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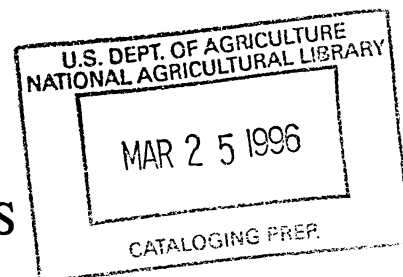
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CURRENT AND POTENTIAL AGRICULTURAL TRADE BETWEEN EASTERN EUROPE AND DEVELOPING COUNTRIES

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Market-oriented reforms in Eastern Europe create fears among developing nations of Western foreign assistance and direct investments diversions. However, complementary trade opportunities exist between Eastern Europe and developing nations. Using various measures of East-South bilateral trade intensity, revealed competitiveness, and market shares, certain developing regions and particular countries emerge as well poised to benefit from increased exports in three agricultural commodities (coffee, cotton, and soyameal) in a liberalized Eastern Europe. Tobit regression analysis of 84 Eastern European-Developing country pairs indicate that critical determinants of Eastern European import demand to be hard currency export earnings and real GDP per capita. In the short term, export prospects for the three commodities seem restrained due to the difficult transition issues confronting Eastern Europe, namely, implementation of institutional reforms, attainment of currency convertibility, sustained real income growth, and increased export earnings. Several out-year projection scenarios establish upper and lower bounds on potential export values for the three selected commodities.