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Mid-East, COMESA and EU Markets for Target Egyptian Exports

Final Report

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Executive Summary

Development of export markets is important to Egypt's economic growth. This report presents results of analysis of markets and competition for selected processed Egyptian agricultural products targeted by the Agricultural Led Export Business (ALEB) project in the Mid-East, COMESA, South Africa and European Union (EU). Abt Associates Inc is the prime contractor to USAID/Egypt on this assignment. This report was prepared by Market Solutions LLC under a subcontract agreement. The products of specific interest in this analysis include frozen, dried and processed vegetables, dried onions and selected spices and herbs in the EU. In the Mid-East, COMESA and South Africa, the analysis also includes macaroni, infant food, tomato paste, bottled water, poultry meat, and vegetable oil.

Analysis presented here is based on data obtained from EUROSTAT, FAO, TRAINS and COMTRADE, as well as limited Egyptian export data from CAPMAS provided to the team. Data from different sources often diverge due to reporting periods, transshipments, exchange rates, under-reporting and for a variety of other reasons. Despite these differences, results of the analysis will provide Egyptian exporters with useful insights into the size of markets for target products in the countries analyzed and the nature of competition that will be faced there. This provides a useful foundation for setting priorities based on market potential. It will also guide follow up ALEB in-country research, which can help fill in data gaps, and provide more in-depth analysis of the market opportunities, distribution channels, and competitive and regulatory challenges faced by Egyptian products. This in turn will guide ALEB technical assistance.

Overview

Combined Agricultural imports by target Mid-East markets, COMESA members outside Egypt and South Africa grew by 41 percent 1990-97, from $US 10.4 billion to almost $15 billion.

Imports by target Mid-East markets increased 37 percent to $9.6 billion in 1997, accounting for two-thirds of the total. Imports by South Africa doubled and those of other COMESA member countries increased by 32 percent.

During the same time period, agricultural imports from outside the current 15 member countries of the European Union (EU 15) grew by 16 percent, from $US 53.2 billion in 1990 to $61.5 billion in 1997.

In contrast, the average value of Egypt's total agricultural exports grew 23 percent, from $406.4 million in 1990-92 to $499.8 million in 1995-97, though exports fell to $442.2 million in 1997 from $521-536 million during 1995-96.

Regional Import Trends for ALEB Target Products

Agricultural import growth in the Mid- East, COMESA and South Africa has proceeded at a sharper rate than in the EU, but the size of the EU market, four times that of the other countries, means that the actual value of increased imports was larger in the EU. Overall, markets for target products have expanded sharply, and, despite important gains over the last decade in a number of product areas, Egyptian exporters who can provide quality products on a price competitive basis should be able to increase sales even more substantially. Looking at selected target products:

For dry onions, during the 1990-1997 period, the value of Mid-East imports grew from $63.4 million to $90.9 million; EU 15 imports from outside the EU fell from $97.4 million to $64.2 million; COMESA imports, excluding Egypt, grew from $4.1 in 1990 to $19.6 million in 1997; South African imports grew from $2,000 to $43,000. Total Egyptian exports of dry onions were valued at an average of $12 million in 1990-92 and $13.6 million in 1995-97.

For **dehydrated vegetables**, during 1990-1997, the value of imports increased from $100 million to $136.9 million in the EU; from $1.5 million to $6.6 million in the Mid-East; from $2.5 million to $6.3 million in South Africa; and from $98,000 to $912,000 in COMESA countries. The value of Egypt's exports of dehydrated vegetables to all destinations grew from an average of $11.1 million in 1990-92 to $17.8 million during 1995-97.

For **frozen vegetables**, EU imports increased from $159 million in 1990 to $218.9 million in 1997, while the value of Mid-East imports increased from $19.4 million to $26.7 million, South African imports increased from $58,000 to $2.7 million and COMESA imports increased from $227,000 to $2.3 million. The value of Egypt's exports of frozen vegetables to all destinations grew from an average of $6.1 million in 1990-92 to $11.9 million during 1995-97.

For **frozen potatoes**, EU imports from outside the EU were valued at $7.9 million in 1998, while Mid-East imports were valued at $8 million and COMESA country imports were valued at $110,000 in 1997. Egyptian exports for January – September, 1999 were valued at $2.2 million, with almost all going to Mid-East markets, primarily Saudi Arabia, the UAE and Kuwait.

The value of imports of **other prepared vegetables** (nes) by the EU increased from $206.2 million in 1990 to $281.8 million in 1997. During the same period, Mid-East imports decreased from $58.6 million to $51 million, South African imports increased from $1.4 million to $9.1 million and COMESA imports increased from $4.3 million to $7 million. The value of total Egyptian exports of other prepared vegetables increased from $867,000 during 1990-92 to $1.5 million during 1995-97.

Imports of **pickled vegetables** (prepared by vinegar) by the EU increased from $98.6 million in 1990 to $130.7 million in 1997, while Mid-East imports increased from $11.4 million to $15.8 million, South African imports increased from $274,000 to $1.3 million and COMESA imports grew from $189,000 to $548,000. Egyptian exports grew from an average of $814,000 in 1990-92 to $1.1 million in 1995-97.

Fruit Juice imports (nes) by the EU grew from $80.9 million in 1990 to $99.9 million in 1997, while COMESA imports grew from $1.4 million to $5.5 million and South African imports grew from $345,000 to $3.3 million. Mid-East imports during the same period fell from $63.8 million to $46.6 million, marked by a sharp decline in imports by Saudi Arabia, from $49.5 million to $12.5 million.

Egyptian fruit juice exports, nes fell from an average of $792,000 in 1990-92 to $672,000 in 1995-97. During the same period, exports of mango juice fell from $2 million to $1.5 million; orange juice exports grew from $134,000 to $173,000; apple juice exports grew from $12,000 to $68,000; grape juice exports fell from $16,000 to $7,000, and vegetable juice exports grew from $14,000 to $72,000.

Prepared fruit imports (nes) by the EU grew from $2.2 billion in 1990 to $2.4 billion in 1997. Mid-East imports were $30 million in 1997, up 23 percent over 1990. Imports by COMESA countries were valued at $65 million.

Egyptian exports of prepared fruits, nes grew from an average value of $584,000 in 1990-92 to $2.986 million in 1995-97. This masks a jump from exports valued at $1.2-1.3 million in 1995 and 1996 to $6.4 million in 1997, according to FAO statistics.

For **macaroni**, the value of Mid-East imports grew from $30.8 million in 1990 to $38.6 million in 1997 and South African imports grew from $1.6 million to $4.9 million. During the same period, EU imports went from $22.9 million to $23.2 million and COMESA imports dropped from $68.8 million to $14.9 million, due to a sharp drop in imports by Angola, from $64.5 million to $9.3 million. The value of Egypt's total macaroni exports fell from an average of $1.2 million in 1990-92 to $7,000 in 1995-97.

The value of fixed **vegetable oil** imports by the EU grew from $1.7 billion in 1990 to $2.3 billion in 1997, while COMESA imports increased from $245.9 million to $457.2 million, Mid-East imports grew from $202.4 million to $388.8 million and South African imports grew from $76 million to $211.1 million. Egypt's exports of hydrogenated oils grew from $300,000 in 1990-92 to $4.2 million in 1995-97.

Imports of **infant foods** by Mid-East markets were valued at $67 million in 1997. Imports by COMESA countries were valued at $7 million. Egypt's exports of infant foods fell in value from an average of $508,000 in 1990-92 to $26,000 in 1995-97.

EU imports of tomato preparations increased from 58 million ECU in 1990 to 65 million ECU in 1997. COMESA imports of **tomato paste** were valued at $14.6 million in 1997. Egypt's exports of tomato paste increased in value from an average of $38,000 in 1990-92 to $165,000 in 1995-97.

EU imports of mineral **water** without sugar decreased in value from 13.8 million ECU in 1990 to 9.4 million ECU during 1997, while imports of waters with sugar doubled, from 20.2 million ECU in 1990 to 40 million ECU in 1997. Mid-East imports of waters and ice were valued at $25 million in 1997 and imports by COMESA members were valued at $4.9 million. The value of Egypt's exports of waters and ice fell from an average of $3.3 million in 1990-92 to $836,000 during 1995-97.

The value of **spices**, nes imports in the Mid-East increased from $51.3 million in 1990 to $64.2 million in 1997. During the same period, imports by South Africa increased from $4 million to $4.3 million and imports by COMESA increased from $1.4 million to $5.8 million. Total Egyptian spice exports increased from $5.6 million in 1990-92 to $7.9 million in 1995-97.

Imports of **poultry meat** by selected Mid-East markets grew 56 percent from 1990-97, reaching $662 million. Imports of chicken meat by COMESA countries were valued at $43.5 million in 1997, while South African imports were valued at $44.9 million. Egyptian poultry exports increased from $1 million in 1990-92 to $1.4 million in 1995-97.

Mid-East Country Markets for Target Products

Looking at specific country markets within individual regions:

- Saudi Arabia and the UAE are the largest markets for dehydrated onions, accounting for $70 million out of $91 million;

- Saudi Arabia is largest market for macaroni, accounting for $23 million out of $39 million;

- Saudi Arabia is the largest market for infant foods, accounting for $38 million out of $67 million;

- Saudi Arabia accounts for $23 million out of $37 million in tomato paste imports;

- Kuwait is the largest market for waters and ice, importing $15.1 million out of $25.3 million;

- The UAE is the largest importer of non-specific spices, importing $44 million out of $64 million;

- Saudi Arabia accounts for about half of the regions poultry meat imports, $340 million out of $662 million;

- Saudi Arabia and the UAE are the largest vegetable oil importers, accounting for $175 million and $117 million respectively out of $389 million;

- All of the countries in the region import fruit juices, with Kuwait's imports valued at $16.5 million, Saudi Arabia at $12.5 million, the UAE at $8.7 million, Bahrain at $6.8 million and Oman at $2 million;

- Prepared vegetable imports are important throughout the region as well, with Saudi Arabia the largest importer, with $19.4 million, followed by Oman with $12.9 million; Kuwait with $8.7 million; the UAE with $8 million and Bahrain with $2.1 million;

- Frozen vegetable imports are largest in Kuwait, with $15.5 million, Saudi Arabia, with $5.9 million, and the UAE with $3.6 million. Oman's imports are $1.2 million and Bahrain, $600,000;

- Saudi Arabia and Oman are the largest importers of dehydrated vegetables, with $3.8 million and $1.8 million respectively out of $7 million total.

COMESA and South Africa as Markets for Target Products

Agricultural imports by COMESA member countries excluding Egypt increased by 32 percent from 1990 to 1997, to $3.2 billion. COMESA member countries for which trade data were analyzed include Angola, Burundi, the Comoros, Democratic Republic of Congo, Djibouti, Eritirea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, the Seychelles, Sudan, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe. The overall size of COMESA markets is small compared to the EU, target Mid-East markets, or even South Africa, which alone imported $2 billion in agricultural products in 1997. There are, however, targets of opportunity which Egyptian exporters can take advantage of when looking at specific country markets for products targeted by ALEB.

- COMESA member countries imported $19.6 million worth of dry onions in 1997, with Angola accounting for 77 percent of the total.

- COMESA members imported macaroni valued at $14.9 million in 1997, and South Africa imported an additional $4.9 million. Among COMESA countries, Angola and Djibouti were the largest importers.

- COMESA imports of infant foods were valued at $7 million in 1997, with Mauritus, Angola, the Democratic Republic of Congo, and Djibouti accounting for 80 percent of total imports.

- COMESA imports of tomato paste were valued at $14.6 million in 1997. The Democratic Republic of Congo and Angola account for 93 percent of the total. Djibouti is a market for $1.5 million in peeled tomatoes.

- Water and Ice imports by COMESA countries were valued at $4.9 million in 1997. Angola, Djibouti and the Democratic Republic of Congo ($500,000) account for 88 percent of the total.

- Spice and herb imports by COMESA countries were valued at $11.8 million in 1997, while South Africa imported another $20.1 million.

EU Markets for Target Products

Looking at EU-15 imports from outside of the EU, referred to as extra-EU trade, the most important markets for target products in 1997 included:

- Frozen vegetables not otherwise specified, with imports valued at 87 million ECU, and Egypt providing less than one percent of the total, valued at 249,000 ECU. Germany, the Netherlands, the U.K., Belgium, France and Sweden are the largest EU importers.

- Dried onions, with imports valued at 55 million ECU and Egypt's share about 18 percent of the total, valued at 10 million ECU. Germany, the U.K., the Netherlands, Sweden and France are the top EU importers.

- Mixed dried vegetables, with imports valued at 50 million ECU, and Egypt providing 4 percent of the total, valued at about 2 million ECU. Germany, the U.K., France, the Netherlands, Spain, Sweden and Belgium are the top EU importers.

- Frozen artichoke imports were valued at 664,000 ECU, with Egypt providing 84 percent of the total, valued at 557,000 ECU. France is the major EU importer.

- For other target products, Egypt's share of the EU-15 imports from outside the EU was negligible in 1997:

    - EU imports of prepared artichokes other than pickled or frozen were valued at 522,000 ECU.

    - EU imports of sweet peppers were valued 43 million ECU including 14 million ECU in frozen, 13 million ECU in pickled and 16 million ECU in dried. Germany, Spain, the Netherlands, and the U.K. are the top EU importers for dried peppers. Germany, the Netherlands, Italy, Sweden, and Austria are the top pickled pepper importers.

    - EU imports of prepared and dried carrots were valued at 3.5 million ECU, no statistics were found for frozen carrot imports. Germany, the Netherlands, the U.K., Austria and Belgium are the largest EU importers.

- While not specifically targeted by ALEB, the EU also imported pasta valued at 4 million ECU, waters valued at 49 million ECU, tomato preparations valued at 65 million ECU and infant foods valued at 2.8 million ECU.

Conclusions and Recommendations

As Egyptian exporters and the ALEB project look at market development for the future, the project can have the biggest impact on increased exports through a segmented approach:

- For Egypt's strongest current export products among the target group, such as dried onions and frozen artichokes, efforts should be on strengthening market shares, and expanding the size of markets by developing demand in current European markets and looking at opportunities in new markets in the Mid-East, COMESA and South Africa.

- For other target products, specifically processed vegetables and fruit products, and spice products, the key will be to understand how best to sell a broader line of products to current customers of dried and frozen products, and then how to expand into other markets. In follow up field interviews it will be especially important to better understand factors affecting the competitive position of Egyptian products compared to major competitors identified here. This will held the ALEB project to target its technical assistance efforts.

- For other processed products examined, specifically macaroni, tomato paste, frozen poultry, water and vegetable oils, the next step is to carefully evaluate the competitiveness of Egyptian products in markets showing the largest current import levels. Follow up in-country analysis should focus on product price, quality, packaging, and regulatory and trade requirements that will affect sales.

1. Introduction

Development of export markets is important to Egypt's economic growth. This report presents results of analysis of markets and competition for selected processed Egyptian agricultural products targeted by the Agricultural Led Export Business (ALEB) project in the Mid-East, COMESA, South Africa and European Union (EU). Abt Associates Inc is the prime contractor to USAID/Egypt on this assignment. This report was prepared by Market Solutions LLC under a subcontract agreement. The products of specific interest in this analysis include frozen, dried and processed vegetables, dried onions and selected spices and herbs in the EU. In the Mid-East, COMESA and South Africa, the analysis also included macaroni, infant food, tomato paste, bottled water, poultry meat, and vegetable oil.

An introductory overview section of the report compares imports by target Mid-East countries to those of other members of COMESA and South Africa. They establish that current imports in the targeted Mid-East countries are substantially larger than those of COMESA member countries, or South Africa. Mid-East markets analyzed here, Saudi Arabia, the United Arab Emirates, Kuwait, Oman and Bahrain, were selected by the ALEB team in Cairo. COMESA member countries for which trade data were analyzed include Angola, Burundi, the Comoros, Democratic Republic of Congo, Djibouti, Eritirea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, the Seychelles, Sudan, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe. Egypt is also a member of COMESA.

Analysis presented here is based on data obtained from EUROSTAT, FAO, TRAINS and COMTRADE, as well as limited Egyptian export data from CAPMAS provided to the team. Data from different sources often diverge due to reporting periods, transshipments, exchange rates, under-reporting and a variety of other reasons. While countries have made important strides in adopting a Harmonized System (HS) of tariff classifications that make it easier to make comparisons across data bases, systems used by different countries still diverge. Thus, statistics on "pasta" reported by the EU do not precisely match those recorded for "macaroni" in FAO data series. The same applies to terms like dry and dehydrated onions used in different data series. Despite these differences, results of the analysis can provide Egyptian exporters with useful insights into the size of markets for target products in the countries analyzed and the nature of competition that will be faced there. An appendix lists the product categories and HS codes used by some of the data bases used in compiling data for this report.

The balance of the report is organized into analysis of regional markets for target products, and competition in specific product markets. A conclusions and recommendations section focuses on high potential products and markets, and recommended additional issues for in-country follow up industry rapid analysis (IRA) by ALEB team members. Appendix 1 presents information of different sources of trade data that the ALEB team may wish to acquire for future analysis. Appendix 2 presents a suggested key questions to be addressed in follow up in-country IRA interviews.

The scope of work for this assignment envisioned a detailed analysis of trends in Egyptian exports to the target markets for the target products. Results of our analysis indicate that at the beginning of the ALEB project Egypt was a negligible supplier of EU markets for many of the targeted products. Egypt was an important exporter of dried onions, dried mixed vegetables, frozen artichokes, and other frozen vegetables, and a small supplier to Mid-East, COMESA and South Africa markets for most products other than spices. The findings clearly indicate that the markets analyzed do import the target

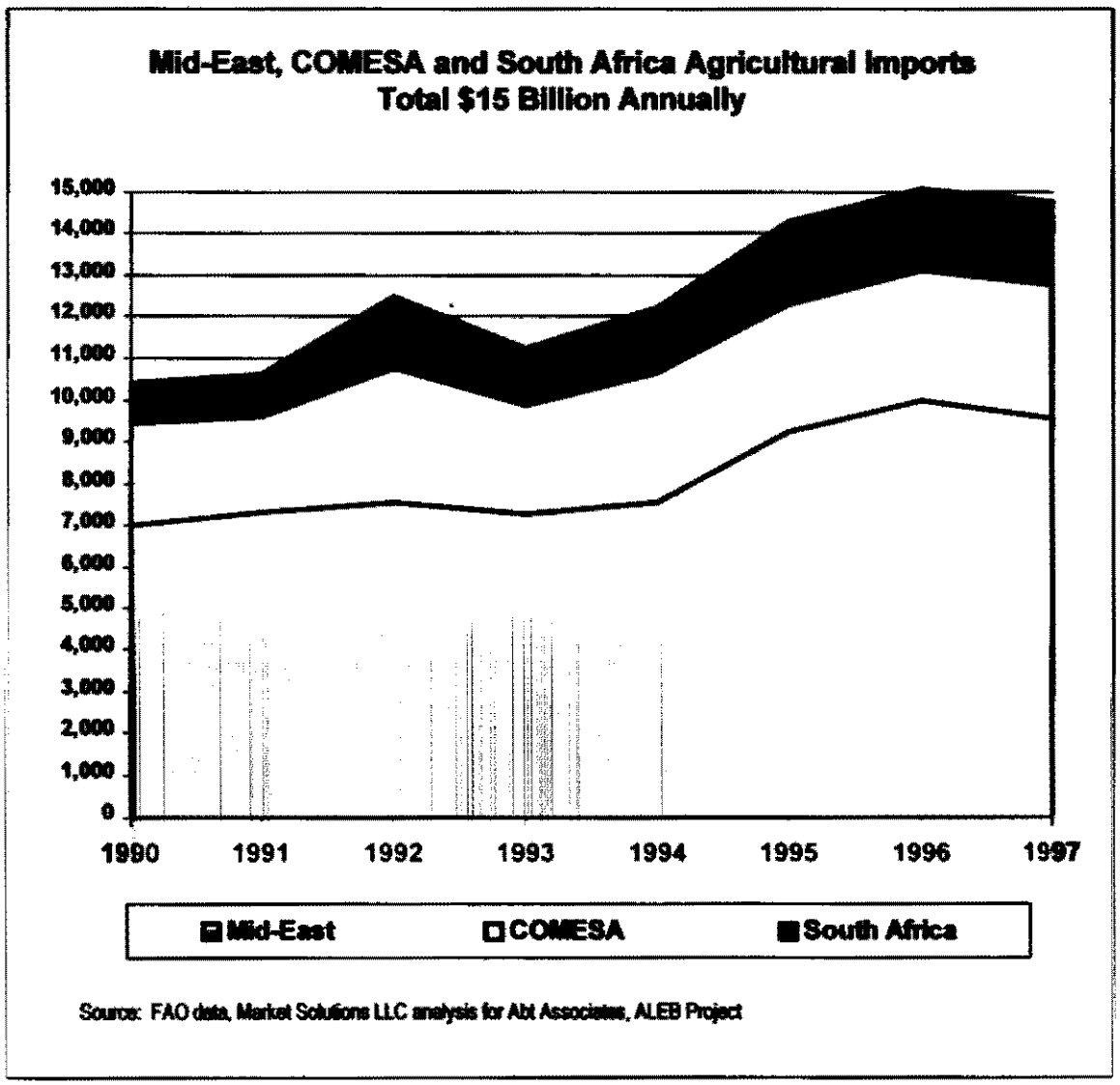
products, and we expect that Egyptian suppliers could become more competitive. The challenge in undertaking IRA interviews will be to have the researchers armed with specific information on the products, qualities, quantities and prices at which Egyptian companies can supply specific products so that researchers can get concrete, practical information that will help Egyptian companies profit from market growth and increase market shares for the targeted products.

2. The Relative Importance of Regional Markets: An Overview

Combined Agricultural imports by target Mid-East markets, COMESA members outside Egypt and South Africa grew by 41 percent 1990-97, from $US 10.4 billion to almost $15 billion.

Imports by target Mid-East markets increased 37 percent to $9.6 billion in 1997, accounting for two-thirds of the total. During the same period, imports by South Africa doubled to $2 billion and those of other COMESA member countries increased by 32 percent, to $3.2 billion.

Among the Mid-East markets selected for analysis by the ALEB project, Saudi Arabia and the United Arab Emirates accounted for three-fourths of total $9.6 billion in agricultural imports during 1995-97, Kuwait, Oman and Bahrain were the other markets analyzed.



Trends in Regional Imports and Egyptian Exports of Target Products

During the same time period, agricultural imports from outside the current 15 member countries of the European Union (EU 15) grew by 16 percent, from $US 53.2 billion in 1990 to $61.5 billion in 1997.

The average value of Egypt's total agricultural exports grew from $406.4 million in 1990-92 to $499.8 million in 1995-97, though exports fell to $442.2 million in 1997 from $521-536 million during 1995-96.

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For dry onions, during the 1990-1997 period:

- The value of Mid-East imports grew from $63.4 million to $90.9 million.
- EU 15 imports from outside the EU fell from $97.4 million to $64.2 million.
- COMESA imports, excluding Egypt, grew from $4.1 in 1990 to $19.6 million in 1997.
- South African imports grew from $2,000 to $43,000.
- Total Egyptian exports of dry onions were valued at an average of $12 million in 1990-92 and $13.6 million in 1995-97.

For **dehydrated vegetables**, during 1990-1997, the value of imports increased from $100 million to $136.9 million in the EU; from $1.5 million to $6.6 million in the Mid-East; from $2.5 million to $6.3 million in South Africa; and from $98,000 to $912,000 in COMESA countries. The value of Egypt's exports of dehydrated vegetables to all destinations grew from an average of $11.1 million in 1990-92 to $17.8 million during 1995-97.

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The value of imports of **other prepared vegetables** (nes) by the EU increased from $206.2 million in 1990 to $281.8 million in 1997. During the same period, Mid-East imports decreased from $58.6 million to $51 million, South African imports increased from $1.4 million to $9.1 million and COMESA imports increased from $4.3 million to $7 million. The value of total Egyptian exports of other prepared vegetables increased from $867,000 during 1990-92 to $1.5 million during 1995-97.

Imports of **pickled vegetables** (prepared by vinegar) by the EU increased from $98.6 million in 1990 to $130.7 million in 1997, while Mid-East imports increased from $11.4

million to $15.8 million, South African imports increased from $274,000 to $1.3 million and COMESA imports grew from $189,000 to $548,000. Egyptian exports grew from an average of $814,000 in 1990-92 to $1.1 million in 1995-97.

Fruit Juice imports (nes) by the EU grew from $80.9 million in 1990 to $99.9 million in 1997, while COMESA imports grew from $1.4 million to $5.5 million and South African imports grew from $345,000 to $3.3 million. Mid-East imports during the same period fell from $63.8 million to $46.6 million, marked by a sharp decline in imports by Saudi Arabia, from $49.5 million to $12.5 million.

Egyptian fruit juice exports, nes fell from an average of $792,000 in 1990-92 to $672,000 in 1995-97. During the same period, exports of mango juice fell from $2 million to $1.5 million; orange juice exports grew from $134,000 to $173,000; apple juice exports grew from $12,000 to $68,000; grape juice exports fell from $16,000 to $7,000, and vegetable juice exports grew from $14,000 to $72,000.

Prepared fruit imports (nes) by the EU grew from $2.2 billion in 1990 to $2.4 billion in 1997. Mid-East imports were $30 million in 1997, up 23 percent over 1990. Imports by COMESA countries were valued at $65 million.

Egyptian exports of prepared fruits, nes grew from an average value of $584,000 in 1990-92 to $2.986 million in 1995-97. This masks a jump from exports valued at $1.2-1.3 million in 1995 and 1996 to $6.4 million in 1997, according to FAO statistics.

For **macaroni**, the value of Mid-East imports grew from $30.8 million in 1990 to $38.6 million in 1997 and South African imports grew from $1.6 million to $4.9 million. During the same period, EU imports went from $22.9 million to $23.2 million and COMESA imports dropped from $68.8 million to $14.9 million, due to a sharp drop in imports by Angola, from $64.5 million to $9.3 million. The value of Egypt's total macaroni exports fell from an average of $1.2 million in 1990-92 to $7,000 in 1995-97.

The value of fixed **vegetable oil** imports by the EU grew from $1.7 billion in 1990 to $2.3 billion in 1997, while COMESA imports increased from $245.9 million to $457.2 million, Mid-East imports grew from $202.4 million to $388.8 million and South African imports grew from $76 million to $211.1 million.

Egypt's exports of hydrogenated oils grew from $300,000 in 1990-92 to $4.2 million in 1995-97. Additionally, olive oil exports increased from an average of $98,000 in 1990-92 to $1.1 million in 1995-97. During the same period sunflowerseed oil exports increased from nil to $786,000; palm oil exports increased from $95,000 to $217,000; soybean oil exports increased from $97,000 to $174,000; sesame seed oil exports grew from nothing to $39,000; cottonseed oil exports grew from $5,000 to $63,000; and vegetable oil nes exports rose from $104,000 to $115,000. Average margarine and shortening exports grew from nil to $139,000 during this period.

Imports of **Infant foods** by Mid-East markets were valued at $67 million in 1997. Imports by COMESA countries were valued at $7 million. Egypt's exports of infant foods fell in value from an average of $508,000 in 1990-92 to $26,000 in 1995-97.

EU imports of tomato preparations increased from 58 million ECU in 1990 to 65 million ECU in 1997. COMESA imports of **tomato paste** were valued at $14.6 million in 1997. Egypt's exports of tomato paste increased in value from an average of $38,000 in 1990-92 to $165,000 in 1995-97.

EU imports of mineral **water** without sugar decreased in value from 13.8 million ECU in 1990 to 9.4 million ECU during 1997, while imports of waters with sugar doubled, from 20.2 million ECU in 1990 to 40 million ECU in 1997. Mid-East imports of waters and ice were valued at $25 million in 1997. The value of Egypt's exports of waters and ice fell from an average of $3.3 million in 1990-92 to $836,000 during 1995-97.

The value of **spices**, nes imports in the Mid-East increased from $51.3 million in 1990 to $64.2 million in 1997. During the same period, imports by South Africa increased from $4 million to $4.3 million and imports by COMESA increased from $1.4 million to $5.8 million.

Among Egyptian exports of herbs and spices, exports of anise, badian and fennel grew from $5.6 million in 1990-92 to $7.5 million in 1995-97; exports of pimento and allspice fell from $170,000 to $140,000; exports of pepper grew from $44,000 to $131,000; exports of nutmeg and cardomon increased from $11,000 to $37,000; exports of spices, nes grew from $30,000 to $119,000. Egypt also exported cinnamon valued at $4,000; ginger valued at $7,000 and vanilla valued at $15,000 during 1995-97. Exports of these three spices were nil in 1990-92.

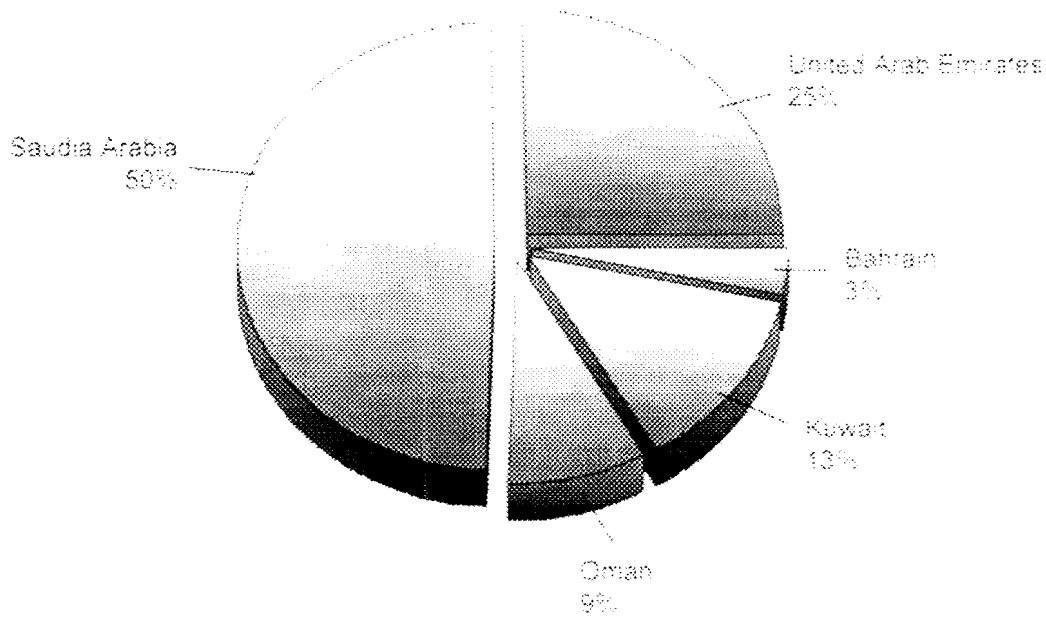
Imports of **poultry meat** by selected Mid-East markets grew 56 percent from 1990-97, reaching $662 million. Imports of chicken meat by COMESA countries were valued at $43.5 million in 1997, while South African imports were valued at $44.9 million.

Egyptian exports of chicken meat fell from an average value of $942,000 in 1990-92 to 920,000 in 1995-97. During the same period, chicken exports rose from $76,000 to $402,000 and canned chicken exports rose from $9,000 to $13,000, while duck and duck meat exports rose from $9,000 to $39,000 and the value of turkeys and turkey meat grew from nil to $44,000.

3. Markets for Target Products in the Mid-East

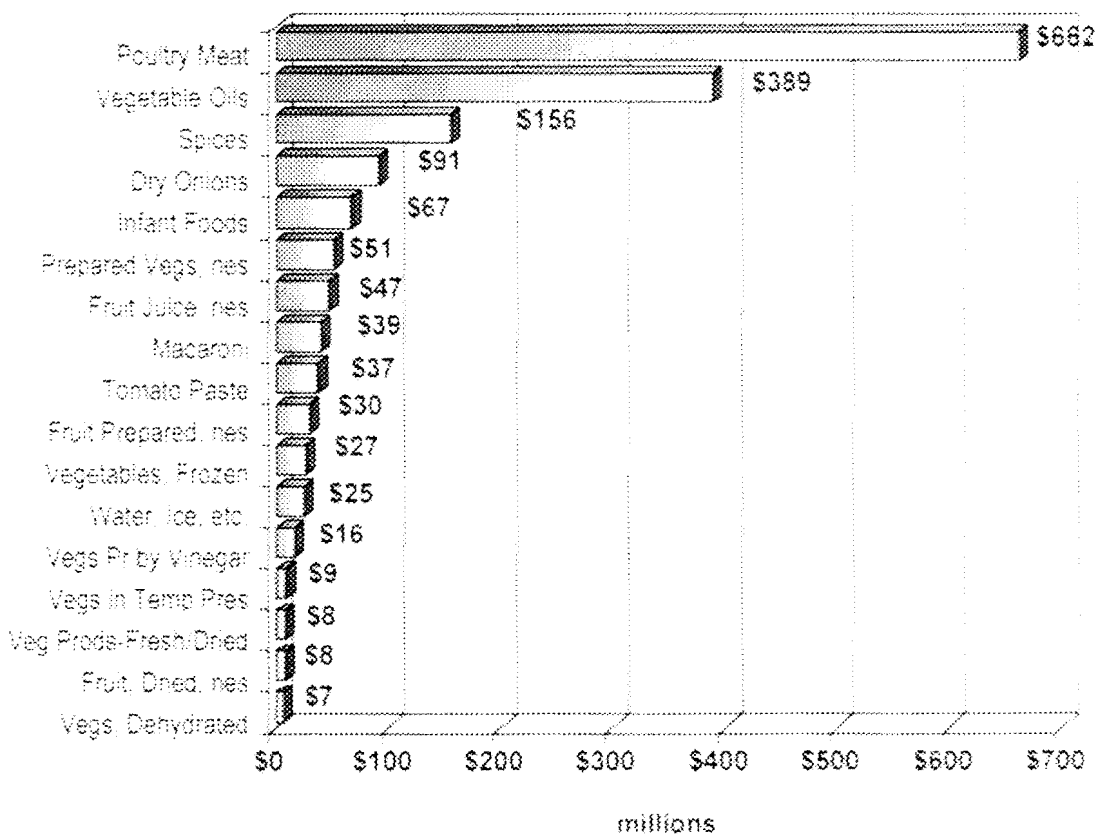
Saudi Arabia and the United Arab Emirates accounted for three-fourths of total $9.6 billion in agricultural imports in 1995-97 by Mid-East markets selected for analysis by the ALEB project. Kuwait, Oman and Bahrain were the other markets analyzed.

Saudi Arabia and UAE Account for 3/4 of Mid-East Agricultural Imports, 1995-97



Source: FAO data, Market Solutions LLC analysis for Abt Associates ALEB Project

Among the products targeted by ALEB, the biggest Mid-East imports in 1997 were poultry meat, vegetable oils, spices and dry onions. In the aggregate, fruit and vegetable imports are also very important.

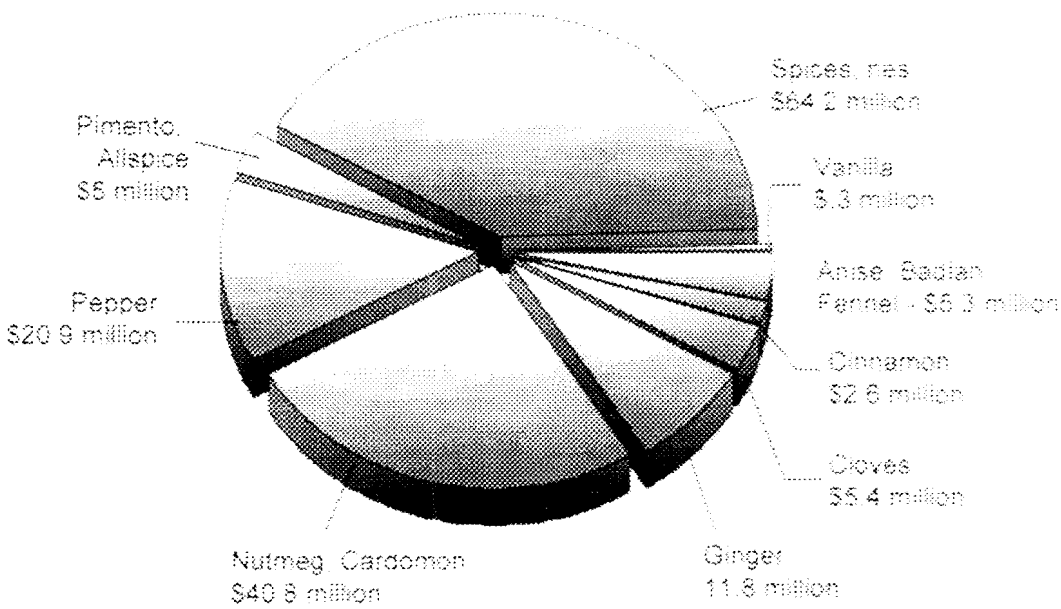


Source: FAO data, Market Solutions LLC analysis for Abt Associates, ALEB Project

In 1997,

- Poultry meat imports were valued at $662 million.
- Vegetable oil imports were valued at $389 million.
- Spice imports were valued at $156 million.
  - Anise, badian, and fennel imports, the largest category of Egyptian exports, were $5.3 million.
  - Non-specific spice imports, also an important category for Egyptian exports, were valued at $64 million.

Composition of Mid-East Spice Imports, 1997



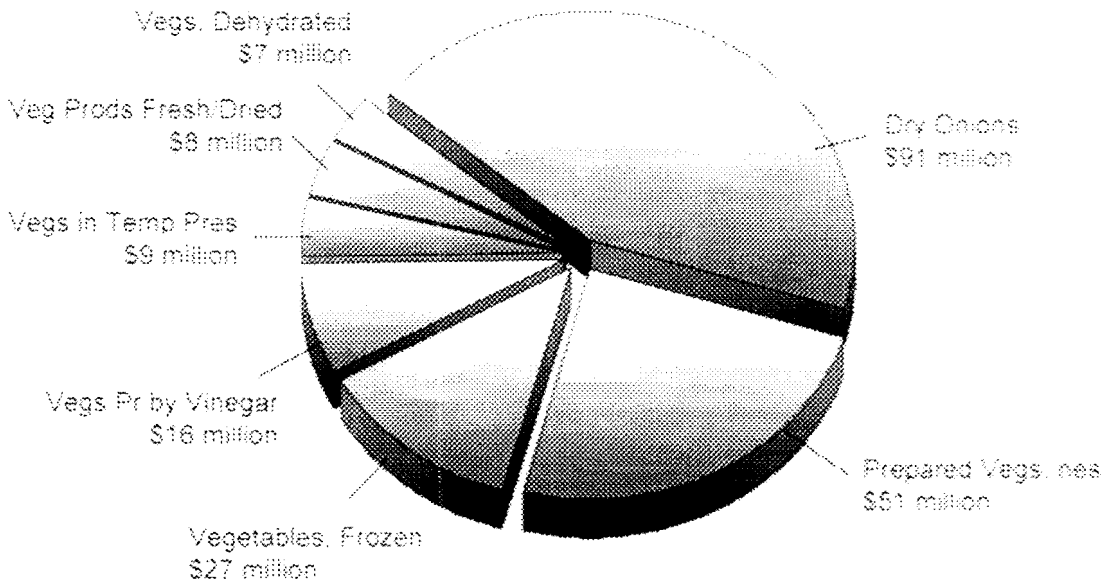
$156 million total

Source: FAO data, Market Solutions LLC analysis for Abt Associates, ALEB Project

Vegetable Product imports were valued at $209 million, including

- $91 million in dry onions
- $51 million in prepared vegetables;
- $27 million in frozen vegetables, and
- $7 million in dehydrated vegetables

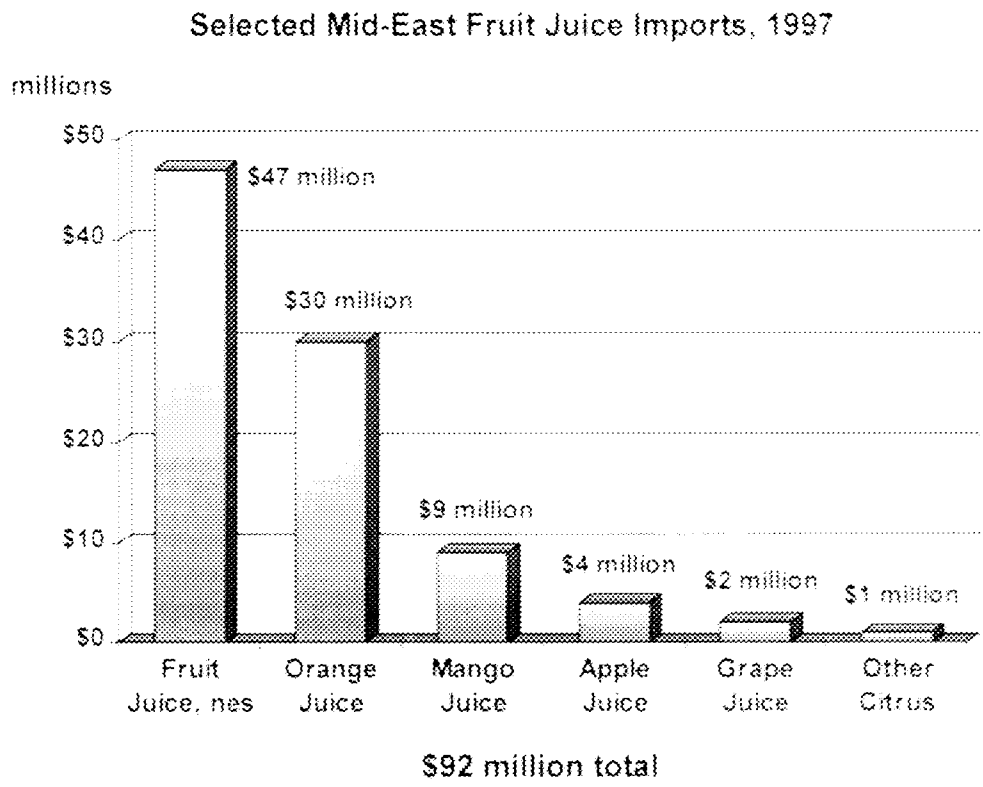
Selected Mid-East Vegetable Product Imports, 1997



Total $209 million

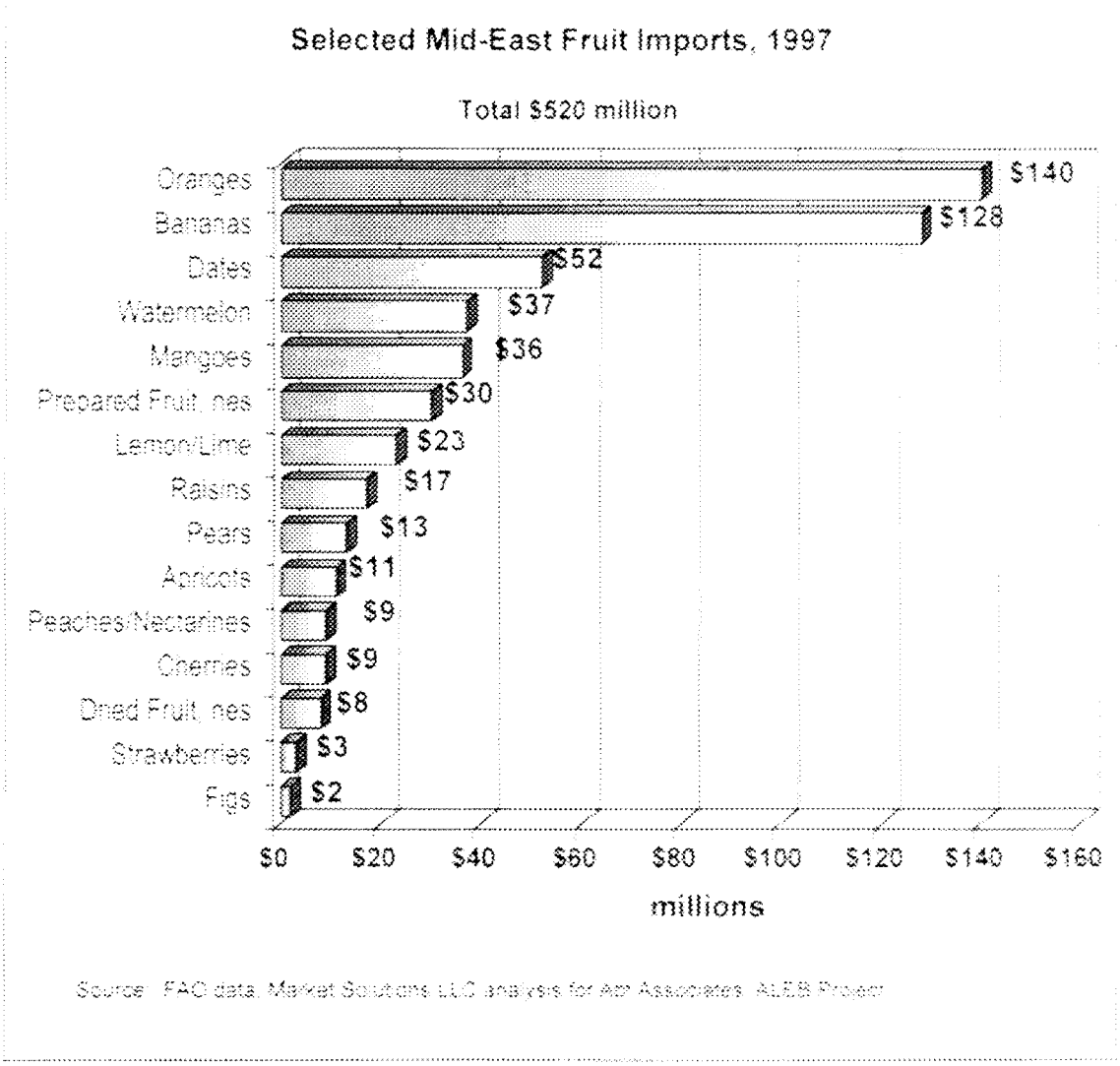
Source: FAO data, Market Solutions LLC analysis for Abt Associates, ALEB Project

Fruit Juice imports were valued at $92 million, with non-specified juices accounting for half of the total, and orange juice another third. Imports of mango juice, Egypt's largest export, were valued at $9 million.



Source: FAO data, Market Solutions LLC analysis for Abt Associates, ALEB Project

Fruit imports were valued at $520 million, with oranges and bananas accounting for half of the total. Date imports were valued at $52 million; mangoes at $36 million; dried fruit at $8 million; and strawberries at $3 million.



Among other target products, Mid-East imports in 1997 included:

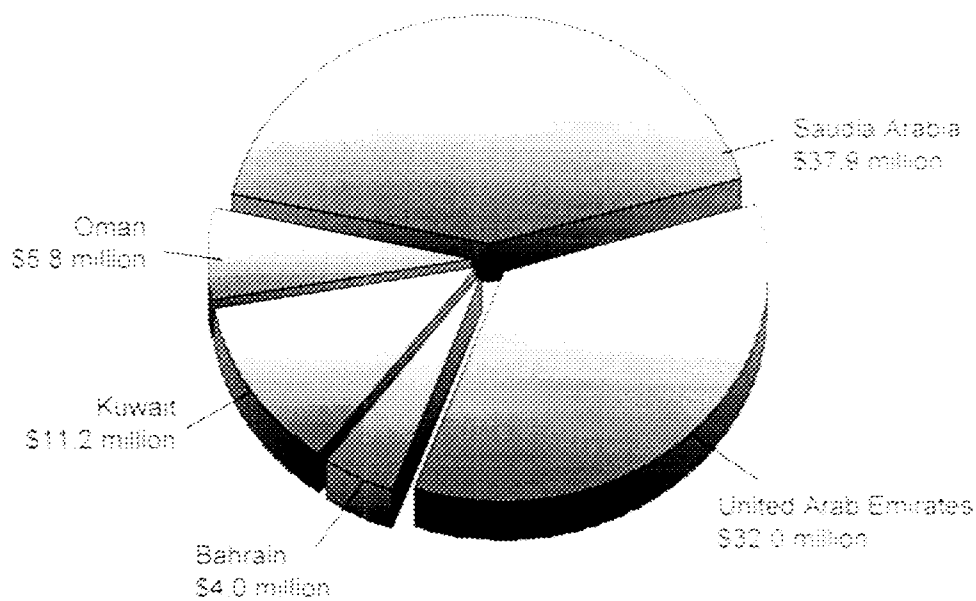
- Infant food imports valued at $67 million;
- Macaroni imports valued at $39 million;
- Tomato paste imports valued at $37 million; and
- Water and ice imports valued at $25 million.

Mid-East Country Markets for Target Products

Looking at the most important current country import markets in the region for individual target products provides useful insights into countries for further detailed analysis during the follow up in-country field work and sales prospecting efforts by individual Egyptian companies.

Saudi Arabia and the UAE are the largest import markets for dehydrated onions accounting for $70 million out of the $91 million regional total. Egypt reported exports to Saudi Arabia valued at $16,028 and to Kuwait valued at $1,855 in 1998 out of $14.9 million in total 1998 exports, according to data supplied by ALEB. Unit values of these exports were substantially lower than to other export destinations. Saudi Arabian import data indicate that Egypt's major competitors in the market are the U.S., Syria and the United Kingdom.

Mid-East Markets for Dehydrated Onions, 1997

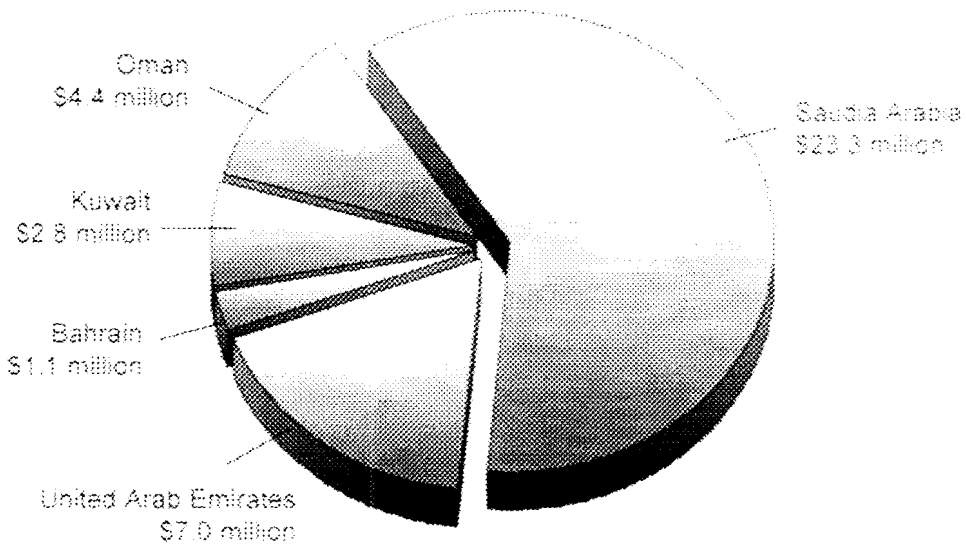


Total $91 million

Source: FAO data, Market Solutions LLC analysis for Abt Associates, ALEB Project

Saudi Arabia is largest market for macaroni, accounting for $23 million out of $39 million in regional imports in 1997. Egypt reported exports to the United Arab Emirates valued at $67,797 and to Kuwait valued at $21,664 in 1998 out of a total of $300,000 in exports during 1998. Reported unit values of exports to both countries, especially the UAE, were substantially higher than to other markets.

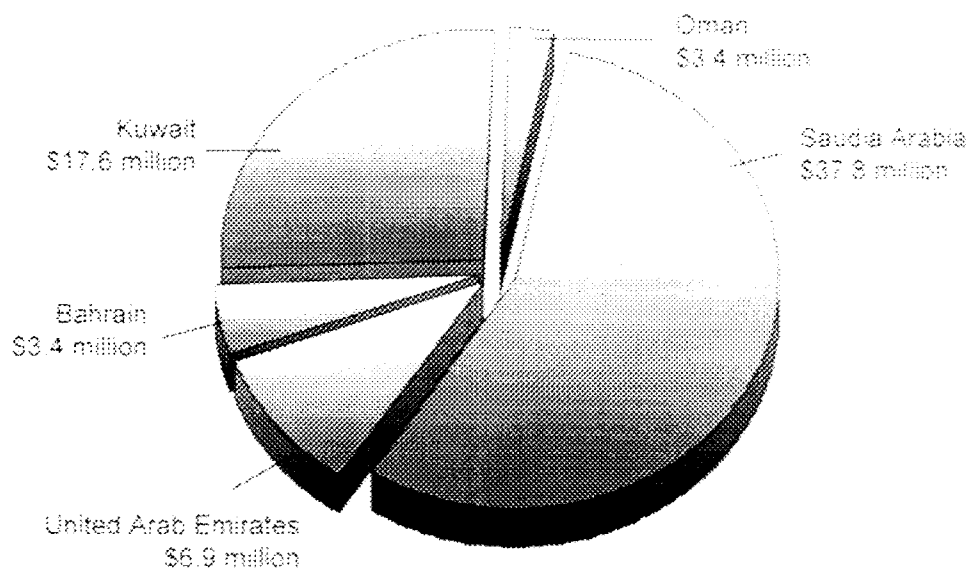
Mid-East Markets for Macaroni, 1997



Total $39 million

Source: FAO data, Market Solutions LLC analysis for Abt Associates, AUEB Project

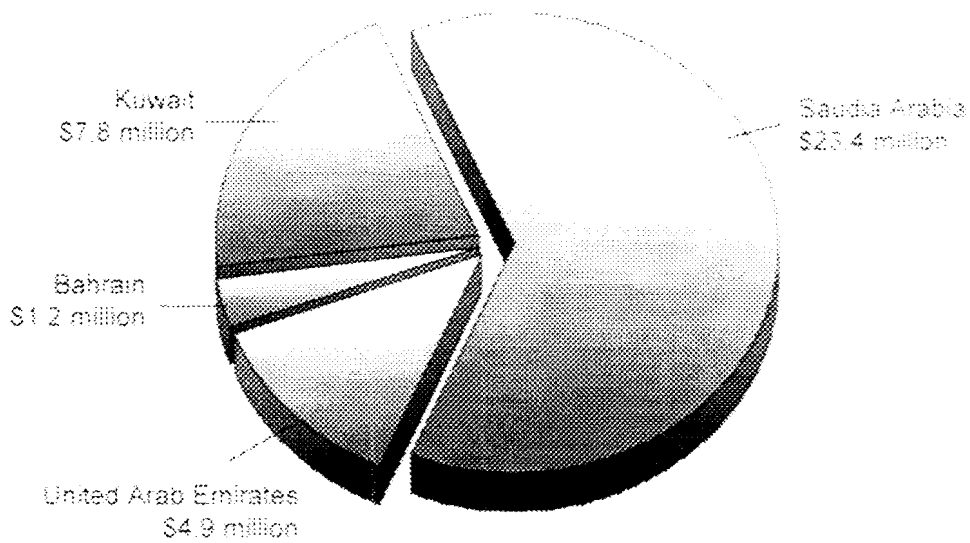
Saudi Arabia is the largest market for infant foods, accounting for $38 million out of $67 million. Egypt reported infant food sales of $26,153 to Saudi Arabia and $25,286 to the UAE in 1998, the only exports reported.



Source: FAO data, Market Solutions LLC analysis for Abt Associates, ALEB Project

Saudi Arabia accounts for $23 million out of $37 million in tomato paste imports. Egypt reports no tomato paste exports to the Mid-East, but exports of other tomato products including sauces, ketchup and other preparations were valued at $98,000 to Saudi Arabia, $25,000 to the UAE, $12,000 to Kuwait in 1998. Small quantities of exports of tomato products were also reported to Jordan and Qatar. Import statistics for Saudi Arabia indicate that the top suppliers of the $15 million in imports of tomato ketchup and other tomato sauces imported by Saudi Arabia in 1997 were Italy, Turkey, New Zealand and the United States. Egypt ranked fifth, accounting for $1 million in imports, according to TRAINS data.

Mid-East Markets for Tomato Paste, 1997



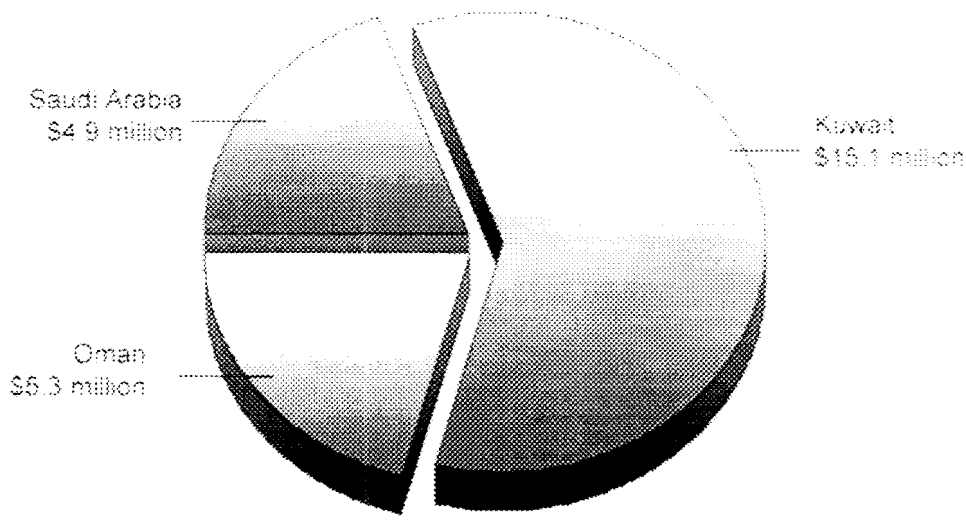
Total $37 million

Source: FAO data, Market Solutions LLC analysis for Abt Associates, ALEB Project

Kuwait is the largest market for waters and ice, importing $15.1 million out of $25.3 million for the entire region in 1997. Egypt reported exports of mineral water to Kuwait valued at $6,700 in 1998, but reported exports of ice and water to Saudi Arabia valued at $59,000. Palestine was the regional destination with the most reported Egyptian exports of waters, valued at $464,000.

Import statistics for Saudi Arabia indicate that the top suppliers of mineral waters in 1997 were France and the UAE (some of which may represent transshipments). Small quantities of imports were also reported from the U.K., Lebanon, the Netherlands, Bahrain, Italy, Belgium, Turkey, Sweden, Indonesia, Australia, Pakistan, New Zealand and Germany.

Mid-East Markets for Waters and Ice, 1997



Total $25.3 million

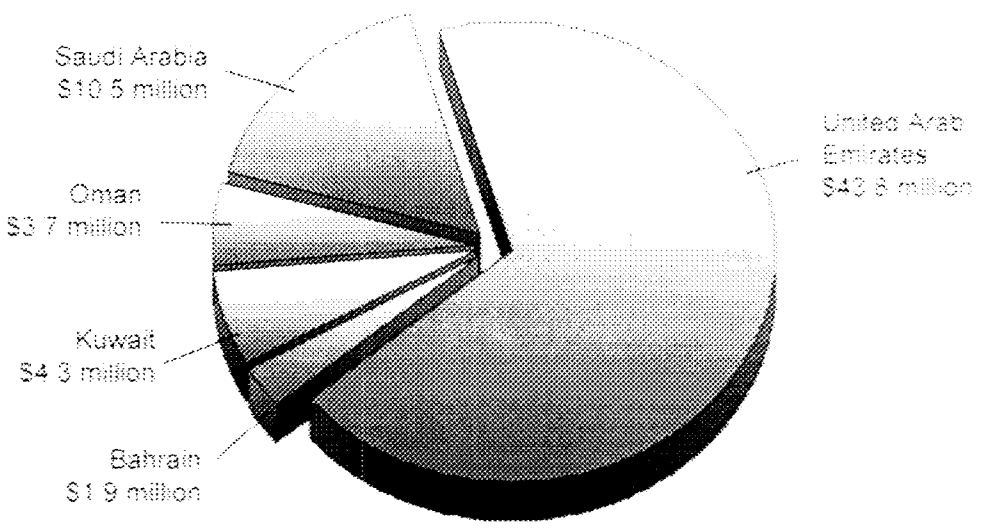
Source: FAO data, Market Solutions LLC analysis for Abt Associates, ALEB Project

The UAE is the largest regional importer of non-specific spices, importing $44 million out of $64 million. Egypt reports exports of anise, fennel, coriander, cumin, caraway and other spices to Saudi Arabia, Kuwait, the UAE, Oman and Bahrain among regional target countries. Exports to Jordan, Syria, Lebanon, Israel and Palestine are also reported.

Saudi Arabian import statistics provide some insights into the competition in markets for spices that Egypt exports.

- Anise and badian are supplied by Syria, Pakistan and India.
- For coriander, the top five suppliers are Pakistan, Iran, Egypt, India, and Syria, with Egypt supplying about 16 percent of imports, valued at $265,000 in 1997. (Egyptian export statistics indicate only half this value in 1998)
- Top cumin suppliers were Syria, Iran, Afghanistan, Pakistan and India.
- Egypt and Syria were the top reported suppliers of caraway seeds.
- India supplied most fennel imports, with some supplied by Iran and Sudan.
- Primary ginger suppliers are Indonesia, India and Thailand.
- Pakistan and India are the primary suppliers of turmeric.
- Thyme is supplied by Lebanon, India, Jordan and Pakistan.
- Top suppliers of other spices reported are India, Indonesia, France, the United States, Pakistan, the U.K., Sudan, Spain and Germany. Egypt accounts for 0.3 percent of the total, valued at $16,000 in 1997, according to TRAINS.

Mid-East Markets for Spices,nes, 1997



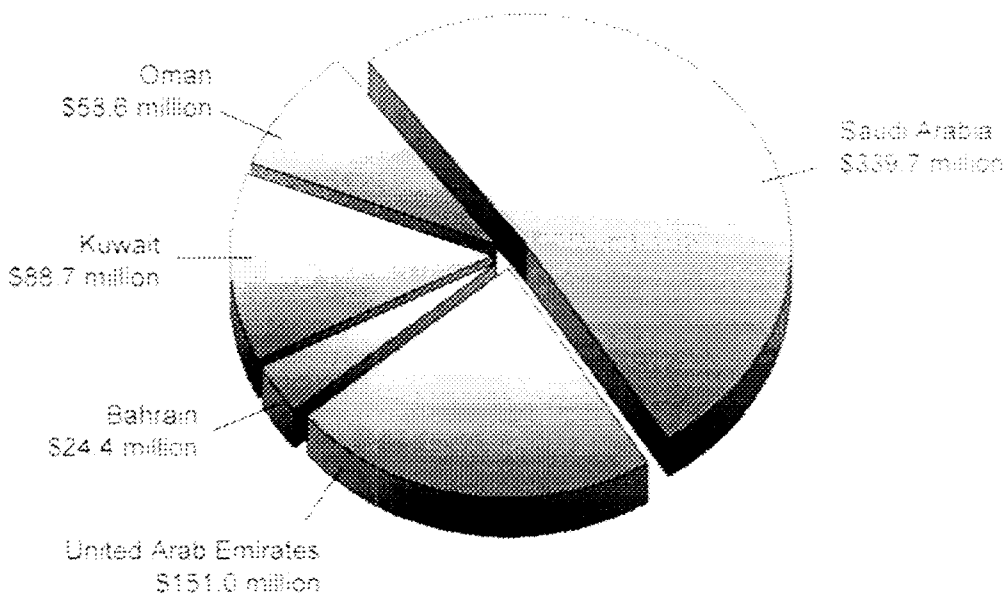
Total $64 million

Source: FAO data, Market Solutions LLC analysis for Arl Associates, AUEB Phase

Saudi Arabia accounts for about half of the region's poultry meat imports: $340 million out of $662 million for the region in 1997. Egypt reports fresh poultry exports valued at $564,000 to Saudi Arabia, $255,000 to the UAE and $220,000 to Kuwait in 1998. Frozen poultry exports, primarily ducks and turkeys, were valued at $21,000 to the UAE, $13,000 to Saudi Arabia and $12,000 to Kuwait. Exports were also reported to Bahrain ($31,000), Qatar ($55,000), Yemen Arab Republic ($22,000), Jordan ($16,000) and Lebanon ($3,000) in 1998.

Top suppliers of frozen whole chicken imports reported by Saudi Arabia, and valued at $306 million in 1997, were Brazil and France, accounting for 96 percent of the total.

Mid-East Markets for Poultry Meat, 1997



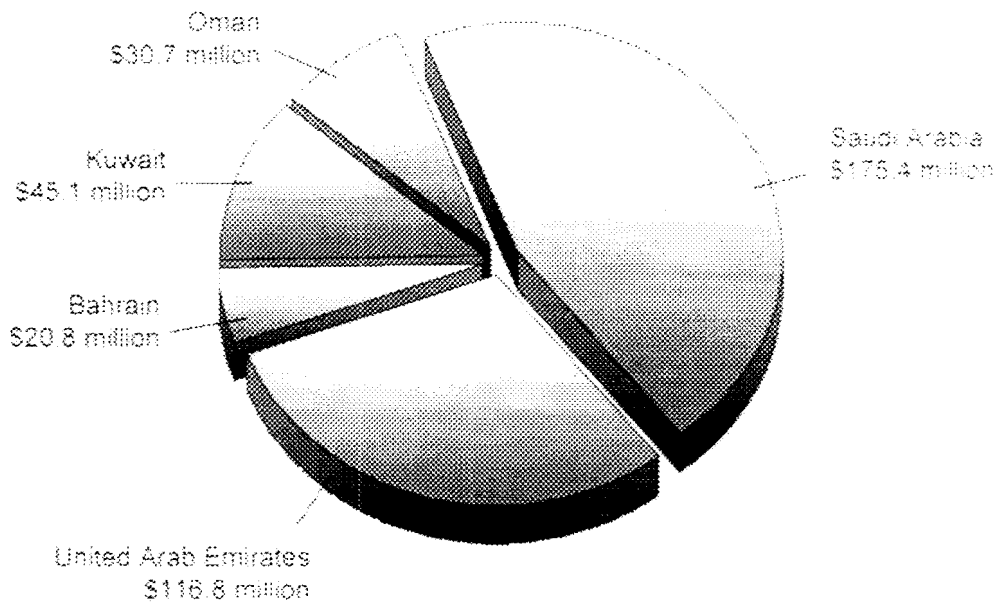
Total $662 million

Note: Includes Chicken and Duck
Source: FAO data; Market Solutions LLC analysis for Abt Associates, ALEB Project

Saudi Arabia and the UAE are the largest vegetable oil importers, accounting for $175 million and $117 million respectively out of $389 million reported for the region in 1997. Egypt reports $46,000 in exports of olive, sunflower and corn oil to Saudi Arabia, $11,000 in olive oil to Kuwait and $19,000 in sunflower or safflower oil to the UAE in 1998. Exports of corn (maize) and sesame oil to Jordan were reported at $760,000. Exports were also reported to Syria, Palestine, Qatar and Lebanon.

Import data for Saudi Arabia indicate that the top suppliers of sunflower and safflower oil in 1997 were Bahrain, Oman, the UAE, Malaysia and the United States. Egypt reportedly supplied about 1 percent of total imports, valued at $12,000. The U.S. was the primary supplier of crude corn (maize) oil, while Bahrain, the U.S., the UAE, Malaysia, Singapore, Kuwait and Oman supplied refined corn oil. Oman, Taiwan and India were the top suppliers of sesame oil.

Mid-East Markets for Vegetable Oils, 1997

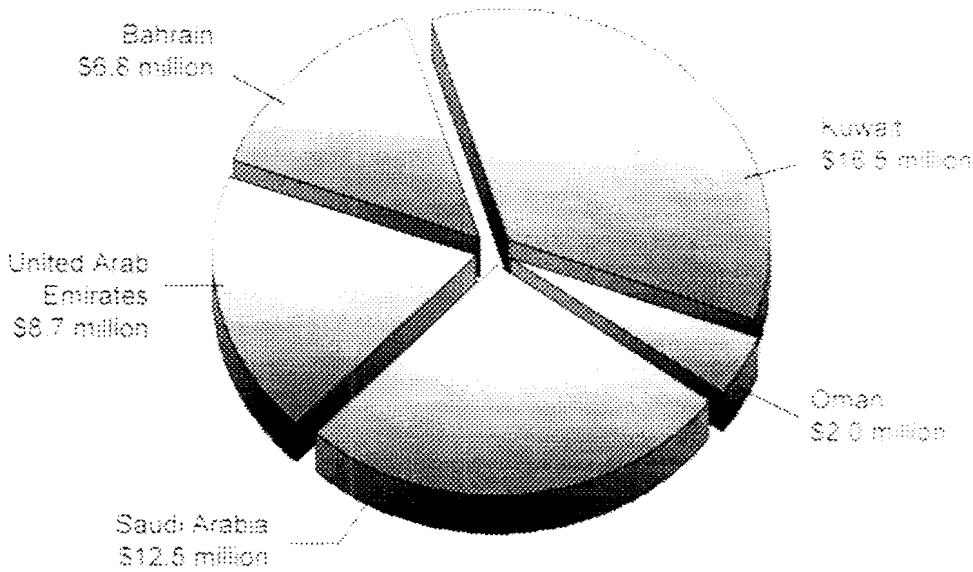


Total $389 million

Source: FAO data, Market Solutions LLC analysis for Abt Associates, ALEB Project

All of the countries in the region import fruit juices, with Kuwait's imports valued at $16.5 million, Saudi Arabia at $12.5 million, the UAE at $8.7 million, Bahrain at $6.8 million and Oman at $2 million.

Mid-East Markets for Fruit Juice, nes, 1997

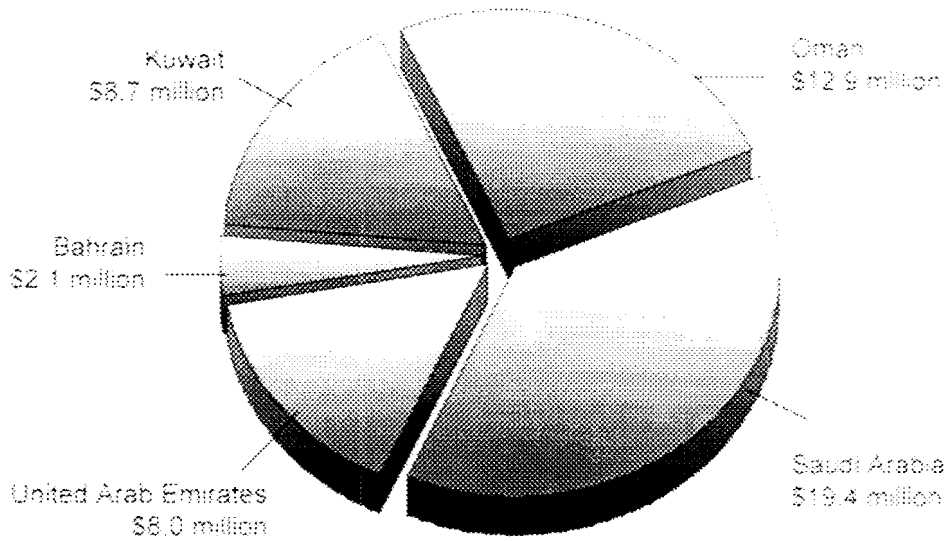


Total $47 million

Source: FAO data, Market Solutions LLC analysis for Abt Associates, ALEB Project

Prepared vegetable imports are important throughout the region as well, with Saudi Arabia the largest importer, with $19.4 million, followed by Oman with $12.9 million; Kuwait with $8.7 million; the UAE with $8 million and Bahrain with $2.1 million.

Mid-East Markets for Prepared Vegetables, nes, 1997



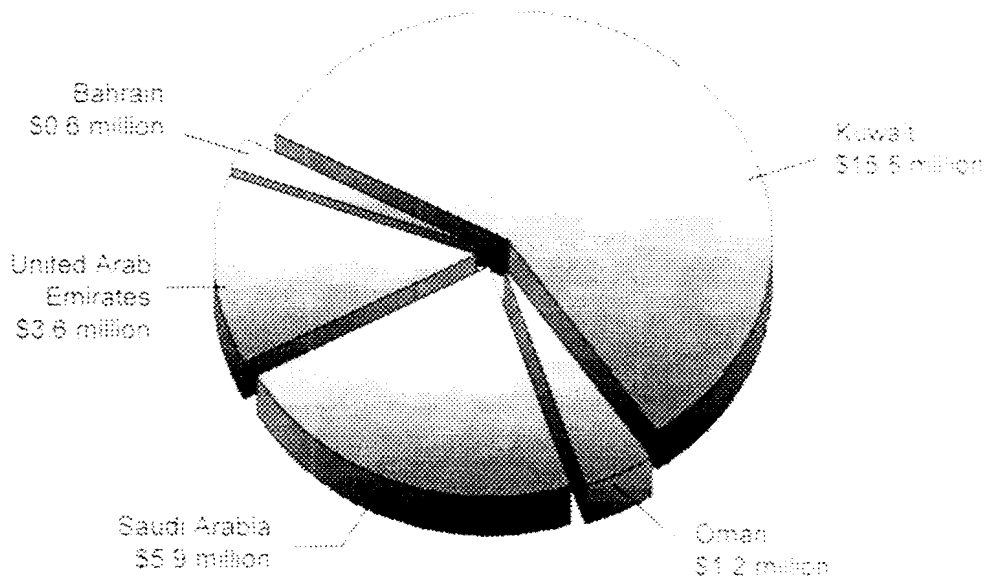
Total $51 million

Source: FAO data, Market Solutions LLC analysis for Agri Associates, AUSS Project

Frozen vegetable imports are largest in Kuwait, with $15.5 million, Saudi Arabia, with $5.9 million, and the UAE with $3.6 million. Oman's imports are $1.2 million and Bahrain $600,000.

For frozen potatoes, which are not included in the frozen vegetable category, statistics for the first nine months of 1999, provided by the ALEB Market Pulse system prepared by Sparks Companies for Abt Associates indicate that exports from Egypt went primarily to Mid-East markets. Imports by Saudi Arabia were valued at $1.5 million, the UAE, $294,000, Kuwait, $291,000, Jordan, $71,000 and Qatar, $17,000. The balance of exports went to Japan and Brazil.

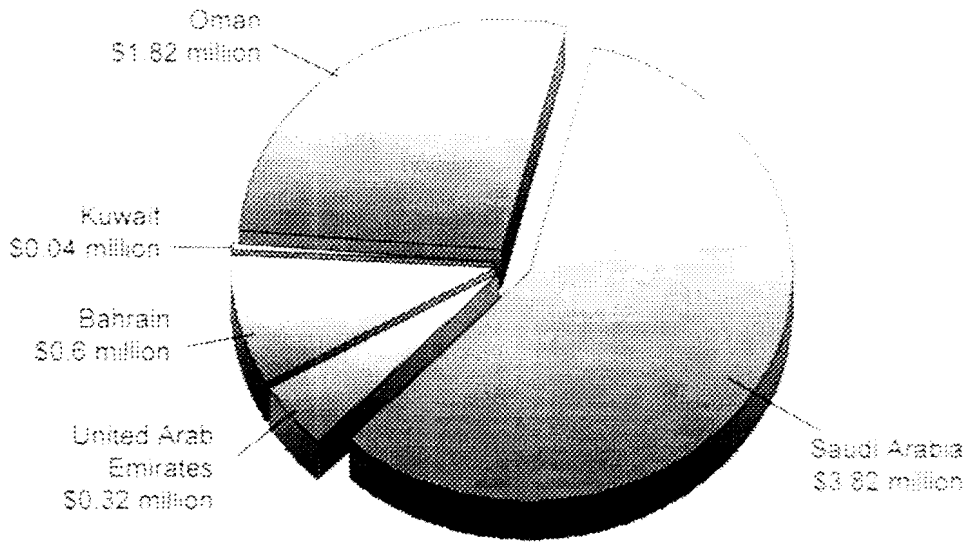
Mid-East Markets for Frozen Vegetables, 1997



Total $27 million

Source: FAO data, Market Solutions LLC analysis for Abt Associates, ALEB Project

Saudi Arabia and Oman are the largest importers of dehydrated vegetables, with $3.8 million and $1.8 million respectively out of $7 million total.

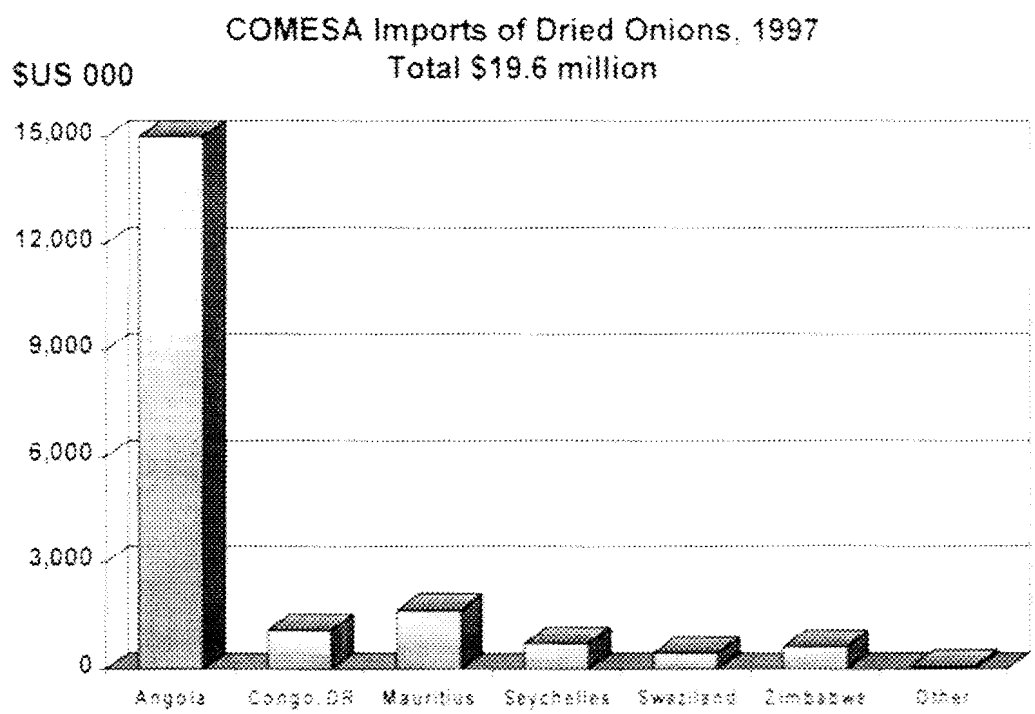


Source: FAO data, Market Solutions LLC analysis for Abt Associates, ALEB Project

4. COMESA Member Country Markets for Target Products

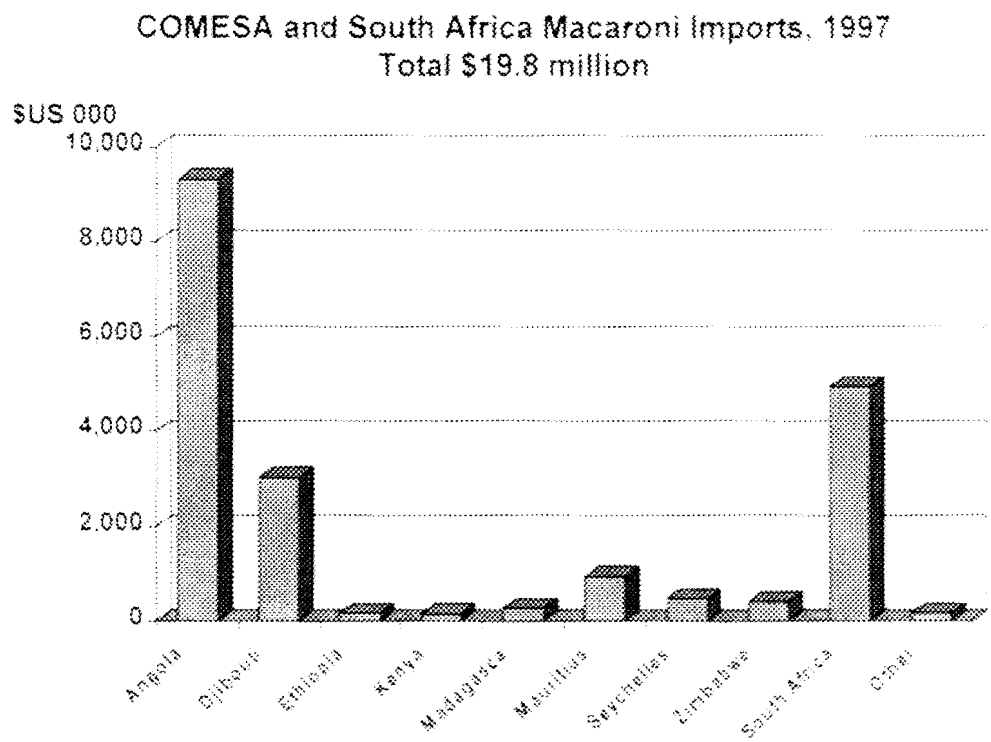
Agricultural imports by COMESA member countries excluding Egypt increased by 32 percent from 1990 to 1997, to $3.2 billion. COMESA member countries for which trade data were analyzed include Angola, Burundi, the Comoros, Democratic Republic of Congo, Djibouti, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, the Seychelles, Sudan, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe. The overall size of COMESA markets is small compared to the EU, target Mid-East markets, or even South Africa, which alone imported $2 billion in agricultural products in 1997. There are, however, targets of opportunity which Egyptian exporters can take advantage of when looking at specific country markets for products targeted by ALEB.

COMESA member countries imported $19.6 million worth of dry onions in 1997, with Angola accounting for 77 percent of the total. Egypt reports no exports to COMESA countries, but dried onion exports valued at $47,000 to South Africa in 1998.



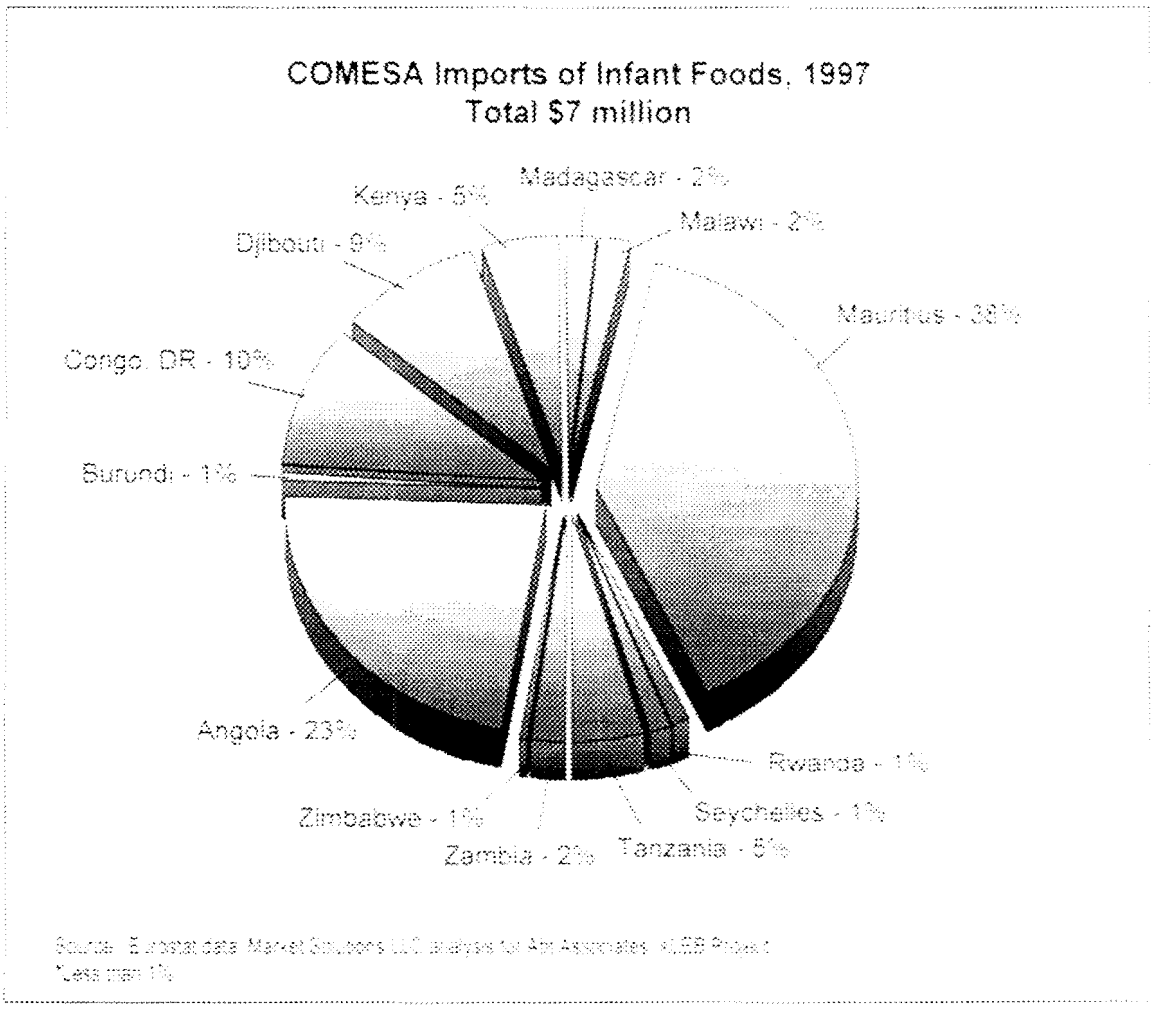
COMESA excluding Egypt
Source: FAO data, Market Solutions LLC analysis for Act Associates, ALEB Project

COMESA members imported macaroni valued at $14.9 million in 1997, and South Africa imported an additional $4.9 million. Among COMESA countries, Angola and Djibouti were the largest importers, accounting for $9.3 and $3 million respectively. Egypt reported macaroni exports to several COMESA countries in 1998, including exports valued at $60,000 to the Sudan, $29,000 to Kenya and $2,360 to Zambia.



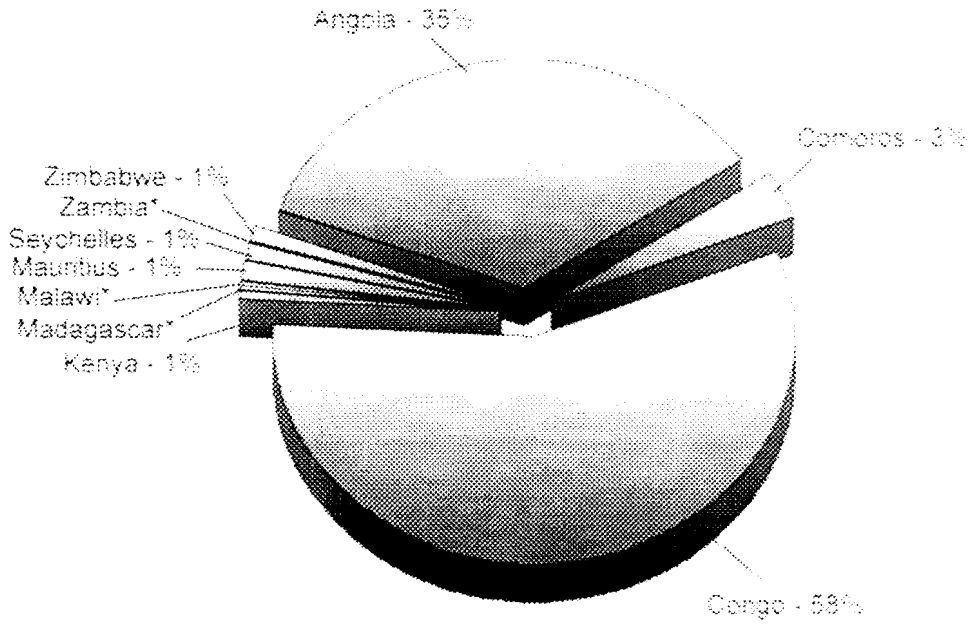
COMESA excluding Egypt
Source: FAO data; Market Solutions LLC analysis for Abt Associates, AFSS Project

COMESA imports of infant foods were valued at $7 million in 1997, with Mauritius ($2.8 million), Angola ($1.8 million) the Democratic Republic of Congo ($700,000), and Djibouti ($630,000) accounting for 80 percent of total imports.



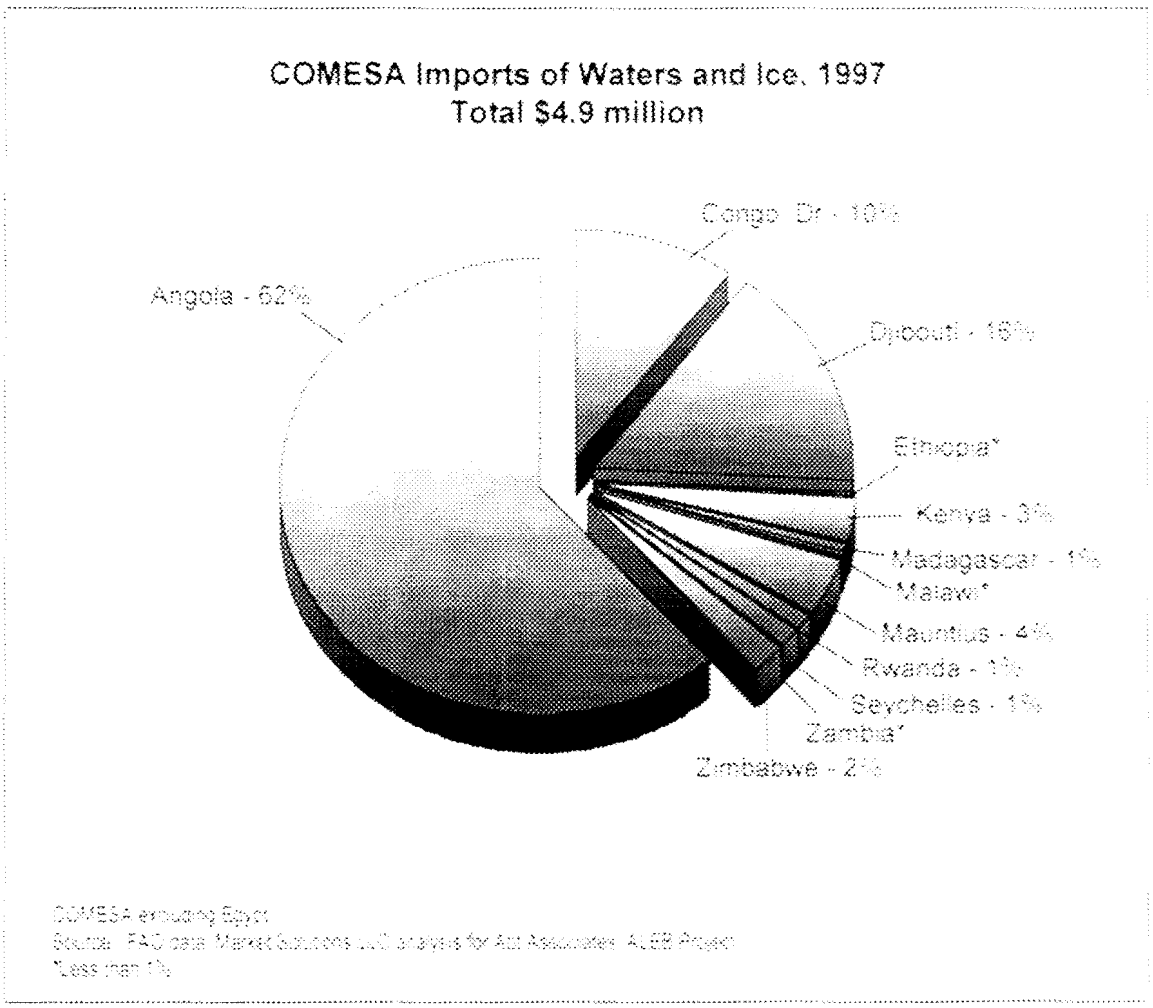
Source: Eurostat data Market Solutions LLC analysis for Ally Associates, USAID Project
*Less than 1%

COMESA imports of tomato paste were valued at $14.6 million in 1997. The Democratic Republic of Congo ($8.3 million) and Angola ($5.1 million) account for 93 percent of the total. Djibouti is a market for $1.5 million in peeled tomatoes. Mauritius imports $192,000 in tomato paste and $437,000 in peeled tomatoes. The Seychelles import $161,000 in tomato paste and $162,000 in peeled tomatoes. Looking at Egyptian export data for 1998, the only sale to a COMESA country involved tomato paste valued at $17,000 to Sudan.



COMESA excluding Egypt
Source: FAO data; Market Solutions LLC analysis for Act Associates, ALSB Project
*Less than 1%

Water and ice imports by COMESA countries were valued at $4.9 million in 1997, with Angola ($3 million), Djibouti ($770,000) and the Democratic Republic of Congo ($500,000) accounting for 88 percent of the total. Egyptian export statistics for 1998 indicate that the only shipment to a COMESA country was mineral water valued at $8,000 exported to Sudan.

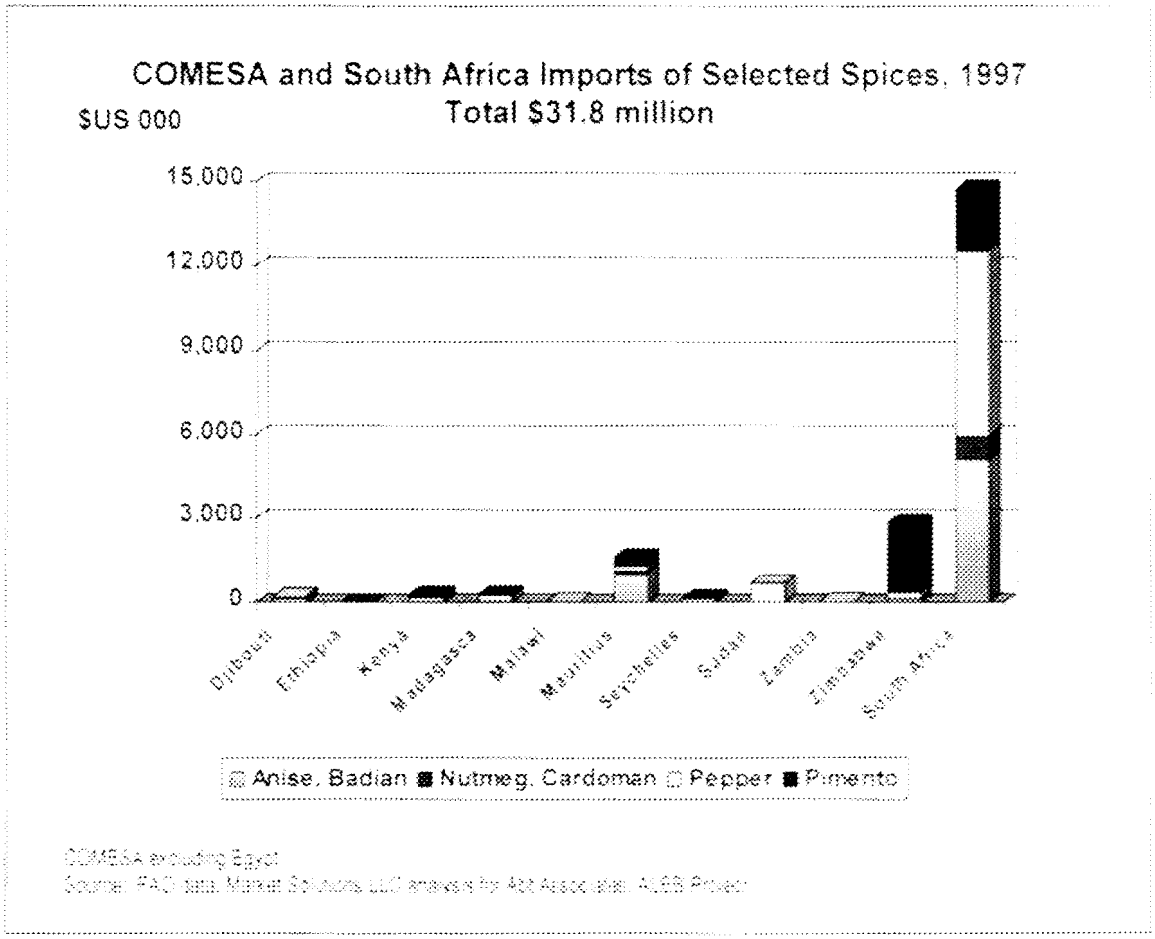


Spice and Herb Imports by COMESA Countries were valued at $11.6 million in 1997, while South Africa imported another $20.1 million.

Total imports of anise, badian and fennel, Egypt's largest spice export, were valued at $6.6 million, with South Africa accounting for $5.1 million, or 77 percent of the total. Other importers were Mauritius ($1 million), Kenya ($178,000), Zimbabwe ($119,000) and Djibouti ($100,000).

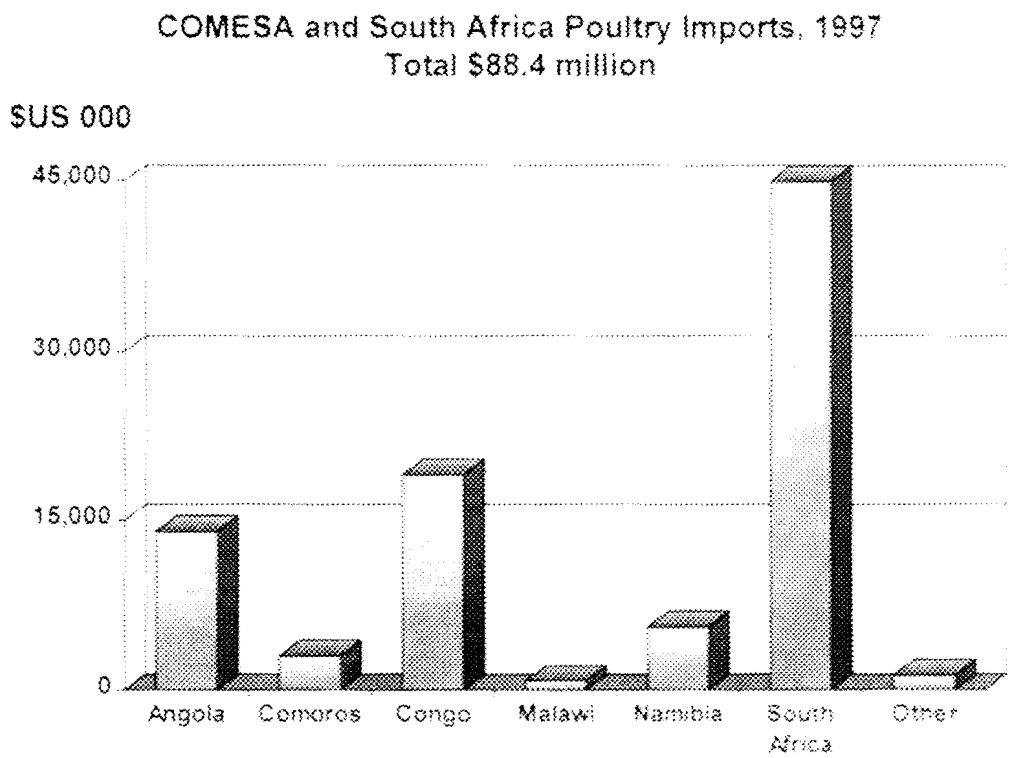
Imports of spices, nes, Egypt's second most important spice export category, were valued at $10 million, with South Africa importing $4.3 million, Sudan ($2.5 million), Zimbabwe ($1.6 million), Mauritius ($499,000), Swaziland, Djibouti and Tanzania about $200,000 each, and the Seychelles, Malawi and Kenya about $120,000 each.

Egyptian export statistics for 1998 indicate no shipments of spices to COMESA countries and the only export to South Africa reported is caraway seeds valued at $2,600.



COMESA excluding Egypt
Source: FAO data, Market Solutions LLC analysis by Alt Associates, ALCB Project

COMESA and South Africa together imported $88.4 million in poultry products in 1997 with South Africa accounting for half of the total $44.9 million. Other major markets include the DR Congo ($19 million), Angola ($14 million), Namibia ($5.6 million) and the Comoros ($3 million). No exports of poultry products to COMESA countries or South Africa are reported in Egyptian statistics for 1998.



COMESA excluding Egypt
Source: FAO data; Market Solutions LLC analysis for Agri Associates ALEB Project

Imports of target fruit and vegetable products by COMESA members and South Africa totaled $62.6 million in 1997, with South Africa accounting for about half of the total, $33.2 million.

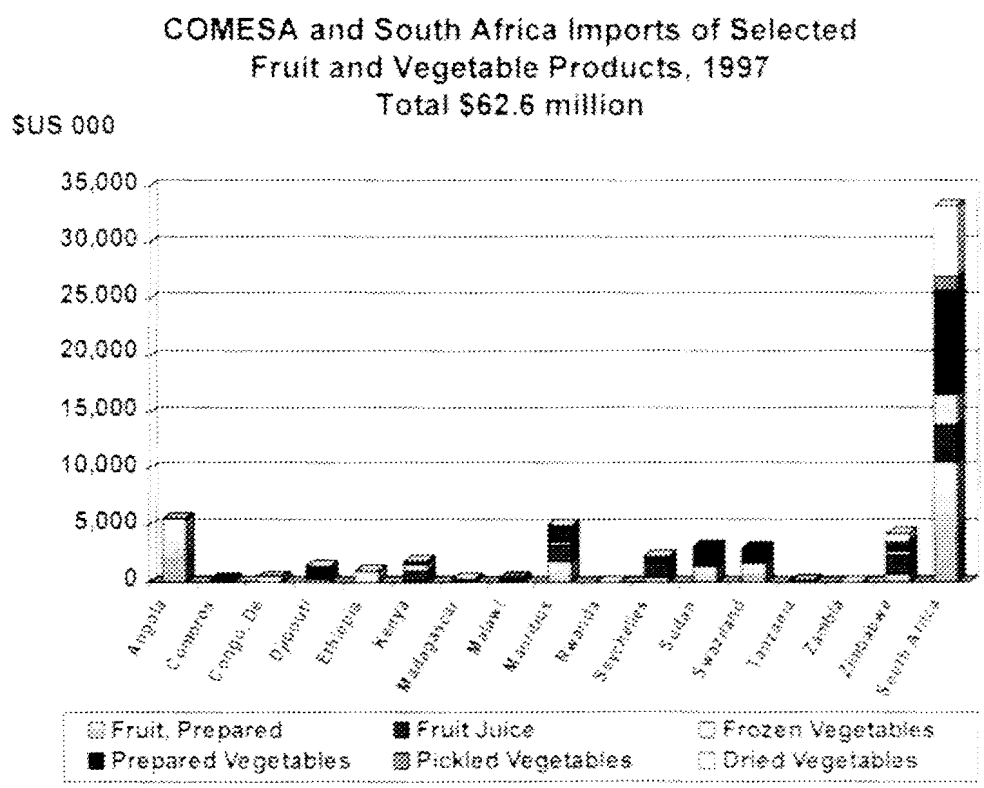
Top import items included prepared fruit valued at $23.7 million, with South Africa ($10.6 million), Mauritius ($1.9 million), Swaziland ($1.7 million), Sudan ($1.4 million), Zimbabwe ($662,000) the Democratic Republic of Congo (formerly Zaire) ($520,000) and the Seychelles ($453,000) the largest importers.

Prepared vegetable imports were valued at $16.1 million, with South Africa accounting for $9.1 million of the total, and Sudan, Swaziland, Mauritius and Djibouti each importing more that $1 million.

For fruit juices, total imports were valued at $8.8 million, with South African imports valued at $3.3 million, Zimbabwe at $1.7 million, Mauritius ($1.4 million), the Seychelles ($1.2 million) and Kenya ($851,000) the largest markets.

South Africa accounted for more than half of the regions $5 million in frozen vegetable imports ($2.7 million). Other important markets were Ethiopia ($994,000), Kenya ($500,000), Zimbabwe ($399,000) and Mauritius ($308,000). Total COMESA country imports of frozen potatoes were valued at $110,000 in 1997.

South Africa was also the largest market in the region for dried and pickled vegetables, accounting for $6.2 million out of $7.2 million in dried vegetable imports and $1.3 million of $1.9 million in vegetables prepared by vinegar.

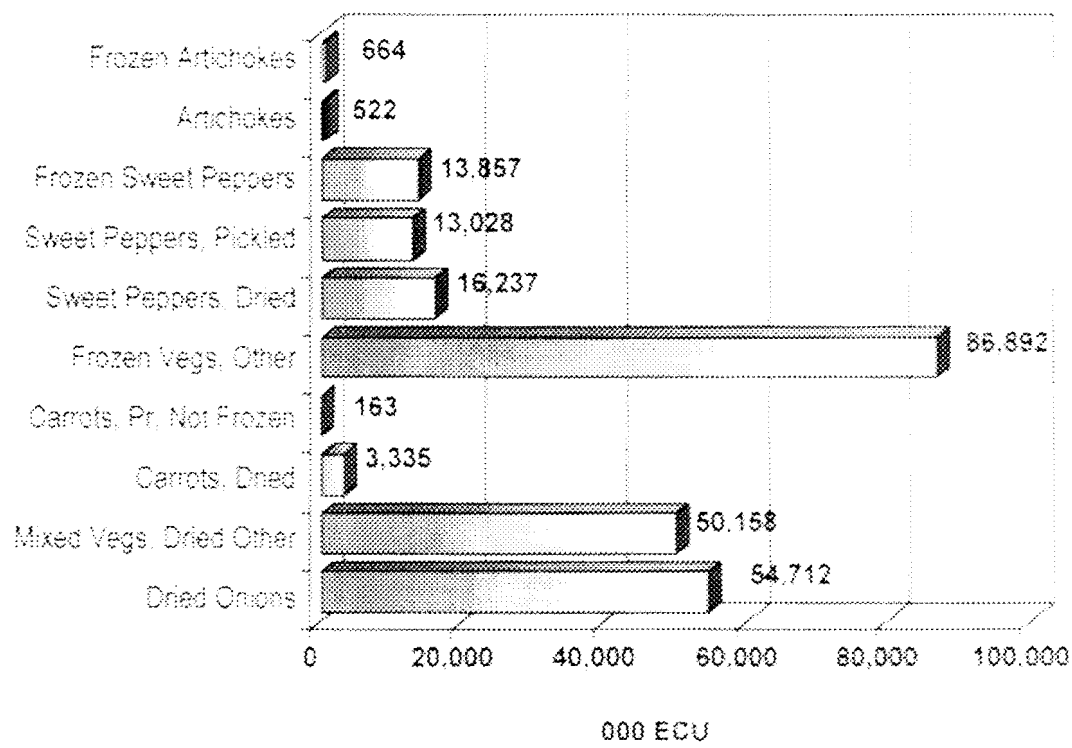


COMESA excluding Egypt
Source: FAO data, Market Solutions, LLC analysis for AH Associates, ACIS Project

5. EU Markets for Target Vegetable Products

Opportunities for Egyptian processed food products in European Union Markets were the topic of a Rapid Industry Analysis by the ALEB project in May, 1999.[1] As part of ALEB efforts to follow up on and fine tune the analysis, the study team was asked to analyze market trends, opportunities and competition, as well as Egypt's competitive position for a more targeted set of processed vegetable products, herbs and spices in the 15 member European Union. Looking at EU-15 imports from outside of the EU, referred to as Extra-EU trade, the most important markets for target products in 1997 included:

- Frozen vegetables not otherwise specified, with imports valued at 87 million ECU, and Egypt providing less than one percent of the total, valued at 249,000 ECU.[2]
- Dried onions, with imports valued at 55 million ECU and Egypt's share about 18 percent of the total, valued at 10 million ECU.



Source: EUROSTAT data, Market Solutions LLC analysis for Abt Associates, ALEB Project

[1] European Union Markets for Egyptian Processed Food Products: Findings of a Rapid Industry Analysis (IRA) of Trade, Market Trends and Opportunities, May, 1999. Abt Associates ALEB Project under USAID/Egypt Contract 263-C-00-99-00011-00.

[2] On January 5, 1999 the European Union shifted from the unit of currency accounting it has used, the European Currency Unit (ECU) to a new currency unit, the EURO. The two are equivalent in value. In February, 2000, the value of the EURO is approximately equivalent to the U.S. dollar ($).

- Mixed dried vegetables, with imports valued at 50 million ECU and Egypt providing 4 percent of the total, valued at about 2 million ECU

- Frozen artichoke imports were valued at 664,000 ECU with Egypt providing 84 percent of the total, valued at 557,000 ECU

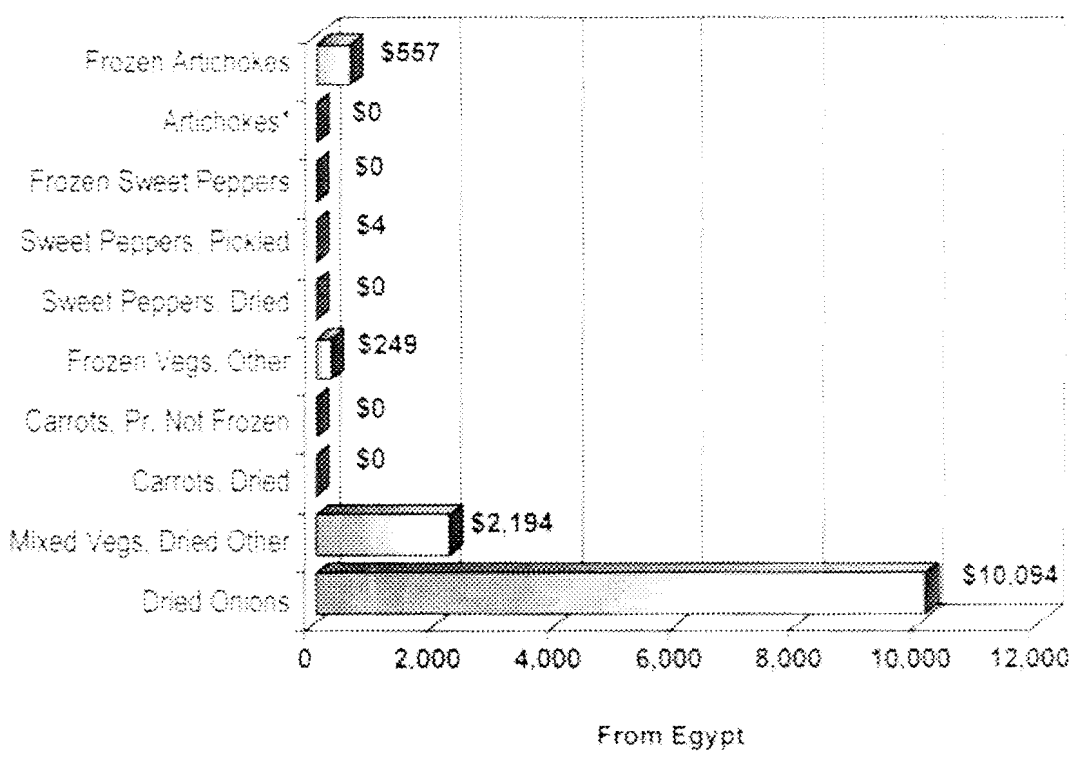
- For other target products, Egypt's share of the EU-15 imports from outside the EU was negligible in 1997:

  - EU imports of prepared artichokes other than pickled or frozen were valued at 522,000 ECU.

  - EU imports of sweet peppers were valued 43 million ECU including 14 million ECU in frozen, 13 million ECU in pickled and 16 million ECU in dried

  - EU imports of prepared and dried carrots were valued at 3.5 million ECU; no statistics were found for frozen carrot imports

Egypt's Share of EU-15 Imports of Selected Target Vegetable Products, 1997



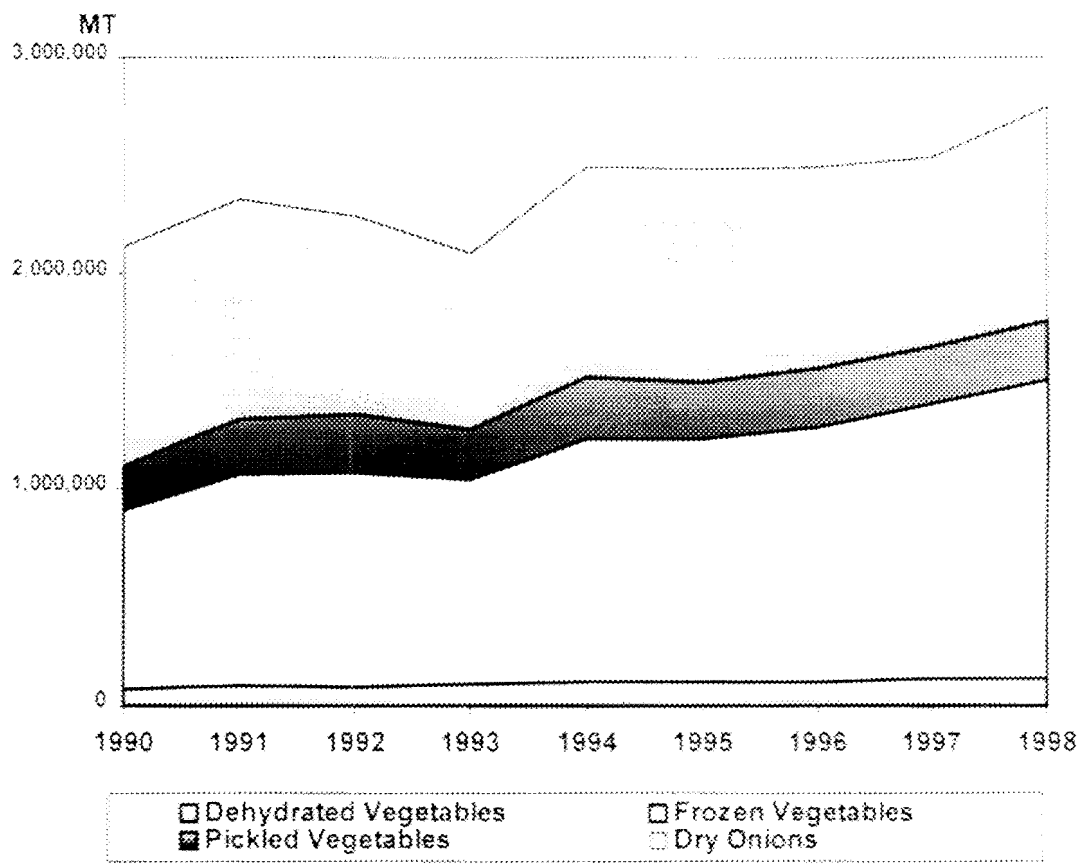
Source: Eurostat data, Market Solutions LLC analysis for Abt Associates AEEB Project

Trends in European Union Imports of Target Products

In looking at the growth in EU markets for target products, it is useful to begin by examining trends in the aggregate product categories of interest. They show that EU imports for all of the target products are generally growing rapidly, but growing faster by volume than by value. This indicates that in order to compete, suppliers have to continually increase productivity in order to make money while selling for lower prices. Looking at specific product categories:

- The volume of EU-15 frozen vegetable imports grew 69 percent during 1990-98, to 1.4 million metric tons, a 9 percent annual growth rate. During 1990-97, the value of EU frozen vegetable imports grew 37 percent, to $1.1 billion. Based on these statistics, the average unit value of imports was $865 per mt in 1997.

- Dehydrated vegetable imports grew 65 percent by volume during 1990-98, to 121,177 mt, an 8 percent annual growth rate. During 1990-97, the value of imports rose 34 percent, to $179.5 million. Based on these statistics, the average unit value of imports was $2,400 per mt in 1997.



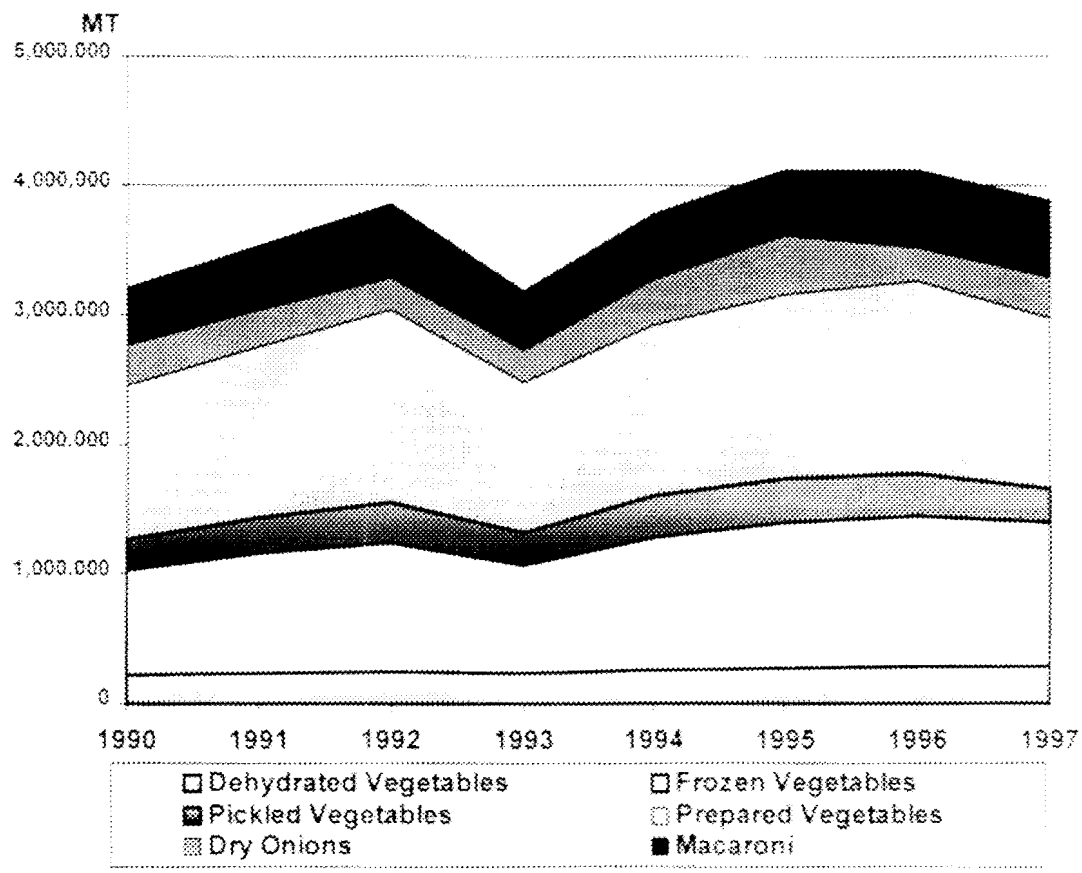
Source: FAO data, Market Solutions LLC analysis for Ad Associates, ALEE Project

- FAO data indicate that dried onion imports remained flat by volume at about 1 million mt, and grew slightly value, to $317.5 million, although the EU's own EUROSTAT data show sharper growth in European currency terms. Exchange rate fluctuations may explain some of the difference.

- Imports of pickled vegetables, prepared by vinegar or acetic acid, increased to 269,256 mt, valued at $272.7 million. This represents a 30 percent increase by volume and 14 percent by value. Based on these statistics, the average unit value of imports was $1027 per mt in 1997.

- Imports of Prepared vegetables, the largest of the categories, grew 10 percent by value, to $1.3 billion during 1990-97.

- Macaroni imports by the EU, another product targeted by ALEB, grew 33 percent to $581.5 million during 1990-97.

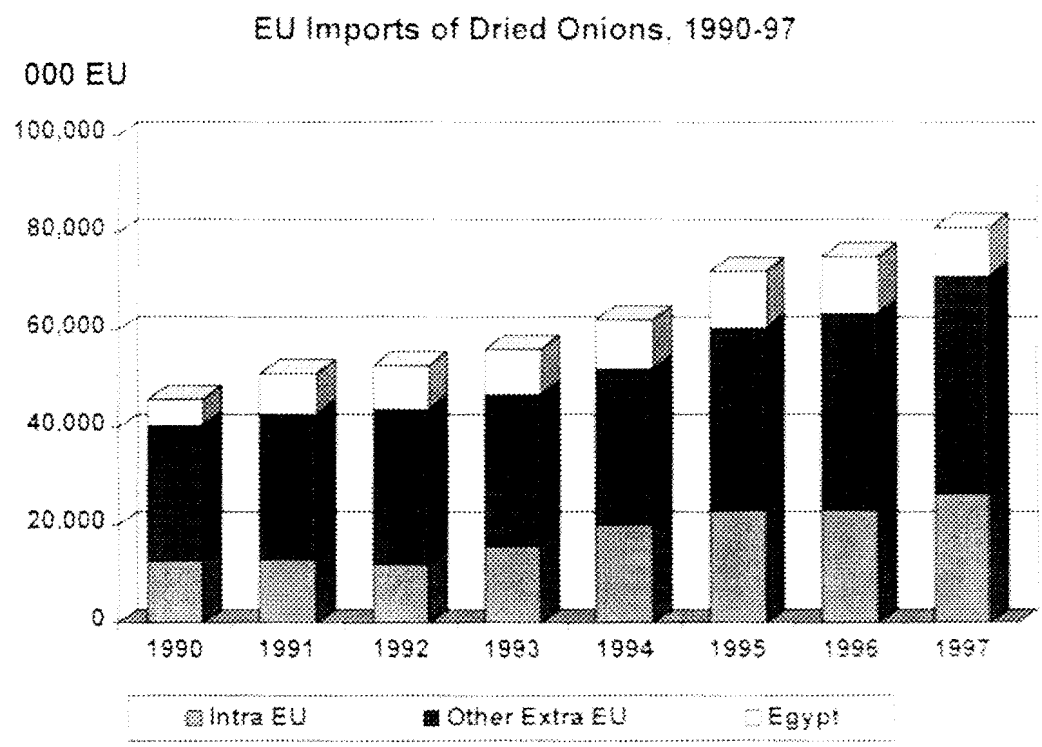


Source: FAO data, Market Solutions LLC analysis for Agri Associates, ALEB Project

Dried Onion Markets and Competition in the EU

As the EU has grow from its original six members to it current 15, the share of trade accounted for by other EU member countries has tended to increase. This was one of the objectives in establishing the European Community.

Among the products targeted by ALEB, dried onions are Egypt's largest export to the EU by value. Egypt's dried onion exports to the EU-15 grew 64 percent, from 1990 to 1995-97, to 11 million ECU. This was faster than the overall growth in dry onion over the imports from outside the EU (62 percent), but not as rapid as growth in trade among EU member countries (105 percent).

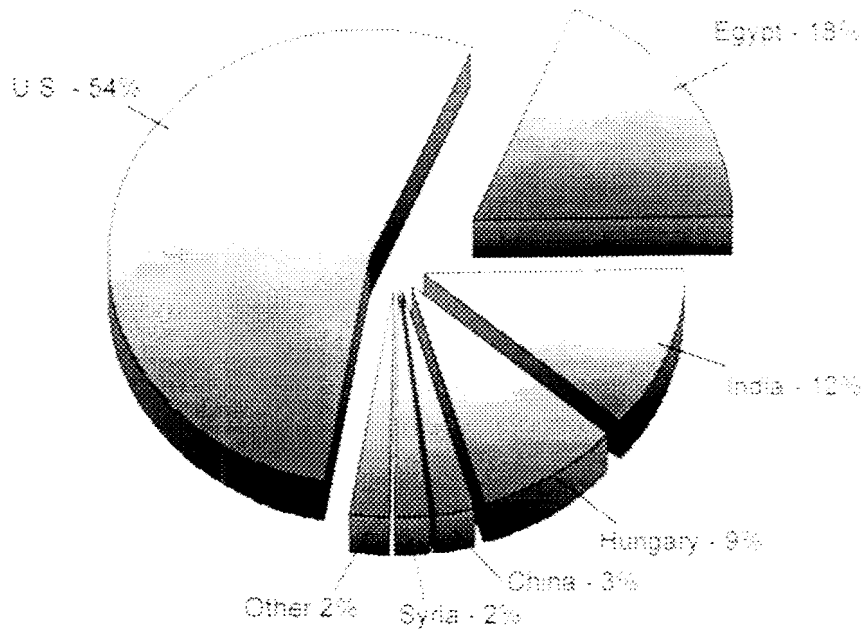


Source: Eurostat data, Market Solutions LLC analysis for Pot Assoc and ALEB Project

Egypt is a relatively strong competitor in EU markets for dehydrated onions, with an 18 percent share of the 55 million ECU market, compared to 53 percent for the United States, 12 percent for India and 3 percent for China.

Based on FAO statistics, the average unit value of EU dried onion imports was $364 per mt in 1997. The unit value of Egyptian exports to all destinations was $190 per mt in 1998, according to Egyptian export data. The average value of Egyptian exports to the EU tends to be higher than to other destinations. This means that developing EU markets is likely to be profitable for Egyptian exporters, and that Egyptian products are likely to be price competitive if they meet the requirements of EU customers.

Major Competitors for EU Imports of Dried Onions, 1997
54.7 million ECU

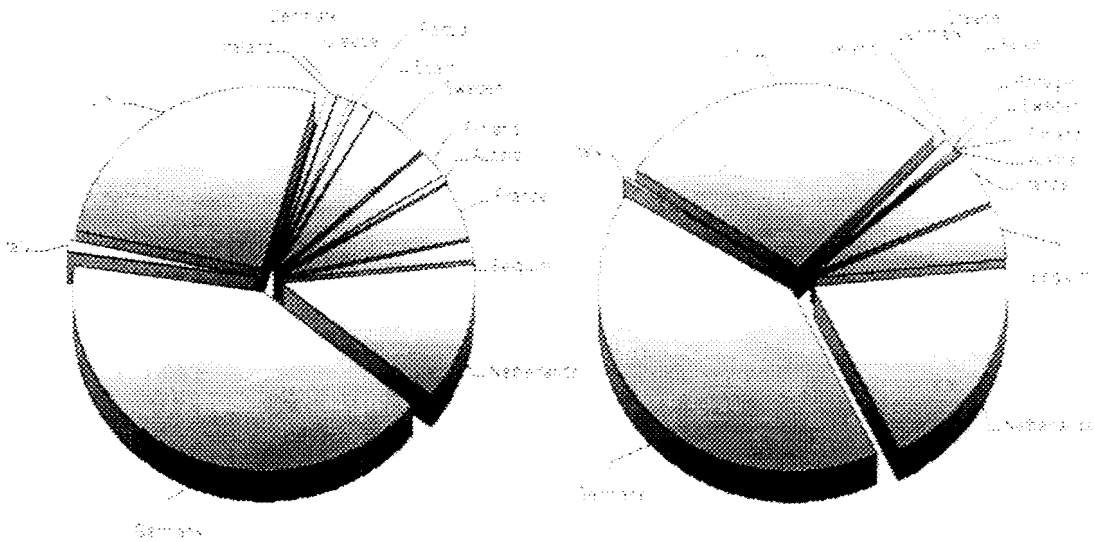


Total Extra EU - 54712

Source: Eurostat data, Market Solutions LLC analysis for AgExporter, ALEB Project
*Less than 1%

Germany, the U.K., the Netherlands, Sweden, France and Finland are the largest EU-15 importers of dried onions from outside the EU. For Egypt, the largest EU markets for dried onions are Germany, the U.K. and the Netherlands.

Major EU Import Markets for Dried Onions, 1995-97



Total Extra - EU
52 million ECU

Egypt
11,000 ECU

Source: FAO data, Market Solutions LLC analysis for Abt Associates, ALEB Project

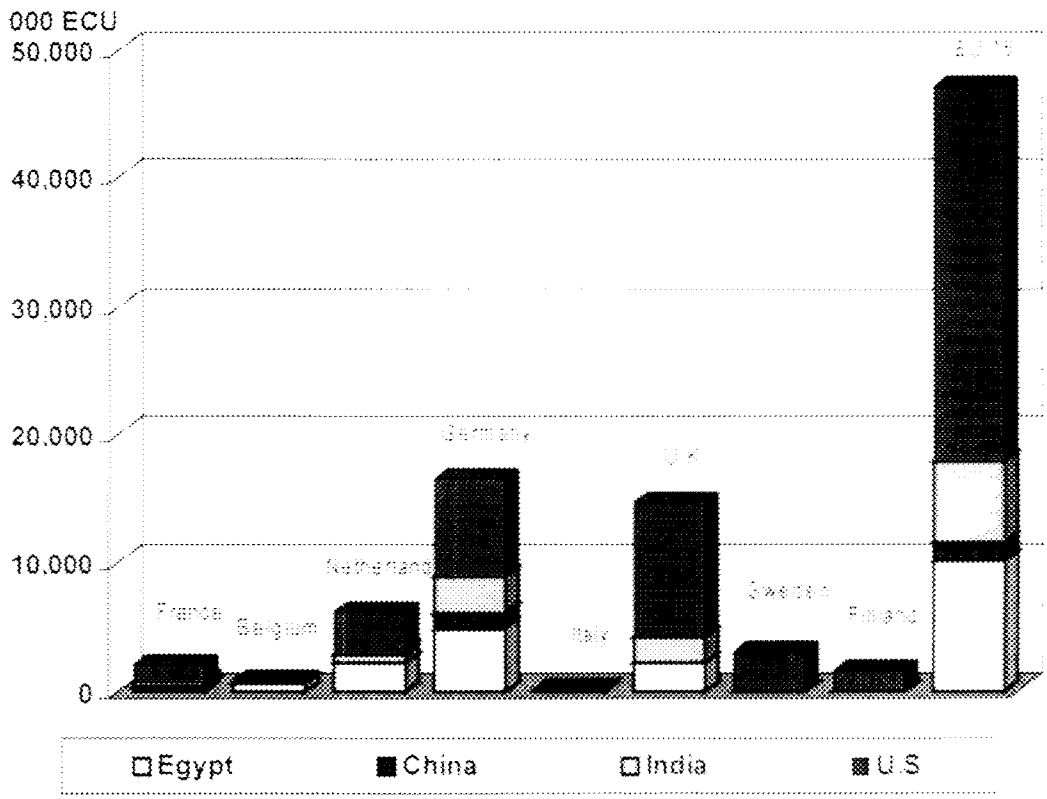
Egypt supplies 22 percent of Germany's 22 million ECU market, 14 percent of the 15 million ECU U.K. market; 34 percent of the 6 million ECU Netherlands market.

It supplies almost none of the 3.3 million ECU Swedish market, 7 percent of the 2.5 million ECU France market, and 2 percent of Finland's 1.6 million ECU market.

Egypt has the strongest market share in Belgium, with 65 percent of the 947,000 ECU market and Greece, with 38 percent of the 173,000 ECU market.

In looking to the future, Egyptian exporters should build on their strength in European markets to increase market share in existing markets and expand sales to markets where they currently sell less. The ALEB project can provide exporters with information on markets where they have little or no market share or experience.

Egypt's Share of Dry Onion Markets and Competition Varies by Country

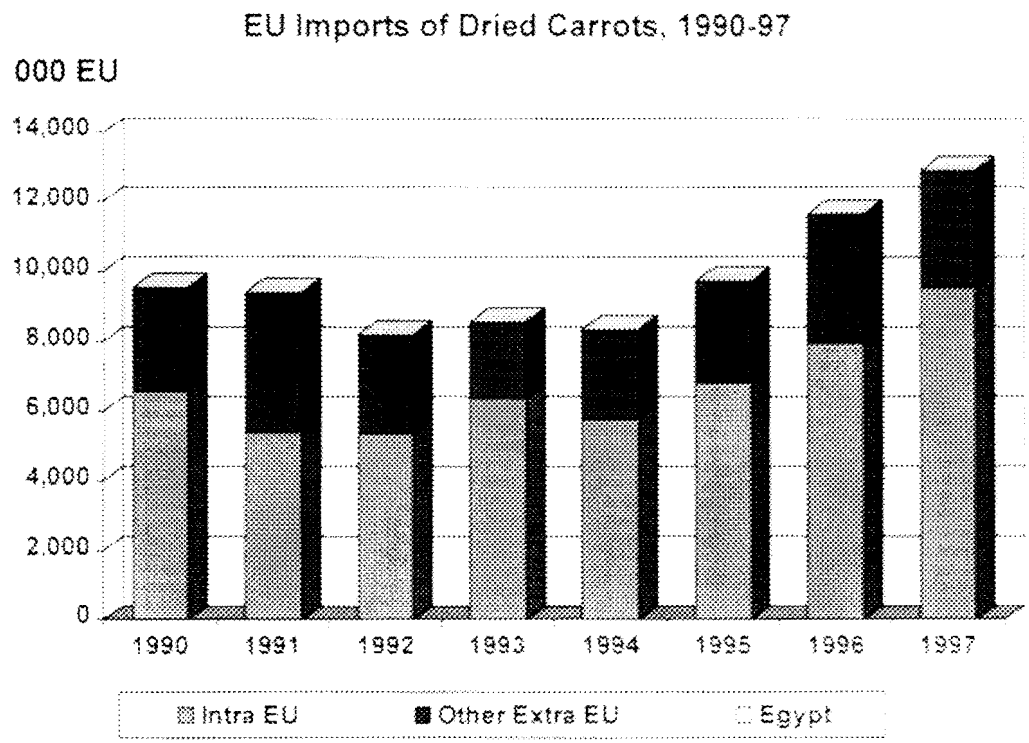


Source: FAO data, Market Solutions LLC analysis for Act Associates, ALEB Project

Dehydrated Vegetable Markets and Competition in the EU

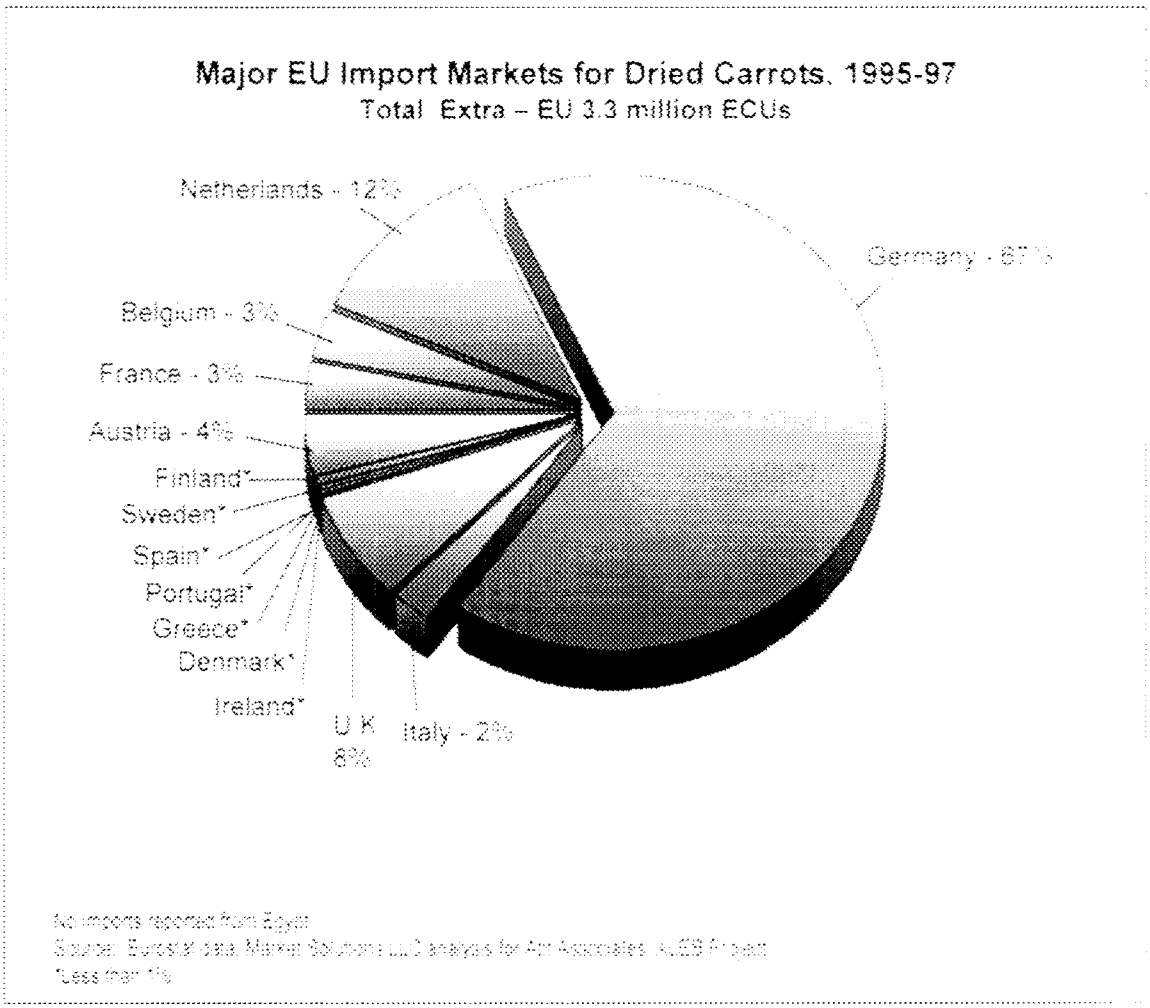
Despite growth in EU imports of dehydrated vegetables, Egypt has remained a relatively insignificant supplier, providing occasional small quantities of dried carrots and peppers, but four percent of the market for other dehydrated vegetables valued at 2.2 million ECUs in 1997. The value of Egypt's exports in the latter category is double the value supplied in 1990.

EU imports of **dried carrots** from within the EU increased 46 percent from 1990-97, to 9.6 million ECU, while imports from outside the EU were up 12 percent to 3.3 million ECU. While imports from Egypt were reported at 20,000 ECU in 1990, none have been reported in recent years.



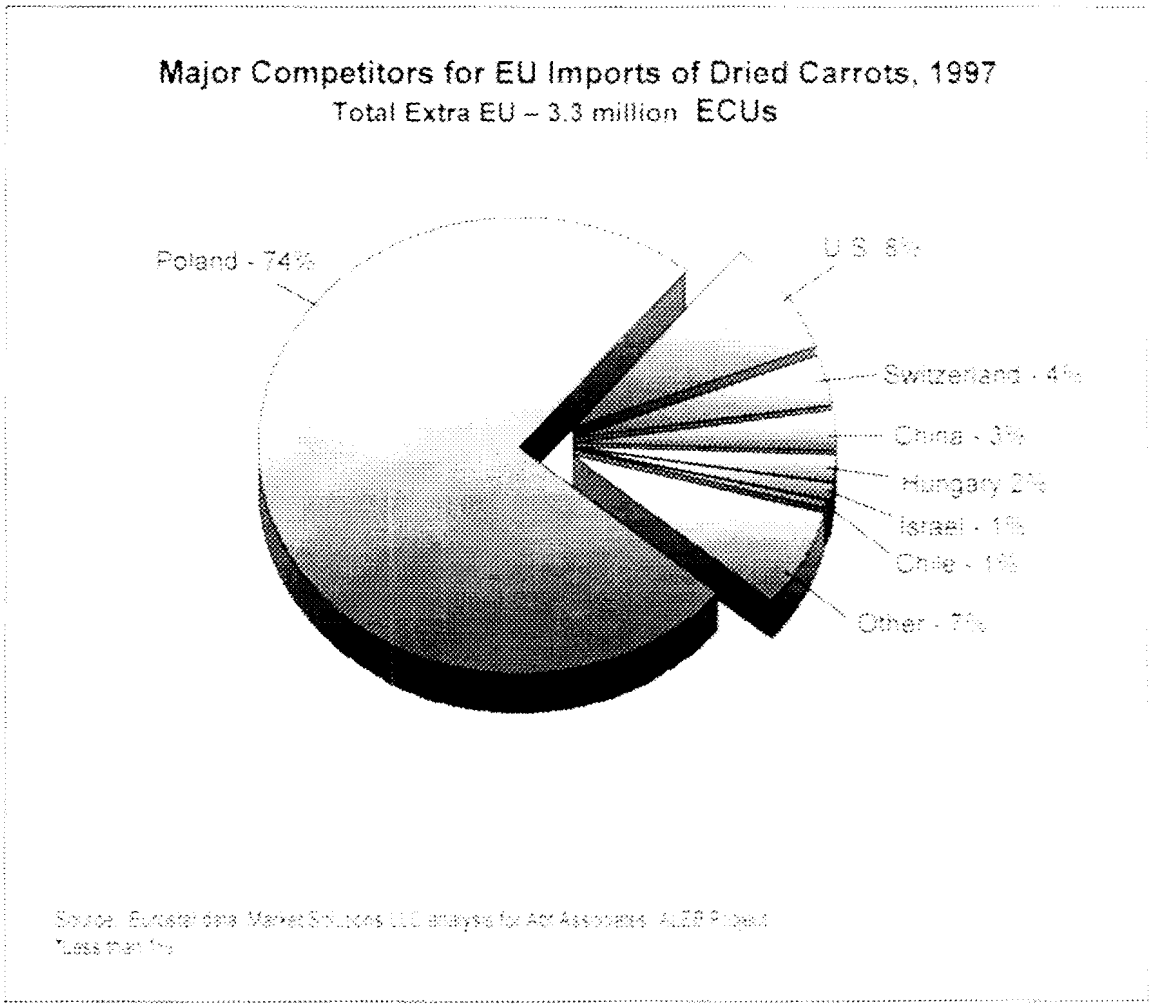
Source: Eurostat data, Market Solutions LLC analysis for Abt Associates AMIS Project

Germany, the Netherlands and the U.K. are the largest importers of dried carrots from outside the EU.



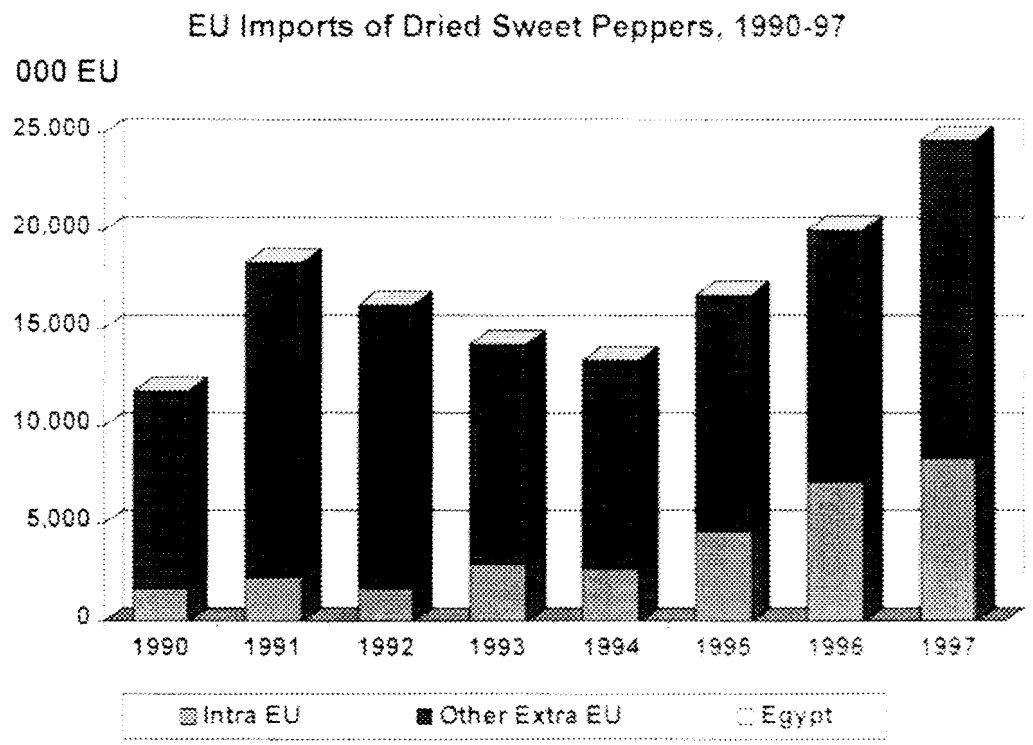
No imports reported from Egypt
Source: Eurostat data, Market Solutions LLC analysis for Agri Associates, ACDB Project
*Less than 1%

Poland provides three fourths of the EU imports of dried carrots from outside the Union and it is a candidate for accession



Source: Eurostat data Market Solutions LLC analysis for Agri Associates ALEB Poland
*Less than 1%

EU trade in **dried sweet peppers** among member countries increased four-fold during 1990-97 to 8.4 million ECUs. This still represents only one third of total imports. Imports from outside the EU grew 61 percent to 16.2 million ECU in 1997. The EU reported dried sweet pepper imports from Egypt of valued at 27 000 ECU in 1990 but none since 1995.

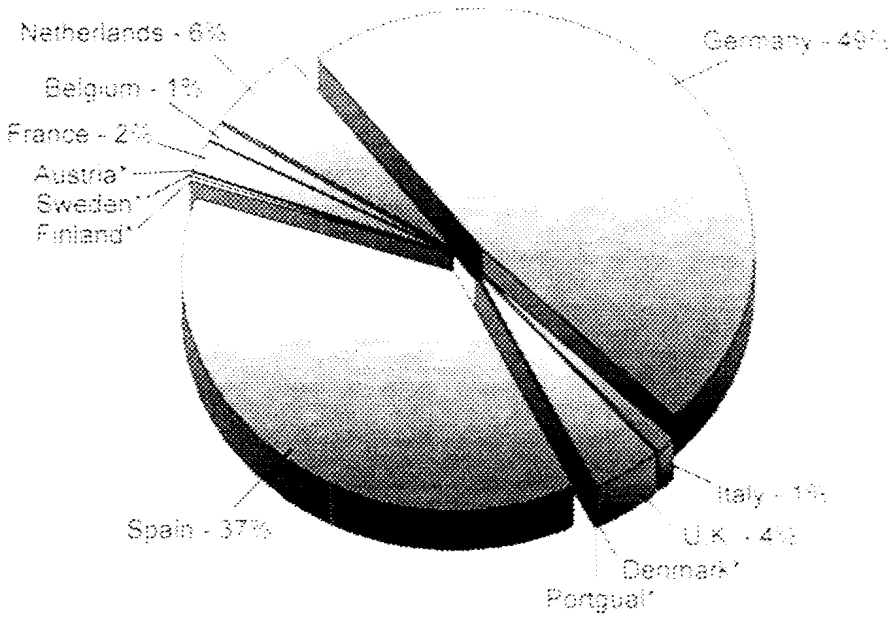


Source: Eurostat data, Market Solutions LLC analysis for Agri Associates, ALEB Project

Germany and Spain were the largest importers of dried sweet peppers from outside the EU during 1995-97, accounting for 86 percent of the total valued at 13.7 million ECU's on average.

Major EU Import Markets for Dried Sweet Peppers, 1995-97

Total Extra – EU 13.7 million ECUs

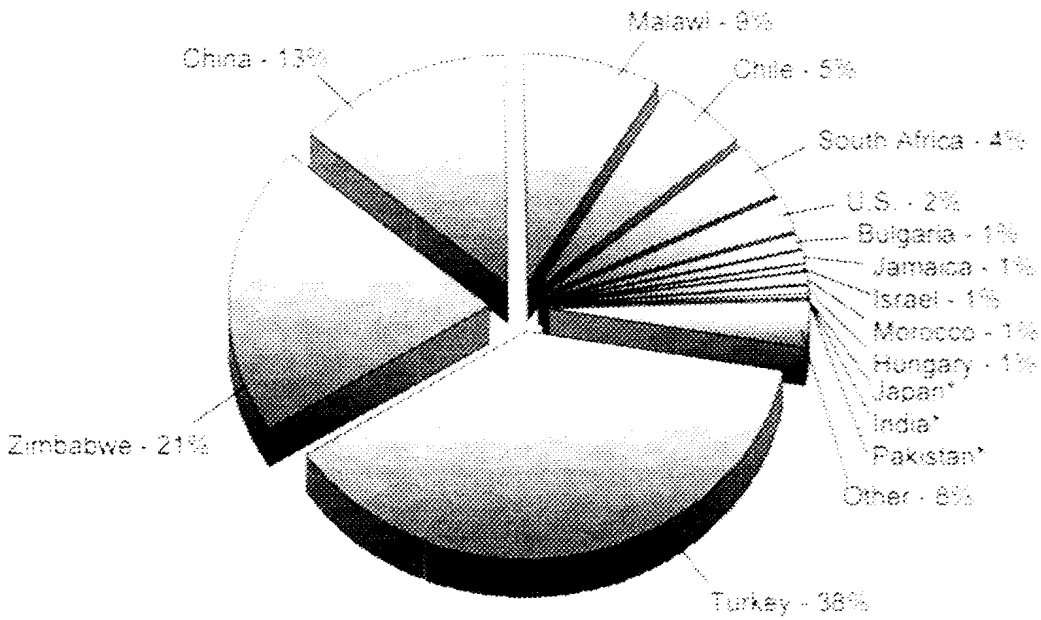


No imports reported from Egypt
Source: Eurostat data, Market Solutions, LLC analysis for Agri Associates' ALSP Project
*Less than 1%

Turkey, Zimbabwe and China were the largest suppliers of peppers from outside the EU in 1997, accounting for 72 percent of total imports.

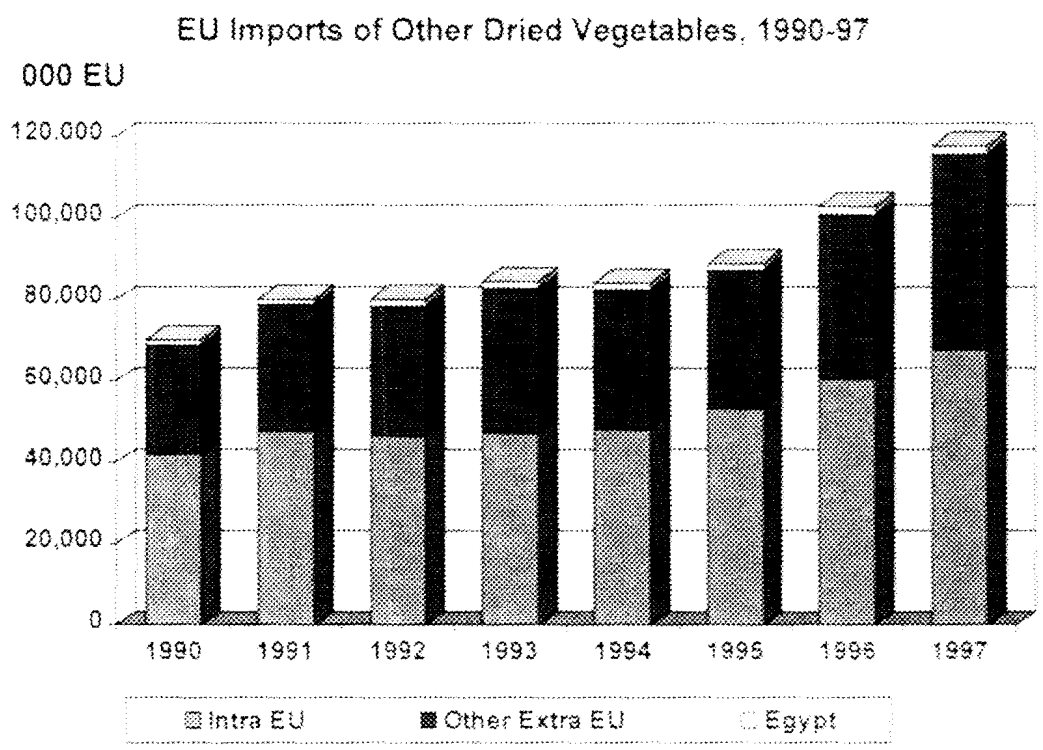
Major Competitors for EU Imports of Dried Sweet Peppers, 1997

Total Extra EU – 16.2 million ECUs



Source: Eurostat data; Market Solutions LLC analysis for Ad Associates, AIDB Project
*Less than 1%

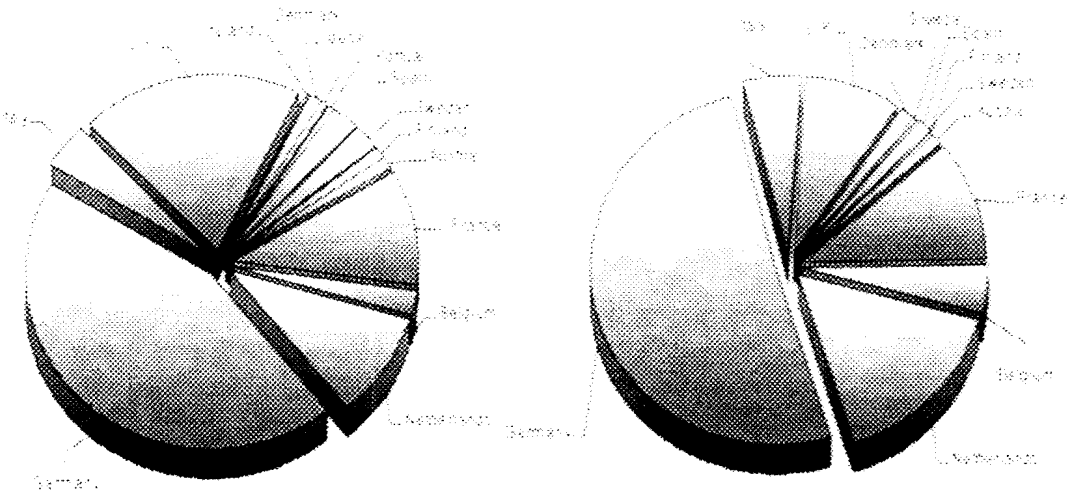
EU imports of **other dried vegetables** have seen strong growth over the last decade, with imports from outside the EU up 80 percent during 1990-97, to 50.5 million ECUs. Egypt supplied about 4 percent of this total, up 100 percent over 1990, and valued at 2.2 million ECU in 1997.



Source: Eurostat data, Market Studies LLC analysis for AIB Associates, ALEE Project

Germany, the U.K., France and the Netherlands are the largest importers from outside the EU. Egypt is also strongest in these markets, although slightly stronger in Germany and the Netherlands.

Major EU Import Markets for Other Dried Vegetables, 1995-97



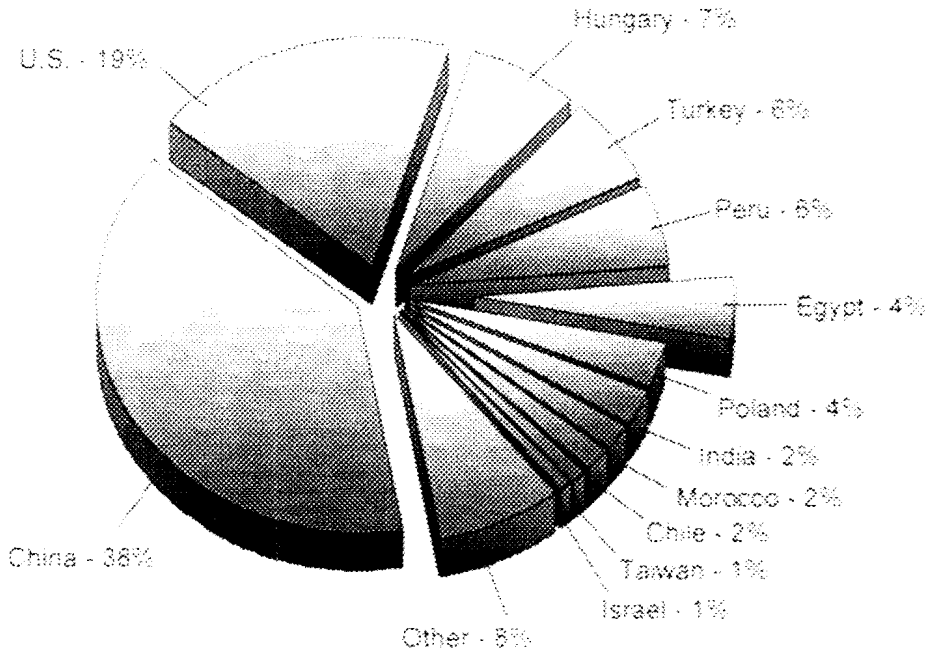
Total Extra - EU
43 million ECU

Egypt
2 million ECU

Source: FAO data, Market Solutions LLC analysis for Abt Associates ALEB Project

China, the U.S., Hungary, Turkey and Peru are all larger suppliers of other dried vegetables to the EU, accounting for three fourths of the total.

Major Competitors for EU Imports of Dried Vegetables, 1997
Total Extra EU – 50.5 million ECUs

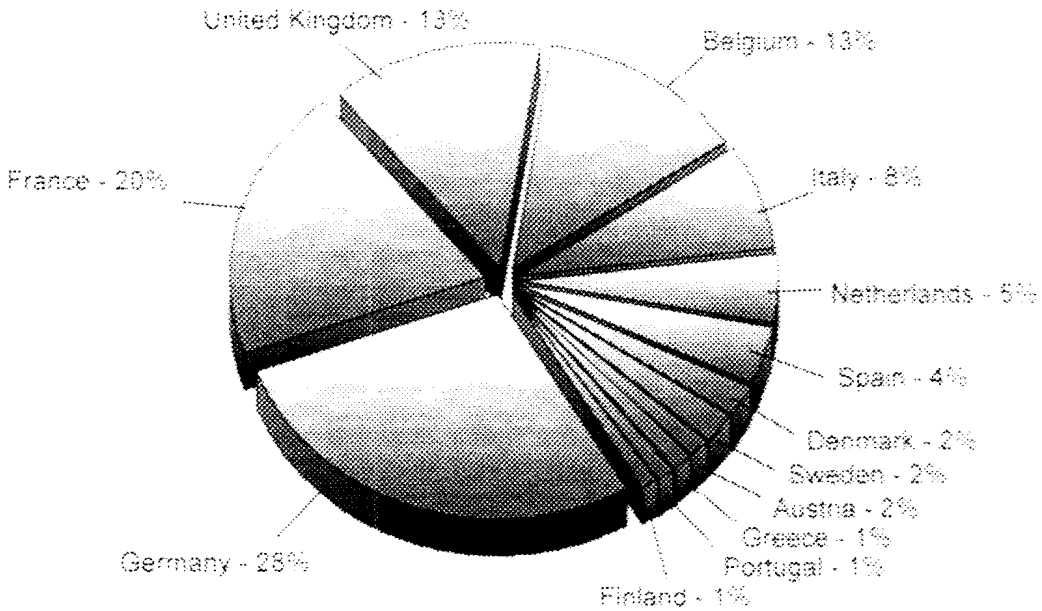


Source: Eurostat data; Market Solutions LLC analysis for Abt Associates, ALEG Project
*Less than 1%

Frozen Vegetable Markets and Competition in the EU

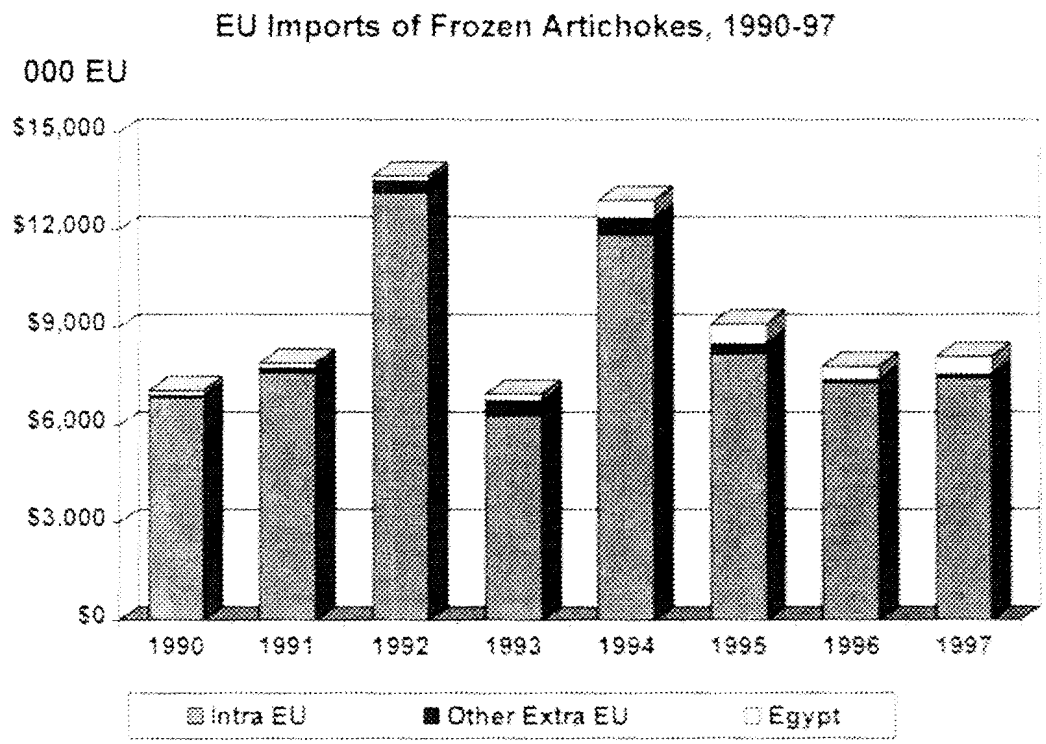
Germany, France, the U.K. Belgium, Italy and Spain are the top EU importers of frozen vegetable products, importing a total of 1.4 million metric tons in 1998. Total Egyptian exports of frozen vegetables were valued at $14.2 million in 1997.

Major EU Country Markets for Frozen Vegetables Imports, 1998
1.4 Million Metric Tons



Source: FAO data, Market Solutions LLC analysis for Abt Associates, ALEB Project

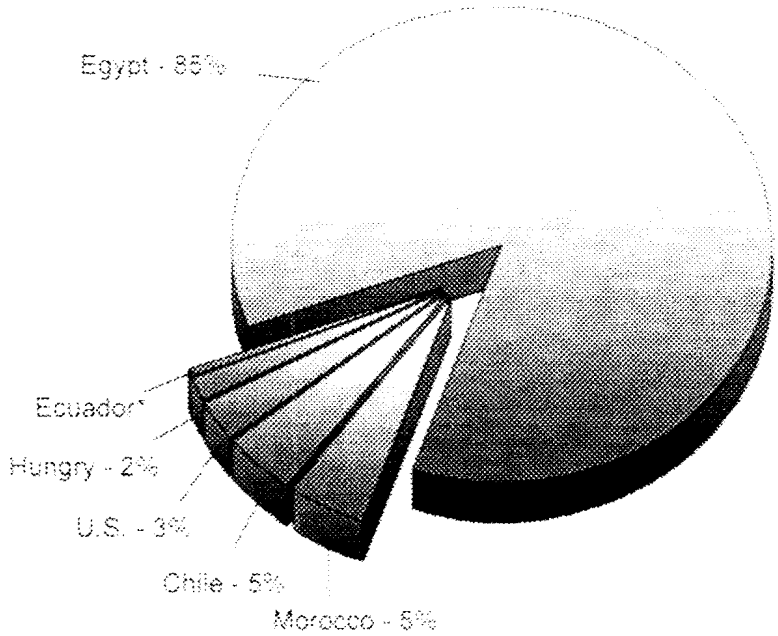
Among frozen vegetables, Egypt has been strongest as an exporter of **frozen artichokes**, accounting for 85 percent of the 664,000 ECU in total exports from outside the EU in 1997. France accounts for 90 percent of EU imports from outside the EU. The challenge facing Egypt is that 92 percent of frozen artichoke trade in the EU originates in member countries. While total frozen artichoke imports have been volatile, they grew 15 percent overall during 1990-97, while the value of Egypt's exports more than tripled. In looking to future market growth opportunities for frozen artichokes, it will be most important for Egyptian exporters to understand how to compete with suppliers in the EU, although Morocco, Chile, the U.S. and Hungary also supply some product. Top EU markets for frozen artichokes from other EU members are France, Italy, Greece, Germany and the Netherlands.



Source: Eurostat data, Market Solutions LLC analysis for Abt Associates, ALEB Project

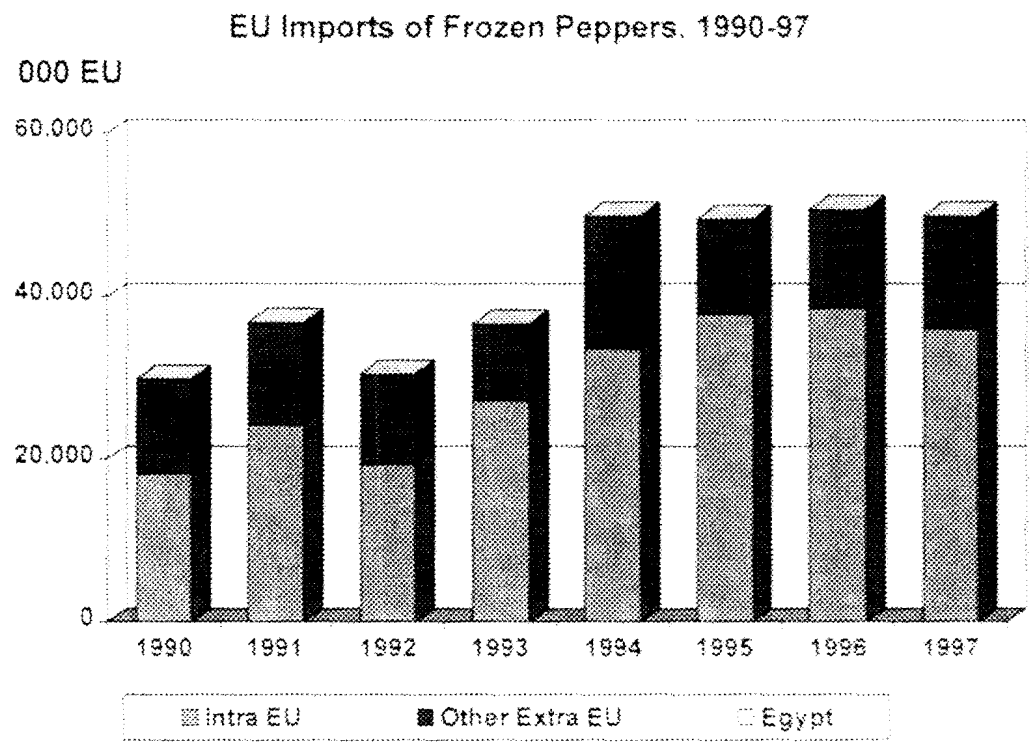
Major Competitors for EU Imports of Frozen Artichokes, 1997

Total Extra EU – 664,000 ECUs



Source: Eurostat data, Market Solutions LLC analysis for ABT Associates, ALEB Project
*Less than 1%

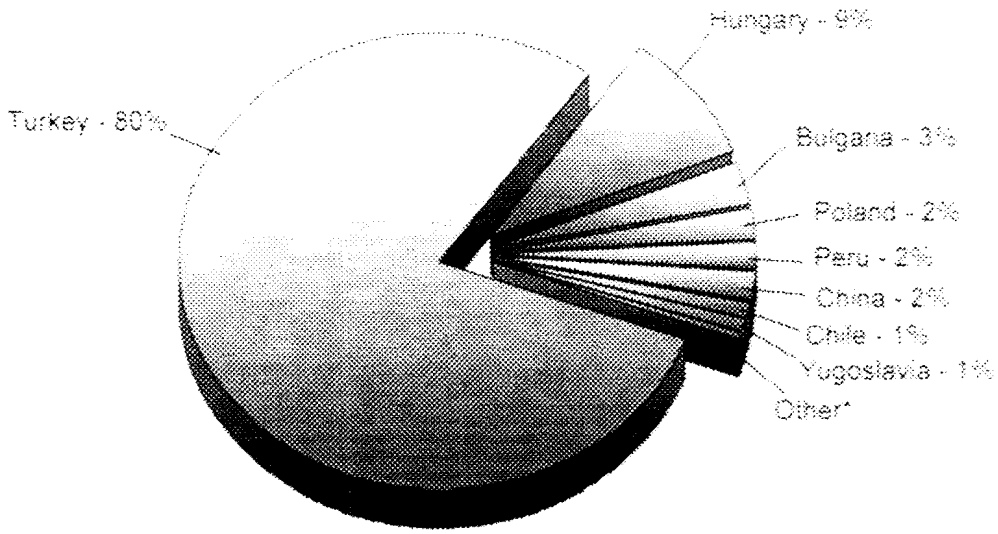
EU trade in frozen sweet pepper increased 67 percent during 1990-97, to 49.9 million ECUs. Three fourths of the trade is among EU member countries. Imports from outside the EU grew 19 percent during this period. Imports from Egypt have not been reported since 1992.



Source: Eurostat data, Market Solutions EU analysis for Am Assistance ALEB Project

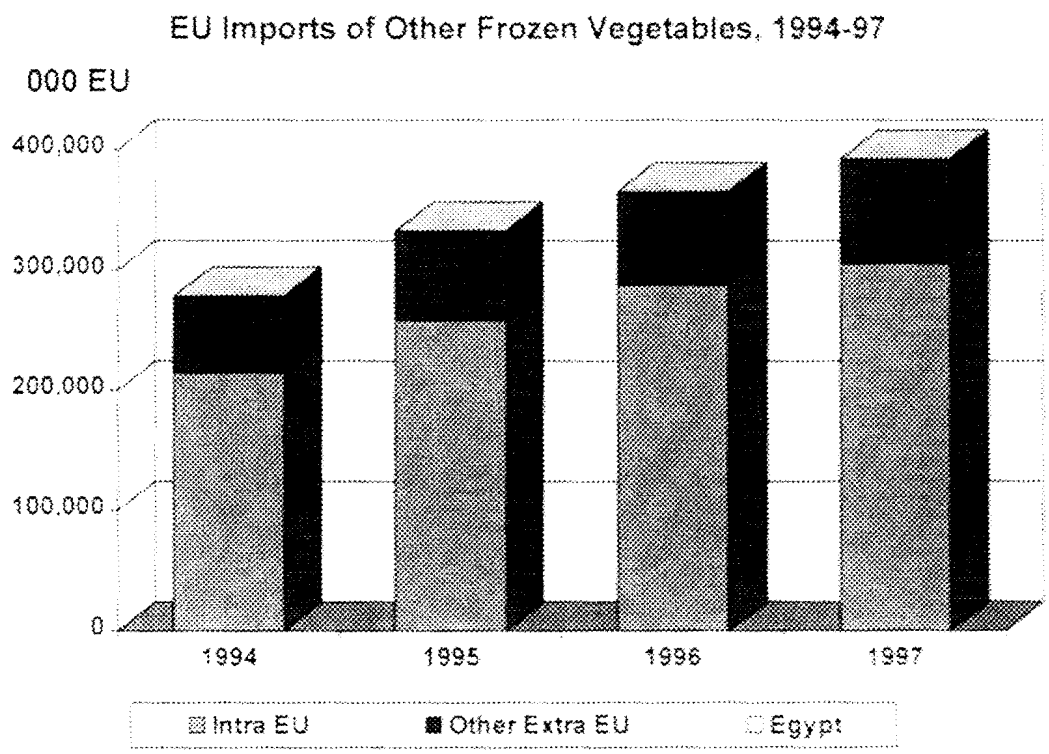
Turkey, and Hungary are the largest suppliers of frozen sweet peppers from outside the EU, followed by Bulgaria, Poland, Peru and China. If Egypt is to compete in the market, it will be especially important to understand competition from Turkey and Hungary.

Major Competitors for EU Imports of Frozen Sweet Peppers, 1997
Total Extra EU – 13.9 million ECUs



Source: Eurostat data, Market Solutions LLC analysis for Abt Associates, ALEB Project
*Less than 1%

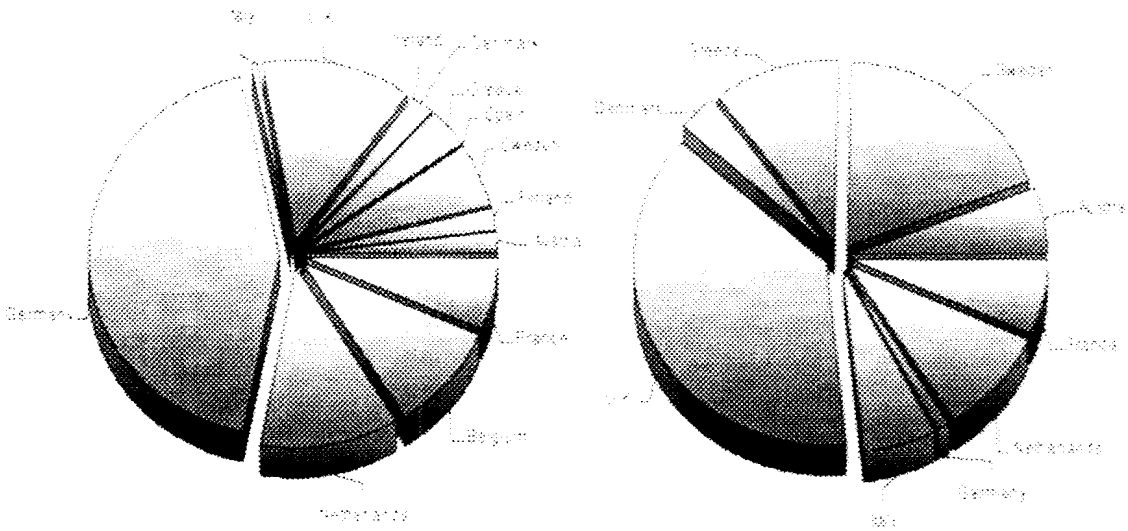
Egyptian exports of "other frozen vegetables" doubled between 1994 and 1997, reaching a value of 249,000 ECU, still less than one percent of imports from outside the EU. The total EU import market in 1997 was valued at 391.7 million ECU, up about 40 percent over 1994. Suppliers within the EU accounted for 78 percent of total trade. This category includes vegetables other than sweet corn, peas, green beans, artichokes and selected other products that are tabulated separately.



Source: Eurostat data, Market Solutions LLC analysis for Abt Associates, ALEB Project

Germany, the U.K., the Netherlands, Belgium, France and Sweden are the largest importers of other frozen vegetables from outside the EU. The U.K., Sweden, Greece, the Netherlands and France are the largest importers from Egypt.

Major EU Import Markets for Other Frozen Vegetables, 1995-97



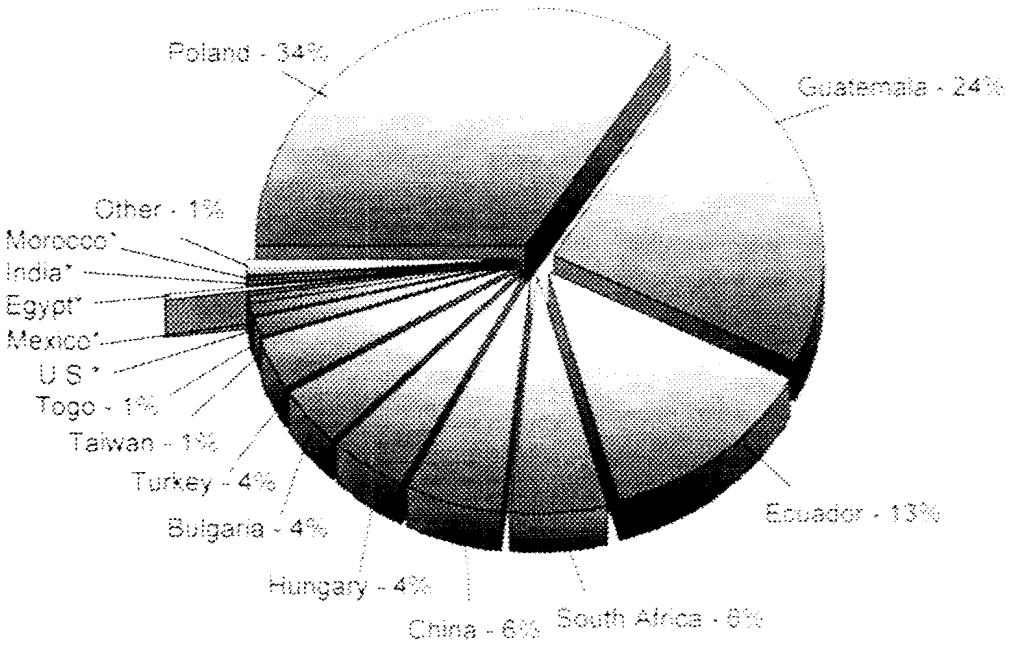
Total Extra - EU
79 million ECU

Egypt
211,000 ECU

Source: FAO data, Market Solutions LLC analysis on Agri Associates ALEB Project

Major competitors from outside the EU which supply products in the "other frozen vegetables" category include Poland, Guatemala and Ecuador. Egypt should have a locational advantages over South American suppliers in servicing EU markets.

Major Competitors for EU Imports of Other Frozen Vegetables, 1997
Total Extra EU 86.9 million ECUs

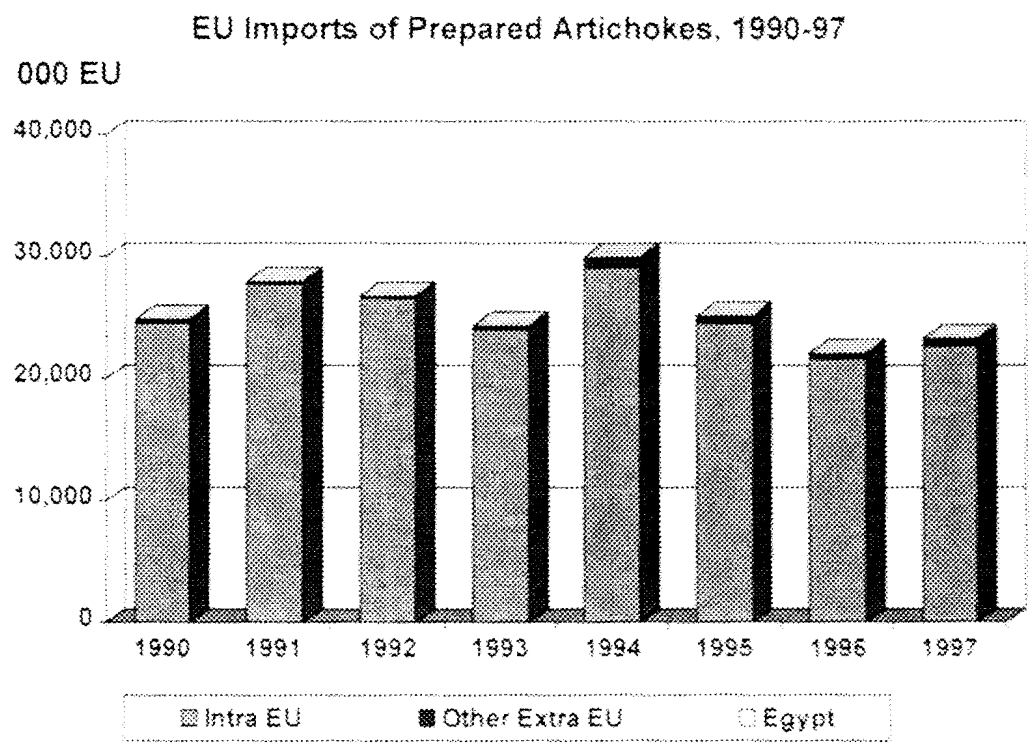


Source: Eurostat SXI, MarketSolutions LLC analysis for Abt Associates AEEB Project
*Less than 1%

Prepared Vegetable Markets and Competition in the EU

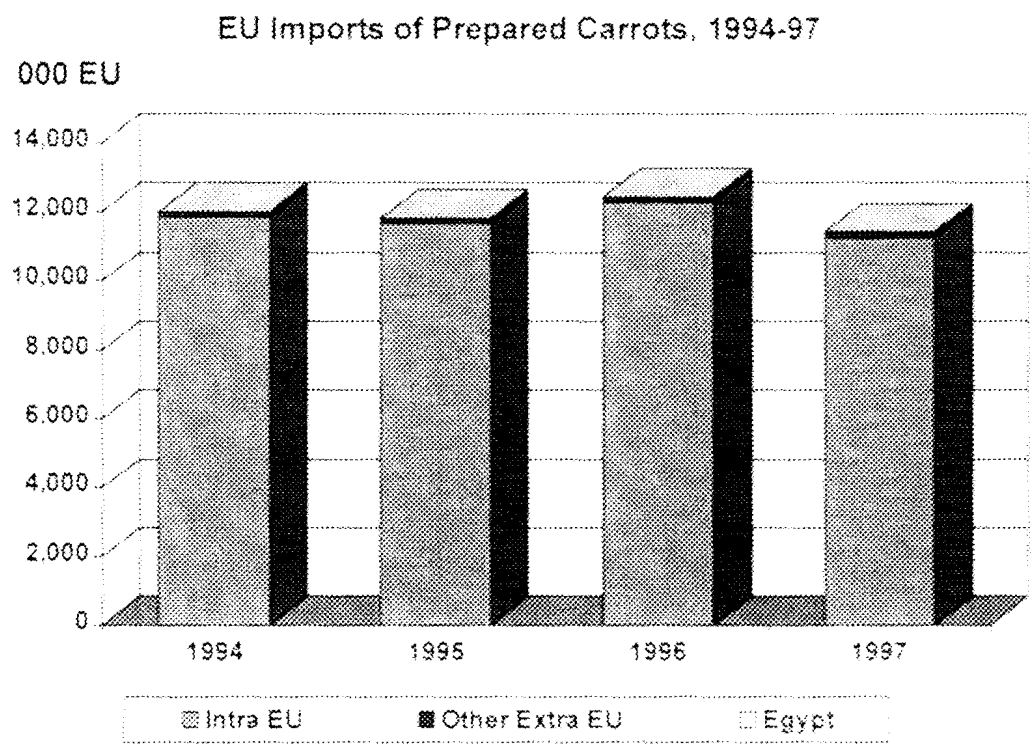
The ALEB project is also targeting exports of a variety of prepared and pickled vegetables. Egypt's total exports of prepared vegetables were valued at $2.4 million in 1997, and exports of pickled vegetables were valued at $1.3 million. With the EU market for prepared vegetables valued at $1.3 billion, according to FAO data, this appears to be an interesting market at first glance. Further analysis shows that while there will be targets of opportunity, most of this market is supplied by countries within the EU. Successful export growth will depend upon selection of niche market opportunities for products than can be supplied on a competitive basis.

Total EU trade in **prepared artichokes** was valued at 23.3 million ECU in 1997, down six percent since 1990. Imports from outside the EU make up only about 2 percent of the total, and Egypt has been an occasional supplier of very small quantities. As a declining market supplied primarily from within the EU, opportunities for prepared artichokes should be approached based on targets of opportunity only.



Source: Eurostat data, Market Solutions, LLC analysis for Agri Associates, ALEB Project

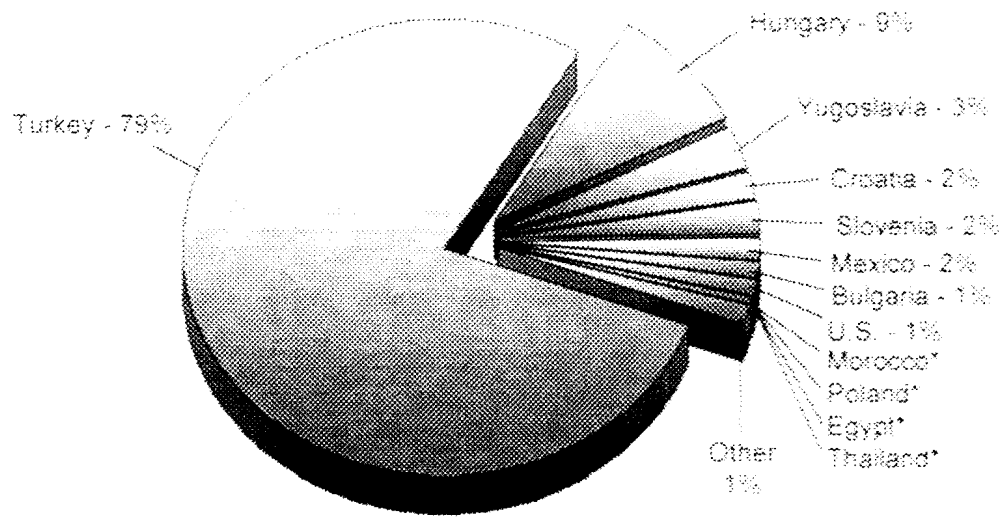
The EU market for **prepared carrots** declined five percent during 1994-97. Less than two percent of the 11.3 million ECU market was supplied by countries outside of the EU. Again, Egypt has occasionally been a very small supplier.



Source: Eurostat and Market Solutions LLC analysis for Air Association AUSE Project

EU markets for pickled vegetables, prepared by vinegar or acetic acid, grew by 14 percent over 1990-97, according to FAO data. For one product targeted by ALEB, pickled sweet peppers, imports from outside the EU were valued at 13 million ECU in 1997, with Germany the largest market. Turkey, Hungary and Yugoslavia are the strongest competitors, with Egypt supplying less than one percent of the total.

Major Competitors for EU Imports of Pickled Sweet Peppers, 1997
Total Extra EU – 13 million ECUs



Source: Eurostat data, Market Solutions LLC prepared for Art Associates, ALEB Project
*Less than 1%

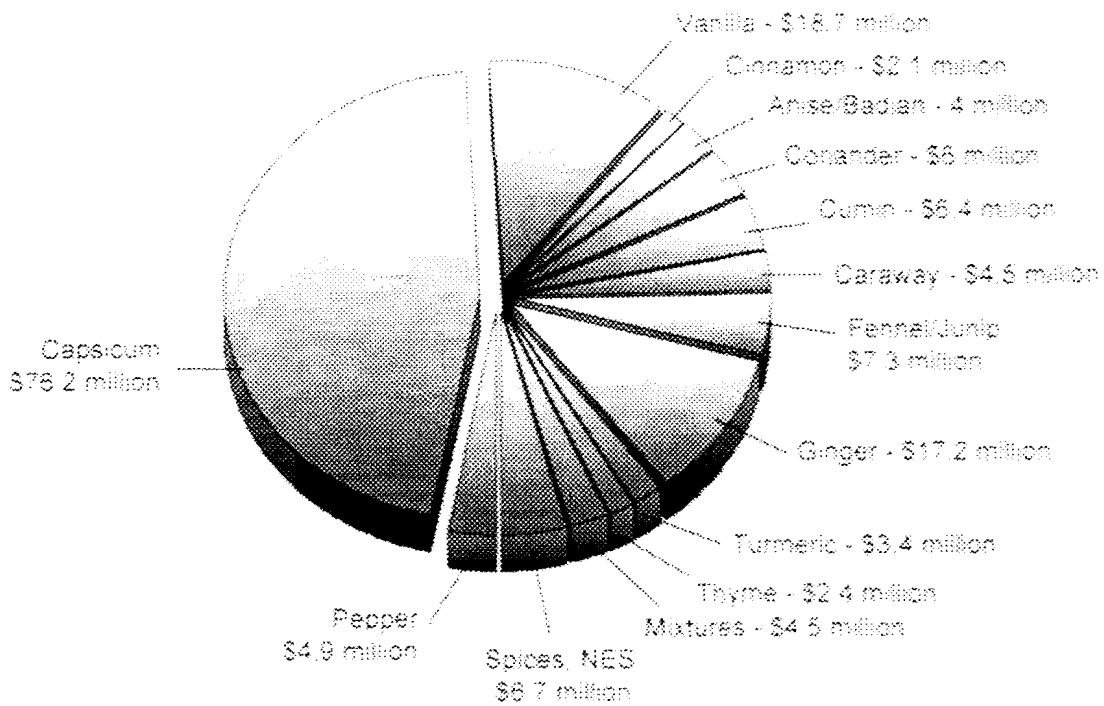
Markets and Competition in the EU for Herbs and Spices

Exports of herbs and spices to the EU offer a range of opportunities. The total value of selected spice imports from outside the EU averaged 164 million ECU in 1995-97, up 58 percent over 1990. Egypt's market share is strongest in markets for fennel and juniper with exports values averaging 1.5 million ECU in 1995-97 and a 20 percent market share; and coriander with exports to the EU valued at 727,000 ECU and a 12 percent market share. Egypt also exported caraway seeds with an average value of 265,000 ECU, and spices, nes valued at 95,000 ECU.

Looking at the top competitors in EU markets for spices and herbs:

- The top competitors Egypt faces in EU markets for fennel seeds and juniper berries are India, Turkey, China, Yugoslavia and Macedonia, which, together with Egypt accounted for about 80 percent of EU imports.
- The top competitors in markets for coriander include India, Morocco, Bulgaria, and the Russian Federation, which together with Egypt accounted for 73 percent of total imports.
- Iran, India, Turkey and Syria are the top suppliers of cumin seeds. Egypt's share was 0.12 percent in 1997.
- Anise and badian imports come primarily from Turkey, China, Syria, Vietnam and Hungary. Egypt had a 1 percent share, valued at $60,000 in 1997.

Top EU Spice Imports, 1995-97
Total 164.7 million ECU



Source: EUROSTAT data, Market Solutions LLC analysis for Abt Associates ALEB Project

- Thyme is supplied primarily by Turkey, Poland, Israel, Albania, and Morocco. Egypt's share was 0.6 percent valued at $40,000 in 1997.
- The largest ginger suppliers to the EU are Costa Rica, Brazil, Nigeria, Thailand, China, India, Nicaragua, South Africa, and Jamaica. Egypt supplied 0.16 percent of the market, valued at $41,000 in 1997.
- Top suppliers of the EU's $103 million market for capsicum or pimento, hot red peppers, were Morocco, Hungary, the U.S., Turkey, Zimbabwe, South Africa, India, China, Brazil, Israel. Malawi and Jamaica. Egypt supplied 0.02 percent of the market, valued at $22,000 in 1997.

Markets and Competition in the EU for Other ALEB Target Products

The ALEB project has selected a number of products for analysis of opportunities in Mid-East and COMESA markets, for which opportunities in the European Union have not been analyzed. This section of the report briefly highlights the size of the EU market for these products, import trends, competition and Egypt's recent exports.

The EU imported **pasta made from wheat flour** (a category that is broader than "macaroni" reported in FAO statistics) valued at 4 million ECU from outside the EU in 1997, roughly double the value of imports in 1990. Imports from Egypt were reported for the first time in 1997, valued at 3,000 ECU. Trade within the EU was valued at 120 million ECU. UN data indicate that the EU imported other pasta valued at about $50 million from outside the EU in 1997, with most from Asian origins, but some product originating in Switzerland, the U.S. and the Maghreb. Much of this product is probably made from rice.

EU imports of **infant foods** were valued at 2.8 million ECU from outside the EU and 268 million ECU within the EU in 1997. Egypt was not reported as a supplier. Extra EU imports grew 32 percent 1990-97 trade among EU member countries grew 62 percent. Top suppliers from outside the EU were Australia, the U.S. and Iran, accounting for 75 percent of the $3.9 million in imports reported by the UN's COMTRADE system.

EU imports of **prepared tomatoes** were valued at 65 million ECU in 1997, with Italy, the U.K, Germany, France, Sweden and the Netherlands reporting the largest imports. Extra EU imports increased 12 percent during 1990-97. Trade within the EU accounts for 84 percent of total imports of prepared tomatoes. Imports from Egypt were valued at 129,000 ECU in 1997, accounting for less than one percent of the total. Top suppliers reported by the UN COMTRADE system, which valued total imports at $76.5 million in 1997, were Turkey (46 percent), China (15 percent) , the U.S. (14 percent) Jordan (6 percent), Peru (6 percent), Iran (3 percent), Morocco (3 percent),and Hungary (3 percent).

The EU imported **water** valued at 49 million ECU in 1997, with 80 percent of the total including sugar or flavoring. Imports of mineral water from outside the EU fell from 13.8 million ECU in 1990 to 9.4 million ECU in 1997. During the same period, imports of water containing added sugar, sweetener or flavor doubled to 40 million ECU. Top importing countries are Spain, Germany, the U.K. and France. Egypt supplied waters with sugar valued at 20,000 ECU in 1997. Top suppliers of mineral water valued at $10.7 million in 1997 were Switzerland (27 percent), Slovenia (21 percent), Turkey (10 percent), Canada (9 percent), the U.S. (6 percent) and Norway (5 percent). Top suppliers of waters containing sweetener or flavor, valued at $47 million in 1997 were Norway (21 percent), Canada (12 percent), Switzerland (11 percent), Poland (9 percent), the U.S. (9 percent), the Czech Republic (7 percent), Trinidad and Tobago (4 percent) and Slovakia (3 percent).

6. Conclusions and Recommendations

As Egyptian exporters and the ALEB project look at market development for the future, the project can have the biggest impact on increased exports through a segmented approach:

- For Egypt's strongest current export products among the target group, such as dried onions and frozen artichokes, efforts should be on strengthening market shares, and expanding the size of markets by developing demand in current European markets and looking at opportunities in new markets in the Mid-East, COMESA and South Africa.

- For other target products, specifically processed vegetables and fruit products, and spice products, the key will be to understand how best to sell a broader line of products to current customers of dried and frozen products, and then how to expand into other markets. In follow up field interviews it will be especially important to better understand factors affecting the competitive position of Egyptian products compared to major competitors identified here. This will help the ALEB project to target its technical assistance efforts.

- For other processed products examined, specifically macaroni, tomato paste, frozen poultry, water and vegetable oils, the next step is to carefully evaluate the competitiveness of Egyptian products in markets showing the largest current import levels. Follow up in-country analysis should focus on product price, quality, packaging, and regulatory and trade requirements that will affect sales.

Appendix

Sources of International Trade Statistics

The analysis presented here makes use of trade statistics from a large number of different sources. One of the major challenges with all of the data bases is that there is limited availability of data from Mid-East markets and COMESA member countries. This is often because countries do not submit data in a timely manner to international organizations that maintain different trade data bases. While this sometimes means that the data are not available, visits to the statistical offices in the target countries will sometimes result in access to data. In some cases, however, countries consider trade data to be an issue of national security and are not willing to make it public.

Some of the specific data bases, and sources that Egyptian exporters may want to obtain on an ongoing basis include:

COMEXT - Monthly Intra and extra EU trade data by CN code. Available by month and by annual subscription from EUROSTAT Data Shop Rue de la Loi 200 1049 Brussels, Belgium – phone 32 2 299 66 66 fax 32 2 295 01 25 http://europa.eu.int/eurostat.html

Single CD price EUR 700
Library Version EUR 150
Annual Subscription - EUR 4020 for individuals, EUR 1008 for libraries

FAOSTAT – Data on agricultural production and trade for many countries are available from FAO's data bases. There is also an FAOSTAT CD-ROM and electronic copies of FAO Production and Trade yearbooks called FAOSTAT PC available. Limited database access is available on the internet at www.fao.org. For information and purchases contact email: Publications-Sales@fao.org

Annual subscriptions for on-line usage are $600 for single user licenses in Developing countries and $750 for a library site license. (Costs for all UN system databases to Developed Country Users are generally double these rates)

TRAINS – UNCTAD Trade data on CD-ROM – provides information on bilateral trade flows for a limited range of countries based on data in the COMTRADE data bank. Available from UNCTAD fax 41 22 917-0247 email: info@unctad –trains.org

Minimum Contributions: Developing Country private users $125
Developing Country nonprofit users $625

PC-TAS UNCTAD International Trade Center trade data for selected countries from COMTRADE data base available on CD-ROM International Trade Centre. UNCTAD/WTO Geneva tel 4122 730 02 34 fax 4122 733 44 39 email: itcreg@un.org

Cost for Developing Countries $450.

COMTRADE – The UN Commodity Trade Statistics data base can be accessed on-line from the mainframe UN computer center in Geneva by Government and University users. There is PC interface software available. Special tabulations can also be obtained for specific products and countries for a fee. A list of countries and tariff classification codes available (SITC, HS) follows.

Information on computer connections is available from the UNICC in Geneva at tel 41 22 929 14 14 email: helpdesk@unicc.org

Access to the data set, or to special tabulations requires contact with the UN Statistics Division Commodity Trade Statistics Section in New York at tel 1 212 963-5980 fax 1 212 963-9851 email: tradestat@un.org

Subscriptions for on line access include a $500 set up cost and a minimum monthly fee of $100.

Costs of special tabulations are quoted based upon the specific request submitted to the email above.

Data can also be obtained on microfiche for a $275 annual subscription.

COMTRADE data base availability list as of 31 January 2000

Data for most countries are available beginning 1962

Legend: SITC = Standard International Trade Classification(UN)
S1 = SITC, Rev. 1 1962-present
S2 = SITC, Rev. 2 1976-present
S3 = SITC, Rev. 3 1988-present

HS = Harmonized System (World Customs Organization)
H0 = HS (version 1988) 1988-present
H1 = HS (version 1996) 1996-present
X = exports only
M = imports only
. = unavailable
* = 4 digit HS, SITC unavailable
# = 3 digit data only

Country Names	89	90	91	92	93	94	95	96	97	98
Afghanistan	.	.	.	.	.	.	.	.	.	.
Albania	.	.	.	.	.	.	.	H1	H1	H1
Algeria	S2	S2	S2	H0	H0	H0	H0	H1	H1	.
Andorra	.	.	.	.	.	.	.	.	.	.
Angola	.	S3x	S3x	.	.	.	.	.	.	.
Antigua and Barbuda	.	.	.	.	.	.	.	.	.	.
Argentina	S2	S2	S3x	S3	H0	H0	H0	H1	H1	H1
Armenia	.	.	.	.	.	.	.	.	H1	.
Aruba	S1	S1	S1	.	.	.	S2	S2	S2	S2
Australia	S3	S3	S3	S3	H0	H0	H0	H1	H1	H1
Austria	S3	S3	S3	S3	S3	H0	H0	H1	H1	H1
Azerbaijan	.	.	.	.	.	.	.	.	.	.
Bahamas	.	.	.	.	.	.	.	.	H1	.
Bahrain	S1	S1	S1	S1	S1	S3	S3	S3	.	.
Bangladesh	H0	H0	H0	H0	H0	H0x	H0	H0	H0	H0
Barbados	S2	S2	S2	S3	S3	S3	S3	S3	H0	H0
Belarus	.	.	.	.	.	.	.	.	.	H1
Belgium, Luxemburg	S3	S3	S3	S3	S3	S3	H0	H1	H1	H1
Belize	S1	S1	.	H0	H0	H0	H0	H0	H0	.
Benin	.	.	.	.	.	.	.	.	.	.
Bermuda	S1x	S1	S1	S1	S1	H0x	H0	.	H0m	.

Bhutan	.	.	S2	S2	H0	H0	.	.	.	.
Bolivia	S2	S2	S2	H0	H0	H0	H0	H0	H1	H1
Bosnia and Herzegovina	.	.	.	.	.	.	.	.	.	.
Brazil	H0	H0	H0	H0	H0	H0	H0	H0	H1	H1
Brunei Darsalam	S2	S2	S2	H0	H0	H0	.	.	.	.
Bulgaria	.	.	.	S3m	.	.	.	H1	H1	.
Burkina Faso	.	.	.	.	.	.	.	.	.	.
Burundi	.	.	.	.	.	.	.	.	.	.
Cambodia	.	.	.	.	.	.	.	.	.	.
Cameroon	S2	S3	.	.	.	.	H0	H0	.	.
Canada	H0	H0	H0	H0	H0	H0	H0	H1	H1	H1
Cape Verde	.	.	.	.	.	.	.	.	.	.
Central African Rep.	S2	.	.	.	H0	H0	H0	H0	.	.
Chad	.	.	.	.	.	.	H0m	.	.	.
Chile	S2	H0	H0	H0	H0	H0	H0	H0	H1	H1
China	S2	S2	S2	H0	H0	H0	H0	H1	H1	H1
China Hong Kong SAR	S2	S2	S2	S3	H0	H0	H0	H0	H1	H1
Colombia	S2	S2	H0	H0	H0	H0	H0	H0	H1	H1
Congo	.	.	.	.	H0	H0	H0	.	.	.
Congo, Democratic Republic	.	.	.	.	.	.	.	.	.	.
Cook Islands	.	S3m	.	.	.	.	.	.	.	.
Costa Rica	S2	S2	S2	S2	S2	H0	H0	H0	H1	H1
Cote d'Ivoire	.	.	.	.	.	.	.	H0m	.	.
Croatia	.	.	.	H0	H0	H0	H0	H0	H1	H1
Cuba	S3m	.	.	.	.	.	.	.	.	.
Cyprus	H0	H0	H0	H0	H0	H0	H0	H1	H1	H1
Czech Rep.	.	.	.	.	H0	H0	H0	H1	H1	H1
Denmark	H0	H0	H0	H0	H0	H0	H0	H1	H1	H1
Djibouti	S2	S2	S2	S2	.	.	.	.	.	.
Dominica	S2	S2	S2	.	H0	H0	H0	H0	H0	.
Dominican Rep.	.	.	.	S2x	S2x	S2x	S2x	H0x	H0x	.
Ecuador	S2	S3	H0	H0	H0	H0	H0	H1	H1	H1
Egypt	S2	S2	S2	S2	S2	H0	H0	H0	H0	H0
El Salvador	S2	S2	S2	S2	S2	H0	H0	H0	H1	H1
Equatorial Guinea	.	.	.	.	.	.	.	.	.	.
Eritrea	.	.	.	.	.	.	.	.	.	.
Estonia	.	.	.	.	.	.	H0	H1	H1	.
Ethiopia	S2	S2	S2	S2	S2	.	H0	.	.	.
Faeroe Islands	S3	S3	S3	S3	S3	S3	.	.	.	.
Fiji	S3	S3	S3	S3	S3	S3	.	.	.	.
Finland	H0	H0	H0	H0	H0	H0	H0	H1	H1	H1
Former Czechoslovakia	S3	S3	.	.	.	.	.	.	.	.
Former Democratic Germany	S2	S2	.	.	.	.	.	.	.	.
Former Federal Germany	H0	H0	.	.	.	.	.	.	.	.
Former USSR	.	.	.	.	.	.	.	.	.	.
France	S3	S3	S3	S3	S3	H0	H0	H1	H1	H1
French Guiana	S3	S3	S3	S3	S3	H0	H0	.	.	.
French Polynesia	.	.	.	.	.	.	.	.	.	.
Gabon	.	.	.	.	H0	H0	.	H0	.	.
Gambia	.	.	.	.	.	.	.	.	.	.
Georgia	.	.	.	.	.	.	.	.	.	.
Germany	.	.	H0	H0	H0	H0	H0	H1	H1	H1
Ghana	.	.	.	S2	.	.	.	.	.	.
Greece	H0	H0	S3	H0	H0	H0	H0	H1	H1	H1
Greenland	S3	S3	S3	S3	S3	H0	H0	H1	H1	H1
Grenada	S2	S2	S2	.	H0	H0	H0	H0	H0	.
Guadeloupe	S3	S3	S3	S3	S3	H0	H0	.	.	.
Guatemala	S2	S2	S2	S2	H0	H0	H0	H0	H1	H1
Guinea	.	.	.	.	.	.	.	.	.	.
Guinea Bissau	.	.	.	.	.	.	.	.	.	.
Guyana	.	.	H0m	H0m	.	.	.	.	.	.

Haiti	H0x	H0x	H0x	H0x	H0x	H0x	H0x	H0x	H0x	H0x
Honduras	S2	S2	S2	S2	S3	H0	H0	H0	H1	H1
Hungary	S2	S2	S3m	H0	H0	H0	H0	H1	H1	H1
Iceland	H0	H0	H0	H0	H0	H0	H0	H0	H1	H1
India	H0	H0	H0	H0	H0	H0	H0	H1	H1	.
Indonesia	H0	H0	H0	H0	H0	H0	H0	H1	H1	H1
Iran, Islamic Rep. of	.	.	.	.	.	.	.	.	.	.
Iraq	.	.	.	.	.	.	.	.	.	.
Ireland	S3	S3	S3	H0	H0	H0	H0	H1	H1	H1
Israel	S3	S3	S3	S3	S3	S3	H0	H1	H1	H1
Italy	S3	S3	S3	S3	S3	H0	S3	H1	H1	H1
Jamaica	S2	S2	H0	H0	H0	S3	S3	H0	H0	.
Japan	H0	H0	H0	H0	H0	H0	H0	H1	H1	H1
Jordan	S3	S3	S3	S3	S3	H0	H0	.	.	.
Kazakhstan	.	.	.	.	.	.	.	.	.	H1
Kenya	.	S3	S3	H0	S3	S3	S3	S3	S3	S3
Kiribati	S3	S3	S3	S3	S3	S3	H0	.	.	.
Korea, Dem. People's Rep.	.	.	.	.	.	.	.	.	.	.
Korea, Rep. of	H0	H0	H0	H0	H0	H0	H0	H1	H1	H1
Kuwait	S3	S3	S3	S3	S3	S3	S3	S3	S3	.
Kyrgyzstan	.	.	.	.	.	.	H0	H0	.	.
Lao People's Dem. Rep.	.	.	.	.	.	.	.	.	.	.
Latvia	.	.	.	.	.	H0	H0	H0	H1	H0
Lebanon	.	.	.	.	.	.	.	.	.	.
Liberia	.	.	.	.	.	.	.	.	.	.
Libyan Arab Jamahiriya	S2	S2	S2	.	.	.	.	.	S2	.
Lithuania	.	.	.	.	.	H0	H0	H0	H1	H1
Macau	S3	S3	H0	H0	H0	H0	H0	H1	H1	H1
Madagascar	.	H0	H0	H0	H0	H0	H0	H1	H1	.
Malawi	S2	H0	H0	.	.	H0	H0	.	.	.
Malaysia	H0	H0	H0	H0	H0	H0	H0	H0	H1	H1
Mali	S2	S2	.	.	.	.	.	.	.	.
Malta	S1	S3	S3	S3	S3	H0	H0	H1	H1	H1
Martinique	S3	S3	S3	S3	S3	H0	H0	.	.	.
Mauritania	.	.	.	.	.	.	.	.	.	.
Mauritius	S3	S3	S3	S3	S3	H0	H0	H0	H1	H1
Mexico	S3	H0	H0	H0	H0	H0	H0	H1	H1	H1
Mongolia	.	.	.	.	.	.	.	H0	.	.
Montserrat	.	.	.	.	S3x	.	.	.	.	.
Morocco	S2	S2	S2	S2	H0	H0	H0	H0	H0	.
Mozambique	.	.	.	.	.	H0*	H0*	H0*	.	.
Myanmar	.	.	S1	H0	.	.	.	.	.	.
Nepal	S2	S2	S2	S2	S2	S2	S2	S2	S2	.
Netherlands	S3	S3	S3	H0	H0	H0	H0	H1	H1	H1
Netherlands Antilles	S1	S1	S1	S1	.	.	S1	.	.	.
New Caledonia	.	.	.	.	.	.	.	.	.	.
New Zealand	H0	H0	H0	H0	H0	H0	H0	H1	H1	H1
Nicaragua	S2	S2	S2	S2	H0	H0	H0	H0	H1	H1
Niger	.	.	.	.	.	.	.	.	.	.
Nigeria	.	.	S2	.	.	.	.	.	.	.
Niue	.	.	.	.	.	.	.	.	.	.
Norway	S3	S3	S3	S3	H0	H0	H0	H1	H1	H1
Oman	H0	H0	H0	H0	H0	H0	H0	H0	H0	.
Pakistan	S2	S3	S3	S3	S3	S3	S3	S3	S3	S3
Panama	S2	S2	S2	S2	S2	S2	H0	H0	H0	H1
Papua New Guinea	S2	S2	S2x	S2x	S2x	.	.	.	.	.
Paraguay	H0	H0	H0	H0	H0	H0	H0	H0	H0	.
Peru	S2	S2	S2	H0	S3	H0	H0	H0	H0	H1
Philippines	S2	S2	S3	S3	S3	S3	S3	H0	H0	H0
Poland	S2	S2	S2	S3	S3	H0	H0	H1	H1	H1
Portugal	H0	H0	H0	H0	H0	H0	H0	H1	H1	H1

Qatar	S2	S2	S3	S3	S3	S3	.	.	.	.
Rep. of Moldova	.	.	.	.	.	H0	H0	.	H0	H0
Reunion	S3	S3	S3	S3	S3	H0	H0	.	.	.
Romania	H0	H0	H0	H0	H0	H0	H0	H0	H1	H1
Russian Federation	.	.	.	.	.	.	.	H0	H1	H1
Rwanda	.	.	.	.	.	.	.	.	.	.
Saint Kitts and Nevis	.	.	.	.	H0	H0	H0	H0	H0	.
Saint Lucia	S2	S2	S3	H0	H0	H0	H0	H0	H0	H0
Saint Pierre and Miquelon	S2	.	.	.	.	.	.	.	.	.
Saint Vincent & Gren.	.	.	.	.	H0	H0	H0	H0x	H0	.
Samoa	.	S2	.	.	.	.	.	.	.	.
Saudi Arabia	S2	S2	H0	H0	H0	H0	H0	H0	.	.
Senegal	S2	S2	S2	S2	S2	S2	S2	.	.	.
Seychelles	S2	S2	S2	S3	S3	H0	H0	H0	.	.
Sierra Leone	.	.	.	.	.	.	.	.	.	.
Singapore	H0	H0	H0	H0	H0	H0	H0	H0	H1	H1
Slovakia	.	.	.	.	.	H0	H0	H0	H1	H1
Slovenia	.	.	.	S3	S3	H0	H0	H1	H1	H1
Solomon Islands	.	.	.	.	.	.	.	*H0m	.	.
Somalia	.	.	.	.	.	.	.	.	.	.
South Africa	.	.	.	H0	H0	H0	H0	H0	H1	H1
Spain	H0	H0	H0	H0	H0	H0	H0	H1	H1	H1
Sri Lanka	S2	H0	H0	H0	H0	H0	.	.	.	.
Sudan	.	.	.	S1	S1	S1	H0	H0	.	.
Suriname	S2	S2	S2	S2	.	H0	H0	H0	H0	.
Sweden	S3	S3	S3	H0	H0	H0	H0	H1	H1	H1
Switzerland	H0	H0	H0	H0	H0	H0	H0	H1	H1	H1
Syrian Arab Rep.	S2	S2	.	S2	.	.	S2	S2	S2	.
Tajikistan	.	.	.	.	.	.	.	.	.	.
Tanzania	.	.	.	.	.	.	H0m	H0m	H1	.
Thailand	H0	H0	H0	H0	H0	H0	H0	H0	H0	.
Togo	S2	S2	S3	.	.	.	.	.	.	.
Tonga	S1	S1	S1	S1	S1	S1	S1	.	.	.
Trinidad and Tobago	S2	S2	H0	H0	H0	H0	H0	H0	H0	H0
Tunisia	S2	S3	H0	H0	H0	H0	H0	H0	H0	H0
Turkey	H0	H0	H0	H0	H0	H0	H0	H1	H1	H1
Turkmenistan	.	.	.	.	.	.	.	.	*H0m	*H0m
Tuvalu	.	.	.	.	.	.	.	.	.	.
TFYR of Macedonia	.	.	.	.	.	S3	S3	S3	.	.
Uganda	.	.	.	.	.	.	.	.	.	.
Ukraine	.	.	.	.	.	.	.	.	.	.
United Arab Emirates	.	S2	H0	H0	H0	.	.	.	.	.
United Kingdom	S3	S3	S3	S3	H0	H0	H0	H1	H1	H1
Uruguay	S2	S2	S2	S2	S3	H0	H0	H0	H1	H1
Uzbekistan	.	.	.	.	.	.	.	.	.	.
USA	S3	S3	H0	H0	H0	H0	H0	H1	H1	H1
Vanuatu	.	S3x	S3x	.	H0*	H0*	.	.	.	.
Venezuela	S2	S3	S3	S3	S3	H0	H0	H1	H1	H1
Viet Nam	.	.	.	.	.	.	.	.	.	.
Yemen	.	.	S2	.	.	.	S2	.	.	.
Yugoslavia	S3	S3	.	H0	.	.	.	H0	H0	H0
Zambia	.	.	.	.	S3x	.	H0	.	.	.
Zimbabwe	S3	S3	S3	S3	S3	S3	H0	S3	S3	.

The symbols on the above table correspond to the most advanced classification in which data were reported to us. Data are first processed in the reported classification and then subsequently converted into earlier classifications in the following order: H1 to H0, S3, S2 and S1. Data first reported in S3 are also available in S2, and in S1, and so forth.

Appendix

Key Questions for Follow up In-Country Analysis

The analysis presented here draws primarily on secondary trade statistics for the countries and products being targeted by the ALEB project. The findings can provide valuable guidance in identifying the size of individual import markets, growth trends and competition. The ALEB project's in-country team is assessing strengths and weaknesses of Egyptian exporters for the target products analyzed here and plans follow up in-country research. This will serve as a base for strategic decision making by Egyptian exporters in targeting market opportunities. It will also help the ALEB project target technical assistance that will be most useful in helping Egyptian agribusiness export more competitively. Based on market size, it appears that the EU and the Mid-East offer the greatest potential return to additional in-country research.

EU markets are large, but highly competitive. Some Egyptian exports to the EU are specifically targeted at expatriate Egyptian consumers and those with ethnic roots in Egypt, North Africa and the Middle East. This is an important segment to understand and take advantage of. At the same time, Egypt can and does produce quality products that are sold into mainstream retail and food service channels. There is a need for follow up in-country research to better quantify the size of the market potential in individual segments, and identify the keys to competing in each segment – product and quality preferences, grades and standards and other requirements, packaging, promotion, key importers and distributors and other factors that will help Egyptian exporters understand how best to compete.

Based on findings presented above, we recommend that the follow up research focus on the following areas:

- Defining market segments and purchasing, import and distribution channels in markets showing the greatest potential for specific products.
- Assessing the product quality characteristics, price points and other factors that are most important in individual market segments.
- Understanding perceived strengths and weaknesses of competitors for specific products.
- Understanding perceived strengths and weaknesses of specific Egyptian products.
  - How can Egyptian suppliers increase market share for products such as dried onions, frozen artichokes and selected spices where they are already exporting?
  - How can they expand sales of these products in markets where they are currently minor suppliers?
  - For related products such as dehydrated vegetables, or other frozen and prepared vegetables, where Egypt is a minor supplier, but currently sells into channels for similar products, what will be the key to increasing sales?
  - For newer target products, such as macaroni, tomato paste and products, bottled water, and infant foods, what are the target channels, and what should Egyptian suppliers do to compete?
- Regulatory and policy issues that can affect market access and competitiveness.

Appendix

Selected Tariff Codes for Products of Interest to ALEB

Countries have made important strides in adopting a Harmonized System (HS) of tariff classifications that make it easier to compare trade data around the world. Systems used by different countries still diverge, especially beyond the 4-6 digit level. Thus, statistics on "pasta" reported by the EU do not precisely match those recorded for "macaroni" in FAO data series. The same applies to terms and product descriptions used in different data series.

Analysis presented in this report is based on data obtained from EUROSTAT, FAO, TRAINS and COMTRADE, as well as limited Egyptian export data from CAPMAS provided to the team. The trade data used are compiled with three different classification systems, the Harmonized Commodity Description and Coding System (HS), the FAOSTAT classification system and the Combined Nomenclature (CN) of the European Union Statistical Office (EUROSTAT).

The different systems are fairly consistent to the four to six digit level, but vary beyond that. For example, HS codes are country specific beyond the six digit level. Hence the ten digit HS classification provided by CAPMAS is specific to Egypt beyond the six digit level.

The FAOSTAT System categorizes products into twenty commodity groups. Each group contains several commodities and is associated with several products at the four to six digit level of HS. For example the "frozen vegetables" category contains six HS codes (HS 071021, 071022, 071029, 071030, 071080, 071090).

Reporting category differences sometimes make precise comparisons difficult. For example, the FAO category "macaroni" includes HS codes 190211, 190219. Egypt's CAPMAS category 1902300010 is described as "macaroni of all kinds" Within the HS codes used for TRAINS data, the category 190230 "pasta, other than from wheat" while the CN code 19021990 used for EU trade data includes only pasta from wheat meal or flour.

Data from different sources also sometimes diverge due to reporting periods, transshipments, exchange rates, under-reporting and a variety of other reasons.

Despite these differences, results of the analysis provide Egyptian exporters with useful insights into the size of markets for target products in the countries analyzed and the nature of competition that will be faced there.

The following lists the product categories and tariff codes in some of the data bases used in compiling data for this report.

EU Tariff Code (CN)	Commodity
07108080	Frozen Artichokes
20059050	Prepared Artichokes (Exl. Froz
07122000	Dried Onions
20012000	Preserved Onions
07101000	Frozen Potatoes
20059060	Prepared carrots

07129050	Dried carrots
07108051	Frozen Sweet Pepper
20019070	Prepared Sweet Pepper, preserved in vinegar
09042010	Dried Sweet Pepper
07108095	Other Frozen Vegetables (Excluding potatoes, leguminous vegetables, spinach)
07129090	Other Dried Vegetables (Excluding potatoes, onions, mushrooms, truffles, corn, tomatoes and carrots.)
20029000	Preserved Tomatoes
21032000	Tomato Ketchup
19011000	Preparations for infant use
19021990	Uncooked pasta ..containing wheat meal or flour
22011000	Mineral waters and aerated waters not containing added sugar, other sweetening or flavoured
22021000	Waters, including mineral and aerated with added sugar, sweetener or flavour

Herbs and Spices

09041200	Pepper (genus piper)
09042000	Capsicum (genus capsicum or pimenta)
09050000	Vanilla
09062000	Cinnamon
09091000	Anise or Badian
09092000	Coriander
09093000	Cumin
09094000	Caraway
09095000	Fennel, Juniper
09101000	Ginger
09103000	Turmeric
09104011	Thyme, Wild
09104013	Thyme
09104019	Thyme, Crushed
09109100	Mixtures
09109900	Spices, NES

Selected Reporting Categories Used for FAO trade data

Fixed Vegetable Oils
Fruit Dried Nes
Fruit Juice Nes
Fruit, Nut, Peel, Sugar Prs
Fruit Prepared Nes
Fruit Pulp for Feed
Fruit Tropical Dried Nes
Juice of Vegetables Nes
Macaroni
Infant Foods
Onions, Dry
Vegetables Dehydrated
Vegetables Frozen
Vegetables Pr by Vinegar
Vegetables Prepared Nes

Veg. In Temp Preservative
Veg. Prep or Pres. Frozen
Veg Prod Fresh or Dried
Veg Products for Feed
Tomato paste
Waters, Ice, etc.

Selected HS Codes Used in UN System Reporting (TRAINS, COMTRADE)

HS : 210320 Tomato ketchup and other tomato sauces
HS : 200290 Other tomatoes, prepared
HS : 190230 Other pasta
HS : 220110 Mineral waters and aerated waters
HS : 220190 Other
HS : 220210 Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured
HS : 190110 Preparations for infant use, put up for retail sale
HS : 020721 (-1995) Frozen whole chickens
HS : 150990 Other
HS : 151000 Other oils and their fractions, obtained solely from olives, whether or not refined, but not chemically modified, including blends of these oils or fractions with oils or fractions of heading No. 15
HS : 151110 Crude oil
HS : 151219 Sunflower-seed or safflower oil and fractions thereof :– Other
HS : 151229 Cotton-seed oil and its fractions :– Other
HS : 151319 Coconut (copra) oil and its fractions :– Other
HS : 151521 Maize (corn) oil and its fractions :– Crude oil
HS : 151529 Maize (corn) oil and its fractions :– Other
HS : 151550 Sesame oil and its fractions
HS : 151620 Vegetable fats and oils and their fractions
HS : 071220 Onions

HS : 090412 Pepper :– Crushed or ground
HS : 090420 Fruits of the genus Capsicum or of the genus Pimenta, dried or crushed or ground
HS : 090940 Seeds of caraway
HS : 090950 Seeds of fennel; juniper berries
HS : 091010 Ginger
HS : 090500 Vanilla.
HS : 090620 Crushed or ground
HS : 090910 Seeds of anise or badian
HS : 090920 Seeds of coriander
HS : 090930 Seeds of cumin
HS : 091030 Turmeric (curcuma)
HS : 091040 Thyme; bay leaves
HS : 091091 Other spices :– Mixtures
HS : 091099 Other spices :– Other