



Deutscher Tropentag, October 11-13, 2005, Hohenheim

“The Global Food & Product Chain—
Dynamics, Innovations, Conflicts, Strategies”

Agricultural Import Surges in Developing Countries: How Do They Arise?

HARALD GRETHE¹, STEPHAN NOLTE²

¹*Humboldt-Universität zu Berlin, Agricultural Economics and Social Sciences, Germany*

²*Humboldt-Universität zu Berlin, International Agricultural Trade and Development, Germany*

Abstract

An import surge is considered a situation in which the quantity or value of imports suddenly exceeds a ‘normal’ level. Such a sudden increase in agricultural imports is widely considered to result from developed countries’ agricultural policies and to be a problem for food security in developing countries because imports would replace domestic production. This, however, may not always hold: in the case of drastically reduced domestic supply, e.g. for climatic reasons, import surges may contribute significantly to food security and may be a proof of the well functioning of the integration of the national markets in an international environment. On the other hand, an import surge resulting from a transitory exogenous factor may result in low domestic prices and drive local suppliers out of the market. This, in turn, may affect food security negatively at a later stage.

This paper starts with a discussion of how import surges should be defined precisely. Subsequently, factors which can contribute to the genesis of import surges are systematically reviewed and analysed quantitatively. Some of these factors clearly stem from the importing country. These are for example domestic supply instability because of climatic or political reasons, unilateral changes in trade policies, or changes in the exchange rate policy of the importing country. Others clearly stem from third countries, for example changes in agricultural policies or supply volatility for any other reasons. For some factors, the mapping to domestic or exogenous origin is not unequivocal: an importing country may change its domestic trade regime due to external reasons such as the implementation of trade liberalisation agreed upon in the WTO, the implementation of Structural Adjustment Programs (SAP), or the membership in a Regional Trade Agreement (RTA).

Based on a statistic analysis of trade data it is shown in the conclusions that it is mainly the domestic factors which dominate the emergence of import surges. In many cases import surges may therefore contribute to food security rather than being an obstacle.

Keywords: Food security, import surge, trade policy