

Market Report

Country: Egypt

August 2019



Key figures

Latest Economic data 2018-worldbank.org

Population: 104.5 Million

GDP/Growth: 250.895 Bn USD/5.7%

GDP per Capita: 2,549USD (Rank:129)

Trade in Goods 2017/2018- stat.wto.org

Import Market

- Import Trade Volume: 63.103 Bn USD
- Top Commodities: mineral products, mechanical and electrical products, base metals and plants / Reefer: Beef, Chicken and Fish (frozen) mainly from Brazil
- Top Origin Countries: UAE, China, USA

Export Market

- Export Trade Volume: 25.877Bn USD
- Top Commodities: mineral products, plants, vegetables & fruits (Chilled), chemical products
- Top Destination Countries: UAE, China, USA

Market Size in TEU 2018 – Estimated

- Key Ports: PORT SAID, ALEXANDRIA, DAMIETTA, SOKHNA
- Approx. 8 Million TEU
- LCL approx. 250,000 – 300,000 CBM p.a.

Market Situation

Egypt has recently become the second largest economy in Africa and trade continues to grow fast with 2018 imports up 17% and exports up 8%, this after a time of low growth following the countries 2011 revolution and the aftermath.

Under former general and now president, Abdel Fattah el-Sisi, the country is stable thanks to strong support from the military. The government seems executing many infrastructure projects and initiatives in almost military fashion. Corruption is still a key issue across the country and the gap between rich and poor still wide.

However, things are on the up and all the people I had the pleasure to meet are quite content with how the government is tackling things, while they are not yet they would like their country to be, things are moving in the right direction gradually.

The population of Egypt is exceeding 104 million people now and keeps expanding, driving import growth, while the countries fruit and vegetable exports have developed to 1,7 mio tons of citrus and 800k tons of potatoes in 2018, making it the second largest exporter of citrus in the world. With the tourism sector having started to grow again, consumption and food stuff imports are expected to further expand.

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The fruit and vegetable season lasts from September to April, when demand for reefer containers surges. Import demand for reefers supplying frozen protein (Beef, Chicken and Fish) remains stable during the year, with surges before religious festivals. Reefer depots are still operated with diesel generators, as the public grid does not provide sufficient reliability, however the country's first atomic power plant is under construction with Russian investment.

Imports into Egypt remain largely a prepaid business for FCL, where approx. 60% of the cargo is negotiated at origin, while for LCL the number is lower at only around 40%.

Alexandria port is still the main gateway for Egypt's trade, before Port Said, where however security concerns currently impact flows from APM operated East Terminal over the bridge and thus it is remaining more focused on transshipment cargo.

Consolidation services are mainly moving via Alexandria where 80% of the volumes are handled.

Completing dredging works earlier this year, the port of Damietta has now reached the capacity to handle vessels with a draft up to 15 meters, thus roughly 14,000 TEU and a planned terminal expansion will further push capacity.

Close to the red sea port of Sokhna the Suez Canal Economic Zone is developing, where China is one of the largest investors.

The government is pushing to move more production facilities of the textile industry towards the south of the country, where however cost for transportation and lack of intermodal infrastructure are still concerns, same as the political risks in Sudan.

The economy of Egypt has been growing fast over the past years and is projected to continue at more than 6% percent annually, a speed that translated in 20% volume growth for overseas transportation in 2017.

MESCO / OceanX Member for Egypt

During my stay in Egypt, I had the pleasure to make an extensive tour through the organization of our member MESCO (<http://mesco-eg.com>) and their different business divisions, while having interesting discussions with owners and management.

MESCO's activities are ranging from shipping agency business and chartering services, own container depot operations and warehousing to project cargo and heavy lift handling. The group also operates an owned trucking fleet with currently 120 vehicles that they continue to expand and for which they provide live tracking. Own trucking resources no doubt are playing a vital role in the future

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With 12 offices, across the country, employing 550 people, they are one of the leading logistics companies in Egypt, operating since 1983.

On the cool chain side of things, MESCO provides solutions storing full 40' reefer containers off dock inside Alexandria, sorted in lots and allowing convenient inspection and sample taking by customers and authorities, speeding up import proceedings and reducing costs for its customers.

The group's NVOCC division, Altun (<http://www.altunegypt.com>), is operating a fleet of own standard and tank containers, providing Flexi Tank services and is active in container trading. Further, they are a leading service provider for commodity traders and multinationals in the petrochemicals industry handling dangerous and non dangerous, liquid and dry cargo.

The group is also very active in the extensive textile sector in Egypt, supplying their services to several of the leading textile manufacturers in the country, helping to import fabrics and export finished goods. They have excellent relations with most shipping lines, some which they have helped to establish in the country.

MESCO group is working on several exciting digitalization projects internally at the moment, starting with a process optimization project, they are adapting to a changing market and getting ready for the next chapter of the company's history.

Key contact for members is Mohamed Kamal Khamis, in MESCO's Cairo office:
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