

The Private Sector as Catalyser for Growth and Competitiveness

The Mediterranean experience

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- The Association of Portuguese Industrialists – The Business Confederation (AIP-CE);
- The Confederation of Portuguese Industries (CIP);

In tight collaboration with:

- BusinessEurope; and
- The Pan African Employer Confederation.

Ladies and Gentlemen,

Dear Colleagues and Friends,

I would like to thank the organisers of this important event, which is gathering today business leaders from Africa and Europe. This meeting is an opportunity to consider together a better contribution from the private sector, within the scope of economic policies. You wanted to associate the South of the Mediterranean, we must reckon in terms of business, and we feel in a lesser way the North-South separation, and in a stronger way « Mare Nostrum » is gaining its rights back.

I am particularly happy to address our sister nations from sub-saharian Africa, with which the Mediterranean bears thousands of ties from all times, commercial, cultural and human. First of all, I would like to say that North-African countries look onto the Mediterranean Sea, and this means that the Mediterranean is also an African sea. The Mediterranean represents the link between Europe and Africa; and this link is made of the group of countries within the Union of Mediterranean Confederations of Enterprises that I am honoured to represent. Algeria, Tunisia, Morocco, Egypt, Lebanon, Syria, Jordan, Palestine, Turkey, Cyprus, Malta and Israël. Mauritania is an associated member. France, Italy and Greece are observer members. Shortly, Portugal, Spain and Germany will join.

We are not gathering in Portugal by chance. This country has always endeavoured for the rapprochement of the continents. Today, it is offering its leadership to serve this mission. « A stronger Union for a better world », this world starts in Africa. It is obvious that both continents are able today, more than ever, identify a basis of a co-operation for development. And it is of course the wish of Europe. We will try and prove that the Mediterranean countries and most importantly those in the South have a crucial role to play in this context.

We, within UMCE-BusinessMed, can contribute through the dissemination of our experience, mainly relating to three fields:

- Institutional. The benefit we gained and we are gaining from our relation with the most performing institutions;
- Economic. Our vision of the most adequate economic policy to facilitate regionalisation and in the long run globalisation ; and to draw better advantage of international co-operation;
- Commercial. Through the « Business Country Desks » that we established within sister confederations in UMCE-BusinessMed.

The institutional experience

Most of you know that the Union of Mediterranean Confederations of Enterprises was designed in the model of its European elder sister. And when

this latter adopted the name of BusinessEurope for better visibility, UMCE followed by adding BusinessMed to its name. We need not say how much advantage we draw from BusinessEurope know-how, by getting involved in its activities, sharing ideas particularly concerning the future of the Mediterranean.

UMCE-BusinessMed observer do also participate in our activities and we share all their Mediterranean activities, particularly the Competitiveness Days ; last year with the Italian Confindustria, last February « MedEspagna » with the Spanish Employer Confederations (CEOE) and the Autonomous Region of Valencia (CIERVAL), next year with the French MEDEF in Marseille ; later in 2008 with FGI-SEV from Greece.

This symbiosis that we are searching to develop from the beginning of the year is not only a guarantee of efficiency, but it also facilitates the evolution process through which an institution becomes an « expert system », more useful for its environment. We would like you to take advantage, and we are at your disposal provided that, through our experience, we can be useful to you.

The economic programme

The Barcelona Process started in 1995 offered a unique opportunity for regional development ; this offer from Europe met the enthusiasm all the Mediterranean countries, the Maghreb countries were the first to sign the Association Agreement with the European Union ; and we must reckon that they have the best performance in terms of account balance among the non-petrol-producing countries in the region.

If the Barcelona Process was, generally speaking, an important development factor, it has not been able to fulfil its objectives of harmonisation between the North (EU industrialised countries) and the South; contrary to that, the gap widened for most of them, with few exceptions that caught up in the last few years. The European Commission is the first one to be aware of that¹.

UMCE-BusinessMed has a double strategy:

NORTH – SOUTH Strategy, which completes the Barcelona Process in harmony with the Neighbourhood Policy, aims at a double objective:

- Identify and recommend the instruments and the economic policies favouring the enterprise internationalisation;
- Channel towards the enterprises, the knowledge and the instruments favouring the access to the international, through the private sector or mixed economy institutions.

¹ “Sustainability Impact Assessment, Euro Mediterranean Free Trade Area“ Manchester University et al.

SOUTH – SOUTH Strategy has been recently developed to overcome the obstacles of the North-South strategy. Opening to a much more advanced competitor may end up by reducing trade for the export of natural resources and the import of manufactured goods. This unavoidable trend must be accompanied by an agricultural, industrial or services production which is sufficient to control unemployment and emigration of the nation labour force.

Opening to more developed countries must be accompanied if not preceded by a greater opening towards economies with similar economic development, in order to take advantage of a vaster market, and be able to take advantage of international trade.

We are encouraging Public-Private partnership to realise this great mission of the Mediterranean common market. The deadline of 2010 with total opening towards Europe of the first countries that signed the Association Agreement with Europe, would be so beneficial that South enterprises, particularly SMEs and SMIs, would have acquired the structures and competences allowing them to better develop in a context of international competition.

The market liberalisation dynamic is an obvious factor of progress, but it can be a double-edged arm, we should be able to prepare it. Despite its absolute benefit for the Mediterranean, the Barcelona Process has not been able to reduce the regional differences. We should draw a lesson from this experience.

Upgrading the enterprises and maintaining a climate that is favourable to its growth is a constant mission and presents several problems that requires a rational and timely solution.

Through our South-South strategy we seek to ensure:

- Growth rate;
- Price stability;
- Balance of the Account balance;
- And most importantly jobs.

Within the framework of North-South strategy, we must:

- Limit the distortions of the policy of support to agriculture² ;
- Develop co-production of industrial products fleeing Europe and being replaced by more profitable activities;
- Channel aid towards the real progress stakes.

² There is a problem with the EU, which is greater with the US. Cf. Support to cotton

The business development

To contribute to business development, UMCE-BusinessMed established within each member confederation, a desk with a specialist of international relations, to assist the enterprises from Mediterranean countries :

- Find better supply in equipment, products or services;
- Introduce new products and/or services and/or markets;
- Export products and services;
- Attract investments ;
- Acquire new technologies ;
- etc...

The executives in charge of these offices are most often General Directors, and are perfectly informed about international trade. They are able to provide very efficient support to the enterprises, mainly:

- A qualified and high level introduction to trade partners in the country ;
- The updated information and the indicators are classified in the data centres in the host confederations;
- If needed, the introduction to professional associations, or providing the professional lists for the market surveys, trade representation, franchising, or merger project survey in areas of distribution, industry, finance or insurance.

UMCE-BusinessMed has already a network of 17 « Business Country Desk », and it has recently signed an agreement with UBCCE (Union of Black Sea and Caspian Confederations), thus extending these desks' benefit to the 19 countries in the Union, with conditional reciprocity. UBCCE is organising its own « Business Country Desks » on the model of UMCE-BusinessMed. We would be happy to extend this service to the Pan African Employers Confederation.

Conclusion

To conclude, I would like to present a programme with five points, which is the fruit of a long experience in developing countries, and the experience of emerging countries:

1. A progress in Governance, characterised by the participation of the business medcommunity to the elaboration of the economic policy. Entrepreneurs who are involved in the action, cannot make be mistaken regarding the need to create growth and wealth.
2. An ever-increasing effort to balance the « current balance » which registers the trends of goods and services. The imbalance in this trend increases unemployment and emigration of the most qualified workers.
3. A growth devoted to consolidating price stability to allow more flexibility at the level of exchange rate, and facilitating the equilibrium of the current balance.
4. The active participation of the private sector in the selection of the programmes of assistance to development.
5. A common market between the countries with similar levels of growth first; then with the more developed countries, once the enterprise upgrading, enabling a wider opening of the economy, without seriously affecting the production sectors.