



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search
<http://ageconsearch.umn.edu>
aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

**The impact of Euro-Mediterranean partnerships on the Agricultural
sector of the Mediterranean area**

PALMA PARISI, DONATELLA DIGREGORIO

University of Catania, University of Reggio Calabria

ITALY

parisi@unict.it

donatella.digregorio@unirc.it



*Paper prepared for presentation at the XIth congress of the EAAE
(European Association of Agricultural Economists),
Copenhagen, Denmark, August 24-27, 2005*

*Copyright 2005 by P. Parisi, D. Di Gregorio. All rights reserved. Readers
may make verbatim copies of this document for non-commercial purposes by
any means, provided that this copyright notice appears on all such copies.*

PALMA PARISI, DONATELLA DI GREGORIO*
**THE IMPACT OF EURO-MEDITERRANEAN PARTNERSHIPS ON
THE AGRICULTURAL SECTOR OF THE MEDITERRANEAN AREA**

Abstract

In 1995, the Barcelona Conference Inter-government Euro-Mediterranean, through the plan of the creation of the partnership Euro-Mediterranean, has marked the start of a phase of collaboration between the European Union and the Mediterranean Partner Countries (MPCs) that has origin in the importance that these last ones cover in order to assure conditions of stability and peace in the Mediterranean area. Draft of an ambitious plan turned to the creation of solid report and long-lasting relationships between the countries of the north banks and those of the south.

Agricultural sector is one of the most important sectors in the economies of the MPCs.

Keywords

Mediterranean Partner Countries (MPC), free trade area, import, export.

JEL: Q17 Agriculture in International Trade

1. EU's Mediterranean Policy

Following the path that started from the European Councils of Lisbon (June 1992), Corfu (June 1994) to Essen (December 1994), the European Union has started the realization of a new context in which insertion of their relations with the countries of the Mediterranean basin with the goal of creating the premises and assuring good conditions of development in the region. The initiate process in Barcelona in the November of the 1995 revealed a strategy of authentic cooperation an approach of nature not only economic, but also social and politics that contemplates to the creation of a space of peace and stability in the Mediterranean region, that started due to strategic viable interests represents for all the EU Mediterranean countries and the non EU. It is an ambitious plan that assays to create a durable and solid bond among the two shores of the Mediterranean. At the end the contact, the dialogue, the communication and the acquaintance are the necessary tools to optimize the expected results from the cooperation and eliminating friction between countries having different cultural, economical, political and religious background. Relatively to the economical-commercial relations, the process of Barcelona contemplates the creation of free trade areas, then to a gradual liberalization of exchanges that should culminate the actions of commercial and political collaborations, with the creation of free trade in 2010. The creation of the free trade areas could represent a tool that, in absence of stability in the relative prices of the goods and manufactures of the products, would allow a better allocation of the resources that would provide better conditions generally. To facilitate the creation of the free trade areas in the Euro-Mediterranean the EU and the Mediterranean Partner Countries (MPC) has identified some priorities:

- The adoption of measures to control the origin of materials, the certification, the respecting laws of intellectual property and industrial ownership, of the competitors;
- The adoption of political position based on the principles of an open market to promote economical integration while respecting needs for development;
- The modernization of the economical and social structures with particular attention to the development of the private sector and to the improvement of production in an institutional efficient frame work;
- The promotion of mechanism for development of technology transfer.

In this context Italy finds its self geographically and culturally forming a bridge between Europe and the Mediterranean area, and Sicily located at the meeting point between the west and southern world, bridging the two different ways of life and thinking of the European and Arabic culture.

* P. Parisi - University of Catania, D. Di Gregorio – University of Reggio Calabria, Italy. The work is a result of common reflection of the Authors, in particular attribute P. Parisi with chapter 1, 2, 3, 4, to D. Di Gregorio the chapter 5, 6, 7.

The Barcelona Process has outlined the political, economic, and social relations among the EU and the Countries that they locate on the southern shore of the Mediterranean and it constitutes a strategic fundamental footstep for the constitution of a laboratory of dialogue and cooperation. From the beginning the participating countries have confirmed their wish to reinforce the bilateral relationship that has hallmarked for a long time the Euro-Mediterranean relations, to which is attributed the new dimension based upon global and solid cooperation and the respect of each participant, leading to the development of the three main axis of partnership in the declaration Barcelona; political and security partnership, economic and financial partnership, and social/cultural and human partnership. The stability of the relationship among the involved countries could be considered as a sign of solidarity to the irreversible process that has started.

The new partnership must adapt to the international context and answer to the changes that have attended distinctively since the beginning of the 1990's. In particular must note that the globalization and the regionalism have become the two essential characteristics of the world economy and that the creation of a Europe Mediterranean space has become a foreground demand in the new economic picture internationally. It is worth remembering that the political changes that have happened in the East of Europe has intensify the relations of the UE with these countries, beyond that the widening to some of these, they have required of the relations with the south of the Mediterranean Besides the modest results of the preceding politics cooperation this has brought development ahead to the EU in comparison of the MPC, that has not been able to start processes of economic development, she has requested to put new forms of cooperation in action and partnership. It also should not be overlooked that the demand to maintain conditions of peace affect and stability is the necessary point of departure for this development in the Mediterranean region.

In this context Italy finds itself geographically and culturally, forming a bridge between Europe and the Mediterranean area and Sicily is located at the meeting point of the west and southern world, bridging the two different ways of life and thinking of the European and Arabic culture.

2. The MPC and their relations with the European countries

The MPC presents extremely heterogeneous demographic and economic characteristics. The population altogether of such countries (around 250 million of inhabitants) it is nearly equivalent to that of the Europe and it present its self concentrated in Egypt and Turkey accounting for one half¹. Considering the value of the total GDP of the region it emerges that in the 2002 it was equivalent to 8% of that of the European area, and two thirds produced by Egypt, Israel and Turkey. In the same year the value of the DGP pro-capita had fluctuated from the 440 euro of the Strip of Gaza and Jerico to almost 17.500 euro of Cyprus, equivalent to more than three quarters of the European area². Putting in evidence the big differences that exist internally within MPC group in the varying macroeconomics. Respect to the monetary context should be noted that it presents generally stability in the majority of those countries, it needs to be underlined the insufficient discipline of budget that constitutes a level of risk for the countries in this region. The macroeconomics indicators show generally lower levels of economic growth. The internal economic structure represents diversity, while in some other countries of the south Mediterranean the production of services has an expressive weight and accounts for beyond the 50% to the formation value added to entire economy, in others the production of oil, which it exporters (like Algeria and Syria) representing the principal economic activity and in others still the agriculture remains the principle activity, while Israel has asserted itself as the producer of goods with elevated technological content.

As a consequence of the geographical proximity and the complementary productive structures, the commercial exchanges between the Mediterranean and the EU countries is remarkable (on average the interchange with the European area represents around 40% of the commerce) while the level of intra-regional integration and with the rest of the world it represents rather low. Malta, Turkey and countries of the Magreb show a high degree of opening compared to that of the European countries while the commercial flows Mashreq are more orientated towards the States and Countries of the Gulf.

Considered altogether the countries of the European area have always shown a commercial advantage compared to the MPC, whose imports are made up of machineries, manufactured and

¹ Banca Centrale Europea, "*Bollettino mensile*", Aprile 2004.

² <http://www.ecb.int>

chemical commodities while their exports mainly concern agricultural, textile and energetic commodities.

The intra-regional commerce of the MPC is rather contained and represents only 5% of the total interchange: This trend could be attributed to both, the type of production specialization at that moment of time within their country, and in how different countries produce similar goods. The presence of inadequate structures and presence of barriers, creates obstacles to a better commercial integration towards the south and south. Considering the commercial flows from the side of the European countries it is highlighted a greater strength with some of the same countries in particular with Spain, Italy, France, Germany and especially Greece³, they represent the most important partners for the South Mediterranean countries, while the mean value of the commerce with the MPC represents around the 3% of the total of the exchanges of the countries of the EU.

3. The Italian exchanges with the MPC

Member States of the European Union are the main trading partners of the Mediterranean the countries and they remain the major provider of Mediterranean imports. This concentration of trade is also true of exports and the EU countries constitute the main destination for MED exports.

You will see that graf.1 shows, also the commercial exchanges trend between Italy and the Mediterranean countries they have demonstrated an increasing course in the inflow and outflow.

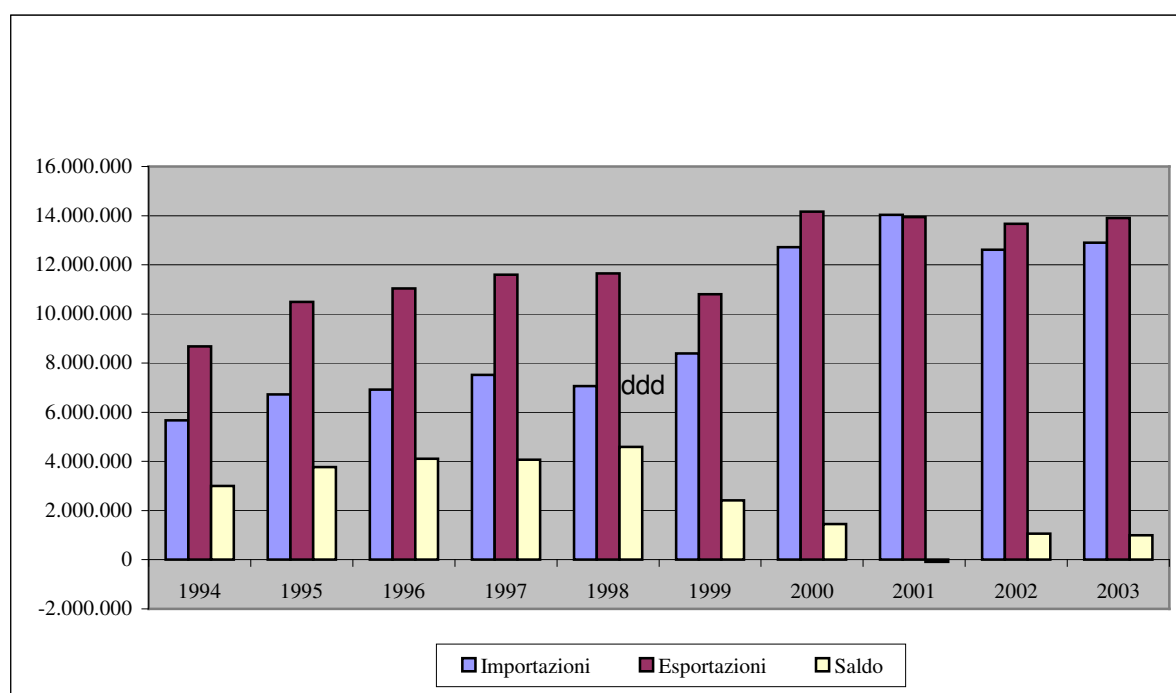


Figure1. Commercial trade from Italy to MPC.

Source: P. Parisi, D. Di Gregorio (2004)

Referring to the last eight years and analyzing the relative values of the Italian commercial aggregative exchanges with the MPC altogether shows, in the advised period, a better increase of the imports respect to the exports, also the sales have been highly irregular (Table 1).

³ Banca Centrale Europea, "Bollettino mensile", Aprile 2004.

Years	ITALY		
	Imports	Exports	Balance
1996	100,0	100,0	100,0
1997	108,6	105,0	98,9
1998	101,9	105,5	111,5
1999	121,1	97,8	58,6
2000	183,7	128,3	35,1
2001	202,5	126,3	-2,2
2002	182,1	123,8	25,8
2003	134,6	125,7	26,6
2004	206,9	141,1	30,4

Source: our elaboration of the data from ISTAT

Table 1. Trade and balance from Italy with the MPC (1996=100)

From Table 2 it emerges a rush of importation starting from the 2000 that could be attributed to the increase in oil prices with the greater indication to the exchange values relative to the imports of oil commodities, while the best relative performance in exportation is noticed in 2004.

Considering the sales values it should be noted that only the passive value refers to the 2001, while in 2004 the higher positive value was marked for the century 2000.

Years	ITALY		
	Imports	Exports	Balance
1996	6.928	11.042	4.114
1997	7.522	11.592	4.070
1998	7.059	11.646	4.587
1999	8.388	10.798	2.410
2000	12.724	14.169	1.445
2001	14.032	13.943	-89
2002	12.613	13.675	1.062
2003	12.786	13.883	1.097
2004	14.332	15.584	1.252

Source: our elaboration of the data from ISTAT

Table 2. Trade and balance from Italy with MPC (millions of euro)

From the data on importation there is a strong characterisation flow with Algeria (Tab. 3) also it can not escape a positive change of the Turkish exchanges , in that period, there has been a increase of 9,6%. Restricted importation remain from Jerico, Cyprus, Jordan and Lebanon, which together represent less than 1% of the total.

Countries	1996		2000		2004	
	Import	Export	Import	Export	Import	Export
ALGERIA	31,2	5,3	44,2	6,1	33,8	7,9
CYPRUS	0,2	2,6	0,2	2,9	0,1	4,0
JERICO AND GAZA	0	0	0	0	0	0,0
EGYPT	13,3	10,3	8,9	10,9	8,9	8,7
JORDAN	0	2,2	0,1	1,6	0,1	2,1
ISRAEL	6,5	16,0	7,2	13,7	6,3	8,6
LYBIA	0,2	7,6	0,1	4,8	0,1	8,9
MALTA	2,5	6,3	1,0	5,7	0,8	4,3
MOROCCO	5,1	5,0	4,4	501,0	3,3	6,1
SYRIA	9,0	3,5	5,7	3,3	5,2	3,5
TUNISIA	13,5	10,3	10,8	13,5	13,7	13,4
TURKEY	18,1	39,9	17,4	32,8	27,7	36,5
ITALY	100,0	100,0	100,0	100,0	100,0	100,0

Source: our elaboration of data from ISTAT

Table 3. Composition of trade from Italy with PMC (%)

The most important countries that go towards the Italian exports are the Turkish Israel and, more recently, Tunisia. Generally the Italian sales sustain the positive values even if between 1996 and 2004 the decrease was of 2862,5 million euro. Such variations are attributable to the increase of the passivity towards Algeria and the decrease of assets toward Israel. The Italian accounts with the MPC remain in profit with all the countries with the exception of Algeria and the Syria where due to oil importation satisfies a greater part of the country's requirements.

COUNTRIES	1996	2000	2004
ALGERIA	-1.578	-4.765	-3.604
CYPRUS	277	388	599
JERICO AND GAZA	2	4	2
EGYPT	218	411	72
JERICO	221	217	302
ISRAEL	1.324	962	436
LIBYA	821	665	739
MALTA	520	680	555
MOROCCO	196	163	478
SYRIA	-242	-259	-190
TUNISIA	197	543	133
TURKEY	2.158	2.437	1.728
ITALY	4.114	1.446	1.250

Source: our elaboration of data from ISTAT

Table 4. Italian commercial balance with the MPC (millions of Euro)

Considering the commodities structure of Italian trade with the MPC altogether, it emerges the predomination of the relative voices of "mineral energetic," and within which prevails the sub-category "crude oil and natural gas" and the " transforms commodities and manufactured article" within which prevails the voice "articles of clothes" and "refined oil commodities." The exports concern almost exclusively the "transforms commodities and manufactured articles" within which emerges under the category the of "machineries" of "refined oil products " and "materials".

4. The agro-industrial component exchanges between EU and Italy with the MPC

Agricultural sector is considered to be one of the most important sectors of the economies of Mediterranean countries and the UE is one of their main partners of trade in products of this sector. In 2002, the total trade in agricultural products amounted to over 10 billion euro which was almost 8% of the extra-UE trade in agricultural products, 6% of total trade between UE and the Mediterranean Partner Countries and 2% of total EU trade.

Between 1995 and 2002 it has been verified an increase of its imports and that of its exports although in small measure respect to the growth of the flows of exchanges in general for which the share of agricultural products in euro Mediterranean trade has decreased (from 10 to 6%).

Euro-mediterranean trade in agricultural products has been slower than extra Eu agricultural trade in 1995-2002 thus the share of MPC has decreased by one percent from 9 to 8%.

The exchange trend of agricultural commodities appears biased from the climatic conditions and it is therefore characterized from strong irregularities. While the imports of the EU have grown in regular way not likewise for the exports, but the sales balance of the EU remained positive even if for inferior values. This could be envoy in relation with the dualistic agriculture structure of the MPC where they co-habit a traditional agriculture, inferior to the risks of the climatic conditions, and a modern agriculture in which the irrigation system prevails that they consent of counteract the effects on the production of the audit of years of drought. The agricultural commodities imported from the EU originate chiefly from Turkey, Morocco, Israel beyond that, in small quantity, from Tunisia and Egypt. Comprehensively these countries furnish 94% of the European imports the value achieved in 2002 was 4.355 million euro (Table 5)⁴.

The value of European exports towards the MCP in the same year was equal to 4.982 million euro. The country that absorbed best part of the European exports was Algeria. Morocco, Israel, Lebanon, Cyprus and Algeria account for over 15% of export + import from the EU. France, Germany and Netherlands are countries that have greater trade agricultural commodities with the MPC followed by UK and Italy (Tables 6-8). Considering the composition of the agricultural commodities exchange among EU countries and MPC one note the prevalence of vegetable commodities in the European imports and in fact beyond the two third is made up of fruit, vegetables and fruit preparation. The first five commodities represent more than 30% of import value, they are: nuts (fresh or dried) 354 million, citrus fruit (fresh or dried) 340 million, fruit, nuts and other edible parts of plants 242 million, dates, figs, pineapples, avocados, guavas, mangoes (fresh or dried) 213million, tomatoes 210million.

Toward the MPC are addressed around the 40% of the exports of grain, a fifth of the exports of alive animals and a quarter of the exports of sugar of extra EU trade in agricultural products.

In the 2002 the exports European toward MPC of Wheat and meslin has achieved a value of 814 millions of euro, those relative to cane or beet sugar 443 millions of euro, milk and cream, concentrates containing added sugar or other sweetening matter 377millions of euro, food preparations 197 millions of euro and 165 millions of euro for potatoes.

⁴ FEMISE (2003), *The impact of agricultural liberalization in the context of the Euro-Mediterranean Partnership*, November.

	EUR millions						% change	
	1995		2002		Balance		Import	Export
	Import	Export	Import	Export	Import	Export	95/02	95/02
EU 15	3576	4456	4355	4982	880	627	22	12
France	738	1263	962	1554	524	592	30	23
Germany	825	532	823	625	-293	-198	0	17
Netherlands	366	517	548	605	151	58	50	17
United Kingdom	467	331	536	424	-135	-113	15	28
Italy	505	371	508	385	-135	-123	0	4
Belgium	-	-	269	345	-	76	-	-
Spain	253	432	256	460	179	203	1	6
Austria	79	21	191	36	-68	-155	141	72
Greece	56	93	108	189	37	80	92	103
Sweden	60	9	60	40	-50	-20	0	332
Denmark	34	139	47	131	105	84	40	-6
Ireland	19	239	18	126	220	108	-4	-47
Finland	25	20	16	23	-6	7	-36	19
Portugal	28	38	11	39	9	27	-60	3
Luxembourg	-	-	1	0	-	-1	-	-

Source: Statistics in focus, Theme 6, 1/2004

Table 5. European Countries trade in agricultural products with MPC (absolute values)

	% share per Member State of total				Agricultural products as % of total MPC trade			
	UE-15/MPC-12 trade of agr. products				with each Member State			
	1995		2002		1995		2002	
	Import	Export	Import	Export	Import	Export	Import	Export
EU 15	100	100	100	100	11	9	7	6
France	21	26	22	31	10	12	8	9
Germany	23	12	19	13	11	5	7	4
Netherlands	10	12	13	12	16	20	12	13
United Kingdom	13	7	12	9	15	7	7	6
Italy	14	8	12	8	10	4	4	3
Belgium	-	-	6	7	-	-	5	5
Spain	7	10	6	9	11	14	4	8
Austria	2	0	4	1	18	3	19	3
Greece	2	2	2	4	8	10	9	13
Sweden	2		1	1	24	1	11	3
Denmark	1	3	1	3	16	24	9	15
Ireland	1	5	0	3	14	51	6	13
Finland	1	0	0	0	31	4	7	2
Portugal	1	1	0	1	7	11	2	9
Luxembourg	-	-	0	0	-	-	1	0

Source: Statistics in focus, Theme 6, 1/2004

Table 6. European Countries trade in agricultural products with MPC (%)

Considering only the countries toward which there has been a significant trade from Italy relatively to the products from the agro industry emerges a picture rather unharmonious in reference to the composition of the flows of imports and exports between the different countries of the Mediterranean area from the point of view the time between the 1996 and the 2004 in which they have often made remarkable changes in the commercial flow. Starting from the Algeria it is worth noting that, contrary import data, the Italian exportation toward such countries, relative to the category "agricultural commodities, game, wood lands and fishing," these have more than doubled between 1996 and 2004 (1,1% 2,8%) and the sales have gone from 4,5 to 33,1 millions of Euro respectively.

	EUR millions						% change	
	1995		2002		Balance		Import	Export
	Import	Export	Import	Export	Import	Export	95/02	95/02
MPC 12	3576	4456	4355	4982	880	627	22	12
Turkey	1540	639	1940	530	-902	-1410	26	-17
Morocco	666	497	958	492	-169	-466	44	-1
Israel	592	441	806	598	-151	-208	36	36
Egypt	208	579	242	545	371	304	16	-6
Tunisia	314	327	145	279	13	135	-54	-14
Cyprus	159	183	125	266	24	140	-21	45
Algeria	22	926	24	1206	904	1182	7	30
Syria	42	191	63	205	149	143	49	8
Lebanon	17	350	29	483	332	454	65	38
Malta	5	151	13	211	146	199	156	40
Jordan	10	171	6	158	161	152	-43	-7
Gaza e Jerico	-	1	5	8	1	3	1,66	671

Source: Statistics in focus, Theme 6, 1/2004

Table 7. EU trade with MPC in agricultural products by MPC (absolute values)

	% share per Member State of total				Agricultural products as % of total MPC trade			
	UE-15/MPC-12 trade of agr. products				with each Member State			
	1995		2002		1995		2002	
	Import	Export	Import	Export	Import	Export	Import	Export
MPC 12	100	100	100	100	11	9	7	6
Turkey	43	14	45	11	17	5	9	2
Morocco	19	11	22	10	17	11	15	6
Israel	17	10	19	12	13	5	9	4
Egypt	6	13	6	11	9	12	7	9
Tunisia	9	7	3	6	9	8	2	4
Cyprus	4	4	3	5	22	9	18	9
Algeria	1	21	1	24	0	20	0	15
Syria	1	4	1	4	2	14	2	10
Lebanon	0	8	1	10	16	14	15	16
Malta	0	3	0	4	0	7	1	8
Jordan	0	4	0	3	8	16	2	8
Gaza e Jerico	0	0	0	0	86	21	67	24

Source: Statistics in focus, Theme 6, 1/2004

Table 8. EU trade with MPCs in agricultural products, by MPC (%)

Italian imports from Cyprus, have been primarily concerned with agricultural commodities, in 1996 represented the 24,7%, and in 2004 constitute the 42,6%.

Italian imports from Egypt, again in the same category, in 1996 represented 2,6% of the total, and in 2004 they more then doubled. Instead the exports for the same commodities, were all marginal (0.8% in 1996, 1.2% in 2004), in the Italian commercial balance, relatively to such commodities resulting in negative sales, that is from 15.5 millions of Euro in 1996 to 55.1 millions of Euro in the 2004.

With respect to the Jordan, the Italian imports in 1996 primarily concerned "meats and meat based commodities" and "prepared and fruit preserves" and that these on its own gave 32.9% of the total. It should be highlighted that in 2004 the imports of "agricultural commodities, game, wood lands and fishing" represent 4.7% of the total. The Italian exports towards these countries was not to the same level.

Italian imports play a strong role on the relations with Israel, even though in the period considered the impact on the total has contracted, going from 6.7% to 3.0%. This corresponds to a negative sales of 28.5 millions of euro in '96 and to 25.1 millions of Euro in 2004.

The commercial interchange between Italy and Lebanon is characterized by an elevated Italian export in the face of low value imports. In the beginning of this period the primary importance was placed on the imports of "oils and, vegetable and animal fats" 15.7%, and successively "meats and meat based commodities" 18.9%, while the agricultural commodities constituted 4.9% of the Italian imports. At the end of the period such strong results re-dimensioned the situation (1.1% agricultural commodities, 7.8% "meats and meat based commodities" and 2.4% "oils and vegetable and animal fats").

Maltese economy is characterized by an elevated level of opening due poor internal market dimensions and the poor availability of mineral and prime materials. The exports from Italy toward Malta are " agricultural commodities, game, wood lands and fishing" they sustain about 1.3% of the total.

Italian imports from Morocco, in the 1996, were concerned with above all with the food-agricultural that represented more than 32% of the total (agricultural commodities, fish, preserved fish, prepared and fruit and vegetables preserves, oils and fats). The impact of these voices has been reduced in 2000 to a level of 13% and re-climbed again to more than 28% in 2004. In comparison the Italian exports to this country is insignificant.

The commercial interchange between Italy and Syria in 1996 was equal to quota of 7.6% relative to the "agricultural commodities, game, wood lands and fishing," resulting in Italian negative sales. In the arc of the following eight years the weight of such commodities has descended to 6.1%, determining a reduction of the negative sales from 47.6 to 44.8 millions of Euro.

The commercial flows of the Tunisia shows a change in their composition, while in the past the prevalent export was agricultural commodities, today prevalent exports are finished commodities. An interesting voice is that of the alimentary commodities in which Tunisia has engaged a role always more important with the Italian import of "oils and vegetable and animals fats " (16.1% of the total in the 2004), even though they are not very significant.

The Italian imports from Turkey are chiefly concerned with " agricultural commodities, game, wood lands and fishing" even if there is a negative trend (from 10.1% in '96 to 4.4% in '04). Among the commodities transformed and manufactured article prevail the "prepared and fruit and vegetables preserves" and "oils and vegetable and animal fats." Respect to the exports there is not significant data, therefore the Italian commercial sale with Turkey for the goods of the food-agricultural results negative.

5. Sicily's role in the Euro-Mediterranean partnership

Italy in general and distinctively the south of Italy, for the location being the center of the Mediterranean and beyond that for the propensity to brokerage and diplomacy, finds itself strongly involved in the process of integration and growth of the relations. For such motives above all the agreements that have been enacted with the UE, from many parts of Italy there has been a strong consensus, to complete the processes already started and to concretize early.

The regions of south Italy having already established strong cultural and commercial close contacts and also in the virtue of the geographical proximity with the MPC, they have often manifested, through their representatives, the wish to intensify the reports not only for trade. Historically Sicily has held strong relationships with the countries of the Mediterranean basin and of the Mediterranean-orient, maintaining close relationships with both areas.

Based on these considerations an investigation has been conducted to analysis the trade relations between the principal island of the Mediterranean and the MPC, at first analyzing the aggregative data between Sicily and MPC, and in the second phase between Sicily and the MPC individuals. Various trade reports have been taken into consideration with distinctive reference to the more significant sections, to the agricultural sector and to the agro-industrial system, in the eight year period (1996, 2000 and 2004 still interim data) using the CPATECO articles of ISTAT, use to identify, characterizes and re-group the different sectors of commodities.

With reference to the trade exchange between the Sicilian region and the MPC, Table 9 shows the percentage of imports and exports from Sicily towards each individual MPC

In the ambient of the imports, Algeria emerges as the undisputed leader for the three years, attested respectively in the percentages of 71.7%, 80.1% and 77.4%. Even to a lesser extent the quotas from Syria (12%, 4% and 6.2%) Egypt (6.6%, 9.9% and 8.7%) and Turkey (3.3%, 2.2% 3, 3.9%) are important, in all the other Countries the percentages are very low and do not exceed one percent.

The exports present a different distribution: does not show any particular country that results outstanding between the MPC, the results are generally diffused, even though there is a better prevalence towards four countries: Libya, Malta, Tunisia and Turkey, and a total nonexistence of trade with the Strip of Gaza and Jerico. ¼ of the Sicilian exports are orientated towards Tunisia, a country with which Sicily maintains close contacts also in the extreme proximity.

The quota of exports from Sicily towards Egypt, in the 2004 has exceed 6% and the excellent performance in the comparison of Morocco with an increasing quota of 7% in 2004.

COUNTRIES	1996		2000		2004	
	Import	Export	Import	Export	Import	Export
ALGERIA	71,7	1,8	80,1	2,3	77,4	4,4
CYPRUS	0,1	1,9	0,1	4,6	0,1	5,3
JERICO AND GAZA	0	0	0	0	0	0,1
EGYPT	6,6	6,5	9,9	5,0	8,7	6,3
JORDAN	0	0,9	0,1	0,1	0,1	0,1
ISRAEL	0,7	3,9	0,7	6,9	1,8	4,0
LIBYA	0,1	15,8	0,1	10,6	0,1	18,3
MALTA	0,1	31,9	0,1	19,3	0,3	10,8
MOROCCO	0,6	0,7	2,3	2,4	0,5	7,2
SYRIA	12,0	1,2	4,0	2,7	6,2	2,8
TUNISIA	4,8	17,2	0,4	22,9	0,9	23,4
TURKEY	3,3	18,2	2,2	23,2	3,9	17,3
SICILY	100,0	100,0	100,0	100,0	100,0	100,0

Source: our elaboration of the data from ISTAT

Table 9. Trade between Sicily and the MPC (%)

Table 10 shows the commercial sales from Sicily towards the MPC. With reference to Algeria, first and fundamental partner of Sicilian, it is evident that the only cause for the continual negative sales is the import of energetic commodities, natural gas. The negative sales are also towards Syria and Egypt while it is positive towards Libya, Malta and Tunisia. As far as the aggregative sales from Sicily are concerned, in comparisons to the MPC, from 1996 to 2000 there is an increase, in absolute value, almost of about 100%, caused by the intensification of the trade within the area, to arrive at a point in 2004, with a deficit of a little above 2.6 billion Euro.

COUNTRIES	1996	2000	2004
ALGERIA	-1.564,4	-3.564,0	-2.920,0
CYPRUS	8,1	43,0	65,0
JERICO AND GAZA	0	0	0
EGYPT	-116,0	-395,0	-260,0
JORDAN	4,0	1,0	1,0
ISRAEL	2,1	35,0	-21,0
LIBYA	70,0	105,0	224,0
MALTA	141,0	189,0	122,0
MOROCCO	-11,0	-78,0	70,0
SYRIA	-256,4	-153,0	-202,0
TUNISIA	-28,2	210,0	252,0
TURKEY	10,0	135,0	62,0
SICILY	-1.740,8	-3.472,0	-2.607,0

Source: our elaboration of the data from ISTAT

Table 10. Commercial trade between Sicily and MPT (millions of euro)

6. The commercial exchanges from Sicily with the MPC

Figures 2 and 3 shows % values of imports by Sicily from the MPC and the exports from Sicily toward the MPC, considered as total reported for 2004.

Figure 2 shows the total of the Sicilian imports from the MPC concerning the voice "crude oil and natural gas" in the year it was around 90%, while rest of the imports concern essentially with "refined oil commodities," "chemical based commodities" and "iron and steel commodities," with a weak presence of the category "other manufactured articles." Figure 3 shows the data percentages reported on the exports. Also in this case the category "refined Oil commodities " that intercept 75.3% of the exports in 2004, they constitutes more significantly between the relative categories of the imports. The electronic components and machinery in general constitute almost 3.4% of the exports. Finally, thou of weak consistence, is the relative category to the materials relative to the materials for the buildings, whose components stones, mortar, chalk, etc. they intercept 1.5% of the total.

Almost invalid are , instead it the imports that the exports of the "fish commodities and fish based commodities" whose values are attested respectively to 0.1% and hardly 0.04% respectively for imports and exports.

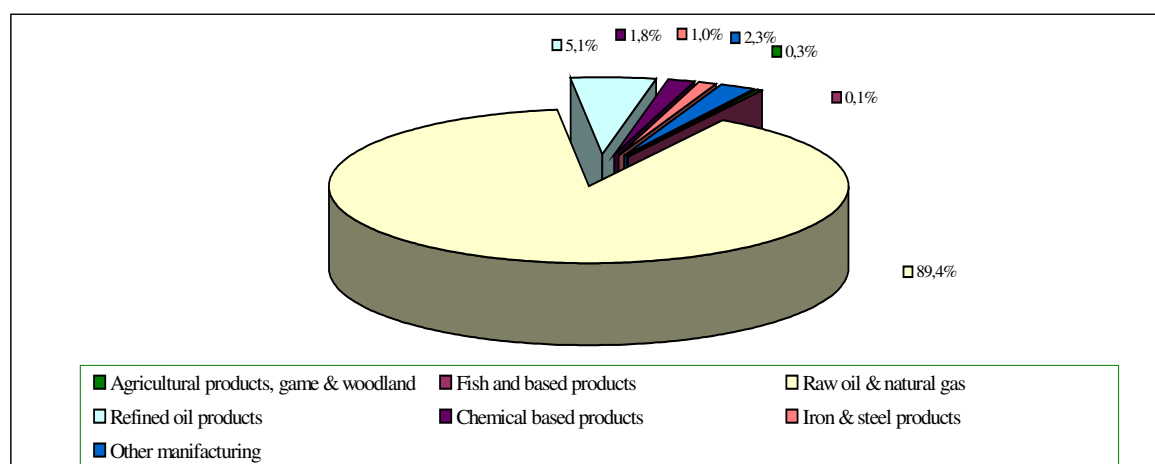


Figure 2. Sicily's imports from the MPC (2004)

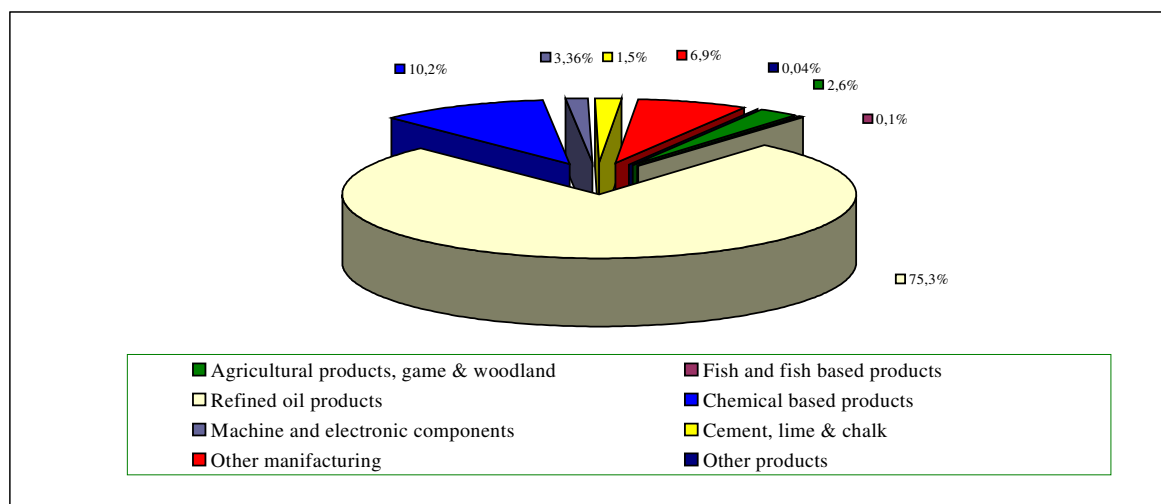


Figure 3. Sicily's export to MPC (2004)

with reference to Sicily's commercial balances and MPC (Table 11), heavy is the relative deficit to the "crude oil and natural gas" that increased 1400 millions of euro from the 1996 to the 2004, passing from 2 billion of Euro to 3.4 billion of Euro, equal in terms of percents, to an increase of the 70.5%. Result instead in active from the sale of the "transformed and manufactured commodities" in the sub-category "refined oil commodities" which passed, from +197.3 millions in the 1996 to +732.2 millions in the 2004 which constitutes an increase of the 271%. Also performed well the sub-category "valves, pipes electronic and other electronic components", from the 1996 to the 2004 improved the active sale to 21.6 millions of euro.

COMMODITIES	1996	2000	2004
Agricultural products, game and woodland	-4,4	7,0	20,5
Fish and fish based products	0,5	-0,5	-2,5
Minerals & energy	-2.012,895	-4.007,5	-3.431,5
of which: Raw oil & natural gas	-2.014,0	-4.008,5	-3.428,1
Transformed & manufactured Products	276,0	519,0	806,5
of which: Refined oil products	197,3	413,6	732,2
Chemical based products	17,4	19,6	14,6
Other chemical products	8,0	19,2	36,9
Iron & steel products	-5,3	-12,3	-36,6
Valves tubes&electronic components	1,8	30,1	23,4
Other manufacturing	56,8	48,8	36,0
Other Products	-0,005	10,0	0,1
TOTAL	-1.741,0	-3.472,0	-2.607,0

Source: our elaboration of data from ISTAT

Table 11. Sicily's commercial balances for the commodities sector CPATECO (millions of euro)

7. The commercial exchanges from Sicily and the MPC in the agricultural component and food-agricultural

As can be seen from the general charts, the most significant of the trades between MPC and Sicily is corporate are under the voices "crude oil and natural gas", "refined oil commodities", "chemical based commodities" and from other voices that come gather in the category "transformed commodities and manufactured article".

Despite that, in 2004, with a tendency that had already revealed beginning from the 2000, they start to assert, in the picture of the exports, the category "agricultural commodities, game and wood lands". Not all the Countries of the Mediterranean basin are involved in trade with Sicily (and with Italy in general), especially with reference to the category of the agricultural commodities, the analysis that follows will be limited exclusively to the comparisons of those Countries in which this category has been engaged to a significant value.

Following in order in no real relevance in terms of value follows an examination of the commercial trade between Sicily and 5 of the countries Mediterranean: Algeria, Cyprus, Morocco, Tunisia and Turkey.

From Table 12 it emerges that the structure of the Sicilian exports towards Algeria has undergone a metamorphoses in the last 8 years, in fact in 1996 the concerned exports were exclusively "transforms commodities and manufactured articles" within the category "Refined oil commodities," "chemical based commodities," "other specialized machinery" and "automobiles" these sub-categories started to over whelm already in 2000 the category " agricultural commodities, game and wood lands," with 41.7% that became 50% in 2004, compressing the role of the category " transforms commodities and manufactured article" to the point of establishing the clear leader among the categories of exports from Sicily to Algeria.

Also the structure of the Sicilian imports from the island of Cyprus, in the considered period, underwent deep modifications. In fact in 1996 these were basically made up from "transforms commodities and manufactured articles," in 2004 the data shows the picture had changed with respect to the precedents, the voice "agricultural commodities, game and "wood lands " is the most significant with a quota equal to 41% of the total of the imports. Also in this case, as in the previous, there is a clear reduction of the weight of the category "transforms commodities and manufactured article" on the aggregative total to 2004, such that category descends from the 100% to the 26.7% share among the voices of the imports from Sicily from Cyprus (Table 13).

COMMODITIES	1996	2000	2004
Agricultural products, game & woodland	0	41,7	50,0
Transformed & manufactured products	100,0	15,6	50,0
of which: Refined oil products	47,7	11,8	35,3
Chemical based products	11,9	0,2	2,6
Pharmaceutical & other chemicals for agricultural	0	0	3,5
Other chemical products	0,6	0,2	0,3
Other specialist machinery	12,6	0,1	0,1
Medical tools, surgical & orthopaedist	2,0	0,03	0
Motor vehicles	18,2	0	0
Other manufacturing	7,0	3,27	8,2
Other products	0	42,7	0
TOTAL	100,0	100,0	100,0

Source: our elaboration of data from ISTAT

Table 12. Sicily's exports towards Algeria for commodities sectors (%)

COMMODITIES	1996	2000	2004
Agricultural products, game & woodland	0	0	41,0
Minerals & energy	0	1,3	32,3
of which: stone	0	1,3	32,3
Transformed & manufactured products	100,0	98,7	26,7
of which: Footwear	0	0	8,7
Other machinery	64,8	0	0
Furniture	25,2	0	0
Ferries & boats	0	98,4	0
Building materials	0	0	18,0
Electrical equipment	3,0	0	0
Other manufacturing	7,0	0,3	0
TOTAL	100,0	100,0	100,0

Source: our elaboration of data from ISTAT

Table 13. Sicily's imports from Cyprus for commodities sectors (%)

Tab.14 reports the percentage of the imports of Sicily from Morocco. From 1996 to 2004 the "agricultural commodities, game and wood lands" they have played a significant role, passing from around the 3.3% to 11.6%. The category "transforms commodities and manufactured article" maintains an apparent role in the aggregative picture of the imports, but it is also true that a fundamental component of the system food-agricultural, contains the sub-category "preserved fishes and fish based commodities" that holds a significant role, from 1996 with 25.3%, it sensibly decreased in the 2000 to 6.5%, and extremely remarkably regained value in 2004, with 50.7%. Also the "prepared and preserves of fruit and vegetables," underwent a decrease from 1996, they maintained a percentage not inconsiderable 2.5%, and finally the "fish commodities and fish based commodities" show in the examined period, a weak trend in growth.

COMMODITIES	1996	2000	2004
Agricultural products, game & woodland	3,27	1,1	11,6
Fish & fish based products	0	0,4	1,1
Minerals & energy	0,03	0	0,4
Transformed & manufactured products	96,7	98,5	86,9
of which: Fish preserves & fish based products	25,3	6,5	50,7
Prepared & Preserved fruit & vegetables	4,3	0,5	2,5
Refined oil products	0	84,7	0
Chemical based products	62,7	6,0	27,0
Other manufacturing	4,4	0,8	6,7
TOTAL	100,0	100,0	100,0

Source: our elaboration of data from ISTAT

Table 14. Sicily's imports from Morocco for commodities (%)

Table15 reports percentages of the imports of Sicily from the Tunisia. Also in this case, like in other of other countries, the Sicilian imports have changed in the reviewed period, in fact in 1996 the "crude oil and natural gas" was the substantial category, and in 2000 in the face of drastic reduction of the oil based imports, they start to assert the imports of " transforms commodities and manufactured article" whose more present sub-category is includes " transforms, fish preserve fish based commodities "with a value in 1996 counted for 35.8% and in 2004 raised a little to 37%.

COMMODITIES	1996	2000	2004
Agricultural products, game & woodland	1,0	2,8	1,9
Fish & fish based products	0,2	2,9	7,6
Minerals & energy	84,4	0,5	19,1
of which : raw oil & natural gas	84,4	0	16,1
Trasformed & manufactured products	14,4	93,8	71,4
of which: Preserved fish & fish based products	3,2	35,8	36,9
Articles of clothing (exclusively leather & fur	3,0	29,4	8,0
Drinks	0	3,4	1,0
Refined oil products	2,3	0	0
Chemical based products	3,8	10,9	5,1
Cement, lime & chalk	1,1	6,0	12,2
Other manufacturing	0,9	8,3	8,2
Other products	0,0004	0	0
TOTAL	100,0	100,0	100,0

Source: our elaboration of data from ISTAT

Table 15. Sicily's imports from Tunisia for commodities (%)

According to the data "fish commodities and fish based commodities" in 1996 pass from almost nonexistent 0.2% to 7.6% in 2004. In the 2000 appears for the first time the industry of the drinks with a value of the 3.4% that reduced significantly in 2004 to 1.0%.

Finally, a small comment towards Turkey, in the food-agricultural ambient which doesn't participate in significant manner to the trade with Sicily, except for under the voice " agriculture commodities, game and wood lands" in the period 1996 to 2004 passing from the 3.6% to the 2.5%.

Conclusions

From Barcelona the EU has opened a new political phase that has developed in the sign of the cooperation and of the integration among the two banks of the Mediterranean, to improve the strategic importance of the Mediterranean area. The Euro-Mediterranean partnership, building a multilateral system based on a network of bilateral reports among the partner countries and the EU expressed accords of association, and the desire to increase the co-ordination, the coherence and the complementary actions to insure synergy among the different regional and sub-regional activity on-going, the tools and the interventions of the European Union from its member states. To overcome the discrepancies of development it has been rendered necessary the construction of a structure organized for intervention on the progress in economic field, which until now have been notables but don't anchor sufficiently and firmly. There still remains open questions on the political front and on the economical and social-cultural uncertainty.

In economic field, the creation of an area of free trade in some put forward some risk to the countries of the south, but through the cooperation with the EU and the financial support should be insured to help the transition toward the free exchange while the impact of the competition should serve agricultural field of the countries to stimulate the improvement in the production system of these countries. In the field of agricultural partner countries of the Mediterranean could draw advantage from a free access of their commodities to the new markets are because in these countries the importance of the agriculture is better, from the point of view economic and social, it is on such commodities they seem to have a compared advantage.

Italy and Sicily in particular are today regaining their central position in the context of the relations Euro-Mediterranean and just from this position could bear new opportunity of mutual development.

Bibliografia

- BCE (2004), *Bollettino mensile e Rapporto annuale*, Francoforte.
- Calleya S.C. (1997), *Regional Dynamics in the Post-Cold War World: Patterns of Relations in the Mediterranean Area*, Aldershot, Dartmouth.
- CHIEM (2001) *Développement et Politiques Agroalimentaires dans la Région Méditerranéenne*, Raport Annuel Paris.
- FEMISE (2003), *The impact of agricultural liberalisation in the context of the Euro-Mediterranean Partnership*, novembre.
- FEMISE (2003), *Report on the Euro- Mediterranean Partnership, Analysis and proposals of the Euro-Mediterranean Forum of Economic Institutes*.
- FEMISE (2004), *The Impact of Euro-Mediterranean Partnership on the Agricultural sectors of Jordan, Palestin, Syria, Lebanon and Egypt*, research n. FEM 21-03.
- Handoussa H., Reiffers J.L. (1999), *The Femise Position On The Euro-Mediterranean Partnership*, Cairo, 1999.
- Holland S.(1999) *The Euro-Mediterranean Agreement. An Alternative Agenda* Research Report N.1 F.Caffè Centre, Roskilde University
- Joffe' G. (2000), *Europe and the Mediterranean: The Barcelona Process Five Years On*, Royal Institute of International Affairs Briefing Paper 16.
- Parisi P., Di Gregorio D. (2004), *I rapporti di scambio nell'integrazione Euro-mediterranea*, "Cheese Art 2004: Med – Sviluppo delle aree del Mediterraneo", Ragusa.
- Petri A. P. (1997), *Trade Strategies For The Southern Mediterranean*, OECD Development centre, in Technical Papers, n.127, Dicembre.
- PROMETEIA (2004), *Evoluzione del commercio con l'estero per aree e per settori*, n. 1 e 2.
- Quefelc S. (2004), *Euro-Mediterranean trade in agricultural products*, Statistics in focus, Theme 6, n.1.
- Svimez (2002) *Aspetti e tendenze dell'economia siciliana*, Il Mulino, Bologna.
- WTO (2004), *Il Development Round di Doha ritrova vento e rotta*, Consiglio Generale, Ginevra.