

The Global Financial Crisis: Its Economic and Agricultural Effects in the Arab Countries

Fatima Ahmed Shafeq., Rania Mohamed Barghash and Mahmoud Riad El Gebaly

Department of Agricultural Economics - National Research Center.

ABSTRACT

This study aims at acknowledging the total Arab States exports and imports in general and the major food commodity groups' exports and imports in particular during the period (2006-2008). Also it aims at identifying the most important effects of the global crisis on some economic indicators for those countries in an attempt to identify the potential to avoid the effects of such crises in the future. In order to achieve the decided target, the study was concerned with the major food commodities, which may have affected by the overall conditions.

The study showed the decline in the amount of Arab exports of grain, wheat, flour, and maize during the period (2006-2008). The decline during (2007-2008) reached to 20.9%, 44.9%, 4.7%) respectively in comparison to its degree in (2006-2007). Also, the value of inter-Arab agricultural trade decreased by 40.1% in (2007-2008).

The study also used some economic indicators which may reflect these countries' economies effect by the crisis. It is as follows: (Total Real Growth Rate of GDP, Inflation Rate, Total Agricultural Value of Exports and Imports and Total GDP). An increasing in the growth rate of real GDP of the Group of Petroleum Countries was shown. It increased in (2007-2008) for Saudi Arabia, UAE, Kuwait, and Qatar. The increasing percentage reached about 1.1% for Saudi Arabia and the UAE, and about 3.8%, 1.1% for Kuwait and Qatar, while it decreased by about 0.2% for Oman and Bahrain.

Also the rate of inflation increased after the crisis in Saudi Arabia, Kuwait, and Oman, compared to its rate before the crisis (5.8%, 5%, 6.7%), respectively. As for the second group, Total Real Growth Rate of GDP decreased in each of Egypt, Algeria, Iraq, Lebanon, and Tunisia and it reached its highest rate in Iraq, where it increased to 8.3% in (2007-2008). As for the third group, the rate has declined in Sudan and Libya to 3.4%, 0.1% for the same years, respectively.

The study concluded to the necessity of increasing the quantity of inter-Arab trade as a way to protect the economies of Arab countries and make them safe from exposure to economic crises and political pressure and to protect them from foreign domination. The separation of the economic/political decisions is considered a political obstacle that prevents the establishment of real economic development.

INTRODUCTION

The global financial crisis began nearly at the end of June 2007. It is considered as one of the worst crises in the great global economy during (1929-1932). It comes after the global food crisis. The roots of this crisis has started since the 1980s. It increased till it reached its peak in mid-September 2008. The events of the 11th of September 2001 had its impact on doubling the effects of the crisis. The process of buying real estate from banks by debt began in exchange for the mortgage of the building. This happened with very low benefits, i.e. approximately without any guarantees, (except the mortgage guarantee).

Additionally, the use of loans for other purposes than what they are originally intended to affected the economy badly. Banks became unable to retrieve the value of loans due to the inability of most borrowers to pay their loans. As a result, higher rates and additional burdens are imposed on them. Most of them stopped payment completely. The disorder in the borrowing institutions had its impact on the investor's lack of confidence on the value of the residential real estate which had secured by money. Thus, the financial problem, that affected the American financial system, aggravated.

The crisis spread to include the cash because banks and monetary institutions separate the assumption of their assets from each other. The companies, which deal directly in the residential construction market, are firstly affected, because they are involved on the circulation of the residential real estate which are secured with bond paper. The American Central Federal Bank announced that in the 14th, September, 2008, the crisis entered in a serious stage. Its first

*Corresponding Author: Fatima Ahmed Shafiq, National Research Centre Agricultural Economics, Department, El-Bhouth St. Dokki, Giza, Cairo, Egypt. E-mail Fatmashafiq60@hotmail.com Mob: +20104740886

characteristic was the bankruptcy of some of the of American and European banks, most importantly, the Lehman Brothers institution. It owns the assets of some \$ 639 billion dollars (1).

Thus, the global crisis destroyed the world's largest developed countries, America was on the top. Its economy was the locomotive of the global economy growth and the largest in the whole world with a total national history; about 14 trillion \$. Its trade consisted more than 10% of the total of the world trade. Therefore, the developing countries along with the Arab States could not avoid being seriously influenced by the crisis. It is more cohesion to the global economy and mostly depends on the West in its foreign trade. Also, it depends on other high-yielding financial benefits which go mostly either to the non-productive consumption or to the investment in the markets of the developed countries, instead of directing it to the development in their homelands.

This is in addition to the shortage of importance of the Arab countries trade, which do not exceed 9% out of the total Arab trade in 2008. The agricultural section contributes only by 13% in the Arab States GDP.

The problem of this study is embodied in the decrease of the Arab States' production systems and their lack of flexibility. In addition to this is its inability to employ its available materials and its incompetence in dealing with the international variables along with the low relative importance of its agricultural and intraregional trade. The dependence on the West in its foreign trade makes the economy of those countries weak and easily affected by global crises.

On the light of what is mentioned above, this study aims to identify the total exports and imports of the Arab States in general and the exports and imports of the major food commodities groups in particular during the period (2006-2008) as well as to recognize the effects of this crisis in some economic indicators for those countries in an attempt to identify the possibility of voiding the effects of such crises in the future.

RESOURCES AND METHOD OF RESEARCH

The research collects data from the international information network, the International Monetary Fund, the Arab Organization for Agricultural Development, and the Central Agency for Public Mobilization and Statistics. Some statistical methods are used in this analysis. Percentages are used in the interpretation and description of the economic variables under study. A comparison has done to all the economic indicators under study and that the proportion of pre- and post-crisis period (2006-2008).

The Current Status of Arab Trade:

The Arab countries do not much differ from the developing countries in terms of the failure of its productive systems along with the deterioration of its living conditions and the modest size of its trade structure and domestic investment. This increased the economic burdens and limited opportunities on these individual countries in its economic dealings with the West. This happened in the light of the global trend towards the promotion of trade freedom between countries. Most countries of the world are directed to mingle in economic blocs which follow the competitive economic power in the global market. This confirms the dependence of those countries on the external power and it is easily affection by the global crises. Table No. (1) refers to the occurring changes in the total agricultural, food and structural Arab trade in the period between (2006-2007), (2007-2008)

Therefore, it is clear that the size of the Arab agricultural exports did not exceed 15.6 billion \$ during the period (2006-2008). This represented 1.9% of the volume of the Arab total exports, while the agricultural imports became about 10.6% of the Arab total imports during the same period. This indicates the small size of the Arab agricultural trade in general. As for the ratio of the change in the value of intra-Arab trade for the following year of the crisis, a significant decrease in the value of exports and imports has been shown from the table during (2007-2008). This decrease was about (16.5%, 56.7%), respectively, while the increase between (2006.2007) reached to 36.9%, 37.3%, respectively.

In contrast to the expected for the Arab Foreign Trade, the value of both Arab exports and imports has increased at all levels (total, agricultural, food) in the following year of the crisis. This may be due to the above-mentioned retardation in production, marketing and exporting systems to those countries along with random decision-making. This was reflected in the decline of Arab trade structure after the crisis by (40%) rather its increase. Secondly, rising in the global prices after the crisis had a strong impact on the supply quantities. Also the global stocks decreased, especially that of the food commodities, which reached its lowest level in 2008 (1).

Accordingly, the rise of the value of Arab exports and imports may be due to the rise in the world prices and not to the exported or imported quantities. The Arab Foreign Trade of major food commodity groups also affected by the overall of these conditions. Table (2) indicated the decrease on the amount of the Arab grain exports such as wheat, flour, and maize during the period (2006-2008). The rate of decline during (2007-2008) reached to 20.9%, 44.9%, 4.7%, respectively, while the rate of increase for rice and sugar, were not more than 0.4% (1.9%). The increase during (2006-2007) reached to (25.7%, 22.5%). As for the Arab imports, it was clear from the same table that the increase percentage in the imports quantity of grain, wheat, flour and rice during (2007-2008) became less than what it was before the crisis (2006-2007). Quantities of imported sugar also decreased in 2008 than its rate in 2007 by about 2.1%.

From the above mentioned, it is clear that there are many negative effects that resulted from the global financial crisis and other previous crises such as the food crisis that was clearly evident in the decline of inter-Arab agricultural

trade with 4.1% between (2007-2008). The Arab export's amount of the most important strategic commodity also declined. This sharp decline in the amount of agricultural trade in 2008 in relation to its rate in 2007, which represents about one-tenth of the amount of Arab agricultural trade with world countries, shows the extent of the weakness of the economies of Arab countries in general, even without facing any crises. There were some Arab countries exported agricultural commodities, while other countries imported similar commodities from non-Arab countries.

Unexpectedly, the crisis increased the trade exchange between Arab countries to protect themselves from the interference of governing powers in their private trade especially their strategic goods. This happened in order to avoid a sharp decline or being under the mercy of the Exporting Countries, awaiting the quantities and prices decisions from them.

Table (1): The Total Agricultural and Food Arab Trade during the Period (2006-2008).

Value: Billion \$.

	2006	2007	2008	Change Percentage (2006-2007)	Change Percentage (2007-2008)
Total exports	675.6	777.9	912.1	15.14	17.4
Agricultural exports	13.4	15.13	18.37	15.13	21.9
Food exports	9.5	11.5	14.1	21.1	22.6
Intraregional exports	3523.23	4823.12	4028.6	36.89	(16.47)
Total exports	382.5	495.3	576.1	29.5	16.3
Agricultural exports	39.8	52.5	62.3	31.9	18.7
Food exports	32.9	42.9	55.2	30.4	28.7
Intraregional exports	4.978.981	6.833.817	2960.17	37.3	(56.68)
Structure of agricultural trade	8520.58	11656.94	6988.77	36.81	(40.05)

Reference: The Arab Organization for Agricultural Development, the Annual Book for Arab Agricultural Statistics, Vol 29, 2009

Table (2): Foreign Trade for Major Food Commodities Groups during the Period (2006-2008). Quantity / A million tons.

Value: Million \$.

Negative groups	Exports					Imports				
	2006	2007	2008	Percentage change 2006 -2007	Percentage change 2007 -2008	2006	2007	2008	Percentage change 2006 -2007	Percentage change 2007 -2008
Grain	3366.2	3315.8	2624.4	(1.5)	(20.9)	52335.3	57176.6	58770.4	9.3	2.8
Wheat and Flour	1958.5	1569.4	864.6	(19.9)	(44.9)	23811.4	27508.1	29365.9	15.5	6.8
Maize	31.6	40.1	38.2	4	(4.7)	12329.3	14612.5	14077	18.5	(3.7)
Rice	1040.1	1307.9	1313.2	25.7	0.4	3576.01	3945.1	3988.4	10.3	1.1
Sugar	1144.3	1401.6	1427.9	22.5	1.9	7941.6	8678.3	8492.8	9.3	(2.1)
Vegetable Oils	881.4	823.5	851.1	(6.60)	3.4	4805.7	3498.1	3921.8	(27.2)	12.1
Exports value	9085.8	9685	10275	6.6	6.1	27279.7	34594	40137	26.8	15.9
Total value of exports + imports	36365.5	44279	50412	21.8	13.9					

Reference: The Arab Organization for Agricultural Development, The Annual Book of Arab Agricultural Statistics, Vol (29), 2009.

Note: The numbers between brackets are minus.

Some Economic Indicators for the Arab States and How Much it was Affected by the Crisis:

The Arab countries are part of the global economy that was severely influenced by the financial crisis. The global economy growth rate declined from 5.2% in 2007 to 3.4% in 2008. The vulnerability of each country depends on many factors; including the degree of dependence of each country in its foreign trade abroad especially those who depend on the American and European market. The same thing happened to the oil-producing countries. They consider oil as their primary source of income. Their high financial return rates go mostly to the markets of developed countries. Finally the Arab countries that have political relations with the West also were affected by the crisis because the United States declared the relationship cut with Libya and Sudan.

To find out if there is any disparity between those Arab countries in terms of the vulnerability to the crisis, this study divided the Arab countries into three groups. The first group includes the oil states that yield high financial and related financial and economic high openness including Saudi Arabia, UAE, Kuwait, Qatar, Oman and Bahrain. The second group includes countries with mid, above or low average of openness including Egypt, Algeria, Iraq, Jordan, Lebanon, Morocco, Palestine, Somalia, Syria, Tunisia, Yemen, Mauritania, and Djibouti. The third group includes those who have political relations with the West, such as Sudan and Libya.

The study also used some economic indicators which may reflect the consequences of the crisis on these countries' economies. This happened through a comparison between pre-and post-crisis rates. It is as follows: (Total Real Growth Rate of GDP, Inflation Rate, Total Agricultural Value of Exports and Imports and Total GDP)

It is clear from Table (3) that Total Real Growth Rate of GDP for the first group under study had increased between (2007-2008) for each of Saudi Arabia, UAE, Kuwait and Qatar, where the increasing percentage reached to 1.1% for each of Saudi Arabia and the UAE, by 3.8% to 1.1 % for Kuwait and Qatar, while it decreased by 0.2% for Oman and

Bahrain in comparison to its rate between (2006-2007). As for the second group, the Total Real Growth Rate of GDP has decreased in each of Egypt, Algeria, Iraq, Lebanon, and Tunisia, while it reached its peak in Iraq, where it increased to 8.3 between (2007-2008), following by Morocco, Jordan, Syria, Yemen, Mauritania, and Djibouti. As for the third group, it fell in Sudan and Libya to 3.4%, 0.01 for the same year, respectively. As for the first group, the inflation rate, (the proportion of real change in the Consumer Price), has increased in Saudi Arabia, Kuwait, and Oman, including the period after the crisis. The increasing rate reached to (5.8%, 5%, and 6.7%) in (2007-2008), each of them respectively. Table (3): Some Economic Indicators of the Arab Countries during the Period (2006-2007). Value (Million U.S. \$).

Algeria	Real Growth rate of GDP					The Proportion of Real Change in Consumer Prices (Inflation Rate)				
	2006	2007	2008	(2006 – 2007)	(2007 – 2008)	2006	2007	2008	(2006 – 2007)	(2007 – 2008)
Saudi Arabia	3	3.5	4.6	0.5	1.1	2.3	4.1	9.9	1.8	5.8
UAE	6	6.3	7.4	0.3	1.1	9.3	11.1	11.5	1.8	0.4
Kuwait	5.1	2.5	6.3	(2.6)	3.8	3.1	5.5	10.5	2.4	5
Qatar	15	15.3	16.4	0.3	1.1	11.8	13.8	15	2	1.2
Oman	6.8	6.4	6.2	(0.4)	(0.2)	3.4	5.9	12.6	2.5	6.7
Bahrain	6.7	8.1	6.1	1.4	(0.2)	2	3.3	3.5	1.3	0.2
Egypt	6.8	7.1	7.2	0.3	0.1	4.2	11	11.7	6.8	0.7
Algeria	2	3	3	1	0	2.5	3.6	4.5	1.1	0.9
Iraq	6.2	1.5	9.8	(4.7)	8.3	53.2	30.8	3.5	(22.4)	(27.3)
Jordan	8	6.6	6	(1.4)	(0.6)	6.3	5.4	14.9	(0.9)	9.5
Lebanon	0.6	7.5	8.5	6.9	1	5.6	4.1	10.8	(1.5)	6.7
Morocco	7.8	2.7	5.4	(5.1)	2.7	3.3	2	3.9	(1.3)	1.9
Palestine	(0.8)	-	-	-	-	-	-	-	-	-
Somalia	2.6	2.7	2.7	0.1	-	-	-	-	-	-
Syria	5.1	4.2	5.2	(0.9)	1	10.4	4.7	14.5	(5.7)	9.8
Tunisia	5.5	6.3	4.5	0.8	(1.8)	4.5	3.1	5	(1.4)	1.9
Yemen	3.2	3.3	3.9	0.1	0.6	10.8	7.9	19	(2.9)	11.1
Mauritania	1.4	1	2.2	(0.4)	1.2	6.2	7.3	7.3	1.1	0
Djibouti	4.8	5.1	5.8	0.3	0.7	3.5	5	12	1.5	7
Sudan	11.3	10.2	6.8	(1.1)	(3.4)	7.2	8	14.3	0.8	6.3
Libya	6.7	6.8	6.7	0.1	(0.1)	1.4	6.2	10.4	4.8	4.2

Reference: The Arab Organization for Agricultural Development of the Annual Book of Agricultural Statistics (different editions).

Note: The numbers between brackets are minus.

Table No. (3) Some Economic Indicators of the Arab Countries during the Period (2006-2007). Value: (Million U.S. \$).

Countries	Total Agricultural Product.				
	2006	2007	2008	(2006-2007)	(2007-2008)
Saudi Arabia	10499	10708	10947	1.9	2.2
UAE	3333	2612	3504	(21.6)	34.2
Kuwait	240	244	268	1.7	9.8
Qatar	64	69	74	7.8	7.3
Oman	509	524	610	2.9	16.4
Bahrain	53	67	72	26.4	7.5
Egypt	14213	17496	20520	23.1	17.3
Algeria	8812	10105	11197	14.7	10.8
Iraq	3713	4335	4477	16.8	3.3
Jordan	389.4	433	542	11.2	25.2
Lebanon	1778	1955	2313	9.9	18.3
Morocco	9150	9147	11202	(0.03)	22.5
Palestine	267.9	294.4	234.6	9.9	(20.3)
Somalia	64	69	74	7.8	7.2
Syria	820	820	820	0	0
Tunisia	6862	8400	10741	22.4	27.9
Yemen	3411	3688	3963	8.1	7.5
Mauritania	1936	2484	2972	28.3	19.6
Djibouti	417	354	402	(15.1)	13.6
Sudan	13567	16364	17922	20.2	9.5
Libya	1254	1512	1630	20.6	7.8

Table No. (3) Some Economic Indicators of the Arab Countries during the Period (2006-2007).
Value: (Million U.S. \$).

Countries	Real Growth rate of GDP					The Proportion of Real Change in Consumer Prices (Inflation Rate)				
	2006	2007	2008	(2006 – 2007)	(2007 – 2008)	2006	2007	2008	(2006 – 2007)	(2007 – 2008)
Saudi Arabia	210458.7	233465.6	313819.5	10.9	34.4	1642.9	2313.6	2700.9	40.8	16.7
UAE	145587.5	180898.6	180898.6	24.3	0	1093.8	1359.1	1359.1	24.3	0
Kuwait	58633	63666.1	63666.1	8.6	0	160	173.7	173.7	8.6	0
Qatar	36611.6	41471.5	41471.5	23.4	0	9.5	9.5	9.5	0	0
Oman	21495.7	24589.2	37562.5	14.4	52.8	380.7	540	2968.9	41.8	449.8
Bahrain	11617.5	14017.5	14017.5	20.7	0	180.7	393.9	393.9	117.9	0
Egypt	14274.4	16426.1	25358.7	15.1	54.4	1036.4	1432.4	2543.9	38.2	77.6
Algeria	50578.7	60184.2	76825.8	18.9	27.7	164.5	180.9	302.5	9.9	67.2
Iraq	30528	36400	36400	19.23	0	8.26	9.85	9.85	19.25	0
Jordan	4136.2	4493.5	7953.8	8.64	77	965.21	691.49	606.34	(28.36)	(12.3)
Lebanon	2282.5	2816.3	2816.3	23.39	0	268.1	353	353	31.67	0
Morocco	12040.9	13140.6	13140.6	9.13	0	1415	1418.34	1418.34	0.23	0
Palestine	369.8	500	513	35.21	2.6	42.56	71.5	71.5	67.99	0
Somalia	294.2	375.5	375.5	27.63	0	17.58	22.44	22.44	27.65	0
Syria	9873.2	11580.7	15221.5	17.29	31.43	1530.86	1863.28	1722.25	21.71	(7.56)
Tunisia	12060.1	15757.2	18044.9	30.65	14.52	2021.26	2305.05	2899.85	14.04	25.8
Yemen	6418.5	6312.8	7191.7	(1.64)	13.92	265.91	205.03	376.25	(22.89)	83.51
Mauritania	623.1	626.1	349.9	0.48	(44.12)	360	360	64.1	0	(82.19)
Djibouti	55	75	75	36.4	0	30.71	41.78	41.78	36	0
Sudan	6257.9	8879.3	11901.9	41.9	34	487.8	179.5	321.8	(63.2)	79.3
Libya	46510.3	44500	44500	(4.3)	0	7.2	7.2	7.2	0	0

Table No. (3) Some Economic Indicators of the Arab Countries during the Period (2006-2007).
Value: (Million U.S. \$).

Countries	Real Growth rate of GDP					The Proportion of Real Change in Consumer Prices (Inflation Rate)				
	2006	2007	2008	(2006 – 2007)	(2007 – 2008)	2006	2007	2008	(2006 – 2007)	(2007 – 2008)
Saudi Arabia	69707.1	90156.8	115278.1	29.3	27.3	7587.9	7355.9	17721.9	(3.1)	140.9
UAE	86118.4	121100	121100	40.6	0	4153.2	4844	4544	16.6	(6.2)
Kuwait	15951.7	23587.7	23587.7	47.9	0	1733.7	2119.9	1919.9	22.3	(9.4)
Qatar	16432.3	21994.6	21994.6	33.9	0	410	410	410	0	0
Oman	10852.4	15917.4	23041.4	46.7	44.8	730.4	2060.9	2968.9	182.2	44.1
Bahrain	8963.5	11797.6	11797.6	31.6	0	563.6	586.2	586.2	4.1	0
Egypt	21445.4	27465.5	51021.1	28.1	85.8	4072.7	5443.4	7932.1	33.7	45.7
Algeria	21277.3	27445.9	39093.4	28.9	42.4	4676.9	6077.2	9242.2	29.9	52.1
Iraq	27345	29020	29020	6.1	0	1881.8	1997.1	1997.1	6.1	0
Jordan	11561	13727.4	17029.9	18.7	24.1	1660.4	2167.4	1627.7	30.5	(24.9)
Lebanon	9339.9	11815.3	11815.3	26.5	0	1793.4	2268.8	2268.8	26.5	0
Morocco	20372.4	24994.1	24994.1	22.7	0	1967.2	2646.7	2646.7	34.5	0
Palestine	2666.8	3141	3141	17.8	0	252.8	342.7	342.7	35.6	0
Somalia	420.9	944	944	124.2	0	235	527.1	527.1	124.2	0
Syria	10626.4	13691.3	18052	28.8	31.9	1055.3	1539.6	2401.6	45.9	56
Tunisia	14331.7	20019.1	23086.7	39.7	15.3	1437.4	2461.6	2446.1	71.3	0.6
Yemen	5268	8340.3	10439.4	58.3	25.2	1000	1922.8	2402.9	92.3	24.9
Mauritania	403.8	369.8	369.8	(8.4)	0	175.7	94.3	94.3	86.2	0
Djibouti	352.7	410	410	16.2	0	123.04	143.03	143.03	16.25	0
Sudan	8073.5	8775.5	9376.4	8.7	6.8	1216.8	355.5	963.4	(70.8)	170.9
Libya	10156.4	20460	20460	101.4	0	1684.5	3393.3	2093.3	101.4	(38.3)

As for the second group, the rate of inflation has increased for the majority of the group countries except Egypt, Algeria, Iraq, and Mauritania in (2007-2008) by 5.5% for its rate in (2006-2007). As for the third group, the rate of inflation has increased for Sudan to 6.3% in (2007-2008), with an increase of about 5.5% higher than that of (2006-2007). While the percentage of increase in Libya, reached to 4.2% in (2007-2008), down for its previous rate by 0.6% in (2006-2007). As for the petroleum countries, the total agricultural output increased in (2007-200) in comparison to its rate in (2006-2007) and this is clear from the same table except Bahrain while the highest increase was in the UAE by 55.8%. As for the second group, the total agricultural output increased in Jordan, Lebanon, Morocco, Tunisia, and Djibouti, and dropped in Egypt, Algeria, Iraq, Palestine, Somalia, Yemen, and Mauritania, while has remained constant in Syria. As for the third group, it is clear from the same table that there is a decline in the Sudan and Libya in (2007-2008) by 10.7%, 12.8%, respectively, from its rate in (2006-2007).

As for the value of total agricultural exports of the first group countries, it has decreased for all the oil states in (2007-2008) in regard to the period (2006-2007), except for Saudi Arabia and Oman. This is shown in Table (3). The second group has varied between each other between increase and decrease during the two years of comparison. The total exports value in (2007-2008) decreased in Iraq, Lebanon, Morocco, Palestine, Somalia, Tunisia, Mauritania, and Djibouti comparing to the rate during (2006 -

2007), while increased for the rest of the group. The value of agricultural exports has declined in (2007-2008) than in his (2006-2007) in Iraq, Lebanon, Morocco, Palestine, Somalia, Syria, Mauritania, Djibouti and increased for the rest of the group. The value of total exports has decreased in the third group for Sudan have increased in Libya. The value of agricultural exports increased in Sudan, while it remained the same in Libya in (2007-2008) for its rate in (2006-2007). It is clear from the same table that the value of total imports to the first group was characterized by stability between 2007.2008 in the UAE, Kuwait, Qatar, Oman, and Bahrain, although it declined in regard to its rate in (2006-2007) by about (40.6%, 47.9%, 33.9 %, 31.6%) respectively. It has increased in Saudi Arabia and decreased in Oman during (2007-2008) than those in (2006-2007). The value of agricultural imports has declined in the UAE, Kuwait, Oman and Bahrain in the period (2007-2008) in comparison to its rate in (2006-2007.) While it increased in Saudi Arabia, it did not change in Qatar. As for the countries of the second group, there has been a disparity between them after the crisis than before it . The value of total imports has increased in Egypt, Algeria, Jordan, and Syria, while it decreased for each of Tunisia and Yemen. It remained without change in (2007 - 2008) to the rest of the group. As for the value of agricultural imports, it did not much change as its value increased in (2007-2008) in Egypt, Algeria, and Syria, comparing to its rate in (2006.2007). It declined in Jordan, Tunisia, and Yemen. While no change occurred to the rest of the group during (2007-2008) although it decreased regarding its rate during (2006-2007). The countries of the third group, which includes Sudan, Egypt, the percentage increase in the value of total imports between Ami (2007-2008) about 6.8% and depreciated by 0.9% compared with those in (2006-2007). The value of agricultural imports increased during (2007-2008) to about 170.9%. The value of total imports in Libya was characterized by stability in (2007-2008) although it decreased by 101.4% in comparison to its rate during (2006-2007). The value of agricultural imports also decreased by 38.3% during (2007-2008) in comparison to its rate during (2006-2007) and reached to 101.4%.

Table (4): Most Important Arab Countries /Most and Least Affected During The Study Period.

Indicator.	More Affected Countries	Less Affected Countries
Real Growth rate of GDP	Iraq	Tunisia
Inflation Rate	Yemen	Iraq
Total Agriculture Product	UAE	Palestine
Total Exports Value	Egypt	Mauritania
Agricultural Exports Value	Oman	Mauritania
Total Imports Value	Egypt	Sudan
Agricultural Imports Value	Sudan	Libya

Reference: Table 3.

Table (4) showed the highest affected countries by the crisis concerning the study's economic indicators: (GDP growth rate, inflation rate, GDP of agriculture, the value of total exports, the value of exports sailing, the value of total imports, and the value of agricultural imports, in (2007-2008) in comparison to (2006-2007). They are Iraq, Yemen, UAE, Egypt, Oman, and Sudan, respectively, while the less-affected countries are Tunisia, Iraq, Palestine, Mauritania, Sudan, and Libya, respectively.

The study showed the large variation in economic indicators under study and its misfit with each other economic systems. The petroleum countries of the same group were divided among themselves in terms of the degree of vulnerability to the crisis. Some classified the politically closed countries, Sudan and Libya, as the biggest globally losers by the crisis. (7)

This indicates the hard random economic policies of Arab countries in general. This is clearly evident in the low volume of trade amount to those countries in a time of crisis while they are considered an important way to protect the economies of those countries. This is immune to economic crises and political pressure, such as the protection of the hegemony of Western foreign trade. This will never occur without the presence of Arab integration which does not depend entirely on the West economies. They thought that the West power was not invincible and that its adoption would make them safe in any crisis. This what most of previous studies called for. Also, it must abandon its policy of import substitution, which justified by that it aims to build an industrial base, which created an imbalance in the production base. The separation of economic decisions form political ones of those countries was most importantly. This was considered a political obstacle that prevented the real economic development and hindered the common Arab market, enabling the Arab countries to face the economic blocs of the developed countries and reduce the negative effects of global crises, which spread recently.

Table (5): Arab Export Prices to Food Commodities Groups during the Period: (2006-2008).

Unit: Ton /\$.

Commodity Group.	2006	2007	2008	Percentage change between (2006 - 2007)	Percentage change between (2007 - 2008)
Grain Group	208.9	264.2	306.3	26.5	15.9
Wheat and Flour	149.6	220.9	323.4	47.7	46.4
Maize	20253.2	3019.9	25654.5	(85.1)	749.5
Rice	329.1	346.8	348.8	5.4	0.59
Sugar	349.2	453.1	454.4	29.8	0.29
Vegetable Oils	177.2	184.6	184.5	4.2	(0.1)

Reference: Ibid.

Table No. (6): Arab Imports Prices for Food Commodities Groups During The Period (2006-2008).
Unit: Ton/ \$.

Commodities Groups	2006	2007	2008	Percentage change between (2006 - 2007)	Percentage change between (2007 - 2008)
Grain Group	194.4	269.01	325.01	38.4	20.8
Wheat and Flour	193.1	281.4	359.02	45.7	27.6
Maize	152.6	214.7	245.3	40.7	14.3
Rice	497.9	544	657.3	9.3	20.8
Sugar	405.4	386.6	396.9	4.6	2.7
Vegetable Oils	685.6	965.6	1062.9	40.9	10.1

Reference: Ibid.

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