

48373

Distr.: LIMITED

ECA/TNG/MULPOC/MIE/II/5a)

March 1993

Original: ENGLISH

ECONOMIC COMMISSION FOR AFRICA

Eleventh meeting of the Committee  
of Experts of the North African  
MULPOC

Tangier, Morocco,  
30 March - 3 April 1993

A STUDY ON  
PROPOSALS FOR FOSTERING TRADE IN AGRICULTURAL PRODUCTS  
AS A STEP TOWARDS THE ESTABLISHMENT OF AN  
AGRICULTURAL COMMON MARKET  
IN NORTH AFRICA



Distr.:  
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ECA/MULPOC/Tangier/.....  
November 1992  
Original: English

UNITED NATIONS  
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1st. Quarter 1993

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November 1992

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## I INTRODUCTION

### 1.1 The Common Market: Background and Justification

The term "Common Market" (CM) was originally coined by a French Statesman, Aristide Briand, who submitted a detailed scheme for a European Union first to the League of Nations Assembly in 1929<sup>1</sup> and then to all the European governments in the following year, i.e., 1930. The decisive impulse to that effect was in fact governed by Europe's need for outside assistance after 1945. This aid, offered by the USA, was subject to certain conditions; the main one being that States which were to receive it should set up a joint organization to manage the resources thus made available and to work out a common economic policy. This saw the establishment of the Organization of European Economic Co-operation (OEEC) which later became the Organization for European Co-operation and Development (OECD).

The European Community (EC), popularly known as the Common Market, began principally as an economic union, ultimately requiring a political union to work.; its founders intended and stated that there should be such a political union, in due course, but without specifying exactly what form it would take. The Treaty of Rome (1957) setting up the EEC's immediate objectives, however, were to get rid of all obstacles to the free movement of people and resources between the Member-States, and to promote economic growth throughout the community.<sup>2</sup>

Thus the whole concept of the Economic Community was built on five freedoms:

- (a) The removal of customs duties or quota restrictions on goods crossing from one member-state to another, including the Non-Tariff Barriers (NTBs);
- (b) Application of uniform set of barriers against trade with the rest of the world, in particular, *a common external tariff*;
- (c) Citizenship right of any one member-state to work in anywhere within the community and enjoy similar benefits as the citizens of the country to which he/she moved;
- (d) The right of any established firm in any one member-state to operate in any other sector, subject to the same laws and taxation as firms originally registered in that country;
- (e) Rules preventing any government from unfairly helping its citizens and the business which they controlled in competition of other member-states, e.g., through provision of higher subsidies or by charging higher freights on firms from other member-states.

To date, the process of European Economic Community in an efforts to form a common market has taken long strides and the experience towards achieving this goal bear critical lessons for African integration both at sub-regional and regional levels. Some of these include; the political will, institutional building, internal discipline and uniformization of economic space.

Thus, in the recent years, there has been a wide acceptance of economic and regional integration as the most effective method of enhancing economic development, particularly in the developing countries. Indeed, economic co-operation as a tool for economic development does not have the same impact in the developed countries than it does in the developing countries; i.e., the former depend to a lesser extent on external relations than the latter. In other words, the developed countries have a diversified economic structure which gives the possibility for an autarkic economic policy, while such policies for developing countries in a situation with economies of scale does not have an economic rationale. A relatively small domestic market in the developing countries often prevent the employment of the most efficient technology with a consequence of short production runs, higher prices and lower living standards. Hence, if African countries wish to increase appreciably their efforts to the developed countries' markets, they will have to develop exports of manufactures and semi-manufactures through the establishment of industries that are not only competitive with those of the developed countries but can also withstand competition from other developing countries. Here again, the answer lies in the co-ordination of trade activities and the integration of small markets into larger units. This implies the adoption of uniform trading policies and liberalization of trade among themselves. It further involves the appreciation that a meaningful co-operation and integration can be achieved, in a more efficient way, through harmonization of efforts than by independent pursuance of economic policy in each country.

All types of international economic integration provoke interest because they, to different degrees, both promote and restrict trade. Trade is liberalized, at least partly, among participating countries, while it is also distorted because there are various barriers between the integrated grouping and other countries. Various forms of economic integration exist and Table 1.1 below summarizes some selected stages of integration. Economic integration can take many forms and this can be ranged in a spectrum in which the degree of involvement of participating economies, one with another, becomes greater and greater. It is worth noting that the process of economic integration does not have to be gradual from one type to another. The establishment of any of these stages depend on the agreement between/among the participating countries.

In a free trade area, there is free trade for *locally produced goods* but there is no common tariff wall with third countries; in a customs union, there is a *common tariff* wall besides, of course, having free trade in local goods; a common market goes further than this and allows free movement, not only of goods, but also of factors of production; an economic union is a common market with some degree of *coordination* of national economic policies; and with total economic union, a *single economy* is created with unified fiscal policies, social policies, foreign trade, etc. In a total economic integration, there is a need for a supra-national government to formulate and administer unified economic policies.

Table 1.1

## STAGES OF INTERNATIONAL ECONOMIC INTEGRATION

	Stage 1 FTA <sup>1</sup>	Stage 2 CU <sup>2</sup>	Stage 3 CM <sup>3</sup>	Stage 4 EU <sup>4</sup>	Stage 5 TEU <sup>5</sup>
Removal of Tariffs and Quotas on Trade Among Countries	YES	YES	YES	YES	YES
Common External Tariff	NO	YES	YES	YES	YES
Freedom of Factor Movement	NO	NO	YES	YES	YES
Harmonization of Economic Policies	NO	NO	NO	YES	YES
Total Unification of Economic Policies	NO	NO	NO	NO	YES

Note: <sup>1</sup> Free Trade Area; <sup>2</sup> Customs Union; <sup>3</sup> Common Market; <sup>4</sup> Economic Union and  
<sup>5</sup> Total Economic Union

The purpose of this section is to demonstrate the positive effects of establishing a common market. The (CM) has rules, procedures, authorities, etc. It consists of independent nations but they are no longer free to do whatever they like except ultimately at the cost of withdrawing from the community; thus foregoing the advantage of membership which, most probably, may disrupt their own economy. The (CM) may be described as a group of states working closely together with a view to arriving at some decision jointly through common institutions. The need to go beyond the limits of a Customs Union (CU) is sometimes explained along the following lines: The free movement of labour, capital, managerial skills and enterprises is necessary to help disadvantaged agriculture, industries and areas and, unemployed workers to adjust to the hardships that the customs union may entail. A part from factor mobility, a condition for the integration of factor markets is non-discriminatory of factors originating from the partner countries. In such situations, factors respond to signals which include demand, higher productivity and returns within a common market. Free mobility of labour in a common market does not only require the elimination of discrimination of labour from partner countries, but also some degree of harmonization of social policy (social security, unemployment benefits, pension funds, vocational training). Without harmonization of these issues, distortions may be created which may induce labour to move in response to other signals than purely to its relative abundance/scarcity and returns. Thus the aim of a Common Market is to ensure the benefits of international "Specialization", thereby improving members' real living standards if not in the short-term, then in the medium to long-term.

The short and medium-term impact of the formation of a Common Market is mainly felt through an increase in trade between member countries. "Trade Creation" is typically associated with a reallocation of resources within the market favouring least-cost supply allocations (improvements in the locational advantages for business) and a reduction of prices of commodities produced locally relative to imports from the rest of the world resulting from the elimination of tariffs and lower production costs (i.e., gains from trade). Briefly, a Common Market can be expected to promote longer-term (i.e., dynamic) changes conducive to economic efficiency through the following:-

- (i) **Competition:** The removal of regional internal tariffs, etc., can be expected to widen the area of effective competition; high-cost regional producers are eliminated, while efficient and progressive suppliers are able to exploit the new market opportunities;

(ii) ***Economies of Scale:*** Whereby a wider 'regional market' enables firms to exploit the advantage of economies of large scale production and distribution, thereby lowering the supply costs and enhancing "comparative advantage";

(iii) ***Progressiveness in Technology:*** Wider 'regional market' opportunities and exposure to greater competition can be expected to encourage firms to invest and innovate new techniques and products;

(iv) ***Investment and Economic Growth:*** The 'virtuous' circle of rising income per capita, growing trade, increased productive efficiency and investment may be expected to combine to produce higher economic growth rates and real standards of living; and finally,

(v) ***Political and Psychological Benefits:*** In creating a spirit of greater co-operation and freedom from old economic connections, there may arise some important political and psychological benefits.

## 1.2 The Case of North Africa

A number of past developments in North Africa are at this time worthy of record. It should be recalled here that during the past twenty seven years or so, North African countries have emphatically called for the establishment of economic links. Thus since the mid-1960s, there has been considerable discussion of the possibility of closer economic co-operation between the currently established Union of Maghreb Arab (UMA) consisting of Algeria, Mauritania, Morocco, Libya Arab Jamahiriya and Tunisia.<sup>3</sup> There are today over a dozen of such co-operation arrangements in force. These arrangements, of which the list is long, have been in the form of traditional bilateral institutions, viz; the major joint commissions or specialized joint commissions or within the context of the Arab League. To mention just a few and the most recent ones, these include, among others, tariffs and trade convention between Algeria and Tunisia signed in 1981; tariffs and trade convention between Morocco and Tunisia signed in 1986, trade and tariff convention between Mauritania and Morocco signed in 1986, trade and tariffs convention between Algeria and Morocco signed in 1989, and, trade and tariffs convention between Libya and Morocco of June 1990.<sup>4</sup> In fact, these bilateral agreements have encouraged



the spirit of co-operation and are vital for strengthening of a wider framework for co-operation within the sub-region. Looking at the background of these countries, there is much which would make such co-operation a natural development. Culturally and ethnically, the people of the five countries have much in common. Over 90% have the same religion and speak the same language. They have traditionally been primarily nomadic herdsmen, agriculturalists, craftsmen and traders; and their modern economic sectors have emerged in relatively recent times, in each case, under foreign rule. For the three countries of the sub-region, i.e., Morocco, Algeria and Tunisia), the experience of colonial rule under the same power established similar institutions and attitudes and, a common second language. The question is how effective can such co-operation be to facilitate the establishment of a common market in view of differing political systems, diverse economic policies and the already entrenched external vested interests.

Among the most recent calls for joint economic links covering the entire sub-region was during the Meeting in Tangier, Morocco, from 12-13 April 1985 and later in 1987 when the North African MULPOC Council of Plenipotentiaries adopted a Resolution on Trade Promotion in North Africa to examine the possibility of establishing the institutional framework for promoting a preferential trade area, harmonizing trade policies and gradually reducing tariffs and non-tariff barriers with a view to setting up a broader framework for addressing political, economic and social issues of common interest. Thus, the subsequent establishment of the Union of Maghreb Arab (UMA) in February 1989 in Marrakech, Morocco, marked a decisive point of inter-Maghreb relations. The general declaration adopted by the Marrakech Summit takes up the challenges facing the member states and underscores the underlying reasons for the establishment of sub-regional groupings in the present world situation. The declaration<sup>1</sup> states that:

*"The Union of Maghreb Arab (UMA), is a complementary grouping co-operating with similar sub-regional groupings, a solid block which aims at the promotion of international dialogue, the defence of the principles of justice, the mobilization of its people and all their potentials with a view to preserving their achievement and working with the international community for the establishment of world order where justice, dignity and freedom of human rights prevail, and where co-operation is based on sincerity and mutual respect".*

Besides, the Treaty for the establishment of UMA has set in place specialized Ministerial Committees consisting of (i) Food Security Committee; (ii) the Economy and Finance Committee; (iii) the Basic Infrastructural Committee; and (iv) the Human Resources Committee.

These committees whose responsibility is to translate the objectives defined by the Treaty and Declarations of Heads of States into specific projects and concrete actions aim, *inter alia*, at:

- Promoting co-operation and integration covering all the fields of economic activities.
- Harmonizing of economic and financial policies, investment and trade financing as well as investment guarantees; harmonizing of monetary policies by stages (generalization of bilateral payment agreements and establishment of Maghreb clearing houses) and customs policies through short, medium and long-term measures.
- Generalizing of trade preferences, abolishing of non-tariff barriers and establishing of intra-trade information network, as well as the developing productive activities and services, infrastructures and communications.
- Harmonizing of university and educational programmes, promoting joint programme for training of trainers, developing a Maghreb industry for the production of teaching materials and developing of scientific research; and
- Gradually working towards the realization of the free movement of people, goods, capital and services within the sub-region.

The main objective of the above-mentioned strategy concerns essentially the strengthening of co-operation among the UMA member states for a better economic integration which constitutes the basis for the establishment of a coherent common market. In this connection, more recently also, i.e., in September 1991, five institutions have been created and proposals with regard to the locations of these institutions in various UMA member states passed. These include:

- (a) the UMA Secretariat which is now located in Rabat, Morocco;
- (b) the Consultative Council (i.e., Parliament) to be located in Algeria;
- (c) the UMA's judicial court to be located in Mauritania;
- (d) the Maghreb Bank of Investment and Foreign Trade to be situated in Tunisia; and
- (e) the Maghreb University and Academy of Science to be located in Libya.

It is hoped that the establishment of a permanent Secretariat in Morocco would facilitate not only a better coordination between ECA/MULPOC and UMA but also an improved coordination between the latter and other African economic grouping on matters of mutual interest.

In addition, the countries have also planned to provide a framework for jointly dealing with problems and issues associated with the completion of the EEC internal market by 1993. At present, the EEC, for instance, absorbs 70% of Maghreb countries' total exports while intra-Union trade is still only of marginal importance.<sup>6</sup> Due to increased dependence on external trade for a substantial portion of incomes in most African countries, there is, therefore, a growing desire to establish and strengthen intra-sub-regional trade among various economic groupings.<sup>7</sup> This is in line with the approach envisaged by the Abuja Treaty of June 3, 1991 which aims at establishing an African Economic Community (AEC). The Treaty sets out a time-table for the necessary steps -- including a phased removal of barriers to intra-African trade. These are expected to culminate in the formation of an African-wide economic community and monetary union by the year 2025. Thus the Heads of State or of Governments are, in this respect, convinced that by thus organizing their co-operation, this would facilitate those reforms which might seem opportune in the interest of communities' greater efficiency.

Nonetheless, considering the African region as a whole, the creation of various economic integration groupings does not seem to have led to an increase in the rate of intra-African trade which, in fact, is a *sine qua non* for the process towards the establishment of a common market. Evidence indicate that the rate of intra-African exports has indeed declined from 6.1% of total recorded trade in the 1960s to 5.2% in the 1970s and further down to 4.9% in the 1980s.<sup>8</sup> Explaining this unsatisfactory trend in intra-African trade, ECA<sup>9</sup> states that:

*"At the root of the low and declining share of intra-African trade, no doubt, is the parallel production structures of African economies and the low technological threshold in the region which seriously impairs the quality and cost competitiveness of African products vis-a-vis those imported from the developed countries or even the newly industrialized countries of Asia and Latin America. Moreover, by concentrating on market expansion, the institutions created have virtually ignored the production dimension. Other impediments include: high cost of transport within the region, lack of capacity for regular supply, lack or dearth of quality control and technical standards, paucity of trade and marketing institutions, lack of trade information, the vertical integration of trading networks by transnationals with their overseas parent corporations, and insistence on the use of a few non-African currencies for trade transactions in spite of the establishment of payments and clearing systems for settlement of trade balances within the region.*

*Expansion of intra-African trade should therefore principally be predicted in the re-*

*orientation and transformation of Africa's economic structures and the removal of trade-related obstacles. Of special importance in this regard is the development of complementary sub-regional infrastructure and production structure, and the integration of national markets."*

It goes without saying that the real test of progress for fostering trade in agricultural products in North Africa is the extent to which the member-states are able to co-ordinate and harmonize their economic activities, particularly in those critical sectors -- agriculture, agro-industrial development, transport and communication and water resources development -- where joint effort is the very basis of success. Such effort at co-ordination and harmonization also assumes that the member states are able to reconcile whatever divergencies that may arise from their separate pursuits of national economic policies.

This study will take the position that North African countries can be studied as among other examples of how a community can/should react to a set of problems of the regulation of agricultural markets to the short and long-term satisfaction of both rural and urban electorate and, economies in the area at large. As such, we shall in our analyses make comparisons with the successes and/or failures of other economic groupings; for instance, the Economic Community of West African States (ECOWAS), Southern Africa Development Community (SADC), European Community (EC), etc.

Several additional economic reasons call for the need for fostering trade in agricultural products as a step towards the establishment of an agricultural common market in the North African sub-region. Firstly, Agriculture is among the most important sectors of the economy in the sub-region; this is in terms of its contribution to the Gross Domestic Product (GDP), its share in foreign trade and the number of people employed in it. In Morocco, for instance, agriculture, forestry and fisheries account for about 40% of total employment and 20% of GDP. For Algeria and Tunisia these shares are about 25% of total employment in each country.<sup>10</sup> What is even more clearer is that, given the rate of growth of population of North Africa, i.e., above 2.5% per annum,<sup>11</sup> and given the scarcity of water resources and arable land, low level of industrial production and high level of external debt, it is apparent that steps must be taken towards strengthening food security in the sub-region. Their agricultural production, which is largely dependent on rain-fed areas, is subject to wide fluctuations caused by erratic climatic conditions.

Secondly, their variations in population size, economic endowment and/or deficiencies (e.g., energy resources, forest and livestock resources, etc.) are forces to be reckoned with in analysing the gains in trade which may be realized through the establishment of a common market in agricultural products in the sub-region. Finally, and as an appendix of the above-mentioned, since most of the countries in the sub-region have more or less ecological similarities, they tend to produce most, if not all, of their domestic demands without considering whether or not they possess comparative advantage of doing so. In many instances, such problems, among others, arise because information of what others do is lacking. This has resulted in low levels of agricultural productivity thus contributing to the frequent food deficit which is becoming a major issue in the sub-region and calling for the need for fostering agricultural trade with a view to establishing a coherent agricultural common market in North Africa.

### 1.3 Objectives of the Study:

In order to understand any of the sub-regional economic groupings, we need to know something about the states which the grouping to be studied is made of; their essential geography, their agriculture and industries, their standard of living, their political institutions, and above all, their people since the whole set-up works on the basis of compromise between the national interests and the economic grouping as a whole. It is in the light of the above-mentioned issues and problems that present study will address itself. The purpose of this study is to take a comprehensive view of the available information to:-

- (a) Analyse the past and current trends of intra North African trade in agricultural commodities within the sub-region and with the rest of the world as well.
- (b) Critically examine and identify the agricultural potential of individual countries in the sub-region for a number of agricultural and food primary commodities: e.g., cereals, fishery, livestock, food crops and industrial export crops. The level of government support of agricultural sector; i.e., extension services, national policies towards agriculture and self-sufficiency in food production, etc.
- (c) Propose measures to improve sub-regional agricultural potentials for such commodities with a view to boosting the intra-Union trade.

(d) Analyse water resources and land policies and practices in view of the acute scarcity of these factor inputs. Propose strategy for the increasing of water resources availability in the sub-region.

(e) Propose certain price harmonization measures between national agricultural markets with a view to ensuring that intra North African trade would occur at a common price despite the apparent different producer prices.

(f) Assess the role of existing infrastructural bottlenecks rendering local commodities relatively uncompetitive vis-a-vis imports; propose measures to improve the efficiency of sub-regional distribution of such commodities.

(g) The impact of the single European Market after January 1st. 1993; How the proposed liberalization of world trade in agricultural commodities within the framework of the current Uruguay Round and GATT negotiations would affect access of North African agricultural commodities in the European market. How agricultural liberalization within GATT would affect the level of external tariffs that North Africa can apply without provoking relations.

(h) In keeping with the concept of a Common Market, as opposed to only a Customs Union, suggest various measure in regard to free movement of factors of production (i.e., labour and capital), a common transport policy, farming research and technology, etc., as a step towards setting up a coherent common market in the sub-region.

#### **1.4 Scope and Limitations of the Study**

The study will mainly concentrate on trade in agricultural products particularly in the 1980s and 1990s. Unforeseen circumstances limited the mission to only two countries of the Maghreb (i.e., Morocco and Tunisia). Bearing this in mind, our discussion may appear more biased in favour of these countries. Nonetheless, analysis of other countries of the Maghreb will also feature in our analysis depending on the availability of data.

### 1.5 Some Analytical Issues

Two basic questions ought to be asked in regard to the subject of trade in agricultural products among the North African countries: Is this trade important quantitatively? And does it matter qualitatively? The first question is descriptive or "positive"-oriented. Related questions are; how big is this trade as a proportion of trade of the total African countries, as a proportion of the total trade of the developing countries and the rest of the world as well; has its relative importance shown any tendency to increase over time and the recent trends likely to continue into the future? This begs the second question, viz: what explains the past growth of agricultural trade among North African countries, on both the demand and supply sides? For example, on the demand side, what has been the role of relative price differences? And on the supply side, what has been the role of output and agricultural growth, which reflect an increasing capacity to supply a range of goods? Are the explanatory factors mainly structural, economical, etc.? And do these countries possess a common economic profile?

The second question is "normative" and policy-oriented. That is, what are the likely impacts of the expansion of this trade on the rest of Africa? Is there something qualitatively different about this trade (for the countries involved in it)? This raises several empirical questions in the context of North African trade. Do North African countries export and import from each other products which are different (in terms of production process and factor contents)? If so, what benefits (static and/or dynamic) flow from trade in different directions (given the relative sizes of trade flows and potentials for expansion in each direction)? Finally, one might also be interested in the kind of policies, modalities, instruments and institutions which would be feasible and efficient (i.e., high in efficacy but low in cost and by-product distortions) for facilitating and promoting the expansion of trade among the North African countries.

This study by no means claim to provide conclusive answers for all the foregoing questions; this would require several volumes. Nonetheless, it is envisaged that the study would provide considerable understanding towards some of the above-mentioned issues.

## 1.6 Collection of Data

The main source of general statistical information will be from various international organizations such as the UN/ECA, the IMF's International Financial Statistics, the UNCTAD, The International Wheat Council (IWC), The World Bank, FAO/UN, UN Trade Statistics Year Book, etc. Primary data collection will be fetched from the Ministries of Commerce, industry and Agriculture, The National Banks and Central Statistics Offices of countries in which missions will be undertaken. Additional information will be sought (through unstructured interviews) from various personalities conversant with the subject matter in the ministries concerned of the mission countries. The type of data required for the study would include; the general country profile data, the statistics on intra-North African trade in agricultural commodities as well as with the rest of the world; i.e., quantity and value of output of various agricultural commodities, major trade partners with the North African countries, data on food imports and exports, particularly cereals, etc.

## 1.7 Organization of the Study

The study has four main parts and is organized as follows. After the Introduction (Part I), Part II addresses country profiles of North African states; this serves as a background part of the study for appreciating the setting of respective countries in the proper perspective. Few economies are entirely self-sufficient and, in our case, increased intra-North African trade can play important role in the sub-regional's development, both through the working of the principle of comparative advantage and attaining self-sufficiency in food production. Complementarity of production which is essential for the expansion of intra-trade in agricultural products is still low in the sub-region because less effort has been made to develop an integrated pattern especially in the case of agricultural production. In this context, an integrated production in agriculture that takes account of both the diversity and complementary of resources of the member-states need to be addressed. Coordinated transport and communication are also essential parts of the common market. These, and a host of other important issues, are discussed at length in Part III. Next, in Part IV, we provide a summary, recommendations and conclusion. We here assess the findings of the study in relation to the constraints to intra-Union trade expansion and examine policy adjustment needed to expand agricultural trade, bringing the study to a close. References may serve as a reading list for those who wish to delve deeper on the subject.



NOTES:

1. The League was set up in 1919 by the Treaty of Versailles. It was wound up in 1945, being replaced by the United Nations (see de Rougemont (1967)).
2. The European Community or Communities consist of the European Coal and Steel Community, the Euroatom and the European Economic Community (EEC). The three communities have had common institutions since the Merger Treaty of 1967. Most of the activities of the EC relate to the EEC. The term European Economic Community is still in use in the Association agreement of the European Community, but its functions have now been taken over by the EC. The latter term is often used interchangeably with European Communities, European Economic Community, or simply the Community. The Treaty of Rome (25th. March, 1957) refers often to the treaty which established the EEC, although the Euroatom was created at the same time and the same place as the EEC.
3. "Maghreb" is an Arabic word for "West". The North African countries represent the western part of the Arab world. In the recent years, Libya and Mauritania have been included in this grouping. In this study, the term North Africa countries and the Maghreb countries will be used interchangeably although in all cases we would be referring to the countries of the Maghreb.
4. For a fuller discussion of these conventions, see Royaume du Maroc (1992:1-4).
5. See ECA (1991:41).
6. See FAO/UN (1992:65) and UNCTAD (1992).
7. See McMahon (1992).
8. See ECA (1990a:6-13).
9. Ibid. p.30, Box 3.
10. See FAO/UN op. cit. p.63.
11. The group faces a problem of rapid population growth -- 2.7% in Morocco and Tunisia and 3.1% in Algeria. This has had a spill-over effect on domestic food production which is inadequate to satisfy the consequent growth in food demand and the three countries have therefore experienced declining food self-sufficiency levels during the past years.

## II CHARACTERISTICS OF THE NORTH AFRICAN AGRICULTURE: POLICY TRENDS AND PERFORMANCE; THE COUNTRY OVERVIEWS

### 2.1 Economic Features of Maghreb Countries: the cases of Algeria, Morocco and Tunisia

The purpose of this part is to provide a statistical overview of the nature of the agricultural economies in the sub-region. By reviewing the available evidence, we aim at highlighting certain features which are relevant to policy discussions and corrections in the subsequent part of the study. Each sub-section below is intended as a brief commentary on the statistical material presented in different tables.

The various types of agriculture in the Maghreb sub-region have one feature in common; their climate, dominated by summer drought, which leads to similar types of constraints on agricultural production throughout the sub-region. Apart from this one specific factor, the Maghreb agriculture is not standardized: viz; it is made up of a variety of production systems (micro, meso, small farms, large farms, etc), various systems of crop and livestock production which contribute to a wide range of products (i.e., animal food, industrial crops, vines, small ruminants, cattle, poultry, etc) in a variety of landscapes, plains and mountains, valleys and slopes, hills and plateaux. The area cultivated per inhabitant also varies alot according to the region. This has given rise to stunning disparities in resource use. For instance, in 1988, agricultural gross fixed capital formation (AGFCF) per hectare of arable land ranged from US\$275 in the Libyan Arab Jamahariya compared with only US\$67 in Tunisia. Similarly, AGFCF per caput of agricultural labour was as high as US\$3,933 in the Libyan Arab Jamahariya compared with only US\$474 in Tunisia.

Despite their geographical proximity and historic, ethnic and cultural ties, the Maghreb countries also present considerable socio-economic diversity and sharp contrasts. This diversity applies, though to a lesser extent, in the three Maghreb countries<sup>1</sup> as well (i.e., Algeria, Morocco and Tunisia). Their average GDP per caput income ranges from US\$961 in Morocco to US\$2006 (in constant 1980 US\$) in Algeria but the averages may be misleading since there are the very rich, while a good number of the population are living on an average far less than that.<sup>2</sup> In 1990, the shares of agricultural population as a percentage of the total population is 23.4% in Algeria compared with over 36% in the the case of Morocco. The share of active population as a percentage of total population ranges from 22.9% in Algeria to about 33% in Tunisia. The total

population ranged from approximately eight million in Tunisia to about 25 million in both Algeria and Morocco.

The distribution of agricultural resource endowments, infrastructure and levels of technology show similar unevenness. For instance, irrigated land covers only 5% of total arable land in Algeria and Tunisia compared with 15% in Morocco. In fact, Morocco is also the most agriculturally oriented of the three countries. Her agriculture, forestry and fisheries accounts for about 40% of total employment and over 20% of GDP. This is quite high compared with the shares of about 25% each in Algeria and Tunisia for total employment and 10 to 15 percent contribution to GDP.<sup>3</sup>

Beyond the above-mentioned diversities, however, all the three countries' economies and agricultural sectors have shared similar experiences since the early 1980s; annual GDP growth rate averaged approximately 3.7% during the 1980s both in Morocco and Tunisia and 3.3% in Algeria; down from 5.2% to 6.6% and 7.5% respectively, during the period 1965-1980. The slow-down in output growth in these countries has been as a result of declining terms-of-trade for mineral products during much of the 1980s. The dichotomy in resource endowments among the Maghreb countries depicts both a constraint and an opportunity. Although the limited resource base is obviously a constraint for individual countries, sub-regional resource complementarity suggests that sub-regional co-operation and improved trade is a natural path towards maximizing common welfare.

Various planning initiatives and policy strategies in support of agriculture have been apparent at sub-regional level. For instance, following the recent locust infestation, the sub-regional commission for the locust control came into being. The Commission, which has been created through the instrumentality of the FAO, aims at strengthening national plant protection services in close collaboration with sub-regional groupings such as CILSS and the Organization Commune de Lutte Anti-acridienne et de Anti-aviaire (OCLALAV), the activities of which have now been reduced mainly to those of collection and dissemination of information on pest control.

Availability of water resources is an essential factor in the development of the arid and semi-arid areas. In the present situation and increasingly in the future, this factor will prove to be a major constraint limiting the process of economic and social development in the sub-region. It is becoming vital for this resource to be rationally managed so that the development remains sustainable and the environment preserved.

In Tunisia, for instance, the implementation of a strategy based on plans to guide the use of water over a period of ten years is underway. This would prevent shortages and allow water supply works to be put into operation at the right time to avoid disturbing the production system. Over the past years also, several major and varied actions have been and are being undertaken in the field of water resources in the sub-region. It is expected that the outcome of these actions and the analysis of what has been achieved by these actions will make a valuable contribution towards perfecting the management, exploitation and protection of water resources. What needs to be added here is that such actions should be based on a dynamic evaluation of the underground and surface water resources by analysing their regime and behaviour. The evaluation must also take into account the occurrence of exceptional droughts which, although appear rarely, pose very serious risk since the minimum thresholds for droughts and the maximum threshold for floods which can be predicted by studies may be exceeded and devastating effect of this random phenomenon could create a new situation requiring several years to recover.

The recycling of used water is another area that can contribute significantly to water resources availability in the sub-region but this is still constrained by lack of research in this field.

At present, all these countries are committed to liberalizing their markets and reducing government intervention. Morocco and Tunisia have introduced rigorous adjustment strategies while Algeria has pursued a more gradual approach (the latter was formerly a centrally planned socialist economy pursuing a development strategy of collectivized agriculture).

With regard to these countries' foreign trade, the group is strongly dependent on the EC markets for their exports and imports. It is worth mentioning here that EC absorbs 70% of Maghreb's exports. For instance, Tunisia's total exports (over 56 percent) are very much concentrated to only three of the EC countries; i.e., Germany, France and Italy. The same countries also remain the most important partners of Algeria's foreign trade.<sup>4</sup> FAO statistics indicate that in 1989, the EC imported about 73% of Morocco's citrus fruit exports while Moroccan export in 1990 to the non-Maghreb states of Africa constituted only 0.64 percent of her total export.<sup>5</sup> These are issues and problems of paramount importance in view of the fact that by January 1st. 1993, EC is expected to have completed its economic integration process towards their establishment of a common market when all internal barriers among member states are removed. And by the turn of the century, Europe may well have a single currency with all the economic coordination that implies. This would imply that the goods from these countries would certainly face stiffer competition in the European market with domestically produced EC goods.

In fact, the possible difficulties that these countries may encounter after 1992 when economic integration of the EC is completed, is one of the main considerations that led to the conference and the creation of the Union of Maghreb Arab (UMA) in Marrakech, Morocco, on the 17th. February 1989. Further policy measures and solutions are called for. Discussions geared towards providing such solutions and proposals for fostering intra-agricultural trade in North Africa with a view to establishing a common market are issues to be addressed in Part III.

The following country reviews is an attempt to synthesize some of the recent policy trends and performance in the agricultural sector.

## 2.2 Algeria

Territorially, Algeria, (i.e., El Djezair as it is well known in Arabic), is the largest of the five countries in the Maghreb.<sup>6</sup> Among the physical problems facing Algeria's agriculture is low and erratic rainfall that varies from floods to droughts and their enormous effects on crops, livestock, the economy and population. On average, rainfall is more than 10 percent below trend in 4 out of 10 years. Most production is concentrated on a narrow coastal littoral that receives between 500 and 800 millimeters of rainfall per year. Agricultural production is also constrained by a limited arable land base; about 7.5 million hectares or some 3 percent of total area. Against this background, agriculture has also made a disappointing economic contribution in recent years. The population growth rate of more than 3% per annum and the agricultural production increasing by only 1 to 2% per year during the 1970s and 1980s, has made Algeria one of the six largest food importers in the developing world. Between 1985 and 1989 for instance, the value of food imports increased by over 24%. In 1989, Algeria's total food import accounted for almost 57% of the total food imports of the Maghreb sub-region (see Tables 3.2. and 3.3. on page 33). In fact, the value of food imports has increased from about 11% of the total imports in the early 1970s to over 20% in 1988. Growth in total annual food production accelerated to over 4% during the 1980s but self-sufficiency ratio for cereals declined from 90% at Independence in 1962 to about 18% in 1990.<sup>7</sup>

Table 2.1

## ALGERIA: SOME BASIC ECONOMIC INDICATORS

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<i>Total Area*</i>	238,174
<i>Land Area*</i>	238,174
<i>Arable Land</i>	7,610
<i>Arable land as % of Total land</i>	3.2
<i>Irrigated land as % of Arable land</i>	5.0
<i>Forest Land as % of Total land</i>	2.1
<i>Total Population</i>	25,660,000 (mid 1991 estimates)
<i>Density</i>	104 (people per thousand hectares)
<i>Economically active population</i>	5,711,000 (in 1990)
<i>Economically active population as % of total population</i>	22.9
<i>Agricultural population as % of total population</i>	23.4
<i>Percentage of Labour Force** by sectors</i>	
<i>Agriculture</i>	13.9
<i>Industry</i>	10.9
<i>Services</i>	75.2
<i>GDP per caput</i>	US\$2,006 (in constant 1980 US\$)
<i>Agricultural Exports as % of Total Exports (1989)</i>	12.0
<i>Food Imports as % of Total Imports (c.i.f.) (1990)</i>	20.7
<i>Agricultural Imports as % of Total Imports (1989)</i>	29.0
<i>Agricultural Production as % of Total GDP (in 1989)</i>	16.0
<i>Food Import Dependency ratio (%)*** (1986-88)</i>	70.7
<i>Food Production per capita (1979-1981=100)</i>	98.7

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Notes: \*) in (000' hectares). Total land refers to total land area of the country, including area under inland water bodies. Land area refers to total area, excluding area under inland water bodies. The definition of inland bodies generally includes major rivers and lakes. \*\*) This refers to the economically active population including the unemployed, but excluding homemakers and other unpaid caregivers. \*\*\*) The ratio of food imports to the food available for internal distribution: that is, the sum of food production, plus food imports, minus food exports.

Sources: ADB (1992:141) Table 7.1, ECA (1990a:A1) Table 1, FAO/UN (1991:3-23) Tables 1, 2, 3 & 11, UNDP (1992:152-158) Tables 13, 16 & 17 and World Bank (1991b).

The past few years have, therefore, witnessed a major shift in agricultural policies of which agricultural reform is seen as a cornerstone. More flexibility is also being advocated, as State control, which used to be the hallmark of economic management prior to the reform, is eased to encourage greater private sector participation. These include sub-dividing of the large farms into smaller units of private farms and granting farmers usufruct rights, which are transferable in the event of death. This is because the privately owned farms have in the recent past demonstrated greater dynamism and efficiency than the socialist farm sector despite the fact that the latter had top priority in the distribution of credit, inputs and equipment.<sup>8</sup> Government officials also recognize formidable marketing, extension, communication and transport problems the country faces during its transition to a more market-oriented economy. In this regard, providing more attention to agriculture has been the government's major aim to increase the self-sufficiency in food production to about 80% by the year 2000, to decrease the cost of food imports which accounts for more than US\$2,500 million annually since 1979 and to arrest the problem of rural-urban migration by increasing farm incomes.

Two further steps of some significance have also been undertaken by the government. These include, among others; decontrolling of agricultural producer prices *pari passu* with a growing relative involvement of the private sector, allowing farmers to sell directly to the domestic markets or private vendors within and across provincial boundaries, increased incentives to farmers through their access to farm equipment, seed and fertilizer with a view to increasing farm productivity. Within these general tendencies, other shifts of emphasis and orientations in search of new and appropriate policy mix are also in order --- plans for investments in infrastructure such as roads and communication, irrigation and flood control schemes to raise crop yields, extension priorities to support crop diversification and, livestock research programmes.

### 2.3 Morocco

Agriculture remains the mainstay of the Moroccan economy based on cereals, pulse and oil crop production. Of the total population, about 60% live in villages on the farm land, and more than 45% of the country's labour force is engaged in the different sub-sectors of agriculture. Citrus fruits especially oranges, grapes and wine, and greater variety of fresh vegetables, particularly potatoes and tomatoes, olives and olive oil, dates and figs, are all important crops that do not only satisfy home consumption but are the main items of agricultural exports as well. About three-quarters of the exported citrus fruits and fresh vegetables are produced on the large

Table 2.2

## MOROCCO: SOME BASIC ECONOMIC INDICATORS

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<i>Total Area*</i>	44,655	
<i>Land Area*</i>	44,630	
Arable Land	8,401	
Arable land as % of Total land	18.8	
Irrigated land as % of Arable land	15.0	
Forest Land as % of Total Land	12.0	
<i>Total Population</i>	25,700,000 (mid 1991 estimates)	
<i>Density</i>	540 (people per thousand hectares)	
<i>Economically active population</i>	7,723,000 (in 1990)	
Economically active population as % of total population	30.8	
Agricultural population as % of Total population	36.3	
<i>Percentage of Labour Force** by sectors</i>		
Agriculture	45.6	
Industry	25.0	
Services	29.4	
<i>GDP per caput</i>	US\$961 (in constant 1980 US\$)	
<i>Agricultural Exports as % of Total Exports (1989)</i>	16.0	
<i>Food Imports as % of Total Imports (c.i.f) (1989)</i>	8.3	
<i>Agricultural Imports as % of Total Imports (1989)</i>	15.0	
<i>Agricultural Production as % of Total GDP (1990)</i>	17.0	
<i>Food Import Dependency ratio (%)*** (1986-88)</i>	28.1	
<i>Food Production per capita (1979-1981=100)</i>	119.3	

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**Sources:** As Table 2.1 above and Government estimates from Ministère Du Commerce Extérieur, Maroc (1992:75-79).



farm holdings that were once owned by former French settlers or currently owned by the rich indigenous farmers. *These large holdings are the last to be affected by changing climatic conditions since most of the irrigation projects serve and are concentrated in these areas.*

Agriculture accounts for about 16% of the country's total GNP and exports of foodstuffs is an important source of foreign exchange accounting for over a quarter of the country's total export. In fact, these products are earning as much of foreign exchange as cereals (Morocco is the third largest cereal producer in continental Africa),<sup>9</sup> and there are good potentialities for expanding their areas, their role in agricultural diversification, and their role in exports. Irrigated land can also be expanded and fishing can draw more earnings. Agricultural performances have mostly been favourable during the 1980s with cereals, pulse and oil crop production virtually doubling in volume between 1979-81 and 1990.<sup>10</sup> Until recently, Morocco had not fully used the rich and profitable fishing grounds that lie just off-shore in the cool Canary current of the Atlantic, and fishing boats from other countries, especially Spain and Portugal took the catch. In the recent years, however, the Moroccan fishing industry has begun to take its share. A separate Fisheries Ministry, formerly the responsibility of the Ministry of Commerce, was set up in 1981 and agreement reached with both Spain and Portugal to limit their fishing activities in the Moroccan economic waters. Recognizing that successful economic growth strategy depends on a strong agricultural performance, the Moroccan government has, therefore, made agriculture the centrepiece of much of her ambitious programmes.

Thus the 1988-1992 development plan, for instance, includes; enhancement of agricultural production and self-sufficiency through the expansion of modern, irrigated agricultural production and to develop the export potentials of agro-industries, dairy and fisheries. The purpose of the irrigated projects is not only to expand the area under plough and reduce the damaging effects of floods but also to decrease the destructive effects of droughts that do not only have the national economy and the welfare of the people at hand but, many a time, lead to further social and political unrest. Privatization has been another key element in agricultural programmes, particularly concerning the distribution of inputs and the liberalization of agricultural markets.

Agriculture has the third largest investment budget in all ministries. This budget is primarily channeled into land reclamation, water resources and irrigation projects, the reforestation and projects for strengthening food self-sufficiency and livestock farming which is very susceptible to drought conditions. The impact of such financial flows on the agricultural development will depend on how the new agricultural policies evolve.

## 2.4 Tunisia

Tunisia is the smallest of the member-state of the Maghreb community, both in area and population and has very little, if any, of the oil-rich Sahara lands like her neighbouring countries of Algeria and Libya. Although her agriculture and fisheries sector accounts for about 14% of the total annual GDP, the sector has been a far-growing one over the long-term. It is estimated that with the inclusion of irrigation and reclamation of more agricultural land, about two-thirds of the total area of the country may be classified as suitable for farming. In this connection, the government has embarked on a programme to build irrigation projects with the aim of not only restoring the needed water for crops, but also reclaiming more land for agricultural production. In spite of all these, agriculture has not been fairing well. While the total cereal production increased by about 43%<sup>11</sup> between 1979-80 and by well over 35% between 1990-91, the imports of grain have been rising annually because the local production, while increasing, cannot keep pace with the growth rate of population which is averaging 3.1% per annum.<sup>12</sup> This has resulted to a growing dependence on food imports which rose from 10% annually during the 1970s and by 6% during the 1980s through the 1990s.

With a view to planning a sound agricultural policy, the government is pursuing, or planning to pursue three major goals. The first is to achieve not only self-sufficiency in food production but also to save on expensive food imports which is eroding the country's foreign exchange coffers. The second is to develop rural areas and encourage a good segment of the population to stay in the countryside and rural communities instead of migrating to the urban areas and creating urban problems as it is the case in the rest of North African countries. And finally is to create a kind of social equity in land ownership by prohibiting the ownership of very large tracts, while encouraging small and medium-size ownership without jeopardizing using modern methods of agriculture since excessive fragmentation of landholdings is seen as a basic constraint to the introduction of modern farming methods and irrigation expansion.<sup>13</sup> Particular attention is also focused on the areas of soil and water resources conservation, the halting of desertification and fisheries development. The agricultural and fisheries investment code has been amended and the necessary regulations and policies introduced to promote investment in aquaculture. The catastrophic drought of 1988-89 necessitated emphasis on efforts to improve the conservation and management of scarce water resources and expansion of irrigated areas.

Table 2.3

## TUNISIA: SOME BASIC ECONOMIC INDICATORS

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<i>Total Area</i>	16,361
<i>Land Area</i>	15,536
<i>Arable Land</i>	4,923
<i>Arable land as % of Total land</i>	31.7
<i>Irrigated land as % of Arable land</i>	5.0
<i>Forest Land as % of Total Land</i>	4.0
<i>Total Population</i>	8,360,000 (mid 1991 estimates)
<i>Density</i>	497 (people per thousand hectares)
<i>Economically active population</i>	2,698,000 (in 1990)
<i>Economically active population as % of total population</i>	33.0
<i>Agricultural population as % of Total population</i>	24.3
<i>Percentage of Labour Force<sup>1</sup> by sectors</i>	
<i>Agriculture</i>	21.6
<i>Industry</i>	16.3
<i>Services</i>	62.1
<i>GDP per caput</i>	US\$1,271 (in constant 1980 US\$)
<i>Agricultural Exports as % of Total Exports (1989)</i>	7.5
<i>Food Imports as % of Total Imports (c.i.f.) (1989)</i>	9.8
<i>Agricultural Imports as % of Total Imports (1989)</i>	16.0
<i>Agricultural Production as % of Total GDP (in 1989)</i>	14.0
<i>Food Import Dependency ratio (%)<sup>2</sup> (1986-88)</i>	59.3
<i>Food Production per capita (1979-1981=100)</i>	93.3

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**Sources:** As Table 2.1 above and Government estimates from Banque Central de Tunisie quoting Institut National de la Statistique (1992).

The labour force in agriculture is about 22%.<sup>14</sup> Agricultural exports currently accounts for over 7% of the total merchandise exports while agricultural imports represents about 17% of the total merchandise imports. Like the other two Maghreb countries, Tunisia has since 1986 introduced economic reform programmes geared towards liberalizing the economy, reducing the role of the government and increasing the role of the private sector. These include; reduced government intervention in cereal marketing, minimum of 15% duty-free of imports, and privatization of feed grain imports. With reforms, the private sector also plays a large role in the importation and input delivery.<sup>15</sup>

## 2.5 Conclusion

Although the Maghreb countries show some resemblances and differences in both physical features and the manner in which they have pursued various policy reforms within the agricultural sector, it is inevitable that there are several general characteristics prevailing in their economies. Compared with other African countries, they all have per caput income well above the continent average. But if compared with the neighbouring countries of Europe in the north, e.g., Spain, Portugal and Greece which have relatively less natural resources and which depend mainly on agriculture, we find that both the GNP and per caput income of the countries under study are inferior. This indicates that the countries have not made full use of their resources, along with their failure to control population growth rate that are contributing factors to the low per caput income; this may cloud prospects for socio-economic and agricultural development in the sub-region during the decade of the 1990s.

As has already been noted in the preceding sections, all the countries have in the recent past pursued agricultural policies aimed at liberalizing their economies and reducing the role of government intervention. An important element in the future strategic policy design would, therefore, be commitment to formulate a common agricultural policy that, among others, promotes harmonization of agricultural policies in consideration of competitive relationships, through jointly formulated programmes by groups of agricultural and agro-industrial products; and permits member countries to adopt common position in international negotiations relating to agriculture. The general objectives are to enlarge and consolidate the sub-regional market, reduce dependency on external food, promote agricultural exports and induce investments, both domestic and foreign. We now turn to such issues.

## NOTES:

1. Note that our discussions in this study will mainly focus on these countries. See Part 1, section 1.4 for explanation.
2. See ECA (1990a:A1) Table 1 and World Bank (1992).
3. See FAO/UN (1992:63).
4. The information are based on official government sources; Banque Central de Tunisie, quoting Institut National de la Statistique (1992:76-77) and Secretariat d'Etat au Commerce Extérieur, Algeria.
5. See FAO/UN op. cit. p.68 and Banque Marocaine du Commerce Extérieur (1991:79).
6. The countries are also called Djéziret El Maghreb (the Western Isle), in recognition of the Atlas region as an island located between the Mediterranean Sea in the north and the great Sea of Sand of the Sahara in the south. The Arabic name for Algeria, El Djézair, may have been derived from the rocky islands along the coastal line, which have constituted a danger to a number of ships approaching the harbours.
7. See FAO/UN (1991b:6-7). cf. ADB (1992:141) Table 7.1, EUI (1991:11) and USAID (1991:22). The country's commercial imports for cereals in 1991/1992 are focused at 16.7 million tons, up by 6 percent from the previous year (i.e., 1990/1991).
8. Evidence indicate that cereal yields in the socialist farm sector stagnated during the period 1973-1986, whereas those of the private owned farms increased by an average of 2.8% per year. Furthermore, it also became evident that the socialist sector farms generally incurred major financial losses.
9. Third after Egypt and Nigeria respectively. See FAO/UN (1991a:57 & 67), Tables 13 and 15 respectively and UNCTAD (1991:118) Table 2.5.2.
10. Ibid., pp. 67-85.
11. Ibid., p.67. See also, USAID (1991:28), IWC (1992) Tables 7 and the Annex Tables of this study.
12. Tunisia's total population increased by 2.6%, but agricultural production declined by 1.3% annually in the 1980s.
13. See FAO/UN (1992:66).

14. It is important to note that the division between agriculture, manufacturing industry and services are rather artificial and may be misleading; first, because some of the manufacturing industries are directly linked with farming and fishing (e.g., food processing and production of farm equipment, etc) and may, therefore, be considered to constitute part of the "agricultural interest" and, secondly, those involved in providing services may at the same time growing food and cash crops.
15. See USAID (1991:29).

### III TOWARDS THE SEARCH FOR REGIONAL COHESION: THE NORTH AFRICAN AGRICULTURE AND INTERNATIONAL TRADE

#### 3.1 Introduction

The major role played by the agricultural sector in the UMA sub-region both in terms of output and employment have been illustrated in parts one and two of this study. In recognition of this crucial role of agriculture in the development process, the UMA countries have accorded some urgency to reversing their past poor performance and declining trend. The strategy adopted for the revitalization of the sector has centered largely on meeting demand for agricultural products through domestic production. There has been little attempt to accelerate the pace of agricultural development through the integration of sub-regional markets and production. This may partly explain the current low rate of intra sub-regional trade in agricultural products.

In broad terms, there seem to be four major reasons why the North African countries, including other African economic groupings at large, should get together. First, by doing so they achieve a large total market for goods which each one of them produces. Second, they may be able to utilize complementary resources to build up national and sub-regional specialization not only in the agricultural sector but in the industrial sector as well. Third, these two possibilities may lead on to free some important bottlenecks on the road to economic development. And lastly, in creating the spirit of co-operation and freedom, there may be some political and psychological benefits. The central feature common to most of the existing economic grouping in Africa is that the establishment of a common market is regarded as a primary policy objective for economic co-operation. So far, the growth in intra-African trade has been patchy at best, some regions have experienced substantial growth while others have witnessed either stagnation or a decline in intra-trade<sup>1</sup>

It is important to note that the essential elements of a common market include: the complete elimination of tariffs and other charges of equivalent effect; the removal of tariff and non-tariff barriers to trade; the establishment of a common external tariff in respect of all goods imported from third countries, and free movement of goods, services, capital and labour. In this part, we first look at the intra-North African trade in agricultural products and their trade with the rest of the world. The impact of EC common market and Uruguay Round on the sub-regional trade prospects is then discussed. We then provide proposals for harmonization and rationalization of agricultural and trade with a view to establishing an agricultural common market within the sub-region.

### 3.2 Composition and Direction of North African Trade

Throughout this section, intra-North African trade will be construed to mean the movement of goods produced within the Maghreb countries themselves across the national frontiers; the tables in the Annex refer to only the percentages of domestic exports and do not, therefore, include transit trade or re-exports. This restrictive definition is essential because it is this category of goods that could lead to the development of fruitful relationship among the Maghreb countries. It is appropriate, therefore, to begin by summarizing the salient performance of North Africa in World trade.

Tables A1 through A10 of the Annex provide a summary of foreign trade flows between 1970 - 1990 for each one of the Maghreb countries. In all cases, there has been relatively little change in direction of UMA countries' trade in aggregate. The Western developed countries are still the most important markets for UMA's exports and major suppliers of their imports. It easy to point at reasons why this has been the case; political and economic ties between colonies and their metropolitan powers are very strong historical reasons. For all the countries, well over 65% of their total exports still find their way to the European market while they receive more or less the same amount in terms of imports. France still remains the most important partner in trade in the sub-region. In 1990 for instance, France alone accounted for over 26% and 32% of exports from Tunisia and Morocco respectively.<sup>2</sup> while during the same period, nearly one-quarter of both countries' imports originated from France. Spain is the second major trade partner with Morocco as it accounts, on average, for over 8% of the latter's exports.<sup>3</sup> Although Moroccan share of agricultural products to the EEC is growing fast, these products continue to be subject to a web of restrictions (e.g., quotas).

The commodity composition of these countries' agricultural exports indicate that primary commodities constitute the bulk of exports and this accounted for over 50% of their total export in 1990.<sup>4</sup> Within this category, vegetables, tomatoes, oranges, olives, lemons, dates and citrus fruits were among the most important items for export. Some semi-processed or highly processed products, i.e., canned fish, olives, olive oil, tomatoes and vegetables (preserved or prepared) are also important items for the European market. All the countries of the Maghreb have negotiated preferential tariffs with the EEC. Nonetheless, the EEC's customs and tariffs are complex. They vary by year and season for each product, and as would be expected, are generally higher during the period of EEC's higher production and lower in the off-season period. In addition to the general provision of Common Agricultural Policy (CAP), the EEC modifies restrictions on access



to its market by negotiated bilateral agreements with individual countries. These agreements provide for restriction of tariffs and free some imports from variable levies, but in turn all imports can be suspended in times of over-production. Suffice it to say that EEC is a difficult market to penetrate. In fact, it is a 'moving target' since the EEC's regulations continue to evolve. The situation has created difficulties for planners and policy-makers of most countries that supply products to this market since the market environment is in a constant state of flux. The Maghreb countries are no exception.

Table 3.1

Intra-Sub-regional Trade Matrix of Imports and Exports in the Maghreb (1991):  
(in US Million Dollars).

Exp. Countr.	Importing Countries						WTT. <sup>3</sup>
	Algeria	Libya	Mrt. <sup>1</sup>	Mor. <sup>2</sup>	Tun. <sup>3</sup>	Mag. <sup>4</sup>	
Algeria	n.a.	-	20.0 (0.16)	32.0 (0.25)	67.2 (0.55)	119.2 (0.96)	12,314
Libya	14.0 (0.13)	n.a.	-	35.0 (0.3)	29.0 (0.3)	78.0 (0.73)*	10,759
Mauritania	0.01 (0.02)	-	n.a.	0.33 (0.06)	0.58 (0.11)	0.9** (0.17)	515
Morocco***	60.0 (1.4)	152.8 (3.5)	2.4 (0.05)	n.a.	38.6 (0.9)	251.0 (5.8)	4,312
Tunisia***	115.4 (1.9)	36.4 (0.6)	2.4 (0.04)	77.7 (1.3)	n.a.	231.9 (3.9)	5,986
Maghreb <sup>4</sup>	189.4 (3.45)	189.2 (4.10)+	24.8 (0.25)**	145.0 (1.91)	135.4 (1.86)	n.a.	..

**Notes:** <sup>1</sup> Mauritania, <sup>2</sup> Morocco, <sup>3</sup> Tunisia, <sup>4</sup> Maghreb States Total, and <sup>5</sup> World Total.  
Figures in bracket indicate percentage shares of total imports and exports.

\* Excludes Mauritania; \*\* Excludes The Libyan Arab Jamahariya; \*\*\* Official data from  
Ministere Commerce Extérieur, Maroc (1992); \*\*\*\* Official data from Institut National de  
la Statistique, Tunisie (1992); + Excludes Mauritania. \*\* Excludes Libya Arab  
Jamahariya; n.a. = "not applicable"; - = data not available.

**Source:** Computed from IMF (1992). pp. 78, 257, 275, 281 and 387.

The Maghreb countries' imports of agricultural products present an interesting profile. The countries remain net importers of cereals, particularly wheat and this trend has persisted for over the past ten years. As indicated in table A11 of the Annex, the total production of cereals in the sub-region amounts to only 43%, on average, of the total cereals requirement.<sup>5</sup>

The Maghreb countries' trade with other African remains insignificant. As indicated in the tables in the Annex, this has remained at less than 5 percent, on average, during the entire decade of the 1980s. Evidence also indicate that in 1991, Africa's exports to the UMA countries constituted to not more than 1 percent of her total exports.<sup>6</sup>

Statistics on intra-trade in the Maghreb states, particularly for the agricultural products is still inadequate. Moreover, agricultural trade in the sub-region also consists of traditional exchanges that remain unrecorded. This makes it difficult to obtain a meaningful and/or consistent time-series data with regard to trade transactions in the sub-region. The problem is that while annual data on intra sub-regional trade in agricultural products may have been reported by the countries (not necessarily all of them) in one particular year, one or more countries may not have presented their trade data in the following year. Hence, one is left with an option of making a snap-shot analysis of intra-trade in the sub-region.

Table 3.1. above provides a summary of intra sub-regional trade for the year 1991. An important point to note from the table is that the volume of trade from each country with the other four Maghreb countries hardly exceed 6% whereas evidence indicate a simultaneous intensification and upward trend of trade flows between these countries and the developed world (see the Annex Tables A1 through A10). Nonetheless, if recorded trade is taken into account, the share of intra Maghreb trade to its total trade could be substantially higher than the official 6% indicated above. The Libyan Arab Jamahariya ranks first among the major trade partners with Morocco in the sub-region. This could be attributed to the recent trade convention of 1990 between the two countries.<sup>7</sup> The Libyan imports from Morocco a variety of commodities. These include, among others; olives and olive oil, fish and fish products, fertilizers, spices, leather and household goods. Tunisian agricultural exports to Algeria include cereals, agro-industrial commodities (i.e., olive oil, fertilizers and dairy products) and poultry products. Mauritania exports to Morocco consists mainly of fish and livestock products.

For most of the commodities traded between the Maghreb countries, deficit is almost general, particularly in the area of food commodities. It is already known that individual countries in the

sub-region have export potential in a variety of crops: dates, livestock, hides and skin (Algeria), olives, olive oil, cereals, sugar and citrus fruits (Morocco and Tunisia), Fish and livestock (Mauritania) and, Legumes and Livestock (Libya). Tables 3.2. and 3.3 below show the imports and exports, in value terms, of the Maghreb's food products during the period between 1985 and 1989. Table 3.2. indicate that Algeria remains the largest food importer in the sub-region. Between 1985 and 1989, her food imports rose from US\$ 2,412.7 million to US\$ 2,995.3 in 1989; a rise by over 24 percent between the two periods. The Maghreb's total food imports accounted for almost 2 percent of the total world food imports in 1989 alone. On the other hand, the sub-region's food exports were barely 0.48 percent of the total world exports during the same period. The above review shows that the sub-region has remained net importer of food products during 1985-1989.

Among the conclusions that may be drawn from the above analysis, a simple but fundamental axiom emerges: policies matters. The countries will have to explore their various potentialities in the production of different food commodities with a view to closing up the import-export gap that has persisted during the past years. Such issues are discussed at length in the subsequent sections of the study.

**Table 3.2**  
Imports of Food Products,\* by country, in the Maghreb (in US\$ Million)

Country	1985	1986	1987	1988	1989
Algeria	2,412.7	2,024.8	1,909.7	2,037.7	2,995.3
Libya	1,087.1	1,174.4	1,095.6	1,185.7	1,301.1
Mauritania	122.9	104.0	119.3	131.6	143.5
Morocco	686.7	638.6	580.2	634.1	711.7
Tunisia	385.8	418.8	358.6	629.9	657.7
Total Maghreb	6,102.2 (2.74)**	4,360.9 (1.77)	4,063.4 (1.50)	4,619.0 (1.51)	5,809.3 (1.82)
Africa***	12,030.2 (5.40)**	12,661.2 (5.13)	11,801.3 (4.34)	12,900.5 (4.23)	14,419.1 (4.50)

**Note:** \* This includes all food items, animal and vegetable oils and fats.

\*\* Figures in bracket are percentages of the world's total.

\*\*\* Excluding major petroleum exporters.

**Source:** UNCTAD (1991:26-27).

**Table 3.3**  
Exports of Food Products,\* by country, in the Maghreb (in US\$ Million)

Country	1985	1986	1987	1988	1989
Algeria	56.0	26.2	29.9	29.6	34.4
Libya	-	-	0.3	0.5	0.4
Mauritania	161.0	208.6	208.0	225.5	191.6
Morocco	559.0	726.0	771.2	924.1	884.1
Tunisia	167.5	220.7	271.7	291.2	284.1
Total Maghreb	943.1 (0.47)**	1,181.5 (0.53)	1,281.1 (0.53)	1,470.9 (0.53)	1,394.6 (0.48)
Africa***	8,299.9 (4.16)**	10,185.0 (4.55)	9,449.0 (3.86)	9,149.0 (3.29)	8,888.4 (3.06)

**Note:** \* See Table 3.2 above.

\*\* Figures in bracket are percentages of the world's total.

\*\*\* Excluding major petroleum exporters.

- means not available.

**Source:** As Table 3.2 above, pp. 22-23.

### 3.3 The Impact of EC Common Market and Uruguay Round on UMA's Trade Prospects.

Firstly, the impact to be envisaged is somewhat complex and can be viewed from both positive and negative dimensions. On the one hand, it can be argued that the move by the twelve European countries towards the establishment of a common market by 1993 may activate the process of economic integration in the Maghreb sub-region in that their foreign trade is still concentrated in the European market and, having this in mind, they would want to concretize their trade relations in a joint manner with a view to seeking more favourable conditions for their products in the European markets and world market at large. Should the process towards the formation of a common market in the sub-region speeden up and materializes due this particular reasons, among others, it could be said that the EC common market has contributed positively to that end.

On the other hand, the impact can be viewed from both positive and negative angles; in this regard, the EC's common market offers reasons for cautious optimism. New policy lines appear to be emerging in the European countries suggesting that more capital for agricultural development would be channelled to their financially poor neighbours in the East and, moreover, the EC's common market will in the future also embrace much of Eastern Europe and the seven-nations of European free trade area creating a vast "frontierless" economic space with over 360 million consumers and a combined GNP of over US\$ 6.5 trillion.<sup>8</sup> Considering the economies of scale and high productivity in the wide European market, competition will certainly intensify and this has a direct bearing on Maghreb countries' exports to the market. While it can also be argued that this would make it even more difficult for the Maghreb countries to penetrate the enlarged European market, it may, on the other hand, contribute positively, at least in the long-run, through increased efficiency, competition and quality enhancement of the Maghreb's exports to the market.

The impact that the creation of a single European market will have on food and agricultural commodity trade is unclear and will depend greatly on what feature modifications are made to the Community's policies. It is widely accepted that a single market will raise income levels within the Community. Thus, it seems probable that EEC consumers will seek greater variety, including exotic, temperate and tropical foods and raise consumption of some agricultural raw materials. These trends may benefit developing countries producers.

To date, the Uruguay Round represents the most ambitious attempt to grapple with the problems of agricultural trade in the context of Multilateral Trade Negotiations (MTN). The current trade negotiations differ significantly from the past rounds, which dealt primarily with tariff reductions, mostly on industrial products, but also with respect to specific categories of non-tariff barriers to trade; i.e., the codes negotiated during the Tokyo Round. The Uruguay Round negotiations attempts to deal with facets of issues. These include: general access to market issues; liberalizing trade and disciplining agricultural trade; and issues relating to the revision of GATT instruments and institutions.

The Multilateral Trade Negotiations (MTN) of the Uruguay Round is expected to be concluded by the end of this year. Considering a successful outcome of these deliberations, the Uruguay Round final act would bring within GATT framework one of the long established exceptions; i.e., agriculture; textile and clothing. The current outstanding issues include, among others, "tariffication" of existing barriers and concomitant commitments to improve market access; the demand that EC "rebalance" its protective regime, to lower cereal protection off-set by greater protection against cereal substitutes, particularly oil seeds; and the American demand for quantitative limits on the volume of subsidized exports. In this context, agriculture appears pivotal for many participating countries -- both developed and developing. Assuming that the Uruguay Round succeeds, developing countries stand to benefit from increased liberalized market for agriculture, textile and clothing which will fall within GATT framework. Nonetheless, the impact of trade liberalization on individual developing countries may differ markedly depending on the type(s) of commodities exported. Again, a global reduction in tariffs would reduce the preferential entry granted to all countries, including the ACP countries since lower tariffs applied to all imports will erode the benefits earned before trade liberalization.

The possibility that food prices on international market might rise, as predicted by many studies raises the issue of the need for and nature of transitional arrangements for certain developing countries with significant imports of food. This has a bearing on the Maghreb countries' especially on the cereal imports which currently stands at almost 10 million tons annually for the entire sub-region.<sup>9</sup> In this regard the country will have to devote sufficient resources in the development of agriculture, especially food sector. This particular consideration should be kept in mind in the formulation of a joint programme covering the improvement of agricultural production in the sub-region.

### 3.4 Towards Durable Solutions: Proposals for Rationalization and Harmonization of Agricultural Production and Trade Policy Relations

An integral element of agricultural co-operation in a common market framework is the rationalization and harmonization of key agricultural policies; e.g., production, marketing, research, extension, etc. In this regard, an important point to make in connection with fostering trade in the Maghreb sub-region is that if it is to be really effective in promoting development and diversification of these economies, it must extend beyond mere trade liberalization and removal of tariffs since applying only these measures is not a sufficient condition to create a true integrated area. As has been also aptly noted by the African Development Bank:

*"It is basically, low level of production of goods that would be tradeable in African markets that account for the small volume of intra-African trade and the likelihood that mere removal of trade barriers would not produce a rapid expansion of such trade".<sup>10</sup>*

This, however, is not to imply that mere abolition of tariffs is worthless; on the contrary. The point is that the need to avoid duplication of development efforts is so great that co-operation must extend beyond tariff preferences. Tariff preferences are, by themselves, just permissive -- in the sense that they just provide for the exploitation of comparative advantage. The removal of tariffs on trade among countries may have substantial mutual benefits only if the integrated countries have, or can create, a production base for the various goods and services which are demanded in the partner countries. This is of particular importance to the Maghreb countries; the countries are still at low levels of income. At the structural level, there appears a lot of similarity in sub-regional agricultural base and as it has already been noted, the level of intra sub-regional trade seldom exceed 5% of the foreign trade.<sup>11</sup> Furthermore, these countries also compete on the same international markets with their primary commodities. Indeed, some have argued that the countries do not have much of agricultural products to offer each other, at least, on substantial basis.<sup>12</sup>

Nonetheless, re-allocation of home resources in the sub-region, together with discovery of commercial use of raw materials may help them produce differentiated goods and offer a variety of products to partners in trade. What is required is economic co-operation on a wider front. In fact, the issue of the use of complementary resources to create sub-regional specialization has not yet fully evolved and this is an area that must be addressed, at least, for the long-run development. It is, therefore, imperative that the UMA re-think and re-order its objectives and

priorities, so as to provide a new framework in which fuller economic co-operation and integration can take place.

UMA's experience with regard to the integration of production has not been markedly different from that of ECOWAS. The UMA's common agricultural policy in the field of agriculture has just been approved.<sup>13</sup> The major thrust of the policy which is to be implemented, is the provision of information on prices of agricultural products. Like ECOWAS, the UMA is yet to come up to grips with the issue of negotiation of the geographical distribution of joint agricultural investments. The SADC experience in this area demonstrates that where cost-effective approaches are adopted in developing concrete and equitably shared sub-regional joint investment, the internal political-will and commitment can be sustained and even significant assistance can be obtained from the external sources. In other words, pragmatic projects for economic co-operation in the field of agriculture, based on co-operation in specific production areas on project-by-project approach is something that UMA countries must address with a view to reaping substantial mutual benefit.

One major area in which harmonization and closer co-operation may yield substantial benefits is in the field of agricultural food production. As has been already indicated, the countries in the sub-region remain net importers of basic food commodities, particularly cereals<sup>14</sup> and, to some extent, meat and dairy products. In fact, almost all the countries in the sub-region seem to be determined to achieve self-sufficiency in the production of these commodities, especially cereals, in isolation of the other countries in the sub-region and without due regard of the costs.

Evidence also indicate that in Morocco, the rain-fed agriculture which involves some 75% of the rural population remain largely traditional. The vulnerability of agricultural sector to climatic conditions is also compounded by the use of relatively poor technologies especially on small farms which represent some 80% of the total farms.<sup>15</sup> Similarly, Tunisian agriculture face the problem of low productivity due to fragmented land holdings. In Algeria, uncertainty still abound from the de-collectivization, and the unclear nature of rules governing transfer of leaseholder rights. In addition, rural credit is especially tight due to high default rates. Fertilizer is in good supply but prices are higher, thus reducing its usage.<sup>16</sup> In Libya, agriculture contributes less than 3% to the GDP. Mauritania has important resources; i.e., very high fishing and animal husbandry potentials but the management of these resources is still based on traditional methods due to lack of national expertise and skilled labour.<sup>17</sup>



What also seems evident is that, many a time, the government policies geared towards improvement of agricultural productivity is still concentrated on the large farms and, in some cases, agriculture has not been given the due attention it deserves. In this context, at the initial stage of fostering trade in agricultural products in the sub-region, high priority should be placed on the introduction of modern production methods in this sector, *particularly among the poor smallholders, and the exploration of new ways in which agriculture and agro-industries could be strengthened so as to reduce dependence on exports of agricultural raw materials*. Thus, technological packages are essential for dry land areas in an attempt to correct sub-regional imbalances. This transformation should begin at national levels and then extended to the sub-regional level. Initial efforts need to be directed towards increasing of the productivity of crops such as wheat, barley, sorghum, meat, dairy products, fish, cotton and sugar.

It goes without saying that the countries should understand that while preparing and instituting schemes for harmonizing the customs systems, the national (let alone sub-regional) production systems are *sine qua non* for an intensified intra-Union trade; i.e., market and production integration need to be pursued simultaneously and, perhaps, even devoting more resources to production integration with a view to avoiding sub-regional external dependence and critical lack of productive capacity.

Secondly, 'specialization at a national level' may mean two things; viz. specialization by a given country in the production of particular goods or specialization within a given country, under the impetus of a protected free-trade zone, by individual countries in the production of goods which it has comparative advantage. In the first category, falls projects such as those aimed at using raw materials produced in one part of the country for processing in another; in the second, an attempt which may be sound to the UMA countries is to allocate different branches of production among themselves with a view both to their different factor endowments and to have a "balance" within the sub-region. As the argument goes, through a division of labour among countries according to their factor endowments, each one's resources can be better developed than would be the case separately. In this context for example, investment of the Maghreb states in say, Moroccan and Tunisian agriculture, for long-term development, combined with supplies of farm equipment and capital at favourable prices (i.e., from say, Algeria and Libya) in guaranteed supplies of, say, cereals, would be a reasonable division of labour between a group of countries which have large capital resources and reserves of raw material (oil) but which are short of productive land and countries which have fertile land but little capital or raw material. A similar approach could explored on various agricultural commodities in the countries

of the sub-region depending on areas in which they have greater potentials; for instance legumes and livestock in the case of Algeria, Libya; fish and livestock in the case of Mauritania: the latter has very high potential in fish and animal husbandry but the output is still low impeded by lack of national expertise and skilled labour. This is an area where sub-regional co-operation in skilled manpower could pay-off. It is also in this area that multi-national enterprise and joint venture could be of substantial contribution to help to augment intra sub-regional trade.

It is true that deliberate sub-regional planning, which involves giving up a part of domestic agriculture to buy the same goods from a new or larger enterprise in another part of the sub-region is something that may be hard to swallow. Nonetheless, the above proposal does not imply giving up entirely, by the countries of the sub-region in the production of those commodities that they currently produce; on the contrary. What is being suggested here is rather a search for comparative advantage.

There is, as yet no concrete programme by UMA to achieve harmonious agricultural development and integration through specialization and complementarity of production but this is an issue that need to be given high priority, at least, in consideration of long-term joint agricultural development. What is needed on a rather urgent basis is for the countries of the sub-region to exploit these potentials both for domestic consumption and export with a view to expanding intra-union trade. However, in order to operationalize such a programme, there is need for a more detailed identification of capacities for each and every commodity with export potential, based on ecological diversity and differences in factor endowments, of the sub-region.

As mentioned earlier, the spirit towards joint co-operation already exist in the field of exchange of current market and price information. Earlier studies have also stressed the need for commodity intelligence and joint market research. What would be required in this context is a regular joint appraisal and reporting of the world market situation and outlook for the sub-regional agricultural products as well as production trend, prices and consumption as a basis for decision, policy formulation and export production planning. PADIS in North Africa could also be made use of in an attempt towards achieving such goals.

Table 3.4 below summarizes some selected agricultural commodities with export potentials in the countries of the Maghreb while tables 3.5. through 3.9. shows production and yield/hectare of some of the selected agricultural commodities in the sub region.

Table 3.4

## Agricultural Commodities With Export Potentials, by Country, in the Maghreb

Country	Agricultural Commodities/by Products
Algeria	Dates, Tomatoes, Oranges, Potatoes, Barley, Livestock, <sup>1</sup> Legumes, Hides and Skins and Sugar Beets.
Libya	Livestock, Hides and Skins, Barley and Legumes
Mauritania	Fish <sup>2</sup> , Meat, Livestock, Hides and Skins, Sorghum and Millet.
Morocco	Meat and Meat Products, Leather and Footwear, Fish, Citrus Fruits, Sugar Cane, Sugar Beets, Olives and Olive Oil, Potatoes, and Cereals.
Tunisia	Citrus Fruits, Olives and Olive Oil, Cereals, Sugar, Fish, Hides and Skins, and Sugar Beets.

**Note:** <sup>1</sup> Livestock includes; Camels, Cattle, Goats, Sheep, Mules and Horses.

<sup>2</sup> This represents catches of freshwater, brackishwater and marine species of fish, crustaceans, molluscs and other aquatic animals killed, caught, trapped, collected, bred and/or cultivated for all commercial, industrial and subsistence purposes. See FAO/UN (1992a:93-94).

**Source:** FAO print-out of major agricultural exports from each country of the sub-region (September 1992). Cf. UNDP/World Bank (1992:225-228), Tables 8-7.

**Table 3.5**

**ALGERIA: Production and Yield/Ha. of Some Selected Agricultural Commodities.**  
(in Thousands of Metric Tons)

Commodity/Year	1987	1988	1989	1990	1991
Wheat	1,175 (0.77)*	1,150 (0.76)	850 (0.60)	1,005 (0.64)	1,741 (1.10)
Barley	820 (0.75)	556 (0.55)	790 (0.79)	833 (0.69)	1,751 (1.25)
Potatoes	905 (8.46)	950 (8.48)	1,001 (8.40)	890 (8.09)	1,000 (8.33)
Olive oil	10 (n.a.)	8 (n.a.)	12 (n.a.)	8 (n.a.)	16 (n.a.)
Olives	168 (n.a.)	170 (n.a.)	178 (n.a.)	65 (n.a.)	130 (n.a.)
Dates	180 (0.80)	182 (0.80)	210 (n.a.)	206 (n.a.)	215 (n.a.)
Tomatoes	480 (n.a.)	490 (n.a.)	511 (n.a.)	402 (n.a.)	500 (n.a.)
Pulses, Total	71 (0.44)	70 (0.44)	48 (0.35)	35 (0.30)	45 (0.32)
Fish	94	106	100	91	..
Hides and Skins** (Cattle)	7,560	7,400	6,700	6,710	6,710
Meat (Total)	228	232	226	223	227
Meat (Goat and Sheep)	87	89	85	86	86

**Note:** \* Figures in bracket are yield/hectare in metric tons.  
\*\* in Metric Tons

**Source:** FAO/UN (1991a), FAO/UN (1992a:93-94) and UNDP/World Bank (1992:225-228).

Table 3.6

MOROCCO: Production and Yield/Ha. of Some Selected Agricultural Commodities.  
(in Thousands of Metric Tons)

Commodity/Year	1987	1988	1989	1990	1991
Wheat	2,227 (1.06)*	4,035 (1.73)	3,927 (1.49)	3,614 (1.33)	4,939 (1.87)
Rice	49 (5.50)	33 (4.71)	4 (6.30)	33 (4.13)	33 (3.55)
Maize	240 (0.65)	355 (0.89)	403 (0.99)	436 (1.16)	355 (0.87)
Potatoes	520 (18.9)	550 (13.1)	916 (16.7)	880 (16.9)	928 (17.4)
Olive Oil	45 (n.a.)	35 (n.a.)	37 (n.a.)	43 (n.a.)	53 (n.a.)
Olives	450 (n.a.)	360 (n.a.)	450 (n.a.)	445 (n.a.)	440 (n.a.)
Citrus Fruits and Oranges	656	919	1,000	777	926
Sugar Cane	800 (88.8)	800 (88.8)	985 (64.4)	1,092 (73.1)	1,150 (72.8)
Sugar Beets	2,750 (45.3)	2,770 (48.6)	2,876 (46.7)	2,978 (46.5)	3,073 (47.5)
Pulses, Total	317 (0.61)	450 (0.93)	355 (0.71)	414 (0.75)	439 (0.74)
Fish	404	551	520	566	...
Hides and Skins** (Cattle)	20,955	20,955	21,000	21,250	21,875
Meat (Total)	259	269	337	343	351
Meat (Goat and Sheep)	73	71	71	71	71

Note: \* Figures in bracket are yield/hectare in MT. \*\* in Metric Tons. Source: As Table 3.3.

Table 3.7

**TUNISIA: Production and Yield/Ha. of Some Selected Agricultural Commodities:**  
(in Thousands of Metric Tons)

Commodity/Year	1987	1988	1989	1990	1991
Wheat	1,360 (1.40)*	255 (0.82)	420 (0.75)	1,122 (1.27)	1,786 (1.70)
Barley	537 (0.84)	63 (0.42)	200 (0.48)	477 (0.87)	721 (1.26)
Potatoes	188 (12.2)	180 (11.2)	179 (11.2)	217 (13.6)	220 (12.9)
Olive Oil	106 (n.a.)	71 (n.a.)	143 (n.a.)	182 (n.a.)	75 (n.a.)
Olives	400 (n.a.)	320 (n.a.)	650 (n.a.)	825 (n.a.)	330 (n.a.)
Citrus Fruits and Oranges	397	353	406	..	..
Sugar Beets	303 (53.2)	267 (48.9)	255 (47.0)	289 (56.0)	210 (47.7)
Pulses, Total	81 (0.71)	49 (0.57)	57 (0.59)	57 (0.49)	93 (0.62)
Fish	99	102	95	92	..
Hides and Skins** (Cattle)	4,730	4,730	3,920	3,746	3,828
Meat (Cattle)	117	128	142	146	152
Meat (Goat and Sheep)	39	40	45	41	48

**Note:** \* Figures in bracket are yield/hectare in Metric Tons. \*\* in Metric Tons. **Source:** As Table 3.3. above.

**Table 3.8**  
**MAURITANIA: Production and Yield/Ha. of Some Selected Agricultural Commodities.**  
 (in Thousands of Metric Tons)

Commodity/Year	1987	1988	1989	1990	1991
Sorghum	90 (0.78)	109 (0.66)	111 (0.76)*	46 (0.51)	59 (0.59)
Millet	78 (0.60)	89 (0.67)	14 (0.50)	13 (0.29)	14 (0.33)
Fish	100	98	93	91	..
Rice	51	51	46	33	33
Hides and Skins** (Cattle)	1,994	1,991	2,502	2,502	2,531
Meat (Total)	40	40	44	44	42
Meat (Goat and Sheep)	16	16	16	16	15

**Note:** \* Figures in bracket are yield/hectare in Metric Tons. \*\* in Metric Tons. **Source:** As Table 3.3. above.

**Table 3.9**  
**LIBYA: Production and Yield/Ha. of Some Selected Agricultural Commodities.**  
 (in Thousands of Metric Tons)

Commodity/Year	1987	1988	1989	1990	1991
Legumes	13 (n.a.)	13 (n.a.)	33 (n.a.)	34 (n.a.)	33 (n.a.)
Olive Oil	24 (n.a.)	25 (n.a.)	10 (n.a.)	10 (n.a.)	10 (n.a.)
Fish	86	97	77	78	..
Hides and Skins** (Cattle)	4,590	4,500	2,502	2,640	3,200
Meat (Total)	158	154	148	155	171
Meat (Goat and Sheep)	28	30	28	31	40

**Note:** \* Figures in bracket are yield/ha. in MT. \*\* in Metric Tons. **Source:** As Table 3.3. above.

### 3.5 The Existing Infrastructural Network in the Sub-region

The need to develop adequate transport and communication facilities as a strategy of economic integration has been recognized as a *sine qua non* for economic development, in general, and for the expansion of intra sub-regional trade in particular. Currently, the sub-regional infrastructure is characterized by two different entities with different development levels. The first one is composed of Algeria, Libya, Morocco and Tunisia which have basic infrastructure that facilitates them to meet the transport and communication needs resulting from the national economic and social activities as well as mobility of persons. Hence, the countries are well linked by air, road and sea communication network. The second one is Mauritania with a total land area of 103,040 thousand hectares. The climatic conditions, coupled with low government resources, have led to constant deterioration of the existing infrastructure for want of maintenance. In addition, new constructions are few and far between. Mauritania's railway network consists of only one line, 652 km. long, and is used exclusively for iron-ore transportation. It has a tarred road network of only 1,686 km. which suffers from silting and inadequate maintenance equipment.

The Basic infrastructural Ministerial Committee have already prepared a programme aimed integrating transport network and harmonization of national plans in the field of transport and communication in the sub-region. These include:

- (a) The Maghreb-Unity Motorway which is expected to pass through major cities of the sub-region; i.e., Nouakchott, Noudhibou, Casablanca, Rabat, Fez, Oujda, Telemcen, Algiers, Constantine, Annaba, Tunis, Sousse, Medenine, Ras, Ajdir, Tripoli, Sistratah, and Tubruk. It is expected that each country would take the responsibility to construct the segment passing through her territory and improving trunk roads, especially the direct ones linking her with neighbours;
- (b) The Maghreb road network which would link the Maghreb countries among themselves and connect them with other African countries;
- (c) Railway network;
- (d) Port and Sea transport and
- (e) Air transport.

The completion of these projects is likely to create a favourable climate for intra sub-regional trade and international trade at large. Nonetheless, the successful accomplishment of the projects calls for a common will on the part of the Member states based essentially on economic



consideration. In this context, the Members of UMA will have to consider giving support to Mauritania (both financial and technical) in the construction of an asphalt road linking its borders with other neighbours of the sub-region. In fact, poor infrastructure, among others, may be constituting to the low level of intra sub-regional trade between this country and the rest of countries in the sub-region, particularly with Morocco. Since the major exports of Mauritania are livestock and fish, and are mainly transported by sea route, then sea transport should be an area to be explored and improved.

The dependence of UMA countries on foreign maritime transport services contributes to negative balances on the invisible account of the individual countries. The combined UMA import/export tonnage transported by maritime transport are indicative of the capacity of an UMA maritime cargo to sustain an UMA coastal shipping line which may be owned by either public sector or private sector or both. In 1988 for instance, the volume of trade at the main ports of the sub-region amounted to 170 million tons of goods.<sup>18</sup> The Maghreb ships accounted for only 6% of the trade, leaving the rest to the international shipping companies. One of the rare forms of co-operation in the field of shipping in the sub-region is the Morocco/Tunisia company which serves the Mediterranean and Red sea coasts, and the Arab Maritime Company of which Libya and Egypt are the founding members. In Mauritania, the use of river transport along the Senegal river is still very insignificant.

In the 1990s and beyond, therefore, the role of transport and communication in fostering agricultural trade in the sub-region should be given high priority as the countries move to more advanced stages of economic integration. Creation of sub-regional shipping coordination group for instance, appears to be a useful scheme. Furthermore, coordination amongst exporters could counterbalance, at least partly, the detrimental effects of too small average exportable quantities at a given time. For instance, studies could be made to identify the ideal size of vessels to be operated at a specific period and on specific trade routes.<sup>19</sup>

In this regard, the objectives of the strategy for transport and communication should be the integration of smaller national markets into more viable economic units. This should include some of the following measures:

- (i) A more detailed evaluation of the existing transport systems with a view to determining their capacities and their major defects in enhancing economic co-operation and to suggest measures for improvement;

(ii) A detailed analysis of the different modes of transport in the sub-region should be jointly undertaken to determine the suitable means and for which mechanize. The possibilities of exploiting the mode of river transport, in the case of Mauritania, must also be addressed; and

(iii) Greater facilities to improve storage capacities and conditions at the ports and harbours also constitutes an area which could enhance intra sub-regional trade.

### 3.6 Proposals for Future Movement of Production Factors

Much of motivation for our study of fostering trade in agricultural products within the UMA sub-region derives from the hope that more successful strategy of economic integration would generate additional employment within the sub-region. In that regard, a successful and sustainable process of sub-regional common market would require well functioning sub-regional capital and labour markets.

Free mobility of factors of production in a common market and equalization of factor prices is an attractive incentive for the countries to close the gap in the levels of income and development within the sub-region. Nonetheless, there is still some way ahead to go with regard to the area of free movement of factors of production (i.e., capital and labour) which goes along with physical integration. Free mobility of labour in a common market does not only require the elimination of discrimination of labour from partner countries but also harmonization of social policy (i.e., labour market information systems, capital mobility, unemployment benefits, human resources development and management, etc).

It hardly needs saying that complete freedom of movement cannot become a reality unless a lot of other problems are dealt with. To take two examples, workers need to be informed about job opportunities in the other member states and social security rights need to be transferable. In pursuit of the objectives of integrating their economies and in order to deal with the problem of job information, UMA will need to establish a coordination office whereby member states inform each other about supplies of surplus manpower and offers of employment. In fact, migration of employment may help to minimize the adverse effects of the skewed distribution of trade liberalization between more or less developed members of the economic grouping.

In regard to the free movement of capital, the mere liberalization of capital movement in a common market is not a sufficient condition to create a true financial area. Other supporting measures -- such as co-operation and harmonization of monetary and fiscal policies are essential.<sup>20</sup> In fact, various financial assistance schemes are necessary for the protection of economic and social cohesion of the group because free mobility of capital may benefit more the already developed areas and/or countries in the sub-region. These are some of the issues which the countries in the sub-region will have to consider in the near future when formulating their joint factor movement policies.

### 3.7 Marching Towards a Sub-regional Common Market: Future Prospects

Although it is too early to provide a conclusive assessment of the group's effectiveness in the establishment of a common market by the year 2000, projections and sub-regional advantages point at a bright future. As has already been seen, the sub-region share a common language and culture which provides a sound basis for this to materialize; also, a total population of over 60 million people<sup>21</sup> in the sub-region constitutes a viable and promising market for the establishment of a large-scale agricultural market and manufacturing industries as well.

Nonetheless, a stronger sub-regional co-operation is largely associated with political stability and, this will be a major challenge for the 1990s. Since the pay-offs for resource mobilization and agricultural development is inherently long-term, strategies and decisions in this area will depend on the prevailing conditions of economic, financial and, lastly, but not the least, institutional stability. Indeed, political stability will do much more to restore confidence in the sub-region among investors, both domestic and foreign, thereby inducing the flow of resources especially the private capital needed in significant amounts to complement official resource flow. Thus the importance of sub-regional co-operation and economic integration should not be allowed to loose priority status and be eclipsed by the current difficult circumstances in the sub-region.

Events in Algeria and campaign by the West against Libya has caused the suspension of a number of (UMA's) activities. These include the project for improving telecommunication among the Maghreb states recommended by Ministerial Commission of the (UMA) last November, the creation of the Maghreb Union of Exporters (AMUEX) the Charter which was signed in December 1991. Similarly, very little progress, if any, has been made on a unified code for road transport in the sub-region.

The objectives of (AMUEX) policy is to create an orderly developed market through adjustment of supply and demand which would necessitate a much greater degree of harmonization among national policies than has been achieved so far, particularly given the recent situation and prospects of ample supplies in the world market for many commodities. As for the Mediterranean products, for instance, projections indicate that it may be difficult to keep production of commodities such as citrus fruits, olives and olive oil in check and in line with their demand except through effective commodity agreement or, failing this, through a coordinate production and investment plan. Thus concerted action appear to be necessary to avoid surplus and maintain a balance of these commodities since their market seem to approaching a self-sufficiency point in the European markets with Spain and Portugal forging their way ahead as major suppliers and receiving preferential treatment for similar exports than the Maghreb.

Noaukchott is preparing to host the next (UMA) Summit due in May 1993. At the recent meeting of UMA, the UMA's Central Bank governors signed a common declaration of intent to unify bilateral payment between the States in the sub-region; this is part of the long-term objective of full currency convertibility. In this context, the prospects for consolidation appears promising. In fact, the past integration efforts have been pursued amid grave uncertainties and friction, particularly during the Gulf-War, which, in this case, has the effects of underscoring the importance attached by the Maghreb Governments towards developing a common position and shifting from national to sub-regional strategies.

Even though other issues and problems such as volatile market prices, protectionist measures and subsidized exports of the developed countries also have a direct bearing on external trade of the Maghreb countries and the other developing countries alike, the problem need to be resolved by the adoption of positive policies and measures by the developed countries; i.e., particularly by reducing protectionist measures and heavy subsidization of exports and lending support to measures to stabilize commodity prices on international markets. In this regard, the Maghreb countries and the developing countries at large should become more active in both at establishing common policy positions and in undertaking joint negotiations with the developed countries to resolve such issues.

NOTES:

1. See ECA (1990b:9-18).
2. Information based on official data from Institut National de la Statistique (1992:76-77), Tunisia, and Banque Marocaine Du Commerce Extérieur (1991:75). See also, EIU (various issues) for the respective countries.
3. Ibid.
4. Estimates from FAO computer print-out of September 29, 1992. —
5. It is estimated that in 1991/92 the total import of wheat alone from the Maghreb countries would be about 5.2 million tons. This is equivalent to about one-third and one-sixth of the total wheat exports of the EEC and USA respectively. See (IWC) International Wheat Council (1992) Table 7. See also Table 3.3.
6. See IMF op.cit. pp.20-21. The estimate excludes The Libyan Arab Jamahariya for which the data is not available.
7. This argument is also shared by some of the national experts interviewed by the author. See also the Moroccan Government official document from the Ministry of External trade entitled: "Note: Relative Aux Relations Commerciales Entre le Maroc et Les Pays du Maghreb" (1992:2-3).
8. See Newsweek (1992), October 19, pp.10-17.
9. See Table A11 of the Annex. Cf. Note 5 for the importation of wheat alone for the year 1991/1992. See Also Tables 3.2 and 3.3 for the total food imports in the sub-region.
10. Currently, a tariff agreement allows duty-free entry for selected goods with at least 40% of value added. It is also envisaged that a free trade zone will be established soon and a customs union by the year 1995 followed by a common market by the year 2000. See ADB (1989:80-81), ADB (1992:76) and PTA (1992).
11. See Tables in the Annex.
12. Nonetheless, to begin on the premises that economic co-operation in agriculture is not at all possible for this reason is to lose sight of the real requirement of economic co-operation and development in the sub-region.
13. In July 1990, the leaders of UMA signed five regional economic co-operation concerning (a) exchange of agricultural products (b) crop protection (c) investment promotion and guarantees (d) taxation and (e) land transport.

14. See Annex, Table A11.
15. See USAID (1991:27).
16. Ibid. pp. 24-25.
17. See World Bank (1991b).
18. This excludes Mauritania for which statistics on the ports of Nouakchott and Nouadhibou are not available. See ECA (1991:21-23) Table 7.
19. The Latin American Economic System (SELA) for instance, has created MULTIFERT - -- The Latin American Multinational Company for Importing Fertilizer to act as an intermediate agent for national purchasing companies and to reduce the costs and prices of imports through efficient bulk purchasing of shipping.
20. See Markusen (1983:314-356).
21. The total population of the sub-region was estimate at about 65 million by 1991. See also, World Bank (1991a) and World Bank (1991b).

14. See Annex, Table A11.
15. See USAID (1991:27).
16. Ibid. pp. 24-25.
17. See World Bank (1991b).
18. This excludes Mauritania for which statistics on the ports of Nouakchott and Nouadhibou are not available. See ECA (1991:21-23) Table 7.
19. The Latin American Economic System (SELA) for instance, has created MULTIFERT -- The Latin American Multinational Company for Importing Fertilizer to act as an intermediate agent for national purchasing companies and to reduce the costs and prices of imports through efficient bulk purchasing of shipping.
20. See Markusen (1983:314-356).
21. The total population of the sub-region was estimate at about 65 million by 1991. See also, World Bank (1991a) and World Bank (1991b).

#### IV SUMMARY, RECOMMENDATIONS AND CONCLUSIONS

The overall picture that emerges from the preceeding parts of this study is that while the Maghreb countries continue to be important export markets, particularly for the agricultural produce, to the European countries, their full potential remain yet to be exploited through sub-regional co-operation. With the countries' rapidly rising population, increasing urbanization which directly affects the demand for food, all these offer clear indications for the expansion of agricultural produce and, hence, intra sub-regional trade in the near future. Nonetheless, the promotion of intra sub-regional trade in agricultural commodities crucially depends on the countries being able to produce the right kind of products demanded, in adequate quantity and, of good quality and competitive prices. It is also of utmost importance that these countries adopt and implement appropriate national policies in the context of increasing subsidization of exports by the industrialized countries. Such policies should embrace export-oriented production and processing, incentives to production, cost reduction quality improvement and market research.

The above-mentioned measures for trade expansion call for co-operative training activities in the sub-region. Such a co-operative action could take the form of exchange of specialists in the field of agricultural production and export marketing, arrangements of study tours, fellowships, preparation of training manuals in the subjects related to post-harvest procedures, packaging, quality enhancement of export products, etc.

To that end, as part of a strategy to achieve the above objectives, it will also be important to develop a sub-regional roster (who's who) of all expertise, know-how skills available within the UMA including those national experts not resident in the sub-region. This would facilitate a quicker identification of the experts needed in various fields. Also, co-operation between private organizations such as producers/exporters and importer associations by means of mutual inter-association meetings, and workshops to provide market support services and advise the governments on marketing and pricing policies and training needs would be necessary.

There appears to have been inadequate recognition of the crucial linkage between production and trade in the economic co-operation scheme. For instance, while there have been attempts to formulate and implement joint programmes for increasing agricultural productivity, to evolve common agricultural policies and/or to harmonize national policies with a view to expanding trade, lip service has been paid to traditional agriculture, especially the smallholders who constitute a larger percentage of rural sector. As a consequence productivity in this sector still remains low thereby affecting the prospects for expansion of intra-Union trade at the moment.



Viewed in this context, therefore, national policies should also aim at improving the productivity of Maghreb's small-farm sub-sector and, more importantly, the supplies of products which have fallen short of demand such as wheat, barley, rice and meat. The study also calls for a comprehensive inventory to be made of all major food and export crops to indicate the nature of dependence on these commodities and geographical distribution in the UMA sub-region. The remarkable increase in, for instance, Malaysia's palm oil exports by six-folds and Thailand's increase of tobacco by almost five-folds, within a decade, demonstrates that potentials for intra-trade can be exploited, to a large extent, by energetic national approaches to exports.

Besides co-operation in agriculture, transport and communication, industry and manpower, there are many other areas in which the countries of the sub-region could co-operate and derive substantial mutual benefits. At the moment there are no firm arrangements as regards payments originating from intra sub-regional trade. Since these countries have agreed upon a move towards increasing trade, especially on agricultural commodities, among themselves, then they must also concretize the payment arrangements and clearing procedures so that the growth of trade between/among the countries can take place smoothly and rapidly. In this connection, the idea of sub-regional payment arrangements mentioned earlier and now being advanced by UMA is an excellent one.

It is worth noting that relatively big and integrated market is *not a guarantee by itself* that a common market would bring both satisfactory and desired economic outcomes. A contrasting view may be traced in the impressive experience in individualistic development of South Korea, Taiwan and Singapore. Nonetheless, the success story of these countries may be exceptional and should not be allowed to undermine the case for economic integration both at sub-regional and regional levels for a large number of African countries. Relatively larger markets may have potentials for greater capacity for coping with various distortions than smaller markets, since they may more easily off-set the impacts of both favourable and unfavourable effects.

We have tried to explain in this study why the countries of the sub-region should integrate to increase their mutual trade. However, progress in this direction has been slow, but the spirit in this field is very much alive since the number and scope of co-operation agreements has grown. In the last few years, too, the Maghreb countries have dramatically demonstrated that in unity lies strength, and it has become plain that their co-operation can give greater leverage than individual negotiations. Nonetheless, there is always a general misconception about the costs and benefits accrued by countries in the process of economic integration. In other words, it is, at

times, not fully appreciated by all Member states in an economic grouping that in integration or co-operation, all Member states cannot gain equally at any given time. In fact, some Members might even lose markets. Moreover, some Members, especially economically advanced ones, many a time, tend to aspire to maximize their exports at the expense of the economically weaker ones. In this regard, the spirit of give and take should be the guiding principle of regional integration and this is an issue that the Maghreb countries will have to appreciate in their march towards the establishment of a sub-regional common market.

The main conclusion of the entire study is that economic integration leading to the establishment of a common market is a desirable economic strategy for the sub-region in a world of continuous technological and market change. A common market can increase and secure markets for a variety of countries' goods in the future and, hence, mitigate the inevitable cost of adjustment to change. The gains of a common market include improvement in the efficient use of resources — due to increased competition, specialization, efficiency, returns to scale, increase in investment, trade creation and diversion as well as monetary stability. It is this context where the dynamic effects of integration materializes.

Lastly, but not the least, the establishment of UMA has meant the exclusion of other North African countries — Egypt and The Sudan -- from this new economic entity whereas Mauritania, which normally belongs to the West African Economic grouping (ECOWAS) has become a member. Furthermore, The Sudan has recently been admitted in the PTA membership. Seen in this context, it is necessary to point out that it will be necessary, in the future, for the Maghreb States to specify how the preferential trade area should be designed within the context of co-existence with other North African countries outside UMA.

**ANNEX:****Table A1:****ALGERIA: Export Structure by Main Regions of Distribution (in Percentages)**

Destination/Countries	1975	1980	1985	1989	1991*
<b><u>Developed Countries:</u></b>	<b>88.5</b>	<b>96.2</b>	<b>88.6</b>	<b>91.3</b>	<b>89.8</b>
All Europe	60.4	45.0	75.7	72.5	70.8
Of Which: EEC	55.1	39.8	68.7	70.6	70.2
USA and Canada	27.1	48.1	11.9	17.3	17.2
Japan	0.9	3.1	1.0	1.5	0.8
Others	-	-	-	-	-
CIS** including Socialist Asia	6.4	1.9	3.0	2.0	-
<b><u>Developing Countries:</u></b>	<b>6.4</b>	<b>1.9</b>	<b>8.3</b>	<b>5.1</b>	<b>10.0</b>
Africa	2.6	0.8	1.5	2.0	1.4
Of Which: OPEC	-	-	0.1	0.6	-
Maghreb States	-	0.1***	1.0***	1.4****	1.0****
Latin America	2.5	0.9	1.7	0.4	-
West Asia and S.E. Asia	-	0.2	2.0	2.6	-
<b>Grand Total (in US\$ million)</b>	<b>4,291</b>	<b>15,624</b>	<b>10,150</b>	<b>8,566</b>	<b>12,314</b>

**Note:** \* Data from UNDP/World Bank (1992).

- Commonwealth of Independent States; This is excluded in the developed countries' whose estimates are given above.

\*\*\* Data for Libya and Tunisia Only.

\*\*\*\* Data for Tunisia only.

\*\*\*\*\* Data excludes The Libyan Arab Jamahariya.

- means Not available.

**Source:** UNCTAD (1992:119) Table 3.4. and IMF (1992).

**Table A2:****ALGERIA: Import Structure by Main Regions of Distribution (in Percentages)**

Destination/Countries	1975	1980	1985	1988	1991*
<b><u>Developed Countries:</u></b>	<b>86.4</b>	<b>87.8</b>	<b>86.4</b>	<b>84.0</b>	<b>89.4</b>
All Europe	69.3	73.2	68.6	65.5	68.6
Of Which: EEC	66.0	67.8	67.4	57.8	65.8
USA and Canada	13.4	10.1	10.6	13.2	11.3
Japan	3.7	4.3	5.8	4.3	4.4
Others	0.1	0.2	1.3	1.0	-
CIS** including Socialist Asia	4.3	4.0	3.3	4.2	-
<b><u>Developing Countries:</u></b>	<b>9.3</b>	<b>8.2</b>	<b>10.3</b>	<b>11.7</b>	<b>13.7</b>
Africa	1.9	2.8	1.3	2.1	2.8
Of Which: OPEC	0.2	0.4	0.8	1.1	-
Latin America	6.4	3.6	4.2	3.7	-
Maghreb States	-	0.6---	0.8----	1.0-----	2.4-----
West Asia and S.E. Asia	1.1	1.3	2.2	4.4	-
<b>Grand Total</b> (in US\$ million)	<b>5,974</b>	<b>10,524</b>	<b>9,813</b>	<b>7,397</b>	<b>9,014</b>

**Note:** \* Data from IMF (1992).

--- Data for Libya and Tunisia only (1981).

---- Data for Mauritania and Morocco only.

----- Excludes The Libyan Arab Jamahariya.

- means Not available.

**Source:** As Table A1 above and UNCTAD (1992:119) Table 3.5.

**Table A3:****MOROCCO Export Structure by Main Regions of Distribution (in Percentages)**

Destination/Countries	1970	1975	1980	1985	1990
<b><u>Developed Countries:</u></b>	<b>79.2</b>	<b>72.0</b>	<b>70.3</b>	<b>67.7</b>	<b>73.6</b>
All Europe	75.6	68.7	66.9	61.2	67.1
Of Which: EEC	72.8	54.1	55.7	49.5	65.0
USA and Canada	1.6	0.9	1.8	1.9	2.3
Japan	1.8	2.3	1.5	4.3	3.9
Others	0.2	0.2	0.1	0.3	0.3
CIS* including Socialist Asia	9.8	16.6	12.0	8.3	2.8
<b><u>Developing Countries:</u></b>	<b>10.6</b>	<b>11.1</b>	<b>16.3</b>	<b>23.1</b>	<b>23.4</b>
Africa	5.6	4.7	3.5	5.1	7.8
Of Which: OPEC	3.7	3.3	4.4	6.9	10.2
Maghreb States	-	-	2.1 <sup>---</sup>	2.7 <sup>---</sup>	4.0 <sup>---</sup>
Latin America	1.3	2.6	3.7	1.5	1.6
West Asia and S.E. Asia	2.6	3.8	9.1	16.7	13.6
<b>Grand Total (in US\$ million)</b>	<b>488</b>	<b>1,543</b>	<b>2,404</b>	<b>2,165</b>	<b>4,231</b>

**Note:** \* Data for 1981 (Libya and Tunisia only).

--- Official statistics from the Ministry of External Trade, Morocco, and UNDP/World Bank (1992:108).

- means Not available.

**Source:** As Table A1 above.

**Table A4:****MOROCCO Import Structure by Main Regions of Distribution (in Percentages)**

Destination/Countries	1970	1975	1980	1985	1990
<b><u>Developed Countries:</u></b>	<b>79.0</b>	<b>70.5</b>	<b>66.2</b>	<b>63.5</b>	<b>69.5</b>
All Europe	64.8	60.6	56.4	51.0	58.9
Of Which: EEC	60.3	57.2	53.3	47.2	54.1
USA and Canada	12.2	8.3	8.4	9.8	8.6
Japan	2.0	1.2	1.3	2.4	1.8
Others	0.1	0.4	0.1	0.3	0.2
CIS* including Socialist Asia	10.5	8.4	7.2	7.7	6.9
<b><u>Developing Countries:</u></b>	<b>10.4</b>	<b>21.0</b>	<b>25.7</b>	<b>29.0</b>	<b>23.4</b>
Africa	4.2	1.7	1.6	3.5	5.6
Of Which: OPEC	2.5	6.9	19.3	23.3	15.2
Maghreb States	-	-	0.1**	0.2**	2.8***
Latin America	2.9	9.0	2.6	2.6	3.2
West Asia and S.E. Asia	2.6	10.0	20.9	22.6	14.3
<b>Grand Total (in US\$ million)</b>	<b>684</b>	<b>2,547</b>	<b>4,182</b>	<b>3,850</b>	<b>6,922</b>

**Note:** \* Data for Tunisia only (1981).

\*\* Data for Tunisia only.

\*\*\* Official statistics from the Ministry of External Trade, Morocco.

- means Not available.

**Source:** As Table A1 above.

**Table A5:****TUNISIA: Export Structure by Main Regions of Distribution (in Percentages)**

Destination/Countries	1970	1975	1980	1985	1990
<b><u>Developed Countries:</u></b>	<b>67.2</b>	<b>75.6</b>	<b>87.9</b>	<b>83.8</b>	<b>79.8</b>
All Europe	66.2	65.3	73.3	73.3	78.6
Of Which: EEC	62.1	47.8	71.7	64.6	77.8
USA and Canada	1.0	10.3	14.5	10.4	0.9
Japan	-	-	0.1	0.1	0.3
Others	-	-	-	-	-
CIS* including Socialist Asia	9.8	7.3	1.9	2.6	2.2
<b><u>Developing Countries:</u></b>	<b>22.8</b>	<b>17.0</b>	<b>8.9</b>	<b>13.0</b>	<b>16.5</b>
Africa	16.3	10.6	3.2	5.2	8.8
Of Which: OPEC	14.1	10.9	3.8	6.7	10.4
Maghreb States	-	-	0.9 <sup>**</sup>	1.9 <sup>***</sup>	7.6 <sup>***</sup>
Latin America	0.8	0.3	1.3	0.6	0.9
West Asia and S.E. Asia	3.0	5.2	4.4	6.7	6.6
<b>Grand Total (in US\$ million)</b>	<b>183</b>	<b>856</b>	<b>2,234</b>	<b>1,627</b>	<b>3,489</b>

**Note:** \* Data for 1981 (excludes Mauritania).

\*\*\* Excludes Mauritania.

\*\*\* Official statistics from Banque Central de Tunisie (1992:76-77) and UNDP/World Bank (1992:105-112).

- means Not available.

**Source:** As Table A1 above.

**Table A6:****TUNISIA: Import Structure by Main Regions of Distribution (in Percentages)**

Destination/Countries	1970	1975	1980	1985	1990
<b><u>Developed Countries:</u></b>	<b>83.9</b>	<b>81.5</b>	<b>80.0</b>	<b>80.7</b>	<b>81.7</b>
All Europe	64.3	72.4	71.1	70.9	73.7
Of Which: EEC	59.7	68.9	67.6	67.4	70.3
USA and Canada	19.2	8.0	7.6	7.8	6.1
Japan	0.3	0.8	1.2	1.8	1.8
Others	0.1	0.3	0.1	0.1	-
CIS* including Socialist Asia	6.7	4.3	4.0	5.7	4.9
<b><u>Developing Countries:</u></b>	<b>9.3</b>	<b>13.7</b>	<b>15.7</b>	<b>13.4</b>	<b>12.8</b>
Africa	1.6	2.0	2.1	8.5	4.9
Of Which: OPEC	2.3	6.4	9.8	7.5	4.9
Maghreb States	-		0.9**	5.7***	3.4***
Latin America	2.3	3.0	1.8	1.9	1.9
West Asia and S.E. Asia	4.5	7.9	11.1	2.6	5.3
<b>Grand Total (in US\$ million)</b>	<b>305</b>	<b>1,418</b>	<b>3,509</b>	<b>2,587</b>	<b>5,471</b>

**Note:** \* Data for 1981.

\*\* Excluding Mauritania.

\*\*\* Official statistics from Banque Central de Tunisie (1992:76-77)

- means Not available.

**Source:** As Table A1 above.



**Table A7:****MAURITANIA: Export Structure by Main Regions of Distribution (in Percentages)**

Destination/Countries	1975	1980	1985	1988	1990
<b><u>Developed Countries:</u></b>	<b>94.3</b>	<b>94.9</b>	<b>87.1</b>	<b>72.6</b>	<b>79.4</b>
All Europe	79.9	84.1	72.7	44.2	59.5
Of Which: EEC	68.7	73.5	67.7	44.2	53.8
USA and Canada	-	0.1	0.1	1.4	1.7 <sup>4</sup>
Japan	14.3	10.7	14.3	27.0	-
Others	-	-	-	-	-
CIS* including Socialist Asia	1.1	1.1	3.1	15.3	-
<b><u>Developing Countries:</u></b>	<b>4.6</b>	<b>4.0</b>	<b>7.4</b>	<b>10.1</b>	<b>8.2</b>
Africa	4.6	4.0	7.4	9.6	5.1
Of Which: OPEC	1.1	1.1	1.0	2.6	-
Maghreb States	-	-	0.2 <sup>**</sup>	3.8 <sup>---</sup>	0.1 <sup>---</sup>
Latin America	-	-	-	-	-
West Asia and S.E. Asia	-	-	0.1	0.5	-
<b>Grand Total (in US\$ million)</b>	<b>174</b>	<b>194</b>	<b>374</b>	<b>382</b>	<b>469</b>

**Note:** <sup>4</sup> Figures for 1989.<sup>\*\*</sup> Data for Morocco only (1981)<sup>---</sup> Data for Algeria only.<sup>---</sup> Data for Morocco only (1990).

- means Not available.

**Source:** As Table A1 above.

**Table A8:****MAURITANIA: Import Structure by Main Regions of Distribution (in Percentages)**

Destination/Countries	1975	1980	1986	1990
<b><u>Developed Countries:</u></b>	<b>67.8</b>	<b>74.2</b>	<b>82.7</b>	<b>77.8</b>
All Europe	59.2	65.9	76.6	68.9
Of Which: EEC	57.5	63.8	74.6	67.8
USA and Canada	7.1	7.3	3.4	6.5
Japan	1.6	1.0	2.5	2.3
Others	-	-	0.1	-
CIS* including Socialist Asia	1.7	-	5.2	-
<b><u>Developing Countries:</u></b>	<b>30.5</b>	<b>17.8</b>	<b>12.0</b>	<b>17.3</b>
Africa	25.6	12.8	6.9	6.7
Of Which: OPEC	-	-	0.5	-
Maghreb States	-	0.2**	0.8***	5.0***
Latin America	4.8	2.0	0.4	-
West Asia and S.E. Asia	0.1	0.3	1.7	-
<b>Grand Total (in US\$ million)</b>	<b>165</b>	<b>287</b>	<b>213</b>	<b>388</b>

**Note:** \* Data for Morocco and Tunisia only (1981).

\*\* Excludes The Libyan Arab Jamahariya.

\*\*\* Data for Algeria and Morocco only (1990).

- means = Not available.

**Source:** As Table A1 above.

**Table A9:**

**THE LIBYAN ARAB JAMAHARIYA:**  
**Export Structure by Main Regions of Distribution (in Percentages)**

Destination/Countries	1975	1980	1986	1987	1990
<b><u>Developed Countries:</u></b>	<b>85.0</b>	<b>85.2</b>	<b>76.3</b>	<b>86.7</b>	<b>87.0</b>
All Europe	58.9	48.2	76.0	84.5	-
Of Which: EEC	51.7	39.3	69.2	78.3	-
USA and Canada	22.7	35.6	0.2	-	-
Japan	3.4	1.4	0.1	-	-
CIS* including Socialist Asia	1.5	2.9	11.8	4.5	-
<b><u>Developing Countries:</u></b>	<b>14.5</b>	<b>14.0</b>	<b>11.8</b>	<b>13.2</b>	<b>10.0</b>
Africa	1.0	1.0	0.9	0.9	0.8
Of Which: OPEC	-	-	-	-	-
Maghreb States	-	0.1**	-	-	0.4***
Latin America	10.7	6.0	2.8	2.2	-
West Asia and S.E. Asia	2.8	5.9	5.4	5.6	-
<b>Grand Total</b> (in US\$ million)	<b>6,834</b>	<b>21,910</b>	<b>8,503</b>	<b>8,047</b>	<b>10,759</b>

**Note:** \* Data for Tunisia only (1981).

\*\*\* Data for Morocco and Tunisia only (1990).

- means Not available.

**Source:** As Table A1 above.

**Table A10:**

**THE LIBYAN ARAB JAMAHARIYA:**  
**Import Structure by Main Regions of Distribution (in Percentages)**

Destination/Countries	1975	1980	1981	1990
<b><u>Developed Countries:</u></b>	<b>78.5</b>	<b>87.8</b>	<b>85.4</b>	<b>74.2</b>
All Europe	65.7	72.3	68.8	70.5
Of Which: EEC	63.2	68.4	64.8	69.2
USA and Canada	4.2	6.9	6.9	-
Japan	8.3	7.5	7.6	2.8
Others	0.4	0.1	2.0	-
CIS* including Socialist Asia	7.8	5.7	4.6	-
<b><u>Developing Countries:</u></b>	<b>13.7</b>	<b>6.5</b>	<b>9.9</b>	<b>25.7</b>
Africa	2.1	0.6	7.0	5.4
Of Which: OPEC	0.1	0.1	-	-
Maghreb States	-	0.1 <sup>™</sup>	1.0 <sup>™™</sup>	1.2 <sup>™™™</sup>
Latin America	3.3	0.6	0.8	-
West Asia and S.E. Asia	5.8	4.5	1.5	-
<b>Grand Total (in US\$ million)</b>	<b>3,543</b>	<b>6,776</b>	<b>8,382</b>	<b>5,557</b>

**Note:** <sup>™</sup> Data for 1985 (for Algeria only).

<sup>™™</sup> Data for Morocco and Tunisia only. (1985).

<sup>™™™</sup> Data for Morocco only.

- means Not available.

**Source:** As Table A1 above.

**Table A11:**

**The Maghreb Countries' Cereal Production and Imports: 1981/82 - 1992/93.**  
**(in Thousands of Metric Tons)**

<b>Years</b>	<b>(1) Total Production</b>	<b>(2) Commercial Imports*</b>	<b>(3) Food Aid Receipts**</b>	<b>(4) Total (1+2+3)</b>	<b>(5) (1) as % of (4)</b>
1981/82	5,490	7,900	578	13,968	39.3
1982/83	7,650	9,199	298	17,147	44.6
1983/84	5,739	8,950	601	14,689	39.1
1984/85	7,796	10,246	520	18,321	42.6
1985/86	9,833	10,707	224	20,764	47.4
1986/87	10,786	11,291	1,011	23,088	46.7
1987/88	8,253	10,364	760	19,377	42.6
1988/89	9,238	12,248	528	20,014	46.1
1989/90	9,631	14,310	691	24,632	39.1
1990/91	9,353	12,986	515	22,854	40.9
<b>Averages</b>	<b>8,377</b>	<b>10,820</b>	<b>573</b>	<b>19,485</b>	<b>42.9</b>
<b>Status Quo Requirement Forecasts***</b>					
1991/92	12,522	9,244	-	21,766	57.5
1992/93	11,509	9,576	-	21,085	54.6

**Note:** \* From UNDP/World Bank (1992:232) Table 8-10.

\*\* Data are deliveries of all cereals, converted into grain equivalent. Data are compiled for "marketing year" from July through June and shown in the tables under the calendar year corresponding to the second half of the split year (for instance, the totals for 1988 is for 1987/1988 marketing year). Non-cereal food aid is not included.

\*\*\* Forecasts as at 26.08.1992.

**Source:** USAID (1991:22-28). Computed from Tables 11, 13 and 14. Cf. ADB (1992:141) Table 7.1 and IWC (1992) Tables 1 and 7.

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