

## **THE ECONOMIC IMPORTANCE OF EGYPTIAN FOREIGN AGRICULTURAL TRADE AND ITS REALATION SHIP WITH EUROPEAN UNION**

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### **ABSTRACT**

Foreign trade plays a great role to achieve economic development for almost all countries. However, Egypt being one of the developing countries is still suffering from the widening gap between increasing food imports and exports. This problem has subsequent effects on Egyptian agricultural trade balance and hence Egyptian balance of payments.

The study showed the relative importance of the total agricultural exports to, as compared to the total national exports, reached its highest level of 33 % in 1987, while its lowest level was about 8% in 1997. For the relative importance of the total agricultural imports to, as compared to the total national imports, it reached its highest level of 43% in 1990, while its lowest level was about 21% in 1998.

It appears that the average agricultural exports covered about 6% of the total national imports during the period 1986-1994, while it was about 4% during the period 1995-2003. The decrease of the coverage of national imports by the agricultural exports in second period compared with first period was due to the increase of the total national imports by nearly 17.34% (bases 1986-1994). The ratio of agricultural exports coverage established around 5% of the total national imports during the period 1986-2003. That was due to the fact that Egyptian governments in the last years reduced the national imports specially the food commodities, and slightly increase the national exports particularly the agricultural exports.

The conduct study showed that the impact of EU liberalization on Egypt will have negative effect on agricultural balance of trade during the all study period 1995-2006. It appears that the agricultural trade deficit in Egypt fluctuated from € 411.41 million in 1995-1997 to € 193.09 million in 2004-2006. This result means that there is an improving of the deficit of agricultural balance trade with EU by increasing the export profits, and decreasing food imports. So, there are two important factors to reduce the gap between agricultural imports and exports. The first is increasing the agricultural export earnings through identifying the variable which influence export demand in the foreign markets. The second factor is reducing the domestic consumption and increasing the domestic production of cereals specially wheat.

The EU and Egypt established a greater liberalization of their trade in agricultural products of interest to both parties. Agricultural products originating in Egypt imported into the community shall be subject to the arrangements set out in the protocol of the agreement.

### **INTRODUCTION**

Foreign trade plays a great role to achieve economic development for almost all countries. However, Egypt being one of the developing countries is still suffering from the widening gap between increasing food imports and exports. This problem has subsequent effects on Egyptian agricultural trade balance and hence Egyptian balance of payments. Therefore, it is considered to be a main cause of the difficulties facing the economic policy. This points out the importance of the subject and highlights the need to study it.

The research aims to study the economic importance of Egyptian agricultural foreign trade, and study the geographical distribution of Egyptian foreign agricultural trade with European Union. It was based on secondary data collected from different sources. The study depends on data of time-series to estimate some economic coefficient, and it used some economic indicators such as relative importance of agricultural exports to national exports, relative importance of agricultural imports to national imports, and relation covering of agricultural exports to national imports.

## **RESULTS AND DISCUSSION**

### **- Agricultural Trade Policies In Egypt**

Trade in agricultural products has been a major component of the economy since Egypt began to supply cotton to Europe during the Industrial Revolution, and cotton exports remain central to Egypt's ability to earn foreign exchange to finance imports. Trade allows for a greater degree of specialization in production. Trade, specialization, and technological progress all lead to increase in productivity - increase in the amount of real products that can be obtained from given resources. Increased productivity provides both the resources and incentives for the capital investment which is the basis for economic development (G.M.Craig, 1993).

A World Bank publication in 1990 showed that Egyptian trade economy is highly protected, particularly through non-tariff barriers, and somewhat less through customs tariffs. A suggested adjustment program by the World Bank is expected to focus on the phasing of most non-tariff barriers over a period of three years. In addition, a beginning would be made to cut the very high import tariffs and to reduce the range between the lowest and the highest import rates. Customs duty exemptions would also be reduced to a minimum level. The program foresees the introduction of an appropriate safeguard mechanism that can cushion the negative effects of import liberalization on specific enterprises, which experience serious difficulties in adapting to free trade within the short run set by the program. On exports, the program foresees replacement of export bans by export taxes, which in turn would be phased out gradually. At the same time, the exiting system of temporary imports would need to be improved.

### **- Government's Role In The Agricultural Foreign Trade**

Exports of cotton and rice are subject to a monopoly of the government agencies. For other agricultural export commodities such as fruits and vegetables, the private sector has the right to participate often in competition with the public sector. Also the imports of main food and supply commodities as wheat, wheat flour, maize, sugar, oil, tea, and frozen meat have been until recently limited to government.

The foreign trade barriers on the agricultural inputs and products are subject to substantial tariffs or import controls and many agricultural products are either prohibited for export or subject to export quota (Nassar S, 1990).

For the agricultural exports, the government must provide the institutional structure for encouraging exports. The government encourages the private sector to take an important role in the sector of agricultural

exports. The government should have a regulatory role, an infrastructure role, protecting agricultural production for particular producers, preventing excess supply and excess demand, having a role in research, having a role in credit for farmers. To increase the agricultural exports, there are factors other than prices such as quality control and packaging. Finding and interring markets are very important to increase Egyptian agricultural exports

#### **- The Importance Of Egyptian Foreign Trade**

The importance of foreign trade in Egyptian economy has been steadily since early of the nineteen century. At that time, Egyptian exports and imports were limited. What, maize, beans, rice, indigo and silk were considered the main Egyptian exports, while clothes, weapons, and glass were the main Egyptian imports. The introduction and expansion of new crops in Egyptian agricultural, especially cotton, and the changes in the industrial and military policies at that time, affected Egyptian foreign trade.

At the present time, petroleum and agricultural products mainly cotton – including yarn and textile – but also rice, fresh vegetables and fruits, and some industrial commodities are the major Egyptian exports. Food commodities like wheat and wheat flour, maize, lentil, animal products, fat and oils, tae, equipments, chemical and agricultural inputs are the major Egyptian imports.

The country started to depend on imports when it has to supply the fast growing population with the industrial and food commodities it required. In the recent years, the role played by foreign trade in Egyptian economy has been even more important. In spite of domestic demand, foreign demand is still the major outlet for Egyptian exportable crops such as cotton, onions, rice, potatoes, garlic, and some fruits crop. Moreover, Egyptian development programs currently in progress affect the role of foreign trade in Egyptian economy.

Egyptian foreign trade has an important role to play to pay for the cost of foreign investment. In this perspective, the reliance of Egyptian economy on foreign trade is not likely to decrease, at least during the next years. Even in face of the main goals, the role of foreign trade in Egyptian national economy is not likely to decrease.

#### **- Relative Importance Of Agricultural Exports To Total National Exports**

To obtain the relative importance of total agricultural exports to total national exports, the following definition was used:

$$RI_1 = \frac{VAE}{VNE} * 100$$

Where:

RI<sub>1</sub>: relative importance of agricultural exports to national exports

VAE: value of agricultural exports (US\$ million)

VNE: value of national exports (US\$ million)

The relative importance of the total agricultural exports to, as compared to the total national exports, reached its highest level of 33 % in 1987, while its lowest level was about 8% in 1997 (show table 1).

Considering the general trend of the value of the agricultural exports in the study period 1986-2003, it appears that the regression coefficient of value of agricultural was not statistically significant. The average value of agricultural exports reached about US\$.502 million during the period 1986-1994 which makes about 18.67% of the average value of the national exports during the same period. It increased to about US\$. 612 million during the period 195-2003, it's an equivalent of 10.4% of the average of the total national exports.

In general, the decrease of the relative importance of the agricultural exports to the total value of national exports was due to the following factors:

- Increase of the relative importance of non-agricultural exports specially petroleum and its by-products.
- Decrease of the quality of the exported products and a weak competitiveness of the Egyptian agricultural exports in the world markets in comparison to developing countries – especially Tunisia, Morocco and European Union.
- The rate at which the domestic requirements of those commodities rises has been higher than the rate of growth of agricultural production, and consequently the exportable surplus of those commodities decreased.
- Increase of the domestic prices as a result of the increase of both domestic demand and production costs that resulted in a decrease of the comparative advantage of the Egyptian agricultural exports.
- The inefficiency of the agricultural policies and the rigidity of the production system lead to a resource allocation system and a crop rotation that do not favor a maximization of the foreign exchange earnings.
- The presence of several managerial and administrative problems which reduces the effectiveness of the organizations dealing with exports.
- The increase of the domestic demand due to increasing of both population and per capita income marginal propensity to consume.

The Study of El-Mahdy A. M. (1990) showed that the weakness of the economic performance of Egyptian agricultural sector is due to a group of factors that reduced the marginal propensity to export, which reached about 0.055. This means that U.S.\$ one million increase in the agricultural production will give an increase of only U.S.\$ 0.055 million in the agricultural exports. This rate is very low because of the impediments and problems that face the agricultural development in Egypt. Those problems include the inadequacy of the economic policies set for the organizations and management of the agricultural sector in the fields of production system, pricing, employment, and wages. These policies weakened the efforts economic performance. The value of marginal propensity to export shows that the total marginal propensity to consume agricultural products reached about 0.945. This result shows that the domestic demand plays the major role in the decrease of Egyptian agricultural exports, this besides the decrease of the rates of growth in the agricultural sector.

**Table (1) – The Relative Importance of Egyptian Agricultural Exports and Imports during the Period 1986-2003 (US\$.Million)**

	(1)	(2)	(3)=(2)-(1)	(4)	(5)	(6)=(5)-(4)	(4) / (1)	(5) / (2)	(4) / (2)
Year	National Exports	National Imports	Balance of Trade	Agricultural Exports	Agricultural Imports	Agric. Balance of Trade			
1986	2935.11	8680.00	-5744.89	669.38	3339.78	-2670.40	23	38	8
1987	2037.20	7596.00	-5558.50	672.55	2604.66	-1932.18	23	34	9
1988	2120.41	8657.31	-6536.90	513.76	3165.97	-2652.12	24	37	6
1989	2647.82	7447.68	-4799.86	532.48	3168.58	-2636.10	20	43	7
1990	2585.00	9202.00	-6617.00	427.03	3075.56	-2648.54	17	33	5
1991	3659.00	7862.00	-4203.00	390.98	2530.47	-2139.94	11	32	5
1992	3049.95	8292.70	-5242.74	401.22	2547.41	-2146.19	13	31	5
1993	3110.00	8184.00	-5074.00	360.36	2275.65	-1915.28	12	28	4
1994	3463.00	10185.00	-6722.00	552.63	2777.01	-2224.39	16	27	5
Mean1986-1994	2845.28	8456.30	-5611.02	502.26	2831.98	-2329.41	17.67	33.67	6
1995	4957.00	11739.00	-6782.00	536.12	3364.41	-2828.30	11	29	5
1996	4608.50	14106.60	-9498.10	521.10	3861.79	-3340.69	11	27	4
1997	5345.40	15564.80	-10219.40	442.25	3437.75	-2995.50	8	22	3
1998	5128.00	16899.00	-11771.00	571.78	3520.47	-2948.69	11	21	3
1999	4445.00	17007.60	-12562.60	586.03	3660.76	-3074.73	13	22	3
2000	6387.60	17861.40	-11473.80	518.27	3899.00	-3380.73	8	22	3
2001	7068.20	16441.30	-9373.100	620.49	3560.42	-2939.93	9	22	4
2002	6643.40	14644.20	-8000.80	774.19	3687.54	-2913.35	12	25	5
2003	8205.20	14821.00	-6615.80	938.15	3881.88	-2943.73	11	26	6
Mean1995-2003	5865.37	15453.88	-9588.51	612.04	3652.67	-3040.63	10.44	24	4
General Mean 1986-2003	4355.32	11955.09	-7599.76	556.05	3239.40	-2685.39	15	29	5

Source: Compiled and computed from <http://www.fao.org/FAOSTAT> Database Results.

**- Relative Importance Of Agricultural Imports To Total National Imports**

To obtain the relative importance of total agricultural imports to total national imports, the following definition was used:

$$RI_2 = \frac{VAI}{VNI} * 100$$

Where:

RI<sub>2</sub>: relative importance of agricultural imports to national imports

VAI: value of agricultural imports (US\$ million)

VNI: value of national imports (US\$ million)

The relative importance of the total agricultural imports to, as compared to the total national imports, reached its highest level of 43% in 1990, while its lowest level was about 21% in 1998 (shown in table 1).

Considering the general trend of the value of the agricultural imports in the study period 1986-2003, it appears that the value of agricultural imports achieved a statistically significant increase at a rate of about 1.9% of the annual average value of the total agricultural imports (US\$. 3239.40 million).

**General trend function output is:**

$$Y = 2652.48 + 61.78 X_t$$

(3.42)\*\*

$$R^2 = 0.42 \quad \& \quad F = 11.86^{**}$$

Which:

Y: value of the agricultural imports (US\$ Million)

X: factor of time, t = 1, 2, 3...18

**- Development Of The Agricultural Balance Of Trade**

Table (1) showed that the agricultural balance of trade was continuous deficit during the study period 1986-2003. The agricultural balance of trade deficit increased from about US\$. 2670.4 million in 1986 to a top of US\$. 2943.7 million in 2003.

Calculating the general trend of the deficit of the agricultural trade balance during the study period 1986-2003, it appears that the value of deficit achieved a statistically significant increase of 1.92% of the annual average deficit (US\$. 3040.63 million).

$$Y = 2196.41 + 51.47 X_t$$

(3.12)\*\*

$$R^2 = 0.0.38 \quad \& \quad F = 9.73^{**}$$

Which:

Y: value of the deficit of the agricultural trade balance (US\$ Million)

X: factor of time, t = 1, 2, 3...18

The following factors were the main reasons of the deficit in Egyptian agricultural trade balance. Some suggestions and recommendations can be drawn to minimize this deficit:

- 1- It is important to liberalize the agricultural sector from the complications which affect its activities. This will be achieved by:
  - Increasing the agricultural and food production through allowing free profits as an incentive.
  - Rationing the import of consumer commodities especially wheat and wheat flour.
  - Decreasing the gap between production and consumption of agricultural commodities.
  - Increasing the production of exportable commodities.
- 2- It is important to liberalize the foreign trade in the agricultural sector and to improve the production structures, this recommendation aims at:
  - Achieving suitable profits for the producers whose increasing the production of the agricultural export commodities.
  - Creation of suitable conditions for increasing the production of these agricultural exportable commodities in which Egypt has been a comparative advantage.
  - Reducing the cost of imports as a result of a competition between the public and private sector.

- 3- Encouragement of the exports through programs export enhancement in foreign markets.
- 4- Establishment of an Egyptian Marketing Boards to stimulate agricultural exports, and its insurance against commercial and non- commercial risks, these Marketing boards aims to increase the agricultural exports, and put Egyptian exporter in the same competition level as the foreign exporter.
- 5- Egypt has the potential to export commodities other than those traditionally exported, for example, fruit and vegetable crops to other countries of North Africa, the Middle East, and European Union. However, to enter those markets successfully, Egypt must be improving significantly both quality of its products and its ability to market fresh products. Encouragement the investments in marketing processes are needed and those have only recently been role of Egyptian agricultural strategy.

#### **- Ratio Of Agricultural Exports To National Imports**

To obtain the relative importance of agricultural exports in Egyptian foreign trade, the relation covering of agricultural exports to total national imports was used. The following definition shows this relation:

$$RC = \frac{VAE}{VNI} * 100$$

Where:

RC: relation covering of agricultural exports to national imports

VAE: value of agricultural exports (US\$. million)

VNI: value of national imports (US\$. million)

The ratio reflects the importance of the agricultural exports for increasing the necessary foreign exchange, to import commodities and basic capital commodities on which development process in Egypt depends. Table (1) showed that the average agricultural exports covered about 6% of the total national imports during the period 1986-1994, while it was about 4% during the period 1995-2003. The decrease of the coverage of national imports by the agricultural exports in second period compared with first period was due to the increase of the total national imports by nearly 17.34% (bases 1986-1994). The ratio of agricultural exports coverage established around 5% of the total national imports during the period 1986-2003. That was due to the fact that Egyptian governments in the last years reduced the national imports specially the food commodities, and slightly increase the national exports particularly the agricultural exports.

#### **- The Importance Of The European Union In The Egyptian Foreign Trade**

The EU is one of the main markets for Egyptian exports and it is one of the major suppliers of Egyptian imports. Table (2) shows that in 1995-1997, agricultural exports to EU accounted for more than € 240 million or about 9.26 % of the total value of Egyptian national, and fluctuated from € 275.15 million or 9.61 % of the total value of Egyptian national in 1998-2000 to € 463.78 million or 10.02 % of the total value of Egyptian national in 2004-2006. While the value of Egyptian agricultural imports from EU accounted

from than € 652.91 million or 10.71 % of the total value of Egyptian national imports in 1995-1997 and it fluctuated from € 786.05 million or 9.73 % of the total value of Egyptian national in 1998-2000 to € 656.87 million or 8.59 % of the total value of Egyptian national imports in 2004-2006.

The deficit of Egyptian agricultural balance of trade with EU reached about € 411.4 million or 11.76 % of the total deficit of Egyptian balance of trade in 1995-1997, and it fluctuated from € 506.91 million or 20.18 % of the total deficit of Egyptian balance of trade in 1998-2000 to €193.09 million or 6.07 % of the total deficit of Egyptian balance of trade in 2004-2006.

**- The Geographical Distribution Of Egyptian Foreign Agricultural Trade With Eu During The Period (1995-2006)**

Data indicate that Italy came in the first place with 28.72 % of the total value of Egyptian agricultural exports during the period 1995-2006. UK came in the second place with 14.90 % of the total value of Egyptian agricultural exports. Germany came in the third place with 13.01 % of the total value of Egyptian agricultural exports during the same period. For the distribution of the total value of Egyptian agricultural imports among the member countries of EU, it appears that France was the largest exporter to Egyptian market with 27.36% during the period 1995-2006. Netherlands came in the second place with 16.73 % of the total value of Egyptian agricultural imports. Germany came in the third place with 8.13 % during the same period.

**Table (2) - The geographical distribution of Egyptian foreign agricultural trade with European Union during the period (1995-2006) by € Million**

.EU. Countries	1995-1997			1998-2000		
	Import	Export	Deficit	Import	Export	Deficit
Italy	31.49	48.27	16.78	45.13	87.35	42.22
UK	21.14	50.13	28.99	51.90	41.32	- 10.58
Spain	19.32	21.04	1.72	24.38	21.18	- 3.2
France	198.38	16.30	- 182.08	141.28	13.46	- 127.82
Germany	54.88	36.06	- 18.82	84.10	38.04	- 46.06
Netherlands	112.44	20.37	- 92.07	141.04	24.42	- 116.62
Greece	13.45	21.39	7.94	38.05	20.12	- 17.93
Belgium	41.49	4.19	- 37.3	23.20	6.89	- 16.31
Other	157.08	22.94	- 134.14	236.99	26.71	- 210.28
Total	652.09	240.69	- 411.40	786.05	275.15	- 506.90

**Table (2) – Continue**

EU. Countries	2001-2003			2004-2006		
	Import	Export	Deficit	Import	Export	Deficit
Italy	30.63	121.99	91.36	27.87	130.97	103.10
UK	58.68	47.85	-10.84	77.94	62.35	- 15.59
Spain	18.41	41.12	22.71	17.43	46.45	29.02
France	190.37	14.41	- 175.96	201.82	16.73	- 185.09
Germany	33.64	39.11	5.47	44.77	62.78	18.01
Netherlands	95.82	26.69	- 69.13	98.15	45.70	- 53.45
Greece	32.18	22.76	- 9.42	64.20	29.88	- 34.32
Belgium	20.02	19.00	- 0.98	25.13	29.54	4.41

Other	108.02	38.88	- 69.14	99.27	39.88	- 59.39
Total	578.85	373.54	- 214.31	656.87	463.78	193.09 -

**Source:** Compiled and Computed from: [http:// europa.eu.int](http://europa.eu.int)

The largest deficit of Egyptian agricultural balance of trade was with France, Netherlands, Belgium and the Germany with 17.55 %, 6.67 %, 5.25 % and 4.32 % of Egyptian agricultural balance of trade respectively in the same period.

#### **- The Impact Of The Cap Trade Liberalization On The Egyptian Agricultural Trade**

CAP of EU is often regarded as one that distorts global agricultural trade significantly. It is therefore of interest to see that would be the impact of a unilateral trade. Based on the main objective of CAP is to keep farmers income at parry with those prevailing elsewhere in the economy. Price policy is the primary instrument and used for this purpose. EU producer prices are kept above world market prices for most temperate zone products. In pursuing this high price policy, EU has become either self-sufficient or a major exporter for almost all of these products.

This impact of EU liberalization on Egypt will have negative effect on agricultural balance of trade during the all study period 1995-2006. Table (3) shows that the agricultural trade deficit in Egypt fluctuated from € 411.41 million in 1995-1997 to € 193.09 million in 2004-2006. This result means that there is an improving of the deficit of agricultural balance trade with EU by increasing the export profits, and decreasing food imports. So, there are two important factors to reduce the gap between agricultural imports and exports. The first is increasing the agricultural export earnings through identifying the variable which influence export demand in the foreign markets. The second factor is reducing the domestic consumption and increasing the domestic production of cereals specially wheat. However, Egypt should ask for and offer some alternatives in the face of CAP. The alternative that suggested to be offered as follow:

**Table (3) – The relative Importance of Egyptian National and Agricultural imports, exports and deficit balance of trade with EU during the period 1995-2006 (Value € million)**

Item	1995-1997	1998-2000	2001-2003	2004-2006
National Imports from EU	6096.876	8075.68	6668.93	7823.47
Agric. Imports from EU	652.91	786.05	587.85	656.87
%	10.00	9.73	8.68	8.40
National Exports to EU	2598.60	2864.12	3349.51	4626.02
Agric. Exports to EU	240.68	275.15	373.54	463.78
%	9.26	9.61	11.15	10.02
Deficit of Trade Balance with EU	3498.26	2511.56	3319.41	3181.45
Deficit of Agric. Trade Balance with EU	411.41	206.91	214.31	193.09

%	11.76	20.18	6.46	6.07
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Source: Compiled and computed from: <http://europa.eu.int>

**- To Set up Egyptian partnership with EU:**

Many historical, political and cultural reasons the EU looked towards strengthening those relations with the non-member countries of the Mediterranean Basin through establishing a huge free trade area. To achieve this target, a process of bilateral relationships between the EU and each country of the Mediterranean Basin has to be set by an agreement. Egypt, as one of those countries, after negotiations with EU held an agreement in 2001.

The Euro - Egyptian agreement takes in consideration the difference between the two parties in economic and social development and the need to strengthen the process of economic and social development in Egypt. To enhance their economic relations and in particular, the development of trade, investment and technological cooperation supported by a regular dialogue , on economic, scientific, technological, cultural, audiovisual and social matters with a view of improving mutual knowledge and understanding .

**The aims of the agreement are:**

- (1) To provide an appropriate framework for the political dialogue allowing the development of close political relations between the parties.
- (2) To establish the conditions for the progressive liberalization of trade in commodities, services, and capital.
- (3) To foster the development of balanced economic and social relations between the parties through the dialogue and cooperation.
- (4) To contribute the economic and social development of Egypt.
- (5) To encourage regional cooperation with a view to the consolidation of peaceful coexistence and economic and political stability.
- (6) To promote cooperation in other areas which are mutual interest.

Imports into the community of products originating in Egypt shall allowed free of customs duties and of any other charge having equivalent effect and free of quantitative restrictions and of other restriction having equivalent effect. Custom duties and charges having equivalent effect applicable to imports into Egypt of products originating in the community shall be abolished in accordance with a relevant schedule in the agreement and some of it shall be abolished on a decision of the Association Committee. In the event of serious difficulties for a given product, the relevant time tables may be reviewed by the Association Committee.

The EU and Egypt shall progressively establish a greater liberalization of their trade in agricultural products of interest to both parties. Agricultural products originating in Egypt imported into the community shall be subject to the arrangements set out in the protocol of the agreement. During the third year of implementation of the agreement, the community and Egypt shall examine the situation in order to determine the measures to be applied by the community and Egypt from the beginning of the fourth year after the entry into force of the agreement.

It is most likely, that the eliminating or decreasing the present levels of trade barriers between Egypt and EU specially custom tariffs for imports from agricultural commodities specially edible products, it is mostly likely to

say that the cost of various farm inputs and therefore, Egyptian farm outputs will go up compared by its foreign competitive imports. On the other hand their will be exist more potential capacities to increase some more Egyptian agricultural exports to EU specially vegetables and fruits according to the new specific trade mechanism affecting the EU conditions of their importing from Egypt.

**- To develop proper Marketing Information System (MIS):**

It is important for Egypt to have adequate information regarding international agricultural trade. For instance Egypt should respect to which commodities should be given priority in its agricultural trade. It is stated that Egypt would benefit from priority being given to products other than cereals should as sugar and meat. The most import commodity group in Egypt is cereals specially wheat.

**- Strengthening WTO rules and discipline:**

Egypt should be particularly interested in becoming active participants in an international system which provides a framework of norms, rules and producers. A strong monitoring mechanism within WTO could implement surveillance of national trade policies. Egypt could mitigate the prospective negative effects of WTO by acting in a more coordinated way. First , there might be a need to create new institution in order to secure food aid for emergency situations. Second, Egypt could promote more intensive regional trading plans with some countries, especially with Arab Countries as a starting to set up Common Arab Market.

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***Shehata, G. A. B. and Iman E. M. Abd Elftah***

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## الأهمية الاقتصادية للتجارة الخارجية الزراعية المصرية وعلاقتها بالإتحاد الأوروبي

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تلعب التجارة الخارجية دورا هاما لتحقيق التنمية الاقتصادية لكل الدول. وتعاني مصر مثل بعض الدول النامية من فجوة في غير صالح الميزان التجاري المصري نتيجة لزيادة قيمة الواردات عن قيمة الصادرات. وأثرت هذه المشكلة سلبا علي الميزان التجاري الزراعي ومن ثم ميزان المدفوعات المصري.

وأوضحت الدراسة أن إجمالي قيمة الصادرات الزراعية مثلت حوالي 33% من إجمالي قيمة الصادرات القومية عام 1987 كحد أعلى وحوالي 8% في عام 1997 كحد أدنى، بينما مثلت إجمالي قيمة الواردات الزراعية حوالي 43% من إجمالي قيمة الواردات القومية عام 1990 كحد أعلى وحوالي 21% عام 1998 كحد أدنى.

كما تبين من الدراسة أن إجمالي قيمة الصادرات الزراعية غطت حوالي 6% من إجمالي قيمة الواردات القومية خلال الفترة 1994-86 ، إنخفضت إلي حوالي 4% خلال الفترة 95-2003 ، ويرجع إنخفاض تغطية الصادرات الزراعية للواردات القومية في الفترة الثانية مقارنة بالفترة الأولى إلي زيادة الواردات القومية إلي حوالي 17.34% (الفترة 1994-86 فترة أساس).

وأوضحت الدراسة أن التجارة الخارجية مع الإتحاد الأوروبي كان لها أثر سلبي علي الميزان التجاري الزراعي المصري خلال الفترة 2006-95 حيث تبين أن قيمة فجوة الميزان التجاري الزراعي المصري مع الإتحاد الأوروبي تراوحت من حوالي 411 مليون يورو كمتوسط للفترة 1997-95 إلي حوالي 193 مليون يورو كمتوسط للفترة 2006-2004 وهذا يرجع إلي زيادة الصادرات المصرية إلي الإتحاد الأوروبي وإنخفاض قيمة الواردات المصرية منه. وأنشأت كل من مصر والإتحاد الأوروبي اتفاقية شراكة فيما بينهما دخلت إلي حيز التنفيذ والهدف الرئيسي منهما الاستفادة كـل مـن طرفي المشـراكة،

