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**EBSOMED**  
ENHANCING BUSINESS SUPPORT ORGANISATIONS

# Survey assessment



## Meda Advocacy Survey 2021

The Euro-Mediterranean  
Partnership in 2021

An Assessment by the Business Community



ASSOCIATION DES CHAMBRES DE COMMERCE ET D'INDUSTRIE DE LA MEDITERRANEE  
ASSOCIATION OF THE MEDITERRANEAN CHAMBERS OF COMMERCE AND INDUSTRY  
جمعية غرف التجارة والصناعة والبحر الأبيض المتوسط



# The Euro-Mediterranean Partnership in 2021

## *An Assessment by the Business Community*

*Dr. Alaa Ezz,  
chairman of the Executive Committee, EU EBSOMED  
Secretary General, Confederation of Egyptian European Business Associations*

Quarter a century has elapsed since the start of the Barcelona Process that aimed at creating an area of peace, stability and shared prosperity via three pillars, namely:

- **Partnership: Definition of a common area of peace and stability** through the reinforcement of political and security dialogue (Political and Security Basket).
- **Construction of a zone of shared prosperity** through an economic and financial partnership and the gradual establishment of a free-trade area (Economic and Financial Basket).
- **Rapprochement between peoples** through a social, cultural and human partnership aimed at encouraging understanding between cultures and exchanges between civil societies (Social, Cultural and Human Basket).

The EU spared no effort or resources in the support of the process, with a cumulative of over €36 Billion in grants and €70 billion in loans augmented by all EU accession and global instruments such as cross border cooperation, TAIEX, Horizon 2020 and many others, as well as a host of regional projects. That is besides almost double the value of such grants and loans from the EU member states, as well as leveraging loans from DFIs under the new EU External Investment Plan.

That has led to real successes at the Economic and Financial as well as the Social, Cultural and Human Baskets, with less success on the political and security front, save for the establishment of the UfM.

Under the resulting bilateral association agreements, the EU today is the number one trade, investment, technology, tourism, education and training partner to all Mediterranean countries constituting over 35% of such activities, even with the failure to establish the Euro Mediterranean 2010 FTA yet succeeding in a micro clone under the Agadir agreement.

Moreover, several tsunamis stormed the shores of the Mediterranean, inclusive political conflicts, Arab springs, and COVID 19, eroding parts of what was meticulously built over the years, hence a reflection on what was offered and what is needed, from a civil society perspective, was conducted by the regional business support federations (CEEBA, ASCAME and Businessmed), under the EU EBSOMED regional project, aiming at supporting the future planning of the Euro Mediterranean process, and targeting their advocacy drives in line with the interests, needs and priorities of the business community.

The Survey was sent to their databases which is a simple random mix of Mediterranean, & European headquartered businesses that are operating in the Mediterranean, region, from various sectors, localities, and sizes.

The survey structure was a simple Yes/No format to ensure fast and maximum response, which was witnessed by a record 31.2% response till the cut of date, highlighting the importance of the issue to Euro Mediterranean businesses.

As usual, not all questions were answered by all respondents as some were either irrelevant to their activities, or their importance is beyond their comprehension which signifies *the need for more awareness within the business community, on both shores, with regards the Euro-Mediterranean partnership as a whole.*

***Dr. Alaa Ezz***

Secretary General, CEEBA  
Chairman, EBSOMED executive committee

### Survey Design

Sample Structure	
• Type	Simple Random Sample
• Original Sample size	179,587
• Response till cutoff date	56,031 (31.2%)

Response Structure	No.	%
Geographic distribution		
• Meda headquartered	41,898	74.8%
• EU headquartered	14,133	25.2%
Sector		
• Manufacturing	23,981	42.8%
• Trade (Retailing, Export, Import)	15,324	27.4%
• Agro business	5,003	8.9%
• Services	11,723	20.9%
Size (Meda definition)		
• Large	13,786	28.1%
• SME	42,245	71.9%

# Survey Results

## 1. What are the main Strengths and Weaknesses of the Euro-Mediterranean Trade and Investment relations?

### A. Strengths

	Yes	No
Increasing Export Potential	96%	3%
Increasing Investment Potential	87%	7%
Larger market size hence inducing more economic production which is more appealing for local producers and foreign investors	97%	3%
Cumulation of origin increasing intra Euro Mediterranean trade potential	84%	11%
Upgrading and modernizing businesses through partnerships	89%	9%
Supporting technology transfer and novel management practices	91%	8%
Upgrading local human resources	89%	3%
Job creation	92%	2%
Promoting third country cooperation		

### B. Weaknesses & Obstacles for expansion of Investments and Trade in Goods & Services

	Yes	No
Absence of Free movement of Business People (visa)	96%	1%
Absence of Services in the FTA	91%	8%
Replacement of Customs by non-Tariff Barriers	96%	2%
Insufficient regional business support programmes	95%	1%
Insufficient bilateral business support programmes	85%	4%
Insufficient networking/matchmaking instruments	97%	2%
Lack of direct freight routes and just on time logistics	86%	11%
Disharmonized financial and trade regulations	92%	2%
Lack of information regarding the Trade and investment potential	97%	1%
Complicated access to available Technical Assistance instruments	96%	1%
Death of some industries due to removal of protective customs	72%	13%
Lack of targeted MSME support and digitalization	90%	9%
Lack of targeted Gender support	92%	7%
Lack of support to Startups and Innovation	91%	4%
Lack of Access to Finance	96%	2%
Weak south-south dimension	84%	5%

## 2. Do the present Trade in Good & Services and Investment Flows correspond to the Potential and/or Expectations

Yes	5%
No	94%

### 3. Does COVID 19 pose an opportunity for Mediterranean Countries:

	Yes	No
In filling the supply chain disruption by Mediterranean countries	96%	1%
In attracting and localizing newer industries of Multinationals	95%	3%
In becoming an outsourcing hub for EU companies	96%	1%
In bridging the digital divide	97%	1%

### 4. What are the Main Obstacles for increasing European Investments in the Mediterranean

	Yes	No
Absence of Free movement of Business People (visa)	96%	1%
Lack of reliable verified information	96%	1%
Weak promotion of Meda as a destination for investment	91%	7%
Insufficient networking/matchmaking instruments	92%	2%
Competition from other regions (such as Eastern Europe & Asia)	94%	4%
Market size	67%	29%
Availability of Finance	77%	12%
Access to Finance	91%	6%
IPR enforcement	72%	21%
Red Tape	96%	3%
Overall investment climate	77%	22%
Logistics and export procedures	93%	6%
Trained Human Resources	87%	11%
Lack of professional investment promotion	96%	3%

### 5. How Can Euro-Mediterranean Trade & Investment be expanded and/or diversified

	Yes	No
Free movement of Business People (visa)	96%	1%
More awareness activities regarding the Trade & Investment potential	95%	2%
More awareness regarding standards & specifications	87%	9%
More regional networking/matchmaking instruments	96%	1%
More exhibitions and conferences	92%	4%
Simpler Finance instruments (non banking)	97%	0
Simplification of Trade Procedures	84%	14%
Direct freight routs and modernization of logistics	94%	3%
Support to digitalization of MSMEs	96%	1%

Creation of a database for offers and requests (exchange platform)	89%	9%
Modernization and harmonization of Trade & Investment laws and regulations	93%	1%
Human resources development	87%	11%
Redefining SMEs according to the reality of Meda countries	89%	3%

## 6. How Can The Pan-EuroMed System of Cumulation be Used for Industrial Integration between Euro-Mediterranean Industries

	Yes	No
More awareness regarding the cumulation system	95%	2%
More awareness regarding the export potential through cumulation	95%	2%
Harmonization of standards and specifications	97%	2%
A database for available industrial feeding industries in the EuroMed	95%	4%
A database for existing industries in the EuroMed region	94%	4%
More networking/matchmaking instruments	96%	2%
Creation of a database for offers and requests (exchange platform)	96%	2%
More exhibitions and conferences	95%	2%
More trade and investment Finance instruments	95%	1%
More export guarantee instruments	92%	4%
More Direct freight routs	89%	7%
Expansion of Aghadir agreement	92%	3%

## 7. What New Issues Should be added to the Euro-Mediterranean Trade and Economic Agenda, and What New Instruments and measures should be created to Enhance Access to Euro-Mediterranean Markets and improve conditions for investments

	Yes	No
Increasing the regional business support component of ENI	95%	1%
Expanding and creating Regional Instruments for:		
• Harmonization of standards and specifications	92%	2%
• Harmonization of financial and trade systems	91%	1%
• Creating direct Freight routs	89%	1%
• Networking/matchmaking instruments (Like DG Trade Help Desk and EBSOMED Business Country Desk platforms)	96%	1%
• Awareness activities (sectorial conferences & workshops)	95%	1%
• Support the freight and logistics capacities south-south and south-north	93%	2%
Increasing business support component in regional and bilateral ENI	94%	1%
Including business associations as a beneficiary in regional and bilateral ENI	95%	1%

Create a Pan Euromed internationally certified training system	91%	2%
Creating a Mediterranean Investment Bank with private sector participation	73%	12%
Linking the Euro-Mediterranean FTA with the proposed Euro-GCC FTA	92%	3%
Expansion of Aghadir agreement to include all MEDA countries	97%	1%
Promote third country cooperation to benefit from free trade agreements		
Inclusion of the business community in Euro Mediterranean process	96%	1%

#### 8. Should the Business Community be involved in the Euro Mediterranean Inter-Governmental Trade & Investment Negotiations

Yes	96%
No	1%

#### 9. How do you propose such involvement of Business Community:

	Yes	No
Obtaining opinion		
• Circulation of issues to business associations for feedback	94%	3%
• Organization of seminars and workshops for feedback	93%	3%
• Creation of an interactive website with issues for feedback	64%	17%
Delivering Opinion		
• Participation of representatives of the business community in the negotiations	95%	3%
• Business associations discuss the issues with members in an interactive conference format and presents its declaration in the negotiations	96%	3%

## The way forward

- There is a huge lack of awareness with regards the Euro Mediterranean partnership as a whole, as well as the available instruments.
- The business support component of ENI, both regional and bilateral needs to be increased with programmes catering to the promotion of trade and investment, matchmaking, and technical assistance.
- The Euro Mediterranean FTA needs serious attention with regards to harmonisation of standards, banking, customs and trade regulations; as well as support business networking and the creation of trade routes
- Third country cooperation through joint manufacturing and subcontracting benefiting from various regional FTAs is the ways forwards for increasing trade and investment.
- More attention to digitalization, Gender, start-ups, and MSMES is required
- Access and not availability of finance needs attention, with more non banking instruments
- Support to professional promotion of investment opportunities is highly needed
- Meda can be a hub for EU companies whose supply chain was disrupted by COVID 19
- The business community should be an active operator rather than a passive spectator with regards to negotiations as well as implementation.



This document is developed by



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