

Egypt cuts imports; Indonesian exporters need to diversify

The news that Egypt plans to cut imports by 25 percent could affect Indonesian exporters who deliver products to the country, including citrus fruit and potatoes. The exporters are being advised to explore new markets or improve their competitive edge. An economic analyst at the University of Indonesia Beginda Pakpahan said Egypt's new policy would have an adverse impact on at least 25 Indonesian commodities, including food products.

"The Egyptian government has taken the measure in an effort to stabilize import prices," he said on Tuesday 22 March, suggesting that Indonesian exporters explore Tunisia and Algeria as new alternative markets. The Trade Ministry's director general for foreign trade negotiations, Iman Pambagyo, said Egypt wanted to protect its industry by restricting imported goods that do not meet its standard. "It should be a concern for Indonesian exporters, they should ensure products to be exported to Egypt do not experience the barriers,"

he said. The measures took effect on March 16 and require that exporters register their companies with Egypt's General Organization for Export and Import Control. Indonesia's non-oil and gas exports to Egypt stood at US\$1.2 billion in 2015, of which \$25.3 million came from the 25 commodities affected by the new policy. Egypt is Indonesia's second largest market in Africa.

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