

The flip side of the Red Sea crisis: falling prices in Europe

The ongoing crisis in the Red Sea has caused tremendous hardship for Egyptian citrus exporters. Not only has it cut them off from their markets in Asia, but it has also led to a fall in prices in European markets. Kareem Al-Shorbagy, Managing Director of Al-Kareem in Egypt, takes stock of the situation.



"Citrus exports to Asia have been very slow due to the disruption to shipping lines, despite the need for citrus in South Asia and China in particular," says Kareem. The Chinese New Year, an important date in the citrus export calendar, has just passed without us being able to carry out our usual business, not to mention the unmet demand for Ramadan in Asian countries with large Muslim populations. Losses are substantial."

As a result, Egyptian exporters have found themselves confined mainly to the European market. "The volumes available for Europe are too high, especially as Egyptian production exceeds that of last season. This has led to a 10-15% drop in prices compared to the start of the season for the varieties we are currently

exporting, namely Navel and Valencia oranges. Fortunately, however, volumes from other competing origins, such as Morocco and Spain, have fallen, which has softened the blow for Egypt."



The exporter believes that the situation should improve in March: "Firstly, there are signs that the Red Sea crisis will be resolved in the coming weeks, which will unblock our exports to Asia and enable us to export large quantities of oranges. This will also coincide with Ramadan, a period when large volumes of oranges are usually exported to Europe and the Middle East. We are also expecting additional demand from France, where the next Olympic Games will be held."

"Overall, we will emerge from this tricky period as best we can, and the rest of the season can only get better in terms of demand and prices," says Kareem, who concludes, "Meanwhile, at Al-Kareem, we have quite good demand for citrus in Western Europe, including the Netherlands, France, Belgium and the UK, as well as Central and Eastern Europe, including Poland, Slovenia, Russia and Ukraine."

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Publication date: Wed 14 Feb 2024

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