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REGIONAL INDUSTRY AND PRODUCT SPECIALIZATION IN THE MIDDLE EAST

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CONTENTS

1. INTRODUCTION AND CONCLUSIONS

This work aims at studying the economic integration and the export specialization patterns into the Middle East and North Africa. The study is divided into two main parts.

The first (paragraph 2) contains an overview of the trade performances of the countries of the region, at an aggregated level (total merchandise exports and imports, trade balances, current accounts) between 1982 and 1992.

The second part examines the economic integration and trade specialization in the region, based on an enlarged time span (1970-1992) and on four sub-groups of countries as units of analysis: oil exporters (including the oil producers of the Gulf, Syria and Libya); Maghreb; Egypt and Jordan; Israel. This part, in turn, is divided into two further sections. The first (paragraph 3) contains an analysis of the geographical orientation of trade of each group with the main world economic areas (EU, NAFTA, East Asia). The second (paragraph 4) takes into account the sectoral composition of trade (export and import) and the competitive performances (shares on world exports; revealed comparative advantages) of each sub-group.

The main findings of the work can be summarized as follows:

1. during the 80s, as it could be largely expected, the current account of the majority of the Middle East countries relying on oil trade worsened because of the declining trend of fuel prices. A growing external constraint on the economies of the oil exporters characterized the past decade, with growing financial concerns also for traditionally net creditors, such as Saudi Arabia and Kuwait (mainly due to the aftermaths of the Gulf crisis). However, a different picture must be drawn for the more diversified economies of the region: Israel and, to some extent, Morocco and Tunisia, recorded a remarkable accumulation of resources from foreign trade, thus significantly improving their current account balance (both in absolute terms and as a percentage of the GDP);

2. between 1970 and 1992, the trade of each sub-group of the Middle East countries was mainly oriented toward the EU, which is their major commercial partner. In the next years, this trade pattern will be reinforced, if the EU and the countries of the Mediterranean basin realize the project of the establishment (after 2010) of a free trade area for industrial products and a wider liberalisation of trade in agricultural goods.

The highly dynamic East Asian economies have become increasingly important for both the oil exporters (more than one third of their exports went to Far East countries in 1992) and Israel (particularly since the mid-80s). NAFTA was mostly a relevant source of imports in the region, except for the Israeli case, in which NAFTA is as important as the EU as a destination of exports. Intra-area trade flows only played a negligible role (also due to the well-known political distortions), except for the oil exporters (whose intra-area sales have been remarkably growing since the past decade) and for the smaller trading group - namely, Egypt and Jordan (shipping around one fifth of their total exports inside the region);

3. as far as the composition of exports by product is concerned, a clear cut distinction can be made among commodity exporters (Gulf countries, Syria, Libya, Egypt and Jordan) and exporters of manufactures (Israel and - to a lesser extent - Maghreb). On the import side one finds the dominant role of capital goods (machinery) and traditional products among oil exporters and the Maghreb countries; the overwhelming position of foodstuffs in Egypt and Jordan purchases and the import profile of an industrialised country in the case of Israel (where traditional goods and electrical and electronic equipments currently represent the main imports);

4. the export performances (share on world exports) of the countries of the region - except for Israel - were very poor during the last decade, when the oil exporters fell from 10% of world total exports in 1980 to around 3% in 1992. The sectoral breakdown shows that the oil exporters (but the same largely applies also to Egypt and Jordan) have been

loosing market shares on the (shrinking) oil market and that they have not added any new specialization since 1970. The Maghreb countries, even though their total share halved during the 80s, performed comparatively better than oil exporters, losing less in the energy sector and building new significant specializations in manufactures (i.e. traditional goods). Israel is the only country showing a positive export performance as well as expanding the spectrum of its comparative advantages (already well rooted in manufactures) to technolgy-intensive sectors such as machinery and electronic products.

2. THE CURRENT ACCOUNT BALANCES OF THE MIDDLE EAST COUNTRIES: AN OVERVIEW

2.1 Main exporting countries

In 1992, Middle East and North African exports amounted to 150.6 billion dollars (table 1), which was as much as 4% of the world total. The evolution of the regional exports parallels of course that of the fuel exporters, showing a dramatic fall between 1982 (193 billion dollars) and 1986 (89 billion dollars); growing until 1990, further decreasing in 1991 and stabilizing in 1992. The share on world exports in 1992 was more than halved if compared to 1982 (4% against 10%, respectively). The lowest peak (3.7%) was recorded in 1988.

Saudi Arabia is the major exporter in the region (48.8 billion dollars in 1992). Saudi exports remarkably increased in 1990-91, while Iraqi and Kuwaitian fuel exports were dramatically falling as a consequence of the Gulf crisis. Despite this strong increase, the nominal value of the Saudi exports was nonetheless much lower than in 1980-81, when the country was among the main world exporters. Indeed, between 1982 and 1986 Saudi Arabia showed a dramatic export slump, around -6% per year, according to GATT (1993).

UAE and Iran (21 and 16 billion dollars in 1992 respectively) come next. The evolution of their exports is similar to the Saudi's one, showing a strong reduction in 1986 and a

recovery in the early 90s. In 1992, Israeli and Algerian exports were 13 and 11 billion dollars respectively. In 1990-91 Algerian exports were again above 10 billion dollars, after the 1986 and 1988 slumps. Israel showed a remarkable increase in exports, averaging 7% per year between 1980 and 1992, the strongest growth rate in the area. Only in 1982-83 a slight fall in Israeli exports can be found. Due to their different by-product composition, the dynamic evolution of exports differs if compared with other Middle Eastern countries. Moreover, in absolute terms Israeli exports have become comparable to those of some oil exporters. In 1982, for instance, Kuwaitian exports were twice as much as Israeli but, in 1986, they were the same size.

Other relevant exporters of the region are Libya, with around 10 billions dollars in 1992, and Kuwait, Oman, Tunisia and Morocco on a substantially lower scale. Among the largest countries of the region as far as the population is concerned, Egypt records very poor exports (about 3 billion dollars in 1992).

2.2 Main importing countries

Saudi Arabia is also the major importer of the area (31,7 billion dollars in 1992; see table 2). During the 80s, imports decreased remarkably between 1982 and 1986 (from 40 to 19 billion dollars), stabilizing around 21 billion dollars until 1989 and increasing between 1990 and 1992.

Iran comes next with 24 billion dollars in 1992. After an increase in 1983, Iranian imports decreased between 1984 and 1988, but showed a remarkable recovery from 1989 to 1992.

Israel follows with 20.7 billion dollars in 1992. It showed the strongest increase in imports (+7% per year) among the Middle East countries between 1980 and 1992. The increase in Israeli imports in 1982-83 and 1986-87 was also due to the increase in domestic consumption (apart from more traditional imported items, such as those linked to the military field, capital goods and raw materials). In 1990-92 imports also increased, along with Israeli economic growth. This trend is likely to be confirmed in the future, as a

consequence of the relevant migration flows of the early 90s and the related needs for new investments.

2.3 Trade balances

Between 1982 and 1992, surpluses were almost steadily recorded by the oil producers of the Gulf (except for Kuwait and Bahrein in 1991) together with Algeria and Libya (table 3).

Saudi Arabia showed the largest commercial surplus (17 billion dollars) in 1992. During the 80s, however, Saudi surplus was falling, owing to the unfavourable trend of oil prices, reaching a low in 1986 (1 billion dollars). Afterwards, surplus raised until 1990 (20 billion dollars).

UAE show the second largest trade surplus in the Middle East in 1992, followed by Libya and Algeria. These countries also recorded reduced surpluses in 1986 (or even deficit, as in the Algerian case) and a recovery afterwards, which was particularly strong between 1990 and 1991. Libya and Algeria faced oil revenues falls by means of severe cuts to imports in order to prevent their current accounts from worsening.

On the contrary, other Mediterranean countries of the region (Egypt, Israel, Lebanon, Syria, Jordan, Morocco and Tunisia) have had a steady deficit (except for Syria in 1989-90). The largest deficits in 1992 are found in the case of Israel (7.7 billion dollars) and Egypt (5 billion dollars).

2.4 The current account balances

The current account balances can remarkably differ from trade balances for the countries of Middle East and North Africa. This can be explained by taking into account:

- the importance of trade in services, which is the section of the balance of payments recording armaments trade; it is worth noting that the Middle East in 1992

resulted as the region with the highest military expenditure in the world (around 7% of GDP; (IMF, 1993b));

- in the Egyptian case, Suez Canal receipts are included in services revenues;

- the character of "labour-force exporters" of some countries inside the area (such as Jordan, Lebanon, Palestine, Egypt, Maghreb) implies that remittances from abroad significantly contribute to the current account balance. Moreover, those remittances partly come from other countries of the area (oil producers of the Gulf). As a consequence, an intra-area re-allocation of incomes takes place, thus balancing intra-area migration flows.

It can be found that:

a) the current account balances of the oil exporters have been worsening, having surpluses turned into deficits in many cases;

b) the countries of the region which did not exclusively relied upon energy raw materials have been improving the current account balances.

In 1991, Saudi current account faced a wide deficit (table 4), due to the Gulf crisis aftermaths (strong increase of "services" imports from 22 to 38.5 billion dollars between 1990 and 1991 - mainly military services). The country has been in deficit as far as trade in services is concerned: apart from military expenditure, large outflows in the form of unrequited transfers represent wage payments to foreign workers. Since 1983, the current account balance has turned into a deficit, as the falling trade surpluses have no longer compensated the invisibles deficit. Consequently, in 1991-92 for the first time the country covered the current account deficit by means of loans. During the 80s the Saudi current account was also negatively influenced by the reduced inflows from overseas investments, following the fall of interest rates on foreign investments.

The other oil producers show the following results:

- Kuwait has recorded the largest current account surplus among Middle East countries. In 1986, after the collapse of oil prices, Kuwait remained the only oil producer which did not

suffer from a current account deficit. Returns on portfolio investments abroad substantially contributed to balance of payments surpluses of the country;
- in 1991, Algeria had a current account surplus of 2 billion dollars. During the 80s, a deficit can be found only in 1986 (fall of energy exports) and in 1988-89 (strong import rise). At the beginning of the 90s, as a consequence of the Gulf crisis, there was a recovery of oil prices, thus allowing new trade and current account surpluses;
- the last available figures for Libya show a current account surplus (0.2 billion dollars in 1992) resulting from rising oil exports (i.e. growing trade surplus and steady deficit in services transactions and net transfers). Though the country faced current account deficits throughout the 80s (except in 1985 and 1990), its foreign account position still seems to be solid thanks to huge resource accumulation in the late 70s.

In 1990, Egypt reached its first current account surplus since 1968. In 1991, Egyptian surplus amounted roughly to 2 billion dollars or 5% GDP (table 5). The structure of the Egyptian current account is characterized by a persistent trade deficit and by surpluses on invisibles side, mainly due to private transfers (remittances), export of services (tourism, Suez Canal dues) and official transfers. The emergence of high surpluses on the Egyptian current account by the early 90s represents the outcome of largely exceptional circumstances (the aftermaths of the Gulf crisis) rather than the deliberate outcome of economic policy. Remittances from expatriates in the Gulf remarkably rose in 1990 as well as Suez canal dues. Moreover in 1991 debt-service burden was reduced thanks to highly favourable rescheduling of foreign debt terms (including substantial written-offs) from the Paris Club, as a reward for the role that the country played during the Gulf war. It should be taken into account that Egypt was the most indebted country of Africa and the Middle East.

In 1985 Israel recorded its first current account surplus after thirty years (mainly thanks to US transfers). In the late 80s, surpluses and deficits alternated in Israeli current account. A crucial factor for the country's current account are unrequited transfers (both private and

official), which were around 7 billion dollars worth in 1992, thus making Israel the recipient of the largest inflows in the whole Middle East area.

By the end of the 80s, after a decade, also Syrian current account recorded a surplus. Trade balance was largely negative until 1989, when the country expanded non-oil exports mainly towards the former USSR (a relevant devaluation of the local currency in 1988 must also be taken into account). However, this allowed to lower Syrian previously accumulated debt towards USSR, but it did not allow to accumulate reserves. On the invisibles side, the main source of inflows for this country were official unrequited transfers from other Arab countries.

The last available figures for Morocco show a current account unbalanced of around 400 million dollars in 1992. The country has a structural deficit of merchandise trade and the only two surpluses on the current account were recorded in 1987 and 1988. Indeed, during the 80s, Morocco started a policy aiming at reducing current account deficits both in absolute terms and as a portion of GDP. In 1981-82 (the period of Western Sahara war) the current account deficit was around 12% of GDP, with a corresponding worsening of foreign debt burden. In 1983, Morocco applied for the first rescheduling of debt service payments which the creditors agreed to grant in the context of comprehensive macroeconomic adjustment and structural reform programs. The country showed up as one of the best performing debt-restructuring countries during the 80s and faced the import increase of the early 90s (+24% in 1990) without worsening the current account. This was due to the growing role of merchandise exports, the surpluses of services (tourism) and remittances of expatriates.

The structure of Tunisian foreign accounts largely resembles the Moroccan one: the structural merchandise trade deficit, the steady services surplus and the growing revenues from unrequited transfers (both private and officials) jointly amount to current account deficit. In 1992, the size of the deficit was around 900 million dollars. During the 80s, the

country suffered from high unbalances on current account (averaging 8.5% in 1981-85). This led to increased borrowing at high interest rates. After 1986, the foreign accounts strongly improved as a consequences of the introduction of a wide-scale program of structural reform (including trade and price liberalisation and exchange rate adjustments). In 1988, the country reached a surplus of the current account - also thanks to growing tourism receipts. During the Gulf crisis, Tunisian foreign accounts worsened again (falling exports to other Middle East countries and declining remittances and tourism revenues).

Since 1981, Jordan has been recording substantial current account deficits. This can be explained by taking into account the steady deficit of merchandise trade and poor contribution of the invisibles.

3. THE GEOGRAPHY OF THE MIDDLE EAST TRADE

In this paragraph the geographical distribution of the Middle East foreign trade between 1970 and 1992 is taken into account. One of the aims of this section is to understand to what extent in the past two decades the countries of the region established intra-area commercial relationships. As a result of the analysis of trade figures, it is argued that the region shows the characters of a largely non-integrated area, whose main trade partner has been the EU. The findings of this section should be read in accordance with those of the next one (dealing with the sectoral composition of trade), because the direction of the trade flows can be also explained with their by-product composition.

First, a short comment is required on the kind of data which have been used in this section, referring to three main aspects: i) the definition of the areas used as unit of analysis; ii) the choice of the periods of observation; iii) the source of the data and their coverage.

As far as the first aspect is concerned, the whole area of North Africa and Middle East has been divided into four sub-groups: the oil exporters (Saudi Arabia, Baharain, Kuwait,

Oman, Qatar, UAE, Iran, Iraq, Libya and Syria), the Maghreb area (Morocco, Tunisia, Algeria), Egypt and Jordan[1], and Israel. The criteria adopted to group the countries in this way do not only have an economic rationale (the sectoral composition of exports), but also a political one (e.g. the Arab boycott of Israel makes a separate analysis of the latter from the rest of the Middle East area necessary). As trading counterparts, the three main world economic areas (EU, NAFTA and East Asia[2]) have been considered.

Moreover, three periods (biennial averages) have been selected to observe the historical evolution of trade: a) 1970-71, reflecting the prevailing patterns of trade before the first oil-shock; b) 1980-81, in order not only to record the impact on trade of the second oil-shock, but also of other relevant political events (Iran revolution in 1979; the peace process between Israel and Egypt); c) 1991-92, the most updated data after the 1986 slowdown in oil prices and the Gulf crisis.

Finally, it is worth mentioning that the source of the figures used in this section is the Direction of Trade Statistics (DOTS), issued by the IMF. In the Israeli case, it is not always possible to fully report the geographical composition of trade, due to the sometimes relevant size of items such as "country or area not specified" and "special categories" - as reported by IMF-DOTS - in some cases reaching as a high proportion as two fifths of total imports. This is not surprising for a country heavily involved in military spending. Consequently, a more complete picture of Israeli trade could be obtained by also taking into account the study by Harel and Kaufmann, which is focused on original sources about Israeli trade.

For the Middle East and North Africa as a whole, the main trading partner is the EU (table 6). However, it must be noted that the weight of Europe on regional exports remarkably fell between the 70s and the early 90s (from around 55% to 33%). Meanwhile, the importance of other export destinations has been growing fast: East Asia, North America (mainly in the 70s) and intra-area flows. The total import pattern did not change at the

same pace. The EU has steadily been the main supplier, while the Asian countries reached around one fifth of total imports in the early 90s.

In the next decades, the geography of Middle East trade could be heavily influenced by the developments of the EU policy towards the Mediterranean countries. In 1994, European Commissioner Marin proposed an economic package (5.5 billion Ecus, between 1995 and 1999) for the countries of the Mediterranean basin. Also compared to the EU financial support of around 7 billion Ecus, to be implemented over the same period in Eastern Europe, the program shows an unprecedented commitment by the EU for the Middle East.

In the short term (1995), the EU will negotiate association agreements with Tunisia, Morocco, Egypt, Lebanon and Jordan, replacing old cooperation agreements dating back to late 70s. Israel also is set to sign a new partnership agreement with the EU, but in this case - due to the different economic profile of the country - the negotiations concern a wider range of sectors (ranging from agriculture to European R&D programs; see infra, section 4.2.3).

In the medium term (until 1999), through an *ad hoc* economic package, the EU aims at supporting the competitiveness of the Mediteranean countries, by helping them to progressively open their economies to free trade and to inward investment flows. The transition toward market-based economies - already visible in countries such as Morocco or Tunisia, but still to be completed in Egypt - is considered by the EU as a necessary step for the achievement of a deeper regional economic integration. The EU is also expected to adjust to freer trade, by mainly lowering tariffs on imports of agricultural goods and textiles from countries of North Africa.

In a longer term (after 2010), the EU has envisaged the establishment in the Mediterranean basin of a free trade area for industrial products and a wider liberalisation of trade in agricultural goods. The scale of the adjustments involved by this ambitious program - both in the Mediterranean countries and, to some extent, in some EU members - makes the

development of the economic integration in the region possible over a longer perspective only.

3.1 Oil exporters

In spite of the steep decline of oil prices during the eighties, the oil exporters still represent the most important trading sub-group inside the Middle East (3% of world exports and 2.2% of world imports in 1992, according to SIE World-Trade Data Base). While examining the geographical distribution of trade, it is also worth noting that the relative importance of this group of countries in world exports significantly changed both during the 70s (when it climbed from 4% in 1970 to 10.5% in 1980) and the 80s (when it fell under the 1970 level).

The main destination of the exports of the oil producing countries is the Far East (36% at the beginning of the 90s), which is in turn the second largest source of imports (24%; see table 7). The oil exporters have been showing their largest trade surpluses toward East Asian countries (especially Japan and, since the late 80s, Singapore and South Korea), whose strong rates of economic growth sucked in vast oil imports. Total trade deficits can be found starting from 1985 with some EU countries (mainly Germany and the UK). On a smaller scale, the deficits with Hong Kong and (since 1990) China are also noteworthy.

The primary source of imports of the oil exporters has traditionally been the EU (currently around 37% of total imports). On the contrary, the EU has been greatly falling as a market for oil producers exports (the share - currently around 25% - has more than halved since the early 70s).

The North American share in oil exporters trade is currently around 10% on the export and 13% on the import side. As a market for exports, the North American countries share increased during the 70s but fell in the 80s, whereas - as a source of imports - a falling quota can be found in the 70s and a stable one in the 80s.

The share of the Middle East area as a whole in exports and imports of this group of countries in 1991-92 is significant (around 9% of the total). The evolution of export and import shares during the two past decades slightly differs. The importance of the Middle East as a destination for exports has been steadily growing (the share is currently three times as big as it was in 1970-71), while its importance as a source of imports has not so much changed (it is currently 2 points higher than 1970-71).

Inside the Middle East, some distinctions can be made among various sub-groups. The bulk of intra-area trade has been taking place inside the oil exporting group itself. Egypt and Jordan represented the second largest trading sub-group. Moreover, in the early 70s, Iran was the only country in the Middle East maintaining trade flows with Israel, a feature no longer valid after the Iranian political changes of 1979.

3.2 Maghreb

The countries of Maghreb (Algeria, Morocco and Tunisia) as a whole represent the second trading sub-group of the region, even though in 1992 they are only a small portion of world trade (0.5% of both world exports and imports). This group of countries also experienced a rise of its share of world trade during the 70s, followed by a decline in the 80s. However, this was mainly due to the composite nature of the Maghreb group, in which a typical commodity exporter (Algeria) is joined by two countries with a comparatively more diversified export mix (Morocco and Tunisia). The different relative size of the Algerian trade (roughly twice as big compared to the other two countries combined) should also be taken into account.

The EU is by and large the main trading partner for Maghreb, accounting for no less than two thirds of the area exports and imports (table 8). Its share as a destination for Maghreb exports was partly reduced in the early 80s, but increased again afterwards.

Around one tenth of the Maghreb trade in 1992 has North America as counterpart. Exports boomed in 1980, mainly due to Algerian export flows towards the US, curbing afterwards to lower levels.

East Asian countries in 1992 do not play a major role in Maghreb trade, accounting for 3% of the exports and slightly more than 5% of imports. Moreover, their share has not remarkably changed during the last decade.

Trade of Maghreb inside Middle East and North Africa amounts to another 5% in 1991-92, primarily stemming from trade with the oil-exporters. These countries - until early 80s a source of as much as 7% of imports - are recently gaining some weight as an outlet for Maghreb exported goods, as well.

The Maghreb countries are gaining major trade surpluses with the Netherlands, Italy and Belgium, while showing a structural trade deficit mainly towards France, Japan, Saudi Arabia, Spain and Canada. The expanding deficit toward China (primarily stemming from agricultural trade) shouls also to be taken into account.

2.3 Israel

In 1992, Israel alone accounts for around half a percentage point of both world exports and imports, a considerably higher share than that of many other countries of the Middle East.

In the early 90s, Europe remains the main trading partner for Israel, followed by the US (table 9). While the former gained ground during the 80s as a source of imports, the latter is a growing market for Israeli exports (roughly of the same European magnitude by 1991-92).

In the Israeli case, it is straightforward to consider the geographical direction of trade substantially biased by political circumstances. Two factors sustained the Israeli propension to develop its main commercial links with EU and North America[3]: i) due to the Arab boycott, almost no access to the Arab markets of the surrounding region (excluding Egypt and, in the early 70s, Iran) and ii) the obstacles in setting up substantial trade links with the fast-growing East Asian economies in the past decades[4]. However, the progress of the peace process could significantly change the geographical orientation of the Israeli trade. Indeed, as shown in Harel and Kaufmann chapter, Israeli exports towards the Arab countries could reach as a high share as 10% of the total, when trade creation effects (rather than trade diversion only) are considered.

Moreover, behind the two currently dominant trading partners (EU and USA), it is worth stressing the rapidly expanding share of Israeli trade with the Far East. As an example, between 1986 and 1992, the East Asian countries significance as suppliers on the Israeli market doubled (from 4% to 8%), while Israeli exports towards East Asia rose from 9% to 14% of the total.

3.4 Egypt and Jordan

In 1992, Egypt and Jordan together represented only a negligible fraction of world trade (0.1% of exports and 0.3% of imports). Furthermore, since mid-80s the quota has been shrinking. This negligible position in merchandise trade is not surprising because these two countries mainly exported labour in the place of goods.

A major re-direction of trade flows occurred during the last two decades (table 10). Up to the early 70s, Egypt commercial policy was chiefly oriented towards planned economies (USSR and Eastern Europe) and developing countries (India), with the industrialized regions only playing a secondary role. Consequently, it is only at the beginning of the 80s that the EU became the main trade partner of this group of countries. In addition, after the Camp David peace in 1979, Egypt became the only Arab country trading with Israel.

East Asia is another important trading partner, recording an impressive growth of its relevance both as a market for the exports and as a source for imports during the 80s. North America is the supplier of around one fifth of total imports, but it plays a smaller role as a destination for exports.

The Middle East and North Africa represent the second biggest market for exports (18%). Thus, Egypt and Jordan - the smallest "trading forces" into the Middle East - are actually the countries showing the largest commitment to intra-area market (i.e. oil-exporters and Israel). Moreover, during the 80s, a growing reliance on the oil producers market as an outlet for exports can be observed, whereas Israeli share more than halved.

Since 1980, the largest surplus has been obtained in trade with Israel, while the largest deficits have been recorded toward the US. Other relevant unbalances are also showed toward Japan and the UK. With regards to the early 90s, the fast growing deficit with China is worth mentioning.

4. THE BY-PRODUCT COMPOSITION OF MIDDLE EAST TRADE

This paragraph contains an analysis of the by-product composition of the Middle East and North Africa trade. This has been carried out by looking at the figures of the SIE-World Trade database, concerning 13 product groups. This section concentrates on two main aspects:

i) a description of the products actually traded by Middle East and North Africa countries (section 4.1);

ii) the sectoral export performances and patterns of specialization (section 4.2).

4.1 Major product groups of Middle East trade

4.1.1 Exports

A clear-cut distinction can be made among the sub-groups of countries on account of the by-product composition of their exports. For the oil exporters the role of crude oil and related products is crucial - by definition. Conversely, primarily Israel and - to a lesser extent - the Maghreb countries as well as Egypt and Jordan show a comparatively more diversified export base.

The range of products of the oil *filière* (still with an overwhelming role for crude oil) gives full account of exports of Gulf countries, Libya and Syria (table 11) and is also the only source of their trade surpluses (table 19). In particular, two items alone (crude oil and oil refining) steadily represent above 90% of the area total exports between 1970 and 1992. Nonetheless, during the 80s a fairly good expansion of the refined products share can be observed, though it falls in the early 90s. The attempt to widen the portion of processed raw materials into the export basket is also recently witnessed by the rise of the chemicals quota (2% of total exports, mainly hydrocarbons), which seems particularly evident between 1985 and 1990.

For the Maghreb group, the oil sector (crude oil and refining) represents a good 55% in 1992, though it used to be substantially higher (80%) in the early 80s (table 12). Moreover, some interesting features can be pointed out in the dynamic evolution of the export composition of the Maghreb area.

First, a less unbalanced mix between crude and refined oil-related exports can be found, compared to oil producers of the Gulf. Consequently, processed energy raw materials became the source of another growing trade surplus (apart from the crude products one).

Second, a dramatic rise of exports of traditional products (textile-clothing; footwear) has taken place since mid-80s, mainly concerning Tunisia and Morocco. As a result, traditional exports - accounting for more than 20% of Maghreb total exports in 1992 - scored second among the main exported goods - whilst they were only a negligible fraction in the early

80s. Moreover, in 1992 a sectoral trade surplus was recorded in traditional goods (table 20). The importance of setting up an export-oriented traditional sector is shown by many virtuous examples of industrialization in developing countries (e.g. newly exporting countries in East Asia).
Third, since mid-80s, the further expansion of chemicals portion in total exports (7% in 1992 as opposed to 3% in 1980) has taken place. Finally, compared to two decades ago, the lower reliance of Maghreb exports upon agriculture primary and processed goods and mined raw materials (other than oil) can be highlighted.

In 1992, Israel sold abroad mainly manufactures, such as traditional goods (including diamonds and amounting to 40% of total), chemicals (14%), electrical and electronic equipments (17%) and products of the mechanical industry (around 10%) (table 13). Electronic and mechanical goods have been the most dynamic export sub-groups since the 1970. The weight of metal products exports halved during the 80s as well as another sizeable change occurred in the export of agriculture primary goods, whose share fell from above 17% in 1970 to less than 5% in 1992. Notwithstanding a good export performance in many sectors, in the early 90s a worsening of trade balances was recorded in those industries - such as traditional goods and chemicals - where Israel used to gain relevant surpluses during the 80s (table 21).

As far as Egypt and Jordan are concerned, in 1992 a relevant share (32%) of oil and oil-related exports can be found (table 14). However, the oil export share curbed, from around 56% in mid-80s. Traditional goods represent another relevant exported item, also thanks to Egyptian cotton industry. Two other exporting sectors are chemicals (12%, primarily fertilizers) and metal products (10%), the relevance of both being remarkably grown between 1985 and 1992. Energy raw materials and phosphates are the only sources of trade surpluses (table 22).

4.1.2 Imports

Between 1970 and 1992, the composition of oil exporters purchases was characterized by the large share of manufactures (mainly investment goods; see table 15). Transport equipments, machinery, electrical-electronic products and traditional goods constituted the bulk of the area's imports and the sources of the largest unbalances. Purchases in chemicals, base metals and foodstuffs were also sizeable. Moreover, following the Gulf crisis, a significant reallocation of imports can be observed between 1990 and 1992: transport equipments and machinery dramatically rose (+5 and +4 points respectively) due to both weapons imports and to restocking, whilst food and chemicals simultaneously shrank.

A partly similar pattern (i.e. major role of investment goods in total imports) can be found in the Maghreb case (table 16). The prevailing imported items were capital goods (machinery and metal products), electrical and electronic equipment, chemicals and transport equipment. Moreover, in 1992 imports of traditional goods reached the highest share (14%) among the single product groups. The higher level of imports in this sector during the last decade does not only witness a higher purchase of final consumer goods but should also be read as a growing flow of semi-finished goods between local producers and foreign firms (e.g. Italian textile-clothing firms). Agriculture raw materials and food record respectively a declining and a roughly stable trend. In the energy sector it is worth noting an enlargement of the quota between 1970 and 1985, followed by a reduction after mid-80s.

The import pattern of Israel mainly reveals the diversified nature of its economy, with a good balance between consumer goods and industrial inputs. In 1992, traditional goods had the main share (28% of total), with a 6 points increase compared to the early 80s level (table 17). The second largest imported category is found in electrical and electronic equipments (15%), whose relevance grew during the 80s as well, presumably due also to the relevance of intra-industry trade in this sector. Transport equipments, chemicals (both

near to 11%) and machinery are other significant imported goods, showing an upward trend starting from 1980. Finally, the steep decline occurred in the share of energy imports, accounting for more than one fifth of the total in 1980 but shrunk to 7% at the beginning of the 90s, should be taken into account.

Egypt and Jordan are characterized by the long-lasting and strong dependence on imports of agriculture primary goods (around 17%) and food (11%; see table 18). As a matter of fact, this is the group that more than the others in the Middle East still relies on foreign supply of foodstuffs, representing the largest sectoral trade deficit (table 22). In 1970, the sector was instead the source of the biggest surplus (a completely different geographical direction of trade should also be taken into account). Among manufactures, chemicals (14%) have a major (and increasing) role. Imports of traditional goods and machinery are also sizeable, while purchases of metal products have been falling since mid-80s.

4.2 The sectoral export performance of countries of Middle East and North Africa between 1970 and 1992

4.2.1. Oil exporters

The oil exporters of the Middle East are the world leading exporting area of energy raw materials (crude oil, petroleum and gas), with around 40% of world total in 1992 (table 23). Their role in the world oil market is crucial, though it has been remarkably changing over the last two decades. Indeed, the countries reaped the benefits of the first oil shock, expanding both the revenues from oil exports and their share of the world market, climbed well above 60% in 1975. After having achieved this peak, however, the performance on the world oil market drastically deteriorated. Already in 1980 their share fell to 54% and between 1980 and 1985 twenty percentage points further were lost. Not only revenues were severely curtailed by falling oil prices but also the competitive performance of the Middle East oil producers was extremely poor. Western European (UK and Norway) and Asian producers gained substantial market shares in the same period. In the late 80s a recover in market shares took place.

In petroleum refining, the oil exporters represented around 8% of the world market exports in 1992. After the rise of their quota on world exports from 9 up to 12% during the 80s, a drop can be found in the early 90s.

On a substantially lower scale (less than a percentage point), there is also evidence of the increase of the share on world exports in chemicals (0.6% in 1992). This is mainly due to increasing shipments of petrochemicals, starting from the late 70s.

The only two sectors in which the countries of this sub-group show a comparative advantage are energy raw materials and oil refining (see table 27), being the sectoral shares much higher than the average. During the last two decades, there is no evidence of a change of the export specialization pattern, which continues to be heavily based on oil.

4.2.2. Maghreb

As far as its overall performance on the world market is concerned, this group of countries mainly shares with the oil exporters the same dependence on energy commodities. Indeed, in this sector the largest share on world exports (3.8%) is recorded (table 24).

However, some differences are worth recalling. First, some ground has been gained in the first transformations of energy raw materials, where the Maghreb countries represented 2.5% of world total exports in 1992. Moreover, during the past decade, a less unfavourable performance compared to oil producers of the Gulf is found in energy raw materials. This was due to the bulk of Maghreb export shares being mainly concentrated in gas (Algeria) and related products.

Until the 70s, the Maghreb countries also controlled a relevant share of the world exports of some mineral products, as high as 6% by 1975 (Morocco is the world leader in natural phosphates production and export). During the 80s and the early 90s this share has been continuously shrinking, reaching around 1.5% in 1992.

Finally, it is worth recalling that the share in traditional manufactured goods (currently around 0.5%) doubled between 1975 and 1992.

The comparative advantages of this group of countries mainly reflect their natural resources endowment, such as natural gas and phosphates (see table 28). However, a significant evolution can be found in the past two decades, with a virtuous addition of new specializations in manufactures, rather than in commodity export. Indeed, in late 70s a growing specialization in oil refining can be observed. This was reinforced during the 80s. Moreover, in the second half of the 80s, the countries of this sub-group improved their specialization in traditional goods export, also because they were increasingly involved by European firms in their world-scale production re-deployment schemes. This can be considered as a highly positive effect of the introduction of structural reforms (mainly in Morocco and Tunisia), inducing higher degrees of openness to international trade and foreign direct investments. These developments, in turn, helped the reallocation of productive resources toward sectors of comparative advantage (i.e. labour intensive industries).

On the contrary, a process of despecialization has taken place in agricultural and food export. It is worth mentioning that the specialization pattern which prevailed in the Maghreb area has also been shaped by the negotiations with the EU, concerning restrictions to the European imports, especially of agricultural goods. In this sector, the agreements with the EU became more laborious to reach during the 80s, as a consequence of the Community expansion to southern Mediterranean countries, directly threatened by Maghreb agricultural exports. However, the recent evolution of the EU policy in the Mediterranean basin (see section 3) could introduce significant improvements on this ground in the next years.

4.2.3 Israel

The Israeli overall performance on world market is primarily due to manufactures exports rather than to commodity shipments.

The largest market share is found in traditional goods (textile-clothing and footwear, but also diamonds), where slightly less than one percentage point of the world market has been averaged during the last two decades (table 25). In chemicals (including rubber and plastics) another relatively relevant quota is held (around 0.5% of world total in 1992).

Electrical and electronic systems together with machinery are the two best performing sectors since the 70s. During the last decade, the shares in these high technology industries have doubled. It is questionable whether the extent of this good export performance relies on the sales of *dual* products (i.e. systems suitable to both civilian and military uses), mainly constituting spillovers from heavy spending in military research. Military expenditures should in fact be gradually reduced if the peace process goes on and this could represent an obstacle to further progress of the military-oriented side of electronic and mechanical industry.

The structure of Israeli comparative advantages is unique inside the Middle East. The long-lasting specialization in traditional goods and chemicals has been recently complemented by the building of a competitive position also in technology-intensive sectors, such as the mechanical and the electronic industries (table 29). There is also evidence of a gradual process of despecialization in agriculture and food. In metal products export, a growing specialization can be observed between 1970 and 1985, followed by a decline in early 90s. The wide-range Israeli pattern of specialization makes even harder to re-negotiate trade agreements with the EU, which are currently dealing with several areas (Israeli full association to the IV EU Framework Programme in R&D; competition for EU tenders in communication; citrus fruits exports; expansion of textile exports)[5].

4.2.4. Egypt and Jordan

Considering the (poor) export performance of this sub-group, it is worth noting that in the Egyptian case a highly protected internal market and the absence of export incentives heavily distorted the pattern of trade, making by far more profitable domestic sales rather than exports (Handoussa Shafik, 1993, p.36).

The largest shares of the countries included in this group are found in trade of commodities, such as phosphates, oil and agricultural primary goods (table 26). As far as the former sector is concerned, slightly less than 1% of the world market was controlled in 1992, basically due to the dominant position held by Jordan in world exports (the country is the second largest world producer and exporter, after Morocco). In the oil sector, almost all exports of this sub-group can be ascribed to Egypt, representing a 0.5% of world market. The export performance was positive until 1985, but seriously worsened in the late 80s, with a slight recovery in 1992. In agriculture the share on world exports has been dramatically falling since the early 70s.

The comparative advantages of this group of countries have been traditionally grounded in agricultural primary goods and raw materials other than oil (phosphates; see table 30). In early 70s, there was also a specialization in traditional goods, which has been substantially reduced afterwards (the index rose in 1990-92, but this must be chiefly ascribed to the falling quota on world total exports rather than to improved sectoral performance; the same holds also for other sectors, such as chemicals, building materials, basic metals). Since 1975, a comparative advantage has been built in oil refining and, only in early 80s, in the oil sector.

ENDNOTES

[1] These two countries are classified by the IMF as *exporters of services and recipients of private transfers* because "average income from services and private transfers accounted for more than half of total average export earnings" (see IMF, 1993b, p.126).

[2] This region includes: Japan, China, South Korea, Hong Kong, Taiwan, the Asean countries, Viet Nam, Cambodia.

[3] On this ground, it is worth recalling that Israel has trade agreements with both EU *and* the US.

[4] According to a recent study, the *Arab secondary boycott* - or the potential loss of Arab business for firms also involved in Israeli trade - contributes to explain the reluctance of some East Asian countries (notably Japan and Korea) to trade with or invest in Israel (Halevi, 1993, p.97). This seems only partly confirmed by the exam of the most recent trade figures (1986-92), showing a noteworthy development of trade links between Israel and the Far East (see *infra*). Moreover, in the rapidly changing context of the Middle East, this obstacle to trade seems to be partly overcame: at the beginning of october 1994, Saudi Arabia and the five members of the Gulf Cooperation Council (Bahrein, Kuwait, Oman, Qatar and UAE) announced that they will no longer boycott companies trading with Israel. A significant increase in foreign investments is thus expected in Israel (see *Financial Times*, october 3, 1994).

[5] See *Financial Times*, august 8, 1994.

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TABLE 1 MERCHANDISE EXPORTS 1982-92
ml US $

	82	83	84	85	86	87	88	89	90	91	92
Algeria	13144	12583	12795	12841	7429	8606	7679	8949	11011	11790	10700
Morocco	2062	2006	2080	2165	2454	2826	3603	3307	4265	4313	4010
Tunisia	1986	1850	1794	1738	1759	2139	2395	2930	3526	3714	4040
Egypt	3120	3215	3140	1838	2214	2037	2120	2565	2585	3693	3050
Libya	13948	11392	11136	10929	5680	5647	5640	7750	10000	10000	9500
Barhain	3789	3199	3204	2897	2199	2430	2411	2831	3761	3513	3417
Iran	18570	19378	12422	13328	8322	11035	8150	11360	15320	16732	16080
Iraq	10140	7891	9396	10731	6967	11510	11050	14600	9500	300	100
Israel	5255	5108	5807	6260	7154	8454	9950	11072	11704	11734	12968
Jordan	752	580	752	789	733	930	1019	1107	1064	1130	1215
Kuwait	10864	11504	11623	10487	7383	8264	7661	11476	7042	875	6696
Oman	4421	4248	4422	4972	2842	3776	3268	3933	5215	4870	4870
Qatar	4343	3345	4513	3370	1849	2043	2210	2738	3890	3150	3000
Saudi Arabia	79077	45861	37545	27481	20185	23199	24377	28382	44417	48794	48800
UAE	18224	15391	15990	14764	10129	12765	12250	17350	21990	23000	21600
Yemen	834	701	661	592	409	440	568	785	873	850	na
Syria	2002	1918	1834	1856	1037	1357	1348	3013	4221	na	na
Lebanon	725	573	434	400	443	499	628	485	494	539	559
TOTAL	193256	150743	139548	127438	89188	107957	106327	134633	160878	148997	150605

Note: Lebanon and Syria export fob from IMF source
Source: GATT

TABLE 2 MERCHANDISE IMPORTS 1982-92
ml US $

	82	83	84	85	86	87	88	89	90	91	92
Algeria	10738	10399	10288	9841	9228	7042	7342	9187	9736	7683	6800
Morocco	4315	3592	3911	3849	3803	4230	4773	5492	6800	6873	7560
Tunisia	3420	3107	3174	2757	2890	3039	3689	4374	5542	5190	6415
Egypt	9078	10275	10766	5495	8680	7596	8657	7434	9216	7915	8293
Libya	7175	7467	6800	5422	4511	4877	5911	5500	5880	6000	5100
Barhain	3614	3262	3531	3159	2405	2714	2593	3134	3712	4115	4144
Iran	11955	18320	15370	11635	10521	9570	9454	12810	15715	22320	24000
Iraq	21534	12166	11078	10556	10190	7415	10268	10300	7000	300	50
Israel	10236	9614	9828	10136	10813	14359	15021	14389	16508	18647	20700
Jordan	3240	3036	2784	2733	2432	2710	2732	2125	2600	2508	3255
Kuwait	8282	7373	6896	6005	5717	5493	6143	6295	3972	4761	7507
Oman	2787	2492	2748	3153	2384	1823	2202	2255	2681	3194	3769
Qatar	1947	1456	1162	1139	1099	1134	1267	1326	1695	1720	1810
Saudi Arabia	40644	39197	33696	23622	19112	20110	21784	21154	24069	29079	31700
UAE	9440	8294	6936	6549	6422	7226	8522	10010	11199	13746	16600
Yemen	3120	3101	3099	2761	1632	1362	2088	2037	1981	2183	na
Syria	3636	4024	3687	3946	2363	2226	1986	1821	2062	na	na
Lebanon	3409	3616	2955	2055	2031	1803	2366	2235	2526	3743	4203
TOTAL	158570	150791	138709	114813	106233	104729	116798	121878	132894	139977	151906

Note: Lebanon and Syria imports cif from IMF source
Source: GATT

TABLE 3 TRADE BALANCES
ml US S

	82	83	84	85	86	87	88	89	90	91	92
Algeria	2406	2184	2507	3000	-1799	1564	337	-238	1275	4107	3900
Morocco	-2253	-1586	-1831	-1684	-1349	-1404	-1170	-2185	-2535	-2560	-3550
Tunisia	-1434	-1257	-1380	-1019	-1131	-900	-1294	-1444	-2016	-1476	-2375
Egypt	-5958	-7060	-7626	-3657	-6466	-5559	-6537	-4869	-6631	-4222	-5243
Libya	6773	3925	4336	5507	1169	770	-271	2250	4120	4000	4400
Barhain	175	-63	-327	-262	-206	-284	-182	-303	49	-602	-727
Iran	6615	1058	-2948	1693	-2199	1465	-1304	-1450	-395	-5588	-7920
Iraq	-11394	-4275	-1682	175	-3223	4095	782	4300	2500	0	50
Israel	-4981	-4506	-4021	-3876	-3659	-5905	-5071	-3317	-4804	-6913	-7732
Jordan	-2488	-2456	-2032	-1944	-1699	-1780	-1713	-1018	-1536	-1378	-2040
Kuwait	2582	4131	4727	4482	1666	2771	1518	5181	3070	-3886	-811
Oman	1634	1756	1674	1819	458	1953	1066	1678	2534	1676	1101
Qatar	2396	1889	3351	2231	750	909	943	1412	2195	1430	1190
Saudi Arabia	38433	6664	3849	3859	1073	3089	2593	7228	20348	19715	17100
UAE	8784	7097	9054	8215	3707	5539	3728	7340	10791	9254	5000
Yemen	-2286	-2400	-2438	-2169	-1223	-922	-1520	-1252	-1108	-1333	na
Syria	-1634	-2106	-1853	-2090	-1326	-869	-638	1192	2159	na	na
Lebanon	-2683	-3043	-2521	-1654	-1589	-1305	-1738	-1750	-2033	-3204	-3643

Note: Lebanon and Syria from IMF source
Source: GATT

TABLE 4 CURRENT ACCOUNT BALANCES
ml US $

	80	81	82	83	84	85	86	87	88	89	90	91	92
Algeria	249.0	90.0	-183.0	-85.0	74.0	1015.0	-2230.0	141.0	-2040.0	-1081.0	1420.0	2367.0	2540.0
Morocco	-1420.0	-1844.0	-1878.0	-891.0	-988.0	-891.0	-212.0	175.0	467.0	-790.0	-200.0	-396.0	-427.0
Tunisia	-361.0	-387.0	-667.0	-578.0	-770.0	-587.0	-618.0	-60.0	216.0	-160.0	-523.0	-191.0	-945.0
Bahrain	184.4	429.5	425.6	102.7	218.4	38.8	-42.3	-177.1	214.1	-102.9	244.9	-738.3	n.a.
Egypt	-438.0	-2136.0	-1851.0	-330.0	-1988.0	-2166.0	-1811.0	-246.0	-1048.0	-1309.0	184.0	1903.0	2812.0
Iran	-2438.0	-3446.0	5733.0	358.0	-414.0	-476.0	-5155.0	-2090.0	-1868.0	-190.0	320.0	-7900.0	-8100.0
Israel	-575.0	-959.0	-1992.0	-2025.0	-1342.0	1155.0	1724.0	-655.0	-39.0	1231.0	574.0	-339.0	86.0
Jordan	373.9	-38.9	-332.7	-390.7	-264.7	-260.5	-39.8	-351.8	-293.7	384.9	-114.9	409.7	n.a.
Kuwait	15302.0	13778.0	4873.0	5654.0	6809.0	5150.0	5644.0	4543.0	5028.0	9688.0	n.a.	-25891.0	801.0
Libya	8214.0	-3963.0	-1560.0	-1643.0	-1456.0	1906.0	-156.0	-1045.0	-1823.0	-1028.0	2203.0	820.0	230.0
Oman	942.0	1234.0	486.0	492.0	300.0	-13.0	-1040.0	784.0	-309.0	323.0	1095.0	n.a.	n.a.
Saudi Ar.	41503.0	39627.0	7575.0	-16852.0	-18401.0	-12932.0	-11795.0	-9773.0	-7340.0	-9172.0	-4267.0	-25738.0	n.a.
Syria	251.0	-308.0	-250.0	-844.0	-794.0	-958.0	-504.0	-298.0	-151.0	1171.0	1827.0	699.0	55.0

Source: IMF International Financial Statistics and Economist Intelligence Unit

TABLE 5 CURRENT ACCOUNT BALANCE AS PERCENTAGE OF GDP

	80	81	82	83	84	85	86	87	88	89	90	91	92
Algeria	0,6	0,2	-0,4	-0,2	0,1	1,7	-3,5	0,2	-3,8	na	na	na	na
Morocco	-7,5	-12,1	-12,2	-6,4	-7,8	-6,9	-1,2	0,9	2,1	-3,5	-0,8	-1,4	na
Tunisia	-4,2	-4,6	-8,2	-7,1	-9,6	-7,1	-7,0	-0,6	2,1	-1,6	-4,2	-1,5	na
Bahrain	6,0	12,4	11,7	2,7	5,6	1,0	-1,3	-5,6	6,4	-2,9	6,3	na	na
Egypt	-2,0	-8,7	-6,2	-0,9	-4,4	-4,1	-3,0	-0,3	-1,2	-1,5	0,3	5,2	na
Iran	-2,6	-3,4	4,5	0,2	-0,3	-0,3	-2,5	-0,7	-0,6	na	na	na	na
Israel	-2,7	-4,1	-8,1	-7,4	-5,2	4,8	5,8	-1,9	-0,1	2,8	1,1	-0,6	0,1
Jordan	9,7	-0,9	-7,2	-8,0	-5,4	-5,3	-0,7	-5,6	-4,9	9,2	-2,9	9,9	na
Kuwait	53,3	54,6	22,6	27,1	31,4	24,0	31,5	20,3	24,6	39,9	22,2	-231,2	3,7
Libya	23,1	-12,6	-5,2	-5,7	-5,7	7,8	-0,8	na	na	na	na	na	na
Oman	15,9	17,1	6,4	6,2	3,4	-0,1	-14,2	10,0	-4,1	3,8	10,4	na	na
Saudi Ar.	28,1	23,9	5,7	-15,6	-18,5	-14,9	-16,1	-13,3	-9,6	-11,1	na	na	na
Syria	1,9	-1,8	-1,4	-4,5	-4,1	-4,5	-2,0	-0,9	-0,9	6,3	7,6	na	na

Source: IMF International Financial Statistics

TABLE 6 MIDDLE EAST AND NORTH AFRICA
(biennal averages based on current values)

	Exports			Imports		
	70/71	**80/81**	**91/92**	**70/71**	**80/81**	**91/92**
Oil exporters	*2.07*	*3.39*	*6.52*	*2.74*	*6.41*	*5.49*
Maghreb	*0.31*	*0.48*	*0.61*	*0.60*	*0.16*	*0.72*
Egypt and Jordan	*0.28*	*0.27*	*0.91*	*0.62*	*0.40*	*0.55*
Israel	*0.01*	*0.15*	*0.12*	*0.25*	*0.00*	*0.00*
Total Intra-area	2.67	4.29	8.16	4.21	6.97	6.76
EU (12)	54.92	37.54	32.95	44.46	41.82	42.58
NAFTA	4.51	14.27	11.81	16.12	12.63	13.61
EAST ASIA	18.29	24.44	29.09	7.23	16.05	18.48
Other	19.61	19.46	17.99	27.98	22.53	18.57
Total	100.00	100.00	100.00	100.00	100.00	100.00

Source: based on IMF, Direction of Trade Statistic, various years

TABLE 7 OIL EXPORTERS
(biennal averages based on current values)

	Exports			Imports		
	70/71	**80/81**	**91/92**	**70/71**	**80/81**	**91/92**
Intra-area	*1.83*	*3.60*	*7.61*	*4.66*	*7.02*	*7.34*
Maghreb	*0.07*	*0.51*	*0.46*	*0.42*	*0.12*	*0.70*
Egypt and Jordan	*0.28*	*0.30*	*1.13*	*1.01*	*0.53*	*0.74*
Israel	*0.02*	*0.00*	*0.00*	*0.50*	*0.00*	*0.00*
Middle East and North Africa	2.20	4.41	9.20	6.59	7.67	8.78
EU (12)	56.42	36.27	25.69	41.16	39.36	37.48
NAFTA	3.88	12.54	10.26	17.71	12.15	12.99
EAST ASIA	21.84	26.99	35.99	11.87	20.69	24.08
Other	15.66	19.79	18.86	22.67	20.13	16.67
Total	100.00	100.00	100.00	100.00	100.00	100.00

Source: based on IMF, Direction of Trade Statistic, various years

TABLE 8 MAGHREB
(biennal averages based on current values)

	Exports			Imports		
	70/71	**80/81**	**91/92**	**70/71**	**80/81**	**91/92**
Intra area	*2.28*	*0.39*	*1.65*	*1.77*	*0.45*	*1.72*
Oil Exporters	*1.54*	*0.84*	*3.11*	*0.04*	*6.58*	*2.31*
Egypt and Jordan	*0.25*	*0.09*	*0.15*	*0.18*	*0.07*	*0.27*
Israel	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
Middle East and North Africa	4.07	1.32	4.91	1.99	7.10	4.30
EU (12)	73.16	51.02	69.34	66.11	62.15	65.92
NAFTA	1.48	33.54	10.18	12.01	10.05	8.76
EAST ASIA	0.93	3.76	2.91	1.95	5.16	5.37
Other	20.36	10.36	12.66	17.94	15.54	15.65
Total	100.00	100.00	100.00	100.00	100.00	100.00

Source: based on IMF, Direction of Trade Statistic, various years

TABLE 9 ISRAEL
(biennal averages based on current values)

	Exports			Imports		
	70/71	80/81	91/92	70/71	80/81	91/92
Oil Exporters	*3.21*	*0.00*	*0.00*	*0.14*	*0.00*	*0.00*
Egypt and Jordan	*0.00*	*0.18*	*0.05*	*0.00*	*0.00*	*0.05*
Maghreb	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
Middle East and North Africa	3.21	0.18	0.05	0.14	0.00	0.05
EU (12)	40.71	38.39	33.94	35.89	28.08	45.80
NAFTA	21.22	19.90	30.65	17.92	16.72	17.90
EAST ASIA	11.70	9.61	14.06	3.02	1.84	8.25
Other	23.16	31.92	21.30	43.03	53.36	28.00
Total	100.00	100.00	100.00	100.00	100.00	100.00

Source: based on IMF, Direction of Trade Statistic, various years

Note: The IMF-DOTS figures do not always allow to fully scketch Israeli foreign trade, because of the relevant weight of the items "Country or area not specified" and "Special categories" whose combined share in the periods examined is as follows: Exports 1970/71=4.1%; '1980/81=14.2%; 1991/92=10.2%; Imports 1970/71=32.2; 1980/81=41.5; 1991/92=13.2.

TABLE 10 EGYPT AND JORDAN
(biennal averages based on current values)

	Exports			Imports		
	70/71	**80/81**	**91/92**	**70/71**	**80/81**	**91/92**
Intra area	*0.74*	*0.00*	*1.11*	*0.86*	*0.15*	*0.36*
Oil Exporters	*5.89*	*9.55*	*11.77*	*3.72*	*6.55*	*4.93*
Maghreb	*0.61*	*0.19*	*1.22*	*0.38*	*0.07*	*0.20*
Israel	*0.00*	*9.99*	*4.08*	*0.00*	*0.06*	*0.04*
Middle East and North Africa	7.24	19.73	18.18	4.96	6.83	5.53
EU (12)	12.64	39.44	49.41	29.93	41.31	36.01
NAFTA	0.86	5.40	8.55	9.34	18.33	20.30
EAST ASIA	3.56	7.29	12.66	3.15	4.99	13.92
Other	75.70	28.14	11.20	52.62	28.54	24.24
Total	100.00	100.00	100.00	100.00	100.00	100.00

Source: based on IMF, Direction of Trade Statistic, various years

Table 11 OIL EXPORTERS: EXPORT COMPOSITION (%)

	1970	1980	1985	1990	1992
Agriculture primary goods	1.62	0.19	0.43	0.75	1.01
Energy raw materials	89.10	94.07	85.24	82.13	84.64
Non-energy mining	0.20	0.04	0.15	0.41	0.17
Food	0.19	0.02	0.03	0.09	0.14
Traditional goods	1.28	0.46	0.78	1.43	1.90
Chemicals, rubber, etc.	0.03	0.09	0.92	2.41	2.03
Oil refining	6.78	4.55	11.07	11.03	7.71
Building materials	0.00	0.00	0.01	0.08	0.05
Basic metals, metal products	0.52	0.27	0.43	0.79	0.93
Machinery, mechanical equipment	0.04	0.04	0.15	0.19	0.31
Electrical and electronic equipment	0.07	0.07	0.23	0.34	0.54
Transport equipment	0.16	0.18	0.53	0.22	0.56
Other	0.00	0.01	0.03	0.11	0.02
TOTAL	100.00	100.00	100.00	100.00	100.00

Source: SIE World-Trade Database

Table 12 MAGHREB: EXPORT COMPOSITION (%)

	1970	1980	1985	1990	1992
Agriculture primary goods	14.84	3.01	3.04	5.14	4.88
Energy raw materials	48.83	70.89	58.25	47.30	35.74
Non-energy mining	11.52	5.49	3.68	3.21	2.43
Food	14.64	1.94	1.60	3.48	3.21
Traditional goods	3.90	4.35	4.69	13.91	21.66
Chemicals, rubber, etc.	1.98	3.09	4.86	7.71	7.06
Oil refining	0.66	10.09	22.31	13.42	19.40
Building materials	0.26	0.04	0.05	0.70	0.65
Basic metals, metal products	2.91	0.64	0.82	1.66	1.49
Machinery, mechanical equipment	0.07	0.07	0.14	0.53	0.32
Electrical and electronic equipment	0.05	0.24	0.31	2.27	2.51
Transport equipment	0.24	0.12	0.24	0.60	0.42
Other	0.08	0.03	0.02	0.05	0.23
TOTAL	100.00	100.00	100.00	100.00	100.00

Source: SIE World-Trade Database

Table 13 ISRAEL: EXPORT COMPOSITION (%)

	1970	1980	1985	1990	1992
Agriculture primary goods	17.12	10.17	7.75	5.72	4.49
Energy raw materials	0.00	0.00	0.00	0.63	0.56
Non-energy mining	0.69	0.80	1.81	0.83	0.76
Food	8.01	5.23	6.12	5.20	4.03
Traditional goods	48.74	41.84	32.95	39.66	40.30
Chemicals, rubber, etc.	10.96	14.19	13.96	14.01	14.47
Oil refining	1.83	3.78	4.12	2.15	1.85
Building materials	0.45	0.32	0.23	0.21	0.21
Basic metals, metal products	6.21	9.03	9.00	4.89	4.00
Machinery, mechanical equipment	1.75	3.82	4.96	5.63	9.47
Electrical and electronic equipment	2.63	5.85	13.63	17.10	16.69
Transport equipment	1.42	4.81	5.43	3.91	3.16
Other	0.19	0.15	0.06	0.05	0.01
TOTAL	100.00	100.00	100.00	100.00	100.00

Source: SIE World-Trade Database

Table 14 EGYPT AND JORDAN: EXPORT COMPOSITION (%)

	1970	1980	1985	1990	1992
Agriculture primary goods	51.47	19.13	15.30	13.36	9.11
Energy raw materials	4.43	48.84	44.47	13.26	27.26
Non-energy mining	1.28	4.56	5.56	9.53	7.48
Food	4.32	3.21	1.86	3.12	3.80
Traditional goods	22.30	10.44	9.75	24.78	17.13
Chemicals, rubber, etc.	1.96	1.86	3.80	11.32	12.13
Oil refining	0.14	5.52	11.74	8.19	4.51
Building materials	0.80	0.44	0.63	1.58	1.61
Basic metals, metal products	1.47	3.07	3.91	10.38	9.98
Machinery, mechanical equipment	0.69	0.38	0.49	0.87	1.14
Electrical and electronic equipment	0.41	0.54	0.33	1.23	1.21
Transport equipment	0.65	0.90	1.92	2.28	2.00
Other	10.08	1.12	0.25	0.08	2.64
TOTAL	100.00	100.00	100.00	100.00	100.00

Source: SIE World-Trade Database

Table 15 OIL EXPORTERS: IMPORT COMPSITION (%)

	1970	1980	1985	1990	1992
Agriculture primary goods	4.68	3.83	5.46	6.34	3.01
Energy raw materials	0.03	0.04	0.11	0.06	0.04
Non energy-mining	0.25	0.24	0.25	0.40	0.35
Food	8.15	9.28	9.23	10.33	7.22
Traditional goods	12.49	12.89	14.40	15.96	15.02
Chemicals, rubber, etc.	10.62	8.03	9.03	11.29	9.24
Oil refining	1.20	2.18	2.59	1.62	1.62
Building materials	1.72	2.96	2.44	1.85	1.94
Basic metals, metal products	13.24	14.45	13.36	10.88	9.41
Machinery, mechanical equipment	15.47	14.89	12.53	12.67	16.43
Electrical and electronic equipment	14.50	15.47	15.00	13.96	15.03
Transport equipment	15.45	14.38	14.03	13.42	18.87
Other	2.20	1.35	1.56	1.23	1.83
TOTAL	100.00	100.00	100.00	100.00	100.00

Source: SIE World-Trade Database

Table 16 MAGHREB: IMPORT COMPOSITION (%)

	1970	1980	1985	1990	1992
Agriculture primary goods	10.11	9.39	10.24	8.89	7.65
Energy raw materials	1.62	7.92	8.67	6.20	6.16
Non-energy mining	0.53	1.51	2.60	2.48	1.96
Food	7.57	8.32	9.31	8.97	9.63
Traditional goods	12.62	9.65	9.14	12.67	14.38
Chemicals, rubber, etc.	10.74	10.13	10.39	11.88	11.44
Oil refining	2.01	4.54	3.09	2.30	2.54
Building materials	1.43	1.74	1.91	1.48	1.64
Basic metals, metal products	15.24	12.41	10.90	10.17	11.13
Machinery, mechanical equipment	17.78	15.53	13.87	15.52	13.81
Electrical and electronic equipment	8.75	7.24	7.89	9.34	10.10
Transport equipment	10.14	10.82	11.19	9.93	8.91
Other	1.45	0.80	0.79	0.17	0.64
TOTAL	100.00	100.00	100.00	100.00	100.00

Source: SIE World-Trade Database

Table 17 ISRAEL: IMPORT COMPOSITION (%)

	1970	1980	1985	1990	1992
Agriculture primary goods	10.44	7.20	6.61	4.71	4.03
Energy raw materials	4.47	22.52	14.54	7.03	7.08
Non-energy mining	1.02	1.06	0.72	0.57	0.36
Food	4.79	3.82	3.67	3.98	3.77
Traditional goods	22.68	21.98	25.13	30.81	27.68
Chemicals, rubber, etc.	8.20	7.11	8.53	10.98	10.82
Oil refining	0.85	4.36	2.21	2.68	1.44
Building materials	0.93	1.15	1.02	1.61	2.08
Basic metals, metal products	12.96	8.03	7.50	7.48	7.15
Machinery, mechanical equipment	11.55	6.82	8.42	7.54	8.80
Electrical and electronic equipment	10.21	8.92	14.26	13.75	14.98
Transport equipment	10.90	6.20	5.63	8.02	10.96
Other	1.02	0.84	1.76	0.84	0.85
TOTAL	100.00	100.00	100.00	100.00	100.00

Source: SIE World-Trade Database

Table 18 EGYPT AND JORDAN: IMPORT COMPOSITION (%)

	1970	1980	1985	1990	1992
Agriculture primary goods	17.92	14.27	13.55	16.50	16.67
Energy raw materials	3.63	5.77	4.94	4.18	3.69
Non-energy mining	0.82	0.46	0.68	0.88	1.27
Food	9.25	13.74	13.03	15.16	11.53
Traditional goods	12.42	10.41	10.85	12.08	12.30
Chemicals, rubber, etc.	13.48	9.58	9.64	14.04	14.21
Oil refining	5.06	1.02	3.12	2.59	2.01
Building materials	1.49	3.80	4.90	1.16	1.18
Basic metals, metal products	11.21	12.06	13.25	10.05	9.61
Machinery, mechanical equipment	8.90	10.79	9.57	8.78	10.53
Electrical and electronic equipment	5.55	7.07	7.85	7.77	9.63
Transport equipment	9.37	10.20	7.41	6.58	7.21
Other	0.91	0.81	1.20	0.23	0.17
TOTAL	100.00	100.00	100.00	100.00	100.00

Source: SIE World-Trade Database

TABLE 19 SECTORAL TRADE BALANCES **Oil exporters**

current US dollars (millions)

	1970	1980	1985	1990	1992
Agriculture primary goods	11.9	-2332.6	-2809.8	-3086.5	-1747.6
Energy raw materials	10277.9	183017.6	75407.2	95878.1	92670.5
Non-energy mining	13.5	-102.9	-19.6	224.0	40.2
Food	-282.4	-6285.5	-5369.4	-6358.4	-6671.0
Traditional goods	-318.6	-8217.3	-7728.1	-8317.6	-11329.7
Chemicals, rubber, etc.	-393.2	-5492.8	-4464.4	-4244.9	-5015.8
Oil refining	737.6	7321.0	8289.0	11870.9	7048.3
Building materials	-63.7	-2090.0	-1419.0	-1065.5	-1478.4
Basic metals, metal products	-433.9	-9700.4	-7433.9	-5881.3	-6629.4
Machinery, mechanical equipment	-572.3	-10456.3	-7190.5	-7708.8	-12684.7
Electrical and electronic equipment	-532.7	-10804.8	-8566.3	-8335.9	-11585.9
Transport equipment	-558.5	-9828.2	-7735.9	-8139.2	-14432.6

Source: SIE World-Trade Data Base

TABLE 20 SECTORAL TRADE BALANCES **Maghreb**

current US dollars (millions)

	1970	1980	1985	1990	1992
Agriculture primary goods	41.6	-1030.4	-945.5	-1002.7	-976.2
Energy raw materials	793.9	11806.0	8551.8	7493.9	7669.6
Non-energy mining	184.2	763.7	248.1	53.6	24.0
Food	90.9	-1049.5	-1056.2	-1332.0	-1768.1
Traditional goods	-195.8	-827.2	-512.1	-197.6	60.1
Chemicals, rubber, etc.	-189.5	-1141.8	-662.2	-1184.2	-1260.8
Oil refining	-30.5	1103.2	3307.7	2007.5	1952.4
Building materials	-25.3	-287.5	-263.5	-197.4	-273.8
Basic metals, metal products	-267.1	-1980.6	-1413.7	-1938.7	-2300.7
Machinery, mechanical equipment	-367.9	-2614.6	-1951.0	-3334.9	-3027.5
Electrical and electronic equipment	-180.8	-1180.7	-1070.5	-1643.1	-1831.0
Transport equipment	-206.6	-1808.6	-1551.9	-2085.3	-1516.1

Source: SIE World-Trade Data Base

TABLE 21 SECTORAL TRADE BALANCES **Israel**

current US dollars (millions)

	1970	1980	1985	1990	1992
Agriculture primary goods	-18.7	-14.1	-65.5	-31.8	-170.6
Energy raw materials	-64.9	-1806.7	-1209.5	-1000.7	-1257.5
Non-energy mining	-9.5	-40.3	53.3	12.1	31.9
Food	-7.4	-16.7	77.7	18.0	-182.3
Traditional goods	48.9	554.6	-29.5	59.6	65.6
Chemicals, rubber, etc.	-34.0	215.6	163.5	5.8	-142.6
Oil refining	1.9	-140.1	74.2	-151.9	-27.8
Building materials	-10.0	-75.0	-70.4	-221.4	-364.0
Basic metals, metal products	-139.9	-143.5	-61.2	-557.8	-820.7
Machinery, mechanical equipment	-154.0	-335.4	-390.1	-476.4	-416.4
Electrical and electronic equipment	-127.7	-392.0	-334.2	-46.0	-633.6
Transport equipment	-147.1	-230.4	-128.7	-758.3	-1647.1

Source: SIE World-Trade Data Base

TABLE 22 SECTORAL TRADE BALANCES **Egypt and Jordan**

current US dollars (millions)

	1970	1980	1985	1990	1992
Agriculture primary goods	235.5	-345.1	-1030.6	-1460.9	-1535.6
Energy raw materials	0.0	1343.3	1375.3	-10.0	737.2
Non-energy mining	2.3	130.7	164.0	244.0	173.2
Food	-55.4	-881.2	-1570.6	-1676.4	-1168.0
Traditional goods	56.8	-379.0	-938.8	-523.0	-688.1
Chemicals, rubber, etc.	-115.3	-627.7	-1052.3	-1245.4	-1122.1
Oil refining	-48.0	125.0	132.5	-6.8	-39.8
Building materials	-8.1	-260.0	-594.4	-78.9	-66.9
Basic metals, metal products	-97.1	-764.5	-1506.7	-808.3	-682.9
Machinery, mechanical equipment	-81.0	-769.2	-1192.2	-1005.0	-1166.2
Electrical and electronic equipment	-50.6	-493.5	-982.4	-871.7	-1059.3
Transport equipment	-85.8	-707.5	-853.4	-694.2	-747.2

Source: SIE World-Trade Data Base

Table 23 OIL EXPORTERS: SHARES ON WORLD EXPORTS

	1970	1975	1980	1985	1990	1992
Agriculture primary goods	0.66	0.47	0.28	0.32	0.49	0.61
Energy raw materials	55.34	61.1	54.52	32.25	39.75	39.55
Non-energy mining	0.28	0.25	0.20	0.49	1.34	1.06
Food	0.11	0.03	0.03	0.03	0.06	0.07
Traditional goods	0.33	0.34	0.35	0.26	0.29	0.31
Chemicals, rubber, etc.	0.01	0.15	0.11	0.47	0.79	0.60
Oil refining	9.15	9.50	9.23	10.13	12.04	7.96
Building materials	0.01	0.02	0.01	0.03	0.19	0.10
Basic metals, metal products	0.17	0.14	0.30	0.26	0.34	0.40
Machinery, mechanical equipment	0.02	0.02	0.05	0.10	0.07	0.10
Electrical and electronic equipment	0.03	0.06	0.08	0.08	0.07	0.09
Transport equipment	0.05	0.09	0.18	0.20	0.06	0.11
Other	0.01	0.01	0.19	0.27	0.51	0.50
TOTAL	4.02	9.48	10.52	4.95	3.52	2.97

Source: SIE World-Trade Database

Table 24 MAGHREB: SHARES ON WORLD EXPORTS

	1970	1975	1980	1985	1990	1992
Agriculture primary goods	0.89	0.49	0.42	0.43	0.54	0.55
Energy raw materials	4.46	3.68	3.92	4.18	3.67	3.82
Non-energy mining	2.37	6.46	2.91	2.33	1.71	1.46
Food	1.20	0.62	0.33	0.28	0.35	0.30
Traditional goods	0.15	0.24	0.31	0.30	0.45	0.46
Chemicals, rubber, etc.	0.13	0.19	0.35	0.47	0.41	0.34
Oil refining	0.13	0.60	1.95	3.87	2.35	2.46
Building materials	0.12	0.09	0.03	0.04	0.28	0.25
Basic metals, metal products	0.14	0.08	0.07	0.10	0.12	0.10
Machinery, mechanical equipment	0.00	0.00	0.01	0.02	0.03	0.04
Electrical and electronic equipment	0.00	0.01	0.03	0.02	0.08	0.08
Transport equipment	0.01	0.01	0.01	0.02	0.02	0.02
Other	0.03	0.02	0.03	0.03	0.04	0.24
TOTAL	0.59	0.84	1.00	0.94	0.56	0.52

Source: SIE World-Trade Database

Table 25 ISRAEL: SHARES ON WORLD EXPORTS

	1970	1975	1980	1985	1990	1992
Agriculture primary goods	0.47	0.43	0.42	0.41	0.39	0.32
Energy raw materials	0.00	0.00	0.00	0.00	0.03	0.03
Non-energy mining	0.06	0.13	0.13	0.43	0.28	0.31
Food	0.30	0.24	0.26	0.39	0.34	0.25
Traditional goods	0.84	0.84	0.90	0.78	0.83	0.81
Chemicals, rubber, etc.	0.34	0.42	0.48	0.50	0.48	0.47
Oil refining	0.17	0.00	0.22	0.27	0.24	0.24
Building materials	0.09	0.08	0.08	0.07	0.05	0.05
Basic metals, metal products	0.13	0.15	0.29	0.39	0.22	0.19
Machinery, mechanical equipment	0.05	0.06	0.15	0.23	0.23	0.39
Electrical and electronic equipment	0.08	0.16	0.19	0.36	0.38	0.34
Transport equipment	0.03	0.05	0.14	0.15	0.10	0.08
Other	0.03	0.08	0.06	0.03	0.02	0.00
TOTAL	0.27	0.24	0.30	0.35	0.36	0.35

Source: SIE World-Trade Database

Table 26 EGYPT AND JORDAN: SHARES ON WORLD EXPORTS

	1970	1975	1980	1985	1990	1992
Agriculture primary goods	1.45	0.99	0.52	0.58	0.27	0.21
Energy raw materials	0.19	0.05	0.52	0.86	0.20	0.50
Non-energy mining	0.12	0.42	0.47	0.94	0.99	0.99
Food	0.17	0.17	0.11	0.09	0.06	0.08
Traditional goods	0.39	0.37	0.15	0.17	0.16	0.11
Chemicals, rubber, etc.	0.06	0.10	0.04	0.10	0.12	0.13
Oil refining	0.01	0.23	0.21	0.55	0.28	0.19
Building materials	0.17	0.11	0.07	0.13	0.12	0.13
Basic metals, metal products	0.03	0.04	0.06	0.12	0.14	0.15
Machinery, mechanical equipment	0.02	0.01	0.01	0.02	0.01	0.02
Electrical and electronic equipment	0.01	0.01	0.01	0.01	0.01	0.01
Transport equipment	0.02	0.03	0.02	0.04	0.02	0.02
Other	1.41	0.56	0.27	0.11	0.01	0.37
TOTAL	0.28	0.20	0.20	0.25	0.11	0.12

Source: SIE World-Trade Database

Table 27 REVEALED COMPARATIVE ADVANTAGE (*) Oil exporters

	1970	1975	1980	1985	1990	1992
Agriculture primary goods	0.16	0.05	0.03	0.07	0.14	0.21
Energy raw materials	13.76	6.44	5.18	6.52	11.29	13.32
Non-energy mining	0.07	0.03	0.02	0.10	0.38	0.36
Food	0.03	0.00	0.00	0.01	0.02	0.02
Traditional goods	0.08	0.04	0.03	0.05	0.08	0.10
Chemicals, rubber, etc.	0.00	0.02	0.01	0.09	0.23	0.20
Oil refining	2.28	1.00	0.88	2.05	3.42	2.68
Building materials	0.00	0.00	0.00	0.01	0.05	0.03
Basic metals, metal products	0.04	0.02	0.03	0.05	0.10	0.13
Machinery, mechanical equipment	0.00	0.00	0.01	0.02	0.02	0.03
Electrical and electronic equipment	0.01	0.01	0.01	0.02	0.02	0.03
Transport equipment	0.01	0.01	0.02	0.04	0.02	0.04
Other	0.00	0.00	0.02	0.06	0.15	0.17
TOTAL	1.00	1.00	1.00	1.00	1.00	1.00

(*): ratio between the share on world sectoral exports and the share on world total exports
Source: SIE World-Trade Database

Table 28 REVEALED COMPARATIVE ADVANTAGE (*) **Maghreb**

	1970	1975	1980	1985	1990	1992
Agriculture primary goods	1.51	0.58	0.42	0.46	0.96	1.06
Energy raw materials	7.54	4.40	3.91	4.45	6.51	7.35
Non-energy mining	4.02	7.72	2.91	2.48	3.02	2.81
Food	2.03	0.74	0.33	0.29	0.62	0.56
Traditional goods	0.25	0.28	0.31	0.32	0.80	0.88
Chemicals, rubber, etc.	0.23	0.23	0.35	0.50	0.72	0.65
Oil refining	0.22	0.72	1.94	4.13	4.16	4.73
Building materials	0.20	0.11	0.03	0.04	0.50	0.48
Basic metals, metal products	0.23	0.09	0.07	0.10	0.20	0.19
Machinery, mechanical equipment	0.01	0.01	0.01	0.02	0.06	0.08
Electrical and electronic equipment	0.01	0.02	0.03	0.02	0.14	0.15
Transport equipment	0.02	0.01	0.01	0.02	0.04	0.03
Other	0.04	0.03	0.03	0.03	0.07	0.46
TOTAL	1.00	1.00	1.00	1.00	1.00	1.00

(*): ratio between the share on world sectoral exports and the share on world total exports
Source: SIE World-Trade Database

Table 29 REVEALED COMPARATIVE ADVANTAGE (*) **Israel**

	1970	1975	1980	1985	1990	1992
Agriculture primary goods	1.74	1.75	1.41	1.17	1.07	0.91
Energy raw materials	0.00	0.00	0.00	0.00	0.09	0.09
Non-energy mining	0.24	0.52	0.42	1.22	0.78	0.89
Food	1.11	0.97	0.88	1.13	0.93	0.71
Traditional goods	3.09	3.45	3.02	2.24	2.28	2.31
Chemicals, rubber, etc.	1.25	1.72	1.60	1.43	1.31	1.34
Oil refining	0.61	0.02	0.73	0.76	0.67	0.69
Building materials	0.34	0.31	0.25	0.19	0.15	0.14
Basic metals, metal products	0.49	0.63	0.97	1.12	0.60	0.54
Machinery, mechanical equipment	0.19	0.24	0.49	0.67	0.64	1.11
Electrical and electronic equipment	0.28	0.66	0.63	1.02	1.05	0.97
Transport equipment	0.12	0.21	0.46	0.42	0.28	0.23
Other	0.10	0.33	0.18	0.10	0.06	0.01
TOTAL	1.00	1.00	1.00	1.00	1.00	1.00

(*): ratio between the share on world sectoral exports and the share on world total exports
Source: SIE World-Trade Database

Table 30 REVEALED COMPARATIVE ADVANTAGE (*) Egypt and Jordan

	1970	1975	1980	1985	1990	1992
Agriculture primary goods	5.23	5.08	2.65	2.32	2.49	1.80
Energy raw materials	0.68	0.26	2.69	3.40	1.82	4.17
Non-energy mining	0.45	2.14	2.41	3.74	8.97	8.25
Food	0.60	0.86	0.54	0.34	0.56	0.65
Traditional goods	1.42	1.91	0.75	0.66	1.42	0.96
Chemicals, rubber, etc.	0.22	0.51	0.21	0.39	1.06	1.10
Oil refining	0.05	1.18	1.06	2.17	2.54	1.63
Building materials	0.60	0.58	0.35	0.52	1.13	1.13
Basic metals, metal products	0.12	0.22	0.33	0.48	1.28	1.33
Machinery, mechanical equipment	0.07	0.04	0.05	0.07	0.10	0.13
Electrical and electronic equipment	0.04	0.04	0.06	0.02	0.08	0.07
Transport equipment	0.06	0.16	0.09	0.15	0.16	0.14
Other	5.09	2.88	1.39	0.44	0.11	3.08
TOTAL	1.00	1.00	1.00	1.00	1.00	1.00

(*): ratio between the share on world sectoral exports and the share on world total exports
Source: SIE World-Trade Database