

“Where is the Euro-Mediterranean project going?”

Joint statement by UNICE and UMCE

Meeting in Brussels on 23 July 2004 on the occasion of conclusion of the UNIMED 2 project, the Union of Mediterranean Confederations of Enterprises (UMCE) and the Union of Industrial and Employers' Confederations of Europe (UNICE) address a joint message to the 5th Euro-Mediterranean conference of industry ministers (Caserte, 3-4 October 2004).

1. More political will to intensify Euro-Mediterranean integration

The process of economic integration is moving neither fast enough nor far enough. Almost ten years after launch of the Barcelona process, the effects on growth and job creation in the partner countries are clearly insufficient and require a genuine intensification of Euro-Mediterranean economic relations. There is an increasingly urgent need to move from declarations to reforms, from words to deeds.

On the one hand, the European Union should look carefully at the results obtained since Barcelona and at the means to be deployed to strengthen the effectiveness of Euro-Mediterranean policy in the future.

On the other hand, the South-Mediterranean countries as the European Union's privileged partners must clearly confirm their political will to move forward, accelerating economic reforms, and harmonising regulatory frameworks as building blocks towards giving tangible form to the Euro-Mediterranean free-trade area. A deeper integration of South-Mediterranean countries in the enlarged EU will also be useful to facilitate their participation in the global economy.

There must also be significant progress in South-South relations, where progress has been slower and yet is absolutely crucial for the overall success of the Euro-Mediterranean project. To that end, more visibility should be given to the South-South relations through joint projects such as the construction of common infrastructures or energy integration, for instance. It is also essential that the South-Mediterranean countries which are not yet members of WTO

become members rapidly and that all contribute positively to the success of the Doha development round.

For all these questions, UMCE and UNICE, and the federations they represent, are determined to be actors for change at regional, national and local level. They are prepared to contribute actively to the debate underway, which must be conducted in the most transparent manner possible. To that end, UMCE and UNICE suggest that the Euro-Mediterranean ministers of industry and the European Commission reinforce means of consulting the private sector so that they can voice concrete proposals to strengthen their trade and industrial cooperation. The business community also supports the plan to organise, ideally in 2005 to mark ten years of the Euro-Mediterranean partnership, a summit of heads of state and government who can take stock of the results and launch with all the necessary authority a new strategic phase for the Euro-Mediterranean process.

2. Better financial support from the EU in the framework of the neighbourhood policy

The discussions under way on the European Union's new neighbourhood policy and on the financial perspectives 2007-2013 are an opportunity to take stock of the results obtained by the MEDA programme since its launch and to define new instruments. On this point, UMCE and UNICE urge the European Commission, in liaison with business organisations on both shores of the Mediterranean, to prepare and present publicly a detailed report evaluating the results obtained by MEDA which can serve as a basis for debate on changes to transform it into an instrument that genuinely facilitates Euro-Mediterranean economic integration.

Regarding the future, UMCE and UNICE consider that promotion of investments must become a top priority. Promoting private investment to increase the attractiveness of South Mediterranean Countries will constitute one of the main conditions for their economic expansion. Investment must ensure growth rates which are high enough to reduce their development gap and to confront the demographic challenge these countries are facing. In order to facilitate investment promotion, there is a need for greater flexibility in the instruments and procedures for financial support. For instance, the European Commission and EIB's FEMIP, coupled with bilateral funds and programmes as and when appropriate, could make available to potential investors an integrated package of advisory and financial services, grants and loans, from the preparatory and analytical phases through to implementation of new manufacturing and services projects. The success of such initiatives

means escaping from a bureaucratic logic and putting in place instruments which meet market needs. These new instruments should stimulate an increase in the volume of investment, transfers of technology and know-how and therefore in terms of increased productivity.

3. Involve representatives of Euro-Mediterranean companies more

Strong involvement of the private sector is a *sine qua non* for the success of the Euro-Mediterranean project, and it would appear that the authorities are not always convinced. Successful experience with the UNIMED 1 and 2 projects, successively managed by UNICE and UMCE, show that the private sector can be trusted to facilitate Euro-Mediterranean integration on the ground. On the basis of these projects, a fresh stage in strengthening business organisations in the Mediterranean partners should be launched as rapidly as possible, focusing on a strengthening of sectoral and local organisations which provide day-to-day assistance to their associate companies.

UNICE and UMCE and their members call to be consulted directly in the decision-making process in order to have a real impact on definition of priorities and means of action. In addition, at operational level, the expertise of the private sector can be used to good account, for instance for making a success of integrated investment promotion programmes in the partner countries.

UNICE and UMCE welcome the Euro-Mediterranean Charter for Enterprise as an instrument for promoting corporate competitiveness and setting objectives for enterprise policy in South Mediterranean countries. Business underlines however that the success of the Charter depends on its effective implementation. To that end, it is essential to carry out a regular assessment of results using the most quantifiable indicators possible.

UMCE and UNICE hope that Euro-Mediterranean ministers of industry will share the objectives expressed in this joint statement and advocate in their favour vis-à-vis their respective governments and the European institutions.
