

Over the years, the largest Canadian export to Algeria has been wheat. Other food and agricultural products such as powdered milk, butter and seed potatoes have also been major exports. Canada continues to play an active role in the agricultural market in Algeria, but for several reasons Canadian exports have been shrinking.

Algeria has always been a fertile country and now, with vast improvements in farming methods, the productivity of Algerian farms has increased tremendously. Imports have naturally suffered as the domestic production has expanded. This does not, however, mean that there is no future for Canada in this sector.

Algeria's domestic harvest has indeed multiplied, but the country is still a long way from being self-sufficient in food products. The rapidly expanding population, and the vast desert areas of the country mean that distribution of food resources is an increasingly difficult problem. Much produce is lost due to spoilage and Canadian companies have been active in seeking out Algerian partners to start-up joint ventures in areas such as refrigeration, distribution and land management.

One of the government's priorities is to increase production to reduce dependency on imports, thereby reducing expenditures of scarce hard currency. Canadian firms would be wise to look at some form of partnership or joint venture, and possibly at various types of investment in order to ensure a place in the market.

There is currently no market for 'luxury' food products, as recent government import restrictions have cut back to essentials only.

In spite of its 6.5 million acres of productive agricultural land, Egypt is not able to feed its population of 56 million which is growing at the rate of 2.2% per year. Egypt imports approximately US \$3.75 billion of food related products per year. This includes some 6.6 million tonnes of wheat, 1.4 million tonnes of corn, 70,000 tonnes of lentils, 150,000 tonnes of frozen fish, 605,000 tonnes of vegetable oils, and 3.5 million tonnes of butter and dairy products.

Egypt imported more than US \$16 million of agri-food products in 1992 (January to August). However, the bulk of food imports fall into the non-processed or semi-processed categories as Egypt possesses a well-developed food processing industry. Egypt also imports more than US \$1.5 billion of farm and food machinery, fertilizers, pesticides, peat moss and seeds per year.

Agri-food exporters should contact the Embassy for advice on exporting to Egypt and dealing with Egyptian Government and private sectors.

Agricultural consultants should also look closely at the numerous agriculturally-related projects sponsored by institutions such as the World Bank and the various Arab funds as these are open to all competition and make up a significant amount of the approximately US \$2 billion spent on improving this vital sector per year.