Global Supply Chains in the World Economy

The Case of Agri-Food Supply Chains in the ESCWA region

Professor Konstantinos G. Zografos, Dr. Dermot Carey and Peter Smyth

May 2013
United Nations Economic and Social Commission for Western Asia (UNESCWA)

Enhancing Information Exchange For Intra Arab Agricultural & Food Trade

(Egypt, Sudan and Tunisia)

Professor Konstantinos G. Zografos, Dr. Dermot Carey and Peter Smyth
Objectives

- Present Initial Analysis of the Cotton and Sugar Supply Chains in Egypt and Sudan and the Olive Oil Supply Chain in Tunisia
Sugar Supply Chain

Country A

Farm → Mill → Primary Refining → Secondary Refining → Final Producer

- Bagasse Mud
- Molasses
- Calcium Phosphate Molasses
- Paper & Pulp Building Products
- Biofuels
- Molasses Alcohol Iron Supplement
- Baking Dental products Molasses

Consumer → Domestic Trade Flow
The Sugar value chain is a multi-stage process with multiple by-products.
Sugar Supply Chain

• Egypt and Sudan both import sugar to meet domestic demand
  • Egypt imports circa 1.15 million metric tonnes or 39% of demand
  • Sudan imports circa 0.4 million tonnes or 33% of demand

• Sudan is investing heavily in production capacity supported by the Saudi and Chinese investment
Cotton Supply Chain

The cotton supply chain is characterised by a web of transactions between each main participant both within and between countries.

<table>
<thead>
<tr>
<th>Country A</th>
<th>Country B</th>
<th>Country C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm → Gin → Spinner → Weaver → Cut &amp; Sew → Consumer</td>
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</tr>
</tbody>
</table>

- **Domestic Trade Flow**
- **International Trade Flow**
Egyptian and Sudanese Cotton
“An industry in Crisis”

• Egyptian and Sudanese Cotton have been in long term decline for 20 years
• Lack of investment in processing capacity
• Migration of garment manufacturing to China / East Asia
• Sourcing of alternative materials in India and Asia
Egyptian and Sudanese Cotton
“An industry in Crisis”

• **Investment in processing capacity**

• **Premium Quality Positioning**

• **Establish Egypt and Sudan as Centres of Excellence for responsive Supply Chain for fashion retail**
Olive Oil Supply Chain

- **Farm** (Whole Olives) → **Mill** (Olive Oil) → **Processing** → **Bottling** (Olive Oil) → **packaging** → **Consumer** (Whole Olive Products)

  - Waste Water
  - Olive Pomace

  **Country A**

  > Domestic Trade Flow
Olive Oil Supply Chain

The Olive Oil value chain is a relatively simple process with limited by-products.
Global production and consumption have grown steadily over the last 20 years. However, Tunisian production and exports have been somewhat erratic.
• Migrate up the value chain from bulk to finished product
• Establish Product Branding
• “Appellation d'origine contrôlée”
The World Bank ranks Tunisia, Egypt and Sudan and, 50th, 109th, and 140th, respectively in terms of ease of doing business.

- Starting a business
- Dealing with construction permits
- Getting electricity
- Registering property
- Getting credit
- Protecting investors
- Paying taxes
- Trading across borders
- Enforcing contracts
- Resolving insolvency.
## International Trade

### Export Processing Time (days)

<table>
<thead>
<tr>
<th></th>
<th>Egypt</th>
<th>Sudan</th>
<th>Tunisia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Documents Preparation</td>
<td>7</td>
<td>18</td>
<td>8</td>
</tr>
<tr>
<td>Customs Clearance and technical Control</td>
<td>1</td>
<td>3</td>
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<tr>
<td>Ports and Terminal Handling</td>
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<td>6</td>
<td>2</td>
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<tr>
<td>Inland Transportation and Handling</td>
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<td>2</td>
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<tr>
<td><strong>Totals</strong></td>
<td><strong>12</strong></td>
<td><strong>32</strong></td>
<td><strong>13</strong></td>
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## International Trade

<table>
<thead>
<tr>
<th>Documents to export</th>
<th>Egypt</th>
<th>Sudan</th>
<th>Tunisia</th>
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</thead>
<tbody>
<tr>
<td>Bill of Lading</td>
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<tr>
<td>Certificate of origin</td>
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<tr>
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<tr>
<td>Customs export declaration</td>
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<td>Customs procedural certificate</td>
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<tr>
<td>Packing list</td>
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<tr>
<td>Technical Standard Certificate</td>
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International Trade

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Thank you!
Shukran!