

Apples export to Egypt

State of play and way forward

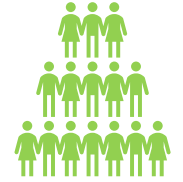
CDG Agricultural Markets
Fruit and Vegetables

12th April 2023

Egypt, key historical apples export market



EU neighbourhood => proximity , flexible and cheaper logistic



Large population => close to 110 Million



Steady growth EU export from 100,000 T in 2011 to 300,000 T in 2022 T



Good market diversification with quality previously destined to RU or BY



Apples => complementary assortment to the local fruit basket

Reasons behind apples export decline



Market uncertainties due to war



Preference for grains imports



Economic situation (high inflation)



Currency devaluation (> 50% to USD in one year)



Foreign currency shortage leading to backlog in ports



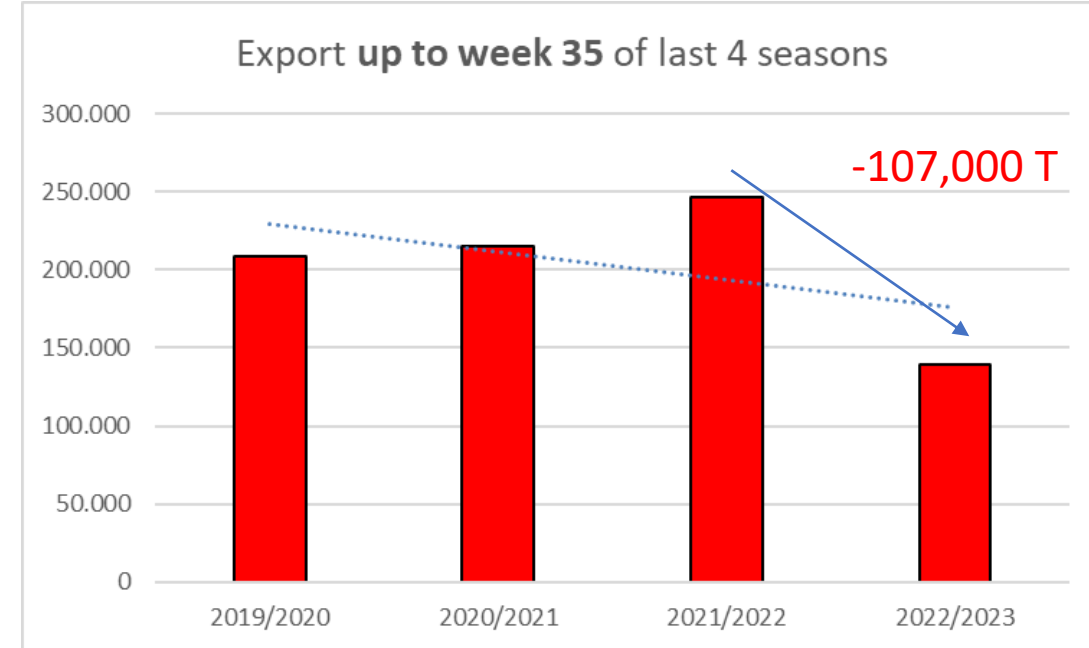
Introduction of letter of credits



Barter trade



Shift to exporters on spot market



Review of letter of credit saga and timeline



December 2022: IMF 46 months agreements for 3 billion \$ and official removal of LC on 29th December

2023 onwards : uncertainties prevail for operators, slow implementation of IMF agreement with commercial bank and accessibility of foreign currencies for operators

October 2022: some softening of threshold with view of IMF agreement

April 2022: worsening if conditions of the letter of credit => further lack of attractiveness for European operators- evaluation by Commission of L/C with terms of FTA with EU + talks in WTO

March 2022: evaluation within the sector of pros/cons of L/C : Guarantee of payment, administrative burden and costs, timing and planning delays, tendency of fragmentation to small consignment (no LC for 5,000 \$ invoices), uncertainties of rules

February 2022: introduction of the letter of credit => Egypt necessity to check and control the flow of its foreign currency

Impact of Egyptian market access hurdles

EU apples export to Egypt to week 35 in T						
Country	2019/2020	2020/2021	2021/2022	2022/2023	diff to YAGO	diff YAGO in %
Poland	79.500	89.902	136.669	66.100	-70.569	-52%
Italy	69.471	70.834	67.933	33.225	-34.708	-51%
Greece	47.555	48.196	39.940	37.404	-2.536	-6%
Other MS	12.233	6.606	1.975	2.935	960	49%
Total EU	208.759	215.538	246.517	139.664	-106.853	-43%

Decline for all MS in volume and €/T. As a result turnover of EU export up to week 35 dropped from 125 Mio € to 60 Mio €

EU apples export value to Egypt in €/kg						
Country	2019/2020	2020/2021	2021/2022	2022/2023	Variation to 2021	Variation to 2019
Poland	0,48	0,46	0,40	0,38	-5%	-21%
Italy	0,70	0,75	0,69	0,68	-1%	-3%
Greece	0,50	0,49	0,39	0,29	-26%	-42%
Other MS						
Total EU	0,63	0,65	0,56	0,50	-11%	-21%

2023 trade remains slow, uncertain & risky



IMF deal not providing immediate positive effect on the economy => constant currency shortage, big difficulty for importers to access to currency by their own banks (they have money but no currency)



Huge impact of currency devaluation and inflation on purchase of imported goods



Barter trade is still there generating marketing disruptive conditions for the majority of operators



Persistence of customs delays and huge bureaucratic burden (operator's registration)



Increase competition of other suppliers and Egypt to move with more FT



EU F&V sector provide currency to Egypt through import of F&V from EG

EU apples export to Egypt in T				
Country	2019/2020	2020/2021	2021/2022	2022/2023 ES
Poland	81.867	111.230	150.155	EST
Italy	93.658	93.699	89.254	
Greece	49.654	57.055	49.846	
Other MS	15.638	9.422	6.639	
Total EU	240.817	271.406	295.894	170.000

Projected of decline in volume towards end of season compared to last year
- 125.000 tons

2022/2023 Growth highlight:

Brazil : +50.000 T

Saudi Arabia: +7.300 T

UAE: + 6.000 T

Vietnam: + 4. 400 T

Colombia: +4.300 T

Europe

North America up to week 36 in T				
Destination	2022/2023	2021/2022	variation in T	variation in %
Canada	3.039	1.711	1.328	78%
United States	87	49	38	78%
Total	3.126	1.760	1.366	78%

EU Western neighbourhood up to week 36 in T				
Destination	2022/2023	2021/2022	variation in T	variation in %
UK	122.343	144.646	-22.303	-15%
Norway	23.888	22.646	1.242	5%
Switzerland	10.726	12.999	-2.273	-17%
Total	156.957	180.291	-23.334	-13%

EU Eastern neighbourhood up to week 36 in T				
Destination	2022/2023	2021/2022	variation in T	variation in %
Kazakhstan	34.717	32.232	2.485	8%
Belarus	16.087	33.541	-17.454	-52%
Mongolia	12.377	11.503	874	8%
Ukraine	4.808	1.585	3.223	203%
Uzbekistan	2.764	2.226	538	24%
Georgia	205	97	108	111%
Total	70.958	81.184	-10.226	-13%

Balkan neighbourhood up to week 36 in T				
Destination	2022/2023	2021/2022	variation in T	variation in %
Bosnia Herz	9.633	7.054	2.579	37%
Albania	3.640	3.288	352	11%
Serbia	2.855	1.497	1.358	91%
Kosovo	938	1.268	-330	-26%
Montenegro	654	535	119	22%
North Macedonia	63	19	44	232%
Total	17.783	13.661	4.122	30%

North Africa and Near East neighbourhood up to week 36 in T				
Destination	2022/2023	2021/2022	variation in T	variation in %
Egypt	142.690	252.350	-109.660	-43%
Israel	19.741	19.819	-78	0%
Jordan	17.047	16.349	698	4%
Libya	6.318	7.040	-722	-10%
Morocco	3.495	2.678	817	31%
Lebanon	171	304	-133	-44%
Total	189.462	298.540	-109.078	-37%

Middle East up to week 36 in T				
Destination	2022/2023	2021/2022	variation in T	variation in %
Saudi Arabia	75.049	67.749	7.300	11%
UAE	35.594	29.710	5.884	20%
Qatar	8.152	6.401	1.751	27%
Kuweit	4.451	2.842	1.609	57%
Oman	3.246	2.643	603	23%
Bahrain	1.194	1.045	149	14%
Iraq	248	3	245	8167%
Total	127.934	110.393	17.541	16%

China region up to week 36 in T				
Destination	2022/2023	2021/2022	variation in T	variation in %
China	1.229	884	345	39%
Hong Kong	2.858	2.803	55	2%
Taiwan	1.216	580	636	110%
Total	5.303	4.267	1.036	24%

Indian region up to week 36 in T				
Destination	2022/2023	2021/2022	variation in T	variation in %
India	52.203	61.140	-8.937	-15%
Bangladesh	2.475	2.680	-205	-8%
Sri Lanka	738	2.883	-2.145	-74%
Total	55.416	66.703	-11.287	-17%

South East Asia up to week 36 in T				
Destination	2022/2023	2021/2022	variation in T	variation in %
Vietnam	9.454	5.087	4.367	86%
Thailand	4.529	3.601	928	26%
Singapore	3.378	2.404	974	41%
Malaysia	3.187	1.182	2.005	170%
Total	20.548	12.274	8.274	67%

Africa up to week 36 in T				
Destination	2022/2023	2021/2022	variation in T	variation in %
Mauritania	5.697	5.244	453	9%
Senegal	3.514	4.808	-1.294	-27%
Cape Verde	1.877	1.945	-68	-3%
Ivory Coast	1.240	1.177	63	5%
Nigeria	440	240	200	83%
Mali	413	640	-227	-35%
Ethiopia	382	611	-229	-37%
Liberia	171	304	-133	-44%
Total	13.734	14.969	-1.235	-8%

Latin America up to week 36 in T				
Destination	2022/2023	2021/2022	variation in T	variation in %
Brazil	58.759	9.088	49.671	547%
Colombia	20.309	16.040	4.269	27%
Ecuador	10.886	7.597	3.289	43%
Guatemala	8.812	6.852	1.960	29%
Costa Rica	5.782	4.269	1.513	35%
El Salvador	4.615	3.571	1.044	29%
Honduras	4.361	2.535	1.826	72%
Panama	3.990	3.034	956	32%
Venezuela	2.071	447	1.624	363%
Nicaragua	749	449	300	67%
Peru	216	58	158	272%
Total	120.550	53.940	66.610	123%

South America

Africa

Australia

Thank you for your attention