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Export Performance, Comparative Advantage and Competitiveness: the Case of Moroccan Citrus Sector

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Abstract

A competitive supply chain needs not only to rely on its natural endowments, but it needs to be able to enhance and maintain global market shares. It also needs to be able to assure required investments, co-ordinate activities of chain actors and fulfil product requirements posed by various destination markets.

By observing the case of Moroccan citrus sector, this research determined competitiveness and strategies used to attain competitiveness in international business environment. Performance of Moroccan citrus sector in the period from 1993 to 2008 was analysed by determining its export revealed comparative advantage and by measuring its competitiveness in terms of relative unit value index and constant market share analysis. Such quantitative assessment was accompanied by qualitative study that aimed to explore how the sector responds to requirements of its business environment. Interviews with key stakeholders were the main part of the qualitative study. The first round of interviews involved informants from government institutions and professional associations of fruit producers and exporters. In the second round, interviews were conducted with key stakeholders of the citrus value chain: export groups, producer co-operatives, packing houses and producers.

Results showed that Moroccan citrus export chain is partly able to fulfil the global performance requirements. The export of citrus fruit builds upon the comparative advantage, while the main competitiveness strategy includes competition in terms of price. This strategy, however, did not manage to be maintained in several destination markets, where the loss of competitiveness has been observed. Furthermore, the constant market share analysis revealed the emergence of new export strategy that is based on redirection of lower-value products to non-EU markets. Moroccan citrus sector is currently strengthening its competitiveness through structural modifications and investments in infrastructure, quality and safety management systems.

Keywords: Comparative advantage, constant market share analysis, Moroccan citrus sector, unit value