Thinking ahead for Europe

Measuring the Economic Impact of an EU-GCC Free Trade Agreement

Dean A. DeRosa and David Kernohan

Abstract

Economic growth rates in the Gulf region have languished in recent years and need to be raised to accommodate the rapidly growing populations and social aspirations of the region. Using a simple model of world trade, this report investigates the economic impacts of the new customs union of the Gulf Cooperation Council (GCC) and the proposed free trade agreement (FTA) between the GCC and European Union. The quantitative results suggest that the new customs union and proposed EU-GCC free trade agreement both appreciably expand trade and improve economic welfare in the GCC countries, with little significant economic impact on the EU. As expected, the FTA results in larger GCC economic gains than the customs union because it affords GCC consumers greater opportunity to enjoy imports at internationally competitive prices. Although welfare gains under the proposed FTA closely approximate those under open regionalism (concerted trade liberalisation on a most favoured nation basis), reducing the 5% GCC common external tariff to about 3% as part of the FTA negotiations would not only ensure near-maximum trade performance and welfare gains but also add further to the attractiveness of the GCC countries as a location for foreign direct investment.

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OF AN EU-GCC FREE TRADE AGREEMENT

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1. Introduction

Generally speaking, the GCC countries have managed their hydrocarbon wealth reasonably well in recent decades amid volatile oil prices. The proceeds from oil have been used to modernise infrastructure, provide employment, improve social conditions and accumulate official reserves. External debt has remained relatively low in most GCC countries, inflation has been kept under control and exchange rate policy has been used effectively. In both economic and political terms, however, the GCC states have recently faced a number of economic challenges.

In macroeconomic terms growth rates during the last decade were modest and the economies are now widely viewed as performing below their potential. There is general agreement that reduced vulnerability to oil price fluctuations and an accelerating non-oil growth are required to generate employment for a young and rapidly growing domestic labour force. Trade policy can play a role in assisting the region face these structural challenges, as well as facilitating the diplomatic agenda as the GCC states manoeuvre in the confines of a post-Iraq geopolitical landscape.

In this respect, it is clear that the decision to advance the launch date for the GCC customs union (GCC-CU) to January 2003 (from 2005 as originally planned) has been of the utmost significance for the region. Tariff barriers to the free movement of national goods, labour and capital across the GCC countries have been eliminated, and individuals and corporations in the region have been granted national treatment for tax purposes in each country.

The 5% common external tariff (CET) that has been adopted accords with the recommendations of various studies undertaken by the World Bank at the request of the secretary-general of the GCC, which is designed to keep the region's growth potential in step with the fast pace of multilateral and regional tariff elimination – especially vis-à-vis EU preferential agreements.

The EU is currently involved in trade liberalisation negotiations with several partners at the regional level. Among these regional negotiations are those for a free trade agreement (FTA) between the European Union and the Cooperation Council for the Arab States of the Gulf (GCC), which date back to 1988 but have been re-invigorated since 1999 when the GCC issued its own negotiating mandate and announced a commitment to establish a customs union.

Recently, the EU has advanced a new negotiating mandate, adapted to current WTO developments by including services and other areas included in more recent FTAs.

Certainly, the GCC-CU will unlock some extra intra-GCC trade. To deliver the full benefits of a modern 'oil plus' economy, however, the GCC region would need to shift into higher value-added activities across a number of sectors. Unlocking potential wealth-generation from

new sectors and closing down inefficient ones should enable the region to use its rapidly growing labour force, indigenous skills and innovation capabilities more effectively – enabling a new generation of highly trained personnel to realise its full potential.

Some core economic issues for the GCC states are as follows. First, how much they will they gain from the establishment of their customs union? Second, how much can they gain from any EU FTA over and above the generalised preference situation they currently enjoy? Finally, how much could the region as whole gain from Saudi Arabia's accession to the WTO – an outcome that now looks almost certain to follow as a (partial) by-product of the ongoing EU-GCC trade negotiation process.

2. Economics of GCC states

In 2001 the GCC region had a combined GDP of just over €368 billion with, as outlined in Table 1 below, GCC average GDP being €61.4 billion. Individual GDP figures for the six states range from €8.2 billion in the case of Bahrain, to €208 billion in the case of Saudi Arabia. Average GDP per capita is €16,645 – but this also conceals a range of numbers from a low of €8,562 for Oman to €31,158 for Qatar – with Saudi Arabia returning a surprisingly low GDP per capita figure of just over €9,000.

Table 1. Key GCC economic data for 2001

	GDP (€ billion)	GDP growth (%)	GDP/Capita (€)	Imports (€ million)	Exports (€ million)	EX/GDP ratio
Bahrain	8.2	5.3	11,946	3,882	8,777	106%
Kuwait	37	-1	16,793	6,096	13,902	38%
Oman	22	3**	8,562	6,472	12,702	57%
Qatar	18	7.2	31,158	4,463	14,467	78%
Saudi Arabia	208	1.2	9,766	42,171	76,493	37%
UAE	75	5.1	21,644	45,926	44,643	59%
Totals	368	-	16,645	109,010	170,984	-

Source: Arab Monetary Fund (2001) and own calculations.

The latest statistics also show a significant decline in EU investments in the Gulf region. EU accumulated investments have halved from the €3 billion in 1999 to €1.5 billion in 2000. At the same time the GCC investments in the EU increased by more than 15% from about €4 billion in 1999 to about €4.6 billion in 2000. The Commission and the GCC secretariat are working on a common approach to change this overall negative trend.

Turning to the trade data, the GCC is currently the EU's sixth largest export market. In 2001, EU exports to the GCC were over €34 billion whereas EU imports from the GCC amounted to just under €20 billion. The bulk of EU exports to the GCC are machinery and transport materials (47%). Chemical products and food make up 11% and 9% of total exports respectively, leaving the remaining exports to a wide variety of products, such as medicines and medical equipment. Owing to the large quantity of fuels (73% of total EU imports from the GCC countries) shipped from the Gulf, the GCC is the tenth largest source of imports for the EU. Less important imports from GCC are items of machinery and chemical products, each representing about 5% of total imports, transport materials and textiles being of lesser importance.

Table 2. EU trade with the GCC in 2001 (€ million)

	Imports (I) (to EU)	Share of EU Total Imports	% of each in Total (I/Ex)	Energy	Energy as % of (I)	Exports (X) (from EU)	Share of all EU (X)
Bahrain	434	0.04%	5%	230	53.0%	895	0.1%
Kuwait	2,380	0.2%	17%	2,184	91.7%	2,747	0.3%
Oman	284	0.03%	2%	115	40.4%	1,441	0.1%
Qatar	669	0.1%	5%	115	17.2%	1,937	0.2%
Saudi	13,085	1.3%	17%	10,756	82.2%	13,230	1.3%
UAE	2813	0.3%	6%	813	28.9%	13,781	1.4%
Totals	19,665	1.97%	-	14,213	72.3%	34,031	3.4%

Source: Arab Monetary Fund (2001) and own calculations.

At a total of €19,665 million in GCC exports (Table 2) to the EU represent 12% of total GCC exports – but just under 2% of total EU imports. This can be compared with the total figure of €101 billion for total EU imports from the EU-10 accession countries in 2001 – which amounts to almost 10% of total EU imports. In other words the EU-10 candidate countries were performing approximately five times as well as the GCC states in terms of export performance, despite, as can be seen in Table 3, having GDP per capita figures less than one-third of the GCC average (€16,645 per capita) and a significantly lower ratio of total export intensity (35%) than the GCC states (46%).

Table 3. Comparison of GCC total export performance with GDP per capita

	GDP* € billion	GDP/Cap €	Imports (Im) € million	Exports (Ex) € million	EX/GDP ratio
EU-15	7,894	22520	-	-	11.4
GCC	368.2	16645	109,010	170,984	46%
AC-10	407	5432	195,019	141,953	34.9%

Notes: Accession candidates-10 are Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia.

Source: Arab Monetary Fund (2001) and own calculations.

The economic interpretation of this performance is that the present industrial structure of the GCC is not fully developed. Despite the bespoke nature of the Gulf economies, it is probably not the case that export intensity (or the preponderance of oil within it) is too high, but rather the small scale of domestic output – relative to export output – that is holding back overall economic performance. In other words, domestic activity is not thriving sufficiently on the back of the oil revenues generated. In some respects this reflects a classic 'Dutch disease' phenomenon, whereby oil resources displace investment from other potentially profitable sectors. A related explanation is that non-oil activity is being restrained because of sparse or inefficient provision of domestic services.

As suggested in Table 4 below, the oil sector in the Gulf economies still contributes on average about one-third of GDP and accounts for three-quarters of annual government revenue and export receipts, making these countries vulnerable to oil price fluctuations. In addition, growth of non-oil GDP has been slow in some of these countries, while strains in the employment market for nationals have emerged, with the GCC labour markets remaining segmented between nationals and expatriates. The GCC governments are aware that an adequate response to these challenges will call for structural reforms, aimed at improving the allocation of resources and promoting private sector-led growth.

Table 4. Oil contribution to GCC GDP (2001) (in percentages)

	Bahrain	Kuwait	Oman	Qatar	Saudi	UAE
Oil	17.8	43	42.7	58.4	28.4	28
Industry	12	6.5	8.3	5.8	14.9	13.9
Construction	4	2.3	2	3.4	6	7
Retail	12.8	6	11.4	8	13	9.2
Finance	19	6	-	3.4	2	7
Other services	10.6	30	-	-	5	9.5

Source: Arab Monetary Fund (2001) and own calculations.

Although the Gulf states have managed their economies fairly skilfully over the last decades, the recent growth resurgence has come after a poor growth performance during the 1990s when oil prices were generally low. While the Gulf region will probably remain at the hub of both the world's oil reserves and oil supply for some years to come, the physical limits of geology and increasingly 'smart' extraction techniques will enable rival sources of supply to begin to limit this advantage in the coming decades.

In fact, GCC countries are currently at various stages of implementing structural and institutional reforms, including lifting impediments to foreign direct investment, streamlining business regulations, expanding private investment opportunities in key sectors and improving corporate governance. In summary, the GCC states almost certainly need to embrace change, to expand their economic activity to fit their endowment of human and intellectual resource capital rather than rely simply on their natural resource endowment.

As far as GCC performance in trade in services is concerned, few reliable statistics are yet available, but in general the commitments made by WTO members of the GCC are low with the exception of Oman. Sectors such as distribution, finance and telecommunications remain relatively closed.

Total EU imports from the GCC, at €19,665 million, represent just under 2% of total EU imports in 2000. This can be compared with EU imports from the Mediterranean countries of €78,768 million in 2000, which amounted to approximately 8% of the EU total. In other words the Mediterranean countries – an under-performing region – are performing approximately four times as well in services as the oil-rich states in the Gulf.

So it seems likely that there are substantial economic gains to be had for the GCC states from the effective liberalisation of services, both in terms of greater economic efficiency and potentially higher growth rates. There is little doubt that an improved performance in services would contribute to an improvement in regional competitiveness (Hoekman and Messerlin, 2002a). For example, Hoekman and Konan (1999) find using a simulation model that an EU-Egypt free trade agreement limited to goods (but with substantial progress on removing regulatory barriers affecting goods sectors) could raise welfare in Egypt by around 4% whilst an agreement that reduced barriers to services in Egypt could raise economic welfare by over 13%.

3.   Structure and direction of GCC trade

Among the GCC countries, Bahrain and the UAE are the most dependent on international trade, with a trade to GDP ratio of 65% and 64%, respectively in 2001. Data for other GCC members reveal ratios around 40%.

In absolute terms, Saudi Arabia has the largest economy and is the largest trader, exporting around $79 billion in year 2000, followed by the UAE with $43 billion (see Table 5).

Table 5. Direction of trade of the GCC economies, 2000 (US$ millions)

	Bahrain	Kuwait	Oman	Qatar	Saudi	UAE	GCC
Imports							
Other GCC	1,185	271	1,737	260	1,114	2,916	7,483
Other Arab	165	794	305	281	1,651	420	3,616
Other Islamic	150	461	233	109	1,219	3,218	5,390
EU	1,416	2,137	1,044	1,419	8,936	11,582	26,534
US	488	936	345	195	5,738	3,372	11,074
Japan	182	975	816	284	2,786	3,186	8,229
ROW	867	2,044	895	703	8,856	14,890	28,255
Total Imports	**4,453**	**7,619**	**5,375**	**3,251**	**30,299**	**39,584**	**90,582**
Exports							
Other GCC	518	44	1,029	530	2,903	2,829	7,853
Other Arab	99	331	288	198	3,581	518	5,015
Other Islamic	301	1,566	490	239	3,932	1,895	8,423
EU	316	2,226	175	364	12,082	2,107	17,270
US	296	2,248	135	422	12,353	827	16,281
Japan	246	4,436	2,567	4,995	11,872	9,979	34,095
ROW	3,924	8,723	6,635	4,778	32,031	25,140	81,231
Total Exports	**5,700**	**19,574**	**11,319**	**11,527**	**78,756**	**43,294**	**170,170**

Source: Arab Monetary Fund (2001) and own calculations.

As most GCC members are major oil, gas and petrochemical producers, most exports are directed towards non-GCC markets. With the exception of Bahrain and Oman, less than 9% of GCC-member exports go to GCC-partner countries (Table 6). The same is true for imports. Intra-GCC sourcing is large only for Bahrain and Oman (Table 6). In the case of Bahrain, much of these flows comprise crude oil, which is imported from Saudi Arabia, refined and exported to non-GCC buyers. Some countries such as the UAE are major trans-shipment hubs – a substantial share of imports of merchandise of some GCC countries from non-GCC sources flows through the UAE. This is the case in particular for Oman and Kuwait. This is registered as re-exports if the products concerned have not been transformed sufficiently for the origin of the goods to change to the UAE.

Given the similarity of the natural resource endowments of many GCC countries and their small size, it is not surprising that they tend to trade relatively little with each other. Imports from the rest of the world account for 90% or more of total imports for most GCC states. Most imports comprise food, machinery and equipment and other manufactures, which together account for about 78% of the total. These goods are imported predominantly from non-GCC, non-Arab sources (Table 6).

With the formation of a GCC customs union and plans for eventual monetary union, an argument can be made that the Gulf region's (comparative) advantage needs to shift from one of pure natural resource management to what might be termed an 'oil-plus' economic structure. The challenge will be to do this by maintaining an edge as an advanced oil-

technology economy, but *also* exploiting the natural and cultural advantages that GCC states enjoy in a period of shifting geopolitical advantage for the region. These advantages are essentially twofold: vis-à-vis the EU as a peripheral geographical actor and as a hub and exemplar to Islamic states worldwide.

Table 6. Commodity composition of imports of the GCC economies, 2000 (in percentages)

	Bahrain	**Kuwait**	**Oman**	**Qatar**	**Saudi**	**UAE**	**GCC**
Food & Live Animals	12.4	15.2	12.0	10.2	15.9	7.0	11.4
Beverages & Tobacco	1.0	1.0	8.6	1.0	1.1	0.9	1.2
Crude Materials	2.2	2.0	2.9	2.6	1.8	5.0	2.9
Mineral Fuels Lubricants	40.7	0.6	1.6	0.4	0.2	1.1	3.1
Animal/Veg Oils & Fat	1.2	0.6	0.7	0.4	0.7	0.8	1.7
Chemicals	4.7	9.7	7.2	6.4	9.7	4.2	6.6
Manufacturing Goods	16.9	20.3	13.8	20.8	22.4	24.8	26.4
Machinery & Transport Equip	15.9	28.3	43.3	44.8	39.2	43.2	34.6
Misc. Manufactured Goods	5.0	12.3	6.1	13.1	5.2	10.8	10.0
Unclassified	0.0	0.9	3.7	0.1	3.9	2.2	2.6
Total Imports	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: Arab Monetary Fund (2001).

Meeting this challenge must involve keeping ahead economically, and this must include the well-known transition – common to all advanced industrial economies – of mixing industrial products with increasingly sophisticated services provision. An example of this sort of interplay, in the financial services sector, is the dramatic growth of Bahrain and Dubai as financial centres. There are likely to be many more examples in finance, construction and engineering (to name but a few) where the comparative advantage may be less obvious until increased exposure to service-sector practice occurs.

The key implication of such changes will be an inexorable shift in macroeconomic stance away from dollar-denominated assets, as well as gradual but more subtle shifts within portfolio and direct investment profiles. The common denominator in all these developments will be the need to enhance and develop indigenous skills and resources in the management of service activities.

Thus a subtle realignment of thinking (FTA negotiations suggest this is already occurring) should guide the approach to both multilateral and regional negotiations on trade in goods and services. Rather than show an undue concern to protect the current pattern of oil exports and imports of goods and services – where dominance in oil exports is probably secure in the medium term – a proactive approach to enhancing this conventional trade pattern with a subtle overlay of service expertise should act as a guide to policy formulation.

This is because international trade in services – although often a more potent source of growth and prosperity than goods trade – is at its core very different to the conventional *laisser-faire* economics of trade and direct investment as harbingers of 'globalisation'.

4.   Possible impacts of a CU and an FTA

To assess the trade and welfare impacts of both the recently adopted GCC customs union and the proposed EU-GCC free trade agreement, a computable trade simulation model has been

constructed. The model is used in addition to consider the impacts of alternative scenarios for comparative purposes. The two additional scenarios are: the GCC countries set their common external tariff at a level lower than the 5% level adopted officially;[1] and the EU and GCC countries extend their free trade agreement to the world at large on a most favoured nation (MFN) basis, in effect, adopting a policy of 'open regionalism' similar to that espoused by economists and some international organisations.[2]

4.1   Trade liberalisation winners and losers

Poor economic performance is widely believed to be a contributing factor to the political insecurity of the Middle East and the wider Middle East and North African region. Despite substantial petroleum resources, the region has failed to enjoy the same growth levels and increased economic welfare that many 'emerging market' countries in other parts of the world have enjoyed during the past two decades.[3] Indeed, this failure by the GCC and other poorly-performing Mediterranean countries has become the focus of international concern aimed at improving the region's economic performance as a precursor to establishing peace and security in the region.

The reasons for the poor economic performance in these countries are undoubtedly likely to be numerous and complex, but an important element has undoubtedly been the inward-orientation of the region, with comparatively high rates of trade protection shielding inefficient domestic economic performance, low investment rates (both domestic and foreign), a larger than appropriate government sector along with excessive government planning and regulatory restrictions. Reversing this situation will involve not only lowering protection and encouraging foreign direct investment but also fostering reforms to domestic economic policies and restoring greater private sector initiative to the economy – not to mention those of a social and political character.

Given their status as oil-exporters, the GCC countries are more open to trade than many other countries in the region. Nonetheless, general economic performance in terms of per capita growth has been disappointing in the GCC countries, led in particular by the negative per capita growth of Saudi Arabia during the 1990s (Table A1).[4] Although foreign investment is somewhat higher in the GCC countries than in the rest of the region, it is concentrated mainly in the oil sector, with little consequent benefit to the diversification and expansion of industry or of employment.

Recognising the potential of further trade liberalisation to help improve their economies, the GCC countries converted their former free trade area into a customs union in January 2003 and agreed to accelerate negotiations of a free trade agreement with the EU – the motive for this study.[5] Embracing change of this magnitude, while simply the first step in a longer

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[1] The GCC common external tariff includes exclusions for 'essential' goods in a total of 53 HS 6-digit level categories (Roy and Zarrouk, 2002). These exclusions are not accounted for in the present analysis. Also notably, the trade simulation model does not take into account the erstwhile GCC free trade area or other pre-existing free trade agreements between individual countries in the model.

[2] For discussion, mainly in the context of support for the concept by the Asia Pacific Economic Cooperation (APEC) group, see Bergsten (1997), see also ADB (2000) and Schiff & Winters (2003).

[3] See Abed (2003), Dasgupta et al. (2002) and Hoekman & Messerlin (2002).

[4] Overviews of GCC trade in services and GCC directions and structure of merchandise trade are presented without discussion in accompanying Tables A2-A4.

[5] The GCC was established in 1981, though it is not known when the bloc's free trade area came fully into force; see WTO (1995), Roy & Zarrouk (2002) and PricewaterhouseCoopers (2003).

process of 'deeper' liberalisation and integration, should have a substantial one-off (or 'static') impact on trade and economic welfare, which must be of considerable interest to all stakeholders interested in improving economic performance in the Gulf states and wider Middle East.

Hence, prior to the modelling it is helpful to get a rough idea of the likely economic impact of a potential EU-GCC free trade agreement and before that of the likely benefits to be had from the current GCC customs union, once these have been worked through. As the Gulf region is predominantly a natural resource exporter to the EU and an importer (largely) of technical goods and services, chemicals and some metals and minerals, given the relative sizes of the economies and current tariff structures, we can suggest a set of *a priori* hypotheses as to the likely economic effects.

1) Intra-GCC trade might not be expected to increase greatly under the CU as a) such trade should already have been boosted by the pre-existing GCC free trade area and b) the economies are considered by many to be similar in their economic structures, which suggests there may be little current scope for the evolution of domestic comparative advantage.

2) There may be little scope for expanding GCC trade into the EU under an FTA, as the average tariff paid on EU imports from the GCC has tended to be low, and in the case of oil and gas products non-existent.

3) Nevertheless, there should be greater scope for expanding EU trade into the GCC under the FTA.[6] EU exports to the GCC generally face very high tariffs, in contrast to the very low average tariffs paid in the EU. These range from 3% and 4% in the case of Kuwait and Qatar to 14% and 16% in the case of Saudi Arabia and Bahrain respectively. The average import tariff import tariff faced by EU exporters to the GCC bloc has been just under 10% (see Tables A1 and A6).

Finally, as well as the aggregate impacts for the EU/GCC, the qualitative analysis should also be concerned with assessing any likely single-country, intra-GCC impacts. In particular, we will wish to examine how the two formerly low-tariff economies – Kuwait and Qatar – would fare in regard to potential trade diversion to the other GCC states as a result of having to raise their low average tariff rates upwards (albeit only slightly) to the new 5% GCC common external tariff.

In the following section we set out a method to test these hypotheses using a simple, regionally based, world trade model, disaggregated by the major sections of the harmonised system (HS) of traded goods and incorporating current information about the tariff structures of the European Union, GCC countries, other specified countries and the rest of the world.

5. Methodology

The remainder of the report is structured as follows. First, we introduce the five trade-outcome scenarios to be modelled (section 5.1); then we describe the modelling methodology used (section 5.2); how it has been tailored to an assessment of the new GCC customs union and the proposed EU-GCC free trade agreement (section 5.3); then the method by which the model computes trade creation, trade diversion and economic welfare (5.4); before finally presenting the simulation modelling results (section 6.).

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[6] Although this potential impact (from the FTA) could be diluted if Saudi Arabian tariffs are unilaterally lowered as a part of its offer to join the WTO, given its dominance of the GCC.

Results are summarised in aggregate terms for all the GCC countries and for the EU as a whole, and then where possible for the six individual GCC states, and lastly in a disaggregated analysis across the 21 industrial sectors covered. Finally, section 7 summarises the principal findings of the study and relates these to the prospects for a wider (and potentially deeper) trade liberalisation agenda and the implications for the GCC region of progress in services trade and for attracting foreign direct investment.

5.1 Five trade liberalisation scenarios

In all, five trade liberalisation scenarios are considered (Table A8). For the purposes of the present study it is important to calibrate any gains from intra-GCC trade made available by the completion of the GCC customs union first, before continuing to calculate any additional gains to be had from any prospective EU-GCC agreement.

Hence, scenarios 1 and 3 correspond to the recently adopted GCC customs union and the proposed EU-GCC free trade agreement, assuming a 5% GCC CET in both scenarios. In recognition of the fact that a 5% CET will impose economic costs on those GCC countries that previously maintained an average tariff level of less than 5% (mainly Kuwait and Qatar), scenarios 2 and 4 consider the impacts of a yet lower GCC CET, namely, one set at the minimum level of GCC tariffs in each goods category (corresponding to an average CET of 3.3%). Lastly, the open regionalism scenario (scenario 5), depicts an ideal situation wherein both the EU and GCC jointly pursue free trade on a MFN basis.[7]

In addition, we wish to identify the internationally competitive sectors for each preferential trade-liberalisation scenario (scenarios 1-4). Of course it is to be expected, under the two basic GCC customs union scenarios, that mineral products will be the sole competitive sector and, as imports of mineral products are not highly protected in the GCC countries, any benefits to GCC consumers are likely to be limited here. But GCC producers may be more likely to experience significant gains under the new customs union through increased intra-GCC exports, though their margins of preference will be limited to 5% by the CET.

We are particularly interested to see whether the proposed EU-GCC free trade agreement expands the number of internationally competitive sectors to include perhaps several manufactured goods categories in which the EU producers are internationally competitive and in which trade creation might be expected to occur in the GCC. At the same time new opportunities could be opened up for expanding exports by GCC producers to the EU as well as neighbouring Gulf countries.

A priori, the analysis of expected gains to EU consumers will be more problematic given the relatively low levels of tariff protection in the European Union.[8] Some EU exporters, however, might expect significant gains from their margins of preference in GCC countries in the non-competitive sectors identified in Table A8.

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[7] Given that the trade simulation model does not explicitly incorporate consideration for non-tariff barriers, in each of the five scenarios it is implicitly assumed that the EU and GCC countries simultaneously eliminate non-tariff barriers to imports.

[8] Notably, under the proposed EU-GCC free trade agreement, EU consumers do not benefit from trade creation in the internationally competitive sectors identified in Table A8 because it is the aggregate export capacity of the EU countries themselves that is responsible for the several sectors identified in the table.

5.2   Trade simulation model

The simulation model used in this study is a partial equilibrium model of world trade developed to quantify the economic impacts of the new GCC customs union and proposed EU-GCC free trade agreement (Viner, 1950).[9] In addition to trade of the six individual GCC and other Mediterranean countries, the model includes the trade of the European Union (as a bloc), Japan, the US and other industrial countries and developing countries to yield a complete model of world trade in homogeneous goods, disaggregated by the 21 major sections of the harmonised system (Table A2). The 'small country' assumption is maintained throughout the model. Under this assumption, each country is assumed to be insufficiently large to affect its international terms of trade through variations in the volume of either its exports or imports.

The trade simulation model is based on familiar (log-linear) import demand and export supply functions for traded goods.[10] As seen in Table A5, it is disaggregated by categories of primary products and manufactures covering all merchandise trade. Market-clearing conditions for each category of traded goods determine international prices and an equilibrium balance of payments condition determines the (real) exchange rate for each country. In addition to determining changes in trade flows and import tariff revenues, the model computes changes in economic welfare based on familiar notions of consumer surplus and producer surplus (Harberger, 1954, 1971).

The present model does not explicitly account for non-tariff barriers. Nevertheless, the influence of non-tariff barriers is captured in the model by the fitted values of the import demand intercept terms. In model simulations the implicit assumption is that binding non-tariff barriers are simultaneously eliminated as part of the GCC customs union and EU-GCC free trade agreement scenarios.

Representing a customs union or a free trade agreement in the trade simulation model requires some intricacy when dealing with the special considerations of price determination, trade creation, trade diversion and most importantly the changes in economic welfare. Nevertheless, the primary elements in the scenario modelling methodology are set out in the following section.

5.3   Representing a customs union or FTA

In the basic model, the international price of good k expressed in US dollars, P^*_k, is determined largely independently of the behaviour of consumers and producers in any single country or any small group of countries. Under a customs union or free trade agreement, however, trade of member countries with non-member countries might be largely diverted and an independent intra-bloc export price for good k, P^{xr}_k (denominated in US dollars), might be established so long as the intra-bloc export price falls within acceptable bounds to producers and consumers who will continue to have recourse to markets for traded goods outside the customs union or FTA.

On the one hand, if member countries as a bloc are net exporters of the good to the world, as for example would certainly likely be the case for petroleum and other mineral products in any GCC-based trading bloc, the intra-bloc price of exports is set equal to the international

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[9] On Vinerian and more general approaches to customs union theory, see also Meade (1955), Lipsey (1970), Lloyd (1982), Robson (1987), Pomfret (1988) and DeRosa (1998).

[10] The trade simulation model is described in detail in a background paper (DeRosa, 2003).

price of the traded good. In this instance, the customs union or free trade agreement succeeds in lowering the price of imports to consumers in the preferential trading area if member countries impose a tariff on imports of the good.

On the other hand, if member countries as a bloc are net importers of the good from the world, then the intra-bloc price of exports P^{xr}_k is set equal to the international price multiplied by one plus a premium τ^r_k equal to highest external MFN tariff level of the bloc member whose import demand just 'clears' the bloc's combined exports of the product. Notably, in the case of a customs union the premium will be equal to the common external tariff for the product. Also, in the case of either a customs union or free trade agreement, the preferential trading arrangement will succeed in lowering import prices faced by consumers only in those member countries for which the premium is lower than their initial most-favoured nation tariff.

In the trade simulation model, each country's balance of payments is valued at border prices, in US dollars. In summary, the foregoing relationships under a GCC customs union or EU-GCC free trade agreement posit:

1) lower consumer prices and unchanged border prices for internationally competitive goods produced by bloc exporters; and,

2) unchanged consumer prices but higher border prices for non-internationally competitive goods produced by bloc exporters. The higher border prices for non-internationally competitive goods include (per unit) forgone tariff revenues of importing member countries captured by non-competitive exporters in partner member countries.

In the latter case, the trade simulation model assumes that, while consumers in member countries continue to import from non-member countries, producers in member countries divert the entire volume of their exports of non-competitive goods to partner member countries in response to the higher intra-bloc prices for their exports occasioned by the customs union, thereby maximising their export revenues and especially their gains from trade.

5.4 Trade creation, trade diversion and economic welfare

The trade simulation model is required to quantify the relative impact of trade creation, trade diversion and changes in the economic welfare in member countries of the customs union. The additional equations required to achieve this are solved in a recursive manner, after the basic model is solved for equilibrium levels of trade, prices and exchange rates.

The most important impact of a customs union (or FTA) will be on economic welfare, which is divided into three components: changes in consumer surplus, changes in producer surplus and forgone import tariff revenues. Consumer surplus refers to the net benefit that consumers derive from purchases of a good at market prices at less than their marginal benefit from the good. Producer surplus refers to earnings producers enjoy at market prices above their marginal variable costs. Finally, forgone tariff revenues are reduced tariff revenues captured by member country exporters under the customs union or FTA arising from their margins of preference under the preferential trading arrangement.

On a combined basis, changes in consumer surplus and producer surplus (less forgone tariff revenues) equal the change in national economic welfare. The change in consumer surplus corresponds to the change in national welfare, occasioned mainly by trade creation. The change in producer surplus corresponds to the change in national welfare brought about

mainly by trade diversion. Forgone tariff revenues correspond to the change in national welfare due to forgoing tariff revenue on duty-free imports that would otherwise have been captured by government and redistributed to domestic consumers in one form or another.[11]

5.5 Database and parameter values

The trade simulation model identifies 19 countries (including the six GCC countries), the EU, Japan, the US, a group of other major industrial countries and a group of other developing countries along with 21 broad categories of traded goods that are identified individually in (Table A5). The model's underlying database of international trade statistics, presented in the Appendix, is compiled on an average basis for 1999-2001 from the COMTRADE database of the UN Statistics Division (UNSD, 2003). Corresponding protection statistics detailing *ad valorem* tariffs applied to imports on an MFN basis, presented in Table A6, are compiled from the UNCTAD Trade Analysis and Information System (UNCTAD, 2003), for the most recent year available. The remaining parameters in the trade simulation model consist of own-price elasticities of import demand and export supply (Table A7). The values of these parameters, assumed to be identical for all countries in the model, are *a priori* values based on estimates of price elasticities in international trade reported in surveys of econometric studies such as Stern et al. (1976).

6. Results

In reading the results, it is not appropriate to match up changes in real exports and net trade creation, since world trade adjustment effects in the simulation model are the key to the results obtained. An intuitive explanation of the way the model works can be construed briefly as follows. The results tabulations summarise the four analytical blocks in the model, which are:

1. Exchange rate (ER) changes and export changes – the exchange rate change is inversely related to the change in the domestic price of exports, so this gives a strong indication of changes in price incentives to export producers.

2. Net TC = TC - TD, and TC is equal to change in real imports. These are popular Vinerian measures of the welfare impacts of customs unions and FTAs.

3. More formal welfare measurement is given by the summation of changes in consumer surplus (net of change in tariff revenue), producer surplus and forgone tariff revenues.

4. Changes in actual tariff revenues, which are important to LDC governments and policy-makers, are of limited importance to national economic welfare in pure theory terms.

When thinking about what's happening in the model, it is often helpful to think about what the initial impacts are on the balance of payments, then which way the ER must adjust. As an example, the MFN scenario is easiest to understand. Countries reducing protection will have an initial balance of payments deficit (because of increased import demand), which must be eliminated by ER depreciation and expanded exports. The CU and FTA scenarios are variants of the MFN scenario in which the extent of trade liberalisation is somewhat less (where moderate to large amounts of trade diversions occur), calling forth smaller ER adjustments, etc.

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[11] Note that forgone tariff revenues are captured by exporters of non-competitive goods in member countries within preferential trading groups as part of their producer surplus.

It is particularly important to grasp the implications of the internationally competitive sectors identified in Table A8. Basically, 'non-internationally competitive' sectors are where most of the trade diversion is occurring. There is nothing particularly counter-intuitive in the internationally competitive sectors identified in Table A8, except that as greater numbers of countries or large countries such as the EU participate in the concerted trade liberalisation, more and more previously uncompetitive sectors become subject to the discipline of international competition, to the benefit of consumers in previously sheltered markets.

Thus, the CU scenarios result in a lot of trade diversion in the GCC countries, but the FTA scenarios counteract this, because the EU's export capacity is so large, somewhat as if the GCC were liberalising trade with the world.

Nevertheless, a caveat should be noted: the results for exports of a particular industrial sector (e.g. agriculture) by the EU to (agricultural) imports by the GCC will not necessarily match because the exports and imports are with the world. Other important magnitudes will, however, match up more precisely. These include significantly, world demand and supply for each commodity and the (dollar) valuation of the balance of payments (BOP = 0). These conditions drive determination of world prices and exchange rates for each country.

Finally, with regard to industry-specific effects among domestic producers, the model merely associates 'winners' with export-expanding sectors and 'losers' with import-expanding sectors. That is, where exports expand appreciably domestic producers might be assumed to be expanding output and where imports expand appreciably domestic producers might be assumed to be facing stiffer competition (and reducing their output).

6.1 Detailed results

Table A8 indicates the internationally competitive sectors identified by the trade simulation model for each preferential trade-liberalisation scenario (scenarios 1-4). As expected, under the basic GCC customs union scenarios, mineral products is the sole competitive sector. Given that imports of mineral products are not highly protected in the GCC countries, the benefit to GCC consumers is likely to be limited. Instead, GCC exporters are likely to gain significantly from the margins of preference under the new customs union, though the margins will be limited to 5% by the CET. The proposed EU-GCC free trade agreement expands the number of internationally competitive sectors to include several, mainly manufactured goods categories in which substantial trade creation might be expected to occur in especially the GCC countries under the proposed FTA. At the same time it would be expected to open new opportunities for expanding exports by GCC producers to the EU as well as neighbouring Gulf countries.

As expected, potential gains to EU consumers are more difficult to identify given the relatively low level of tariff protection in the European Union.[12] EU exporters, however, might be expected to experience significant potential gains from their margins of preference in GCC countries in non-competitive sectors.

The trade simulation model results for the GCC and the EU are summarised in Table A9 and Table A10 respectively, disaggregated by three broad trade categories: agriculture, minerals and manufacturing. Simulation results are presented in a like manner for the six individual

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[12] Notably, under the proposed EU-GCC free trade agreement, EU consumers do not benefit from trade creation in the internationally competitive sectors identified in Table A8 because it is the aggregate export capacity of the EU countries themselves that is responsible for the several sectors identified in the table.

GCC countries in Tables A11-A16. The detailed simulation results, namely, those by the 21 sections of the Harmonised System, are reported in the Appendix for the EU and the six individual GCC states respectively.

The simulation results for the GCC customs union are considered first, then the simulation results for the proposed EU-GCC free trade agreement. This ordering of the simulation results enables determination of the impact on the GCC countries of adopting the FTA 'on top of' their recently adopted customs union. Finally, the simulation results for the MFN scenario, considered last, provide an indication of the degree to which the customs union and FTA trading arrangements lead to trade and welfare impacts approximating those under the most liberal free trade arrangements possible between the GCC countries and the EU, namely, open regionalism.

6.2 GCC customs union

The GCC customs union involves the GCC countries simultaneously adopting a zero tariff on trade with one another and a common external tariff on trade with the rest of the world. Given the initial tariff rates of members in Table A6, the 5% CET involves an appreciable reduction in the average level of tariffs in the GCC countries, except Kuwait and Qatar, which previously applied an average MFN rate of 3% to 4%. Thus, although the CET might be expected to be trade-creating in Bahrain, Oman, Saudi Arabia and the United Arab Emirates, it might be substantially less so in Kuwait and Qatar, the two most outward-oriented GCC countries. In recognition of this, a second customs union scenario is considered in which the CET is set no higher than the lowest tariff level of the GCC countries in each commodity category (resulting in an average CET of 3.3%). This 'textbook' version of the GCC customs union leaves no GCC member compelled to adopt a higher external tariff and hence it should be expected to result in somewhat greater economic benefits for Kuwait and Qatar as well as the bloc as a whole.[13]

Under both representations of the GCC customs union, liberalisation of external tariffs results in depreciation of GCC exchange rates by 3% to 4% on average, as demand for imports, especially imports of manufactures, is stimulated in GCC countries by the component of general trade liberalisation under the new customs union. Simultaneously, to maintain balance of payment equilibrium, domestic export prices rise, giving exporters an incentive to increase their exports of not only mineral products (petroleum) but also manufactured products such as chemicals, metal products, and textiles and clothing – the most labour-intensive of these manufactured products being typically clothing (see presentation of simulation results by HS section in the Appendix).

The supposition that the minimum CET leads to greater benefits than the 5% CET is confirmed in the simulation results, but the margin of economic benefit measured in terms of either net trade creation or overall economic welfare is not particularly large. For the GCC countries as a bloc, net trade creation improves by less than $300 million, from $1,279 million to $1,591 million, and overall economic welfare relative to GDP improves by only about 0.3 percentage points, from 1.5% to 1.8%. These results for the GCC bloc, however, mask important results for the two low tariff GCC countries, Kuwait and Qatar. In both of these countries, welfare losses amounting to about 0.5% of GDP under the GCC customs union

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[13] Economic textbooks often consider customs unions preferable to free trade areas because, for political economy reasons, customs unions tend to establish a common external tariff at or near the lowest external tariff level of their members.

with a 5% CET are reduced to nearly zero under the alternative GCC customs union with a minimum CET. In the high tariff GCC countries (Bahrain, Saudi Arabia and UAE) welfare gains are higher by margins of 0.3 to 0.5 percentage points under the alternative GCC customs union incorporating the minimum CET.

Under the GCC customs union, GCC tariff revenues decline by between $4,493 million and $5,478 million, or about 2% of GDP. Yet, only $500 to $700 million of the decline in tariff revenues is forgone tariff revenues and hence a true economic cost. The remaining tariff revenue losses are simply a transfer between the government and domestic consumers, with no net impact on national economic welfare.

Given that the European Union is not party to the GCC custom union, EU economic welfare is not affected by adoption of the GCC customs union (Table A10) and the modest impact on EU trade found by the trade simulation model occurs only indirectly through the adjustment of world prices.

6.3   An EU-GCC free trade agreement

The proposed EU-GCC free trade agreement would provide wider opportunities than the GCC customs union for preferential market access by the GCC exporters, namely in the lucrative EU market. Also, as noted previously, GCC consumers should be expected to benefit from duty-free access to EU exports in the internationally competitive sectors identified in Table A8, including (among others) chemicals, machinery and transport equipment.

In Table A9, the proposed FTA results in somewhat greater depreciation of the exchange rate in GCC countries (about 6.5% on average) than under the GCC customs union and in Table A10 in a modest appreciation of the EU exchange rate on average (about 0.3%).

For the GCC countries, the exchange rate impact follows from appreciable expansion of duty-free imports induced by the FTA, by about $1,500 million (and, again, from the concomitant necessity that exports expand sufficiently to maintain balance of payments equilibrium). Indeed, trade diversion under the FTA is reduced by comparison to trade diversion under the customs union precisely because of the capacity of the EU export supply to satisfy GCC import demand fully at a duty-free price in the internationally competitive sectors identified in Table A8.

For the EU, the exchange rate impacts follow mainly from the FTA-induced expansion of exports in non-competitive sectors where EU exporters would enjoy margins of preference in the GCC countries and from the inability of the GCC countries to satisfy EU import demand fully at a duty-free price in any sector in the model. For the EU, trade diversion effects and forgone tariff revenues dominate the simulation results such that trade creation is negative on a net basis and the computed change in economic welfare is also negative. The underlying trade impacts of the EU-GCC free trade agreement, however, are small relative to the GDP of the European Union so that the changes in both EU economic welfare and tariff revenues are insignificant relative to EU output in the aggregate.

This is not the case for the GCC countries. Under the EU-GCC free trade agreement, both net trade creation and economic welfare are substantially greater than under the GCC customs union, and the improvement in GCC economic welfare relative to GDP is a full percentage point or more greater on average than under the customs union, including in the two low-tariff countries, Kuwait and Qatar. GCC consumers gain most from increased imports of manufactures at duty-free prices in the internationally competitive sectors, while GCC

producers gain most from increased exports of minerals (petroleum) induced by the further exchange rate depreciation. Finally, it is apparent in Table A9 that forgone tariff revenues and changes in actual tariff revenues under the EU-GCC free trade agreement remain very similar in magnitude to those under the GCC customs union, especially when the minimum CET is assumed.

6.4 Open regionalism

The results of the MFN trade liberalisation scenario are clearly superior to those for either the GCC customs union or EU-GCC free trade agreement. They indicate that economic welfare relative to GDP would be improved by 3.2% on average in the GCC countries and by 0.8% on average in the European Union. It is also apparent from the results of the MFN trade liberalisation scenario that the loss in tariff revenues is greater than in the other scenarios. Nevertheless, unlike in the preferential trade liberalisation scenarios, changes in tariff revenues under MFN trade liberalisation are entirely transfers between the government and domestic consumers because no trade diversion or forgone tariff revenues occur.

Remarkably, the proposed EU-GCC free trade agreement yields an aggregate welfare gain for the GCC countries (2.7% to 2.9%) that is similar in magnitude to the aggregate welfare gain for the GCC countries under open regionalism (3.2%). Thus, on economic welfare grounds, the proposed FTA should be preferred by GCC countries to their current customs union, which yields substantially smaller welfare gains (1.5% to 1.8%). Further, the simulation results indicate that if the current 5% CET of the GCC customs union were lowered significantly as part of the FTA negotiations, namely, to the minimum CET average (3.3%) or a still lower level, the trade and welfare gains to the GCC countries would be decidedly close to those under non-discriminatory trade liberalisation. Also, simultaneously adopting a lower CET with the proposed FTA would further increase the attractiveness of the GCC countries to outward-oriented foreign direct investment by multinational corporations globally (not solely EU-based multinational corporations), given that foreign direct investment decisions in the global economy today are importantly influenced by, among other factors, the openness of the host country's trade regime.

7. Discussion & conclusions

Against the backdrop of the recent disappointing economic performance of several GCC countries and increasing concerns for the productive employment of both skilled and unskilled labour in these countries, this paper has sought to quantify the economic impacts of the new GCC customs union and proposed EU-GCC free trade agreement on the six GCC countries. Using a computable partial equilibrium model of world trade focused on the region, the analysis yields insights relevant to the possible trade and welfare impacts of the new and proposed preferential trading arrangements between the GCC countries and the European Union, albeit limited by the inevitable shortcomings of the quantitative analysis but also by the still incomplete details surrounding the new GCC customs union and the ongoing negotiations of the proposed FTA between the EU and GCC countries.

To add clarity, we group the discussion of conclusions in the following way. First we take a look at the 'big picture'. A comparison of the outcome of the CU for the GCC when compared with the outcome of an FTA (for EU and GCC) and finally contrast this with the 'idealised' position called 'open regionalism'. Second, we examine any 'intra-bloc effects' that may occur and compare the intra-GCC effects from the CU with the relative EU/GCC

effects that may result from an FTA. Finally, we look at any industry-specific effects that might emerge from the trade reforms in terms of gains and loses for particular industry sectors (where possible).

Looked at in this way, the core 'global' message coming from this analysis is that the CU has a small positive benefit for the GCC, but the FTA has a greater one – both for the GCC and the EU whereas open regionalism does best (but only slightly better than FTA).

At the level of regional effects, intra-GCC trade increases most in the CU. But GCC exports increase more under the FTA **and** the EU doesn't lose out on increasing exports into the GCC. This last effect may be as a result of some relaxing of the 'Dutch Disease' distortions, which result in non-oil GCC exports increasing into the EU and the world, as well as the EU's export share being maintained in the GCC.

Finally, at the level of industry effects, we would expect low- to medium-tech (i.e. previously Dutch-disease constrained), non-oil export sectors such as clothing or textiles to expand throughout the GCC, as these benefit from new access into the EU under an FTA. Nevertheless, export gains for the EU into the GCC also appear to be likely, predominantly in high-tech, non-oil sectors.

In general, the quantitative results indicate that both the new GCC customs union *and* the proposed EU-GCC free trade agreement would appreciably expand trade and improve the economic welfare in the GCC countries, with little significant economic impact on the EU. Given the dominance of petroleum in the exports of the GCC countries, adjustment of trade in this sector dominates much of the quantitative results. Both the new customs union and the proposed preferential trading arrangement stimulate trade in some other important sectors, however, including GCC exports in labour-intensive sectors such as clothing and in more skilled labour-intensive sectors such as chemicals and metal products.

As might be expected, the proposed EU-GCC free trade agreement results in larger trade and welfare gains for the Gulf countries. Indeed, trade diversion under the FTA is reduced by comparison to trade diversion under the customs union because of the capacity of EU exporters to fully satisfy the (currently constrained) GCC demand for imports at duty-free prices in a number of internationally competitive sectors. GCC consumers would gain opportunities to enjoy imports of chemicals, machinery and transport equipment, among other major categories of trade goods, at internationally competitive prices, with little trade diversion. On the production side, the source of the welfare benefits can also be traced to greater gains for GCC exporters, mainly in response to greater depreciation of the exchange rate under the proposed FTA, rather than preferential access to the lucrative EU market for imports.

The reason for large intra-GCC effects under the CU is that considerable trade diversion occurs – trade diversion that is undone in part when the EU enters the picture under the FTA (this effect shows through reasonably clearly in the results). An important point to keep in mind is that the high-protection GCC countries receive a particularly important, positive boost from liberalising their MFN tariffs under the new 5% CET.

Most of the above points can be made with reference to Tables A9 & A10. Reading across the five scenarios from left to right in Table A9 (GCC) or Table A10 (EU) we observe that all the trade creation, consumer surplus and welfare measures increase progressively as we go from left to right. The simulation results should be read as applying per annum, in perpetuity.

So, although the model results are not 'dynamic' in the proper sense of the term and in many cases appear small (for instance relative to GDP), they are likely to be long-lived and their present value is not unimportant. The simulation results, if they became reality, would loom very large indeed, especially to individual firms and consumers,

The two 'sensitive' GCC countries, Kuwait and Qatar, are the two GCC countries with initial tariff rates below the 5% CET. We can see that they are not significantly disadvantaged under the CU and their position is again improved under the FTA.

Although the simulated welfare gains under the proposed FTA closely approximate welfare gains under a policy of open regionalism (i.e. EU-GCC trade liberalisation on an MFN basis), the GCC countries should consider lowering their current CET from 5% to a figure closer to 3% as part of the current FTA negotiations. By doing so, the GCC countries would be better placed to attract the outward-oriented foreign direct investment.

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Table 1. Economic Indicators for Middle East and North Africa (MENA) Countries, 2000

Country	Population	Per Capita GDP Level	Per Capita GDP Avg. Annual Growth 1990-2000	Structure of Output Agriculture	Structure of Output Industry	Structure of Output Services	International Trade and Foreign Investment Merch. Exports	International Trade and Foreign Investment Merch. Imports	Average Import Tariff	Foreign Direct Investment
	(Mill.)	(US $)	(Percent)	(Percent GDP)			(US $ Mill.)		(Percent)	(Percent GDP)
Algeria	30.4	1,758	-0.1	8.8	59.7	31.5	22,031	9,152	8.3	..
Bahrain	0.6	13,284	2.2	..	..	..	5,703	4,633	16.3	11.6
Egypt	64.0	1,554	2.6	16.7	33.1	50.2	4,689	14,010	20.1	1.3
Iran	63.7	1,594	1.2	17.7	33.3	49.0	28,345	14,296	6.6	0.0
Iraq	23.3	..	..	2.2	24.8	73.0	20,603	11,153	14.3	..
Israel	6.2	17,804	2.0	..	..	..	31,404	37,686	6.5	6.7
Jordan	4.9	1,728	0.7	11.9	22.0	66.1	1,897	4,539	16.9	9.4
Kuwait	2.0	17,915	6.5	..	..	..	19,420	7,157	3.4	0.9
Lebanon	4.3	3,834	3.3	13.5	32.2	54.3	715	6,230	7.4	..
Libya	5.3	6,441	..	..	..	..	12,687	3,751	13.3	1.5
Morocco	28.7	1,161	0.4	..	..	..	7,432	11,534	35.8	0.4
Oman	2.4	8,278	..	22.8	28.7	48.5	10,852	5,040	9.6	1.0
Qatar	0.6	27,424	..	12.3	28.8	58.9	11,594	3,252	4.4	1.5
Saudi Arabia	20.7	9,117	-1.2	15.4	25.3	59.4	77,583	30,238	11.5	3.9
Syria	16.2	1,105	3.1	..	..	..	4,634	3,815	14.5	0.9
Tunisia	9.6	2,027	3.1	14.0	47.9	38.0	5,850	8,567	36.2	2.2
Turkey	67.4	2,956	1.2	8.8	59.7	31.5	27,485	54,150	9.7	..
UAE	2.9	..	0.2	..	..	..	41,262	38,139	14.3	11.6
Yemen	17.5	531	1.1	16.7	33.1	50.2	4,079	2,324	14.9	1.3
Memorandum Items:										
GCC	29.2	11,472	0.1	13.2	21.6	48.9	166,414	88,459	9.9	3.4
MENA	370.7	6,635	1.1	10.3	30.4	34.7	338,265	269,666	13.9	2.0
Dev. Ctrys.	5,099.7	1,200	3.0	12.2	34.6	53.2	1,565,387	1,444,005	..	3.6
World	6,052.8	5,204	1.2	3.9	29.8	66.3	6,430,630	6,633,562	..	9.0

Sources: UNCTAD, *Handbook of Statistics*, 2003; UNCTAD, *Trade Information and Analysis System*, 2003; and World Bank, *World Development Indicators*, 2003.
    Notes: GCC denotes Gulf Cooperation Council countries: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (UAE).

Table 2. Trade in Services, 2000

Country	Exports				Imports			
	Total	Of which			Total	Of which		
		Transp.	Travel	Other		Transp.	Travel	Other
	($ Mn)	(Percent)			($ Mn)	(Percent)		
Algeria	..	..	..	..	..	..	..	..
Bahrain	830	33.9	56.6	9.5	683	60.9	24.8	14.3
Egypt	9,803	27.0	44.3	28.7	7,513	29.4	14.3	56.3
Iran	1,382	48.6	36.3	15.2	2,296	49.7	8.9	41.3
Iraq	..	..	..	..	..	..	..	..
Israel	15,181	16.3	25.4	58.2	12,529	39.0	22.4	38.6
Jordan	..	..	..	..	..	..	..	..
Kuwait	1,822	75.9	5.4	18.8	4,923	31.3	50.7	18.1
Lebanon	..	..	..	..	..	..	..	..
Libya	..	..	..	..	..	..	..	..
Morocco	3,034	16.0	67.2	16.8	1,884	32.9	22.6	44.5
Oman	283	6.4	78.0	15.6	1,501	32.4	22.7	44.9
Qatar	..	..	..	..	..	..	..	..
Saudi Arabia	4,785	..	..	100.0	25,262	8.9	..	91.1
Syria	1,700	14.5	63.6	21.9	1,667	41.9	40.1	18.0
Tunisia	2,767	21.5	60.8	17.7	1,219	44.9	21.5	33.6
Turkey	19,484	15.2	39.2	45.6	8,149	33.7	21.0	45.3
UAE	..	..	..	..	..	..	..	..
Yemen	211	10.2	34.5	55.3	809	42.0	8.6	49.4

Source: UNCTAD, *Handbook of Statistics*, 2003.

Table 3. Directions of Merchandise Trade, 2000

Country	Exports to					Imports from				
	Developed Countries	Of which		Developing Countries	Of which Middle East	Developed Countries	Of which		Developing Countries	Of which Middle East
		EU	US				EU	US		
(Percent)										
Algeria	83.6	66.3	16.3	15.9	5.3	77.6	61.3	13.2	16.6	6.2
Bahrain	12.0	4.6	4.0	28.6	5.5	45.9	25.4	12.9	53.5	34.9
Egypt	64.6	48.2	13.5	24.5	9.8	62.1	36.6	17.6	25.7	7.0
Iran	44.6	25.6	0.9	42.7	10.4	44.3	32.3	3.1	37.7	7.9
Iraq	84.0	35.0	44.2	16.0	4.4	61.8	41.1	2.5	31.0	7.2
Israel	70.5	26.8	37.7	21.1	2.0	70.9	42.0	19.0	13.8	1.8
Jordan	16.4	3.9	5.0	80.8	39.4	51.4	31.6	10.8	44.3	24.9
Kuwait	55.7	14.5	15.1	44.3	2.2	73.7	40.8	15.9	25.3	4.1
Lebanon	37.8	19.9	7.9	60.6	44.7	63.0	44.0	7.8	28.2	12.7
Libya	88.5	85.3	0.0	11.5	6.0	68.7	62.2	0.9	29.4	6.1
Morocco	73.9	62.1	5.9	16.5	2.2	72.0	63.0	6.1	14.5	4.2
Oman	23.4	1.7	2.5	76.6	11.5	45.1	21.2	4.3	54.6	38.7
Qatar	51.0	0.9	3.7	39.2	6.2	62.1	35.6	11.2	37.7	17.6
Saudi Arabia	56.1	17.6	18.1	43.9	6.9	66.8	30.1	20.2	20.5	5.0
Syria	65.1	61.0	3.7	31.3	25.4	41.2	32.9	4.5	32.0	10.1
Tunisia	80.4	78.2	0.8	15.3	3.4	78.9	70.6	4.9	16.5	3.7
Turkey	66.9	49.9	11.9	17.8	5.6	60.4	45.8	7.6	21.1	4.8
UAE	42.4	4.9	2.4	44.1	9.0	48.8	31.3	6.8	48.7	14.8
Yemen	13.0	1.2	6.2	84.3	4.1	33.5	18.0	4.7	63.1	35.2

Sources: UNCTAD, *Handbook of Statistics*, 2003.

Table 4. Structure of Merchandise Trade, 2000

Country	Exports					Imports				
	Foods	Ag. Raw Materials	Fuels	Ores & Metals	Manu-factures	Foods	Ag. Raw Materials	Fuels	Ores & Metals	Manu-factures
	(Percent)									
Algeria	0.2	0.0	98.1	0.3	1.4	28.2	2.6	1.4	1.2	66.6
Bahrain	0.7	0.0	71.0	17.6	10.7	9.7	0.8	45.7	6.8	37.0
Egypt 1/	8.9	7.9	36.9	4.4	37.1	22.8	4.4	6.1	3.0	58.8
Iran	2.9	0.4	88.6	0.8	7.1	19.0	2.6	2.4	2.5	73.2
Iraq	..	..	..	..	..	..	..	..	..	..
Israel	2.6	1.1	0.7	1.2	94.2	5.4	1.0	10.1	1.8	81.2
Jordan	15.9	0.5	0.0	14.6	69.0	21.2	2.3	4.8	2.5	65.9
Kuwait 1/	0.5	0.1	90.6	0.3	8.5	16.8	0.9	0.6	1.9	78.2
Lebanon	18.4	1.8	0.2	6.9	66.0	17.8	1.7	16.5	2.1	56.0
Libya	..	..	..	..	..	..	..	..	..	..
Morocco	21.5	2.0	3.7	8.7	64.1	13.7	3.1	17.7	2.5	62.9
Oman	3.6	0.0	82.5	0.9	12.4	22.2	0.7	1.7	3.0	68.7
Qatar 1/	0.1	0.0	90.1	0.1	9.7	15.3	0.7	0.6	3.2	79.9
Saudi Arabia	0.6	0.1	92.1	0.1	7.1	17.7	1.0	0.2	3.0	73.2
Syria	8.8	4.6	76.3	0.7	7.8	19.0	3.3	3.7	1.8	64.7
Tunisia	8.7	0.7	12.1	1.5	77.0	8.2	3.0	10.6	2.5	75.4
Turkey	12.8	1.1	1.1	2.6	81.2	3.9	3.7	14.0	4.0	70.5
UAE	..	..	..	..	..	..	..	..	..	..
Yemen	..	..	..	..	..	..	..	..	..	..

Sources: UNCTAD, *Handbook of Statistics*, 2003.

Table 5. The MENA Trade Simulation Model:
Country and Product Coverage

Countries, Product Categories		Model Code
Countries		
1	Algeria	AL
2	Bahrain	BH
3	Egypt	EG
4	Iran	IR
5	Iraq	IQ
6	Israel	IS
7	Jordan	JO
8	Kuwait	KW
9	Lebanon	LN
10	Libya	LY
11	Morocco	MO
12	Oman	OM
13	Qatar	QA
14	Saudi Arabia	SA
15	Syria	SY
16	Tunisia	TN
17	Turkey	TR
18	United Arab Emirates	UA
19	Yemen	YE
20	EU15	EU
21	Japan	JP
22	United States	US
23	Other Developed Countries	OD
24	Other Less Developed Countries	OL
HS Sections		
I	Live animals and animal products	AN
II	Vegetable products	VE
III	Fats and oils	FA
IV	Manufactured foodstuffs	FS
V	Mineral products	MN
VI	Chemical	CH
VII	Rubber and plastics	RP
VIII	Hides and leather products	HL
IX	Cork and wood articles	CW
X	Pulp and paper products	PP
XI	Textiles and apparel	TA
XII	Footwear and other made-up articles	FW
XIII	Stone and mineral products	SP
XIV	Precious stones and jewellery	PS
XV	Base metals and metal products	MT
XVI	Machinery	MA
XVII	Transport equipment	TE
XVIII	Professional equipment	PE
XIX	Arms and ammunition	AA
XX	Miscellaneous manufactures	MM
XXI	Works of art	WA

Table 6. Average MFN Import Tariff Rates (Percent)

HS Section	Algeria	Bahrain	Egypt	Iran	Iraq	Israel	Jordan	Kuwait	Lebanon	Libya	Morocco
Live animals & animal products	4.9	16.0	13.6	4.6	19.5	3.0	13.6	0.8	8.3	2.0	80.7
Vegetable products	4.4	14.7	14.8	4.4	16.3	6.8	15.9	0.9	12.6	9.7	39.5
Fats & oils	7.3	26.3	13.7	5.2	13.8	3.4	15.6	0.0	10.9	12.1	31.8
Manufactured foodstuffs	23.4	23.3	28.9	9.3	25.0	9.4	35.0	8.9	13.9	24.3	42.8
Mineral products	5.1	5.8	7.0	3.3	8.4	0.9	11.2	4.0	6.2	10.8	22.3
Chemical	5.6	17.4	16.9	2.5	11.3	7.4	10.9	4.0	5.5	15.2	27.7
Rubber & plastics	7.6	18.1	18.0	6.3	13.5	6.6	15.1	4.0	4.2	21.0	40.8
Hides & leather products	9.6	0.0	21.6	11.2	13.4	4.4	21.7	2.7	16.5	8.8	40.5
Cork & wood articles	7.7	9.8	21.5	10.2	13.2	9.7	14.0	4.0	3.6	3.3	42.3
Pulp & paper products	4.9	16.0	14.2	3.4	10.9	4.5	14.1	3.4	5.3	9.2	33.9
Textiles & apparel	9.8	18.0	22.8	12.0	15.7	15.8	13.8	4.0	2.6	9.1	38.2
Footwear & other made-up articles	10.0	21.6	39.5	11.7	17.9	9.4	28.2	3.0	12.9	1.3	42.2
Stone & mineral products	6.3	22.3	28.2	9.2	16.9	7.9	23.6	4.0	9.4	20.0	38.6
Precious stones & jewellery	9.1	30.0	26.7	0.0	15.5	3.5	18.1	4.0	3.6	35.0	36.7
Base metals & metal products	5.4	11.7	17.7	4.9	11.1	4.1	14.3	3.6	3.6	7.4	31.3
Machinery	9.3	14.2	14.9	6.2	11.1	6.2	13.2	4.0	4.2	20.9	15.9
Transport equipment	10.9	8.5	14.2	4.8	10.6	1.8	9.9	4.0	3.4	15.9	17.1
Professional equipment	9.8	13.1	19.5	5.7	13.1	7.0	21.1	4.0	4.9	20.7	14.4
Arms & ammunition	6.0	15.0	23.6	10.0	11.7	0.0	0.0	0.0	5.0	0.0	47.9
Miscellaneous manufactures	8.7	30.0	24.6	10.7	18.4	14.1	26.5	4.0	11.1	20.8	34.3
Works of art	8.1	10.6	20.3	3.5	13.7	11.0	19.5	3.7	7.8	13.1	33.2
All Products	8.3	16.3	20.1	6.6	14.3	6.5	16.9	3.4	7.4	13.3	35.8

HS Section	Oman	Qatar	S. Arabia	Syria	Tunisia	Turkey	UAE	Yemen	EU15	Japan	US
Live animals & animal products	10.1	4.0	9.5	6.3	69.9	50.4	19.5	17.7	4.4	9.8	3.7
Vegetable products	5.1	4.0	11.2	5.6	77.7	25.7	16.3	14.3	5.1	6.7	3.6
Fats & oils	5.7	4.0	12.0	9.0	40.5	14.7	13.8	12.7	5.3	6.6	3.4
Manufactured foodstuffs	26.0	11.3	10.7	28.1	62.0	36.0	25.0	16.0	13.0	15.0	26.9
Mineral products	5.0	4.0	12.1	5.4	19.3	0.3	8.4	11.9	0.3	0.3	0.1
Chemical	7.3	4.0	11.4	11.0	25.8	4.9	11.3	10.4	4.2	3.4	2.2
Rubber & plastics	6.2	4.0	12.1	13.6	27.4	4.8	13.5	13.2	4.7	3.0	3.2
Hides & leather products	11.7	4.0	12.1	0.0	37.8	5.3	13.4	11.4	2.4	15.3	3.7
Cork & wood articles	8.5	4.0	12.3	13.8	35.6	2.9	13.2	18.5	2.8	3.2	1.8
Pulp & paper products	4.2	4.0	11.2	11.0	26.6	2.0	10.9	11.3	1.3	0.8	0.2
Textiles & apparel	8.3	4.0	12.4	32.9	33.0	18.9	15.7	11.5	7.5	7.8	7.3
Footwear & other made-up articles	11.9	4.0	12.0	18.8	40.9	7.1	17.9	21.5	5.2	10.8	5.7
Stone & mineral products	7.8	4.0	12.2	30.9	32.7	4.3	16.9	17.2	3.6	1.6	3.6
Precious stones & jewellery	14.4	4.0	11.6	1.0	38.3	0.7	15.5	14.7	0.7	1.2	2.2
Base metals & metal products	6.2	4.2	12.5	8.4	27.7	3.4	11.1	15.2	2.8	3.1	2.3
Machinery	8.1	4.0	12.0	16.8	20.5	2.3	11.1	11.5	2.2	0.1	1.5
Transport equipment	6.6	4.0	10.1	20.0	21.7	2.7	10.6	16.3	2.7	0.0	2.2
Professional equipment	12.2	4.0	11.5	23.2	30.8	3.1	13.1	12.1	3.1	0.2	2.8
Arms & ammunition	15.0	4.0	7.1	0.0	25.4	2.6	11.7	25.0	2.7	9.6	0.9
Miscellaneous manufactures	12.4	4.0	13.7	31.9	38.8	4.7	18.4	17.4	2.7	2.5	2.6
Works of art	9.0	4.2	12.1	16.7	27.8	6.3	13.7	13.5	3.0	3.0	2.6
All Products	9.6	4.4	11.5	14.5	36.2	9.7	14.3	14.9	3.8	5.0	3.9

Source: UNCTAD, *Trade Information and Analysis System*, 2003.
Notes: Values are based on latest available tariff rates for each country. Average tariff rates for other countries are average values for developed or developing countries, as appropriate

Table 7. Price Elasticities of Import Demand and Export Supply

HS Section		Import Demand	Export Supply
I	Live animals & animal products	-0.93	0.75
II	Vegetable products	-0.68	0.75
III	Fats & oils	-1.10	0.75
IV	Manufactured foodstuffs	-1.08	0.75
V	Mineral products	-0.81	0.50
VI	Chemical	-1.59	1.00
VII	Rubber & plastics	-1.60	1.00
VIII	Hides & leather products	-1.32	1.00
IX	Cork & wood articles	-1.18	1.00
X	Pulp & paper products	-1.35	1.00
XI	Textiles & apparel	-1.53	1.00
XII	Footwear & other made-up articles	-1.88	1.00
XIII	Stone & mineral products	-2.03	1.00
XIV	Precious stones & jewellery	-2.25	1.00
XV	Base metals & metal products	-2.09	1.00
XVI	Machinery	-2.63	1.00
XVII	Transport equipment	-2.50	1.00
XVIII	Professional equipment	-2.10	1.00
XIX	Arms & ammunition	-0.80	1.00
XX	Miscellaneous manufactures	-1.38	1.00
XXI	Works of art	-1.00	1.00

Sources: Based on econometric estimates compiled by Stern et al. (1976), Goldstein and Khan (1985), and Republic of Uganda (1997).

Note: Elasticity estimates are averages computed from elasticity values by HS chapters.

Table 8. EU-GCC Trade Liberalization Scenarios

Scenario	Notes	Internationally Competitive Sectors
GCC Customs Union		
1. GCC Customs Union [CU (5% CET)]	GCC members adopt a common external tariff set at 5 percent in each commodity category.	Mineral products
2. GCC Customs Union [CU (Min CET)]	GCC members adopt a common external tariff set at the minimum tariff level in each commodity category, across member countries.	Mineral products
EU-GCC FTA		
3. EU-GCC FTA [FTA (5% CET)]	GCC countries maintain 5 percent common external tariff in Scenario 1.	Manuf. foodstuffs Mineral products Chemicals Rubber and plastics Pulp, paper prods. Stone, mineral prods. Metals, metal prods. Machinery Transport equipment Arms, ammunition Works of art
4. EU-GCC FTA [FTA (Min CET)]	GCC countries maintain common external tariff in Scenario 2.	Manuf. foodstuffs Mineral products Chemicals Rubber and plastics Pulp, paper prods. Stone, mineral prods. Metals, metal prods. Machinery Transport equipment Arms, ammunition Works of art
Open Regionalism		
5. MFN-based EU-GCC FTA (MFN)	EU and GCC jointly pursue free trade on an MFN basis.	Not applicable

Notes: EU denotes European Union 15: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, and United Kingdom. GCC denotes Gulf Cooperation Council countries: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates. In each of the trade liberalization scenarios, countries are assumed additionally to eliminate nontariff barriers, which are not explicitly represented in the MENA trade simulation model.

Table 9. GCC Countries: Trade and Welfare Impacts of EU-GCC Trade Arrangements
(Millions of US Dollars per Annum, at 2000 Prices)

	Scenario				
	CU (5% CET)	CU (Min CET)	FTA (5% CET)	FTA (Min CET)	MFN
Percent Change in Real Exchange Rate (US$/LC)					
All products	-4.8	-4.2	-6.4	-6.5	-7.4
Change in Real Exports					
Agriculture	65.3	34.1	69.1	62.3	53.3
Minerals	2,282.8	1,946.4	3,120.9	3,166.4	3,404.5
Manufacturing	1,161.1	972.7	888.8	917.1	932.1
All products	3,509.2	2,953.2	4,078.8	4,145.8	4,389.9
(% Change)	2.9	2.4	3.3	3.4	3.6
Trade Creation = Change in Real Imports					
Agriculture	54.1	453.6	19.0	257.9	212.7
Minerals	36.8	46.6	-2.4	-5.0	-14.5
Manufacturing	197.3	2,097.3	2,962.4	2,788.3	2,804.9
All products	288.2	2,597.5	2,979.0	3,041.2	3,003.1
(% Change)	0.4	3.5	4.0	4.1	4.1
Trade Diversion					
Agriculture	41.4	20.8	1,305.5	0.0	0.0
Minerals	0.0	0.0	0.0	0.0	0.0
Manufacturing	785.4	656.9	4,310.1	4,132.6	0.0
All products	826.8	677.7	5,615.6	4,132.6	0.0
(% Imports)	1.1	0.9	7.6	5.6	0.0
Net Trade Creation					
Agriculture	12.7	432.8	-1,286.4	257.9	212.7
Minerals	36.8	46.6	-2.4	-5.0	-14.5
Manufacturing	-588.1	1,440.3	-1,347.8	-1,344.4	2,804.9
All products	-538.6	1,919.8	-2,636.6	-1,091.4	3,003.1
(% Imports)	-0.7	2.6	-3.6	-1.5	4.1
Change in Consumer Surplus					
Agriculture	4.7	19.2	1.9	9.0	5.5
Minerals	0.9	1.0	0.5	0.5	0.6
Manufacturing	70.6	139.6	80.6	74.8	79.4
All products	76.2	159.8	83.1	84.3	85.6
(% GDP)	0.0	0.1	0.0	0.0	0.0
Change in Producer Surplus					
Agriculture	92.1	47.0	97.8	87.7	74.5
Minerals	4,696.8	3,992.3	6,451.6	6,549.7	7,055.9
Manufacturing	1,236.3	1,034.9	945.6	980.3	987.3
All products	6,025.2	5,074.1	7,494.9	7,617.8	8,117.8
(% GDP)	2.0	1.7	2.5	2.5	2.7
Forgone Tariff Revenue					
Agriculture	29.0	4.0	159.4	0.0	0.0
Minerals	0.0	0.0	0.0	0.0	0.0
Manufacturing	448.8	365.6	388.1	716.3	0.0
All products	477.9	369.6	547.6	716.3	0.0
(% GDP)	0.2	0.1	0.2	0.2	0.0
Change in Economic Welfare					
Agriculture	67.8	62.1	-59.7	96.7	80.0
Minerals	4,697.6	3,993.3	6,452.1	6,550.2	7,056.6
Manufacturing	858.0	808.9	638.1	338.8	1,066.7
All products	5,623.5	4,864.3	7,030.4	6,985.8	8,203.3
(% GDP)	1.9	1.6	2.3	2.3	2.7
Change in Tariff Revenue					
Agriculture	-780.4	-1,146.3	-921.0	-1,142.1	-1,213.4
Minerals	-200.1	-200.1	-200.1	-200.1	-200.1
Manufacturing	-4,864.9	-5,009.1	-6,999.3	-7,061.3	-7,296.3
All products	-5,845.3	-6,355.5	-8,120.5	-8,403.5	-8,709.7
(% GDP)	-1.9	-2.1	-2.7	-2.8	-2.9

Table 10. European Union: Trade and Welfare Impacts of EU-GCC Trade Arrangements
(Millions of US Dollars per Annum, at 2000 Prices)

	Scenario				
	CU (5% CET)	CU (Min CET)	FTA (5% CET)	FTA (Min CET)	MFN
Percent Change in Real Exchange Rate (US$/LC)					
All products	0.0	0.0	0.3	0.2	-1.9
Change in Real Exports					
Agriculture	7.5	70.0	2,760.6	2,098.9	1,742.5
Minerals	-125.8	-125.0	-347.0	-320.4	352.2
Manufacturing	99.6	38.8	12,991.7	15,480.2	40,805.3
All products	-18.7	-16.2	15,405.3	17,258.8	42,900.0
(% Change)	0.0	0.0	0.7	0.8	2.0
Trade Creation = Change in Real Imports					
Agriculture	-8.7	-88.7	1,120.1	1,974.0	2,360.3
Minerals	460.8	457.8	1,446.3	1,311.6	-687.8
Manufacturing	-165.3	-83.3	21,986.3	20,613.4	42,256.3
All products	286.8	285.8	24,552.6	23,899.0	43,728.8
(% Change)	0.0	0.0	1.1	1.1	2.0
Trade Diversion					
Agriculture	0.0	0.0	33.5	62.3	0.0
Minerals	0.0	0.0	0.0	0.0	0.0
Manufacturing	0.0	0.0	196.9	210.0	0.0
All products	0.0	0.0	230.4	272.3	0.0
(% Imports)	0.0	0.0	0.0	0.0	0.0
Net Trade Creation					
Agriculture	-8.7	-88.7	1,086.6	1,911.6	2,360.3
Minerals	460.8	457.8	1,446.3	1,311.6	-687.8
Manufacturing	-165.3	-83.3	21,789.4	20,403.5	42,256.3
All products	286.8	285.8	24,322.2	23,626.7	43,728.8
(% Imports)	0.0	0.0	1.1	1.1	2.0
Change in Consumer Surplus					
Agriculture	-0.4	-4.2	31.0	22.9	29.5
Minerals	0.7	0.7	7.0	5.7	2.8
Manufacturing	-18.7	-9.2	363.7	239.2	630.2
All products	-18.4	-12.7	401.6	267.8	662.5
(% GDP)	0.0	0.0	0.0	0.0	0.0
Change in Producer Surplus					
Agriculture	10.0	93.3	3,747.1	2,840.7	2,349.5
Minerals	-251.2	-249.6	-691.1	-638.2	707.6
Manufacturing	134.6	58.5	14,476.2	17,603.6	42,335.4
All products	-106.5	-97.7	17,532.2	19,806.2	45,392.6
(% GDP)	0.0	0.0	0.2	0.3	0.6
Forgone Tariff Revenue					
Agriculture	0.0	0.0	19.6	22.2	0.0
Minerals	0.0	0.0	0.0	0.0	0.0
Manufacturing	0.0	0.0	106.9	135.0	0.0
All products	0.0	0.0	126.5	157.2	0.0
(% GDP)	0.0	0.0	0.0	0.0	0.0
Change in Economic Welfare					
Agriculture	9.6	89.1	3,758.4	2,841.4	2,379.1
Minerals	-250.5	-248.9	-684.1	-632.4	710.4
Manufacturing	116.0	49.3	14,733.0	17,707.8	42,965.6
All products	-124.9	-110.4	17,807.4	19,916.8	46,055.0
(% GDP)	0.0	0.0	0.2	0.3	0.6
Change in Tariff Revenue					
Agriculture	-0.1	0.6	-16.4	43.2	-5,654.7
Minerals	-491.1	-491.1	-491.1	-491.1	-491.1
Manufacturing	-3.8	-3.4	-37,418.0	-37,991.0	-66,062.0
All products	-495.0	-493.9	-37,925.5	-38,438.9	-72,207.8
(% GDP)	0.0	0.0	-0.5	-0.5	-0.9

Table 11. Bahrain: Trade and Welfare Impacts of EU-GCC Trade Arrangements
(Millions of US Dollars per Annum, at 2000 Prices)

	Scenario				
	CU (5% CET)	CU (Min CET)	FTA (5% CET)	FTA (Min CET)	MFN
Percent Change in Real Exchange Rate (US$/LC)					
All products	-5.1	-4.9	-6.8	-6.8	-7.9
Change in Real Exports					
Agriculture	1.5	0.8	1.6	1.3	1.2
Minerals	106.7	102.4	139.9	141.4	155.8
Manufacturing	157.7	136.0	135.8	137.1	130.9
All products	265.9	239.3	277.2	279.8	287.9
(% Change)	4.6	4.1	4.8	4.8	5.0
Trade Creation = Change in Real Imports					
Agriculture	11.5	22.0	9.9	17.3	15.5
Minerals	11.8	14.9	-14.3	-15.8	-23.1
Manufacturing	183.6	229.5	277.7	274.7	263.7
All products	206.9	266.4	273.3	276.2	256.0
(% Change)	4.7	6.0	6.1	6.2	5.8
Trade Diversion					
Agriculture	2.0	1.0	51.4	0.0	0.0
Minerals	0.0	0.0	0.0	0.0	0.0
Manufacturing	54.6	45.1	140.4	137.5	0.0
All products	56.6	46.1	191.7	137.5	0.0
(% Imports)	1.3	1.0	4.3	3.1	0.0
Net Trade Creation					
Agriculture	9.5	20.9	-41.5	17.3	15.5
Minerals	11.8	14.9	-14.3	-15.8	-23.1
Manufacturing	129.1	184.4	137.3	137.2	263.7
All products	150.3	220.3	81.5	138.8	256.0
(% Imports)	3.4	5.0	1.8	3.1	5.8
Change in Consumer Surplus					
Agriculture	0.9	1.3	0.5	0.9	0.6
Minerals	0.0	0.1	0.1	0.1	0.2
Manufacturing	14.9	17.3	14.1	13.6	12.1
All products	15.8	18.7	14.7	14.6	12.9
(% GDP)	0.2	0.2	0.2	0.2	0.2
Change in Producer Surplus					
Agriculture	2.0	1.1	2.2	1.9	1.7
Minerals	218.9	209.8	289.1	292.2	323.1
Manufacturing	166.6	143.0	143.3	144.8	137.2
All products	387.5	353.9	434.5	438.9	462.0
(% GDP)	4.9	4.4	5.5	5.5	5.8
Forgone Tariff Revenue					
Agriculture	1.4	0.2	6.2	0.0	0.0
Minerals	0.0	0.0	0.0	0.0	0.0
Manufacturing	30.4	24.3	12.3	22.5	0.0
All products	31.8	24.5	18.5	22.5	0.0
(% GDP)	0.4	0.3	0.2	0.3	0.0
Change in Economic Welfare					
Agriculture	1.6	2.2	-3.5	2.7	2.3
Minerals	218.9	209.9	289.1	292.3	323.3
Manufacturing	151.0	136.0	145.1	136.0	149.4
All products	371.5	348.1	430.7	431.0	475.0
(% GDP)	4.7	4.4	5.4	5.4	6.0
Change in Tariff Revenue					
Agriculture	-32.0	-43.4	-37.8	-43.2	-45.7
Minerals	-114.2	-114.2	-114.2	-114.2	-114.2
Manufacturing	-270.4	-276.8	-341.6	-344.4	-355.6
All products	-416.7	-434.4	-493.6	-501.8	-515.5
(% GDP)	-5.2	-5.4	-6.2	-6.3	-6.5

Table 12. Kuwait: Trade and Welfare Impacts of EU-GCC Trade Arrangements
(Millions of US Dollars per Annum, at 2000 Prices)

	Scenario				
	CU (5% CET)	CU (Min CET)	FTA (5% CET)	FTA (Min CET)	MFN
Percent Change in Real Exchange Rate (US$/LC)					
All products	-0.8	-0.3	-2.6	-2.6	-3.4
Change in Real Exports					
Agriculture	0.4	0.1	0.5	0.4	0.3
Minerals	31.8	-2.7	132.0	133.9	158.1
Manufacturing	37.5	27.2	21.1	22.2	23.8
All products	69.7	24.6	153.6	156.5	182.2
(% Change)	0.5	0.2	1.1	1.1	1.3
Trade Creation = Change in Real Imports					
Agriculture	-13.7	-1.0	-15.4	-7.5	-8.4
Minerals	1.4	1.7	0.7	0.7	0.6
Manufacturing	-147.5	-23.7	63.5	64.8	40.0
All products	-159.8	-23.1	48.8	57.9	32.2
(% Change)	-3.4	-0.5	1.0	1.2	0.7
Trade Diversion					
Agriculture	2.4	1.2	66.4	0.0	0.0
Minerals	0.0	0.0	0.0	0.0	0.0
Manufacturing	70.4	58.4	334.7	318.0	0.0
All products	72.8	59.7	401.2	318.0	0.0
(% Imports)	1.6	1.3	8.6	6.8	0.0
Net Trade Creation					
Agriculture	-16.1	-2.3	-81.9	-7.5	-8.4
Minerals	1.4	1.7	0.7	0.7	0.6
Manufacturing	-218.0	-82.1	-271.2	-253.2	40.0
All products	-232.7	-82.7	-352.4	-260.0	32.2
(% Imports)	-5.0	-1.8	-7.6	-5.6	0.7
Change in Consumer Surplus					
Agriculture	-0.3	0.0	0.1	0.1	0.1
Minerals	0.0	0.0	0.0	0.0	0.0
Manufacturing	-4.4	-0.8	0.0	0.3	0.2
All products	-4.6	-0.8	0.2	0.4	0.3
(% GDP)	0.0	0.0	0.0	0.0	0.0
Change in Producer Surplus					
Agriculture	0.6	0.1	0.6	0.5	0.4
Minerals	63.8	-5.4	266.8	270.6	320.1
Manufacturing	38.6	27.9	21.6	22.8	24.3
All products	103.0	22.6	288.9	293.9	344.8
(% GDP)	0.3	0.1	0.8	0.8	0.9
Forgone Tariff Revenue					
Agriculture	1.6	0.2	8.1	0.0	0.0
Minerals	0.0	0.0	0.0	0.0	0.0
Manufacturing	38.4	30.3	20.0	31.5	0.0
All products	40.1	30.5	28.1	31.5	0.0
(% GDP)	0.1	0.1	0.1	0.1	0.0
Change in Economic Welfare					
Agriculture	-1.3	-0.1	-7.3	0.6	0.5
Minerals	63.8	-5.3	266.8	270.6	320.1
Manufacturing	-4.2	-3.3	1.6	-8.4	24.5
All products	58.3	-8.7	261.1	262.8	345.1
(% GDP)	0.2	0.0	0.7	0.7	0.9
Change in Tariff Revenue					
Agriculture	11.7	-0.2	4.1	-0.1	-2.5
Minerals	-2.0	-2.0	-2.0	-2.0	-2.0
Manufacturing	-14.0	-34.0	-160.3	-164.2	-179.0
All products	-4.3	-36.3	-158.2	-166.3	-183.6
(% GDP)	0.0	-0.1	-0.4	-0.4	-0.5

Table 13. Oman: Trade and Welfare Impacts of EU-GCC Trade Arrangements
(Millions of US Dollars per Annum, at 2000 Prices)

	Scenario				
	CU (5% CET)	CU (Min CET)	FTA (5% CET)	FTA (Min CET)	MFN
Percent Change in Real Exchange Rate (US$/LC)					
All products	-2.9	-2.2	-5.0	-4.9	-5.8
Change in Real Exports					
Agriculture	13.3	5.1	15.1	13.1	10.7
Minerals	102.1	75.7	177.0	178.0	195.9
Manufacturing	128.4	109.2	106.0	110.5	104.5
All products	243.8	190.0	298.1	301.7	311.1
(% Change)	2.5	2.0	3.1	3.1	3.2
Trade Creation = Change in Real Imports					
Agriculture	-1.3	22.8	-6.4	8.5	6.1
Minerals	3.8	4.9	0.4	0.3	-0.2
Manufacturing	65.3	185.1	238.6	227.9	209.9
All products	67.8	212.8	232.6	236.7	215.9
(% Change)	1.3	4.1	4.5	4.6	4.2
Trade Diversion					
Agriculture	3.4	1.9	104.9	0.0	0.0
Minerals	0.0	0.0	0.0	0.0	0.0
Manufacturing	64.8	54.2	363.8	364.6	0.0
All products	68.2	56.0	468.6	364.6	0.0
(% Imports)	1.3	1.1	9.1	7.1	0.0
Net Trade Creation					
Agriculture	-4.7	20.9	-111.3	8.5	6.1
Minerals	3.8	4.9	0.4	0.3	-0.2
Manufacturing	0.5	131.0	-125.1	-136.7	209.9
All products	-0.4	156.8	-236.0	-127.9	215.9
(% Imports)	0.0	3.0	-4.6	-2.5	4.2
Change in Consumer Surplus					
Agriculture	0.1	0.8	-0.2	0.2	0.2
Minerals	0.0	0.1	0.0	0.0	0.0
Manufacturing	13.4	17.8	8.3	6.6	9.6
All products	13.5	18.6	8.0	6.8	9.7
(% GDP)	0.1	0.1	0.0	0.0	0.0
Change in Producer Surplus					
Agriculture	18.5	7.0	21.0	18.2	14.7
Minerals	206.9	152.9	362.1	364.2	401.7
Manufacturing	138.9	120.6	117.2	124.0	114.0
All products	364.3	280.5	500.3	506.3	530.4
(% GDP)	1.8	1.4	2.5	2.6	2.7
Forgone Tariff Revenue					
Agriculture	2.1	0.3	12.8	0.0	0.0
Minerals	0.0	0.0	0.0	0.0	0.0
Manufacturing	35.8	28.7	32.5	65.0	0.0
All products	37.9	28.9	45.3	65.0	0.0
(% GDP)	0.2	0.1	0.2	0.3	0.0
Change in Economic Welfare					
Agriculture	16.5	7.5	8.0	18.4	14.9
Minerals	207.0	153.0	362.1	364.2	401.7
Manufacturing	116.6	109.7	92.9	65.5	123.6
All products	340.0	270.2	463.0	448.1	540.2
(% GDP)	1.7	1.4	2.3	2.3	2.7
Change in Tariff Revenue					
Agriculture	-18.1	-40.4	-30.0	-40.1	-44.6
Minerals	-10.3	-10.3	-10.3	-10.3	-10.3
Manufacturing	-261.5	-264.6	-428.2	-430.7	-439.5
All products	-289.9	-315.3	-468.5	-481.0	-494.4
(% GDP)	-1.5	-1.6	-2.4	-2.4	-2.5

(Millions of US Dollars per Annum, at 2000 Prices)

			Scenario		
	CU (5% CET)	CU (Min CET)	FTA (5% CET)	FTA (Min CET)	MFN
Percent Change in Real Exchange Rate (US$/LC)					
All products	-0.6	-0.2	-2.6	-2.6	-3.4
Change in Real Exports					
Agriculture	0.2	0.0	0.2	0.2	0.1
Minerals	15.9	-4.7	101.8	102.7	120.5
Manufacturing	44.9	32.7	30.9	32.0	30.7
All products	61.0	28.0	133.0	134.9	151.4
(% Change)	0.6	0.3	1.2	1.3	1.4
Trade Creation = Change in Real Imports					
Agriculture	-4.0	7.3	-6.1	1.3	0.4
Minerals	2.5	2.8	1.2	1.2	1.0
Manufacturing	-104.9	-7.2	67.7	69.2	41.5
All products	-106.5	2.9	62.8	71.7	42.9
(% Change)	-2.8	0.1	1.7	1.9	1.1
Trade Diversion					
Agriculture	2.1	1.1	58.0	0.0	0.0
Minerals	0.0	0.0	0.0	0.0	0.0
Manufacturing	59.4	49.0	235.2	228.9	0.0
All products	61.6	50.1	293.1	228.9	0.0
(% Imports)	1.6	1.3	7.8	6.1	0.0
Net Trade Creation					
Agriculture	-6.2	6.2	-64.1	1.3	0.4
Minerals	2.5	2.8	1.2	1.2	1.0
Manufacturing	-164.4	-56.2	-167.4	-159.8	41.5
All products	-168.0	-47.3	-230.3	-157.2	42.9
(% Imports)	-4.5	-1.3	-6.1	-4.2	1.1
Change in Consumer Surplus					
Agriculture	-0.1	0.2	-0.1	0.0	0.0
Minerals	0.0	0.1	0.0	0.0	0.0
Manufacturing	-3.2	-0.1	0.3	0.4	0.3
All products	-3.3	0.1	0.3	0.4	0.3
(% GDP)	0.0	0.0	0.0	0.0	0.0
Change in Producer Surplus					
Agriculture	0.3	0.1	0.3	0.2	0.2
Minerals	31.8	-9.4	205.7	207.5	244.0
Manufacturing	46.2	33.4	31.8	32.9	31.3
All products	78.2	24.0	237.8	240.6	275.5
(% GDP)	0.5	0.2	1.6	1.7	1.9
Forgone Tariff Revenue					
Agriculture	1.5	0.2	7.0	0.0	0.0
Minerals	0.0	0.0	0.0	0.0	0.0
Manufacturing	31.5	24.3	13.1	19.1	0.0
All products	33.0	24.5	20.1	19.1	0.0
(% GDP)	0.2	0.2	0.1	0.1	0.0
Change in Economic Welfare					
Agriculture	-1.3	0.0	-6.8	0.3	0.2
Minerals	31.8	-9.4	205.8	207.5	244.0
Manufacturing	11.5	8.9	19.0	14.3	31.6
All products	42.0	-0.4	218.0	222.0	275.8
(% GDP)	0.3	0.0	1.5	1.5	1.9
Change in Tariff Revenue					
Agriculture	1.4	-10.0	-5.2	-9.8	-12.3
Minerals	-3.4	-3.4	-3.4	-3.4	-3.4
Manufacturing	-15.1	-32.3	-135.4	-137.2	-144.4
All products	-17.1	-45.7	-144.0	-150.5	-160.1
(% GDP)	-0.1	-0.3	-1.0	-1.0	-1.1

Table 15. Saudi Arabia: Trade and Welfare Impacts of EU-GCC Trade Arrangements
(Millions of US Dollars per Annum, at 2000 Prices)

	Scenario				
	CU (5% CET)	CU (Min CET)	FTA (5% CET)	FTA (Min CET)	MFN
Percent Change in Real Exchange Rate (US$/LC)					
All products	-4.8	-4.3	-6.5	-6.6	-7.4
Change in Real Exports					
Agriculture	22.9	12.1	24.6	22.2	18.6
Minerals	1,380.5	1,226.6	1,863.0	1,883.5	2,013.8
Manufacturing	589.5	498.8	425.0	439.6	474.7
All products	1,992.9	1,737.4	2,312.6	2,345.3	2,507.1
(% Change)	3.0	2.6	3.5	3.6	3.8
Trade Creation = Change in Real Imports					
Agriculture	5.9	141.5	-16.3	75.3	58.4
Minerals	19.3	20.7	14.3	14.1	13.4
Manufacturing	601.6	1,402.7	1,809.1	1,791.9	1,740.8
All products	626.7	1,564.9	1,807.1	1,881.3	1,812.6
(% Change)	2.1	5.2	6.1	6.3	6.1
Trade Diversion					
Agriculture	14.8	7.7	513.8	0.0	0.0
Minerals	0.0	0.0	0.0	0.0	0.0
Manufacturing	254.0	206.0	1,713.5	1,621.1	0.0
All products	268.8	213.7	2,227.3	1,621.1	0.0
(% Imports)	0.9	0.7	7.5	5.4	0.0
Net Trade Creation					
Agriculture	-8.9	133.8	-530.1	75.3	58.4
Minerals	19.3	20.7	14.3	14.1	13.4
Manufacturing	347.6	1,196.7	95.6	170.8	1,740.8
All products	358.0	1,351.2	-420.2	260.2	1,812.6
(% Imports)	1.2	4.5	-1.4	0.9	6.1
Change in Consumer Surplus					
Agriculture	0.4	4.7	0.1	1.9	0.7
Minerals	0.7	0.8	0.4	0.4	0.3
Manufacturing	28.5	64.9	38.5	40.4	32.3
All products	29.7	70.4	39.1	42.6	33.3
(% GDP)	0.0	0.0	0.0	0.0	0.0
Change in Producer Surplus					
Agriculture	32.1	16.5	34.6	31.1	25.8
Minerals	2,825.4	2,503.9	3,843.4	3,887.1	4,164.9
Manufacturing	623.7	525.9	446.1	462.9	498.6
All products	3,481.2	3,046.4	4,324.1	4,381.2	4,689.3
(% GDP)	2.0	1.8	2.5	2.5	2.7
Forgone Tariff Revenue					
Agriculture	9.6	1.4	63.0	0.0	0.0
Minerals	0.0	0.0	0.0	0.0	0.0
Manufacturing	144.0	112.3	116.8	178.2	0.0
All products	153.6	113.6	179.8	178.2	0.0
(% GDP)	0.1	0.1	0.1	0.1	0.0
Change in Economic Welfare					
Agriculture	22.9	19.8	-28.3	33.0	26.5
Minerals	2,826.1	2,504.7	3,843.8	3,887.5	4,165.3
Manufacturing	508.2	478.6	367.8	325.1	530.8
All products	3,357.2	3,003.1	4,183.4	4,245.6	4,722.6
(% GDP)	1.9	1.7	2.4	2.5	2.7
Change in Tariff Revenue					
Agriculture	-219.8	-359.2	-276.9	-357.4	-387.0
Minerals	-41.2	-41.2	-41.2	-41.2	-41.2
Manufacturing	-1,946.2	-2,080.7	-2,871.0	-2,892.4	-2,971.8
All products	-2,207.2	-2,481.0	-3,189.1	-3,291.0	-3,400.0
(% GDP)	-1.3	-1.4	-1.8	-1.9	-2.0

	Scenario				
	CU (5% CET)	CU (Min CET)	FTA (5% CET)	FTA (Min CET)	MFN
Percent Change in Real Exchange Rate (US$/LC)					
All products	-8.7	-7.5	-9.7	-9.9	-10.7
Change in Real Exports					
Agriculture	27.0	16.0	27.2	25.1	22.4
Minerals	645.8	549.1	707.1	726.9	760.4
Manufacturing	203.0	168.8	170.1	175.6	167.5
All products	875.8	733.9	904.4	927.6	950.3
(% Change)	5.4	4.6	5.6	5.8	5.9
Trade Creation = Change in Real Imports					
Agriculture	55.8	261.1	53.5	163.0	140.7
Minerals	-2.0	1.6	-4.7	-5.5	-6.2
Manufacturing	-400.7	310.9	505.7	359.8	509.0
All products	-346.9	573.5	554.4	517.4	643.5
(% Change)	-1.3	2.2	2.1	2.0	2.5
Trade Diversion					
Agriculture	16.6	7.8	511.1	0.0	0.0
Minerals	0.0	0.0	0.0	0.0	0.0
Manufacturing	282.2	244.2	1,522.6	1,462.6	0.0
All products	298.8	252.0	2,033.6	1,462.6	0.0
(% Imports)	1.2	1.0	7.8	5.6	0.0
Net Trade Creation					
Agriculture	39.2	253.3	-457.6	163.0	140.7
Minerals	-2.0	1.6	-4.7	-5.5	-6.2
Manufacturing	-682.9	66.6	-1,016.9	-1,102.8	509.0
All products	-645.8	321.5	-1,479.2	-945.3	643.5
(% Imports)	-2.5	1.2	-5.7	-3.6	2.5
Change in Consumer Surplus					
Agriculture	3.7	12.2	1.4	5.9	3.9
Minerals	0.0	0.0	0.0	0.1	0.1
Manufacturing	21.4	40.6	19.4	13.4	25.0
All products	25.1	52.8	20.9	19.4	29.0
(% GDP)	0.1	0.1	0.0	0.0	0.1
Change in Producer Surplus					
Agriculture	38.7	22.3	39.0	35.9	31.7
Minerals	1,350.1	1,140.4	1,484.5	1,528.2	1,602.2
Manufacturing	222.2	184.1	185.7	192.9	181.8
All products	1,610.9	1,346.8	1,709.2	1,756.9	1,815.7
(% GDP)	3.5	2.9	3.7	3.8	3.9
Forgone Tariff Revenue					
Agriculture	12.9	1.7	62.4	0.0	0.0
Minerals	0.0	0.0	0.0	0.0	0.0
Manufacturing	168.7	145.8	193.4	400.0	0.0
All products	181.6	147.5	255.8	400.0	0.0
(% GDP)	0.4	0.3	0.6	0.9	0.0
Change in Economic Welfare					
Agriculture	29.5	32.8	-21.9	41.8	35.6
Minerals	1,350.1	1,140.4	1,484.5	1,528.2	1,602.2
Manufacturing	74.9	78.9	11.7	-193.7	206.8
All products	1,454.5	1,252.1	1,474.3	1,376.3	1,844.7
(% GDP)	3.1	2.7	3.2	3.0	4.0
Change in Tariff Revenue					
Agriculture	-523.5	-693.1	-575.3	-691.4	-721.3
Minerals	-29.0	-29.0	-29.0	-29.0	-29.0
Manufacturing	-2,357.7	-2,320.8	-3,062.8	-3,092.4	-3,205.9
All products	-2,910.2	-3,042.8	-3,667.1	-3,812.8	-3,956.2
(% GDP)	-6.3	-6.5	-7.9	-8.2	-8.5

Table 17. GCC Countries: Impacts of a "High" vs. "Low" GCC Common External Tariff
(Millions of US Dollars per Annum, at 2000 Prices)

	Scenario				
	CU (5% CET)	CU (2.5% CET)	FTA (5% CET)	FTA (2.5% CET)	MFN
Percent Change in Real Exchange Rate (US$/LC)					
All products	-4.8	-5.9	-6.4	-6.5	-7.4
Change in Real Exports					
Agriculture	65.3	57.5	69.1	64.4	53.3
Minerals	2,282.8	2,861.0	3,120.9	3,116.3	3,404.5
Manufacturing	1,161.1	1,008.5	888.8	1,014.6	932.1
All products	3,509.2	3,927.1	4,078.8	4,195.2	4,389.9
(% Change)	2.9	3.2	3.3	3.4	3.6
Trade Creation = Change in Real Imports					
Agriculture	54.1	154.9	19.0	162.0	212.7
Minerals	36.8	8.3	-2.4	3.3	-14.5
Manufacturing	197.3	1,784.5	2,962.4	3,244.0	2,804.9
All products	288.2	1,947.7	2,979.0	3,409.3	3,003.1
(% Change)	0.4	2.6	4.0	4.6	4.1
Trade Diversion					
Agriculture	41.4	36.3	1,305.5	0.0	0.0
Minerals	0.0	0.0	0.0	0.0	0.0
Manufacturing	785.4	680.9	4,310.1	1,035.9	0.0
All products	826.8	717.2	5,615.6	1,035.9	0.0
(% Imports)	1.1	1.0	7.6	1.4	0.0
Net Trade Creation					
Agriculture	12.7	118.5	-1,286.4	162.0	212.7
Minerals	36.8	8.3	-2.4	3.3	-14.5
Manufacturing	-588.1	1,103.5	-1,347.8	2,208.1	2,804.9
All products	-538.6	1,230.4	-2,636.6	2,373.3	3,003.1
(% Imports)	-0.7	1.7	-3.6	3.2	4.1
Change in Consumer Surplus					
Agriculture	4.7	7.3	1.9	8.3	5.5
Minerals	0.9	0.6	0.5	0.5	0.6
Manufacturing	70.6	111.2	80.6	99.5	79.4
All products	76.2	119.1	83.1	108.3	85.6
(% GDP)	0.0	0.0	0.0	0.0	0.0
Change in Producer Surplus					
Agriculture	92.1	80.7	97.8	90.7	74.5
Minerals	4,696.8	5,908.4	6,451.6	6,444.3	7,055.9
Manufacturing	1,236.3	1,067.6	945.6	1,079.2	987.3
All products	6,025.2	7,056.6	7,494.9	7,614.1	8,117.8
(% GDP)	2.0	2.4	2.5	2.5	2.7
Forgone Tariff Revenue					
Agriculture	29.0	14.4	159.4	0.0	0.0
Minerals	0.0	0.0	0.0	0.0	0.0
Manufacturing	448.8	221.8	388.1	198.5	0.0
All products	477.9	236.2	547.6	198.5	0.0
(% GDP)	0.2	0.1	0.2	0.1	0.0
Change in Economic Welfare					
Agriculture	67.8	73.6	-59.7	99.0	80.0
Minerals	4,697.6	5,909.0	6,452.1	6,444.7	7,056.6
Manufacturing	858.0	956.9	638.1	980.2	1,066.7
All products	5,623.5	6,939.5	7,030.4	7,524.0	8,203.3
(% GDP)	1.9	2.3	2.3	2.5	2.7
Change in Tariff Revenue					
Agriculture	-780.4	-994.1	-921.0	-974.1	-1,213.4
Minerals	-200.1	-200.1	-200.1	-200.1	-200.1
Manufacturing	-4,864.9	-6,037.0	-6,999.3	-7,024.3	-7,296.3
All products	-5,845.3	-7,231.3	-8,120.5	-8,198.5	-8,709.7
(% GDP)	-1.9	-2.4	-2.7	-2.7	-2.9

	Scenario				
	CU (5% CET)	CU (2.5% CET)	FTA (5% CET)	FTA (2.5% CET)	MFN
Percent Change in Real Exchange Rate (US$/LC)					
All products	0.0	0.0	0.3	-0.4	-1.9
Change in Real Exports					
Agriculture	7.5	16.2	2,760.6	2,693.8	1,742.5
Minerals	-125.8	-176.7	-347.0	-120.1	352.2
Manufacturing	99.6	127.7	12,991.7	28,930.7	40,805.3
All products	-18.7	-32.8	15,405.3	31,504.3	42,900.0
(% Change)	0.0	0.0	0.7	1.4	2.0
Trade Creation = Change in Real Imports					
Agriculture	-8.7	-19.9	1,120.1	1,210.7	2,360.3
Minerals	460.8	647.9	1,446.3	520.0	-887.8
Manufacturing	-165.3	-213.2	21,986.3	30,093.7	42,256.3
All products	286.8	414.8	24,552.6	31,824.4	43,728.8
(% Change)	0.0	0.0	1.1	1.5	2.0
Trade Diversion					
Agriculture	0.0	0.0	33.5	64.4	0.0
Minerals	0.0	0.0	0.0	0.0	0.0
Manufacturing	0.0	0.0	196.9	565.1	0.0
All products	0.0	0.0	230.4	629.4	0.0
(% Imports)	0.0	0.0	0.0	0.0	0.0
Net Trade Creation					
Agriculture	-8.7	-19.9	1,086.6	1,146.4	2,360.3
Minerals	460.8	647.9	1,446.3	520.0	-887.8
Manufacturing	-165.3	-213.2	21,789.4	29,528.7	42,256.3
All products	286.8	414.8	24,322.2	31,195.0	43,728.8
(% Imports)	0.0	0.0	1.1	1.4	2.0
Change in Consumer Surplus					
Agriculture	-0.4	-0.9	31.0	8.5	29.5
Minerals	0.7	1.4	7.0	0.9	2.8
Manufacturing	-18.7	-22.4	363.7	749.6	630.2
All products	-18.4	-22.0	401.6	759.0	662.5
(% GDP)	0.0	0.0	0.0	0.0	0.0
Change in Producer Surplus					
Agriculture	10.0	21.7	3,747.1	3,656.4	2,349.5
Minerals	-251.2	-352.7	-691.1	-239.9	707.6
Manufacturing	134.6	169.9	14,476.2	30,367.9	42,335.4
All products	-106.5	-161.1	17,532.2	33,784.4	45,392.6
(% GDP)	0.0	0.0	0.2	0.4	0.6
Forgone Tariff Revenue					
Agriculture	0.0	0.0	19.6	30.4	0.0
Minerals	0.0	0.0	0.0	0.0	0.0
Manufacturing	0.0	0.0	106.9	166.0	0.0
All products	0.0	0.0	126.5	196.4	0.0
(% GDP)	0.0	0.0	0.0	0.0	0.0
Change in Economic Welfare					
Agriculture	9.6	20.7	3,758.4	3,634.5	2,379.1
Minerals	-250.5	-351.3	-684.1	-239.0	710.4
Manufacturing	116.0	147.5	14,733.0	30,951.5	42,965.6
All products	-124.9	-183.0	17,807.4	34,347.0	46,055.0
(% GDP)	0.0	0.0	0.2	0.4	0.6
Change in Tariff Revenue					
Agriculture	-0.1	-0.1	-16.4	-22.4	-5,654.7
Minerals	-491.1	-491.1	-491.1	-491.1	-491.1
Manufacturing	-3.8	-5.5	-37,418.0	-28,769.4	-66,062.0
All products	-495.0	-496.7	-37,925.5	-29,282.8	-72,207.8
(% GDP)	0.0	0.0	-0.5	-0.4	-0.9

APPENDIX: Table 19. Exports by HS Section in the MENA Trade Simulation Model, Average 1999-2001 (US$ Th)

HS Section	Algeria	Bahrain	Egypt	Iran	Iraq	Israel	Jordan	Kuwait	Lebanon	Libya	Morocco
Live animals & animal products	3,874	10,708	20,057	72,221	135	37,232	22,619	8,170	4,587	7,900	685,327
Vegetable products	16,509	1,193	298,008	626,780	22,543	756,578	112,005	745	50,180	27	574,016
Fats & oils	4,718	6,580	23,270	19,332	213	2,131	48,303	709	8,630	92	16,556
Manufactured foodstuffs	8,414	17,652	50,969	178,486	1,492	354,659	46,825	2,987	82,039	3,252	372,567
Mineral products	16,915,742	4,285,617	1,531,223	20,538,690	12,331,957	256,934	147,245	13,115,153	26,441	10,759,957	788,589
Chemical	72,730	131,249	254,665	309,922	2,047	3,162,657	525,058	195,160	87,148	266,772	921,100
Rubber & plastics	72,733	25,898	118,487	136,826	238	1,250,842	50,154	235,122	20,485	20,061	48,500
Hides & leather products	11,126	1,222	19,164	75,824	215	12,695	13,261	2,327	17,297	7,289	68,999
Cork & wood articles	13,905	270	4,759	6,865	0	10,378	872	371	5,699	95	61,680
Pulp & paper products	3,531	29,576	30,351	7,116	71	122,988	69,589	3,389	56,013	175	72,893
Textiles & apparel	665	377,593	802,803	870,006	1,646	1,262,951	179,950	22,007	57,725	602	2,558,252
Footwear & other made-up articles	246	2,704	2,250	67,689	0	37,260	4,507	193	11,258	0	159,053
Stone & mineral products	104	2,566	100,395	74,715	69	83,132	16,710	2,795	18,951	116	46,194
Precious stones & jewellery	24	7,172	5,771	3,390	20	9,150,398	12,075	10,454	121,103	323	46,698
Base metals & metal products	90,678	838,817	270,422	400,137	8,343	954,187	64,415	16,703	68,942	64,610	142,404
Machinery	28,687	26,819	38,017	60,998	7,869	8,464,674	90,166	67,682	87,291	11,215	782,619
Transport equipment	26,825	13,002	5,497	73,696	3,057	947,424	24,653	7,805	10,959	1,071	30,243
Professional equipment	7,863	108	1,996	3,308	1,642	1,603,541	2,159	9,090	5,379	1,147	58,883
Arms & ammunition	0	0	0	15,445	0	1,364	0	591	276	0	0
Miscellaneous manufactures	1,227	12,465	25,241	27,886	1,165	77,194	15,586	1,001	19,078	217	31,218
Works of art	0	74	229,480	96,659	160	74,382	395	66,442	567	1,022	2,229
All products	17,279,596	5,791,280	3,832,821	23,665,990	12,382,881	28,623,594	1,446,547	13,768,897	760,047	11,145,942	7,468,016

HS Section	Oman	Qatar	S. Arabia	Syria	Tunisia	Turkey	UAE	Yemen	EU15	Japan	US
Live animals & animal products	142,482	4,253	189,977	21,121	94,424	158,630	87,374	42,612	51,616,288	555,090	11,030,296
Vegetable products	53,970	178	90,348	126,015	95,521	1,890,158	75,468	6,633	43,435,629	628,270	22,836,953
Fats & oils	25,060	461	20,546	3,799	279,627	250,467	82,244	0	8,014,709	99,970	1,769,367
Manufactured foodstuffs	250,950	605	146,523	17,881	116,845	1,657,591	98,993	660	85,809,119	1,361,089	18,127,880
Mineral products	7,838,770	9,906,204	59,700,078	3,566,082	650,832	887,118	14,452,648	2,387,829	80,106,504	1,748,647	14,501,214
Chemical	76,262	239,408	3,092,808	10,150	628,841	857,009	62,724	603	239,762,905	27,281,378	61,561,068
Rubber & plastics	53,970	221,509	1,208,016	7,351	68,419	903,029	24,390	95	103,581,335	15,954,584	31,842,827
Hides & leather products	774	1,794	25,554	50,218	59,239	448,292	4,095	6,296	15,172,201	225,733	3,046,596
Cork & wood articles	1,204	0	6,105	2,130	18,125	80,315	1,253	2	18,630,141	74,940	5,832,889
Pulp & paper products	8,218	410	156,834	4,840	48,263	211,993	28,894	233	70,162,908	2,817,893	18,898,671
Textiles & apparel	134,634	136,640	135,013	368,828	2,442,207	10,096,310	267,433	1,082	99,572,706	7,707,246	19,676,971
Footwear & other made-up articles	2,553	316	1,445	1,313	270,992	121,602	3,262	0	17,876,172	161,333	818,597
Stone & mineral products	25,961	89	137,670	5,389	49,247	860,110	66,881	0	34,424,628	4,462,120	5,581,640
Precious stones & jewellery	7,925	2,116	27,398	630	7,888	389,867	39,731	4,219	34,830,444	1,770,072	9,840,804
Base metals & metal products	122,949	190,671	551,940	13,220	111,376	3,116,003	754,324	2,376	149,555,133	25,065,462	27,616,096
Machinery	212,541	172	255,116	15,564	740,870	3,421,777	16,333	8,447	616,007,851	193,882,405	241,590,016
Transport equipment	650,524	221	18,507	1,984	54,920	2,564,663	5,588	260	320,748,226	96,600,350	103,436,887
Professional equipment	20,462	0	3,118	2,901	35,273	72,022	75	1,039	69,064,934	31,528,368	40,467,111
Arms & ammunition	57	0	279	0	0	21,314	0	0	1,480,041	167,989	2,144,489
Miscellaneous manufactures	36,415	51	27,884	3,399	46,011	271,919	9,418	4	46,957,500	5,850,781	10,085,842
Works of art	41,397	427	278	39,434	66	279,581	0	5,463	78,345,640	15,463,410	22,751,722
All products	9,707,076	10,705,525	65,795,436	4,262,247	5,818,982	28,559,770	16,081,128	2,467,851	2,185,155,012	433,407,131	673,457,934

Source: UN Statistics Division, *Personal Computer Trade Analysis System* , 2003.

APPENDIX: Table 20. Imports by HS Section in the MENA Trade Simulation Model, Average 1999-2001 (US$ Th)

HS Section	Algeria	Bahrain	Egypt	Iran	Iraq	Israel	Jordan	Kuwait	Lebanon	Libya	Morocco
Live animals & animal products	501,481	134,814	647,546	116,855	112,107	278,549	164,456	190,560	348,408	105,265	98,626
Vegetable products	1,345,671	141,261	1,745,367	1,644,748	182,324	818,057	382,343	112,727	348,697	212,177	949,290
Fats & oils	247,182	12,571	297,021	443,124	93,355	95,144	59,317	27,589	52,626	95,549	158,380
Manufactured foodstuffs	471,822	192,532	833,643	421,136	146,749	802,885	243,269	242,852	460,507	133,852	338,295
Mineral products	211,827	1,959,359	1,098,191	500,319	5,114	2,972,993	484,345	50,922	1,016,528	332,393	1,838,102
Chemical	929,966	385,218	1,235,426	1,675,762	157,378	2,407,207	386,326	311,622	564,131	215,470	767,512
Rubber & plastics	373,764	85,345	761,974	656,942	35,992	1,137,695	175,717	146,159	236,796	65,084	441,088
Hides & leather products	14,474	6,883	13,816	901	535	68,560	3,873	22,339	26,366	2,582	69,653
Cork & wood articles	201,688	35,486	586,187	42,423	11,280	307,424	51,936	51,439	96,892	23,454	204,200
Pulp & paper products	224,878	69,843	440,638	418,150	19,200	677,772	129,459	96,621	186,396	40,448	235,671
Textiles & apparel	214,889	242,379	348,457	502,366	29,851	1,188,459	282,577	350,509	401,300	140,046	1,722,389
Footwear & other made-up articles	29,413	15,884	34,651	329	15,030	208,675	12,585	43,508	60,458	16,986	35,689
Stone & mineral products	128,260	79,324	149,932	122,664	14,408	412,618	56,322	127,193	139,537	36,035	93,077
Precious stones & jewellery	2,951	14,473	40,904	2,978	167	6,583,106	30,003	15,691	415,441	66,822	6,978
Base metals & metal products	909,848	170,519	1,388,472	1,902,153	141,050	1,726,540	319,093	308,649	405,383	218,307	680,352
Machinery	2,295,542	520,712	2,986,887	4,245,720	745,841	8,816,972	644,533	1,196,527	903,197	812,715	2,469,335
Transport equipment	792,374	254,998	522,860	1,068,849	346,871	2,929,859	563,710	978,963	627,701	349,593	737,504
Professional equipment	185,472	49,944	289,622	360,636	116,869	1,309,155	83,939	146,062	122,657	96,667	169,507
Arms & ammunition	0	0	1,312	25,790	0	0	0	26,611	7,620	440	1,456
Miscellaneous manufactures	74,226	75,746	124,266	24,175	14,835	531,701	52,980	145,165	151,020	61,425	143,169
Works of art	1,247	486	811,722	0	23,140	140,434	90,346	62,055	2,674	68,580	234
All products	9,156,970	4,447,772	14,358,890	14,176,018	2,212,096	33,413,800	4,217,128	4,653,761	6,574,335	3,093,888	11,160,503

HS Section	Oman	Qatar	S. Arabia	Syria	Tunisia	Turkey	UAE	Yemen	EU15	Japan	US
Live animals & animal products	285,725	161,562	1,435,148	24,234	44,156	103,451	1,352,087	125,724	53,375,759	21,164,837	15,348,513
Vegetable products	240,311	132,409	1,999,322	223,708	350,525	762,306	2,044,420	222,985	56,281,283	13,082,828	14,847,151
Fats & oils	63,519	12,851	222,373	76,400	99,688	384,883	902,277	53,046	8,245,122	680,800	1,623,699
Manufactured foodstuffs	572,742	124,063	1,369,760	206,828	221,124	729,597	3,954,951	182,667	78,008,647	14,058,051	22,211,482
Mineral products	206,808	85,558	340,610	108,650	838,351	6,604,220	346,921	15,534	181,878,157	73,889,586	120,553,043
Chemical	284,754	243,217	2,550,123	283,402	520,992	5,165,001	1,336,641	108,604	199,524,915	22,257,799	66,606,067
Rubber & plastics	165,457	97,219	1,057,836	178,844	363,154	2,340,907	763,349	62,369	95,450,688	7,005,416	29,588,455
Hides & leather products	8,447	8,829	99,531	2,236	128,224	445,419	120,213	1,510	15,336,984	3,960,451	8,653,827
Cork & wood articles	53,926	39,816	363,082	24,651	109,581	248,217	210,414	34,367	25,625,735	10,943,772	16,964,604
Pulp & paper products	92,150	49,503	592,258	96,460	176,728	1,029,391	286,398	31,472	62,036,125	4,344,448	21,894,425
Textiles & apparel	197,403	171,146	1,755,764	278,531	1,819,412	3,065,402	2,630,452	124,761	121,628,133	22,968,809	74,742,014
Footwear & other made-up articles	32,359	20,114	249,134	946	77,784	112,127	227,446	12,472	20,596,821	3,544,593	18,226,523
Stone & mineral products	77,069	67,408	486,194	26,263	62,682	334,063	424,737	11,654	25,508,346	2,842,804	12,388,725
Precious stones & jewellery	74,308	9,907	1,179,273	1,826	28,915	413,260	1,250,569	393	38,148,704	6,587,089	26,811,168
Base metals & metal products	357,468	424,676	2,424,399	247,592	528,653	4,148,692	1,364,501	128,436	145,589,638	14,343,461	55,033,584
Machinery	1,076,969	1,272,702	6,607,097	847,668	1,843,224	11,752,022	4,599,456	332,421	569,275,211	81,833,584	338,274,923
Transport equipment	1,062,126	575,566	5,389,687	362,182	981,420	4,478,387	2,775,086	126,986	279,764,968	13,629,150	181,115,449
Professional equipment	91,137	144,864	857,992	75,971	173,685	1,160,760	574,512	30,086	70,807,936	15,169,494	39,418,257
Arms & ammunition	1,075	342	273,431	427	798	142,694	6,585	1,700	991,255	173,554	814,863
Miscellaneous manufactures	79,595	109,002	562,220	20,690	81,097	449,921	738,079	17,541	50,457,356	8,159,096	47,872,755
Works of art	146,962	7,031	35,210	39,949	2,247	2,290,156	2,188	9,139	78,430,559	5,679,637	52,801,783
All products	5,170,309	3,757,785	29,850,445	3,127,458	8,452,436	46,160,874	25,911,282	1,633,867	2,176,962,342	346,319,258	1,165,791,308

Source: UN Statistics Division, *Personal Computer Trade Analysis System*, 2003.

APPENDIX: Table 21. GCC Countries: Impacts of EU-GCC Trade Arrangements by HS Section
(Millions of US Dollars per Annum, at 2000 Prices)

	Scenario				
	CU (5% CET)	CU (Min CET)	FTA (5% CET)	FTA (Min CET)	MFN
Percent Change in Real Exchange Rate (US$/LC)					
All products	-4.8	-4.2	-6.4	-6.5	-7.4
Change in Real Exports					
Live animals, animal prods.	34.1	17.5	35.6	31.2	27.5
Vegetable prods.	18.6	10.2	20.1	20.0	15.2
Fats, oils	12.7	6.5	13.4	11.1	10.6
Manufactured foodstuffs	39.3	51.3	48.3	58.1	42.1
Mineral prods.	2,282.8	1,946.4	3,120.9	3,166.4	3,404.5
Chemicals	370.6	310.3	252.5	260.9	294.2
Rubber, plastics	160.7	132.6	104.7	111.7	127.7
Hides, leather prods.	3.7	1.6	3.2	2.8	2.8
Cork, wood articles	1.0	0.8	0.9	0.9	0.7
Pulp, paper prods.	24.4	19.1	17.2	17.2	17.7
Textiles, apparel	114.2	95.6	150.9	152.2	100.7
Footwear, made-up articles	1.2	0.9	1.3	1.3	1.0
Stone, mineral prods.	26.7	22.3	19.1	19.0	21.3
Precious stones, jewellery	10.9	9.1	8.7	8.7	8.1
Base metals, metal prods.	280.0	226.6	192.4	194.9	219.7
Machinery	52.6	43.1	34.9	34.9	39.4
Transport equip.	57.2	45.1	37.6	37.5	43.4
Professional equip.	2.5	2.0	2.5	2.5	1.9
Arms, ammunition	0.1	0.0	0.0	0.0	0.0
Miscellaneous manufs.	8.7	7.1	8.0	8.0	6.6
Works of art	7.3	5.2	6.6	6.6	4.7
All products	3,509.2	2,953.2	4,078.8	4,145.8	4,389.9
Trade Creation = Change in Real Imports					
Live animals, animal prods.	39.6	203.9	32.0	109.8	107.5
Vegetable prods.	21.3	175.8	1.1	120.0	85.2
Fats, oils	-6.8	73.9	-14.1	28.2	20.0
Manufactured foodstuffs	511.3	320.6	384.8	211.2	487.6
Mineral prods.	36.8	46.6	-2.4	-5.0	-14.5
Chemicals	-2.1	132.1	251.5	230.1	159.8
Rubber, plastics	11.7	76.3	133.1	116.0	82.3
Hides, leather prods.	-1.6	19.2	3.6	9.5	7.4
Cork, wood articles	2.0	17.3	5.7	6.7	22.9
Pulp, paper prods.	-10.4	25.5	37.8	37.5	34.5
Textiles, apparel	90.6	246.4	47.6	114.4	204.2
Footwear, made-up articles	20.3	52.8	11.0	31.1	40.9
Stone, mineral prods.	43.0	88.5	124.9	125.1	99.7
Precious stones, jewellery	59.9	170.3	193.2	192.1	229.2
Base metals, metal prods.	-26.5	188.8	82.7	74.2	213.0
Machinery	-180.4	498.1	1,106.2	1,079.8	774.5
Transport equip.	-384.4	66.4	462.5	448.6	225.1
Professional equip.	0.3	67.6	18.8	16.6	87.1
Arms, ammunition	-7.4	5.6	0.1	-0.8	-1.6
Miscellaneous manufs.	70.8	116.7	97.1	94.6	132.4
Works of art	0.4	5.1	1.8	1.8	6.0
All products	288.2	2,597.5	2,979.0	3,041.2	3,003.1
Trade Diversion					
Live animals, animal prods.	23.8	11.9	1,305.5	0.0	0.0
Vegetable prods.	11.8	6.3	0.0	0.0	0.0
Fats, oils	5.8	2.7	0.0	0.0	0.0
Manufactured foodstuffs	28.7	38.2	251.3	365.6	0.0
Mineral prods.	0.0	0.0	0.0	0.0	0.0
Chemicals	204.8	170.9	0.0	0.0	0.0
Rubber, plastics	100.0	81.8	0.0	0.0	0.0
Hides, leather prods.	2.4	1.0	251.9	0.0	0.0
Cork, wood articles	0.6	0.5	482.8	453.5	0.0
Pulp, paper prods.	15.0	11.8	0.0	0.0	0.0
Textiles, apparel	87.4	73.2	0.0	0.0	0.0
Footwear, made-up articles	0.9	0.7	0.0	0.0	0.0
Stone, mineral prods.	17.7	14.8	0.0	0.0	0.0
Precious stones, jewellery	6.7	5.5	331.7	305.3	0.0
Base metals, metal prods.	218.3	176.9	0.0	0.0	0.0
Machinery	38.4	31.2	0.0	0.0	0.0
Transport equip.	50.9	40.1	0.0	0.0	0.0
Professional equip.	2.2	1.8	1,745.8	1,750.3	0.0
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	6.9	5.7	991.0	1,002.3	0.0
Works of art	4.4	3.1	255.7	255.7	0.0
All products	826.8	677.7	5,615.6	4,132.6	0.0

APPENDIX: Table 21 (Cont.). GCC Countries: Impacts of EU-GCC Trade Arrangements by HS Section
(Millions of US Dollars per Annum, at 2000 Prices)

	Scenario				
	CU (5% CET)	CU (Min CET)	FTA (5% CET)	FTA (Min CET)	MFN
Forgone Tariff Revenue					
Live animals, animal prods.	17.3	2.7	159.4	0.0	0.0
Vegetable prods.	8.0	1.4	0.0	0.0	0.0
Fats, oils	3.8	0.0	0.0	0.0	0.0
Manufactured foodstuffs	21.6	39.2	201.5	543.9	0.0
Mineral prods.	0.0	0.0	0.0	0.0	0.0
Chemicals	118.9	93.9	0.0	0.0	0.0
Rubber, plastics	63.4	50.1	0.0	0.0	0.0
Hides, leather prods.	1.3	0.0	6.4	0.0	0.0
Cork, wood articles	0.3	0.2	25.7	23.7	0.0
Pulp, paper prods.	7.6	5.1	0.0	0.0	0.0
Textiles, apparel	47.8	37.7	0.0	0.0	0.0
Footwear, made-up articles	0.5	0.3	0.0	0.0	0.0
Stone, mineral prods.	8.8	6.9	0.0	0.0	0.0
Precious stones, jewellery	3.5	2.7	36.2	32.2	0.0
Base metals, metal prods.	108.5	77.3	0.0	0.0	0.0
Machinery	23.7	18.7	0.0	0.0	0.0
Transport equip.	33.6	26.5	0.0	0.0	0.0
Professional equip.	1.6	1.3	58.3	57.8	0.0
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	3.9	3.1	52.3	50.8	0.0
Works of art	3.6	2.7	7.7	7.7	0.0
All products	477.9	369.6	547.6	716.3	0.0
Change in Economic Welfare					
Live animals, animal prods.	34.0	31.1	-107.4	48.1	41.8
Vegetable prods.	19.7	19.8	28.9	32.3	22.9
Fats, oils	14.2	11.3	18.8	16.3	15.4
Manufactured foodstuffs	85.3	76.4	-113.2	-449.2	85.8
Mineral prods.	4,697.6	3,993.3	6,452.1	6,550.2	7,056.6
Chemicals	273.1	234.0	267.8	276.2	310.1
Rubber, plastics	105.9	89.9	111.3	118.2	134.4
Hides, leather prods.	2.6	2.2	-2.9	3.1	3.0
Cork, wood articles	0.9	1.6	-24.6	-22.6	1.2
Pulp, paper prods.	18.3	16.2	18.8	18.8	19.3
Textiles, apparel	78.2	75.4	165.5	169.9	109.7
Footwear, made-up articles	2.2	3.8	2.3	3.1	2.1
Stone, mineral prods.	22.5	21.9	24.0	24.0	25.4
Precious stones, jewellery	12.1	16.7	-23.0	-19.1	13.9
Base metals, metal prods.	191.0	168.1	203.1	205.9	235.3
Machinery	34.5	56.8	60.3	60.1	57.7
Transport equip.	14.7	25.0	45.0	44.8	48.3
Professional equip.	1.6	4.5	-55.3	-54.8	3.4
Arms, ammunition	-0.2	0.1	0.0	0.1	0.1
Miscellaneous manufs.	11.3	13.4	-40.1	-38.8	12.4
Works of art	3.9	2.9	-0.9	-0.9	4.9
All products	5,623.5	4,864.3	7,030.4	6,985.8	8,203.3
Change in Tariff Revenue					
Live animals, animal prods.	-301.9	-431.6	-458.0	-428.6	-458.0
Vegetable prods.	-373.9	-555.8	-365.0	-554.6	-596.4
Fats, oils	-104.6	-158.9	-98.1	-158.9	-158.9
Manufactured foodstuffs	-1,043.2	-812.5	-1,364.3	-1,364.3	-1,364.3
Mineral prods.	-200.1	-200.1	-200.1	-200.1	-200.1
Chemicals	-504.9	-506.5	-551.9	-551.9	-551.9
Rubber, plastics	-246.5	-246.8	-266.4	-266.4	-266.4
Hides, leather prods.	-18.8	-30.1	-30.1	-30.1	-30.1
Cork, wood articles	-46.8	-53.7	-84.2	-84.2	-84.2
Pulp, paper prods.	-71.7	-85.3	-117.9	-117.9	-117.9
Textiles, apparel	-500.3	-535.9	-445.7	-496.4	-712.9
Footwear, made-up articles	-50.1	-61.1	-50.2	-61.5	-80.0
Stone, mineral prods.	-110.5	-118.9	-162.6	-162.6	-162.6
Precious stones, jewellery	-222.1	-242.6	-347.0	-347.0	-347.0
Base metals, metal prods.	-410.5	-431.8	-523.9	-523.9	-523.9
Machinery	-839.3	-956.3	-1,562.3	-1,562.3	-1,562.3
Transport equip.	-498.7	-579.2	-993.6	-993.6	-993.6
Professional equip.	-111.5	-127.1	-203.0	-203.0	-203.0
Arms, ammunition	-5.5	-20.4	-20.4	-20.4	-20.4
Miscellaneous manufs.	-171.1	-186.1	-255.4	-255.4	-255.4
Works of art	-13.5	-15.0	-20.4	-20.4	-20.4
All products	-5,845.3	-6,355.5	-8,120.5	-8,403.5	-8,709.7

Source: MENA trade simulation model, November 6, 2003.

APPENDIX: Table 22. European Union: Impacts of EU-GCC Trade Arrangements by HS Section
(Millions of US Dollars per Annum, at 2000 Prices)

	Scenario				
	CU (5% CET)	CU (Min CET)	FTA (5% CET)	FTA (Min CET)	MFN
Percent Change In Real Exchange Rate (US$/LC)					
All products	0.0	0.0	0.3	0.2	-1.9
Change In Real Exports					
Live animals, animal prods.	5.9	34.2	1,280.4	775.5	857.3
Vegetable prods.	3.7	26.3	1,246.3	1,223.2	739.3
Fats, oils	-2.1	9.5	234.0	100.2	145.9
Manufactured foodstuffs	104.7	58.8	3,312.9	4,834.5	3,144.1
Mineral prods.	-125.8	-125.0	-347.0	-320.4	352.2
Chemicals	-68.5	-47.8	-355.0	148.3	5,170.0
Rubber, plastics	-15.5	-15.2	-224.2	171.9	2,391.8
Hides, leather prods.	5.5	1.0	249.8	87.4	266.8
Cork, wood articles	7.0	-0.3	482.2	452.9	349.3
Pulp, paper prods.	-5.9	-1.9	-49.5	-65.2	942.7
Textiles, apparel	23.6	11.0	6,141.1	6,207.3	2,969.4
Footwear, made-up articles	10.9	3.8	741.7	759.6	451.3
Stone, mineral prods.	2.7	11.8	2.3	-19.4	727.6
Precious stones, jewellery	13.3	13.6	326.4	300.0	528.4
Base metals, metal prods.	-24.1	-15.7	-383.8	-328.7	2,846.6
Machinery	14.1	25.7	-1,080.7	-979.5	11,249.6
Transport equip.	-8.9	-18.3	-513.2	-475.5	6,122.6
Professional equip.	2.6	5.5	1,743.6	1,748.1	1,395.7
Arms, ammunition	-1.0	1.0	-5.1	0.4	23.8
Miscellaneous manufs.	32.3	9.3	984.7	996.0	874.0
Works of art	6.8	-3.4	1,618.3	1,642.3	1,351.5
All products	-18.7	-16.2	15,405.3	17,258.8	42,900.0
Trade Creation = Change In Real Imports					
Live animals, animal prods.	-7.5	-43.6	552.9	1,177.3	1,072.3
Vegetable prods.	-4.4	-30.8	445.9	472.4	1,034.0
Fats, oils	3.2	-14.3	121.3	324.3	254.0
Manufactured foodstuffs	-137.2	-77.2	6,334.0	4,296.7	6,565.3
Mineral prods.	460.8	457.8	1,446.3	1,311.6	-887.8
Chemicals	90.6	63.3	919.9	2,399.5	6,446.8
Rubber, plastics	22.9	22.5	368.6	1,837.2	3,533.3
Hides, leather prods.	-7.3	-1.4	146.5	361.2	121.5
Cork, wood articles	-11.3	0.4	240.0	206.5	274.0
Pulp, paper prods.	7.0	2.3	408.9	276.3	-77.3
Textiles, apparel	-44.1	-20.6	2,288.4	2,169.9	8,194.7
Footwear, made-up articles	-23.4	-8.2	376.4	338.6	1,003.9
Stone, mineral prods.	-4.1	-17.8	193.1	81.2	781.4
Precious stones, jewellery	-32.8	-33.5	330.1	271.1	-704.0
Base metals, metal prods.	49.1	32.0	806.6	680.1	2,540.6
Machinery	-34.1	-62.3	4,725.1	3,738.7	4,911.5
Transport equip.	19.5	39.9	2,696.7	1,924.7	5,530.8
Professional equip.	-5.6	-11.9	847.3	802.8	1,523.1
Arms, ammunition	0.5	-0.5	3.6	24.4	8.4
Miscellaneous manufs.	-48.0	-13.8	555.3	485.5	596.3
Works of art	-6.8	3.4	745.7	719.0	1,006.1
All products	286.8	285.8	24,552.6	23,899.0	43,728.8
Trade Diversion					
Live animals, animal prods.	0.0	0.0	0.0	31.2	0.0
Vegetable prods.	0.0	0.0	20.1	20.0	0.0
Fats, oils	0.0	0.0	13.4	11.1	0.0
Manufactured foodstuffs	0.0	0.0	44.7	53.7	0.0
Mineral prods.	0.0	0.0	0.0	0.0	0.0
Chemicals	0.0	0.0	0.0	0.0	0.0
Rubber, plastics	0.0	0.0	0.0	0.0	0.0
Hides, leather prods.	0.0	0.0	0.0	2.8	0.0
Cork, wood articles	0.0	0.0	0.0	0.0	0.0
Pulp, paper prods.	0.0	0.0	0.0	0.0	0.0
Textiles, apparel	0.0	0.0	150.9	152.2	0.0
Footwear, made-up articles	0.0	0.0	1.3	1.3	0.0
Stone, mineral prods.	0.0	0.0	0.0	0.0	0.0
Precious stones, jewellery	0.0	0.0	0.0	0.0	0.0
Base metals, metal prods.	0.0	0.0	0.0	0.0	0.0
Machinery	0.0	0.0	0.0	0.0	0.0
Transport equip.	0.0	0.0	0.0	0.0	0.0
Professional equip.	0.0	0.0	0.0	0.0	0.0
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	0.0	0.0	0.0	0.0	0.0
Works of art	0.0	0.0	0.0	0.0	0.0
All products	0.0	0.0	230.4	272.3	0.0

APPENDIX: Table 22 (Cont.). European Union: Impacts of EU-GCC Trade Arrangements by HS Section
(Millions of US Dollars per Annum, at 2000 Prices)

	Scenario				
	CU (5% CET)	CU (Min CET)	FTA (5% CET)	FTA (Min CET)	MFN
Net Trade Creation					
Live animals, animal prods.	-7.5	-43.6	552.9	1,146.1	1,072.3
Vegetable prods.	-4.4	-30.8	425.9	452.4	1,034.0
Fats, oils	3.2	-14.3	107.9	313.2	254.0
Manufactured foodstuffs	-137.2	-77.2	6,289.3	4,242.9	6,565.3
Mineral prods.	460.8	457.8	1,446.3	1,311.6	-887.8
Chemicals	90.6	63.3	919.9	2,399.5	6,446.8
Rubber, plastics	22.9	22.5	368.6	1,837.2	3,533.3
Hides, leather prods.	-7.3	-1.4	146.5	358.4	121.5
Cork, wood articles	-11.3	0.4	240.0	206.5	274.0
Pulp, paper prods.	7.0	2.3	408.9	276.3	-77.3
Textiles, apparel	-44.1	-20.6	2,137.5	2,017.7	8,194.7
Footwear, made-up articles	-23.4	-8.2	375.1	337.3	1,003.9
Stone, mineral prods.	-4.1	-17.8	193.1	81.2	781.4
Precious stones, jewellery	-32.8	-33.5	330.1	271.1	-704.0
Base metals, metal prods.	49.1	32.0	806.6	680.1	2,540.6
Machinery	-34.1	-62.3	4,725.1	3,738.7	4,911.5
Transport equip.	19.5	39.9	2,696.7	1,924.7	5,530.8
Professional equip.	-5.6	-11.9	847.3	802.8	1,523.1
Arms, ammunition	0.5	-0.5	3.6	24.4	8.4
Miscellaneous manufs.	-48.0	-13.8	555.3	485.5	596.3
Works of art	-6.8	3.4	745.7	719.0	1,006.1
All products	286.8	285.8	24,322.2	23,626.7	43,728.8
Change in Consumer Surplus					
Live animals, animal prods.	-0.3	-1.9	27.4	14.0	11.7
Vegetable prods.	-0.2	-1.5	2.7	3.0	14.2
Fats, oils	0.2	-0.7	0.9	5.8	3.6
Manufactured foodstuffs	-17.8	-10.0	243.4	115.8	260.6
Mineral prods.	0.7	0.7	7.0	5.7	2.8
Chemicals	3.8	2.7	1.4	9.4	66.0
Rubber, plastics	1.1	1.0	0.5	11.3	41.2
Hides, leather prods.	-0.2	0.0	4.0	3.2	0.4
Cork, wood articles	-0.3	0.0	7.7	6.5	1.3
Pulp, paper prods.	0.1	0.0	1.0	0.5	0.0
Textiles, apparel	-3.3	-1.5	14.9	13.4	180.7
Footwear, made-up articles	-1.2	-0.4	1.9	1.5	13.1
Stone, mineral prods.	-0.1	-0.6	0.4	0.1	5.9
Precious stones, jewellery	-0.2	-0.2	2.9	2.3	3.0
Base metals, metal prods.	1.4	0.9	1.1	0.8	10.7
Machinery	-0.7	-1.3	7.6	4.8	8.2
Transport equip.	0.5	1.1	5.3	2.7	22.1
Professional equip.	-0.2	-0.4	28.3	26.7	7.9
Arms, ammunition	0.0	0.0	0.0	0.4	0.0
Miscellaneous manufs.	-1.3	-0.4	17.3	14.9	2.6
Works of art	-0.2	0.1	26.1	25.0	6.6
All products	-18.4	-12.7	401.6	267.8	662.5
Change in Producer Surplus					
Live animals, animal prods.	7.9	45.6	1,735.5	1,044.3	1,155.7
Vegetable prods.	5.0	35.1	1,693.6	1,661.6	996.9
Fats, oils	-2.8	12.6	318.0	134.8	196.9
Manufactured foodstuffs	139.6	78.5	4,531.4	6,689.6	4,295.0
Mineral prods.	-251.2	-249.6	-691.1	-638.2	707.6
Chemicals	-68.5	-47.8	-354.7	148.4	5,225.8
Rubber, plastics	-15.5	-15.2	-223.9	172.1	2,419.4
Hides, leather prods.	5.5	1.0	251.9	87.6	269.1
Cork, wood articles	7.0	-0.3	488.5	458.4	352.6
Pulp, paper prods.	-5.9	-1.9	-49.4	-65.2	949.0
Textiles, apparel	23.6	11.0	6,330.4	6,400.8	3,013.7
Footwear, made-up articles	10.9	3.8	757.1	775.8	457.0
Stone, mineral prods.	2.7	11.8	2.3	-19.4	735.2
Precious stones, jewellery	13.3	13.6	327.9	301.3	532.4
Base metals, metal prods.	-24.1	-15.7	-383.3	-328.4	2,873.7
Machinery	14.1	25.7	-1,079.8	-978.8	11,352.4
Transport equip.	-8.9	-18.3	-512.8	-475.1	6,181.1
Professional equip.	2.6	5.5	1,765.6	1,770.2	1,409.8
Arms, ammunition	-1.0	1.0	-5.1	0.4	24.0
Miscellaneous manufs.	32.3	9.3	995.0	1,006.5	882.1
Works of art	6.8	-3.4	1,635.1	1,659.5	1,363.2
All products	-106.5	-97.7	17,532.2	19,806.2	45,392.6

	Scenario				
	CU (5% CET)	CU (Min CET)	FTA (5% CET)	FTA (Min CET)	MFN
Forgone Tariff Revenue					
Live animals, animal prods.	0.0	0.0	0.0	9.1	0.0
Vegetable prods.	0.0	0.0	12.1	11.4	0.0
Fats, oils	0.0	0.0	7.5	1.6	0.0
Manufactured foodstuffs	0.0	0.0	15.7	43.4	0.0
Mineral prods.	0.0	0.0	0.0	0.0	0.0
Chemicals	0.0	0.0	0.0	0.0	0.0
Rubber, plastics	0.0	0.0	0.0	0.0	0.0
Hides, leather prods.	0.0	0.0	0.0	0.3	0.0
Cork, wood articles	0.0	0.0	0.0	0.0	0.0
Pulp, paper prods.	0.0	0.0	0.0	0.0	0.0
Textiles, apparel	0.0	0.0	90.6	90.7	0.0
Footwear, made-up articles	0.0	0.0	0.6	0.6	0.0
Stone, mineral prods.	0.0	0.0	0.0	0.0	0.0
Precious stones, jewellery	0.0	0.0	0.0	0.0	0.0
Base metals, metal prods.	0.0	0.0	0.0	0.0	0.0
Machinery	0.0	0.0	0.0	0.0	0.0
Transport equip.	0.0	0.0	0.0	0.0	0.0
Professional equip.	0.0	0.0	0.0	0.0	0.0
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	0.0	0.0	0.0	0.0	0.0
Works of art	0.0	0.0	0.0	0.0	0.0
All products	0.0	0.0	126.5	157.2	0.0
Change in Economic Welfare					
Live animals, animal prods.	7.5	43.7	1,762.9	1,049.3	1,167.4
Vegetable prods.	4.7	33.5	1,684.1	1,653.2	1,011.1
Fats, oils	-2.7	11.9	311.4	139.0	200.5
Manufactured foodstuffs	121.8	68.4	4,759.2	6,761.9	4,555.6
Mineral prods.	-250.5	-248.9	-684.1	-632.4	710.4
Chemicals	-64.6	-45.2	-353.3	157.7	5,291.8
Rubber, plastics	-14.4	-14.2	-223.4	183.4	2,460.6
Hides, leather prods.	5.3	1.0	255.9	90.6	269.5
Cork, wood articles	6.7	-0.2	496.1	464.9	353.9
Pulp, paper prods.	-5.8	-1.9	-48.4	-64.7	949.1
Textiles, apparel	20.3	9.5	6,254.7	6,323.4	3,194.4
Footwear, made-up articles	9.7	3.4	758.4	776.7	470.0
Stone, mineral prods.	2.6	11.1	2.7	-19.4	741.2
Precious stones, jewellery	13.1	13.4	330.8	303.6	535.3
Base metals, metal prods.	-22.7	-14.9	-382.2	-327.6	2,884.4
Machinery	13.3	24.4	-1,072.2	-974.0	11,360.6
Transport equip.	-8.4	-17.2	-507.5	-472.4	6,203.1
Professional equip.	2.4	5.1	1,793.9	1,796.9	1,417.6
Arms, ammunition	-0.9	1.0	-5.1	0.8	24.0
Miscellaneous manufs.	31.0	8.9	1,012.3	1,021.4	884.7
Works of art	6.6	-3.3	1,661.1	1,684.5	1,369.7
All products	-124.9	-110.4	17,807.4	19,916.8	46,055.0
Change in Tariff Revenue					
Live animals, animal prods.	-0.1	0.1	4.1	38.9	-2,369.9
Vegetable prods.	0.0	0.6	-15.4	-8.7	-2,847.8
Fats, oils	0.0	-0.1	-5.1	13.0	-437.0
Manufactured foodstuffs	-1.7	-1.2	1,020.0	450.4	-10,172.3
Mineral prods.	-491.1	-491.1	-491.1	-491.1	-491.1
Chemicals	1.1	0.6	-8,420.0	-8,420.0	-8,420.0
Rubber, plastics	0.2	0.2	-4,448.0	-4,448.0	-4,448.0
Hides, leather prods.	-0.1	0.0	1.8	8.2	-363.5
Cork, wood articles	-0.1	0.0	2.8	2.5	-717.5
Pulp, paper prods.	0.0	0.0	-775.5	-775.5	-775.5
Textiles, apparel	-1.5	-0.9	-8.4	-13.8	-9,085.6
Footwear, made-up articles	-0.6	-0.2	11.2	10.0	-1,062.8
Stone, mineral prods.	-0.1	-0.4	-928.5	-928.5	-928.5
Precious stones, jewellery	-0.1	-0.1	1.9	1.6	-259.4
Base metals, metal prods.	0.6	0.3	-4,003.7	-4,003.7	-4,003.7
Machinery	-0.9	-1.4	-12,296.3	-12,296.3	-12,296.3
Transport equip.	0.0	0.3	-7,581.6	-7,581.6	-7,581.6
Professional equip.	-0.2	-0.3	19.1	17.9	-2,166.7
Arms, ammunition	0.0	0.0	-26.6	-26.6	-26.6
Miscellaneous manufs.	-0.4	-0.2	7.7	6.9	-1,377.5
Works of art	-0.1	-0.1	6.1	5.5	-2,376.4
All products	-495.0	-493.9	-37,925.5	-38,438.9	-72,207.8

Source: MENA trade simulation model, November 6, 2003.

	Scenario				
	CU (5% CET)	CU (Min CET)	FTA (5% CET)	FTA (Min CET)	MFN
Percent Change in Real Exchange Rate (US$/LC)					
All products	-5.1	-4.9	-6.8	-6.8	-7.9
Change in Real Exports					
Live animals, animal prods.	0.8	0.5	0.9	0.8	0.7
Vegetable prods.	0.1	0.1	0.1	0.1	0.1
Fats, oils	0.5	0.3	0.6	0.5	0.4
Manufactured foodstuffs	1.4	1.9	1.7	2.0	1.5
Mineral prods.	106.7	102.4	139.9	141.4	155.8
Chemicals	13.9	12.3	9.7	10.0	11.5
Rubber, plastics	2.8	2.4	1.9	2.0	2.3
Hides, leather prods.	0.1	0.1	0.1	0.1	0.1
Cork, wood articles	0.0	0.0	0.0	0.0	0.0
Pulp, paper prods.	3.1	2.6	2.2	2.2	2.3
Textiles, apparel	40.3	35.4	53.6	53.9	36.4
Footwear, made-up articles	0.3	0.2	0.3	0.3	0.2
Stone, mineral prods.	0.3	0.2	0.2	0.2	0.2
Precious stones, jewellery	0.8	0.7	0.6	0.6	0.6
Base metals, metal prods.	89.1	75.3	61.1	61.5	71.2
Machinery	2.9	2.5	2.0	2.0	2.3
Transport equip.	1.4	1.2	1.0	1.0	1.1
Professional equip.	0.0	0.0	0.0	0.0	0.0
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	1.3	1.2	1.2	1.2	1.1
Works of art	0.0	0.0	0.0	0.0	0.0
All products	265.9	239.3	277.2	279.8	287.9
Trade Creation = Change in Real Imports					
Live animals, animal prods.	6.0	11.6	5.5	8.6	8.2
Vegetable prods.	3.5	7.6	2.6	6.4	5.1
Fats, oils	2.0	2.8	1.8	2.3	2.2
Manufactured foodstuffs	23.6	15.9	18.9	13.8	21.8
Mineral prods.	11.8	14.9	-14.3	-15.8	-23.1
Chemicals	38.0	45.8	58.3	56.8	49.5
Rubber, plastics	9.4	11.1	14.1	13.5	11.8
Hides, leather prods.	-0.9	-0.4	-0.8	-0.6	-0.7
Cork, wood articles	-0.3	0.2	-0.2	-0.1	0.5
Pulp, paper prods.	4.6	6.4	7.6	7.6	7.2
Textiles, apparel	25.1	29.9	21.8	25.4	28.9
Footwear, made-up articles	3.0	3.8	2.7	3.3	3.6
Stone, mineral prods.	17.8	20.1	23.6	23.7	21.4
Precious stones, jewellery	6.3	6.9	7.2	7.3	7.5
Base metals, metal prods.	3.4	9.0	4.7	4.6	10.6
Machinery	44.4	61.8	90.7	90.4	75.5
Transport equip.	-12.1	-5.0	6.7	6.6	0.1
Professional equip.	2.3	3.6	2.7	2.7	4.4
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	18.8	20.4	19.9	19.9	21.6
Works of art	0.0	0.0	0.0	0.0	0.0
All products	206.9	266.4	273.3	276.2	256.0
Trade Diversion					
Live animals, animal prods.	1.3	0.7	51.4	0.0	0.0
Vegetable prods.	0.6	0.3	0.0	0.0	0.0
Fats, oils	0.1	0.1	0.0	0.0	0.0
Manufactured foodstuffs	1.2	1.5	7.8	11.3	0.0
Mineral prods.	0.0	0.0	0.0	0.0	0.0
Chemicals	29.5	24.5	0.0	0.0	0.0
Rubber, plastics	6.4	5.3	0.0	0.0	0.0
Hides, leather prods.	0.1	0.0	5.7	0.0	0.0
Cork, wood articles	0.0	0.0	22.4	21.1	0.0
Pulp, paper prods.	1.3	1.0	0.0	0.0	0.0
Textiles, apparel	3.6	2.9	0.0	0.0	0.0
Footwear, made-up articles	0.0	0.0	0.0	0.0	0.0
Stone, mineral prods.	2.0	1.6	0.0	0.0	0.0
Precious stones, jewellery	0.1	0.1	2.7	2.4	0.0
Base metals, metal prods.	6.6	5.2	0.0	0.0	0.0
Machinery	1.9	1.5	0.0	0.0	0.0
Transport equip.	1.3	1.0	0.0	0.0	0.0
Professional equip.	0.1	0.1	48.8	49.0	0.0
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	0.4	0.3	52.5	53.1	0.0
Works of art	0.0	0.0	0.5	0.5	0.0
All products	56.6	46.1	191.7	137.5	0.0

APPENDIX: Table 23 (Cont.). Bahrain: Impacts of EU-GCC Trade Arrangements by HS Section
(Millions of US Dollars per Annum, at 2000 Prices)

	Scenario				
	CU (5% CET)	CU (Min CET)	FTA (5% CET)	FTA (Min CET)	MFN
Net Trade Creation					
Live animals, animal prods.	4.7	10.9	-45.9	8.6	8.2
Vegetable prods.	2.9	7.3	2.6	6.4	5.1
Fats, oils	1.8	2.7	1.8	2.3	2.2
Manufactured foodstuffs	22.5	14.4	11.1	2.4	21.8
Mineral prods.	11.8	14.9	-14.3	-15.8	-23.1
Chemicals	8.5	21.3	58.3	56.8	49.5
Rubber, plastics	2.9	5.9	14.1	13.5	11.8
Hides, leather prods.	-0.9	-0.5	-6.5	-0.6	-0.7
Cork, wood articles	-0.4	0.1	-22.6	-21.2	0.5
Pulp, paper prods.	3.3	5.3	7.6	7.6	7.2
Textiles, apparel	21.4	27.0	21.8	25.4	28.9
Footwear, made-up articles	3.0	3.8	2.7	3.3	3.6
Stone, mineral prods.	15.9	18.5	23.6	23.7	21.4
Precious stones, jewellery	6.2	6.8	4.6	4.8	7.5
Base metals, metal prods.	-3.2	3.8	4.7	4.6	10.6
Machinery	42.5	60.3	90.7	90.4	75.5
Transport equip.	-13.4	-6.0	6.7	6.6	0.1
Professional equip.	2.3	3.5	-46.1	-46.3	4.4
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	18.4	20.1	-32.6	-33.3	21.6
Works of art	0.0	0.0	-0.5	-0.5	0.0
All products	150.3	220.3	81.5	138.8	256.0
Change in Consumer Surplus					
Live animals, animal prods.	0.4	0.6	0.1	0.4	0.3
Vegetable prods.	0.2	0.4	0.2	0.3	0.1
Fats, oils	0.2	0.3	0.2	0.2	0.2
Manufactured foodstuffs	2.5	2.0	0.9	0.5	1.2
Mineral prods.	0.0	0.1	0.1	0.1	0.2
Chemicals	1.6	2.2	2.8	2.7	2.1
Rubber, plastics	0.4	0.6	0.7	0.7	0.5
Hides, leather prods.	0.0	0.0	0.0	0.0	0.0
Cork, wood articles	0.0	0.0	0.0	0.0	0.0
Pulp, paper prods.	0.3	0.4	0.3	0.3	0.3
Textiles, apparel	1.9	2.2	1.8	1.9	1.2
Footwear, made-up articles	0.3	0.4	0.3	0.3	0.2
Stone, mineral prods.	1.7	1.9	1.6	1.6	1.4
Precious stones, jewellery	0.9	0.9	0.7	0.7	0.7
Base metals, metal prods.	0.1	0.3	0.0	0.0	0.2
Machinery	2.9	3.8	3.0	2.9	2.1
Transport equip.	-0.4	-0.2	0.0	0.0	0.0
Professional equip.	0.1	0.2	0.0	0.0	0.1
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	2.6	2.7	1.9	1.9	2.2
Works of art	0.0	0.0	0.0	0.0	0.0
All products	15.8	18.7	14.7	14.6	12.9
Change in Producer Surplus					
Live animals, animal prods.	1.2	0.7	1.2	1.1	1.0
Vegetable prods.	0.1	0.1	0.1	0.1	0.1
Fats, oils	0.7	0.4	0.8	0.6	0.6
Manufactured foodstuffs	2.0	2.7	2.4	2.9	2.2
Mineral prods.	218.9	209.8	289.1	292.2	323.1
Chemicals	14.7	12.8	10.1	10.4	12.0
Rubber, plastics	2.9	2.5	2.0	2.1	2.4
Hides, leather prods.	0.1	0.1	0.1	0.1	0.1
Cork, wood articles	0.0	0.0	0.0	0.0	0.0
Pulp, paper prods.	3.3	2.7	2.3	2.3	2.4
Textiles, apparel	42.4	37.1	57.4	57.7	38.2
Footwear, made-up articles	0.3	0.2	0.3	0.3	0.3
Stone, mineral prods.	0.3	0.3	0.2	0.2	0.2
Precious stones, jewellery	0.8	0.7	0.6	0.6	0.6
Base metals, metal prods.	93.9	78.6	63.4	63.7	74.3
Machinery	3.0	2.6	2.1	2.1	2.4
Transport equip.	1.5	1.3	1.0	1.0	1.2
Professional equip.	0.0	0.0	0.0	0.0	0.0
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	1.4	1.2	1.3	1.3	1.1
Works of art	0.0	0.0	0.0	0.0	0.0
All products	387.5	353.9	434.5	438.9	462.0

APPENDIX: Table 23 (Cont.). Bahrain: Impacts of EU-GCC Trade Arrangements by HS Section
(Millions of US Dollars per Annum, at 2000 Prices)

	Scenario				
	CU (5% CET)	CU (Min CET)	FTA (5% CET)	FTA (Min CET)	MFN
Forgone Tariff Revenue					
Live animals, animal prods.	0.9	0.1	6.2	0.0	0.0
Vegetable prods.	0.4	0.1	0.0	0.0	0.0
Fats, oils	0.1	0.0	0.0	0.0	0.0
Manufactured foodstuffs	0.8	1.5	6.2	16.8	0.0
Mineral prods.	0.0	0.0	0.0	0.0	0.0
Chemicals	16.7	13.0	0.0	0.0	0.0
Rubber, plastics	3.9	3.0	0.0	0.0	0.0
Hides, leather prods.	0.0	0.0	0.1	0.0	0.0
Cork, wood articles	0.0	0.0	1.2	1.1	0.0
Pulp, paper prods.	0.7	0.5	0.0	0.0	0.0
Textiles, apparel	1.9	1.5	0.0	0.0	0.0
Footwear, made-up articles	0.0	0.0	0.0	0.0	0.0
Stone, mineral prods.	1.0	0.8	0.0	0.0	0.0
Precious stones, jewellery	0.0	0.0	0.3	0.3	0.0
Base metals, metal prods.	3.2	2.2	0.0	0.0	0.0
Machinery	1.1	0.9	0.0	0.0	0.0
Transport equip.	0.8	0.7	0.0	0.0	0.0
Professional equip.	0.0	0.0	1.6	1.6	0.0
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	0.2	0.2	2.8	2.7	0.0
Works of art	0.0	0.0	0.0	0.0	0.0
All products	31.8	24.5	18.5	22.5	0.0
Change in Economic Welfare					
Live animals, animal prods.	0.7	1.2	-4.9	1.5	1.3
Vegetable prods.	0.0	0.4	0.3	0.4	0.3
Fats, oils	0.9	0.6	1.0	0.8	0.8
Manufactured foodstuffs	3.7	3.2	-2.9	-13.4	3.4
Mineral prods.	218.9	209.9	289.1	292.3	323.3
Chemicals	-0.4	2.0	12.9	13.1	14.1
Rubber, plastics	-0.6	0.1	2.7	2.8	2.9
Hides, leather prods.	0.1	0.1	0.0	0.1	0.1
Cork, wood articles	0.0	0.0	-1.2	-1.1	0.0
Pulp, paper prods.	2.9	2.6	2.6	2.6	2.7
Textiles, apparel	42.4	37.8	59.2	59.7	39.3
Footwear, made-up articles	0.6	0.6	0.6	0.6	0.5
Stone, mineral prods.	1.0	1.4	1.8	1.8	1.6
Precious stones, jewellery	1.6	1.6	1.1	1.1	1.3
Base metals, metal prods.	90.8	76.7	63.4	63.8	74.4
Machinery	4.8	5.6	5.0	5.0	4.5
Transport equip.	0.2	0.5	1.0	1.0	1.2
Professional equip.	0.1	0.2	-1.6	-1.6	0.1
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	3.8	3.8	0.4	0.5	3.3
Works of art	0.0	0.0	0.0	0.0	0.0
All products	371.5	348.1	430.7	431.0	475.0
Change in Tariff Revenue					
Live animals, animal prods.	-15.5	-20.5	-21.6	-20.4	-21.6
Vegetable prods.	-13.9	-19.5	-13.7	-19.5	-20.8
Fats, oils	-2.7	-3.3	-2.6	-3.3	-3.3
Manufactured foodstuffs	-35.0	-27.9	-44.9	-44.9	-44.9
Mineral prods.	-114.2	-114.2	-114.2	-114.2	-114.2
Chemicals	-63.0	-63.1	-66.9	-66.9	-66.9
Rubber, plastics	-14.6	-14.6	-15.4	-15.4	-15.4
Hides, leather prods.	0.3	0.0	0.0	0.0	0.0
Cork, wood articles	-1.7	-2.1	-3.5	-3.5	-3.5
Pulp, paper prods.	-8.2	-9.1	-11.2	-11.2	-11.2
Textiles, apparel	-33.2	-35.1	-30.6	-33.1	-43.7
Footwear, made-up articles	-2.5	-2.8	-2.5	-2.9	-3.4
Stone, mineral prods.	-13.8	-14.4	-17.6	-17.6	-17.6
Precious stones, jewellery	-3.3	-3.5	-4.3	-4.3	-4.3
Base metals, metal prods.	-16.0	-16.8	-19.9	-19.9	-19.9
Machinery	-46.6	-51.3	-73.7	-73.7	-73.7
Transport equip.	-10.4	-12.4	-21.7	-21.7	-21.7
Professional equip.	-4.0	-4.4	-6.5	-6.5	-6.5
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	-18.2	-19.1	-22.7	-22.7	-22.7
Works of art	0.0	0.0	-0.1	-0.1	-0.1
All products	-416.7	-434.4	-493.6	-501.8	-515.5

Source: MENA trade simulation model, November 6, 2003.

	Scenario				
	CU (5% CET)	CU (Min CET)	FTA (5% CET)	FTA (Min CET)	MFN
Percent Change in Real Exchange Rate (US$/LC)					
All products	-0.8	-0.3	-2.6	-2.6	-3.4
Change in Real Exports					
Live animals, animal prods.	0.4	0.1	0.4	0.3	0.2
Vegetable prods.	0.0	0.0	0.0	0.0	0.0
Fats, oils	0.0	0.0	0.0	0.0	0.0
Manufactured foodstuffs	0.1	0.2	0.2	0.2	0.1
Mineral prods.	31.8	-2.7	132.0	133.9	158.1
Chemicals	11.3	8.3	5.4	5.7	7.3
Rubber, plastics	13.7	10.0	6.3	7.2	9.1
Hides, leather prods.	0.1	0.0	0.1	0.1	0.1
Cork, wood articles	0.0	0.0	0.0	0.0	0.0
Pulp, paper prods.	0.2	0.1	0.1	0.1	0.1
Textiles, apparel	1.3	0.9	2.0	2.0	1.0
Footwear, made-up articles	0.0	0.0	0.0	0.0	0.0
Stone, mineral prods.	0.2	0.1	0.1	0.1	0.1
Precious stones, jewellery	0.6	0.5	0.4	0.4	0.3
Base metals, metal prods.	1.0	0.7	0.4	0.4	0.6
Machinery	4.0	2.9	1.8	1.8	2.3
Transport equip.	0.5	0.3	0.2	0.2	0.3
Professional equip.	0.5	0.4	0.5	0.5	0.3
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	0.1	0.0	0.1	0.1	0.0
Works of art	3.9	2.7	3.3	3.3	2.2
All products	69.7	24.6	153.6	156.5	182.2
Trade Creation = Change in Real Imports					
Live animals, animal prods.	-8.4	-0.6	-9.2	-5.1	-5.1
Vegetable prods.	-3.6	-0.3	-4.3	-1.4	-2.2
Fats, oils	-1.7	-0.1	-1.9	-1.0	-1.2
Manufactured foodstuffs	7.1	-1.0	1.5	-4.3	5.8
Mineral prods.	1.4	1.7	0.7	0.7	0.6
Chemicals	-8.4	-1.2	6.0	5.1	1.3
Rubber, plastics	-4.0	-0.6	3.0	2.2	0.3
Hides, leather prods.	-0.9	0.7	-0.5	0.0	-0.2
Cork, wood articles	-1.1	-0.2	-0.9	-0.8	0.3
Pulp, paper prods.	-3.0	-0.3	0.7	0.8	0.6
Textiles, apparel	-9.4	-1.5	-13.7	-8.9	-2.9
Footwear, made-up articles	-2.2	-0.2	-3.0	-1.6	-0.9
Stone, mineral prods.	-4.5	-0.8	2.7	3.0	0.8
Precious stones, jewellery	-0.6	-0.1	0.0	0.1	0.3
Base metals, metal prods.	-13.2	-1.7	6.2	6.2	1.0
Machinery	-54.0	-8.6	39.1	39.8	18.8
Transport equip.	-42.0	-6.5	30.1	30.7	12.6
Professional equip.	-5.3	-0.9	-4.4	-4.3	1.2
Arms, ammunition	-1.2	-0.1	-0.5	-0.6	-0.7
Miscellaneous manufs.	-3.6	-0.6	-2.0	-2.0	1.1
Works of art	-1.2	-0.2	-0.8	-0.8	0.3
All products	-159.8	-23.1	48.8	57.9	32.2
Trade Diversion					
Live animals, animal prods.	1.7	0.9	66.4	0.0	0.0
Vegetable prods.	0.4	0.2	0.0	0.0	0.0
Fats, oils	0.3	0.1	0.0	0.0	0.0
Manufactured foodstuffs	1.4	1.8	9.0	13.1	0.0
Mineral prods.	0.0	0.0	0.0	0.0	0.0
Chemicals	21.3	17.9	0.0	0.0	0.0
Rubber, plastics	9.0	7.5	0.0	0.0	0.0
Hides, leather prods.	0.3	0.1	20.4	0.0	0.0
Cork, wood articles	0.1	0.1	32.1	30.2	0.0
Pulp, paper prods.	1.9	1.5	0.0	0.0	0.0
Textiles, apparel	7.1	5.9	0.0	0.0	0.0
Footwear, made-up articles	0.1	0.1	0.0	0.0	0.0
Stone, mineral prods.	2.5	2.1	0.0	0.0	0.0
Precious stones, jewellery	0.1	0.0	1.9	1.8	0.0
Base metals, metal prods.	16.4	13.2	0.0	0.0	0.0
Machinery	3.7	3.0	0.0	0.0	0.0
Transport equip.	5.0	3.9	0.0	0.0	0.0
Professional equip.	0.2	0.1	131.3	131.9	0.0
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	0.7	0.6	78.6	79.6	0.0
Works of art	0.8	0.6	61.3	61.3	0.0
All products	72.8	59.7	401.2	318.0	0.0

	Scenario				
	CU (5% CET)	CU (Min CET)	FTA (5% CET)	FTA (Min CET)	MFN
Net Trade Creation					
Live animals, animal prods.	-10.2	-1.5	-75.6	-5.1	-5.1
Vegetable prods.	-4.0	-0.5	-4.3	-1.4	-2.2
Fats, oils	-1.9	-0.3	-1.9	-1.0	-1.2
Manufactured foodstuffs	5.7	-2.8	-7.5	-17.4	5.8
Mineral prods.	1.4	1.7	0.7	0.7	0.6
Chemicals	-29.8	-19.1	6.0	5.1	1.3
Rubber, plastics	-13.0	-8.1	3.0	2.2	0.3
Hides, leather prods.	-1.2	0.6	-21.0	0.0	-0.2
Cork, wood articles	-1.1	-0.2	-33.0	-31.0	0.3
Pulp, paper prods.	-4.9	-1.9	0.7	0.8	0.6
Textiles, apparel	-16.5	-7.4	-13.7	-8.9	-2.9
Footwear, made-up articles	-2.3	-0.3	-3.0	-1.6	-0.9
Stone, mineral prods.	-7.0	-2.9	2.7	3.0	0.8
Precious stones, jewellery	-0.7	-0.2	-1.9	-1.7	0.3
Base metals, metal prods.	-29.6	-14.9	6.2	6.2	1.0
Machinery	-57.6	-11.6	39.1	39.8	18.8
Transport equip.	-47.0	-10.4	30.1	30.7	12.6
Professional equip.	-5.4	-1.0	-135.7	-136.2	1.2
Arms, ammunition	-1.2	-0.1	-0.5	-0.6	-0.7
Miscellaneous manufs.	-4.3	-1.1	-80.7	-81.7	1.1
Works of art	-2.1	-0.8	-62.1	-62.1	0.3
All products	-232.7	-82.7	-352.4	-260.0	32.2
Change in Consumer Surplus					
Live animals, animal prods.	-0.1	0.0	0.3	0.0	0.1
Vegetable prods.	-0.1	0.0	-0.1	0.0	0.0
Fats, oils	0.0	0.0	0.0	0.0	0.0
Manufactured foodstuffs	0.4	-0.1	0.0	0.0	0.1
Mineral prods.	0.0	0.0	0.0	0.0	0.0
Chemicals	0.0	0.0	0.0	0.0	0.0
Rubber, plastics	0.0	0.0	0.0	0.0	0.0
Hides, leather prods.	0.0	0.0	0.0	0.0	0.0
Cork, wood articles	0.0	0.0	0.0	0.0	0.0
Pulp, paper prods.	-0.1	0.0	0.0	0.0	0.0
Textiles, apparel	-0.3	0.0	-0.5	-0.3	0.0
Footwear, made-up articles	-0.1	0.0	-0.1	0.0	0.0
Stone, mineral prods.	-0.1	0.0	0.0	0.0	0.0
Precious stones, jewellery	0.0	0.0	0.0	0.0	0.0
Base metals, metal prods.	-0.2	0.0	0.0	0.0	0.0
Machinery	-2.1	-0.3	0.2	0.3	0.1
Transport equip.	-1.6	-0.2	0.2	0.2	0.0
Professional equip.	-0.2	0.0	0.0	0.0	0.0
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	-0.1	0.0	0.0	0.0	0.0
Works of art	0.0	0.0	0.0	0.0	0.0
All products	-4.6	-0.8	0.2	0.4	0.3
Change in Producer Surplus					
Live animals, animal prods.	0.5	0.1	0.5	0.4	0.3
Vegetable prods.	0.0	0.0	0.1	0.1	0.0
Fats, oils	0.0	0.0	0.1	0.0	0.0
Manufactured foodstuffs	0.2	0.3	0.3	0.3	0.2
Mineral prods.	63.8	-5.4	266.8	270.6	320.1
Chemicals	11.7	8.5	5.5	5.8	7.4
Rubber, plastics	14.1	10.2	6.4	7.3	9.3
Hides, leather prods.	0.1	0.0	0.1	0.1	0.1
Cork, wood articles	0.0	0.0	0.0	0.0	0.0
Pulp, paper prods.	0.2	0.1	0.1	0.1	0.1
Textiles, apparel	1.3	1.0	2.1	2.1	1.0
Footwear, made-up articles	0.0	0.0	0.0	0.0	0.0
Stone, mineral prods.	0.2	0.1	0.1	0.1	0.1
Precious stones, jewellery	0.6	0.5	0.4	0.4	0.3
Base metals, metal prods.	1.0	0.7	0.4	0.4	0.6
Machinery	4.1	3.0	1.9	1.9	2.3
Transport equip.	0.5	0.3	0.2	0.2	0.3
Professional equip.	0.5	0.4	0.5	0.5	0.3
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	0.1	0.0	0.1	0.1	0.0
Works of art	4.0	2.7	3.4	3.4	2.2
All products	103.0	22.6	288.9	293.9	344.8

	Scenario				
	CU (5% CET)	CU (Min CET)	FTA (5% CET)	FTA (Min CET)	MFN
Forgone Tariff Revenue					
Live animals, animal prods.	1.2	0.2	8.1	0.0	0.0
Vegetable prods.	0.3	0.0	0.0	0.0	0.0
Fats, oils	0.2	0.0	0.0	0.0	0.0
Manufactured foodstuffs	1.0	1.8	7.2	19.5	0.0
Mineral prods.	0.0	0.0	0.0	0.0	0.0
Chemicals	11.7	9.2	0.0	0.0	0.0
Rubber, plastics	5.1	4.0	0.0	0.0	0.0
Hides, leather prods.	0.1	0.0	0.5	0.0	0.0
Cork, wood articles	0.0	0.0	1.7	1.6	0.0
Pulp, paper prods.	1.0	0.7	0.0	0.0	0.0
Textiles, apparel	3.7	2.9	0.0	0.0	0.0
Footwear, made-up articles	0.0	0.0	0.0	0.0	0.0
Stone, mineral prods.	1.2	1.0	0.0	0.0	0.0
Precious stones, jewellery	0.0	0.0	0.2	0.2	0.0
Base metals, metal prods.	8.0	5.7	0.0	0.0	0.0
Machinery	2.1	1.7	0.0	0.0	0.0
Transport equip.	3.3	2.6	0.0	0.0	0.0
Professional equip.	0.1	0.1	4.4	4.4	0.0
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	0.4	0.3	4.1	4.0	0.0
Works of art	0.5	0.4	1.8	1.8	0.0
All products	40.1	30.5	28.1	31.5	0.0
Change in Economic Welfare					
Live animals, animal prods.	-0.8	-0.1	-7.3	0.4	0.4
Vegetable prods.	-0.3	0.0	0.0	0.1	0.1
Fats, oils	-0.1	0.0	0.0	0.1	0.1
Manufactured foodstuffs	-0.4	-1.6	-6.9	-19.1	0.3
Mineral prods.	63.8	-5.3	266.8	270.6	320.1
Chemicals	-0.1	-0.8	5.5	5.8	7.4
Rubber, plastics	9.0	6.2	6.4	7.3	9.3
Hides, leather prods.	0.0	0.0	-0.4	0.1	0.1
Cork, wood articles	-0.1	0.0	-1.7	-1.6	0.0
Pulp, paper prods.	-0.9	-0.5	0.1	0.1	0.1
Textiles, apparel	-2.6	-1.9	1.6	1.9	1.0
Footwear, made-up articles	-0.1	0.0	-0.1	0.0	0.0
Stone, mineral prods.	-1.2	-0.9	0.1	0.1	0.1
Precious stones, jewellery	0.6	0.4	0.2	0.2	0.3
Base metals, metal prods.	-7.2	-5.1	0.5	0.5	0.6
Machinery	-0.1	1.0	2.1	2.1	2.4
Transport equip.	-4.4	-2.5	0.4	0.4	0.3
Professional equip.	0.2	0.3	-3.8	-3.8	0.3
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	-0.5	-0.3	-4.1	-4.0	0.0
Works of art	3.4	2.3	1.6	1.6	2.2
All products	58.3	-8.7	261.1	262.8	345.1
Change in Tariff Revenue					
Live animals, animal prods.	6.4	-0.2	-1.5	0.0	-1.5
Vegetable prods.	4.2	0.0	4.4	0.0	-1.0
Fats, oils	1.1	0.0	1.3	0.0	0.0
Manufactured foodstuffs	-10.0	-1.9	-21.6	-21.6	-21.6
Mineral prods.	-2.0	-2.0	-2.0	-2.0	-2.0
Chemicals	-9.7	-9.8	-12.5	-12.5	-12.5
Rubber, plastics	-4.6	-4.7	-5.8	-5.8	-5.8
Hides, leather prods.	0.3	-0.6	-0.6	-0.6	-0.6
Cork, wood articles	0.4	0.0	-2.1	-2.1	-2.1
Pulp, paper prods.	0.4	-0.7	-3.3	-3.3	-3.3
Textiles, apparel	-0.7	-3.0	2.7	-0.5	-14.0
Footwear, made-up articles	0.7	0.0	0.7	-0.1	-1.3
Stone, mineral prods.	-0.2	-1.0	-5.1	-5.1	-5.1
Precious stones, jewellery	0.1	0.0	-0.6	-0.6	-0.6
Base metals, metal prods.	-4.5	-5.8	-11.2	-11.2	-11.2
Machinery	6.9	-2.2	-47.9	-47.9	-47.9
Transport equip.	4.4	-2.9	-39.2	-39.2	-39.2
Professional equip.	1.1	-0.1	-5.8	-5.8	-5.8
Arms, ammunition	1.3	0.0	0.0	0.0	0.0
Miscellaneous manufs.	0.9	-0.3	-5.8	-5.8	-5.8
Works of art	-0.7	-1.0	-2.3	-2.3	-2.3
All products	-4.3	-36.3	-158.2	-166.3	-183.6

Source: MENA trade simulation model, November 6, 2003.

	Scenario				
	CU (5% CET)	CU (Min CET)	FTA (5% CET)	FTA (Min CET)	MFN
Percent Change in Real Exchange Rate (US$/LC)					
All products	-2.9	-2.2	-5.0	-4.9	-5.8
Change in Real Exports					
Live animals, animal prods.	8.6	3.4	9.5	8.0	6.8
Vegetable prods.	3.2	1.3	3.8	3.8	2.6
Fats, oils	1.5	0.5	1.8	1.3	1.2
Manufactured foodstuffs	15.4	21.2	20.3	24.9	17.2
Mineral prods.	102.1	75.7	177.0	178.0	195.9
Chemicals	6.1	4.8	4.1	4.2	4.9
Rubber, plastics	4.4	3.4	2.8	3.0	3.5
Hides, leather prods.	0.1	0.0	0.1	0.0	0.0
Cork, wood articles	0.1	0.1	0.1	0.1	0.1
Pulp, paper prods.	0.7	0.5	0.4	0.4	0.5
Textiles, apparel	10.9	8.6	16.1	16.2	9.8
Footwear, made-up articles	0.2	0.1	0.3	0.3	0.2
Stone, mineral prods.	2.1	1.7	1.4	1.4	1.6
Precious stones, jewellery	0.6	0.5	0.5	0.5	0.5
Base metals, metal prods.	9.9	7.3	6.4	6.4	7.5
Machinery	17.2	13.5	11.3	11.2	12.8
Transport equip.	52.6	41.3	34.5	34.3	39.9
Professional equip.	1.7	1.3	1.7	1.7	1.3
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	3.0	2.3	2.8	2.8	2.2
Works of art	3.4	2.5	3.2	3.2	2.5
All products	243.8	190.0	298.1	301.7	311.1
Trade Creation = Change in Real Imports					
Live animals, animal prods.	4.8	17.7	2.6	9.2	9.0
Vegetable prods.	-4.6	2.9	-6.6	-0.4	-2.2
Fats, oils	-1.5	2.2	-2.5	-0.2	-0.6
Manufactured foodstuffs	102.4	81.6	84.8	69.2	95.8
Mineral prods.	3.8	4.9	0.4	0.3	-0.2
Chemicals	-3.3	4.1	8.5	7.7	3.8
Rubber, plastics	-4.7	-0.4	2.3	1.4	-1.0
Hides, leather prods.	0.4	1.0	0.5	0.7	0.6
Cork, wood articles	0.2	1.3	0.2	0.3	1.4
Pulp, paper prods.	-4.4	-1.8	-1.4	-1.3	-1.6
Textiles, apparel	0.5	5.5	-3.1	-0.3	3.0
Footwear, made-up articles	2.1	3.9	1.2	2.4	3.0
Stone, mineral prods.	-0.5	2.1	3.4	3.6	2.1
Precious stones, jewellery	10.0	13.1	13.0	13.2	14.4
Base metals, metal prods.	-13.1	1.4	6.8	6.8	0.2
Machinery	-1.2	45.6	75.6	76.3	54.3
Transport equip.	-36.2	6.4	32.8	33.6	11.8
Professional equip.	7.5	10.9	7.4	7.5	11.1
Arms, ammunition	0.1	0.1	0.1	0.1	0.1
Miscellaneous manufs.	4.3	6.3	4.8	4.9	6.6
Works of art	1.2	4.0	1.8	1.8	4.2
All products	67.8	212.8	232.6	236.7	215.9
Trade Diversion					
Live animals, animal prods.	2.1	1.1	104.9	0.0	0.0
Vegetable prods.	0.8	0.4	0.0	0.0	0.0
Fats, oils	0.6	0.3	0.0	0.0	0.0
Manufactured foodstuffs	2.3	2.9	24.1	35.1	0.0
Mineral prods.	0.0	0.0	0.0	0.0	0.0
Chemicals	20.1	16.8	0.0	0.0	0.0
Rubber, plastics	10.8	8.9	0.0	0.0	0.0
Hides, leather prods.	0.1	0.1	8.4	0.0	0.0
Cork, wood articles	0.1	0.1	34.4	32.3	0.0
Pulp, paper prods.	1.8	1.4	0.0	0.0	0.0
Textiles, apparel	3.8	3.2	0.0	0.0	0.0
Footwear, made-up articles	0.1	0.0	0.0	0.0	0.0
Stone, mineral prods.	1.4	1.2	0.0	0.0	0.0
Precious stones, jewellery	0.3	0.3	10.7	9.9	0.0
Base metals, metal prods.	18.5	15.0	0.0	0.0	0.0
Machinery	2.5	2.1	0.0	0.0	0.0
Transport equip.	0.4	0.4	0.0	0.0	0.0
Professional equip.	0.0	0.0	91.3	91.7	0.0
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	0.3	0.2	46.3	46.9	0.0
Works of art	2.3	1.6	148.7	148.7	0.0
All products	68.2	56.0	468.6	364.6	0.0

APPENDIX: Table 25 (Cont.). Oman: Impacts of EU-GCC Trade Arrangements by HS Section
(Millions of US Dollars per Annum, at 2000 Prices)

	Scenario				
	CU (5% CET)	CU (Min CET)	FTA (5% CET)	FTA (Min CET)	MFN
Net Trade Creation					
Live animals, animal prods.	2.7	16.5	-102.2	9.2	9.0
Vegetable prods.	-5.3	2.4	-6.6	-0.4	-2.2
Fats, oils	-2.1	1.9	-2.5	-0.2	-0.6
Manufactured foodstuffs	100.1	78.7	60.7	34.1	95.8
Mineral prods.	3.8	4.9	0.4	0.3	-0.2
Chemicals	-23.3	-12.8	8.5	7.7	3.8
Rubber, plastics	-15.5	-9.3	2.3	1.4	-1.0
Hides, leather prods.	0.2	1.0	-7.9	0.7	0.6
Cork, wood articles	0.2	1.2	-34.2	-32.0	1.4
Pulp, paper prods.	-6.2	-3.2	-1.4	-1.3	-1.6
Textiles, apparel	-3.3	2.4	-3.1	-0.3	3.0
Footwear, made-up articles	2.1	3.8	1.2	2.4	3.0
Stone, mineral prods.	-1.9	0.9	3.4	3.6	2.1
Precious stones, jewellery	9.7	12.9	2.3	3.4	14.4
Base metals, metal prods.	-31.6	-13.6	6.8	6.8	0.2
Machinery	-3.7	43.5	75.6	76.3	54.3
Transport equip.	-36.7	6.0	32.8	33.6	11.8
Professional equip.	7.4	10.9	-83.9	-84.2	11.1
Arms, ammunition	0.1	0.1	0.1	0.1	0.1
Miscellaneous manufs.	4.1	6.1	-41.4	-42.0	6.6
Works of art	-1.1	2.4	-147.0	-147.0	4.2
All products	-0.4	156.8	-236.0	-127.9	215.9
Change in Consumer Surplus					
Live animals, animal prods.	0.3	0.7	0.0	0.2	0.2
Vegetable prods.	-0.1	0.1	-0.2	0.0	0.0
Fats, oils	0.0	0.0	-0.1	0.0	0.0
Manufactured foodstuffs	13.4	12.4	6.1	4.2	7.6
Mineral prods.	0.0	0.1	0.0	0.0	0.0
Chemicals	0.0	0.1	0.1	0.1	0.0
Rubber, plastics	0.0	0.0	0.0	0.0	0.0
Hides, leather prods.	0.0	0.0	0.0	0.0	0.0
Cork, wood articles	0.0	0.1	0.0	0.0	0.0
Pulp, paper prods.	-0.1	0.0	0.0	0.0	0.0
Textiles, apparel	0.0	0.2	-0.1	0.0	0.0
Footwear, made-up articles	0.1	0.2	0.1	0.1	0.1
Stone, mineral prods.	0.0	0.1	0.0	0.0	0.0
Precious stones, jewellery	0.8	1.0	0.5	0.5	0.6
Base metals, metal prods.	-0.2	0.0	0.0	0.0	0.0
Machinery	-0.1	2.1	1.0	1.0	0.5
Transport equip.	-1.4	0.2	0.2	0.2	0.0
Professional equip.	0.5	0.7	0.1	0.2	0.3
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	0.3	0.4	0.1	0.1	0.2
Works of art	0.0	0.1	0.0	0.0	0.1
All products	13.5	18.6	8.0	6.8	9.7
Change in Producer Surplus					
Live animals, animal prods.	11.9	4.6	13.2	11.1	9.4
Vegetable prods.	4.5	1.8	5.3	5.3	3.6
Fats, oils	2.1	0.6	2.5	1.9	1.7
Manufactured foodstuffs	21.4	29.9	28.6	35.4	24.0
Mineral prods.	206.9	152.9	362.1	364.2	401.7
Chemicals	6.4	5.0	4.2	4.3	5.0
Rubber, plastics	4.5	3.5	2.9	3.1	3.6
Hides, leather prods.	0.1	0.0	0.1	0.0	0.0
Cork, wood articles	0.1	0.1	0.1	0.1	0.1
Pulp, paper prods.	0.7	0.5	0.5	0.5	0.5
Textiles, apparel	11.4	8.8	17.1	17.1	10.1
Footwear, made-up articles	0.2	0.1	0.3	0.3	0.2
Stone, mineral prods.	2.2	1.7	1.5	1.4	1.7
Precious stones, jewellery	0.7	0.5	0.5	0.5	0.5
Base metals, metal prods.	10.3	7.5	6.6	6.6	7.8
Machinery	17.9	13.9	11.6	11.5	13.2
Transport equip.	54.8	42.6	35.5	35.2	41.1
Professional equip.	1.7	1.3	1.7	1.7	1.3
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	3.1	2.4	2.9	2.9	2.3
Works of art	3.5	2.6	3.3	3.3	2.5
All products	364.3	280.5	500.3	506.3	530.4

APPENDIX: Table 25 (Cont.). Oman: Impacts of EU-GCC Trade Arrangements by HS Section
(Millions of US Dollars per Annum, at 2000 Prices)

	Scenario				
	CU (5% CET)	CU (Min CET)	FTA (5% CET)	FTA (Min CET)	MFN
Forgone Tariff Revenue					
Live animals, animal prods.	1.3	0.2	12.8	0.0	0.0
Vegetable prods.	0.5	0.1	0.0	0.0	0.0
Fats, oils	0.3	0.0	0.0	0.0	0.0
Manufactured foodstuffs	1.4	2.5	19.3	52.4	0.0
Mineral prods.	0.0	0.0	0.0	0.0	0.0
Chemicals	11.3	8.9	0.0	0.0	0.0
Rubber, plastics	6.5	5.1	0.0	0.0	0.0
Hides, leather prods.	0.1	0.0	0.2	0.0	0.0
Cork, wood articles	0.0	0.0	1.8	1.7	0.0
Pulp, paper prods.	0.9	0.6	0.0	0.0	0.0
Textiles, apparel	1.9	1.5	0.0	0.0	0.0
Footwear, made-up articles	0.0	0.0	0.0	0.0	0.0
Stone, mineral prods.	0.7	0.5	0.0	0.0	0.0
Precious stones, jewellery	0.2	0.1	1.2	1.0	0.0
Base metals, metal prods.	9.0	6.4	0.0	0.0	0.0
Machinery	1.4	1.1	0.0	0.0	0.0
Transport equip.	0.2	0.2	0.0	0.0	0.0
Professional equip.	0.0	0.0	3.1	3.0	0.0
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	0.1	0.1	2.4	2.4	0.0
Works of art	2.1	1.5	4.5	4.5	0.0
All products	37.9	28.9	45.3	65.0	0.0
Change in Economic Welfare					
Live animals, animal prods.	10.8	5.1	0.4	11.3	9.6
Vegetable prods.	3.9	1.7	5.1	5.3	3.6
Fats, oils	1.7	0.6	2.4	1.9	1.7
Manufactured foodstuffs	33.3	39.7	15.4	-12.8	31.7
Mineral prods.	207.0	153.0	362.1	364.2	401.7
Chemicals	-4.9	-3.8	4.3	4.4	5.0
Rubber, plastics	-1.9	-1.6	2.9	3.1	3.7
Hides, leather prods.	0.0	0.1	-0.1	0.1	0.1
Cork, wood articles	0.1	0.1	-1.7	-1.6	0.1
Pulp, paper prods.	-0.3	-0.2	0.5	0.5	0.5
Textiles, apparel	9.5	7.6	17.0	17.1	10.1
Footwear, made-up articles	0.3	0.4	0.3	0.4	0.3
Stone, mineral prods.	1.5	1.3	1.5	1.5	1.7
Precious stones, jewellery	1.3	1.4	-0.1	0.0	1.1
Base metals, metal prods.	1.2	1.2	6.6	6.6	7.8
Machinery	16.4	14.9	12.6	12.5	13.8
Transport equip.	53.1	42.6	35.7	35.5	41.1
Professional equip.	2.2	2.1	-1.2	-1.2	1.6
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	3.3	2.7	0.6	0.6	2.5
Works of art	1.5	1.2	-1.2	-1.2	2.6
All products	340.0	270.2	463.0	448.1	540.2
Change in Tariff Revenue					
Live animals, animal prods.	-16.2	-26.6	-28.8	-26.4	-28.8
Vegetable prods.	-1.0	-10.2	-0.6	-10.1	-12.2
Fats, oils	-0.9	-3.6	-0.6	-3.6	-3.6
Manufactured foodstuffs	-118.0	-95.8	-149.1	-149.1	-149.1
Mineral prods.	-10.3	-10.3	-10.3	-10.3	-10.3
Chemicals	-18.1	-18.2	-20.7	-20.7	-20.7
Rubber, plastics	-8.8	-8.8	-10.2	-10.2	-10.2
Hides, leather prods.	-0.6	-1.0	-1.0	-1.0	-1.0
Cork, wood articles	-1.9	-2.4	-4.6	-4.6	-4.6
Pulp, paper prods.	-0.4	-1.4	-3.9	-3.9	-3.9
Textiles, apparel	-8.6	-10.0	-6.8	-8.6	-16.4
Footwear, made-up articles	-2.1	-2.8	-2.2	-2.8	-3.8
Stone, mineral prods.	-2.9	-3.4	-6.0	-6.0	-6.0
Precious stones, jewellery	-6.6	-7.3	-10.7	-10.7	-10.7
Base metals, metal prods.	-14.2	-15.7	-22.0	-22.0	-22.0
Machinery	-35.2	-43.6	-86.7	-86.7	-86.7
Transport equip.	-22.4	-30.2	-70.1	-70.1	-70.1
Professional equip.	-6.3	-7.1	-11.2	-11.2	-11.2
Arms, ammunition	-0.1	-0.2	-0.2	-0.2	-0.2
Miscellaneous manufs.	-5.9	-6.6	-9.9	-9.9	-9.9
Works of art	-9.1	-10.0	-13.2	-13.2	-13.2
All products	-289.9	-315.3	-468.5	-481.0	-494.4

Source: MENA trade simulation model, November 6, 2003.

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APPENDIX: Table 26. Qatar: Impacts of EU-GCC Trade Arrangements by HS Section
(Millions of US Dollars per Annum, at 2000 Prices)

	Scenario				
	CU (5% CET)	CU (Min CET)	FTA (5% CET)	FTA (Min CET)	MFN
Percent Change in Real Exchange Rate (US$/LC)					
All products	-0.6	-0.2	-2.6	-2.6	-3.4
Change in Real Exports					
Live animals, animal prods.	0.2	0.0	0.2	0.2	0.1
Vegetable prods.	0.0	0.0	0.0	0.0	0.0
Fats, oils	0.0	0.0	0.0	0.0	0.0
Manufactured foodstuffs	0.0	0.0	0.0	0.0	0.0
Mineral prods.	15.9	-4.7	101.8	102.7	120.5
Chemicals	13.5	10.1	6.7	7.1	9.0
Rubber, plastics	12.5	9.3	6.1	6.8	8.6
Hides, leather prods.	0.1	0.0	0.1	0.1	0.1
Cork, wood articles	0.0	0.0	0.0	0.0	0.0
Pulp, paper prods.	0.0	0.0	0.0	0.0	0.0
Textiles, apparel	7.8	5.8	12.7	12.7	6.3
Footwear, made-up articles	0.0	0.0	0.0	0.0	0.0
Stone, mineral prods.	0.0	0.0	0.0	0.0	0.0
Precious stones, jewellery	0.1	0.1	0.1	0.1	0.1
Base metals, metal prods.	10.8	7.3	5.1	5.1	6.6
Machinery	0.0	0.0	0.0	0.0	0.0
Transport equip.	0.0	0.0	0.0	0.0	0.0
Professional equip.	0.0	0.0	0.0	0.0	0.0
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	0.0	0.0	0.0	0.0	0.0
Works of art	0.0	0.0	0.0	0.0	0.0
All products	61.0	28.0	133.0	134.9	151.4
Trade Creation = Change in Real Imports					
Live animals, animal prods.	-2.4	4.3	-3.3	0.3	0.3
Vegetable prods.	-1.4	2.5	-2.4	1.0	0.1
Fats, oils	-0.2	0.5	-0.4	0.1	0.0
Manufactured foodstuffs	7.0	2.6	3.8	0.8	6.0
Mineral prods.	2.5	2.8	1.2	1.2	1.0
Chemicals	-5.0	-0.8	4.5	3.9	1.0
Rubber, plastics	-2.4	-0.3	1.9	1.4	0.2
Hides, leather prods.	-0.2	0.4	-0.1	0.1	0.1
Cork, wood articles	-0.8	-0.1	-0.7	-0.6	0.2
Pulp, paper prods.	-1.0	0.3	0.7	0.8	0.7
Textiles, apparel	-4.2	-0.6	-6.8	-4.4	-1.5
Footwear, made-up articles	-0.6	0.3	-1.1	-0.4	0.0
Stone, mineral prods.	-2.2	-0.3	1.4	1.5	0.4
Precious stones, jewellery	-0.4	-0.1	0.0	0.0	0.2
Base metals, metal prods.	-12.4	2.8	12.9	13.0	5.9
Machinery	-52.1	-7.4	40.2	41.3	19.2
Transport equip.	-22.4	-3.0	17.1	17.6	7.1
Professional equip.	-4.8	-0.7	-4.4	-4.3	1.2
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	-2.5	-0.4	-1.6	-1.6	0.8
Works of art	-0.1	0.0	-0.1	-0.1	0.1
All products	-106.5	2.9	62.8	71.7	42.9
Trade Diversion					
Live animals, animal prods.	1.5	0.8	58.0	0.0	0.0
Vegetable prods.	0.5	0.3	0.0	0.0	0.0
Fats, oils	0.1	0.1	0.0	0.0	0.0
Manufactured foodstuffs	0.7	1.0	4.7	6.9	0.0
Mineral prods.	0.0	0.0	0.0	0.0	0.0
Chemicals	16.6	13.9	0.0	0.0	0.0
Rubber, plastics	6.0	5.0	0.0	0.0	0.0
Hides, leather prods.	0.1	0.1	8.2	0.0	0.0
Cork, wood articles	0.0	0.0	24.9	23.4	0.0
Pulp, paper prods.	1.0	0.8	0.0	0.0	0.0
Textiles, apparel	3.3	2.7	0.0	0.0	0.0
Footwear, made-up articles	0.0	0.0	0.0	0.0	0.0
Stone, mineral prods.	1.3	1.1	0.0	0.0	0.0
Precious stones, jewellery	0.0	0.0	1.2	1.1	0.0
Base metals, metal prods.	22.1	17.9	0.0	0.0	0.0
Machinery	4.3	3.5	0.0	0.0	0.0
Transport equip.	3.0	2.3	0.0	0.0	0.0
Professional equip.	0.2	0.1	130.2	130.8	0.0
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	0.5	0.4	59.0	59.8	0.0
Works of art	0.2	0.1	7.0	7.0	0.0
All products	61.6	50.1	293.1	228.9	0.0

APPENDIX: Table 26 (Cont.). Qatar: Impacts of EU-GCC Trade Arrangements by HS Section
(Millions of US Dollars per Annum, at 2000 Prices)

	Scenario				
	CU (5% CET)	CU (Min CET)	FTA (5% CET)	FTA (Min CET)	MFN
Net Trade Creation					
Live animals, animal prods.	-3.9	3.5	-61.3	0.3	0.3
Vegetable prods.	-1.9	2.2	-2.4	1.0	0.1
Fats, oils	-0.3	0.4	-0.4	0.1	0.0
Manufactured foodstuffs	6.2	1.6	-0.9	-6.1	6.0
Mineral prods.	2.5	2.8	1.2	1.2	1.0
Chemicals	-22.5	-14.6	4.5	3.9	1.0
Rubber, plastics	-8.5	-5.3	1.9	1.4	0.2
Hides, leather prods.	-0.3	0.4	-8.3	0.1	0.1
Cork, wood articles	-0.8	-0.1	-25.6	-24.0	0.2
Pulp, paper prods.	-2.1	-0.5	0.7	0.8	0.7
Textiles, apparel	-7.4	-3.3	-6.8	-4.4	-1.5
Footwear, made-up articles	-0.7	0.2	-1.1	-0.4	0.0
Stone, mineral prods.	-3.5	-1.5	1.4	1.5	0.4
Precious stones, jewellery	-0.4	-0.1	-1.2	-1.1	0.2
Base metals, metal prods.	-34.4	-15.1	12.9	13.0	5.9
Machinery	-56.4	-10.8	40.2	41.3	19.2
Transport equip.	-25.4	-5.4	17.1	17.6	7.1
Professional equip.	-5.0	-0.8	-134.6	-135.1	1.2
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	-3.0	-0.8	-60.6	-61.3	0.8
Works of art	-0.3	-0.1	-7.0	-7.0	0.1
All products	-168.0	-47.3	-230.3	-157.2	42.9
Change in Consumer Surplus					
Live animals, animal prods.	-0.1	0.1	0.0	0.0	0.0
Vegetable prods.	-0.1	0.1	-0.1	0.0	0.0
Fats, oils	0.0	0.0	0.0	0.0	0.0
Manufactured foodstuffs	0.5	0.2	0.1	0.0	0.1
Mineral prods.	0.0	0.1	0.0	0.0	0.0
Chemicals	0.0	0.0	0.0	0.0	0.0
Rubber, plastics	0.0	0.0	0.0	0.0	0.0
Hides, leather prods.	0.0	0.0	0.0	0.0	0.0
Cork, wood articles	0.0	0.0	0.0	0.0	0.0
Pulp, paper prods.	0.0	0.0	0.0	0.0	0.0
Textiles, apparel	-0.1	0.0	-0.2	-0.1	0.0
Footwear, made-up articles	0.0	0.0	0.0	0.0	0.0
Stone, mineral prods.	-0.1	0.0	0.0	0.0	0.0
Precious stones, jewellery	0.0	0.0	0.0	0.0	0.0
Base metals, metal prods.	-0.2	0.1	0.1	0.1	0.0
Machinery	-2.1	-0.3	0.2	0.3	0.1
Transport equip.	-0.9	-0.1	0.1	0.1	0.0
Professional equip.	-0.2	0.0	0.0	0.0	0.0
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	-0.1	0.0	0.0	0.0	0.0
Works of art	0.0	0.0	0.0	0.0	0.0
All products	-3.3	0.1	0.3	0.4	0.3
Change in Producer Surplus					
Live animals, animal prods.	0.2	0.0	0.3	0.2	0.2
Vegetable prods.	0.0	0.0	0.0	0.0	0.0
Fats, oils	0.0	0.0	0.0	0.0	0.0
Manufactured foodstuffs	0.0	0.1	0.1	0.1	0.0
Mineral prods.	31.8	-9.4	205.7	207.5	244.0
Chemicals	13.9	10.3	6.8	7.2	9.1
Rubber, plastics	12.9	9.5	6.1	6.9	8.8
Hides, leather prods.	0.1	0.0	0.1	0.1	0.1
Cork, wood articles	0.0	0.0	0.0	0.0	0.0
Pulp, paper prods.	0.0	0.0	0.0	0.0	0.0
Textiles, apparel	8.0	5.9	13.3	13.3	6.4
Footwear, made-up articles	0.0	0.0	0.0	0.0	0.0
Stone, mineral prods.	0.0	0.0	0.0	0.0	0.0
Precious stones, jewellery	0.1	0.1	0.1	0.1	0.1
Base metals, metal prods.	11.1	7.5	5.2	5.2	6.8
Machinery	0.0	0.0	0.0	0.0	0.0
Transport equip.	0.0	0.0	0.0	0.0	0.0
Professional equip.	0.0	0.0	0.0	0.0	0.0
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	0.0	0.0	0.0	0.0	0.0
Works of art	0.0	0.0	0.0	0.0	0.0
All products	78.2	24.0	237.8	240.6	275.5

APPENDIX: Table 26 (Cont.). Qatar: Impacts of EU-GCC Trade Arrangements by HS Section
(Millions of US Dollars per Annum, at 2000 Prices)

	Scenario				
	CU (5% CET)	CU (Min CET)	FTA (5% CET)	FTA (Min CET)	MFN
Forgone Tariff Revenue					
Live animals, animal prods.	1.0	0.2	7.0	0.0	0.0
Vegetable prods.	0.3	0.1	0.0	0.0	0.0
Fats, oils	0.1	0.0	0.0	0.0	0.0
Manufactured foodstuffs	0.5	0.9	3.8	10.2	0.0
Mineral prods.	0.0	0.0	0.0	0.0	0.0
Chemicals	9.1	7.1	0.0	0.0	0.0
Rubber, plastics	3.5	2.7	0.0	0.0	0.0
Hides, leather prods.	0.1	0.0	0.2	0.0	0.0
Cork, wood articles	0.0	0.0	1.3	1.2	0.0
Pulp, paper prods.	0.5	0.3	0.0	0.0	0.0
Textiles, apparel	1.6	1.3	0.0	0.0	0.0
Footwear, made-up articles	0.0	0.0	0.0	0.0	0.0
Stone, mineral prods.	0.7	0.5	0.0	0.0	0.0
Precious stones, jewellery	0.0	0.0	0.1	0.1	0.0
Base metals, metal prods.	10.5	7.4	0.0	0.0	0.0
Machinery	2.6	2.0	0.0	0.0	0.0
Transport equip.	2.0	1.5	0.0	0.0	0.0
Professional equip.	0.1	0.1	4.3	4.3	0.0
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	0.3	0.2	3.1	3.0	0.0
Works of art	0.2	0.1	0.2	0.2	0.0
All products	33.0	24.5	20.1	19.1	0.0
Change in Economic Welfare					
Live animals, animal prods.	-0.9	0.0	-6.7	0.2	0.2
Vegetable prods.	-0.4	0.0	-0.1	0.0	0.0
Fats, oils	-0.1	0.0	0.0	0.0	0.0
Manufactured foodstuffs	0.0	-0.6	-3.7	-10.1	0.2
Mineral prods.	31.8	-9.4	205.8	207.5	244.0
Chemicals	4.8	3.1	6.8	7.2	9.1
Rubber, plastics	9.4	6.8	6.2	6.9	8.8
Hides, leather prods.	0.0	0.0	-0.1	0.1	0.1
Cork, wood articles	-0.1	0.0	-1.3	-1.2	0.0
Pulp, paper prods.	-0.5	-0.3	0.0	0.0	0.0
Textiles, apparel	6.3	4.6	13.1	13.2	6.4
Footwear, made-up articles	0.0	0.0	0.0	0.0	0.0
Stone, mineral prods.	-0.7	-0.5	0.0	0.0	0.0
Precious stones, jewellery	0.1	0.1	0.0	0.0	0.1
Base metals, metal prods.	0.4	0.1	5.3	5.3	6.8
Machinery	-4.6	-2.3	0.2	0.3	0.1
Transport equip.	-2.8	-1.6	0.1	0.1	0.0
Professional equip.	-0.3	-0.1	-4.3	-4.3	0.0
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	-0.4	-0.2	-3.1	-3.0	0.0
Works of art	-0.1	-0.1	-0.2	-0.2	0.0
All products	42.0	-0.4	218.0	222.0	275.8
Change in Tariff Revenue					
Live animals, animal prods.	0.4	-5.3	-6.5	-5.2	-6.5
Vegetable prods.	0.9	-4.2	1.1	-4.1	-5.3
Fats, oils	0.0	-0.5	0.1	-0.5	-0.5
Manufactured foodstuffs	-8.0	-3.7	-14.1	-14.1	-14.1
Mineral prods.	-3.4	-3.4	-3.4	-3.4	-3.4
Chemicals	-7.5	-7.6	-9.7	-9.7	-9.7
Rubber, plastics	-3.1	-3.1	-3.9	-3.9	-3.9
Hides, leather prods.	0.0	-0.4	-0.4	-0.4	-0.4
Cork, wood articles	0.3	0.0	-1.6	-1.6	-1.6
Pulp, paper prods.	-0.1	-0.6	-2.0	-2.0	-2.0
Textiles, apparel	-0.3	-1.4	1.3	-0.2	-6.8
Footwear, made-up articles	0.2	-0.2	0.1	-0.2	-0.8
Stone, mineral prods.	-0.1	-0.5	-2.7	-2.7	-2.7
Precious stones, jewellery	0.1	0.0	-0.4	-0.4	-0.4
Base metals, metal prods.	-8.4	-10.2	-17.7	-17.7	-17.7
Machinery	7.6	-2.3	-50.9	-50.9	-50.9
Transport equip.	2.7	-1.7	-23.0	-23.0	-23.0
Professional equip.	1.1	-0.1	-5.8	-5.8	-5.8
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	0.7	-0.2	-4.4	-4.4	-4.4
Works of art	-0.1	-0.1	-0.3	-0.3	-0.3
All products	-17.1	-45.7	-144.0	-150.5	-160.1

Source: MENA trade simulation model, November 6, 2003.

APPENDIX: Table 27. Saudi Arabia: Impacts of EU-GCC Trade Arrangements by HS Section
(Millions of US Dollars per Annum, at 2000 Prices)

	Scenario				
	CU (5% CET)	CU (Min CET)	FTA (5% CET)	FTA (Min CET)	MFN
Percent Change in Real Exchange Rate (US$/LC)					
All products	-4.8	-4.3	-6.5	-6.6	-7.4
Change in Real Exports					
Live animals, animal prods.	14.5	7.7	15.2	13.3	11.7
Vegetable prods.	6.9	3.7	7.6	7.6	5.6
Fats, oils	1.6	0.7	1.7	1.4	1.3
Manufactured foodstuffs	11.3	15.0	13.9	16.6	12.1
Mineral prods.	1,380.5	1,226.6	1,863.0	1,883.5	2,013.8
Chemicals	316.3	267.0	219.8	226.8	253.9
Rubber, plastics	123.7	104.4	85.0	89.9	101.1
Hides, leather prods.	2.6	1.1	2.3	2.0	2.0
Cork, wood articles	0.6	0.5	0.6	0.6	0.5
Pulp, paper prods.	16.1	12.6	11.3	11.2	11.5
Textiles, apparel	13.9	11.7	18.7	18.8	12.3
Footwear, made-up articles	0.1	0.1	0.2	0.2	0.1
Stone, mineral prods.	14.1	12.0	10.0	9.9	11.2
Precious stones, jewellery	2.8	2.4	2.3	2.2	2.1
Base metals, metal prods.	56.5	45.6	38.6	38.8	43.8
Machinery	26.2	22.1	18.1	18.1	20.1
Transport equip.	1.9	1.6	1.3	1.3	1.5
Professional equip.	0.3	0.3	0.3	0.3	0.3
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	2.9	2.4	2.7	2.7	2.2
Works of art	0.0	0.0	0.0	0.0	0.0
All products	1,992.9	1,737.4	2,312.6	2,345.3	2,507.1
Trade Creation = Change in Real Imports					
Live animals, animal prods.	-9.8	51.0	-16.4	15.2	14.5
Vegetable prods.	11.8	73.2	-1.2	50.7	36.0
Fats, oils	4.0	17.3	1.3	9.4	7.9
Manufactured foodstuffs	3.3	-41.4	-28.2	-60.6	-6.0
Mineral prods.	19.3	20.7	14.3	14.1	13.4
Chemicals	44.4	105.1	165.6	156.5	121.7
Rubber, plastics	28.5	54.3	81.1	74.1	58.7
Hides, leather prods.	2.1	9.6	3.7	6.0	5.2
Cork, wood articles	7.7	14.3	8.7	9.4	17.4
Pulp, paper prods.	7.0	23.8	30.2	30.4	28.9
Textiles, apparel	52.7	94.0	28.4	53.0	83.2
Footwear, made-up articles	7.1	19.3	1.9	10.7	14.8
Stone, mineral prods.	17.5	32.4	46.5	47.2	37.6
Precious stones, jewellery	32.5	73.0	84.2	86.3	103.8
Base metals, metal prods.	102.7	200.4	117.9	115.7	216.5
Machinery	275.5	544.7	825.6	822.4	684.8
Transport equip.	-17.7	182.9	387.5	385.8	273.9
Professional equip.	19.7	47.0	24.5	24.4	57.5
Arms, ammunition	-6.1	5.4	0.5	-0.3	-1.0
Miscellaneous manufs.	24.1	36.5	30.2	30.0	42.5
Works of art	0.6	1.2	0.8	0.8	1.4
All products	626.7	1,564.9	1,807.1	1,881.3	1,812.6
Trade Diversion					
Live animals, animal prods.	7.8	3.9	513.8	0.0	0.0
Vegetable prods.	5.0	2.8	0.0	0.0	0.0
Fats, oils	2.0	1.0	0.0	0.0	0.0
Manufactured foodstuffs	5.5	7.1	49.3	71.7	0.0
Mineral prods.	0.0	0.0	0.0	0.0	0.0
Chemicals	27.6	21.9	0.0	0.0	0.0
Rubber, plastics	17.3	13.1	0.0	0.0	0.0
Hides, leather prods.	0.4	0.2	95.9	0.0	0.0
Cork, wood articles	0.2	0.1	236.1	221.9	0.0
Pulp, paper prods.	4.3	3.3	0.0	0.0	0.0
Textiles, apparel	33.4	27.8	0.0	0.0	0.0
Footwear, made-up articles	0.4	0.3	0.0	0.0	0.0
Stone, mineral prods.	4.8	4.0	0.0	0.0	0.0
Precious stones, jewellery	3.8	3.1	153.6	141.7	0.0
Base metals, metal prods.	112.4	90.7	0.0	0.0	0.0
Machinery	12.1	9.5	0.0	0.0	0.0
Transport equip.	27.9	21.8	0.0	0.0	0.0
Professional equip.	1.0	0.8	818.1	821.0	0.0
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	1.9	1.5	324.6	328.7	0.0
Works of art	1.0	0.7	36.1	36.0	0.0
All products	268.8	213.7	2,227.3	1,621.1	0.0

APPENDIX: Table 27 (Cont.). Saudi Arabia: Impacts of EU-GCC Trade Arrangements by HS Section
(Millions of US Dollars per Annum, at 2000 Prices)

	Scenario				
	CU (5% CET)	CU (Min CET)	FTA (5% CET)	FTA (Min CET)	MFN
Net Trade Creation					
Live animals, animal prods.	-17.6	47.2	-530.2	15.2	14.5
Vegetable prods.	6.8	70.4	-1.2	50.7	36.0
Fats, oils	1.9	16.2	1.3	9.4	7.9
Manufactured foodstuffs	-2.3	-48.5	-77.4	-132.3	-6.0
Mineral prods.	19.3	20.7	14.3	14.1	13.4
Chemicals	16.8	83.2	165.6	156.5	121.7
Rubber, plastics	11.3	41.1	81.1	74.1	58.7
Hides, leather prods.	1.7	9.5	-92.2	6.0	5.2
Cork, wood articles	7.5	14.2	-227.4	-212.5	17.4
Pulp, paper prods.	2.7	20.5	30.2	30.4	28.9
Textiles, apparel	19.4	66.2	28.4	53.0	83.2
Footwear, made-up articles	6.7	19.0	1.9	10.7	14.8
Stone, mineral prods.	12.6	28.5	46.5	47.2	37.6
Precious stones, jewellery	28.7	69.9	-69.4	-55.4	103.8
Base metals, metal prods.	-9.7	109.7	117.9	115.7	216.5
Machinery	263.4	535.2	825.6	822.4	684.8
Transport equip.	-45.6	161.0	387.5	385.8	273.9
Professional equip.	18.6	46.2	-793.5	-796.6	57.5
Arms, ammunition	-6.1	5.4	0.5	-0.3	-1.0
Miscellaneous manufs.	22.2	35.0	-294.4	-298.6	42.5
Works of art	-0.4	0.5	-35.2	-35.2	1.4
All products	358.0	1,351.2	-420.2	260.2	1,812.6
Change in Consumer Surplus					
Live animals, animal prods.	-0.4	1.4	0.1	0.2	0.1
Vegetable prods.	0.6	2.7	-0.1	1.5	0.5
Fats, oils	0.2	0.6	0.1	0.2	0.1
Manufactured foodstuffs	0.2	-2.7	0.3	1.4	0.0
Mineral prods.	0.7	0.8	0.4	0.4	0.3
Chemicals	0.7	2.4	3.5	3.2	1.9
Rubber, plastics	0.5	1.4	2.0	1.7	1.1
Hides, leather prods.	0.1	0.4	0.1	0.1	0.1
Cork, wood articles	0.5	0.8	0.1	0.1	0.4
Pulp, paper prods.	0.3	1.0	0.6	0.6	0.6
Textiles, apparel	2.6	4.7	1.6	2.7	1.4
Footwear, made-up articles	0.4	1.0	0.1	0.4	0.2
Stone, mineral prods.	0.9	1.6	1.1	1.2	0.7
Precious stones, jewellery	1.8	3.9	1.4	1.5	2.1
Base metals, metal prods.	3.4	7.6	1.5	1.4	4.8
Machinery	15.6	29.8	19.7	19.6	13.8
Transport equip.	-0.8	8.2	5.7	5.7	2.9
Professional equip.	1.1	2.5	0.2	0.2	1.0
Arms, ammunition	-0.2	0.1	0.0	0.0	0.0
Miscellaneous manufs.	1.5	2.3	0.6	0.6	1.2
Works of art	0.0	0.0	0.0	0.0	0.0
All products	29.7	70.4	39.1	42.6	33.3
Change in Producer Surplus					
Live animals, animal prods.	20.3	10.5	21.4	18.5	16.2
Vegetable prods.	9.6	5.1	10.7	10.6	7.8
Fats, oils	2.2	1.0	2.5	1.9	1.8
Manufactured foodstuffs	15.9	21.3	19.7	23.8	17.0
Mineral prods.	2,825.4	2,503.9	3,843.4	3,887.1	4,164.9
Chemicals	332.5	278.6	227.6	235.1	264.4
Rubber, plastics	130.1	108.9	88.0	93.3	105.4
Hides, leather prods.	2.8	1.2	2.4	2.1	2.1
Cork, wood articles	0.7	0.6	0.6	0.6	0.5
Pulp, paper prods.	16.9	13.1	11.7	11.6	12.0
Textiles, apparel	14.6	12.2	20.0	20.2	12.8
Footwear, made-up articles	0.2	0.1	0.2	0.2	0.1
Stone, mineral prods.	14.9	12.5	10.4	10.3	11.7
Precious stones, jewellery	3.0	2.5	2.4	2.3	2.1
Base metals, metal prods.	59.4	47.5	39.9	40.2	45.6
Machinery	27.5	23.1	18.7	18.7	20.8
Transport equip.	2.0	1.7	1.4	1.4	1.5
Professional equip.	0.3	0.3	0.3	0.3	0.3
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	3.0	2.5	2.8	2.8	2.3
Works of art	0.0	0.0	0.0	0.0	0.0
All products	3,481.2	3,046.4	4,324.1	4,381.2	4,689.3

APPENDIX: Table 27 (Cont.). Saudi Arabia: Impacts of EU-GCC Trade Arrangements by HS Section
(Millions of US Dollars per Annum, at 2000 Prices)

	Scenario				
	CU (5% CET)	CU (Min CET)	FTA (5% CET)	FTA (Min CET)	MFN
Forgone Tariff Revenue					
Live animals, animal prods.	5.4	0.8	63.0	0.0	0.0
Vegetable prods.	3.1	0.5	0.0	0.0	0.0
Fats, oils	1.2	0.0	0.0	0.0	0.0
Manufactured foodstuffs	3.9	7.1	39.5	106.8	0.0
Mineral prods.	0.0	0.0	0.0	0.0	0.0
Chemicals	19.3	15.1	0.0	0.0	0.0
Rubber, plastics	14.0	11.0	0.0	0.0	0.0
Hides, leather prods.	0.2	0.0	2.4	0.0	0.0
Cork, wood articles	0.1	0.1	12.6	11.6	0.0
Pulp, paper prods.	2.0	1.3	0.0	0.0	0.0
Textiles, apparel	17.3	13.5	0.0	0.0	0.0
Footwear, made-up articles	0.2	0.1	0.0	0.0	0.0
Stone, mineral prods.	2.1	1.7	0.0	0.0	0.0
Precious stones, jewellery	1.8	1.4	16.7	14.9	0.0
Base metals, metal prods.	54.0	38.3	0.0	0.0	0.0
Machinery	8.0	6.2	0.0	0.0	0.0
Transport equip.	18.5	14.5	0.0	0.0	0.0
Professional equip.	0.8	0.6	27.3	27.1	0.0
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	1.1	0.8	17.1	16.7	0.0
Works of art	0.8	0.6	1.1	1.1	0.0
All products	153.6	113.6	179.8	178.2	0.0
Change in Economic Welfare					
Live animals, animal prods.	14.5	11.0	-41.5	18.7	16.3
Vegetable prods.	7.2	7.2	10.7	12.1	8.3
Fats, oils	1.2	1.6	2.5	2.1	1.9
Manufactured foodstuffs	12.1	11.5	-19.5	-81.5	17.0
Mineral prods.	2,826.1	2,504.7	3,843.6	3,887.5	4,165.3
Chemicals	313.9	265.8	231.1	238.2	266.3
Rubber, plastics	116.6	99.3	90.0	95.0	106.4
Hides, leather prods.	2.7	1.5	0.0	2.2	2.2
Cork, wood articles	1.0	1.3	-11.8	-10.9	0.9
Pulp, paper prods.	15.2	12.8	12.3	12.2	12.5
Textiles, apparel	0.0	3.4	21.6	22.8	14.2
Footwear, made-up articles	0.4	1.0	0.3	0.6	0.4
Stone, mineral prods.	13.6	12.4	11.5	11.4	12.4
Precious stones, jewellery	3.0	5.0	-13.0	-11.1	4.2
Base metals, metal prods.	8.9	16.8	41.4	41.6	50.4
Machinery	35.1	46.6	38.4	38.3	34.7
Transport equip.	-17.3	-4.6	7.1	7.1	4.5
Professional equip.	0.7	2.2	-26.8	-26.6	1.2
Arms, ammunition	-0.2	0.1	0.0	0.0	0.0
Miscellaneous manufs.	3.5	4.0	-13.7	-13.3	3.5
Works of art	-0.8	-0.5	-1.0	-1.0	0.1
All products	3,357.2	3,003.1	4,183.4	4,245.6	4,722.6
Change in Tariff Revenue					
Live animals, animal prods.	-73.9	-125.3	-135.8	-124.1	-135.8
Vegetable prods.	-129.1	-207.1	-125.5	-206.6	-224.5
Fats, oils	-16.7	-26.7	-15.6	-26.7	-26.7
Manufactured foodstuffs	-83.0	-38.1	-146.3	-146.3	-146.3
Mineral prods.	-41.2	-41.2	-41.2	-41.2	-41.2
Chemicals	-267.6	-268.5	-291.5	-291.5	-291.5
Rubber, plastics	-118.6	-118.8	-127.9	-127.9	-127.9
Hides, leather prods.	-7.7	-12.0	-12.0	-12.0	-12.0
Cork, wood articles	-26.3	-29.7	-44.6	-44.6	-44.6
Pulp, paper prods.	-42.8	-49.8	-66.4	-66.4	-66.4
Textiles, apparel	-147.7	-159.9	-130.1	-146.7	-218.4
Footwear, made-up articles	-17.3	-22.0	-17.4	-22.2	-29.9
Stone, mineral prods.	-39.2	-42.5	-59.3	-59.3	-59.3
Precious stones, jewellery	-79.1	-89.1	-137.3	-137.3	-137.3
Base metals, metal prods.	-244.8	-255.7	-301.8	-301.8	-301.8
Machinery	-462.5	-517.4	-792.2	-792.2	-792.2
Transport equip.	-295.3	-336.9	-544.9	-544.9	-544.9
Professional equip.	-55.3	-62.8	-98.3	-98.3	-98.3
Arms, ammunition	-6.2	-19.5	-19.5	-19.5	-19.5
Miscellaneous manufs.	-49.5	-54.5	-77.2	-77.2	-77.2
Works of art	-3.3	-3.5	-4.3	-4.3	-4.3
All products	-2,207.2	-2,481.0	-3,189.1	-3,291.0	-3,400.0

Source: MENA trade simulation model, November 6, 2003.

	Scenario				
	CU (5% CET)	CU (Min CET)	FTA (5% CET)	FTA (Min CET)	MFN
Percent Change In Real Exchange Rate (US$/LC)					
All products	-8.7	-7.5	-9.7	-9.9	-10.7
Change In Real Exports					
Live animals, animal prods.	9.6	5.9	9.4	8.7	7.9
Vegetable prods.	8.3	5.1	8.5	8.6	6.9
Fats, olls	9.0	5.0	9.3	7.9	7.6
Manufactured foodstuffs	11.0	12.9	12.2	14.2	11.1
Mineral prods.	645.8	549.1	707.1	726.9	760.4
Chemicals	9.4	7.8	6.8	7.1	7.7
Rubber, plastics	3.6	3.0	2.6	2.8	3.0
Hides, leather prods.	0.6	0.3	0.5	0.5	0.5
Cork, wood articles	0.2	0.2	0.2	0.2	0.1
Pulp, paper prods.	4.3	3.4	3.2	3.2	3.3
Textiles, apparel	40.1	33.2	47.7	48.5	35.1
Footwear, made-up articles	0.5	0.4	0.5	0.5	0.4
Stone, mineral prods.	10.0	8.3	7.4	7.4	8.1
Precious stones, jewellery	6.0	4.9	4.8	4.8	4.6
Base metals, metal prods.	112.7	90.5	80.7	82.6	89.9
Machinery	2.4	2.0	1.8	1.8	1.9
Transport equip.	0.8	0.7	0.6	0.6	0.7
Professional equip.	0.0	0.0	0.0	0.0	0.0
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	1.4	1.2	1.3	1.3	1.1
Works of art	0.0	0.0	0.0	0.0	0.0
All products	875.8	733.9	904.4	927.6	950.3
Trade Creation = Change In Real Imports					
Live animals, animal prods.	49.5	119.9	52.9	81.6	80.7
Vegetable prods.	15.7	89.9	13.0	63.7	48.3
Fats, olls	-9.3	51.3	-12.4	17.7	11.7
Manufactured foodstuffs	367.8	262.7	303.9	192.3	364.2
Mineral prods.	-2.0	1.6	-4.7	-5.5	-6.2
Chemicals	-66.9	-20.9	8.7	0.0	-17.6
Rubber, plastics	-15.1	12.2	30.7	23.4	12.5
Hides, leather prods.	-2.2	7.9	0.9	3.3	2.4
Cork, wood articles	-3.8	1.8	-1.3	-1.4	3.0
Pulp, paper prods.	-13.5	-2.8	0.0	-0.6	-1.4
Textiles, apparel	25.9	119.1	21.0	49.5	93.5
Footwear, made-up articles	10.8	25.7	9.3	16.6	20.5
Stone, mineral prods.	14.8	35.0	47.3	46.1	37.4
Precious stones, jewellery	12.1	77.4	88.8	85.2	103.0
Base metals, metal prods.	-93.9	-23.1	-65.7	-72.1	-21.4
Machinery	-393.0	-138.1	35.1	9.5	-78.1
Transport equip.	-254.0	-108.4	-11.6	-25.9	-80.3
Professional equip.	-19.1	7.6	-7.0	-9.4	11.6
Arms, ammunition	-0.1	0.2	0.1	0.0	0.0
Miscellaneous manufs.	29.6	54.3	45.8	43.4	59.7
Works of art	0.0	0.0	0.0	0.0	0.0
All products	-346.9	573.5	554.4	517.4	643.5
Trade Diversion					
Live animals, animal prods.	9.5	4.5	511.1	0.0	0.0
Vegetable prods.	4.5	2.2	0.0	0.0	0.0
Fats, olls	2.6	1.0	0.0	0.0	0.0
Manufactured foodstuffs	17.6	23.9	156.4	227.4	0.0
Mineral prods.	0.0	0.0	0.0	0.0	0.0
Chemicals	89.8	75.9	0.0	0.0	0.0
Rubber, plastics	50.5	42.0	0.0	0.0	0.0
Hides, leather prods.	1.4	0.6	113.3	0.0	0.0
Cork, wood articles	0.2	0.2	132.9	124.6	0.0
Pulp, paper prods.	4.7	3.7	0.0	0.0	0.0
Textiles, apparel	36.2	30.7	0.0	0.0	0.0
Footwear, made-up articles	0.3	0.2	0.0	0.0	0.0
Stone, mineral prods.	5.6	4.8	0.0	0.0	0.0
Precious stones, jewellery	2.4	2.0	161.6	148.3	0.0
Base metals, metal prods.	42.3	34.9	0.0	0.0	0.0
Machinery	14.0	11.6	0.0	0.0	0.0
Transport equip.	13.3	10.7	0.0	0.0	0.0
Professional equip.	0.8	0.6	526.1	525.9	0.0
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	3.1	2.6	430.1	434.3	0.0
Works of art	0.1	0.0	2.2	2.2	0.0
All products	298.8	252.0	2,033.6	1,462.6	0.0

APPENDIX: Table 28 (Cont.). United Arab Emirates: Impacts of EU-GCC Trade Arrangements by HS Section
(Millions of US Dollars per Annum, at 2000 Prices)

	Scenario				
	CU (5% CET)	CU (Min CET)	FTA (5% CET)	FTA (Min CET)	MFN
Net Trade Creation					
Live animals, animal prods.	40.0	115.4	-458.2	81.6	80.7
Vegetable prods.	11.2	87.6	13.0	63.7	48.3
Fats, oils	-12.0	50.3	-12.4	17.7	11.7
Manufactured foodstuffs	350.2	238.9	147.5	-35.1	364.2
Mineral prods.	-2.0	1.6	-4.7	-5.5	-6.2
Chemicals	-156.6	-96.9	8.7	0.0	-17.6
Rubber, plastics	-65.6	-29.8	30.7	23.4	12.5
Hides, leather prods.	-3.5	7.3	-112.4	3.3	2.4
Cork, wood articles	-4.0	1.7	-134.2	-126.0	3.0
Pulp, paper prods.	-18.1	-6.5	0.0	-0.6	-1.4
Textiles, apparel	-10.3	88.4	21.0	49.5	93.5
Footwear, made-up articles	10.5	25.6	9.3	16.6	20.5
Stone, mineral prods.	9.1	30.3	47.3	46.1	37.4
Precious stones, jewellery	9.7	75.4	-72.8	-63.2	103.0
Base metals, metal prods.	-136.3	-56.0	-65.7	-72.1	-21.4
Machinery	-407.0	-149.7	35.1	9.5	-76.1
Transport equip.	-267.3	-119.0	-11.6	-25.9	-80.3
Professional equip.	-19.9	7.0	-533.2	-535.3	11.6
Arms, ammunition	-0.1	0.2	0.1	0.0	0.0
Miscellaneous manufs.	26.5	51.8	-384.3	-390.8	59.7
Works of art	-0.1	0.0	-2.2	-2.2	0.0
All products	-645.8	321.5	-1,479.2	-945.3	643.5
Change in Consumer Surplus					
Live animals, animal prods.	3.2	6.9	1.3	3.6	2.9
Vegetable prods.	0.8	3.9	0.7	2.2	0.9
Fats, oils	-0.4	1.4	-0.5	0.2	0.1
Manufactured foodstuffs	34.6	30.7	12.3	5.1	17.3
Mineral prods.	0.0	0.0	0.0	0.1	0.1
Chemicals	0.6	-0.1	0.0	0.0	0.1
Rubber, plastics	0.0	0.2	0.4	0.2	0.1
Hides, leather prods.	-0.1	0.2	0.0	0.0	0.0
Cork, wood articles	-0.2	0.1	0.0	0.0	0.0
Pulp, paper prods.	-0.3	-0.1	0.0	0.0	0.0
Textiles, apparel	1.1	5.7	1.1	2.3	1.2
Footwear, made-up articles	0.7	1.6	0.6	0.9	0.5
Stone, mineral prods.	0.7	1.9	1.4	1.3	0.9
Precious stones, jewellery	0.6	4.1	1.5	1.4	2.0
Base metals, metal prods.	-0.3	-0.3	0.9	1.1	0.1
Machinery	-11.1	-4.4	0.1	0.0	0.3
Transport equip.	-6.2	-3.1	0.0	0.1	0.5
Professional equip.	-0.8	0.3	0.0	0.0	0.1
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	1.9	3.6	1.1	1.0	1.9
Works of art	0.0	0.0	0.0	0.0	0.0
All products	25.1	52.8	20.9	19.4	29.0
Change in Producer Surplus					
Live animals, animal prods.	13.8	8.2	13.5	12.3	11.2
Vegetable prods.	11.9	7.1	12.2	12.3	9.7
Fats, oils	12.9	7.0	13.3	11.3	10.8
Manufactured foodstuffs	15.8	18.8	17.6	20.8	15.9
Mineral prods.	1,350.1	1,140.4	1,484.5	1,528.2	1,602.2
Chemicals	10.1	8.2	7.2	7.5	8.1
Rubber, plastics	3.9	3.2	2.8	2.9	3.2
Hides, leather prods.	0.7	0.3	0.6	0.5	0.5
Cork, wood articles	0.2	0.2	0.2	0.2	0.2
Pulp, paper prods.	4.6	3.6	3.3	3.4	3.5
Textiles, apparel	43.1	35.3	51.9	52.9	37.3
Footwear, made-up articles	0.5	0.4	0.5	0.6	0.4
Stone, mineral prods.	10.8	8.8	7.8	7.9	8.6
Precious stones, jewellery	6.4	5.3	5.1	5.1	4.8
Base metals, metal prods.	121.1	95.9	85.0	87.2	95.3
Machinery	2.6	2.2	1.9	1.9	2.0
Transport equip.	0.9	0.7	0.6	0.7	0.7
Professional equip.	0.0	0.0	0.0	0.0	0.0
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	1.5	1.2	1.3	1.4	1.2
Works of art	0.0	0.0	0.0	0.0	0.0
All products	1,610.9	1,346.8	1,709.2	1,756.9	1,815.7

APPENDIX: Table 28 (Cont.). United Arab Emirates: Impacts of EU-GCC Trade Arrangements by HS Section
(Millions of US Dollars per Annum, at 2000 Prices)

	Scenario				
	CU (5% CET)	CU (Min CET)	FTA (5% CET)	FTA (Min CET)	MFN
Forgone Tariff Revenue					
Live animals, animal prods.	7.4	1.1	62.4	0.0	0.0
Vegetable prods.	3.4	0.6	0.0	0.0	0.0
Fats, oils	2.1	0.0	0.0	0.0	0.0
Manufactured foodstuffs	13.9	25.3	125.4	338.3	0.0
Mineral prods.	0.0	0.0	0.0	0.0	0.0
Chemicals	50.9	40.5	0.0	0.0	0.0
Rubber, plastics	30.6	24.3	0.0	0.0	0.0
Hides, leather prods.	0.8	0.0	2.9	0.0	0.0
Cork, wood articles	0.1	0.1	7.1	6.5	0.0
Pulp, paper prods.	2.5	1.7	0.0	0.0	0.0
Textiles, apparel	21.5	17.1	0.0	0.0	0.0
Footwear, made-up articles	0.2	0.1	0.0	0.0	0.0
Stone, mineral prods.	3.1	2.5	0.0	0.0	0.0
Precious stones, jewellery	1.5	1.2	17.7	15.7	0.0
Base metals, metal prods.	23.9	17.3	0.0	0.0	0.0
Machinery	8.5	6.8	0.0	0.0	0.0
Transport equip.	8.8	7.1	0.0	0.0	0.0
Professional equip.	0.5	0.4	17.6	17.4	0.0
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	1.8	1.5	22.7	22.0	0.0
Works of art	0.0	0.0	0.1	0.1	0.0
All products	181.6	147.5	255.8	400.0	0.0
Change in Economic Welfare					
Live animals, animal prods.	9.7	13.9	-47.6	15.9	14.1
Vegetable prods.	9.3	10.4	12.9	14.5	10.7
Fats, oils	10.5	8.4	12.8	11.4	10.8
Manufactured foodstuffs	36.5	24.2	-95.6	-312.4	33.2
Mineral prods.	1,350.1	1,140.4	1,484.5	1,528.2	1,602.2
Chemicals	-40.2	-32.3	7.2	7.5	8.2
Rubber, plastics	-26.7	-20.9	3.2	3.2	3.3
Hides, leather prods.	-0.2	0.6	-2.3	0.6	0.5
Cork, wood articles	-0.1	0.2	-6.9	-6.3	0.2
Pulp, paper prods.	1.9	1.8	3.3	3.4	3.5
Textiles, apparel	22.7	23.9	53.0	55.2	38.6
Footwear, made-up articles	1.1	1.9	1.1	1.4	1.0
Stone, mineral prods.	8.4	8.2	9.1	9.2	9.5
Precious stones, jewellery	5.6	8.2	-11.1	-9.2	6.8
Base metals, metal prods.	96.9	78.3	85.9	88.2	95.4
Machinery	-17.0	-9.1	1.9	1.9	2.3
Transport equip.	-14.1	-9.4	0.6	0.7	1.2
Professional equip.	-1.3	-0.1	-17.5	-17.3	0.1
Arms, ammunition	0.0	0.0	0.0	0.0	0.0
Miscellaneous manufs.	1.6	3.4	-20.2	-19.6	3.1
Works of art	0.0	0.0	-0.1	-0.1	0.0
All products	1,454.5	1,252.1	1,474.3	1,376.3	1,844.7
Change in Tariff Revenue					
Live animals, animal prods.	-203.1	-253.6	-263.9	-252.4	-263.9
Vegetable prods.	-234.9	-314.7	-230.7	-314.2	-332.6
Fats, oils	-65.5	-124.8	-80.7	-124.8	-124.8
Manufactured foodstuffs	-789.2	-645.0	-988.3	-988.3	-988.3
Mineral prods.	-29.0	-29.0	-29.0	-29.0	-29.0
Chemicals	-138.9	-139.2	-150.6	-150.6	-150.6
Rubber, plastics	-96.7	-96.8	-103.1	-103.1	-103.1
Hides, leather prods.	-11.1	-16.1	-16.1	-16.1	-16.1
Cork, wood articles	-17.7	-19.5	-27.9	-27.9	-27.9
Pulp, paper prods.	-20.5	-23.6	-31.2	-31.2	-31.2
Textiles, apparel	-309.7	-326.5	-282.2	-307.3	-413.5
Footwear, made-up articles	-29.0	-33.2	-29.0	-33.4	-40.7
Stone, mineral prods.	-54.3	-56.9	-71.8	-71.8	-71.8
Precious stones, jewellery	-133.1	-142.6	-193.7	-193.7	-193.7
Base metals, metal prods.	-122.5	-127.6	-151.2	-151.2	-151.2
Machinery	-309.5	-339.6	-511.0	-511.0	-511.0
Transport equip.	-177.6	-195.2	-294.7	-294.7	-294.7
Professional equip.	-48.1	-52.5	-75.4	-75.4	-75.4
Arms, ammunition	-0.4	-0.8	-0.8	-0.8	-0.8
Miscellaneous manufs.	-99.1	-105.4	-135.4	-135.4	-135.4
Works of art	-0.2	-0.3	-0.3	-0.3	-0.3
All products	-2,910.2	-3,042.8	-3,667.1	-3,812.8	-3,956.2

Source: MENA trade simulation model, November 6, 2003.

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European Network of Economic Policy Research Institutes (ENEPRI)	Justice and Home Affairs
	The Wider Europe
Financial Markets, Company Law & Taxation	South East Europe
European Credit Research Institute (ECRI)	Caucasus & Black Sea
Trade Developments & Policy	EU-Russian/Ukraine Relations
Energy, Environment & Climate Change	Mediterranean & Middle East
Agricultural Policy	CEPS-IISS European Security Forum

In addition to these two sets of research programmes, the Centre organises a variety of activities within the CEPS Policy Forum. These include CEPS task forces, lunchtime membership meetings, network meetings abroad, board-level briefings for CEPS corporate members, conferences, training seminars, major annual events (e.g. the CEPS International Advisory Council) and internet and media relations.