Economic and Social Commission for Western Asia

Trade for Food Security and Nutrition Security in the Arab Region

Virtual Meeting on Trade for Food Security and Trade
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Shared Prosperity Dignified Life

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Content

1) Situational analysis of trade-based food and nutrition security (FNS) in the Arab Region

2) 2022: a crisis year exposing trade vulnerabilities

3) Overview of agreements and institutions governing food trade in the Arab Region

4) Recommendations for improving Arab food systems through trade

Situational Analysis of trade-based FNS

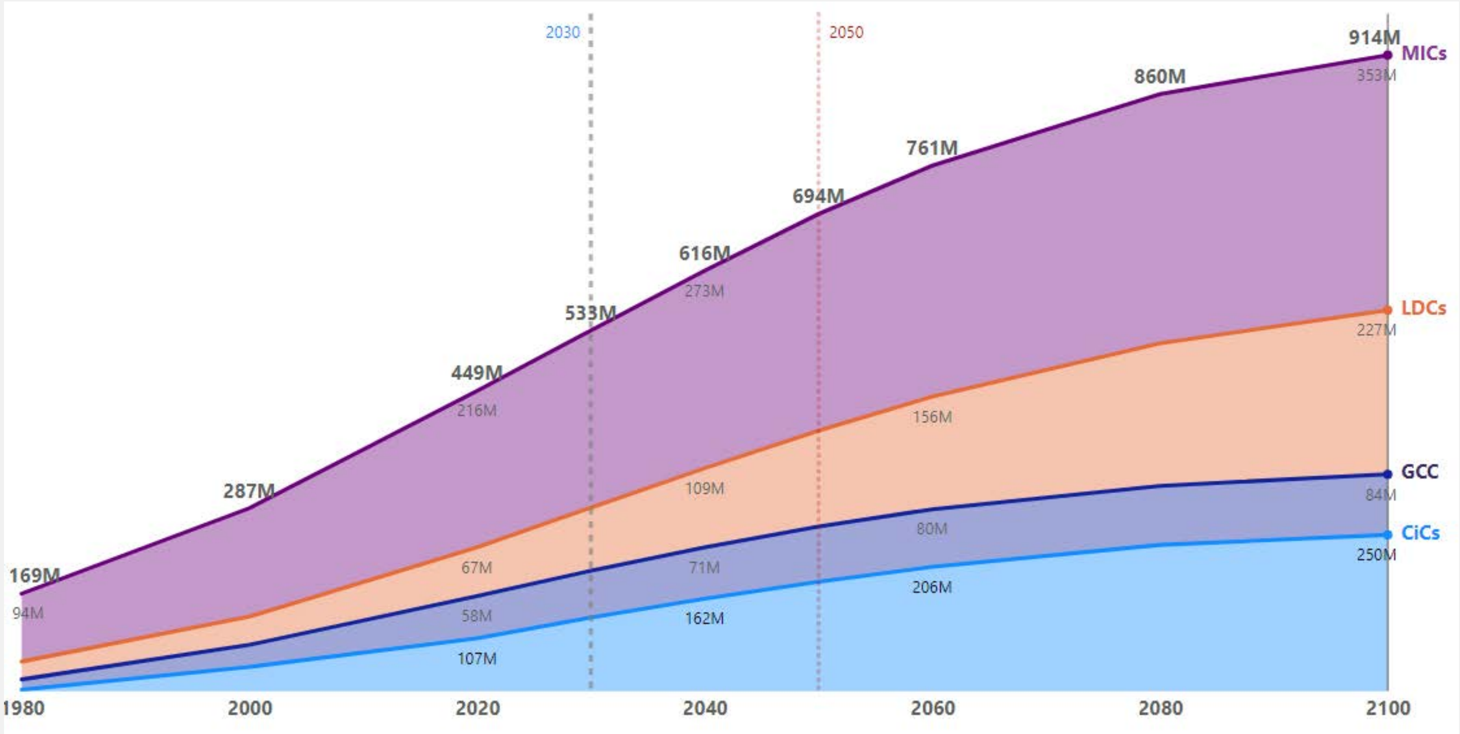
The Arab Region has seen a strong uptick of food imports since the beginning of the century

This makes the Arab Region as one of the most exposed world regions to developments on global food markets

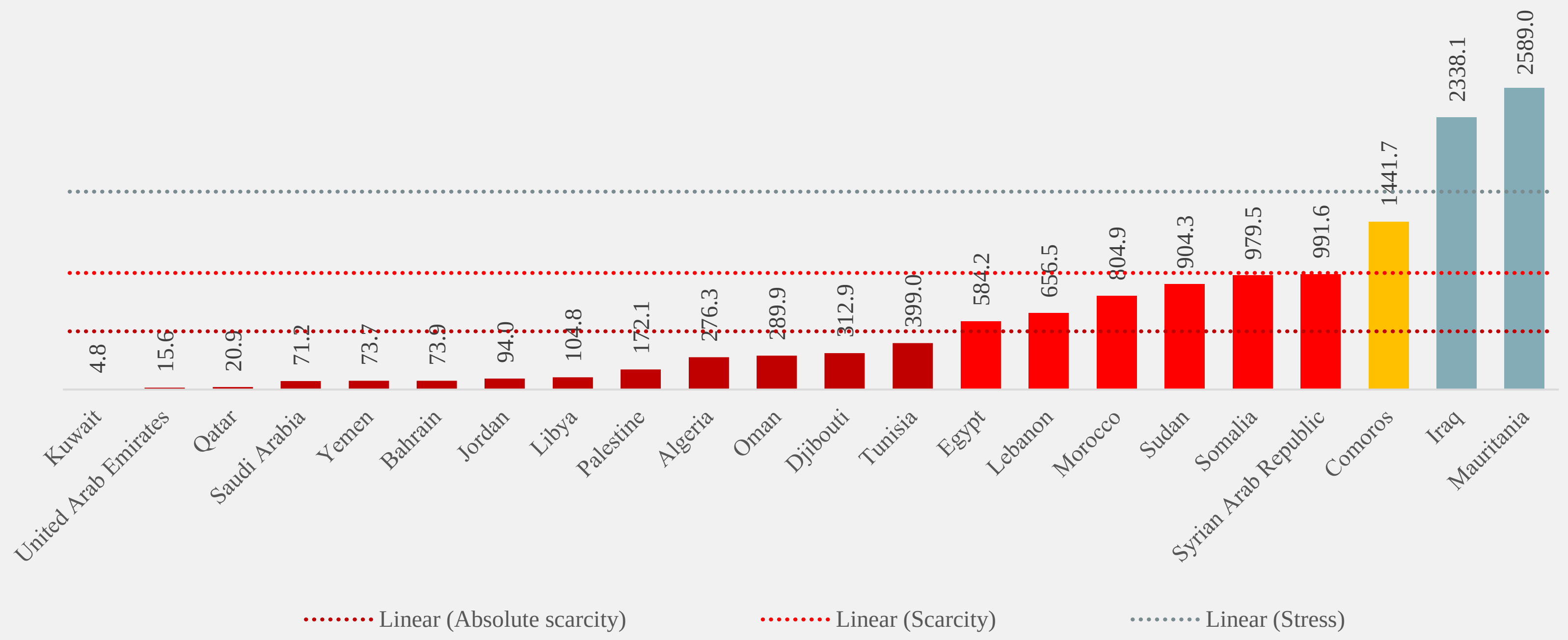
Population growth, land degradation and climate change are likely going to increase food trade dependency in the Arab Region

Trade-based FNS poses many risks but also opportunities to the Arab Region

Driving Factor: Population Growth

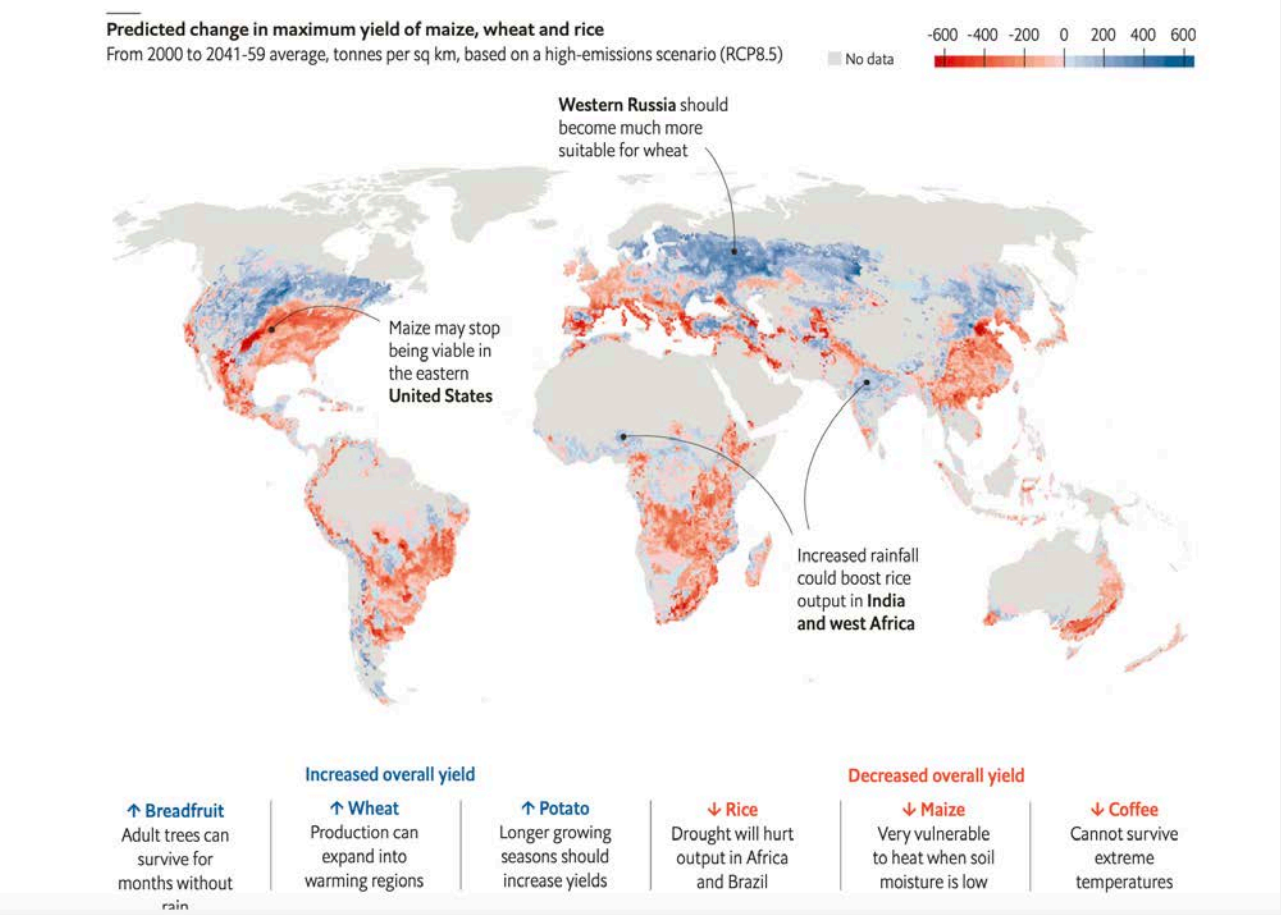


Driving Factor: Water Scarcity

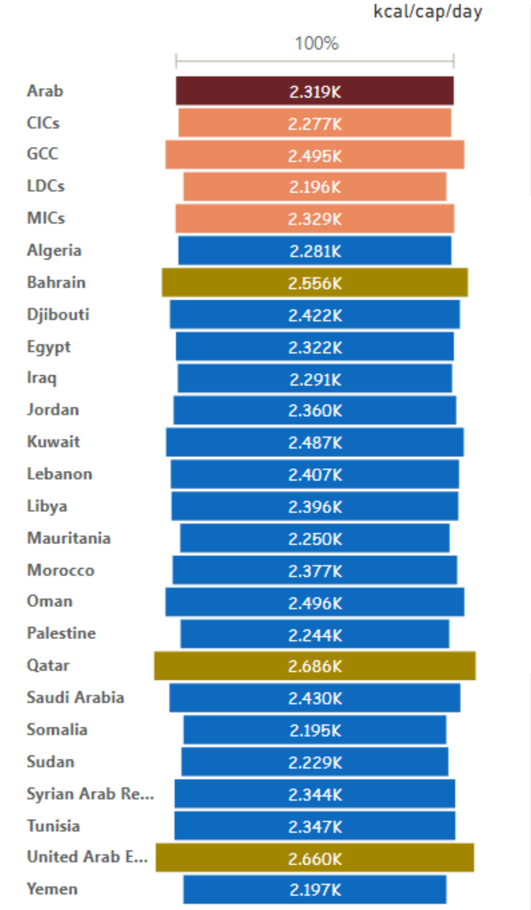


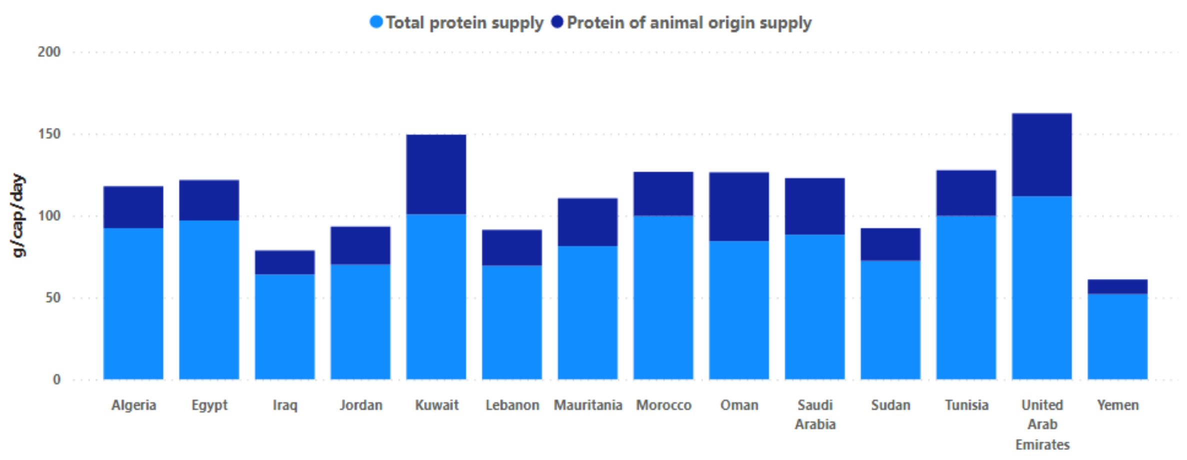
Driving Factor: Land Degradation

Driving Factor: Climate Change

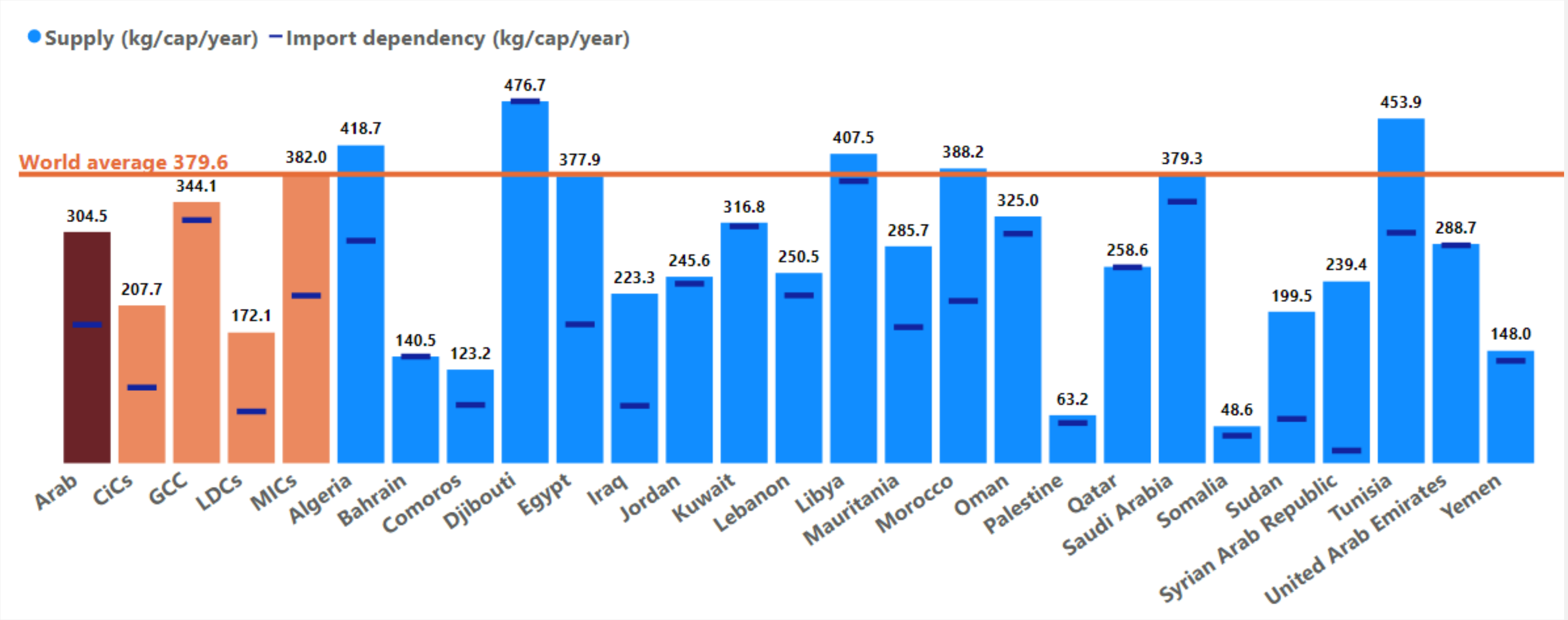


Daily Caloric Consumption and Protein Supply in the Arab Region

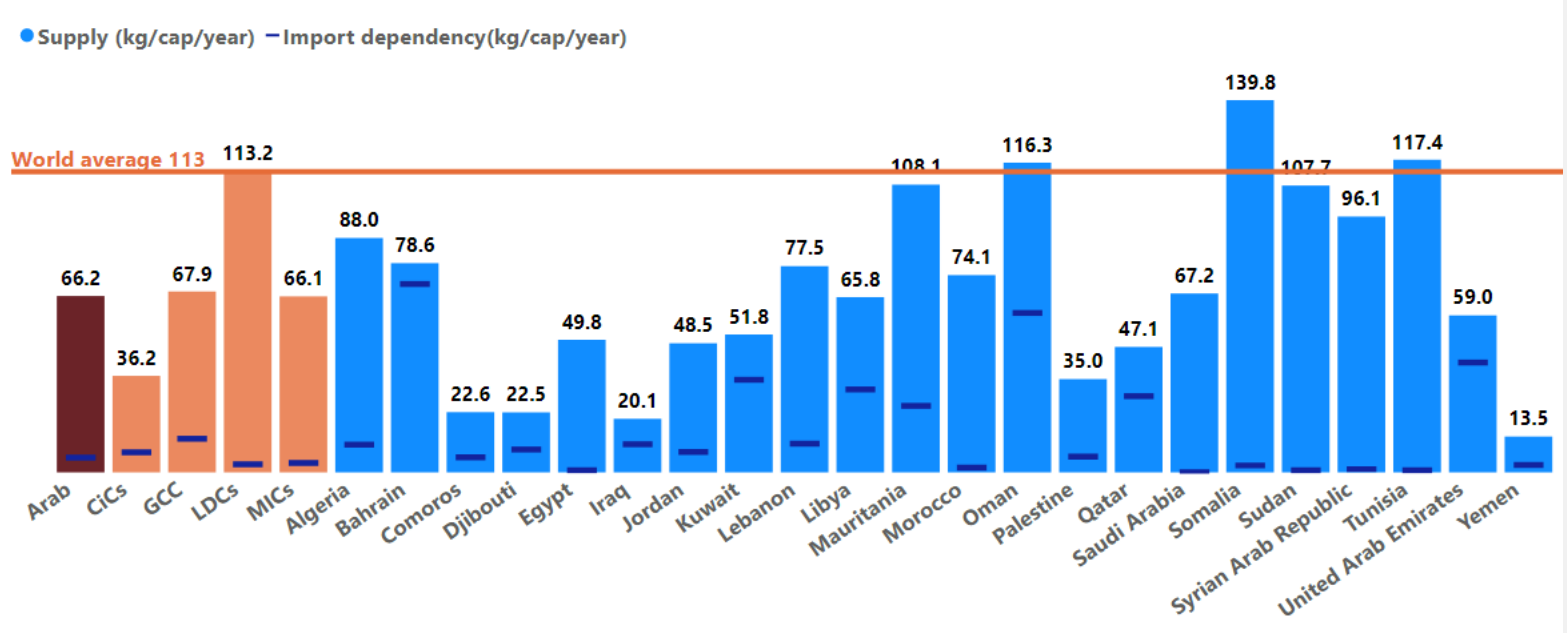




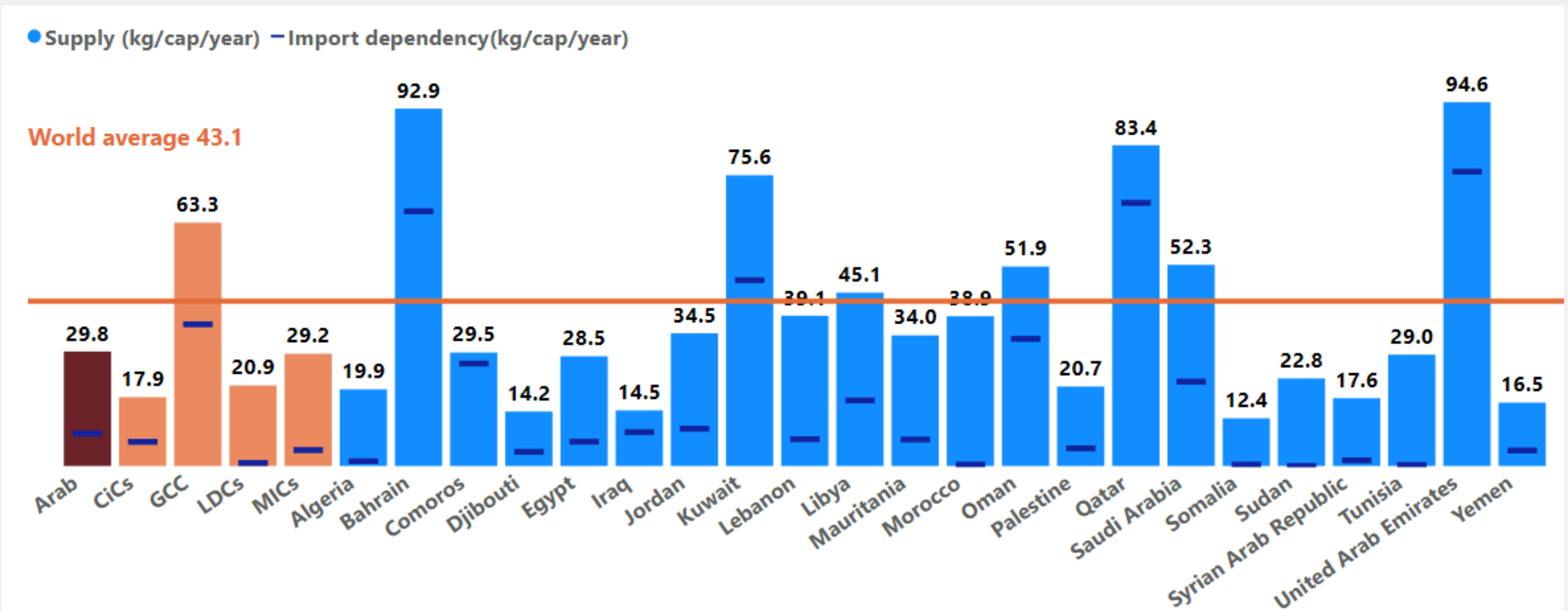
Cereal supply and import dependency



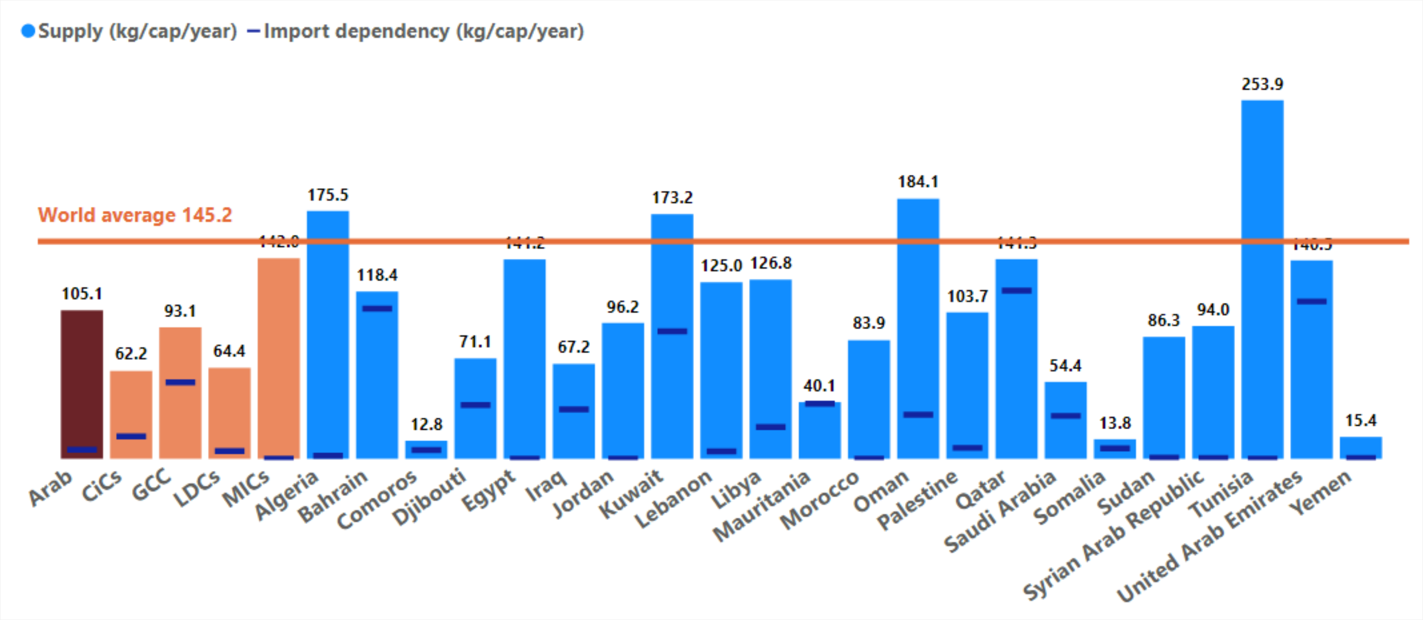
Milk supply and import dependency



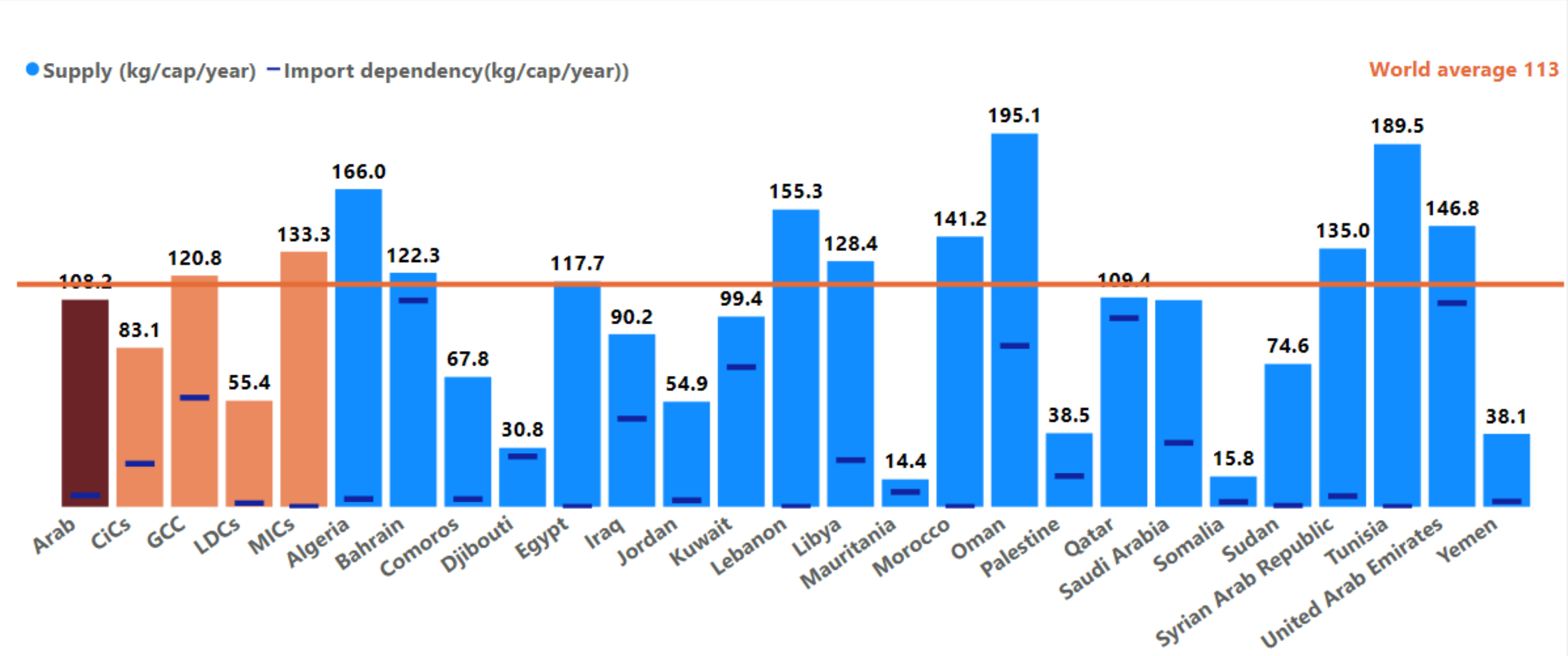
Meat supply and import dependency



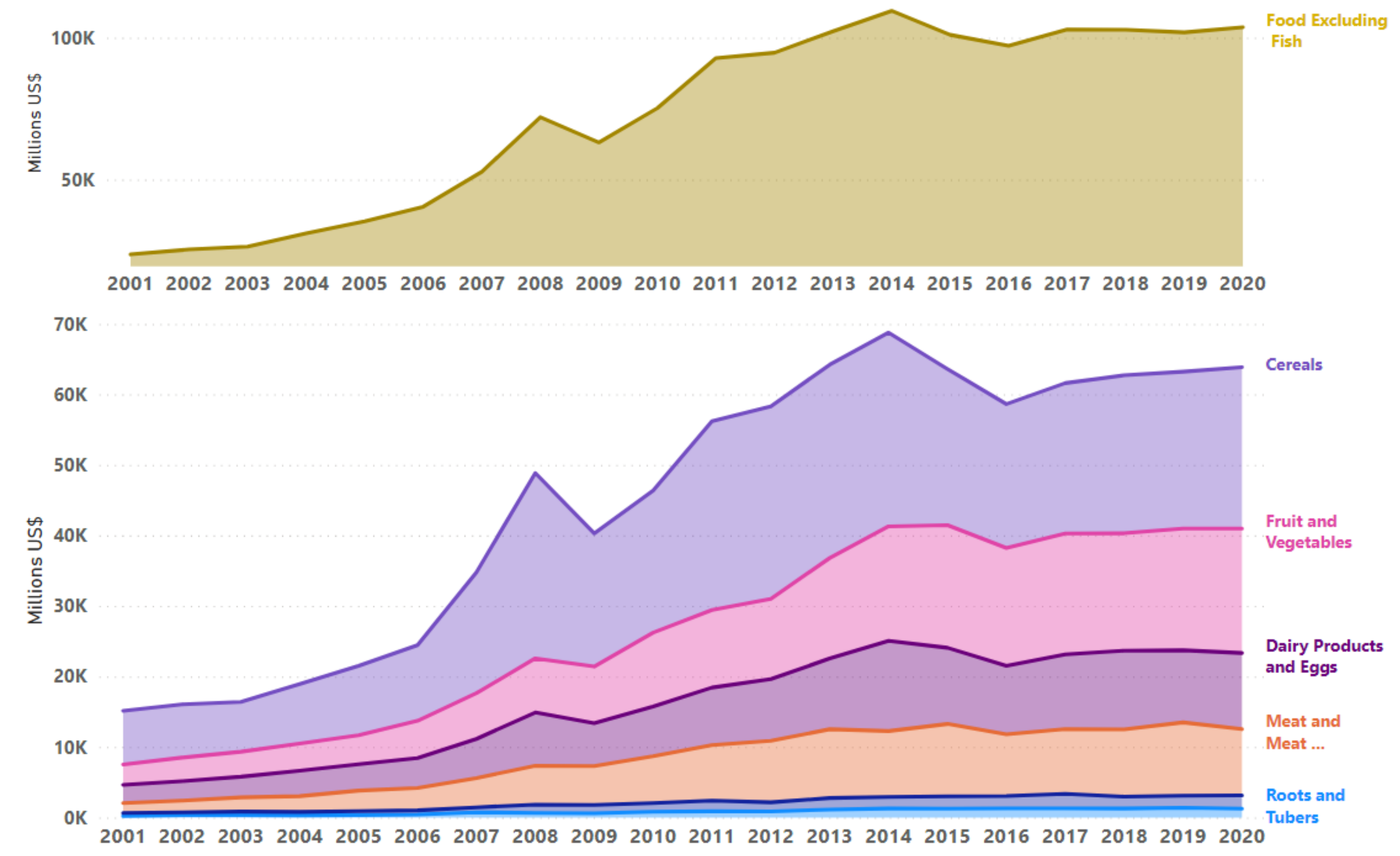
Vegetable supply and import dependency



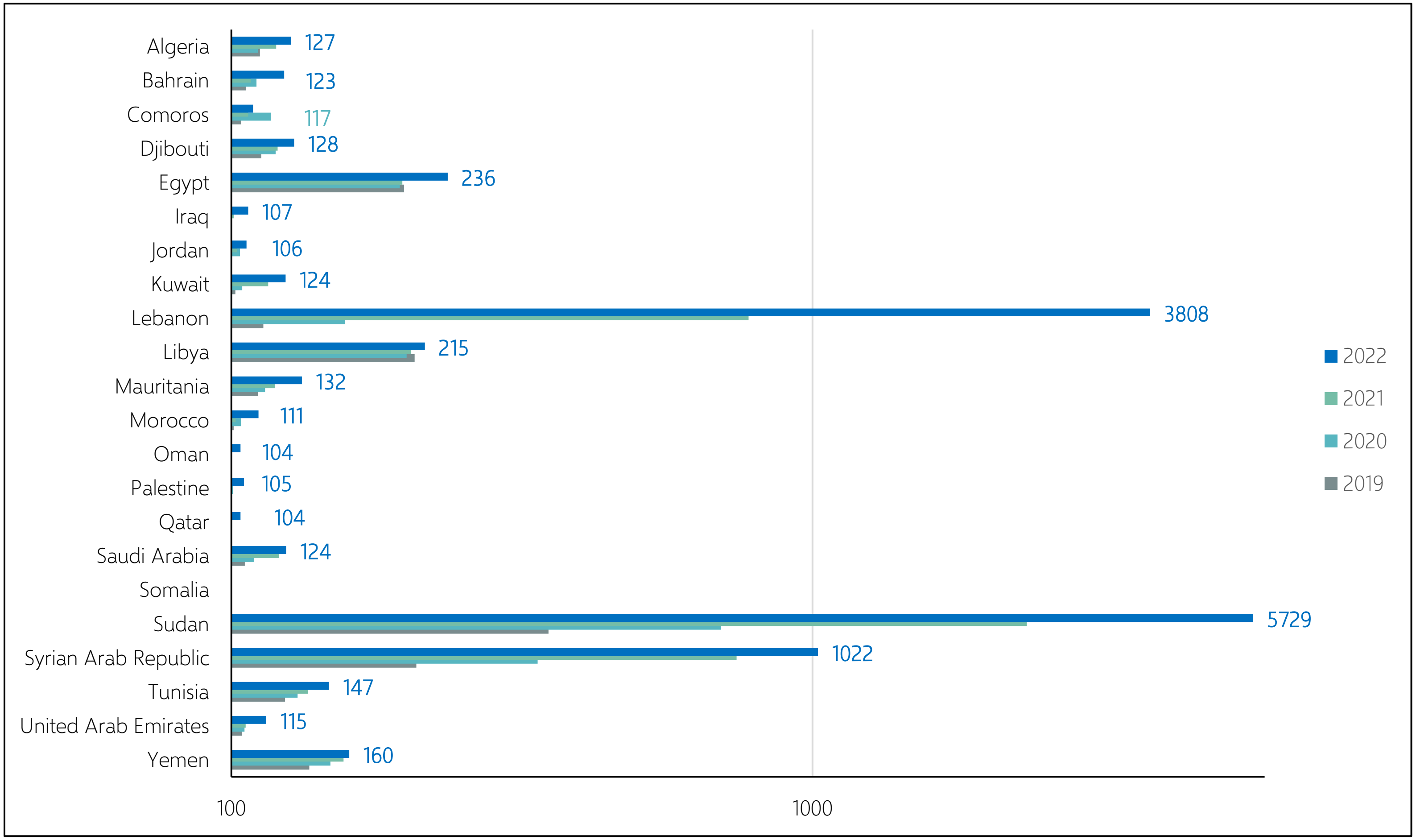
Fruit supply and import dependency



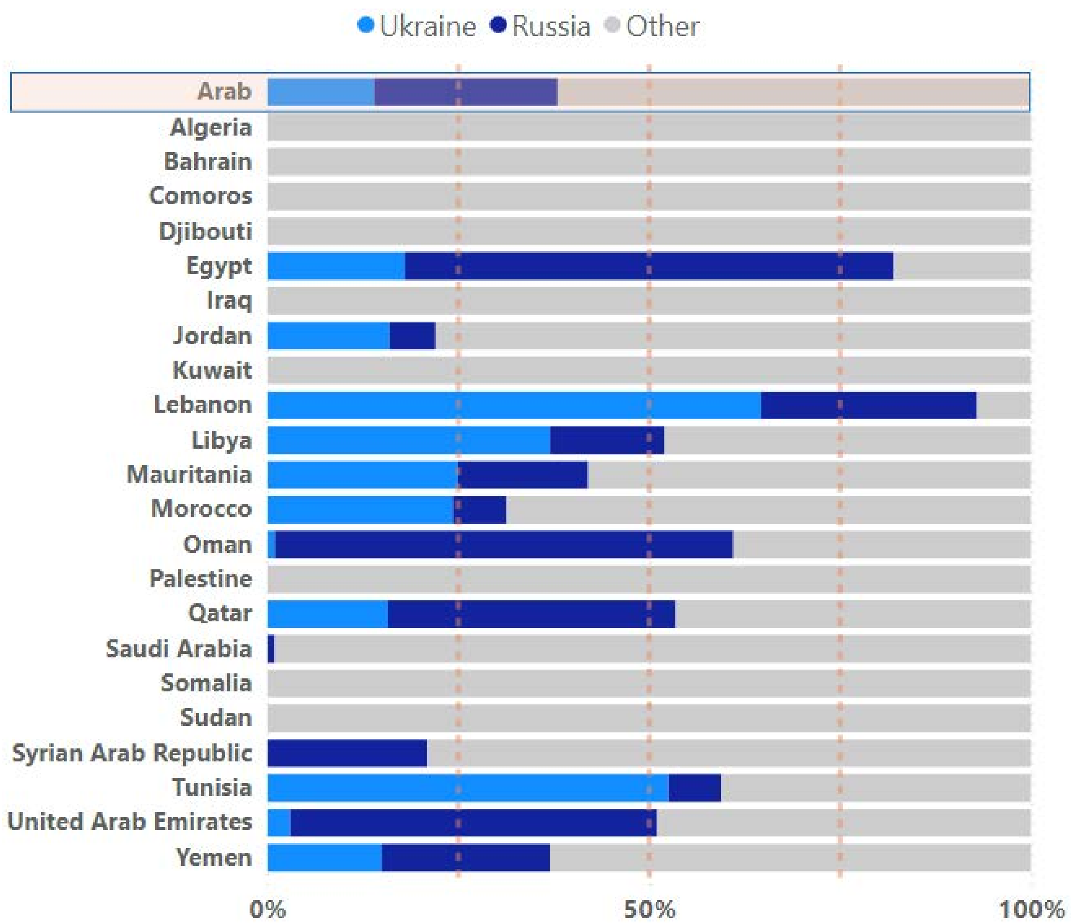
Food import value



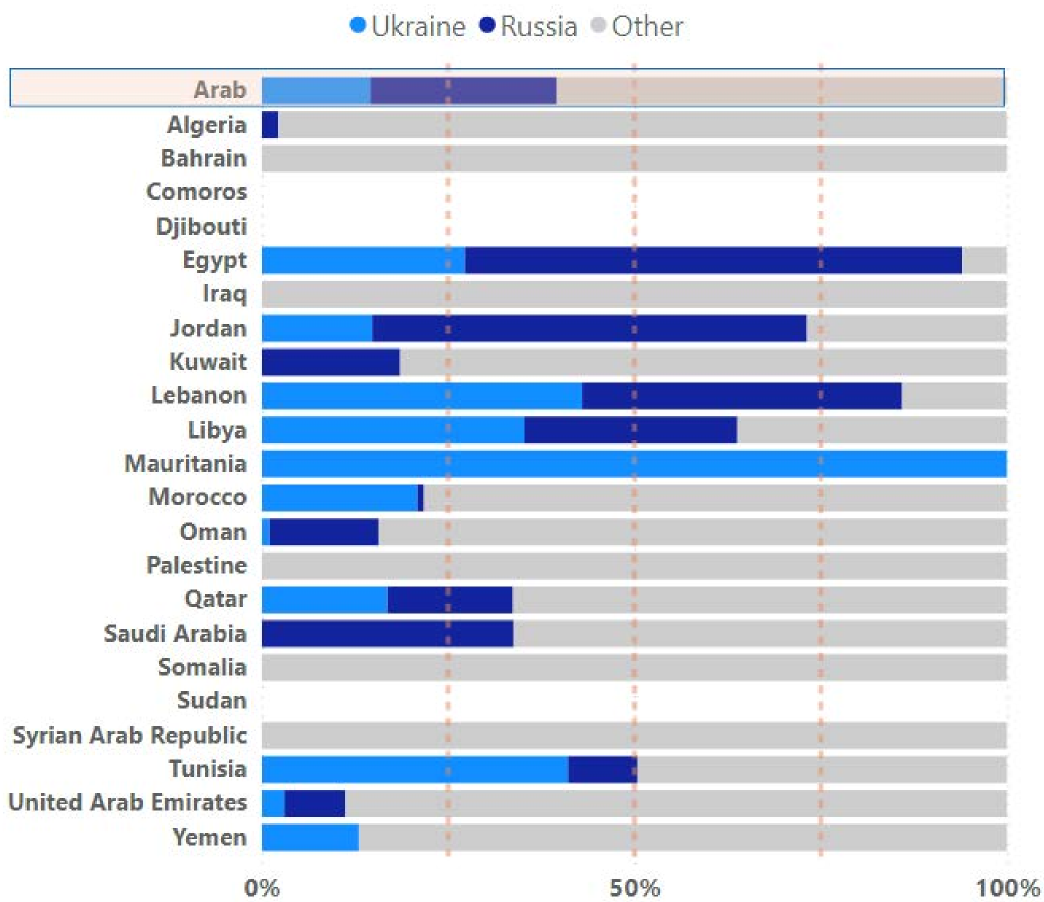
Food Price Developments since 2019



Trade vulnerability in practice (wheat)



Trade vulnerability in practice (barley)



How is trade governed in the Arab Region?

The Arab Region has been described as ”the last frontier” in globalised trade (Al Khouri, 2012).

Only 30% of WTO applicant countries were from the Arab Region and accession talks took considerably longer

Policy reforms mandated by WTO often deterred Arab governments

At the same time, the WTO has decreased in importance in recent years thanks to the advent of multilateral agreements between the EU, the US, China, Canada etc.

Preferential trade agreements

Instead, PTAs are much more common in the Arab Region with Arab countries trading with the US or the EU on a bilateral level

However, these agreements often only offer trading windows for Arab exporters through quotas

In addition, phytosanitary concerns over the safety of food commodities can significantly hamper trade under bilateral agreements

The Greater Arab Free Trade Agreement (GAFTA)

Since 2002, Arab governments have sought to create a free trade zone eliminating trade barriers between countries by 2008

17 countries signed up and GAFTA showed promising results inititially

However, the developments after the Arab Spring as well as food quality issues have not allowed GAFTA to use its full potential

Food Safety

Food safety remains a recurring problem in relation to trade

Increasing environmental pollution, corruption as well as sometimes inadequate agricultural practices such as pesticide and herbicide management have led to growing concerns over food quality standards

Food trade in the Arab Region: a SWOT analysis

Strengths Fruit and vegetable production capacities in key producer countries such as Egypt, Morocco, Syria, Lebanon, Algeria, and Tunisia; a growing population means increasing agricultural labour availability and potential new consumers; existing institutions such as GAFTA on the regional level to govern trade	**Weaknesses** High import-dependency of strategic cereals such as wheat and animal feed; low domestic protein production due to high import-dependencies on animal feed products; food safety is insufficiently regulated across the region impairing export opportunities for key producers; low integration of small farmers in export supply chains
Opportunities Increased protein supply through more production of low resource-intensive meats such as chicken and fish production to address micronutrient deficiencies; high income countries could produce more fruits and vegetables through technological innovations such as hydroponics; a changing trade landscape with more demand coming from within the region as well as Africa; a focus on traditional low-resources diets could improve food availability and nutrition outcomes for health.	**Threats** Increasing demand through population growth in key producer countries such as Egypt, Sudan, Iraq, Yemen, Somalia, and Mauritania may absorb more food within domestic markets; climate change will further add to uncertainty in key producer countries due to increasing natural resources scarcity such as water and fertile land; conflict and economic decline/currency devaluation may further impair the ability of countries trade food.

Recommendations

1) Pooling resources: act as an import trading bloc together with several Arab governments; increase joint emergency storage; revive Arab regional cooperation over food trade using existing institutions such as GAFTA.

2) Diversify import sources. 2022 has revealed the dangerous consequences of relying too much on one world region (the Black Sea region) to import key commodities; Oceania, Latin America, Central Asia, South Asia or East Asia also have significant export capacities. Also, trade with Sub-Sahara Africa could lead to significant opportunities in terms of fruit and vegetable exports.

Recommendations

3) Market traditional diets as they have a much lower water, land, biodiversity and carbon footprint compared to Western-style diets. Interestingly, the EAT-Lancet planetary health diet has striking similarities to the traditional Levantine diet.

4) Invest in food safety institutions and improve regional food safety standards. Institutions on food safety must be provided with enforcement authorities to enable good agricultural practices.

Thank You

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