

Analysis Economic of Development and Efficiency Intra-Trade in Arab Free Trade Area

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ABSTRACT

This research aims mainly study and analysis of the implications of regional developments on the foreign total intra- trade in the region during the period (2000 -2013). This research employed descriptive methods to analyze indicators of efficiency of the foreign total intra-trade in the region. It was found that an increase in the value of the foreign total intra-trade in the region at an annual rate reached about 13.7%, and the average of the relative importance of the foreign total intra-trade of the foreign total trade in the region toward 11.41%. Jordan is more than the member States in the concentration of foreign trade with countries in the region, by about 37%, followed by the state of Yemen by about 25.9%. The average indicator of the degree of economic vulnerability in the region about 8%, as the general index of the degree of economic stability and the foreign total intra- trade about 8.26%, and the average per capita share of these trade toward 114.1 dollars, representing about 3.96% of the per capita share of the foreign total trade of the states of the region. The index reached the diversity of the region toward 0.686. There was high degree of concentration of exports in nine countries. Iraq where the value of the In-dex about 0.981, followed by Libya about 0.812, while Syria was less than the states in the concentration index about 0.137. Morocco about 0.157. The average value of the concentration index for the region about 0.374.

Keywords

International Trade, Arab foreign trade, the Arab economy, GAFTA.

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1.0 INTRODUCTION

An Arab states established many of the conventions aimed at the development of joint Arab economic action in general, the foreign total intra- trade development, in particular, the last of which was the convention on the Great Arab Free Trade Area, known as (GAFTA) in the year 1998, which entered into effect in 2005. As a model for the Arab integration, it introduced liberation of foreign trade as an interface between the Arab states and it intends to establish an Arab customs union in the future. It was hoped that the union will lead to the opening of Arab markets, and the removal of obstacles and hindrances tariff and non-tariff barriers and facilitate cross the transfer of goods (League of Arab States, 2003).

The implementation of the convention and an important step complete liberalization of trade between the Arab states. His liberalization was reflected the evolution of intra-trade Arab and growth, as intra-Arab trade essential tool, thus it was important for achieving the Arab economic integration. However, despite the efforts of the Arab countries for the liberation of the trade and development, there has been a modest volume of foreign total intra-trade of the foreign total trade in the regaion. The official figures did not exceed that ratio was about 11.66% during the period (2011 -2013), while reached about 12.14% in the period (2005 -2010), (Soliman, 2015; and Khateeb *et al.*, 2016).

The gain thus far has not been commensurate with the objectives of the establishment and implementation of the convention in the revitalization and development of trade between Arab states, where it was expected to be fully implemented and that full implementation would lead to a reduction in import prices and to facilitate the exchange of Arab commodities. The anticipated result was an increase the amount of exports from the Arab countries producing and exporting countries, and also helps to transfer part of the imports by the Arab States of foreign commodity.

There are challenges and difficulties and constraints prevented the investment that potential constituents, reflected in an annual growth rates of trade between the countries of the region, (Soliman, 2014).

The Arab region has witnessed many regional developments since the year 2011. The most important of which some political events in some Arab states which impact on foreign trade and overall interface between the Arab States that had taken place in these developments, and then also affected the foreign trade in most of the Arab countries, and the great Arab free trade area in general, while the relative importance of the foreign total intra-trade in the foreign total trade and the College of the region during the period (2011-2013) about 0.49% compared to the highlights during the period (2005-2010), *see* Khateeb *et al.*.

This research attempts to answer the question: What is the reality of the foreign trade of total intra-Arab free trade area, and what commensurate with this reality with the plans of the objectives of the establishment and implementation of the Convention?

This research aims to study foreign total intra-trade in the great Arab's free trade area. We intend to uncover indicators of efficiency, the effects of regional developments on the foreign total intra-trade in the region during the period (2000 -2013). The study aims to achieve these objectives: (i) to study the reality of the foreign total intra-trade in the great Arab free trade area, and (ii) to estimate the indicators for economic efficiency forforeign total intra-trade in the region.

2.0 DATA & METHODOLOGY

This research is based on the data published many sources. These sources include: public administration for economic affairs of the League of Arab States, the Arab Organization for Agricultural development, the Arab Monetary Fund, the secretariat of the Council of Arab Economic Unity, the Food and Agriculture Organization of the United Nations (FAO), the World Bank, the Ministry of Agriculture's Economic Affairs of Egypt, the Central Agency for Public Mobilization and Statistics, and the use of some of the data and statistics published by some of the international information network "Internet."

The present research adopts descriptive methods to study the development and efficiency of the foreign total intra-trade in the great Arab free trade Area. We had employed the following elements as our analytical tools:

- i. The equations of the trend to study the evolution of the foreign total intra-trade, intra-exports and intra-imports in the region, and stand on the annual growth rates of each;*
- ii. The measurement of economic efficiency indicators foreign trade total intra- Arab free trade zone: using the following indicators: (a) the relative importance of the foreign total intra-trade in the total foreign trade in the region, and (b) the relative importance of the foreign total intra-trade in the total foreign trade of member states in the region;*
- iii. The degree of economic openness of the foreign total intra-trade in the region, as well as the degree of economic openness between member states in the region;*
- iv. The correlation between intra- exports and intra- imports, and the rate of coverage of total intra- exports to total intra-imports of member states in the region;*
- v. The degree of economic participation and economic dependence on the foreign total intra-trade, and efficient functioning of the export operations to the member States in the region;*
- vi. Annual growth rates and the degree of economic stability of the foreign total intra-trade in the region, and the per capita share of the foreign total intra-trade in the region; and*
- vii. Concentration and commodity diversification of exports of Arab States in the region.*

This paper attempts to test the following hypotheses: (a) total Intra-Exports and imports total in the great Arab free trade Area not commensurate with the abolition of customs taxes after the start of the application of the Convention in the region; (b) removal of the customs duties and taxes itself may not lead automatically to the growth of the foreign total intra-trade in the region, there are obstacles to the customs duties to prevent the growth of the intra-trade; and (c) Arab countries exports not to diversity and concentration, which makes it a competitive production between Arab member states in the region, hinder the development of the total intra- exports in the region.

3.0 FINDINGS & DISCUSSIONS

3.1 Reality of the foreign total intra-trade in the greater Arab Free Trade Area

The average value of the foreign total intra-trade in the great Arab free trade area during the period (2000 -2013) has remained at about 121.77 billion dollars. It is ranged from a minimum value of about 32.55 billion dollars in the year 2000, with a relative number of about 35.6% compared to the base year (2000), and a maximum value of about 229.75 billion dollars in the year 2013, with a total increase of 250.9% compared to the basis year. The foreign total intra-trade in the region increased by about two and a half since the implementation of the Convention. The foreign total intra-trade in the region was development by annual statistical amounted to about 16.72 billion dollars, representing about 13.7% of the annual average of the foreign total intra-trade in the region, (Table 1) .

The average value of the total intra-exports in the great Arab free trade area during the period of study at about 62.23 billion dollars, and ranged between a minimum value of about 16.16 billion dollars in year 2000, with a relative number of about 34.6% compared to the base year, and a maximum value of about 115.83 billion dollars in the year 2013, with a relative number of about 346.9 % compared to the base year. The total intra- exports in the region development by annual

statistical amounted to about 8.4 billion dollars, representing about 13.6% of the annual average of the total intra-exports in the region, (Table 1) .

The average value of the total intra-imports in the region during the period of study at about 59.54 billion dollars, and ranged between a minimum value reached about 15.95 billion dollars in the year 2000, with a relative number reached about 36.6% compared to the base year, and a maximum value of about 113.93 billion dollars in the 2013, with a relative number reached about 261.7% compared to the base year. The total intra- imports in the region development by annual statistical amounted to about 16.72 billion dollars, representing about 13.9% of the annual average of the total intra-imports in the region, (Table 1).

Table 1. Development of the value of the foreign total intra-trade in the great Arab free trade area during the period (2000 -2013). Value: billion US dollars.

Statement Year	Total intra- trade		Total intra- exports		Total intra- imports	
	Value	Relative number	Value	Relative number	Value	Relative number
2000	32.55	35.55	16.60	34.55	15.95	36.64
2001	36.48	39.84	18.34	38.18	18.14	41.67
2002	40.01	43.69	16.42	41.88	19.89	45.69
2003	46.56	50.85	22.56	46.96	24.00	55.13
2004	6.328	69.11	34.35	71.50	28.93	66.46
2005	91.57	100.00	48.04	100.00	43.53	100.00
2006	111.13	121.36	58.25	121.25	52.88	121.48
2007	133.66	145.96	70.28	146.29	63.38	145.60
2008	182.21	198.98	94.88	197.5	87.33	200.62
2009	151.97	165.96	75.61	159.20	75.49	173.42
2010	157.72	172.24	77.21	160.72	80.51	184.95
2011	207.41	226.50	106.43	221.54	100.98	231.98
2012	220.09	240.35	111.54	232.18	108.56	249.39
2013	229.75	250.90	115.83	241.11	113.93	261.73
Average	121.77	-	62.23	-	59.544	-
Ann. %	13.7	-	13.6	-	13.9	-

The volumes in brackets are negative. Source: collected and calculated from: (i) The League of Arab States, the Arab Monetary Fund, the Unified Arab Economic Report , various issues; and (ii) The International Bank, data, World Development Indicators, various periods.

This results indicate to that the rates of annual changes in the foreign total intra- trade in the region is still low, despite the implementation of the Convention on the Arab free since the year 2005, and did not reach hoped the expected aspirations achieved. It also during recent years did not indicate concrete rates, amounting to about 4.4% of the foreign total intra- trade, and about 3.8% for the total intra- exports, and about 4.9% for the total intra- imports in the region in the period (2012 - 2013), (Table 2).

Table 2. Indicators of the annual change of the foreign total intra- trade in the great Arab free trade area for the period (2000-2013).

Statement	Average period 2000 -2013	2012	2013	Annual rate of change%	
				2000-2013	2012-2013
Total intra-trade by billion dollars	121.77	220.09	229.75	13.7	4.4
Total intra- exports	62.23	111.54	115.83	13.6	3.8

by billion dollars					
Total intra- Imports by billion dollars	59.54	108.56	113.93	13.9	4.9
Total intra- exports/ total exports (%)	9.81	9.3	8.8	0.06 %	(5.4)
Total intra imports/ total imports (%)	13.83	14.3	13.8	1.8 %	(3.5)
Total intra- trade /Total trade (%)	11.41	11.2	10.7	1.3 %	(4.5)
Total intra- trade / GDP (%)	8	8.197	8.192	3.35 %	(0.06)

The volumes in brackets are negative. *Source:* collected and calculated from: 1.The League of Arab States, the Arab Monetary Fund, the Unified Arab Economic Report , various issues. 2. The International Bank, data, World Development Indicators , various periods.

3.2 Indicators of economic efficiency of the foreign total intra-trade

3.2.1 Foreign total intra-trade in relations to total foreign trade in the region

The average of the Relative importance of the foreign total intra-trade in the foreign total trade in the region during the study period mounted at about 11.41%, reached about 11.22% in the year 2012, and about 10.71% in the year 2013. The average of the relative importance of the total intra-exports in total exports of the region toward about 9.81%, amounted to 9.26% in the 2012, and about 8.79% in the 2013. Also the average of the relative importance of the total intra-imports in the total imports of the region toward about 13.83%, reached about 14.32% in the 2012, and 13.75% in the 2013, (Table 3).

The results indicate to decline in the relative importance of the foreign total intra-trade in the foreign total trade in the great Arab free trade area , which means the existence of factors to prevent further such importance, and ways and means to overcome them.

3.2.2 Relative importance of the intra-trade among member states

3.2.2.1 Intra-trade in relations to foreign total trade

It is clear that the Arab states had differed of the extent of the importance of the foreign total total intra- trade with the rest of the Arab states in it's the foreign total trade, and found that the state of Jordan was more member states in the concentration of the foreign total trade with countries in the region, where the average of the relative importance of its the foreign total intra-trade in the foreign total trade amounted to about 37.03%, followed by the State of Yemen in by about 25.92%, while the countries of each of Bahrain, Syria, Oman, Sudan, Lebanon, Egypt, Iraq, Saudi Arabia, and Morocco in the centers from the third to XI (10% and more) by about 24.28%, 23.32%, 20.36%, 19.18%, 18%, 15.8%, 11.49%, 10.63%, 10.12%, respectively, while state of Algeria, and Palestine were less member states of concentration of the foreign total intra-trade with other countries in the region, to about 3.48%, 2.74% respectively, (Table 4).

Table 3. Evolution of the relative importance of the foreign total intra-trade in the foreign total trade in the great Arab free trade area during the period (2000 -2013).

Statement Year	Total intra- trade / total trade %	Total intra- exports / total exports %	Total intra- imports / total imports %	Total intra- imports / The gross domestic product (GDP) %
2000	10.22	9.46	11.15	4.79
2001	8.61	6.96	11.35	5.47

2002	9.81	8.44	11.75	5.91
2003	10.90	9.26	13.09	6.16
2004	12.18	11.05	13.88	7.08
2005	13.29	11.71	15.62	8.39
2006	12.17	10.29	15.23	8.60
2007	12.63	10.41	16.53	8.88
2008	14.09	12.09	17.16	9.60
2009	8.87	7.31	11.31	8.93
2010	11.77	10.55	13.23	8.01
2011	13.20	11.71	15.26	8.54
2012	11.22	9.26	14.32	8.20
2013	10.71	8.79	13.75	8.19
Ave.	11.41	9.81	13.83	22.13

Source: collected and calculated from: 1.The League of Arab States, the Arab Monetary Fund, the Unified Arab Economic Report , various issues. 2. The International Bank, data, World Development Indicators , various periods.

3.2.2.2 Total intra-exports in relations to total exports by member states in the region

The assessment of the relative importance of the total intra- exports in the total exports of member states in the region during the study period, it is clear that the state of Jordan was more member states in the focus of its overall exports with the other countries in the region, where the average of the relative importance of the intra- exports in the total exports toward 49.64%, followed by the state of Lebanon by about 42.44%, while the countries Syria, Egypt, Bahrain, Oman, Sudan, Yemen, Palestine, and Saudi Arabia in the centers of the third to tenth (10% and more) by about 36.14%, 23.4%, 16.05%, 13.67%, 13.52%, 11.62%, 11.51%,, 11.36%, respectively, while the heads of state of Libya, and Kuwait less than States in the focus of its overall exports with the other countries in the region, by about 3%, 2.56%, respectively, during the study period, (Table 4).

3.2.2.3 Intra-imports in relations to total imports of member states in the region

The assessment of the relative importance of the intra- imports of the total imports of member states in the region during the study period, it is clear that the State of Yemen was more member states in focus the total imports with the other countries in the region, where the average of the relative importance of the intra- imports in the total imports amounted to about 38.95%, followed by the state of Bahrain in the second worth, by about 34.69%, while the countries Jordan, Oman, Sudan, Iraq, Qatar, Kuwait, Syria, Lebanon, Morocco and Egypt in the centers from the third to the XII (10% and morwe) by about 32.82%, 32.21%, 24.2%, 22.79%, 16.31%, 15.74%, 13.86%, 13.33%, 13.11%, 11.96%, respectively, while the heads of State of Algeria, and Palestine less than States In the focus, by about 4.22%, 0.42%, respectively, (Table 4).

3.2.3 Degree of economic openness as indicated by total intra-trade in the region

Through estimated the relative importance of the foreign total intra- trade in the total GDP of the region, it can know the vulnerability of the economies of member states in the area of the foreign total trade between each of them, and whether there was a degree of openness of the Arab economie, consequently, the greater the degree of openness for the foreign total intra- trade in the region as a positive indication of where at least the adoption of these States to the outside world. Indicates a certain degree of interdependence among the countries of the region, assess the degree of economic openness in the region during the study period. It is clear that reached about 8%, and ranged between a minimum of about 4.8% in the year 2000, and a maximum of about 9.6% in the year 2008, also reached to about 8.197% in the 2012, and about 8,192% in the year 2013, these results indicate a low degree of economic openness between Arab member states in the region, the agenda, (Table 4).

3.3.4 Correlation between the total intra-exports and the total intra-imports

The correlations between total intra-exports and intra-imports of member states in the region are shown in Table 4. Table 4 allows us to measure the extent to which the correlation between intra-exports and intra-imports to know whether trade among member states in accordance with the comparative advantages and competitiveness and the actual needs of each state, or is it merely a reciprocal agreements, and the extent of the importance of the convention in the foreign total intra-trade in the region. We discovered syndromic relations between the total intra-exports and the total intra-imports of member states during the study period. To indicate the existence of a strong correlation more (0.7) between the intra-exports and the total intra-imports in the states of each of Jordan, Yemen, Oman, Kuwait, Morocco, Egypt, Algeria, Tunisia, Saudi Arabia, Lebanon, Syria, and Sudan, where the value of correlation coefficient about 0.947, 0.989, 0.948, 0.937, 0.936, 0.934, 0.898, 0.894, 0.885, 0.884, 0.842, 0.814, respectively. This finding gives a great importance to the impact of the convention on the greater Arab Free Trade Area on intra-trade of member states. There was weak correlation in Qatar, Iraq, and Libya, by about 0.674, 0.542, 0.325, respectively. The correlation measure was even weaker in the state of Palestine at about 0.116 during the study period. It was found that the average correlation coefficient between the total intra-exports and the total intra-imports of all the States in the region is high. It reached as high as 0.791 in the same period of study. This finding demonstrates that the Convention on the Arab Free Trade Area is important in the total intra-trade in the region.

When we examined the correlation between the total intra-exports and the total intra-imports member states in the region, it is was found that there were diversity of commercial exchange between member states, and their centralization in bilateral exchange had produced greater increase in total intra-trade. This increase was due to the economic gains for all states that required coordination between member states in the production of economic policies to bring about changes in production structures and to facilitate the movement of trade. In addition, an increase the competitiveness of the exchanged goods to replace goods traded between other Arab countries with the rest of the world countries also contributed to this positive development.

Table 4. Transactions simple link between intra-exports and intra-imports, and the relative importance of the foreign total intra-trade in the foreign total trade of member states in the region as the average for the period (2000 -2013).

Statement Country	Correlation coefficient (T)	Relative importance of intra-trade college in total trade of member states		
		Total intra- trade /	Total intra- exports /	Total intra- imports /
		total trade %	total exports %	total imports %
Jordan	0.947	37.03	49.64	32.82
United Arab Emirates	0.955	6.48	6.39	6.61
Bahrain	0.942	24.28	16.05	34.69
Tunisia	0.894	8.74	9.64	8.07
Algeria	0.898	3.48	3.05	4.22
Saudi Arabia	0.885	10.63	11.36	8.76
Sudan	0.814	19.18	13.67	24.20
Syria	0.842	23.32	36.14	13.86
Iraq	0.542	11.49	3.22	22.79
Amman	0.948	20.36	13.52	32.21
Qatar	0.674	8.15	5.63	16.31
Kuwait	0.937	5.66	2.56	15.74

Lebanon	0.884	18.	42.44	13.33
Libya	0.325	4.50	3.01	7.48
Egypt	0.934	15.80	23.40	11.96
Morocco	0.936	10.12	4.22	13.11
Yemen	0.989	25.92	11.62	38.95
Palestine	(0.116)	2.74	11.51	0.42

The volumes in brackets are negative. Source: collected and calculated from: 1. The League of Arab States, the Arab Monetary Fund, the Unified Arab Economic Report, various issues. 2. The International Bank, data, World Development Indicators, various periods.

3.3.5 Degree of economic openness between member states in the region

We examined the degree of economic openness to member states in the region in order to to state-to-state comparison. We found that seven countries had relatively high index values (10% and more). Jordan, for instance, had the highest value. The value of the degree of economic openness to the other member states of the region toward 33.11%, followed by the state of Bahrain, by about 28.69%, then comes Amman by about 19.72%, then comes the states of Yemen, Syria, Iraq, and Lebanon, by about 14.25%, 12.37%, 10.37%, 10%, respectively, while the degree of economic openness at mid level is relatively small, between (5%- less than 10%) in seven countries: United Arab Emirates, Saudi Arabia, Tunisia, Egypt, Qatar, Morocco, and Sudan, where the value of the degree of economic openness toward 9.23%, 7.92%, 7.56%, 6.55%, 6.13%, 5.93%, 5.68%, respectively. The remaining four countries showed relatively low levels (less than 5%) of the degree of economic openness, are Kuwait, Libya, Palestine, and Algeria, the value amounted to about 4.25%, 4.1%, 2.16%, 2.03%, respectively, (Table 5).

Low degree of economic openness means that here is a low the degree of integration between states. This is indicated by the decline in value of the foreign total intra-trade in the region. We must find the means to increase the openness of the Arab states on some of them economically, the low degree of dependence on the outside world and achieve economic growth of Member States, and reduce obstructions.

3.3.6 Coverage rate of the total intra-exports to the total intra-imports of member states

The coverage rate measures the value of export in excess of imports. This value indicates the extent of state control of imports, and their purchasing power. If exports exceeds imports, there is a trade surplus. Theoretically, the rate of coverage of the total intra-exports total equal the total intra-imports equal in the region, where the value of the total intra-imports total is the same value of the total intra-exports total plus freight and insurance costs, but in practice there may be some differences due to reasons related to register the data re-export within the exports of the non-deployment of some of the statements that exports of crude oil and gas and the differences in the timing of registration and the classification of exports and imports to (Soliman 2015).

We found that the rate of coverage of the total intra-exports in relations to the total intra-imports among member states, six countries achieved surplus in the balance of trade the interoperability of macroeconomic policy, Palestine, Saudi Arabia, Syria, United Arab Emirates, Algeria, and Qatar, where the rate of coverage about 728.48%, 328.89%, 192.28%, 127.93%, 124.7%, 111.56%, respectively. While nine states coverage rates between about (50% and more-less than 100%), are Egypt, Tunisia, Libya, Oman, Lebanon, Bahrain, Kuwait, Sudan, and Jordan, where the rate of coverage about to 98.75%, 88.22%, 80.46%, 72.8%, 64.22%, 58.53%, 53.05%, 51.48%, 50.55%, respectively. While the rate of coverage in the three states (less than 50%), are Yemen, Iraq, and Morocco, where the rate of coverage about by 27.17%, 18.15%, 16.33%, (Table 5).

Table 5. Indicators of the coverage rate and the degree of economic openness and the degree of economic participation and economic dependence of member states in the region as the average for the period (2000 -2013).

Statement The states	Rate of Coverage %	Degree of economic openness%	Degree of economic participatio n %	Economic dependency %	Intra- trade/ national income %
Jordan	50.55	33.11	32.85	21.99	33.85
United Arab Emirates	127.93	9.23	12.25	4.05	8.42
Bahrain	58.53	28.69	26.16	18.09	29.90
Tunisia	88.22	7.56	6.26	4.02	7.54
Algeria	124.70	2.03	10.99	0.90	2.23
Saudi Arabia	328.89	7.92	53.37	1.85	7.74
Sudan	51.48	5.68	32.03	3.75	17.7
Syria	192.28	12.37	31.57	4.23	13.79
Iraq	18.15	10.37	67.62	8.69	83.9
Amman	72.80	19.73	15.74	11.42	21.82
Oatar	111.56	6.55	5.47	3.10	7.20
Kuwait	53.05	4.25	30.	2.78	4.37
Lebanon	64.22	10.02	21.79	6.10	1023
Libva	80.46	4.07	10.83	2.25	3.78
Egypt	98.75	6.13	0.63	3.08	6.36
Morocco	16.33	5.93	71.93	5.10	6.07
Yemen	27.18	14.25	57.25	11.20	15.97
Palestine	728.48	2.16	75.86	0.26	1.94
Average	80.15	8.03	20.24	4.06	8.29

Source: collected and calculated from: 1.The League of Arab States, the Arab Monetary Fund, the Unified Arab Economic Report , various issues. 2.The International Bank, data, World Development Indicators , various periods.

3.3.7 Degree of economic participation of the foreign total intra-trade of member states in the region

The degree of economic participation may be indicated by the absolute difference between exports and imports of the state, or net the foreign total trade and attributed to the total value of the foreign trade, ranging between (0) when there is a perfect balance in the balance of trade, and higher than the equivalent of 100, when the state is net imported or exported, the extent of the contribution or the participation of foreign trade of the state in the international trade of other states (Soliman, 2015, and Fawaz and Soliman, 2015).

Egypt is the most balanced in the trade balance the interoperability of macroeconomic policy with the rest of the member states in the region, where a degree of economic participation of Egypt about 0.63%, followed by the group of countries that have achieved relatively balanced in their balance of trade the interoperability of macroeconomic policy with the rest of the member states, where a degree of economic participation toward (5% - less than 20%), include of Qatar, Tunisia, Libya, Algeria, United Arab Emirates, and Oman, where the economic participation of about 5.47%, 6.26%, 10.83%, 10.99%, 12.25%, 15.74%, respectively. Following are the group of states which had achieved an average balance in their balance of trade the interoperability of macroeconomic policy with the rest of the member states, with the participation of about (more than 20%- Less than 50%), these countries include of Lebanon, Bahrain, Kuwait, Syria, Sudan, and Jordan, where a degree of economic participation of about 21.79%, 26.16%, 67%, 31.57%, 32.03%, 32.85%, respectively, while the group of countries that achieved balance low in the balance of trade the interoperability of macroeconomic policy with the rest of the other States (more than 50%) include of Saudi Arabia, Yemen, Iraq, Morocco and Palestine, where a degree of economic participation of about 53.37%, 57.25%, 76.62%, 71.93%, 75.86%, respectively, (Table 5).

3.3.8 Economic dependence of member states in the region

The economic dependence of the state indicates to the extent of the dependence on imports, and calculated estimate the proportion of imports in the gross domestic product (GDP), ranging from (100) in the case of the adoption of the GDP of the state entirely on imports, and (0) in the case of the contrary (Soliman, 2015).

We examined the degree of economic dependency of member states in the region during the study period. Jordan relies on imports from Arab states, it has a degree of economic dependency of about 21.99%, followed by Bahrain by about 18.09%, then Amman by about 11.42%, also Yemen by about 11.2%, comes after the group of states which rely on imports of member states about (5%- Less than 10%) and include of Iraq, Lebanon, and Morocco, where a degree of economic dependency about 8.69%, 6.1%, 5.1%, respectively.

A group of states which rely on imports from the member states of the region by about (1%- Less than 5%) nine countries include of Syria, United Arab Emirates, Tunisia, Sudan, Egypt, Qatar, Kuwait, Libya, and Saudi Arabia, where a degree of economic dependency about 4.23%, 4.05%, 4.02%, 3.75%, 3.1%, 3.08%, 2.78%, 2.25%, 1.85%, respectively. There are two states adopted only on the striking of member states about (less than 1%), include of Algeria and Palestine, where a degree of economic dependency about 0.9%, 0.26%, respectively. (Table 5).

There is still a long economic integration among states. This is reflected in the low proportion of total imports to the total GDP of the region, where reached about 4.06% of the average during the study period, demonstrating the importance of the expansion of the trade exchange between member states, the increase of commercial exchange between these states would be at the expense of its imports from the outside world and contributes to the treatment of trade dependence abroad suffered by most of the Arab States.

3.3.9 Efficiency of the performance of the export operations to member states in the region

The proportion of the foreign total trade to the total national income indicates the efficiency of the export operations. Whenever the value of this indicator increases, export activities also increases. This is an indication of intra-regional trade activities.

Jordan benefited most from intra-regional export. The proportion of the total intra-trade interfaces with the member states in the area of the total national income of about 33.85, followed by Bahrain about 29.9%, then comes from Oman, Yemen, Syria, and Lebanon, where the proportion of trade with the member states of the region of the total national income of about 21.82%, 15.97%, 13.79%, 10.23%, respectively, while the group of countries, the proportion of inter-trade with member states of the total national income toward (more than 5%- 10%) of Iraq, United Arab Emirates, Saudi Arabia, Tunisia, Qatar, Sudan, Egypt, and Morocco, where the ratio amounted to 83.9%, 8.42%, 7.74%, 7.54%, 7.2%, 17.7%, 6.46%, 6.07%, respectively. The lesser group (less than 5%) include Kuwait, Libya, Algeria, and Palestine, where the ratio amounted to about 4.37%, 3.78%, 2.23%, 1.94%, respectively, (Table 5).

We found that here is a decline in the number of export institutions and low efficiency of the performance of the export operations between member states, thus decreasing the region as a whole, where the proportion of the total intra- trade in the total national income of the region toward 8.29% as an average during the period of study.

3.3.10 Annual growth rates of the foreign total intra- trade in the region

The annual growth rates of the foreign total intra-trade in the region ranged from a low of a decrease of 16.6% in the year 2009, and a maximum reached about 44.7% in the year 2005, with an annual average of reached about 13.7%. The annual growth rates of the total intra-exports in the region between a low of a decrease of about 19.39% in the year 2009, and a maximum of about 52.26% in the year 2004, with an average annual rate of about 13.6%, ranging from annual growth rates of the total intra-imports in the region between a low of a decrease of about 13.56% in the

2009, and a maximum of about 50.46% in the 2005, with an average annual rate of about 13.9% during the study period, (Table 6).

3.3.11 Degree of economic stability of the foreign total intra-trade in the region:

The assessment of economic instability by intra-trade in the region during the study period shows that it ranged between a minimum of 0.28% in the 2013 to a maximum of about 148.75 in the 2000. The index of the degree of economic stability and the intra-trade in the region is 8.26%. The values for economic instability in intra-exports in the region ranges between 0.44% in the 2006, and a maximum of about 124.81 in the 2000. The general indicator of the degree of economic stability the total intra-exports region was 8.37%. The transactions ranged from economic instability of the total intra-imports in the region between the minimum reached about 0.46% in the 2007, and a maximum of about 179.81 in the 2000. The general indicator of the degree of economic stability the total intra- imports in the region toward 7.95% for the same period of study, (Table 6).

These results indicate that the total intra-imports was more stable of the total intra-exports in the region and. In general, intra-trade, the total intra-total exports and imports in the region of instability or relative stability during the study period.

Table 6. Development of annual growth rates and transactions instability of foreign trade internetwork college in the region during the period (2000 -2013).

Statement Year	Annual growth rates%			Transactions instability%		
	Total intra-trade	Total intra-exports	Total intra-imports	Total intra-trade	Total intra-exports	Total intra-imports
2000	14.14	17.98	10.39	148.75	124.81	179.81
2001	12.08	10.48	13.73	22.42	15.94	29.75
2002	9.68	9.71	9.65	13.98	17.04	10.65
2003	16.37	12.13	20.67	26.36	30.99	21.42
2004	35.91	52.26	20.54	20.85	16.47	25.48
2005	44.70	39.85	50.46	5.27	3.07	7.59
2006	21.36	21.25	21.48	1.98	0.44	4.53
2007	20.27	20.65	19.85	2.74	5.80	0.46
2008	36.32	35.00	37.79	24.11	26.74	21.37
2009	(16.60)	(19.39)	(13.56)	7.07	8.19	5.92
2010	3.78	0.95	6.65	12.50	15.83	9.05
2011	31.54	37.84	25.43	5.30	6.25	4.31
2012	6.12	4.80	7.50	3.00	2.70	3.30
2013	4.39	3.84	4.95	0.28	1.04	0.49
Average	13.7	13.6	13.9	8.26	8.37	7.95

The volumes in brackets are negative. Source: collected and calculated from: 1.The League of Arab States, the Arab Monetary Fund, the Unified Arab Economic Report , various issues. 2. The International Bank, data, World Development Indicators , various periods.

3.3.12. Per capita share of the foreign total intra-trade in the region

The average per capita share of the foreign total intra-trade in the region during the period of study at 114.97 dollars, representing about 3.96% of the per capita share of the total foreign total trade in the region. The per capita share of the foreign total intra- trade in the region between the minimum reached about 86.13 dollars in the 2001, the equivalent of about 3.53% of the per capita share of the foreign total trade in the region, and a maximum of about reached 140.89 dollars in the 2008, the

equivalent of about 3.46% of the per capita share of the foreign total trade in the region, (Table 7). The low and declining per capita share of the foreign total intra-trade in the region.

3.3.13. Concentration and diversification commodity of exports

The degrees of diversity commodity concentration of member states in the region in the 2013 shows that the Arab states differed in indicators of concentration. It is still characterized by a low in the degree of diversity in their exports, for achieving medium levels of diversity (0.5), with the exception of Tunisia, Egypt, and United Arab Emirates which record index diversity in the exports of about 0.531, 0.536, 0.554, respectively. The average value of diversity index for the region reached about 0.686, (Table 8).

The concentration index shows a high degree of concentration of exports in nine countries. Ranking from high to low: Iraq has 0.981, followed by Libya about 0.811, then comes the states of Saudi Arabia, Kuwait, Oman, Yemen, Algeria, Sudan, and Qatar about 0.761, 0.746, 0.62, 0.592, 0.54, 0.534, 0.519, respectively, while Syria was less than the states in the concentration index about 0.137. Morocco has about 0.157, then comes of Lebanon, Tunisia, Egypt, and Jordan about 0.159, 0.16, 0.161, 0.164, respectively. The average value of the concentration index for the region reached about 0.374, (Table 8).

Table 7. Evolution of per capita from the dollar foreign trade of total intra-Arab free trade zone during the period (2000-2013)

Statement Year	Per capita by dollar		
	The foreign total trade (1)	The foreign total intra-trade (2)	(1)/ (2) %
2000	1196.81	102.17	8.54
2001	1558.34	86.13	53.5
2002	1468.36	98.14	6.68
2003	1504.94	109.04	7.25
2004	1790.13	121.83	6.81
2005	2320.63	132.94	5.73
2006	3006.71	121.67	4.05
2007	3403.82	126.25	3.71
2008	4066.33	140.89	3.46
2009	5237.71	88.68	1.69
2010	4008.47	117.71	2.94
2011	4597.63	132.05	2.87
2012	5622.10	112.17	2
2013	6010.96	107.07	1.78
Average	3270.93	114.97	3.96

Source: collected and calculated from: 1. The League of Arab States, the Arab Monetary Fund, the Unified Arab Economic Report, various issues. 2. The International Bank, data, World Development Indicators, various periods.

Table 8. Indicators of concentration and commodity diversification of exports of the States members of the Arab free trade zone in 2013.

Statement Country	Number of Goods	Concentration Index	Diversity Index
Jordan	234	0.164	0.624
United Arab Emirates	259	0.434	0.554
Bahrain	235	0.356	0.702
Tunisia	226	0.160	0.531

Algeria	98	0.540	0.728
Saudi Arabia	254	0.761	0.752
Sudan	84	0.534	0.793
Syria	221	0.137	0.603
Iraq	137	0.981	0.881
Amman	234	0.620	0.672
Qatar	232	0.519	0.771
Kuwait	233	0.746	0.783
Lebanon	223	0.159	0.642
Libya	141	0.811	0.786
Egypt	239	0.161	0.536
Morocco	245	0.157	0.682
Yemen	190	0.592	0.737
Average	196	0.374	0.686

*Sudan data for the year 2012 the last statement available.

Source : collected from:1. UNCTAD, as the classification of SITC 3 digit (the classification of the third level). 2. The League of Arab States, the Arab Monetary Fund, the Unified Arab Economic Report, various periods..

4.0 CONCLUSION

The Arab states implemented many measures and agreements aimed at the development of the intra-Arab trade. The Convention on the Great Arab Free Trade Area in the year 1998, which entered into effect implementation in the 2005, has the aim of opening Arab markets, and the removal of obstacles and hindrances tariff and non-tariff barriers and facilitate cross the transfer of goods. There have been modest gains in intra-trade compared to foreign trade in the region. According to the findings of this research, we offer the following recommendations:

- (1) Coordination between the member states of the region in production and economic policies, specialization in the production of certain products in the state or of several Arab countries in accordance with the comparative advantage in the production, as well as the division of labor between the Arab countries reduce competition in the Arab markets.
- (2) Facilitate the movement of trade between Arab states to overcome the problem of the concentration of trade in some states, first and foremost, means of transport, communications, especially transport between the east and the west.
- (3) Work on the development of rules of origin to increase the proportion of the component of the joint Arab about 50% in the case of the participation of two Arab countries in its production, so as to increase the ratio to 75% if the number of partners in production to three Arab countries or more help to Edit Arab trade in diversity and mutual respect.
- (4) Proposing the list of goods exempted from customs tax and tariffs on the remaining commodities, where the absence of agreement on rules of origin have negative repercussions on the liberalization of intra-Arab trade, and increases the exceptions.
- (5) Provide information and transparency on dealing or trade exchange between member states, in respect of all administrative procedures and policies of the various economic, which constitute an essential element in the process of implementation of the

region.

(6) Establish an emergency committee to deal with the regional developments and to overcome the emergency problems to the economies of member States, and the coordination between these States in the formulation of plans to face the economic challenges that arise as a result of recent developments or other disasters and their reflections on the movement of intra-Arab trade, to limit their negative effects.

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