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IMPLICATIONS FOR THE SOUTHERN MEDITERRANEAN COUNTRIES OF THE SECOND ENLARGEMENT OF THE EUROPEAN COMMUNITY

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PREFACE

However desirable politically and, in the longer term, economically, the entry of Greece, Spain and Portugal will require some major adjustments by the European Community both in its internal policies and in its behaviour towards some of its trading partners. This paper concentrates on only one aspect of the impact of the second enlargement of the EEC: the effect on the countries of the Southern Mediterronean. In Community usage this definition covers the seven countries of the Arab Maghreb (Morocco, Algeria, Tunisia) and Mashreq (Egypt, Jordan, Syria, Lebanon) as well as Israel.

These are not the only countries which risk being affected by the enlargement. As can be seen from some of the tables contained in this document, other Mediterranean countries, such as Turkey, Cyprus and Malta are also involved. But their position is different from the South Mediterranean states. Turkey, for instance, is likely to become a candidate for full Community membership while Cyprus is seeking a Customs Union arrangement.

The Community's task in the coming months is to ensure that an unfair share of the cost of enlargement is not borne by any one of the different parties who are involved. The list of these is long: it includes EEC taxpayers, consumers and farmers; the candidate countries themselves; the Mediterranean states; and other third countries.

This paper sets out the problems and points to possible solutions for only one of these categories.

INTRODUCTION

The entry of Greece, Spain and Portugal will have less impact on worldwide economic relations than the first enlargement of the European Community, but it will have intense repercussions in the Mediterranean area.

Although preparations for enlargement have been under way for some time, only now are politicians and economists fully aware of the consequences of adding three Mediterranean countries to the nine-nation EEC. The impact of enlargement was previosuly cloaked in vague phrases : "shifting the Community's centre of gravity further south" was one particularly overworked metaphor.

Now the cost in terms of economic, commercial, social and political dislocation as well as money are more clearly understood. The negotiations with Spain have been the main catalyst in this process. They have shown the potential negative impact, unless adequate measures are taken, on the EEC's own Mediterranean regions in Southern France and Southern Italy as well as on the Community's trading partners on the southern seaboard.

The French bid to hold up the negotiations for Spanish entry has focussed public attention on the internal problems stemming from Spanish membership. For France, the main fear is that Spanish agricultural exports, particularly of fruit, vegetables and wine will win a larger share of the Community market at the expense of Southern French farmers with whom Spanish producers are in competition. The external impact and in particular the potential difficulties for the Southern Mediterranean countries which depend on the EEC as their principal trade outlet have been the subject of little public debate.

The negative impact risks affecting not only the traditional agricultural exports of these countries - fruit, vegetables, wine, olive oil - but also their manufactured goods produced for the EEC market, often with political and financial encouragement from the Community.

At present, these countries compete with Spain on the EEC market. They produce the same type of agricultural goods and their industrialisation is following the traditional pattern adopted earlier by Spain with the textile and clothing industries playing a particularly important role in this process. Spanish entry into the Community will secure privileged access for its goods, increasing at the same time in a significant manner the level of self-sufficiency for Mediterranean-type agricultural products. Spain however is in deficit for proteins and cereals for animal feed as is the EEC as a whole. Its membership will eccentuate this imbalance.

It was in 1972 that the Community began making a conscious effort to put its trade relations with the countries of the Mediterranean basin on a contractual footing. A series of cooperation agreements with the countries of the Arab Mashreq (Egypt, Syria, Jordan and the Lebanon) which came into effect in 1978 completed a web of bilateral deals between the nine-nation Community and all the states bordering the Mediterranean bar Libya and Albania, neither of whom sought links with the EEC.

The principal motivation for the EEC's Mediterranean policy at the outset were essentially political and strategic. The Mediterranean was seen as an EEC zone of influence of strategic importance on the exposed southern flank of the Atlantic Alliance where the Soviet Union had been increasing its naval presence. It was also a transit route for part of the EEC's oil supplies and lay close by areas of tension : the Arab-Israel conflict in the Middle East and the Greek-Turkish dispute over Cyprus.

The brutal rise in oil prices at the end of 1973 added a new dimension to the Community's Mediterranean policy. It became of prime importance to forge close links with the oil producing states, particularly the Arab countries of the Middle East and the South Mediterranean seaboard. The concern for security of supply of petroleum and other raw materials convinced those members of the Nine who still had doubts of the need to make an effort to conclude meaningful agreements with the Mashreq countries. These became part and parcel of the Community's bid to become the privileged interlocutor of the Arab states within the framework of Euro-Arab dialogue it had been seeking to set up since 1973.

The agreements with the individual Mediterranean countries differ in form and objectives, but they all contained common elements :

- duty free access to the EEC for their industrial goods
- preferential access for their main agricultural products within well-defined limits

- access to EEC development grants and loans
- renunciation by the Community of preferential access to the markets of developing countries in the Mediterranean area
- consultation mechanisms for expanding and improving the agreements and dealing with problems which might arise

Now the entry of Spain, Greece and Portugal will alter the balance created between the Community and its Mediterranean trading partners. The most direct impact will be a reduction in the EEC's import requirements for certain Mediterranean-type products and a growing protection against third countries whose productive structures resemble most closely those of the new entrants.

The most serious problems will be posed therefore for the South Mediterranean countries who are not major oil producers and whose exports to the Community include a large share of agricultural and manufactured goods.

The worst affected will be Morocco and Tunisia, followed to a lesser degree by Egypt and Israel (in addition to Turkey, Cyprus and Malta). The products most seriously affected in the agricultural sector risk being olive oil, tomatoes, wine, potatoes, citrus fruit as well as tinned tomatoes, tomato paste and sardines. In fact the 12-nation EEC will have more than 100% self-sufficiency for olive oil, wine and many types of fruit and vegetables. In the industrial sector, the problem areas will be essentially clothing and textiles and to a smaller degree footwear.

The problems arising from the enlargement of the Community from nine to 12 come at a time when there is already growing disenchantment among the Southern Mediterranean states concerning the real worth of their bilateral agreements with the EEC. They complain about the erosion of the limited advantages enjoyed in the farm sector and the so-called "self-limitation" agreements in textiles and clothing hoisted on them by the Community.

The EEC's credibility and standing, particularly in the Arab world, depends on how it handles this aspect of its second enlargement. As the EEC Commission itself recognises, "the Community can meet the challenge if it tackles with frankness the problems involved and if it can show courage and imagination, wisdom and a sense of responsibility".(1)

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(1) Draft Paper on entry negotiations with Spain (March 1980)

THE IMPORTANCE OF THE SOUTHERN MEDITERRANEAN FOR THE COMMUNITY

The eight countries of the Southern Mediterranean - Morocco, Algeria, Tunisia, Egypt, Jordan, Syria, Lebanon and Israel - account for a higher percentage of Community exports (6.6%) than the three candidate countries (5.8%) and about the same volume as the whole group of ACP countries together (nearly 16 billion Dollars).(1)

The Community has a comfortable trade surplus with each one (see Table 1) ranging from 382 million Dollars with Syria to 2,775 million Dollars with Algeria. This contrasts with the combined deficit of 13.3 billion Dollars which the Community had in its trade with the the main Arab oil producers, Saudi Arabia, Libya, Iraq, Kuwait and the United Arab Emirates.

The seven Maghreb and Mashreq countries in fact account for 16.5% of Community imports from the Arab League and 35% of EEC exports to the same group of countries. In other terms, the Community has been able to help offset its oil deficit with increased sales to the Southern Mediterranean states. This is a trend which is likely to continue in the future since the bulk of the population of the 21 Arab League states is concentrated in the Maghreb and Mashreq areas. The three Maghreb countries and Egypt have a combined population of 78.7 million people, 54% of the Arab League total (Table II). They are likely to represent a major outlet for EEC consumer goods as living standards there rise. Already the Southern Mediterranean countries (like the oil-producing states) are growing markets for exports of capital goods and transport equipment from the Nine.

If engineering products and transport equipment account for only 29% of EEC exports to Israel, the figure is significantly higher for the Maghreb countries where it varies between 44% and 50% (see Table III).

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(1) All figures in this section are for 1978 unless otherwise stated.

Given that the South Mediterranean countries already run large deficits with the Community, any fall in their export earnings from the Nine will incite them to look elsewhere for their imports. It is an established fact of international trade that countries who run up major deficits with one particular supplier turn to other sources. In addition, if the South Mediterranean states earn less money from exports overall, they would be able to buy fewer goods from the Community, even if they wanted to.

Such a reduction in imports of Community goods would have a major negative impact on the export industries of the Nine. The Community is far and away the biggest single trading partner for most of the South Mediterranean states, accounting for between one and two thirds of total imports of each of the eight (see Table I).

Already some of the countries concerned are looking around for other outlets for their products. The likeliest alternatives are Eastern Europe and the Arab countries of the Middle East. In 1978, Morocco signed a number of trade agreements with the Soviet Union which has now become a major importer of Moroccan phosphates and citrus products.

But at present these countries are tightly bound to the EEC market. A total of 59% of all Moroccan exports go to the Community and the corresponding figures are for Syria 48%, Egypt 43%, Algeria 37% and Israel 34% (Table I).

In future bargaining with the Community in order to maintain their positions in the EEC market after enlargement or to obtain compensation or alternative Community outlets, the Maghreb and Mashreq countries have therefore two cards to play. One is their role as major importers of EEC goods who contribute to offsetting the Nine's huge deficit with the oil-exporting Arab countries. They account for instance for only 2.7% of the Community's global imports but nearly twice as much (4.8%) of its exports (Table IV).

The second card is alignment with the oil producers. Although the Arab countries most seriously affected (Morocco, Tunisia and Egypt) are not major oil producers they can increase their leverage with the Nine if they succeed in obtaining the backing of the oil-rich states for their position. From their point of view, the Euro-Arab dialogue would seem the appropriate forum for adopting an overall Arab standpoint.

Besides being major importers of industrial goods from the Nine, the Arab countries of the Southern Mediterranean absorb some of the Community surplus cereals. A total of 6.6% of Egypt's imports from the Nine is made up of cereals and the corresponding figure for Algeria is 3.4%, for Tunisia 1.8% and for Morocco 1.7% (Table III). It is probably in the Community's interest to maintain this flow until the countries concerned reach a higher level of self-sufficiency, especially if the EEC seeks to develop a strategy of exchanging security of oil and raw materials supplies against long-term export contracts for EEC food products.

THE IMPACT OF ENLARGEMENT ON AGRICULTURAL EXPORTS OF THE SOUTH MEDITERRANEAN STATES

The entry of Greece and Portugal to the Community would do little to modify the basic elements of EEC agriculture. But Spanish membership will change the face of Community farming. It will increase:

- the area of usable agricultural land by 27%
- the area of irrigated farmland by 80%
- the active farm population by 28%
- the number of farming units by 30%

In general terms, Spanish membership will enlarge the farming sector in the Community by about one third both in terms of farmland area and the number of persons living on the land. However, Spanish membership will only increase the number of EEC consumers by 13% or 36 million people, whose per capita income is only 50% of the Community average.

An increase in the level of EEC agricultural self-sufficiency as such does not have much significance if the higher figure is arrived at by merely incorporating imports from candidate countries into the EEC's domestic production. But one can assume that if the dynamic effect of membership is to stimulate production of certain items by higher prices and better guarantee and support mechanisms than heretofore imports from third countries will be squeezed. In addition, in areas where the level of self-sufficiency exceeds 100%, subsidised exports of EEC surpluses will compete with those of other producers on world markets.

Given that Spanish prices for fruit and vegetables, olive oil and most wines are presently lower than in the Community and after membership will have to be gradually raised to EEC levels, the incentive of higher prices is likely to stimulate production. At the same time, fruit and vegetables do not benefit from a market support mechanism in Spain, so it is likely that the provision of one will also encourage production.

These are precisely those products for which Spain currently competes on the Community market with other Mediterranean suppliers but which after membership will pass inside the EEC's high-price protective system.

Not less than 88% of Spanish citrus exports go to the Community while the corresponding figure for wine is as high as 65%, despite the EEC's stringent quota systems (see Table V).

Tables VI and VII show in terms of value and volume the products from Mediterranean countries likely to be most seriously affected by EEC enlargement. These are citrus fruit, olive oil, new potatoes, tomatoes, wine and tinned fish. The impact on the individual Mediterranean countries differs widely. The biggest impact will be on Morocco who exported 237 million EUAs of the sensitive products listed in the above-mentioned tables in 1977. Israel followed with 189 million but of this more than 100 million was made up of grapefruit and fruit juices, items for which Spain is not a competitor. The level of self-sufficiency for citrus is also unlikely to be as high as for olive oil, tomatoes, potatoes and wine. Turkey and especially Cyprus are seriously hit too. Among the South Mediterranean states, Morocco and Tunisia are those with the widest range of agricultural exports which risk being negatively affected by Spanish membership of the Community. Their production has been geared to the EEC market and they risk experiencing difficulties in finding alternative outlets. This is particularly the case for olive oil. According to EEC Commission estimates,the 12-nation Community is likely to have a structural olive oil surplus of 200,000 tonnes, the equivalent of four times what Tunisia, its biggest single supplier, exported annually to the Nine in recent years. There is little international market for olive oil outside the Community. In addition, the adoption by Spain of free entry of oils and fats as in the present Community could reduce olive oil consumption in Spain from its present levels. Such a trend would add to the surplus amount to be disposed of. Major problems would arise for Tunisia unless some form of remedial action were taken.

Tables VIII to XI indicate the extent to which Spain dominates supplies to the Community of citrus fruit, wine, tomatoes and olive oil. Spain accounts for 47% of EEC imports of citrus fruit, against 18% for Israel and 11% for Morocco. It is also the biggest supplier of wine (39% of EEC imports) against 13% for Portugal, 9% for Yugoslavia, and 6% each for Greece, Algeria and Tunisia. Spanish domination of EEC tomato imports is even clearer: it supplies 68% of imports against 27% from Morocco,its main (and virtually only) competitor. Only in olive oil is Spanish supremacy questioned: Tunisia supplies 41% of the EEC's outside requirements against 28% from Greece and 18% from Spain.

The South Mediterranean countries have only a limited scope to find alternative markets for their traditional products or to convert to new ones. Tunisia, for example, has expanded sales of olive oil to neighbouring Libya, but this is far from offsetting any potential losses in the EEC market. Morocco has also expanded cereals and sugar beet production in recent years. "It is time to start feeding Moroccans instead of feeding Europeans" as one Moroccan opposition figure put it in a recent interview.(1) But land used for olive or citrus trees or vines is not necessarily adaptable to other types of cultures.

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(1) Mr OUALALOU, Deputy for Rabat and member of the USFP (Union Socialiste des Forces Populaires) in an interview published in Telex Mediterranean n° 85 of 21 December 1979.

THE IMPACT OF ENLARGEMENT ON INDUSTRIAL EXPORTS FROM THE SOUTH MEDITERRANEAN STATES

Although the share of agricultural products in the overall exports of South Mediterranean countries has in the main been falling in recent years, they have expanded their exports to the Community of manufactured industrial goods. This is particularly true in the textile and clothing sectors, where the South Mediterranean states have considerably built up their production capacities, often with European help in the form of financial aid, joint ventures with EEC firms or processing deals with Community companies who send them half-finished articles to be processed using cheaper labour in these countries than would be available in the Community. Footwear is another area where they have been expanding their capacities. But both textiles and footwear are sectors where the Community's domestic industry is in serious difficulties. Despite provisions to the contrary in their agreements with the Community, South Mediterranean states have been victims of EEC protectionism which, in order to safeguard its own employment levels and the viability of its companies, forced them to accept limits on their textile shipments to the Nine.

As can be seen from Table XII, the Community imports only a very small share of its total foreign supplies of textile and clothing from the countries of the Arab League. As far as clothing is concerned, the Arab states supply only 2% of EEC imports compared with 47% from other low-cost countries of the third world. Some Arab states feel the Community is making them pay for part of the damage done to the EEC's own textile industry by Asian and Far Eastern exporters. For many of them, the imposition of self-limitation accords indicates that as soon as it was put to the test, the Nine broke their commitment to duty free entry for their exports of industrial goods to the Community.

Table XIII shows the structure of exports from the Maghreb and Mashreq countries and Israel to the Community. The most diversified are those with no or only modest petroleum resources - Morocco, Tunisia and Israel. Textiles and clothing are important for these three countries, accounting for 33% of Tunisia's exports to the Nine, 11% in the case of Israel and 13% for Morocco. They are also important to a lesser degree for Egypt. Machinery appears as a major item in the exports to the Nine from Lebanon and Jordan, but the global exports of these countries to the Community are so small as to distort the figures.

The South Mediterranean textile producers fear, probably with some justification, that once Spain, Greece and Portugal, whose exports of textiles to the Community are also at present subject to limitations, pass to the other side of the barrier the protectionist pressures to cut back imports into the Community even further will grow.

Table XIV shows that despite the limits imposed by the Community on the three candidate countries their exports to the Nine have risen faster recently than those from low-cost developing countries. Their share of total textile exports to the EEC rose from 13% in 1977 to 16% the following year. This is an increase of 32%, compared with only 8% for the Community's global imports.

This trend is even more pronounced for the category of highly sensitive textile products where the Community is trying to keep import rises to a minimum. Spain's exports to the EEC rose by 13%, those of Greece by 21% and those of Portugal by 38%. These figures are to be compared with an average increase of imports from low-cost countries as a whole of only 3.4%

The Community has not negotiated self-limitation agreements on textile exports to the Nine from Lebanon, Jordan, Syria, Algeria and Israel because the volume of their exports were too low to pose a threat to the EEC textile industry. In addition, Israel's production costs are almost on a level with those of Community producers and its exports are generally of high-priced quality items.

The footwear industries of the South Mediterranean countries have only a very modest share of the Community market. But it is likely that major footwear producers like Spain and Portugal will add their voices to those of Italy and France to prevent these exports from growing in the future.

Exports to the EEC by the nascent machinery and transport equipment sectors in the Arab Mediterranean countries and Israel are also minimal. These produce essentially for the domestic market. Typical examples are the FIAT investments in Egypt and the start-up of car assembly by Citroen in Morocco where the French group plans to invest an initial 12 million Dollars. But difficulties could arise when these industries start turning to export markets. The Citroen agreement with the Moroccan authorities requires it to re-export from 1983 60% of the units assembled in the country.

This could pose considerable problems for the Moroccan industry if the present slow-down in sales in Europe and North America leads to keener competition on export markets and pressure to limit imports into the Community. Spain is already poised for a major expansion of its automobile production capacities and is likely to overtake Britain and Italy to become the third biggest automaker in Europe after West Germany and France by 1984.

The entry of Greece, Spain and Portugal into the Community could however have a positive effect on exports of manufactured products in two respects. The dynamic effect of membership on the candidate countries is difficult to assess in the present economic situation, but it could lead to an acceleration of internal demand in the new member states and an increase in their import potential.

At the same time, the requirement for the candidate states to accept the Community's trade concessions towards developing countries in the framework of the cooperation agreements with the South Mediterranean states and the Generalised System of Preferences (GSP) could give improved access to their manufactured goods in these markets which have been virtually closed to them hitherto.

If both these possibilities exist on paper, it remains to be seen whether the open market pressures in the enlarged Community and particularly in the new Member States will be strong enough to translate them into practice.

THE CHOICE OF POSSIBLE SOLUTIONS

It is clear that the solutions to the problems facing the South Mediterranean states arising from the entry of Greece, Spain and Portugal into the European Community cannot be found solely in the framework of their cooperation agreements with the EEC.

The Community itself, by constructive adjustments to its internal policies and by closer commercial, financial and technical cooperation with the countries concerned, must take the initiative to ensure that the second enlargement is not brought about at the expense of worsening relations with the South Mediterranean states, and via them with its major oil suppliers. It is clear that a diminution of Community influence in the area would be offset by a corresponding rise in the influence of other ,rival,powers.

Such a development would have potentially important strategic implications for the Community and for the whole of the western world. It is therefore in the interests of Western Europe and North America that the enlargement cements relations between the candidate countries and the existing members of the EEC without damaging relations between Western Europe and its South Mediterranean neighbours.

It is probably in the strategic interests of the United States, for instance, to forego some of the short-term commercial advantages accruing to it through EEC enlargement through large-scale sales of vegetable oils and fats and animal fodder in order to secure this objective. Efforts to bring the U.S. authorities round to this way of thinking have proved fruitless so far. Washington has rejected until now suggestions that the enlarged EEC protect its olive oil producers (and by extention its Southern Mediterranean suppliers) against cheaper (American) imported alternatives.

Whatever the interest for the West as a whole in the enlargement process, the brunt of the adjustment burden has to be borne by the Community itself. It is clear that the impact of Greek, Spanish and Portuguese entry into the EEC will not be felt overnight and the EEC must ensure between now and the accession of the new members, particularly Spain, and in the transition period ensuing immediately after entry that realistic steps are taken to eliminate areas of conflict.

Theoretical solutions abound but many of them stand little chance of implementation in the current, and foreseeable, economic climate. It is unrealistic to suggest that the industrialised nations, not only the EEC but also the United States and Japan, can rapidly abandon whole intermediate technology sectors of industry to the candidate countries and the developing nations of the Third World. Clearly a new international division of labour is emerging, but the pace of this evolution cannot be forced. The industrialised countries are developing high-technology sectors but these are capital intensive areas and offer only a limited solution to their mounting unemployment problems. It is equally unlikely that Spain, where the official unemployment level exceeds 10% of the workforce, will do anything to facilitate imports of products that compete with its own industries.

Nor is money alone, in the proportions that it is presently available, enough to solve the problems of enlargement. The Community is committed to a financial aid programme for the eight South Mediterranean countries for the period 1977-1981 totalling 669 million EUA's (see table XV). A new programme will be needed when the present one runs out. Moreover, the EEC Commission estimates that the Community budget will require an additional one billion EUA a year just to dispose of the olive oil surplus created by Greece and Spain unless alternatives can be found.

The only suggestion it has considered seriously so far is to tax cheap imports into the community of competing vegetable oil and fats. The effect of this would be to transfer the cost of disposing of the olive oil surplus from the EEC taxpayer who finances the Community budget to the consumer who would pay more for his margarine and cooking oil, while at the same time reducing imports from outside suppliers who, besides the United States, also include Third World countries like Senegal and Brazil.

As enlargement clearly has a price, the most realistic approach is to spread the cost as evenly and fairly as possible amongst all the parties involved.

In the agricultural sector, the entry of three Mediterranean states will accentuate further the existing imbalances. The deficit for protein products and maize for animal fodder will increase, while the enlarged EEC will move into clear surplus for Mediterranean-type products. One consequence of this will be to increase the already growing pressures inside the Community for a deep-going reform of the Common Agricultural Policy. Initially conceived for a Community which comprised its six founding members, its contradictions in a Community of 12 are too blatant to continue unchecked. But efforts to adapt EEC agricultural policies to take account of enlargement are almost bound to get caught up in the new wave of pressure for CAP reform that has followed the ending of the budget dispute which set Britain against its eight Community partners for 12 months until June 1980.

Even while awaiting CAP reform it is evident that the Community must avoid any action that might directly or indirectly limit consumption of Mediterranean products, particularly of olive oil, fruit and vegetables and wine, that would worsen an already serious situation.

Commission experts believe a number of ad hoc measures could be taken in the context of enlargement to prevent a serious fall in the Community's imports of agricultural goods from the Southern Mediterranean countries.

These include the tax on imported oils and fats already referred to, the application of strict quality controls for wine and the limitation of new vine plantings, a limit in the EEC support mechanisms for Community manufacturers of processed agricultural products. In addition, the Commission would like to see a cut in the level of subsidies paid to glasshouse fruit and vegetable producers in the Northern part of the Community, particularly Holland, to help offset high energy costs. At the same time, the Commission proposes a reduction in the minimum import price (the socalled reference price) which foreign suppliers have to observe. A supplementary measure that could boost wine consumption in the EEC would be to force certain countries, particularly Britain ,to reduce the tax currently levied on wine imports but not on beer.

As these adjustments in themselves will not necessarly avoid a sharp reduction in imports of the products from the South Mediterranean countries, the Community should be ready to use other instruments in the commercial, economic and financial field to prevent export earnings from falling.

One possiblity would be to treat certain products, like Tunisian olive oil and Moroccan tomatoes as if they were part of domestic EEC production, in the same way as the Community extends its guaranteed price system to sugar produced by the ACP states linked to the Community by the Lome convention.

Another would be to set up a system of export earnings stabilisation like the STABEX scheme operated by the Community to offset shortfalls in the earnings of ACP countries from exports of certain agricultural items. This would at least ensure that the Southern Mediterranean countries would be guaranteed a certain revenue from the Community even if there was a real fall in shipments for the products coverd by the scheme.

One recent estimate (1) puts the extra cost for the budget of extending EEC support to these items from the South Mediterranean countries at an additional 80 million EUA a year but the actual figure is likely to be higher.

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(1) Deutsches Institut für Entwicklungspolitik : Europäische Gemeinschaft und südeuropäische Beitrittsländer (Berlin 1978).

One positive element that should help the adjustment process is that full integration between the present Nine and the three new members of the Community is still at least 10 years away. The earliest date for Spanish entry is now believed to be 1984 and if one adds to this a transitional period that allows adjustments to be made after membership of seven to 10 years as proposed by the Commission, the full impact of enlargement will not have filtered through until 1991 at the earliest.

On the industrial front, the Community as the biggest single trading unit in the world has to be committed more than any other country or grouping to maintaining an open system of international trade as far as is possible. The Community's Common Customs Tariff (CCT) is on average the lowest in the world.

The limitation accords which the EEC has concluded with some South Mediterranean countries to hold down the growth of their textile exports to the Nine are in principle temporary arrangements. They run out in 1981 but there is little doubt among experts that they will be renewed for a further period thereafter. It is already likely that the Community will act during these renewal negotiations as if the candidate countries were already members. The upshot will probably be the emergence of even more restrictive policies than presently applied.

The Community could try to maintain the EEC market share for certain products from the South Mediterranean countries. But if these are typical developing country products like textiles and footwear, their market share could only be maintained by reducing that of other categories of developing countries. Thus, if the candidate countries, the South Mediterranean states and the rest of the Third World are considered as three distinct groupings, one can favour number one to the detriment of the other two, or alternatively one can favour the first two to the detriment of the third. This merely shifts the burden of enlargement onto another group of countries without bringing the problems any nearer a more global solution.

One obvious course of action is for the Community to step up considerably its industrial and technical cooperation with the South Mediterranean countries.

Community financial aid should be coupled with the transfer of technology to enable these countries to develop those sectors of their industry for which there is a major home demand or which are not likely to become candidates for crisis in the foreseeable future.

Financial aid in the farm sector should be equally concentrated on projects which help the conversion of farming in the individual countries away from products for which it has to compete with the candidate countries for access to the Community market.

It is also important that the Community live up to its commitments given to its Southern Mediterranean partners to hold regular consultations with them in parallel with the entry negotiations with the candidate countries themselves. The desire for such consultations has been repeatedly expressed by the South Mediterranean countries themselves and has been taken on board by the EEC Commission. But it remains to be seen to what extent the Nine themselves can accept this principle.

CONCLUSIONS

No matter how hard the Community tries, there is no magic formula for enlargement that will enable the three candidate countries to enter the EEC without sending shock waves in many directions. One major difficulty is that in the present economic situation the leaders of the Community and its member states are unable to plan and implement an overall strategy for the new enlargement. They are far too preoccupied with short-term priorities to devote enough time to this sort of planning.

All the parties involved in the enlargement (and some which are only marginally concerned or not at all) will be called upon to pay part of the price for enlargement. The South Mediterranean states cannot expect to escape from this process altogether. At the end of the day, the likeliest scenario is for the Community to go ahead with enlargement with relatively minor changes to the CAP which may or may not affect farmers in the present members and the candidates. At the same time the straight financial cost of running the Community will rise as Spanish agricultural products come within the framework of the CAP. Costs will rise even further if the EEC applies a price support system to the South Mediterranean countries along the lines of the sugar protocoll or the STABEX system run on behalf of the developing countries which are linked to the Community through the Lome trade and aid convention.

The creation of such a system in the agricultural sector or a similar arrangement to maintain privileged access for South Mediterranean textile exports would go a long way to solve the problems posed for them as a result of enlargement. But they would do so only at the expense of other less favoured developing countries, who do not have the same political or raw material leverage as the Arab states. The Third World countries whose interests are least likely to be taken into account would be those who lack effective means of political or economic retaliation against the Community.

The benefits from privileged access to the markets of the European Community, granted to the Southern Mediterranean Countries under various preferential agreements, have progressively eroded over the past ten years (1). In the period following the first enlargement, the Community had granted similar preferences to a growing number of developing countries. This liberal attitude both reflected the economic interest of certain Member States and the Community's desire to contribute to the political stability of the Third World as a whole. Indeed, it would have been difficult for the EEC not to respond favourably to the demands for increased cooperation requested by all sides. As the Community itself is confronted with growing economic problems and since the North-South dialogue between industrialised and developing countries has reached the present deadlock, the limits of a global approach to cooperation with the Third World have become more and more apparent. Faced with the present economic and geo-strategic challenges, the Community will doubtlessly be induced to concentrate its efforts on a regional basis, with the oil-exporting countries on the one side, and the African countries, exporters of raw materials, on the other.

The Arab countries of the South Mediterranean are aware that their trump card could be their association with the major oil producers in the framework of the Arab League. It is a weapon to which the Nine are particularly vulnerable and which should therefore ensure that the impact of enlargement on the South Mediterranean states will not be as negative as some people believe.

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(1) The same does, incidentally, apply to the ACP.

STATISTICAL TABLES

TABLE I TRADE OF SOUTH MEDITERRANEAN COUNTRIES WITH THE EEC IN TERMS OF VALUE AND AS A PERCENTAGE OF THEIR TOTAL TRADE (1978)

Million $

	Exports to 9		Imports from 9		Deficits
	Value	% of total trade	Value	% of total trade	
Egypt	1,135.6	42.7	2,559.6	38.8	1,424.0
Algeria	2,328.5	37.3	5,103.5	65.1	2,775.0
Morocco	991.7	59.0	1,878.9	51.4	887.2
Syria	518.9	47.8	901.3	35.4	382.4
Lebanon	41.3	5.1	847.1	39.1	805.8
Jordan	8.4	3.0	529.0	34.6	520.6
Israel	1,338.2	34.2	2,434.3	34.2	1,096.1
Tunisia	762.8	ND	1,633.5	ND	870.7
Cyprus	168.3	ND	422.3	ND	254.0
Malta	258.8	ND	438.2	ND	179.5

Source : IMF - Direction of Trade (1979).

TABLE II POPULATION OF THE ARAB LEAGUE

Estimated pop. 1976

	'000s	%
Arab League	145,550	100
Egypt	37,866	26.0
Tunisia	5,737	3.9
Algeria	17,304	11.9
Morocco	17,828	12.2
Sub. Total	78,735	54.1

Source : WHO - World Health Statistics 1979.

TABLE III

STRUCTURE OF TRADE BETWEEN EEC AND ITS PRINCIPAL SOUTH MEDITERRANEAN TRADING PARTNERS (1978)

	EXPORTS TO EEC (in %)					IMPORTS FROM EEC (in %)				
	Morocco	Algeria	Tunisia	Egypt	Israel	Morocco	Algeria	Tunisia	Egypt	Israel
Fruit and veg.	33.3	0.8	4.8	2.2	26.1	0.4	0.6	0.4	-	0.2
Cereals	-	-	-	-	-	1.7	3.4	1.8	6.6	0.3
Manufactures (less textiles)	9.4	1.1	2.6	4.3	27.9	20.3	22.9	17.2	10.9	36.8
Min. fuels & non-food raw materials	27.4	94.9	33.1	79.2	12.6	2.4	4.1	3.9	2.9	2.0
Engineering & transport equipment	1.5	-	2.6	-	4.1	46.8	49.2	44.5	49.6	29.1
Textiles & clothing	13.0	0.1	32.9	8.7**	11.2	2.0	4.5	12.5	2.0	4.2
Other	28.4	3.0	24.0*	5.6	18.1	28.4	15.3	19.7	28.0	27.4
Total	100	100	100	100	100	100	100	100	100	100

* of which 7.4% is olive oil.
** including cotton

Source : Eurostat

TABLE IV

COMMUNITY TRADE WITH MASHREQ & MAGHREB COUNTRIES AS A SHARE OF TOTAL EEC EXPORTS AND IMPORTS (1978)

	Share of total EEC imports (%)	Share of total EEC exports (%)
Egypt	0.5	1.1
Morocco	0.5	0.8
Algeria	1.1	2.1
Jordan	-	0.2
Lebanon	-	0.4
Syria	0.3	0.5
Tunisia	0.3	0.7
Maghreb+ Mashreq	2.7	4.8
Arab League	16.6	14.3

Source : Eurostat.

TABLE V SPANISH CITRUS & WINE EXPORTS TO THE EEC 1978

	CITRUS		WINE	
	Millions pesetas	% of total spanish exports	Millions pesetas	% of total spanish exports
Germany	11,445.9	29.6	1,826.8	9.9
France	13,360.0	34.6	404.1	2.2
Ireland	2.5	-	98.9	0.5
Italy	-	-	160.6	0.9
NL	3,294.6	8.5	3.078.4	16.6
UK	2,583.6	6.7	5.413.7	29.3
BLEU	3,082.0	8.0	416.0	2.3
DK	436.7	1.2	685.7	3.7
EEC	34,205.3	88.6	12,084.2	65.4
Other	4,397.7	11.4	6,407.4	34.6
Total	38,600.0	100	18,488.9	100

Source : Direccion General de Aduanas (Madrid) - Estadistica del Comercio exterior de Espana 1978.

TABLE VI

ORIGINS OF PRINCIPAL MEDITERRANEAN TYPE AGRICULTURAL PRODUCTS IMPORTED INTO THE EEC

(VALUES)

000's EUA'S

1977 CCT PRODUCTS	TOTAL IMPORTS FROM THIRD COUNTRIES	IMPORTS FROM NON-MED THIRD COUNTRIES	IMPORTS FROM MED. THIRD* COUNTRIES	CYPRUS	ISRAEL	MOROCCO	TUNISIA	ALGERIA	STUBTOTAL (4-8)	TURKEY	EGYPT	TOTAL (9+10 +11)
	1	2	3	4	5	6	7	8	9	10	11	12
07.01 New potatos	150,800	4,412	146,388	52,479	2,159	18,123	639	8,024	81,424	-	20,193	101,617
07.01 Tomatoes	203,078	10,001	193,077	-	1,898	71,795	-	-	73,693	-	-	73,693
08.02 Citrus fruit	868,713	186,682	682,031	27,892	135,443	96,521	5,982	6,091	271,929	1,966	1,369	275,264
08.04 Table Grapes	80,608	22,124	58,484	6,239	750	-	-	-	6,989	1,469	-	8,458
08.05 Nuts	297,163	109,305	187,858	422	-	2,247	3,132	-	5,801	135,523	-	141,324
15.07 Olive oil	150,075	1,604	148,471	**	-	13,468	66,420	-	79,888	21,613	-	101,501
16.04	287.514	221.625	65.889	-	**	23.271	-	-	23.271	-	-	23.271
Tinned fish	287,514	221,625	65,889	-	**	23,271	-	-	23,271	-	-	23,271
20.07 Fruit juices	212,300	148,403	66,897	3,213	48,276	6,025	671	-	58,185	-	-	58,185
22.05 Wine	354,199	67,744	286,455	9,791	641	5,879	7,423	11,465	35,199	**	-	35,199
24.01 Raw Tobacco	981,843	909,325	72,518	**	-	-	-	-	-	30,091	-	30,091
TOTAL	3,586,293	1,681,225	1,908,068	100,036	189,167	237,329	84,267	25,580	636,379	190,662	21,562	848,603

* Portugal, Spain, Greece, Malta, Turkey, Morocco, Algeria, Tunisia, Egypt, Lebanon, Syria, Jordan, Israel, Cyprus.
** Negligible
Source : EEC Commission.

TABLE VIII

ORIGINS OF PRINCIPAL MEDITERRANEAN TYPE AGRICULTURAL PRODUCTS IMPORTED INTO THE EEC

(QUANTITIES)

000's tonnes

1977 CCT PRODUCTS	TOTAL IMPORTS FROM THIRD COUNTRIES	IMPORTS FROM NON MED. THIRD COUNTRIES	IMPORTS FROM MED. THIRD* COUNTRIES	CYPRUS	ISRAEL	MOROCCO	TUNISIA	ALGERIA	SUBTOTAL (4-8)	TURKEY	EGYPT	TOTAL (9+10 +11)
	1	2	3	4	5	6	7	8	9	10	11	12
07.01 New potatos	541	23	518	172	9	50	2	22	255	-	87	342
07.01 Tomatoes	346	29	317	-	4	115	-	-	119	-	-	119
08.02 Citrus fruit	3,102	513	2,589	112	590	306	26	26	1,060	5	8	1,073
08.04 Table Grapes	131	24	107	10	1	-	-	-	11	4	-	15
08.05 Nuts	183	66	117	1	-	1	2	-	4	86	-	90
15.07 Olive oil	141	2	139	-	-	13	62	-	75	23	-	98
16.04 Tinned fish	160	119	41	-	-	17	-	-	17	-	-	17
20.07 Fruit juices	427	211	216	8	117	12	5	-	142	-	-	142
22.05 Wine	498	107	391	16	1	18	24	33	92	**	-	92
24.01 Raw Tobacco	448	421	27	**	-	-	-	-	-	12	-	12
Total	5,977	1,515	4,462	319	722	532	121	81	1,775	130	95	2,000

* Portugal, Spain, Greece, Malta, Turkey, Morocco, Algeria, Tunisia, Egypt, Lebanon, Syria, Jordan, Israel, Cyprus.
** Negligible.
Source : EEC Commission.

TABLE VIII EEC CITRUS IMPORTS 1978

Origin \ CITC Products	057 CITRUS		057.11	057.12	057.21	057.22	057.29
	Total	%	Oranges	Manda-rines, clement. etc.	Lemons	Grape-fruit	other citrus
In 000 EUA							
Extra-EEC	921,397	100	485,338	236,497	79,533	119,289	740
Morocco	106,827	11,6	63,829	42,998	-	-	-
Algeria	3,584	0.4	2,778	806	-	-	-
Tunisia	10,978	1.2	10,649	329	-	-	-
Egypt	1,696	0.2	1,696	-	-	-	-
Lebanon	-	-	-	-	-	-	-
Syria	-	-	-	-	-	-	-
Jordan	-	-	-	-	-	-	-
Israel	140,127	15.2	84,511	1,781	1,029	52,806	-
Portugal	102		-	102	-	-	-
Spain	433,778	47.1	197,014	185,192	50,930	632	-
Greece	11,637	1.3	8,790	-	2,847	-	-
ACP	6,011	0.7	917	1,018	122	3,830	124
In Tonnes							
Extra-EEC	3,142,490	100	1,845,289	621 ,130	245,093	430,129	849
Morocco	346,294	11.0	248,386	97,908	-	-	-
Algeria	13,425	0.4	11,238	2,187	-	-	-
Tunisia	44,733	1.4	43,970	763	-	-	-
Egypt	8,203	0.3	8,203	-	-	-	-
Lebanon	-	-	-	-	-	-	-
Syria	-	-	-	-	-	-	-
Jordan	-	-	-	-	-	-	-
Israel	563,361	17.9	348,416	4,268	3,066	207,611	-
Portugal	244		-	-	244	-	-
Spain	1,465,052	46.6	784,687	503,517	172,283	4,565	-
Greece	41,927	1.3	34,873	-	7,054	-	-
ACP	16,570	0.5	2,562	2,131	287	11,378	212

Source : Eurostat.

TABLE IX EEC WINE IMPORTS 1978 (in hectolitres)

CCT 22.05 (CITC 112.12)

	1978 % hl	hl				% hl
		1975	1976	1977	1978	
World	100					
Intra-EEC	76.1					
Extra-EEC	23.9	4,954,523	11,868,235	4,936,877	5,227,876	100
Portugal		540,530	4,398,809	624,637	697,449	13.3
Spain		1,789,304	4,219,593	1,836,217	2,033,399	38.9
Greece		470,318	414,023	466,725	323,638	6.2
Morocco		163,516	241,248	177,832	68,062	1.3
Algeria		314,710	461,337	329,731	313,961	6.0
Tunisia		402,999	132,601	243,222	309,881	5.9
Israel		5,427	18,566	6,624	6,006	0.1
Turkey		3,667	4,188	2,773	2,326	0.1
Switzerland		4,023	5,937	4,567	9,149	0.2
Austria		155,097	132,166	146,687	207,457	4.0
Yugoslavia		375,562	470,939	416,323	453,953	8.7
USSR		18,595	25,323	29,388	33,299	0.6
Hungary		180,157	231,371	212,985	262,628	5.0
Roumania		64,796	71,274	74,632	79,295	1.5
Bulgaria		93,198	92,779	86,447	91,111	1.7
South Africa		97,387	107,999	85,068	48,364	0.9
USA		748	2,691	2,751	939	
Chile		3,544	-	3,879	4,676	0,1
Argentine		17,246	-	13,550	41,403	0.8
Cyprus		230,054	226,510	161,108	228,230	4.4
China		860	-	1,327	895	
Australia		11,444	4,342	5,482	4,961	0.1
Other Countries		11,341	135,600	4,922	6,794	0.1

Source : Eurostat.

TABLE X

EEC TOMATO IMPORTS

(CCT 07.01 M) in Tonnes

Period / Origin	1976				1977				1978			
	1.11 14.5	15.5 31.10	Total	% Total	1.11 14.5	15.5 31.10	Total	% Total	1.11 14.5	15.5 31.10	Total	% Total
World	362,882	328,166	691,048		369,830	338,995	708,825		410,690	340,683	751,373	
Intra-EEC	69,191	268,944	338,135		79,433	283,754	363,187		77,955	284,361	362,316	
Extra-EEC	293,692	59,222	352,914	100	290,398	55,242	345,640	100	332,734	56,322	389,057	100
Greece	352	482	834	0.2	-	-	-	-	-	-	-	-
Portugal	-	-	-		-	-	-	-	-	-	-	-
Spain	194,484	18,061	212.545	60.2	182,139	17,001	199,140	57.6	242,148	20,368	262,516	67.5
Morocco	86,728	17,818	104,546	29.6	94,864	19,968	114,832	33.2	80,561	23,013	103,574	26.6
Algeria	-	-	-	-	-	-	-	-	-	-	-	-
Tunisia	-	-	-	-	-	-	-	-	-	-	-	-
Egypt	-	-	-	-	-	-	-	-	250	-	250	0.1
Lebanon	-	-	-	-	-	-	-	-	-	-	-	-
Syria	-	-	-	-	-	-	-	-	-	-	-	-
Jordan	-	-	-	-	-	-	-	-	-	-	-	-
Israel	3,262	-	3,262	0.9	3,934	-	3,934	1.1	2,840	227	3,067	0.8
Other Countries	8,866	22,861	31,727	9.0	9,460	18,273	27,733	8.0	6,935	12,714	19,649	5.1

Source : Eurostat.

TABLE XI EEC OLIVE OIL IMPORTS 1978

(CCT 15.07 A)

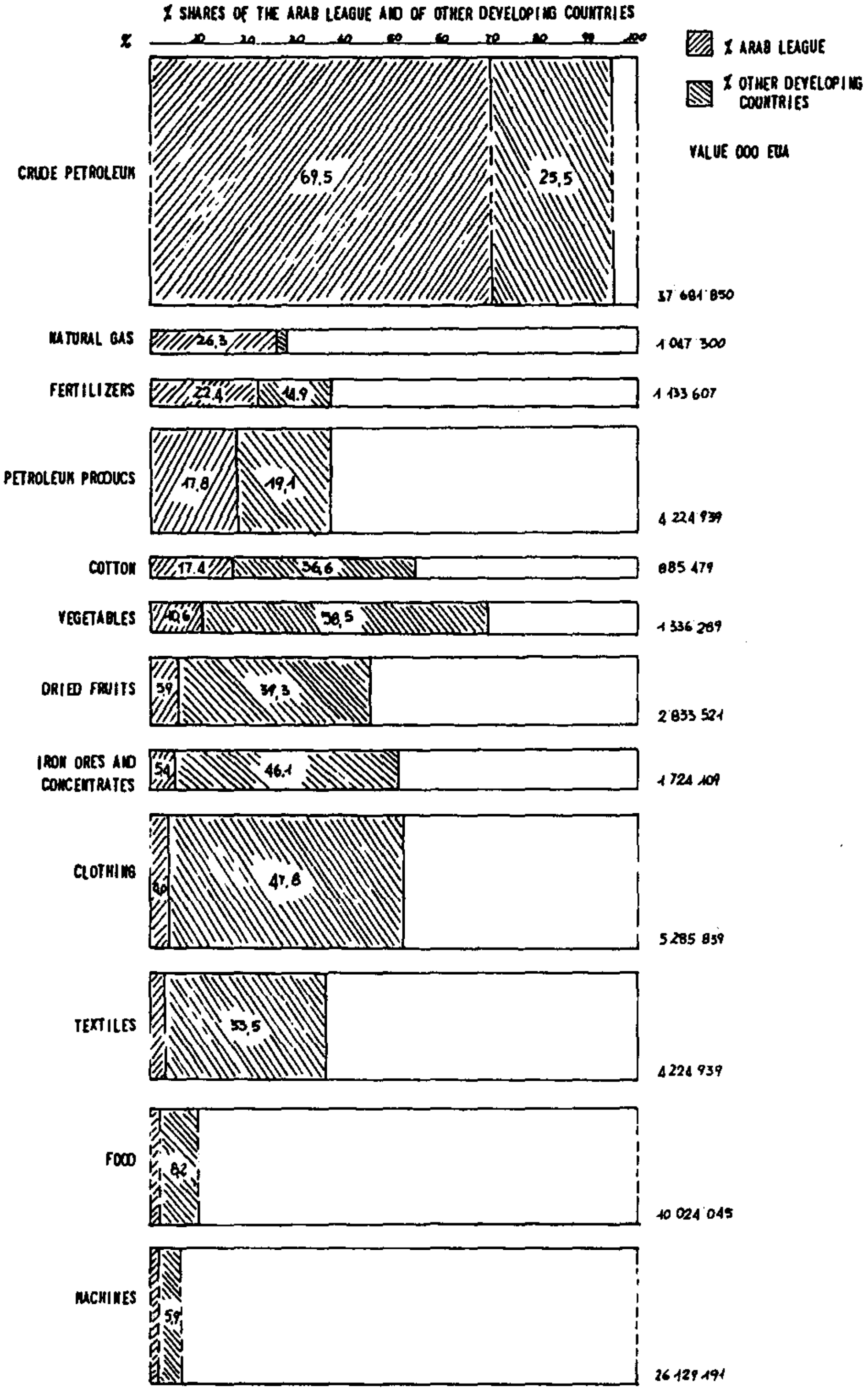
	Ia virgin	Ib virgin refined	Ic non treated	IIa treated	IIb other	15.07 A Total	%	%
Tonnes								
World	41,789	61,471	1,856	8,204	1,027	114,347		100
Intra-EEC	6,868	114	223	3,838	878	11,921		10.4
Extra-EEC	34,920	61,358	1,633	4,368	150	102,426	100	89.6
of which :								
Portugal	-	-	-	-	-	-	-	-
Spain	12,384	5,057	-	1,177	-	18,618	18,2	
Greece	3,934	24,145	-	657	-	28,736	28.1	-
Morocco	1,034	187	1,622	-	-	2,843	2.8	
Algeria	-	88	-	-	-	88	0.1	
Tunisia	17,357	24,417	-	-	-	41,774	40.8	
Egypt	-	-	-	-	-	-	-	
Lebanon	-	-	-	-	-	-	-	
Syria	-	-	-	-	-	-	-	
Jordan	-	-	-	-	-	-	-	
Israel	-	-	-	-	-	-	-	
Other Countries	211	7,464	11	2,534	150	10,370	10.0	
in 000's EUA								
World	52,956	57,266	1,021	12,104	1,606	124,953		100
Intra-EEC	11,802	156	348	5,986	1,400	19,692		15.8
Extra-EEC	41,158	57,110	673	6,116	206	105,261	100	84.2
of which								
Spain	15,775	4,383	-	1,496	-	21,654	20.6	
Greece	4,372	24,386	-	750	-	29,508	28.0	
Morocco	977	179	648	-	-	1,804	1.7	
Algeria	-	149	-	-	-	149	0.1	
Tunisia	19,801	21,671	-	-	-	41,472	39.4	
Other countries	233	6,342	25	3,870	206	10,676	10.1	

Source : Eurostat.

TABLE XII

EUROPEAN COMMUNITY IMPORTS FROM THE THIRD WORLD BY MAIN PRODUCTS 1978

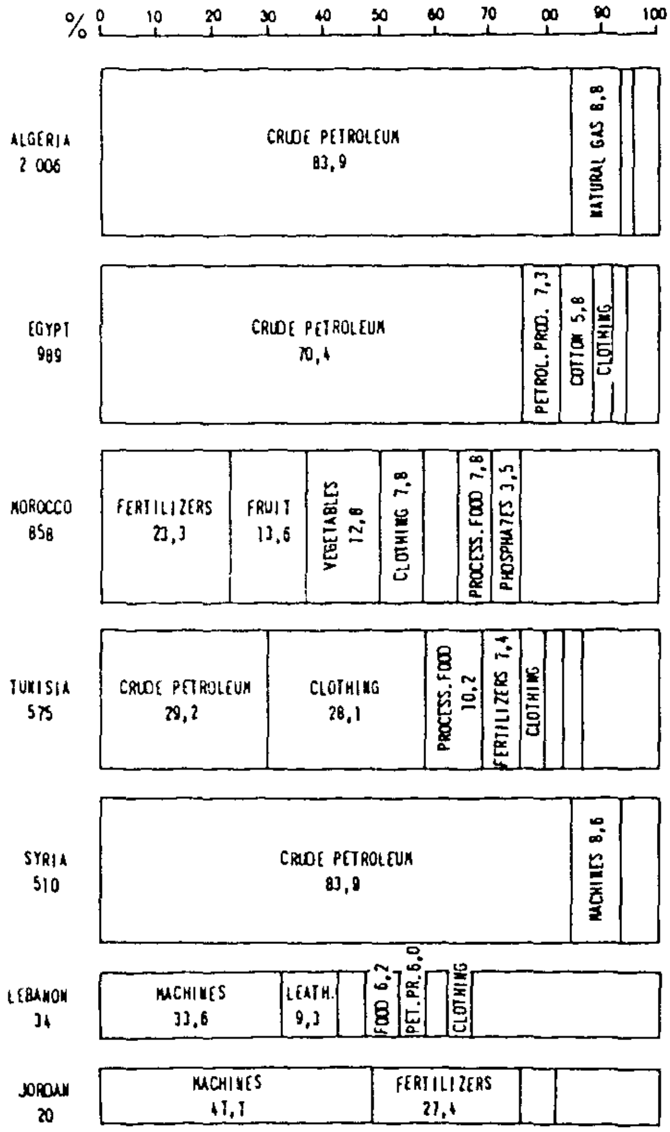
('000 EUA)



Source : Study by Istituto di scienze statistiche e matematiche of Milan University and published by Eurostat in EC trade with the ACP states and the South Mediterranean states (n° 1-1980).

TABLE XIII PERCENTAGE SHARES OF MAIN PRODUCTS IN EUROPEAN COMMUNITY IMPORTS FROM MASHREQ & MAGHREB COUNTRIES

Value 1978 (Million EUA)



Source : ibid.

TABLE XIV

SHARE OF THREE CANDIDATE COUNTRIES IN TEXTILE IMPORTS
OF THE EEC
(000' tonnes)

Years	All third count.	Low price export.	3 candidates			Spain		Portugal		Greece	
				Share of tot imp (%)	Share of low price imp. (%)		Share of tot imp (%)		Share of tot. imp. (%)		Share of tot. imp. (%)
1977	1 333	1 001	175	13,2	17,5	49	3,7	48	3,6	79	5,9
1978	1 438	1 081	231	16	21,4	67	4,7	70	4,9	95	6,6
Variations in %	+7,9	+8	+32			+35,8		+46,1		+21	

Source : Eurostat.

TABLE XV

EEC FINANCIAL AID TO SOUTH MEDITERRANEAN COUNTRIES 1977-1981

(in million of EUA's)

	Algeria	Morocco	Tunisia	Egypt	Syria	Jordan	Lebanon	Israel	Cyprus	Malta
EIB Loans	70	56	41	93	34	18	20	30	20	16
Special loans	19	58	39	14	7	4	2	-	4	5
Grants	25	16	15	63	19	18	8	-	6	5
TOTAL	114	130	95	170	60	40	30	30	30	26

Source : EEC Commission.

TABLE XVI

SHARE OF INDIVIDUAL EEC MEMBERS IN COMMUNITY IMPORTS FROM ARAB LEAGUE AND MAGHREB AND MASHREQ COUNTRIES
(1978)

(in millions of EUA's and in percent)

	EEC		IRL		DK		UK		BLEU		NL		I		F		D	
	Value	%	Value	%	Value	%	Value	%	Value	%	Value	%	Value	%	Value	%	Value	%
Arab League	29,535	100	163	0.6	148	0.5	4,104	13.9	1,944	6.6	2,797	9.5	7,295	24.6	8,064	27.3	5,040	17.1
Morocco	841	100	3	0.4	11	1.3	60	7.1	68	8.1	61	7.3	76	9.0	408	48.5	153	18.2
Algeria	2,001	100	1	0.1	2	0.1	61	3.0	53	2.6	48	2.4	365	18.2	558	27.9	914	45.7
Tunisia	565	100	3	0.5	1	0.2	9	1.6	30	5.3	41	7.3	160	28.3	149	26.4	173	30.6
Egypt	943	100	-	-	5	0.5	107	11.3	39	4.1	34	3.6	588	62.4	65	6.9	105	11.1
Lebanon	28	100	-	-	1	3.6	5	17.9	2	7.1	2	7.1	6	21.4	5	17.9	7	25.0
Syria	505	100	-	-	2	0.4	6	1.2	24	4.8	15	3.0	179	35.4	164	32.5	115	22.8
Jordan	15	100	-	-	-	-	6	40.0	-	-	-	-	4	26.7	2	13.3	3	20.0
Total Mag.+ Mash.	4,898	100	7	0.1	22	0.4	254	5.2	216	4.5	201	4.1	1,378	28.1	1,351	27.6	1,470	30.0

Source : Eurostat.

TABLE XVII

SHARE OF INDIVIDUAL EEC MEMBERS IN COMMUNITY EXPORTS TO ARAB LEAGUE AND MAGHREB AND MASHREQ COUNTRIES (1978)

(in millions of EUA's and in percent)

	EEC		IRL		DK		UK		BLEU		NL		I		F		D	
	Value	%	Value	%	Value	%	Value	%	Value	%	Value	%	Value	%	Value	%	Value	%
Arab League	24,869	100	113	0.5	356	1.4	4,720	19.0	1,451	5.8	1,503	6.0	4,942	19.9	5,571	22.4	6,214	25.0
Morocco	1,342	100	9	0.7	8	1.4	114	8.5	82	6.1	47	3.5	168	12.5	751	56.0	163	12.1
Algeria	3,635	100	12	0.3	42	0.6	182	5.0	317	8.7	130	3.6	744	20.5	1,209	33.3	999	27.5
Tunisia	1,121	100	2	0.2	6	1.2	32	2.9	52	4.6	58	5.2	155	13.8	593	52.9	222	19.8
Egypt	1,821	100	9	0.5	23	1.3	309	17.0	69	3.8	128	7.0	320	17.6	435	23.9	528	29.0
Lebanon	608	100	2	0.3	8	1.3	88	14.5	45	7.4	37	6.1	183	30.1	147	24.2	98	16.1
Syria	799	100	2	0.3	7	0.9	87	10.9	48	6.0	50	6.3	186	23.1	213	26.7	206	25.8
Jordan	387	100	1	0.3	7	1.8	100	25.8	23	5.9	20	5.2	70	18.1	40	10.3	127	32.8
Total Mag.+ Mash.	9,713	100	37	0.4	101	1.0	912	9.5	636	6.5	470	4.8	1,826	18.8	3,388	34.8	2,343	24.7

Source : Eurostat.

GLOSSARY

ACP	African, Caribbean and Pacific countries signatories to the Lomé Convention
Billion	= 1000 million
CCT	Common Custom Tariff of the European Community
Eurostat	Statistical Office of the European Communities
EUA	European Unit of Account, value in US Dollars in

1974 = 1.1927$	1978 = 1.2743
1975 = 1.2408$	1979 = 1.3706
1976 = 1.1181$	1980 = (1.4111) for
1977 = 1.1411$	first quarter

SITC Standard International Trade Classification,

where SITC-groups refer to :

Food, Beverages, Tobacco	0 + 1
Fuel Products	3
Raw Materials	2 + 4
Machinery and Transport Equipment	7
Other Industrial Products	5,6,8
Goods and Transactions not classified elsewhere	9

LIST OF TABLES

OTHER PUBLICATIONS RELATED TO 'DEVELOPMENT'

Other EEC publications about the Community's relations with the Third World can be obtained from the following address:

Spokesman's Group and Directorate-General for Information
Publications distribution service, Room 2/84
Commission of the European Communities
Rue de la Loi, 200
B - 1049 Brussels (Belgium)

1. Dossiers

- The European Community and the Third World
  Brussels, September 1977 (English,French, German, Italian)

- Europe and the Third World
  A study on interdependence (by M. Noelke)

  Development series - 1978 n° 2 (all Community languages)

- Lomé Dossier - European Community - Africa-Caribbean-Pacific
  Reprint from "The Courier" n° 31, special issue (English, French)

2. "Information Series" and "Europe Information":
(generally all Community languages)

- Food Aid n° 165/77

- The European Community and the Textile-Agreements, special edition (June 1978)

- The European Community and the Arab World n° 169/79

- Europe-Tiers Monde: Rural Development

- Solar Energy: A new Area of ACP-EEC Cooperation

- EEC - Egypt

- EEC - Jordan

- EEC - Syria

- EEC - Lebanon

- EEC - Tunisia

- EEC - Algeria

- EEC - Israel