

### Overview of Oils and Fats

Cottonseed continues to be the major oilseed crop in Egypt. Soybeans and sunflower are the other oilseed crops. However, the Egyptian oilseed production continued to decline as less cotton and sunflower are being planted. Egypt has a total annual crushing capacity is estimated at about 1.6 million tonnes. The major edible oils produced in Egypt are soybean, cottonseed and sunflower oils.

The domestic production of oils and fats in Egypt has not been able to satisfy the local demand. For many years now, the local production of oils and fats has not gone beyond the 400,000-tonne level.

With a population of 83 million and GDP growing at six to seven per cent per year, Egypt is a huge market for oils and fats. At the current consumption of 1.5 million tonnes, Egypt's per capita consumption is currently at 18.3 kg per person.

Of the total oil and fats demand of 1.6 million tonnes in 2008, about two-thirds of Egypt's oils and fats go to domestic consumers, food and retail outlets, while the rest is in the form of vegetable ghee.

Traditionally, Egypt has always been a dominant ghee market. In the early days, dairy ghee was the popular cooking fats but the declining supply and less attractive pricing of the dairy products have resulted in replacement by vegetable ghee. The entry of palm oil was made easy since vegetable ghee made from palm oil often closely resembles the texture and taste of the traditional dairy ghee. However, in recent years, the market in Egypt has been slowly witnessing some shift towards the use of liquid oil in cooking. And among the liquid oils, sunflower oil has somehow proved to be most popular amongst the middle-class in Egypt

Egypt is a net importer of oils and fats. The country is only about 20% self-sufficient. In 2008, Egypt imported nearly 1.52 million tonnes of oils and fats. Imports of oils and fats are expected to continue to increase due limited oilseeds production and urban development.

The 2008 import of oils and fats increased by 31 per cent over the 2007. Palm oil is the major oil imported, making up for 41 per cent of the total oils and fats imports, followed by soybean oil (34 per cent) and sunflower oil (15 per cent).

Soybean and sunflower oils are imported for the subsidized sector. The Egyptian government, under Ministry of Supply, controls prices of basic foodstuff by provision of ration cards. Holders of ration card are able to purchase basic foodstuff at a fixed price, lesser than retail price.

Under the subsidized edible oil sector, ration card holders are allowed 0.50 kg per person per month at a subsidized

### Statistics

	2000	2002	2004	2006	2008
<b>Production of Oils/Fats ('000 tonnes)</b>					
Soybean	38	56	72	172	220
Butter fat	71	75	79	83	87
Cotton oil	51	70	51	49	38
Others	27	26	26	29	27
<b>Total</b>	<b>187</b>	<b>226</b>	<b>227</b>	<b>332</b>	<b>371</b>

	2000	2002	2004	2006	2008
<b>Imports of Oils/Fats ('000 tonnes)</b>					
Palm oil	524	611	702	611	630
Soybean	322	323	214	203	517
Sunflower	125	106	116	250	235
Others	100	127	85	112	137
<b>Total</b>	<b>1,071</b>	<b>1,167</b>	<b>1,117</b>	<b>1,176</b>	<b>1,519</b>

	2000	2002	2004	2006	2008
<b>Domestic Requirement('000 tonnes)</b>					
Palm oil	448	482	652	608	499
Soybean	313	363	270	350	584
Sunflower	132	121	174	251	226
Butter fat	109	126	107	117	121
Cotton oil	58	79	62	48	39
Others	76	85	74	87	122
<b>Total</b>	<b>1,136</b>	<b>1,256</b>	<b>1,339</b>	<b>1,461</b>	<b>1,591</b>

	2004	2005	2006	2007	2008
<b>Palm Oil Imports ('000 tonnes)</b>					
Malaysia	293	606	257	180	299
Indonesia	64	169	354	410	331
Others	344	-	-	-	-
<b>Total</b>	<b>701</b>	<b>774</b>	<b>611</b>	<b>590</b>	<b>630</b>
<b>Soybean Oil Imports ('000 tonnes)</b>					
Argentina	149	123	169	102	455
Others	65	79	34	28	62
<b>Total</b>	<b>214</b>	<b>202</b>	<b>203</b>	<b>130</b>	<b>517</b>

Source: Oil World

# EGYPT

## OILS & FATS BRIEF PROFILE

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price of LE 0.50, and an additional 1.5 kg at LE 4.5 per kg is allowed. The average price for oil marketed by private producers ranges from LE 10 to LE 12 per kg.

Most of their palm oil import originates from Malaysia and Indonesia, and occasionally from Singapore. In 2008, about 347,558 tonnes of palm oil were imported from Malaysia, mainly in the form of RBD palm olein (50 per cent), RBD palm stearin (16 per cent) and

### Imports of Palm Oil Products from Malaysia

	2008	Jan-Sep 09
RBD Palm Olein	175,266	189,660
RBD Palm Oil	53,680	97,169
RBD Palm Stearin	56,608	85,004
Others	62,004	81,351
Total	347,558	453,183

Source: MPOB

RBD palm oil (15 per cent).

Palm oil is imported for both direct consumption and industrial uses. Palm oil products in the form of RBD palm oil and palm stearin are mainly used in the manufacture of vegetable ghee, while RBD palm olein is used mainly as frying oil. Palm oil is the largest oil imported, and it is also re-exported as cooking oil and vegetable ghee to Iraq and neighbouring countries

Palm stearin is imported mainly as a substitute for tallow in the manufacture of soap. Palm olein is also blended with other vegetable oils in the production of cooking oil. Besides palm oil, some amounts of palm kernel oil and its fractions are also imported and used in specialty fats and soap.

The industry players are mainly refiners, processors and seed crushers. The local industry was monopolized by the public sector (Food Industries Holding Company or FIHC) but since 1985, the market has seen the emergence of private companies. Among the main private sector players are United Oil, Afia International (previously known as Savola-Sime), Integrated Oil Industries, Arma Food Industries, IFFCO, MIGOP, and Loders Croklaan.

The current oils and fats import policy is very conducive for imports. Firstly, there is no discrimination in import duty among the types of vegetable oils. Crude, semi-refined and fully refined oils in bulk can be imported at no import tariff, while tariffs on packed refined edible oils such as soybean, sunflower vary between two to five percent. The favourable duty structure has also enable local edible oil processing industries to be competitive and enable the products to be exported to neighbouring countries and countries under COMESA.

### References:

1. Malaysian Palm Oil Board (MPOB)
2. Malaysian Palm Oil Council (MPOC)
3. Oil World
4. USDA/FAS

## COUNTRY AT A GLANCE



### Basic Statistics

Area: 1,050,450 km<sup>2</sup>  
Capital: Cairo  
Ports: Ayn Sukhnah, Alexandria, Damietta, Suez

Population: 83.08 million (Jul 2009 est)  
Urban population: 43% of total population  
Population Growth: 1.642% (2009 est)

GDP: US\$ 162.2 billion (2008 est)  
GDP per capita (PPP): US\$5,400 (2008 est)  
GDP Real Growth: 7.2% (2008 est)

Total Exports: US\$29.85 billion (2008 est)  
Commodities: Crude oil & petroleum, cotton, textiles, metal products, chemicals.  
Major partners: Italy, USA, Spain, Syria, Saudi Arabia, Japan, Germany

Total Imports: US\$56.62 billion (2008 est)  
Commodities: Machinery & equipment, foodstuffs, chemicals, wood products, fuel  
Major partners: USA, China, Italy, Germany, Saudi Arabia

Currency: Egyptian pounds (EGP)  
Exchange Rate: EGP 5.467 per US\$1 (7 Nov '09)

Source: World Factbook [www.cia.gov](http://www.cia.gov)