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## The Impact of Euro-Mediterranean Partnership on the Agricultural Sectors of Jordan, Palestine, Syria, Lebanon and Egypt.

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Institut de la Méditerranée



**The Impact of Euro-Mediterranean  
Partnership on the Agricultural Sectors of  
Jordan, Palestine, Syria, Lebanon and Egypt  
(The Case of Horticultural Exports to EU Markets)**

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# Objectives

- **Main objective:**
  - To examine how the Euro-Mediterranean Partnership would affect the achievement of the economic development objectives in the five selected countries.
- **Other objectives include:**
  - Determining the impact of the partnership on employment in terms of created new jobs; and
  - To determine the main impediments and bottlenecks of the Agreement and its implications on the reinforcement of the Euro-Mediterranean interdependence system.

# Research Questions (1)

- What are the main horticultural products that could be produced and exported from the selected countries to the EU countries without competing with EU production seasons? (Disaggregated level)
- Are these products utilizing efficiently the limited resources, especially water? (comparative advantage)
- What are the expected volumes of these crops, which can be exported profitably?

# The Selected Countries



## Research Questions (2)

- What is the potential size (depth) and the duration of the market window to EU markets?
- What are the major economic and social implications of exporting the expected volumes of the selected crops in terms of national income (GDP), investment, employment and Water? (Linking micro with macro)
- What are the implications of the Euro-Med Partnership on horticultural exports to the EU countries in terms of economic and trade policies?

# Vital Indicators

<b>Indicators</b>	<b>Egypt</b>	<b>Syria</b>	<b>Jordan</b>	<b>Lebanon</b>	<b>Palestine</b>
<b>Arable land</b>	<b>2.9%</b>	<b>25.96%</b>	<b>2.87%</b>	<b>17.60%</b>	<b>26.0%</b>
<b>Population</b>	<b>74.70</b>	<b>17.60</b>	<b>5.40</b>	<b>3.70</b>	<b>3.30</b>
<b>growth rate</b>	<b>1.9%</b>	<b>2.5%</b>	<b>2.8%</b>	<b>1.3%</b>	<b>3.6%</b>
<b>GDP - RGR</b>	<b>1.7%</b>	<b>3.5%</b>	<b>3.5%</b>	<b>1.5%</b>	<b>-18.5%</b>
<b>AG- Cont</b>	<b>17.0%</b>	<b>27.0%</b>	<b>3.7%</b>	<b>12.0%</b>	<b>9.0%</b>
<b>Unemployment</b>	<b>12.0%</b>	<b>20.0%</b>	<b>16.0%</b>	<b>18.0%</b>	<b>50.0%</b>
<b>Ag-Labor</b>	<b>29%</b>	<b>NA</b>	<b>5%</b>	<b>NA</b>	<b>13%</b>

# Conceptual Framework

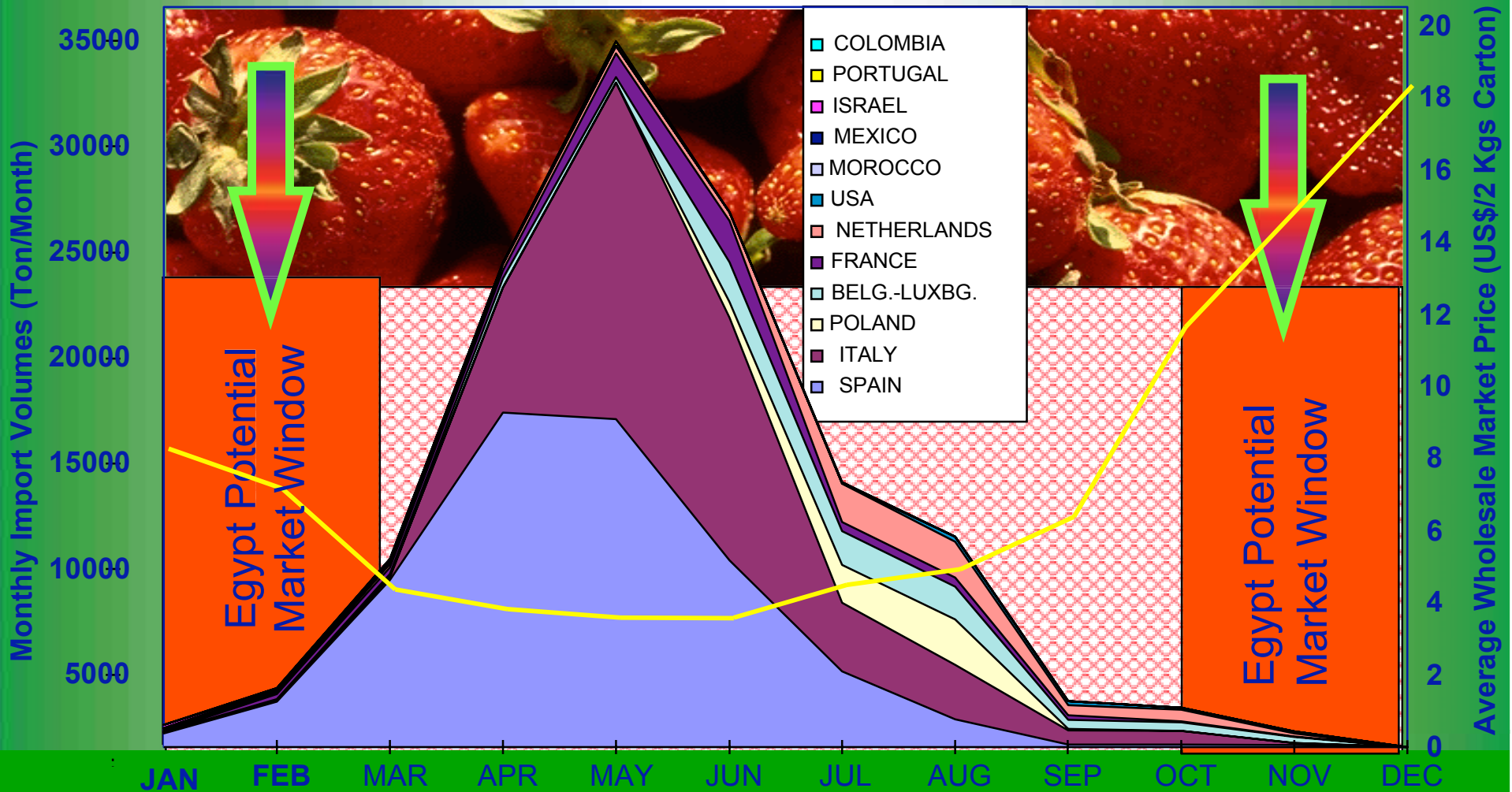
- This research will be focused on analyzing the horticultural sub-sector of the five countries in a regional perspective.
- Intra-Extra trade of the five countries will be analyzed
- The issue of Arab Free Trade Area (AFTA) will be also analyzed (1997-2008)
- Two methodologies will be employed here to answer the research questions:
  - The Policy Analysis Matrix (PAM); and
  - EU Market Analysis based on the Unmet Profitable Demand concept.

# The Policy Analysis Matrix (PAM)

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

# Germany: Strawberry Major Suppliers, and Egypt Market Window

Length of market Window	4 months
Depth of Market Window	44,000 Ton
Un-met Profitable Demand	42,000 Ton
US\$	210 million



# Efficiency Indicators to be tested

- Economic productivity of water (\$/m<sup>3</sup>) and labor (\$/person-day)
  - Among crops produced in the same country; and
  - For the same crops across the five countries
- Competitiveness indicators
  - Domestic Resource Coefficient (DRC)
  - Protection Coefficients

# Required Data

- Crop budgets ( 5 countries)
- Monthly supply (UK, France, Germany, and the Netherlands) during 1994-2002;
- The break-evens prices (5 countries);
- The average monthly wholesale price in the in the country of destination during 1994-2000;
- Trade maps to illustrate transport distances of major European suppliers; and
- Production calendar of each of the proposed crops;

# Selected Crops

- Tomato
- Sweet peppers
- Artichokes
- Green beans
- Strawberries
- Chicory
- Thyme
- Anise Seeds
- Roses
- Sweet Melons
- Grapes
- Dates

# Time frame and schedule of work

## The Impact of Euro-Mediterranean Partnership on the Agricultural Sectors

1st Quar-2003			2ed Quar-2003			3ed Quar2003			4th Quar-2003		
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec

Proposal Submission  
 Preparation  
 Data Collection from Lebanon,  
 Syria and Egypt  
 Computer data entry for the five  
 countries  
 Data analysis  
 Report writing

## The Impact of Euro-Mediterranean Partnership on the Agricultural Sectors

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Proposal Submission  
 Preparation  
 Data Collection  
 Computer data entry for the five  
 countries  
 Data analysis  
 Report first Draft  
 Final Report

# Status Summary

- Is project on track for delivery as expected?  
YES
- What is final date for delivery? May 04
- Major Difficulties:
  - Data availability
  - Updated data
  - Delays
  - Bureaucracy