

4 December 2006

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**EPP-ED Study Day
“The Future of the Euro-Mediterranean Cooperation”
Brussels, 7 December 2006**

**Address by Mr Ulysses Kyriacopoulos
UNICE Special Representative for Mediterranean Affairs**

11h30 – 12h15: *Panel 4: Economic challenges and perspectives of Euro-Mediterranean relations*

Chair: Mrs Rodi Kratsa MEP, EPP-ED Coordinator of the Committee on Economic and Financial Affairs, Social Affairs and Education of the Euromediterranean Parliamentary Assembly (EMPA)

Speakers: Mrs Monia Skhiri, Secretary General of the Union of Mediterranean Confederation of Enterprises

Mr Ulysses Kyriacopoulos, UNICE Special Representative for Mediterranean Affairs

Mr Antonio Tajani MEP, Vice-President of the EPP Party, responsible for the Euro-Mediterranean Policy.

Concluding statement: Mr Simon Busuttill MEP, Vice-Chairman of the EP Delegation for the relations with Maghreb countries and the Arab Maghreb Union.

Time slot: **5 MINUTES**

“UNICE perspective on Euro-Mediterranean Cooperation”

Members of the European Parliament,
Ladies and Gentlemen,

It is my pleasure to be among you in this hearing in my capacity as UNICE Special Representative for the Mediterranean representing the point of view of the Euro-Mediterranean business community on the Barcelona Process.

It is more than a decade since the European Union and its southern Mediterranean neighbours set themselves the ambitious objectives of the Barcelona Process. Today it is a fact that we are far away from the objectives established in 1995, notably due to the political instability of the region.

As a businessman, representing here the interests of the Euro-Mediterranean business community, I am convinced that the achievement of the Barcelona Process is now more important than ever especially in order to tackle the challenges and opportunities of globalisation. Its success will be the answer for those who doubt the need to have a true partnership between the European Union and the South Mediterranean countries.

The Euro-Mediterranean business community asks to be fully associated. We are all disappointed because Economic modernisation and growth has not taken off in the South Mediterranean countries as expected and European investment in the region remains at a low level, in comparison with other emerging regions. To reduce unemployment, to facilitate trade and to attain a desirable GDP growth rate more effort should be put in attracting foreign direct investment.

In this framework, UNICE is for a thorough re-think of Europe's approach to economic reform. We cannot deny that large amounts of money have been pumped into the Mediterranean region mainly in the cause of economic reforms, but the results fall below expectations. It is true that part of the problem is the political and social situation the region is facing.

It may be time for a renewal of the economic objectives and the areas to focus are attention.

We would like to see an improvement in the business climate that will enable firms to invest, create jobs and expand. It is also certain that the South Mediterranean countries have primary responsibility in this area. Although they have achieved some progress in improving the business climate more efforts are needed. Just to give an example: Cutting red tape, eliminating unnecessary legislation speeding up the permitting process will have direct positive consequences to economic growth and employment. At UNICE we are very pleased with the endorsement of the Euro-Mediterranean Charter for Enterprise in Casserta during the Italian EU presidency. The charter should help improve the business environment and the investment climate. However, we want attention to focus on clear and affordable targets such as easier access to finance with particular attention to SMEs, less obstructive taxation, concrete translation of commitments to entrepreneurship education; improvement of labour force skills and therefore encouragement of vocational training.

In the recent Ministerial Conference on Industry in Rhodes, it was acknowledged that in order to increase enterprise competitiveness and job creation we need to support innovation. The business community on both sides of the Mediterranean is willing to identify and present concrete areas for every specific country, a plan to accelerate progress. We are eager to do our homework but we need your support in order to have tangible results and implemented reforms. It is time to move from words to actions.

I now turn to UNICE's view on the Euro-Mediterranean Free-Trade Area, as it was confirmed by the Barcelona and the 10th anniversary Summit in November 2005. The objective of the Euro-Mediterranean Partnership must now be pursued through implementation of the ambitious trade roadmap that we welcome and support. UNICE firmly believes that all policy-makers, social partners and civil society must come together to accelerate the process forward.

It is our opinion that to attain the objective of the free-trade area, south-south economic integration is a fundamental first step. The poor level of economic integration in the region prevents these countries from taking advantage of greater economic efficiency in their production units, improving internal market demand, economic growth and employment. In other words market integration will boost productive specialisation in each economy in the region, allowing greater economies of scale and easier access to other markets.

Additional efforts are needed for the effective implementation of the Agadir Agreement - which could be a good instrument to facilitate the expansion of trade in the region.

Talking about the importance of the liberalisation of Euro-Mediterranean trade, UNICE considers the failure of the WTO Doha Development Agenda negotiations unacceptable. Therefore we look forward to an early re-start of the dialogue. The consequences of the failure are substantial for all regions of the world, and also for the Mediterranean region.

UNICE believes that the European Neighbourhood Policy (ENP) should complement and reinforce the Barcelona process. The financial instrument related to the ENP must support the development needs of the region and they should also aim to strengthen business organisations by providing with appropriate additional financing.

I would not like to finalise my intervention without a word on the role of the Members of the European Parliament and the Members of the Euro-Mediterranean Parliamentary Assembly. UNICE is convinced of the importance of the role that you, as representatives of the European and south Mediterranean citizens, are playing and can play.

We would like to be fully associated with your work. We can help you identify the real problems and hurdles regarding achievement of the Euro-Mediterranean Partnership. We understand that policy-makers have to take the decisions. Business organisations can be an extremely useful instrument as they are ready to cooperate with you in better development of the measures needed in every country to move the Euro-Mediterranean Partnership forward. UMCE and UNICE are in a privileged position to interpret the needs of companies and convey this message to you.

Thank you for giving me the opportunity to be with you today and I hope that there will be similar initiatives in the future.

Thank you for your attention.
