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**A BRIEF OVERVIEW OF THE MARKET
OPPORTUNITIES**

**IN EGYPT FOR DESICCATED
COCONUT,**

ACTIVATED CARBON & COCO PEAT

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A brief overview of the market opportunities in Egypt for Desiccated Coconut, Activated Carbon & Coco Peat

1. Introduction

Among the products that Sri Lanka exports to Egypt, it is undoubtedly Ceylon Tea holds the lead for the past several years. The demand for Ceylon Tea and the preference of Egyptians to consume the black tea always pave the way for this commodity to enter this market even though there is a huge competition from the Kenyan Tea. It may be noted that 80% of the tea market is dominated by Kenyan Tea and Ceylon Tea only holds approximately 4% of the market share. It is also notable that Kenyan Tea enters this market under 0 duty while the import of Ceylon Tea has to undergo a 2% of customs duty.



When the export basket of Sri Lanka to Egypt is closely monitored it will reveal that for a longer period of time Sri Lanka depends on the same type of products such as Ceylon Tea, Spices, Apparel, Rubber products, Coconut-related products, etc. Even though the export basket of Sri Lanka to Egypt be diversified, considering the current situation it is worthy to identify what are the existing products that Sri Lanka could be exported to Egypt more or in higher quantities.

Accordingly, in this brief overview, it is envisaged to identify such products that Sri Lanka already exports to the Egyptian market and the product which could be increased its quantity of exports more. In this context, three main commodities were identified. Those are Desiccated Coconut (HS code 080111), Activated carbon (HS code 380210), and Coco Peat (HS code 530500)

2. Desiccated Coconut (HS code 080111)

Egypt is a country that consists of a population of 110 million. (approximately) It is well known that most Egyptians prefer to consume confectionary items, especially during the festival seasons. In preparation of most of the confectionary items, Egyptians are using coconut-related products, especially desiccated coconut as an ingredient. However, the supply of the ingredient is not fulfilled within the country and as a result , Egyptians tend to import those.

The real opportunity for the Sri Lankan products (Desiccated Coconut) arises due to this. Mainly Egypt imports Desiccated coconut from the countries such as Vietnam, Indonesia, Sri Lanka, the

Philippines, etc. the below table clearly evidences the import value of Desiccated coconut by Egypt during the last five years.



Although Sri Lanka is among the first three countries as import partners of the product of Egypt, it is undisputed that Sri Lanka could do more in this sector due to its capacity and the product quality. In most cases, though Indonesia and Vietnam are dominated the market Sri Lanka also could perform well in this sector since the **quality of the product is well ahead of the products imported from the aforementioned countries**. The unofficial information received from the grass-root always reveals that the products imported from Sri Lanka are more appealing than the competitor's products. However, most Egyptian buyers are reluctant to engage in trade deals with **Sri Lankan suppliers due to the inability of price matching to this market**. This is the main reason that hinders the availability of the Sri Lankan products in this market.

The below table shows the level of imports of Desiccated coconut by Egypt from overseas countries. it explains the current situation of Sri Lanka in exporting the product to Egypt. Further, it shows where the competitors are also. It may be noted that by identifying more trading partners Sri Lanka could perform well in the sector in the future. Therefore, the main concern of the Egyptian buyers, the **price should be addressed at the earliest**.

**Table 1 - Desiccated Coconut imports of Egypt during the last 5 years
Value USD Mn.**

Exporters	2017	2018	2019	2020	2021
Vietnam	6.33	21.58	15.24	5.61	12.11
Indonesia	7.26	9.54	3.99	9.58	7.71
Sri Lanka	4.62	2.94	4.71	5.45	6.40

Philippines	0.32	0.45	0.54	1.72	0.91
India	0.75	0.04	-	0.18	0.49
Other countries	1.47	0.69	0.13	0.48	4.14
Total Imports	20.75	35.23	24.62	23.01	31.76

Source :Trade Map

The below table gives a clear idea of the capacity of Sri Lankan manufacturers/exporters to supply the DC product to the Egyptian Market. According to the figures appearing in the table, Sri Lanka could double its supply of desiccated coconut to the Egyptian market based on the demand.

Table 2 - Comparison of imports of Desiccated Coconut of Egypt

Value USD Mn.

Product Code	Product Label	Egypt's imports from Sri Lanka in 2021	Sri Lanka's exports to world in 2021	Egypt's imports from world in 2021
080111	Desiccated coconut	6.40	92.66	31.76

Source :Trade Map

Activated carbon (HS code 380210)

Activated Carbon is another potential product that the Egyptian market is demanding. This commodity is mostly used to purify liquids and gases in a variety of applications, including municipal drinking water, food and beverage processing, odor removal, and industrial pollution control. As per the information [sources more than 130 Activated Carbon import shipments are taking place in Egypt monthly](#). Further, the information sources reveal that the top 3 product categories of Activated carbon Imports in Egypt are HS Code 38021000, HS Code 38021032, and HS Code 38021029. Egypt imports most of its Activated carbon from [India, the United States, and Sri Lanka](#).

Since Egypt is not producing the product, activated carbon is imported from overseas countries in considerable amounts. As per the below table, India is the main import partner of Egypt for the product. However, Egyptian buyers are considering that the Sri Lankan products are of quality. Moreover, [it is revealed by some Egyptian buyers that although they buy the product from India, the real origin of the product is Sri Lanka](#). That implies that India buys the Sri Lankan product and reexports the same to countries such as Egypt. Therefore, if the business community of Sri Lanka

acts wisely, this chain of trade could be turned towards Sri Lanka directly without the involvement of India.

Table 3 - Activated Carbon imports of Egypt during the last 5 years
Value USD Mn.

Exporters	2017	2018	2019	2020	2021
India	0.52	1.96	1.83	1.25	1.97
USA	3.22	2.57	3.04	2.00	1.47
Germany	3.08	0.60	0.81	1.17	0.81
Sri Lanka	0.11	0.64	0.57	0.34	0.80
China	0.69	1.03	0.65	1.14	0.71
Turkey	0.01	0.28	0.13	0.24	0.64
World	11.30	10.38	10.79	9.28	10.32

Source :Trade Map

Table 4 shows the export capacity of activated carbon of Sri Lanka to the world and its current export to Egypt. By looking at these figures it may be concluded that Sri Lanka could enhance its export of Activated Carbon to Egypt in a substantial volume.

Table 4 - Comparison of imports of Activated Carbon imports of Egypt
Value USD Mn.

Product Code	Product Label	Egypt's imports from Sri Lanka in 2021	Sri Lanka's exports to world in 2021	Egypt's imports from world
380210	Activated carbon	0.80	149.761	10.32

Source :Trade Map

Coco Peat (HS code 530500)

In Egypt, Coco peat is mostly used by the agricultural sector. In most cases, agricultural people are enthusiasts to see cocopeat as a sustainable alternative to soil. As a country, Egypt is mostly covered by desert conditions this product is very important for the growers to cultivate their agricultural products. As per the comments of the business community plants grown in cocopeat grow fifty percent faster than they would in soil. It also eliminates the need for fertilizers, herbicides, and pesticides as peat itself carries ample nutrients.



Accordingly, Sri Lanka has good potential in this market to export coco peat based products. Most trade enquires received by the commercial division of the Embassy emphasize the requirement of the product from Sri Lanka. However, it is identified that although the demand is there, **Sri Lankan suppliers are not responding properly to the inquiries made by the Egyptian buyers**. It may be noted that this ignorance automatically diverts the business towards the competitors, especially towards India.

The below table shows the main supply partners of the product to Egypt. According to the data, it reveals that India is a main supplier of the product representing the Asian region. However, when the history of import of the product is analyzed India was not a regular supplier of the product. For some years there were no substantial figures appearing under the name of India with regard to the imports of Coco Peat. Nevertheless, Sri Lanka is among the regular suppliers of the product to Egypt. In this connection, it is important to safeguard the market share of the country with regard to the commodity of Cocopeat. Also, it is important to highlight, that the **Sri Lankan suppliers should more focus on this market as there are a considerable number of potential buyers** in this market who expect to import the product specifically from Sri Lanka.

Table 5 – Coco Peat imports of Egypt during the last 5 years

Exporters	Value USD Mn.				
	2017	2018	2019	2020	2021
Kenya	1.56	2.16	2.14	1.83	2.29
Tanzania	0.19	0.46	0.75	0.41	0.83

Brazil	2.21	2.8	1.17	1.61	0.70
China	-	0.13	0.15	-	0.11
India	0.02	-	0.05	-	0.06
Sri Lanka	0.04	0.02	0.03	0.02	0.04
World	4.03	5.7	4.28	3.87	4.52

Source :Trade Map

Table 6 - Comparison of imports of Coco Peat imports of Egypt

The below table shows the supply capacity of Sri Lanka

Value USD Mn.

Product Code	Product Label	Egypt's imports from Sri Lanka in 2021	Sri Lanka's exports to world in 2021	Egypt's imports from world in 2021
530500	Coco Peat	0.04	111.21	4.52

Source :Trade Map

The above table depict the capacity of Sri Lanka in exporting the commodity Coco peat to Egypt while comparing its current volume of exports to the world. Accordingly, it could be concluded that Sri Lanka could increase its coco peat export to the Egyptian market in massive volumes.

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