

## **INTRODUCTION**

Food safety is an issue that is drawing increasing concern in Egypt. Unfortunately, the current food safety system in Egypt faces mounting challenges due to outdated laws and to duplication and contradictions in food regulations and inspection procedures. In addition to jeopardizing consumer safety, such challenges undermine Egypt's food exports, diminishing their ability to compete in regional and international markets.

With the dual goals of higher quality and competitiveness in mind, the government of Egypt and the Chamber of Food Industries made it a priority to finalize a bill of law establishing a single Food Safety Agency (FSA). Minister of Trade and Industry Rashid Mohamed Rashid recently announced that the bill has been drafted and is now ready to be approved. He added that the bill is founded upon extensive study of the experiences of other countries in legislating and organizing food safety agencies and that it, therefore, offers "a new vision for unifying supervisory authorities concerned with food safety so as to ensure that Egyptian consumers obtain safe and healthy food."

In the interest of helping to raise public awareness on the issue, the Trade Related Assistance Center at the American Chamber of Commerce (TRAC) and the Technical Assistance for Policy Reform (TAPR-II) co-sponsored a panel discussion on the proposed law. Held on March 17, 2008, the event brought together food industry executives, key government officials and consumer representatives to debate the function, effectiveness and necessity of a food safety agency.

## **THE NEED FOR A FOOD SAFETY AGENCY**

In this first public forum on food safety in Egypt, Dr. Hisham Ragab, Assistant Minister of Trade and Industry for Legal Affairs explained why the FSA was needed and discussed some of the legal questions surrounding its establishment. He opened with the observation that all the agencies responsible for regulating food safety were founded over fifty years ago and are now outdated. More importantly, there now were simply too many authorities involved in the process in Egypt and no coordination between them. This was costly, massively inefficient and dangerously confusing for consumers and producers

alike. For example, a representative from a foreign producer manufacturing locally was recently indicted for using European standards instead of Egyptian standards, even though Egypt has an agreement allowing foreign manufacturers to produce locally using European standards. In addition, Egypt's current law is too general. Under the current provisions, it makes no distinction between an illiterate kiosk vendor who sells an expired packet of potato chips and a major retailer who sells 50 tons of expired oil: both are liable to the same punishment. The new law needs to be much more specific and to take such distinctions into account.

In light of Egypt's various international and WTO commitments, the climate for food safety regulation has changed considerably. In his presentation, Dr. Vincent Hegarty, an American food safety expert, pointed out that under WTO rules and regulations the precautionary principle is no longer a valid basis for boycotting imports. Prior to 1995, countries used tariffs or quotas to block imports from trading partners. The WTO makes such policies more difficult and problematic to implement. Now, to keep Egyptian food out, governments need to provide a scientific reason (e.g. high metal content, pesticide, toxin, etc.). Dr. Hegarty stressed how central good science was to WTO regulations and urged Egypt to incorporate sound scientific methodology in its evaluation of food products.

If, in the future, Egypt needs to go to the WTO on a trade issue, it will have to be as prepared as the other countries with established food agencies. The key to being prepared resides in a single unified agency that uses good science. In all quality standard cases that are brought to the WTO, politics, culture and regionalism are left outside the door, since scientific facts are what are discussed inside and are what form the only basis for the decisions taken there.

In all events, Egypt needs to keep up to international norms. All around the world, countries are creating food safety agencies, so it seems wise for Egypt to follow suit. In 2002 the European Union set up European food safety authority. Unlike the American Food and Drug Administration (FDA), founded in 1906, the European system is less than 10 years old. In 2000, in the wake of the Mad Cow epidemic, the UK and Ireland decided they needed food standards agency. In the 1990s, Canada acknowledged that its food safety bureaucracy was not up to modern standards. It was scattered across several

agencies and riddled with the types of inconsistencies and inefficiencies that are found in Egypt. In 1997, Ottawa created the Canadian Food Inspection Agency which has since won widespread acclaim as one of the best such agencies in the world. Of course, since all this has only taken place very recently, the new agencies have not always been successful. For Egypt this can be beneficial because it can learn from the mistakes of unsuccessful ones and apply the procedures of successful ones.

The universal accessibility of information on the Internet is another important reason for Egypt to create a food agency. Nothing could be simpler, today, than to navigate to the US FDA site and download the list of Egyptian foods the FDA has rejected in the last 12 months. The list cites the name and location of the Egyptian company and the reason its product was rejected. More often than not, the products were rejected not because they were in any way contaminated or unsafe, but because their exporters were unaware of FDA rules and regulations. Unfortunately, that distinction is of little avail to the exporters once their product appears on the list. Prospective buyers, now, access this site before considering purchases and will not give business to firms that have been banned.

Last but not least, Egypt needs to prepare itself for the food safety issues of tomorrow. Even if countries are adept at handling current food safety issues, all involved in this area knows that these issues will soon be overshadowed by completely new and different ones. In face of the looming questions of cloning, genetic modification and nanotechnology<sup>1</sup>, Egypt will need an organized, credible and scientifically based agency to prepare its industry and protect its people.

## **THE LEGAL FRAMEWORK**

Dr. Ragab briefly examined the dimensions of the proposed law. Prepared by the Ministries of Trade and Industry, Health and Agriculture, the new law establishes the FSA and assigns it the specialized task of overseeing and regulating food safety issues mentioned in any other legislation. For example, if the Ministry of Trade and Industry issues a law related to food safety, the FSA must supervise the proceedings. The law also

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<sup>1</sup> **Nanotechnology** is an anticipated manufacturing technology of the future that will make most products lighter, stronger, cleaner, less expensive and more precise.

defines the FSA's regulatory functions, which will cover the production of food; its packaging, display and storage; its transportation and delivery; and imports and exports of food products. The law is based on legislative comparative studies and international protocols and agreements, and is meticulous in its elaboration of these functions. Because of the law's potential impact on the food industry, Dr. Ragab said, those potentially affected by the legislation should be brought together with the Chamber of Food Industries for the purpose of consultation and conducting cost-benefit analyses.

Apart from its monitoring and regulating tasks, the FSA will also be responsible for applying new standards and proposing new laws related to food safety. In the event that another party comes forward with a proposal related to food safety, the proposal will require the agency's approval.

Once the new law is passed, there will be a transitional period, starting from the establishment of the FSA, during which all ministries concerned will transfer their food safety authorities to the FSA. The interim period is expected to last a year, unless the head of the new agency asks for an extension.

Structurally, the FSA will be governed by a Board of Trustees, whose members will include the Ministers of Trade and Industry, Health and Agriculture, Tourism and the Environment, and a Board of Directors, whose members will include representatives from relevant ministries and authorities and the private sector. The Board of Directors and will be responsible for all regulatory and policy issues, and for authorizing all decisions taken by the Agency. The Agency will be managed by an Executive Director, whose work will consist of developing plans to improve food safety and control over food safety and suitability for human use and following up on implementation, coordinating cooperation with international and national organizations concerned with food safety and human health, developing food awareness programs and establishing links with consumers, and setting training programs for Agency staff on the implementation of food safety laws and regulations.

Mr. Tarek Tawfik, the then Chairman of the Chamber of Food Industries, noted that the forthcoming FSA could not have been timed better. He lauded the spirit of compatibility and dedication between the three sovereign ministries that put their heads together to draft the necessary legislation. He also praised the important precedent set by

the presence of a more active private sector striving towards a more harmonious relationship with the competent ministries based on a rational consensus over the recognized needs and challenges of both sides. He added that the Chamber of Food Industries has been a staunch champion of establishing the Food Safety Agency and has worked hard to convince officials of its necessity.

As Dr. Ragab noted, issuing the new law is one thing, putting it into effect is quite another. The difficulties, if any, will arise as each ministry involved contends with the obligation to surrender certain responsibilities, and to live with the new rules. Throughout this process, he stressed, it will be vital to keep the lines of communication open between all concerned parties and to pay close attention to the needs of the private sector which have been raised in this forum.

## **CHALLENGES TO ESTABLISHING A FOOD SAFETY AGENCY**

Dr. Ragab's caution was not unfounded. Previous attempts at administrative streamlining had floundered. Deputy Minister of Agriculture Dr. Saad Nassar reminded the audience of the failure of presidential decree 106 and Law 155 which called for the consolidation of all food safety related agencies. Nevertheless, he was confident that the new FSA would not meet the same fate and that it would learn from the past successes and mistakes of similar agencies in developed countries.

Continuing in the more sober vein, Dr. Nassar cautioned that while the FSA looks great on paper, the agency will probably encounter resistance once it starts trying to assume the authorities of the Ministries of Health, Agriculture and Trade and Industry. In addition, it will come under close scrutiny as it tries to live up to the claim that it, alone, can assume all the responsibilities that, until now, have been undertaken by these ministries. To help ease the transition, he said, the interim framework needs to be very specific and the mandate and terms of reference needed to be very clear.

Mr. Tawfik, for his part, foresaw the pathology associated with the multiplicity of ministries that will be connected with the FSA's work. Though only three ministries will share authority in the agency, at least seven directly affect the food industry. These are the Ministries of Health, Environment, Agriculture, Social Solidarity, Trade and Industry,

Internal Affairs and Local Government. With all of these players and over 120 related laws, it is not surprising that arbitrary decision-making and abuse of rules have occurred in the past. He hoped that FSA officials will be on guard against these symptoms in the future.

Another problem may arise with regard to the jurisdiction over food safety laboratories. Under the bill of law, while the FSA must authorize all food imports, it will not be directly responsible for performing the required lab analyses. Dr. Saad Nassar agrees that this, in fact, should remain the competence of the relevant ministries (Agriculture, Health and Trade and Industry), each of which has its own lab facilities. In his opinion, it is not in the interest or to the advantage of the FSA to have its own labs. Rather it is more in line with its functions to act as a supervisor and coordinator between the labs so help them avoid duplication, perhaps also helping to steer the research efforts in the lab on the basis of its market monitoring activities.

In his contribution to the discussion on potential problems, Dr. Abdel Azzim, Consultant to the Minister of Health for Food and Safety Controls, raised three related issues: the current state of Health Ministry inspections, the cooperation needed to establish the FSA, and future coordination between the Ministry of Health and the FSA.

As the Ministry of Health inspection system currently stands, food inspectors rely entirely on the sample withdrawals of the labs. Inspectors normally have a high school education followed by two years in a higher educational institute. Unfortunately, therefore, the Ministry of Health inspection system lacks the complete skill set needed to cope with contemporary demands. The new FSA, therefore, will have to be on the lookout for inspectors who are not only highly qualified academically but have also had field training in the local environment. On the other hand, he said, the standards of the Ministry of Health's labs are very high and up-to-date. Nevertheless, while the laws that governed them may have once been adequate, they no longer meet the needs of the age.

On the second question, Dr. Abdel Azzim held that while there currently exists a correlation, rather than conflict, between the competent ministries, the current law is not clear as to what part each ministry is supposed to play. In the US, by contrast, there are multiple controls, but each division knows exactly what it is supposed to do. The USDA knows exactly what its responsibilities are with regard to meat, poultry and eggs, and the

Environmental Protection Agency (EPA) knows exactly what it has to do regarding pesticides and other environmental threats. Because each department knows precisely what role it should play, they can work together much more smoothly and efficiently.

As for the future coordination between the Ministry of Health and the new Authority, Dr. Abdel Azzim envisions a vibrant relationship. The ministry is still responsible for a number of very crucial tasks, such as remedying food poisoning, epidemiological investigation and issuing health certificates, all of which will ensure its ongoing importance.

Similarly defending his ministry's competencies, Dr. Nassar observed that the Ministry of Agriculture will remain responsible for all issues pertaining to irrigation, grains, seeds, pesticides, serums and vaccines. Couching the concept of his ministry's jurisdiction in different terms, he referred to the industrial, consumer and import/export dimensions of plant and animal quarantine departments. In the United States and the European Union, implementation of the provisions of plant and animal quarantine fall under their respective ministries of agriculture, not their food agencies. In like manner, Egypt's new Food Safety Agency will not have jurisdiction over this matter. For example, if someone wants to import live animals or meat, the FSA can authorize the importation itself, but the Agricultural Ministry's plant and veterinary quarantine departments will give the final approval.

## **PROMOTING EGYPT'S FOOD EXPORTS**

As noted above, the establishment of the FSA will centralize the legal framework for the food industry. One very positive consequence of this will be that it will attract investors who have been previously deterred by the muddle of too many and often contradictory laws and the hassle of too much red tape. In this era of globalization, Egypt must organize its food safety regime to be able to compete internationally. It is important to realize, in this regard, that the food industry in Egypt is relatively new. Before the 1980s, the food industry consisted mainly of small companies. Today, the population growth and the proliferation of food manufacturers of all sizes have completely changed the picture and, despite some setbacks, the industry has made rapid strides forward.

By proving the safety and quality of its food products, Egypt can ensure its competitiveness in world markets. As advantageous as Egyptian products may appear in terms of cost and quality, purchasers will always want reassurance with regard to what can not be seen: the microscopic bacteria, pesticide traces and other contaminants. The only way that one can be confident that the food is up to international safety standards is if it has the stamp of approval of a trusted and respected Food Safety Agency.

To better contextualize the Food Safety Agency, Mr. Tawfik offered a brief overview of the evolution of the food industry over the past few years. It is important to remember, he said, that food is an international trade commodity like all other goods and services. In the past 6 years, Egypt's food export trade has grown exponentially, both in volume and in the geographic range of its market. Today, Egyptian food exports reach 90 countries in Eastern and Western Europe, the United States, East Asia and Africa. Last year alone, exports to Europe increased 60% and they have made strong entries to new markets, such as Kenya and other members of the COMESA<sup>2</sup> region.

In short, Egyptian food exports in general have skyrocketed in recent years. Not only has this had a positive impact on Egypt's agricultural industry, but also helped boost employment rates considerably, not only in this industry but in other related sectors of the economy, such as the food service sector. Egypt's strategic geographic location and agricultural base make it the ideal center for the regional food industry. Population in neighboring Gulf countries will more than double in the next 50 years and these countries will need to import virtually a hundred percent of their needs from abroad. In view of its many natural advantages, Egypt is the most eligible candidate to fill this gap.

Deputy Minister of Agriculture Dr. Saad Nassar addressed some of the problems arising from rising food prices. Food availability has a direct impact on prices: lack of supply drives up prices and leads to inflation, which, as is well-known, hits developing economies much harder than developed ones. For many developing nations, food security – the sustained availability and accessibility of food – remains a priority issue.

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Members of COMESA: Angola, Burundi, Comoros, DR Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia and Zimbabwe.

But it must be realized that food safety is an essential component of food security. It must also be taken into account that when we are talking about food, we are talking about a very diverse industry that includes plant and animal products, fresh and frozen foods, imports or locally produced foods, and domestically produced foods to be consumed locally or to be exported.

As important as food safety is to boosting exports, it has another crucial economic dimension. The loss of productivity due to health issues related to food safety is considerable. Dr. Vincent Hegarty offered some statistics from the United States. The Center for Disease Control (CDC) in Atlanta reported 5,000-6,000 annual deaths directly related to unsafe food, 350,000 annual hospitalizations due to unsafe food and 75 million people who receive a dose of food poisoning from unsafe foods, leading to at least one day loss of work. That is one out of every four Americans loses a day or more of productivity, which incurs an enormous economic loss for the country.

The continued growth of the tourist industry which is so vital to the Egyptian economy is another important reason for a quick and efficient establishment of the agency. With so many foreigners staying, eating and drinking in Egypt, a properly functioning Food Safety Agency is essential to ensure the gastronomical well-being of our guests.

Recently at a symposium organized by the Egyptian-British Chamber of Commerce, supervisors of food quality and British tour operators told of their inspection of various Egyptian hotels. On the basis of their findings, they published a leaflet warning of the food risks in Egypt and speaking of a high incidence of diarrhea and other related food diseases. Egypt urgently needs to address this matter if it is to sustain the growth of its tourist industry. Mr. Tawfik noted that in the past 10 to 15 years he has seen increasing constructive coordination between the private sector, the Ministry of Health and the Ministry of Trade and Industry on this matter. One positive outcome of the cooperation is the shift from the purely punitive approach to the educational approach to remedying unsafe food practices, and approach that enables companies involved in the food industry to remedy fix problems without totally shutting down operations.

## **RESPONSIBILITY OF CONSUMERS AND PRODUCERS**

The most dangerous aspect of food safety is the unaware consumer, Mr. Tawfik said, adding that consumer awareness is important to the advancement of the domestic trade sector and will play a major role in the development of the Food Safety Agency. Similarly, Dr. Vincent Hegarty pointed out that we are all consumers and that, in this capacity, we look to the government to ensure that food is up to safety standards. However, he added, the fact is that the biggest culprit in terms of unsafe food practices is private families in their own kitchens. Food can be produced safely from farm to market, but all the efforts that went into that will be to no avail if the proper precautions are not taken at home. A Food Safety Agency is needed to raise public awareness on food safety. The Internet will be an invaluable aid in this task.

In the question and answer session, Raga Ghoniem, Chief Health Controller of Food at Cairo University, contended that even though consumer awareness is important, producer awareness is much more important. She stated that producers need to be aware of the dangers of artificial inputs in their products and to worry about more than just profit. She charged that many producers were solely out for profit and used the market situation to justify the prices they charged regardless of the ingredients they put in their food. She hoped that the Food Safety Agency would discourage this behavior and take measures to make producers realize that the safety of their products is just as important to them as their profits.

Mr. Tawfik sympathized. But in his opinion while Dr. Ghoneim's concern was valid, producers tended to evaluate their reputation in terms of sales and it is in those terms that they tend to regard food safety: they would want to avoid loss of sales resulting from the damage a health hazard report would cause to the reputation of their products. Therefore, in his opinion there were two solutions: firstly, to encourage official food safety projects and, second, to raise the awareness of the consumer. He noted that, in fact, Egypt had to address three types of consumers: the international consumer, the tourist/expatriate consumer and the national consumer. Because of the diverse nature of the market, there had to be a multifaceted approach.

## CONCLUSIONS

The panel discussion helped considerably to clarify why Egypt needed a Food Safety Agency. In addition to offering more efficient protection to the Egyptian consumer, it will ensure the highest standards of quality in its food industry and, thus, boost its international competitiveness. While it is clear that there are a number of inter-ministerial issues that will have to be dealt with before the FSA can function effectively, it is encouraging that the competent ministries are willing to work with each other to make the transition as smooth as possible and that, towards this end, they will be able to benefit from the successes and failures of food safety agencies elsewhere in the world.

If handled effectively, Egypt's new FSA can quickly evolve from a policing body to a support body with an educational outreach role. With such a constructive approach, the FSA will better be able to fulfill its responsibility for raising awareness and helping firms keep their products at the cutting edge of international competitiveness. As the FSA comes into being and develops, TRAC looks forward to using its unique position as a communications channel between the actors in the private and public sectors so as to help them obtain the optimum benefits for the Egyptian economy.