

SEAFOOD MARKET IN BRIEF

Egypt is a potential long-term market for substantial volumes of underutilized fish species as well as new product opportunities. Mackerel and herring seem to offer the best opportunities for sales, although there could be possibilities for other species which may be substituted such as ocean perch, true mullets and hake. Some demand for higher valued products such as salmon does exist, but direct access to this luxury market requires aggressive marketing efforts and commitment on the part of Canadian seafood exporters. 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 500,000 mt per year, out of which 200,000 MT valued at over \$72 million US are imported frozen, but not fresh. Egypt is primarily a market for herring and horse mackerel, which account for about 80 percent of total imports. The Egyptian market for seafood products is expanding steadily and diversifying as consumer tastes become more sophisticated, and the Government of Egypt looks for new sources of cheaper protein for the rapidly increasing Egyptian population.

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 Canadian exporters wish to pursue these opportunities, 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, thus, the majority of the importation of seafood in Egypt is currently still done by the Fish Marketing Company. However, this regime is undergoing gradual transformation to a market based importation system. An industry spokesperson indicated the hardest aspect of exporting seafood to the Egyptian market is the inspection system which can be very demanding on seafood imports.