

Sahara

Fertilizers Market in Africa & Egypt



 **SME Consulting**
SMEs & Startup Business Consultation

Sahara

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 **SME Consulting**
SMEs & Startup Business Consultation

About Our Company



SME Consulting
SMEs & Startup Business Consultation

We are an Egyptian-owned management consulting firm, **With** offices in:



Cairo, Egypt



Riyadh, KSA

We provide services such as :-



Management Consulting



Financial Services



Marketing Services



Business Networking

Our Core Services

Business Plans

We help entrepreneurs and business owners to lay out their business goals and track their business growth through creating a comprehensive plans that addresses all of their business needs.

Marketing Services

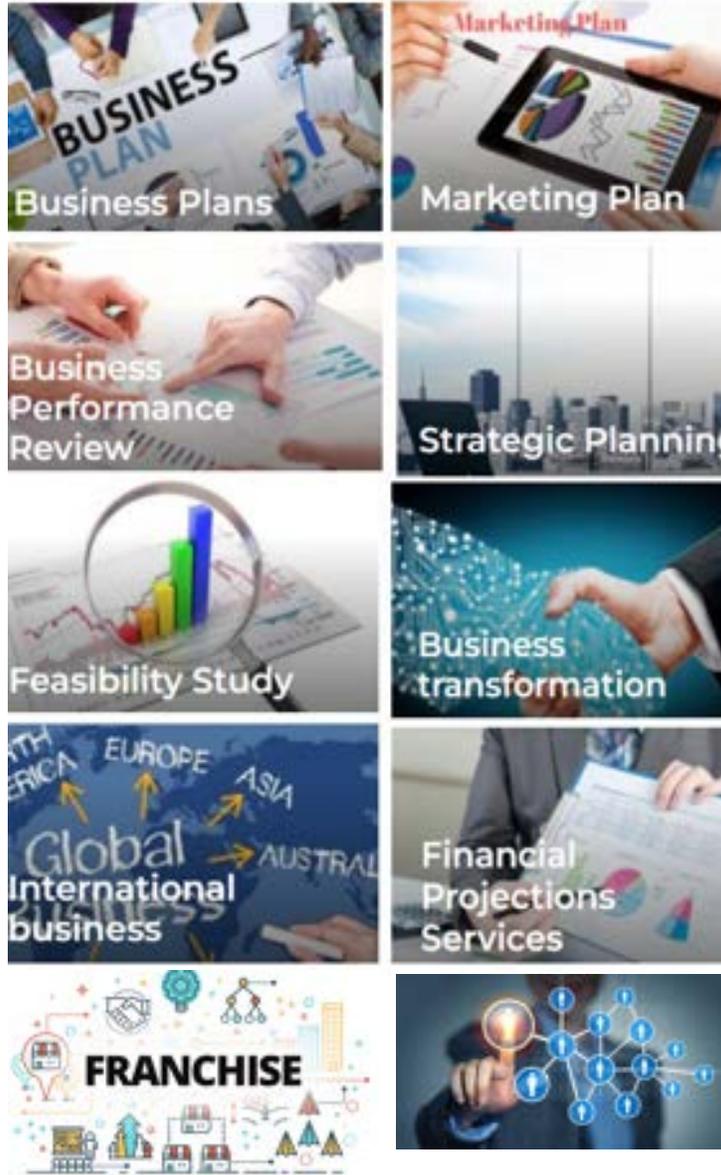
We assist business owners in their market research, competition analysis, and marketing planning in Egypt or abroad. Besides, we develop an international market entry strategy as a part of the business expansion strategy.

International Business

Starting from a full country overview, economic state, culture and infrastructure, and even legislative aspects of the targeted country.

Franchise Management

Starting from business profiling, franchisee selection matrix, business plans and franchise manuals.



Business Transformation

We help business owners to plan for the suitable tools for their business transformation and achieve desired transformation outcomes, from a financial perspective or from an operational perspective.

Business Performance review

We help business managers in assessing their business efficiency, core activities, and reviewing their financial position. Besides, we use this review to redefine the business goals and set a work plan to achieve the business goals.

Financial Services

We help businesses in a wide variety of financial services ranging from financial projection to business valuation.

Business Networking

We help business to find their best business partner whether this is locally or overseas.

Mr. Mostafa Nabil

- Speaker at many conferences about Investment & Business Analysis.
- Strategy Advisor for various boards since 2015.
- Many Governmental Projects Digital transformation consultant & strategist.
- Global Strategy Management Consultant with 14 years in consulting corporate, government entities & startups.
- **Responsible for financial & business analysis, strategy consulting and transformation mapping for projects with budgets up to 150 million USD with total projects worth more than 1.75 billion USD.**
- Managed to draw **partnership** maps and plan for global joint venture businesses worth more than **135 million USD**
- A previous **board member** in IIBA Egypt Chapter
- **Accredited Reviewer** for DIKMU German Institute for small and medium-sized enterprises
- **International Institute Of Business Analysis** active member.
- **American Management Institute** active member.
- **Chartered Financial Analysis CFA** active member.
- **Institute of Management Accountants IMA** active member.
- **Corporate Finance Institute CFI** active member.
- **Project Management Institute PMI** active member.



Agenda

- Egyptian Agricultural Sector
- Agriculture components
- Fertilizers Market
 - Fertilizers in Africa (Market overview – agricultural land – avg. prices – avg. consumption)
 - Fertilizers in Egypt (Market overview - agricultural land - avg. prices – avg. consumption - Effect of Imports Restriction)
 - Opportunities and challenges (Egypt – Africa)
 - Market trends (Egypt – Africa)
 - Imports & Exports (Egypt – Africa)
 - Potential opportunities (East Africa -Tanzania)
 - Egypt market Key Players

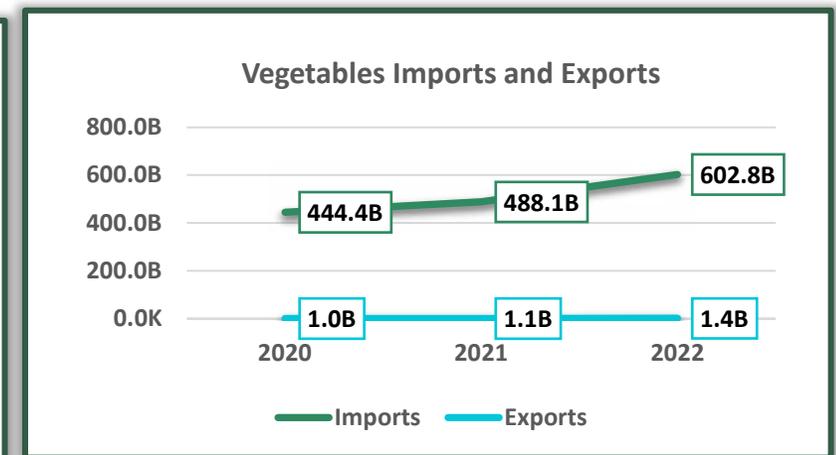
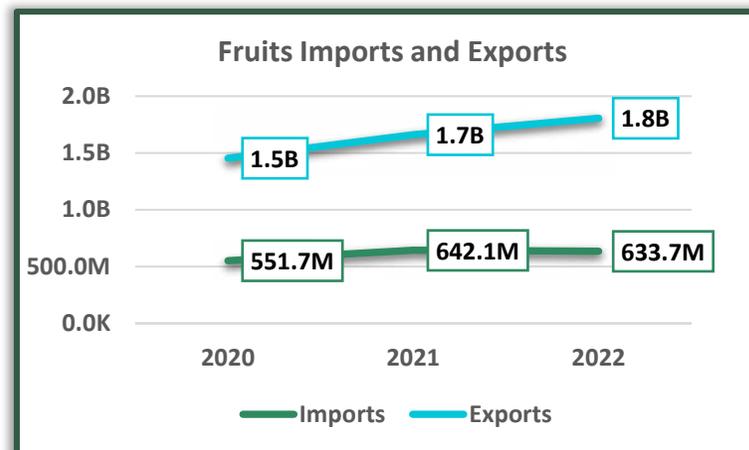
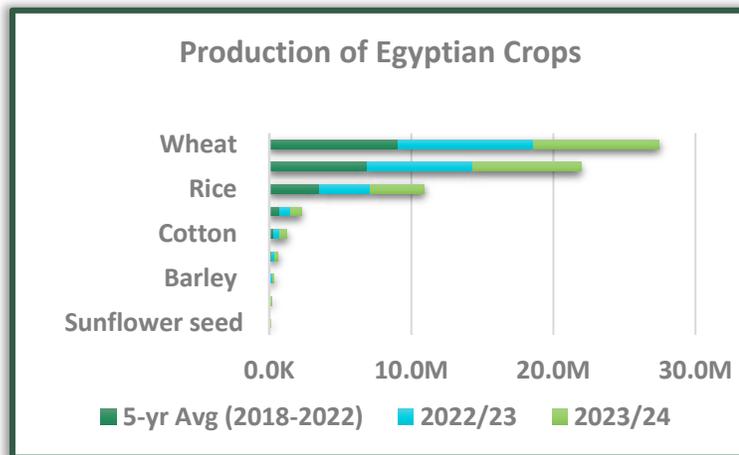


Egyptian Agricultural Sector

Egyptian Agricultural Sector



\$ 5.04 B Egyptian Agriculture Market in 2023	\$ 5.90 B Expected value of Egyptian Agriculture Market in 2028	3.20% CAGR during the forecast period (2023-2028)
11% Agricultural sector share in GDP	17% Agricultural sector share in merchandise exports	24 M Agricultural sector employees share and employees number



Agriculture Components

Agrochemicals		
\$ 91.71 M Egyptian Agrochemicals expected Market size in 2023	\$ 117.38 M Egyptian Agrochemicals expected Market size in 2028	5.06% CAGR (2023 - 2028)
417,610 tons Egyptian fertilizer production in 2021	445,000 tons Egyptian fertilizer expected production in 2026	13,050 tons Egypt's pesticide consumption in 2021
14,350 tons Egypt's pesticide expected consumption in 2026	132,410 Kg Egypt's herbicide exports in 2021	3,784,300 Kg Egypt's herbicide imports in 2021

Water Consumption	Farm Equipment	Seeds	
85% Agriculture share of Nile water allocations	\$1,665.221 Expected farm equipment market value in 2024	98% Annual imported vegetables and fruits in Egypt	\$ 1.2 B Annual cost of Egyptian imported vegetables & fruits



Agriculture Components

Agrochemicals

\$ 91.71 M

Egyptian Agrochemicals
expected Market size in
2023

\$ 117.38 M

Egyptian Agrochemicals
expected Market size in
2028

5.06%

CAGR (2023 - 2028)

417,610 tons

Egyptian fertilizer
production in 2021

445,000 tons

Egyptian fertilizer
expected production in
2026

13,050 tons

Egypt's pesticide
consumption in 2021

14,350 tons

Egypt's pesticide expected
consumption in 2026

132,410 Kg

Egypt's herbicide exports
in 2021

3,784,300 Kg

Egypt's herbicide imports
in 2021

**Water
Consumption**

85%

Agriculture share of Nile
water allocations

**Farm
Equipment**

\$1,665.221

Expected farm equipment
market value in 2024

Seeds

98%

Annual imported vegetables
and fruits in Egypt

USD 1.2 B

Annual cost of Egyptian
imported vegetables & fruits

Fertilizers Market



Fertilizers in Africa



23%

African agriculture sector contribution in GDP

60%

Of the world's uncultivated arable land is located in Africa

90 %

of sub-Saharan Africa's rural population depends on agriculture as its primary source of income

22 KG / hectare

Sub-Saharan Africa average fertilizer application rate

146 KG / hectare

The world average fertilizer application rate

20% and 50 %

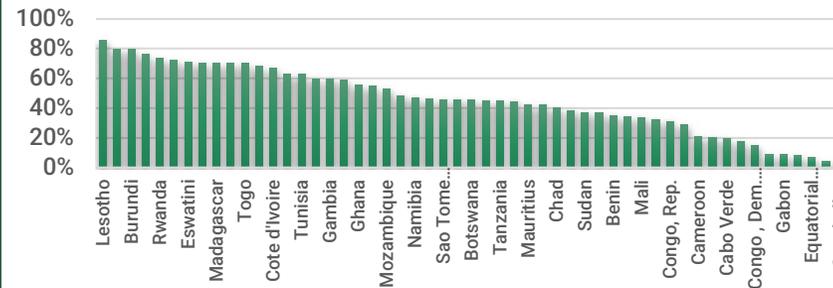
Ghana, Ivory Coast, and Mauritania purchasing share from fertilizers from Russia before Russian-Ukrainian conflict



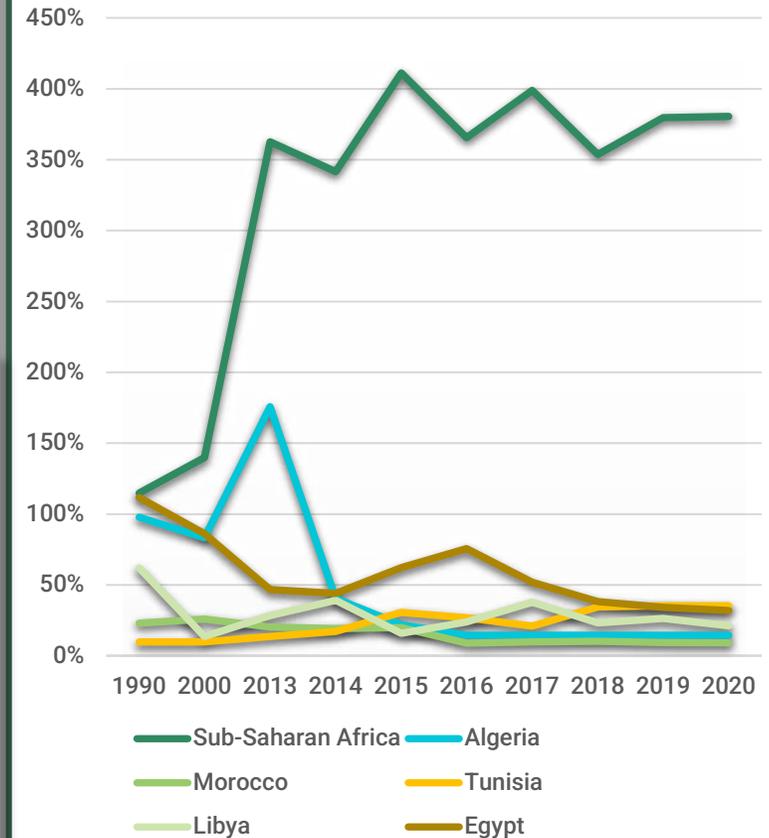
Fertilizers in Africa



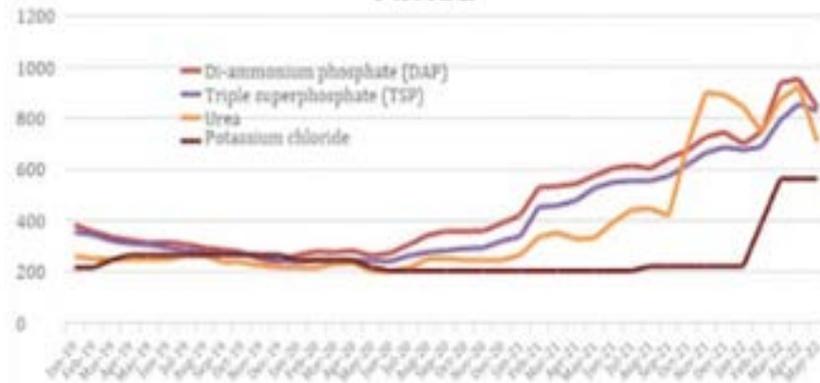
Percentage of agricultural land to total area of African countries in 2020



Fertilizer consumption in Africa (% of fertilizer production)



Fertilizers prices from Feb 2019 to May 2022 in Africa



Fertilizers in Egypt



2nd

Fertilizers exports rank for 2022

\$2.7 B

Fertilizers exports in 2022

7.8 M tons

The annual production capacities of nitrogen fertilizers

Fertilizers prices

1.7% ↓

in April, 2023

4 M tons

The annual production capacities of phosphate fertilizers

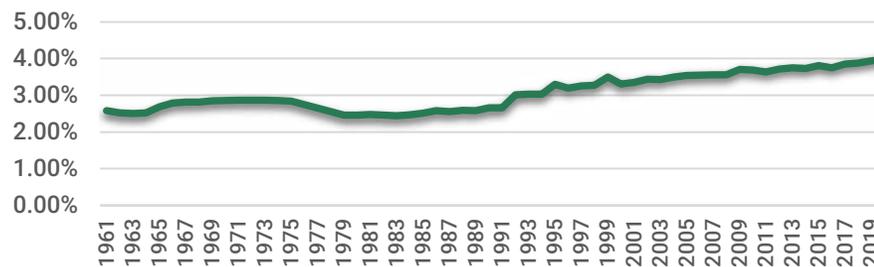
6th

Egypt global ranking in urea production

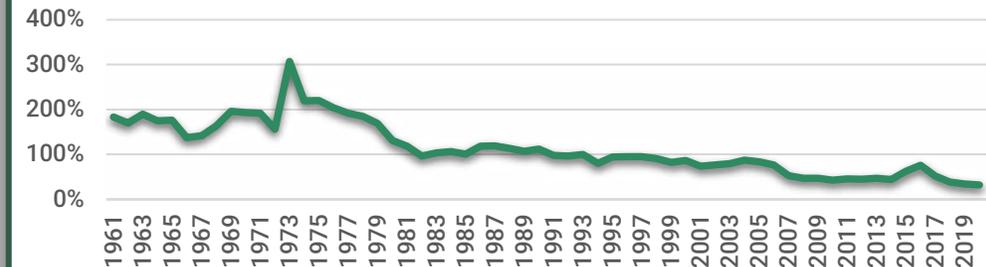
5th

Egypt global ranking in urea exports

Percentage of agricultural land to total area of Egypt



Egypt Fertilizer consumption (% of fertilizer production)





Fertilizers in Egypt



Effect of Imports Restriction

Egypt's fertilizers industry is characterized by its strong dependence on **Local Row Material** due to:

The dependence of Phosphate fertilizers on raw material in:

south Egypt, the Red Sea, and Abu Tartour

The dependence of nitrogen fertilizers on:

Nitrogen and Hydrogen, Natural gas

Only **Potassium Fertilizers** depends on importing manufacturing inputs so, only potassium fertilizers may only be affected by **Imports Restrictions**.

Opportunities and challenges

Africa



Opportunities

- Africa considered as the **fastest growing population** on earth.
- A big opportunity to pump new investments to bridge the gap due to **Russian-Ukrainian war**.
- The continent's ample raw materials and African Continental Free Trade Area open the door for more investments in fertilizers industry.
- **The Free Trade Area**, will dramatically reduce tariffs, increase intra-regional trade.
- East and West Africa are the **fastest-growing markets** for fertilizers in the world.

Challenges

- **The policy environment** in Africa remains uncertain, human capital is lacking certain expertise and skill sets, access to finance is limited.
- **The poor knowledge of farmers** in Africa regarding the correct use of agricultural inputs .
- **Africa largely lacks potash**.
- **High cost of stablishing a plant**.
- **The need for investments in road and railway infrastructure**.

Opportunities and challenges

Egypt



Opportunities

- **Government support** for the agriculture sector.
- **Growing population** and increased food demand.
- **International fertilizer prices** are increasing.
- **Increasing demand** for fertilizers in Egypt, by government efforts: the "1.5 Feddan" project.
- **Exporting opportunities** exist due to the global fertilizer demand and the impact of events: the Russian-Ukrainian war.
- **Promising export markets** include Turkey, India, and Brazil.

Challenges

- **Rising production** like natural gas and fertilizer components.
- High reliance on **imports** for over **half its fertilizer needs**.
- **Stiff competition** from low-cost producers : China and India.
- Potential **transport and infrastructure** bottlenecks.
- **Strong competition**: local players investing in advanced technologies.
- Government imposed a **tax on the export** of fertilizers.

Imports & Exports

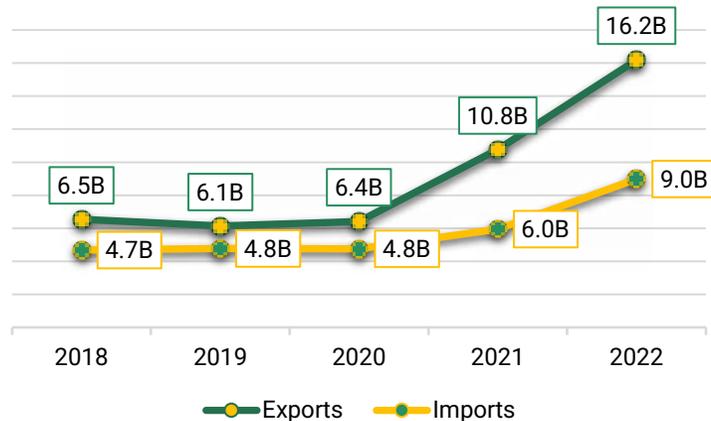


Africa Imports & Exports

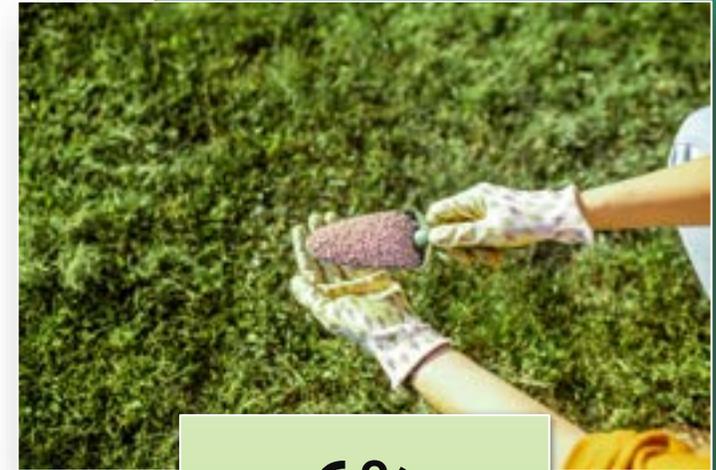
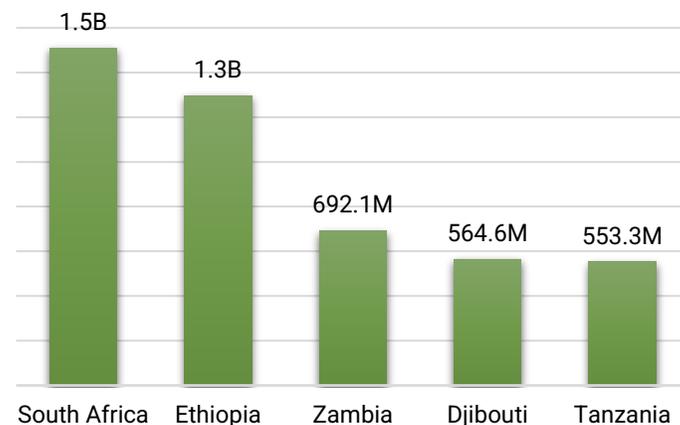


All numbers in USD

Africa Fertilizers Imports & Exports



Top Importers of African Countries 2022



6%

Africa Imports of global fertilizers imports

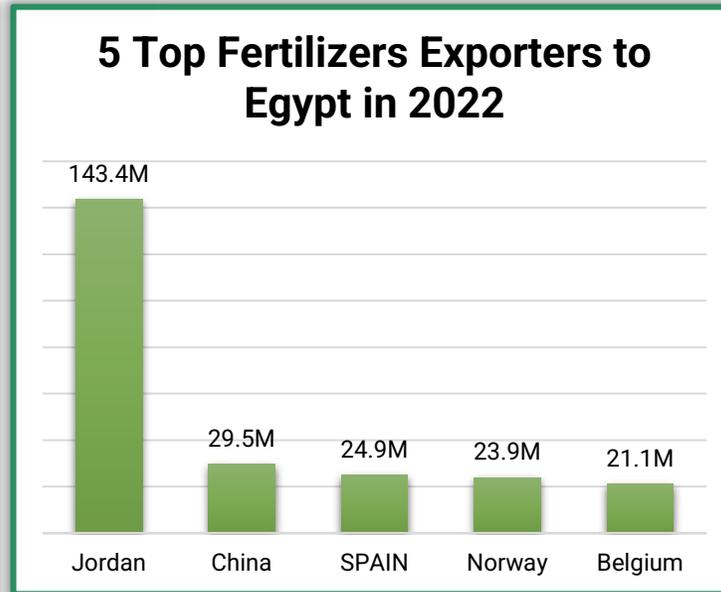
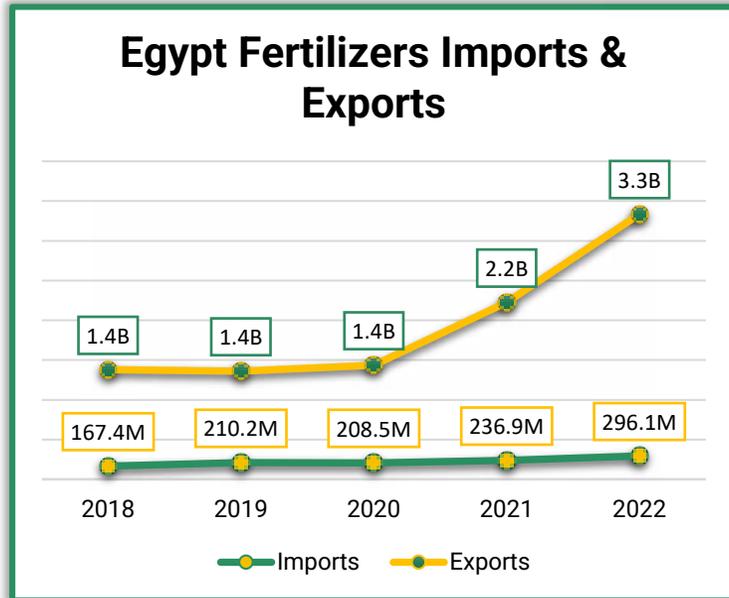


Fertilizer imports and exports in Africa have shown an overall **increasing trend**. This rise can be attributed to the **rising demand** for nitrogen fertilizer in Africa compared to other regions.

Egypt Imports & Exports



All numbers in USD



13th | **3rd**
 Largest exporter globally 2022 | Largest exporter in Africa 2022



The increased values of imports and exports in 2021 and 2022 were influenced by a substantial 80% price increase in fertilizers in 2021, followed by a 30% increase in 2022.

Market Trends



Market Trends in Africa



Field crops **88%** of fertilizer consumption in 2021

Turf and ornamental crop consumption is the **2nd** largest at **9%** in 2021.

Water soluble fertilizers' absorption rate rise, improving efficiency to **80-90%**.

Fertilizer usage in horticulture expected to rise from just **3%**.

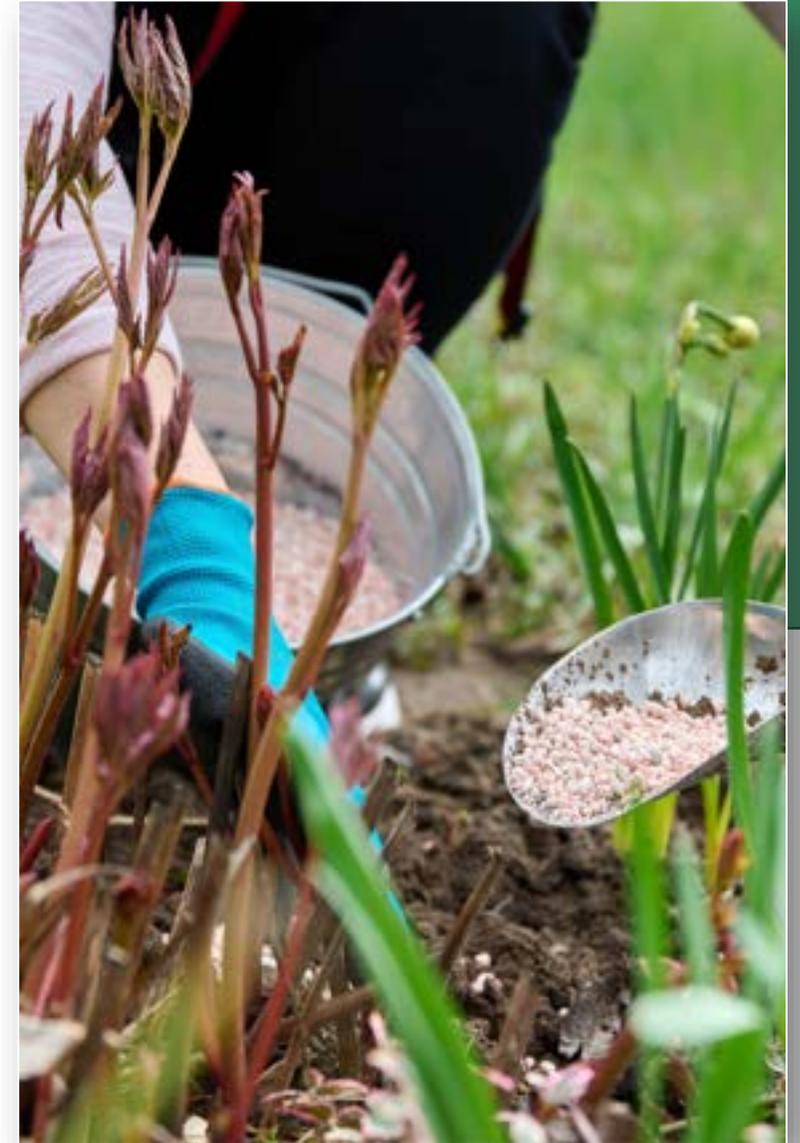
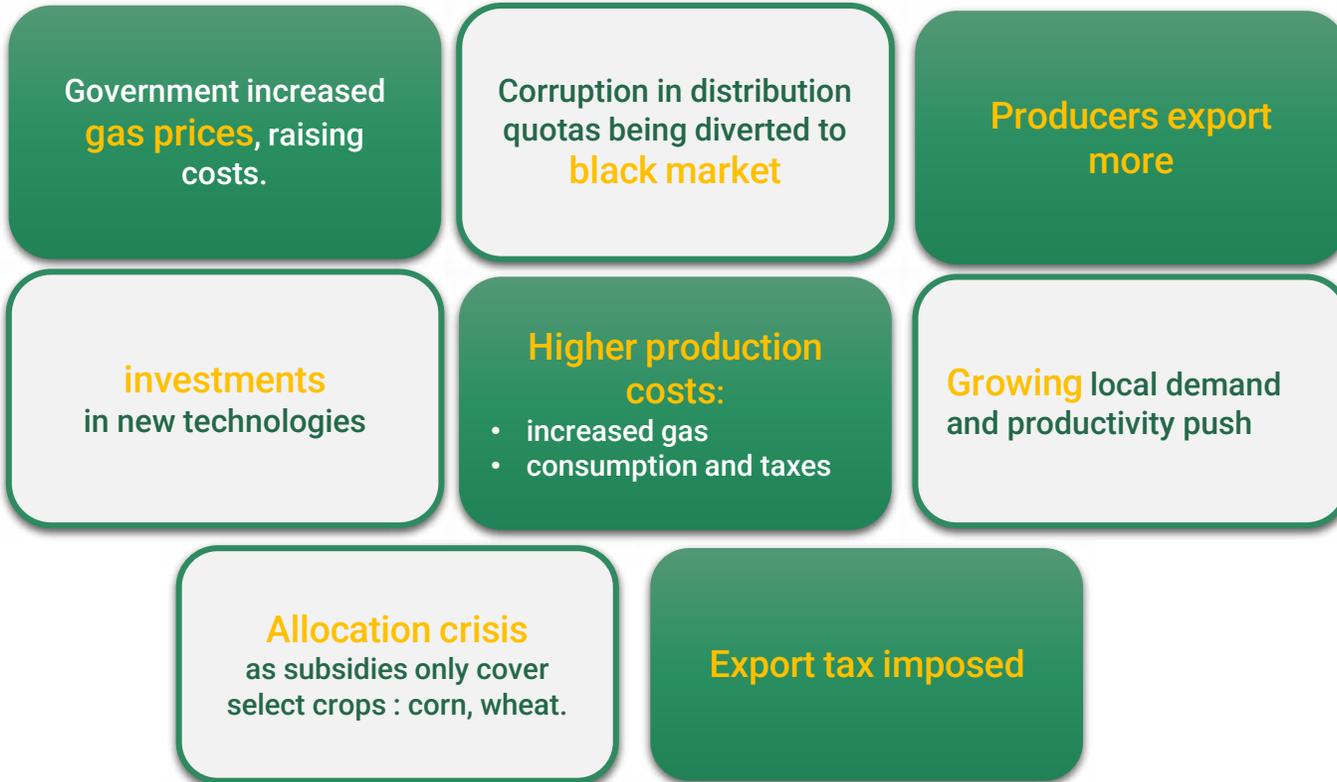
South Africa's **increased** fertilizer applications.

Specialty fertilizers like **CRF** and liquid **formulas** are gaining popularity for their ease of use.

South Africa imports **60-70%** of its **nitrogenous** fertilizers.

South Africa consumes **all potash** domestically.

Market Trends in Egypt



Potential opportunities

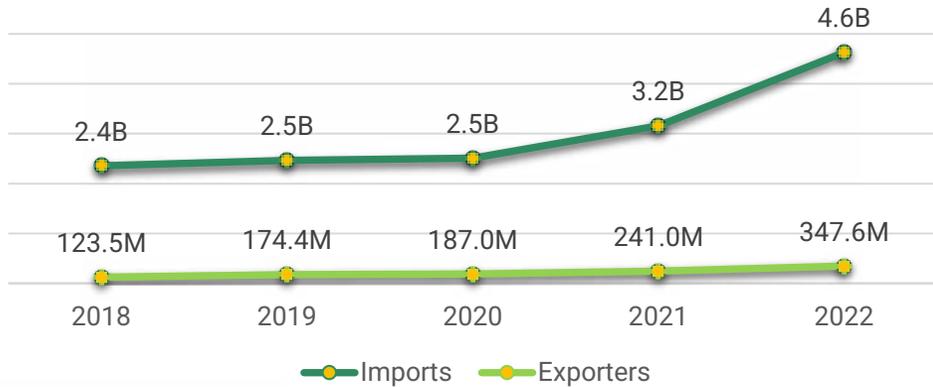


Potential opportunities in East Africa Fertilizers

52%

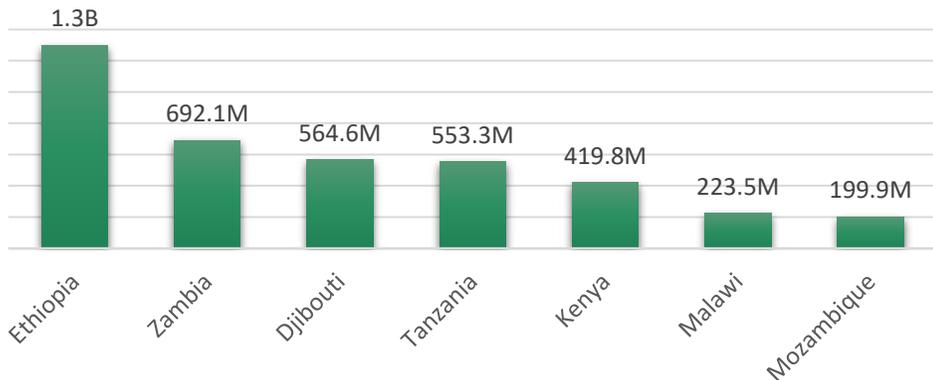
East Africa Imports of Africa fertilizers imports in 2022

East Africa Imports vs Exports of Fertilizers

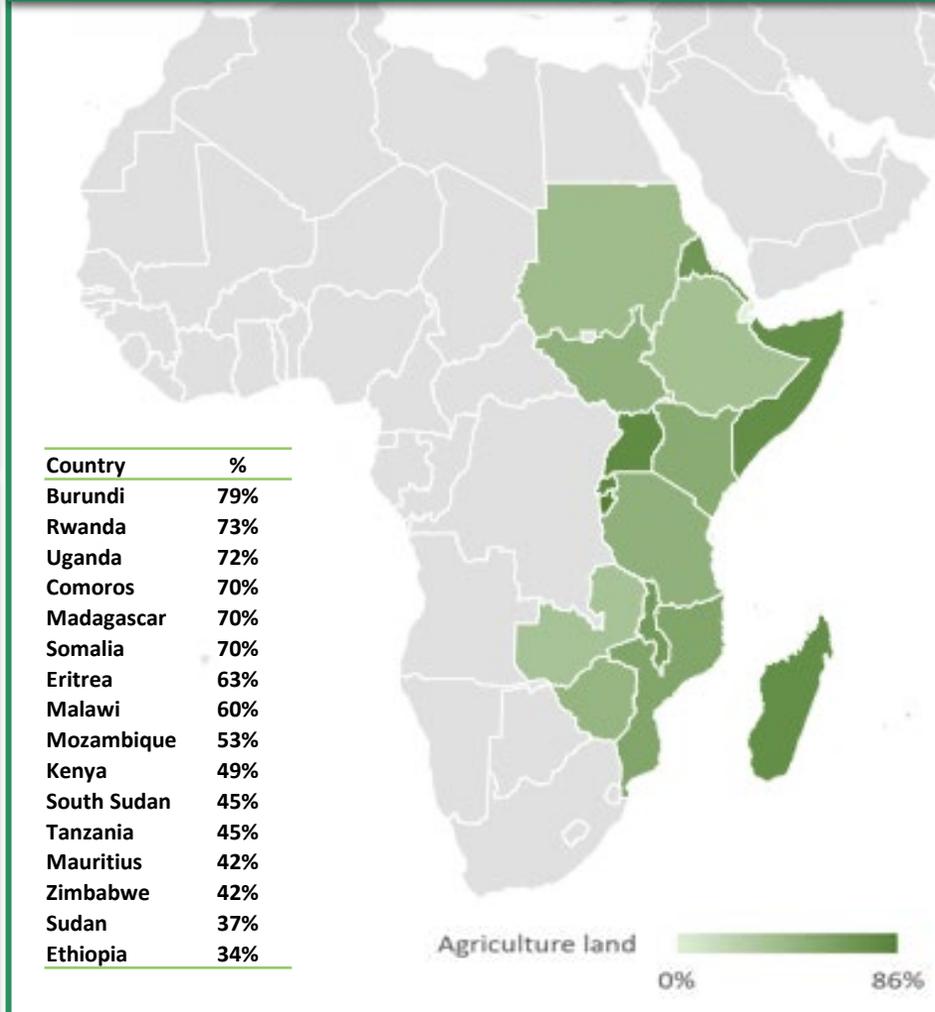


All numbers in USD

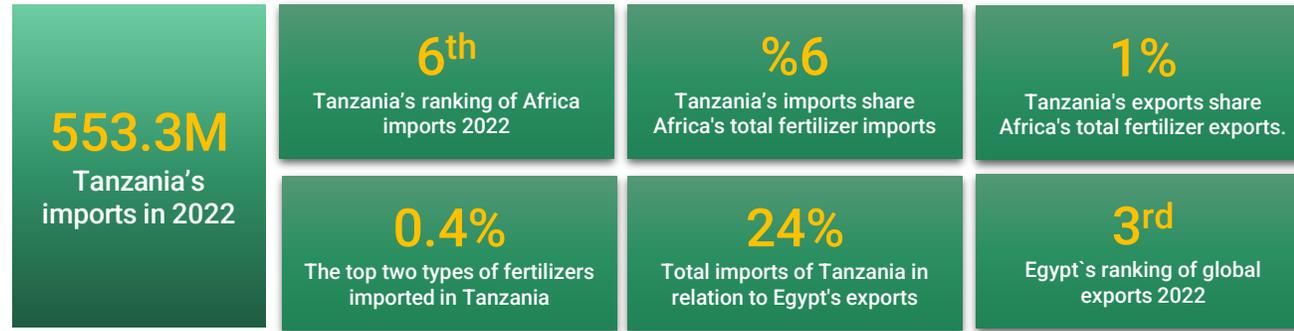
Top Importers of Fertilizers East African Countries 2022



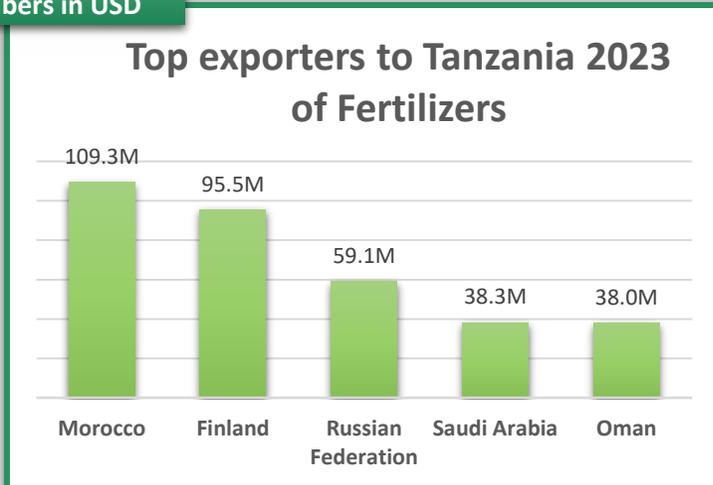
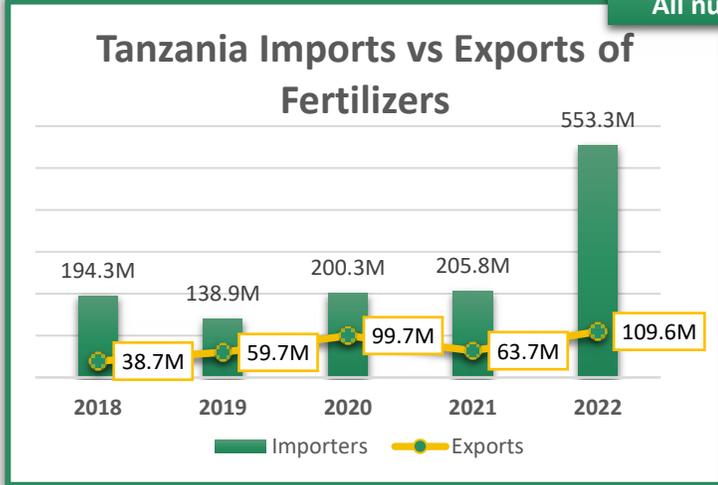
East African Agriculture land 2022



Potential opportunities in Tanzania Fertilizers



All numbers in USD



The top two types of fertilizers imported in Tanzania:

Nitrogenous fertilizers	Fertilizers containing two or three of the fertilizing elements nitrogen, phosphorus and potassium; other fertilizers
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Tanzania cultivates approximately **45%** of its total land area, which has a cultivated area of **425,289 km²**.



Key Players



Egypt Key Players



Abu Qir Fertilizers and Chemical Industries Company

Founded: 1976

Stock Market

55% in the local market, 45% exported



Ferchem Masr
Fertilizers & Chemicals

Ferchem Masr

Founded: 2001

In the local market, Exported to Latin America, Africa and Europe.



Egyptian Chemical Industries

Founded: 1956

Stock Market

55% in the local market, 45% exported



شركة أبو زعبل
للأسمدة والمواد الكيماوية

Abu Zaabal Fertilizers and Chemicals

Founded: 1947

Deleted from Stock Market



Misr Fertilizers Production Company

Founded: 1998

Stock Market

Produced: Urea & Ammonia



El-Nasr Company for Intermediate Chemicals

Founded: 1972

40% in the local market, 60% exported

Egypt Key Players



Polyserve for Fertilizers & Chemicals

Founded: 1990

Exports: Europe, Asia, Africa and Latin America.



Suez Company for Fertilizers

Founded: 2002

Produced

- Sulphuric Acid
- Phosphatic Fertilizers
- Nitrogenous Fertilizers
- Compound Fertilizers



Alexandria Fertilizers Company

Founded: 2003

70% in the local market, 30% exported



Evergrow

Founded: 2006

Exports: to Africa, Asia, Europe, North America, Latin America and Oceania



Helwan Fertilizers Company

Founded: 2004

55% in the local market, 45% exported

Companies to be listed on the stock Market



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**Thank you for
your attention**

Company Name