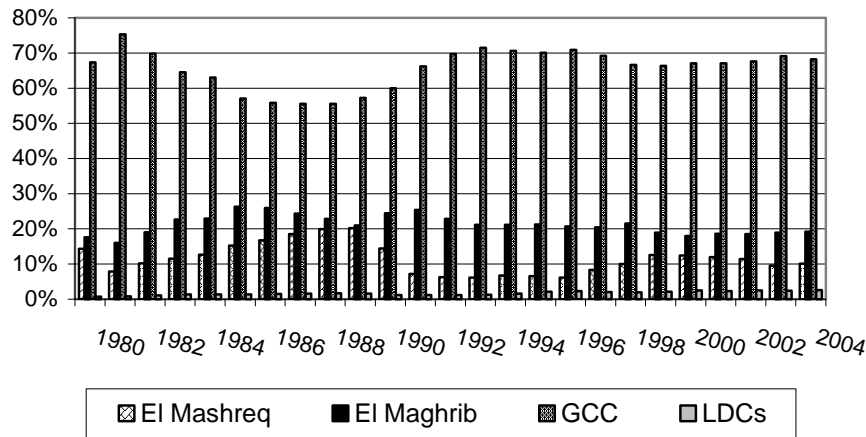


Sub-regional profile

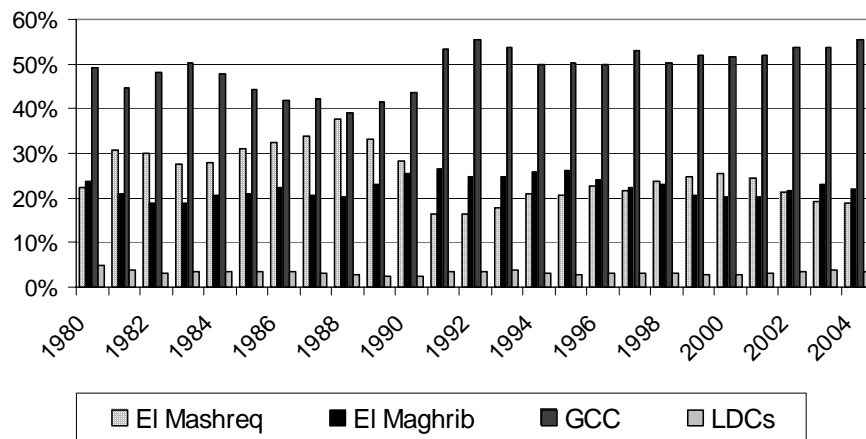
Figure 1: The shares of sub-regional groups in total regional exports.



Source: UNCTAD Trade Database 2005 CD-Rom.

GCC countries hold the largest shares of regional exports and imports, mainly due to oil exports, followed by EI Maghrib countries, which has two major oil exporters, EI Mashreq countries, which lost its traditional second rank in terms of imports starting the year 2002, and LDCs, which barely hold three per cent of total regional trade, respectively.

Figure 2: The shares of sub-regional groups in total regional imports.



Source: UNCTAD Trade Database 2005 CD-Rom.

The Composition of Trade

The performance and the composition of trade are reflections of the overall performance of the productive sectors of the economy, particularly the industrial sector. Thus, trade in the Arab region is typically characterized by highly concentrated exports and relatively

diversified imports. The concentration indices for all Arab country groups exceed the average concentration indices for middle-income, low-income and Less-developed countries. Exports are dominated by primary products and low value-added goods, mainly fuels, which have low returns to domestic factors of production, particularly labor, and relatively low contribution to employment generation. Fuels exports constitute an average of 75 to 90 per cent of the merchandize exports of GCC countries, Yemen, Algeria and Libya; 68 and 44 per cent of the merchandize exports of Syria and Egypt, respectively.

Manufactured exports, on the other hand, barely constitute 10 per cent of GCC merchandize exports (except for UAE, 20 per cent of merchandise exports), most of which are Petrochemicals and oil related products, 26 per cent, El Mashreq, 21 per cent, EL Maghrib and 5 per cent, LDCs, respectively. High-technology exports constitute, on average, 1 to 3 per cent of total manufactured exports for most Arab countries, except for UAE and Morocco, around 10 per cent of manufactured exports; Jordan and Tunisia, 5 per cent of manufactured exports. Meanwhile, El Mashreq is ranked first in terms of exports of services, followed by El Maghrib, GCC and LDCs, respectively.¹

¹ Lebanon, Qatar and UAE are excluded for lack of data.