

## Press release

Date : 18 May 2010 Key words: Mediterranean –Investment – partnership - Invest in Med – ANIMA	Laurence Fontaine Head of Communication +33 4 96 11 67 68 - +33 6 82 23 74 51 laurence.fontaine@anima.coop
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### Investments and business partnerships in the Mediterranean: European companies investments on the raise again

*The 2009 review of the Mediterranean Investment and Partnership announcement Observatory (ANIMA - MIPO) shows that European companies seem to be adapting pragmatically to the new market conditions while they keep favouring the Mediterranean to invest. This positive trend is confirmed by the first 2010 quarter figures: the number of FDI and business partnerships announced is increasing (+50% for investments and +60% for business partnerships compared with 2009). However, the amount of net FDI announced is stable (7.1 billion euro announced during the first quarter against 32 in total in 2009). Europe has taken advantage to bolster its place as the No. 1 investor.*

Since 2003, the Mediterranean Investment and Partnership announcement Observatory (ANIMA-MIPO), implemented within the framework of the Invest in Med European programme (1), provides the business community with a unique opportunity to apprehend in real time all investment projects into the Mediterranean. ANIMA-MIPO evolves for its 2009 review and offers **two new features**. First, it now treats separately foreign direct investment (FDI) from **partnerships**, defined as projects where a foreign corporation approaches a domestic market, either through an identified partner or by opening local representation (branch, network, etc.). It is also now connected with a geographical information system, the **online Mediterranean Atlas of investment and partnership ANIMA-MedMaps** ([www.medmaps.eu](http://www.medmaps.eu)), which allows locating projects monitored by ANIMA-MIPO.

Three main tendencies are registered in 2009: first, **foreign direct investment towards the MED region experienced a smaller drop than at the global level**. The net FDI inflows announced in 2009 reached 32.3 billion euro (-17% compared with 2008), whereas UNCTAD registered a decline twice as strong at the global level (-35%). MED countries therefore resist well, and the drop is mainly due to more globalised Turkey and Israel, while the overall amount of FDI has, on the contrary, slightly increased for the Arab countries, in the Maghreb as for the Machreck. The average size of investments has reduced to 62.3 million euro (against 75 in 2008, 77 in 2007 and above all 89 million euro in 2006).

(1) 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: Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Palestinian Authority, Syria and Tunisia. [www.invest-in-med.eu](http://www.invest-in-med.eu)

Second remarkable event in 2009, a **substitution of investments for partnerships** has been highlighted, promising a new scheme of value sharing between companies of the Northern and Southern rims of the Mediterranean. Partnerships have never been so numerous (300 in 2009, against 203 in 2008 and a hundred or so in previous years).

2009 finally shows a **bonus for proximity** to be linked with the current financial, economic but also environmental crisis. In 2009, European investments started to rise again in the MED region, whereas North America and "Other countries" are regressing. The drop in investments from the Gulf, the neighbour of the Machreck, is more particularly due to specific problems of Dubai. The SMEs would seem less affected by the crisis than the multinationals and above all the major companies, whose projects have almost been reduced by half since their peak in 2006. One other encouraging element, the SMEs are *remarkable creators of employment*: on average they create twice as many jobs per euro invested than the major companies and the multinationals.

Companies would thus seem to be adapting pragmatically to the new market conditions: less risky projects where they commit themselves cautiously, substitution of investments for partnerships, more modest investments.

The complete report is now online on [www.invest-in-med.eu](http://www.invest-in-med.eu)