



Food and Agriculture  
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SUSTAINABLE  
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GOALS

# The enabling role of trade for food security

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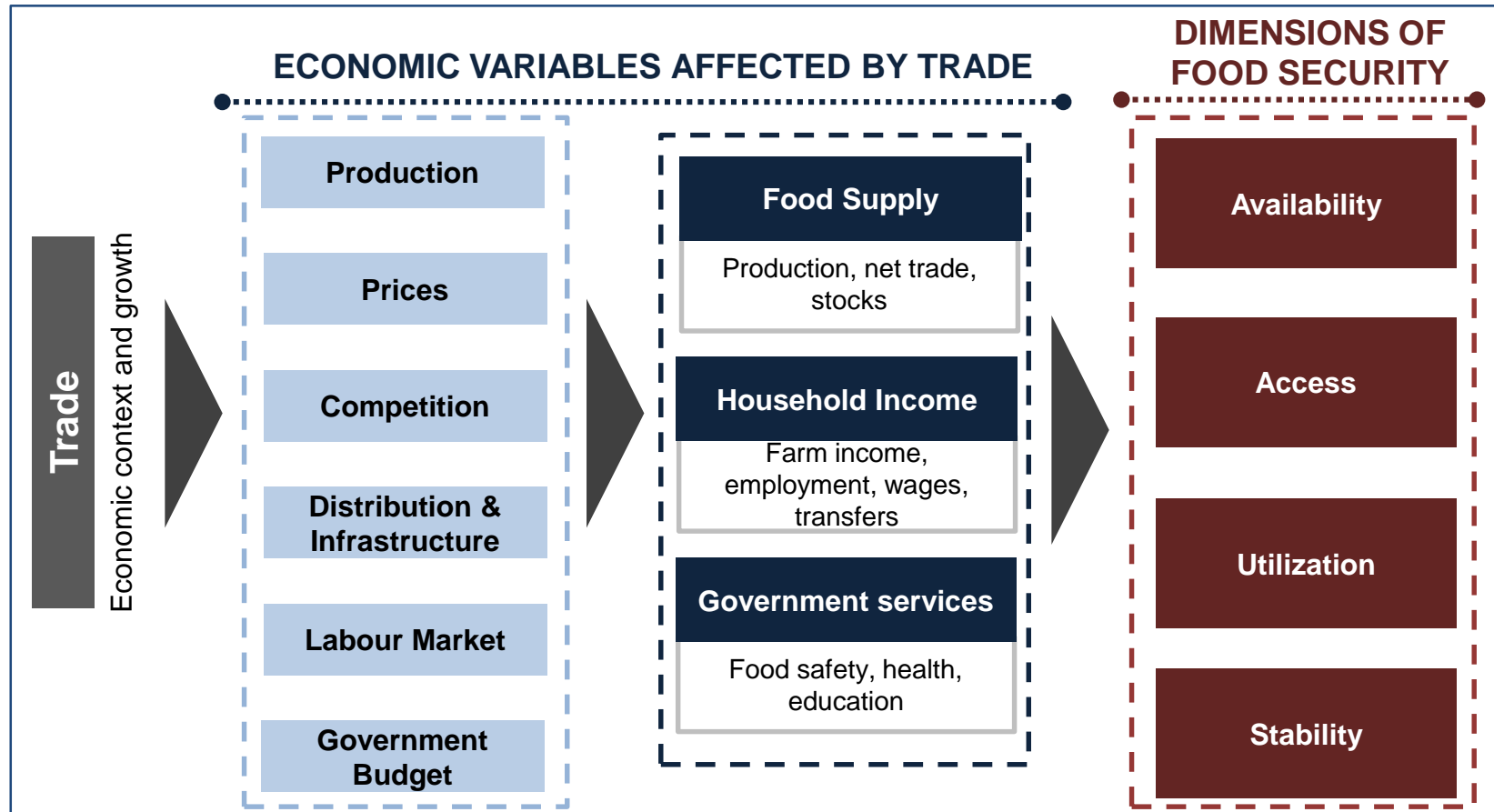


# CONTENT

- **Conceptual links between trade and food security**
- **The role of trade and associated challenges**
  - Import dependency
  - Non-tariff measures and costs of trade
  - Current trade agreements
- **Conclusions: possible policy priorities and actions**

# ROLE OF TRADE FOR FOOD SECURITY AND NUTRITION

The links between trade and food security are complex, with several channels of interaction affecting the different dimensions of food security simultaneously and with different short- and long-term impacts





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# THE ROLE OF TRADE AND ASSOCIATED CHALLENGES

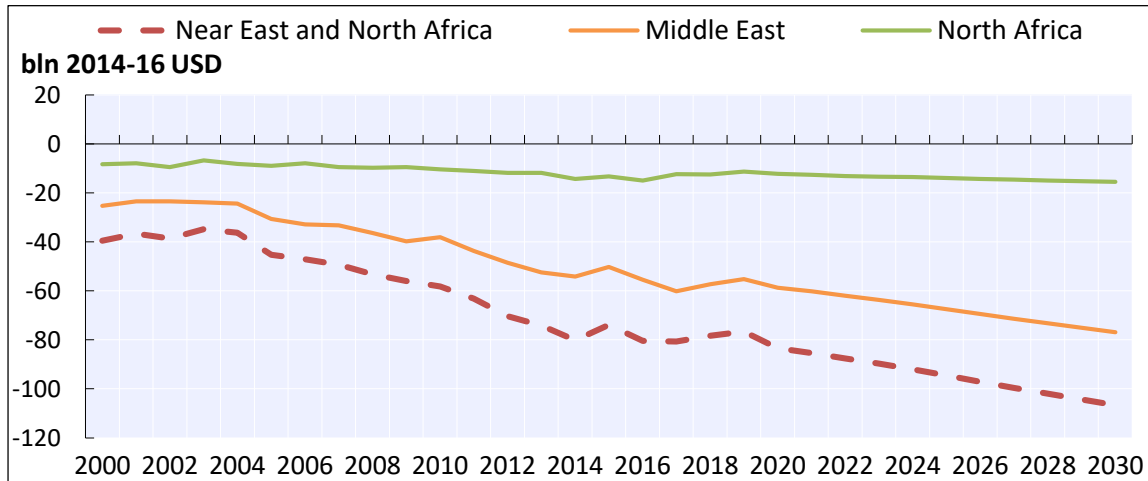
## RISING IMPORT DEPENDENCY FOR MOST COMMODITIES

Limited production potential implies higher import dependency. Particularly when concentrated in a few suppliers, import dependency exposes countries to weather, logistics and policy shocks

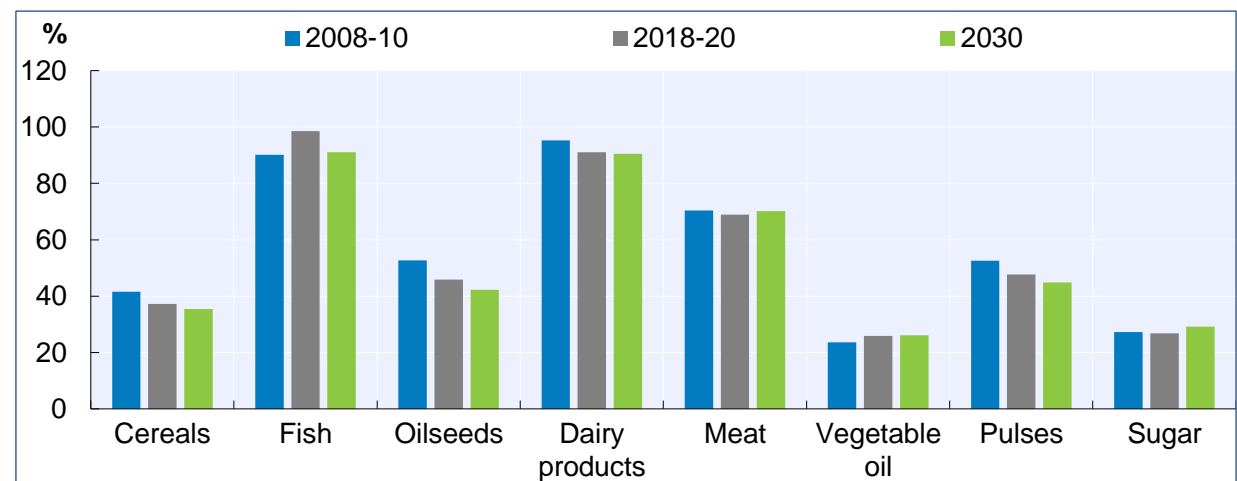
Over the next decade, NENA region is expected to become the largest net importer of food on a per capita basis, and second largest in absolute terms

Self-sufficiency ratios expected to continue their long-term decline for almost all commodities, except meat products, vegetable oil and sugar

### AGRICULTURAL TRADE BALANCES IN NENA



### SELF-SUFFICIENCY RATIOS, SELECTED COMMODITIES IN NENA





# THE ROLE OF TRADE AND ASSOCIATED CHALLENGES

## NON-TARIFF MEASURES AND THE COSTS OF TRADE

Non-tariff measures, such as sanitary and phytosanitary measures and tender specifications can have significant implications on food import prices

- Policies affecting imports can have significant implications for food prices
- Food safety requirements; principles of necessity and harmonization are important
- Application of sanitary and phytosanitary (SPS) measures, as well as import tender specifications can increase import costs and thus prices (e.g. wheat)

### EXAMPLE: WHEAT IMPORT SPECIFICATIONS AND PROCEDURES

- **Protein content requirements:** countries often blend imported wheat (with higher protein content), with domestic one to produce the flour needed for subsidized bread
- **Tender and supply planning:** the time between the closing of a bid and delivery start date (length of delivery window)
- **Payment terms and delays:** the time of payment (immediate vs. longer term since bill of landing date)
- **Phytosanitary risks and rejections:** lack of clarity in communication on pest risks



# TRADE AND FOOD SAFETY LINKAGES

## ENABLING ROLE OR BARRIER TO TRADE?

Standards and Regulations related to food safety play an important role in managing international trade

- The regulatory system, related to food safety, is quite diverse in the region. Some countries have very high standards while the others are still struggling to establish standards and regulatory mechanisms.
- Food safety requirements are diverting the trade and reducing intra-regional food trade potential.
- Some areas, such as use of treated water, still need development.

### Intra-Regional Trade in the Arab Region

- Lack of harmonization of food safety regulations and standards
- It may be easier to export to other regions due to mutual recognition of standards.
- Non-Tariff barriers are considered to be the most important challenge for intra-regional food trade.
- There is a little focus on food safety and related issues in the bilateral and regional trade agreements.
- Phytosanitary risks and rejections are common.



# THE ROLE OF TRADE AND ASSOCIATED CHALLENGES

## GROWING COMPLEXITY OF TRADE AGREEMENTS

Most countries in the region are Members of the WTO. Several regional integration efforts as well as bilateral agreements with partners outside the region contribute to “spaghetti bowl” phenomenon

### MULTILATERAL

#### WTO MEMBERS

Kuwait (1963)

Mauritania (1963)

Egypt (1970)

Morocco (1987)

Tunisia (1990)

Bahrain (1993)

Qatar (1994)

UAE (1994)

Jordan (2000)

Oman (2000)

Saudi Arabia (2005)

Yemen (2014)

#### WTO OBSERVERS

Algeria (1987)

Sudan (1994)

Lebanon (1999)

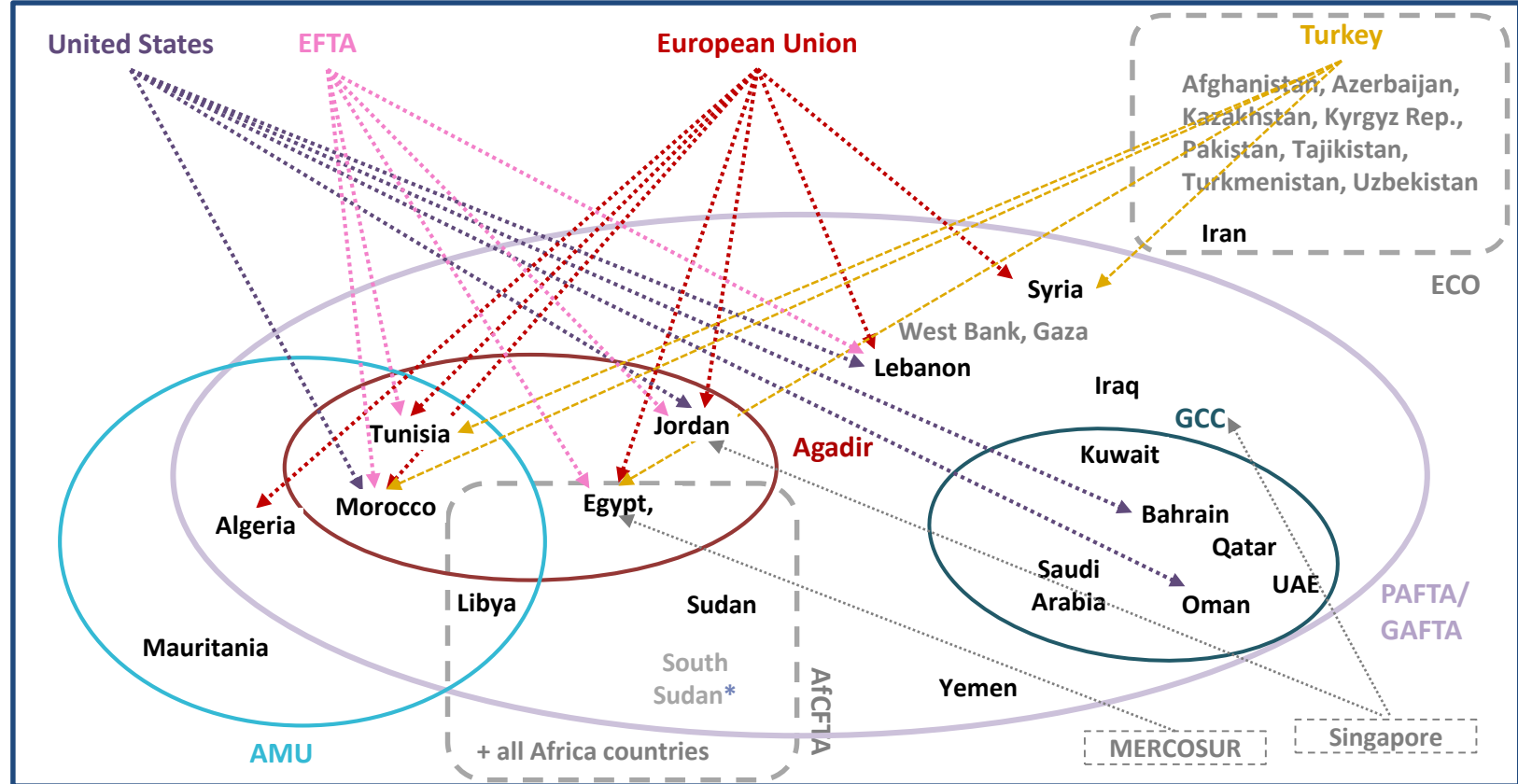
Iraq (2004)

Libya (2004)

Iran (2005)

Syria (2010)

### REGIONAL/ PREFERENTIAL



Source: Adapted from World Bank (2008); bilateral agreements between NENA countries, and ongoing negotiations not shown





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# POLICY PRIORITIES AND ACTIONS

## KEY CHALLENGES

- Diets with predominance of cereals
  - Policy focus on staples: government-controlled imports and subsidies to consumers
- High and growing import dependency
  - Concentration in sources of imports which exposes countries to weather, logistics and policy shocks
- Inefficiencies in the application of trade procedures, particularly food safety
  - High costs and time of trade

## POLICY PRIORITIES AND ACTIONS

- Promote dietary diversity by repurposing subsidies
  - Promoting imports to diversify food supply; self-sufficiency is not a feasible or desirable option
- Diversify sources of imports to reduce vulnerability to shocks in individual countries
  - Increase and diversify production using sustainable production practices
- Reduce the cost of imported food by greater transparency food safety and SPS measures
  - Promote trade facilitation – both on import and export side



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**THANK YOU  
FOR YOUR ATTENTION**

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