

**HERBS AND SPICES SECTOR Survey**

**Prepared by: Progress Business Consultants**

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**EXECUTIVE SUMMARY**

The current study has determined the herbs and spices production of Egypt to be around 180 thousand tons of which 34 thousand tons were exported last year (USD 40 million).

The current report also presents the findings of the industry survey undertaken to assess the present performance of the Egyptian herbs and spices industry. The survey involved interviewing 20 local Egyptian herbs and spices professionals to understand the current state of the industry and the key issues affecting its performance. The survey covers topics both domestic and international, including supply chain, customers, regulatory framework, business environment and technology. The survey aims to give a picture of the herbs and spices industry in Egypt and those factors which directly affect it.

The picture that emerges from the survey is one of an industry that is heavily focused on agriculture and basic processing using simple manufacturing and/or converting technologies. Herbs and spices sold locally and exported are not branded and often sold in bulk according to the herb or spice name and not a “brand”.

The industry is facing continual price wars among producers and exporters and accordingly, is continuing to suffer reduction in margins and profits. Other markets are now arising and are posing even more threats to Egypt’s capability to export herbs and spices.

A number of key issues are consistently raised during the survey interviews. These issues include farming problems, modest product development efforts, access to funding, and lack of market data.

As an overall conclusion of this survey, a full sector study is necessary to be conducted covering herbs and spices and also taking into consideration the organic sector, and benchmarks Egypt with a number of countries who have recently outperformed Egypt. This sector study is necessary to identify sector competitiveness drivers much more clearly to allow for the practical and effective development planning of the sector.