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## Assessing the Competitiveness of Syrian Cotton Production: A Policy Analysis Matrix Approach

IBRAHIM ALABDULLAH, ERNST-AUGUST NUPPENAU

*Justus-Liebig University Giessen, Institute of Agricultural Policy and Market Research, Germany*

### Abstract

The ongoing opening of the Syrian economy to the world markets after it was predominantly state-controlled and the scarcity of natural resources, in particular water, require a reallocation of domestic resources. State policy in Syria has a noticeable influence on the agricultural and particularly on the strategic crops sector. Cotton is important crop from this sector and generates 20-30 percent of the total foreign agricultural exchange earning in the country. Under these conditions, the study employs the concept of comparative advantage of international trade theory to analyse competitiveness of Syrian Cotton Production. The mechanism of comparative advantage can explain much of the competitive performance both in the recent past and in the near future, given the technological and structural characteristics of the production as well as the properties of the macroeconomic environment associated with the recent market reforms. This paper examines the efficiency of lint cotton production in one of the major producing provinces in Syria considering the different irrigation systems that are used to produce cotton and using a modified policy analysis matrix (PAM) approach. The PAM data was collected firstly at farm level, where farms were classified into four groups according to water resource and irrigation systems. The collected data at this level were related to the cost of agricultural operations. Secondly, data of the post harvest operations and off-farm processing were gathered from the National Agricultural Policy Centre and the Cotton Market Organisation. The results of the analysis indicate that lint cotton is not efficiently produced in the river region; while it has comparative advantage only in the drip irrigation system in wells region. Without government interventions, it is likely that acreage in areas which used conventional methods of irrigation will move away from cotton to more profitable crops. This study suggests reconsidering the currently applied policies concerning prices and subsidies especially in public river irrigation systems and using of drip irrigation technologies.

**Keywords:** Comparative advantage, cotton irrigation system, policy analysis matrix approach, Syrian agricultural policy