

**AN ANALYTICAL STUDY OF DEMAND FOR NEW AGRICULTURAL
LAND IN EGYPT**

BY

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A Thesis Submitted in Partial Fulfillment

of

The requirements for the degree of

DOCTOR OF PHILOSOPHY

in

Agricultural Sciences

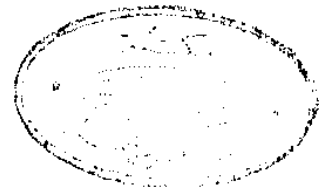
(Agricultural Economics)

Department of Agricultural Economics

Faculty of Agriculture

Ain Shams University

1994



APPROVAL SHEET

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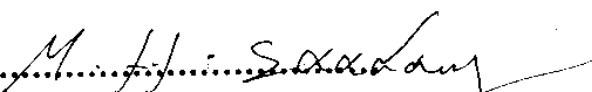
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Abstract

The main objective of the study is to analyze the demand for the new area specially the investor's demand for land sold through auction system. The study also attempts to define yearly new land required by the investors and compare it with the availability of reclaimed land and identify the factors that may be affecting the demand for new land ,and to explore the main difficulties and obstacles that face investors, settlers and developers and finding the solution and means to encourage the investors to invest their money in new land in order to reach a more comprehensive land reclamation policy .The study estimates the price elasticity value equal to one in absolute terms. On the other hand the price elasticity of one gives the same percentage decrease in demand for land sold in auction as the percentage increase in the real price of area sold. The results indicate that it is reasonable to believe that the area sold is a little bit affected by the changes in land prices. This is due to the strength of other factors such as social factors, Agricultural policy institutional factors and other economic factor like terms and conditions of sale. The study shows that the total supply of reclaimed land available to the private sector through the auctioning system during the future five year plan 1992 - 1997 could reach more than 18 thousand feddans per annum .But according to the analysis in chapter

four land required by investors through auctioning system is about 12.6 thousand feddan in year 2000 but the land required by investors in year 1997 is 11.1 thousand feddans. That mean the investor demand for land is less than the available supply of reclaimed land due to many reasons/ Also the study shed the light on some of recommendation such as assistance to develop marketing facilities to new settlers soon after settlement to improve the return on their product. Incentives must be evolved so that services are provided at least cost, inputs are fully available, prices are structured to encourage the most economically desirable activities, and each producer is given the opportunity to maximize his output and returns. Settler development should be encouraged to evolve membership organization and local action to accomplish common economic objectives such as control of the irrigation system at the local level. Institutional /legal issues should be revise and modified to meet the need of land tenure and to solve the problem of hierarchy, constraints concerned with land ownership such as permits and licenses. The decentralization program of local government development should be applied in new lands with all deliberate speed, taking account of both the advantages that can accrue from successful execution and of its present capabilities. From the point of government it is better to sell the land through auctioning system and the bidding should be for base price not for downpayment because the net present value of the final sale price is less than the cost recovery. But if the government adopts the bidding for downpayment the base percentage of downpayment should increase to such a level equal the cost recovery.

Principal Abbreviation and Acronyms used

ARC	Agricultural Research Center
EARIS	Egyptian American Rural Improvement Service
EAUDRL	Egyptian Authority For the Utilization and Development Of Reclaimed land
GARPAD	General Authority For Rehabilitation Projects and Agricultural Development
GOE	Government Of Egypt
PBDAC	Principal Bank For Development And Agricultural Credit
MPFG	Mobark project for graduates

ACKNOWLEDGMENT

I Would like to express my deep appreciation and gratitude to my advisors Dr. Shawky Ghoname Professor of agricultural economics, Dr. Mohamed Hosam El saadany ,professor of agricultural Economics and, Dr. Mohamed Bedaer El Eraky assistant professor of agricultural economics, Ain shams University for their supervision, insight, guidance and valuable advice throughout the course of this research. Without their continuous help and support this research could hardly have been completed .

Also I Would like to express my deep appreciation and gratitude to Dr.Mahmoud Eisa Mansour director of agricultural economics research institute Ministry of agricultural,Animal wealth and Land Reclamation and Dr. Mohamed Abou Mandour ,professor of agricultural Economics Cairo university .

Profound thanks and gratitude are also extended to my teachers in the department of agricultural economics, Ain Shams University for their valuable encouragement . Finally I would like to express my hearty gratitude to my colleagues in GARPAD, especially in PPU and HEIU . Also I would like to express my thanks to the department of property and land disposal and department of planning and monitoring of GARPAD

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