

## POST OBSERVATIONS

The Canadian Embassy in Cairo has in the past selected the fisheries, sea products and services sector as a priority area for export market development activities. Each year Canadian posts around the world provide summaries in synopsis form of their work-plans for the upcoming fiscal year. The purpose of the synopsis is to provide those engaged in the process of promoting exports from Canada with the means to obtain condensed market data and information on export opportunities at an early stage in the planning process.

| Market Data      | 1990      | 1991      | 1992      | 1993      |
|------------------|-----------|-----------|-----------|-----------|
| Market Size      | 75.00 \$M | 73.00 \$M | 75.00 \$M | 80.00 \$M |
| Canadian Exports | 00 \$M    | 00 \$M    | 00 \$M    | 7.00 \$M  |
| Market Share     | 00 %      | 00 %      | 00 %      | 9.00 %    |

The Canadian Embassy in Cairo has estimated that the cumulative three-year export potential for Canadian products in the fishery sector to be more than \$10 million. Major competing suppliers to the Egyptian market are the EC (55%), Russia (30%), and the United States (2%). The Post in Cairo notes that the Canadian seafood export market share in Egypt is small but expanding.

Key factors contributing to the current successful Canadian fisheries exports include: 1) competitive pricing; 2) aggressive marketing; 3) import duties are low; 4) Canada is one of the few sources of supply. However, key factors for Canadian fisheries exports not reaching market potential include: 1) non-competitive pricing; 2) import restrictions are a significant impediment in the market; 3) restrictive standards; 4) non-competitive financing; and, 5) market prospects have not been adequately explored.

The domestic Egyptian seafood market is extremely price sensitive which puts many Canadian suppliers at a price disadvantage to their European counterparts. Europeans benefit from considerably lower landing costs and reduced transportation expenses given their geographic proximity to Northern Africa. In addition, Europeans offer fish that has been frozen-at-sea which provides a perceived comparative advantage in terms of product quality and consistency.

### MARKET PROSPECTS

The Egyptian market for seafood offers potential and opportunities for underutilized species and price dominated spot sales. The Canadian Embassy in Cairo has identified six products for which there are good market prospects. Those products are mackerel, horse mackerel, red fish (ocean perch), hake, grey mullet and salmon. Market intelligence received from the Embassy in Cairo specified markets for the species identified, the information is presented below.

#### *Sardines*

Egyptian imports of sardines range from 60,000-85,000 metric tonnes per year. The product is brought in exclusively from the USSR, at least 16 centimetres in size, and the product is usually salted and may be canned.