

The Agro-Food Sector in the Mediterranean: A Bridge Between the Two Shores

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Economic Importance of the Agro-food Sector

In recent months the media has rediscovered the agro-food sector as an economic sector of the first order, occupying a strategic place in its two aspects of food and energy. With the rise in biofuels and the European will to adopt the Kyoto accords, the price of oil and cereals have resulted tightly linked.

Those of us who have always supported a competitive and dynamic agricultural sector necessarily oriented to the market, which occupies positions of world leadership, see that the figures back us up. Agricultural revenue increased in the European Union (EU) in 2007 by 4.7%, with a rise in vegetable production of 8.6%. Moreover, the agro-food industry in the EU-27, with a turnover of 870,000 million euros in 2006, occupies the first position in the industrial sector (14%), ahead of the car or chemical industry. And this data means 4.3 million employees, leading the number of jobs in the community industrial sector.

In Spain the figures are similar: the value of agricultural production in 2007 exceeded 40,000 million euros with an increase of 7% turnover to which 5,600 million euros must be added as direct community subsidies for income and markets. This means an increase in Spanish agricultural income in 2007 of around 9.7%. Moreover, the Spanish industry in food and drink products, a key factor in the stimulation of the agricultural sector, is also the first industrial branch of the whole sector, representing in 2006 16.22% of net product sales and 14.57% of industrial employment.

Furthermore, on the southern shore of the Mediterranean, agriculture represents 11 to 16% of GDP and

between 25 and 40% of employment, with low productivity owing to its limited technical development and capitalization. The high dependence on cereal imports for the provision of basic food products owing to an elevated increase in population is especially notable.

These figures help me reflect on Spain's situation when it joined the EU, and it seems to me that the parallel with the countries of the Maghreb today is inevitable. In the twenty years of opening up of Spanish agriculture, it has been an example of the capacity to adapt and has undertaken a process of real modernization to integrate into a competitive market economy. Because although it is undeniable that the opening up of markets has meant greater pressure on prices, products and calendars, better access to supplies and new opportunities, especially in the community market, have been a clear advantage.

International Framework: The Doha Round

At this time, at the height of the negotiations in the World Trade Organization (WTO), I can only be in favour of reaching a balanced multilateral agreement for one simple reason: I consider the cost of no agreement to be much higher.

For the markets to function well, legal security and some clear rules of the game are the most important tools we can have for the evolution of and adaptation to the different international contexts.

According to the prospects for agriculture 2007-2013 prepared by the Organization for Economic Cooperation and Development (OECD) and the Food and Agriculture Organization of the United Nations (FAO), world trade is expected to increase for all basic agricultural products, with a generalized growth in imports in all countries, notably the predominance of the emerging countries, such as China. This international framework gives even more importance to the conclusion of the Doha negotiations.

EU-Maghreb Relations: Reciprocally Advancing

More than twelve years have passed since the first Euro-Mediterranean conference. With the birth of the Barcelona Process we enthusiastically witnessed a new way of understanding regional relations and it proposed a decisive change in a broad multilateral framework of political, economic and social relations between fifteen countries which were then members of the EU and twelve of the southern Mediterranean. Despite the time that has passed, it is clear that the objectives of that moment to create a common space of peace, stability and development of human aspects and understanding between cultures have today acquired a greater and even more important dimension. And this has happened although only a few regional integration projects have probably mobilized so many institutions, civil servants, observatories or forums and that, at the same time, in these years many changes have taken place at EU level and in the international political context. Within the EU, we can note the enlargement to new member states that have changed the new Euro-Mediterranean Partnership, with its 37 current members, or the implementation of the European Neighbourhood Policy, which with a more bilateral character has become another instrument of support for advancing EU-Maghreb relations.

Despite the advances made in these years, in particular the trade agreements in the agro-food sector which, for example, for Morocco means an important degree of liberalization, or the economic resources both from the EU or from the member states in their development cooperation aid, (for example the 5,300 million euros invested in the MEDA programme in the period 2000-2006 or the loans by the European Investment Bank-EIB), there still remains much to do. It is necessary to emphasize the mutual advantages of agro-food cooperation between the countries of the Mediterranean Basin. It is fundamental not to lose sight of the importance of achieving a lasting and balanced socioeconomic development. To this end we have a fundamental instrument, which is the market itself, as the Barcelona Declaration already recognizes. The gradual establishment of a free trade area is, in my view, the best ally for advancing towards an area of shared prosperity.

Perhaps it seems contradictory that a member state which is clearly an exporter of Mediterranean products, and whose principal market is the EU itself, supports

the free circulation of goods with the Maghreb. But this association has mutual benefits for all participants. For the Mediterranean countries of the EU it means geostrategic stability, a possible supplier of raw materials, the development of the industrial fabric and the possibility of exporting technology and investments in the regions of the South. For the other countries of the southern Mediterranean Basin, it means a potential consumer market of products, the development of their agricultural structures and agro-industrial fabric, and access to infrastructures and knowledge.

But I must emphasize an aspect which is fundamental for our production: reciprocity. It is fundamental for free competition to be accompanied by guarantees of animal and vegetable health, as well as quality in its widest sense. Rules of the game which satisfy the demands of the European citizen must be defined equally for all.

The EU market is undoubtedly an objective to be reached, but along with its benefits, it has its demands; to enter, we must observe both its food safety and its social and environmental rules.

Uniqueness of Our Agro-food Sector: Heritage of Humanity

The characteristics themselves of the agricultural sector and the agro-food industry make them different from other economic activities. The relationship with the physical environment, in this case especially sensitive and complicated in its environmental, social and economic aspect, makes the agro-food sector a unique and especially attractive instrument for a balanced economic development. In this framework, the business partnership initiatives are a good example of cooperation.

It is important to exchange experiences in the rural Mediterranean space and share strategies to achieve the settlement of the population and direct investments, such as those made in irrigation systems, seeking the most efficient use of water and energy. Only through adequate rural development can the rural exodus and emigration be stopped.

A rural development that has its best ally in its roots and its essence. The Mediterranean world is synonymous of a culture, a landscape, a form of being and understanding. Therefore we have a valuable tool in our healthy and authentic Mediterranean diet, a true Heritage of Humanity.