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EUROPEAN UNION (EUR12) TRADE WITH THE MEDITERRANEAN COUNTRIES⁽¹⁾ -Results for 1994-

Part I: Summary

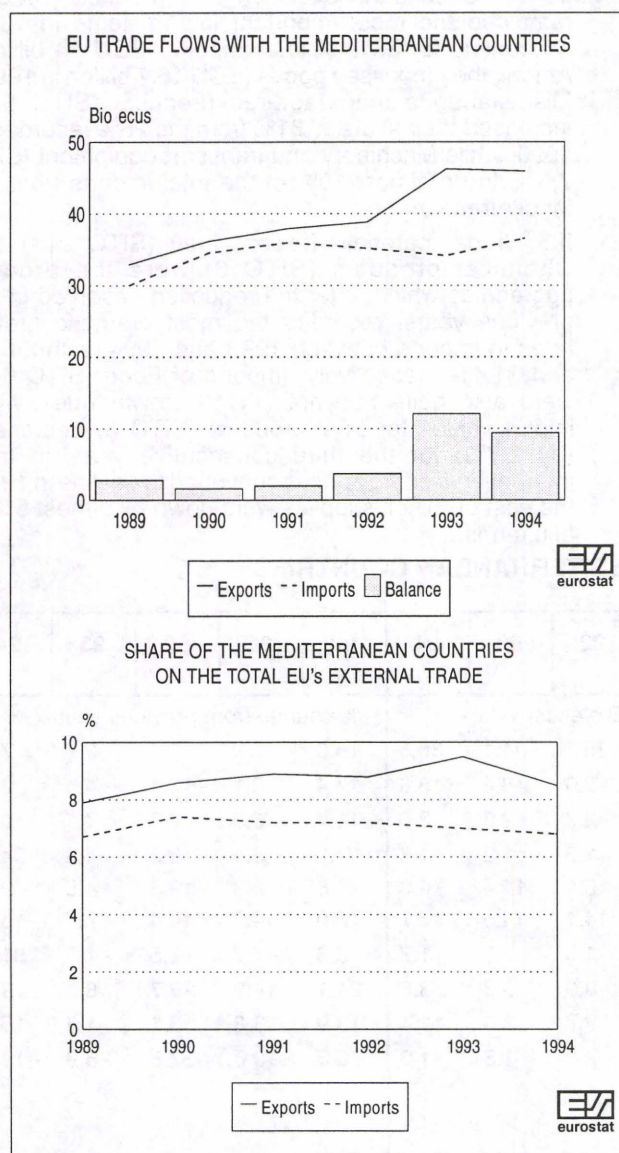
I.1 Trade relations with the Mediterranean Countries are of significant importance to the European Union. Nevertheless, the share of Mediterranean countries in total EU external trade flows dropped somewhat between 1993 and 1994, to come close to the level reached at the end of the 1980s: between 1989 and 1994, their share of the EU's exports rose from 8% to 8.5%, while their share of the EU's imports increased from 6.7% to 6.8%. However, a quarter of the EU's total energy imports, a third of its fertilizer imports and 22% of its imports of articles of apparel came from the Mediterranean region.

I.2 In 1994, the EU's imports from the Mediterranean countries increased by 7% compared with 1993, whereas its exports stabilised (-0.6%) at a high level, having risen sharply (+19%) the previous year. As a consequence, the EU's trade surplus with these countries decreased from a remarkable ECU 12.1 billion in 1993 to ECU 9.4 billion in 1994.

I.3 In 1994, three EU Member States (Germany, France and Italy) accounted for around 65% of both EU export and import flows to and from the Mediterranean Basin. The three most important Mediterranean partners, Israel, Turkey and Algeria, together accounted for almost half of the EU's total trade flows with the region. Libya stood out as an important supplier for the Union: in 1994, EU imports from this country, mainly petrol, accounted for 16% of the EU's imports from the region (about ECU 6 billion). However, mainly as a consequence of the partial UN embargo, the EU's exports to Libya have been declining sharply in recent years, falling to ECU 2 billion in 1994.

I.4 Petroleum products, gas, articles of apparel, textile yarns and fabrics, and fruits and vegetables were the most important imported products in 1994, together making up 67% of all EU imports from the Mediterranean countries, while in the same year, EU sales to this area were concentrated mainly on machinery and transport equipment (40% of the total) and miscellaneous manufactured goods (32%).

I.5 Malta and Israel recorded the highest levels of intra-industry trade with the EU in 1994, while trade with Syria, Libya and Algeria was largely restricted to a pattern of inter-sectoral exchanges.



Source EUROSTAT: COMEXT database.
External Trade Statistics (Imports CIF, Exports FOB).
(1) For the composition of this group see footnote 1 last page.

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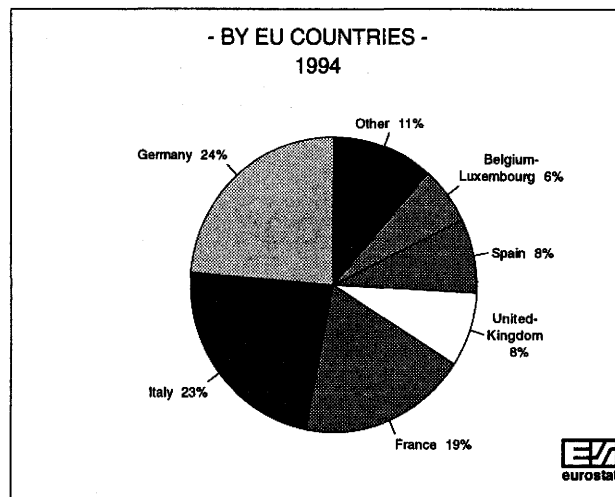
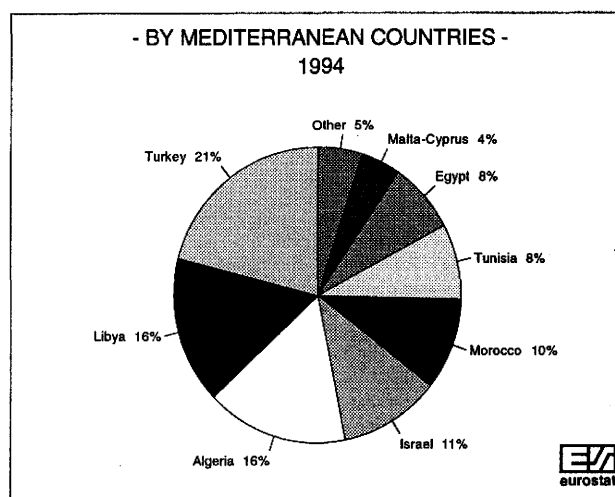
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Part II: EU imports from the Mediterranean Countries.



II.1 EU imports from the Mediterranean countries increased by 7.1% in 1994 compared with the previous year. This was slightly below the average growth rate of EU imports (+10.8%) as a whole.

II.2 In 1994, Turkey was the most important Mediterranean supplier, with ECU 7.6 billion (21% of total EU imports from these countries), followed by Libya and Algeria with 16% each. Israel and the four Mashreq countries (Egypt, Jordan, Syria and Lebanon) together accounted for 24% of European Union imports from the region, while Malta and Cyprus, together represented 3.5% (ECU 1.6 billion).

II.3 Germany and Italy were the main outlets for Mediterranean exports to the Union, each accounting for 23-24% of the EU's total imports (ECU 8.5 billion) for 1994, followed by France (19%).

II.4 Between 1990 and 1994, the values of the EU purchases from this region increased slowly (barely 6% over 5 years, against the 16% of growth for imports from non-Member States as a whole). This is mainly due to the significant reduction of the import values for raw

materials (-11% since 1990), which was only partially compensated for by the substantial increase of manufactured products (+37% growth rate in the same period). Despite this evolution, Fuel products (SITC 3) remained the most important import items in 1994, accounting for 38% of total imports (ECU 14 billion). Among the processed goods (ECU 16.7 billion in 1994), Miscellaneous manufactured products (SITC 6+8) increased their share to 31% from the 25% recorded in 1990, while Machinery and transport equipment (SITC 7) made up almost 10% of the total imports from the Mediterranean region.

II.5 Crude materials (except fuel) (SITC 2+4) and Chemical products (SITC 5) were the product aggregates which, after the reduction observed in the previous years, recorded the most dramatic growth rates in imports between 1993 and 1994, with 34.5% and 31.4% respectively. Imports of Food (SITC 0+1) were also quite buoyant (+17% growth rate), while import values for Fuel products (SITC 3) decreased (by 2.7%) for the third consecutive year. In fact, international energy prices continued to decline in 1994: the cost of EU oil supplies went down by almost 5% in ecu terms.

EU IMPORTS FROM THE MEDITERRANEAN COUNTRIES

TRADE BY PRODUCTS (SITC-Rev3)	90	91	92	93	94	90	91	92	93	94
	(Bio ecus)					% change from previous year				
TOTAL TRADE (0-9)	34.5	35.9	35.1	34.1	36.5	15.0	3.9	-2.0	-2.9	7.1
Raw materials (0-4)	21.0	21.6	19.0	18.2	18.6	17.4	3.1	-12.1	-4.4	2.4
Food, beverage and tobacco (0+1)	2.7	2.9	2.7	2.6	3.0	11.7	6.9	-7.7	-4.1	16.9
Crude materials except fuels (2+4)	1.4	1.5	1.2	1.2	1.6	-11.0	5.4	-18.3	-4.3	34.5
Mineral fuels (3)	16.8	17.2	15.1	14.4	14.0	21.6	2.3	-12.3	-4.5	-2.7
Manufactured products (5-8)	12.2	12.8	14.1	14.5	16.7	13.0	4.2	10.4	2.7	15.7
Chemicals (5)	1.5	1.4	1.3	1.3	1.7	-3.3	-7.7	-2.5	-1.5	31.4
Machinery and transport equipment (7)	2.1	2.4	3.0	3.3	3.6	24.1	14.9	26.7	8.3	9.7
Misc. manufactured goods (6+8)	8.7	9.0	9.7	9.9	11.4	13.9	3.8	8.1	1.5	15.6
Other not classified goods (9)	1.3	1.5	2.0	1.5	1.2	-0.3	13.8	37.8	-26.9	-19.9
MEMORANDUM ITEMS										
EU total imports (Extra-EU)	463.7	495.3	490.7	487.3	539.8	3.0	6.8	-0.9	-0.7	10.8
Mediterranean Countries total imports*	69.5	69.2	73.6	92.9	94.7	5.8	-0.5	6.4	26.2	2.0
EU imports from CEEC**	13.0	16.2	22.5	26.8	33.9	7.1	24.1	17.3	16.8	26.7

* Source IMF-DOTS

** Central and Eastern European Countries is defined as follows:
until 1991: Poland, Hungary, Romania, Bulgaria, Albania, Czechoslovakia (until 1992), and
from 1992: plus Latvia, Lithuania, Estonia, Slovenia, Croatia, Bosnia-Herzegovina and
from 1993: plus Czech Republic, Slovakia, Former Yugoslav Republic of Macedonia.

Part III: EU imports by main product categories (SITC divisions⁽²⁾).

III.1 As far as imports from the Mediterranean countries are concerned, in 1994, by far the most important SITC division was Petroleum products and related materials (SITC 33), at ECU 12.2 billion. These products, together with natural and manufactured Gas (SITC 34) represented almost 40% of the total imports from the region.

The second-ranked item was Articles of apparel and clothing accessories (SITC 84), which accounted for 18% of total imports, mainly Men's and Women's articles of textile fabrics (SITC 841 and 842) (globally ECU 2.3 billion).

Vegetables and fruits (SITC 05), with a value of ECU 2.2 billion, accounted for more than 6% of EU imports from the Mediterranean countries.

III.2 The Union has a strong dependence on Mediterranean supplies in the fertiliser and energy sectors: in 1994, a third of manufactured Fertilisers (SITC 56) and around 25% of total EU imports of both Petroleum (SITC 33) and Gas (SITC 34) came from these countries.

Other Mediterranean products with a high product share in EU imports were: Articles of apparel (SITC 84) at 22.2%, and Vegetables and fruits (SITC 05) (19.4%).

III.3 In 1994, the imported item to record the most dramatic rate of growth over the previous year was Non-metallic mineral manufactures (SITC 66) (75.6%). Other very dynamic products were Manufactured fertilisers (SITC 56), Textiles fibres (SITC 26) and Organic chemicals (SITC 51) with rates of increase of 60%, 58% and 52% respectively.

The declining trend in international energy prices is the main reason behind the decrease in values for both Petroleum (SITC 33) and Gas products (SITC 34): -2.3% and -6.1% respectively.

III.4 Non-metallic mineral manufactures (SITC 66), together with Textiles yarn (SITC 65), were the main contributing items to the total growth of EU imports from the Mediterranean, with 1.2 and 1.3 growth points respectively.

Other high-impact products were Vegetables and fruits (SITC 05) and Electrical machinery and apparatus (SITC 77), which accounted for 1 and 0.9 growth points respectively.

⁽²⁾ The Standard International Trade Classification is an analytical trade nomenclature introduced by the United Nations for the purposes of the economic analysis. In this document, the third revision of the nomenclature (SITC Rev. 3), introduced in 1988, is used.

EU IMPORTS FROM THE MEDITERRANEAN COUNTRIES BY MAIN PRODUCTS, 1994

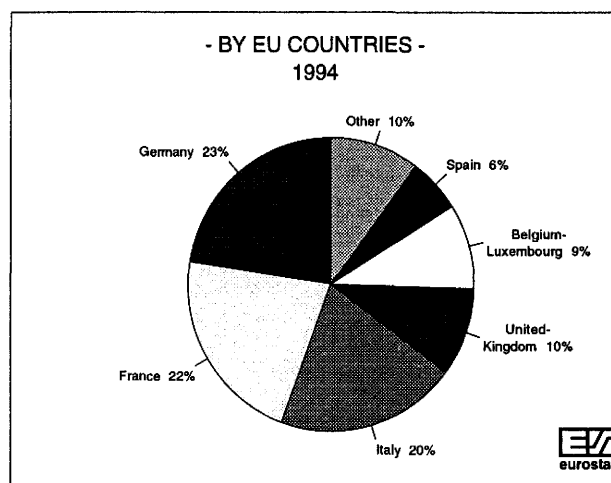
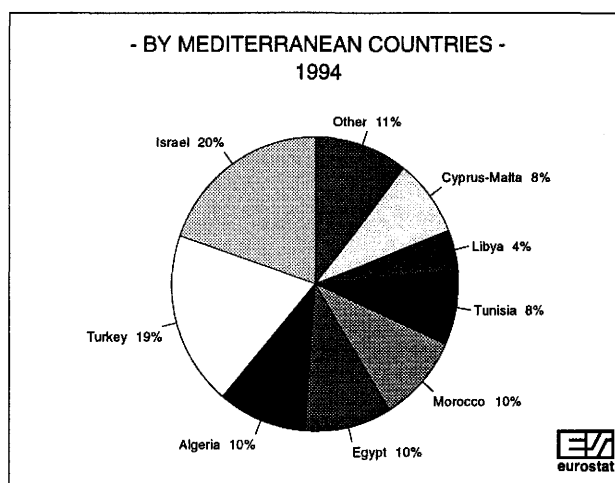
		level	annual variation	contribution to growth* of total imports	share in		
SITC Rev.3	PRODUCTS	Bio ecus	%	in percentage growth points	Extra-EU imports by products**	Imports from Mediterranean Countries	
						%	% cumulated
33	Petroleum, petroleum prod. & related mat.	12.17	-2.3	-0.8	24.1	33.3	33.3
84	Art. of apparel & clothing accessories	6.63	4.1	0.8	22.2	18.1	51.4
841	Men's articles of textile fabrics	1.90	5.8	0.3	25.4	5.2	
842	Women's articles of textile fabrics	1.43	6.4	0.3	19.5	3.9	
05	Vegetables & fruits	2.20	18.8	1.0	19.4	6.0	57.5
34	Gas, natural & manufactured	1.85	-6.1	-0.4	26.0	5.1	62.5
65	Textile yarns, fabrics, related prod., n.e.s.	1.66	35.9	1.3	12.4	4.5	67.1
77	Elec. mach., app., & elec. parts thereof	1.36	27.6	0.9	3.9	3.7	70.8
66	Non metallic min. manufactures, n.e.s.	0.95	75.6	1.2	7.1	2.6	73.4
79	Other transport equipment	0.82	-20.1	-0.6	5.1	2.2	75.6
56	Fertilizers, manufactured	0.54	59.8	0.6	33.0	1.5	77.1
03	Fish, crustaceans, molluscs & prep. thereof	0.43	15.7	0.2	5.7	1.2	78.3
52	Inorganic chemicals	0.41	14.4	0.2	11.2	1.1	79.4
76	Telecommunic., sound, reprod. app., equip.	0.40	12.4	0.1	2.1	1.1	80.5
51	Organic chemicals	0.40	52.4	0.4	3.7	1.1	81.6
89	Miscellaneous manufactured goods	0.37	13.0	0.1	1.6	1.0	82.6
27	Crude fertilizers & minerals	0.35	10.4	0.1	14.5	1.0	83.6
29	Crude animal & vegetable materials, n.e.s.	0.30	9.6	0.1	13.2	0.8	84.4
26	Ores, slag & ash	0.29	58.4	0.3	7.1	0.8	85.2
85	Footwear	0.29	19.2	0.1	5.4	0.8	86.0
68	Non ferrous metals	0.28	32.0	0.2	2.0	0.8	86.7
69	Manufactures of metal, n.e.s.	0.26	18.6	0.1	2.6	0.7	87.4

* The contribution to the growth is the ratio between the 1994/1993 increase of each product flow and the total imports of 1993 in %.

** i.e. EU imports of a product from the Mediterranean countries related to total extra-EU imports of this product.



Part IV: EU exports to the Mediterranean Countries.



IV.1 The value of EU exports to the Mediterranean countries slightly fell in 1994 (-0.6%) compared with the previous year. By contrast, the average growth rate of total EU exports was 10.6%.

IV.2 Israel and Turkey were the two main destinations for European products in 1994, with around ECU 9 billion each (corresponding to almost 20% of total EU exports to the Mediterranean).

The Maghreb countries (Morocco, Algeria and Tunisia) and Libya together absorbed one third of EU sales in the Mediterranean region (ECU 14.7 billion), while Malta and Cyprus took about 4% of EU exports.

IV.3 The breakdown of EU exports to the Mediterranean Basin by Member State, like that of imports, is highly concentrated: 22.5% of the 1994 value of EU exports to the Mediterranean countries came from Germany (ECU 10.3 billion), while France and Italy followed with 21.8% and 20.5% respectively.

IV.4 During the first part of the 1990s, the rate of growth of EU exports to the Mediterranean countries was in line with the corresponding rate for the total EU exports to

the rest of the world, with an average percentage change between 1990 and 1994 of 6.2% and 6.4% respectively. The sluggish evolution of Food and beverage products (SITC 0+1) has been compensated for by the good performance of manufactured items, particularly Chemical products (SITC 5): +37% over the five-year period.

In 1994, more than 83% of total EU exports to the Mediterranean were manufactured products, mainly concentrated in the Machinery and transport equipments section (SITC 7) (40% of the total), while the share of Food and beverage products (SITC 0+1) declined to 8.4% in 1994, from the 10.6% recorded in 1990.

IV.5 In 1994, Crude materials (except fuels) (SITC 2+4) and Chemicals (SITC 5) were the products which recorded the highest rates of growth over 1993: 7.7% and 3.5% respectively. In the same year, the value of exports of Fuel products (SITC 3) and Machinery and transport equipment (SITC 7) went down by 4.5% and 3.3% respectively.

EU EXPORTS TO THE MEDITERRANEAN COUNTRIES

TRADE BY PRODUCTS (SITC-Rev3)	90	91	92	93	94	90	91	92	93	94
	(Bio ecus)					% change from previous year				
TOTAL TRADE (0-9)	36.1	37.9	38.8	46.2	45.9	10.0	4.7	2.6	19.0	- 0.6
Raw materials (0-4)	5.7	5.5	5.2	6.4	6.5	3.8	- 3.5	- 6.3	24.7	1.5
Food, beverage and tobacco (0+1)	3.8	3.2	3.2	3.8	3.9	2.2	- 16.2	- 0.7	19.6	1.1
Crude materials except fuels (2+4)	1.0	1.1	1.1	1.4	1.5	- 2.3	3.3	3.5	24.7	7.7
Mineral fuels (3)	0.8	1.2	0.9	1.2	1.2	21.6	45.8	- 29.5	43.4	- 4.5
Manufactured products (5-8)	29.1	30.5	32.5	38.6	38.2	11.1	5.0	6.5	18.7	- 1.1
Chemicals (5)	4.0	4.2	4.5	5.3	5.5	4.4	4.3	8.2	17.4	3.5
Machinery and transport equipment (7)	14.3	14.9	15.7	18.8	18.2	17.8	4.2	5.4	20.3	- 3.3
Misc. manufactured goods (6+8)	10.8	11.5	12.4	14.5	14.5	5.6	6.2	7.5	17.1	0.1
Other not classified goods (9)	1.4	1.8	1.1	1.2	1.2	16.2	34.6	- 37.4	1.7	2.7
MEMORANDUM ITEMS										
EU total exports (Extra-EU)	419.9	427.8	440.3	487.1	538.7	0.5	1.9	2.9	10.6	10.6
Mediterranean Countries total exports*	54.0	55.0	52.2	57.8	62.6	6.6	1.8	- 5.2	10.9	8.3
EU exports to CEEC**	12.1	17.7	24.6	33.2	40.3	4.4	46.1	22.8	32.2	21.6

* Source: IMF-DOTS

** Central and Eastern European Countries is defined as follows:
until 1991: Poland, Hungary, Romania, Bulgaria, Albania, Czechoslovakia (until 1992), and
from 1992: plus Latvia, Lithuania, Estonia, Slovenia, Croatia, Bosnia-Herzegovina and
from 1993: plus Czech Republic, Slovakia, Former Yugoslav Republic of Macedonia.

Part V: EU exports by main product categories (SITC divisions).

V.1 The top four places in terms of exports in 1994 were taken by products in the SITC Machinery and transport equipment section. The products in question were Road vehicles (SITC 78), Electrical machinery apparatus (SITC 77), General industry machinery (SITC 74) and Machinery specialised for particular industries (SITC 72), which globally represented more than 27% of the total value of EU exports to the Mediterranean.

V.2 Around a quarter of the Cereals (SITC 04) exported outside the Union in 1994 were destined for Mediterranean markets (ECU 1.1 billion). These countries were also important outlets for Textile yarn, fabrics, made-up articles (SITC 65) (17% of total EU exports), most notably "Fabrics, woven" of man-made textile material (SITC 653) and "Cotton fabrics, woven" (SITC 652), with a global value of around ECU 1.5 billion.

The remarkable level of EU exports in this sector, together with the value of imports of Articles of apparel and clothing accessories, has to be seen in the context

of the growing importance of the "outward processing" phenomenon in the textile sector.

Over 11% of Plastics (SITC 57) and Iron and steel (SITC 67) exported by the EU to third countries were sold in the Mediterranean region.

V.3 In 1994, the most dynamic items on the export side were: Medical and pharmaceutical products (SITC 54), which showed year-on-year growth of 19%, followed by Articles of apparel (SITC 84), with a growth rate of almost 12%.

Many important products showed negative growth on 1993, particularly EU exports of Iron and steel (SITC 67) and Power generating machines (SITC 71), the value of which was down by 17.4% and 13.2% respectively.

V.4 The sluggish evolution of the EU's exports to its Mediterranean neighbours is well illustrated by the analysis of the contribution to growth by product. In 1994, only two SITC divisions performed well: Electrical machinery apparatus (SITC 77) and Non-metallic manufactures (SITC 66), which together notched up around 1.2 growth points.

EU EXPORTS TO THE MEDITERRANEAN COUNTRIES BY MAIN PRODUCTS, 1994

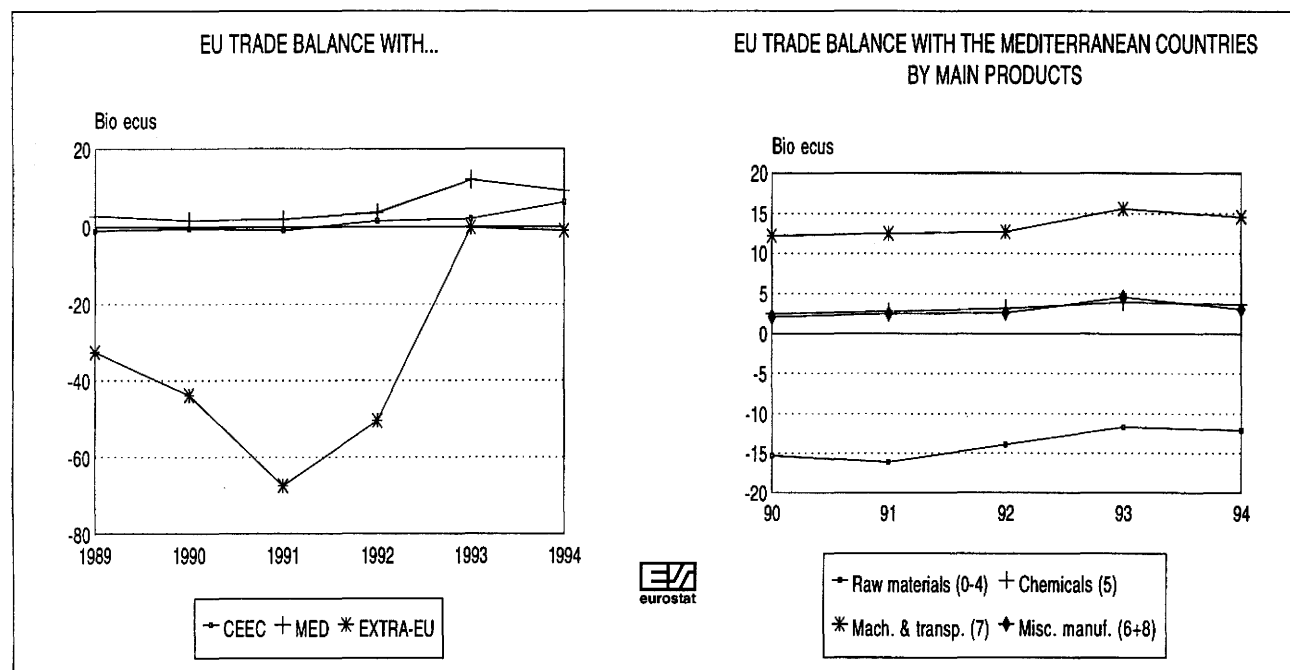
		value	annual variation	contribution to growth* of total exports	share in		
SITC Rev.3	PRODUCTS	Bio ecus	%	in percentage growth points	Extra-EU exports by products **	Exports to Mediterranean Countries	
					%	%	% cumulated
78	Road vehicles	3,30	-11,5	-0,9	6,6	7,2	7,2
77	Elec. mach., app., & elec. parts thereof	3,25	10,1	0,6	9,4	7,1	14,3
74	General ind. mach., & equip., n.e.s.	3,04	0,2	0,0	9,0	6,6	20,9
72	Mach. specialized for particular industry	3,02	-9,7	-0,7	8,9	6,6	27,5
66	Non metallic mineral manufactures, n.e.s.	2,92	10,7	0,6	15,4	6,4	33,8
65	Textile yarns, fabrics, related prod., n.e.s.	2,82	4,9	0,3	17,0	6,2	40,0
653	Fabrics, woven of man-made textile mat.	0,77	6,6	0,1	23,1	1,7	
652	Cotton fabrics, woven	0,73	9,6	0,2	31,2	1,6	
79	Other transport equipment	2,13	-1,1	-0,1	8,8	4,6	44,6
67	Iron & steel	1,87	-17,4	-0,9	11,2	4,1	48,7
71	Power generating machinery & equipment	1,29	-13,2	-0,4	6,9	2,8	51,5
54	Medical & pharmaceutical products	1,28	19,0	0,4	8,1	2,8	54,3
69	Manufactures of metal, n.e.s.	1,15	-5,9	-0,2	8,3	2,5	56,8
89	Miscellaneous manufactured articles, n.e.s.	1,15	-1,1	0,0	4,6	2,5	59,3
33	Petroleum, petroleum prod., & related mat.	1,12	-2,1	-0,1	9,2	2,4	61,8
04	Cereals & cereal preparations	1,09	-8,7	-0,2	23,3	2,4	64,1
76	Telecommunic., sound, reprod. app., equip.	0,98	8,3	0,2	7,9	2,1	66,3
57	Plastics in non primary forms	0,97	6,4	0,1	11,6	2,1	68,4
87	Professional, scientific & controlling instr., n.e.s.	0,86	-1,0	0,0	6,9	1,9	70,3
59	Chemical materials & products, n.e.s.	0,82	-4,6	-0,1	8,5	1,8	72,1
84	Articles of apparel & clothing accessories	0,77	11,9	0,2	6,1	1,7	73,7
51	Organic chemicals	0,72	-3,7	-0,1	4,6	1,6	75,3

* The contribution to the growth is the ratio between the 1994/1993 increase of each product flow and the total exports of 1993 in %.

** i.e. EU exports of a product to the Mediterranean countries related to total extra-EU exports of this product.



Part VI: EU Trade Balance with the Mediterranean countries.



VI.1 In 1994, the EU's trade surplus with the Mediterranean countries went down from the high level of 1993 (ECU 12.1 billion), to what is still a very creditable 9.4 billion ECU.

For comparison, the surplus with the CEEC countries, after the big increase in 1993, was stable, at ECU 6.4 billion, while the EU's trade with the rest of the world was in deficit to the tune of ECU 1 billion over the same period.

VI.2 The analysis by main product groups shows that in Euro-Mediterranean trade relations during the early 1990s, big deficits in Fuel products (SITC 3) (around ECU 13 billion in 1994) were always more than compensated for by surpluses in the manufactured products sections (SITC 5-8).

In fact, the surplus on trade in manufactured products, mainly concentrated in Machinery and transport equipments (SITC 7), went up from ECU 17 billion in 1990 to ECU 21.4 billion in 1994.

VI.3 Due to the gap between the export and import growth rates, the EU-Mediterranean export cover ratio in terms of value showed a deterioration between 1993 and 1994.

Nevertheless, over the five-year period, only Machinery and transport equipment (SITC 7), and Food, beverage and tobacco (SITC 0+1) recorded clear decreases in this indicator, a fact which highlights the emerging role of the Mediterranean countries as manufacturing exporters to the European Union.

EU TRADE BALANCE AND COVER RATIO WITH THE MEDITERRANEAN COUNTRIES

TRADE BY PRODUCTS (SITC-Rev3)	90	91	92	93	94	90	91	92	93	94
	(Bio ecus)					cover ratio (export/import)*100				
TOTAL TRADE (0-9)	1.6	2.0	3.7	12.1	9.4	104.7	105.6	110.5	135.4	125.6
Raw materials (0-4)	-15.3	-16.1	-13.9	-11.7	-12.1	27.2	25.5	27.1	35.4	35.1
Food, beverage and tobacco (0+1)	1.1	0.3	0.5	1.2	0.9	141.1	110.6	118.9	148.4	128.4
Crude materials except fuels (2+4)	-0.4	-0.4	-0.1	0.2	-0.1	73.3	71.9	91.1	118.7	95.0
Mineral fuels (3)	-16.0	-16.0	-14.3	-13.2	-12.9	5.0	7.1	5.7	8.6	8.4
Manufactured products (5-8)	16.8	17.8	18.4	24.1	21.4	237.4	239.1	230.7	266.7	228.0
Chemicals (5)	2.5	2.8	3.2	4.0	3.7	266.7	301.4	334.2	398.3	313.9
Machinery and transport equipment (7)	12.2	12.5	12.7	15.6	14.6	691.4	626.9	521.3	578.9	510.5
Misc. manufactured goods (6+8)	2.1	2.5	2.6	4.6	3.1	124.6	127.5	126.8	146.3	126.7
Other not classified goods (9)	0.1	0.4	-0.9	-0.3	0.0	105.4	124.7	56.6	78.8	101.0
MEMORANDUM ITEMS										
EU total balance (Extra-EU)	-43.8	-67.5	-50.4	-0.2	-1.0	90.6	86.4	89.7	100.0	99.8
Mediterranean Countries total balance*	-15.4	-14.1	-21.4	-35.1	-32.1	77.8	79.5	70.9	62.2	66.1
EU-CEEC** trade balance	-0.9	1.5	2.1	6.4	6.4	92.9	109.4	109.0	123.9	118.9

* Source: IMF-DOTS

** Central and Eastern European Countries is defined as follows:
until 1991: Poland, Hungary, Romania, Bulgaria, Albania, Czechoslovakia (until 1992), and
from 1992: plus Latvia, Lithuania, Estonia, Slovenia, Croatia, Bosnia-Herzegovina and
from 1993: plus Czech Republic, Slovakia, Former Yugoslav Republic of Macedonia.

Part VII: EU trade balance by main product category (SITC divisions) and intra-industry trade index by country.

EU TRADE BALANCE WITH THE MEDITERRANEAN COUNTRIES BY MAIN PRODUCTS

(in Bio ecus)

		89	90	91	92	93	94
SITC Rev.3	1994 LARGEST SURPLUSES						
78	Road vehicles	2.37	2.78	2.79	2.92	3.57	3.13
72	Mach. specialized for particular industry	1.88	2.41	2.52	2.73	3.23	2.85
74	General ind. mach., & equip., n.e.s.	1.99	2.19	2.43	2.36	2.85	2.80
66	Non metallic min. manufactures, n.e.s.	1.38	1.26	1.41	1.67	2.10	1.98
77	Elec. mach., app., & elec. parts thereof	1.19	1.37	1.43	1.40	1.89	1.89
67	Iron & steel	1.31	1.30	1.55	1.63	2.16	1.65
79	Other transport equipment	0.79	1.16	1.11	1.27	1.12	1.31
54	Medical & pharmaceutical products	0.77	0.78	0.78	0.92	1.04	1.22
65	Textile yarns, fabrics, related prod., n.e.s.*	0.34	0.65	0.86	1.07	1.47	1.16
04	Cereals & cereal preparations	1.37	1.39	0.82	0.82	1.17	1.07
SITC Rev.3	1994 LARGEST DEFICITS						
33	Petroleum, petroleum prod. & related mat.	-11.64	-14.16	-13.77	-13.12	-11.31	-11.06
84	Articles of apparel & clothing accessories	-3.58	-4.46	-4.92	-5.43	-5.68	-5.86
05	Vegetables & fruits	-1.57	-1.81	-1.98	-1.78	-1.70	-1.99
34	Gas, natural & manufactured	-1.55	-1.87	-2.25	-1.15	-1.89	-1.80
56	Fertilizers, manufactured	-0.45	-0.45	-0.41	-0.39	-0.27	-0.49
03	Fish, crustaceans, molluscs & prep. thereof	-0.29	-0.34	-0.35	-0.34	-0.31	-0.36
27	Crude fertilizers & minerals	-0.48	-0.38	-0.33	-0.26	-0.19	-0.22
29	Crude animal & vegetable materials, n.e.s.	-0.15	-0.18	-0.19	-0.17	-0.18	-0.20
52	Inorganic chemicals	-0.07	0.00	0.00	-0.05	-0.12	-0.16
85	Footwear	-0.03	-0.04	-0.05	-0.05	-0.05	-0.08



VII.1 In 1994, the EU's biggest surplus with the Mediterranean countries was for Road vehicles (SITC 78), at ECU 3.1 billion.

Significant positive balances were also recorded in Machinery specialised for particular industries (SITC 72) and General industry machinery (SITC 74), at around ECU 2.8 billion each.

VII.2 The largest deficit in 1994 was recorded by the Petroleum products division (SITC 33) (ECU 11 billion), followed by Articles of apparel (SITC 84) and Vege-

tables and fruit (SITC 05), at ECU 6 billion and ECU 2 billion respectively.

VII.3 The extent of intra-industry trade with the EU varies from one Mediterranean partner to another.

In 1994, Malta, Israel and Cyprus showed the highest levels of intra-industry trade above the Mediterranean group average (32.8) - while the other countries developed trade mainly on the basis of sectorial complementarity.

EU-MEDITERRANEAN INTRA-INDUSTRY TRADE INDEX (*) IN 1994

RANK	COUNTRY	INDEX	RANK	COUNTRY	INDEX
01	Malta	61.27	07	Egypt	17.80
02	Israel	46.36	08	Jordan	10.79
03	Cyprus	35.77	09	Lebanon	6.08
04	Turkey	31.77	10	Algeria	5.78
05	Tunisia	31.31	11	Libya	4.15
06	Morocco	24.00	12	Syria	3.93
				12 Mediterranean countries average	32.79

(*) Grubel-Lloyd Intra-industry Index = 100 -

$$\frac{\text{Sum IXi-Mil}}{\text{Sum (Xi+Mi)}} \times 100$$



The Grubel-Lloyd intra-industry index measures the product structure of trade between two partners and is used for international comparison.

It is calculated using the SITC divisions from 00 to 97, and its value can vary between 0 (= the two countries are specialised in different product categories: inter-industry trade) and 100 (= the countries are specialised in the same product chapters: intra-industry trade).

It is important to note that in some cases the index can be downward biased due to an imbalance in the overall trade balance (surplus or deficit).

Part VIII: EU trade flows with the Mediterranean Bassin by individual countries.

- by Mediterranean Countries -

	EU-EXPORTS				EU-IMPORTS				EU-TRADE BALANCE			
	1994 share	1993 Bio ecus	1994 Bio ecus	94/93 % var.	1994 share	1993 Bio ecus	1994 Bio ecus	94/93 % var.	1993 Bio ecus	1994 Bio ecus	1993 as % of total trade	1994 as % of total trade
Malta	4.1	1.76	1.87	6.0	2.8	0.86	1.01	18.0	0.90	0.85	34.5	29.7
Turkey	19.3	11.78	8.87	-24.7	20.8	6.54	7.61	16.2	5.24	1.26	28.6	7.7
Morocco	9.5	4.24	4.38	3.3	10.1	3.39	3.71	9.2	0.84	0.67	11.0	8.3
Algeria	10.1	4.12	4.62	12.1	16.0	6.32	5.86	-7.3	-2.21	-1.24	-21.1	-11.8
Tunisia	8.2	3.63	3.77	3.9	8.3	2.49	3.04	21.8	1.14	0.73	18.6	10.8
Libya	4.4	2.74	2.04	-25.6	16.3	6.14	5.96	-2.9	-3.40	-3.92	-38.3	-49.0
Egypt	9.9	4.42	4.57	3.3	7.7	2.23	2.80	25.3	2.19	1.77	32.9	24.0
Cyprus	4.4	1.88	2.00	6.3	1.7	0.72	0.62	-13.7	1.16	1.38	44.7	52.6
Lebanon	4.8	1.74	2.20	25.9	0.2	0.06	0.09	40.8	1.68	2.11	92.9	92.1
Syria	3.5	1.36	1.61	18.2	4.3	1.67	1.57	-5.5	-0.30	0.04	-10.0	1.1
Israel	19.5	7.57	8.96	18.3	11.3	3.42	4.14	21.1	4.15	4.82	37.8	36.8
Jordan	2.3	0.95	1.04	8.9	0.4	0.28	0.15	-45.4	0.68	0.89	54.9	74.5
Mediterranean Countries	100.0	46.20	45.90	-0.6	100.0	34.12	36.55	7.1	12.07	9.35	15.0	11.3

* All figures have been rounded except for the % variance which was calculated using the full figures.



VIII.1 In 1994, the EU's biggest surplus in the Mediterranean Basin was with Israel (ECU 4.8 billion), and corresponded to almost 37% of total trade with this country.

In relative terms, the most dramatic surpluses were recorded in trade with Lebanon and Jordan: 92% and 75% respectively of the value of these countries' trade with the European Union.

The European Union recorded deficits with only Libya (ECU 4 billion) and Algeria (ECU 1.2 billion).

VIII.2 EU exports to the Middle Eastern countries showed the most impressive increases between 1993 and 1994: 26% in the case of Lebanon, and 18% for both Israel and Syria.

Meanwhile, the most dynamic import flows were those from Lebanon (+41%), followed by Egypt and Tunisia (+25% and +22% respectively).

VIII.3 In 1994, France and the BLEU recorded the EU's largest surpluses with its Mediterranean partners: ECU 3.1 billion and ECU 2.1 billion respectively.

Greece's trade was in balance, while only Portugal and Spain showed small deficits of around ECU 0.3 billion each.

VIII.4 Ireland and Greece were the EU countries whose exports to the Mediterranean region showed the most dynamic growth rates (+24% and +22% respectively), while, on the imports side, the highest percentage changes were registered by the BLEU (+38%), Ireland (+37%) and Denmark (+34%).

- by EU- member states -

	EXPORTS				IMPORTS				TRADE BALANCE			
	1994 share	1993 Bio ecus	1994 Bio ecus	94/93 % var.	1994 share	1993 Bio ecus	1994 Bio ecus	94/93 % var.	1993 Bio ecus	1994 Bio ecus	1993 as % of total trade	1994 as % of total trade
France	21.8	10.15	10.01	-1.3	18.9	6.50	6.91	6.3	3.65	3.10	21.9	18.3
BLEU	9.5	3.95	4.36	10.4	6.2	1.65	2.28	38.4	2.30	2.08	41.1	31.3
The Netherlands	5.2	2.51	2.37	-5.4	6.2	1.95	2.28	17.0	0.56	0.09	12.5	2.0
Germany	22.5	10.78	10.33	-4.1	23.6	8.68	8.64	-0.4	2.10	1.69	10.8	8.9
Italy	20.5	9.72	9.41	-3.2	23.4	7.85	8.55	8.9	1.87	0.86	10.7	4.8
United Kingdom	9.7	4.55	4.44	-2.4	8.2	2.85	2.99	4.9	1.70	1.45	23.0	19.5
Ireland	0.9	0.35	0.43	23.7	0.3	0.08	0.11	36.6	0.27	0.32	63.4	60.4
Denmark	1.2	0.51	0.55	7.3	0.7	0.19	0.26	33.8	0.32	0.29	45.6	36.4
Greece	2.2	0.81	0.99	22.3	2.7	1.14	1.00	-11.9	-0.33	-0.01	-16.8	-0.6
Portugal	0.6	0.24	0.27	15.8	1.5	0.62	0.56	-9.2	-0.39	-0.29	-44.9	-34.7
Spain	6.0	2.64	2.73	3.6	8.1	2.62	2.97	13.2	0.01	-0.24	0.2	-4.2
European Union	100.0	46.20	45.90	-0.6	100.0	34.12	36.55	7.1	12.07	9.35	15.0	11.3

* All figures have been rounded except for the % variance which was calculated using the full figures.



(1) The Mediterranean region includes the following countries: Malta, Cyprus, Turkey, Morocco, Algeria, Tunisia, Libya, Egypt, Jordan, Syria, Lebanon, Israel.

The European Union has already signed bilateral association or cooperation agreements with all these countries, except Libya. The same eleven countries - together with the Palestinian National Authority have been invited to the Euro-Mediterranean Conference to be held in Barcelona on 27-28 November 1995, the aim of which will be to establish a Euro-Mediterranean free trade area by the year 2010.