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**TEN YEARS OF THE BARCELONA PROCESS: TIME TO INJECT NEW MOMENTUM**

**Ten years have elapsed since the launch of the Barcelona Process. Euro-Mediterranean business considers that it has fallen short of delivering its expected results. The multiple efforts developed have not been fully translated into increased economic integration and convergence between the North and the South of the Mediterranean. UNICE and UMCE call on the Ministers participating in the VIIth Euro-Mediterranean Foreign Ministerial Conference (Luxembourg, 30-31 May 2005), to refocus the strategy and to breathe new life into the partnership for the next five years.**

Euro-Mediterranean business is concerned with the insufficient results to date of the Barcelona Process in generating economic growth, job creation and attracting investment in the Mediterranean partner countries. The development gap brings risks for the stability of the whole region. The 10<sup>th</sup> anniversary of the Barcelona Process is the time for all the participating countries to inject new dynamism and to make the process more focused on targeted deliverables. The Commission's roadmap until 2010 is a positive step which should be effectively implemented.

The success of the Barcelona Process will contribute to strengthening Euro-Mediterranean economic competitiveness on the world stage. In this respect, the main challenge is to promote a larger, more open, entrepreneurial, dynamic and faster growing market in the Euro-Mediterranean region. UNICE and UMCE believe that to make progress the Mediterranean partners have to carry through structural reforms and accelerate economic integration with their Northern and Southern neighbours. The EU countries have to implement effectively the new EU strategy for Growth and Jobs to achieve the Lisbon objectives.

Euro-Mediterranean business believes that the European Neighbourhood Policy (ENP) provides a new dimension to the Barcelona Process which must be fully exploited. The ENP Action Plans are a solid basis to promote economic reforms for each Mediterranean partner country. The greater the progress, the faster the integration into the EU Internal Market will be. This action should complement the regional and sub-regional dimensions and reinforcement of regional structures, to avoid diluting the identity of the Barcelona Process.

For UNICE and UMCE, the priority issues for the Barcelona Process for the next five years should be to:

- develop support in the governments concerned and in the public opinion for an economic model founded on private initiative and market economy,
- focus on increasing the attractiveness of South Mediterranean countries for investment by improving the regulatory environment, macro-economic framework, good governance and access to finance;
- promote South-South economic integration, making the Agadir Agreement effective and expanding it to the other Mediterranean partners;
- quickly launch negotiations to liberalise trade in services to meet the 2010 objective of the Euro-Mediterranean free-trade area;
- ensure involvement of the private sector in the relevant Euro-Mediterranean decision-making processes, and the strengthening of the representative business organisations;
- facilitate industrial cooperation to keep up with competition from other countries;

- streamline and bring greater flexibility to financial support through the European Neighbourhood and Partnership Instrument;
- define and implement the infrastructure regional action plan in close coordination with business, promoting interconnectivity of networks with the EU;
- work towards the strengthening of the WTO. In the coming months, Euro-Mediterranean business should intensify efforts on the Doha Development Agenda (DDA) to bring respective views closer together to facilitate success in the WTO Hong Kong Ministerial in December 2005, in view of reaching ambitious and balanced results.

The Euro-Mediterranean business community remains strongly committed to the Barcelona Process. On 10 November 2005, the VIth Euro-Mediterranean Business Summit will take place in Valencia to inject new momentum in the process.

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Note to the editor:

UNICE is the voice of more than 20 million small, medium and large companies. Active in European affairs since 1958, UNICE's members are 38 central industrial and employers federations from 32 countries, working together to achieve growth and competitiveness in Europe.

UMCE (Union of Mediterranean Confederations of Enterprises), established on 1 March 2002, is the association which brings together the main horizontal business organisations in the twelve Mediterranean partner countries, created as part of the UNIMED Business Network project.

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