

Impact of Egyptian agriculture policy and comparative advantage of tomato and potato using PAM matrix

ABSTRACT:

The purpose of the study is to determine the effect of the Egyptian policies on production of tomato and potato by utilizing the Policy Analysis Matrix (PAM). The study was based on descriptive and quantitative statistics in analyzing the data collected.

Results show domestic price of tomato is equal to international price, which means that tomato producers neither received government support nor incurred implicit taxes, domestic resource cost ratio amounted to 0.30, indicating that Egypt enjoyed a comparative advantage in tomato production.

It is evident that value added in potato domestic prices is lower than that in international prices, which means absence of protection policy as an average from 2015 to 2019. Such result means that the government has been imposing taxes, either direct or indirect, or it has been subsidizing potato imports, domestic resource cost ratio amounted to 0.85, indicating that Egypt enjoyed a comparative advantage in Potato production during the study period, which means that domestic production of potato is preferred than dependency on imports.

Keywords: Policy Analysis Matrix (PAM), comparative advantage, Tomato, Potato, Egypt.