



ANIMA Investment Network
Ensemble pour une Méditerranée compétitive
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معاً من أجل تنافسية المتوسط

Press Release

Reviving investment for job creation: ANIMA shares its recommendations for the Deauville Partnership Countries

OECD – UfM - UNDP Conference, 7 May 2012, Cairo

Marseille, 16 may 2012 - Noting the pressure undergone by the Deauville partnership countries (Egypt, Jordan, Libya, Morocco, Tunisia) on their external revenues, Mrs. Wafaa Sobhy, Chairwoman of ANIMA, shared her recommendations on 7 May 2012 in Cairo, insisting on the need to develop after-care strategies to capitalise on existing investors. She also advised to sharpen the promotion abroad by creating networks of opinion leaders, and mobilising expatriated talents and Diasporas from Mediterranean countries. Finally, she recommended to lead the governments' incentives towards investments whose economic spinoffs better meet with the expectations expressed by populations regarding job creation and inclusive territorial development.

During the high-level conference on "Reviving private investment in the Deauville Partnership countries", held on behalf of the Ministry of Foreign Affairs of the Arab Republic of Egypt and jointly organised by the OECD, the Secretariat of the Union for the Mediterranean (UfMS) and the UNDP on 7 May 2012 in Cairo, Mrs Wafaa Sobhy shared recommendations to boost attractiveness and stimulate job creation in the Mediterranean countries through targeted and sustainable FDI policies.

"In these countries, FDI decreased by 23% to 40% in 2011, tourism has been seriously harmed, while the exports suffered from the European crisis. The damages caused to the most important drivers for external revenues made it difficult for the governments to answer the demands for more social justice and shared economic development" reckoned Wafaa Sobhy.

*"First, these countries need to **decide which investors should be targeted**, paying particular attention to the foreign companies already active to secure their presence and help them grow" Mrs Sobhy stated. In Western Europe, ANIMA estimates that over 50% of FDI comes yearly from existing investors and only 10% in the Deauville Partnership countries. "A 15 billion EUR FDI potential could thus be generated every year, by **developing appropriate after care policies**" Mrs Sobhy added.*

Wafaa Sobhy also pointed the importance of **sharpening the promotion and creating networks of opinion leaders** to spread specific messages and demonstrate the willingness of these countries to develop transparency, justice and equal opportunities, and above all, the fact that the positive drivers for investment still exist in these countries and need to be promoted: infrastructures, high growth markets, qualified work force which will turn into concrete investment and business opportunities. Besides the networks of investment and cooperation agencies, chambers and business federations which ANIMA already cooperates with, Wafaa Sobhy recommended to **"mobilise expatriates and Diaspora members as opinion and business relays, ambassadors, and investors"**.

Wafaa Sobhy also pointed the necessity to learn from the recent political events: *"How comes that our FDI were multiplied by 10 between 2002 and 2006, and led to revolutions 5 years later?"* Quoting a survey done by ANIMA in 2011, which evaluated the FDI **job efficiency** by business sector (number of jobs created by million EUR invested), she stated: *"It is striking to note that the major sectors of FDI in these countries - energy, infrastructure, telecoms, tourism -have the worst job efficiency, creating 10 to 20 times less jobs per million EUR invested than software of services companies! Our countries must improve their project assessment criteria, to be able to **evaluate the inclusiveness of FDI projects**".*

Considering the difficulty for the Mediterranean countries to be selective vis a vis foreign investors, Mrs. Sobhy recommended to reorientate the incentive policies by giving bonuses to the responsible investors, and promoting the best practices. **Wafaa Sobhy also called the multilateral banks, which have the capacity to influence local banks, to back policies favoring investors with high job efficiency and social responsibility.**

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About ANIMA Investment Network

ANIMA Investment Network is a multi-country platform supporting the economic development of the Mediterranean. The ANIMA network gathers around 80 governmental agencies and international business, innovation and financing 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. The ANIMA network is operated from Marseille (France) by a team of 15 people and is chaired by Mrs Wafaa Sobhy, Vice President of the GAFI (Egypt). The majority of its funding comes from the management of European Commission's programmes.
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