

Egypt – EU TRADE

Opening discussions on Egypt trade performance in
the international trade focusing on the EU

AGENDA

- Related concepts
- Criteria for comparison
- Cases to be studied
- Focus on the EU

Related concepts

- Fair trade
- Free trade
- Business
- Economy
- International trade

References

- Trade and development report 2007
- World trade report 2007
- Developing countries in international trade 2005 and 2007
- WTO, PARTICIPATION OF DEVELOPING ECONOMIES IN THE GLOBAL TRADING SYSTEM, WT/COMTD/W/162 27 November 2007

Criteria for comparison

- Impact of trade on economy
- Different components
- Similar conditions
- Neutral references

TRADE DEVELOPMENT INDEX

- **“UNCTAD has laid a solid framework in establishing new standards for examining progress in world economic and social development. This second release of TDI measures has expanded country coverage, broadened the scope of quantitative analysis, and covers new time periods. This is of extreme importance among as well as within countries, as it sheds light on the existence of poverty in all too many countries”.**
- *Professor Lawrence R. Klein, Nobel Laureate in Economic Sciences and current Chairman of the TDI Advisory Group*

Methodological basis of (TDI)

- TDI seeks to measure the positive interaction between two broad sets of measures:
- | **Input-based measures**, such as human capital, physical infrastructure, macroeconomic stability, openness to trade and access to foreign market;
- | **Outcome-based measures**, such as trade performance and economic and social well-being.

- Input-based measures include two broad sets of determinants called **dimensions**:
- | **Structural and institutional context;**
- | **Trade policies and processes.**

INPUT BASED MEASURES

These dimensions, in turn, are divided into **11 components**. Among these components:

- financing
 - Institutional quality
 - macroeconomic sustainability
 - physical infrastructure,
 - openness to trade
 - foreign market access
 - Human capital
 - economic structure and environmental sustainability.
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- The components include **25 specific indicators** such as, among others, health expenditure, education expenditure, paved roads, domestic credit to private sector, total external debt service, control of corruption, consumer prices index, energy use, applied trade weighted average, and share of lines with specific tariff.

OUTCOME BASED MEASURES

Outcome-based measures form the third TDI dimension, known as **trade and development performance**.

- components, including economic and social well-being, which gets the highest consideration, followed by trade performance.

OUTCOME BASED MEASURES

- include nine specific indicators such as, among others:
- share in world merchandise exports, share in world service exports, market concentration index, welfare, adult literacy, and female labour force.

OVERALL TDI

- average of two indices:
 - | **InputMI**, the Input Measure Index;
 - | **OutcomeMI**, the Outcome Measure Index.
- Countries with better combinations of input measures have a better chance of achieving positive development outcomes to have maximum benefits from international trade.

Cases to be studied

Leading IMPORTERS in world trade in merchandise, data from WTO, 2005

Rank	Country	Value bn USD	Share %	annual % change
1	United States	1,732.4	16.1	14
2	Germany	773.8	7.2	8
3	China	660.0	6.1	18
4	Japan	514.9	4.8	13
5	United Kingdom	510.2	4.7	8

Leading EXPORTERS in world trade in merchandise, data from WTO, 2005

Rank	Country	Value bn USD	Share %	annual % change
1	Germany	969.9	9.3	7
2	United States	904.4	8.7	10
3	China	762.0	7.3	28
4	Japan	594.9	5.7	5
5	France	460.2	4.4	2

Trade and Development Index: global rankings

TDI rank 2006	Country	TDI score 2006	TDI score 2005	TDI rank 2005
1	United States	743	751	1
2	Germany	696	689	2
3	Denmark	691	687	3
4	United Kingdom	682	678	4
5	Singapore	675	665	7
93	Guatemala	423	409	92
93	Islamic Republic of Iran	423	386	102
95	Morocco	420	406	94
96	Ghana	412	412	89
97	Egypt	407	399	98
97	Malawi	407	380	107
99	Mozambique	404	392	100
100	Togo	401	387	101
101	Mali	398	376	110
102	Bangladesh	397	400	96
103	Pakistan	395	381	106
120	Niger	362	349	119
121	Nigeria	350	334	120
122	Guinea-Bissau	339	327	121
123	Sudan	326	319	123

DEVELOPING ECONOMIES IN THE GLOBAL TRADING SYSTEM

- The collective trade surplus more than doubled between 2003 and 2006, rising from US\$177 billion to US\$509 billion.
- large part of this increase can be attributed to higher prices for the of primary products exports.
- large oil exporters are a small minority among developing economies, so this aggregate figure may mask large differences in the impact of prices on individual developing economies.

World exports of merchandise and commercial services, 2006
(Billion dollars and percentage)

	Value	Annual percentage change			
	2006	2000-06	2004	2005	2006
Merchandise	11762	11	22	14	15
Commercial services	2710	10	10	11	11

Source: WTO.

Table 2: Developing economies with large merchandise trade surpluses and deficits, 2006

(Billion dollars and percentage)

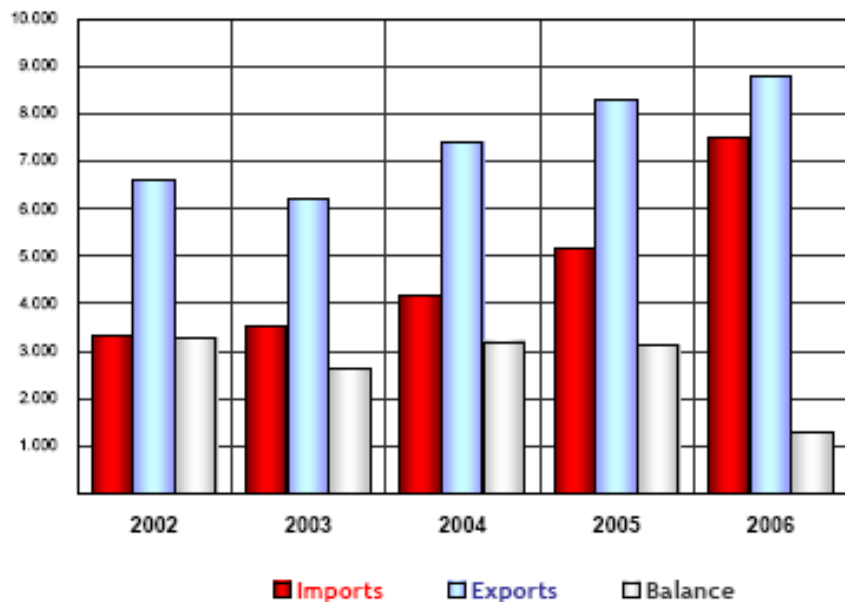
	Surplus 2006			Deficit 2006	
	Value	Per cent of GDP		Value	Per cent of GDP
China	177.5	6.7	India	54.6	6.2
Saudi Arabia	143.2	41.1	Turkey	52.8	13.5
United Arab Emirates	41.6	24.7	South Africa	18.9	7.4
Brazil	41.6	3.9	Mexico	17.7	2.1
Kuwait	39.7	41.3	Hong Kong, China ^a	13.1	6.9
Algeria	33.2	29	Pakistan	12.9	10
Singapore	33.1	25.1	Croatia	11.1	26.2
Libyan Arab Jamahiriya	32.6	64.7	Morocco	10.9	18.9
Bolivarian Rep. of Venezuela	31.6	17.4	Egypt	6.9	6.4
Nigeria	30.2	26.2	Lebanon	6.8	30.2
Malaysia	29.5	19.6	Serbia	6.7	21.3
Angola	23.4	53.5	Cuba	6.7	...
Indonesia	23.2	6.4	Jordan	6.3	43.8
Iran, Islamic Rep. of	22.6	10.6	Guatemala	5.9	16.7
Taipei, Chinese	20.7	5.8	Viet Nam	4.8	7.9

^a Refers to domestic exports and retained imports.

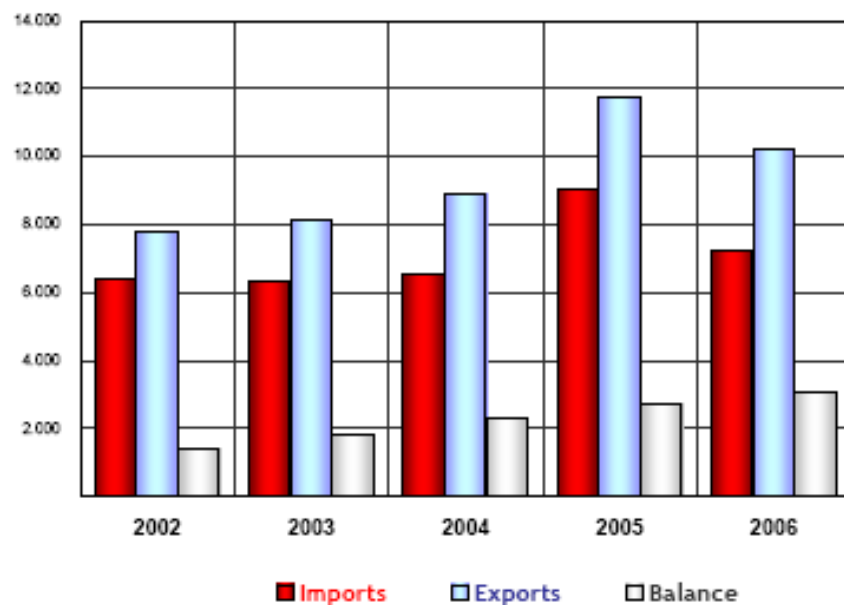
Source: WTO Secretariat

Focus on the EU

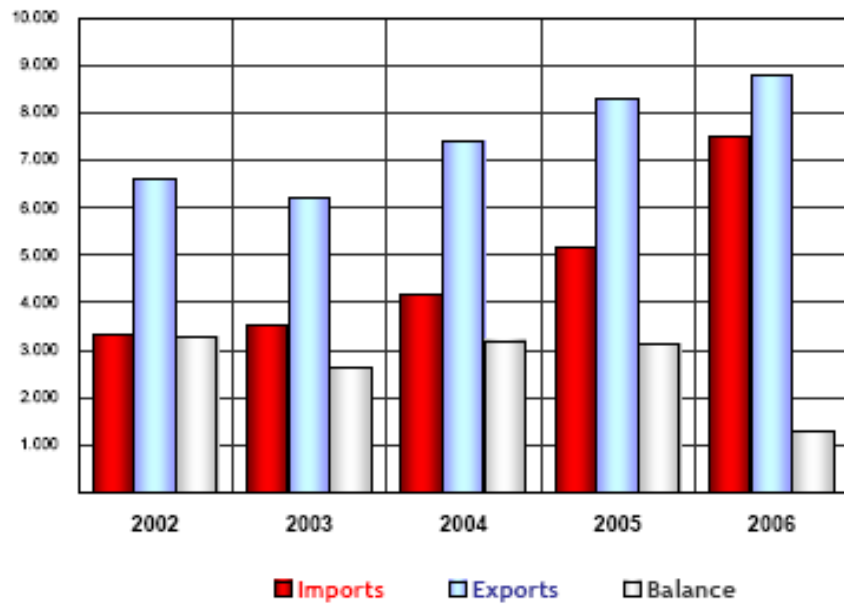
European Union, Trade with ... Egypt



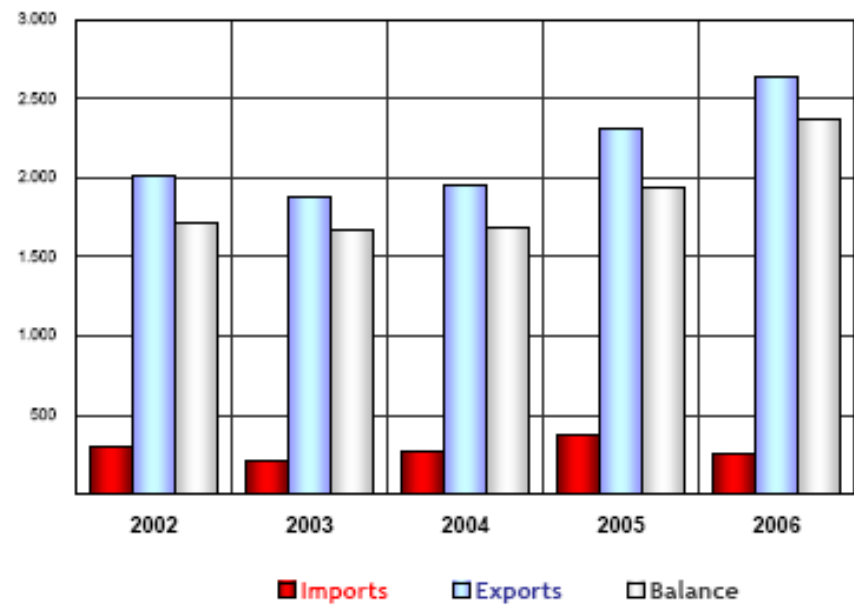
European Union, Trade with ... Morocco



European Union, Trade with ... Egypt



European Union, Trade with ... Jordan



EGYPT

Population		72,1 Mio inhabitants				
Area		998 (1000qkm)				
Gross domestic product	2006	86 Bn euros	Exports-to-GDP ratio:	18,9	% in 2006	
GDP per capita	2006	1.186 Euros				
<small>(IMF, World Economic Outlook)</small>						
			2003	2004	2005	2006
Real GDP (% growth)			3,2	4,1	4,5	6,8
Inflation rate (%)			3,2	8,1	8,8	4,2
Current account balance (% of GDP)			2,4	4,3	3,2	0,8

JORDAN

Population		5,6 Mio inhabitants				
Area		89 (1000qkm)				
Gross domestic product	2006	11 Bn euros	Exports-to-GDP ratio:	37,2	% in 2006	
GDP per capita	2006	2.026 Euros				
<small>(IMF, World Economic Outlook)</small>						
			2003	2004	2005	2006
Real GDP (% growth)			4,2	8,4	7,2	6,0
Inflation rate (%)			1,6	3,4	3,5	6,3
Current account balance (% of GDP)			11,6		-17,8	-16,0

MOROCCO

Population		30,4 Mio inhabitants				
Area		459 (1000qkm)				
Gross domestic product	2006	46 Bn euros	Exports-to-GDP ratio:	22,8	% in 2006	
GDP per capita	2006	1.502 Euros				
<small>(IMF, World Economic Outlook)</small>						
			2003	2004	2005	2006
Real GDP (% growth)			5,5	4,2	1,7	7,3
Inflation rate (%)			1,2	1,5	1,0	3,3
Current account balance (% of GDP)			3,6	1,9	1,7	3,9