

THE EXTENT OF AGRICULTURE IMPORT SURGES IN DEVELOPING COUNTRIES: WHAT ARE THE TRENDS?

SYNOPSIS

The paper gives an overview of the trends in different groupings of developing countries' agricultural import surges, as well as the import surge statistics for a sample of 56 developing countries. This is followed by a look at the products for which import surges are most frequently occurring. The final section of the paper highlights two individual country examples of import surges: poultry into Ghana and rice into Senegal.

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THE EXTENT OF AGRICULTURE IMPORT SURGES IN DEVELOPING COUNTRIES: WHAT ARE THE TRENDS?

I. INTRODUCTION

1. Import surges are a problem for developing countries, particularly if countries are attempting to increase their own food production. Many low-income developing countries, at the time of high food prices in 2008 resolved to invest more in agriculture to increase food production in order to place less stress on national budgets, but also to ensure a higher level of food security.
2. Trade liberalization, often in the course of structural adjustment has led to a heightened level of food import surges. Of course, import surges also take place due to other reasons, such as food shortages, and governments do deliberately import more food to make up for the shortfalls.
3. The paper gives an overview of the trends in different groupings of developing countries' agricultural import surges, as well as the import surge statistics for a sample of 56 developing countries. This is followed by a look at the products for which import surges are most frequently occurring. The final section of the paper highlights two individual country examples of import surges: poultry into Ghana and rice into Senegal.

II. A MACRO PERSPECTIVE OF DEVELOPING COUNTRIES' IMPORT SURGES: WHICH COUNTRIES AND HOW FREQUENT?

3. What is the frequency of import surges? If we define an import surges as imports over an import volume of 110% compared to the preceding 3-year average, between 2004 - 2007, the 56 developing countries in our sample have imported approximately 16 per cent of their agricultural products under an import surge. ^{1 2}
4. For Least Developed Countries (LDCs) and Small and Vulnerable Economies (SVEs), whilst their food import quantities are much smaller than the bigger developing countries, in relation to their total import levels, their import surge volumes are larger. 23 percent of the total agricultural imports for LDCs take place under a food import

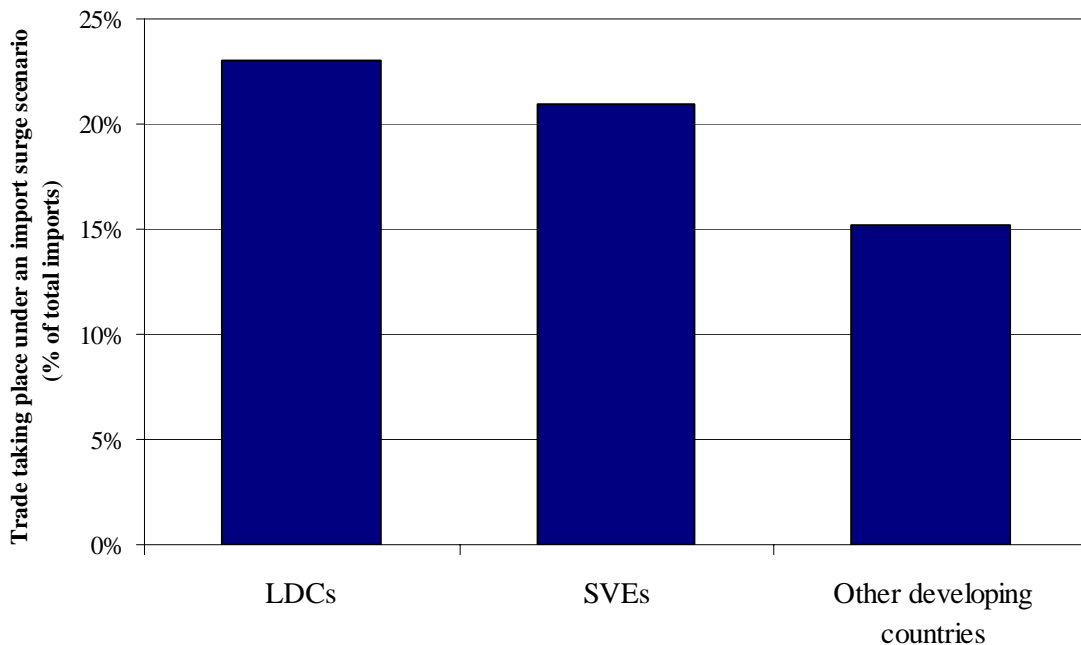
¹ Figures from the South Centre Import Database 2009. This data used is based on trade statistics received from TradeMap, managed by the International Trade Centre (ITC). ITC TradeMap uses the UN Comtrade database administered by the United Nations Statistics Division. Only countries that reported their trade statistics to the UN in all of years between 2001 and 2007 have been considered. Malaysia has been excluded due to large irregularities in the trade data (transshipments counted as imports). The resulting representative sample consists of 56 developing countries. Products in HS Chapter 1 (live animals), 6 (plants and flowers) and HS Code 2402 (cigars, cigarettes) have not been considered due to incomparability across years (units vs tons). No other data modifications have been performed on the data received.

² See Annex 1 for more details of the calculation methodology of an import surge.

surge situation, and 21 percent for Small and Vulnerable Economies (SVEs), compared to about 15 percent for other developing countries in the sample.³

5. The first two diagrams below illustrate this point. Diagram 1 shows that smaller and more vulnerable countries have larger quantities of import surges than other developing countries as a percentage of each individual country's total imports. Similarly, Diagram 2 shows that food deficit, as well as lower-income countries have larger quantities of import surges than other developing countries.

Diagram 1- Volume import surges as a percentage of total imports for each category of developing countries (trigger level 110%), 2004 - 2007

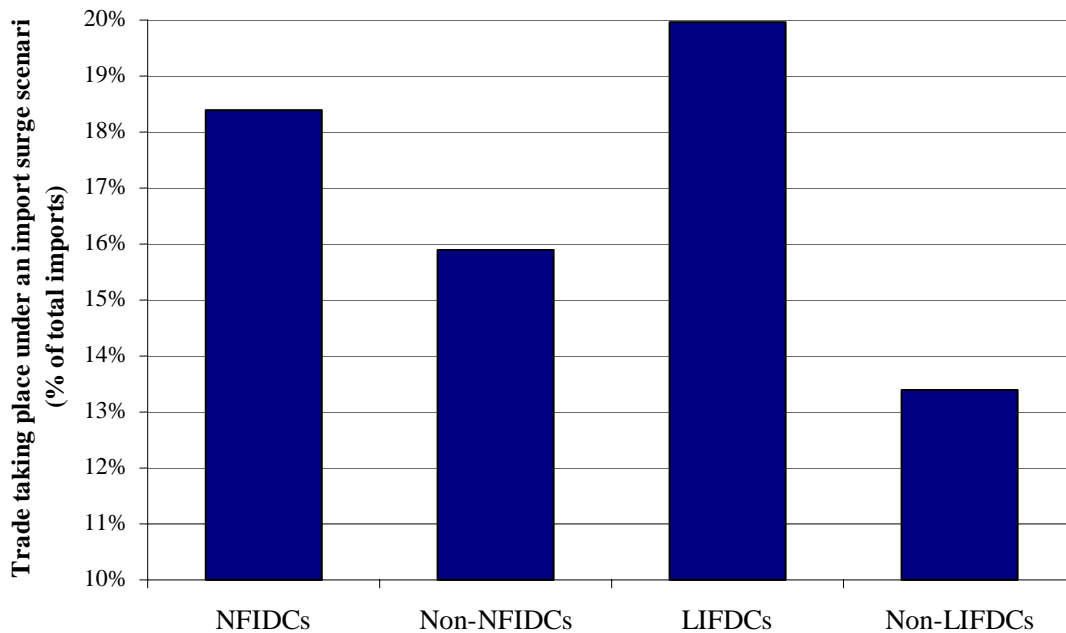


Source: South Centre Import Surge Database, 2009

NB: The categorization LDCs/SVEs/Other developing countries is derived from the Agriculture Chair's December 2008 text (TN/AG/W/4/Rev.4). In our sample, LDCs include Gambia, Madagascar, Malawi, Maldives, Mali, Mozambique, Niger, Rwanda, Senegal, Tanzania, Uganda, Zambia. The SVEs are defined in Annex I and in footnote 11 of the above mentioned Chair's text. In this sample, they include Albania, Armenia, Barbados, Belize, Bolivia, Botswana, Dominica, Ecuador, El Salvador, Georgia, Grenada, Guatemala, Guyana, Honduras, Jamaica, Jordan, Kenya, Kyrgyzstan, Mauritius, Nicaragua, Paraguay, Saint Kitts and Nevis, Saint Vincent and the Grenadines, South Africa, Swaziland, Trinidad and Tobago, Uruguay. The residual countries (i.e. non-LDC, non-SVE countries) in the sample are Argentina, Brazil, Cape Verde, China, Colombia, India, Indonesia, Mexico, Oman, Peru, Philippines, Republic of Korea, Thailand, Tunisia, Turkey, Ukraine and Vietnam.

³ South Centre Import Surge Database.

Diagram 2 Volume import surges as a percentage of total imports for food deficit countries vs. non-food deficit countries (NFIDCs including LDCs compared to non-NFIDCs; and LIFDCs compared to non-LIFDCs), Import surge trigger level 110%, 2004 - 2007



Source: South Centre Import Surge Database, 2009

NB:

Net Food Importing Developing Countries (NFIDCs) and LDCs in this sample do not include all countries normally in this category (since data is not available for some of them). The countries for which we have used include Gambia, Madagascar, Malawi, Maldives, Mali, Mozambique, Niger, Rwanda, Senegal, Tanzania, Uganda, Zambia and Barbados, Botswana, Dominica, Honduras, Jamaica, Jordan, Kenya, Mauritius, Peru, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Trinidad and Tobago, Tunisia.

Low Income Food Deficit Countries (LIFDCs) include Armenia, China, Gambia, Georgia, Honduras, India, Indonesia, Kenya, Kyrgyzstan, Madagascar, Malawi, Mali, Mozambique, Nicaragua, Niger, Philippines, Rwanda, Tanzania, Uganda. The LIFDC classification is traditionally used by the FAO. It is based on 2 criteria: (1) the World Bank classification of country income groups and (2) the net food trade position of a country. This is calculated by comparing the calorie equivalent of exports and imports for a broad basket of basic foodstuffs.

Both the NFIDC + LDC category and LIFDC concepts are similar – both calculate the net food trade position of a country. However, it does require a certain process at the WTO to be recognized as an NFIDC.

6. One of the best sources of information on the extent of food import surges remains the FAO import surge papers. Their studies unfortunately covers import surges only up to about 2003. Between 1980 and 2003, the FAO found that there were between 7,132 to 12,167 import surges of 23 'food groups' in 102 developing countries. The exact number depends on how an import surge is calculated.⁴

7. The South Centre, using data from 2001 to 2007 has calculated the frequency of import surges for a list of 56 individual countries. We have used 3 different import surge definitions - the first defined as a 105% import increase over the preceding three years, the second using a 110% import increase as the trigger and the third, using 200% as the import volume trigger. The results are in Diagrams 3 - 5.

8. In Diagram 4, using a volume import trigger of 110% (when volume imports surpass a trigger of 110% of the volume imports of the preceding three years), there are an average of 9,239 import surges for *each* year between 2004 - 2007 for the 56 countries as a group. The spread of these surges over tariff lines is also very broad - between 20% of a country's tariff lines for Rwanda, to 74% of their tariff lines for the Maldives. Even at an absurdly high trigger level of 200%, an average of 10% of countries' individual tariff lines (at the HS 6 digit level) are affected by import surges.

⁴ The 7,132 number of surges uses a 3-year moving average import volume. The import surge is defined as a 30 percent import quantity above this 3-year moving average. The 12,167 number of cases uses the Special Safeguard Provision (SSG - Article 5 of the WTO's Agreement on Agriculture) definitions of an import surge.

**Diagram 3: Number and Percentage of Tariff Lines Affected by Import Surges
(Based on Calculations with Import Surge Trigger as 105%)**

Country	Nr of tariff lines					% of tariff lines					Unique 2004- 2007
	2004	2005	2006	2007	Average 2004- 2007	2004	2005	2006	2007	Average 2004- 2007	
Maldives	203	151	228	234	204	48.2%	35.9%	54.2%	55.6%	48.5%	75.1%
South Africa	295	300	310	287	298	44.2%	45.0%	46.5%	43.0%	44.7%	73.2%
Thailand	277	310	286	279	288	42.5%	47.5%	43.9%	42.8%	44.2%	72.1%
Mexico	267	271	290	309	284	40.2%	40.8%	43.6%	46.5%	42.7%	74.7%
Ukraine	215	286	289	278	267	34.1%	45.4%	45.9%	44.1%	42.4%	63.8%
Turkey	242	260	253	249	251	39.9%	42.8%	41.7%	41.0%	41.4%	66.6%
Indonesia	268	261	259	264	263	42.0%	40.9%	40.6%	41.4%	41.2%	70.7%
China	267	252	279	278	269	39.7%	37.4%	41.5%	41.3%	40.0%	70.9%
Republic of Korea	256	269	271	276	268	38.0%	39.9%	40.2%	40.9%	39.8%	69.6%
Honduras	224	223	239	247	233	37.3%	37.1%	39.8%	41.1%	38.8%	67.9%
Brazil	164	218	275	280	234	26.3%	35.0%	44.1%	44.9%	37.6%	68.5%
Colombia	181	185	251	255	218	30.5%	31.2%	42.3%	43.0%	36.8%	61.6%
Jordan	192	200	201	212	201	35.0%	36.5%	36.7%	38.7%	36.7%	61.3%
Argentina	169	245	222	255	223	27.7%	40.1%	36.3%	41.7%	36.5%	64.2%
Guatemala	199	232	206	238	219	32.5%	37.9%	33.7%	38.9%	35.7%	66.0%
India	189	228	239	224	220	30.4%	36.7%	38.4%	36.0%	35.4%	61.6%
Cape Verde	168	159	183	184	174	34.0%	32.2%	37.0%	37.2%	35.1%	60.3%
Ecuador	180	201	202	207	198	31.9%	35.6%	35.8%	36.7%	35.0%	58.5%
Paraguay	197	199	157	158	178	38.6%	39.0%	30.8%	31.0%	34.9%	52.7%
El Salvador	198	197	207	249	213	32.4%	32.2%	33.9%	40.8%	34.8%	63.8%
Philippines	223	214	226	214	219	35.1%	33.7%	35.6%	33.7%	34.5%	64.3%
Trinidad and Tobago	199	208	175	196	195	34.6%	36.2%	30.4%	34.1%	33.8%	63.7%
Uruguay	146	182	194	204	182	26.7%	33.3%	35.5%	37.3%	33.2%	57.8%
Viet Nam	168	201	237	271	219	25.3%	30.2%	35.6%	40.8%	33.0%	55.2%
Peru	148	189	187	219	186	26.1%	33.3%	33.0%	38.6%	32.8%	59.4%
Mauritius	186	176	189	207	190	31.4%	29.7%	31.9%	34.9%	32.0%	62.9%
Barbados	157	218	182	167	181	27.3%	37.9%	31.7%	29.0%	31.5%	62.3%
Nicaragua	145	153	188	218	176	25.8%	27.2%	33.5%	38.8%	31.3%	58.2%
Georgia	168	161	185	199	178	29.4%	28.1%	32.3%	34.8%	31.2%	52.8%
Mozambique	142	176	185	203	177	25.0%	31.0%	32.6%	35.7%	31.1%	56.5%
Kenya	143	189	202	196	183	23.6%	31.1%	33.3%	32.3%	30.1%	55.4%
Jamaica	176	181	172	171	175	30.1%	31.0%	29.5%	29.3%	30.0%	58.7%
Armenia	151	134	145	171	150	29.9%	26.5%	28.7%	33.9%	29.8%	50.1%
Botswana	147	169	186	240	186	22.9%	26.3%	29.0%	37.4%	28.9%	65.4%
Senegal	179	161	150	167	164	31.4%	28.2%	26.3%	29.3%	28.8%	53.9%
Albania	171	159	168	163	165	28.1%	26.2%	27.6%	26.8%	27.2%	52.1%
Tunisia	145	145	148	161	150	25.8%	25.8%	26.4%	28.7%	26.7%	50.6%
St Vincent and the Grenadines	122	112	117	137	122	26.5%	24.3%	25.4%	29.7%	26.5%	54.0%
Saint Kitts	123	102	144	135	126	25.3%	21.0%	29.6%	27.8%	25.9%	53.5%

and Nevis											
Dominica	105	109	86	100	100	26.3%	27.3%	21.6%	25.1%	25.1%	52.1%
Kyrgyzstan	109	108	141	142	125	21.6%	21.4%	28.0%	28.2%	24.8%	40.1%
Swaziland	198	164	138	125	156	31.3%	25.9%	21.8%	19.8%	24.7%	61.2%
Tanzania	142	158	171	148	155	22.7%	25.2%	27.3%	23.6%	24.7%	49.0%
Zambia	98	143	169	151	140	17.0%	24.8%	29.3%	26.2%	24.3%	48.9%
Bolivia	111	114	120	150	124	21.1%	21.7%	22.8%	28.5%	23.5%	46.8%
Belize	174	82	51	116	106	38.6%	18.2%	11.3%	25.7%	23.4%	53.7%
Uganda	102	117	131	133	121	19.1%	21.9%	24.5%	24.9%	22.6%	43.0%
Madagascar	116	89	121	135	115	22.3%	17.1%	23.2%	25.9%	22.1%	44.3%
Guyana	94	103	103	125	106	18.9%	20.7%	20.7%	25.1%	21.3%	45.0%
Niger	94	103	101	94	98	20.3%	22.2%	21.8%	20.3%	21.2%	42.8%
Oman	207	51	44	201	126	32.9%	8.1%	7.0%	32.0%	20.0%	51.4%
Mali	64	80	102	95	85	13.6%	17.1%	21.7%	20.3%	18.2%	38.0%
Malawi	78	67	105	103	88	14.7%	12.6%	19.8%	19.4%	16.6%	39.7%
Grenada	37	44	58	170	77	7.7%	9.1%	12.0%	35.2%	16.0%	43.7%
Rwanda	15	51	58	57	45	3.6%	12.2%	13.8%	13.6%	10.8%	20.3%
Gambia	13	19	28	132	48	2.8%	4.1%	6.0%	28.2%	10.3%	31.6%
Total	9,147	9,479	9,954	10,779	9,840	28.9%	30.0%	31.5%	34.1%	31.1%	57.3%

Source: South Centre Import Surge Database, which draws on data from ITC TradeMap. ITC TradeMap uses the UN Comtrade which is based on trade statistics received from national authorities.

**Diagram 4: Number and Percentage of Tariff Lines Affected by Import Surges
(Based on Calculations with Import Surge Trigger as 110%)**

Country	Nr of tariff lines					Average 2004- 2007	% of tariff lines				Average 2004- 2007	Unique 2004- 2007
	2004	2005	2006	2007	2004		2005	2006	2007			
Maldives	192	136	215	224	192	45.6%	32.3%	51.1%	53.2%	45.5%	74.1%	
South Africa	275	283	286	270	279	41.2%	42.4%	42.9%	40.5%	41.8%	71.7%	
Thailand	262	286	271	265	271	40.2%	43.9%	41.6%	40.6%	41.6%	71.5%	
Ukraine	210	275	278	265	257	33.3%	43.7%	44.1%	42.1%	40.8%	62.4%	
Turkey	233	248	239	231	238	38.4%	40.9%	39.4%	38.1%	39.2%	65.7%	
Indonesia	253	248	247	247	249	39.7%	38.9%	38.7%	38.7%	39.0%	69.3%	
Mexico	235	240	260	277	253	35.3%	36.1%	39.1%	41.7%	38.0%	71.1%	
China	257	243	260	262	256	38.2%	36.1%	38.6%	38.9%	38.0%	69.5%	
Honduras	217	208	228	236	222	36.1%	34.6%	37.9%	39.3%	37.0%	67.2%	
Republic of Korea	235	243	242	246	242	34.9%	36.1%	35.9%	36.5%	35.8%	65.7%	
Jordan	185	190	187	199	190	33.8%	34.7%	34.1%	36.3%	34.7%	61.3%	
Brazil	152	189	259	262	216	24.4%	30.3%	41.6%	42.1%	34.6%	67.1%	
Colombia	165	171	237	240	203	27.8%	28.8%	40.0%	40.5%	34.3%	59.5%	
Argentina	157	233	203	235	207	25.7%	38.1%	33.2%	38.5%	33.9%	62.4%	
Guatemala	185	222	192	230	207	30.2%	36.3%	31.4%	37.6%	33.9%	65.4%	
Paraguay	188	197	153	150	172	36.9%	38.6%	30.0%	29.4%	33.7%	52.5%	
India	177	212	231	208	207	28.5%	34.1%	37.1%	33.4%	33.3%	60.5%	
Ecuador	173	188	192	195	187	30.7%	33.3%	34.0%	34.6%	33.2%	57.4%	
Cape Verde	157	142	173	176	162	31.8%	28.7%	35.0%	35.6%	32.8%	58.9%	
El Salvador	187	187	191	235	200	30.6%	30.6%	31.3%	38.5%	32.7%	63.0%	
Philippines	208	204	214	196	206	32.8%	32.1%	33.7%	30.9%	32.4%	63.1%	
Viet Nam	162	193	226	264	211	24.4%	29.0%	34.0%	39.7%	31.8%	54.6%	
Trinidad and Tobago	185	194	156	180	179	32.2%	33.7%	27.1%	31.3%	31.1%	61.2%	
Uruguay	131	169	176	191	167	23.9%	30.9%	32.2%	34.9%	30.5%	55.9%	
Peru	137	176	169	206	172	24.2%	31.0%	29.8%	36.3%	30.3%	57.8%	
Mozambique	139	169	180	197	171	24.5%	29.8%	31.7%	34.7%	30.1%	55.6%	
Georgia	161	155	181	190	172	28.1%	27.1%	31.6%	33.2%	30.0%	52.4%	
Nicaragua	134	143	176	202	164	23.8%	25.4%	31.3%	35.9%	29.1%	57.5%	
Mauritius	167	160	164	193	171	28.2%	27.0%	27.7%	32.5%	28.8%	59.7%	
Barbados	145	204	161	152	166	25.2%	35.5%	28.0%	26.4%	28.8%	60.3%	
Armenia	147	129	141	162	145	29.1%	25.5%	27.9%	32.1%	28.7%	50.1%	
Kenya	137	177	193	186	173	22.6%	29.2%	31.8%	30.6%	28.5%	54.9%	
Botswana	140	159	176	231	177	21.8%	24.8%	27.4%	36.0%	27.5%	64.8%	
Senegal	172	151	142	160	156	30.2%	26.5%	24.9%	28.1%	27.4%	53.2%	
Jamaica	155	162	158	157	158	26.5%	27.7%	27.1%	26.9%	27.1%	57.5%	
Albania	165	151	160	152	157	27.1%	24.8%	26.3%	25.0%	25.8%	50.8%	
St. Vincent and the Grenadines	111	110	106	129	114	24.1%	23.9%	23.0%	28.0%	24.7%	52.1%	
Tunisia	131	131	134	145	135	23.4%	23.4%	23.9%	25.8%	24.1%	48.7%	
Kyrgyzstan	105	105	135	139	121	20.8%	20.8%	26.8%	27.6%	24.0%	39.7%	
Tanzania	137	151	165	140	148	21.9%	24.1%	26.4%	22.4%	23.7%	48.9%	

Swaziland	186	154	133	122	149	29.4%	24.4%	21.0%	19.3%	23.5%	59.7%
Saint Kitts and Nevis	111	96	135	115	114	22.8%	19.8%	27.8%	23.7%	23.5%	51.6%
Zambia	94	135	165	146	135	16.3%	23.4%	28.6%	25.3%	23.4%	48.5%
Dominica	98	98	78	94	92	24.6%	24.6%	19.5%	23.6%	23.1%	50.6%
Uganda	98	114	126	129	117	18.3%	21.3%	23.6%	24.1%	21.8%	43.0%
Belize	167	72	49	105	98	37.0%	16.0%	10.9%	23.3%	21.8%	52.3%
Bolivia	106	99	111	140	114	20.2%	18.8%	21.1%	26.6%	21.7%	45.2%
Madagascar	110	79	111	130	108	21.1%	15.2%	21.3%	25.0%	20.6%	43.4%
Guyana	87	98	100	120	101	17.5%	19.7%	20.1%	24.1%	20.3%	44.2%
Niger	89	99	94	89	93	19.2%	21.4%	20.3%	19.2%	20.0%	41.5%
Oman	199	49	43	194	121	31.6%	7.8%	6.8%	30.8%	19.3%	50.2%
Mali	63	77	99	91	83	13.4%	16.4%	21.1%	19.4%	17.6%	37.7%
Malawi	73	62	103	99	84	13.7%	11.7%	19.4%	18.6%	15.9%	39.4%
Grenada	36	42	49	156	71	7.5%	8.7%	10.1%	32.3%	14.6%	40.8%
Rwanda	14	49	57	55	44	3.3%	11.7%	13.6%	13.1%	10.4%	20.0%
Gambia	13	17	23	132	46	2.8%	3.6%	4.9%	28.2%	9.9%	31.4%
Total	8,608	8,874	9,333	10,142	9,239	27.2%	28.1%	29.5%	32.1%	29.2%	56.1%

Source: South Centre Import Surge Database, which draws on data from ITC TradeMap. ITC TradeMap uses the UN Comtrade which is based on trade statistics received from national authorities.

Diagram 5: Number and Percentage of Tariff Lines Affected by Import Surges (Based on Calculations with Import Surge Trigger as 200%)

Country	Nr of tariff lines					% of tariff lines					Unique 2004-2007
	2004	2005	2006	2007	Average 2004-2007	2004	2005	2006	2007	Average 2004-2007	
Ukraine	99	150	149	113	128	15.7%	23.8%	23.7%	17.9%	20.3%	43.3%
Mozambique	89	110	108	126	108	15.7%	19.4%	19.0%	22.2%	19.1%	45.6%
Georgia	101	89	106	94	98	17.7%	15.6%	18.5%	16.4%	17.0%	42.7%
Thailand	103	114	108	97	106	15.8%	17.5%	16.6%	14.9%	16.2%	40.8%
Honduras	84	80	114	100	95	14.0%	13.3%	19.0%	16.6%	15.7%	43.6%
India	79	121	91	83	94	12.7%	19.5%	14.6%	13.3%	15.0%	37.3%
Kenya	70	101	94	88	88	11.5%	16.6%	15.5%	14.5%	14.5%	39.5%
Paraguay	88	112	47	39	72	17.3%	22.0%	9.2%	7.6%	14.0%	38.0%
Viet Nam	61	85	97	128	93	9.2%	12.8%	14.6%	19.2%	13.9%	35.9%
Turkey	89	83	93	73	85	14.7%	13.7%	15.3%	12.0%	13.9%	33.8%
South Africa	102	94	92	81	92	15.3%	14.1%	13.8%	12.1%	13.8%	36.3%
Indonesia	96	86	78	84	86	15.0%	13.5%	12.2%	13.2%	13.5%	37.0%
Kyrgyzstan	63	66	65	72	67	12.5%	13.1%	12.9%	14.3%	13.2%	31.3%
China	96	80	90	88	89	14.3%	11.9%	13.4%	13.1%	13.2%	36.0%
Botswana	75	83	64	107	82	11.7%	12.9%	10.0%	16.7%	12.8%	37.5%
Armenia	76	59	51	65	63	15.0%	11.7%	10.1%	12.9%	12.4%	31.5%
Swaziland	97	82	67	59	76	15.3%	13.0%	10.6%	9.3%	12.1%	37.8%
Tanzania	60	83	83	65	73	9.6%	13.3%	13.3%	10.4%	11.6%	34.0%
Guatemala	61	76	74	72	71	10.0%	12.4%	12.1%	11.8%	11.6%	33.2%
Uganda	48	59	66	74	62	9.0%	11.0%	12.3%	13.8%	11.5%	31.0%
Zambia	32	50	98	75	64	5.5%	8.7%	17.0%	13.0%	11.0%	33.3%
Jordan	67	58	55	57	59	12.2%	10.6%	10.0%	10.4%	10.8%	30.5%

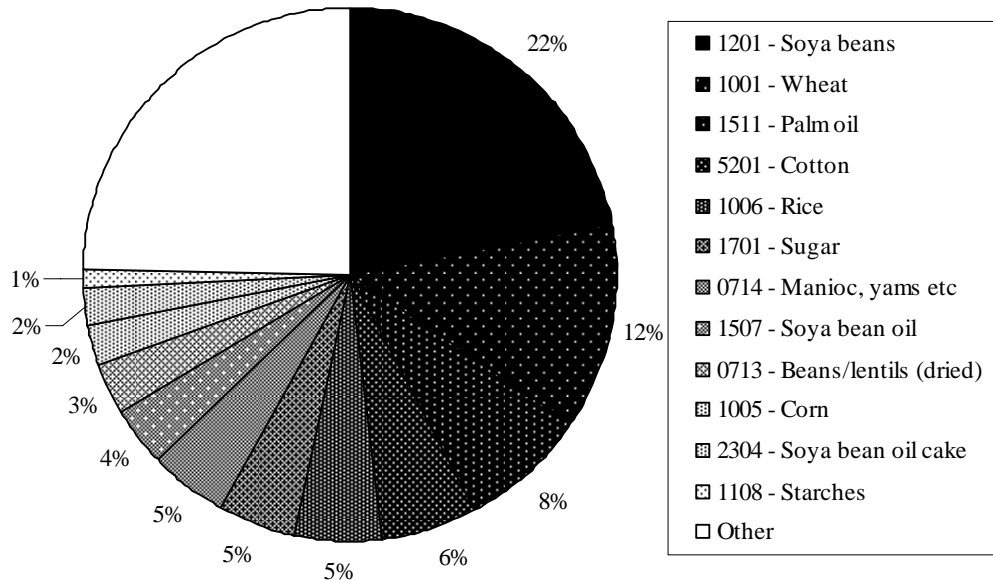
Argentina	60	66	61	77	66	9.8%	10.8%	10.0%	12.6%	10.8%	30.8%
Philippines	64	67	64	68	66	10.1%	10.6%	10.1%	10.7%	10.4%	28.8%
Republic of Korea	73	73	64	55	66	10.8%	10.8%	9.5%	8.2%	9.8%	24.8%
Senegal	66	56	46	54	56	11.6%	9.8%	8.1%	9.5%	9.7%	28.2%
Brazil	41	47	73	80	60	6.6%	7.5%	11.7%	12.8%	9.7%	28.3%
Cape Verde	57	31	57	46	48	11.5%	6.3%	11.5%	9.3%	9.7%	27.1%
Albania	66	54	53	56	57	10.9%	8.9%	8.7%	9.2%	9.4%	25.8%
Peru	38	60	45	68	53	6.7%	10.6%	7.9%	12.0%	9.3%	25.6%
Colombia	46	44	61	68	55	7.8%	7.4%	10.3%	11.5%	9.2%	24.8%
Nicaragua	47	38	54	65	51	8.4%	6.8%	9.6%	11.6%	9.1%	26.5%
Oman	108	21	19	79	57	17.2%	3.3%	3.0%	12.6%	9.0%	29.7%
Ecuador	56	55	39	51	50	9.9%	9.8%	6.9%	9.0%	8.9%	26.2%
Mexico	51	54	58	69	58	7.7%	8.1%	8.7%	10.4%	8.7%	25.6%
Guyana	31	45	40	56	43	6.2%	9.0%	8.0%	11.2%	8.6%	26.9%
El Salvador	47	53	54	55	52	7.7%	8.7%	8.8%	9.0%	8.6%	23.9%
Maldives	33	24	40	47	36	7.8%	5.7%	9.5%	11.2%	8.6%	25.4%
Niger	38	42	40	38	40	8.2%	9.1%	8.6%	8.2%	8.5%	24.8%
Jamaica	41	58	52	44	49	7.0%	9.9%	8.9%	7.5%	8.3%	25.9%
Trinidad and Tobago	49	57	46	39	48	8.5%	9.9%	8.0%	6.8%	8.3%	25.6%
Tunisia	42	46	45	52	46	7.5%	8.2%	8.0%	9.3%	8.2%	22.5%
Mali	26	36	53	39	39	5.5%	7.7%	11.3%	8.3%	8.2%	26.4%
Uruguay	38	39	53	46	44	6.9%	7.1%	9.7%	8.4%	8.0%	23.6%
Gambia	7	7	14	118	37	1.5%	1.5%	3.0%	25.2%	7.8%	28.0%
St Vincent and the Grenadines	44	36	29	33	36	9.5%	7.8%	6.3%	7.2%	7.7%	23.9%
Madagascar	50	30	36	42	40	9.6%	5.8%	6.9%	8.1%	7.6%	22.3%
Malawi	37	29	41	53	40	7.0%	5.5%	7.7%	10.0%	7.5%	24.1%
Dominica	34	29	24	31	30	8.5%	7.3%	6.0%	7.8%	7.4%	22.3%
Barbados	29	47	47	30	38	5.0%	8.2%	8.2%	5.2%	6.7%	20.5%
Mauritius	28	38	40	50	39	4.7%	6.4%	6.7%	8.4%	6.6%	20.1%
Bolivia	37	34	27	36	34	7.0%	6.5%	5.1%	6.8%	6.4%	19.8%
Rwanda	8	33	37	27	26	1.9%	7.9%	8.8%	6.4%	6.3%	16.7%
Saint Kitts and Nevis	33	32	40	16	30	6.8%	6.6%	8.2%	3.3%	6.2%	20.2%
Belize	46	17	27	22	28	10.2%	3.8%	6.0%	4.9%	6.2%	19.5%
Grenada	17	13	11	33	19	3.5%	2.7%	2.3%	6.8%	3.8%	12.8%
Total	3224	3332	3380	3583	3380	10.2%	10.5%	10.7%	11.3%	10.7%	29.7%

Source: South Centre Import Surge Database, which draws on data from ITC TradeMap. ITC TradeMap uses the UN Comtrade which is based on trade statistics received from national authorities.

III. FOR WHICH PRODUCTS ARE THERE THE MOST NUMBER OF IMPORT SURGES?

9. Diagram 6 for Low-Income Food Deficit Countries (LIFDCs) below illustrates the breakdown in products between the years 2004- 2007 for which imports have taken place under a 110% volume import surge scenario. For this group of countries, the largest volume of import surges have occurred in soya beans, wheat, palm oil, cotton, rice, sugar, manioc and yams, beans, corn etc., mostly products that are staple foods and also products which small farmers in these countries themselves produce.

Diagram 6: Distribution of import surges by product of Low Income Food Deficit Countries at the HS4 level (volume), 2004 - 2007



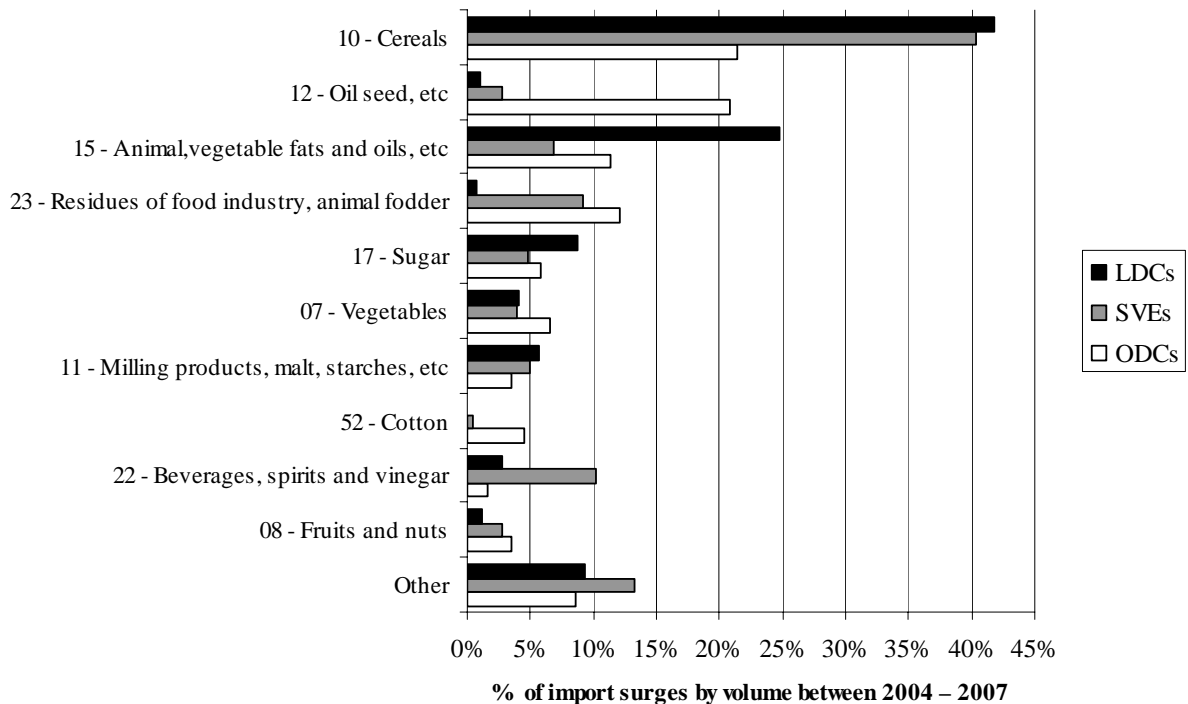
Source: South Centre Import Surge Database, 2009

NB: LIFDCs in this sample includes Armenia, China, Gambia, Georgia, Honduras, India, Indonesia, Kenya, Kyrgyzstan, Madagascar, Malawi, Mali, Mozambique, Nicaragua, Niger, Philippines, Rwanda, Tanzania, Uganda.

10. If all categories of developing countries and their import surges are compared by product groups (Diagram 7), it becomes clear that cereals (wheat, barley, corn and rice) constitute the bulk of import surges. It accounts for over 40% of LDCs' and SVEs' total import surges between 2004 - 2007. It is also the largest product grouping for import surges for 'other developing countries' (i.e. countries in our sample that are not LDCs or SVEs) - about 22 percent of their total import surges.

11. Vegetable and animal oils is the second largest product category experiencing import surges by volume for LDCs. Both these sectors (cereals and oils) are critical for subsistence and small producers' livelihoods and employment.

Diagram 7: Distribution of volume import surges by HS chapter and country grouping



Source: South Centre Import Surge Database, 2009

NB: The import surges for each developing country grouping add up in total to 100%.

IV. INDIVIDUAL COUNTRIES' EXPERIENCE OF IMPORT SURGES

12. Import surges in various developing countries have led to unemployment in the farming sector, and also oftentimes increases in poverty and food insecurity as subsistence farmers have not been able to sell their produce on the local markets. A survey of the economic and social consequences of import surges on communities and farmers is beyond the scope of this work. However, a summary of some of these cases can be gleaned from the FAO import surge country briefs⁵ as well as in an ActionAid document 'Impact of Agro-Import Surges in Developing Countries'.⁶

13. The current study attempts only to take a look at the import surges in a couple of products at the country level to ascertain the trade patterns of these import surges.

⁵ <http://www.fao.org/es/esc/en/378/406/index.html>

⁶ Kwa A and Shah S 2008

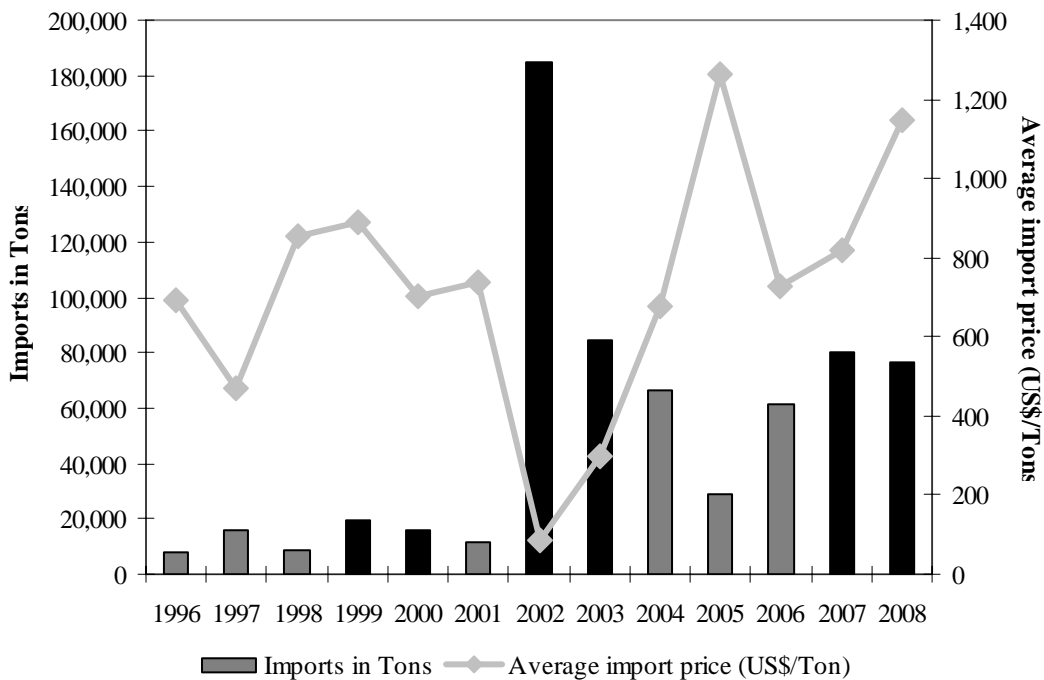
<http://www.actionaid.org/docs/cheap%20imports%20and%20protection%20of%20ag.pdf>

IV.1 THE CASE OF POULTRY SURGES INTO GHANA

14. Poultry import surges into Ghana have been well documented. As imports have increased, domestic production declined significantly.⁷ Diagram 8 below shows the import volumes in poultry for Ghana from 1996 through to 2008. Between 1996 – 2001, import volumes hovered below 20,000 tons. Even during this time, import surges were taking place, for example, in 1997 and also in 1999. However, in 2002, a dramatic import surge took place so that volume imports that year hit over 180,000 tons, equating to a volume import surge of 1176 percent.

15. Since then, import volumes have declined from that peak, yet are nevertheless hovering around the 80,000 ton mark, representing a sharp increase from the previous 20,000 ton import volumes. It is no wonder that the impact of these imports has been dramatic on domestic producers in Ghana,

Diagram 8 Import surges of poultry in Ghana



Source: South Centre Import Surge Data Base, 2009

NB: The import bars that are coloured black represent the years where imports are more than 110% of base imports (average of preceding 3-year imports).

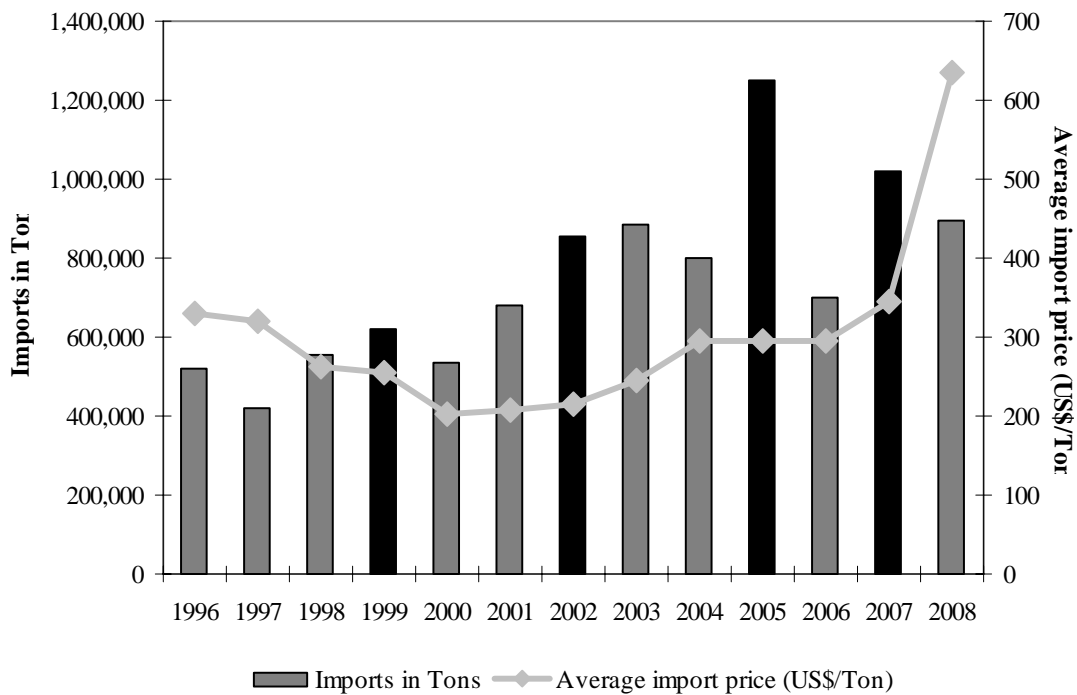
⁷ See FAO Ghana Case Study 2006, ‘A Case Study of Rice, Poultry Meat and Tomato Paste Imports to Ghana’ ; FAO 2007 ‘FAO Briefs on Import Surges. Countries No 5. Ghana: Rice, Poultry and Tomato Paste’; and Christian Aid 2004 ‘The Damage Done: Aid, Death and Dogma’.

IV.2 THE CASE OF RICE SURGES IN SENEGAL

16. There has also been a doubling (even tripling in some years) of rice imports into Senegal since the late 1990s. Diagram 9 shows the trend of a steady and rapid quantity increases.

17. Whilst import volumes were about 400,000 tons in 1997, in 2008, they are over 800,000 tons, and this is already a decline from 2007, where over a million tons were imported.

Diagram 9 Import surges of broken rice into Senegal



Source: South Centre Import Surge Database, 2009

NB: The import bars that are coloured black represent the years where imports are more than 110% of base imports (average of preceding 3-year imports).

18. Both situations, poultry imports into Ghana and rice imports into Senegal, show opposite trends in terms of the interaction between volume surges and price declines. Whilst in the case of Ghana, import prices dropped when import volumes increased, this trend is not at all discernable for Senegal’s rice imports. In the years 2000 – 2003, when import volumes were increasing quickly, prices were still rising. In addition, despite a huge import surge in 2005, prices remained largely unchanged.

This has implications on the 'cross-check' conditionalities proposed by the WTO's draft agriculture modalities.⁸

⁸ The 'cross-check' and other issues are discussed in the South Centre's Analytical Notes : 'The Volume-Based SSM: Analysis of the Conditionalities in the December 2008 WTO Agriculture Chair's Texts' and 'The Price-based SSM: Trends in Agriculture Price Declines and Analysis of the Conditionalities in the December 2008 WTO Agriculture Chair's Text', October 2009.

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South Centre Analytical Note

THE EXTENT OF AGRICULTURE IMPORT SURGES IN DEVELOPING COUNTRIES: WHAT
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1211 Geneva 19
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Chemin du Champ d'Anier 17
Case postale 228, 1211 Geneva 19
Switzerland

Telephone : (41 22) 791 8050
Fax : (41 22) 798 8531
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