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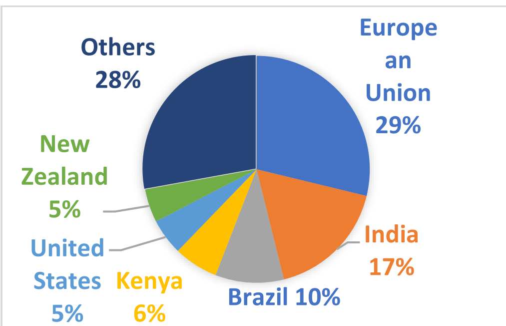
Report Highlights:

Despite recent economic headwinds, Egypt's food ingredient market is experiencing modest growth driven by increasing demand for processed and packaged foods. The Egyptian government is actively trying to attract investment in the food manufacturing sector, promoting Egypt's geographical advantage and proximity to Europe, Africa, and Gulf countries. Egyptian consumers are increasingly in search of foods that are both healthy and affordable. Best prospects for U.S. product exports to Egypt's food processing sector include dairy products, especially milk powder, tree nuts, bakery ingredients, spices, and food preparations, among others.

Executive Summary:

Egypt, Africa's second-largest economy, faces long-standing fiscal and external imbalances, worsened by global shocks. Its macroeconomic outlook is expected to improve with structural reforms, including increased privatization. Despite economic challenges and regional conflicts, Egypt hosted 15.7 million tourists in 2024. Food and agricultural imports fell by 4.2 percent in 2024, compared to the previous year. As one of the world's largest grain importers, Egypt's feed and food industry drives demand for wheat and corn.

CY2024 Consumer-Oriented Agricultural Imports



Source: Trade Data Monitor

Food Retail Industry: The retail market in Egypt is primarily dominated by hypermarkets, supermarkets, and small local grocers, offering a wide range of products to meet consumer need. Boycotts impacting some U.S. brands started in October 2023 and seem to come and go based on the geopolitical situation in the region, at times bolstering local and regional brands. According to Euromonitor International©, Egypt's packaged food retail sales reached $12.7 billion in 2023, 87.7 percent higher than in 2019.

Food Processing Industry: The United States was Egypt's fourth largest foreign agricultural supplier in 2024. Euromonitor International© reports that Egypt is the largest U.S. export market for processed foods in North Africa. Egypt's food processors and manufacturers are growing, exporting to the entire region, and require more food ingredients.

Food Service Industry: According to Euromonitor International©, full-service restaurants registered healthy growth in both sales and in terms of the number of new establishments in 2023. Despite economic challenges, demand for eating out was high. Egypt's tourism industry is growing, and in turn, may spur further demand for food products, as the sector caters to foreigners.

Quick Facts CY 2024

Imports of Consumer-Oriented Products (US $3.8 billion)

List of Top 10 Growth Products in Egypt

1) Beef and Beef products
2) Dairy Products
3) Soup other food preparations
4) Tea
5) Fresh Fruits
6) Chocolate/Cocoa
7) Fresh Vegetables
8) Tree nuts
9) Spices
10) Coffee Extracts

Food Industry by Channels (U.S. billion)

Small Local Grocers	$12,850.3
Food/Drink/Tobacco	$3,169
Supermarkets	$1,851
Hypermarkets	$1,508
Discounters	$1,475
Convenience Retailers	$991
Foods E-Commerce	$157

Top 10 Host Country Retailers (based on sales)

1) Carrefour
2) Fatthallah Market
3) Kazyoun
4) Hyper One
5) Seoudi
6) Spinneys
7) Metro
8) Kheir Zaman
9) BIM
10) Ragab Sons

GDP/Population

Population: 112 million.
Real GDP: $1.912 trillion, dollars (2023 est.)
GDP per capita *(USD)*: $16,700 (2023 est.)
Inflation rate: 33.9% (2023 est.)

Sources: Euromonitor International©, IMF, TDM, CIA, EIU

Strengths	***Weaknesses***
-Large consumer market seeking trendy products -Tourism sector caters to Westerners and Asians.	-High tariffs for some products -Complex import regulations
Opportunities	***Threats***
-Growing tourism and food processing sectors -Consumer interest in convenience and health	-Competitors with free trade agreements -Competitors with closer proximity to Egypt

Section I: Market Overview

Business Climate

In March 2024, Egypt implemented monetary and exchange rate adjustments to tackle the ongoing foreign currency crisis that had persisted since 2022. Egypt allowed the Egyptian pound to depreciate against the dollar to correct distortions in the foreign exchange market. Simultaneously, Egypt took steps to control inflation and support the local economy. These steps – along with significant investments from the UAE, including a $35 billion partnership agreement to develop Ras El-Hekma[1] – have boosted investor confidence. However, the economy remains vulnerable and is challenged by excessive bureaucracy, a shortage of skilled labor, limited access to credit, and non-tariff trade barriers. Further, a myriad of regional conflicts since October 2023 is a leading reason for reluctance to enter the Egyptian market as it is perceived to be riskier than other global markets.

Emerging Trends in Egypt's Food Processing Sector

Despite recent economic headwinds, Egypt's food ingredient market is experiencing modest growth driven by increasing demand for processed and packaged foods. Currently, according to the Chamber of Food Industries (CFI), Egypt imports most of its food additives but is working toward localization of production. According to industry sources, with the rising demand for safer, high-quality ingredients and increased government support, Egypt could emerge as a leading center for food additives manufacturing in the region. The Federation of Egyptian Industries (FEI) mentions freeze-drying as a promising technology that will support Egyptian food manufacturers, while noting that Egypt may have competitive advantages in herb processing, juice concentrates, and date production.[2]

Egypt's consumers are increasingly in search of ready-made meals for convenience, while at the same time there is a growing interest in healthier food options among urban consumers. In response, Egyptian food companies are introducing high protein products and healthier options. According to Euromonitor International©, some food processing companies have introduced chicken strips products as an alternative option to red meat. Likewise, Egyptian consumers are seeking healthier and cheaper foods, often electing to consume frozen vegetables, pasta, and noodles as families navigate higher meat and seafood prices and "seek to maintain quality in their diets without overspending."[3]

Sector Advantages and Challenges

By 2026, Egypt's food production is anticipated to reach $30.5 billion,[4] partly driven by export growth. Egypt's government is seeking to attract investment in its food sector, promoting Egypt as a strategic and competitive regional hub for food manufacturers.[5] According to an industry contact, the government's efforts include reducing customs clearance times, ensuring the availability of raw materials, and the presence of numerous industrial zones and the Suez Canal Economic Zone. Egypt's food processors and manufacturers are exporting to the entire region and require more imported food and beverage ingredients and additives, as well as production inputs that require further processing.

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[1] Reuters: Egypt announces $35 billion UAE investment on Mediterranean coast
[2] Enterprise: A Look at the Future of Egypt's Food Industry
[3] Euromonitor International©
[4] Fi Africa: The Food Ingredient Market in Egypt and Africa. Pg. 4.
[5] Enterprise: A Look at the Future of Egypt's Food Industry

Typically, these imports have lower duties when imported into Egypt, unlike finished products.[6] Health trends are also influencing a shift towards organic food ingredients.

Key segments for U.S. food processing ingredients include dairy ingredients (milk powder, whey protein, cheese), bakery ingredients (flour, yeast, baking powder, additives), spices and condiments, and sweeteners (natural and artificial). Challenges facing U.S. food ingredient exports to Egypt include logistics and proximity to the market, regulatory compliance, and currency fluctuations.

ADVANTAGES	CHALLENGES
Changing Lifestyles: Consumer demand for functional and convenient foods, as well as natural ingredients. Rapid growth in the market for additives like emulsifiers, which help maintain product stability and long shelf life.	**Complex Regulatory and Standards Environment:** Egypt often refers to third-country standards for application in its own market, for example the European Union. Import regulations are, at times, complex and lack transparency. Industry contacts report that imports into Egypt can be delayed or denied if import paperwork contains incorrect or inconsistent data, as authorities strictly enforce documentation accuracy.
Dependence on Imports: High dependence on imported food ingredients, additives, oils, and fats, which are in high demand from food manufacturers.[7]	**Currency Fluctuations:** Egypt's economic challenges caused a slowdown in imports in 2023 as importers struggled to access foreign currency to make payments and consumers increasingly spend their budgets on essentials. NOTE: Improvements were seen in 2024, and the hope is this positive trend will continue in 2025.
Low Tariffs on Ingredients: Prioritization of food and beverage ingredients and additives imports with lower duties compared to finished products.	**Competition from Third-Countries:** U.S. exporters face competition from geographically advantaged European Union (EU) Member States. Egypt has a free trade agreement with the EU, which sometimes puts U.S.-origin products at a disadvantage.

Section II: Roadmap for Market Entry

Market Research

U.S. exporters should identify an Egyptian importer or distributor, with whom they can build a relationship. Egyptian firms will navigate local regulations, understand distribution chains, and have relationships with retailers, food processors, hotels, restaurants and institutions (see Retail Foods Annual_Cairo_Egypt_EG2024-0024).

[6] Fi Africa: The Food Ingredient Market in Egypt and Africa. Pg. 5.
[7] Fi Africa: The Food Ingredient Market in Egypt and Africa. Pg. 7.

Market Structure

Egypt's market structure is straightforward. Importers are food processors, manufacturers, and or agents/distributors. Large companies will source food ingredients and products directly to lower prices, guarantee product flow, and ensure quality. Agents/distributors service the food processing and manufacturing sectors, comprised of numerous fragmented small- and medium-size companies. Smaller manufacturers purchase reduced quantities, do not import directly, pay in Egyptian pounds, and maintain small inventories.

Chart 1: Egypt's Food Ingredients Import Distribution Channel

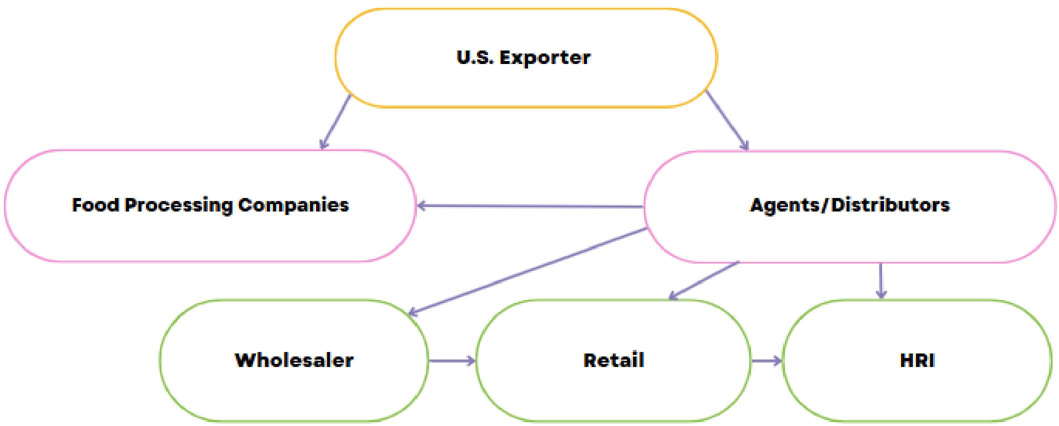
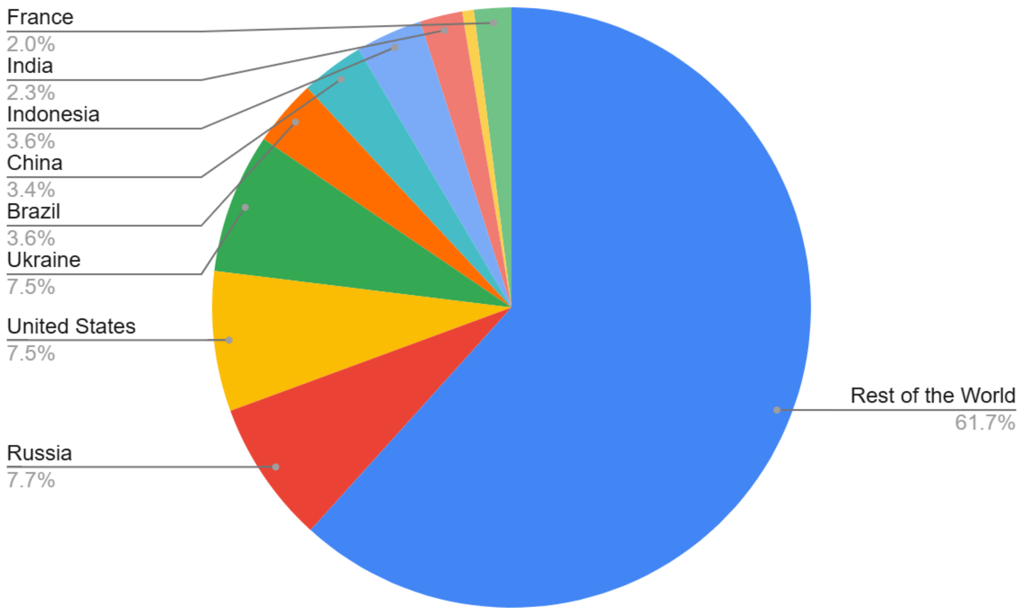


Table 1: Major Food Processing Companies in Egypt

Company	Website	Industry
Sakr Group	https://sakrgroup.net/	**Bulk butter, frozen food, meat and fish**
Rehana	https://rehanaproducts.com/en/home	**Rice, sugar, flour, legumes, spices, edible oils, vinegar**
Al-Marwa	https://elmarwa.com/	**high-quality fruit purées, concentrates, and pulps**
Faragalla	https://faragalla.com/	**Juices, dairy products, concentrates and pulps, confectionaries**
Gardenia	https://gardenia-egypt.com/	**Aseptic fruit pulp/puree**
Domty	https://www.domty.org/en/ir/Company-Profile	**White and processed cheeses and juice products**

Section III: Competition

Chart 2: Egypt Food Ingredient Imports from the World (CY 2024)



The food processing industry in Egypt is highly competitive, with total imports rising from $12.7 billion in 2019 to $16.8 billion in 2024. Key suppliers include Russia, the United States, Ukraine, and Brazil, with Russia's exports exceeding $3.1 billion in 2024. Other notable suppliers include India, France, Saudi Arabia, Germany, Romania, and Australia, each contributing significantly to the market, reflecting a varied and dynamic competitive landscape.[8]

Egypt's food processing ingredients sector has seen significant import activity, with total cumulative imports from 2019 to 2024 (a five-year period) reaching approximately $95.3 billion. Over this period, the primary import categories included cereals, which dominated with $36.4 billion, and oil seeds and oleaginous fruits at $13.3 billion. Over this period, other notable imports include animal or vegetable fats and oils ($9.9 billion), dairy products ($4.1 billion), coffee, tea, mate, and spices ($3.5 billion), and sugars and sugar confectionery ($2.4 billion). The sector also includes imports of leguminous vegetables, miscellaneous edible preparations, essential oils, food preparations, cocoa, and various other food-related products.[9]

Section IV: Best Product Prospects

- Products present in the market, which have good sales potential, such as beef, dairy, tree nuts

[8] Trade Data Monitor
[9] Trade Data Monitor

(especially pistachios), soups and food preparations, condiments and sauces, processed vegetables/fruits, and bakery ingredients, continue to represent good prospects for U.S. exporters.

- U.S. products that are not present in significant quantities but have good sales potential among the more affluent Egyptian consumers include beef muscle cuts, pulses, sweets and snacks, and healthy and nutritional foods/ingredients. There is rising demand for dairy products, soy, and lecithin. Consumers are also showing interest in organic products, and natural beverages remain popular.[10]
- Industry contacts at Egyptian food manufacturers inform Post that they are looking for imported milk powder and dairy products for local processing as well as spices and food additives. An industry contact told Post that there is high demand for U.S. pistachios, driven by high demand for nut spreads which are viewed as a healthy product and popular in pastries and desserts.
- The increasing preference for natural ingredients in Egypt is boosting the use of lecithin and other additives and emulsifiers in bakery, confectionery, dairy, and meat products.[11] According to CFI, Egypt imports approximately 70 percent of its oils, with palm oil accounting for 60 percent of these imports.
- The market for additives is anticipated to experience growth, while citric acid market is also expected to expand, influenced by consumers' shifting preference towards organic beverages and natural drinks.[12]

For a synopsis of Egyptian trade shows in Egypt and a snapshot of which in-country trade shows present the best opportunity for showcasing U.S. food and beverage exports in Egypt, see Guide to Egyptian Food and Beverage Trade Shows_Cairo_Egypt_EG2025-0005.

Section V: Key Contacts and Further Information

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[10] Fi Africa: The Food Ingredient Market in Egypt and Africa. Pg. 5.
[11] Fi Africa: The Food Ingredient Market in Egypt and Africa. Pg. 5.
[12] Fi Africa: The Food Ingredient Market in Egypt and Africa. Pg. 5.

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Attachments:

No Attachments