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Egypt Raises Tariffs On “Provocative Products”

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Report Highlights:

A new presidential decree has raised import tariffs for 364 tariff lines, of which 53 lines pertain to food and agricultural products. Tariffs for the majority of these tariff lines increased by 100 and 200 percent. From January through July of 2016, the United States’ total exports to Egypt for the 53 food and agricultural-related tariff lines were valued at USD 1.65 million which represented 1.5 percent of Egypt’s total imports from all origins for the concerned products. Post expects that U.S. exports under these tariff lines will drop by 80 percent in 2017 and anticipates that importers of these products will shift more towards suppliers from countries that have free trade arrangements with Egypt.

General Information:

On November 30, 2016, Presidential Decree (538/2016) was published in the official gazette, raising import tariffs for 364 tariff lines including 53 lines of food and agricultural products. In the decree, the government described these goods as “provocative” or “unnecessary”, essentially luxury, products. The food and agricultural items include fresh and dried fruits, chocolate and food preparations containing cocoa, crispbread, gingerbread, sweet biscuits, waffles and wafers, processed nuts, juices, and ice cream. Import tariffs for the majority of these lines were raised by 100 to 200 percent while the rest by 50, 125, 300, 500 and 700 percent (see table 1).

According to the Cabinet’s spokesperson, the decree is intended to promote an environment that will attract investments, which would bring much-needed know-how to produce many more goods locally, substituting for imports that are a drain on the country’s foreign exchange reserves.

**Table (1): Percentage Increase
for the 53 Tariff Lines**

Number of Tariff Lines	Percentage Increase	Change in Tariff Rate
3	50%	30% to 45% 40% to 60%
18	100%	10% to 20% 20% to 40% 30% to 60%
1	125%	20% to 45%
26	200%	20% to 60%
1	300%	5% to 20%
2	500%	10% to 60%
2	700%	5% to 40%

For the 53 food and agricultural tariff lines, from January through July of 2016, the United States exports were valued at USD 1.65 million representing 1.5 percent of Egypt’s total imports from all origins for the categories of products covered. Post expects that in 2017 U.S. exports of these products will drop by 80 percent due to the changes. Sugar confectionary (HS 170490), nuts and other seeds prepared or preserved (HS 200819), mixtures of fruits and nuts prepared or preserved (HS 20089910) and ice cream and other edible ice (HS 210500) would be hardest hit.

From January through July 2016, U.S. exports of sugar confectionary (HS 170490) were valued at \$369,155 representing 8 percent of Egypt’s total imports from all origins, nuts and other seeds prepared or preserved (HS 200819) were at \$694,684 or 13.7 percent of Egypt’s total imports for this category, mixtures of fruits and nuts prepared or preserved (HS 20089910) were at \$75,004 or 12.5 percent Egypt’s total imports from all origins and ice cream and other edible ice (HS 210500) were at \$145,700 representing 13.4 percent of Egypt’s total imports (table 2).

The overall impact of the tariff increases on the food and agricultural tariff lines could be minimal to the extent importers shift to suppliers from countries that have free trade agreements with Egypt. These countries enjoy zero-tariff rates access for all of these products (table 2). This includes the European Union countries (EU-Egypt Partnership Agreement), Arab countries (Greater Arab Free Trade Agreement), The Common Market for Eastern and Southern Africa (COMESA Free Trade Agreement)

and Turkey (Egypt-Turkey Free Trade Agreement).

Table (2): Egypt's Presidential Decree 538/2016 November 30, 2016, of Increasing Tariffs on 53 Agricultural Tariff Lines

HS	Description	Bound Rate	Current Tariff	New Tariffs	Egypt's Total Imports 2015	Egypt's Total Imports Till July 2016	U.S Exports in 2015	U.S. Exports Till July 2016	% of U.S. Exports in 2015	% of U.S. Exports Till July 2016	Main Partners
080310	Fresh or dried plantains	60	30	60	2,136,859	145,799	0	0	0	0	Ecuador, Costa Rica, India, Indonesia, Mexico
080390	Fresh or dried bananas (excl. plantains)	60	30	60	19,916,180	7,095,429	0	0	0	0	Ecuador, Costa Rica, Colombia, Philippines, Sri Lanka
080430	Fresh or dried pineapples	40	20	40	1,105,732	749,790	0	0	0	0	Philippines, Malaysia, Kenya, Thailand
080440	Fresh or dried avocados	40	20	40	1,054,608	123,069	0	0	0	0	Kenya, Argentina, Ethiopia,
080450	Fresh or dried guavas, mangoes and mangosteens	45	20	45	7,053	262	0	0	0	0	Germany, India, Kenya, Saudi Arabia
080510	Fresh or dried oranges	60	30	60	18,605	0	0	0	0	0	Morocco, Russia
080520	Fresh or dried mandarins incl. tangerines and satsumas, clementines, wilkings	60	30	60	67	0	0	0	0	0	South Africa

	and similar citrus hybrids										
080910	Fresh apricots	60	30	60	2,240,740	1,968,263	0	0	0	0	Lebanon, Syria, Greece, Italy, Jordan, South Africa
080930	Fresh peaches, incl. nectarines	60	10	60	5,914,358	3,925,621	0	0	0	0	Greece, Lebanon, Spain, Italy, Syria, Jordan
080940	Fresh plums and sloes	60	10	60	6,006,466	10,791,432	0	0	0	0	Syria, Lebanon, Greece, Spain, Italy, Chile, Turkey
170410	Chewing gum, whether or not sugar-coated	60	40	60	1,427,771	528,482	2,550	0	0.1786	0	Saudi Arabia, Bahrain, China, Turkey, Malta, Mexico
170490	Sugar confectionery not containing cocoa, incl. white chocolate (excl. chewing gum)	60	40	60	10,787,543	4,582,469	478,301	369,155	4.433827	8.05581	Turkey, China, Spain, US, Germany, UAE, Syria, Belgium
180610	Cocoa powder, sweetened	60	10	20	134,561	82,807	3,488	1,905	2.592133	2.30053	Indoesia, Netherlands, UK, Italy, US, Malaysia, Germany
180620	Chocolate and other food preparations containing cocoa, in blocks, slabs or bars	60	10	20	13,828,324	5,714,344	102,358	159,270	0.740205	2.787197	UAE, Belgium, Italy, France, US, Poland, Netherlands

	weighing > 2 kg or in liquid, paste, powder, granular or other bulk form, in containers or immediate packings of a content > 2 kg (excl. cocoa powder)										
18063 1	Chocolate and other preparations containing cocoa, in blocks, slabs or bars of <= 2 kg, filled	60	20	40	11,733,588	10,779,947	10,667	674	0.09091	0.006252	UAE, India, Turkey, Germany, Netherlands, Poland
18063 2	Chocolate and other preparations containing cocoa, in blocks, slabs or bars of <= 2 kg (excl. filled)	60	20	40	980,597	413,511	0	0	0	0	Germany, Switzerland, Greece, Turkey, Syria, Italy

180690	Chocolate and other preparations containing cocoa, in containers or immediate packings of <= 2 kg (excl. in blocks, slabs or bars and cocoa powder)	60	20	40	12,416,859	6,444,037	137,705	35,522	1.109016	0.551238	Poland, Germany, Italy, Netherlands, Turkey, UK
190510	Crispbread	60	30	60	71,155	25,965	181	162	0.254374	0.623917	France, Portugal, Germany, US, Saudi Arabia, Thailand
190520	Gingerbread and the like, whether or not containing cocoa	60	30	60	167,538	148,336	1,911	0	1.140637	0	Spain, France, Saudi Arabia, Italy, Germany, India, US
190531	Sweet biscuits	60	30	60	16,412,991	7,137,853	23,670	130,415	0.144215	1.82709	Turkey, UAE, Saudi Arabia, Italy, UK, France, Netherlands
190532	Waffles and wafers	60	30	60	9,030,876	3,930,738	0	0	0	0	UAE, Turkey, UK, Italy, Belgium, Bulgaria, Syria, Poland
190540	Rusks, toasted bread and similar toasted products	60	30	60	76,848	151,306	1,560	3,092	2.029981	2.043541	UK, Thailand, France, China, Italy, US, Korea, South Africa

20081 9	Nuts and other seeds, incl. mixtures, prepared or preserved (excl. prepared or preserved with vinegar, preserved with sugar but not laid in syrup, jams, fruit jellies, marmalades, fruit purée and pastes, obtained by cooking, and groundnuts)	60	20	60	7,713,525	5,038,347	176,794	694,684	2.292	13.78793	Turkey, Spain, Italy, US, Lebanon, Kuwait, UAE, France
20082 0	Pineapples, prepared or preserved, whether or not containing added sugar or other sweetenings	60	20	40	1,873,177	2,298,676	0	0	0	0	Thailand, Indonesia, Taiwan, US, Vietnam, Spain

	g matter or spirit (excl. preserved with sugar but not laid in syrup, jams, fruit jellies, marmalades, fruit purée and pastes, obtained by cooking)										
200830	Citrus fruit, prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, n.e.s.	60	20	60	131,756	4,081	0	0	0	0	Switzerland, Syria, France, China
200850	Apricots, prepared or preserved, whether or not containing added sugar or other sweetenin	60	20	60	181,355	32,417	0	0	0	0	China, Kuwait, Syria, Turkey, Greece

	g matter or spirit (excl. preserved with sugar but not laid in syrup, jams, fruit jellies, marmalades, fruit purée and pastes, obtained by cooking)										
200860	Cherries, prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit (excl. preserved with sugar but not laid in syrup, jams, fruit jellies, marmalades, fruit purée and pastes,	60	20	60	22,346	36,503	0	0	0	0	Iran, Italy, Bulgaria, Greece

	obtained by cooking)										
200870	Peaches, incl. nectarines, prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit (excl. preserved with sugar but not laid in syrup, jams, fruit jellies, marmalades, fruit purée and pastes, obtained by cooking)	60	20	60	1,746,864	1,508,185	0	0	0	0	Greece, Morocco, Turkey, US, Austria, Belgium
200880	Strawberries, prepared or preserved, whether	60	20	60	56,646	140,311	0	0	0	0	Morocco, France, Germany, Italy, Netherlands

	or not containing added sugar or other sweetening matter or spirit, n.e.s.										
20089710	Mixtures of Fruit, Nuts And/Or Other Edible Parts Of Plants, Prepared Or Preserved, Except Mixtures Ingoing The Sub Item 20081900, Otherwise Prepared Or Preserved Or Sugar Added, For put up for retail sale in packages + < 10 kg	60	20	60	81,541	392	0	0	0	0	Thailand, UK, US, China, France, Spain
20089790	Mixtures Except Mixtures Ingoing The Sub	60	5	40	65,100	0	0	0	0	0	Germany, Netherland

	Item 200 819 00, In Packages Of 10 Kg Or More, Otherwis e Prepared Or Preserved Or Sugar Added										
20089 910	For put up for retail sale in packages + < 10 kg	60	20	60	281,011	598,620	2,836	75,004	1.0092 13	12.529 48	Belgium, US, Vietnam, Thailand, France, UAE, Turkey
20089 990	Other of Mixtures of Fruit, Nuts and/or other Edible parts of Plants, in packages > 10 kg	60	5	20	1,356,13 3	494,178	0	313	0	0.0633 38	India, Ecuador, Morocco, France, Spain, Oman, US, UK
20091 1	Frozen orange juice, unfermen ted, whether or not containin g added sugar or other sweetenin g matter (excl. containin	60	20	60	13,856	21,016	2,319	265	16.736 43	1.2609 44	France, Austria, Spain, Germany, Saudi Arabia

	g spirit)										
200912	Orange juice, unfermented, Brix value <= 20 at 20°C, whether or not containing added sugar or other sweetening matter (excl. containing spirit and frozen)	60	20	60	151,214	39,627	3,621	0	2.39462	0	Spain, Netherlands, Turkey, US, Cyprus, Denmark
200919	Orange juice, unfermented, whether or not containing added sugar or other sweetening matter (excl. containing spirit, frozen, and of a Brix value <= 20 at	60	20	60	555,984	181,032	45	0	0.008094	0	Brazil, Saudi Arabia, South Africa, Spain, Turkey, US

	20°C)										
200921	Grapefruit juice, unfermented, Brix value ≤ 20 at 20°C, whether or not containing added sugar or other sweetening matter (excl. containing spirit)	60	20	60	50,487	0	0	0	0	0	Algeria, Cyprus, Italy, Jordan, Lebanon, Thailand, UK
200929	Grapefruit juice, unfermented, Brix value > 20 at 20°C, whether or not containing added sugar or other sweetening matter (excl. containing spirit)	60	20	60	108,656	21,399	0	0	0	0	France, Spain, Thailand, UK, Italy

200939	Single citrus fruit juice, unfermented, Brix value > 20 at 20°C, whether or not containing added sugar or other sweetening matter (excl. containing spirit, mixtures, orange juice and grapefruit juice)	60	20	60	182,378	13,862,788	0	0	0	0	UAE, Saudi Arabia, Mexico, Spain, Thailand, Algeria
200941	Pineapple juice, unfermented, Brix value <= 20 at 20°C, whether or not containing added sugar or other sweetening matter (excl. containing spirit)	60	20	60	78,593	189,263	0	0	0	0	Spain, Cyprus, Thailand, Turkey, US

200949	Pineapple juice, unfermented, Brix value > 20 at 20°C, whether or not containing added sugar or other sweetening matter (excl. containing spirit)	60	20	60	230,977	1,369,683	0	0	0	0	Spain, Netherlands, Thailand, Turkey, Bulgaria, Cuba
200950	Tomato juice, unfermented, whether or not containing added sugar or other sweetening matter (excl. containing spirit)	60	20	60	4,892	0	0	0	0	0	Bulgaria, Cyprus, Czech Republic, Italy, Turkey, UK
200961	Grape juice, incl. grape must, unfermented, Brix value <= 30 at 20°C, whether	60	20	60	209,900	38,992	0	0	0	0	Italy, Cyprus, Spain, UK

	or not containin g added sugar or other sweetenin g matter (excl. containin g spirit)										
20096 9	Grape juice, incl. grape must, unfermen ted, Brix value > 30 at 20°C, whether or not containin g added sugar or other sweetenin g matter (excl. containin g spirit)	60	20	60	1,272,35 9	1,610,53 9	0	0	0	0	Spain, Italy, Australia, Austria, Chile, Denmark
20097 1	Apple juice, unfermen ted, Brix value <= 20 at 20°C, whether or not containin g added sugar or other	60	20	60	371,590	72,712	0	0	0	0	Italy, Cyprus, Czech Republic, Germany, Sweden, Turkey

	sweetening matter (excl. containing spirit)										
200979	Apple juice, unfermented, Brix value > 20 at 20°C, whether or not containing added sugar or other sweetening matter (excl. containing spirit)	60	20	60	2,411,786	3,424,582	25,015	24,135	1.037198	0.704758	Austria, Spain, China, Germany, Italy, US
200981	Cranberry "Vaccinium macrocarpon, Vaccinium oxycoccos, Vaccinium vitis-idaea" juice, unfermented, whether or not containing added sugar or other	60	20	60	7,141	0	0	0	0	0	Denmark, Italy, UK, US

	sweetenin g matter (excl. containin g spirit)										
20098 9	Juice of fruit or vegetable s, unfermen ted, whether or not containin g added sugar or other sweetenin g matter (excl. containin g spirit, mixtures, and juice of citrus fruit, pineapple s, tomatoes, grapes, incl. grape must, apples and cranberrie s)	60	20	60	13,112,4 21	8,735,05 2	8,029	7,512	0.0612 32	0.0859 98	UAE, Spain, India, Germany, Poland, Lebanon
20099 010	Mixtures of juices	60	20	60	19,676,8 76	7,275,46 1	5,936	2,451	0.0301 67	0.0336 89	Saudi Arabia, UAE, Austria, Turkey, Thailand, Poland, US
20099 090	Other	60	5	40	671,547	1,036,41 9	0	0	0	0	Netherlands, Germany, Italy, Lebanon, Belgium, China

210500	Ice cream and other edible ice, whether or not containing cocoa	45	30	45	1,099,598	1,085,931	162,202	145,700	14.75103	13.41706	France, Spain, UAE, US, Italy, Poland, Saudi Arabia
	Total				169,189,028	113,855,666	1,149,188	1,650,259	0.679233	1.449431	