



Prospect of Palm Oil useage in food application in Egypt

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Outlines

1. Why Palm Oil
2. Why Egypt
3. Palm oil in food applications
4. Consumer behavior



MALAYSIAN PALM OIL COUNCIL & MALAYSIAN PALM OIL BOARD

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Why Palm Oil? Why Egypt?

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Why Palm Oil

Palm oil accounts for 35% of the world's vegetable oil market and there's a very good reason why.

o **Efficiency**

Harvested all year round, oil palm trees produce on average 10 tonnes of fruit per hectare (3,74mt/Ha) - far more than soya, rapeseed and sunflower crops.

o **Versatility**

Palm oil can be processed and blended to form a wide range of products with different usage.

o **Feeding a global population**

Since oil palm is the most efficient oil crop available it one of the majors oils in feeding global population (Global population reached 7.2 billion).

Why Egypt

- **Well structured oils & fats industry.**

- **Trade agreements**

 - trade arab agreement & COMESA.

- **Fast growing food industry**

 - The sector averaged an annual growth rate of 12 percent in the last 5 years.

 - Source GAIN 2015*

- **Growing population** (almost 90M with).

 - Total consumption of oils and fats in 2014 stood at 2.086 million metric tones (MT), which represents a 27.8 percent growth over the past five years.

 - Palm oil holds the greatest market share of 34.5 percent in 2014.

- **Low import tariff**

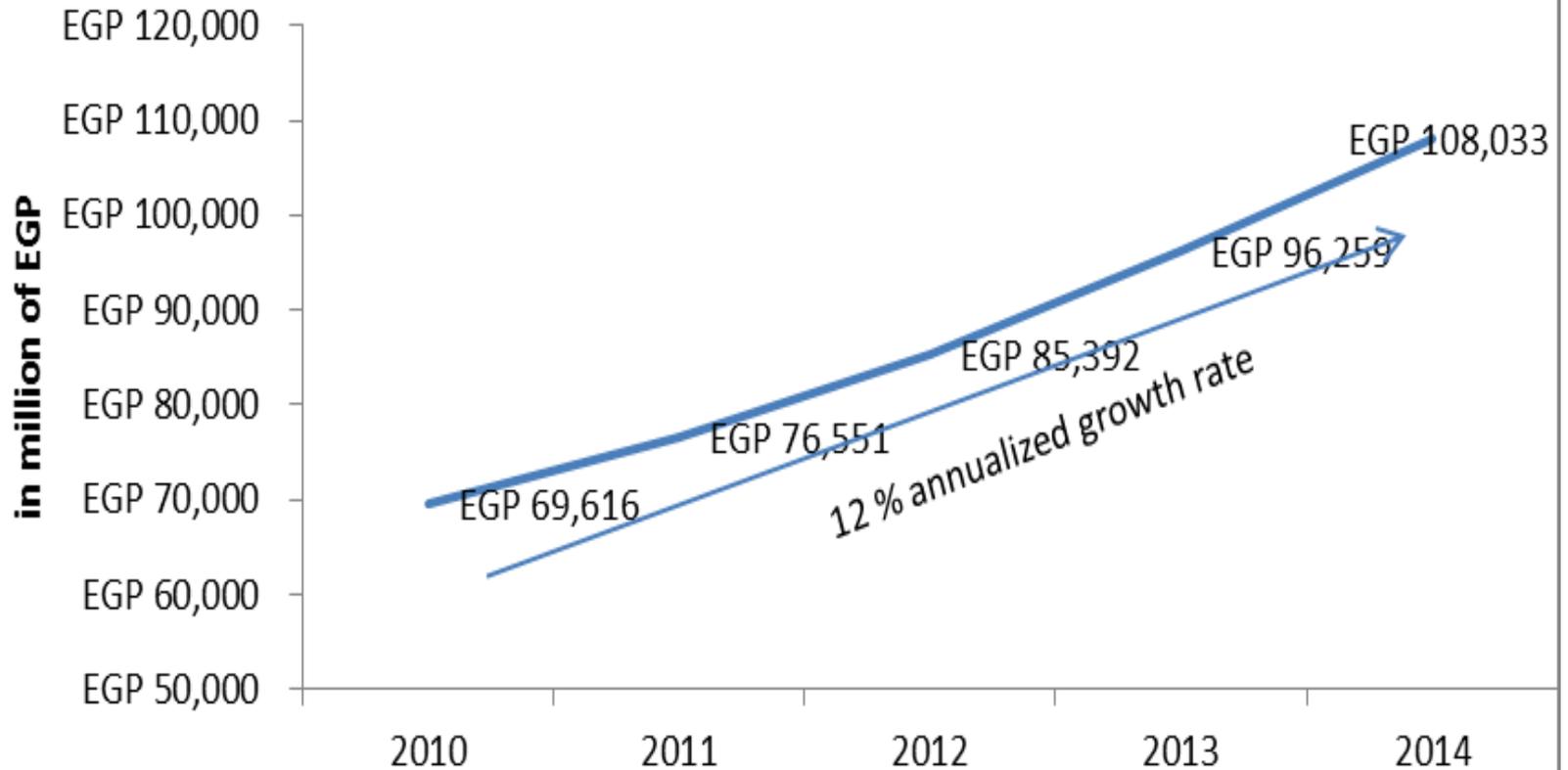
 - 0% customs duties for most edible oils.

- **Unique geographic location**

 - Egypt become a hub for refining, packaging and re-exporting imported palm oil in the region.

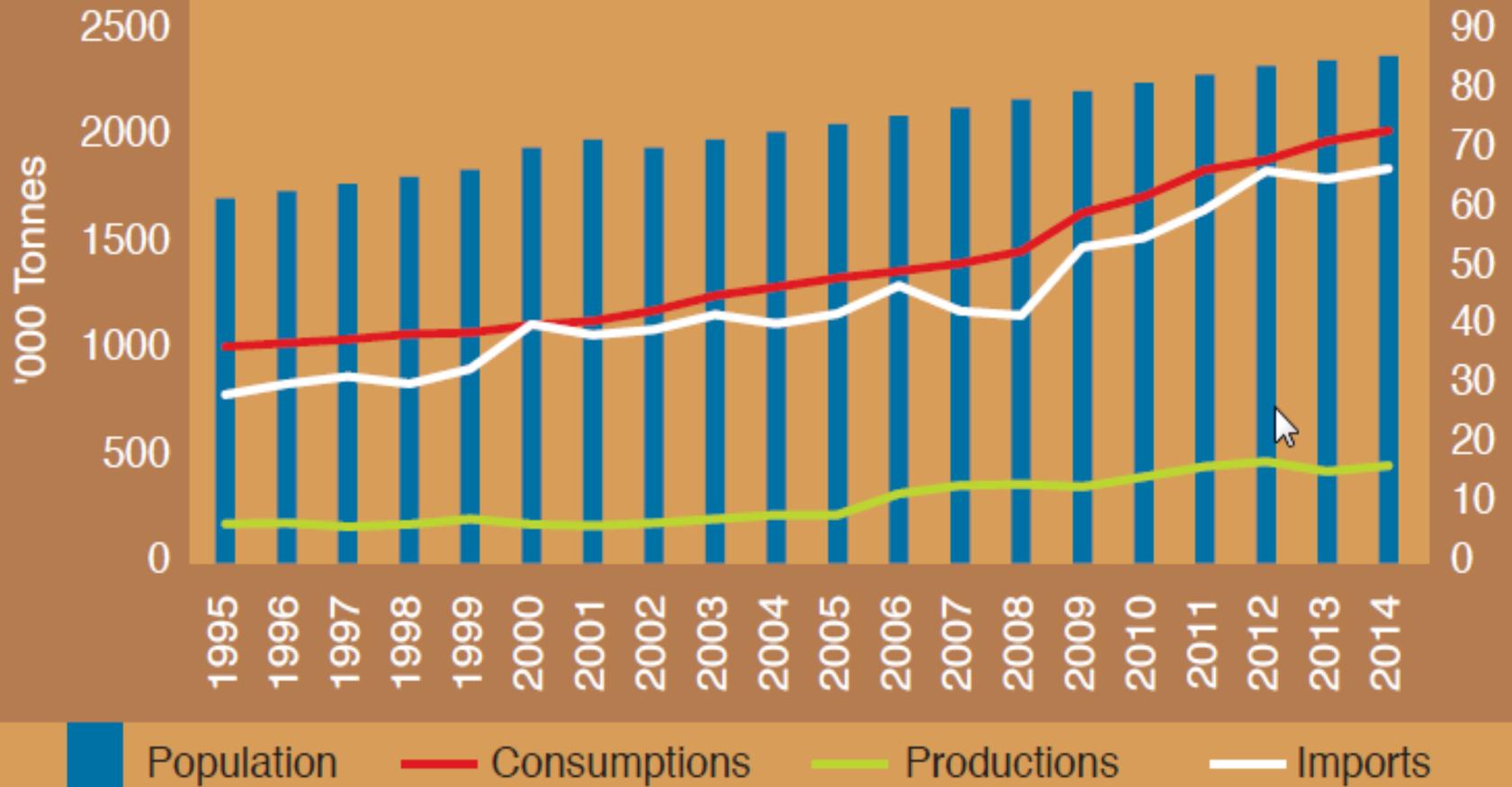
The food processing sector averaged an annual growth rate of 12 percent in the last 5 years.

Figure 1: Value of Egypt's Food Processing Sector



Source: CAPMAS

Population VS Oils & Fats Consumptions, Productions & Imports



Source: Oil World



Palm Oil in Food Applications in Egypt

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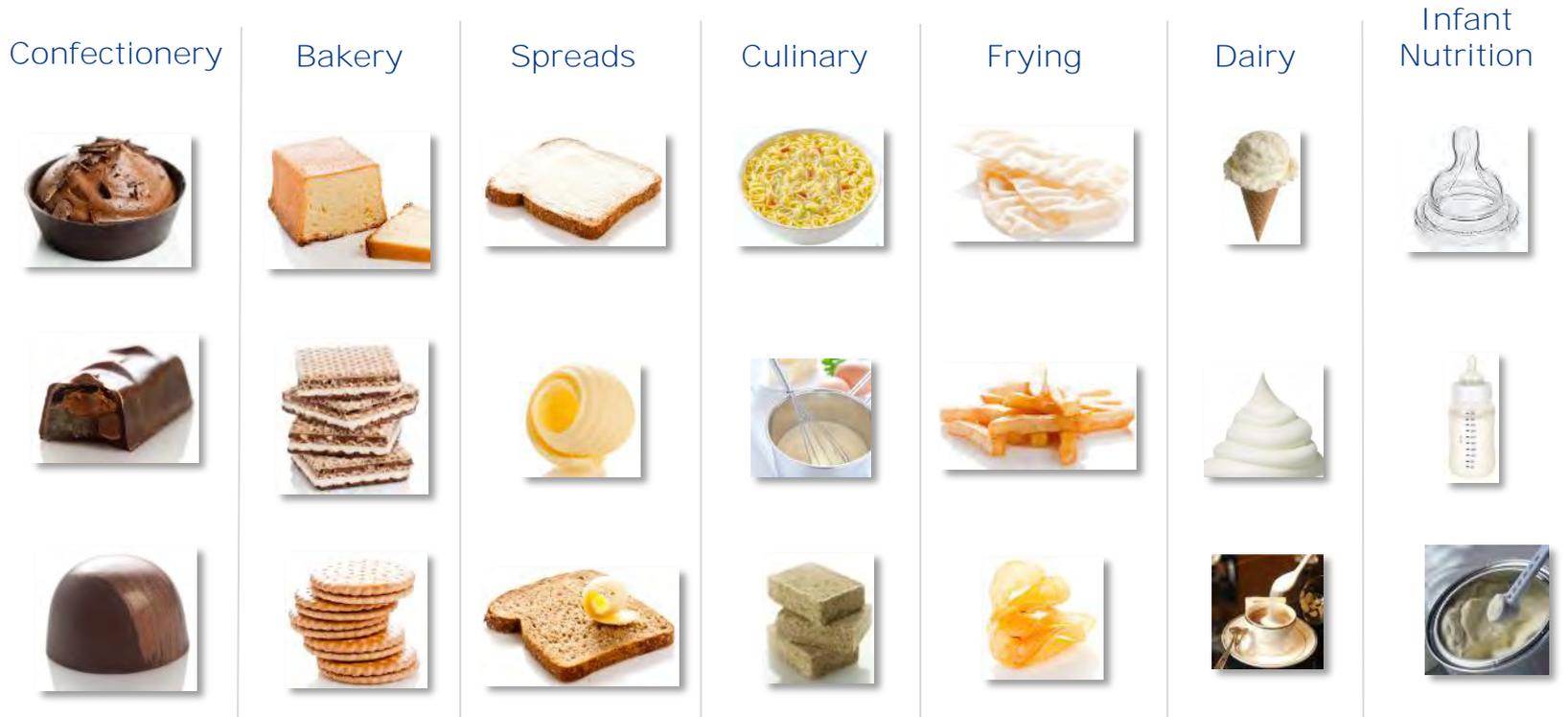
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At home in all segments

85% of palm oil in Egypt used in human food consumption



Source GAIN 2015

Majors Food Applications

- **Chee & Margarine**

(Table margarine – industrial margarine).

- **Frying & Cooking oil**

(snack, Potato).

- **Confectionary**

(Compound chocolate – 5% of Real chocolate).

- **Bakeries**

(Cakes, Biscuits ,cookies & hard biscuits).

- **Dairy products**

(Ice cream ,processed cheese & soft cheese).

- **Culinary.**



Bakery & Chocolate (Specialty fats Application)

- **Baked products and chocolate confectionery are two growing food sectors in Egypt.**
- Baked bakeries goods including bread, cakes and pastries have a two percent volume growth, and an eight percent current value growth between 2013 and 2014. The sales volume of 9.171 million MT in 2014 is forecast to grow with a CAGR of 1.86 percent for the next five years.
- Chocolate confectionery continues to grow in Egypt due to the greater number of young consumers, those aged under 30, who often have a sweet tooth and enjoy snacking on chocolate confectionery products. The sales value Of chocolate confectionery products which was at US\$337.6 million in 2014 is expected to grow with a CAGR of 8.16 percent over the next five years.

Source: MPO FORTUNE Vol 7 2015



Prospects of Consumer Behavior

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Prospects of consumer behavior

o **Price is the key purchasing factor**

-Price is a key factor in the selection of cooking oils and fats by Consumers, Palm oil has the competitive advantage over other oils and fats.

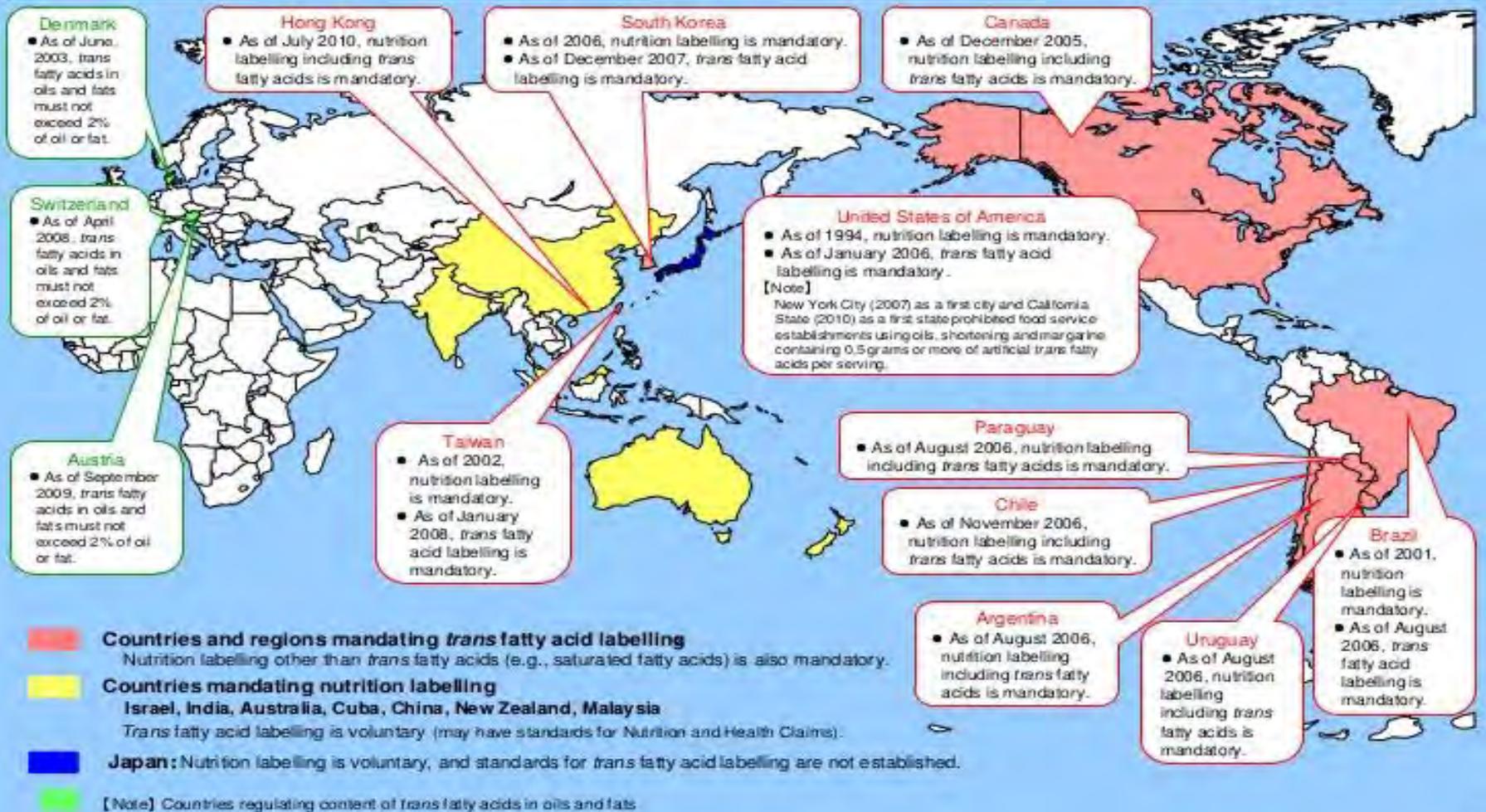


o **Increasing in health awareness**

-Negative effects of animal fats.

-Negative effects of trans fatty acids, trans fats have received much interest in recent years and health concerns about these fats has recently led to many manufacturers reducing the amounts of trans fats in foods.

Global regulatory trends on Nutrition labelling and *trans* fatty acid labelling



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Thank you
