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Annual Invest in Med review on investments and partnerships in the Mediterranean: 2010 is a transition year marked by good achievements

According to the annual review of the Mediterranean Investment and Partnership Observatory (ANIMA-MIPO), 2010 was marked by good achievements in terms of Foreign direct investment (FDI) attraction and international partnerships in the MED countries (the 9 Mediterranean partner countries, plus Libya and Turkey). Caught between two crises (the world economic storm of the 2008-2009 and the Arab revolutions of early 2011), 2010 has also been a transition year for the Southern rim of the Mediterranean.

The number of announcements of FDI projects has picked up in the MED countries with 826 projects detected in 2010 against 542 in 2009, that is +52%. The increase is less marked in terms of amounts: €33.2 billion against €28.4 billion in 2009, that is +17%. The international partnerships of companies continue for their part their increase: 493 projects in 2010 against 288 in 2009, that is +71%. This is partly due to the effect of the Invest in Med programme, which is devoted to these partnerships and detects them better.

Regarding the countries of origin, European companies came out largely on top in 2010 with half of the investments in terms of amounts. Usually ranked second, the Gulf States have been caught up by the USA/Canada and the emerging countries. The European predominance is even stronger for partnerships (264 projects, that is 54% of the total in 2010), North America coming next (20% of the projects), then the Gulf (12%). However, compared with 2009, the Gulf partnerships have tripled and those between MED countries have doubled, which is a source of great encouragement.

Turkey, Egypt and Israel have proved to be the three major destinations for FDI. In the Maghreb,

only Tunisia has recorded a strong rise in FDI prior to the political crisis of the end of 2010. On the contrary, the FDI announcements have reached their lowest level in four years in Libya and they have remained nearly at the same level than in 2009 in Morocco. In the Mashreq, Egypt is far from its past records, Syria continues to confirm its new attractiveness, Lebanon above all receives portfolio investments and the other countries (Jordan and especially Palestine) are stagnating.

These evolutions appear to be positive, with the investments and partnerships capable of being used as effective tools for the economic development of the region. In 2010, FDI created nearly 175,000 direct jobs (against 93,000 in 2009) and around 585,000 indirect jobs, that is a total of 760,000 jobs. What a beautiful contribution to growth, to the productive installations, to the creation of wealth and ultimately to the stability of the region. In spite of these strong achievements, the model of development of the Mediterranean countries partners of Europe appears disputed, through the changes in progress in particular in North Africa (Tunisia, Egypt, Libya): the dividends of the economic liberalisation hardly profit the whole population and are accompanied by adverse effects (strong concentration of the FDI on certain spaces, reduced local added-value, sometimes negative impact on the environment or the culture, ousting of certain domestic companies to the profit of foreign operators etc).

About the ANIMA-MIPO Observatory

Since 2003, the Mediterranean Investment and Partnership Observatory (ANIMA-MIPO), developed by ANIMA and implemented within the framework of the Invest in Med European programme, provides the business community with a unique opportunity to apprehend in real time all announcements of investment projects and partnerships into the Mediterranean (MED-11 countries, including Libya and Turkey). Foreign direct investments (FDI) imply that a foreign investor finances at least 5% of a project (greenfield, brownfield, acquisition, joint-venture, subsidiary) in the relevant MED country. Partnerships are defined as projects where a foreign corporation approaches a domestic market, either through an identified partner or by opening a local representation (branch, network, etc.). The observatory is also connected with a geographical information system, the online Mediterranean Atlas of investment and partnership ANIMA-MedMaps (www.medmaps.eu), which enables to locate the projects monitored by ANIMA-MIPO.

About ANIMA Investment Network

ANIMA Investment Network is a multi-country platform supporting the economic development of the Mediterranean. The network gathers more than 80 governmental agencies and international networks. The objective of ANIMA is to contribute to a better investment and business climate and to the growth of capital flows into the Mediterranean region. www.anima.coop

About Invest in Med

The Invest in Med programme aims at developing sustainable trade relationships, investments and enterprise partnerships between the two rims of the Mediterranean. Funded at 75% by the European Union over the 2008-2011 period, it is implemented by the MedAlliance consortium, which associates economic development organisations (ANIMA, leader of the programme), CCIs (ASCAME, EUROCHAMBRES), and business federations (BUSINESSMED). The members of these networks, as well as their special partners (UNIDO, GTZ, EPA Euroméditerranée, World Bank, etc.), gather a thousand of economic actors – mobilised through pilot initiatives centered on key Mediterranean promising niches. Each year, a hundred operations associate the 27 countries of the European Union and 9 Mediterranean partner countries (MED-9 countries): Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Palestinian Authority, Syria and Tunisia. www.invest-in-med.eu
<http://www.europemaghreb.fr/annual-invest-in-med-review%E2%80%A8on-investments-and-partnerships-in-the-mediterranean-%E2%80%A82010-is-a-transition-year-marked-by-good-achievements/>