



SUBSTITUTION AND COMPLEMENTARY RELATIONSHIPS OF EGYPTIAN EXPORTS FROM FRESH AND FROZEN POTATOES IN GLOBAL MARKET PREPARED BY

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ABSTRACT

Aim of this study is to examine the substitution and complementary relationships of Egyptian exports from fresh and frozen potatoes in the global market. The study focused on investigating current situation of Egyptian exports from fresh and frozen potatoes at world market in comparison to its situation at Egyptian market. Hereby, demand on Egyptian fresh and frozen potatoes was assessed and time trends of price developments were statistically estimated and their relationship to global prices were analyzed.

Most important results of existing study are summarized in the following points

1. The analysis of Egyptian and global export prices for fresh and frozen potatoes during the time period 2000- 2012 showed increasing trends of both, which is statistically significant. The results showed increasing demand on frozen at the cost of fresh potatoes. This also matches with same development at global market.
2. The development of export prices of Egyptian potatoes (fresh and frozen) matches with the development of prices at global market. The relationship between Egyptian and global export

prices has shown linear and stable between 2000 and 2012. It seems also that export prices of frozen Egyptian potatoes much more stable than those of fresh potatoes.

3. By studying for Stability Coefficient to export prices for fresh and frozen potatoes during the time period 2000- 2012 showed that export prices of frozen Egyptian potatoes much more stable than those of fresh potatoes.
4. Canada, France, Germany, and Netherlands are the most export countries that competing with Egypt on world market of potatoes, particularly fresh. When computing the price competitiveness of Egyptian fresh potatoes, the result shows that Egyptian potatoes are highly competing with open-mentioned European export countries. The price competitiveness of Egyptian frozen potatoes is relatively higher when comparing to other competitive markets of Belgium, Canada, France, Germany, etc. This shows great opportunity for Egypt for expanding its exports from frozen potatoes in nearly future.

Using regression analysis of time series data, the study of demand for Egyptian exports of fresh potatoes indicated that Egyptian potatoes is considered as necessary good for consumers of open-mentioned countries based on estimated price and cross elasticities. It has also proven that there is a substitutional relationship between Egyptian fresh and frozen potatoes. An important result that insure the importance of re-drawing export policies of potatoes exports in Egypt.