

ABSTRACT

The Impact of Jordan's Affiliation to World Trade Organization on Foreign Traded Jordanian Manufactured Food Agricultural Products

By

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The present study aimed at investigation potential impacts of Jordan's affiliation to World Trade Organization (WTO) on foreign trade, particularly on manufactured agricultural food products, thereby indicators could be drawn out that might be so helpful for foreign trade policy makers pertaining manufactured agricultural food product policies in that they would be so empowered for identifying weaknesses that need treatment or strengths that need to be reinforced due to their contributions to promotion of foreign traded locally manufactured agricultural food products.

The study drawn on secondary data presented as time series (1985-2001) for variables under consideration, which were provided by governmental local and international official agencies.

Two methodologies were followed in this study. Descriptive methods were used as represented by literature review of relevant books and references. Additionally, statistics having to do with foreign traded manufactured agricultural food products released by Jordan Department of Statistics. Descriptive methods were also employed in statistical analysis by using the SPSS software package to calculate the double logarithm function by which effect of contributing factors on import-export growth could be measured.

NSCC software package was used for gaining best R^2 predictive formula by which identification of future trends of imported/exported manufactured agricultural food products quantities could be possible, and

further to make a quantitative analysis to find out potential impacts on food industries as a result of membership on the World Trade Organization (WTO), and being abide to consensus agreements arrived to at the Uruguay round under five disparate scenarios of degree to which agreement terms are applied by member states.

The researcher has concluded a number of findings most important of which included that trade balance deficit concerning manufactured agricultural food products will be decreased by time (2006-2008), and a surplus of JD's 254-thousands is expected under the first scenario assuming that protective measures in all countries would continue the same level as during 1982-1993. Another finding is that Jordan is expected to have a better off position due to WTO membership than would be the case if had not such membership. That, of course, because predicted deficit in manufactured food products trade balance would be to lesser degree due to WTO membership.

Of most significant recommendations advised by the researcher was that:

- 1- Jordan has to establish a national program with clearly set goals, and specified timetable that essentially aiming at tailoring the agricultural sector to requirements imposed by free flow of local international trade. That could be achieved by identifying respective role of both public and private sectors for ensuring easy, gradual and deliberately made transition to a most free agricultural trade in a way to preserve rights of both producers and consumers without further cost incurred by the ever deficit state treasure.
- 2- Jordan has also to rapidly capitalize on advantages offered to developing countries on affiliation to the World Trade Organization, particularly as to protective measures for purpose of ensuring a gradual transition which shield the agricultural sector from any unexpected shock when Jordan obtain WTO membership.

Such transition heavily depends upon effective distribution of resources in order to generate a competitive edge enabling that sector to compete in production and marketing activities.

- 3- Jordan has to effectively make use of exceptional treatment offered to developing countries.