	96
Jaffa Orange	96
Japanese Eggplant	96
Jerusalem Artichoke.....	96
Jicama	97
Kiwano	97
Kiwifruit	97
Kohlrabi.....	98
Kumquat.....	98
Leeks	98
Lemon.....	99
Lime.....	99
Lo Bok	99
Longan.....	99
Loquat.....	100
Lychee	100
Malanga	100
Mamey	100
Mango.....	101
Mangosteen	101
Melons	101
Okra	102
Oranges	102
Papaya.....	103
Passionfruit	103
Pepino.....	103
Peppers.....	104
Persimmon.....	104
Pineapple.....	104
Plantain.....	105
Pomegranate.....	105
Pummelo.....	105
Pumpkin.....	106
Quince	106
Raddichio.....	106
Rhubarb	107
Salsify	107
Sapodilla	107
Scorzonera.....	107
Seedless Cucumbers	108
Snow Peas.....	108
Squash.....	108
Strawberries.....	109
Sugar Apple.....	109

52

Subject	Page
Tamarillo	110
Tamarind.....	110
Tangerines	110
Taro Root.....	111
Tomatillos.....	111
Tomatoes	111
Ugli Fruit	112
Waterchestnut	112
Watercress	112
Watermelon.....	113
White Asparagus.....	113
White Sapote	113
Winged Bean	113
Yam	114
Yucca Root	114
 Potted Flowering and Foliage Plants	 119
Cuttings.....	119
Treatments	120
Packaging	120
Transportation	122
 Cut Flowers and Florist Greens	 126
Treatments.....	126
Packaging	127
Refrigeration	129
Transportation	130
Storage	131
 Appendix 1	 135
U.S. Regulations and Sources of Information	
 Appendix 2	 140
List of U.S. Grade Standards and Inspection Instructions	
 List of References	 147

EB

United States
Department of
Agriculture

Agricultural
Marketing
Service

Agricultural Export Transportation Workbook

by

Ellen M. Welby

and

Brian M. McGregor

International Transportation Branch
Transportation and Marketing Division

February 1993

84

Contents

Subject	Page
Introduction	1
Overview	3
Freight Forwarding	9
International Freight Forwarder	9
Non-Vessel Operating Common Carrier	10
Customs Broker	10
Air and Ocean Cargo Services	11
Air Cargo	11
Ocean Cargo	15
Transport Documentation	23
Pro Forma Invoice	24
Commercial Invoice	25
Inspection Certificates	25
Packing List	26
Dock Receipt	26
Certificate of Origin	27
Consular Invoice	27
Insurance Certificate	27
Shipper's Export Declaration	27
Export Licensing	33
Schedule B Harmonized Commodity Description and Coding System	34
Bill of Lading	35
Air Waybill	35
Sample Transport Documents	36
Methods of Payment	55
Cash in Advance	55
Letters of Credit	56
Drafts	57
Open Account	58
Additional Methods of Payment	58
Currency of Payment	58
Insurance	61
Cargo Insurance	61
Filing a Claim	64

Subject	Page
Transport Guidelines	67
Transport Only Top-Quality Products	67
Ensure Quality Control With Grading	68
Maintain Quality With Effective Packaging	70
Precool Produce To Ensure Quality.	77
Choose the Best Mode of Transportation	80
Check the Transport Equipment Before Loading	84
Use Proper Loading Practices	85
Use Recommended Transit and Storage Procedures	91
Transport Guideline Tables	93
Transport Guideline Figures	94
Government Regulations	129
The Shipping Act of 1984	129
Export Sales Reporting.	132
Dangerous Goods.	133
Trade Assistance.	135
U.S. Department of Agriculture.	135
Export-Import Bank of the United States	145
Overseas Private Investment Corporation.	145
U.S. Small Business Administration	146
U.S. Department of Commerce	146
Federal Maritime Commission	148
U.S. Department of Transportation	148
U.S. Department of the Treasury	149
State Departments of Agriculture	149
State Government Trade Offices	160
Publications	171
Publications	171
Journals	174
Publishers	175
Databases	179
Databases	179
Online Service Providers	200
Glossary	211
Bibliography	217

III. RECOMMENDATIONS/NEXT STEPS

The following recommendations are suggested as followup to the work conducted under this assignment:

1. "Action" Requested in Earlier Sections: Solid inroads have been made towards the deliverables of the consultants assignment. Sections A through H of this report contain specific actions for followup (maps, matrices, rates, product overview, etc). This should be reviewed and action taken. Information should be disseminated once obtained.
2. Spreadsheets (Program): Perhaps the most critical piece of information which remains to be developed between TDC and the NDG collectively are three distinct spreadsheets of projected shipments for each of the three products (potatoes, peaches, and grapes), each detailing projected weekly number of cases/cartons, containerloads, pallets, origin points, destination ports and points. This was referred to by each carrier representative as the "plan" or "program". It is a working document from which the carriers can acknowledge if they can commit equipment for the specified timeframe. These spreadsheets should be attached to the background information on each of the products (these contain useful data on loadability factors, assumptions, etc). The best way of getting this information is to design a weekly spreadsheet, and provide this as a handout at a three separate product meetings of the NDG where via advanced notice, they are aware that this is one of the tasks to be done collectively. The "output" or resulting document should be agreed upon by all present, dated, and distributed. The document should be updated weekly (due to harvesting, weather or market changes). The revised information is then communicated to carriers. A tracking sheet should also be maintained on "actual shipments" versus projected shipments. This is a way of verifying the NDG members' abilities to project, and the reasons for variations (weather, market, disease, etc).
3. Organize Within the NDG Around Products. Immediately following this section is are three "working papers" on potatoes, grapes, and peaches. These begin with the same information found in Section A as background information on the three products, however, each concludes with some "next steps/recommendations" which include carrier options and some discussion on how these products could be moved successfully.
4. Start Small/Organize Well. Although all NDG members and the TDC would like this first season to be a tremendously profitable one, there are many unknowns. It is possible that some may lose money with initial trials -- exporters need to be prepared to acknowledge that agriculture is high-risk, and in a five-year period it is not unusual to make money two years, lose money two years, and break even the other year. Lack of planning can result in even greater losses. This first season, it is critical that the NDG start small, get solid products established in the marketplace, build a working relationship with more than one carrier to gain a sense of service level. This will be better in the long run, than trying to "undo" mistakes or reputation later. As NDG members project for the season, they should bear in mind that not all of their harvested products will make the grade at the packhouse, hence not all product that they are capable of producing will be shipped. Because the NDG is trying to build credibility with the carriers so that additional equipment and acceptable

rates are part of future seasons, they need to communicate (prior to shipment their plans, while shipping, and after shipment).

5. Economies of Scale. As described in the section on the benefits of maps, there are many economies of scale which can be brought to light by organizing jointly, rather than individually -- trucking, grading, rates, etc. The NDG should also consider joint purchasing of such products as the packaging and the temperature recorders for shipments.

6. Staffing. Some private sector export operations of NDG's size would opt for a full-time experienced logistics person to handle the day-to-day programming and liaison functions with the carriers, customs brokers, etc. If this is not feasible this first season, then alternatives need to be examined. It would be a real shame to go to the trouble of organizing the growers, finding the prospective markets, and to leave the critical details of selecting transport carriers to chance.

It has been suggested that Ms. Edriss, recently-appointed Deputy Director for Agriculture handle the transportation logistics. Ms. Edriss accompanied the consultant during the visit. She is bright, a fast-learner, bilingual, and already as a result of this visit has learned a good deal about transportation. However, she is still new to agriculture (and transportation), has not yet been relieved of her duties as office manager, is expected to handle other details such as packaging and market information -- this is a tall task! It is not realistic to expect that an individual without previous background in this area can learn the ropes overnight, especially if the performance must be up to the standards of demanding users of the services, i.e., the members of the NDG, who may be more familiar with certain aspects of transportation from past export experience. The unfortunate scenario that could transpire is that NDG members could end up ignoring "centralized" arrangements, and "do their own thing" anyway, resulting in double-bookings, confused carriers, and ultimately missed shipments.

If neither a full-time logistics person nor a part-time TDC employee are feasible, then the alternative is to reallocate roles and responsibilities. A possible alternative to centralizing all of the logistics effort under TDC is a carefully monitored decentralized management with clearly defined roles for: 1) TDC; 2) two reliable freight forwarder/customs brokers; and 3) NDG members themselves. The actual roles and responsibilities need to be worked out, clearly endorsed and understood by all, and even written down. The issues to be addressed include: who makes the bookings, who controls the freight, who puts together the program (projections) and updates the information, who is the shipper of record on the airway bills or bill-of-lading (NDG or the exporter's company), who is responsible for rate negotiations and who carries the liabilities if any contracts are signed. These need to be worked out very soon if the NDG program is to be successful.

7. Tap Into Industry Providers: The theme of "partnering" has been popularized in the 90s -- namely bringing together client and vendor into closer working relationships for win/win results. The NDG is no exception; the more that the carriers understand about the NDG members business, the more likely they are to provide a better service, and vice-versa. TDC should consider organizing some sessions aimed at bringing the parties closer together.

Some examples include: 1) a visit to the Cairo airport at midnight to witness how product is loaded; and 2) a evening session (or after a regularly scheduled NDG meeting), to "meet the carriers night", or "meet your freight forwarder". The concept is short presentations, followed by questions/answers, and short reception. The "ocean cargo night" should probably be organized in Alexandria to take advantage of exposure to carrier representatives and view cargo stuffing.

file: overview

BACKGROUND INFORMATION FOR 1994 SEASON
(as of December 10, 1993)

NEW DESERT GROWERS (NDG)

The following information is to be used internally among NDG and Trade Development Center (TDC) as a discussion tool regarding transportation options for exporting products to target markets in Europe and the Middle East for the 1994 season.

Prior to finalizing a plan for each of the three agricultural export products (potatoes, peaches, and grapes), there remain some outstanding issues to be resolved, as well as specific followup with the carriers (refer to sections at conclusion of each product). Once these issues have been resolved, a detailed program for shipping (spreadsheet detailing equipment needs, timing, port/airport of loading and unloading, should be developed and discussed more fully with the intended carriers.

Notes on abbreviations:

1. New Desert Growers = NDG
2. Ocean Container or trailer = TL
3. Preferred trans = Preferred mode of transport (air vs. ocean), and equipment types.
4. Port/Airport of Discharge = POD
5. Terms of sale = TOS
6. Port/Airport of Loading = POL
7. Kilogram = kg
8. Origin Point(s) for Cargo = Org Pt.
9. Destination Point(s) = Dest. Pt.

POTATOES (New Desert Growers, as of December 10)

Volume: Minimum 1000 tons (approximately 40 40-foot TLs); maximum 5000 tons. (equates to about 200 40-foot TLs). Note: Estimated container numbers calculated based on projected tonnage using loadability factors provided below.

Pref Trans.: Ocean

Equipment: Preferred refrigerated ocean containers (40-foot reefers), particularly into northern European ports during winter months. Depending on POD and terms of sale (TOS), there is some possibility that open tops or ventilated vans could be used to southern European ports. This would largely depend on climatic conditions between port and inland destination, cargo transfer costs at POL, and inland trucking costs and equipment. These details need to be worked out with consignee.

Loadability: 20-foot TL = 15 tons (750 bags @ 20 kg/bag)
40-foot TL = 24 tons (1200 bags @ 20 kg/bag)
Floor-loaded (not on pallets)

Period: Mid-January through mid/end of March 1994 (6-8 week period)
Cargo to move fairly evenly throughout.

Package: Either 20 kg jute bags or 25 kg jute bags (depending on market requirements).

Markets: N. Europe (Belgium, Holland, Denmark)
Central Europe (Switzerland, Austria)

Note: destination markets will not include traditional markets (UK or Germany).

Org Pt(s): (refer to attached map for farm locations)

POL: Alexandria or Damietta

POD: Antwerp or Rotterdam (for cargoes destined to N. Europe); La Spezia (for cargoes destined to southern or central Europe, e.g., Switzerland and Austria. Options on southern route: via ocean to La Spezia, trucked in same container to inland point (container redelivered to agreed-upon inland point rather than back to La Spezia); or consignee arranged trucking from La Spezia (cargo may have to be transferred).

Dest Pt(s): to be advised, according to markets shown above.
NDG Shippers: (refer to NDG directory).

Observations/questions regarding shipment of potatoes:

1. Floor-loading -- One of the potato shippers said that the product would be floor-loaded, not palletized. Is this acceptable to the consignee? Is there an added cost of transferring the cargo in Europe which would make pallets a better way to go, i.e., if product is shipped via the southern ports and then trucked to inland points?

2. Open-tops vs. ventilated vs. reefers -- Refrigerated equipment is generally preferred; helps to maintain temperature and avoid freeze damage as well, especially via the northern European ports. Because refrigerated containers are a premium (scarcity and cost), are open-tops a viable option through the southern European ports, e.g., with Nedlloyd or Messina? If so, what arrangements can be made to move the cargo from the European port, e.g., La Spezia to European points, and is freezing an issue, hence requiring that the cargo be transferred into refrigerated trucks?

3. Northern European ports vs. southern European ports

a) N. Europe -- Potatoes destined to the northern European markets of Belgium, Holland, and Denmark might be shipped via MSC (roughly 11 days into Antwerp and 12-13 days into Rotterdam according to Egytrans; if cargo were sold on a C & F basis via Antwerp or Hamburg, then trucked to destination, the container might be redelivered to Copenhagen.

(refer to separate sheet on transportation rate information)

Action: recheck this service with MESCO and Egytrans and check rate sheet also regarding Norasia.

b) N. Europe -- other options. Based on preliminary discussions held in Alexandria, the following carriers demonstrated interest to N. Europe: Zim, Norasia, DSR, ?? CMA.

Action: Recontact carriers, send background info in writing requesting faxed response on service, equipment availability, and rate.

c) S. or Central Europe -- Nedlloyd could handle the potatoes (using reefers) from Egyptian port of Damietta (east of Alexandria) into La Spezia, Italy. Messina has dry vans into La Spezia -- would dry vans work? By special arrangement, Messina can handle reefers into La Spezia (they cannot be moved outside of the port, however). Egytrans has an agent in Italy which could arrange inland transportation from La Spezia to European markets; possibly container could be redelivered to container yard closer to destination, rather than return container back to port.

Action: Recontact agent with background info to get specifics on rate, equipment. Contact Egytrans on specifics on inland transportation in Europe and rates. Recontact Messina to ascertain if carrier will only handle shipper-owned reefers, i.e., would carrier be willing to position carrier-owned reefers?

4. Origin point/inland rate -- One of potato shippers plans to use his own packhouse. Will the other potato shipper also use his own packhouse? Is inland transport rate from packhouse to Damietta the same as to Alexandria? Will shippers plan to take cargo to Alexandria or Damietta and hold in refrigerated cooler until stuffing containers?

Action: Contact shippers and agents for specifics to above questions.

5. Bookings/freight control/shipper of record -- Who will make bookings with the carrier -- TDC, the NDG shippers, a freight forwarder? If it is TDC, who at TDC will be charged with this responsibility, and what is responsibility of NDG shipper? Who will control the freight, i.e., what are the terms of sale, who is selecting the carrier, and making the freight decisions? If the NDG shipper is to be the shipper of record on the documents, what aspects of the freight will be centralized, if any?

Action: Convene a meeting of the NDG potato shippers (2) with TDC to resolve these matters. Consider inviting a freight forwarder, e.g., Egytrans to the meeting who can further explain pros and cons of various aspects.

PEACHES, New Desert Growers (as of December 10, 1993)

Volume: 75-100 tons

Pref trans: air cargo

Equipment: air cargo containers

Loadability: (need to calculate according to air cargo containers offered by carriers; check with carriers regarding dimensions)

Period: April 15 - May 15, 1993 (note: this period represents "market window" for Egyptian peaches; occurs prior to Spanish product in marketplace). Expected move approximately 15 tons per week.

Package: 4-kg box

Markets: Start with London and Bremen; later, Switzerland, Austria and Belgium.

Org Pt(s): Refer to attached map for farm locations.

POL: Cairo, Egypt.

POD: London, Bremen, possibly Antwerp or Amsterdam.

Dest pt(s): London and Bremen; points in Switzerland, Austria and Belgium to be advised.

NDG Shippers: (refer to NDG directory)

Observations and questions regarding shipment of peaches:

1. London -- British Airways and Egyptair have direct flights to London; Swissair has a good connection through Switzerland, and Air France has a good connection via Paris (per our contacts both of the latter non-direct routes are good and currently being used for perishables).

BA has space during the anticipated period for peaches (April 15 - May 15), as heavy period is Oct-March. Carriers want to see a program (detailed shipping plan) one month prior to shipment to work out specifics on loadabilities in air containers, volumes, etc. (refer to carrier contact reports for British Air, Egyptair, and Air France).

Rates: vary by carrier; BA's rates are higher than EgyptAir's. (refer to rate sheet and separate contact reports).

Next steps: Complete air carrier matrix; ascertain if other carriers offer direct flights to London (or via another point), space availability and rates.

2. Bremen -- Lufthansa and KLM would appear to be most viable carriers, particularly Lufthansa as German carrier.

Next steps: Due to time constraints, meetings were not scheduled with Lufthansa or KLM. Both carriers should be contacted regarding interest in NDG shipments, frequency of service, type of equipment and rates (use carrier contact form).

GRAPES (New Desert Growers, as of December 10, 1993)

Volume: Approximately 1500 tons for 1993 as follows:
King Ruby variety: 500 tons (100,000 cartons @ 5 kg each, or 45 TLs)
Thompson seedless: 600 tons (120,000 cartons @ 5 kg each, or 55 TLs)
Flame seedless: 400 tons (80,000 cartons @ 5 kg each, or 36 TLs)

Pref transport: ocean, however, due to short European windows, ocean transits, it is likely that some grapes will have to moved via air.

Equipment: If moving via ocean, then 40-ft ocean reefers
If moving via air, then air containers

Period: King Ruby: July 25 - August 30; then August through third week November.

Thompson Seedless: June 15 - July 20 (note: this movement could extend into August; market window is until July 15 as after this period Eypitian grapes are subject to increased duty.)

Flame Seedless: June 5 - July 10 (note: like the Thompson seedless, good market window until mid-July).

Package: 5-kg carton (net); 5.650 (gross). Palletized.

Loadability: 2200 cases @ 5 kg each into 40-foot ocean container
(Note: for air cargo, contact air carrier regarding dimensions of air cargo container).

Markets: King Ruby: England, Germany (Bremmen), Jeddah, Dubai (Europe being main markets).
Thompson Seedless: UK as main market, followed by Germany, Jeddah, Dubai.
Flame Seedless: UK as main market, followed by Germany, Jeddah, Dubai.

POL: Alexandria or Damietta (if via ocean).
Cairo (if via air)

GRAPES (Cont'd)

- POD:** To England or Germany, options include:
1) via ocean into northern ports: Felixstowe, Antwerp, Hamburg, or Rotterdam;
2) via ocean into southern ports, then trucked north: via La Spezia.
3) via air into London, Frankfurt, Bremen, Amsterdam.
- To Middle East:
1) via ocean to Jeddah or Dubai.
2) via truck to Jeddah (using reefer trucks/ferry). (note: this option is about 48 hours, costs about \$2400; requires Saudi visa for trucks 15 days in advance).
3) via air to Jeddah or Dubai.
- Org Point(s):** (refer to map showing farm locations and packhouse)
- Dest Point(s):** (to be advised based on TOS; likely to key ports/airports)
- NDG Shippers:** (refer to 8 shippers on NDG directory)

Comments/questions regarding shipment of grapes:

1. Air vs. ocean -- Due to interest in hitting the market window in Europe in the June/July period, it is suggested that NDG explore viable shipping options both via air and ocean. Due to the transit times into the north Europe ports, and uncertain harvest dates, air cargo may prove to be the best option during this window, or at least an alternative. During the other timeframes, ocean containers may prove to be more efficient despite the longer transit times.

To England or Germany, options include:

1) via ocean into northern ports: Felixstowe, Antwerp, Hamburg, or Rotterdam.

Eyptrans says best reefer options are with MSC (except to Felixstowe, due to relay). Typical transit times are 11 days to Antwerp from Alexandria and 12-13 days to Rotterdam. This needs to be rechecked with MESCO, which has indicated in some fax communication to TDC that reefers are only available with Norasia, not MSC, the latter into Naples only. (MESCO represents both Norasia and MSC).

2) via ocean into southern ports, then trucked north: via La Spezia, Italy

Options: 1) Nedlloyd into La Spezia or Barcelona; 2) Messina -- originally indicated that it did not have reefers; later indicated that this would be possible by special arrangement into

La Spezia only. This could be a good service (direct to La Spezia), then truck to destinations. Additional contact should be made with Messina; 3) Zim into Venezia (contact ArabExpress for details).

3) via air into London, Frankfurt, Bremen, Amsterdam.

London: British Airways, Air France, Swissair, Egyptair.

Frankfurt, Bremen: Lufthansa. (need to check rates)

Amsterdam: KLM

To Middle East:

1) via ocean to Jeddah or Dubai. Nedlloyd has 4-day sailing from Damietta to Jeddah. Rates are:

Note: Per Zim, if Middle East talks bring about peaceful outcome, likely that Zim will expand services into Middle East. This should be monitored.

2) via truck to Jeddah (using reefer trucks/ferry). (note: this option is about 48 hours, costs about \$2400; requires Saudi visa for trucks 15 days in advance). Check this option with Egytrans.

3) via air to Jeddah or Dubai. Check with Egyptair vs. one of the Middle Eastern carriers.

IV. ADDITIONAL OBSERVATIONS/SUGGESTIONS FOR TDC AND THE NDG

During the consultant's visit there was opportunity to exchange views with representatives of the TDC, with some of the NDG members, and with fellow consultants to the project. It seemed to be the general consensus that the NDG program had good potential for increasing Egyptian exports to Europe and the Middle East, and that it is commendable that individual growers could be organized toward some mutual advantage with this long-term view in mind. However, time is short, potato exports are supposed to be exported in early 1994, and there remains a good deal of "detail" work which is critical if this program is to take off successfully and not fail for lack of attention.

Some of the following recommendations have been discussed during the consultant's visit. They are organized below with a view toward capturing various conversations -- hopefully they will serve as "food for thought" for the TDC and NDG. It should be noted that these points are raised in a constructive manner and should not be interpreted as criticism of a single individual or group of individuals.

1. Details. The NDG project has a vision, and the concept is being well-promoted. If the project is to be successful, however, the next step is in the "details", i.e., getting down to the specific issues of running the business of an agricultural export operation. Some examples:

a) Packaging -- NDG members have decided to come together under a single name, perhaps with one or more brands. The brand name(s) need to be registered; the logo should be reviewed for market acceptability, the proper size and quality of packaging needs to be printed and shipped to arrive on-time, so that it doesn't have to be air-shipped at the last minute. And, shippers need to have adequate supplies of packaging at their farms to pack the product (unless product is to be packed at a central location).

b) Quality control -- In the absence of actually visiting the marketplaces themselves the NDG members need to be told (and shown) what a quality product looks like. They need this information from the marketplace, and from a quality control expert (preferably not a local, preferably a European). The quality control expert needs to be on-hand and available during the shipping season to: explain grades and standards, proper packing, train quality control inspectors/graders at centralized packhouses, and to communicate problems in a timely fashion so that they can be tracked to the origin and solved. Because few farmers like to have their product rejected, this individual needs to be tough enough to stand up to criticism, but have the mutual respect of the the NDG members. If problems are severe, the quality control expert may need to be complemented by a short-term product specialist, e.g., production problems or postharvest handling.

c) Precooling and Packing -- In the first season, there may be some advantages to centralizing certain aspects of the operation, e.g., packing/grading of grapes. In other cases, e.g., the potatoes, current shippers already have a packhouse, so it may not be

feasible to centralize the operation. Over the longer term, the individual shippers may out of necessity need to perform certain functions at the farm level, rather than at the packhouse. This needs to be considered (short-term needs vs. longer term directions).

d) Transportation -- There are a number of details which remain, perhaps the most immediate is to fine-tune the projections by product on a per container basis so that a program of intentions and equipment demands can be worked out with the air and ocean carriers. (refer to separate section above)

2. NDG and TDCs roles. The TDC is to be commended for having organized the growers around a common goal and name -- the NDG. Politics, personalities, and even competition among members make for a dynamic organization, however complex. The group seems ripe for taking action to the next level, i.e., electing officers and appointing key spokespersons for the association (rather than have 11). TDC could still organize the meetings; TDCs role becomes one of catalyst/facilitator -- NDGs role is policy-setting, planning (projections, etc), implementation. If the NDG concept takes off, (and it has a good chance of doing so), it will not be possible for TDC to absorb all of the staffing or backstopping of the effort. The task is too great and to agree to take on more than can realistically be handled with resources will result in critical tasks "falling through the cracks" and perhaps doom the enterprise to failure. NDG should be in a position to recognize this, and to take responsible action including financial responsibility to get the job done right.

NDGs biweekly meetings could be focused on resolution of policy/operational issues which cut across all products, e.g., roles of NDG, roles of TDC, how information will be disseminated, setting the stage for problem-resolution. Separate meetings organized by products (potatoes, peaches, grapes) could be held to handle issues which are particular to the product (production, postharvest handling, transport, marketing). This will have the effect of not tying up members' time in issues which are not of direct consequence. Scheduling is also much easier for two potato growers than 11 growers of 3-4 products!

TDCs role as catalyst and liaison (coordinator) could include: provider of short-term assistance, organizer of NDG meetings, procurement of supplies (temperature recorders, boxes), monitoring/updating of export projections, dissemination of information (market information, feedback from the market on arrivals, new carrier information or service change, updates on NDG members and programs, updates on EC legislation.

3. Project design/resources/staffing. The EED project is quite ambitious in terms of outputs against staffing resources. While there are overlaps in terms of the demands for servicing the two sectors (agriculture and light industry), current staffing resources may not be sufficient to handle both sectors simultaneously in a manner which is satisfactory. As specific roles are worked out between the NDG and the TDC, there needs to be some fine-tuning to reach these ambitious goals. This may call for reallocation of level of effort, a redesigning of some aspects of the technical assistance contract, or even the hiring of personnel, e.g., an inside operations person as well as quality control, whose efforts could be supplemented by TDYers.

4. ST packet of background info/assignment coordinator. The project has utilized short-term TDYers to round out the talents of the long-term team. Preparation and backstopping these consultants (prior, during and in followup) to assignments is time-consuming and demanding. Background information needs for the consultants, however, tends to be pretty uniform, i.e., they all need the same basic briefing information. Two suggestions are offered to TDC with a view toward maximizing benefit from these experts while also reducing time demands on TDC staff:

a) Generic package -- TDC and Chemonics home office should provide an information packet for all consultants which would include generic information on the project (project factsheet, TDC staff chart with names, background on the NDG and directory of NDG) and the consultant's schedule of appointments. (Note: a number of the pieces of information resulting from the transportation advisor's TDY could be used as background information on the NDG -- refer to annexes).

b) Assignment coordinator -- While most scopes-of-work indicate that the consultant shall report to the Team Leader, Rick Miller, he may not be able to provide the day-to-day time and attention to the assignment. In light of this, a more workable solution may be to have the Team Leader's involvement at 3 junctures (right after the consultant's arrival in a joint meeting with the assignment coordinator to review the SOW and schedule and resolve any issues; midway through the assignment; and a pre-departure debriefing). An assignment coordinator could be designated for each assignment, depending on the technical nature of the assignment. This individual's role is to set up the schedule, and provide daily input/backstopping to support the consultant while in the field. If there is a decision that the assignment coordinator shall always be the same person (independent of the technical area), then technical and office duties will need to be reallocated accordingly, as this is time-consuming. If there are multiple consultants in-country at the same time this scenario may not be workable.

EXPORT ENTERPRISE DEVELOPMENT PROJECT
Contract No. 263-0226-C-00-3095-00

SCOPE OF WORK

TRANSPORTATION SPECIALIST
(SHORT TERM)

BACKGROUND:

The Export Enterprise Development (EED) Project sponsored by USAID/ EGYPT is designed to assist Egypt to increase private sector exports and foreign exchange earnings. The project is based on two premises, that Egypt needs:

- to increase its exports to earn more foreign exchange, and
- to introduce Egyptian producers to foreign markets and hence to the requirements of international competition.

The project has been targeted to focus activities on two export sectors--vegetables and fruits (non-citrus) and light manufacturing. In addition, the project will concentrate on introducing and expanding exports in these product categories to two principal target markets --Europe and the Middle East.

The project will work within a two-tier strategy. The two-tier approach is based on the industrial structure of the target product areas with the greatest potential. The EED project will primarily finance assistance to support firms within the first tier--those most likely to achieve near-term increases in exports.

The project is being carried out by the Egypt-U.S. Joint Business Council (JBC) over a five-year period. The Trade Development Center (TDC), the action arm of the JBC, has primary responsibility for implementing the project.

Consistent, reliable, and cost-efficient air and ocean transportation of export products to key target markets in Europe and Asia will be essential to the sustainability of exports initiated under the EED project through the TDC. It has been noted in both project documents pre-dating the technical assistance contract that transportation has been considered a key area for improvement as noted by AID and other donor groups, such as The World Bank. In more recent discussions, the USAID/Egypt project officer for the EED project, Fred Kirchstein, has indicated that there is a need to analyze current transport regimes, i.e., review existing carrier services against export needs anticipated under the project, highlight problems and opportunities, and propose practical solutions for their resolution (Phase I). TDC, together with private sector firms in TIER I--particularly light industry and agricultural

132

2. **Clarification on SOW priorities** -- Meet with project long-term contract team, TDC staff, and USAID/Egypt project management to gain a clearer understanding of what is expected under the terms of the SOW, and efforts to date which impact on the task at hand. (1-2 appointments)
3. **Review with TDC staff counterpart** scheduled appointments, and outstanding needs (appointments, drivers). (1 appointment) X

Note: Designated TDC staff counterpart(s) will assist in preliminary scheduling prior to arrival of consultants, will make additional appointments as requested, and will accompany consultants on some appointments (training, background). This process will help to assure maximum utilization of consultants' time during allocated stay in Egypt, and will facilitate continuity of recommendations/implementation of program related to transportation. X

4. **Meet with key representatives of the New Desert Growers** regarding prospective needs related to transportation. (Note: One group meeting organized by TDC, as well as some individual meetings) (4 appointments)
5. **Meet with key business associations stakeholders** from the Egyptian private sector. Subjects to be covered include current/prospective air and ocean transportation needs, and experience with existing services. (10 appts)
6. **Meet with existing air and ocean carrier representatives** to gather information on current services to key markets targeted under the EED project. Emphasis will be placed on refrigerated ocean cargo companies (personal interviews at carriers' offices - minimum 5 appointments).

Subjects to be covered include:

- a) Carrier name/key contact/responsibility
- b) Type of service (LO/LO, RO/RO, break-bulk), reefer/dry, types of equipments, frequency of service, and deployments.
- c) Ability to provide consistent service on 7-day basis to key European and Middle Eastern markets, especially into the UK.
- d) Current operational problems/opportunities with exporters.
- e) Overview of EED project goals/objectives and developments to date, e.g., New Desert Growers Group. Review products, timing, volumes, markets. (note: spreadsheet on prospective needs to be prepared by EED team leader and TDC).

firms--would play a key role in Phase II by implementing the recommendations. TDC would also perform an important role related to the sustainability of reliable, consistent transportation services, which could well include monitoring of services, dialogue/negotiation with carriers regarding rates/services, dissemination of key pieces of information to the private sector on a systematic as well as on-request basis, and where feasible, coalition-building. This type of action can be used successfully toward effecting necessary legislative changes, communicating a message from multiple users of transportation, and so forth.

In the early stages of the project, there is already considerable interest in bringing about a service (or building on existing ones) in response to the needs of the evolving Premium Brand System (PBS) and New Desert Growers (NDG) organized through the TDC. The September 1993 retreat and work plan session indicated that additional analysis along commodity lines of several prospective export products should be done, not only in production, but also in post-harvest handling and transport, yielding some basic but essential baseline information for the project. Although it is anticipated that a 7-10 day service is needed for the Agricultural Marketing Company, the first step to making this a reality is to inventory existing services (pros and cons), build where possible on improving those services to the levels required under the project, and negotiate with the most viable carriers a service which is suitable to the projected needs of the New Desert Growers during the coming season.

STATEMENT OF WORK:

The transportation specialist, together with a designated TDC staff person, will meet with key representatives of TDC's private sector clientele, carriers and port authorities, with the objective of beginning the process of inventorying existing transportation services, reporting on problems/opportunities, and making recommendations for actions to be taken under the EED project for their improvement. Primary emphasis will be placed on meeting with current/prospective providers of consistent, dedicated refrigerated ocean cargo service into key European and Middle Eastern markets, particularly the United Kingdom, ~~which is the main market for the first season exports by the New Desert Growers.~~ These meetings will build on discussions to date, e.g., Sea-Land Service and Maersk shipping companies. The inventory process will be initiated under this assignment, but additional and more comprehensive contact with the carriers will rest with the TDC staff-designee, as the consultant will devote "prime" time in Egypt to the issue of agribusiness and a service for this season's anticipated exports for the New Desert Growers.

DUTIES:

1. **Background reports** -- Review all relevant reports, studies and data already collected by the contractor, USAID/Egypt, the TDC, and any additional sources of information and "lessons learned" from the experiences of similar export promotion organizations in other countries. (Note: TDC and the EED team will send these documents via pouch to Chemonics home office so that they may be reviewed in advance of the visit to Cairo, and to do following-up/clarification ^{if} necessary, e.g., with the World Bank.).

- f) Current operational or institutional problems related to ports, customs, regulations in general related to doing business in Egypt (e.g., port congestion of an institutional nature; regulations regarding the port/labor; customs delays)
8. Meet with key airport and port authority representatives and customs officials in Cairo (airport), Alexandria (port and possibly airport), Said (port), and Suez (port) regarding infrastructure/equipment, problems/opportunities, future plans (e.g., meetings regarding expansion, equipment, and warehousing desirable, but only if time permits. This would be important to the reefer side of the business, too, as problems often occur at the port.)
 9. Contact the Foreign Commercial Officer in Cairo regarding the transportation study (progress-to-date and scope) to glean useful information and avoid duplication of effort. (telephone contact may be sufficient)

PRIORITIES AND VENUE:

The major emphasis of this assignment is the need for a dedicated refrigerated ocean service between Egypt and key European ports (especially Felixstowe). The team leader is in agreement that a more comprehensive analysis including the dry cargo services (both air and ocean) is warranted, but this assignment will concentrate primarily on agriculture. The process for obtaining key pieces of information (useful as well for dry cargo and light industry) will be imparted to the TDC staff, so that the completion of the inventory may be done by TDC staff. This is key as it is conceivable that some of these could become refrigerated carriers as volumes build related to agriculture and light industry exports, and agriculture exporters will look to have multiple choices in selecting their carriers, rather than be limited by a single carrier's service (i.e., harvesting schedules necessitate this, as to operational issues).

The scope-of-work defined above will require approximately 20 appointments. Some of the contacts will be group sessions, organized at TDC, e.g., New Desert Growers. Other will require visits to offices in Cairo, e.g., carrier representatives and certain exporters. It is suggested that visits also be made to key ports, especially Alexandria but possibly Said and Suez as this is the only way in which infrastructure can be assessed, and key representatives from port authorities will be located in these areas, not Cairo.

RESPONSIBILITIES BY EED STAFF AND TDC:

Because of the contemplated rigorous schedule, the advisor will rely on receiving solid support for the assignment, both prior to the stay in Egypt and on-site. The team leader will designate a counterpart from TDC staff who could help with preliminary identification of materials, key carrier contacts, appointment scheduling, and accompanying the advisor on some of the visits. In advance of her visit, the advisor will be sent the following information via pouch or fax:

1. **Background information** -- Reports from TDC files, World Bank reports, memos and notes related to transportation (reports commissioned, actual lists of carriers/contacts, contacts made to date, e.g., Sea-Land and Maersk).
2. **New Desert Growers** -- Overview of players, plus a spreadsheet of information by company according to current/prospective exports by commodity, origin and destination point, mode of transport, volumes, load-abilities (if possible), and time-frame (case counts or container loads by week or month).
3. **Definition of markets** -- List of key markets in Europe and Middle East (country, port (if possible), and point (if possible)).
4. **Identification of location of existing packhouses** as well as prospective plans, capacities, and proximity to origin points/ports.
5. **Contact information** (telephone, fax) for Larry Jensen, Foreign Commercial Officer/Cairo.
6. **Contact information for carriers, port authorities** -- Any lists of carriers from TDC files, carrier representatives (especially decision-makers), contacts to date (Sea-Land, Maersk). If TDC does not maintain this information in its files, please fax air and ocean company information from the telephone book (pls include a fax number as well). Note: The intention is that with the preliminary information, the advisor will send a standard fax to a target list, informing them of the project, estimated dates in-country and interest in meeting with decision-makers, e.g., country manager, marketing manager, operations. The fax will also indicate name of TDC counterpart who will be helping to schedule appointments. By the time the transportation advisor arrives, a skeleton schedule of appointments should have been set up.

TIMING/DURATION OF ASSIGNMENT AND REPORTING RESPONSIBILITIES:

The transportation specialist will report directly to the EED team leader, John R. Miller, for overall guidance and direction on the assignment. The specialist will work on a day-to-day basis with appropriate members of the TDC staff and various other stakeholders. The executive director of the TDC and the USAID/Egypt projects officer will also be actively participating in providing guidance and direction throughout the assignment.

The preliminary research, in-country information-gathering and post-travel report write-up, including findings and recommendations, will take about 2 weeks (late November, first half of December 1993).

Some of the initial research can be done from the U.S. With the assistance of TDC and the project officer, appointments will be made with carriers, private sector exporters, and port authority representatives to assure better utilization of time once in Egypt.

In addition, the findings will be organized for a short in-country briefing, prior to the writing of the report.

ANTICIPATED OUTPUTS:

It is expected that as a result of this assignment, EED project managers, along with the TDC will receive:

- the preliminary basis, a "skeleton" matrix of some of the key ocean and air services to key destination markets (i.e., a format which is suitable for completion by TDC as well as for monitoring/updating/disseminating key information to private sector users in-country and foreign importers);
- select maps of Egypt/Europe/Middle East showing key information related to ports;
- a report detailing meetings and negotiations with carriers regarding service, interest in providing the 7-10 day service to the ~~UK~~^{select European ports}, as well as findings with respect to problems, opportunities, and recommendations. It should also detail negotiations with respect to start-up, equipment, and transport rates -- what has been decided, what aspects/actions remain and responsibilities by respective parties. This baseline report, having involved many of the interested players in the industry, should serve as the basis for key areas of action under the EED project related to transportation, including enhancement of existing services as well as start-up of new ones; and
- basic information to be distributed to Egyptian agricultural exporters regarding loading patterns and commodity information, which will be useful to their operational challenges in conjunction with exporting.

QUALIFICATIONS:

Ms. Pamela Michel, our proposed transportation specialist, brings to this assignment considerable private sector experience in the transportation sector. In addition, she has worked in marketing, pricing/rates, strategic planning, operations, problem-solving related to transportation services in developing countries, and successfully implemented programs which have resulted in more reliable and consistent services for exporters in the agricultural and light industry sectors.