

HD
9464
•C2A25
Annex
v.14zd

ANNEX TO THE
**WORLDWIDE FISHERIES
MARKETING STUDY:**
PROSPECTS TO 1985

EGYPT



Government
of Canada

Gouvernement
du Canada

Fisheries
and Oceans

Pêches
et Océans

Industry, Trade
and Commerce

Industrie
et Commerce

(This report is one of a series of country and species annexes
to the main study entitled Overview)

DRAFT



Annex to the
Worldwide Fisheries Marketing Study:
Prospects to 1985

EGYPT

Grahame B. Richards
H.B. Nickerson & Sons Limited

J. Frontain
United Maritime Fishermen

H.G. Lawler
Dept. of Fisheries and Oceans

ACKNOWLEDGEMENT

The preparation of the Worldwide Fisheries Marketing Study, of which this Report is a part, embodies many hours of work not only by the authors but also and more importantly by those who generously provided us with market information and advice.

Specifically, this Report would not have been possible without the cooperation and assistance of fishermen, processors, brokers, wholesalers, distributors, retailers, consumers and their organizations as well as government officials with whom we visited and interviewed. Though too numerous to mention separately, we would like to extend our sincere gratitude and appreciation.

The views expressed in this Study, however, are ours alone and reflect the Canadian perception of worldwide markets.

With regard to the overall Study, we would like to acknowledge:

- the encouragement and guidance of G.C. Vernon and D.S. Puccini, Department of Fisheries and Oceans (DFO);
- the advice of K. Campbell, Fisheries Council of Canada; and J. Spitz, Fisheries Association of B.C.; and R. Bulmer, Canadian Association of Fish Exporters;
- the liaison work of C. Paquette, DFO;
- the cooperation of the Department of Industry, Trade and Commerce (IT&C);
- the dedication of the participants from various parts of the industry and government including officers at our diplomatic posts who formed the study teams;
- the analytical and editorial assistance of K. Hay and his staff at Economix International;
- the general assistance within DFO provided by the graphical services of the Communications Branch and the support services of A. Letellier and G. Routhier of the Marketing Services Branch.

To all of the above, we extend our thanks.

E.W. Wong
November, 1980

FOREWORD

As a consequence of global extension of fisheries jurisdictions, a radical shift has taken place in the pattern of worldwide fish supply and demand. This change is still going on and will continue for many years before a new dynamic equilibrium situation is reached. However, in the midst of this re-adjustment, a new trade pattern is emerging -- some net exporting countries are now importing and vice versa. In the longer term, some countries will experience shortages of supply and others will have a surplus. Fortunately, Canada is amongst the latter group.

The implications for the marketing of Canadian fisheries products arising from the worldwide introduction of the 200-mile limit are extensive. With our vastly improved supply position relative to world demand, government and industry are understandably concerned about ensuring that the bright promise of increased market opportunities are real and can be fulfilled. One of the steps in this process is the publication of the Worldwide Fisheries Marketing Study which assesses the global potential on a country and species basis.

Specifically, the purpose of the Study is to identify the longer term market opportunities for selected traditional and non-traditional species in existing and prospective markets and to identify factors which may hinder or may Canadian fisheries trade in world markets. To date, over 40 country markets and 8 species groups have been analyzed. It should be noted that while the information contained in the Reports was up-to-date when collected, some information may now be dated given the speed with which changes are occurring in the marketplace. In this same vein, the market projections should be viewed with caution given the present and still evolving re-alignment in the pattern of international fisheries trade, keeping in mind the variability of key factors such as foreign exchange rates, energy costs, bilateral fisheries arrangements and GATT agreements which have a direct effect on trade flows.

Notwithstanding, the findings contained in these Reports represent an important consolidation of knowledge regarding market potential and implications for improvements in our existing marketing and production practices. The results of the Study should, therefore, usefully serve as a basis for planning fisheries development and marketing activities by both government and industry in order to capitalize on the identified market opportunities.

This draft report is published for discussion purposes and as such we invite your critical comments.

Ed Wong

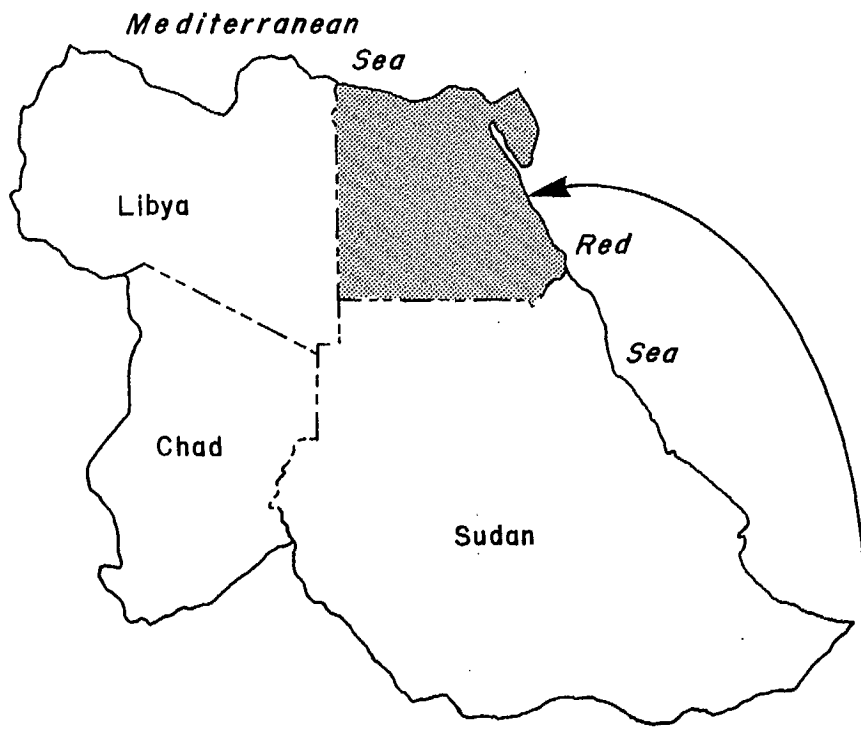
MARKET PROSPECTS FOR FISH

EGYPT

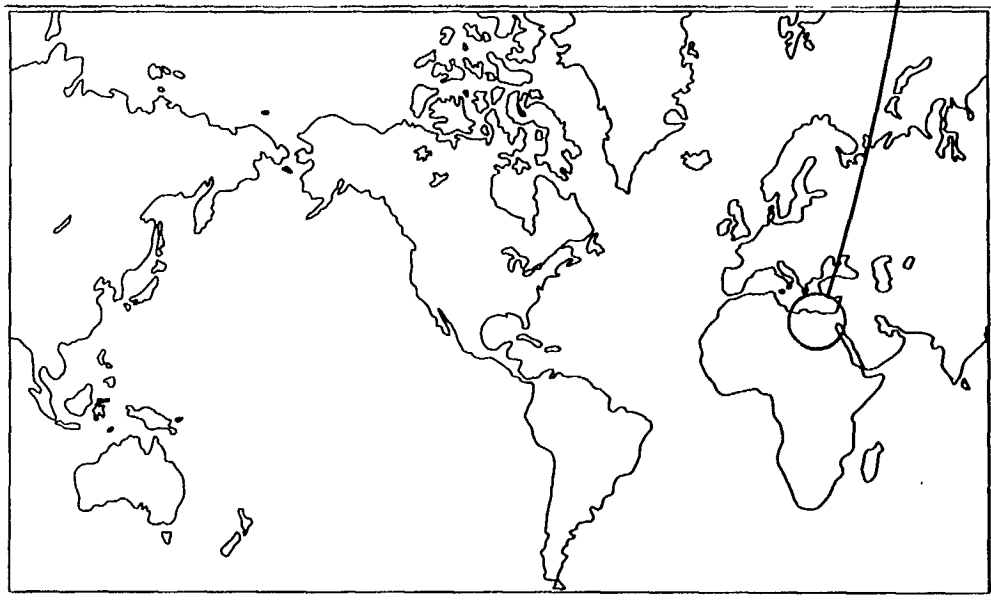
TABLE OF CONTENTS

	Page
A. INTRODUCTION	1
B. DEMAND	1
1) Present Consumption of Fish	1
2) Trends in Consumption of Fish Foods to 1985	2
C. SUPPLY	3
1) Domestic Harvest from National Waters	3
2) Domestic Harvest from Distant Waters	3
3) Imports	5
4) Exports	6
D. DEMAND SUPPLY BALANCE	7
E. POTENTIAL TRADE	8
1) Market Potential for Canadian Exports	8
2) Market Entry Requirements and Barriers	9
F. CONCLUSIONS	11
APPENDIX I	12
APPENDIX II	15
APPENDIX III	17
APPENDIX IV	20

EGYPT



INDEX MAP



A. INTRODUCTION

Egypt is the largest leading developing country in Northwest Africa. Exports of Canadian fisheries products to Egypt have been negligible over the past decade. But, with Egypt increasingly favourable to negotiations with the West, and wishing to be less heavily dependent on the U.S.S.R. and Arab States, there appears good potential for marketing of Canadian fish products. This will be particularly so if traditional sources diminish and prices are allowed to rise.

TABLE 1

BASIC DATA - EGYPT

Area	- 1 002 000 sq. kilometres
Population	- 40.2 million (January 1979)
GNP per capita	- US \$260 (estimated 1978)
Population growth rate	- 2.6% per annum (estimated)
One Egyptian pound (£.E.)	- \$1.65 (Canadian)

B. DEMAND

1) Present Consumption of Fish

Fish is a traditional and important component of the Egyptian diet, not only because of the developed tastes for fish but because it is cheaper than either meat or poultry. In 1978, fish accounted for about 20% of the country's supply of animal protein. Total demand for food fish in 1985 could reach 200 000 tonnes, an increase of over 70% in eight years. Per capita consumption is likely to rise from 3.3 kg to 4.2 kg. per annum. The domestic demand for

fresh and frozen fish in 1985 is projected to increase to some 170 000 tonnes from the current level of 100 000 tonnes if per capita consumption does not rise significantly.

Government policies are an important influence on the demand for fish. Government agencies are the major importers of frozen fish and thus control supply. This means that total demand is not solely a function of consumer demand.

Another important factor is that the Egyptian government subsidizes meat, thus the retail prices are artificially depressed and, as world prices for meat rise, the government is absorbing most of the increase. There appears to be strong pressure within the government to increase imports of reasonably priced fish in order to cut consumption of heavily subsidized meat.

2) Trends in Consumption of Fish Products to 1985

According to the Egyptian Fish Marketing Company (the government agency responsible for buying and distributing frozen fish), the following species have been successfully introduced:

Mackerel	Horse Mackerel
Hake	Sardina
Ling	Sea Bream
Grey Mullet	

Species such as blue whiting and Alaskan pollock were introduced in the last few years but were not well received. The Fish Marketing Company had to reduce prices twice in order to clear inventory.

Much of the imported frozen fish, as well as local freshwater species, are sold through state-owned fish shops. The fish is cooked in these shops and then sold in that state. For instance, mullet steaks are deep-fried and tilapia, a fish harvested from Lake Nasser, is cooked in large ovens.

C. SUPPLY

Current and Expected Supply Picture to 1985

1) Domestic Harvest from National Waters

About two-thirds of the Egyptian catch comes from inland water fisheries on the Nile River and its tributaries, canals and irrigation networks, the Delta lakes, inland depressions and lagoons. In 1976, 80 000 tonnes of a total catch of 102 000 tonnes were taken from inland waters. Egypt also has coastal marine fisheries, both along the Mediterranean coast and the Red Sea. In 1965, the production from marine waters was 39 000 tonnes; this declined to 35 000 tonnes in 1971 and dropped further to 26 000 tonnes in 1976. A major factor in the decline was the construction of the Aswan High Dam and Lake Nasser. This project created the largest artisanal freshwater lake in the world, but it adversely affected the nursery grounds for Nile river fish. It also diminished the fertility of the Nile Delta and associated Mediterranean coastal waters.

The main marine species caught are demersal fish and sardines. Mullet, tilapia and carp are caught in inland waters.

Further details of fishery development policy in Egypt are given in Appendix I.

2) Domestic Harvest from Distant Waters

Egypt owns an offshore fishing fleet (High Seas Fishing Company) which operates five freezer trawlers. These vessels are currently operating as "floating freezers" on contract with Joint Trawlers of Sweden. This contract extends to the end of 1980. Recently, these vessels were involved in freezing mackerel off the United Kingdom coast and are now apparently working off the coast of Mauritania.

TABLE 2

Supply

Egypt: Nominal Catches by Species
Fish, Crustaceans, Molluscs, etc.

	<u>1972</u> tonnes	<u>1973</u> tonnes	<u>1974</u> tonnes	<u>1975</u> tonnes	<u>1976</u> tonnes	<u>1977</u> tonnes
Freshwater Fishes	55000	65700	68700	75000	69624	72722
Flatfishes	200	100	122	143	119	215
European Hake	100	100	44	1	9	24
Lizardfishes	1500	700	838	1093	2582	1451
Demersal Percomorphs	--	--	--	--	1097	865
Groupers	500	300	360	380	521	383
Seabasses, Seaperches	--	--	--	50	--	--
Snappers	--	--	--	662	1604	1190
Croakers, Drums	100	100	188	106	169	191
Red Porgy	600	400	485	398	315	467
Gilthead Seabream	100	100	66	51	23	70
Rogue	500	400	255	209	234	358
Seabreams	200	200	451	124	118	192
Surmulletts (Red Mulletts)	1500	900	1097	1066	1141	1038
East Atlantic Gurnards	700	400	285	162	423	366
Barracudas	100	100	68	50	94	91
Striped Mullet	2600	2400	380	277	501	531
Mulletts	100	100	494	4744	1830	1546
Silversides (sand smelts)	200	200	179	306	175	276
Bluefish	100	100	74	43	78	117
Blacks, Trevallies	200	400	151	129	1014	3437
Sardinellas	8200	3400	4721	3130	3225	1582
Atlantic Bonito	--	--	10	3	--	1
Tuna-Like Fishes	--	--	--	--	--	30
Various sharks	200	200	165	89	151	72
Marine Fishes	18900	15500	15098	16151	15000	15000
Edible Crab	200	100	224	127	548	159
Marine Crabs	--	--	--	--	10	6
Shrimps & Prawns	1600	1300	1400	1681	1881	1598
Cuttlefishes	400	300	304	387	262	549
Marine Turtles	0	0	5	8	10	9
Sponges	--	--	--	4	6	5
Total:	93800	93500	96165	106574	102764	104541

Source: FAO, Fisheries Yearbook, 1977

3) Imports

There have been sharp increases in imports of fishery products. In 1970, 2 700 tonnes worth US \$0.9 million were imported and by 1975 this had grown to 33 000 tonnes worth US \$13 million. This increase can be attributed to frozen fish landed by U.S.S.R. distant-water vessels under special Soviet-Egyptian agreements.

Until 1972, the import of frozen fish was almost negligible but in 1973 it registered 12 000 tonnes and by 1975 had jumped to 25 000 tonnes.

There has also been a remarkable increase of imports of canned fish in recent years from Japan and the Netherlands. The biggest growth is in canned mackerel in brine from Japan, of which 9 000 tonnes were imported in 1976. There is also a trend towards an increase of imports of canned tuna in oil.

TABLE 3
MAJOR SOURCES OF IMPORTS IN 1980

<u>Supplier</u>	<u>Quantity</u>
U.S.S.R.	20 000 tonnes
High Seas Fishing Company (Joint Trawlers)	44 000 tonnes
China Protocol Agreement	3 000 tonnes
North Korea Protocol Agreement	15 000 tonnes

Source: Egyptian Fish Marketing Company

TABLE 4
Egypt: Imports of Fishery Commodity Groups

Unit	Imports	1970	1971	1972	1973	1974	1975	1976	1977
	tonnes	2700	1400	3700	13600E	19300	32500	55614	36964
EG£:	1000	409	345	748	...	2623	5194	8927	...
US\$:	1000	940	794	1720	3555F	7395	13276	22817	24818

Egypt: Imports of Fish - Fresh, chilled or Frozen

Unit	Imports	1970	1971	1972	1973	1974	1975	1976	1977
	tonnes	1100	0	1100	12400	18100	24700	39269	27884
US\$:		177	0	92	2767	5785	6076	7210	9017

Source: FAO, Fisheries Yearbook, 1978

The authorized Egyptian government fisheries import agencies are listed in Appendix I.

4) Exports

The volume of exports from Egypt has been almost negligible for many years. However, recently there has been a substantial increase in their value due to relatively good prices for the main export item, frozen shrimp. Shrimp stocks have declined as a result of changed environmental conditions and over-exploitation of the stocks. A very small quantity of salted fish is exported to Sudan.

TABLE 5
Egypt: Exports of Fishery Commodity Groups

Unit	Exports	1970	1971	1972	1973	1974	1975	1976	1977
		tonnes	200	100	200	100	100	100	184
EG£:	1000	93	47	53	39	85	159	165	...
US\$:	1000	214	108	122	98	129	406	422	971

Egypt: Exports of Fish - Fresh, Chilled or Frozen

Unit	Exports	1970	1971	1972	1973	1974	1975	1976	1977
		tonnes	200	100	100	100	100	100	91
US\$:	1000	189	85	58	83	104	176	179	402

Source: FAO, Fisheries Yearbook, 1978

D. DEMAND-SUPPLY BALANCE

An accurate assessment of the demand-supply balance in Egypt is impossible. Although there is considerable talk by government agencies within Egypt of increasing the domestic catch, particularly from inland fisheries, the estimates vary widely and there is an obvious lack of concrete plans and projections.

The Egyptian government is the major importer of fish and is also involved in a food subsidization program, thus, demand for fish will fluctuate according to currency availability and world prices of poultry and meat.

The following conclusions can be drawn:

- (i) There are unlikely to be dramatic increases in production from inland fisheries in the next five years.

- (ii) Imports of fish will rise dramatically in the next five years provided fish can be obtained as a cheaper source of protein than either poultry or meat.
- (iii) Total imports of fish will increase from current levels of 50 000 tonnes per annum to 100 000 tonnes by 1985.
- (iv) The greatest import requirements will be for frozen fish. There will be a market for processed, mainly canned, fish.

E. POTENTIAL TRADE

1) Market Potential for Canadian Exports

Egyptian authorities have imported species which are currently available from Canada. These include mackerel, redfish, hake and canned sardines. The importing agencies also control distribution to the consumer and are thus willing to try any new species in their market.

Details on Egyptian population trends, price developments and changes in the consumer price index for the urban population are given in Appendix 1.

At prices currently quoted by the U.S.S.R. and Joint Trawlers, it does not appear that Canadian companies could be competitive. By way of examples, 1979 prices from Joint Trawlers are shown in Table 6.

TABLE 6
Egypt: 1979 Prices from Joint Trawlers

<u>Species</u>	<u>Tonnage</u>	<u>Price C.I.F. Alexandria</u>
Sea Bream (headless and gutted)	5 000	US \$490 per tonne
Pollack (complete)	2 000	US \$330 per tonne
Pollack (headless and gutted)	300	US \$490 per tonne
Chinolaimus and Scorpion fish	1 300	US \$833 per tonne

Egypt also purchased 800 tonnes of grey mullet from the United States in 1979.

Canned fish (other than luxury species) are procured on a tender basis. For example, 20 000 cartons of mackerel and 200 000 cartons of sardines were tendered for 1979. Orders placed included:

- (1) 25 000 cartons of mackerel from Japan containing 48 tins of 425 grams priced at US \$16.64 C & F;
- (2) 30 000 cartons of sardines ordered from Yugoslavia (100 x 125 grams) priced at US \$22.00 F.O.B.

Specifications for canned fish are given in Appendix III.

It is worth noting that Egyptian authorities indicate they are prepared to let the price of fish rise somewhat. This would improve prospects for Canadian sales. Transportation costs and the Canadian processor's raw material costs are the major factors affecting our current inability to sell into this market at competitive prices.

2) Market Entry Requirements and Barriers

Economic trends in Egypt have been strongly influenced by the new "open door" policy affected in 1974. The strategy of this policy aims to:

- (i) create substantial change in government regulations;
- (ii) improve managerial effectiveness in state-owned enterprises;
- (iii) promote a more active role for the private sector, including private foreign investors; and
- (iv) expand economic co-operation with Arab and Western countries.

To implement the "open door" strategy, the Egyptian government has taken several important actions. The Egyptian pound has been gradually devalued and foreign exchange regulations have been liberalised resulting in more funds becoming available to both the public and private sectors. A new investment law has also been passed offering attractive incentive to foreign firms.

Detailed specifications for salted fish, smoked fish, frozen fish and canned fish are given in Appendix III.

Details on the following market entry requirements are given in Appendix IV.

- (i) Agency agreement: an agent is a legal requirement in Egypt.
- (ii) Calls for tender: they are normally published in daily newspapers and the deadline for submission is short.
- (iii) Quoting prices: bids are usually made in U.S. dollars.
- (iv) Method of payment: normally by an irrevocable L/C.
- (v) Packaging regulations.
- (vi) Certificates and customs: shipments require certificates of origin and health. There is no tariff on bulk frozen fish products.

Egypt has considerable potential for further fisheries market development. The reasons for this, in brief, are the large overall domestic market, a proficient population, varied raw materials (including oil and gas) and a key geographical location. There are good prospects for continued growth in foreign exchange earnings from tourism, workers' remittances, the Suez Canal and oil exports.

Given a good outlook for Egyptian economic growth in the 1980's, and an easing of the foreign exchange constraint, Egypt should be capable of buying a wider range of imports. Clearly, the government wishes to reduce its current lop-sided dependence of fisheries imports from the U.S.S.R. for economic, political and strategic reasons. Thus, there is a general interest to diversify sources of fish imports and this could work to Canada's favour in the next five years.

F. CONCLUSIONS

1. Egyptian fish imports will double in the next five years from current levels of 50 000 tonnes.
2. Mackerel, hake, redfish and canned sardines are currently selling well and are available in Canadian fishing grounds.
3. The market is open to new species as the Egyptian government is the main importer of fish and thus controls supply. The government is also involved in a food subsidization program and is anxious to increase imports of reasonably priced fish.
4. Canada is not competitive with Egypt's present suppliers, the U.S.S.R. and "Joint Trawlers", due to raw material and transportation costs.
5. Prices of imports have risen dramatically in the last two to three years and will continue to rise, thus Canadian exports may become more competitive in the future.
6. Government buying agencies are anxious to lessen dependence on the traditional supplier, the U.S.S.R., and to increase the involvement of private sector companies.
7. The long term prospects are good as the Egyptian economy, population and the per capita consumption of fish are all growing.

APPENDIX 1

1. Key Institutions

The authorised government import agencies are:

- (a) The General Authority for Supply Commodities, Cairo, Egypt.
- (b) The Egyptian Fish Marketing Company, Cairo, Egypt.
- (c) Edfina Company for Canned Food, Cairo, Egypt.

Others

High Seas Fishing Company, Alexandria, Egypt.

2. Fisheries Development Policy in Egypt

(a) Inland Waters

i) Lake Nasser

The development of a fishing complex at Lake Nasser is one among other projects aiming at developing Egyptian inland and offshore fisheries. The Lake Nasser project is at the early implementation stage. A joint venture for the development of a fishing complex (fishing fleet, processing plant and marketing) has been formed recently between Japanese firms and the Misr Aswan Fishing and Fish Processing Company. This project is reportedly encountering a number of problems, one of them being the difficulty of obtaining the co-operation of local fishermen who are reluctant to adopt modern fishing methods and to sell their catch to the joint venture company.

The responsible body for this project is the Lake Nasser Development Authority, Ministry of Development and New Communities, in co-operation with the Governorate of Aswan.

Lately, it has been announced that a Japanese and a Swiss Company have agreed to contribute \$7 million towards a huge fish processing factory to the west of the High Dam Lake. The factory will be completed this year. The company has already opened a manually-operated fish boning and packing factory

until the necessary equipment arrives. This factory is co-financed by the Fishermen's Society in Aswan and the High Dam Lake Development Authority. The managers of the new factory will also supervise fishing operations in the lake, the biggest man-made lake in the world. The company would also be building a huge ice factory to produce 4 000 blocks a day, enough to preserve all the fish. Another project is a fodder factory costing one million dollars. The factory will turn fish scraps into food for animals. The company is also expected to start work on a fully-equipped workshop to repair and maintain the fishing fleet. Breakdowns now keep much of the fleet out of operation.

ii) Other Lakes

Egypt also has a number of shallow lakes which are ideal for the development of fish farming. A number of projects are underway.

One by J.F. McLaren (financed by U.N.D.P.) at Lake Manzala and another one by an American Firm (financed by U.S.A.I.D.) at Lake Bardawil. Some artisanal fishing is also done in other lakes but catches are very limited.

b) Offshore Fisheries

i) Mediterranean and Red Sea

Fishing in the Red and Mediterranean Seas is carried on by small private fishermen using artisanal means. They are owners of small boats, poorly equipped. They are often grouped in co-operatives. Catches are put on the market the same day as there are virtually no cold storage facilities and no processing plants in Egypt. The result is that small quantities of fresh fish are available on the market and quality is often dubious. Coastal fisheries would have to be better organized and modernized. In this respect, loans at a low interest rate are provided by Nasser Bank to fishermen for acquisition of boats and equipment. The government would like to set up a network of small cold storage facilities in the main fishing centres and improve fishing methods. It is also the desire of the government to introduce fish farming in salted waters.

ii) Off-coast of Mauritania

Egypt owns an offshore fishing fleet (High Seas Fishing Co.) which operates off the coast of Mauritania (not in Red or Mediterranean Seas). This fleet is currently working on contract to Joint Trawlers of Sweden.

Egypt is seeking fishing agreements with other countries. They have approached Canada and requested fishing rights in Canadian waters. The current Canadian policy regarding the right to fish in Canadian waters is that only nations which have traditional presence off the Canadian coast are eligible for increasingly limited allocations within the Canadian zone of fish that are surplus to Canadian requirements.

APPENDIX II

TABLE A-1
PRICE DEVELOPMENTS
(Percent Change During Period)

	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>Jan. - June</u>	
					<u>1978</u>	<u>1979/1</u>
Consumer Prices	10.1	10.3	11.6	11.3	8.7	7.9
					<u>Jan. - June</u>	
	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1978</u>	<u>1979/1</u>
Wholesale prices	6.0	10.3	10.3	8.7	9.4	6.6
- Agricultural Commodities	3.7	14.7	17.4	7.6	8.6	-2.2
- Food & Beverages	12.6	12.2	10.7	2.2	0.3	8.2
- Clothing	0.1	2.4	2.2	27.9	35.8	11.4
- Fuels	7.5	6.1	1.1	5.7	5.9	12.5
Construction Materials	18.1	5.2	12.5	18.0	17.0	51.7

Source: Central Agency for Public Mobilization and Statistics; see Statistical Annex, Tables 9.1 and 9.2 for further details.

TABLE A-2
POPULATION, RATES OF BIRTH, DEATH AND NATURAL INCREASE

Year	Population ¹ (thousands)	Birth Rates (per thousand)	Death Rates (per thousand)	Rate Natural Increase %	Growth Rate %	of
1952	21 437	44.9	21.6	2.3	2.3	
1957	24 123	44.0	19.9	2.4	2.4	
1962	27 261	43.1	18.0	2.5	2.5	
1967	30 620	41.1	15.9	2.5	2.1	
1972	33 926	38.1	14.0	2.4	2.1	
1977	37 796	35.7	12.5	2.3	2.3	
1978 ²	38 686	N.A.	N.A.	N.A.	2.4	

Source: UN, Population Division, January 1979

¹ Excludes Egyptian population living abroad, reliable estimates for which are not available.

² Estimates

TABLE A-3
 CONSUMER PRICE INDEX
 (for Urban Population, 1974-78)

End of Period	1974	1975	1976	1977	1978	August 1979
Food and beverages (52.5) ¹	161.3	181.9	209.2	231.3	254.7	270.8
Cereals (11.2)	120.9	121.5	125.8	135.8	139.3	134.3
Pulses (6.6)	186.1	202.1	218.1	256.9	273.9	291.0
Meat, Fish and eggs (13.1)	190.3	234.2	287.8	316.2	331.8	346.4
Dairy products (5.9)	173.3	216.6	240.9	279.6	315.4	317.1
Vegetables (3.8)	210.4	218.5	276.8	241.3	331.7	314.7
Fruits (2.9)	154.2	187.6	230.2	283.6	362.6	557.6
Housing (15.7)	106.5	108.6	109.1	109.5	110.2	111.2
Furniture and other durables (1.3)	109.0	128.4	136.3	156.3	181.1	187.7
Clothing (8.4)	129.9	140.1	147.4	188.1	239.1	247.5
Transport and communication (4.4)	123.1	122.6	136.0	144.7	145.1	185.6
Services (9.9)	127.3	140.5	144.0	180.8	203.8	244.2
Personal expenses (7.8)	120.4	125.0	128.1	133.9	160.7	180.0
All items (100.0)	141.0	155.2	171.2	191.1	212.6	229.4

Source: Central Agency for Public Mobilization and Statistics.

¹ The number in parentheses are indicative commodity weights employed in five regional subindices and population weights for these regions. The regional weights are based on a family budget survey of 1964/65 and the sample population census of 1966.

APPENDIX III
FISH SPECIFICATIONS

SALTED FISH

It should be according to the following conditions:

1. Fish used should be fresh, intact, free from strange smell or any sign of putrefaction which is caused by microbes, especially colon bacteria, food poisoning microbes, fungus, parasites, insects and their larvae.
2. It should be of one kind and of similar size.
3. Salt used for salting fish should be of the kinds used internationally in food industry. Percentage of salt range between 15 - 20% and percentage of moisture 50 - 55% in salted fish; but in cod fish, salt percentage range between 35 - 40% and moisture 30 - 40%.
4. Salted fish should have natural taste, colour and smell; preservative substances and artificial colours are not permitted.
5. Fish to be packed in tins suitable for each kind according to the following conditions:
 - (a) The contents of each tin should be of the same kind and size.
 - (b) Each tin should be marked: kind of fish, date of production, name of producer, trademark and the producing country.
 - (c) Packages to be stamped with a stamp showing that the contents are fit for export. Each consignment to be accompanied by sanitary certificate issued by the hygienic authorities evidencing the fish is free from diseases and atomic or chemical contamination and fit for human consumption.

SMOKED FISH

1. Fish used should be fresh, sound, free from putrefaction; products should be of the same kind and size.
2. It should be free from colon bacteria, bacteria causing food poisoning and fungus.
3. Salt used should be free from impurities; percentage of salt range between 4% and 8%; moisture range between 50 - 55%.
4. Fish should be smoked by natural smoke and having natural golden colour; using artificial colour is absolutely prohibited.
5. Smoking may be achieved on cold or on hot:
 - (a) If on cold, the process is achieved in a room of a temperature 27 - 32°C for a period between 3 - 14 days according to the size and kind of fish.

- (b) If on hot, the process to be achieved at 50 - 95°C for a period between 4 - 10 hours.
6. The temperature stores where the smoked fish is stored should not exceed 0 - 1°C from time of production till consumption. Period of storing should not exceed 6 months in case of fish smoked on cold and 2 months only in case of fish smoked on hot.
 7. Smoked fish to be packed in layers inside cartons or wooden boxes lined with suitable wrapping impermeable to moisture. Layers to be separated from one another to prevent sticking of fish and to keep it sound.

FROZEN FISH

1. Fish must be sound, clean, free from any sign of damage or putrefaction caused by harmful microbes or poisons resulting therefrom, and have natural colour and smell.
2. Freezing should be achieved directly by quick freezing provided that no oozing or watery fluids are left at defrosting.
3. Antibiotics and preservative chemical substances are not to be used in processing fish.
4. Temperature of refrigerators where the fish is kept during the sea voyage and until the arrival to the destination port should not exceed 18°C.
5. The fish to be packed in regular layers of similar size and of the same kind in polyethylene bags and then in cartons of the same size and dimensions. Each kind to be packed separately. The following details to be indicated either by sticking labels or marking on the sides of the carton:
 - i) quality, size and grade;
 - ii) date of packing;
 - iii) gross and net weight;
 - iv) exporting country; and
 - v) name of exporting country and its trademark.

Fish of big size which cannot be packed in cartons to be packed in clean jute bags.

6. The cartons should be sound, not torn, not wetted by water or any other liquid.
7. Consignment should be accompanied by a certificate issued by the competent authorities evidencing that the consignment is free from poisonous fish, fish that is not caught by means of explosion or from regions contaminated by atomic radiation or insecticides. Frozen fish to be imported in one of the following forms:

- (a) Complete Fish
It may be imported eviscerated and without head.

(b) Fish Slices

It should be clean, free from entails, scales, well washed, free from any traces of blood. It should be as follows:

- i) Boneless - free from fish bones, fish skins, and cartilage.
- ii) Partly boneless - free from fish bones only.
- iii) With bones - it contains bones and fish skin.

8. Receipt will not be considered as final unless a report is issued by the competent Egyptian authorities evidencing that the fish is fit for human consumption and in conformity with the conditions and specifications.

CANNED FISH

It includes tuna fish, sardine, salmon, mackerel, which are canned under vacuum.

Canned Tuna

It should be fit for canning immediately after preparing to be packed in oil under thermic treatment for the purpose of preservation, according to the following conditions.

1. It should be of tuna fish, sound without any sign of putrefaction which is caused by harmful bacteria or food poisoning, it should not be mixed with other kinds of fish and having its natural smell and taste.
2. Oil used in canning should be according to the under-mentioned specifications of edible oil.
3. Proportion of drips should not exceed 10% of the volume of oil added or 3% of the net weight of tin.
4. Percentage of sodium chloride 2% maximum. Anti-biotics are not permitted.
5. Packing to be according to the same conditions and specifications as corned beef.
6. Cartons and cases in which the tins of the fish are packed to be according to the conditions and specifications as corned beef.
7. It should have been stored for one month from the date of production to the date of exporting and not more than six months from the date of production to the date of arrival to the A.R.E. ports.
8. It should have its natural white colour or light colour according to the kind of fish. Other kinds of fish should have the same conditions according to each kind.
9. Tuna should be packed under vacuum in tins varnished with suitable material free from contamination of microbes causing diseases and according to the conditions of Ministry of Health.

APPENDIX IV
MARKET ENTRY REQUIREMENTS AND BARRIERS

Agency Agreement

Following direct contact and/or through recommendations by their Embassy with a local firm, foreign suppliers are to adopt the following procedure to conclude an agency agreement. An agent is a legal requirement in Egypt.

- (a) All agreements should be authenticated by the responsible Canadian official agency (i.e. Chamber of Commerce) and should be either valid for a specific period, normally one year, renewable, or outlined on a project-to-project basis.
- (b) The above documents should then be presented to the Egyptian Embassy for endorsement and acceptance by the Egyptian authorities.
- (c) Upon receipt of the document, the local agent will submit the relevant application to the responsible Egyptian Ministry for necessary approval and registration.
- (d) It must be noted that most tenders issued call for offers to be submitted through recognized local commercial private or public sector agents.

Calls for Tender

- (a) Calls for tender are normally published in daily newspapers.
- (b) The Canadian Embassy occasionally received free an unofficial copy of the tender document which is forwarded to I.T.C./Ottawa for the information of interested Canadian firms.

(c) A one percent to two percent bid bond is a standard clause in the conditions for tenders, whereas a performance bond reaches as high as 10% should the tender be accepted.

(d) The deadline for submission is short and it is imperative that interested companies obtain the documents and prepare their bids quickly. An already in-hand local agent is normally an important asset in assisting suppliers to meet deadline dates and sometimes obtaining advance details on tenders before their official issue.

Quoting Prices

Calls for tender specify whether prices must be quoted F.O.B., C.I.F., or both. Bids are usually made in U.S. dollars.

Method of Payment

Purchases of consumer products and commodities are normally paid by an irrevocable L/C. However, suppliers in order to overcome competition, sometimes extend payment facilities from 60 to 100 days.

Packaging Regulations

There is no need for Arabic labelling on bulk fish products. On consumer products the name, net weight, and ingredients must be in Arabic.

Certificates and Customs

Shipments require a certificate of origin and a certificate of health which must be authorized by the Egyptian Embassy in Canada. There is no tariff on frozen fish products (in bulk). There is duty on some canned fish, depending on species, and on prepared fish products such as fish cakes and fish fingers.

Quality Specifications

For salted fish, smoked fish, frozen fish and canned fish, specifications are included as Appendix III.

REFERENCES

A. Bibliography

- Arab Republic of Egypt, Ministry of Planning. Egypt's Development Strategy, Economic Management and Growth Objectives 1980-1984. November, 1979.
- Arab Republic of Egypt, Ministry of Planning. Project List for 1980-84.
- "Egypt's Touch-and-Go War on Poverty." Fortune Magazine, 28 January, 1980.
- F.A.O. Fishery Country Profile. 1975
- Hotta, M. Fish Trade in the Near East Region. F.A.O.
- Post Forecast. Cairo 1979. Canadian Embassy, Cairo, Egypt.
- World Bank. Arab Republic of Egypt, Recent Economic Developments and External Capital Requirements. 12 November 1979.

B. Business Contacts

- Mr. Abdel Salam Daoud, Chairman
High Seas Fishing Company
- Mr. Shoukri Fadel,
Businessman
- Engineer Mohamed Abdel Fattah, Chairman
Mr. Mohmoud Sharaf El Din, Commercial Manager
Fish Marketing Company
- Mr. Hany Hafez, General Manager,
Kuwaiti Foods
- Mr. Hossam Ismail, General Manager
Industrial Supplies Company
- Mr. Hussein Abdel Monssef,
Businessman
- Mr. Moustafa Kamel Mourad,
Head of Opposition Party,
People's Assembly
- Dr. Rashid, Assistant of Ali El Katta, Deputy Minister,
Ministry of Supply
- Engineer Salah E. Zaaluk, First Undersecretary,
Aquaculture Branch, Ministry of Agriculture

