10 years of Foreign Investment and business Partnerships in the Mediterranean (2006-2015)

Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine, Syria, Tunisia, Turkey

NOVEMBER 2016

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Warm thanks to the various Investment Promotion Agencies of the MED region and ANIMA members for the supply of certain information. Special thanks to the business intelligence team of Business France in the detection of some projects.

ANIMA Business Intelligence is implemented with the support of the City of Marseille, the Provence-Alpes-Côte d’Azur Region and the European Commission.

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ANIMA Investment Network brings together organisations willing to work for the economic development of the Mediterranean. The ANIMA network gathers 75 members in 22 countries in the Euro Mediterranean zone and comprises national and regional investment promotion agencies, business federations, innovation clusters, financial investors and research institutes from the region.

ANIMA’s objective is to contribute to the continued improvement of the Mediterranean business climate, as well as encourage a shared and sustainable economic development for the region. www.anima.coop
**Mediterranean Investment and Partnership Observatory:**

<table>
<thead>
<tr>
<th><strong>11 countries monitored</strong></th>
<th>Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine, Syria, Tunisia, Turkey</th>
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<tbody>
<tr>
<td><strong>7,000+ FDI recorded</strong></td>
<td>Projects announced between 2003 and 2015</td>
</tr>
<tr>
<td><strong>3,000+ Business partnerships</strong></td>
<td>25 qualification criteria: sector, type of company, target and origin country, amounts involved, jobs created, etc.</td>
</tr>
<tr>
<td><strong>29 sectors analysed</strong></td>
<td>Used for country benchmarking, economic monitoring, business prospecting, media analysis and research papers</td>
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<td><strong>1 annual report</strong></td>
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The Mediterranean at decision time

The performance of foreign direct investment (FDI) in the Mediterranean region is mixed. On the one hand, the Mediterranean has confirmed over the past 10 years that it was for good on the map of international investors. Financial and economic crises, Arab Spring, Islamist terrorism and the cultural polarisation it tries to impose, none have ruined the attractiveness of these economies. They keep attracting each year 2 to 3% of foreign investment in the world.

On the other hand, such level remains below the performance that could be expected from the region, given the weight of its GDP or population. In all countries, progress in favour of a pro-business climate has been made: liberalisation, privatisation, free trade agreements, infrastructure, reform of institutions in charge of investment management, sectoral policies and development of technology centres.

Despite that, there is a lack of results. Domestic private investment does not increase more than FDI, research and development remain in the public sector and are disconnected from industry needs, free trade agreements between neighbouring countries are not always respected, the industrial offer does not include enough value and eventually the job market is unable to absorb an evermore qualified youth.

Attractiveness cannot be conceived as disconnected from the policies of education, industry, science and territorial development. On the contrary, it draws its springs from the vision a territory can produce, and the strategy it develops to serve it. Obviously in some Mediterranean countries, the lack of coordination between these various policies has been a flaw, and the recent political transitions have not resulted in the design and promotion of such new economic and development vision so far.

Mediterranean countries, once their crises and transitions solved, have the opportunity to propose a new model, aligned with the challenges and hopes that drive our societies nowadays, and perfectly compatible with both contemporary Islam and the search for competitiveness, because based on sustainable development, social performance and local value creation.

It is on such path that the ANIMA network will keep working along with its members and partner countries, to improve the attractiveness of ecosystems and the performance of institutions in the service of both national and foreign companies.

Emmanuel Noutary, General Delegate
The evolution of FDI inflows (monitored by UNCTAD) and FDI announcements (detected from 2003 to 2015 by the ANIMA - MIPO observatory) schematically follows 3 phases since the early 2000s:

**2000-2005: the Mediterranean appears on the investor map.** MED countries attract 1% of global FDI inflows in 2000 versus 3.2% in 2005, a share approaching their weight in the world population.

**2006-2008: the trend accelerates thanks to reforms and a very favourable international context.** FDI inflows are boosted under the impetus of a newcomer, the Gulf States, in a context reminiscent of the “gold-rush”: the hike in oil prices, very attractive opportunities (privatisations), the need to diversify investment for petrodollars...

**2009-2015: MED countries resist despite a series of crises.** FDI stabilises below €30 billion per year while MED countries are impacted by second-round effects of the world financial and economic crises and, later, the Arab Spring.
A market share lower than the region’s potential

MED countries attract a small share of world FDI: much less than their weight in the world population (4%) except in 2006 and 2008

2015: mere jolt or restored attractiveness?

€38.8 billion invested in 2015 according to UNCTAD (+24%)

571 FDI projects and €33 billion announced (ANIMA-MIPO): investment intentions finally start increasing again

2015 witnesses the first real improvement for FDI inflows in MED countries since 2008: +24% according to UNCTAD. The rebound is even clearer for FDI announcements detected by the ANIMA-MIPO observatory: announced amounts are double those of 2014, essentially thanks to mega-projects from the Gulf. But the good news mostly concerns the number of detected projects: it significantly increases (+19%) for the first time since the revolutionary protests of 2011. However the resurgence in foreign investor activity affects only 4 countries: Israel, Turkey, Egypt and Morocco.
FDI amount per inhabitant: mixed performances

- Top-performing countries (above world average):
  - Turkey and Israel, which surpass the European average since 2013
  - Lebanon and Jordan, yet a declining performance since 2008

- Other countries perform well below world average
Evolution of business partnerships

- Partnerships (ANIMA-MIPO): similar to “non-equity modes of international production and development” (UNCTAD)
- Sustained growth until the Arab Spring and a steep decline from 2013: new investors shun the Mediterranean

Partnerships are defined as projects where a foreign corporation approaches a domestic market, either through an identified partner or by opening local representation (branch, network, etc.) or by launching a local franchise. Such modes of entry mobilising less capital are preferred for prospecting actions.

Contrary to foreign direct investment projects which rebound in 2015, partnership announcements slow down again, reaching their lowest level since 2008. Such decrease, for the third year in a row expresses the reluctance of foreign companies that do not know the region's markets and are likely discouraged to make business there due to the conflicts that affect several MED countries.
Regional trends: North Africa

- Egypt and Morocco are respectively 2nd and 5th most attractive African countries in 2015, other countries have not taken off yet
- The increase of FDI in Egypt (+49%) sets the trend upward in 2015 for North African countries

**Egypt** regains in 2015 an FDI inflow close to those before the revolution ($6.9 billion) and particularly stands out in the sectors of banking, pharmaceuticals, telecoms and oil. **Morocco**’s slight decline (-11%) after the 2014 historical record year (more than $3.5 billion worth of FDI) does not undermine the country’s dominant position in terms of foreign investment in Africa, as a host as well as a major investor of the continent.

For the first time **Algeria** records a negative foreign investment inflow (same as Egypt in 2011), due to the repurchase of telecom operator Djezzy by the Algerian State. FDI flows still have not resumed in **Tunisia**: the political transition, which has yet to come along with a readable economic strategy, and recent terrorist attacks, restrain investor confidence. Lastly, in **Libya** FDI has stopped since 2011, except some operations such as Italian ENI in 2015 in the oil sector.
Regional trends: Mashreq, Israel and Turkey

Israel and Turkey, regional champions over the decade, confirm their leadership with very good levels of FDI ($11 and 16 billion) in 2015.

Jordan, Lebanon and Palestine record small volumes and are affected by a security context that has been deteriorating for the past five years.

Turkey’s good performance (+36% compared with 2014) makes it 20th in the world ranking of the economies which attract the strongest FDI inflows in 2015, especially with significant operations in banking, retail and media.

In Israel, after the poor results of 2014, consequence of the Gaza war, foreign investment inflows are back above the 10 billion dollar threshold.

Jordan and Lebanon continue to be affected by the repercussions of the Syrian conflict and regional instability and witness decreases of respectively 37% and 19% in 2015. The absence of progress in the resolution of the Israeli-Palestinian conflict hinders any FDI inflow take-off in Palestine. Lastly, no investment is recorded in Syria, where the dramatic conflict has been ongoing since 2011.
FDI projects dominated by high-return sectors

- Investors favour "rent" rather than more inclusive projects
- Hydrocarbons, banking, real estate, telecoms and cement, glass and materials account for over 2/3 of announced FDI amounts during the 2006-2015 decade
- These 5 sectors even attract 3/4 of announced FDI amounts when Israel and Turkey are excluded

Top 10 sectors attracting the largest FDI amounts (€million. Source: ANIMA-MIPO, 2006-2015)
The development of these 8 sectors is encouraging for the economies of MED countries, given they all display good job creation ratios, and shape historical activities in which the Mediterranean enjoys assets due to its geography (Agribusiness, Transport & Logistics), or new sectors which develop innovation and value for the country (Health, Engineering industries, ICTs, Green tech).

Such sectors attract a growing number of foreign investors: they amount to 272 projects in 2015 (nearly half of announced FDI), versus only 144 projects (19% of the total) 10 years before, in 2006.
European investors rank first…

European investors constitute around 40% of announced FDI in 2015 in amounts and number of projects, best level in 4 years

The Gulf, 2nd regional investor, is losing ground after the 2006-2007 record years during which substantial privatisation operations (banking, telecoms) had boosted FDI flows. North American FDI amounts rank 3rd for the 2006-2015 period, and are steady, recording in 2015 their 3rd best performance of the decade. The "other countries" such as Russia, China, India, Japan, South Africa and Korea are on the rise and almost reach a record level in 2015, outperforming both the Gulf and North America. Intra-MED investments remain very limited, showing the low level of regional integration.
… yet powerful challengers have emerged

North America and "other countries", especially emerging ones, gain ground in terms of number of FDI announced

Over the 2006-2015 decade, Europe initiates nearly half of all announced projects, but its advance tends to erode since 2013. During that same period, the Gulf is outperformed by North America, 2nd originating area after Europe, but also since 2010 by other countries (BRICS and Asia mainly), which in 2015 achieve their decade-best performance with over a hundred projects announced in MED countries.

Intra-regional projects are a tiny minority: 6% of the total. Among the most active countries stand Turkey, which investors are nonetheless more unobtrusive since 2013, Egypt, present in both Mashreq and Maghreb, Lebanon, which mostly invests in Mashreq and Turkey, and Tunisia, which companies favour Morocco, Libya - until 2011 - and Algeria to a lesser extent. Morocco, which increasingly invests in the African continent, is little present in other MED countries.
France and USA, first investors in the region

The top 10 most active countries in number of FDI announced vary widely across the region: Europeans largely dominate in Maghreb, Gulf is very present in Mashreq and the USA top the list in Israel and Turkey.

Regionally, the top 10 countries issuing the largest number of FDI announcements between 2006 and 2015 are the USA (leading 61% of projects detected in Israel), France (one third of announcements in Maghreb against around 7% in the rest of the region), United Kingdom (especially in Egypt and Israel), United Arab Emirates, Germany, Italy, Spain, Saudi Arabia, Kuwait and Switzerland.
European investment projects have more impact

- European FDI projects create more jobs: their job creation ratio is nearly twice the average (just like intra-MED projects)

- European investors lead in most strategic sectors

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**Job creation ratio (jobs / €million invested, ANIMA-MIPO)**

<table>
<thead>
<tr>
<th>Region</th>
<th>Job Creation Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>10.0</td>
</tr>
<tr>
<td>USA/Canada</td>
<td>3.1</td>
</tr>
<tr>
<td>Gulf</td>
<td>5.3</td>
</tr>
<tr>
<td>MED</td>
<td>10.5</td>
</tr>
<tr>
<td>Other countries</td>
<td>2.6</td>
</tr>
<tr>
<td>Average ratio</td>
<td>5.7</td>
</tr>
</tbody>
</table>

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**Origin of FDI announcements (%, 2006-2015, ANIMA-MIPO)**

- **Aeronautics / ships / rail**
  - Europe: 78%
  - USA/Canada: 49%
  - All other countries: 11%

- **Agribusiness**
  - Europe: 13%
  - USA/Canada: 19%
  - All other countries: 11%

- **Automotive industry**
  - Europe: 13%
  - USA/Canada: 11%
  - All other countries: 26%

- **Water / utilities**
  - Europe: 18%
  - USA/Canada: 21%
  - All other countries: 9%

- **Renewable energy**
  - Europe: 21%
  - USA/Canada: 6%
  - All other countries: 58%

- **Consulting / engineering**
  - Europe: 63%
  - USA/Canada: 12%
  - All other countries: 7%

- **Data processing / software**
  - Europe: 28%
  - USA/Canada: 37%
  - All other countries: 56%

- **Drugs**
  - Europe: 9%
  - USA/Canada: 11%
  - All other countries: 19%

- **Transport / logistics**
  - Europe: 13%
  - USA/Canada: 18%
  - All other countries: 21%
Despite its strong potential (substantial domestic market, natural resources, numerous sectoral opportunities...), Algeria attracts little FDI: the country displays the region’s weakest FDI/GDP ratio. The reluctance of investors is attributable to an unattractive investment framework: business climate remains poor (Algeria was ranked 163rd out of 189 countries in the World Bank’s Doing Business 2016 ranking) and the obligation to be associated with a local partner (49/51% rule) complicates the implementation of projects. An investment framework reform is scheduled to improve the situation. An emergency as the country needs to accelerate its economic diversification in order to prepare for the post-oil period.
10 years of foreign investment in Egypt

- Recovery of FDI inflows started in 2014 after a 6-year decrease related to crisis and the revolution (2011). Strong potential, yet weakened by political uncertainties.
- Top 5 sectors: Energy; Banking/insurance; Public works/real estate; Agribusiness; Cement/glass/materials.

Egypt is one of the regional champions in terms of attracting investments: FDI inflows neared or topped $10 billion from 2006 to 2008, essentially thanks to bank privatisations and mega-housing projects led by the Gulf. The decrease has then been severe until 2011, year of the revolution, marked by a negative FDI balance. Since then the authorities have been mobilised to regain investor confidence: investment framework reform in 2015, international economic development conference, launching of major projects (metro, port and rail infrastructure, etc.) FDI announcements are thus logically increasing again in a country of more than 90 million inhabitants located at the crossroads of several strategic regions.
Largest economy of the Middle East, Israel offers significant opportunities for foreign investors, in a wide variety of sectors: innovation of course (ICTs, Bio & Green Techs, renewable energies), but also transports (urban and interurban), energy (huge gas fields discovered since 2000), tourism and hotels, luxury or even large retail. Over a thousand FDI announcements were detected in 10 years in Israel by the ANIMA-MIPO observatory, of which more than 60% are initiated by American companies. Nonetheless, the attractiveness of the "start-up nation", related to its strong R&D activity, remains more than ever dependent on the instability of regional geopolitical context and the repercussions on the country’s security.
10 years of foreign investment in Jordan

FDI, at a good level until 2009, has decreased due to the regional security situation, and since 2014 because of uncertainties related to the legal framework.

Top 5 sectors: Public works/real estate; Banking/insurance; Energy; Tourism/catering; Telecom/internet

Jordan displays, along with Lebanon, one of the region’s two best FDI/GDP ratios, which place them at a very good world level. FDI, essentially from the Gulf, sharply increased after 2000 thanks to incentives and a privatisation agenda, however decreased starting from 2009 because of world crisis and Arab Spring. In order to address this issue, authorities have launched large infrastructure projects (water, transport, energy) with the aim of making the country a regional logistics hub and adopted in 2014 simplifications of the investment framework (creation of the Jordan Investment Commission and of a high council of investment). For lack of implementing decrees, foreign investors again postponed their projects: 2015 witnessed the decade’s weakest FDI inflows.
Lebanon remains the regional champion for FDI/GDP ratio on the scale of the 2006-2015 decade, though FDI inflows have been declining since 2009. The decrease of FDI inflows and investment intentions, especially marked in 2015, is attributable to the stalemate of the conflict in Syria and to the country’s internal political tensions. The country however offers foreign companies (Gulf and Europe mainly) a market economy based on a long tradition of liberal policies fostering investment, a sophisticated banking system, highly-qualified labour, a strategic regional situation and a good quality of life. Investment opportunities are numerous: banking, infrastructure, ICT, transport, industries (agribusiness especially), real estate and retail.
10 years of foreign investment in Libya

A great potential and a promising increase of FDI inflows starting from 2005, interrupted in 2011 by the revolution then civil war

Top 5 sectors: Energy; Banking/insurance; Public works/real estate; Cement/glass/materials; Consulting/engineering

Libya, which economy relies almost exclusively on the sector of hydrocarbons, offers new ground for foreign investors in almost all fields. FDI inflows took off at the beginning of the millennium, from around a hundred million dollars to more than $3 billion in 2009. Such progression first stopped in 2010, when a law imposing foreign companies to be associated with a local partner was adopted, then FDI inflows collapsed from 2011 on. The current political deadlock and the threat of bankruptcy raised by international institutions leave little room for optimism as for a recovery of foreign investment on a short term: the current focus is on managing the ongoing humanitarian crisis in Libya.
FDI inflows towards Morocco have considerably increased over the past 10 years, exceeding $3 billion each year since 2013. The country’s economic development strategy works; its status of broad industrial base, especially in automotive and aeronautics, is now proven. The establishment of major international groups brought tens of sub-contractors along. Morocco thus became in 2015 the 5th most attractive African destination for investors, which often use it as a gateway to the rest of the continent. It is also becoming a major investor in Africa, with $600 million issued in 2015 towards Western and Central Africa, particularly in financial services, telecoms and now industry.

**10 years of foreign investment in Morocco**

- Steady increase of FDI since 2006 except a drop in 2008-2010
- Morocco is becoming a major FDI host as well as issuer in Africa
- Top 5 sectors: Consulting/ engineering; Tourism/ catering; Automotive industry; Public works/ real estate; Banking/ insurance
10 years of foreign investment in Palestine

Foreign companies do not or little venture in Palestine in the absence of hope for a peace process between Israelis and Palestinians.

Top 5 sectors: Public works/ real estate; Data processing/ software; Health services; Telecom/ internet; Banking/ insurance.

The Palestinian economy will not be able to thrive until a solution to the Israeli-Palestinian conflict is possible. That day, the country may assert to foreign investors its strategic situation, needs in infrastructure, excellent quality of labour and legal framework based on the principle of non-discrimination between local and foreign businesses. In the meantime, the development of private sector is hindered by the constraints imposed by Israel, and few are the foreign companies operating in Palestine. FDI inflows have never exceeded $350 million per year, and only a few investment and partnership announcements are detected, mainly from neighbouring Arab countries, and especially Jordan, as well as the United States.
The terrible war that broke out in 2011 put a stop to the positive trend of FDI inflows and investment and partnership announcements recorded since 2005. Such development, simultaneous to the structural reforms initiated in 2004 to switch to a market economy, continued until 2010, year during which several laws were adopted to attract foreign investors: liberalisation of the banking sector, simplification of procedures and creation of a one-stop shop. Today’s devastated Syria, and tomorrow, post-war Syria, first and foremost constitute a humanitarian emergency. In the longer term, foreign companies will find projects related to the reconstruction of an entire country; housing, infrastructure, health, telecoms, education...
10 years of foreign investment in Tunisia

- Increase of project announcements stopped in 2011: trust deficit hinders the increase of FDI inflows and the continuation of the quality upgrading process
- Top 5 sectors: Energy; Consulting/ engineering; Banking/ insurance; Data processing/ software; Tourism/ catering

Tunisia enjoys solid essentials to attract foreign companies. While FDI inflows remained well below their potential in 2005-2010, the continuous increase of investment and partnership announcements over the same period left hope for a take-off and move upmarket of foreign business projects in Tunisia. This unfortunately was not the case: investors postponed, abandoned and even sometimes relocated their projects due to the hazards of the political transition since 2011 as well as terrorist attacks that targeted foreigners in 2015. Today, restoring investor confidence is a top priority of the political agenda, while the much awaited new investment code was eventually adopted in September 2016.
10 years of foreign investment in Turkey

- The regional champion has attracted in 10 years more FDI than all Mashreq countries together, but investments have declined after the record 2006-2008
- Top 5 sectors: Banking/insurance; Public works/real estate; Energy; Distribution/retail; Agribusiness

Foreign investments directed to Turkey have leaped starting from 2005. Except 2009 and 2010 when the country was more impacted by the effects of the crisis than its neighbours, less integrated into the world economy, annual FDI inflows have exceeded $10 billion even nearing $20 billion in 2006-2008. The slight drop in project announcements and FDI inflows in 2011-2014 seemed forgotten in 2015, year for which Turkey was ranked 20th in the world ranking of economies attracting FDI the most. The country is even ranked 13th world most attractive destination for 2016-2018 according to a survey carried out by UNCTAD within investment promotion agencies: a performance which remains to be confirmed amidst recent political events in the country.
Regional Initiatives

For a more attractive Mediterranean region and more effective FDI projects
Strengthening integration and the Mediterranean industrial offer

The figures highlighted in this document show a very weak South-South regional integration in terms of foreign direct investments, and a rather downward trend. ANIMA has repeatedly asked several Mediterranean CEOs to reflect on the means available to the private sector to strengthen such integration. The proposals below come from such discussions.

Continue to move Mediterranean industry upmarket
The challenge is to provide MED countries with an exportable offer that has added value, which lack today can partly explain the weak subregional integration. This implies a better capacity to integrate technologies developed elsewhere and an investment upgrading and support process.
Programmes in this direction could include:

- The individual upgrading of companies, as currently led by European support programmes or by UNIDO and EBRD especially;
- Higher requirements on partnership and subcontracting offsets and investment projects of technology industries based abroad in order to capitalise know-how transfer;
- Increased performance of Mediterranean technology centres and clusters, which implies implementing collaborative innovation projects between large companies, SMEs, research laboratories within these centres, and connecting them internationally.

Integrate Mediterranean industry to EMEA value chains (Europe - Middle East - Africa)
Mediterranean CEOs confess a lack of knowledge about their neighbouring markets. It would be useful to work on identifying industrial complementarities between Mediterranean countries. Such work would consist in the inventory of industrial skills within the countries to identify their "trades" and the outlets of their industrial offer. This would enable identifying South-South integration potential, as well as that of Mediterranean industry in EMEA value chains, which constitute strategic external markets for a Mediterranean offer.

Multiply meetings between companies, innovation poles, valorisation centres, investors
Such integration cannot come without a proactive process of opportunity promotion and direct linking with entrepreneurs, as well as support to the development of partnerships within complementarity sectors.
Hence the proposals:

- The creation of a Mediterranean stock market for subcontracting within identified value chains, which could be online and associate companies from the EMEA zone, based on the platform already developed by ANIMA: www.b2match.eu/euromed;
- The multiplication of partnership meetings gathering companies, innovators and investors from the Mediterranean, but also European, African and from the Gulf, similar to the numerous operations of projects EUROMED Invest, MedVentures and MedValley implemented by ANIMA and its partners. Such meetings could also be the opportunity for the private sector to start a common reflection for the development of advocacy destined to the governments concerned, in favour of economic integration in the region.
Betting on the communities of expatriate talents

The recovery of investments and business flows between the Mediterranean and neighbouring regions (Gulf, Europe, Africa) necessarily comes along with an evolution of promotional work. In a context where intercultural dialogue tends to get difficult, it appears handy to bet on bicultural talents, as opinion-leaders, facilitators and business relays, and even sometimes investors or entrepreneurs. The following proposals are taken from a white paper published by ANIMA in 2016 following several initiatives targeting the Mediterranean Diaspora and implemented over the past 10 years: MedDiaspora, FARO, DIAMED, MedGeneration.

Establish constant dialogue with bicultural economic talents abroad
Identifying such talents is a prerequisite; they should be considered economic ambassadors of their country of residence (of which they usually have the nationality) as much as their country of origin. Subsequently the field of possibilities is wide to foster dialogue with these high-profile individuals: information tools, dialogue missions with the authorities and business communities of the countries of origin, meetings in the country of residence, networking between talents and with the elites of countries of origin, etc.

The objectives of such dialogue could be promoting a speech of truth on the country, formulating recommendations on public strategies implemented in terms of economy, disseminating economic opportunities offered by Mediterranean territories and identifying skills that are useful to the development strategy of these territories.

Create the instruments and projects to mobilise the investments and involvement of such talents
Bicultural talents abroad often have the capacity to invest, and are sometimes very aware of the opportunities in Mediterranean countries, especially to support the projects of companies with strong growth. Nevertheless they do not always have the networks to identify the right projects to get involved in, or the means to minimise their risk.

To those who wish to get involved, ANIMA offers a project sourcing tool that relies on the rich entrepreneurship support ecosystem that was developed in most countries in recent years, as well as tools enabling them to mobilise co-investments on the projects they operate. In this sense ANIMA worked with EBAN on the creation of the MENA Business Angels Network (MBAN), which mission is to federate the stakeholders of the entrepreneurship ecosystem, and welcome investors from the region’s Diaspora alongside private investors from the countries. www.m-ban.org

For the very high-skilled who display unique sectoral, scientific or technical skills useful to the country of origin, ANIMA recommends the development of customised relations by the countries of origin in order to build projects in which they may invest their skills or funds (academic sector, technology centre, health facility, leverage effect infrastructure, etc.).

Coordinate the messages and services aimed at such communities
In most Mediterranean countries, initiatives to mobilise the country’s Diasporas are starting to multiply. Now in some countries there is a risk of over-solicitation of certain well-known personalities, and competition between the various opportunities available. Coordination work at the scale of each country appears necessary. Identifying initiatives, enabling experience and contact sharing, coordinating agendas, to develop together, and with the support of the authorities in charge of the countries’ economic promotion, a coherent message and a joint strategy, particularly toward high talents. Such work is done today by ANIMA in some pilot countries: Jordan, Lebanon, Morocco, Palestine, Tunisia.
Fostering economic and social spillovers

The lack of efficiency of foreign direct investments in the Mediterranean calls for new strategies capable of reconciling the countries’ need for investment and the populations’ social expectations. The following recommendations emerge from the work undertaken by ANIMA in recent years, notably through the launch of the EDILE initiative to monitor the local impacts of investments. www.edile-initiative.org

Diversify the promotion of investments towards sectors which more directly generate jobs
The trends observed over the past few years show that the main sectors attracting foreign investment in the Mediterranean are little impacted by local political context hazards. However these sectors (energy, cement, telecoms, construction), mostly led by large multinationals, are less efficient for the creation of jobs in the short run.
This situation calls for the redirection of promotion and investment incentive policies towards other sectors, which are more volatile in periods of lack of political visibility, because usually driven by SMEs/SMIs, but generate more direct jobs in the short run.
In fact software, engineering industries, automotive, aeronautics, agriculture and agribusiness, but also services, deserve enhanced promotion efforts as well as the priority attribution of support provided to investors in the Mediterranean.

Evaluate the local impacts of FDI upstream, and support investors towards more inclusion
There is nonetheless a lot to expect from large FDI projects, starting with currencies which the South very much needs as tourism is decreasing and Europe has reduced its imports. This also includes know-how transfer, connection to foreign markets, jobs and the development of new economic sectors. It is however advisable to develop a more partnership-oriented approach with investors.
As the European Union advocates for a "more for more" policy with its neighbouring countries, territories should develop a balanced partnership with their investors. Claim greater integration of projects, more jobs, subcontracting and value transfer. In exchange, offer more to the companies that play along: facilitated access for administrative procedures, a status and reputation of corporate citizenship on the domestic market, and lastly incentives indexed to the inclusive impact of the project.
This implies that the stakeholders in charge of supporting investors develop the capacity to evaluate the economic and social impact of projects, as well as better abilities to negotiate with companies.

Value investors which maximise their local impacts through a label
In order to provide investor support stakeholders with tools that are appropriable and cheap to implement, ANIMA, in association with several partners, pilot territories and development banks, has chosen to create a rating tool focused on the local impacts of investment projects.
Such rating tool, intended for public stakeholders, banks and investors supporting companies, as well as companies that wish to monitor and value their local impacts, may result in the granting of a label to projects submitted by investors, thus offering advantages in terms of image as well as exclusive services reserved to labelled companies.
This publication has been produced in the framework of the EUROMED Invest Business Intelligence with the financial assistance of the European Union. The contents of this publication are the sole responsibility of ANIMA Investment Network and can in no way be taken to reflect the view of the European Union.

The European Union is made up of 28 Member States who have decided to gradually link together their know-how, resources and destinies. Together, during a period of enlargement of 50 years, they have built a zone of stability, democracy and sustainable development whilst maintaining cultural diversity, tolerance and individual freedoms. The European Union is committed to sharing its achievements and its values with countries and peoples beyond its borders.

The EUROMED Invest project is financed, for an amount of EUR 5 million, by the European Union. The project is coordinated by ANIMA Investment Network within the MedAlliance consortium.

The ultimate goal of EUROMED Invest is to boost private business and investment within the Euro-Med area to contribute to an inclusive economic development of the region.

The specific objective of the project is to empower Euro-Med business and investment networks to implement targeted strategies supporting the creation and the international development of micro, small and medium-sized enterprises in order to boost private business and investment within the Euro-Med area.

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Project financed by the European Union, the MedAlliance and the local authorities of Marseille - PACA

Labelled by

Project implemented by the MedAlliance consortium under ANIMA Investment Network coordination