

Title Effect of trade liberalization on fruit export from the southern Mediterranean: Case study of Israeli fruits

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Abstract

The "Mediterranean Policy" of the EU grants freer access and agricultural trade preferences to non-EU countries in the Mediterranean. However, in spite of the trade liberalization process in agriculture on the whole, the value of fruit export from the Mediterranean to the EU has not increased since 1995 when the policy was enacted. The purpose of this study was to examine the effect of trade liberalization on fruit export from Israel. Changes in the comparative advantage of eight major export fruits from Israel were tested by using the Revealed Comparative Advantage (RCA) approach. Gravity regression modeling was used to measure changes in export from Israel and Morocco (for comparison) resulting from the trade liberalization process. Panel data was analyzed to the level of individual fruits. In the ten years of trade liberalization, the export value of the major Israeli fruits decreased 34% although the competitiveness of at least half the fruits increased according to the export value and the RCA index. The gravity regression model allowed us to measure significant factors and compare changes in fruit export from Israel and Morocco, according to which implementation of the trade liberalization program caused a 40% decrease for Israel and a 79% increase for Morocco.