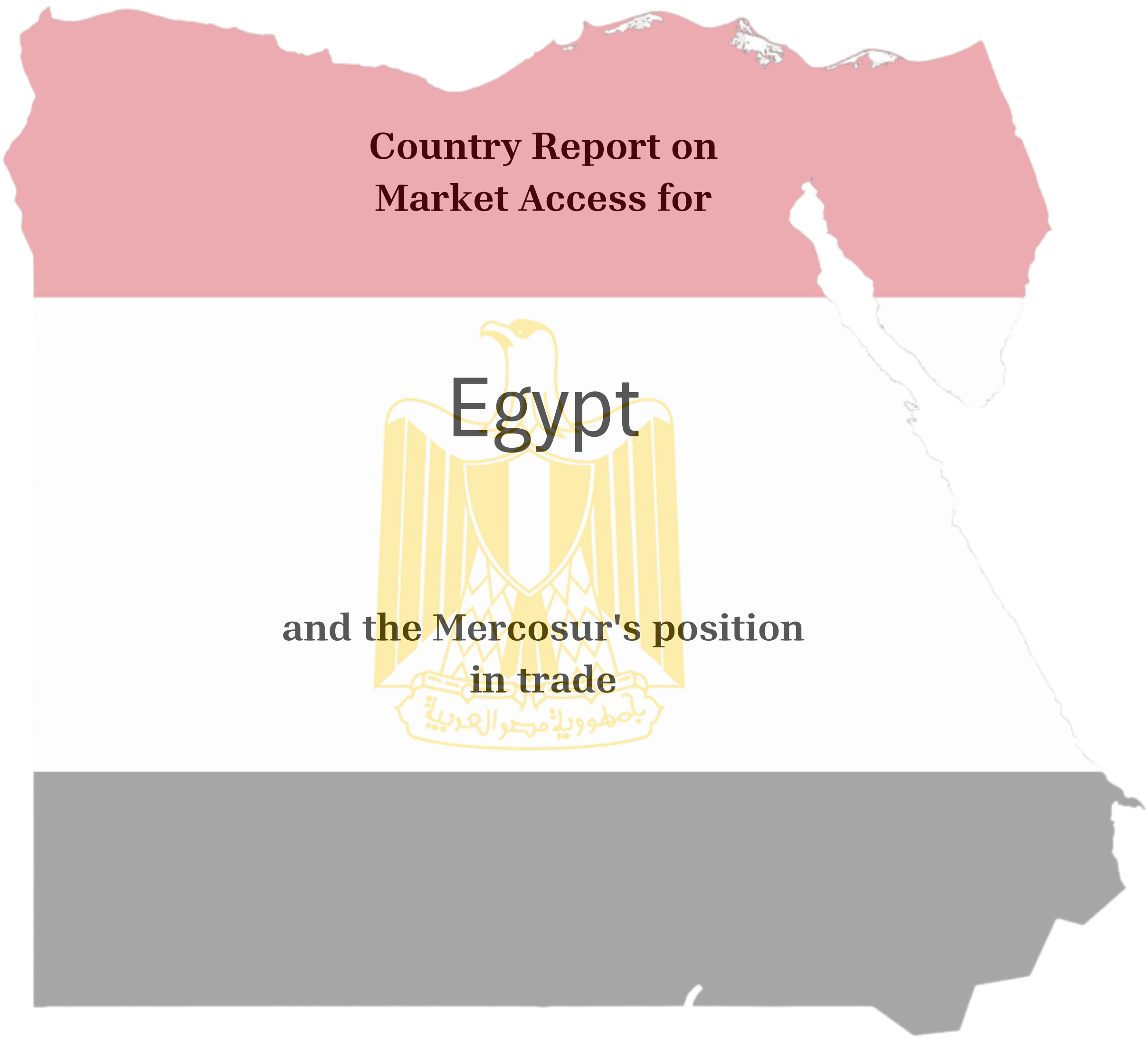


Country Report on Market Access for

Egypt

and the Mercosur's position in trade

GRUPO DE PAÍSES PRODUCTORES DEL SUR

GROUP OF PRODUCING COUNTRIES FROM THE SOUTHERN CONE

Updated on
Nov-24

Country report on Egypt

Summary

- Egypt's GDP accounts for 0.4% of the global total, but its GDP growth rate is 40% higher than the global average. The country has a population of nearly 113 million people, representing 1.4% of the global population.
- Food demand in Egypt is expected to increase by nearly 50% by 2050 compared to 2023 levels. The highest growth is projected in products destined for human consumption, with meat, vegetables, and cereals identified as the most important food categories in future projections.
- On average, Egypt has a trade deficit across all types of goods, both globally and with the MERCOSUR bloc. Notably, the trade deficit with MERCOSUR is primarily due to agricultural products. MERCOSUR is Egypt’s main source of imports, with Brazil, Argentina, and Uruguay ranking among the top 10 suppliers.
- The primary agricultural imports include cereals—mainly wheat and corn—oilseeds, and meats, many of which are used for animal feed. The top 10 imported products account for 72% of the total, indicating a high concentration in imports.
- Key imported products are often subject to non-tariff measures. Although Egypt is a member of the WTO, tariffs remain generally high, particularly for agricultural products. The average tariff rate is 94.8%, with nearly 50% of tariff lines carrying rates between 25% and 100%.
- An analysis of MERCOSUR countries' export potential indicates that the most important products for Egypt currently come from Brazil and Argentina. Meanwhile, Uruguay and Paraguay appear to have greater growth opportunities. A decline in exports of key products from Brazil, which faces competitive threats, would significantly affect its markets due to Egypt's importance as a destination for Brazilian exports.
- A free trade agreement between MERCOSUR and Egypt has been in effect since 2017. However, exports to Egypt remain heavily concentrated on products for animal feed.

Population

112.7 Millons

1.4% Share of World Population

1.54 % Growth Rate Annual Population

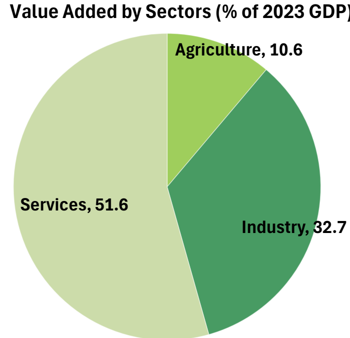
0.92 % Growth Rate Annual World Population

Economy

	Egypt	% of World
GDP (billions of USD 2023*)	395.9	0.38

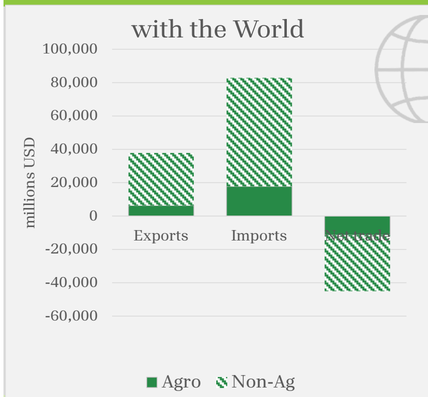
	Egypt	World Avg.
GDP per capita (USD 2023*)	3,512.6	13,138.3
GDP growth (annual %)	3.8	2.7
Trade (% of GDP)**	40.5	62.6

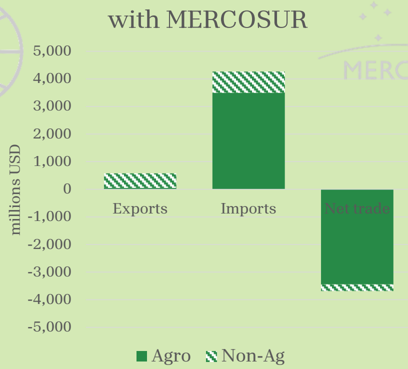
Value Added by Sectors (% of 2023 GDP)

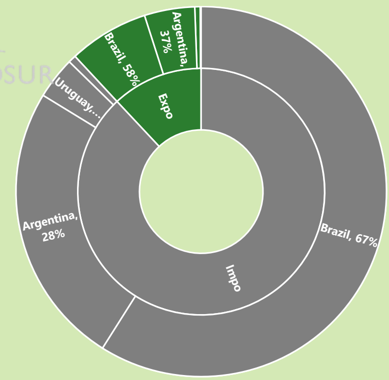


Notes: * in current USD for the year 2023 - latest available; ** Both exports and imports are measured as a proportion of GDP. Source: World Bank - WDI 2024

Average Trade 2018-2023 of Egypt







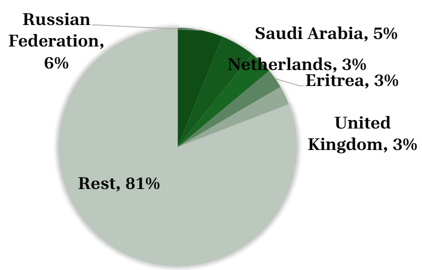
Egypt **has a negative trade balance** with the world across all product categories, with the majority of the deficit stemming from non-agricultural goods. This trend is also reflected in its trade with MERCOSUR, **although the deficit with MERCOSUR is primarily driven by agricultural products. The total trade balance with MERCOSUR stands at -$3.689 billion.**

Brazil is the main source of Egypt's total imports from MERCOSUR (both agricultural and non-agricultural goods) and also the primary destination for Egypt's exports to the bloc (agricultural and non-agricultural products). However, it is worth noting that Egypt's total exports to MERCOSUR do not exceed $580 million.

Agricultural average trade 2018-2023 of Egypt

Exports

Main Destinations



Mercosur's position:

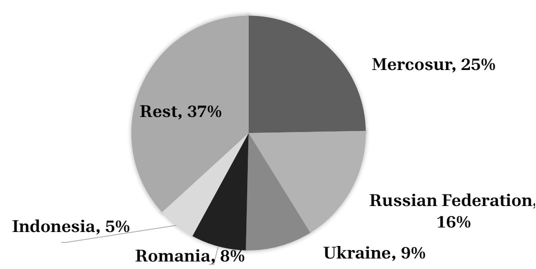
	Position
Mercosur	**16º**
Argentina	99º
Brazil	27º
Paraguay	98º
Uruguay	119º

Top -10 of exported products

	Products	USD millons	Share on total (%)
1101	Wheat or meslin flour	8	5.5%
0805	Citrus fruit	8	5.4%
2304	Cakes and other solid residues from the extraction of soybean oil	6	4.4%
1701	Sugar cane or beet sugar and chemically pure sucrose	6	4.0%
2303	Starch industry residues and similar residues	5	3.7%
1507	Soybean oil	5	3.3%
0701	Potatoes	5	3.2%
0102	Live cattle	4	3.0%
0406	Cheeses and curd	4	2.9%
1806	Chocolate and other food preparations containing	3	2.3%
Total Top-10		**54**	**38%**

Imports

Main Origins



Mercosur's position:

	Position
Mercosur	**1º**
Argentina	3º
Brazil	2º
Paraguay	26º
Uruguay	9º

Top -10 of imported products

	Products	USD millons	Share on total (%)
1001	Wheat and meslin	228	19.3%
1201	Soybeans	201	17.0%
1005	Maize	119	10.1%
1511	Palm oil and its fractions	89	7.5%
0202	Frozen bovine meat	67	5.6%
2304	Cakes and other solid residues from the extraction of soybean oil	46	3.9%
1512	Sunflower oils	27	2.3%
1701	Sugar cane or beet sugar and chemically pure sucrose	25	2.1%
0102	Live cattle	24	2.1%
1507	Soybean oil	24	2.1%
Total Top-10		**851**	**72%**

Source: Compiled by GPPS based on Comtrade data (Avg 2018-23).

Imports are the most significant flow in trade between MERCOSUR and Egypt. MERCOSUR countries account for less than 0.8% of Egypt's agricultural exports. **However, MERCOSUR represents 25% of Egypt's total imports of agricultural products.** Nearly all the top 10 imported products are supplied by MERCOSUR countries.

Tariff measures

WTO Tariff Profile

Tariffs and imports in total

Total		Total	Ag	Non-Ag	WTO Member since		1995
Simple average final bound		36.9	94.8	27.4	Binding coverage:	Total	99.4
MFN applied						Non-ag	99.3
Simple average					Ag: Tariff quotas (in %)		
Trade weighted average					Ag: Special safeguards (in %)		
Imports in billion US$							

Tariffs and imports in duty ranges

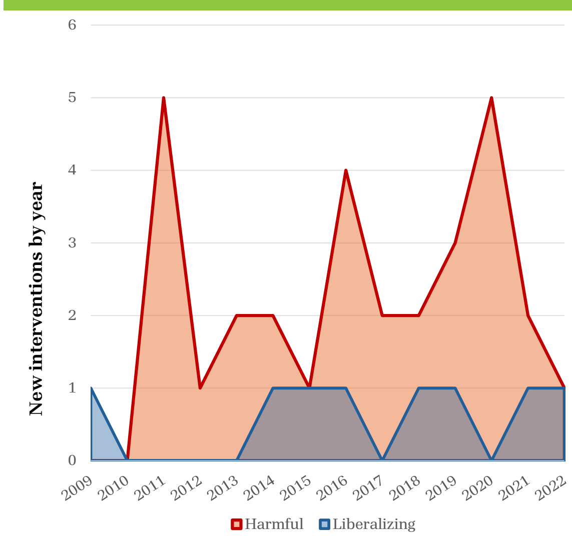
Frequency distribution	Duty-free	0 <= 5	5 <= 10	10 <= 15	15 <= 25	25 <= 50	50 <= 100	> 100	NAV in %
	Tariff lines and import values (in %)								
Agricultural products									
Final bound	0	10.1	18.9	2.2	17.8	22.3	26.2	2.2	1.6
NMF applied									
Imports									

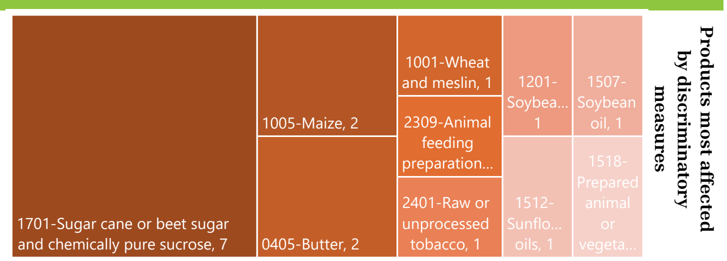
Tariffs and imports by product groups

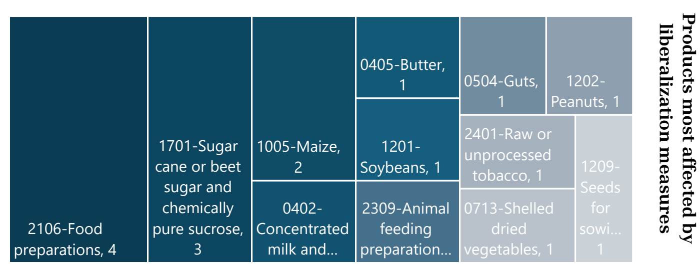
Product groups	Final bound duties				MFN applied duties			Imports	
	AVG	Duty-free in %	Max	Binding in %	AVG	Duty-free in %	Max	Share in %	Duty-free in %
Animal products	42.9	0	80	100					
Dairy products	25	0	60	100					
Fruit, vegetables, plants	38.1	0	80	100					
Coffee, tea	36.9	0	60	100					
Cereals & preparations	39.6	0	3000	100					
Oilseeds, fats & oils	20.5	0	60	100					
Sugars and confectionery	36.5	0	60	100					
Beverages & tobacco	943.8	0	3000	100					
Cotton	5	0	5	100					
Other agricultural products	19.6	0	60	100					
Fish & fish products	27.9	0	60	100					

Source: WTO Tariff profile of Egypt. URL: https://www.wto.org/spanish/res_s/publications_s/world_tariff_profiles23_s.htm

Non-tariff measures



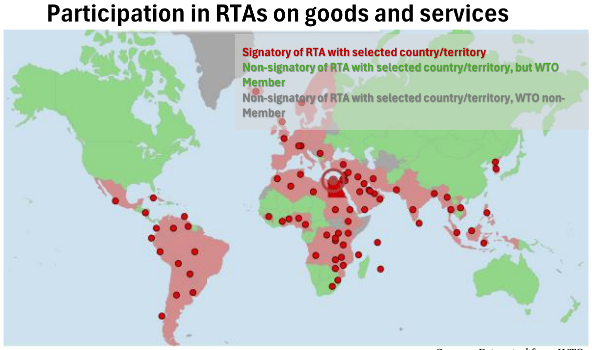




Notes: Both graphs show the number of interventions. Source: Global Trade Alert. URL: http://www.globaltradealert.org/

Acuerdos comerciales

Participation in RTAs on goods and services



Source: Extracted from WTO - https://www.wto.org/

Acuerdos Vigentes

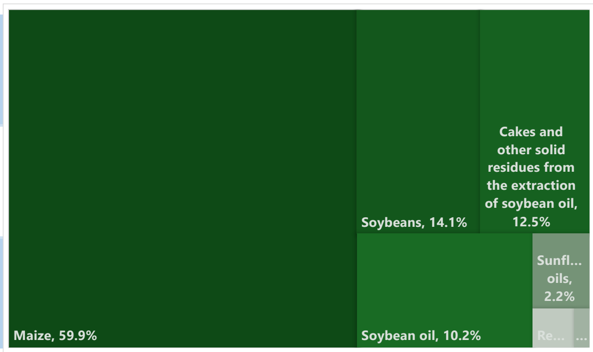
1. Agadir Agreement
2. Common Market for Eastern and Southern Africa (COMESA)
3.EFTA-Egypt
4.Egypt-Turkey
5. EU-Egypt
6. Global System of Trade Preferences among Developing Countries (GSTP)
7. Pan-Arab Free Trade Area (PAFTA)
8. Protocol on Trade Negotiations (PTN)
9. MERCOSUR-Egypt
10. United Kingdom-Egypt

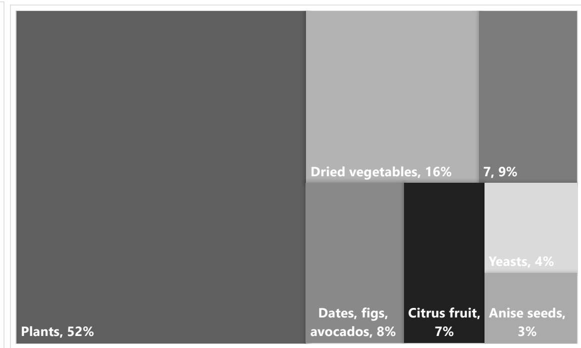
Egypt's bilateral agricultural trade with MERCOSUR countries

This section presents the agricultural trade of the Egypt with each of the MERCOSUR countries**. It provides insights into the main agricultural products traded between the Egypt and individual MERCOSUR countries**, along with the average bilateral trade amounts (in current USD) from 2018 to 2023.

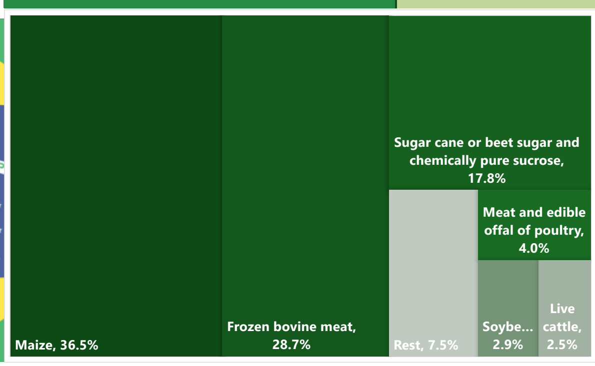
It highlights the heterogeneity of exports and imports among MERCOSUR countries; aggregating them hide the relative importance of trade with Paraguay and Uruguay, placing greater emphasis on Brazil and Argentina due to their significantly larger trade volumes.

Argentina's export to Egypt: 1.169,6 millions USD | **Egypt's exports to Argentina: 2,3 millions USD**

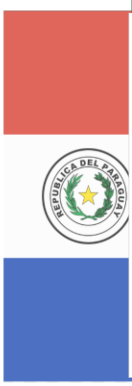


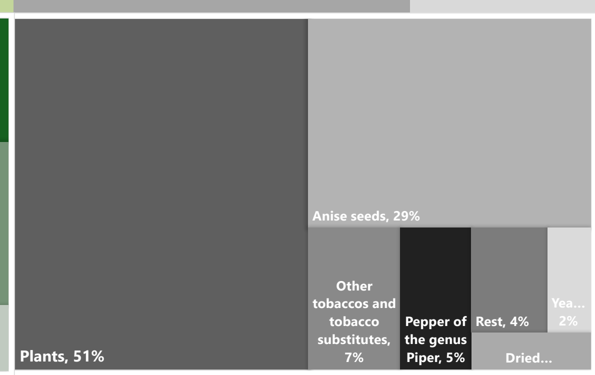


Brazil's export to Egypt: 2.121,6 millions USD | **Egypt's exports to Brazil: 45,4 millions USD**

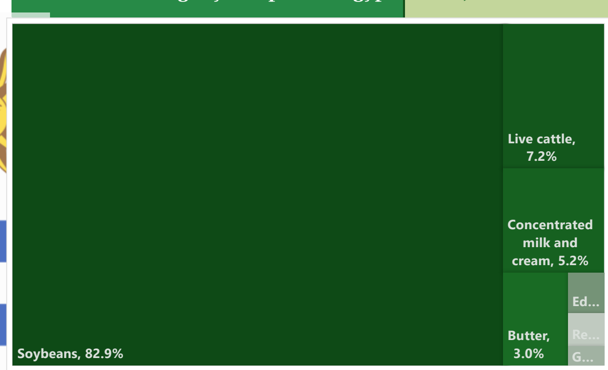


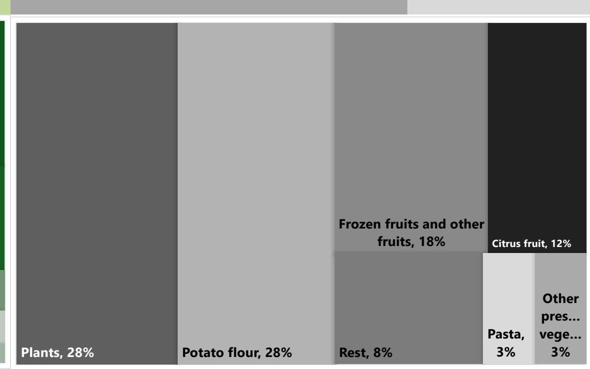
Paraguay's export to Egypt: 32,1 millions USD | **Egypt's exports to Paraguay: 0,93 millions USD**





Uruguay's export to Egypt: 168,2 millions USD | **Egypt's exports to Uruguay: 1,5 millions USD**





Notes: Values are averages for 2018-2023. The top 6 products are shown. Source: Comtrade 2024.

Products from MERCOSUR countries with Potential-Threat in Egypt

Methodology

The **Potential (or Threat) of exporting a product is analyzed for each of the MERCOSUR countries**, considering products classified at the four-digit Harmonized System (HS04) level.

The analysis is conducted based on the calculation and interpretation of the Revealed Comparative Advantage (RCA) index following Lima & Álvarez (2008).

A product is considered to have export ***Potential*** **if the exporting MERCOSUR country has a Revealed Comparative Advantage** (RCA index >= 1) in its exports, **and the importing country also has a Revealed Comparative Advantage** (RCA index >= 1) in its imports of the same productn, indicating export risks.

The data source used is WITS, and all values are averaged over 2018-2023.

Analysis by MERCOSUR country

Product		Have:	Argentine exports to		Egypt relevance on Argentine exports	Egypt imports from World (USD millions)	Argentine relevance on Egypt's total imports (in %)
			Egypt (USD millions)	World (USD millions)			
0813	Dried fruits and other fruits	Potential	1.7	68	2.6%	11.8	14.7%
1005	Maize		700.7	6,464	10.8%	2,369.1	29.6%
1201	Soybeans		165.1	2,460	6.7%	2,043.8	8.1%
1507	Soybean oil		119.5	4,170	2.9%	238.2	50.2%
1512	Sunflower oils		25.3	894	2.8%	351.8	7.2%
1515	Other fixed vegetable fats and oils		3.6	70	5.1%	44.1	8.1%

All products with potential for increased trade between Argentina and Egypt already hold a significant share in Egypt's imports. **Three of them could see further growth: soybeans, sunflower oil, and other fats and oils.**

No products currently involved in trade have been identified as at risk of a decline.

Product		Have:	Brazilian exports to		Egypt relevance on Brazilian exports	Egypt imports from World (USD millions)	Brazil's relevance on Egypt's total imports (in %)
			Egypt (USD millions)	World (USD millions)			
0102	Live cattle	Potential	53.9	333.6	16.2%	283.7	19.0%
0202	Frozen bovine meat		609.6	6,927.7	8.8%	1,141.8	53.4%
0904	Pepper of the genus Piper		19.9	305.9	6.5%	50.4	39.5%
1005	Maize		774.5	7,611.0	10.2%	2,369.1	32.7%
1502	Fat of animals of the bovine species		1.9	76.2	2.5%	7.0	26.6%
1518	Prepared animal or vegetable fats and oils		1.0	23.8	4.1%	6.0	16.2%
1701	Sugar cane or beet sugar and chemically pure sucrose		377.4	7,331.6	5.1%	474.6	79.5%
0206	Edible offal of bovines	Threat	26.1	638.5	4.1%	317.6	8.22%
0303	Frozen fish		7.4	112.3	6.6%	446.9	1.65%
0307	Mollusks		0.1	1.0	14.8%	32.5	0.44%
0401	Unconcentrated milk and cream		0.2	7.6	2.2%	1.4	11.51%
0713	Shelled dried vegetables		8.8	107.3	8.2%	442.8	1.98%
1207	Other oil seeds and fruits		1.9	84.2	2.2%	126.1	1.49%
1209	Seeds for sowing		2.6	75.8	3.4%	114.1	2.24%
1516	Unprepared animal or vegetable fats and oils		0.3	11.2	2.3%	70.5	0.36%
2302	Bran, shorts, and other milling residues		5.1	20.3	25.0%	48.4	10.49%

Except for live cattle, the rest of the products with potential for increased exports could present an opportunity for Brazil. However, Brazil already holds a relatively high share of Egypt's total imports in each specific market, meaning any further increase in this share would create greater dependency for Egypt, reducing the actual potential for growth.

Among the products identified as facing potential export declines for Brazil, the least likely are edible bovine offal, unconcentrated milk and cream, and bran, as Brazil holds a significant market share in Egypt for these products. Of the remaining items, mollusks require the most attention and monitoring, as Egypt represents an important market for Brazil.

Product		Have:	Paraguayan exports to Egypt (USD millions)	Paraguayan exports to World (USD millions)	Egypt relevance on Paraguayan exports	Egypt imports from World (USD millions)	Paraguay's relevance on Egypt's total imports (in %)
0202	Frozen bovine meat	Potential	11.35	701.85	1.6%	1,142	1.0%
0206	Edible offal of bovines	Potential	2.68	59.50	4.5%	318	0.8%
1502	Fat of animals of the bovine species	Potential	2.13	50.75	4.2%	7	30.3%
1507	Soybean oil	Potential	1.32	240.04	0.5%	238	0.6%
0405	Butter	Threat	0.07	4.14	1.6%	161	0.0%
1005	Maize	Threat	3.64	637.63	0.6%	2,369	0.2%
1516	Unprepared animal or vegetable fats and oils	Threat	0.12	0.14	85.6%	71	0.2%
2401	Raw or unprocessed tobacco	Threat	0.09	18.47	0.5%	191	0.0%

All the products identified with potential for increased exports, being relatively insignificant within Egypt's imports, may have greater chances of growth, except for bovine animal fat. This product already holds a significant share in Egypt's market, making it an unlikely candidate for further expansion.

Among the products at risk of decline, unprocessed animal or vegetable fats and oils are the most significant for Paraguay. However, Paraguay's exports of this product lack consistency

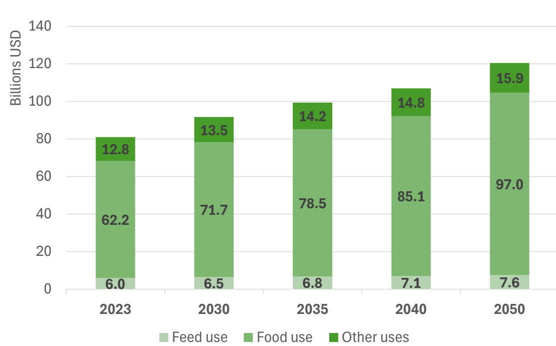
Product		Have:	Uruguayan exports to Egypt (USD millions)	Uruguayan exports to World (USD millions)	Egypt relevance on Uruguayan exports	Egypt imports from World (USD millions)	Uruguay's relevance on Egypt's total imports (in %)
0102	Live cattle	Potential	12.1	259.3	5%	284	4.3%
0204	Ovine or caprine meat	Potential	0.1	93.5	0%	9	1.4%
0402	Concentrated milk and cream	Potential	8.8	301.9	3%	308	2.8%
0405	Butter	Potential	5.0	52.5	9%	161	3.1%
1201	Soybeans	Potential	139.5	930.1	15%	2,044	6.8%
0403	Butter whey	Threat	0.0	9.1	0.2%	4	0.5%
1805	Unsweetened cocoa powder or other sweetener	Threat	0.0	14.7	0.3%	58	0.1%

All products with potential for increased exports from Uruguay to Egypt have opportunities, as Uruguay holds a low share in Egypt's total imports.

Neither of the two products identified as at risk of export decline from Uruguay holds significant relative importance for either Uruguay or Egypt. However, the low significance for Egypt increases the likelihood of substitution in these markets. For Uruguay, the impact would primarily result in greater concentration of its exports to this destination.

Food demand projections from Egypt

Demand projections by 2050, by kind of use



Changes in Food Demand

2050 vs 2023

+49%

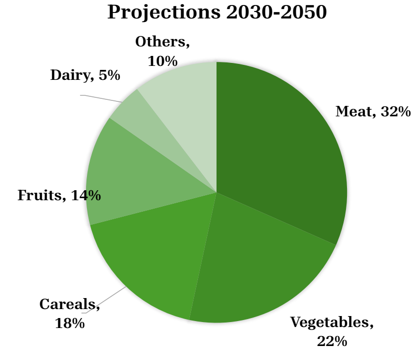
2040 vs 2023

+32%

2030 vs 2023

+13%

Share of Food Categories in Average Projections 2030-2050



Source: FAO- Food and agriculture projections to 2050- Country Data Market

Food demand in Egypt is projected to increase by approximately 13% by 2030 and 32% by 2050. The primary driver of this demand is human consumption, expected to grow by more than 55% between 2023 and 2050. While other uses are also projected to increase by around 20% during the same period, the growth rate for animal feed usage more than doubles that of other uses.

In terms of product composition, meat, vegetables, and cereals dominate the projections, accounting for 72% of the total. This represents a significant opportunity for the region, as it is already a major exporter, particularly of meat.

Conclusions

Egypt's market consists of nearly 113 million people, with a population decline rate of 1.5%, approximately 70% higher than the global average. Its GDP is nearly $400 billion, representing less than 0.4% of global GDP. Trade accounts for 40% of its GDP, a lower proportion than the global average. Agriculture contributes 10.6% of GDP, while the services sector remains the largest contributor to the economy.

MERCOSUR is Egypt's primary supplier of agro-industrial imports, accounting for 25% of the total. Brazil, Argentina, and Uruguay rank among Egypt's top ten suppliers. Imports show a higher concentration in their sources than exports in their destinations. The top ten imported products constitute 72% of the total, with an average value of $851 million. MERCOSUR exports nearly all key products, particularly wheat, animal feed, and meat.

Egypt imposes high tariffs overall, particularly on agro-industrial products. The average consolidated tariff is 98.4% for agricultural goods and 27.4% for others, with 66.3% of tariff lines carrying rates between 15% and 100%. Agricultural products face tariffs above 25%, except for cotton. However, since 2017, a free trade agreement between MERCOSUR and Egypt has been in effect, offering zero tariffs on nearly all top ten products except for tariff codes 1701 and 2304, which have MFN rates of 20% and 5%, respectively.

MERCOSUR's exports to Egypt are highly concentrated by product, with the top two products accounting for over 65% of total exports from each country. Uruguay shows the highest concentration, with two products making up 90% of its exports to Egypt, including soybeans, which represent nearly 83% of the total. Brazil, in contrast, has the least concentrated exports to Egypt, with values significantly higher than those of other MERCOSUR countries—double Argentina's exports, for instance.

Projections suggest that Egypt's food demand will grow by nearly 50% by 2050, with the largest increase in human consumption, led by meat products. A competitiveness analysis based on Revealed Comparative Advantage indicates opportunities in specific products and risks in others. Products with a relatively low share in Egypt's market are more likely to see growth in exports. Uruguay, given its current high concentration, has the greatest potential for expansion. Brazil and Argentina face more limited opportunities as their exports already hold substantial shares in Egypt's market, making increased dependency less attractive to Egypt.

Given Egypt's high tariffs and MERCOSUR's advantageous position with an existing free trade agreement, efforts should focus on diversifying the export basket by introducing new products to this market. This approach would strengthen and expand trade. Considering MERCOSUR's current participation and Egypt's projected demand, export growth is feasible, particularly in the meat sector, which is poised to benefit most significantly.