

ITA 2020

LAB UNIVERSITY –LAHTI –FINLAND

PRESENTATION OF EGYPT

Introduce Myself

- I am Amira Afifi, I am working in a International Agency in Timber Field “El Tobgi & Co.” as Assistant Manager since 2005.
- El Tobgi & Co. has been involved in Timber business since 1979 in Russia, Finland, Sweden and Canada
- Now El Tobgi & Co. is the sole representative of Aurora Wood trading Oy in Egypt.
- I am also EFBC chairman’s Assistant (Egyptian Finnish Business Council).
- I have been working in this field since my graduation, I was lucky enough as it was my first job and I still in the same field up till now.
- And my sister, Marwa Afifi, has joined our team in the import coordination department in the same company since 2013.

Egypt Market Import/Export

- according to the U.N. FAO, 0,1% or about 7,000 ha of Egypt is Forested.
- Egypt is depending on Timber Import from Mainly Russia 24%, Sweden 19%, Finland 18,5%, etc..
- The value of imports of Wood and articles of wood and wood Charcoal reported in 2020 is around 1.16 Billion US Dollars where Softwood represents 69,3% equal to 984 million US Dollars, MDF 16%, 15% Plywood.
- Egypt is considered the port of Sudan, libya and Palestine as many softwood importation comes in Alexandria port and then transported via land to these countries..
- The value of exports of Wood and articles of wood and wood Charcoal reported in 2020 is around 244 Million US Dollars where export of furniture is 89%.
- The furniture industry is the 3rd largest industrial sector in terms of numbers of establishments and employment
- In the last decade, the furniture industry has witnessed a boom mainly due to the growth of Egyptian exports which was fueled by the increase in demand from the Middle East, North African (MENA countries).
- The Egyptian furniture industry enjoys very strong fundamentals, including strong local demand, attractive economics for manufacturers, strong governmental support, and high consumption level with 81% of the population below the age of 45 years.
- Also, growing real state, retail , tourism and hospitality sectors by default complement the growth of the furniture market.
- Revenue in the furniture segment is projected to reach Usd 962,4 M in 2022

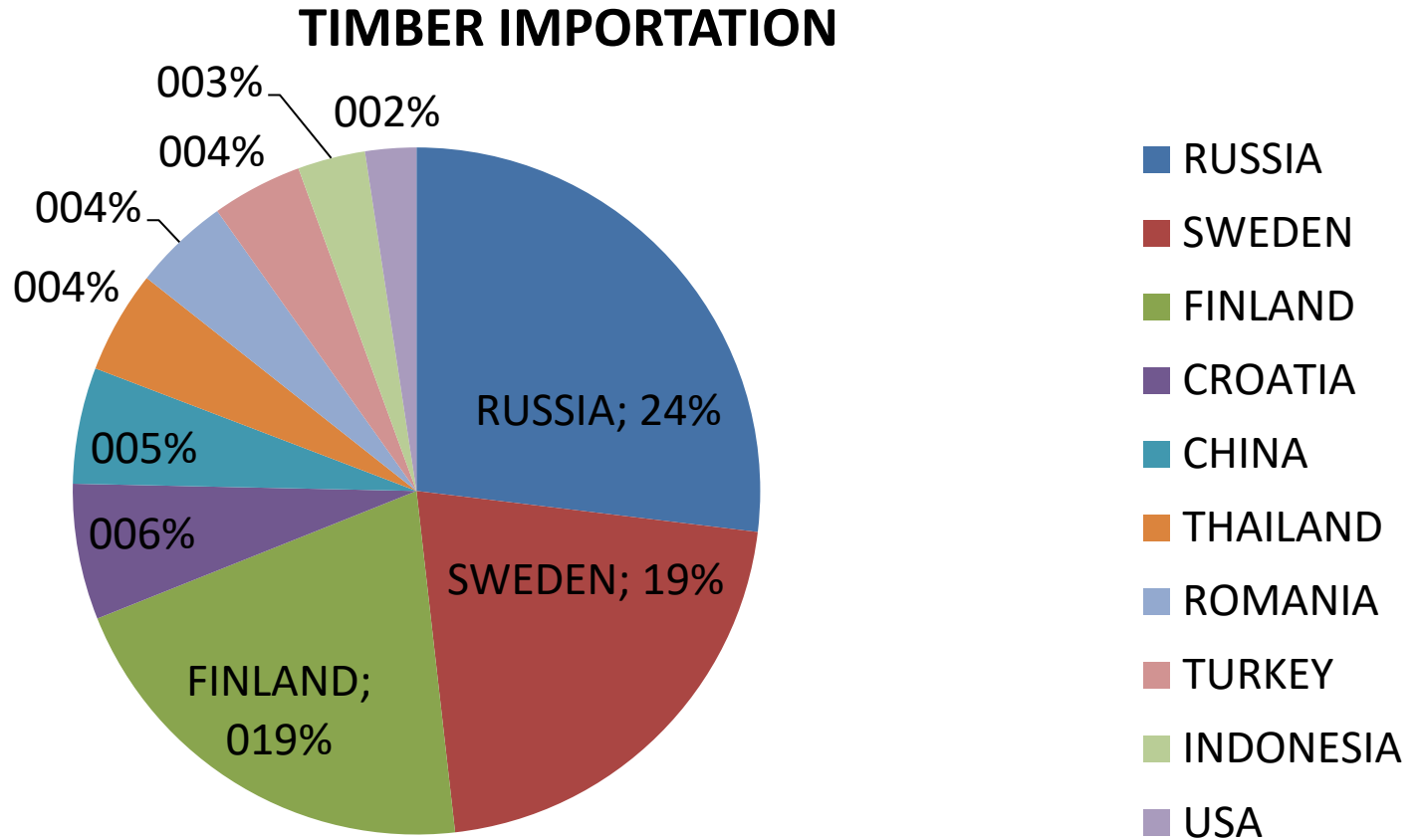
Egypt biggest timber importer in North Africa



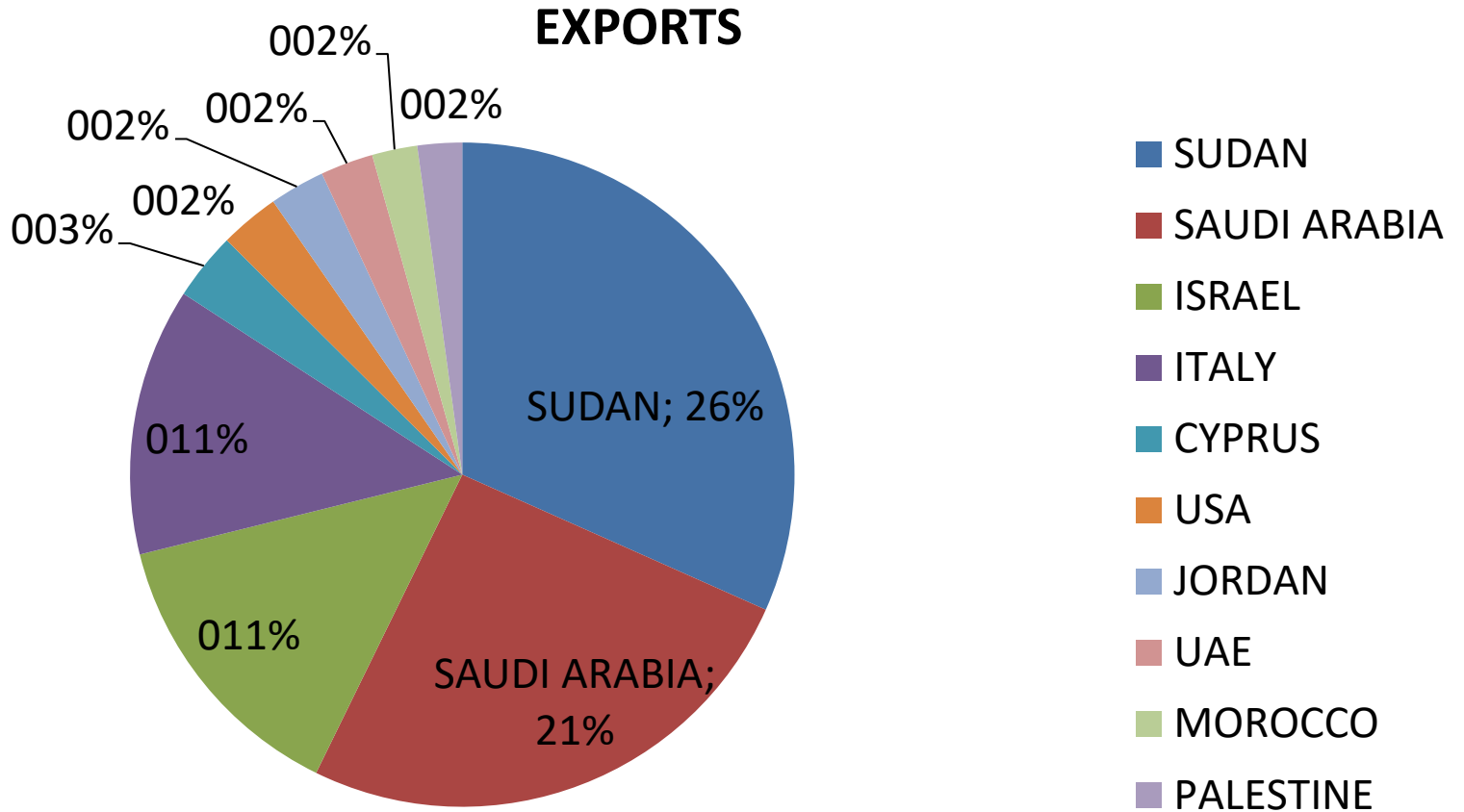
Ambassador Atle Asanti with President Gamal Abdel Nasser.

- Egypt is the largest sawntimber importer, mainly for Redwood.
- Since Egypt lacks a sawmilling industry, most of its needs of Softwood is imported where Redwood represents 75% and Whitewood 25%.
- Egyptian customers favour the Finnish Redwood over softwood from other origins.
- The trade between Finland and Egypt started in 1930 where both countries signed a temporary trade agreement. It was put in action when the ship Suomen Jousten sailed to Alexandria in December 1933.

TIMBER IMPORTATION



WOOD BASED PRODUCTS EXPORTATION



End uses for Wood based products

- Softwood is used in different sectors:
 - 1- construction/ housing industry
 - 2- plywood industry
 - 3- Filleries used in Scaffolding and shaders
 - 4- forming and joinery
 - 5- furniture industry
 - 7- doors, windows, shutters, flooring
 - 8- Roofing in upper Egypt
 - 9- Wooden planks for beds

Doors, Windows, Shutters



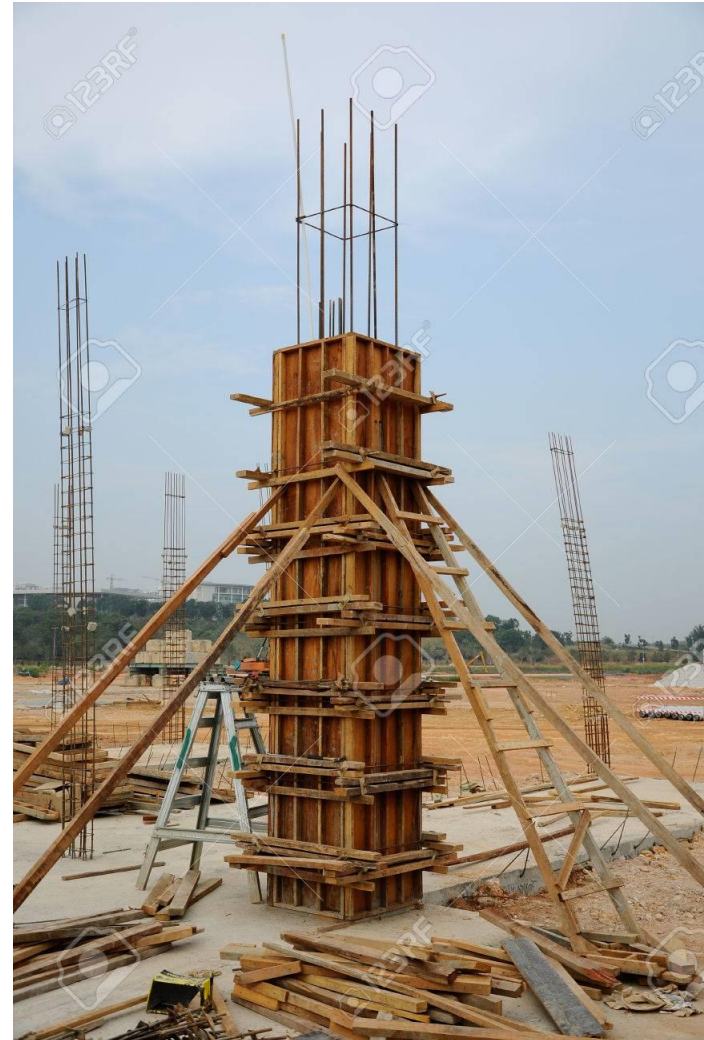
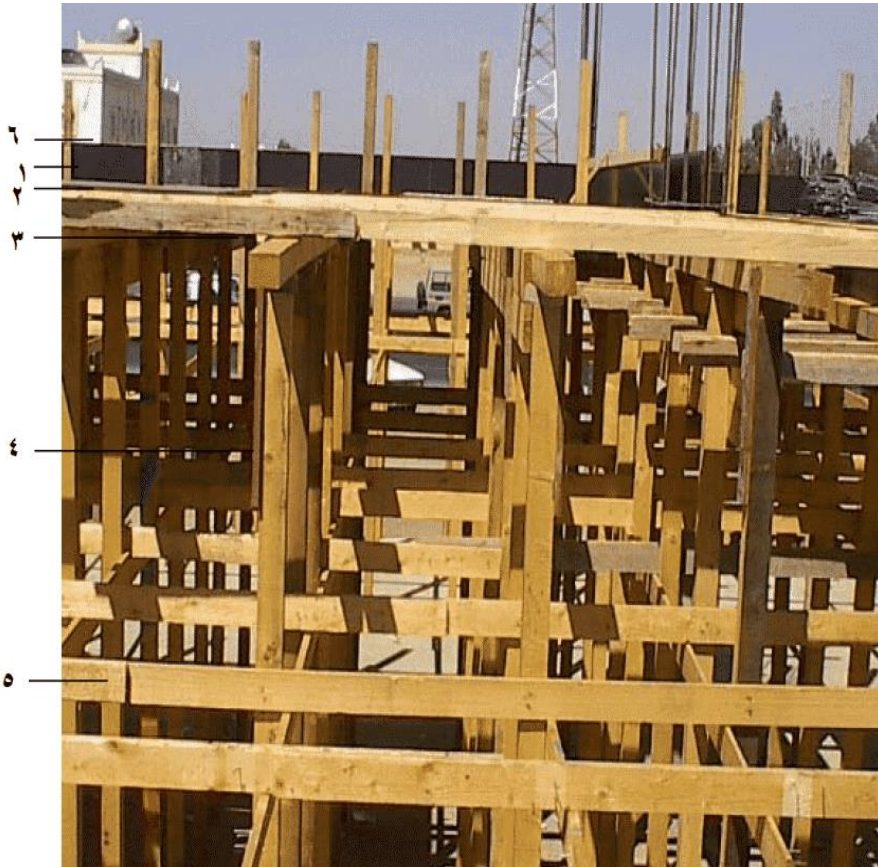
Arab Architecture



Scaffolding



Construction for Columns and Roof



Furniture industry



Challenges

- Cash flow and lack of liquidity
- War on Ukraine and flee of capital from developing countries.
- The war resulted in decreasing in tourism revenue of Foreign currency because Egypt is depending mostly on Russia and Ukraine in tourism sector.
- Unrest in Sudan and Libya has disrupted the inland transportation of Timber from Alexandria port.
- Replacement of Aluminum windows frames meanwhile it is not suitable for hot weather. it is widely used because of low cost compared to wooden shutters.
- Replacement of Metal columns instead of Filleries in scaffolding.
- Advance cargo information system to limit the importation.
- Egypt implemented L/C instead of CAD payments due to lack of US dollar
- EGP second depreciation 2022 after a first devaluation in 2016

- Egyptian government is encouraging the importation of timber by Customs duties exemption on importation of Filleries
- Softwood is irreplaceable for furniture industry in Egypt.

Thank you

Prepared by

- Amira Afifi
- Marwa Afifi