

## EGYPT

The Arab Republic of Egypt is a potential long-term market for substantial volumes of underutilized fish species. Mackerel and herring seem to offer the best opportunities for sales, although there could be possibilities for other species which may be substituted for such fish as red snappers and true mullets. Some demand for higher valued products such as salmon does exist, but direct access to this luxury market is difficult. Major European food shows such as SIAL and ANUGA offer the possibility of direct contact with buyers for the market in Egypt.

Total Egyptian consumption of fish is 360,000 mt per year, out of which 150,000 mt are imported frozen, but not fresh or shellfish. Egypt is primarily a market for herring and horse mackerel, which account for about 80 percent of total imports. The product is frozen, whole, round and retailed by the Egyptian Fish Marketing Company. Frozen fish imports are determined by the State Budget which provides for 40,000 tons annually. Of this, 25,000 tons is supplied by the USSR under a bilateral arrangement, the balance, 15,000 tons, is allocated by tender. Most tenders issued by the Ministry of Supply tenders are in the 2,000-3,000 ton range. The Egyptian Ministry of Supply has general authority for the supply of commodities to the local market, which reflects the low fixed market prices for foodstuffs. However, this makes the market relatively accessible for fish, given that food is essential and foreign exchange must be allocated for imports.

Due to a diminishing budget and foreign exchange constraints, public sector imports have dropped significantly and the government is now encouraging greater participation by the private sector. Private importers would welcome offers from Canadian suppliers on a \$US CIF per ton basis. They would then calculate this purchase cost in Egyptian pounds and submit their own quotation to government wholesalers. If such Egyptian offers of Canadian fish are accepted by the government, the local importer will open irrevocable confirmed letter of credit in US dollars. Payment is only effected subsequent to the shipment being checked and passed by Egyptian customs and health authorities. To guard against the risk of rejection, suppliers should obtain appropriate insurance coverage. If exporters wish to pursue this opportunity, the Canadian Embassy will forward full details on technical, general specifications and phytosanitary requirements according to Egyptian law.

Canadian firms must be prepared to handle large orders at low prices. While no official discrimination exists against private traders, preferential licensing treatment may be extended to the State trading organizations when foreign exchange is scarce, which is why the majority of the importation is done by the Fish Marketing Company.