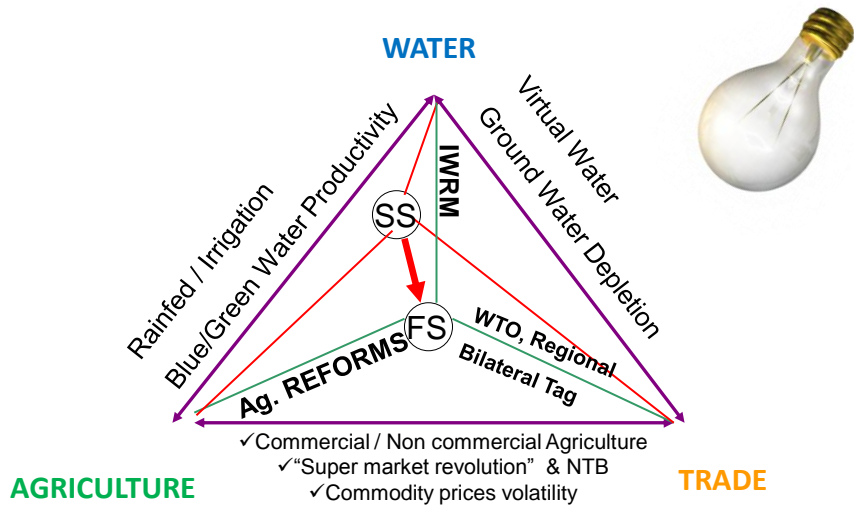


Strategic Workshop on “Accounting for water scarcity and pollution in the rules of international trade”

Water- Agriculture- International Trade Nexus

Pr Mohamed AIT KADI
 President of the General Council of Agricultural Development
 Rabat, Morocco
 Chair of the Global Water Partnership Technical Committee
 25-26 November 2010, NEMO Science Centre, Amsterdam, the Netherlands

WATER-AGRICULTURE-TRADE NEXUS





«Toute chose étant aidée et aidante, causée et causante, je tiens pour impossible de connaître le tout sans connaître les parties et de connaître les parties sans connaître le tout .. »

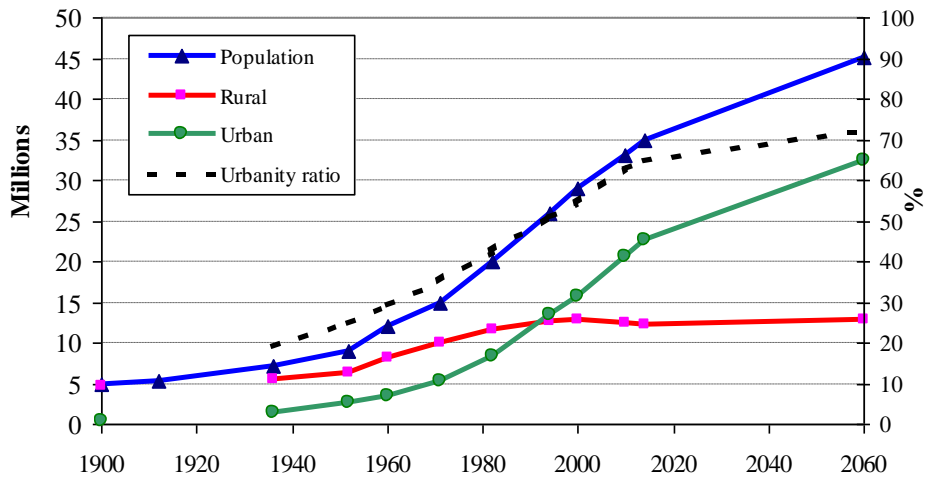
WATER-AGRICULTURE-TRADE NEXUS



- Demography/Urbanization
- Economic
- Social
- Institutions/Governance
- Technology
- Solidarity

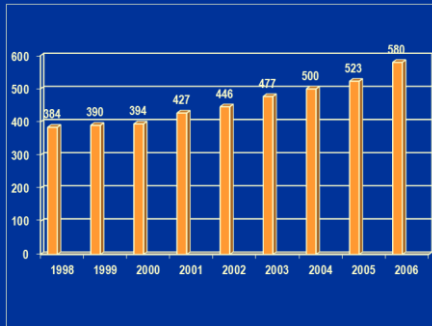
Mohamed ALKADI GWP/TEC

Morocco's Demographic Transition



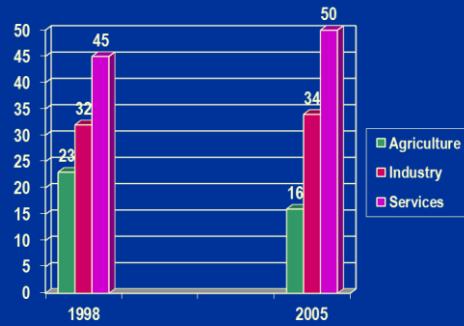
Morocco's Economic Transition

Morocco's GDP (BDH)

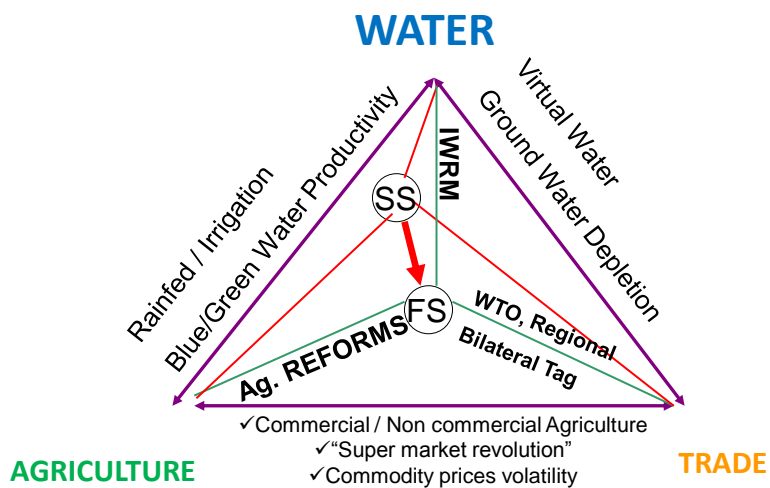


Structure of the Economy

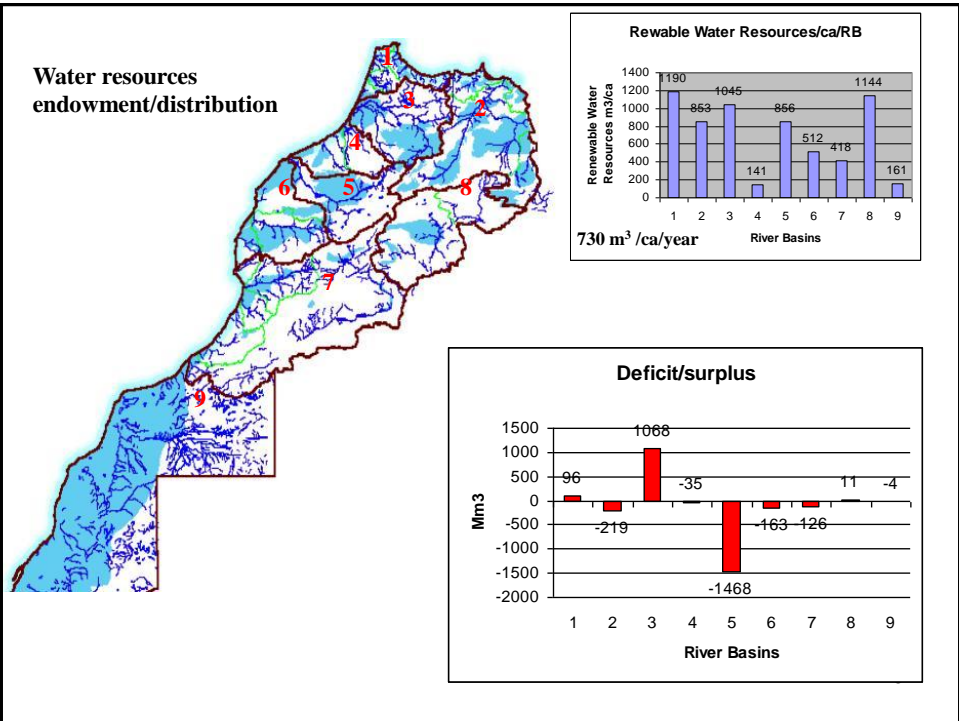
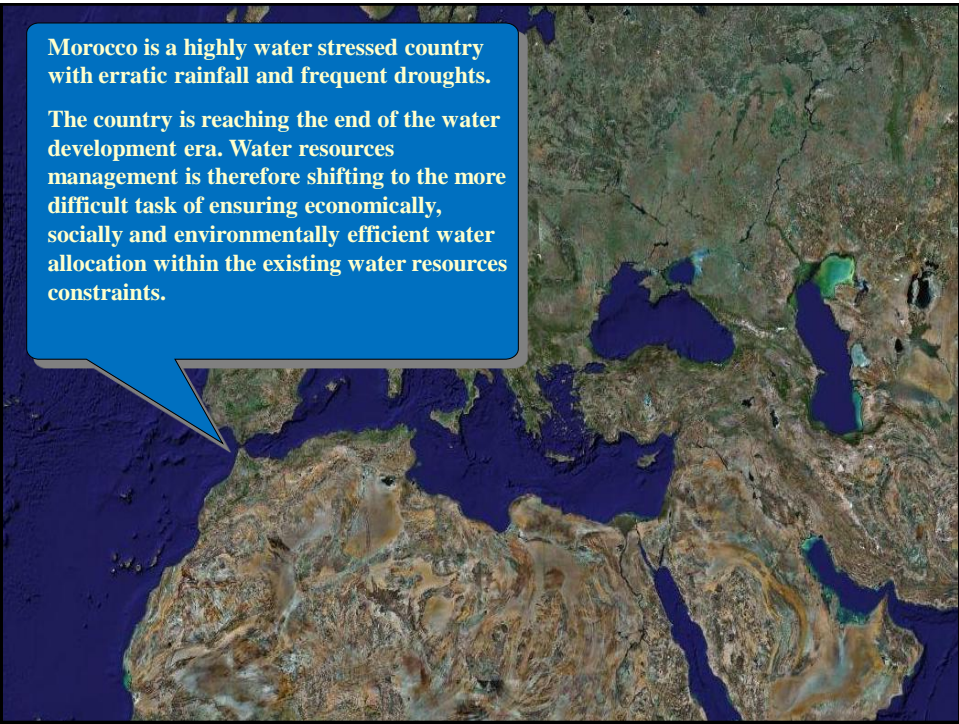
Share in GDP (%)



WATER-AGRICULTURE-TRADE NEXUS



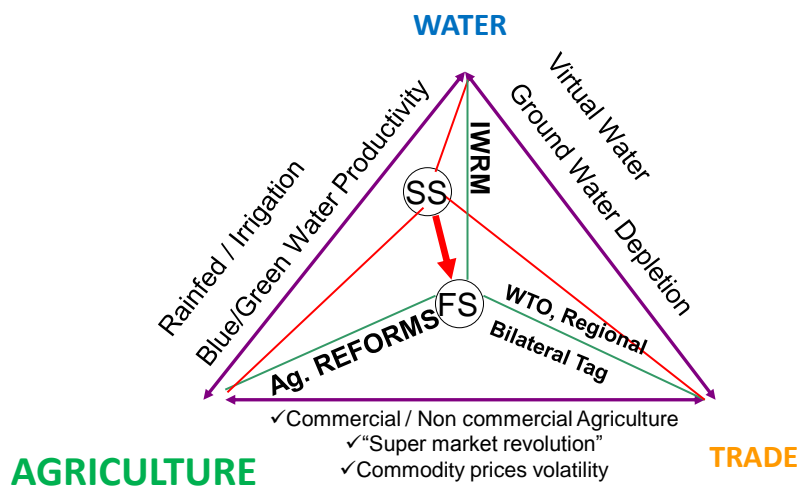
Mohamed AITKADI GWP/TEC



Morroco's Water Issues & Constraints

- Water demand is growing fast;
- Water availability is falling to crisis levels;
- Overexploitation of groundwater
- Shortages are compounded by pollution
- Low water use efficiency in irrigation;
- Etc.

WATER-AGRICULTURE-TRADE NEXUS

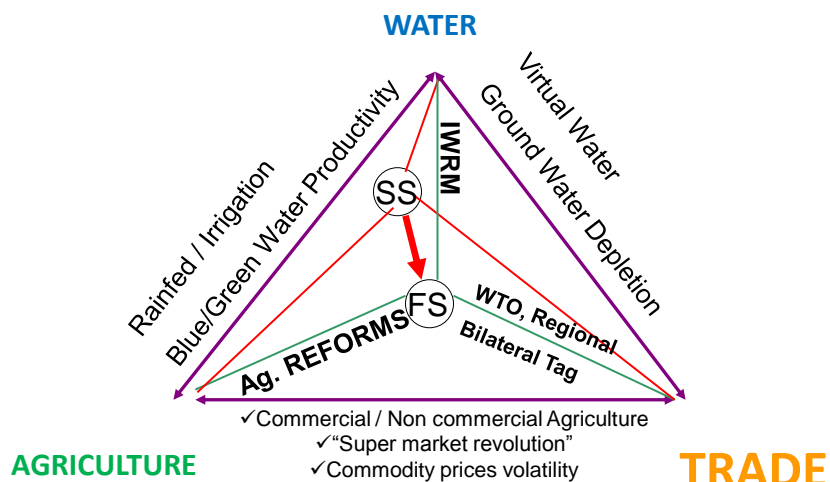


Mohamed AITKADI GWP/TEC

Key Questions

- How much more irrigation does Morocco need to meet the future needs of a growing population?
- How to restructure consumption patterns from the present wasteful low value water intensive uses?
- How can farmers achieve a higher livelihood from every drop of water?
- What will the side effects on the rural community be by transferring water to cities? And what are the implications for food security?
- Does the import of food “virtual water” support food security and a more equitable and efficient allocation of water?

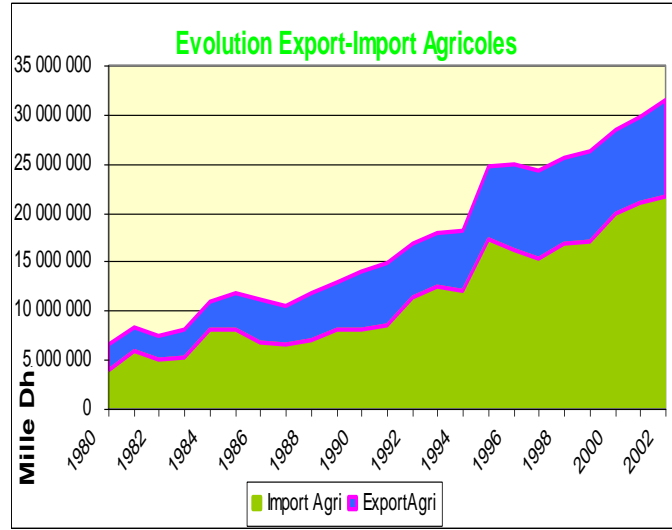
WATER-AGRICULTURE-TRADE NEXUS

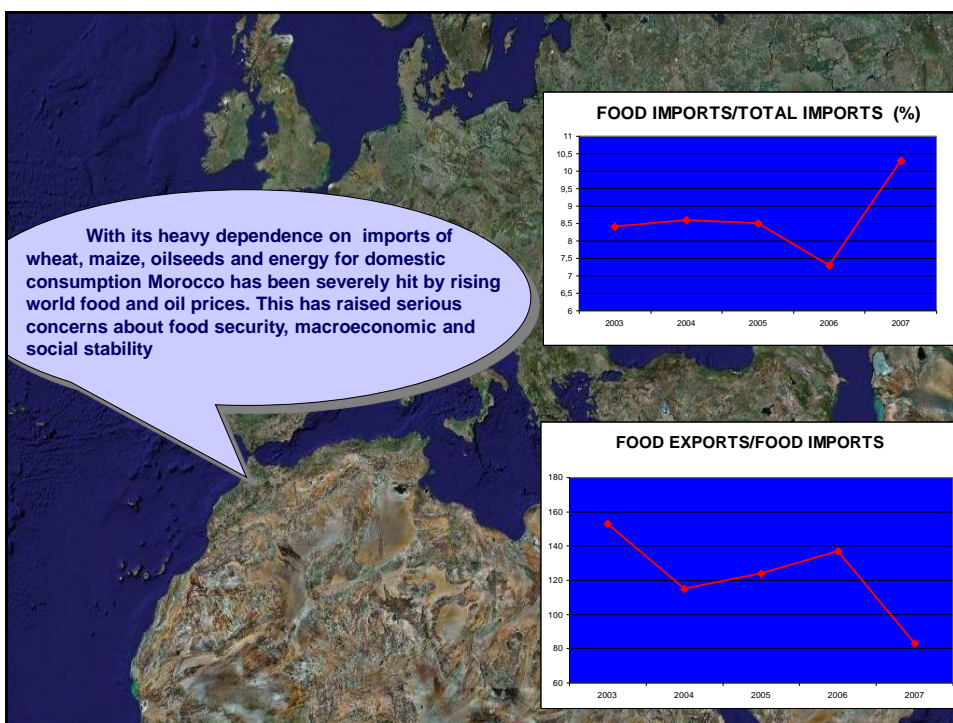


Mohamed AITKADI GWP/TEC



TRADE





Impact of Trade Agreements on Morocco's macroeconomic variables

	South-South	North - South	Multilateral
Exports (val)	2.5	42.0	38.7
GDP (val)	0.0	0.5	2.5
Real return to capital	0.0	1.8	1.7
Real return to land	-0.4	-9.3	-9.6
Real return to natural resources	-0.4	-8.2	-6.3
Skilled real wages	0.1	-0.6	4.0
Terms of trade	-0.2	-5.9	-5.3
Unskilled real wages	0.0	-1.6	-0.5
Welfare	0.0	-0.8	1.0

Source: Adapted from Antoine Bouet – IFPRI
MIRAGE MODEL

Impact of Trade Agreements on Morocco's agricultural production

	South-South	North - South	Multilateral
Rice	-0.9	-79.7	-77.8
Wheat	-0.5	-20.0	-22.9
Cereal grains nec	-0.2	-1.7	-2.8
Vegetables fruit nuts	-0.2	8.9	7.7
Other agic products	2.5	55.4	26.8
Sugar	0.0	0.4	-4.5
Plant based fiber	0.0	1.5	3.6
Meat and meat products	-1.5	-22.5	-22.8
Milk	0.3	-55.5	-39.9
Other food products	0.6	-5.1	8.1

Source: Adapted from Antoine Bouet – IFPRI

MIRAGE MODEL

Effects of trade reform on Producer Price for Irrigated Agriculture, with and without Water Market

	Year 1	Year 5	Year 10	Year 15	Year 20	Steady State
Without water user rights						
Market						
Soft wheat	-22.59	-20.96	-6.43	-6.17	-6.03	-5.85
Hard wheat	-4.55	-2.83	0.71	1.22	1.52	1.89
Other cereals	1.68	2.39	4.54	6.12	7.04	8.19
Industrial crops	-2.15	-2.05	-0.74	-0.16	0.17	0.60
Fruits and vegetables	1.15	0.88	0.63	1.34	1.76	2.29
With water user rights						
Market						
Soft wheat	-14.28	-12.96	0.42	0.57	0.66	0.78
Hard wheat	-2.21	-0.96	2.28	2.63	2.83	3.09
Other cereals	2.33	2.74	4.47	5.38	5.92	6.60
Industrial crops	-1.23	-1.22	1.18	1.88	2.30	2.82
Fruits and vegetables	0.06	-0.08	-0.25	0.50	0.94	1.50

Conclusions

- Present water use patterns and withdrawals are not sustainable and water security will become a major limiting factor for socio-economic development
- Under current trends Morocco will become less self sufficient and will have to rely on the world market for food import
- Trade regimes can have deleterious consequences for the efficient allocation of water
- A trade reform alters the flow of rents to sector specific assets including water

Conclusions...

- The agricultural trading system is not yet neither truly global nor truly free. Developing countries still have difficult access to markets of developed countries.
- At present, developed countries provide trade distorting subsidies to their farmers and impose tariff barriers to developing countries exports that escalate with the value of the product.
- We need a trading system that draws on the expertise of every nation and returns to every nation a more diverse and above all secure supply of food.

RESPONSABILITIES OF DEVELOPED COUNTRIES

- Greater market access
- Eliminate trade-distorting domestic supports
- Increase financial assistance to agricultural and rural development
- Facilitate technology transfer