AN ECONOMIC STUDY OF BRIDGING SUGAR GAB POSSIBILITY IN EGYPT

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ABSTRACT:

Sugar considered one of the major food commodities in Egypt, that Investment average in sugar production reached 4.2 billion LE, local production average reached 1.357 million ton, while total consumption of sugar reached 2.026 million ton, and the nutrition gap in sugar estimated with 668 thousand ton during the period (2001-2004). Research problem represented in the deficiency of local production to achieve self-sufficiency of sugar, which faces difficulty in horizontal expansion in sugar cane area, in addition to the decrease in sugar beetroot crop contribution in the total production of sugar. This matter burdens the state to provide hard currency in order to import the required quantity to narrow the consumption gap of sugar. The research aims at studying the economics of production and consumption of sugary crops in Egypt, and to study expansion possibilities of producing these crops in the shade of the limitation of water and land elements, in addition to study some factors which determine sugar imports in Egypt.

By studying the development of sugar productive power, it indicates the increase of the annual rate to reach 4.5 %. While the annual increase rate of consumptive power reached 2.18%. It indicated also the increase of self-sufficiency proportion that the annual increase rate estimated with 1.64%. The study indicated that the most important factors which affect on the consumed quantity of sugar are: the real per capita income, the individual share from the support directed by the state for sugar, and the real retail price. Imports equation indicated that the most important factors that affect inversely on the imported quantity of sugar are: the real consumer price, sugar imports price, and the exchange rate. It indicated that when the real consumer price, sugar imports price, and the exchange rate of dollar into Egyptian pound increase, the imported quantity decreases. While the increase of the consumed quantity last year leads to an increase in sugar imports.

The study emphasizes on the possibility of narrowing the sugar gap by increasing the area and the productivity of sugar beetroot, increase the supply price of sugar beetroot and sugar cane to encourage the farmers to cultivate the sugary crops, increase sugar extract proportion, and trying to economize sugar consumption by enlightening the consumer.