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The Mediterranean : a strategic place to invest

From the process of Barcelona to the Mediterranean Union, there has been talk for twelve years already about this famous Euro-Mediterranean partnership, since the Declaration of Barcelona in 1995, whose intention was to cast a bridge between the 15-member Europe and its Mediterranean partners of the twelve countries in the South and the East. The "5+5 dialogue", then the Agadir Agreement, and in 2004 the European Neighbourhood Policy (PEV), attempted to spur the bilateral cooperation between the Mediterranean countries. But to really register this action in the co-production of an added value - from which all the partners could draw profit - the project of a "Mediterranean Union" announced by the President of the French Republic upon his election, which he repeated during his visit last July in Algeria and Tunisia, must become a reality.

By Veronique Terkmani



Let us hope that France, that will take the presidency of the European Union in the second half of the year 2008, will know how to optimize the assets of this Mediterranean mosaic, to finally create this euro-Mediterranean free trade area, taking into account the human and cultural dimension, whilst awaiting the free trade area between the countries of the Mediterranean Union and Europe by 2010.

Mare Nostrum, "Our Sea". Al Bahr al Moutaouassit, "the Central Sea". A vast space of transit for goods, tourists and expatriates, the Mediterranean Sea continues to make a lot of ink flow. Venice, Istanbul, Alexandria, Rome, Athens, Grenada, Tangier... From Gibraltar to the Dardanelles, it forms what we call the

Mediterranean basin. For thousands of years it has been crossed by the Berbers, the Phoenicians, the Greeks, Romans, the Vandals, the Byzantine, Carthaginian, Ostrogoths, the Arabs, the Africans, the Europeans... Streams of tribes and nations, who succeeded one another to build their empires, establish their commercial counters and spread their cultures.

" The Mediterranean was an arena, a closed field, where for thirty centuries, the East and the West fought battles. Henceforth the Mediterranean must be like a vast forum where all the previously divided nations will unite together. The Mediterranean will become the wedding-bed of the East and the West. " Michel Chevalier, The Globe, in February 12th, 1832.

Today we rediscover this sea common to 22 countries, whose coasts are bathed by its blue waters. A sea that is a crossroad between three continents : Europe, Africa, and Asia. Mediterranean Europe, with Spain, France, Monaco, Italy, Malta, Slovenia, Croatia, Bosnia-Herzegovina, Montenegro, Albania, Greece, Cyprus and Turkey, opening on to Mediterranean Asia, with Syria, the Lebanon, Israel, the Gaza strip, and Egypt, which is partially connected to Mediterranean Africa, which also includes Libya, Tunisia, Algeria and Morocco. A sea shared by more than 400 000 million inhabitants.

We dig out of boxes the agreements and various programs that were often postponed due to wars on some part of its coastline. We begin to dream again that the outlines of this Mediterranean Union will finally be drawn, and that we shall finally succeed in organizing the commercial activity between the countries of the northern and the southern shores. " So that the utopia of the creation of a community of the Mediterranean countries may become reality, it is necessary to give priority to an economic approach, giving the major role to companies and entrepreneurs. They speak the same language in the North and the South, that about needs, profitability, employment, investment, public-private partnership. The regulated free market economy demands a State of human rights, the respect of possessions and persons, the freedom to think and to undertake, education and social cohesion. We think it could be the vector of modernity " suggests the Institute of Economic Prospective of the Mediterranean World - IPEMed.

The countries of North Africa in the heart of the Mediterranean Union



By beginning to define the terms with its opposite neighbours, Morocco, Algeria and Tunisia, who will be important partners in this initiative when they put their resources in synergy within this great Maghreb-Mediterranean Union, which also includes Libya. Such is the aim of ATUGE - Association of the Tunisians of High Schools - the first competence network of exiled Tunisians, which is indeed aware of the important stake of the " Maghreb dimension" as "a new space of opportunities for companies and investors", by organizing a forum last June in Paris, in partnership with AMGE - Association of the Moroccans of High Schools, and REAGE - Network of the Algerians of High Schools, with the aim to "pool the competence and the companies of the France-Maghreb area ".



Partnerships between Europe and the three "engines" of the North African shores of the Mediterranean are already established. Whether it be in transport and logistics, the sector of Digital Communication Technology, the textile industry, car manufacturing, aeronautics, energy cooperation, the management of water, environment, building and public works industry, agriculture and farm-produce industry, services to companies, competitiveness clusters, tourism, education, research... loads of business connections are negotiated, which attract IDE and generate import and export trade. They must now be harmonized and boosted, by implementing structural reforms such as those recommended by the Mediterranean Union of the confederacies of companies (UMCE), which insists on the importance of " the mobilization of the private sector to

catch up the public sector, the liberalization of the economy to establish the mechanisms of a functional market economy, an opening of markets to international competition and diversification of the economic activity. " And by integrating the human and cultural dimensions into the commercial plan.

Support the development of SME's and agriculture in the MEDA area

So that both banks of this Mediterranean are indeed fairly and durably interested in profits, it will be necessary to register these partnerships on the long term and bet on the resources of the SME's of the Maghreb, by supporting their development and by transferring the entrepreneurial know-how from one shore to the other. " It is necessary to involve the private SME's in this plan of action because they hold the potential to be optimised. We must also attack creating employment, particularly in the rural zones," recommends Omar Merabet, Consultant - Economist. How? By establishing local relays with bodies such the French Agency for international investments (AFII) or ANIMA Investment Network, euro-Mediterranean Network of agencies for the promotion of investments, which would be entrusted with the follow-up and the application of projects. And by supplying to the countries of the MEDA area (Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, Syria, Palestinian Territories, Tunisia, Turkey) new instruments to stimulate innovation within companies, following the example of the Medibtikar program. In Algeria and in Libya, it will be necessary to favour investments and perpetuate them by improving the banking and financial system, by helping in the convertibility of the local currency and by harmonizing the fiscal aspects. Another important sector according to the economist : Agriculture. " The countries of the South Mediterranean are by definition agricultural countries, in full competition with France and Spain. It is indispensable to reach an agreement so as to find a minimum of interest " he recommends.

The Anima Investment Network based in Marseille intervenes in this respect, " by promoting the Mediterranean to attract investments and by creating new markets" stresses Emmanuel Noutary, marketing and innovation Manager. The aim is to contribute to the development of the innovation systems in the MEDA region, and improve the capacity of the Mediterranean companies and organisms to participate in activities with European partners. Because as Bénédict de Saint Laurent, Project manager of the network AIN explains: " the majority of the 4 million employments to be created will come from SME's. " Let it be said loud and clear !