

1. Introduction	1
2. Cooperation agreements in the region and their practical implementation	4
2.1 The Arab League (AL) as the main instrument of regional cooperation	4
2.1.1 Arab Economic Unity Council (AEUC)	6
2.1.2 Arab Monetary Fund (AMF)	7
2.1.3 Arab Fund for Economic and Social Development (AFESD) ..	7
2.1.4 Arab Bank for Economic Development in Africa (ABEDA) ..	8
2.1.5 Organization of Arab Petroleum Exporting Countries (OAPEC)	9
2.2 New moves towards a market economy	9
2.3 Sub-regional groups	11
2.3.1 Cooperation Council of the Arab Gulf States (GCC)	11
2.3.2 Arab Maghreb Union (AMU)	13
2.3.3 Arab Cooperation Council (ACC)	14
2.4 Conclusion	14
3. Survey of regional economic potential and structures	16
3.1 Survey of the general economic situation	16
3.2 The processing industry	18
3.3 Agriculture	21
3.4 State influence on the economy	24
4. Economic potential, actual trade links, obstacles to trade and cooperation potential of the Occupied Territories	27

4.1 Economic structure and trend	27
4.2 The IOT's existing trade links	31
4.3 Obstacles to trade facing the IOT	34
4.4 Export promotion measures and marketing aids	39
4.5 Complementary trade advantages and surplus production	45
5. Regional and international external economic links of the Mashrek ..	51
5.1 Survey of structures and potential of relevance to cooperation ..	51
5.2 Existing foreign trade links	55
5.2.1 International survey	55
5.2.2 Regional foreign trade links and cooperation potential ...	57
5.2.2.1 Summary survey	57
5.2.2.2 Israel	59
5.2.2.3 Egypt	64
5.2.2.4 Jordan	69
5.2.2.5 Syria	73
5.2.2.6 Lebanon	77
5.2.2.7 Saudi Arabia	80
5.2.2.8 Turkey	83
5.2.2.9 Outlook	87
5.2.3 Aspects of regional integration and cooperation	87
6. Tariff and non-tariff barriers to intra-regional trade	92
6.1 Survey of regional obstacles	92
6.2 Economic obstacles	93
6.3 Bureaucratic and infrastructural obstacles	107
6.4 Overall evaluation of regional obstacles to trade	113

7. Structures and potential in the services sector	118
7.1 Structures, shortfalls and obstacles in the trade-supporting banking sector	118
7.1.1 Survey of the financial structure	118
7.1.2 Trade and export financing	122
7.2 Migration of labour	124
7.2.1 Mobility of Palestinian labour	124
7.2.1.1 Structure of the labour market in the Occupied Territories	125
7.2.1.2 Dependence on the Israeli labour market	127
7.2.1.3 Migration between the IOT, Jordan and other Gulf states	129
7.2.1.4 The IOT labour market in the event of regional integration	130
7.2.1.5 Level of qualifications of Palestinians in the Occupied Territories	131
7.2.2 Mobility of labour in the Gulf region	133
7.2.2.1 Trend of foreign labour in the recipient countries	134
7.2.2.2 Effects of return migration in the countries of origin	137
7.3 Tourist infrastructure and potential	141
7.3.1 Tourist potential of the region	141
7.3.2 Scale of tourism in the region today	145
7.3.3 Prospects of regional cooperation	147
7.3.4 Need for investment to exploit the tourist potential	149

8. Trade potential following regional liberalization	150
8.1 Introductory remarks/method	150
8.2 Analysis of trade potential	152
8.2.1 Regional survey	152
8.2.2 Country by country survey	156
9. Summary and conclusions	164

Annexes:

Tables A 1 to A 12	171
List of interlocutors and contacts	196
Bibliography	201

3.1	Middle Eastern region, population and per capita income, 1992 .	17
3.2	Middle Eastern region, gross domestic product 1992 and real growth 1988 - 1992	18
3.3	Middle Eastern region, share of agriculture and the processing industry in the gross domestic product, 1991/92	19
3.4	Middle Eastern region, gross value added of the processing industry, 1991/92	20
3.5	Middle Eastern region, gross value added of agriculture, 1991/92	22
3.6	Middle Eastern region, major agricultural products	23
3.7	Middle Eastern region, self-supply in food, 1992	25
5.1	Regional and international survey of Middle Eastern foreign trade links	56
5.2	Comparison of regional export and import shares	57
5.3	Share of important product groups in total exports of the Middle Eastern region	58
5.4	Israel - Regional trade by country and main products, 1992	61
5.5	Egypt - Exports to the region by country and main products . . .	66
5.6	Egypt - Imports from the region by country and main products, 1992	68
5.7	Jordan - Exports to the region by country and main products, 1992	70
5.8	Jordan - Imports from the region by country and main products, 1992	71

5.9	Syria - Exports to the region by main products and country, 1990	75
5.10	Syria - Imports from the region by country and main products, 1990	76
5.11	Lebanon - Regional trade by country and main products, 1989 ..	79
5.12	Saudi Arabia - Imports from the region by country and main products, 1989	82
5.13	Turkey - Exports to the region by main products and country, 1990	84
5.14	Turkey - Imports from the region by main products and country, 1990	85
6.1	Israel - Trade-related import regulations	95
6.2	Jordan - Trade-related import regulations	97
6.3	Egypt - Trade-related import regulations	100
6.4	Barter arrangements between Egypt and various other countries, 1985 to 1987	101
6.5	Syria - Trade-related import regulations	103
6.6	Lebanon - Trade-related import regulations	105
6.7	Saudi Arabia - Trade-related import regulations	106
6.8	Turkey - Trade-related import regulations	108
6.9	Current rules on the carriage of goods by road in the Middle Eastern region	110
6.10	Duties and frequency of non-tariff barriers to trade for selected groups in the Near East	115
7.1	Population growth and labour market in the IOT	126
7.2	Working population and regional distribution, 1987 - 1991	127
7.3	Share of various institutions in the different types of education ..	132

7.4	Return migrations following the Gulf War	137
7.5	Impact of reverse transfers in the recipient countries	139
7.6	Changes in certain tourist infrastructure indicators between 1967 and 1992	144
7.7	Trend in the number of tourists, 1985 - 1989	145
7.8	Scale and trend of revenue from tourism	147
8.1	Extra-regional exports and imports of the Middle Eastern region by product groups	154
8.2	Rough survey of Israel's trade redirection potential	156
8.3	Rough survey of Syria's trade redirection potential	156
8.4	Rough survey of Lebanon's trade redirection potential	158
8.5	Rough survey of Jordan's trade redirection potential	159
8.6	Rough survey of Egypt's trade redirection potential	160
8.7	Rough survey of Saudi Arabia's trade redirection potential	161
8.8	Rough survey of Turkey's trade redirection potential	162