

# Newsletter

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<http://www.napcsyr.org>

**Dear Reader,**

The eighth issue of the NAPC Newsletter includes a summary of the activities and actions conducted at NAPC over the period September 2005-March 2006 with the support of the FAO Project GCP/SYR/006/ITA, funded by the Italian Government.

The follow-up of the implementation of the new organizational system was continued in an effort to reach the best level of performance and coordination between the different divisions of the Center. In addition, there was significant focus on continued training both internally and externally, and participation in the activities conducted by local and international experts and consultants. As always, there was continued close cooperation and coordination with different bodies of the Ministry of Agriculture and Agrarian Reform with the aim of implementing various studies and enhancing the work of the Center.

Following the new general trend in Syria to adopt long-run policies and revise them regularly, NAPC carried out a mid-term review of the *Syrian Agriculture Strategy (SAS) 2001-2010*. This review aims to monitor the implementation of goals and programs included in the Strategy and to highlight the strengths and weaknesses that accompanied the development and performance of the agricultural sector.

In the frame of on-the-job training, nine

of the Center's technical staff pursued internal and external courses in the fields of management and Geographical Information System (GIS). In addition, the staff that are involved in graduate studies completed their first year, and are now well into their second year.

The Syrian Agriculture Database (SAD), one of the key outputs of the Center, was revised to respond to the needs of researchers inside and outside the Center. The new version includes updated agricultural trade data for 1994 and 2003-2004, as well as disaggregated agricultural production data now available at the smaller *mantika* district level.

With reference to technical studies, a study to prepare the agricultural investment map in Syria is currently being undertaken under the supervision of an international expert. This study aims to improve the information available to possible private investors on the agriculture-related potentials in the different regions of Syria.

In addition, the final revisions of the Farming Systems and Comparative Advantages studies were completed and will soon be published, as well as many policy briefs, commodity briefs, working papers and other publications you can find online at [www.napcsyr.org](http://www.napcsyr.org). We appreciate and hope for your participation and always welcome your comments.



Dr Salwa M. Amber, FAO Representative in Syria, at the 7th NAPC Scientific Committee Meeting.

*The role of the Agricultural Policy Forum, organized by the National Agricultural Policy Center with the support of FAO Project GCP/SYR/006/ITA funded by the Italian Government, is to stimulate the debate and gather opinions on agricultural policy issues and priorities for Syrian agricultural policymaking.*

### “Agriculture, Poverty, and Rural Development under Globalization”

Mr Donato Romano, Professor from the University of Florence, Italy, delivered this seminar on December 20, 2005, discussing the challenges of the globalization phenomenon to less-developed countries (LDCs), and analyzing its potential impacts with particular reference to agriculture, rural development, and poverty.

As a discriminating phenomenon, globalization implies systematic asymmetries. The consequences of these asymmetries are reflected in the changes in agricultural world trade and its composition, which has witnessed a progressive shift from a comparative advantages-based trade (implying cost competition), towards a reputation-based trade (implying quality competition) for agricultural products.

According to the lecturer, agriculture in LDCs will no longer be the engine of growth as it used to be in the pre-globalization development patterns, and it is bound to be marginalized. Mr Romano



Mr D.Romano

concluded that LDCs should modify their existing policies to encourage the necessary investments in infrastructures, institutions, human and social capital; to develop quality-discriminating agriculture; and to enhance an integrated, inclusive, and flexible rural development strategy based on a territorial approach.

*More at [www.napcsyr.org/proceedings.htm](http://www.napcsyr.org/proceedings.htm)*

### “The State of Food and Agriculture in Syria (SOFAS)”

On 2 October 2005, Mr Samir Grad, NAPC researcher, officially presented the 2005 issue of SOFAS, with Dr Rania Al Droubi, Professor at the Faculty of Economics of the University of Damascus, commenting on the report contents and providing recommendations for the improvement of future issues of SOFAS.

SOFAS 2005 is the second edition of the biennial periodical report NAPC publishes to portray the state and evolution of the Syrian agricultural sector. Designed to give an updated review of economic and



Ms R.AL Droubi

Mr S. Grad

social development in Syria, the SOFAS series intends to stimulate the debate on agricultural policies and to facilitate the mobilization of all stakeholders for the success of the policy reform process. In addition, each SOFAS issue presents in a special chapter a topic of particular importance for agricultural development in Syria based on studies and research undertaken by the NAPC.

Mr Grad illustrated the contents of the report giving an overview of issues concerning the state of agriculture. He also presented the special chapter devoted to the results of the NAPC study on the comparative advantages of agricultural commodities, which are of crucial reference for policy formulation, especially in consideration of the fact that the country is increasingly open to the world economy, and hence facing growing competition from foreign suppliers. *Find proceedings of the seminar at [www.napcsyr.org/proceedings.htm](http://www.napcsyr.org/proceedings.htm)*

*Find SOFAS online at [http://www.napcsyr.org/periodical\\_reports.htm](http://www.napcsyr.org/periodical_reports.htm)*



• **In Egypt**

The NAPC Director Mr Atieh El-Hindi participated in a Regional Workshop on “The Current Development of WTO Negotiations” in Cairo from November 11-15 2005. The workshop covered the related negotiations concerning agriculture and trade regional agreements, as well as the possible implications for agriculture, trade, and food security in the Near East Region countries.



Mr A. El Hindi

on “The Agricultural Agreement in the Context of WTO Agreement” organized by the Arab Organization for Agricultural Development (AOAD). This meeting was held in Algiers from January 28-30 2006.

The workshop focused on the results of the Ministerial Conference in Hong Kong, the developments of the Agricultural Agreement of WTO concerning subsidy, tariff reduction, market access and export subsidy. In addition, it discussed the development of trade in services, intellectual property rights, and anti dumping. It also presented the current case of implementing the Arab Free Trade Area Agreement.

• **In Italy**

Ms Samira El-Zoughbi participated in the 18th symposium of the International Farming Systems Association Global Learning Opportunity (IFSA-GLO) on “Farming Systems and Poverty: Making a Difference” from 31 October to 4 November 2005 in Rome, Italy.

She presented a paper on “Analysis of Agriculture-Environment Interactions and Policy Options for Sustainable



Ms W. Hosni

Agriculture in Eastern Al Ghouta (Syria)”, including the results of the Syrian Farming Systems Study conducted by NAPC.

• **In Algeria**

Mrs. Waficca Hosni, NAPC Deputy Director for Information and Communications, attended a workshop



Ms S. EL Zoughbi

INTERNATIONAL EXPERTS



Mr D. Abdou, *Chief of the Policy Assistance Branch at the FAO Regional Office for the Near East (Egypt)*



Mr J. Blas, *FAO Consultant (France)*



Mr C. Cafiero, *FAO Consultant (Italy)*



Mr F. De Filippis, *FAO Consultant (Italy)*



Mr J. M. Garcia Alvarez Coque, *FAO Consultant (Spain)*



Mr M. Massoni, *Embassy Counselor from the General Directorate for Cooperation, Ministry of Foreign Affairs, Italy*



Mr M. Moussaoui, *FAO Consultant (Morocco)*



Mr D. M. Nabti, *FAO Consultant (USA)*

Ms M. P. Rizzo, *Ministry of Foreign Affairs (Italy)*



Mr N. S. Parthasaraty, *FAO Consultant (India)*



Mr P. T. Perri, *FAO Consultant (Italy)*



Ms P. Scarpellini, *FAO Consultant (Italy)*



Ms M. G. Quietì, *Senior Agricultural Policy Support Officer, FAO, TCAS (Italy)*



Mr D. Romano, *FAO Consultant (Italy)*



Mr J. Vercueil, *FAO Consultant (France)*



Mr F. Viciani, *FAO Consultant (Italy)*



### *The Development of an Economic Model for the Study of Syrian Agricultural Production*

*This brief was prepared by Ahmad Sadiddin, NAPC researcher*

In the preparation for the supply and demand study that is being carried out by the Agro-food Division workforce under the supervision of Mr. Carlo Cafiero (international consultant from Italy), the division prepared a policy brief entitled "The Development of an Economic Model for the Study of Syrian Agricultural Production." This paper represents an attempt to describe the structure of the agricultural production sector in a way that allows making simulations and scenarios to predict the impacts of policy changes on the sector.



The paper takes into account the results of two studies undertaken at the NAPC: the Farming Systems Study (FSS) and the Comparative Advantages Study (CAS).

After a general introduction that explains the background and the justification of the supply and demand study, this paper explores the possibility of setting up a model using the Linear Programming method. This method assumes that agricultural producers are profit-maximizers, so the variable inputs' use should be described by their per-unit cost, subject to the technological constraints that express the unit requirements of fixed resources (land, water, and family labour).

The paper explains that solving the model requires classifying Syrian agricultural production units into farm



types that represent the methods of Syrian agricultural production. This requires the attainment of four main parameters: prices of outputs, per-unit costs of variable inputs, the technical coefficients of the unit requirements of fixed resources, and the availability of fixed resources.

The third chapter of the paper is devoted to check the data collected by the FSS workforce as well as the findings of the FSS and the CAS to select those useful for setting up and using the economic model for Syria, and to understand what data needs to be collected from other sources. The paper concludes with proposals for further actions concerning the limitation of data available and exploring the need to extend them from other sources and by conducting field surveys.

*The full brief is available at:*  
[www.napcsyr.org/division\\_afd.htm](http://www.napcsyr.org/division_afd.htm)

*Other Briefs*

*Other Briefs*

*Other Briefs*

*Other Brief*

#### *Other Recently Published Briefs:*

#### **1. Exporting in Syria: Business Environment, Trade Reform, and Promotion Activities.**

A concise report on factors that help in increasing and promoting Syrian exports.

[www.napcsyr.org/division\\_tpd.htm](http://www.napcsyr.org/division_tpd.htm)

#### **2. Non-Tariff Barriers in the Great Arab Free Trade Area.**

Non-tariff barriers to trade between Arab countries is presented with the steps for removing these barriers and the effects of these barriers on trade.

[www.napcsyr.org/division\\_tpd.htm](http://www.napcsyr.org/division_tpd.htm)

#### **3. WTO Negotiations: Will Developing Countries Benefit From A New Agreement?**

An exploration of the benefits that could be achieved by developing countries through the continuous trade negotiations in the context of the WTO.

[www.napcsyr.org/division\\_tpd.htm](http://www.napcsyr.org/division_tpd.htm)

#### **4. The "Euro-Mediterranean Association Agreement": Is it Worth it for Syria?**

A presentation of the expected effects of the Agreement on the Syrian economy.

[www.napcsyr.org/division\\_tpd.htm](http://www.napcsyr.org/division_tpd.htm)

#### **5. Trade Policy Reform in Syria: What has Changed?**

The main macroeconomic developments that affect the trade, as well as the latest developments in Syrian trade system (exports and imports) with more attention to agricultural trade.

[www.napcsyr.org/division\\_tpd.htm](http://www.napcsyr.org/division_tpd.htm)

#### **6. Hong Kong Ministerial Conference: "Saving the Parties' Faces"**

A summary of the main outcomes and results of the Ministerial Conference of the WTO in Hong Kong in late 2005, focusing on the results concerning the agricultural sector.

[www.napcsyr.org/division\\_tpd.htm](http://www.napcsyr.org/division_tpd.htm)

## Cotton Perspectives in Syria

This brief was prepared by Yaser Issa,  
NAPC researcher

### International Production and Trade

Cotton is an important commodity traded internationally as well as a major employment generator. Although more than 100 countries plant cotton, both production and trade are relatively concentrated in a few countries.

Major players in cotton production and trade include China, India, the USA, the EU and central Asian and African states. One-third of cotton production is traded internationally. The four dominant exporters — US, Uzbekistan, countries of western Africa, and Australia — account for more than two-thirds of the world's exports.

### International Cotton Policies

Cotton culture has been highly supported in some of the most developed economies, such as US and EU. In response, the "cotton initiative" was launched by four African states - Benin, Burkina Faso, Chad and Mali - as a proposal to the WTO that calls for an end to "unfair subsidies" granted by developed countries to their cotton producers. As an interim measure, it also proposes that the least developed countries should be granted financial compensation for lost export revenues due to those subsidies.

### Domestic Subsidies Distort Trade Patterns, and Impact International Prices for Cotton

Domestic subsidies in certain developed countries distort cotton production and trade. The USA and the EU, which together account for 25 percent of world output and 35 percent of global exports, support their cotton farmers, encouraging higher production and exports and depressing global prices. Producers in many developing countries, including many in Africa, face restricted export markets and lower returns.

### Syrian Cotton Production

Cotton is one of the historic crops of the Middle Eastern region, and is planted during the summer season. It is currently cultivated using several kinds of irrigation systems, both traditional and modern.

In Syria, irrigated lands are increasing annually, 70% of which are devoted to strategic crops. The spread of modern irrigated cotton caused more stable production and increasing yields in recent years. Between 2002 and 2004 Syrian cotton production increased from 802,178 tons per year to 1,029,232 tons per year.

### Syrian Cotton Trade

Cotton is Syria's most important agricultural export. In 1993-95 and 2000-02, the average export amounts were 148,444 and 214,402 tons, respectively, and were valued at US\$ 193 and 201

million. Exports significantly increased in quantity, but only slightly in terms of value (for the case of cotton, not carded or combed). In 2004, the export quantity was 162,149 tons, and was valued at US \$271.0 million. The main destination countries are Italy, Pakistan, Thailand, Turkey, Indonesia, and Belgium. It is noticed that the top 10 destinations accounted for 84% of Syrian export.

### Syrian Cotton Policies Development

In 2002, Decision No. 60 of the Supreme Agricultural Council (SAC) adopted the world price for cotton as the (lower) price to be paid by the Cotton Manufacturing Organization (CMO) for cotton cultivated out of the area indicated in the agricultural plan. This decision was accompanied by the reduction of the area planned for cotton cultivation and the promotion of the establishment of additional processing plants with the aim of reducing export of raw cotton in favor of processed cotton products so as to capture a larger value added share.

[www.napcsyr.org/division\\_tpd.htm](http://www.napcsyr.org/division_tpd.htm)



*Other Briefs*

*Other Briefs*

*Other Briefs*

### 7. The Need for Coordination among Concerned Stakeholders regarding Commodity Chains and Index Numbers

Due to the paramount importance of the institutional problem, a methodology was developed to incorporate the commodity chain and index number analysis and to promote coordination among the various stakeholders.

[www.napcsyr.org/division\\_afd.htm](http://www.napcsyr.org/division_afd.htm)

### 8. The Recent Evolution of the Syrian Agro-Food Industry

An outline of the recent evolution of the Syrian agro-food industry, its bottlenecks and future trends.

[www.napcsyr.org/division\\_afd.htm](http://www.napcsyr.org/division_afd.htm)

*In addition to these policy briefs, NAPC recently published other commodity briefs covering some of the most important Syrian products:*

### 1. Wheat Perspectives in Syria

A presentation of the general developments in international trade and production in the last few years. In addition, it covers the latest applied policies for wheat in developed countries. The core of this brief focuses on examining Syrian production, trade, and policies of wheat (soft and drum) and flour.

[www.napcsyr.org/division\\_tpd.htm](http://www.napcsyr.org/division_tpd.htm)

### 2. Tomato Perspectives in Syria

A summary of the economic significance of tomato cultivation, and an overview of production, consumption, processing, and imports and exports of tomato in Syria.

[www.napcsyr.org/division\\_tpd.htm](http://www.napcsyr.org/division_tpd.htm)

### 3. Sheep Trade in Syria

A presentation of the international and domestic sheep trade focusing on the Syrian sheep sub-sector.

[www.napcsyr.org/division\\_tpd.htm](http://www.napcsyr.org/division_tpd.htm)



## Training Abroad

### • In Jordan

In the context of bilateral cooperation between the ministries of agriculture in the Syrian Arab Republic and the Hashemite Kingdom of Jordan to exchange knowledge and experience and enhance the technical background of NAPC staff, two NAPC members – Ms Hajar Baghasa and Mr Bashir Al Hamwi – participated in a study tour conducted in Amman, Jordan from 20 to 24 December, 2005. The study visit mainly covered the applications of the Sanitary and Phytosanitary (SPS) Measures' Agreement and The Technical Barriers to Trade (TBT) Agreement. The visit was intended to provide an overview of Jordan's experience in joining the WTO, and the work mechanism of the unit that follows up the requirements of the WTO.



### • In Malaysia

Two of the NAPC staff, Ms Samira Soubh & Ms Nadia Melli, participated in

a study tour at different public and private economic bodies in Malaysia, conducted by the Mardi Tech Company of Malaysia during the period 21 November - 4 December 2005.

The mission aimed at being acquainted with the Malaysian experience in crop post-harvesting technologies and agro-industry investments, including the related women enterprises activities, and planning and monitoring environmental practices via several interviews with officials of various national and international institutions.



The visit contributed to the enhancement of the NAPC's understanding of the challenges that confront the development processes of the agricultural sector.

### • In Italy

Mr Haitham Al-Ashkar and Mr Samir Grad, NAPC staff, attended a training course about supply and demand analysis at the University of Naples in

Italy, from 4 to 26 November 2005.

The supply-oriented training was about mathematical programming applied to farm modeling using the GAMS program. Demand expertise was acquired by studying various demand analysis tools, in particular the linear expenditure system that was chosen to be implemented for Syrian data analysis.



### • In India

Mrs Waficca Hosni and Mr Usama Al-Saadi, NAPC staff, attended a training program entitled "Enhancing Managerial Effectiveness" at the Administrative Staff College of India (ASCI) in Hyderabad, from 20 to 24 February 2006. The program focused on building a healthy organisational culture, stress management, communication skills, employee counseling, interpersonal effectiveness, group dynamics and management of change.

## Training In-House

### Partial Equilibrium Modeling

Professor José Coque, Thematic Advisor of the Trade and Trade Policies Division, presented a Training Flash Course on "Partial Equilibrium Modeling with imperfect substitute products" at NAPC, on January 24 2006.

As a quantitative model of trade, the partial equilibrium model is useful to

analyze trade in Syria and single-markets with different concepts (crops, region,

country, etc.). Moreover, it can be used to analyze trade agreement effects on certain crops or production.



### Statistical Packages For Social Studies (SPSS)

An internal training Flash Course series on programming and usage of SPSS software in data analysis, for NAPC technical staff, was delivered by Mr Bashar Nahas, chief of the NAPC database team, during December 2005.



### "Non-Agricultural Activities in Rural Areas" and Agriculture

In cooperation with the FAO Project GCP/SYR/006/ITA, the NAPC held a 5-day internal course on "Non-Agricultural Activities in Rural Areas (NARA) and Their Impact on Agriculture" conducted by Mr Mohamed Moussaoui (FAO Consultant from Morocco) during the period 14-20 March 2006. The course covered the role of NARA in rural development and various related issues, as well as the policy instruments for enhancing NARA's

contribution to agricultural and rural development and poverty alleviation.

In addition to the participation of many NAPC members, mainly from the Rural Development Division (RDD), several staff from various departments of the Ministry of Agriculture and Agrarian Reform participated in the program, including staff from the Departments of Agricultural Economics, Statistics and Planning, and Marketing, as well as from the General Commission for Agricultural Scientific Research (GCASR).

### ***The 7th Steering Commission Meeting***

On 23 January 2006, the NAPC Steering Commission, chaired by H.E. Dr Adel Safer, Minister of Agriculture and Agrarian Reform, and composed of representatives of other ministries, held its seventh meeting at the Ministry of Agriculture and Agrarian Reform premises. The Commission discussed the NAPC Progress Report for the last period and endorsed the Work Plan for 2006.



*H.E. The Minister of Agriculture and Agrarian Reform*

### ***7th Scientific Committee Meeting***

The seventh Scientific Committee (SC) of the NAPC held its meeting during the period 13-15 December 2005 at the Center's premises.

The SC is composed of two international members, Mr F. Viciani and Mr F. De Filippis from Italy, and two national members, Mr M. Khazma and Mr M. Yassin.

The SC is responsible for overseeing the technical and research activities conducted by the NAPC team, and reviewing the NAPC work plan for 2006 as well as the progress report referring to the period April-October 2005. The SC also evaluated recent NAPC activities through technical meetings with the staff, where division coordinators presented the output of the last period and answered questions raised by committee members and NAPC staff members.



*Members of The NAPC Scientific Committee*

### ***FAO Project 3rd Steering Committee Meeting***

The Steering Committee of the FAO Project GCP/SYR/006/ITA – Phase III “Sustainable Capacity Consolidation of the National Agricultural Policy Center (NAPC)” held its third meeting on 9 March 2006, at the NAPC premises in Damascus.

The Steering Committee is composed of the Deputy Minister of Agriculture and Agrarian Reform, the Chief of the Regional Policy Assistance Branch of FAO, and the Embassy Counselor from the General Directorate for Cooperation, Ministry of Foreign Affairs, Italy.

The meeting discussed the recent progress in Project implementation, the activities carried out during the last period from September 2005 through March 2006, as well as the detailed plan of activities for the current year and next year. The work plan includes institutional support to NAPC, staff training, and assistance to policy analysis activities and to the production and dissemination of information relevant for the economic analysis of Syrian agriculture.



*Project Steering Committee Meeting*

### ***International Cooperation***

Enhancing linkages and cooperation with international research institutions is at the forefront of NAPC ambitions. Accordingly, it has recently signed a cooperation agreement with «Universidad Politécnica de Valencia (UPV)» in Spain.

The agreement constitutes a statement of intentions between the two institutions to promote relations of mutual benefit through academic cooperation and the advancement of development-oriented scientific research and education in the field of sustainable agriculture. The general fields of the collaboration include, among others: agricultural policies and agro-food systems analysis, rural development policies, and natural resource management policies.

The parties agreed to develop activities based on their respective academic, educational and technical needs and priorities, as well to review and renew this agreement by mutual consent every five years.

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