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Report Highlights:

Despite a myriad of economic hardships, Egypt hosted 14.9 million tourists in 2023 (exceeding its previous record of 14.7 million tourists in 2010). Egypt continues to target 30 million tourists by 2028, adding half a million hotel rooms by 2030. To realize this increase in tourism, Egypt's HRI sector will require continued growth and rising demand for food products. U.S.-origin food products benefit from a strong reputation in the Egyptian market, but face competition from European Union, Middle Eastern, and African consumer-oriented food products.

Executive Summary: Egypt, the second largest economy in Africa, is hampered by long-standing fiscal and external imbalances, worsened by multiple global shocks. Its macroeconomic outlook is expected to improve, contingent on the country implementing structural reforms (including increased privatization). Despite economic hardships and regional conflicts, Egypt reportedly hosted 14.9 million tourists in 2023. Egyptian imports of food and agriculture fell 8.6 percent in the first nine months of 2023, year-over-year. Egypt ranks among the world's largest grain importers, with its extensive feed and food industry driving the demand for both wheat and corn. For the 2024-25 season, imports of wheat and corn are expected to rise by 1-3 percent, reaching 12.5 million MT and 8 million MT respectively.

Consumer-Oriented Agricultural Imports

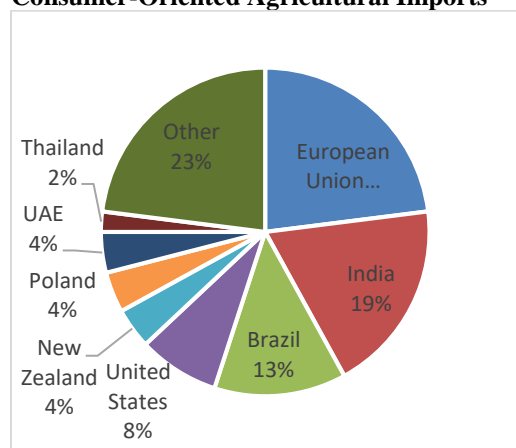


Chart 1: Top Exporting Countries to Egypt

Food Retail Industry: Egypt’s food retail industry is competitive with both local and international players. Boycotts impacting some U.S. brands started in October 2023 and may persist, bolstering local and regional brands. According to Euromonitor©, Egypt’s packaged food retail sales reached \$12.7 billion in 2023, representing a growth rate of 87.7% since 2019.

Food Processing Industry: Egypt imported \$7.3 billion of food ingredients and additives in 2021. The United States was Egypt’s fifth largest supplier. Euromonitor© reports that Egypt is the largest U.S. export market for processed foods in North Africa. U.S. processed product exports to Egypt reached a record \$161.2 million in 2021; however, exports fell to \$71.4 million in 2022.

Food Service Industry: Egypt’s quick-service restaurant industry is expanding, with 18,300

institutions in 2022. Egypt’s cloud kitchen sector will demonstrate the highest growth rate among all segments in the market, projected to achieve 5.1 percent annual growth. After the pandemic, cloud kitchens saw significant growth due to the surge in demand for online food delivery.

Quick Facts CY 2024

Consumer-Oriented Product Imports (\$3.9 billion)

List of Top 10 Growth Products in Egypt
 1) Beef and Beef Products 2) Dairy Products
 3) Tea 4) Fresh Fruit
 5) Soup/Food Preparations 6) Chocolate
 7) Spices 8) Poultry Meat
 9) Fresh Vegetables 10) Tree Nuts

Food Industry by Channels (U.S. billion)

Small Local Grocers	\$13,850.3
Food/Drink/Tobacco Specialists	\$3,169
Supermarkets	\$1,851
Hypermarkets	\$1,508
Discounters	\$1,475
Convenience Retailers	\$991
Foods E-Commerce	\$157

Egypt’s Top Consumer Foodservice Chains
 KFC, McDonald’s, Pizza Hut, Domino’s Starbucks, Papa John’s, Hardees, and Dunkin

Some of Egypt’s Top Hotel Chains
 Marriott, Accor, Steigenberger, Hilton, Radisson, Melia, IHG Hotels & Resorts

GDP/Population
 Population: 117 million
 Real GDP: \$1.912 trillion dollars (2023 est.)
 GDP per capita (USD): \$17,000 (2023 est.)
 Inflation rate: 33.88% (2023 est.)

Strengths	Weaknesses
-Large consumer market -Demand for high-quality consumer products	-High tariffs -Complex import regulations
Opportunities	Threats
-Growing tourism sector -Consumer interest in processed products	-Competitors with free trade agreements -Competitors with closer proximity to Egypt

Sources: IMF, CIA, EIU, TDM, Mordor Intelligence, FAS Cairo contacts

Section I: Market Summary

Due to ongoing regional conflict and long-standing fiscal and external imbalances, Egypt's economic outlook remains hampered. The conflicts in Gaza, Lebanon, and recently in Syria, along with trade disruptions in the Red Sea, continue to negatively affect sentiment and have resulted in 70 percent declines to Suez Canal receipts¹, a significant source of foreign currency for Egypt. In addition, an increasing number of refugees is adding to fiscal pressures on public services, especially health and education. The IMF-supported program with Egypt, which included an expanded \$8 billion loan in March 2024, helped eliminate the backlog of foreign exchange demand and eased imports; however, continued economic improvement is contingent on implementing the structural reforms necessary to bring about private-sector growth.²

Through July 2024, Egypt witnessed a surge in international tourists, surpassing 8 million visitors, according to the Egyptian Tourism Authority. The industry expects the total number of tourists in 2024 to surpass 15 million, compared to 14.9 million in 2023.³ The number of tourists from Saudi Arabia has grown significantly, with an estimated one million Saudi visitors expected by the end of 2024. As part of its broader tourism strategy, *Egypt's National Strategy for Sustainable Tourism 2030* aims to attract 30 million tourists annually by 2028. In July, the Egyptian cabinet approved a new initiative, valued at EGP 50 billion (USD 984 million), to support the country's tourism sector in light of ongoing global and regional challenges.⁴

The count of fast-food restaurants in the Quick-Service Restaurant (QSR) sector rose from 17,626 in 2020 to 18,324 in 2022. This growth can be attributed to the expansion of international fast-food chains, which are increasing their presence in the country through a combination of company-owned and franchised outlets. Major global brands – like KFC and Domino's Pizza – predominantly operate through franchises. For example, as of 2022, KFC had 164 stores and Domino's Pizza had 114 locations with multiple franchise owners in the country.

The cloud kitchen market segment is taking off and is expected to exhibit to achieve 5.1 percent annual growth for the period of 2025-2030. The cloud kitchen industry has seen a significant uptick following the pandemic due to the surge in online food ordering and takeaway services. In Egypt, for instance, online food ordering has surged by 50 percent post-pandemic as consumers increasingly rely on food delivery services and company websites for their meals. The increasing popularity of various online food delivery apps is driving the rapid expansion of cloud kitchen outlets, with a projected 21 percent growth in outlet numbers from 2023-2025.

Cafes and bars experienced modest growth in the number of establishments (1.4 percent) from 2020 to 2021, fueled by the growing demand for specialty coffee shops offering gourmet and traditional Arabian coffee.⁵ Egyptians consume an average of 20 million cups of coffee daily, supporting the significant rise in the number of specialty coffee outlets. Internationally recognized brands like Starbucks and Costa Coffee are also expanding.

¹ [Egypt loses 70% of Suez Canal revenue due to Gaza war: IMF - EgyptToday](#)

² [IMF Mission Concludes Visit to Egypt for the 4th Review under the EFF](#)

³ [Total Volume of Tourist Arrivals to Egypt Surpasses 8 Million in 2024](#)

⁴ [Egypt Tourism Revenues to Grow by 8% in Q4 2024: Egyptian Tourism Authority CEO](#)

⁵ A coffee beverage made from lightly roasted Arabic beans and often spiced with cardamom, saffron, or cloves.

**Average Order Value by Foodservice Channels, USD,
Egypt, 2017 Vs 2022 Vs 2029**

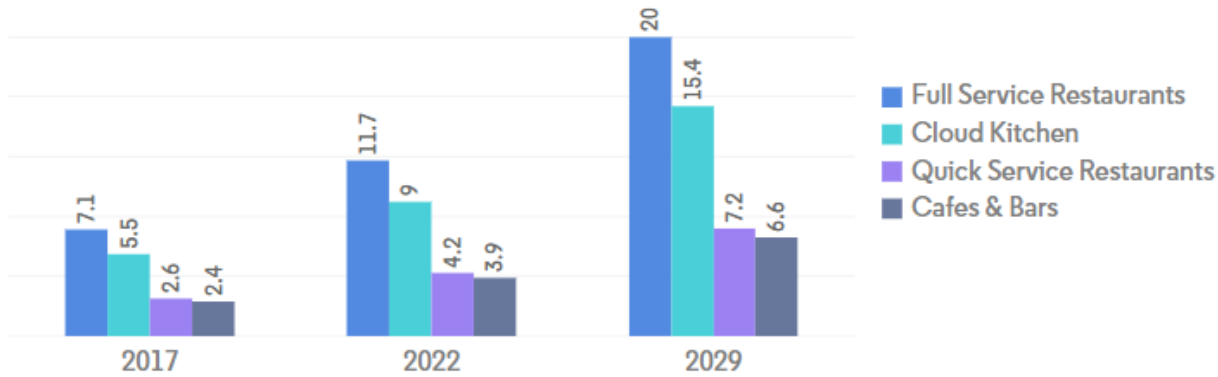


Chart 2: Source: Mordor Intelligence

Advantages and Challenges

ADVANTAGES	CHALLENGES
-Large consumer market with growing tourism sector that caters to Westerners	-U.S. exporters face competition from European Union (EU) Member States as they have a free trade agreement with Egypt which sometimes advantages them over U.S.-origin products.
-U.S.-origin food products and ingredients have a good reputation in Egypt.	-Exchange rate fluctuations can impact the competitiveness of U.S. exports by affecting pricing and profit margins. -Foreign currency has been difficult for Egyptian importers to access.
-Strong demand for high-value U.S. products in the hotel and restaurants sector.	-Some importers indicate a lack of U.S. supplier interest in Egypt. -Geographic proximity favors competing suppliers due to higher shipping costs from the United States. -Egyptian import regulations are sometimes not transparent.

Section II: Roadmap for Market Entry

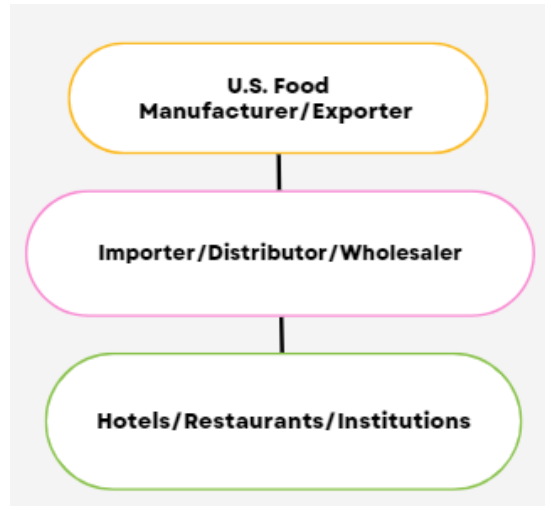
Entry Strategy

Firms interested in exporting to Egypt should identify an Egyptian importer or distributor, with whom they can build a relationship. These Egyptian firms are best suited to navigate local regulations,

understand distribution chains, and have relationships with hotels, restaurants, and institutions.

Market Structure/Distribution

Egypt's hotels, restaurants, and institutions normally do not directly import food and beverages, ingredients, or supplies. The hotels purchase from Egyptian importers who have established relationships with foreign exporters and who are more familiar with the country's import and government regulations.



- *Sub-Sector Profiles*

Hotels: Egypt reports that its total number of hotels rooms stood at approximately 220,000 at the end of 2023. According to the 2023 African Hotel Chain Development Pipeline Report, Egypt had 24,944 rooms across 103 hotels in the 2023 development pipeline. The report noted the “signing spree in Egypt was led... by Accor (eight deals with 3,796 rooms), Marriott International (six deals, 1,250 rooms), IHG (four deals, 977 rooms), and Hilton (four deals, 815 rooms). Four Seasons, Radisson Hotel Group, TUI BLUE, and TIME signed one [deal] each.”

The government aims to continue to develop the Egyptian hotel sector to ensure the country can support the targeted 30 million tourists by 2028. Hotels in Alexandria and the cities along the Red Sea coast (e.g., Taba, Nuweiba, Doha, Sharm El Esheikh, Hurghada, and Ain El Sokhna), as well as Luxor and Aswan, mainly serve leisure visitors. Hotels usually do not import directly, due to bureaucracy and high tariffs. Instead, they purchase from local importers, that are better suited to navigate complex local regulations and have established relationships with retailers and food processors (see, e.g., [Retail Foods Annual Cairo Egypt EG2024-0024](#), and [Food Processing Ingredients Cairo Egypt EG2021-0009](#)).

Restaurants: In 2022, the foodservice sector recovered from the global pandemic and an increase in tourism numbers. According to Euromonitor International©, the number of full-service restaurants in Egypt in 2022 grew by 24 percent to 3,836 outlets, limited-service restaurants grew by 4 percent to 22,831 outlets, cafes and bars grew by 6 percent to 16,369 outlets, and the number of street stalls and kiosks grew by 8 percent to 1,321 outlets.

TABLE 2: EGYPT, Selection of Major Restaurant Chains in		
Chain	Ownership	Number of Outlets
KFC	Yum! Brand's Inc.	169
McDonald's	McDonald's Corp	155
Bonjour	Total SA	132
Pizza Hut	Yum! Brands Inc.	94
Cook Door	International Co for Food Industries	79
Starbucks	Starbucks Corp	64
Papa John's	Papa John's International Inc.	57
Costa Coffee	Coca-Cola Co.	54
Hardee's	CKE Restaurant Holdings Inc.	47

Institutional: Egyptian institutional sales channels vary, and information about these sales channels is limited. Certain institutions, such as hospitals, correctional and military facilities, have centralized kitchens to provide meals for their patients, inmates, and soldiers, respectively. In many cases, these institutions issue government tenders for private firms to manage and operate kitchens. Others have civil service managed centralized kitchens.

FAS industry sources stressed the importance of applications such as Horeca Star and One Order by hotels and restaurants; these applications act as a wholesale distributor to efficiently manage their supply chains. The applications offer the industry a reliable, timely supply of quality goods with embedded financing, at a consistent price and without the stress of managing various suppliers daily, all through a single user-friendly application. The goal of the application is to manage the challenges of sourcing and procuring the needed supplies on time.

Industry sources also note that Egyptian consumers are currently favoring traditional Egyptian cuisine for its authentic quality. In addition, there is a growing popularity of fine dining establishments with Egyptian consumers. Supply chain sourcing primarily occurs either through direct procurement from suppliers or via third-party distributors. Sources also highlighted prevailing market challenges, including price escalations, supply chain fluctuations, shortages in skilled manpower, and a lack of qualified chefs.⁶

⁶ [OneOrder - Your one stop shop for all your restaurant supplies](#)

Industry sources stressed that, despite fluctuations in currency and other challenges, the Egyptian hotel industry holds significant promise. Tourists originate from a broad range of countries. Notably, some prominent hotels are capitalizing on this trend by expanding their presence in strategic locations (e.g. near the Pyramids). Other hotel chains are focused on expanding operations in popular tourist destinations like Hurghada and the North Coast, where sustained growth and a burgeoning tourism sector are anticipated.

Some hotels in Cairo indicate that tourism has experienced growth during the second and third quarters of 2024. Hotels indicate a preference to import commodities such as beef from the United States, while fruits and vegetables are locally procured. Furthermore, hotel accommodations have been adapted to meet specific dietary requirements, including requests for vegan and vegetarian meals.

Other hotels are expanding operations to popular tourist areas, such as the North Coast, Almaza Bay, Marsa Alam and Hurghada. The Hurghada market is experiencing growth due to its eco-friendly environment, making it an attractive destination for nature enthusiasts. Furthermore, visitors appreciate the unique blend of modern and traditional lifestyles found in Hurghada, coupled with opportunities to explore the city center. Notably, Hurghada boasts a favorable climate throughout the year, offering warm weather during the winter months and numerous heated pools for relaxation. Additionally, it was highlighted that Hurghada presents a more cost-effective alternative to popular destinations like the North Coast during the summer period. Although the North Coast is also witnessing growth in its tourism sector.

The cloud kitchen sector is poised to exhibit rapid growth within the market study timeframe, projecting an annual growth of 5.1 percent by 2032. This surge comes on the heels of a substantial uptick in the cloud kitchen industry post-pandemic, driven by the increased popularity of online food delivery and takeout services. Notably, in Egypt, online food orders have spiked by 50 percent since the onset of the pandemic, indicating a growing reliance on digital food delivery platforms. This trend is expected to fuel the expansion of cloud kitchen outlets, with estimates suggesting a notable 21 percent increase in outlet numbers between 2023 and 2025. Meanwhile, the cafe and bar sector saw a modest 1.4 percent growth from 2020 to 2021, propelled by the rising demand for specialty coffee offerings, including gourmet and Arabian brews. With Egyptians consuming an average of 20 million cups of coffee daily, the proliferation of specialty coffee shops is on the rise. Noteworthy global chains like Starbucks and Costa Coffee are also expanding their presence, boasting outlet counts of 68 and 45, respectively.⁷

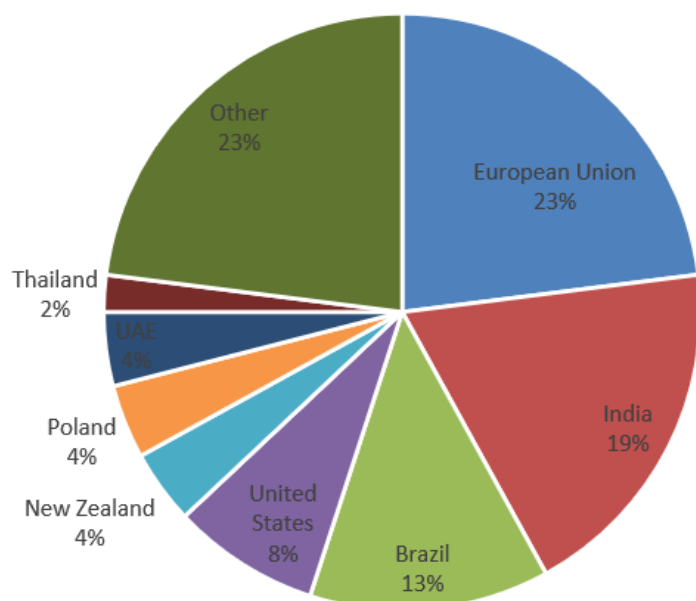
Section III: Competition

Egypt imported roughly \$4.0 billion of consumer-oriented products in 2023. The United States was the fourth largest exporter to Egypt (by value) with approximately \$284 million in exports. However, U.S.-origin food exports to Egypt face competition from European, Middle Eastern, and increasingly African-origin exports. Free trade agreements, shipping proximity, and lower production costs for some regional competitors provide exporters in these countries an advantage over U.S. suppliers. Primary consumer-oriented products imported were beef products (including

⁷ <https://www.mordorintelligence.com/industry-reports/egypt-foodservice-market/market-size>

liver), condensed milk and cream, fats and oils derived from milk, tea, fresh fruits, soup and food preparations, chocolate and other coca products, spices, poultry meat and products, fresh vegetables and tree nuts. The main suppliers of foreign consumer-oriented products were the European Union, India, Brazil, Thailand, New Zealand, and the United States.

Figure 1: Top Exporters of Consumer Oriented Products to Egypt 2023



Section IV: Best Product Prospects

- Products present in the market, which have good sales potential, such as beef, dairy, fresh fruits, soups, tea, spices, tree nuts, chocolate, fresh vegetables, and poultry meat, continue to represent good prospects for U.S. exporters. U.S. products may be competitive based on exchange rates and other considerations. As in past years, Egypt remains an important market for U.S. beef liver and offal. The country is by far the largest export market for U.S. frozen beef livers, with a value of \$53 million in 2023. U.S. beef muscle cuts are well known for their quality among affluent buyers and represent a category with growth potential, especially targeted to the growing tourism and hospitality sector.
- Top consumer-oriented products imported from the United States include beef liver, dairy products, and tree nuts.
- U.S. products that are not present in significant quantities but have good sales potential among the more affluent Egyptian consumers include sweets and snacks, and healthy and nutritional foods.
- U.S. products not present because they face significant barriers include fresh apples due to high tariffs and poultry parts due to non-tariff barriers.

HS	Product	World (USD, 2022)	United States (USD, 2022)	U.S. Share of Imports in 2022	World (USD, 2023)	United States (USD, 2023)	U.S. Share of Imports in 2023
All	Total - Agricultural and Related Products	21,010,259,487	2,828,218,658	13.5%	17,797,311,383	1,200,772,324	6.7%
01	Live Animals	773,978,797	2,189,502	0.3%	449,456,930	4,138,725	0.9%
02	Meat And Edible Meat Offal	1,525,000,361	170,908,690	11.2%	1,211,154,437	173,878,271	14.4%
03	Fish And Crustaceans, Molluscs And Other Aquatic Invertebrates	604,350,763	33,795	0.0%	530,086,844	30,682	0.0%
04	Dairy Produce; Birds' Eggs; Natural Honey; Edible Products Of Animal Origin, Nesoi	843,360,279	62,957,668	7.5%	622,569,099	57,602,656	9.3%
05	Products Of Animal Origin, Nesoi	9,024,992	428,608	4.7%	5,726,097	758,495	13.2%
06	Live Trees And Other Plants; Bulbs, Roots And The Like; Cut Flowers And Ornamental Foliage	12,099,320	2,413	0.0%	11,239,423	199,114	1.8%
07	Edible Vegetables And Certain Roots And Tubers	640,208,152	1,411,868	0.2%	666,825,645	5,053,793	0.8%
08	Edible Fruit And Nuts; Peel Of Citrus Fruit Or Melons	709,963,009	45,471,397	6.4%	428,565,528	22,510,098	5.3%
09	Coffee, Tea, Mate And Spices	678,784,580	261,793	0.0%	655,216,330	159,414	0.0%
10	Cereals	7,342,479,073	50,355,820	0.7%	6,394,816,033	60,422,795	0.9%
11	Milling Industry Products; Malt; Starches; Inulin; Wheat Gluten	49,369,582	89,619	0.2%	63,928,476	158,687	0.2%
12	Oil Seeds And Oleaginous Fruits; Miscellaneous Grains, Seeds And Fruits; Industrial Or Medicinal Plants; Straw And Fodder	3,158,022,157	2,331,094,244	73.8%	1,968,776,037	791,195,933	40.2%
13	Lac; Gums; Resins And Other Vegetable Saps And Extracts	29,811,348	759,607	2.5%	27,098,161	714,016	2.6%
14	Vegetable Plaiting Materials And Vegetable Products, Nesoi	2,807,226	-	0.0%	2,987,750	75	0.0%
15	Animal Or Vegetable Fats And Oils And Their Cleavage Products; Prepared Edible Fats; Animal Or Vegetable Waxes	2,350,049,155	11,167,761	0.5%	2,494,771,674	6,088,579	0.2%
16	Edible Preparations Of Meat, Fish, Crustaceans, Molluscs Or Other Aquatic Invertebrates	288,660,229	4,926	0.0%	90,774,467	3,032,045	3.3%
17	Sugars And Sugar Confectionary	614,515,036	1,588,119	0.3%	664,258,428	1,957,401	0.3%
18	Cocoa And Cocoa Preparations	176,495,880	700,595	0.4%	158,597,238	891,210	0.6%
19	Preparations Of Cereals, Flour, Starch Or Milk; Bakers' Wares	208,808,934	2,312,225	1.1%	135,972,078	721,625	0.5%
20	Preparations Of Vegetables, Fruit, Nuts, Or Other Parts Of Plants	87,467,667	4,141,411	4.7%	63,854,297	1,642,035	2.6%
21	Miscellaneous Edible Preparations	447,721,096	20,172,245	4.5%	357,523,854	16,521,129	4.6%
22	Beverages, Spirits And Vinegar	107,491,340	35,829,848	33.3%	77,603,885	8,471,436	10.9%
23	Residues And Waste From The Food Industries; Prepared Animal Feed	349,790,510	86,336,504	24.7%	715,508,673	44,624,111	6.2%

Section V: Key Contacts and Further Information

U.S. Embassy Cairo/Foreign Agricultural Service (FAS) Office of Agricultural Affairs (OAA)

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Phone: +(20) (2) 2797-2388 • Fax: +(20) (2) 2796-3989 • Agcairo@fas.usda.gov

NOTE: For additional FAS reporting on the Egyptian market, see the website for USDA's Global Agricultural Information Network at: <https://gain.fas.usda.gov/> Here you can access reports on Egypt as well as other markets.

Egyptian Hotel Association

Mailing Address: 8 El Saad El Aly Street, Dokki, Giza, Egypt

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Egyptian Chefs Association

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Egyptian Tourism Federation

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Email: etaa@etaa-Egypt.org • Website: <http://www.etf.org.eg/>

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Attachments:

No Attachments