

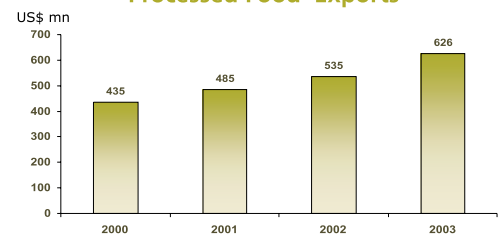


Food Processing Industry



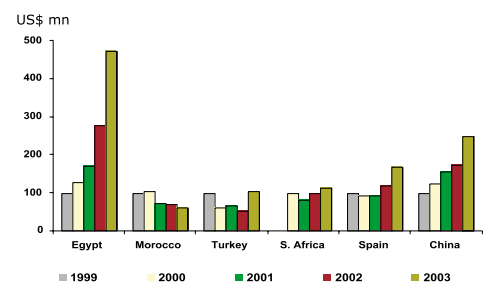
- In 2004, the food processing industry (FPI) posted total production of EGP 31 billion representing 50% of total output of Egypt's industrial sector. The industry also registered a strong annual growth rate of 20%.
- The formal food processing industry consists of 4700 registered enterprises employing roughly 250,000 skilled workers.
- 87% of the formally registered FPI enterprises are small or medium-sized enterprises (SMEs) which focus on niche products for regional and local markets. 17.4% are large enterprises that operate over multiple product sectors, largely for export markets.
- The Egyptian FPI is a large foreign income generator, with export revenues of FPI companies amounting to \$625.8 million in 2003.
- The FPI holds the second largest share of 6.85% in total Egyptian manufactured exports, led by the mineral fuels and oil products sector with 31.3%.
- Egypt's export performance in fruit and vegetable juices is outstanding among its regional and global peers, and it undeniably maintains a consistent performance towards increased exports of fresh, chilled, and frozen vegetables.
- Strategic alliance with academic, R&D institutes such as National Research Centre (serving 45 enterprises), and the Food Technology Centre FTC (serving FPIs through the Industrial Modernization Centre IMC), helps in increasing domestic market competitiveness as well as encouraging enterprises to join the formal sector.
- The GOE established a €50 million fund in January 2005 which was mainly to support and upgrade agro-food processing operations in Egypt and increase FPI exports.
- The FPI has high growth potential due to low cost raw material supplies, as well as low labor costs compared to other global and regional competitors.
- The future expansion of some of the existing international/modern food retailers, the development of packaging industries, and the growing population of 70 million with an annual growth of 1.99%, would necessarily provide the driving force for improving cost/price competitiveness, product quality, and services in the FPI sector and for attracting more investments to expand the industry.

Processed Food Exports



Source: ITC-Comtrade.

Egypt's Fruit & Vegetable Juice Exports



Source: ITC-Comtrade, Industrial Modernization Centre (IMC)

Egypt has succeeded in attracting foreign investors who play a major role in the food processing industry along with successful national players. Major existing MNCs include Nestlé, Kraft and UniLever.

Tetra Pak



Carrefour

