

The Impact of Euro-Mediterranean Partnership on Jordan's and Palestine's Agricultural Sectors from a Water Perspective

(The Case of Horticultural Exports to EU Markets)

By

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Introduction

- ⇒ Cooperation between Jordan and the EU started at the middle of the 1970's
- ⇒ 59.04 million Euro paid through the European Union Bank to support Ag. Sector during 1977-1997
- ⇒ Jordan's exports of horticultural crops reached a record number in 1982 when exports to the Gulf countries and Iraq exceeded 800 thousand tons
- ⇒ Western Europe is the world's largest importing region for fresh fruits and vegetables in the world. W. Europe accounts for about 53 percent of world fruit and vegetable imports
- ⇒ Jordanian & Palestinian exporters will have to find seasonal market windows in which they can profitably deliver products at prevailing prices during seasons of low production within the EU
- ⇒ The major objectives of the (GoJ) strategy towards developing the agricultural sector are to enhance the efficiency of utilizing the scarce natural resources mainly water, increase farmers profitability and income generated by agriculture, maximize exports and value added of Jordan's agribusiness sector and agriculture's share in GNP.

Research Objectives

- ⇒ The main objective is to examine how the Euro-Mediterranean Partnership would affect the achievement of the above mentioned GoJ objectives. Other objectives include:
 - determining the impact of the partnership on employment and water use, in Jordan and Palestine
 - to determine the main impediments and bottlenecks of the Agreement and its implications on the reinforcement of the Euro-Mediterranean interdependence system

Questions to be Answered Through this Research

- What are the main horticultural crops that could be produced and exported from Jordan and the Palestinian Authority Territories to the EU countries without competing with EU production seasons?
- Are these crops utilizing efficiently the limited resources of Jordan and Palestine (mainly water)? In other words, do these crops enjoy a comparative advantage?
- What are the expected volumes of these crops, which can be exported profitably taking into consideration the recent steps toward market liberalization?
- Specify (quantify) the size (depth) and the duration of the market windows for each selected crop?
- What are the major economic and social implications of exporting the expected volumes of the selected crops in terms of national income (GDP), investment, and employment?
- What are the implications of the Euro-Med Partnership on the Jordanian and Palestinian horticultural exports to the EU countries in terms of economic and trade policies?
- What are the Implications of meeting the current and future demands of the EU markets on water in terms of quantity and Quality?

Conceptual Framework

Two main procedures are used in this research:

- The Policy Analysis Matrix (PAM); and
- EU Market Analysis based on the Profitable Demand™ concept

The Policy Analysis Matrix

	Revenues	Costs		Profits
		Tradable Inputs	Domestic Factors	
Private Prices	A	B	C	D
Social Prices	E	F	G	H
Policy Effects	I	J	K	L

EU Market Analysis

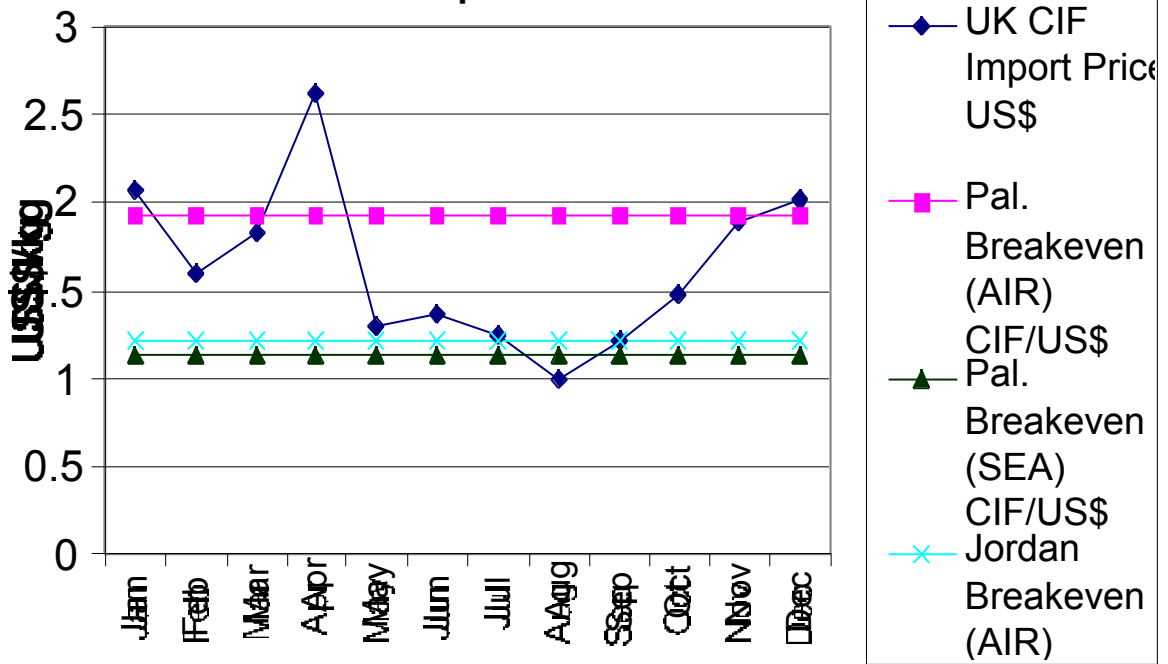
- Monthly profitable demand will be used as a measure to explore the potentiality of the selected crops for export to the EU market
- The monthly *profitable market demand* is that quantity which is already being imported during the peak import month in the country of destination
- The potential Jordanian and/or Palestinian exporter the quantity that market can absorb each week at or above prices which will give him a profit
- It will provide the exporter of how strongly (deep) demand would be during the “marketing window” of that market

Data Requirements

- Crop enterprise budgets for the selected crops in Jordan and Palestine will be used to build several accounting matrices known as Policy Analysis Matrix (PAM) to calculate DRC, private and economic profits.

- Weekly quantity supply, in metric tones/week, for each of destination markets (UK, France, Germany, and the Netherlands) during 1994-1997
- The Jordanian and Palestinian break-evens prices of the selected crop
- The average weekly wholesale price in the wholesale markets in the country of destination during 1994-1997
- Production calendar of selected crops
- MED agreements with Jordan and Palestine (allowed volumes and timing for the selected crops)

TABLE GRAPES
UK CIF prices and , Jordan and Palestine Break
prices



STRAWBERRY
UK Profitable Demand

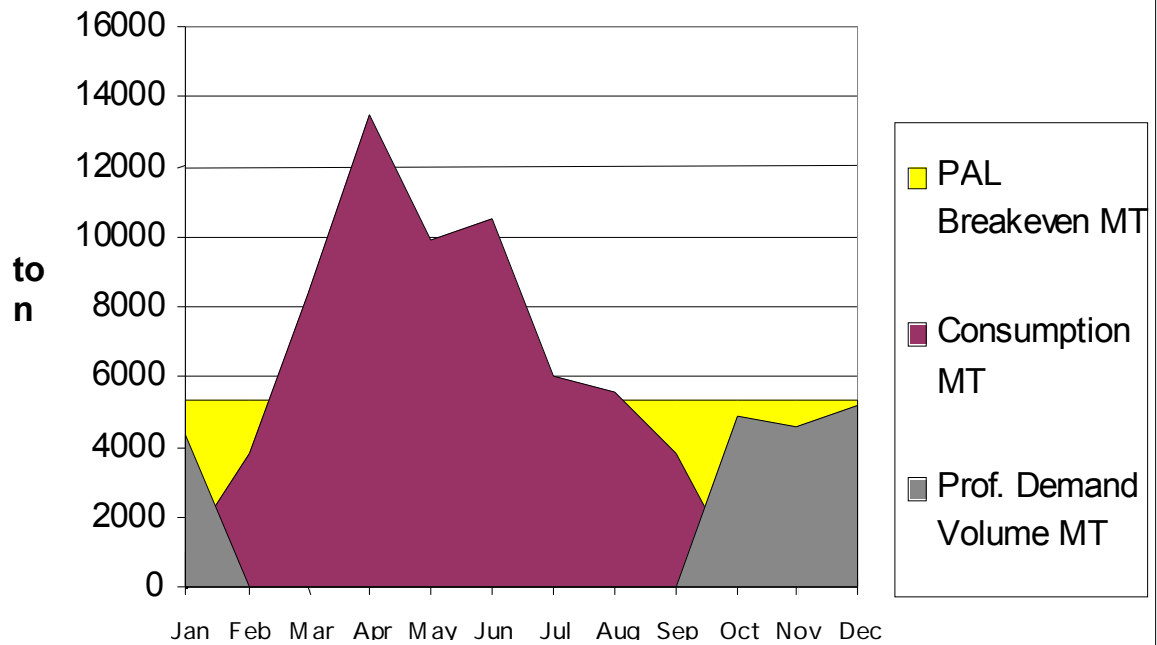
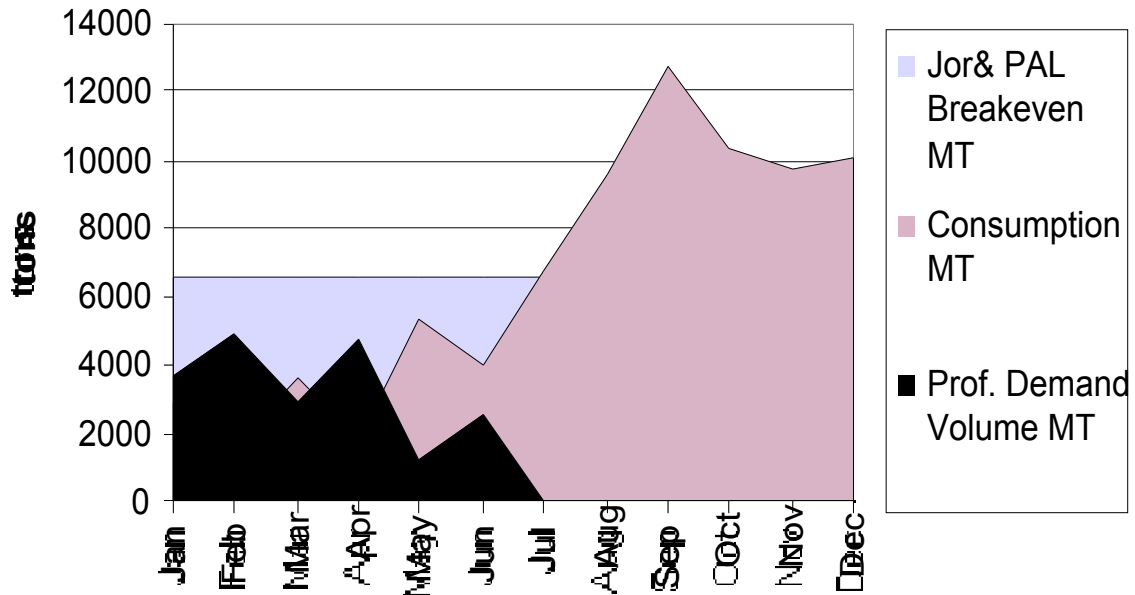
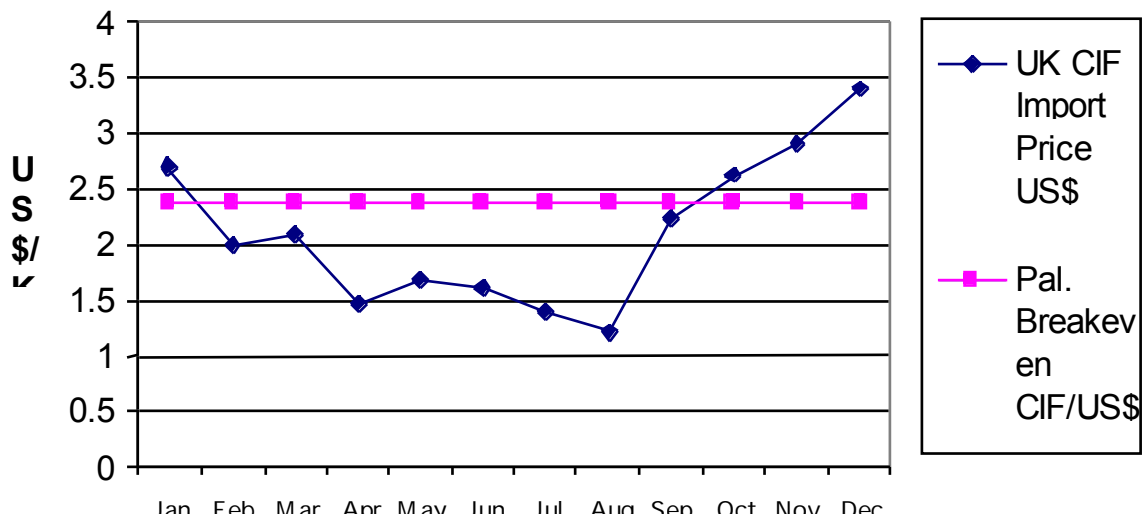


TABLE GRAPE UK Profitable Demand



STRAWBERRY UK CIF price and PAL Breakeven price



Green Beans

UK CIF Price and Jordanian Breakeven Price

