



TURKISH INDUSTRIALISTS' AND BUSINESSMEN'S ASSOCIATION

BUSINESS VIEWS AND ACTIONS ON THE EURO-MEDITERRANEAN PARTNERSHIP

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Meşrutiyet Caddesi, No.74 80050 Tepebaşı/İstanbul
Phones: (0212) 249 54 48 - 249 07 23 • Fax: (0212) 249 13 50

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FOREWORD

TÜSİAD (Turkish Industrialists' and Businessmen's Association), which was founded in 1971, according to the rules laid by the Constitution and in the Associations Act, is a non-governmental organisation working for the public interest. Committed to the universal principals of democracy and human rights, together with the freedoms of enterprise, belief and opinion, TÜSİAD tries to foster the development of a social structure which conforms to Atatürk's principals and reforms, and strives to fortify the concept of a democratic civil society and a secular state of law in Turkey, where the government primarily attends to its main functional duties.

TÜSİAD aims at establishing the legal and institutional framework of the market economy and ensuring the application of internationally accepted business ethics. TÜSİAD believes in and works for the idea of integration within the international economic system, by increasing the competitiveness of the Turkish industrial and services sectors, thereby assuring itself of a well-defined and permanent place in the economic arena.

TÜSİAD supports all the policies aimed at the establishment of a liberal economic system which uses human and natural resources more efficiently by means of latest technological innovations and which tries to create the proper conditions of for a permanent increase in productivity and quality, thus enhancing competitiveness.

TÜSİAD, in accordance with its mission and in the context of its activities, initiates public debate by communicating its position supported by scientific research on current issues.

The report entitled "Business Views and Action on the Euro-Mediterranean Partnership" is a compilation prepared for the 5th Euro-Mediterranean Business Summit, which will take place in Istanbul on 1-2 March 2002. The Summit is hosted by TUSIAD in cooperation with UNICE and with the European Commission's support.

The report aims to gather the views and priorities of businesses from both shores of the Mediterranean on the Euro-Mediterranean Partnership since the launch of Barcelona Process. The report has been prepared with the valuable contributions of UNICE and UNIMED Business Network.

CONTENTS

1. THE EURO-MEDITERRANEAN PARTNERSHIP	7
2. DECLARATIONS OF THE BUSINESS SECTOR	13
2.1. Conclusions de la Rencontre des Chefs d'Entreprises sur les Relations Economiques Euro-Méditerranéennes, Lisbonne, 22 Septembre 1995	15
2.2. Final Declaration of the First Euro-Mediterranean Business Summit, Valencia, 24-25 October 1995	19
2.3. Final Declaration of the Euro-Mediterranean Industrial Forum, Malta, 13-14 May 1996.....	35
2.4. Déclaration Finale du Deuxième Sommet Euro-Méditerranéen des Chefs d'Entreprises, Marrakech, 5-6 Décembre 1996	62
2.5. Final Declaration of the Third Euro-Mediterranean Industrial Summit, Athens, 6-7 October 1997	76
2.6. Final Declaration of the Fourth Euro-Mediterranean Industrial Summit, Tunis, 12-13 May 2000.....	90
3. UNICE OPINIONS ON THE EURO-MEDITERRANEAN PARTNERSHIP	97
3.1. UNICE Opinion on the European Union's Mediterranean Policy, 20 October 1995	99
3.2. UNICE Opinion on Euro-Mediterranean Industrial Cooperation, 22 November 1996	107
3.3. Third Euro-Mediterranean Ministerial Meeting, Stuttgart, 15-16 April 1999 - UNICE Statement 22 March 1999	115
4. UNIMED BUSINESS NETWORK	119
4.1. Presentation of UNIMED Business Network.....	121
4.2. Statement by the Euro-Mediterranean Business Community in view of the Fourth Euro-Mediterranean Ministerial Conference, Marseille, 15-16 November 2000	124

C H A P T E R
1

THE EURO-MEDITERRANEAN
PARTNERSHIP

1. Overall Presentation of the Barcelona Process

The first Euro-Mediterranean Conference, laying the foundations of the Euro-Mediterranean free-trade area and a common area of peace and stability, was held in Barcelona on 27 and 28 November 1995. In this occasion, the 15 Member States of the European Union and 12 countries of the Southern and Eastern Mediterranean (Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, Syria, Tunisia, Turkey and the Palestinian Authority) adopted a Declaration, which launched the Euro-Mediterranean Partnership.

The Partnership has three main objectives:

1. To establish a common area of peace and stability (Political and Security Chapter);
2. To create a zone of shared prosperity (Economic and Financial Chapter);
3. To develop human resources, promote understanding between cultures and exchanges between civil societies (Social and Cultural Chapter).

The Euro-Mediterranean Partnership comprises two complementary frameworks, the bilateral and the regional:

- At the bilateral level, the Union negotiates Euro-Mediterranean Association Agreements with the Mediterranean partners individually. These agreements reflect the general principles governing the new Euro-Mediterranean relationship, although they each contain characteristics specific to the relations between the EU and each Mediterranean partner.
- At the regional (multilateral) level, Euro-Mediterranean conferences and regional programmes (covering the political, economic and cultural chapters) involve the 27 partner countries. UNIMED BN is an example of Euro-Mediterranean regional cooperation.

Since the Barcelona Conference in 1995, three other Euro-Mediterranean Conferences of Ministers of Foreign Affairs have been held, in Malta in April 1997, in Stuttgart in April 1999 and in Marseilles in November 2000. Another important event, from a political point of view, was the adoption by EU Heads of State and government, on 19 June 2000, of the Common Strategy on the Mediterranean Region, which states the objectives, areas of action and instruments of the Union's policy (these documents are available at: http://www.europa.eu.int/comm/external_relations/med_mideast/euro_med_partnership/key_doc_barcelo_process.htm).

2. The Economic and Financial Chapter

The economic and financial partnership launched by the Barcelona Declaration consists of:

- a) the progressive establishment of a free-trade area;
- b) the implementation of appropriate economic cooperation and concerted action in the relevant areas;
- c) a substantial increase in the European Union's financial assistance to its partners.

a) Euro-Mediterranean free-trade area

In the Barcelona Declaration, the 27 Euro-Mediterranean partners agreed on the establishment of a free-trade area by the target date of 2010. This is to be achieved by means of the Euro-Mediterranean Association Agreements negotiated between the European Union and 9 out of the 12 Mediterranean Partners (Cyprus, Malta and Turkey being covered by other pre-existing instruments), together with free-trade agreements between the Partners themselves.

Tunisia, Israel, Morocco, the Palestinian Authority, Jordan and Egypt have already signed an Association Agreement with the EU while negotiations are still in progress with Lebanon, Algeria and Syria (as at end-August 2001). In order to enter into force, such an agreement has to be ratified by the Mediterranean partner and all EU Member States' parliaments, a rather long process (e.g. the agreement with Morocco entered into force four years after signature).

b) Economic cooperation

The Barcelona Declaration and its annexed Work programme foresee several areas of economic cooperation, including: investment promotion, industrial cooperation, transport, energy, telecommunications and information technology, tourism, environment, science and technology.

c) Financial assistance

In order to support the creation of the free-trade area and the implementation of the various activities foreseen in the Barcelona Declaration, the EU Member States decided to increase the financial assistance available to the Mediterranean Partners. Over € 4.6 billion in grants were provided for the period 1995-99 (mainly

through the MEDA programme) while the European Investment Bank (<http://www.eib.org>) provided over € 4.8 billion in loans during the same period. For the 2000-2006 period, the MEDA programme is endowed with € 5,35 billion while the EIB's lending mandate (for 2000-2007) is € 6,4 billion. The Bank has committed itself to contribute a further € 1 billion over the same period for projects of regional interest, in particular in the communications and energy sectors.

3. The MEDA Programme

The MEDA Programme is Euro-Mediterranean Partnership's main financial instrument. It is based on a regulation adopted by the Council of the European Union in 1996 (http://europa.eu.int/eur-lex/en/lif/dat/1996/en_396R1488.html) and amended in 2000 with the so-called "MEDA II" regulation (http://europa.eu.int/eur-lex/en/lif/dat/2000/en_300R2698.html), which covers the 2000-2006 period.

MEDA supports:

1. The economic transition in the Mediterranean partners and the establishment of a Euro-Mediterranean free-trade area (e.g. private sector development; promotion of investment, industrial cooperation and trade between the European Community and the Mediterranean partners, as well as among the Mediterranean partners themselves; upgrading of economic infrastructure) and reform programmes of the partners.
2. Sustainable economic and social development (e.g. improvement of social services; protection and improvement of the environment; upgrading of economic infrastructures, particularly in the sectors of transport and energy; rural and urban development; strengthening activities related to the information society, information technology and telecommunications; development of human resources; strengthening democracy).
3. Regional, sub-regional and cross-border cooperation (e.g. establishing the physical infrastructure necessary for regional trade, including transport, communications and energy; exchanges between civil society in the European Community and the Mediterranean partners, including networking of universities and researchers, local communities, associations, political science foundations, trade unions and non-governmental organisations, the media, private business and cultural institutions; promoting the participation and the emergence of civil society within the Mediterranean partner countries).

The activities financed under the MEDA programme mainly take the form of technical assistance, training, institution-building, information, seminars, studies, projects for investment in micro-enterprises, small and medium-sized undertakings and infrastructures.

MEDA programming cycle:

Strategy papers (which have the purpose of defining the long-term cooperation objectives and of identifying priority areas for intervention and include a detailed analysis of the political and economic contexts) covering the period 2000-2006 have been established at national and regional level. Based on these papers, three-year national indicative programmes (NIPs) are drawn up (taking into account the priorities identified with the Mediterranean partners) for the bilateral channel, and a regional indicative programme (RIP) covers the multilateral activities. Annually adopted financing plans (which include a list of the projects to be financed) are derived from the NIPs and the RIP.

The Commission's External Relations DG (http://europa.eu.int/comm/external_relations) is responsible for drawing up the strategy papers and the three-year indicative programmes. Based on this input, the EuropeAid Co-operation Office (http://www.europa.eu.int/comm/europeaid/index_en.htm) establishes the annual financing plans and manages the projects and programmes from the identification to the evaluation phase.

Cyprus, Israel, Malta and Turkey, although not covered by MEDA bilateral assistance, participate in MEDA regional programmes and activities.

CHAPTER
2

DECLARATIONS OF THE
BUSINESS SECTOR

2.1. Conclusions de la Rencontre des Chefs d'Entreprises sur les Relations Economiques Euro-Méditerranéennes, Lisbonne, 22 Septembre 1995

CONCLUSIONS

La rencontre qui a eu lieu à Lisbonne, le 22 Septembre 1995, a rassemblé les représentants d'entreprises, les fédérations d'entreprises ainsi que les représentants institutionnels des pays suivants: l'Autriche, l'Algérie, l'Egypte, l'Espagne, la France, la Grèce, les Pays-Bas, l'Italie, Malte, le Maroc, le Portugal, la Tunisie et la Turquie. L'objectif de cette rencontre a été d'identifier les domaines et les instruments qui, du point de vue du secteur privé, devront être approfondis dans les rapports économiques et de coopération entre l'Europe et la Méditerranée.

Cette initiative des entreprises, s'insérant également dans le cadre du Forum Méditerranéen, a pu compter avec la présence des représentants des administrations publiques des pays membres respectifs.

Les participants à cet événement ont souligné l'importance de cette réunion et l'ont estimé comme un pas important vers le rapprochement des entreprises au processus de la construction de ce nouveau cadre de dialogue dans le cadre duquel les décisions politiques adoptées devront être concrétisées. Ceci permettra la transition économique vers un marché ouvert dans la région de la Méditerranée, en tant que condition préalable au développement économique.

LES THEMES

Malgré son caractère informel, la rencontre s'est déroulée de façon pragmatique et constructive, permettant par conséquent un échange de points de vue sur les thèmes suivants:

- la Conférence de Barcelone;
- les objectifs et les instruments pour un partenariat renouvelé UE Méditerranée.

Dans la majorité des interventions, il a été souligné que la Conférence de Barcelone, qui aura lieu le 27 et 28 Septembre, devra s'affirmer comme étant une opportunité historique et une nouvelle étape dans le rapprochement de l'Union

Européenne et de la Méditerranée. Le développement dans "Partenariat Euro-Méditerranéen", obéissant à une logique d'intérêts partagés et comprenant plusieurs agents, suppose le développement de trois volets fondamentaux:

- le dialogue politique,
- a coopération économique et financière
- la valorisation de la dimension humaine.

ZONE DE LIBRE ÉCHANGE

La création d'une zone de libre échange, qui est sous-jacente à la construction du cadre multilatéral de coopération, devra être aperçue dans son rôle instrumental et générateur des volontés et des dynamismes des entreprises. La constitution de cette zone envisage le développement économique, social, politique et de sécurité, tout en respectant les règles du marché et en particulier celles relatives à l'Organisation Mondiale du Commerce.

En ce qui concerne le rôle de la Commission Européenne dans la création d'un Espace de Coopération Euro-Méditerranéen, les intervenants ont souligné trois aspects:

- l'"architecture" de l'initiative et du processus, en l'attribuant une cohérence globale;
- le "financement" en tant que substance et levier indispensables au processus;
- le "suivi" du processus d'exécution de l'accord selon les objectifs et les règles qui ont été définis

Le rôle des entreprises et de leurs représentants dans la dynamisation d'un espace de libre échange Euro-Méditerranéen" a fait l'objet d'une attention particulière. Dans ce contexte, il a été souligné le besoin des pays de la Méditerranée Sud et Orientale de libéraliser mutuellement les échanges, tout en réservant un rôle moteur aux entreprises qui sont par nature les principaux agents de ce processus.

La logique d'accroissement et de libéralisation des échanges entre les pays du Sud impliquera nécessairement une redéfinition du rôle de l'Etat, en attribuant plus de protagonisme au secteur privé. La participation de ceci requiert la création de conditions favorables à l'investissement, consacrant des règles de transparence des législations, le traitement national et la non-discrimination.

Les Confédérations, les Fédérations, les Associations d'Entreprises ainsi que les Associations Professionnelles devront avoir un rôle important de "catalyseur" dans la création de "mécanismes de rapprochement" avec une fonction pédagogique et de formation.

Ceci envisage le transfert de know how et des bonnes pratiques dans le cadre de l'associativisme des entreprises, auprès de leurs congénères de la Méditerranée Sud et Orientale.

La concrétisation d'un "espace d'échange Euro-Méditerranéen" suppose une gestion efficace de la coopération qui doit répondre aux vrais besoins de la région et de ses agents économiques et doit se baser sur des règles de flexibilité et de transparence.

COOPÉRATION

Les domaines de coopération qui ont été considérés comme ayant le plus de potentiel sont les suivants:

- l'environnement,
- l'énergie,
- les transports,
- la pêche,
- l'agriculture et le développement rural,
- les technologies de l'information et les télécommunications,
- l'éducation,
- la formation,
- la science et la technologie,
- la qualité,
- la privatisation,
- la coopération
- la sous-traitance
- le marketing.

En ce qui concerne la Gestion de la Coopération, il a été estimé que celle-ci devra avoir une incidence sur quatre domaines stratégiques:

- Infrastructures, qui devront être l'élément stratégique du nouveau partenariat (c'est le cas des Transports, de l'Energie, des Télécommunications et de l'Information).
- Assistance technique, qui est fondamentale dans l'appui aux systèmes d'infrastructures, à la modernisation des entreprises, à la valorisation des ressources humaines, à la restructuration des secteurs administratifs, etc.
- Appui aux petites et moyennes entreprises, en leur facilitant l'accès à l'assistance technique, au capital à risque et à la création d'alliances stratégiques. Dans ce contexte l'importance de créer un "business center" a été souligné de façon particulière.
- Investissement dans les ressources humaines, la recherche, la science et la technologie, étant donné que dans la société et l'économie actuelles la qualification des ressources humaines ainsi que le stock de connaissances scientifiques et technologiques sont les principaux facteurs de compétitivité.

La création d'un espace Euro-Méditerranéen fonctionnera comme catalyseur de la libéralisation du commerce, de l'investissement et de la déréglementation et sera un facteur important pour le développement de la région et pour la convergence des pratiques économiques entre les deux rives de la Méditerranée, contribuant à stimuler la création de nouvelles dynamiques des entreprises.

Il a été mentionné par plusieurs participants que l'enveloppe financière accordée au sein du Conseil Européen de Cannes d'un montant de 4,685 milliards d'ECU et renforcé par l'intervention de la BEI, n'est pas suffisante si l'on tient compte de la dimension de l'initiative et des objectifs à atteindre.

Cette rencontre a permis une première réflexion de la part des Organisations d'Entreprises qui sera suivie à l'avenir dans le cadre d'autres événements, dont le prochain est celui du Sommet d'entreprises à Valence, le 24 et le 25 Octobre prochain.

2.2. Final Declaration of the First Euro-Mediterranean Business Summit, Valencia, 24-25 October 1995

FIRST EURO-MEDITERRANEAN BUSINESS SUMMIT

The First Euro-Mediterranean Business Summit, held in Valencia on October 24-25, was attended by 28 European and Mediterranean countries represented by a total of 440 businessmen.

At the request of the European Commission and the Spanish Presidency of the European Union, the Spanish Confederation of Employers' Organizations (CEOE), in conjunction with the Union of Industrial and Employers' Confederations of Europe (UNICE), organised the Summit in preparation for the Barcelona Ministerial Conference scheduled for November 27 and 28 next.

The main purpose of the First Euro-Mediterranean Business Summit was to analyze the new European Union proposals for Third Mediterranean Countries (TMC's) and provide European and Mediterranean businessmen with the opportunity to draw up a series of conclusions and proposals in this regard.

This was the first time in the recent history of the relations between the European Union and Third Mediterranean Countries (TMC's), that a meeting of such very special characteristics has been held, both as regards the number of countries represented and the prestige of the businessmen participating in the meeting.

The organisers of this First Euro-Mediterranean Summit wish to especially thank the business organizations of the Third Mediterranean Countries (TMC's) for their enthusiastic response and inestimable contribution to the meeting's work, the conclusions of which will be submitted to the Barcelona Ministerial Conference and the respective governments that will be participating in it.

PARTICIPATING COUNTRIES

Representatives of business organizations and businesses from the following countries participated in the First Euro-Mediterranean Summit:

1. Algeria	8. France	15. Italy	22. Palestine
2. Austria	9. Germany	16. Jordan	23. Portugal
3. Belgium	10. Greece	17. Lebanon	24. Spain
4. Cyprus	11. Holland	18. Luxembourg	25. Switzerland
5. Denmark	12. Ireland	19. Malta	26. Tunisia
6. Egypt	13. Iceland	20. Morocco	27. Turkey
7. Finland	14. Israel	21. Norway	28. United Kingdom

The First Euro-Mediterranean Summit approves the following General Statement and transmits it to the Barcelona Ministerial Conference, as an expression of the feeling of the Mediterranean business community and an outline of a series of initiatives that reflect the concerns of the economic and financial sectors of this geographic area, which will, in practice, be the driving force behind the implementation of the political agreements that ensue from the Barcelona meeting.

GENERAL STATEMENT

1. The First Business Summit constitutes an important asset for the subsequent practical implementation of the political conclusions reached at the Barcelona Ministerial Conference on November 27 and 28.

Acknowledging the significance of this meeting, it was agreed to afford the Euro-Mediterranean Summit continuity over the years to come, in recognition of the fact that such business encounters are the foundation on which to build the future partnership between the European Union and Third Mediterranean Countries.

In this regard, the Summit agrees to accept the initiative of the General Economic Confederation of Morocco (CGEM) to hold the next business summit in the city of Casablanca.

2. The Business Summit and the European and Third Mediterranean Country business organizations that comprise it, should carefully monitor the entire process ensuing from the Barcelona Ministerial Conference. In order to do so, a permanent contact must be established with the European Commission officials in charge of the Mediterranean Policy.

In Europe, the various business organizations are members of the Union of Industrial and Employers' Confederations of Europe (UNICE), which liaises between the European business community and the Community Institutions.

In the Third Mediterranean Countries, the need for greater cooperation among the various business organisations is recognised, to facilitate growing economic and social integration in the area.

Consequently, the Summit agrees to demand that, within the programme of action that the European Union may implement as a result of the decisions adopted at the Barcelona Ministerial Conference, priority should be placed on a series of initiatives for technical assistance to business organizations in Third Mediterranean Countries.

3. The First Euro-Mediterranean Summit has received a clear message from the Third Mediterranean Countries, whose businessmen and business representatives unanimously wish to gradually join the mainstream economic and development area that the European Union Market embodies.

The Summit agrees to demand that the Barcelona Summit confirms that the gradual integration of the southern Mediterranean countries into European economic and commercial structures should constitute an important vehicle for achieving peace, political stability and economic prosperity in the Mediterranean.

4. European and Mediterranean country businessmen and business organizations acknowledge the efforts made by the European Commission to prepare the proposals whereby a substantial financial contribution will be made available to support economic development in Third Mediterranean Countries.

Furthermore, they recognise the importance and the appeal that the European Union's proposal to achieve a common Euro-Mediterranean area in the mid-term, has for the Third Mediterranean Countries business community; an Area that would be based on a future Free Trade Zone in accordance with the World Trade Organization (WTO) guidelines in this respect.

Consequently, the Summit agrees to stress that the European Union's new Mediterranean policy entails a huge solidary effort, targeting on the modernisation of these countries and improvement of the prevailing economic and social conditions.

5. The First Euro-Mediterranean Summit notes with satisfaction the commitment expressed by Mr. Manuel Marin, Vice-President of the European Commission, in the sense that the European Union Governments wish to enlist the support of the businessmen on the north and south shores of the Mediterranean to implement this ambitious project.

In this regard, the First Euro-Mediterranean Summit welcomes the European Commission's initiative and agrees to submit a request to the Governments of Third Mediterranean Countries whereby their businessmen and business organizations be invited to take an active role in the development of this new stage in the relations with the European Union.

6. European and Mediterranean Country Business stand out as the cornerstone of the future Euro-Mediterranean partnership.

In the European Union, businesses and business organizations play an essential role. In Third Mediterranean Countries the business sectors should be reinforced in order to be able to rise to the challenges of future Euro-Mediterranean technological and industrial cooperation, and the business organizations should establish services in support of private business in these countries.

7. Small and medium-sized enterprises are the basis for future Euro-Mediterranean cooperation. The First Euro-Mediterranean Summit considers it to be essential to establish policies to support the creation and promotion of this kind of enterprises in Third Mediterranean Countries.

Similar policies implemented in the various European Union countries are considered to be a good reference point in this regard. It is, then, agreed to take all the necessary steps vis-a-vis the European Commission aiming to develop support programmes for SMEs in Third Mediterranean Countries.

8. The importance of the subjects discussed at this First Euro-Mediterranean Summit, as well as the intensity of the debates on economic and financial matters of great consequence for the future of Euro-Mediterranean cooperation, suggest that greater emphasis should be placed on specific issues of a sectorial nature and on issues that are particularly sensitive for businessmen on both shores of the Mediterranean.

The First Euro-Mediterranean Business Summit does, then, agree to continue to hold these sectorial and financial business meetings within the framework of the decisions adopted at the Barcelona Ministerial Conference.

9. Finally, the Summit is pleased to note that the European Union has acknowledged business to be the lead player par excellence in any action to be undertaken in this new Euro-Mediterranean of the approach of the relations in the area. In this regard, the Summit agrees to support the proposal that the aid envisaged must be applied as directly as possible to business concerns.

The First Euro-Mediterranean Summit analyzed, on the one hand, general aspects of the European Union proposals on future Mediterranean policy and, on the other, the specific issues relating to the new Euro-Mediterranean partnership that concern businessmen.

Six Working Groups met for these intents and purposes; their contributions, which are set out below, attest to the importance of the debates held on the occasion of this business meeting, and, indeed, of the encounter itself.

SPECIFIC STATEMENTS

1. ESTABLISHING A FREE TRADE ZONE

- 1.1. The business organizations participating in the Summit acknowledge that a Free Trade Zone is the most appropriate formula for organising the future Euro-Mediterranean Area in the terms agreed by the European Council at its meeting in Cannes (June, 1995).
- 1.2. Achieving this goal will be no easy task for two reasons:
 - Due to the problems surrounding sensitive sectors and products, both in the European Union and Third Mediterranean Countries.
 - Due to the foreseeable difficulties that will arise in Third Mediterranean Countries with regard to assuming the consequences of the implementation of a Free Trade Zone and greater economic integration among southern Mediterranean countries.
- 1.3. In the opinion of the Working Group participants, a Free Trade Zone must not be limited to encouraging agreements between countries on a one-to-one basis, but rather must set its sites on the more essential objective of achieving horizontal integration among Third Mediterranean Countries.

- 1.4. The establishment of a Free Trade Zone will take time, and a suitable term, which should not be less than fifteen years, should be studied in order to achieve liberalization of trade and removal of barriers on a gradual basis, making allowance for the economic standards in each Third Mediterranean Country.
- 1.5. The ultimate creation of a market consisting of 800 million consumers undoubtedly justifies the efforts required to create a Free Trade Zone.

The European Union has already established economic contact with the Mediterranean, and is currently its number one client, number one supplier of goods and services and major investor in the area. The Third Mediterranean Countries, in turn, are the European Union's second largest client and its third largest supplier.

The growing economic ties between the two areas is considered to constitute a sound basis for progressing towards the implementation of a Free Trade Zone.

- 1.6. Third Mediterranean Countries should receive aid from the European Union in order to reduce the economic and social impact that implementation of the Free Trade Zone will have in the mid-term.

In addition to financial aid, the European Union must develop a plan to facilitate the opening up of Third Mediterranean Country economies to foreign trade and their participation on the international marketplace.

The achievement of economic integration, greater European investment in the area and the development of business cooperation call, necessarily, for the adoption of a series of measures intended to encourage:

- 1.6.1. Gradual harmonisation of customs regulations and the approximation, in practice, of customs administrations in Third Mediterranean Countries.
- 1.6.2. Harmonisation of rules of origin, bearing in mind the effort made by the European Union in this subject.
- 1.6.3. Performance of studies on sectorial impact of the implementation of a Free Trade Zone, especially on sensitive sectors and products.

2. BUSINESS COOPERATION

Business cooperation is considered to be an essential component for the development of the Euro-Mediterranean partnership and the future Free Trade Zone, as set out in the European Union proposals.

Mr. Manuel Marin, Vice-President of the European Commission, informed the First Euro-Mediterranean Summit of these proposals, which will be discussed at the political level during the Barcelona Conference and which, once approved, will be implemented through semi-annual meeting of a sectorial nature between European Union and Third Mediterranean Country Governments. In this regard, the First Euro-Mediterranean Summit issues the following statements:

- 2.1. As European and Mediterranean Country business organizations, we assume full responsibility for cooperating in the promotion of joint projects between businessmen from both areas of the Mediterranean.

However, the implementation of such business cooperation calls for the creation of the necessary structures, especially in the realm of small and medium-sized enterprises to allow, among other things, for the definition of profitable economic partnership agreements, the identification of the most suitable partners and the availability of financial and management support.

Consequently, there is an obvious need to empower Third Mediterranean Country business organizations as the foundation for such future Euro-Mediterranean business cooperation.

- 2.2. Local businessmen in Third Mediterranean Countries are a key figure in this process. Their participation in European business projects is an important pre-requisite to any kind of permanent investment or presence in these markets.

Therefore, the European Union and the Governments of the Third Mediterranean Countries are urged to undertake a series of measures to empower the business sector in these countries, especially as regards the participation of local enterprises in project involving European firms.

Such measures must include ready access to attractive financing, guarantees as necessary, tax and labour regulations and management training.

- 2.3. The European Union has ample experience in the development of partnership programmes in various geographic areas: eastern and central Europe, Latin America and ACP countries, among others.

The First Euro-Mediterranean Summit feels it is most important to transfer this experience to the Mediterranean area, with all the necessary modifications in view of these countries specific features, and therefore proposes:

- That the MED-INVEST Programme be vested with a participative and decentralised structure, based on the AL-INVEST Programme implemented in Latin America.

Consequently, it is necessary, for a joint European Commission/business organisation body to be instituted, in order to establish the broad outlines for the Programme, together with a Secretariat-outside the European Commission - that will be responsible for management and in which, business organisations would take part.

- Expand some European Commission programmes intended to encourage cooperation among businesses (BC-NET, ECIP, inter alia) to Third Mediterranean Countries.
- Encourage and support the creation, within the business organizations of Third Mediterranean Countries, of devices specialising in the identification and subsequent promotion of joint business project among businessmen in the two regions.

- 2.4. European businessmen have developed important channels of cooperation through UNICE. This experience may serve as a model for the business organizations in southern Mediterranean countries, which should embody representative structures, be voluntary in nature and be able to lend the kind of services that SMEs, in particular, need to rise to the challenges of an increasingly more open and competitive economy.

2.5. The development of business cooperation is closely related to the cooperation that European Union and Third Mediterranean Countries can undertake in the fields of education, training and research. The current international situation makes technical know-how and the quality of human resources a factor essential to the competitiveness of economies in general, and businesses in particular.

For this reason, the First Euro-Mediterranean Business Summit urges the European Union to include the southern Mediterranean countries in the initiatives it has taken in other geographic areas in the fields of training, research and development, and specifically expand the TEMPUS Programme, the Productivity Initiative Programme, the Partnership and Coordination Programme and the TACIS and PHARE training, research and development initiatives to the area.

3. INVESTMENT AND FINANCING

The future of the new Euro-Mediterranean partnership should be based on increasing European investment in these countries, since investment flows are currently very low compared to other geographic areas.

If this process is to be encouraged and possible European investment in Third Mediterranean Countries made sufficiently attractive, the latter's economies must gradually be opened up to foreign and in particular inter-regional trade.

In this regard, the First Euro-Mediterranean Summit considers the approximation of the various local legislations on foreign investment to be indispensable; no less necessary is a sufficient legal framework to protect such investment and ensure that foreign investors receive treatment similar to that afforded to local agents.

The following measures are considered to be particularly important to attract European investment to the area:

3.1. Real liberalisation of investments by the introduction, on the national level, of transparent legislation, regulatory stability, repatriation of profits and facilities for foreign staff in the countries of the region.

3.2. Establishment of a system of agreements on reciprocal promotion and protection of investment as well as accords to avoid double taxation.

- 3.3. Development of privatisation processes in the Third Mediterranean Countries, reducing to a minimum the number of sectors in which foreign stakes are not permitted.
- 3.4. Tax policy, on the part of European Union and local governments, to encourage investment in these countries and participation of Third Mediterranean Country businessmen in joint projects to be undertaken in the area.
- 3.5. Acknowledgement of the important role that the existing European development financing institutions play.

Such institutions provide capital, technical counselling and business management for projects undertaken by small and medium-sized European companies.

The European Governments are therefore requested to increase the financial resources available to these institutions since their counsel, in particular in the initial stages of the business investment process in these countries, is considered to be extremely useful.

As far as financing capital is concerned, the First Euro-Mediterranean Business Summit acknowledges the importance of the financial aid that the European Union has earmarked for Third Mediterranean Countries.

- 3.6. The Business Summit that the sum of 4.685 million ECUs agreed at the European Council of Cannes, constitutes substantial financial aid for the development of future Euro-Mediterranean cooperation, but requests that funds be distributed on a fair and rational basis, by countries and industrial sectors, with special emphasis on the effective use of these resources from the standpoint of specific results.
- 3.7. The Summit stresses the importance of enlisting the support of the European Investment Bank (EIB), which should earmark resources for Third Mediterranean Countries in amounts similar to those envisaged in earlier initiatives in this regard, with the Bank playing the role of financial vehicle focusing on a future "Mediterranean Financial Facility", intended to provide funding for projects of regional interest.

- 3.8. The financial resources allocated by the European Union should be enhanced by resources provided by the member countries through bilateral agreements, so that European Union funds can provide the impetus for the mobilisation of other public and private funds in the area.
- 3.9. Such European Union financial aid to Third Mediterranean Countries should elicit a response on the part of local governments to articulate the public management of the national budget in accordance with guidelines established by multilateral financial institutions, and especially the International Monetary Fund, as well as with ongoing Club of Paris negotiations for renegotiation of the external debt.
- 3.10. European investment in Third Mediterranean Countries cannot alone mitigate the existing structural distortions and instability in these countries, nor encourage local savings, which are clearly insufficient to cover investment needs.

For this reason, local financial markets must be developed, in particular as regards measures to encourage more local savings.

- 3.11. With regard to Europe, the Business Summit requests that Export Credit Insurance be an effective and flexible tool to support European business activity in the area, adapting the insurance conditions and establishing short, mid and long term coverage ceilings in keeping with the economic situation of each of the southern Mediterranean countries, while clearly aiming to support the mid-term location of European businesses in the area.

4. INFRASTRUCTURE, ENVIRONMENT AND ENERGY

- 4.1. The participating business organizations acknowledge that infrastructures, energy and the environment will be realms of particular concern in the new Euro-Mediterranean area. Consequently, they recommend the running of follow-up studies on this First Euro-Mediterranean Summit's initiatives. For this purpose they propose the creation of an advisory committee whose membership would include all countries attending and which, in the framework of the future Free Trade Zone, would analyze any viable joint projects proposed in the areas of infrastructures, environment and energy.

- 4.2. The participants in Working Group 4 are of the conviction that economic development in the Mediterranean Area necessarily depends on the success of the peace process in the region. Without peace, it will not be possible to undertake specific projects.
- 4.3. The Working Group considers that direct aid received from the European Union for specific projects, will be more effective if such financial support is complemented and favoured by close collaboration with commercial banks in the area.
- 4.4. Private sector initiatives should receive firm and effective encouragement in order to create a suitable framework for direct investment. Two measures which will undoubtedly contribute thereto are, further privatisation and market deregulation.
- 4.5. Pursuant to the above, the Working Group considers that bureaucracy is one of the major obstacles facing businessmen when initiating their activities in the Euro-Mediterranean area. Harmonisation of all the regulations on standards and homologation would constitute a step in the right direction in the process of reducing bureaucracy.
- 4.6. The members of Working Group 4 point out that one of the major shortfalls in less developed countries in the Euro-Mediterranean Area is to be found in the infrastructure sector. Business cooperation efforts between the two shores of the Mediterranean should, then, grant priority to transport, communications and other similar infrastructure projects.
- 4.7. The environment, and in particular, the state of aquifers, in the Euro-Mediterranean area, suggest that the former should rank high on line list of areas calling for the cooperation of all the countries on the Mediterranean basin, with special emphasis on the following measures:
 - Environmental education, as an essential element to foster sustained development.
 - Reinforcement of coordination among the institutions engaged in research and development, with priority on long-term action in realms such as management of forest resources.
 - Encouragement of sustainable, specifically Mediterranean, forest management, should be a subject of priority concern, as a way to

stabilise the water resources in the area. Such action should lead to profitable production as a way of ensuring the conservation of these resources and thus curbing desertification and drought.

- 4.8. Finally, there is a need to design a long-term plan to guarantee efficient and environmentally safe transportation of both oil and gas from the southern Mediterranean.

5. MANUFACTURING INDUSTRY

The Working Group, after some discussion, decided to make three kinds of suggestions and recommendations addressed, firstly, to businesses, secondly, to the Governments of non-European Mediterranean countries, and finally, to the Commission of the European Communities.

Moreover, the Working Group recognises the importance of the Amman Conference, in the provision of solutions to the many problems facing the eastern Mediterranean countries.

SUGGESTIONS TO BUSINESSES

The Working Group recommends that businesses take the following measures:

- Encourage direct relations between businessmen from all the countries involved, ensuring the free choice of the most suitable partner on strictly commercial grounds.
- Seek formulas for business cooperation. The Working Group acknowledges the advisability of creating business cooperation networks. The system currently in effect in Italy as regards industrial and consortium export rights might serve as a model.
- Provide maximum backing for investment in productive training and new technologies while encouraging research and development in the southern Mediterranean countries, to lessen their dependence on technology transfers from other more developed areas.
- Acquire, on the part of the European countries, a deeper understanding of Mediterranean cultures to facilitate the establishment of joint ventures.
- Delocalise mature technology, market and environmental conditions permitting.

SUGGESTIONS TO THE GOVERNMENTS OF NON-EUROPEAN COUNTRIES

The Working Group recommends that Governments of non-European countries:

- Make liberalisation and deregulation priority items, in order to lighten the weight of the State in the economy.
- Review existing economic difficulties and attempt to solve them, in particular, by simplifying administrative procedures currently in effect.
- Create a legal and economic environment as stable as possible in order to attract investors and enhance trade without having to resort to measures intended to compensate for non-reciprocity.
- Place the construction of basic infrastructures for transport, energy, telecommunication and industrial parks high on the list of development priorities.
- Analyze other integration processes that have been brought to successful completion and can be used as a model.
- Pursue standardisation and verification of standards through specialised institutions established in Mediterranean countries.

SUGGESTIONS FOR THE COMMISSION OF THE EUROPEAN COMMUNITIES

The Working Group believes, finally, that the following recommendations should be made to the European Commission:

- Identify, in the context of each region, the comparative advantages of the Mediterranean countries. It would be advisable to undertake studies in this regard either by the Commission alone or in conjunction with the latter.
- Avoid possible discrimination that may arise between sectors, due to the competition among the States involved.
- Link any future support measures as closely as possible to businesses or business organisations rather than to Governments.
- Focus support and financing on sectors such as:

- Infrastructure,
 - Training,
 - Technology transfers,
 - Risk capital financing.
- Finally, the Working Group invites the Commission to study the regulation of appraisal procedures for projects that the European Union is to finance.

6. AGRICULTURE AND FOOD INDUSTRY

6.1. The participants in Working Group 6 point out that the implementation of the new framework of Euro-Mediterranean relations should, necessarily, be based on stable development of all the parties involved, seeking benefits for all and ensuring that harm is caused to none.

6.2. The participants acknowledge the social and economic importance of the food and agriculture industry for all the countries that make up the Euro-Mediterranean area.

It is, then, recommended, that the parties involved seek existing opportunities for complementary articulation of the food and farming sectors, to avoid the effects of possible disorderly competition.

6.3. For the intents and purposes of the creation of a possible Free Trade Zone, the Working Group feels that it is essential for food and farm product markets to be opened up gradually and simultaneously in all the countries involved.

6.4. With respect to the financial aid earmarked by the European Union for the future Euro-Mediterranean Partnership, the Working Group, pursuant to the ideas outlined by Mr. Manuel Marin, Vice-President of the European Commission, insists that private economic agents and, more specifically, businesses, should be the direct recipients of such aid.

Moreover, it is stressed that such financial aid should be implemented as speedily and transparently as possible, avoiding unnecessary delays and bureaucratic obstacles.

- 6.5. The Working Group thinks that any initiative tending to enhance cooperation between businessmen and business associations on the two shores of the Mediterranean, must be backed.

Foremost among such initiatives, in the opinion of the Working Group, is the Mediterranean Diet, for its enormous intrinsic value, as all international forums have acknowledged it to be the healthiest human diet. In this regard, companies, business organisations, Governments and the European Union are urged to join forces to undertake all the necessary action to develop and promote the Mediterranean Diet, a heritage common to all the countries in the area.

- 6.6. Finally, the Working Group feels that priority should be given to the establishment of the necessary conditions to make reliable information, data and statistics, available in order to counter the confusion in this regard that has arisen on prior occasions.

In this respect, it feels that the creation of a common forum or observatory is needed to monitor both the initiatives undertaken in the Euro-Mediterranean area and the intensification of joint interests.

2.3. Final Declaration of the Euro-Mediterranean Industrial Forum, Malta, 13-14 May 1996

Forum organised by the Italian Confederation of Industry (Confindustria) and the Malta Federation of Industry (MFOI), under the patronage of the European Commission (DG III), the Italian Institute for Industrial Promotion (I.P.I.) and the Maltese Government and the collaboration of Mondimpresa and Club de Bruxelles.

FINAL DECLARATION

Representatives of Industrial Organisations met in Malta on May 13th and 14th 1996 on the occasion of the "Euro-Mediterranean Industrial Forum". They discussed those aspects of an economic and industrial partnership, which will be decisive in shaping the economic and social development of the South Mediterranean region.

By means of the present declaration, the Participants at the Malta Forum wish to send to representatives of European and Mediterranean governments, meeting in Brussels on May 21st at the Euro-Mediterranean Conference of Industry Ministers a clear message: the Euro-Mediterranean Industrial Organisations are willing and ready to launch a permanent dialogue to produce new proposals for Euro-Mediterranean economic, and industrial partnership.

The priority themes of analysis and debate were:

- the scope for investment and infrastructure development and the financial instruments needed to promote and support them;
- the development of industrial associations and the need for company executive training;
- the definition of a framework for technical norms and standards which would facilitate investments and international trade on both sides of the Mediterranean.

The three discussion themes are closely inter-related:

Infrastructure development in the Mediterranean requires, *inter alia*, a high level of managerial capacity to run the infrastructure and to create the related services based on standards which are harmonised with those in Europe and the rest of the world and, more generally, it requires the creation of a technical and regulatory framework which will facilitate local and international investment flows

and guarantee their profitability; the industrial associations and federations contribute to increase the competitiveness of local firms through professional training programmes and by proposing to their institutional partners technical and regulatory solutions aimed at increasing the efficiency of production and of the economy as a whole.

On the basis of discussions from its working groups, the Representatives of Euro-Mediterranean industry adopted the following conclusions, which are hereby submitted to the Ministers.

1. INVESTMENT AND INFRASTRUCTURE PROJECTS: MEANS OF FINANCING, INCLUDING PROJECT FINANCE

The creation of infrastructure networks is an element of political cohesion, of regional integration and economic development, bringing the beneficiary countries into a Europe-Mediterranean Economic Area to avoid new differences arising between regions whose basic infrastructures are already sufficiently diverse.

Investments in the infrastructures for energy, transport, telecommunications and water resources will enable this region to regain a central position in world markets.

While respecting each country's right to choose, it would, seem preferable to define the infrastructure projects within a common framework in which all countries participate as part of a Euro-Mediterranean infrastructure development programme.

Such an approach would in fact ensure the coordination of national interests in a single framework with respect to choice of projects, the inter-operability of networks, financial resources and norms and standards which in turn would help regulate the creation and management of the services linked to the network infrastructures.

The progressive privatisation and liberalisation of these services should be accompanied by an improvement of the network equipment.

For the projects selected, in addition to creating the infrastructure, a model for the accompanying management and organisational functions needs to be created via training initiatives.

The amount of financial resources required raises the question as to the most suitable way to attain the objectives, by mobilising all interested parties.

It then becomes necessary to define rapidly the rules, which will permit private capital, in the shape of project financing, to take part in the execution of infrastructure projects, while providing cover against extraordinary risks and adequate return on investment.

The aim is to make available for the development of infrastructures the wide range of public and private financial instruments. It is also necessary for the Mediterranean partners to have access to the most innovative formulas and practices used by international financial markets.

This message, addressed to the Euro-Mediterranean Conference of Industry Ministers, should be further transmitted by it to all other bodies interested in the follow up to the Barcelona Declaration.

2. THE DEVELOPMENT OF EMPLOYERS' ASSOCIATIONS AND THE NEED FOR MANAGERIAL TRAINING

The creation of an economic and industrial Euro-Mediterranean partnership presupposes the development of industrial associations and services to companies, especially SMEs, to improve their efficiency and competitiveness in an integrated Euro-Mediterranean context.

In addition to strengthening industrial associations, it will be necessary to promote a dialogue among the industrial associations in the South Mediterranean countries and between them and their European counterparts in order to disseminate best methods and best practices.

The creation of a climate favourable to foreign investments, whether at the legal, regulatory and institutional level, is often the result of a dialogue between the private industrial sector, organised within its industrial federation, on the one hand, and public and government authorities on the other.

These federations ask to be consulted on a regular basis by the authorities in order to guarantee a framework favourable to the competitiveness of their companies: business, organisations who go through the same market pressures and problems as their members develop for themselves a natural role as counsellor.

Any project for the regional development of the Southern Mediterranean cannot ignore the functions of liaison and of strategic dialogue which industrial organisations have succeeded in creating at local, regional and international level. UNICE, where each member organisation can express its position, is a case in point.

Industrial organisations can also contribute to a better utilisation of the resources allocated to Euro-Mediterranean development programmes. They are in a position, for example, to provide expertise to organise training programmes, particularly for the heads of small and medium-sized enterprises.

To this end, the representative industrial organisations and federations:

REQUEST the support of the European Union to develop a network among them as rapidly as possible. UNICE supports such an initiative.

The task of this network would be to lay the basis for closer bilateral and multilateral cooperation among industrial associations in Europe and the Mediterranean area. The network would, in particular:

- facilitate the exchange of information and experiences;
- undertake joint projects such as training courses, seminars and conferences.

All these initiatives are aimed at encouraging investment and trade, while at the same time improving the level of professionalism of the organisations involved.

3. TECHNICAL REGULATION AND STANDARDS

The process of market integration requires common technical regulations and certification to be adopted by the different countries concerned if trade in goods between them is to expand significantly.

The adoption of the common technical norms favours technological innovation for obtaining type-approval for new products and for increasing market share.

Harmonisation between national and international technical norms is particularly important because it can reduce existing differences and help aligning production standards with the most advanced available.

It is therefore important to know the systems of standardisation and quality certification which exist in the different countries of the Mediterranean region and

the nature of the technical obstacles which currently impede the growth of trade between the countries of the South-Mediterranean basin and Europe in order to define a strategy for their elimination.

In order to achieve a system of regional standardisation for Mediterranean countries based on recognised international principles the priority targets should include:

- the dissemination of information about existing and upcoming norms and technical regulations and the creation of an inventory of standardisation and quality certification systems;
- the launch of a major programme of consultancy and technical assistance with the support of the European Union and the WTO covering all aspects of standardisation, type-approval and quality control and giving particular attention to training to acquire the relevant skills.

To pursue the above objectives within the process launched at Barcelona, participants at the Malta Forum invite the Euro-Mediterranean Conference of Industry Ministers in Brussels on May 21st 1996 to set up a working group responsible for "legal and administrative framework" and entrust it with this work.

4. CREATION OF A PERMANENT FORUM FOR THE REPRESENTATIONS OF EURO-MEDITERRANEAN INDUSTRIAL ORGANISATIONS

The Representatives of Euro-industrial organisations stress the need to hold further meetings of this kind so as to create a permanent Forum of industrial associations to promote and coordinate industrial cooperation within the framework of Euro-Mediterranean policy-making.

In order to guarantee the continuity of the dialogue, both between industrial organisations themselves and between them and Euro-Mediterranean government bodies, participants in the Malta Forum hope that this proposal will be further developed at forthcoming meetings of Euro-Mediterranean industrial associations.

The Malta Forum took note of the invitation from Mr Abderrahim Lahjouji, President of the General Confederation of Moroccan Enterprises (CGEM), to participate, in the Euro-Mediterranean Summit of industrial organisations, taking place in Casablanca on December 5th and 6th 1996.

WORKING GROUP 1: Projects of Investments and Infrastructures

Relative Funding and Project Financing

The creation of a Euro-Mediterranean zone presupposes not only the institution a free trade area but also an integrated approach to the building of territorial infrastructure in the area and industrial cooperation.

The development of the Mediterranean zone disregard intervention being carried out in the context of an integrated policy, either from the point of view of political relations between the individual countries, or in the choice of projects, necessary financial resources or the associated regulative framework.

In order to attain such an objective it is necessary for the individual countries of the area, especially the Middle Eastern and North African countries, to agree with the concept of "networking" similar to that already achieved among the countries of the European Union with the definition of the priorities in the projects related to the Trans-European network.

To achieve the maximum potential growth in all sectors, it will, in fact, be necessary to develop coordinated participation in the creation of the infrastructure of the region, from the point of view of inter-operability and inter-connection, which can facilitate the transfer and diffusion of cultures and commercial operating procedures, particularly in relation to industry.

In this regard, concrete proposals are set out below, particularly to confront the methodological problems and problems of approach to the programmes relating to the infrastructure of transport, energy, telecommunications and water resources.

TRANSPORT

The prevailing tendency is not to assess the priority of "modal" solutions (such, as railways; roads; waterways; ports; airports) but to base these decisions on the choice of each country and on projects that already exist at a national level.

Transport infrastructure on the other hand, represents a strategic factor in the integration and growth of economic systems and in the prospective of the development of the countries bordering the Euro-Mediterranean economic zone.

The creation of the infrastructure will serve, firstly, to re-establish the centrality of this geo-economic area globally in the flow of traffic and increase quotas of trans-ocean traffic into the network of internal links in the Mediterranean basin.

In this sense the following assume particular importance:

- the development of the big junctions - ports and airports - to be able to assume the role of central "hubs" of the first category in the world trade network.
- the modernisation of the major intermodal routes between the central, nodal "hubs"- with intervention, either in the rail networks, motorways or roads or in the centres between the ports.

In this respect, priority must be given to activities that can achieve an effective enlargement of the market, such as, for example, trans-shipment, a means of attracting an exchange of traffic, either inward or outward, between Europe and the other principal economic systems worldwide, creating the potential in particular, for a few highly specialised port areas.

In this respect, navigational safety needs to be improved, particularly with information technology, in an area, which concerns both the major carriers of tourist traffic as well as carriers of petroleum and, likewise, the safety of the loading and unloading operations.

In addition to new projects, a specific commitment will therefore be made to the improvement of the existing infrastructure.

In this respect it is necessary:

- to launch a plan for the inter-operability and inter-connection of the infrastructure: railways, motorways, roads etc. to be achieved through processes of standardisation of the networks.
- to define a programme of structural adaptation and technological modernisation existing physical infrastructure in order to achieve an enlargement of the and to accomplish economies in management and improvement in the quality of the service available.

The location of the traffic routes and the specification of the infrastructure necessary to guarantee efficiency and serviceability - with reference either to the "corridors of passage" of combined transportation (land/sea) or to those which are

all overland in the third countries of the Mediterranean (for example, the Peace motorway that should link Israel and the Palestinian territories), - must be based upon a thorough analysis of the costs and potential profit of each project.

In this framework, the drawing up of a "Mediterranean Masterplan for Transport Infrastructure" which ensures co-ordinated action of the interventions, represents the necessary supposition to create an integral programmatic context from the point of view of the choice of projects, of the financial resources and of the regulative framework (coherence of regulations and procedures both at national and international level).

It is fundamental that infrastructure programmes and projects, to which financial resources should be targeted, are selected from a communal decision-making centre.

The experience of the work carried out by Christophersen Group in the creation of the Trans-European Network (TEN), is very important in this framework and indicates that extreme caution is required in the specification, as much for new interventions in the infrastructure programmes as for those relating to the structuring of the finance, with a realistic assessment of the use of the techniques of "project financing" in relation to the profitability of the investment.

Thus, the Masterplan will be finalised with the objective of the creation of a basic infrastructure in the Euro-Mediterranean zone ("network of networks") representing a framework of projects adapted to:

- define the market areas for the development of new, prioritised and selective infrastructure through an analysis of the demand for goods transportation until 2010.
- evaluate alternative possibilities and assess the type of financing through which to employ the investments set aside for that purpose.
- create conditions for the development of a system of intermodal services in order to maximise, the use of the infrastructure through an evaluation of all the categories of operators who work in the market (haulage contractors, rail carriers, maritime and terminal operators).

In order to maximise the intensity of the length of the economic impact of the infrastructural intervention, it is necessary to strengthen the entrepreneurial capacity in the management phase of the infrastructure and in the creation of the related services.

The organisational and management model (software) must therefore be developed for the selected projects, alongside the construction of the infrastructure (hardware), also with participation in the training of personnel at local level. The aim of this is to ensure more efficient operation, once in place, a higher return on the investment and the availability of innovative services for the territory and the companies.

TELECOMMUNICATIONS

The MEDA programme does not provide funds explicitly for investment in this sector, but in general for initiatives for the modernisation of the economic infrastructure.

A major and explicit commitment to the financing of the infrastructure of the telecommunications networks would be advisable, however, in view of the fundamental role of telecommunications and the onset of in the "Information Society" and, more generally in the economic progress of the countries on the southern and eastern shores of the Mediterranean basin.

The level of development of telecommunications in the African and Middle Eastern countries of the Mediterranean varies considerably: some countries have, or will have in the medium term, a telephonic density comparable to that of central Europe, while others have a rather low level of density.

In terms of technology, the most effort has been put into digitisation of lines: more than 60% of the urban switching has been digitised which will accommodate high speed communications, including the services of Integrated Services Digital Network (ISDN).

Telecommunication connections with Europe, and in particular north/south underwater fibre optic connections, are still lacking towards Libya and Morocco. In view, moreover, of the development of the national distribution networks of the countries of the Maghreb, indispensable for the satisfaction of the requirements of the multimedia services, the existing fibre optical connections between Europe and the North African countries and the Middle East, today partly utilised, will no longer be sufficient for the projected traffic.

Moreover, the role played by communications via satellite will be decisive, taking account both of the presence of areas of low population density with few inhabited centres, and of the opportunities it offers to overcome difficulties arising from insufficient fixed lines.

As for advanced services, the development of distance-working must be taken into consideration, also distance-medicine, and distance-tuition. Information technology can also contribute to the protection of the environment and overcome the difficulties experienced by small and medium companies, arising from the fact that the countries on the southern Mediterranean are peripheral to the large macro-economic areas.

It would be advisable if the regulatory telecommunications framework was in line with that adopted by the European Union.

In this context two aspects are relevant. The first concerns the clear separation of the functions of regulation and management of the telecommunications system.

The second aspect concerns liberalisation, which perhaps represents the most complex area. On the one hand, in the long term perspective, it will be necessary for the Mediterranean countries to join the global liberalisation process and the application of the rules of competition, in as much as market forces determine the framework in which European investors operate in the area.

On the other hand, in a free trade environment, the development of the infrastructure of the basic networks and services must take into consideration the current situation in the countries on the southern and eastern shore of the Mediterranean. Implementation and timing must therefore be gauged according to the economic situation in each country.

As for the technical regulations, it is evident that the adoption of European standards is of prime importance for the integration of the Mediterranean countries in the "European System".

ENERGY

Meeting the increasing demand for energy of the third countries of the Mediterranean constitutes an unavoidable premise to encourage both good economic and industrial development and stable social growth.

All this assumes the planning, building and managing of new infrastructure for the production, transport and distribution of energy, especially in the field of electricity and in the sector of natural gas.

In these sectors, initiatives to be pursued should provide for:

- The completion and expansion of the existing large infrastructure at inter-regional level,
- The creation of new infrastructure designed for north/south and inter-regional connections;
- The construction of new electricity generating plants, necessary to satisfy the demand;
- The development of secondary routes to enable the supply of local markets and that of the sectoral logistics to ensure the services necessary for the growth of production and industry;
- The expansion of the interventions dedicated to, increasing energy efficiency and favouring the utilisation of renewable energy.

The realisation of this large, complex initiative, requires that several conditions be met which are indispensable for the involvement of private foreign companies, such as:

- the drawing up of a reliable and homogenous regulative framework.
- the guarantee of an equitable return on capital invested.
- the creation of conditions for a progressive opening of the markets.

WATER RESOURCES

The lack of "water" resources in the Mediterranean area determines the necessity of important interventions, for the building of infrastructure, not only to locate new sources and to distribute existing water resources but also for the production of fresh water by means of desalination plants from salt and sea water.

We must certainly approve of the strategy of a common policy in the Mediterranean basin combining cleaning up and preserving this highly valuable natural area at the same time as offering the population an increased quantity and improved quality of water by means of the building of plants which may also bring about economic growth and employment in the individual countries.

Nevertheless, the economic difficulties that can arise from the pursuit of a strategy such as that indicated above must be taken into consideration, as well as political difficulties in the area that could lead to a "water war" in the area.

Hence it is also important for this sector to create a "Masterplan for Water Infrastructure in the Mediterranean Area" analogous to that proposed in the infrastructure of the transport sector to make it possible to put together a joint framework of interventions co-ordinating the financial resources already available and targeting financing from various organisations (BEI, the World Bank, European Union, co-operative programmes, national financing, etc.).

The proposal ties in with the appeal launched by the World Bank to create a "Global Water Partnership" between all interested parties, which tended to integrate the aforementioned companies in the "Mediterranean Map" of water, also mentioned in the programme of works that emerged from the Barcelona Conference of November 1995.

To support the actions necessary for the sustained development of the resources and of the water infrastructure regional initiatives must be provided to develop the collection of qualitative and quantitative data on the consumers and uses of water, on the medium and long-term provisions for the demand, on the technology currently available or in the developmental phase, creating information networks for political "decision makers", administrators, industry and consumers.

Training in the sector of research and development of new technology, as well as in the techniques of analysis and environmental "auditing" of the productive sectors may also represent a typical collaborative regional action to be included in the "Masterplan".

In essence, it is necessary to draw up a communal policy for the water in the Mediterranean basin, involving all interested States, imposing strict self-government on a limited resource, a policy which should tend to emphasise the priority of the use of water for drinking above all other uses, and to plan in the context of the hydrographic basin, linking the relevant charges to the costs of the service from source to the consumer.

In this way only, proper management of the water resources of the whole area can be achieved and, a "Water Market" can be opened up in the Mediterranean capable of attracting capital that until now has been indifferent to this type of endeavour.

In the provision of a programme for the creation of infrastructure in the Mediterranean countries for the use of water resources, a regulated communal project should also be provided which internalises aspects related to the purification of waste in the most general sense and gives priority to the necessity of ensuring the quality of the water used for the water supply.

In this framework, one specific problem is the protection of the quality of the water of the Mediterranean, of particular relevance considering that the Mediterranean is crossed by major petroleum routes.

The protection of the Mediterranean sea, moreover, constitutes a global challenge that should be able to draw on adequate resources, not only from the countries bordering the sea, but also from those concerned with the petroleum routes.

PROJECT FINANCING

Seen as an element of political cohesion, of territorial integration and of economic revival, the logic of the infrastructure "networks" may be difficult to realise, particularly in the countries of the Mediterranean area, also in relation to the problems associated with financing the infrastructure interventions selected to give priority to the aim of the construction of the Euro-Mediterranean zone.

Particular attention should be dedicated to finding the financial resources required for the creation of the infrastructure networks, taking account of the limited availability of state funding, due to critical balance of payment situations.

In order to successfully meet the challenge of modernisation and improvement of the infrastructure equipment of the countries of the Mediterranean region, it will be necessary to be able to give certainty and continuity to the flow of financing needed carry out the projects in order of priority, overcoming the possible constraints of public indebtedness.

In general, it is necessary to proceed with the definition rules on the basis of which private capital could be placed in position to participate in the realisation of the various investment projects.

The progressive privatisation and liberalisation of the management of the services connected to the infrastructure created should accompany the improvement of the equipment of the networks.

In this context, it could be useful to define communal regulations that favour the intervention of private capital, with a greater utilisation of the techniques of "project financing", and also with insurance cover for the extraordinary character of the risks incurred in infrastructure activity in the area.

It is not by chance that the mediocre infrastructure equipment of most of the Mediterranean countries is assumed to be found in the limitations deriving from natural factors - climate and geographical position, and socio-political factors - political instability and social poverty.

Account should be taken, therefore, of the fact that "project financing" interventions in the Mediterranean regions should be considered with adequate realism, in as much as the management of the services corresponding to the infrastructure equipment realised may not necessarily generate attractive conditions for private capital and levels of profitability sufficient to promote the destination and the investment of private resources in the investment projects.

WORKING GROUP 2: The Development of Industrial Associations and Entrepreneurial Training

INTRODUCTION

The creation of organizations of entrepreneurs is linked in the various Countries with attempts to achieve one or more goals in the pursuit of their collective interests, such as:

- regulating matters of business and competition by means of agreements;
- obtaining legal protection on business matters;
- forming a united front in relations with trade unions helping enterprises with these relations and with the organization and management of human resources.

A representative association may therefore be defined as a collectivity more or less stable over time, established voluntarily by single enterprises or groups, of enterprises pursuing common aims (and not for profit) by means of collective activities assured by an organizational system.

Consequently, its main features are:

- a certain degree of stability;
- the association agreement is to be voluntary;
- no aims of profit-making;
- organization coherent with its aims.

The persistence of these requirements still makes entrepreneurial associations one of the most interesting and significant realities within the social fabric of industrialized Countries.

Differentiation by sector, or in a broader sense by economic activity, is a basic structural feature of these structures. In most cases, the main components of the Federations of entrepreneurs are the sector and trade associations (vertical structure) even though in some Countries, such as Italy, territorial groupings (horizontal structure) have represented the most important components.

Environmental characteristics that have fostered the great development of representative associations in Italy include: 1) population distribution, in the sense that growing urbanization has positively affected the phenomenon of associations; 2) the political factor: the presence of a democratic system fosters the proliferation of associations; 3) the significant presence of the public sector that supposes there is a strong opposition in the representation of interests.

As stated by Mario Abrate, one of the most established historians on the subject of entrepreneurial associations, industrial development is the primary event out of which both workers' trade union organizations and, later, entrepreneurial associations spring and find their *raison d'être*.

Organizations defending employers, i.e. permanent associations established by, entrepreneurs to defend their interests in relations with workers, were generally formed in the major industrialized countries of Europe only after the establishment of similar worker associations.

Great Britain, for obvious reasons, was the first to reach a complete organizational structure: as long ago as in 1829 the "Employers' Parliamentary Council" was established, comprising representatives of the various trade sector associations.

In France, local category associations, such as the "Comité des industriels de l'est," are even older, but they remained disconnected for a long time, or, at most, linked in regional "chambres syndicales," even though some of them soon took on a leading function.

In Germany, from 1890, a powerful entrepreneurial organization started being formed around the "Hauptstelle Deutscher Arbeitgeberverände," an association which was first only an economic association of the great mining/iron-and-steel/textiles industry, then branching out in a sectorial and territorial direction, and the "Verein Deutscher Arbeitgeberverbände," an association of medium sized industries.

The first organizations of Italian industry did not have a marked trade-union nature: the associations of wool industrialists (Rome 1877) and cotton industrialists (Milan, 1894) were set up not so much for the trade-union representation of their members, rather to defend their interests in the framework of the economic policy of the State, and especially in protectionist measures.

Until, as Valerio Castronovo confirmed in May 1910, in opposition to the Confederazione Generale del Lavoro founded 4 years earlier, the Confederazione Italiana dell'Industria was set up to co-ordinate the initiatives of entrepreneurs at national level both in relations with Government and local authorities and with trade-union organizations. The first President of the Federation was Louis Bonnefon, a silk industrialist who had come down to Piedmont from Lyons.

Luigi Einaudi greeted the creation of the CONFINDUSTRIA as an important event: the representations of entrepreneurs and workers would have the task of regulating disputes between capital and labour on an institutional basis, thereby giving rise to a system of industrial relations on the model of the most advanced European countries.

Alongside and together with the organized representation of interests in stipulating collective labour contracts, it was a matter of upholding the rights of citizenship of the industry being created in the framework of a scenario not yet permeated with a strong dose of conservatism.

THE RIGHTS OF ENTREPRENEURIAL ASSOCIATIONS

Joining forces then means acknowledging a common set of principles, values and interests, but above all it means getting organized and inserted in society to knowingly and effectively play the role rightfully of entrepreneurs.

An association of enterprises, in its twofold action of representing values and accomplishing the objectives of its members, tries to exert pressure on public opinion and on public institutions. This pressure is aimed at maintaining and strengthening situations that are indeed favourable for the interests of its members or to modify environmental, political and regulative situations opposing these interests.

It follows that the higher the number of members and the broader the fan of sectoral representation, the closer the members' interests get to the general interests of the production sector.

The Association thereby becomes an increasingly authoritative and influential player. It interacts and co-operates with institutions and takes on the role of a social party.

The structure of the systems of entrepreneurial representation, articulated and densely spread over the national territory and in the production sectors, allows an organic and tangible presence in all the decision-making processes and in the choices made at the various levels of the economic and social life of the Country. This representation of the productive and industrial reality is therefore the only one that can effectively express the development of the requirements of enterprises with the aim of making the choices made in the various public quarters actually meet the Country's demand for development.

The features distinguishing the sphere of action of enterprise associations are essentially the following:

- * Priority of the finalities of representation, which give special importance to the mechanisms of participation, delegation and internal control.
- * Measured efficacy, on the one hand of the degree the interests unifying their base are represented; on the other, of the contract force shown with the social counterparts.

In other words, in industrialized countries, complexity, is the most typical feature of structures of entrepreneurial associations. It is the consequence of the attempts to build organizations on the basis of certain organizational principles, partly coinciding with and partly opposing each other. Of these, the most important ones are: function, economic activity, territory, ownership and size.

Territorial and sectoral diffusion can take on very, complex organizational forms, sometimes with a federate or confederate structure. There is always a resort to employees who are used to design, create and manage initiatives, events and services. The integration of the technical spirit, with the political one generates a specific association culture, which is typical of representational organizations.

The Chambers of Commerce have entirely different role and functions to those of the entrepreneurial associations. Chambers of Commerce are public bodies, with chiefly administrative duties, that enterprises have to register with--and pay an annual tax to--for the purposes of information certification.

The essential difference between entrepreneurial associations and Chambers of Commerce is represented by the fact that enterprises freely decide whether to join entrepreneurial associations to achieve common objectives, delegating the task of representing their interests to the associations. Whereas, registering with a Chamber of Commerce, as a public body, is obligatory and necessary only for administrative purposes and, consequently, Chambers of Commerce have no duties of representing the interests of enterprises, whether in the field of trade unions or, in general, providing consulting and services for single enterprises. When this occurs, the function for which Chambers of Commerce were created gets distorted. On the contrary, it is only for Chambers of Commerce to certify information on enterprises and carry out other administrative tasks assigned to them by the State.

In addition to these, the functions of Chambers of Commerce include activities of study, and research, promoting local economies as a whole, also by building large infrastructures on the territory.

Concerning the differences between their roles and functions, however, entrepreneurial associations and Chambers of Commerce can co-operate to develop economic systems, accomplishing even important initiatives together.

FUNCTIONS AND ACTIVITIES OF ENTREPRENEURIAL ORGANIZATIONS

The functions of a representative association can be established by specific articles in its memorandum of association or in its articles of association, suggested by provisions of a general nature contained in these documents. They may also simply come from custom and practice.

In any case, they can be grouped into 5 broad categories:

- a) exchange of opinions and formulation of lines of action to be followed and positions to be taken;
- b) representation of entrepreneurs with the State and its Bodies;
- c) representation of entrepreneurs with mass media and public opinion;
- d) supplying its members with specialist services;
- e) collective bargaining and related activities.

These functions are closely linked to the structure and internal relations of the associations themselves at various levels, to the size and to other features of the predominant enterprises in the association, to the financial resources and availability of personnel, to the degree of authority on the associated enterprises, and to the their level of discipline.

Considering the many variables, it goes without saying that the nature and breadth of the varied range of functions and activities of the associations may be very different.

There are, however, two common features: the first one is that the establishment of an association makes it possible to develop functions and activities that the entrepreneurs could not, except with difficulty, carry on by themselves; the second one is that the functions and activities of the associations have developed pragmatically in response to particular problems and needs rather than predetermined programmes.

In any country, then, associations have gradually taken on a key position in the system of industrial relations. They conduct both negotiations to stipulate labour contracts and routine negotiations on the application of agreements already in force, co-ordinating the strategy of entrepreneurs during times of social conflict; they provide their members with the necessary services and, in an evolutionary

key, they defend the interests of entrepreneurs against the legislative and executive power of the State and try to influence public opinion on economic problems in favour of their members.

They are complex organizations because they operate at local, regional and national level through structures of a vertical and horizontal nature. The relations of internal hierarchy between the different modes of being of these complex structures are of a varied nature: from a highly centralized organization suited to unitary political systems to very bland links typical of federalism.

REPRESENTATION AND LOBBYING

A primary and practically universal function of associations of entrepreneurs is that of representing, promoting and protecting the interests of entrepreneurs with the bodies that make political choices and take decisions in society. Action can thereby be developed tending to have new political lines adopted or to modify existing ones and pressure can be applied to adopt legislative measures to support the member enterprises.

The work connected with public legislative bodies becomes particularly important due to the tendency to extend legislation of a social and trade-union nature, in most industrialized countries, to market economy. There are likewise many occasions when governments require opinions and advice from enterprise representatives. These contacts become useful for governments as a channel to transmit information or requests to entrepreneurs.

Although it is not only by lobbying and taking part in consulting bodies that entrepreneurial associations try to have their line of action and positions adopted or accepted.

Most of them now consider their basic function to be to make their opinions known to society either directly through their own publications or through the mass media.

Entrepreneurial associations, like other interest groups, have very well structured relations with the mass media and make a very effective use of press-releases and interviews with their political leaders.

In addition to efforts to reach the public at large, strategies are implemented with specific classes of people such as teachers and students, and films, videotapes and documents are put at the disposal of these social groups.

The growing importance of this type of activity is proven by the development taken on in recent years by the effective presence of enterprises through the existence and distribution of materials and by accomplishing ad hoc programmes.

SERVICES

Providing the associations and their enterprise members with services is an essential function of entrepreneur organizations. Services concern:

- * research, data collection and transmission;
- * legal and legislative consulting services;
- * representation in trade-union negotiations;
- * training activities;
- * economic and financial services;
- * assistance with internationalisation, etc.

In recent years, these functions have suffered from opposing forces. On the one hand, the growing complexity of industrial relations and, in particular, their legal and institutional aspects have intensified the need for technical assistance for association members. On the other hand, small and medium enterprises have increased their demand for assistance due to the environmental complexity that has significantly increased.

Overall, then, these services are much in demand and form the chief reason for joining and the first contact the enterprise establishes with its representative.

It therefore becomes important for the association structures to have the real capacity to respond to the tangible demands for services and operations.

The critical levers to act on to bring about these objectives are:

- * The presence of a techno-structure characterized overall by the will to tackle and satisfy the technical and political requirements of the members and association leaders.
- * Supply of a vast range of association services, all top quality.

- * Assistance, within the association structure, of a "service and problem-solving culture."
- * A co-operative and constructive atmosphere within the techno-structure.
- * A high level of professionalism throughout the techno-structure and full use of the human resources available.
- * An effective communications and information system on the opportunities offered by the association for all its members.
- * The perception by the members that the structure is able to adapt to the challenges that progressively present themselves in reality.

TRAINING

Human resources are now increasingly more at the centre of enterprise strategy. The systems representing enterprises must therefore pick up on this strategy with plans for implementing development policies through training schemes for their structures and members.

The globalisation of trade, internationalisation of political strategies and the explosion of new technologies will increasingly cause the processes of change to accelerate. In order to survive and stay competitive an enterprise must respond rapidly to these forces. They have to transform their means of management, production and distribution, and they need to reap the benefits of new technologies very quickly.

A necessary consequence of this is the use of human resources able to monitor and co-ordinate these processes. The transformations are radical: from modernizing manufacturing and distribution procedures to introducing sophisticated technologies to conquer far-off markets. Hierarchies have been levelled out and middle management has disappeared. The new methods of organization and management have made the work concepts that had withstood decades fall into oblivion.

Permanent education is the only way towards changing functions and jobs. It is necessary to offer workers a new value in their approach to work. New organizational methods by now actively encourage flexibility, mobility, taking on responsibility, and teamwork,. The need, therefore, for new skills and the imperative of training are extended to workers at every level and the enterprise must take it upon itself to develop its activities in this direction.

This is an area of attention undergoing great expansion for representative organizations. The range of action to support enterprises with their training programmes will become increasingly more structured. It is possible within this framework to start up useful forms of co-operation with public educational institutions, thereby bringing the world of training closer to that of the enterprise.

WORKING GROUP 3: Regulations and Technology (Standards, Quality Control and Certification)

The aim of the establishment of an Internal Market, initiated with the Single European Act, is to create an open and competitive environment in which companies are in a position to expand and develop according to their own capacity.

The complex legislative programme, which serves the creation of the large marketplace, is at last almost complete.

Now it is matter of continuing along the road embarked upon, paying particular attention to the integration process through the broadest economic systems.

An essential prerequisite of the effective enlargement of the markets is, in fact, the recognition of commonly accepted construction standards and regulations of product qualification, which permit the free exchange of merchandise.

The future of the standardisation and certification is in the international dimensions of the phenomenon, in the relations between the system of the Community and that of other countries, which will be achieved, in particular, through expansion to the countries "closest" to the Union, of an action of co-operation and technical assistance.

Increasing attention will be paid to the Mediterranean basin as a "natural" area of interest for Europe.

In this sense, the current President of the European Council for the Internal Market, the Italian Budget Minister, Arcelli, at a hearing of the Economic and Monetary Commission of the European Parliament on 18 March 1996, clearly expressed the strategic importance of initiating relations, also in the technical sector, between the Union and the countries of North Africa and the Middle East,

in terms of their potential development being even more important than that of the same countries of the East.

It is clearly in Europe's interest to encourage stable economic development in this region, initiating a process in which the expansion of commercial relations would play a central role.

It is therefore important to proceed in a perspective of "enlargement" of the Internal Market to the Countries close to Europe and identify obstacles to trade as a preliminary step towards a free trade zone with its Mediterranean partners.

The companies - who remain the principal protagonists in the changes which are taking place - need to be placed at the centre of the action of the European Union in order that the integration process on the technical level becomes, full of a dynamism which will foster new growth and create more employment and eliminate any remaining barriers to the creation of a Mediterranean zone and ensure that future construction does not create barriers for businessmen.

In general, the main objective should be the initiation of strong technical collaboration between the European Union and the Mediterranean countries in order to put in place - with the involvement of all the interested parties - a homogenous system of regulations which allows the elimination of technical obstacles to free trade, either on the legislative or operative level.

REGULATION

One very important aspect is the circulation of information on the rules and technical regulations already in existence or in the process of being adopted in the individual countries, required for subsequent necessary actions of concerted harmonisation.

In fact, a reciprocal knowledge, both of the technical requirements and regulations in force in those countries to which the exports from the countries of the Mediterranean area are flowing, and the regulations in force in those countries, is fundamental.

Information on technical regulations is currently guaranteed within the Community, according to the mechanism provided for in Directive 89/183 (information procedure) and subsequent addenda, by means of which the EU

Commission and its member States keep one another informed of initiatives which take place in the area of elaboration of the technical regulations in order to prevent the creation of technical obstacles to free trade.

The application of such a mechanism - if necessary simplified and adapted to the specification of the Mediterranean countries - could gradually be extended to the Mediterranean countries to foster a reciprocal understanding of the existing regulative systems and the regulations, which the individual countries intend to adopt.

Concurrent with the introduction of adequate information mechanisms, it would also be advisable to identify the most important trade sectors between the Union and the Mediterranean countries in order to focus on priorities previously identified.

Of particular relevance is the knowledge of the regulations concerning construction standards of several typologies of products relevant for European production systems, to which the Union has considered it appropriate to dedicate a uniform community rule. For these products in particular, a comparison would therefore be advisable with the Mediterranean countries to devise technical harmonisation able to foster the development of trade.

A second possible line of intervention is connected with the centres where the technical regulations are drawn up.

At international level, co-operation in the area of regulation begins at the office of the ISO (International Organisation for Standardisation) and the IEC (International Electrotechnical Commission) where representatives of the countries meet to devise strategies and courses of communal action in the area of product standardisation.

At Community level this process takes place at CEN (Comité européen de normalisation), CENELEC (Comité européen de normalisation électrotechnique) and ETSI (Institut européen des normes de télécommunication).

To foster technical harmonisation with the Mediterranean countries, it would be advisable that, both in the international centres of the ISO and IEC, and in the Community's centres CEN, CENELEC and ETSI, mechanisms for the study of the regulations which are of the most interest to the given countries be put in place,

and, on these, monitoring should be started up and a continuous comparison such as fosters the creation of a "common regulative base" which - through the definition and unification of uniform technical criteria - facilitates the circulation of goods and services.

Moreover, in those cases in which technical progress were to be requested, it would be advisable that the Union initiate an adequate programme of assistance for dealing with those countries so that mature know-how in the area of technical regulation could be transferred.

CERTIFICATION / QUALITY

The European certification system, together with the rules which govern its organisation, today represent a pillar of force in maintaining the competitiveness of the companies of the Community.

Such a system could be not only a point of reference but also a base for comparison and collaboration for the development of certification systems in the entire Mediterranean area as well.

At Community level, since October 1990, the Commission approved general guidelines for external policy in matters of information, for co-operation and technical assistance in the sector of regulation and certification.

Such an approach was then adopted in the document entitled "A European policy for the promotion of Quality - The European way towards excellence" of February 1995.

The document states that "negotiations for the agreement of technical recognition between partners at the same level of technological development and technical assistance to other third countries are characteristic of the approach set out in the policy of the Commission on Quality".

Technical assistance and co-operation towards the Mediterranean countries should therefore represent an area of intervention in which to strengthen co-operation, from the point of view of the integration of the systems.

A knowledge of the systems of accreditation and certification in the voluntary area (Quality systems) and of CE marking is, in fact, fundamental.

For example, technical assistance should be concentrated on:

- a comparison with the Mediterranean countries to create systems of proof of certification which international commercial operators can rely upon;
- assistance/consultation with those countries to promote the principles of quality and certification.

The methodology and principles of quality may be dispersed through:

- instruction, training, qualification and certification of the personnel (engineers, managers, valuers, technical staff);
- programmes for the exchange of mutual information, assistance and consultation on the application of the regulations relating to Quality (ISO EN 29.000; ISO EN 45.000).

Moreover, the exchange of know-how could be fostered by the creation of societies for consultation on Systems of Quality and of societies for certification.

Such a form of technical assistance could be achieved through the involvement of the regulatory bodies, of the organisations for testing and certification from some European as well as some Mediterranean countries in order to "harmonise" certification procedures, both in the area of product certification and in the certification of Quality systems.

The ultimate objective is to offer the Mediterranean countries the knowledge and means necessary to develop systems of regulation, certification, metrology and management / guarantee of Quality such as to facilitate the intensification of trade between the Mediterranean countries and the Union and to create a base for the development of agreements for mutual recognition of certification.

FINANCIAL SUPPORT

For the financing of the initiatives in question, ad hoc interventions on the part of the European Union could be used (within the scope of the funds set aside for co-operation) as well as financing for technical assistance set out by the WTO within the scope of the agreement on the "Technical barriers to trade".

2.4. Déclaration Finale du Deuxième Sommet Euro-Méditerranéen des Chefs d'Entreprises, Marrakech, 5-6 Décembre 1996

DECLARATION GENERALE

La communauté Euro-Méditerranéenne des affaires, acteur essentiel de la croissance et de la création de richesse, consciente du rôle qui est le sien dans le développement économique et social, adopte à l'issue de son second Sommet, réuni à Marrakech les 5 et 6 décembre 1996, la déclaration générale suivante :

1. Les organisations patronales réunies à Marrakech réitèrent, dans la continuité des travaux des Sommets Industriels de Lisbonne, de Valence et de Malte ainsi que des Conférences Ministérielles de Barcelone et de Bruxelles, leur conviction que la construction de la zone de prospérité projetée entre les pays des rives nord et sud de la Méditerranée est directement liée à la vitalité des entreprises et à l'amélioration des conditions économiques et sociales des pays du Sud, dans un cadre de paix et de stabilité.

2. Elles réaffirment, dans ce sens, le rôle essentiel que sont appelées à jouer les associations patronales des 27 pays Euro-Méditerranéens dans la promotion de l'entreprise et la réalisation des conditions nécessaires au développement de leurs activités.

3. Pour ce faire, les participants au Sommet conviennent:

A. D'adopter les mesures nécessaires pour le renforcement des organisations patronales du Sud de la Méditerranée, conformément aux résolutions annexées à la présente déclaration.

B. Comme décidé à Malte, de poursuivre l'action entreprise par les organisations patronales Euro-Méditerranéennes, avec l'appui de la Commission, en créant un forum périodique d'échanges et de dialogue se réunissant au moins une fois par an et toutes les fois que des échéances importantes pour l'avenir de la coopération Euro-Méditerranéenne l'exigent.

Ce forum aura pour mission de proposer des orientations à la coopération entre les 27, de favoriser le partenariat inter-entreprises et d'être l'interlocuteur privilégié des instances Euro-Méditerranéennes pour ce qui concerne la mise à niveau des économies, des secteurs d'activité et des entreprises de la rive Sud.

1. Les participants au Sommet de Marrakech estiment que les organisations patronales du Sud pourront d'autant mieux remplir leur mission qu'elles accueilleront en leur sein le plus grand nombre de secteurs d'activités économiques.

2. Le rôle nouveau dévolu aux organisations patronales du Sud de la Méditerranée est conditionné par leur mise à niveau dans tous les domaines notamment en matière de formation, d'assistance technique et de promotion de l'investissement. Elles devront disposer pour ce faire, de moyens appropriés.

3. Pour atteindre ces objectifs, les actions et mesures envisagées doivent permettre aux organisations patronales des pays de la rive sud de la Méditerranée:

- de susciter la création d'un environnement, notamment législatif et réglementaire favorable aux échanges et stimulant pour l'investissement privé.
- d'aider les entreprises à faire face à la concurrence internationale en améliorant leur compétitivité.
- de fournir des services de qualité à leurs adhérents.
- de développer et diffuser une culture d'entreprise fondée sur la liberté économique et l'initiative privée.
- d'encourager et promouvoir les échanges d'expériences entre organisations patronales EuroMéditerranéennes.

4. Les organisations patronales Sud-Méditerranéennes conviennent d'oeuvrer à la mise en place d'un réseau Sud-Sud destiné à les fédérer. Elles conviennent également de constituer un groupe de travail pour étudier la réalisation de cet objectif.

5. Les organisations patronales réunies à Marrakech après avoir passé en revue les résultats de la coopération Euro-Méditerranéenne durant la période écoulée depuis la signature des premiers accords de coopération, déclarent attendre de la nouvelle politique Euro-Méditerranéenne une contribution plus efficace au développement économique et social de leurs pays.

6. Cette politique nouvelle devrait permettre à l'entreprise Sud-Méditerranéenne d'avoir accès à des financements suffisants et d'utilisation souple, en vue de sa nécessaire mise à niveau, tant en matière de formation des hommes

qu'en matière de modernisation technologique. Cet accès devrait se faire selon des procédures simples et transparentes particulièrement adaptées aux petites et moyennes entreprises.

7. Les participants au Sommet de Marrakech considèrent que les petites et moyennes entreprises sont les meilleurs moyens de transfert de savoir-faire, de création d'emplois et d'édification d'un tissu industriel favorisant l'intégration des entreprises des pays de l'Union Européenne et du Bassin Méditerranéen.

Ils invitent leurs gouvernements, ainsi que les instances de l'Union Européenne, à encourager fortement la coopération entre les petites et les moyennes entreprises et à leur faciliter l'accès au financement, notamment du capital risque.

8. Les participants au Sommet de Marrakech sont unanimes à considérer que le développement des économies des pays du Sud de la Méditerranée passe par une croissance forte des flux d'investissements. Celle-ci est tributaire de l'instauration dans les pays de la rive Sud d'un environnement favorable à l'investissement notamment en matière de procédures administratives et de transparence. Elle est aussi tributaire d'une mise à niveau des infrastructures des pays Sud-Méditerranéens pour laquelle l'Union Européenne est invitée à apporter une contribution décisive.

9. La mise à niveau des entreprises Sud-Méditerranéennes constitue la condition essentielle du succès de la zone de libre échange. Le financement de cette mise à niveau suppose une meilleure adéquation des moyens financiers prévus à cet effet par l'Union Européenne.

10. Les participants au Sommet de Marrakech déclarent solennellement que le développement sans entrave des échanges commerciaux dans le respect des règles de l'Organisation Mondiale du Commerce, des échanges financiers, culturels, entre le Nord et le Sud de la Méditerranée sont les meilleurs garants de la stabilité et de la sécurité dans la région. Cela suppose que la libre circulation des personnes soit assurée. Ils en appellent à leurs gouvernements respectifs pour créer les conditions favorables à ces échanges.

11. Conscients du rôle essentiel du développement des échanges économiques et de l'investissement privé pour l'approfondissement des relations économiques Euro-Méditerranéennes, les participants au Sommet lancent un appel pressant à la

première conférence ministérielle de l'OMC à Singapour afin d'assurer la mise en oeuvre complète et effective des engagements de Marrakech et d'initier les travaux en vue d'un code multilatéral de l'OMC sur l'investissement.

12. Les participants au Sommet de Marrakech se félicitent du grand nombre de délégations présentes et émettent le voeu qu'à l'occasion de leur prochaine rencontre en Grèce, l'ensemble de la communauté des affaires Euro-Méditerranéenne soit présente.

CONCLUSIONS DU GROUPE DE TRAVAIL 1: Culture d'entreprise, renforcement des organisations patronales dans les pays Sud Méditerranéens et développement des relations Nord-Sud et Sud-Sud entre les associations.

Les organisations patronales Euro-Méditerranéennes ont pour valeurs fondamentales communes les principes de la libre entreprise et de la concurrence. Réunies à Marrakech les 5 et 6 décembre 1996, elles sont parvenues aux conclusions suivantes, annexées à la déclaration finale du Deuxième Forum Euro-Méditerranéen des Chefs d'Entreprises:

Dès mai 1996, le Forum de Malte a mis en évidence la nécessité de développer un projet pour le renforcement des organisations patronales des pays méditerranéens partenaires de l'Union Européenne. Cette initiative avait reçu un avis favorable de l'UNICE et de la Commission Européenne.

Prenant acte de ce soutien, les représentants des organisations professionnelles demandent qu'un projet d'assistance technique visant à la mise en oeuvre de cette recommandation soit financé par la Commission.

La coopération Euro-Méditerranéenne entre organisations patronales sera d'autant plus fructueuse qu'un tissu associatif et les échanges sud-sud - qui pourront prendre la forme de groupes de travail sur des modèles de représentation régionale - se développeront parallèlement.

La première étape de ce projet sera la mise en place d'un réseau via Internet reliant toutes les organisations représentatives des entreprises dans les vingt-sept pays partenaires. Ce réseau se fixe comme objectif principal la diffusion de toutes informations relatives à l'amélioration des structures et des activités des associations ainsi que des entreprises membres.

La communication et la connaissance mutuelle engendrées par ce réseau contribueront progressivement à définir et développer des formes spécifiques d'assistance technique pour rapprocher les pratiques et la culture des patronats euro-méditerranéens.

Pour ce faire, l'instrument le plus efficace et immédiat est le benchmarking, à travers lequel les organisations membres peuvent diagnostiquer leurs besoins, mettre en commun leurs meilleures pratiques et faire démarrer des initiatives et des projets communs.

Les organisations patronales qui, après réunion de leur comité promoteur, se sont réunies à Marrakech, feront part aux organisations des vingt-sept pays du résultat de leurs conclusions pour définir de nouvelles propositions.

Les réalisations prioritaires visées par cette démarche sont:

- la création et le développement d'un environnement juridique, administratif, technique et financier, favorable à l'investissement et donc à la croissance, la compétitivité et l'emploi,
- l'élargissement et l'amélioration des services rendus aux organisations et aux entreprises membres, pour leur activités à l'intérieur du pays et à l'international (information juridique, promotion de l'exportation, organisation de foires, etc.).

Les représentants des organisations patronales proposent donc de concrétiser leur engagement dans trois axes prioritaires:

1. Création d'un réseau via internet permettant la circulation des informations pertinentes pour la communauté des organisations et des entreprises euro-méditerranéennes. A cette fin, il sera nécessaire d'engager la formation des cadres chargés de lire et exploiter ces informations.

2. Transfert des projets et initiatives qui intéressent directement les entreprises, que ce soit sur une base multilatérale, régionale ou bilatérale.

3. Formation, en liaison avec les centres de formation professionnelle existants, des cadres:

- des associations, pour transmettre et intégrer leur patrimoine d'expérience interne;

- des entreprises, pour accélérer leur développement économique et commercial, notamment transméditerranéen ;

Cette formation pourrait être accompagnée, le cas échéant, de stages ou d'échanges de cadres.

Enfin, les organisations patronales euro-méditerranéennes soulignent l'importance, pour le développement durable et l'influence des associations d'entreprises, d'une forte représentativité, renforcée par la présence des grands leaders industriels du secteur privé.

CONCLUSIONS DU GROUPE DE TRAVAIL 2: Instruments de la coopération financière et modernisation de l'environnement des entreprises

Les différentes interventions du Groupe 2, présidé par M. Stratos, de la Fédération des Industries Grecques, se sont articulés autour de 2 thèmes principaux:

- Le programme MEDA
- et les capitaux à risques BEI

A ces deux sujets se sont ajoutés deux exemples :

- celui du Portugal concernant son expérience de transition économique à la veille de l'intégration à l'UE.
- et le cas du Maroc (à travers ses options macro-économiques et sa réforme du secteur bancaire et financier).

MEDA

Pour ce qui est du Programme MEDA qui est une ligne budgétaire de l'UE, M. Marc Piérini, Chef d'Unité à la DG1, a annoncé que les ressources allouées aux pays du sud de la Méditerranée dans le cadre de cette ligne, s'élèvent respectivement à 520 MIO ECU pour l'année en cours et à près d'un milliard ECU pour l'année 1997.

Cinq dispositions importantes méritent d'être soulignées au niveau de ce programme:

1- Le règlement interne MEDA qui a été adopté en juillet de cette année a d'ores et déjà permis depuis le 20/9/96 des prises de décisions importantes (400 MIO ECU d'engagements).

2- MEDA est régie selon les orientations générales adoptées par le Conseil de l'UE et suit en cela les recommandations de la Conférence de Barcelone.

3- MEDA fonctionne aussi bien pour le bilatéral (qui représente 90%) que pour le régional (10%).

4- Il est appliqué aux 12 pays de la Méditerranée à l'exception de Chypre, Malte, Israël et la Libye.

5- Il obéit à un programme triennal (celui en cours va de Mars 96 à Mars 98).

L'innovation introduite par MEDA réside dans le fait qu'outre le financement des secteurs classiques sociaux (santé, éducation, etc.), elle apporte un soutien renforcé aux ajustements structurels et au secteur privé des pays concernés.

L'intervenant a précisé à cet égard que le programme pour le Maroc est bien défini et qu'il concerne principalement l'appui au secteur privé. Celui-ci bénéficiera d'une enveloppe de 185 MIO ECU pour les années 96-97 et 98 et qui sera destinée à :

- la mise en place d'un centre de services aux entreprises 'EUROMAROC-ENTREPRISE'. (E.M.E)
- l'octroi d'une ligne BEI de 45 MIO ECU.
- des projets de formation professionnelle.
- et enfin à l'appui technique aux privatisations, aux associations professionnelles, à la promotion des exportations, et aux investissements européens.

LES CAPITAUX A RISQUE DE LA BEI

De son côté, M. de La Guardia, de la BEI, a expliqué en quoi consiste les capitaux à risques (CAR) gérés par la BEI en insistant sur l'aspect du renforcement des fonds propres des entreprises qui rend les projets viables et par conséquent bancables. Les interventions actuelles de la BEI (financement partiel en CAR) se présentent sous de forme de prises de participation :

- Les participations directes de banques marocaines ou de sociétés de CAR agréées dans le capital d'entreprises conjointes.
- les participations indirectes de ces banques, sous forme de dotations remboursables à des promoteurs privés dans le capital d'entreprises conjointes.

Les caractéristiques techniques de ces lignes (objet, éligibilité, montant maximum, quantum de financement, etc.) peuvent être obtenus auprès des banques agréées.

CAS DU PORTUGAL

Pour illustrer le cas vécu du Portugal, Mme Gonçalves, du Patronat Portugais, a mis en exergue le développement des industries basées sur les bas salaires qui avaient pu prospérer avant l'adhésion du Portugal à l'UE. L'accord de ZLE puis l'adhésion à l'UE, qui a été à l'origine de difficultés de certaines entreprises, a modifié peu à peu la réalité économique de celles-ci en conférant une place de plus en plus importante aux entreprises performantes et compétitives des divers secteurs.

CAS DU MAROC

M. S. Kettani, Vice-Président de la CGEM, de son côté, après avoir rappelé les problèmes liés à l'ajustement, à son coût social et aux efforts que doit faire l'Etat pour préserver des équilibres souvent fragiles, a déclaré que la croissance doit être dévolue à l'action du secteur privé

Cinq conditions sont énoncées à ce sujet:

1- motiver le secteur privé par la mise en place d'un cadre légal transparent et un environnement conférant la sécurité nécessaire.

2- disposer d'un marché financier moderne et à même de développer l'épargne et de veiller à sa bonne allocation.

3- avoir des infrastructures très performantes et compétitives.

4- être pourvu de ressources humaines de qualité.

5- définir des orientations de croissance stratégiques qui s'inscrivent dans le contexte de la compétition internationale

L'intervenant s'est ensuite penché sur la réforme du marché financier proprement dit en soulignant :

1- les principales mesures de déréglementation de l'activité bancaire, la stimulation de la concurrence et la mise en place d'un système d'open market.

2- le financement direct à travers la réforme et la privatisation de la Bourse des Valeurs, l'activité nouvelle des sociétés de bourse et leur organisme de contrôle (le CDVM).

3- la réforme du marché monétaire (avec les TCN, le marché des changes et le marché hypothécaire).

LES DEBATS

Les débats de ce groupe ont porté notamment sur la nécessité :

- d'assouplir les critères d'octroi des prêts concernant les capitaux à risque en impliquant davantage le secteur bancaire dans l'analyse du risque et le suivi des projets.
- de promouvoir et mieux faire connaître ces produits auprès du public. Ceci devrait conduire naturellement à une plus grande consommation de ces lignes et donc à leur accroissement.
- d'adopter une approche active et volontariste et de ne pas s'installer dans une attitude d'attente car tout appui européen ne peut être qu'un appoint - les mutations économiques ne pouvant venir de l'extérieur mais de la volonté interne de faire progresser le tissu productif.

Par ailleurs, d'autres questions ayant trait à l'accès aux prêts BEI avec ou sans partenaire européen ont révélé une évolution significative de l'attitude des concepteurs du projet initial: à savoir que la condition d'avoir un partenaire européen n'est plus nécessaire.

Enfin l'appui de l'UE au Portugal tant en qualité qu'en quantité a été longuement débattu. Il en ressort qu'en phase de pré-adhésion, le contexte d'une économie relativement protégée n'a pas permis de développer une industrie autonome et a plus profité aux entreprises utilisant une main d'oeuvre bon marché.

A partir de l'adhésion du Portugal à l'UE, la déréglementation et l'ouverture progressive qui en a découlé, ainsi que l'aide, ont contribué à la mise à niveau de l'entreprise et de son environnement.

Ce nouveau contexte a favorisé l'investissement intérieur et extérieur dans tous les secteurs industriels y compris les secteurs traditionnels qui auront su s'adapter.

CONCLUSIONS DU GROUPE DE TRAVAIL 3: Industries de transformation; pêche

Nous regrettons l'absence d'interlocuteurs officiels de la Communauté Européenne et des organisations professionnels européennes du secteur de la pêche qui mérite d'être traité à part vu son importance socio-économique : 16 % des exportations marocaines et 400.000 emplois.

Premier constat:

Sur-exploitation des ressources halieutique principalement céphalopodière au détriment du renouvellement et de la pérennité de la ressource.

Deuxième constat:

Le partenariat Euro-Marocain au niveau du secteur de la pêche existe de fait puisqu'une part importante du CA réalisé par la flotte marocaine retourne vers l'Europe et principalement vers l'Espagne pour la gestion et la maintenance de l'outil de pêche.

Troisième constat:

Les opérateurs marocains s'imposent à partir de 1997 un arrêt biologique de 4 mois et s'interrogent sur les dispositions qui seront prises par l'U.E pour la préservation et le maintien de la ressource.

Quatrième constat:

L'arrêt biologique entraîne des conséquences économiques dommageables pour les armements marocains contrairement aux communautaires qui perçoivent des aides et subventions de l'U.E.

Cinquième constat:

L'industrie de valorisation et de transformation des produits de la mer est totalement ouverte aux investissements communautaires qui doivent comprendre que la valorisation de la ressource sur le territoire marocain doit permettre de la préserver.

Résolutions:

Il a été suggéré l'expertise de la ressource halieutique par un organisme indépendant et la formation d'un groupe de travail «Pêche» entre le Maroc et les partenaires communautaires pour tracer en partenariat les grands axes de la

valorisation de la ressource acceptables pour toutes les parties avec les mêmes droits et les mêmes devoirs.

Le secteur Industriel Marocain revêt une importance considérable dans l'économie marocaine, tant et si bien au niveau de la production, de la valeur ajoutée, des exportations que des investissements.

Eu égard à cette importance et face au défi de la compétitivité internationale le secteur industriel doit nécessairement s'adapter à cette mutation par une mise à niveau des entreprises et une mise à niveau institutionnelle.

Si la mise à niveau interne des entreprises se fait naturellement, les intervenants se préoccupent de la mise à niveau institutionnelle qui doit impérativement accompagner dans des délais très courts cette mutation.

Première résolution: Nous souhaitons une politique macro-économique dynamique et compétitive apportant toutes les mesures d'accompagnement: financières, tarifaires, et d'infrastructures.

Deuxième résolution: elle consiste en un appel au partenaire européen afin qu'il participe réellement à l'effort d'industrialisation, de modernisation et de diversification des activités industrielles notamment par des délocalisations, des transferts de technologie, l'assistance et la formation dans un esprit de complémentarité.

Troisième résolution: Le libre échange doit être global et doit respecter le principe de réciprocité et d'équilibre en n'excluant pas des secteurs aussi vitaux que le textile, les industries de transformation agro-alimentaires et certains autres secteurs prioritaires tels que les industries mécaniques et métallurgiques.

Quatrième résolution: La politique d'investissement de la BEI étant trop sélective il conviendrait de réfléchir à l'instauration d'un fonds de garantie monétaire méditerranéen et régionalisé pour permettre l'accès des PME-PMI aux crédits d'investissements.

CONCLUSIONS DU GROUPE TRAVAIL 4: Tourisme

1. Les membres du groupe de travail 'Tourisme' désirent souligner l'importance du secteur touristique dans le monde et surtout dans le cadre de la coopération Euro-Méditerranéenne.

En effet, le tourisme représente en moyenne 8,5% du PIB des pays Euro-Méditerranéens et 12% de la population active de ces pays travaillent dans ce domaine.

En outre, l'OMT l'Organisation Mondiale du Tourisme prévoit pour l'an 2015 le doublement des flux touristiques actuels.

2. Parmi les différents secteurs économiques objet de la coopération entre les deux rives du bassin méditerranéen, le tourisme est l'un des plus développés et occupe une place de première importance.

3. Pour ce qui concerne l'action immédiate, le groupe de travail estime nécessaire de promouvoir la négociation avec les autorités compétentes de l'Union Européenne pour l'extension réciproque de la libéralisation du trafic aérien aux pays Euro-Méditerranéens.

Le but est de débureaucratiser les dispositions désormais obsolètes établies dans les protocoles intergouvernementaux, soumettant les vols à des concessions de la part des aviations civiles et, donc, libéralisant totalement les vols charters.

4. Les normes établies pour le développement et la promotion des investissements touristiques doivent favoriser des joint-ventures et doivent prévoir une égalité de chance aux entreprises Euro-Méditerranéennes.

Le groupe considère que les gouvernements des pays du pourtour Méditerranéen devraient adopter des mesures fiscales de nature à favoriser l'investissement privé en évitant toute subvention du capital.

5. Etant donné que le vrai bénéficiaire du produit touristique est le consommateur, toutes les entreprises qui participent à la construction du forfait doivent se co-responsabiliser pour offrir des standards de services précis et cohérents avec la qualité promise. De la même façon, il faudrait, et dans l'intérêt du consommateur, qu'une telle responsabilité soit juridiquement partagée avec les fournisseurs selon les normes contractuelles.

6. La liberté de circulation des biens et des personnes est une condition sine qua non du développement du tourisme Euro-Méditerranéen. La réciprocité d'accueil des touristes de part et d'autre de la Méditerranée s'avère une condition indispensable pour la promotion de cette industrie.

7. Tous les membres du groupe tourisme soulignent l'importance de la formation professionnelle en tant qu'instrument de la mise à niveau des entreprises touristiques, notamment celles du sud de la Méditerranée. A cet effet, il est souhaitable d'envisager la création d'écoles de formation professionnelles spécialisées.

8. Le groupe considère qu'il est indispensable d'envisager un développement touristique compatible avec les exigences de protection de l'environnement.

9. Le groupe de travail salue l'initiative de la CGEM qui a organisé cette rencontre, occasion importante d'échange d'idées et expérience entre opérateurs, et invite les fédérations des chefs d'entreprises à poursuivre ce dialogue et à rendre la coopération plus active.

CONCLUSIONS DU GROUPE DE TRAVAIL 6: Les Technologies Nouvelles

Leur définition est relative au temps d'une part, et d'autre part aux pays et secteurs d'activité où elles peuvent avoir une signification et un contenu différents. Elles incluent non seulement des nouveaux produits mais également des nouveaux procédés de fabrication de produits déjà existant.

Dans le but de développer l'usage de nouvelles technologies, un pays a deux possibilités qu'il peut poursuivre simultanément.

La première est de promouvoir sa capacité d'innovation et l'autre est d'obtenir ce qu'il cherche à l'étranger.

Pour développer sa propre capacité, il va de soi que la mise en place d'un système d'éducation adéquat à tous les niveaux est indispensable. Les Pouvoirs Publics ont également un rôle à jouer en favorisant la recherche de base et en mettant en place une infrastructure qui contribue à créer un climat d'innovation. Les liens entre les milieux d'affaires et universitaires, la création de centres industriels et scientifiques, ou le mécénat de la recherche peuvent être également des stimulants.

En s'engageant dans cette voie, il est essentiel que les Pouvoirs Publics se concentrent sur les demandes provenant du marché.

La seconde est de trouver à l'étranger ces nouvelles technologies, soit en en faisant l'acquisition, soit dans le cadre d'investissements ou de partenariats.

Afin de réaliser ces objectifs, il est essentiel que soit créé un environnement législatif permettant d'attirer les investissements privés et le transfert de technologie. Un tel environnement comprend des règles pérennes pour les apports de capitaux, pour l'actionnariat, les droits de propriété industrielle et intellectuelle, la fiscalité, ainsi que la libéralisation du secteur public.

La libre circulation des hommes faciliterait considérablement l'accès aux nouvelles technologies et aux différents marchés.

Les objectifs des technologies nouvelles doivent être d'améliorer le bien-être des populations grâce à la productivité, la flexibilité, la sécurité et l'environnement.

Pour financer le développement de ces nouvelles technologies au sud du bassin méditerranéen, l'accès à, et l'usage de fonds de l'Union Européenne doivent être augmentés pour catalyser également les investissements de capitaux privés.

2.5. Final Declaration of the Third Euro-Mediterranean Industrial Summit Athens, 6-7 October 1997

FINAL DECLARATION

1. In continuation of the Euro-Mediterranean Business Summits and Fora of Lisbon, Valencia, Malta and Marrakech, the Federation of Greek Industries, in cooperation with the Hellenic Ministry of Development and UNICE (Union of Industrial and Employers' Confederations of Europe) organised the 3rd Euro-Mediterranean Industrial Summit in Athens on 6-7 October 1997. The European Commission contributed financially to this event and this is gratefully acknowledged.

2. The conclusions of the Athens Summit will be sent to the 2nd Euro-Mediterranean Ministerial Conference on Industrial Cooperation to take place in Marrakech on 30-31 October 1997, in order to pursue the cooperation process launched at the 1st Euro-Mediterranean Conference of Industry Ministers (Brussels, 20-21 May 1996). Against this background, the objective of the conclusions of the Athens Summit's working groups is to contribute to development of the work programme for submission to the Ministers.

3. Organisations representing business circles from South and North Mediterranean countries examined closely issues, which affect Euro-Mediterranean industrial partnership. In Athens the Industry Federations have reaffirmed that they attach great importance to sustainable peace and stability to achieve the target of economic partnership and their commitment to continue playing their crucial role in developing the Euro-Mediterranean partnership and transforming the Mediterranean basin into a region of prosperity and cooperation.

- The development of a Free Trade Area between the countries of the Northern and Southern Mediterranean is directly linked both to the improvement of economic and social conditions in the South Mediterranean countries, and to creation of a regulatory framework favourable to trade and investment in all the countries concerned. The Athens Summit reiterates its call to investors from the developed countries to reinforce their involvement in the development of the SMC in order to proceed with their reforms;

- investment is a key factor for the economic development of South Mediterranean Countries (SMCs). Governments must therefore continue to give priority, as some of them are already doing, to the establishment of a stable, reliable and consistent legal and administrative framework in the SMCs, to attract investment into the region. Accelerated integration between the individual countries of the South Mediterranean is also essential to ensure sustainable economic development in the region;
- Sustainable economic development is a prerequisite to job creation. To that end, enterprises and specifically SMEs play a fundamental role, therefore their development and modernisation has to be encouraged.
- one of the most important objectives to be achieved for economic development of the Mediterranean region is a strengthening and networking of organisations which represent private sector business. For optimal utilisation of the resources earmarked for Euro-Mediterranean economic and industrial partnership, the representatives of these organisations must be closely involved in the definition of the objectives of the indicative MEDA programmes at both bilateral and regional level.

1. In the following annexes, participants in the Summit make specific recommendations for consideration by the Ministerial Conference in Marrakesh. The areas covered are:

- promotion and modernisation of SMEs and industrial zones;
- foreign investment (cooperation agreements, joint ventures, subcontracting etc.), trade and tourism;
- networking and role of industry federations;
- education and training;
- infrastructure, environment and energy, research, technology and innovation.

2. Euro-Mediterranean business organisations attach great importance to the dialogue between themselves and with their respective administrations to support development of an area of co-prosperity in the Mediterranean region. To take a further step in this direction, they have decided to meet in Tunis at the end of 1998 or beginning of 1999, taking in to account further developments. It was also decided that the following summits will take place in Turkey and then in Egypt.

CONCLUSIONS OF WORKING GROUP 1: Promotion and modernisation of SMEs and industrial zones

Working Group 1 was convened to consider the promotion and modernisation of SMEs and the industrial zones. After the fruitful discussions between the panel of speakers and the participants the following, conclusions and recommendations were reached:

1. Awareness-building for SMEs

Business people across Europe and the Mediterranean need better information about the Euro-Mediterranean Partnership. To this end, a comprehensive, easy to use and business-oriented guide should be published by the European Commission in all languages and be disseminated as widely as possible. It should include all programmes, facilities and instruments of support that are available to, SMEs today in a practical, user-friendly fashion.

2. Business centres

SMEs form the backbone of all secondary and tertiary sectors of economic activity in the Mediterranean. Until recently, the prevailing import substitution policy in most of the South Mediterranean Countries (SMCs) gave these SMEs little incentive to modernise, become more efficient and more customer-oriented.

The business centres which are being established within the framework of the Euro-Mediterranean partnership must by their nature play a major role in the modernisation of SMEs in the region by providing the necessary diagnostic and consultancy services on organisation, quality, ISO certification, management, marketing, technology, and people training and development. They will play an additional role by providing a forum for the exchange of experience, such as best management practices. These business centres could also help local governments to draw up and implement proper plans for creating industrial zones according to the needs of each country. Lastly, they must act as a channel for information/reaction, feeding information back to the Commission and to national governments in the SMCs on progress made and new issues to be addressed.

Given their importance, it is imperative to ensure from the very beginning of their operation that they are being run efficiently and on a needs-driven basis, something that can only be achieved with the active participation of the local

industrial and business associations/federations. It is equally important to help them get over their start-up problems as soon as possible, so that they develop and maintain credibility with the local business community, from the beginning. In this respect, a survey should be launched (and financed) by the business centres as soon as possible in cooperation with industry federations to find out the attitudes, expectations and concerns of the local enterprises regarding these centres.

3. EU Programmes for SMEs

While the business centres will provide a number of consultancy services to local SMEs, it is also important to adopt in parallel a more structural approach to the support, of business modernisation in the Mediterranean. A model for this could draw inspiration from a combination of relevant and most successful aspects, of the two Community initiatives SME and ADAPT. A concept for such structural interventions in favour of Mediterranean SMEs should be supported by the EU (and financed from the MEDA budget) as soon as possible so as to form the basis for a dialogue with business before this instrument is finalised and implemented. Programmes in favour of SMEs should be implemented as rapidly as possible.

4. Facilitating business contacts

Partner search electronic networks already in existence in Europe (BC-NET, BCC - Business Cooperation Centres) should be improved and strengthened. Furthermore the announced on line extensions of these services through the internet is a welcome step. Business centres may also be used as dissemination channels for the above mentioned facilities. Moreover, Med-Partenariat, Euro-Partenariat and Med-Interprise are proving good fora for contacts and should continue to be supported by the EU. However, a mechanism should be established by the EU that will have to be followed by the organisers of such partnership arrangements, who will monitor and report back to the EU the actual success rate of these meetings, so that their overall cost-effectiveness can be evaluated.

5. Information networks

The establishment and/or strengthening of information networks for example as the Euro-info correspondence centres is a prerequisite for the modernisation and development of SMEs in the information society era. However, to be effective, electronic data interchange (EDI) networks must be easily accessible, user-friendly

and able to provide meaningful; targeted and workable information on potential suppliers, customers, partners and providers of technology as well as data on market research, benchmarking and best-practices. Moreover, the growing use of electronic commerce worldwide makes the European EDI initiative a very relevant and timely activity. Electronic commerce constitutes a major opportunity for a revolutionised approach to business in the future and there should be provision for the integration of Mediterranean SMEs into any European programmes, which might develop in this field.

CONCLUSIONS OF WORKING GROUP 2: Foreign investment (cooperation agreements, joint ventures, subcontracting etc.), trade, and tourism

The recommendations made by Euro-Mediterranean business in previous Industrial Summit statements which aimed at the development of a transparent and predictable environment favourable to trade and investment in the fields notably of market access, intellectual property protection and standards etc., are still valid and should be accelerated as soon as possible.

1. Administrative barriers

Among the most important, well-recognised barriers to investment in the Mediterranean region are bureaucracy and lack of legislative clarity. The Commission and business organisations should continue to insist that governments recognise the importance of starting administrative reforms immediately, in order to provide a stable legal, regulatory and taxation environment to prospective investors. The establishment of "one-stop" information centres can ease the problems of start-up companies until the reforms are in place.

2. Financial barriers

An equally important area of reform needed in the Mediterranean is deregulation and modernisation of banks, stock markets and other financial institutions. The EU must continue to press governments on, and offer support for, such reform. The short-term benefit of this reform will be the facilitation of trade and access to credit through a modernised banking network. In the longer term, it will result in encouragement for foreign investors and facilitation of the privatisation process in the region. It will also encourage public savings, which in their turn will spur further growth.

3. Standards and statistics

Harmonisation of standards is a particularly important element in the process of facilitating cooperation and eliminating some of the technical barriers to trade and to promote cooperation between North and South. Therefore an effort should start immediately within the framework of the MEDSTAT programme to catalogue all the various standards utilised today in the region, before harmonising them. Furthermore, with a view to improving the available statistical information, harmonisation of foreign trade statistics as well as statistics specifically for SMEs across the Mediterranean should become a priority within the MEDSTAT programme.

4. SME cooperation - joint ventures (JVs)

Through ECIP (European Community Investment Partners) the EU provides a very useful framework to initiate and support cooperation and partnership among SMEs from all around the Mediterranean (as well as other regions) through industry federations. It is recommended that ECIP be publicised properly by the business centres (out of their own budgets) in order to raise awareness among industry associations and the business community of the beneficial role it can play by bringing in contact SMEs from the North and the South which otherwise would not meet. Furthermore, developing collaboration South-South will lead to an increase, of the size of accessible markets and will allow to reach the critical size which will attract private investment not only in the small projects (e.g. BOT projects).

Business wish that sectoral/geographical meetings be organised under the leadership of the European Commission.

5. Investment protection and trade insurance

Establishment by the Union of an insurance/financing agency, similar in scope to the US institution OPIC as a financially self-sustained, independent corporation may deserve examination. Such an organisation might provide insurance protection to cover investment risks in SMCs, making it available to all enterprises from member-countries of the EU on a uniform and equitable basis.

6. Credit and venture capital

The EU, perhaps with the assistance of EIB, should encourage and support financial institutions in the region to establish venture capital facilities by providing notably know-how in risk analysis and project follow-up. Moreover, EIB should

help establish a regional guarantee fund to facilitate the provision of investment credit. Priority should be given to the promotion and support of private sector investments in order to encourage the setting up of strategic partnerships, which will facilitate the integration between North-South.

7. Sub-contracting

The building/upgrading of infrastructures will be a major activity that will generate a multitude of business opportunities for SMEs to sub-contract. It is imperative to ensure that these opportunities are open to all SMEs. To this end, a system of practical, workable and timely information on all openings should be established by the EU (out of the MEDA budget) for dissemination through the various information networks. It is also recommended that consideration be given to the creation of specialised, partnership-type fora for contacts between major infrastructure project contract winners and prospective subcontractors.

8. Administration of MEDA

Finally, as noted in the conclusions of the Marrakesh Summit in December, 1996 SMEs in the Mediterranean should adopt a proactive attitude and not expect everything to come from EU financing. Also on the subject of financing, business welcomes the declaration of the Foreign Ministers in Malta (April 1997) that implementation of MEDA will be carried out in a fair and even-handed way, and with transparent procedures.

The Euro-Mediterranean business community must continue to make every effort to ensure that this very important declaration receives the following it deserves.

9. Tourism

Among the target economic sectors for cooperation between the two shores of the Mediterranean basin, tourism already occupies a position of prime importance and is recognised as a fundamental factor for progress and social and productive development in the Mediterranean region. Industry organisations consider that promotion of partnership and cooperation between tourism firms in the framework of the different areas of activity already defined in the general conclusions of the working group on tourism at the Marrakesh Summit (5 and 6 December 1996) require establishment of an on-going dialogue between the firms in question. To

this end, institution of an organised form of coordination between tourism operators from throughout the Euro-Mediterranean region, designed to identify complementarities and promote joint initiatives for economic growth in tourism in the Mediterranean and to ensure balanced distribution of tourist activity (and co-financed out of MEDA funds), would represent a fundamental instrument for regional cooperation and make an important contribution to economic development and job creation.

In addition, specific themes such as eco-tourism should be examined closely insofar as they are favourable to joint development. Lastly, it would be useful for the EU to organise a study designed to identify all the advantages and multisectoral synergies that could result from cooperation in this area in order to attract the attention of the different production sectors.

CONCLUSIONS OF WORKING GROUP 3: Networking and the role of industrial and employers' federations

With a view to the creation of a Euro-Mediterranean free-trade area, modern and effective industrial and employers' organisations are needed:

- to promote the growth of the private sector.
- to support the process of internationalisation of production and facilitate the growth of exchanges;
- to help companies to resolve their persistent difficulties linked to the legal and administrative context of national legislation;

Hence, the strengthening and the networking of industrial and employers' organisations have priority with a view to creating a climate favourable to the development of the south Mediterranean region.

This priority, already affirmed at the forum in Malta and the Marrakesh Summit, is shared by all federations, UNICE, the European Commission and the Euro-Mediterranean Conference of Industry Ministers.

If, to give continuity to these issues, the Euro-Mediterranean Conference of Ministers of Industry wished to further formalise this subject, the industrial and employers' organisations, already organised to this end, want to be the principal actors.

Work on strengthening and networking of industrial and employers' federations, developed further to the earlier Euro-Mediterranean summits, has highlighted that the level of internal structuring of industrial and employers' organisations and their capacity for networking have an impact on the range and effectiveness of the services they offer to their members, and on their effective representativeness.

Therefore, Euro-Mediterranean industrial and employers' organisations reaffirm that, in the framework of Euro-Mediterranean Economic and Industrial Cooperation, it is necessary to prepare and implement a regional development programme which also involves industrial structures of services to companies and which seeks to strengthen the industrial and employers' organisations of the South Mediterranean Countries (SMCs) via:

- technical assistance actions designed to strengthen the industrial and employers' organisations of the beneficiary countries, in the first instance through training of executives in central federations, member associations and companies;
- the creation of a network of Euro-Mediterranean industrial and employers' organisations, including sectorial organisations;
- the setting up of one organisation among the industrial and employers' organisations of the South Mediterranean Countries;
- the transfer of projects and initiatives, on a regional and bilateral basis, with a direct impact on companies taking into account in particular the specific needs of small enterprises.

Thus, the organisations participants to the third Euro-Mediterranean Industrial Summit call on the European Commission and the Euro-Mediterranean Conference, of Industry Ministers in Marrakesh to make commitments such that this "Regional coordination programme for the strengthening and networking of industrial and employers' organisations, in SMCs", which will be launched in the framework of the MEDA programme, has adequate financial support and the instruments needed to coordinate regional and bilateral interventions.

CONCLUSIONS OF WORKING GROUP 4: Education and Training

1. Vocational Education and Training

The educational system in many countries in the Mediterranean up to now has been geared more to preparing students for the public sector than to providing skills for the private sector. A study should be launched by the EU with the assistance of local industrial federations, or the business centres established in each South Mediterranean country (SMC) in the framework of Euro-Med partnership, to identify the gaps, weaknesses and the overall training needs in each South Mediterranean Country (SMC), as well as to determine the best ways of meeting these needs. This study should be conducted jointly, with representative federations and examine specific sectors.

This study should also identify the infrastructure that will have to be put in place as well as practical arrangements for bringing the school and university system closer to the world of business or professional organisations. Special emphasis should be placed on improving the qualifications of women, who have not had the same access to education as men.

We emphasise the need for a close cooperation between national authorities and social partners on matters concerning design, implementation, evaluation and certification of training programmes.

Furthermore, given the relevance of distance education for the Mediterranean region, a programme modelled on the PHARE Multicountry Cooperation in Distance Education has to be considered.

It must be ensured from the beginning that the business centres in the region deliver needs-driven training to managers and the labour force. Also, special training programmes should be developed which are targeted on young entrepreneurs and founders of small craft enterprises, and to women.

The EU initiatives for employment and the development of human resources (Horizon and Youthstart) as well as ADAPT contain many elements that would be invaluable to the progress of the Euro-Mediterranean Partnership. The EU should therefore consider their extension to the South Mediterranean countries and develop proposals for when these programmes come to an end in 1999.

Particular attention should be paid to the adaptation and simplification of procedures and to the strengthening of South-South partnerships. While a comprehensive extension of the LEONARDO exchange programme may not be practical today for the whole of the Mediterranean region, some of its elements for example the study visits provided by CEDEFOP might prove valuable as well as achievable and can be adopted as of now.

Subcontracting could be a valuable tool for transferring know-how and contributes to education.

2. Exchange Programmes

Over the years the EU has established several worthwhile education and training programmes for the benefit of both European citizens and people from other regions (e.g. TEMPUS/PHARE, TEMPUS/TACIS). With the experience gathered so far, some elements of these programmes could be assembled to create a comprehensive training programme for the Mediterranean. Some important recommended activities are presented below. The exchange of human resource managers/trainers between enterprises would be an excellent way for the dissemination of know-how on people development and the cross-fertilisation of ideas.

A programme similar to junior EU-ASEAN managers exchange programme (JEM) should be established by the EU with the assistance of the business centres (or the training centre described below) for the mutual exchange of junior managers from SMCs and Europe. Furthermore, a programme similar to the TACIS productivity initiative could provide a good training ground for senior executives from SMCs in Europe. All this will not only broaden their professional experience but also promote mutual understanding and lead to the enhancement of business links between the two regions.

3. Mediterranean Training Centre

The complexity of the administration and coordination of all the training and the exchange programmes in the region would justify the establishment of a Euro-Mediterranean training centre by the EU (financed out of the MEDA budget), taking into account the experience gained and the lessons to be learnt from the functioning of existing centres. In this context, special attention should be paid to the creation of a mechanism for the exchange of information on best practices

(benchmarking), for cost-benefit analyses and finally for quality assurance and evaluation of the different programmes. Training focal points should be established by the training centre in each Mediterranean country to identify and prioritise needs as well as implement the programmes. These contact points should work in close tandem with the business centres to ensure optimum use of resources and to avoid duplication of efforts. The supervisory board of the training centre should definitely include representatives from industrial associations, labour unions and government authorities from all Mediterranean countries. To contribute to the efficiency of the initiatives to be developed by the centre, the development of a training glossary should be envisaged.

4. Training for Tourism

In view of the importance of tourism development in the region, creation of a school for tourism by the EU (financed out of the MEDA budget) should be considered, to ensure that there are enough trained people in the area to upgrade quality of services offered. Such a school might be developed on a pilot basis, in the above-mentioned training centre.

5. Business Culture

The Euro-Mediterranean partnership can be accomplished successfully only in an environment of mutual understanding, sensitivity and respect for the cultures of all people, as well as in an ability to operate effectively in cross-cultural situations. A study on business cultures in the region should be launched by the business centres in cooperation with industry federations and its results widely publicised to promote better intercultural cooperation. Also, the opportunity of various business meetings (e.g. partnership arrangements) must be utilised to set up workshops in parallel where managers from both sides of the Mediterranean can obtain intercultural training and acquire a broad understanding of languages, cultures and institutions.

CONCLUSIONS OF WORKING GROUP 5: Infrastructure, environment and energy, RTD and innovation

1. Infrastructure

The motor of development in the Mediterranean region will be the building/upgrading of energy, transport, telecommunications, environmental and water resource infrastructures. It is imperative to proceed in this activity in a

concerted and coordinated way and adopt a common, multi-country (regional) approach from the beginning. To this end, establishment of a Euro-Mediterranean infrastructure committee will help in the prioritisation of activities in order to better match country and regional needs, as well as in keeping track of all projects. It will also ensure optimum use of available resources, transparency in the definition of tender rules and even-handedness in the allocation of MEDA funds. Lastly, EIB should be involved and play a key role in helping to organise project financing.

2. Transport

Development of internal and external trade in the Mediterranean region will hinge on a fully developed transportation network, integrated into Europe. A thorough study and analysis should be launched by the EU out of the MEDA budget to identify all existing transportation and storage infrastructure, and actual and anticipated traffic in the region. The study should aim to identify the most important weak/missing links (corridors) in the transportation system that hinder trade and which must be addressed on a priority basis.

3. Research and Technological Development and Innovation

Continuous innovation, not only in products and services but also in processes, is a key to the long-term survival, of SMEs. One area of innovation involves the cooperation among SMEs in the Mediterranean region for joint development of products that takes advantage of local resources and conditions or satisfies specific local needs. A random sample of examples shows the magnitude of opportunities - improving aquaculture economic and environmental performance, developing "dry agriculture" and irrigation systems, solar heaters, water desalination technologies, processing of aromatic herbs. The success of such joint development efforts will require not only managerial resources, which can be provided by the business centres, but also technology stimulation measures.

To this end, the EU cooperative research programme for SMEs (CRAFT), which helps groups of SMEs to outsource RTD work to universities, could prove especially valuable, so its extension to the Mediterranean is advisable.

Universities and other research institutions in the Mediterranean region must be encouraged and supported by both the EU and national governments to place more emphasis on research that is more regional-needs driven. This will be further promoted by the above measure of outsourcing.

4. Environment

In all development or modernisation efforts in the Mediterranean region, the overriding factor will have to be protection of the environment and sustainability. EU-supported environmental awareness programmes, for both the public and for industry as well as investments, should be launched by the EU and the national governments in all countries particularly for the protection of the Mediterranean sea against pollution. More emphasis should be given to an environment friendly solid waste management specially in combination with waste incineration to gain respectively save energy.

The business centres should be organised from the beginning so that they can assist SMEs in the region to perform self-audits and start developing environmental management systems, as well as provide them with information on best environmental practices. To help SMEs improve their environmental performance, the Community financial instrument LIFE should be extended to the Mediterranean as well.

5. Energy

Euro-Mediterranean business regards as very important progress in the dialogue for cooperation in the energy sector that has started within the framework of the Euro-Mediterranean Energy Forum. It also takes note of the future Community energy policy, as articulated recently, and urges the extension of the soon-to-be-formulated energy framework programme to cover the Southern Mediterranean countries from its inception - especially as this programme is scheduled to incorporate many of the multi-country elements of the current SYNERGY programme.

6. Renewable Energy Sources and Utilisation of Rational Use of Energy

The EU should encourage the creation by the national governments of a network of national renewable energy centres that jointly coordinates the development of new systems and technologies and favours the utilisation of rational use of energy. Universities in the region should be encouraged and supported by the EU and national governments to do more research on this very topical issues, especially the exploitation of solar energy. The INTERSUDMED project is under way and it may prove to be a very useful vehicle for the development of renewable energies in the Mediterranean.

2.6. Final Declaration of the Fourth Euro-Mediterranean Industrial Summit Tunis, 12-13 May 2000

"Euro-Mediterranean Free Trade Area: A Challenge for the Enterprises"

FINAL DECLARATION

1. In continuation of the Euro-Mediterranean Business Summits and Fora of Lisbon, Valencia, Malta, Marrakesh and Athens, the Union Tunisienne de l'Industrie du Commerce et del' Artisanat (UTICA) in cooperation with UNICE (Union of Industry and Employers' Confederations of Europe) and with the support of the European Commission and the Ministry of Industry of Tunis organised the IV Euro-Mediterranean Summit of Industry in Tunis on 12-13 May 2000. The Summit focused on the topic "Euro-Mediterranean Free Trade Area: A Challenge for the Enterprises". The conclusions of the Tunis Summit will be sent to the 3rd Euro-Mediterranean Ministerial Conference of Industry scheduled to take place in Limassol (Cyprus) on 21-23 June 2000 and transmitted to the participants of the meetings dedicated to the review of the Barcelona's process.

2. Organisations representing business from South Mediterranean Countries (SMCs) and from European Union member states examined jointly in Tunis issues, which affect Euro-Mediterranean industrial partnership. They focused on the need to encourage the establishment of a common strategy promoting a balanced Euro-Mediterranean partnership and aiming at supporting the changes necessary in the culture, the practices and the general framework of the economy. Private sector, through its professional organisations fully assumes its responsibility in this field. Participants have developed the following recommendations:

- The MEDA programme is an essential instrument for catalysing and facilitating reform in SMCs. On the national level, the governments of SMCs will need to focus on deepening and further completion of the overall reform process to bring about economic transition.
- Progress towards an area of mutual prosperity depends first and foremost on the establishment of Euro-Mediterranean Association Agreements, which are designed to facilitate investments and trade between the signatories. SMCs and EU institutions need to make co-ordinated efforts to accelerate the finalisation of Association Agreements with all SMCs.

- South-South cooperation and the negotiation of free-trade agreements between SMCs are essential for a successful economic development in the region and for the establishment of the Euro-Mediterranean Free Trade Area. The integration of south Mediterranean markets is also essential to attract foreign investors.
- In recent years the degree of liberalisation of foreign investment legislation has been encouraging. More efforts should be made by SMC governments for the removal of all remaining existing limitations and simplify administrative procedures to facilitate the flow of investment. The Tunis Summit reiterates its call to investors from developed countries to reinforce their entrepreneurial activity in the region.

3. In Tunis, the UNIMED Business Network has been officially launched. This three years project aims at strengthening representative South-Mediterranean business federations at national, regional and international levels. It is supported financially by the European Commission and implemented by UNICE. This important tool for the implementation of the Euro-Mediterranean free trade area fulfils the enterprises' concerns by developing the mutual exchanges between the organisations, from North and South of the Mediterranean that it brings together.

4. For optimal utilisation of the resources earmarked for Euro-Mediterranean economic and industrial partnership, the Business Summit urged that representatives of South Mediterranean industry organizations be closely involved in the formulation of the industrial components of the new MEDA programme and in the definition of the industry-related aspects of the Regional and National Indicative Programmes. The European Commission was requested to invite representatives of industrial and employers' organisations from SMCs to participate in the work of Euro-Mediterranean Industrial Cooperation Working Group, created by the European Commission on the basis of Brussels Declaration in 1996. UNICE is already participating in the work of the Working Group. With the participation of private sector representatives, the needs of industry will be addressed and the effectiveness of the implementation of the projects will be reinforced.

5. Industry Federations call for increased transparency and better monitoring and simplification of the implementation procedures of the new MEDA programme. The needs of the region are vast and the resources placed at the disposal of MEDA

programme should be used in a more efficient way. More emphasis should be given in the new MEDA to measures supporting directly the enterprises and specifically SMEs.

6. Participants at the Tunis Summit make specific recommendations for consideration by the Ministerial Conference in Cyprus in order to :

- Facilitate the investment climate in the Euro-Mediterranean Free-Trade Area.
- Ensure that UNIMED programme will contribute to the Euro-Mediterranean Free-Trade Area.
- Improve the financial environment for SMEs.

7. The Euro-Mediterranean industrial and business organisations will continue the dialogue among each other, with their respective administrations and with the European Union, in order to support the development of the Euro-Mediterranean Partnership with the ultimate objective of the establishment of the Free Trade Area. To that end, following the decisions taken at Marrakech, the business organisations from the South of the Mediterranean, present in Tunis, decided to create a South-Mediterranean regional business organisations correspondent to UNICE. They will meet as soon as possible to decide the structure and methods of work. UNICE will contribute to achieve this in the framework of the UNIMED Business Network.

8. The next Euro-Mediterranean Business Summit will take place in Turkey and in Egypt to assess progress and develop new proposals to strengthen the Euro-Mediterranean industrial cooperation further.

9. To raise awareness of public opinion, and to enable the different actors to effectively prepare themselves to the Euro-Mediterranean free trade zone, the participants request the governments concerned to give a higher visibility to the Euro-Mediterranean process by explaining notably the benefits to be drawn by both sides and the challenges, which need the efforts of all.

SPECIFIC RECOMMENDATIONS

WORKSHOP 1: Investment climate in an Euro-Mediterranean Free-Trade Area

In order to facilitate development of investment in the Euro-Mediterranean free-trade area, participants in the Euro-Mediterranean industrial summit in Tunis recommend the following actions:

1. effective implementation in South Mediterranean countries of a liberal, stable and transparent economic system supported by a legal, administrative and judiciary framework in favour of investments and development of private initiative;
2. establishment of a complete set of European instruments for direct support of companies which want to invest in the Euro-Mediterranean region;
3. establishment of a coherent and transparent national industrial strategy, in which private investment will be promoted efficiently;
4. rapid implementation of a South-South Mediterranean free-trade area which could, if necessary, focus on limited integration areas;
5. creation of an attractive image for investments on the southern shore of the Mediterranean;
6. rapid establishment of an operational network of investment promotion agencies comprising independent agencies and involving the private sector.

WORKSHOP 2: UNIMED Project: a contribution to the establishment of an Euro-Mediterranean Free-Trade Area

In order for the UNIMED Business Network to contribute to the creation of a Euro-Mediterranean free-trade area, participants in the Euro-Mediterranean business summit in Tunis make the following recommendations:

To Euro-Mediterranean industrial federations:

1. to gather themselves to play an active role for the success of the Barcelona process, in particular in stimulating and supporting the necessary changes in society and companies' behaviour;
2. to give content and animate on a shared and concerted way, the exchange of experience planned within UNIMED BN;
3. work together for the creation of a South Mediterranean employers organisation.

To EU institutions:

The strengthening of employer federations must go hand in hand with their greater involvement and greater responsibility in preparation of Euro-Mediterranean policy. With that in mind, it is indispensable to:

1. consult the private sector, through UNIMED Business Network when preparing bilateral and regional actions provided for in the MEDA programme and above all in the framework of industrial co-operation;

2. strengthen the regional and sub-regional approach of the Barcelona process and contribute to the development of different activities of the private sector;

3. facilitate greater integration and flexibility between bilateral and regional actions under the MEDA programme for the promotion/modernisation of the local industrial system;

4. implement rapidly regional programmes for promotion of investment, innovation and quality in companies, Euro-Mediterranean market instruments and mechanisms, and SMEs;

5. invite representatives of the UNIMED Business Network to participate in the industrial co-operation working group and in the experts committees in order to focus on the needs of the private sector and provide private sector assistance in the elaboration/implementation of the programmes.

WORKSHOP 3: SME/SMI Financing Mechanisms: tools for the implementation of a Free-Trade Area.

To facilitate SME access to credit and thus contributing to the creation of a Euro-Mediterranean free-trade area, participants in the Euro-Mediterranean business summit in Tunis make the following recommendations:

1. continuation of EU actions to press and support governments of SMCs to continue the reform of the banking system through deregulation and modernisation of banks, stock markets and other financial institutions. The short-term benefit of this reform will be the facilitation of trade and access to credit through a modernised banking network. In the longer term, it will result in the encouragement for foreign investors and facilitation of the privatisation process in the region. The reform will also encourage public savings which will spur further growth.

2. promotion and application in South-Mediterranean countries, with the necessary adaptations, of European Union best practices in SMEs financing. In this respect, several EU initiatives designed to improve the financial environment for

SMEs (such as JEV - joint European ventures; CREA - risk capital for business start-ups; networks of business angels; or mutual guarantee systems) deserve to be carefully studied.

3. financing by the European Commission of a detailed study to analyse the legal, economic and financial conditions needed for creation of an effective mutual guarantee system in MED countries. The European experience applied in the Mediterranean region could help the local industrial federations to play an important role in improving the relationship between banks and businesses by promoting new mechanisms for financial support of member companies.

4. strengthening the capacity of MED industrial federations to provide training to SMEs on financial management through financing of training activities. The seminars organised in the framework of the UNIMED Business Network programme will be used to improve MED industrial federations knowledge of the various existing financial instruments to support SMEs start up and growth.

5. establishment of venture capital facilities by financial institutions in the region with the support of the European Investment Bank and possibly with the assistance of the European Union through notably transfer of know-how in risk analysis and project follow-up. Moreover, the EIB should promote the creation of a regional guarantee fund in order to facilitate the provision of investment credit. Priority should be given to the promotion and support of private sector investments in order to encourage the setting up of strategic partnerships, which facilitate the integration between North-South and South-South.

C H A P T E R
3

UNICE OPINIONS ON THE
EURO-MEDITERRANEAN
PARTNERSHIP

3.1. UNICE Opinion on the European Union's Mediterranean Policy, 20 October 1995

1. FRAMEWORK

With a view to the Euro-Mediterranean ministerial conference to be held in Barcelona on 27 and 28 November 1995, UNICE, which represents 34 Industrial and Employers' Confederations from 25 European countries, would like, with its comments below, to express its ideas on the proposal for creation of a Euro-Mediterranean partnership.

It considers that creation of a Euro-Mediterranean partnership designed to transform the Mediterranean basin into a region of peace, stability, prosperity and cooperation is of strategic importance for the two regions.

In this context, it welcomes the Council's proposal to develop, in a spirit of partnership, a strategy to develop dynamic relations with Third Mediterranean Countries (TMCs). It urges that the framework thus developed should take account of the specific features of each of the countries concerned and of the various types of relations which already exist, in the form of trade or association agreements, with each country or group of countries in the region. Accordingly, it calls for Union action to be differentiated and progressive, to seek to strengthen existing links and to contribute to sustainable economic and social development in the region.

The new cooperation policy, the broad lines of which were defined successively at the European Councils of Lisbon (June 1992), Corfu (June 1994) and Essen (December 1994) and confirmed at Cannes (June 1995), expresses the Union's wish to pursue its policy of openness towards the East while reaffirming the importance it attaches to the Mediterranean region in both geo-political and economic terms. UNICE shares this approach, while stressing that the Union's policies vis-à-vis these two geographical regions cannot be placed on the same footing, given that the goals in view are fundamentally different, integration in the Union being envisaged in one case but not in the other.

UNICE considers that the financial envelope earmarked by the European Council in Cannes, ECU 4,685 million, topped up by an enhanced contribution from EIB, is an acceptable basis for future cooperation with TMCs. It calls on Community bodies to ensure balanced allocation of the funds in geographical and

sectoral terms, and efficient use of resources with the emphasis on achieving concrete results. Lastly, Union action should help to stimulate horizontal economic integration (between countries on the southern shore of the Mediterranean) and vertical economic integration (between those countries and the EU).

For UNICE, a progressive rapprochement between the political, economic and social conditions between Union countries and TMCs is essential to allow achievement of one of the proposed aims of the Euro-Mediterranean cooperation area which would be creation of a free-trade area as defined by WTO.

In the framework of Euro-Mediterranean partnership, UNICE stresses that economic agents, and in particular companies, have a crucial role to play. It considers that their active participation is the best guarantee for establishment of a framework for dynamic relations leading to progress. It is prepared to enter into dialogue with TMC business organisations so that the framework to be put in place accurately reflects the interests and priorities of companies on both sides of the Mediterranean.

2. A FRAMEWORK OF INTERDEPENDENCE

The European Union and the TMCs are very interdependent, especially in the fields of energy and environment. This takes the form, among other things, of the European Union's dependence on natural gas (32%) and oil (27%) imports.

In addition, the European Union is the biggest customer, leading supplier and main investor in the Mediterranean countries, while those countries are the third biggest supplier and second most important customer of the Union.

A large proportion of immigrants into Union countries come from TMCs. Given that TMCs' current rate of economic growth and investments, in particular from abroad, are insufficient to keep up with the demand for jobs from a rapidly growing population, pressure to migrate from TMCs to the Union could increase in the years ahead if nothing is done on either side of the Mediterranean to improve stability and increase the region's prosperity.

Bearing this interdependence in mind, UNICE supports development of an ambitious and on-going cooperation framework with third Mediterranean countries.

3. ENCOURAGING THE INVOLVEMENT OF ECONOMIC AGENTS

The great challenge constituted by creation of a Euro-Mediterranean economic area by the year 2010, consisting of approximately 30 countries and 700 million inhabitants and representing approximately 40% of world trade, is an objective conducive to catalysing the energies of political and economic players in favour of Mediterranean development.

However, since Euro-Mediterranean partnership seeks to foster cooperation in various fields of shared interest, it is essential that economic agents, particularly those of the business sector, are closely involved in putting it in place, i.e. in the context of the Barcelona Conference.

UNICE therefore considers that the first step must be to involve economic agents and their representatives in the work pursued in the framework of this Conference, in order to make them aware of and motivate them to seize the new opportunities for trade, investment and cooperation open to them in this region.

To ensure that the Euro-Mediterranean area becomes a centre for liberalising trade and for attracting investors, UNICE underlines the importance of increasing convergence of legislation and economic practices between the two shores of the Mediterranean and between third Mediterranean countries themselves.

Realising such an objective requires recognition of and mutual respect for the cultural identity of each party, taking advantage of the synergies resulting from the combination of different cultural traditions.

With a view to stimulating economic development and the participation of economic agents, UNICE considers it desirable, under conditions geared to the specific features of the TMCs, to open up some of the programmes in place in the EU, inter alia, in the fields of education, continuing training, research and development, and industrial cooperation.

4. SUPPORTING DEVELOPMENT OF AN AREA OF SHARED ECONOMIC PROSPERITY, LIBERALISATION OF INVESTMENT AND BUSINESS COOPERATION

One of the major objectives of Euro-Mediterranean partnership is to increase substantially investments in TMCs and trade between the Union and these countries in order to develop an area of shared prosperity. UNICE supports this objective and recommends the following actions and measures to facilitate its realisation:

- further intensification of relations between the Union and each third Mediterranean country and in particular rapid conclusion of the negotiations under way with a view to the signing of Euro-Mediterranean association agreements, the establishment of a customs union with Turkey and the opening of accession negotiations with Cyprus and Malta six months after the conclusion of the Intergovernmental Conference (IGC).
- accelerated integration between the third Mediterranean countries themselves, inter alia via progressive establishment of one or, more probably, several areas of regional free movement. European companies consider that such a development would be desirable to ensure sustainable economic development in the region, but it depends entirely on the will of the countries concerned and the EU should not make this a pre-condition for a strengthening of Euro-Mediterranean partnership.
- liberalisation of investment must go hand in hand with effective application of the instruments regulating foreign investment in TMCs. The establishment of a broader legal framework, defining and establishing a set of general principles for application at national level, such as non-discrimination, the transparency of legislation, repatriation of profits and the entry and exit of key personnel, should be supported. To the same end, it will be necessary to negotiate agreements in the area of double taxation and protection of investments. In this context, OECD negotiations aiming at a Multilateral Agreement on Investment (MIA) are of particular importance. It is essential for the TMCs to participate actively in the arrangement to be put in place for consultation of non-OECD members, and to make known their positions at the different stages of negotiations.
- simplification of administrative standards and practices which unnecessarily complicate the activities of companies at local level and impede their cooperation with companies of other countries.
- progressive harmonisation of customs rules, including rules of origin, and effective approximation of customs administration procedures in TMCs and the EU, via appropriate technical assistance.
- early and effective implementation of the WTO Agreement on trade-related aspects of intellectual property rights (TRIPs). This is essential for the

movement of goods and services covered by intellectual property rights, for the protection of investments they represent and for the voluntary transfer of technology for the benefit of all.

- development, in the framework of Community action, of programmes seeking to put in place and/or improve basic infrastructures. These are essential to facilitate trade and cooperation between companies. This will make it possible to create a wide sphere of mutual interest and an area of economic and business interaction based on joint projects, particularly in the area of water supply, health infrastructure, energy (natural gas), transport (interoperability with transeuropean networks), including sea harbours, and telecommunications. Priority must be given to initiatives which mobilise private resources for the funding of infrastructures.

5. PROMOTING SMALL AND MEDIUM-SIZED ENTERPRISES (SMEs)

Aid for SMEs, with the aim of modernising them, is an important aspect of economic development. Success in this area calls for actions concerning three points: technical assistance, risk capital and assistance for development of strategic alliances between enterprises.

At the same time, mechanisms to assist enterprises in the new Euro-Mediterranean area will have to be developed in order to ensure:

- distribution and processing of information necessary for the development of their business in the Mediterranean region,
- organisation of training programmes aimed at business people. These programmes should relate in particular to business management, marketing, innovation, quality, privatisation, joint ventures and technological development. They should also allow exchange of experience,
- creation of networks of companies and establishment of cooperation mechanisms to facilitate market access, and strengthening of industrial cooperation. With that objective in mind, organisation of sectoral round tables could prove particularly useful.

In this context, employers' organisations from European countries with their counterparts in TMCs will be able to play an important role as catalysts of business initiatives.

6. INVESTING IN HUMAN RESOURCES

Cooperation in the fields of education, training and research is of strategic interest for the economic development of TMCs. In today's world, the knowledge and quality of human resources constitute the main factor for the competitiveness of economies, and of companies in particular.

Bearing in mind TMCs' insufficient resources in these areas, it is therefore important to invest intensively in them, and with substantial means.

7. COOPERATING IN THE ENVIRONMENTAL, ENERGY AND TRANSPORT SPHERES

- From the point of view of sustainable development, the environment is a factor of crucial importance because of the strong interdependence between the Union and the TMCs, and common problems which should be resolved: protection of the sea, treatment of toxic waste, water conservation, combating desertification, development of environment-friendly tourism, etc.

To this end, in UNICE's view, environmental cooperation between the European Union and TMCs must be expanded in particular in the various sectors of industry, transport, agriculture, fisheries, tourism, national and regional development, etc.

- Activities linked to energy are also a broad area for economic and business cooperation given the great interdependence between the two shores of the Mediterranean. Joint projects must be encouraged in the context of transeuropean energy networks.
- Creation of a Euro-Mediterranean economic area, which may in time lead to a free-trade area, should offer new opportunities for maritime transport and lead, through increased competition, to a reduction in the costs of transport. With this prospect in mind, it is also essential to pursue harmonisation and coordination of transport rules relating to such areas as entrance, exit, customs and navigation.

Linking TMC transport networks and transeuropean networks is also necessary to improve the inter-regional links and to facilitate development and access to the different modes of communication.

Cooperation in this field, which represents an important potential of economic activity, will have to play an instrumental role in creating an efficient global transport network.

8. COOPERATION IN THE FIELDS OF AGRICULTURE AND RURAL DEVELOPMENT

Given that most TMCs are countries where agriculture and derived activities occupy an important or even preponderant place in their economic activities, action must be taken on both sides of the Mediterranean, in concertation with the circles concerned, to facilitate progressive and reciprocal liberalisation of the markets in this sector, and to render the envisaged free-trade area between the European Union and third Mediterranean countries compatible with WTO rules.

In order to underpin agricultural modernisation and rural development of TMCs, training and technical assistance programmes in this sector should focus mainly on diversification of production, reduction of food dependence, promotion of environment-friendly agriculture, and approximation with European phytosanitary and veterinary standards and their effective application.

Reinforced cooperation between Union and TMCs professional organisations in this sector should facilitate these developments.

9. INSTRUMENTS TO AID ECONOMIC TRANSITION

The fact that the south Mediterranean region is a region with a low economic growth rate, and where market rules are not applied evenly, is at the root of the weakness of investment amounts and return on investment. It is this situation that Euro-Mediterranean partnership seeks to change.

To do this, as summarised in point 4, the Mediterranean countries must first of all guarantee safety of investments and the smooth functioning of market rules. Appropriate financial resources to encourage economic transition should be available at the same time.

For allocation of financial resources to these countries to facilitate their economic transition into market economies, UNICE urges that priority be given to existing instruments which have stood the test of time, such as the MED programmes, Europartenariat - Interprise, BC-Net and ECIP (European Community Investment Partners), etc.

Bearing in mind existing financial constraints and in the spirit of the proposals made in Edinburgh in 1992 to support investment, the following should be considered to promote investment in the Mediterranean area and thus contribute to the development of the Euro-Mediterranean partnership:

- put in place rapidly a "Financial facility for the Mediterranean", managed by the European Investment Bank,
- examine the possibility for the European Investment Fund to offer guarantees for investments with a Mediterranean dimension.

Apart from these instruments, it may be, because of the scope of Euro-Mediterranean partnership and the diversification of action it involves, that new instruments are necessary to provide support for the private sector. These will have to be developed in close concertation with the economic operators concerned.

For UNICE, it is essential that the available resources should be used effectively by earmarking them for actions which are likely to have tangible results, and should be granted to countries which have taken, and continue to take, measures to liberalise and privatise their economies. It also stresses the need for transparency and regular monitoring of how the available funds are used.

CONCLUSION

Given the important implications of the Euro-Mediterranean partnership for European companies, UNICE wishes to be closely involved in preparatory work for the Barcelona Conference, and in the action programme resulting from this Conference.

3.2. UNICE Opinion on Euro-Mediterranean Industrial Cooperation, 22 November 1996

1. INTRODUCTION

As part of the follow-up to its 20 October 1995 opinion on the European Union's Mediterranean policy, UNICE would like to examine in closer detail the more specific theme of industrial cooperation.

UNICE considers that industrial cooperation is a very important aspect of the Union's Mediterranean policy insofar as it makes a significant contribution to the process of economic integration with the aim of progressive free trade between the two shores of the Mediterranean. Against this background, a strengthening of the presence of European industry in the markets of Mediterranean partners (MPs) must be one of the priority objectives of Euro-Mediterranean cooperation. Among other things, this must concentrate on the creation of a stable, reliable and consistent industrial environment, notably in the regulatory, legislative and fiscal fields.

In its 20 October 1995 opinion in view of the Barcelona Ministerial Conference on 27 and 28 November 1995, UNICE defined the principles that European business circles regard as fundamental for the development of Euro-Mediterranean partnership.

The conferences organised by several of UNICE's member federations (Lisbon, Valencia and Malta) and which brought together organisations representing business circles from the south and north of the Mediterranean were an opportunity for a more detailed look at the questions which more specifically concern the industrial sector.

This opinion sets out the views of European business circles on the essential conditions for optimal development of industrial cooperation between Europe and MPs.

2. FRAMEWORK

Euro-Mediterranean industrial cooperation was given a fresh impulse with adoption of a work programme by the Conference of Ministers for Industry of European and MP countries which was held in Brussels on 20 and 21 May 1996.

The regional dynamic generated by this Conference is also having an impact on economic integration between the MPs themselves, integration which UNICE regards as fundamental to ensure sustainable economic development in the region.

The Commission working document on the "EU industrial cooperation policy with the countries of the Mediterranean basin", which was presented to the Council of Industry Ministers on 14 November 1996, examines the themes identified by the Brussels Conference in greater detail.

UNICE, while supporting the Commission's objective which seeks to reinforce the coherence of Community intervention in the industrial domain, wishes that concrete orientations be adopted in that direction. In this perspective, the identification of projects common to several MPs which have links with projects or programmes for intervention presented in the framework of bilateral agreements should be given priority. This approach would make it possible for these common projects to be also financed from funds allocated on a bilateral basis.

3. PRIVATE-SECTOR PARTICIPATION

Since companies are the players in industrial cooperation, UNICE considers that the European and MP private sector must participate directly in the conception and implementation of industrial cooperation measures targeting the countries on the southern and northern shores of the Mediterranean. Yet, industry has not so far been involved in the technical definition of the programmes already initiated by the new Med Committee

With a view to ensuring optimal efficiency in deployment of resources devoted to industrial cooperation, it calls on the Commission inter alia to promote the active participation of representatives of the MP private sector in the drafting of the indicative plans for their countries which serve as the basis for Community actions. This participation is all the more important because the public sector occupies a significant place in MP economies. This approach must be followed both for the bilateral approach and the regional approach.

At regional level, UNICE considers very positively the decision of the Brussels Conference to organise thematic working groups to pursue dialogue and identify joint action projects. However, this thematic approach requires:

- a systematic examination of the relationships between the various themes selected by the ministers for industry and with other areas such as infrastructures and financial resources;

- an overview of the programmes implemented in MPs and financed by the EU (at bilateral level), by Member States or by other international sources in order to promote complementarities.

The European private sector is willing to contribute to the work of the five working groups created in Brussels¹, by providing information and issuing opinions on:

- the difficulties and obstacles encountered by companies on the markets of the Euro-Mediterranean region;
- the legal, economic and other changes needed to improve cooperation and trade between the parties;
- the results of cooperation actions;
- regional action initiatives in preparation;
- the policies which influence implementation of the Euro-Mediterranean partnership process.

The strengthening of relations between Euro-Mediterranean industrial federations encouraged by the European Commission could play an important role for these ends of reciprocal information and promotion of industrial cooperation in the framework of Euro-Mediterranean policy. It is in this context that the industrial federations at the Euro-Mediterranean Industrial Forum held in Malta on 13 and 14 May 1996 proposed to examine creation of a standing Forum, a plan that is currently being studied. UNICE is favourable to this initiative.

4. SPECIFIC AREAS FOR REGIONAL INDUSTRIAL COOPERATION

Taking as its reference point the action areas specified in the Brussels declaration, UNICE has the following comments:

Appropriate Legal/Administrative Framework

As UNICE already stressed in its 20 October 1995 opinion and restated it at the Euro-Mediterranean industrial summit held in Valencia on 24 and 25 October 1995, greater convergence in legislation and economic practices is a determinant factor for MPs to become an attractive region for investments.

(1) Working group themes: legal/administrative framework; business culture, business associations and training; industrial zones and specialised services centres, promotion and modernisation of companies, with special reference to SMEs; development of Euro-Mediterranean partnership, information and communication networks.

The various sub-themes listed in the Brussels declaration² correspond to areas in which European companies want action to be taken by priority. UNICE also underlines the importance of eliminating non-tariff barriers to international trade. It would like to add to the list in the Brussels declaration the following questions which should also be tackled:

- the process of economic reform currently under way must go hand in hand with reduced bureaucratic procedures;
- adoption of transparent procedures for public procurement;
- realisation of a study of the investment codes in place in each MP with a view to developing a standard investment code which could be adapted by each MP to reflect its own specific features, notably on the sociological and political fronts;
- restrictions on transfers of key European personnel;
- simplification of customs control procedures. Among other things, this should include application of a single administrative document, especially in the MPs which have not yet concluded association agreements with the EU.

The Euro-Mediterranean industrial forum which took place in Malta also underlined the importance of a framework of technical and regulatory standards conducive to national and foreign investments, while fostering approximation between these standards and those in place at European and international level. To this end, compliance by the different countries with common standardisation and certification rules is an essential element of this process.

MP federations have a leading role to play in all these areas. UNICE especially appreciates the efforts of these federations to encourage pursuit of the reform process under way in their countries and establishment of a legal and administrative framework which effectively fosters investment. Their support to European companies which plan to invest in their countries is also greatly appreciated.

(2) *Right of establishment and liberalisation of the supply of services; free movement of capital; compliance with and application of competition rules; progressive narrowing of disparities hindering cooperation; adjustment of production processes to international and Community rules and standards; progressive abolition of obstacles to trade and investment.*

Business Culture, Business Associations and Training

UNICE is pleased that the Brussels declaration assigns an important role to business associations in the framework of industrial cooperation, notably in the areas of executive training, information and business services. With this in mind, the participation of industrial federations in the working group which is looking at these questions is a good example of the decentralised cooperation that the EU's Mediterranean policy seeks to strengthen.

European industrial federations are very active in the area of international cooperation. Many have signed cooperation agreements and/or set up joint committees with MP federations. These arrangements form a solid base for a strengthening of cooperation actions, notably in the fields of training, promotion of joint international projects between companies, and preparation and disclosure of economic information.

Industrial Zones and Specialised Services Centres/Promotion and Modernisation of Companies, Especially SMEs

The measures planned in these two areas concern the provision of specialised services to companies and more specifically to local SMEs. On the basis of the experience of its member federations which represent millions of SMEs, UNICE would like to make the following recommendations.

First of all, to simplify the situation for SMEs, it is important to ensure that, within the framework of the Community action plan, there are not multiple structures offering similar services in the same region. Along the same lines, special efforts must be deployed to make these structures and the services each of them offers more widely known.

The availability of information is not sufficient to encourage SMEs to use these services. In order for them to do so, it is necessary to demonstrate that these services help to improve the company's competitiveness. It is also useful, in parallel to information, to provide training courses in modern management techniques for interested SME executives.

Lastly, experience has shown that business services are used more intensively if they:

- are provided in response to specific needs defined locally;
- whenever possible, are provided by local agents or use local skills.

Efforts must therefore be made to match services more closely to the company's local environment. To this end, European and MP industrial federations are willing to participate actively in the development of service centres.

Development of Euro-Mediterranean Partnership, Information and Communication Networks

UNICE supports the proposal to network European and MP interested economic agents on the basis of sectoral joint projects for partnership, information and communication. Inter alia, these projects should target:

- vertical and horizontal electronic links for exchange of information on companies interested in establishing cooperative relations;
- organisation of sectoral round tables;
- organisation of seminars presenting country overviews on MPs, concentrating on investment conditions;
- trainee exchanges between organisations in the different countries.

Realisation of such projects should also contribute to economic integration of the MPs themselves.

UNICE fully shares the proposal included in the Brussels declaration for pursuit of existing partnership initiatives between Euro-Mediterranean SMEs. It adds that it is necessary to strengthen Community partnership programmes aimed at creation of Euro-Mediterranean joint ventures, such as European Community Investment Partner (ECIP).

Establishment of a programme along the lines of AL-INVEST for the Mediterranean should also be encouraged, taking account of past experience, notably for the selection of actions and to adapt this type of programme to a region which comprises highly differentiated levels of development, as is the case on the southern shore of the Mediterranean.

UNICE would have liked the section of the Meda regulation for "promotion of European private-sector investments" to be specifically mentioned in the Brussels declaration. Indeed, it believes that greater mobilisation of European Union industry vis-à-vis MPs is a decisive factor for the industrial modernisation of these countries, while also contributing to the competitiveness of European industry, in the framework of the globalisation of economies.

5. COORDINATION OF INDUSTRIAL COOPERATION ACTIONS

The effectiveness of Community industrial cooperation measures can be much increased if efforts are made to improve coordination between:

- Community actions taken at bilateral and regional level. Experience proves that juxtaposition of these actions actively helps to bring companies closer together;
- Community actions and bilateral actions by Member States and other international sources, notably the World Bank;
- measures concerning the economic development factors set out in the Brussels declaration and other Community actions targeting, inter alia, infrastructures, the financial system, privatisations and the industrial restructuring programmes which are essential for trans-Mediterranean economic approximation and industrial competitiveness.

Regarding infrastructures, it is important to underline their decisive role in trans-Mediterranean economic rapprochement. Actions in this area are important vectors for industrial cooperation insofar as they offer possibilities for private investment, notably European investment.

CONCLUSIONS

Given that industrial investment is one of the determinant factors for the economic development of MPs, UNICE attaches very great importance to a strengthening of industrial cooperation between the two shores of the Mediterranean and between the MPs themselves. It considers that the priority must be given to establishment of a stable, reliable and consistent legal and administrative framework.

European companies very much welcome the conclusions of the Euro-Mediterranean Conference of Ministers for Industry, held in Brussels on 20 and 21 May 1996, which seek to upgrade industrial cooperation. However, to ensure greater effectiveness in the measures to be taken, UNICE stresses the crucial role to be played by participation of the European and MP private sector in the conception and implementation of Community actions at both bilateral and regional level.

Business circles in Europe and on the southern shore of the Mediterranean are determined to pursue dialogue between themselves and with their respective administrations to support development of an area of co-prosperity in the Mediterranean region. The next summit of Euro-Mediterranean industrial federations, to be held in Marrakesh on 5 and 6 December 1996, is a further step in this process.

3.3. Third Euro-Mediterranean Ministerial Meeting Stuttgart, 15-16 April 1999 - UNICE Statement, 22 March 1999

EURO-MEDITERRANEAN PARTNERSHIP

UNICE strongly supports the objective of the Euro-Mediterranean Partnership, which aims at the establishment of a zone of stability, security and creation of the conditions for sustainable economic development.

Because of the slow progress of the Barcelona Process, the overall results are not as positive as expected. Nevertheless, for the first time European Union and South Mediterranean countries (SMCs) have come together to pursue a common goal and laid the foundations for further steps towards balanced economic relations and co-operation between the two sides of the Mediterranean basin. This close co-operation should be reinforced to make the partnership beneficial to both regions. UNICE puts a great deal of emphasis, as a prerequisite for economic co-operation, on a mutual understanding of inter-cultural differences between the two regions.

The Euro-Mediterranean Free-Trade Area is a long term objective and the strategy leading to it has multidimensional aspects: actions in the economic field need to be seen in the context of political objectives. The evolution of the peace process in the Middle East is critical for development of economic activities in the region.

The Euro-Mediterranean Partnership should be seen in the wider context of multilateral trade and investment liberalisation. With the view to the WTO Ministerial Conference to take place in Seattle from 30 November to 3 December 1999, UNICE calls on the participants in the 3rd Euro-Mediterranean Ministerial meeting to increase their co-operation on WTO issues in order to build the necessary consensus to launch a comprehensive forward-looking round of negotiations at the WTO Ministerial Conference to be held in Seattle at the end of the year. The objective is to bring new economies and new issues within the scope of the rule based multilateral trading system and provide for all members a solid and growing framework of open markets for all sectors as a basis for future growth and prosperity in an increasing globalised economy. Such an agenda should encompass issues such as investment, trade facilitation, government procurement, electronic commerce and the clarification of the relationship between trade and environment.

ECONOMIC INTEGRATION AMONG SOUTH MEDITERRANEAN COUNTRIES (SMCs) IS ESSENTIAL

Economic integration between SMCs is essential for fostering sustainable economic development in the region. At present, inter-regional trade among SMCs amounts to approximately 5% of their total foreign trade. UNICE believes that if economic co-operation among SMCs is not increased from its present low levels, integration between Northern and Southern shores of the Mediterranean basin will not be achieved easily. Establishment of Free-Trade-Area among SMCs is essential for the establishment of the Euro-Mediterranean Free-Trade Area.

Within the framework of the Euro-Mediterranean Partnership, progress towards an area of co-prosperity depends first and foremost on the full establishment of Euro-Mediterranean Association Agreements, which are designed to facilitate investment and trade between the signatories. UNICE encourages SMC governments and EU institutions to make a co-ordinated effort to accelerate finalisation of Association Agreements with all SMCs.

FOREIGN DIRECT INVESTMENT/SMALL AND MEDIUM-SIZED ENTREPRISES (SMEs)

Growth in the overall volume of foreign investment in SMCs has been very slow and there is a striking loss of relative share compared with developing countries in other regions. Although in recent years the degree of liberalisation of foreign investment legislation undertaken has been encouraging, more efforts should be made by SMC governments for removal of existing limitations and simplification of administrative procedures in order to facilitate the flow of foreign investment. Improvement of the competitiveness of the economies will depend on the speed at which these reforms take place. These measures should be complemented by further economic liberalisation, privatisation, development of human capital and regional market integration, which would allow the critical size that will attract foreign investors.

European Commission and member states' co-operation programmes should provide the SMCs with the necessary technical assistance to establish and implement the stable and reliable legal and administrative framework, needed to facilitate economic development and industrial co-operation.

Foreign investment in SMCs is essential for their economic development, especially to support the activities of the SMEs which are the cornerstone of economic activity in the region. UNICE looks for measures to support South Mediterranean SMEs. The modernisation and upgrading of SMEs will notably be achieved by facilitating the transfer of technology and know-how through joint ventures between European and South Mediterranean countries SMEs.

To that end, some European Employers' Organisations have created "Business Centres" to act as channel for establishing contact between European and SMC companies. This kind of initiatives, which have proved very useful and effective, should be further encouraged and appropriate financial resources allocated to them.

The provision of adequate credit facilities to ensure the necessary process of modernising the SMEs should be a focus of the MEDA-programme.

MEDA PROGRAMME

UNICE supports continuation of the MEDA programme after 1999. UNICE believes that the needs of the region are vast and the resources placed at the disposal of MEDA programme should be used efficiently. In some SMCs, the MEDA funds had low absorption rates because the overall level of development is very low. A thorough evaluation of the impact of the programme so far should be undertaken and causes of the delay in execution should be identified in order to improve the performance and efficiency of fund utilisation from 1999. UNICE calls also for increased transparency and better monitoring in the implementation procedures of the new MEDA programme.

UNICE supports increased co-ordination between co-operation agents (European Commission, World Bank, EU Member States and other donors) in the region as a way of ensuring optimal use of funds and maximum impact of actions.

For optimal utilisation of the resources earmarked for Euro-Mediterranean economic and industrial partnership, UNICE urges that representatives of South-Mediterranean industry organisations be closely involved in formulation of the new MEDA programme and in definition of the Regional and National Indicative Programmes. Industry federations need also to be duly informed about country allocation, and the evolution of allocation and utilisation of MEDA funds. To that end, UNICE looks forward to being kept informed regularly.

CONTRIBUTION OF EMPLOYERS' ORGANISATIONS

Considering the importance of business organisations in the development of a social and economic environment, UNICE is prepared to play an important role in assisting the Employers' Organisations of SMCs in their preparation for the future Euro-Mediterranean Free-Trade Area. UNICE has proposed that the European Commission co-finance a four-year project for reinforcement of the Employers' Organisations of SMCs through the exchange of information and experience with UNICE and its member Federations. This training activity will be supported by the networking of all the participants to the project, guaranteeing a constant circulation of information and assistance to SMC industrial sectors. Through this project, UNICE hopes to be able to gain first-hand information on the business impact of the projects financed by the MEDA programme and hence help to improve its effectiveness.

UNICE welcomes the European Commission's invitation to participate in EU-MED working groups on industrial co-operation: "development of the industrial and entrepreneurial base" and "legal and administrative framework". It will submit specific projects to strengthen European Union and Mediterranean business co-operation further.

INFRASTRUCTURE

UNICE believes that improvement of infrastructure is essential to regional integration and economic development. EU infrastructure, national or regional, in favour of SMCs should be further strengthened. To have a large impact, it should preferably be defined within a regional strategy. The role of the European Investment Bank is particularly important to complement the development of this infrastructure in SMCs. EIB financial contributions to infrastructure programmes, in the context of the new MEDA programme, should be increased.

CONCLUSION

Euro-Mediterranean business organisations will continue the dialogue among themselves, with their respective administrations and with the European Commission, in order to support the development of the Euro-Mediterranean Partnership with the ultimate objective of establishing a Free-Trade Area and the further liberalisation of trade and investment at multilateral level in the framework of the WTO. They have decided to meet in Tunis in the year 2000, and subsequently in Turkey and in Egypt to assess progress and develop new proposals to strengthen Euro-Mediterranean industrial co-operation further.

C H A P T E R
4

UNIMED BUSINESS NETWORK

4.1. Presentation of UNIMED Business Network

The UNIMED Business Network project aims at strengthening employer organisations in the Mediterranean partner countries and networking them with their sister organisations in the European Union. The project, managed by UNICE (Union of Industrial and Employers' Confederations of Europe) and co-financed by the European Union, brings together the employer organisations of the 27 countries involved in the Euro-Mediterranean partnership. It runs for a period of three years- from April 2000 to March 2003.

The expected results are as follows:

- An improvement in the representation of the interests of the industrial world
- An improvement in the management of employer organisations
- An improvement in the service and assistance provided by organisations to their affiliate companies
- Strengthened co-operation between employer organisations in the European Union and Mediterranean partner countries

To achieve these results, the project is built around three main axes:

1. Training and support for employer organisations in Mediterranean partner countries

This axis includes actions involving exchange of experience and knowledge transfer among employer organisations in the European Union and Mediterranean partner countries on two major themes:

- *representativeness and influence of an employer organisation*
- *functioning and competences of an employer organisation*

The actions are organised in two phases:

1. A regional phase designed to allow all participants to share their current best practices. The following actions are currently implemented:

- Training seminars organised with the aim of presenting different national practices in relation to the two major themes. Between November 2000 and December 2001, five training seminars took place:

Date / General Theme	Location (country)	Hosting federation	Specific Theme
10 November 2000 Representativeness and influence of employer organisations	Aix-en-Provence (France)	MEDEF	Strengthening the role and influence of professional organisations and their legitimacy vis-à-vis national governments; relationship with political parties, the press and the public opinion.
19/20 January 2001 Management of employer organisations	Casablanca (Morocco)	CGEM	Organisational and financial management of employer organisations
30/31 March 2001 Skills of permanent staff	Nicosia (Cyprus)	OEB	Financial services to enterprises.
21/22 June 2001 Skills of permanent staff	Brussels (Belgium)	UNICE	The UE financial assistance to the Mediterranean partner countries.
6/7 December 2001 Management of Employer organisations	St. Julians	MFOI	Services to enterprises provided by employer organizations.

- Visits by staff from Mediterranean partner organisations in order to follow up the exercise of familiarisation with the practices and organisational techniques of other organisations that have been initiated in the training seminars.

A first phase of visits has been realised between September 2001 and January 2002. A total of fifteen visits took place during this first round. Officers from the Algerian, Cypriot, Egyptian, Maltese, Moroccan, Syrian, Tunisian and Turkish federations benefited from this experience. Federations from eight EU countries have been visited: Finland, France, Germany, Greece, Ireland, Italy, Netherlands and Spain.

2. A national phase during which each Mediterranean employer organisation, assisted by an EU employer organisation, will develop a series of priority themes on the basis of an action plan. The following actions are planned (and will take place during 2002):

- Technical assistance missions to Mediterranean employer organisations in order to present specific experience on the themes identified by the beneficiary organisation.
- Traineeships, whereby the staff of Mediterranean employer organisations will be trained in other organisations in order to pursue the objectives defined in the action plan

2. Networking of Euro-Mediterranean Employer Organisations

One of the project's priority objectives is the circulation of information among employer organisations on themes related to initiatives by the European institutions, governments and employer organisations within the framework of the Euro-Mediterranean Partnership. The website is the area where the employer organisations participating in the project continue the dialogue and the exchange of experiences already started in the framework of the training and support activities. Thus, it is a permanent link between Euro-Mediterranean business organisations.

The website address is www.unimedbn.org where detailed information on the project's objectives and implementation could be found.

3. Creation of a regional structure for representation of the interests of employer organisations in Mediterranean partner countries

Another objective of the project is to analyse the conditions necessary for creating a structure for representation of the business interests of the South-Mediterranean region. Through this structure, the employer organisations in Mediterranean partner countries wish to strengthen co-operation among themselves in order to promote their shared interests more effectively.

There has been remarkable progress towards the constitution of a regional confederation, thanks to the active involvement at the highest level from Mediterranean partner countries' employer organisations. Indeed, an Union of Mediterranean Confederations of Enterprises (UMCE) could already be launched in 2002.

4.2. Statement by the Euro-Mediterranean Business Community in view of the 4th Euro-Mediterranean Ministerial Conference, Marseille, 15-16 November 2000

1. Industrial and employer organisations from North and South of the Mediterranean, meeting in Aix-en-Provence on 10 November 2000, draw the attention of participants in the Marseille ministerial meeting to the conditions for a successful Euro-Mediterranean partnership.

2. The Euro-Mediterranean business community fully supports the objectives of the Barcelona process and the need to re-invigorate it. They regard this partnership as a crucial and historic opportunity to develop a shared zone of peace, security and economic prosperity.

3. Euro-Mediterranean business recognises that, in the framework of the Barcelona process, many initiatives and decisions have been taken and actions undertaken in order to deepen Euro-Mediterranean relations. They regret that the latter have not produced the expected results, notably in terms of economic development, and deplore the process's lack of credibility in public opinion. They believe that this situation is largely due to insufficient visibility given to the Euro-Mediterranean partnership as a whole, and more particularly to what is at stake and the means to be deployed to achieve tangible and lasting results. To date, the process has principally been the preserve of the governments concerned and of the European Commission, with insufficient involvement of economic and social players.

4. A project of such political and economic magnitude cannot be successful without the broad support of the economic players and general publics concerned. To succeed the economic Euro-Mediterranean partnership must involve action on the ground in particular by companies - the key players for growth and job-creation, but also promotion of the economic and social reform and progressive market liberalisation which foster integration. Euro-Mediterranean business calls on participants in the Marseille ministerial meeting to develop appropriate mechanisms for advanced consultation of recognised business organisations on the economic aspects of the Barcelona process.

5. Business organisations on both sides of the Mediterranean have been working together, since already before the Barcelona process was launched, to improve the business environment and facilitate industrial co-operation. Through

dialogue and concertation, at both bilateral level and in the framework of Euro-Mediterranean industrial summits, the most recent of which was held in Tunis on 12 and 13 May 2000, they have developed a common approach to addressing the main problems affecting Euro-Mediterranean partnership. They have also formulated specific recommendations to promote and encourage entrepreneurship, innovation and investments, and thereby to strengthen corporate competitiveness. They are committed to continue and strengthen their joint action in that direction.

6. Euro-Mediterranean business dialogue has led to establishment of the UNIMED Business Network programme, supported by the European Commission, which seeks to strengthen employer organisations in South Mediterranean Countries (SMCs) and their cooperation with their sister organisations to the North of the Mediterranean via networking and exchanges of experience and good practices. One of the goals being pursued is creation of an umbrella organisation which would bring together all South Mediterranean federations and which would act in particular as a driving force for South-Mediterranean co-operation and integration of the region as UNICE has done and continues to do on the European side.

7. Euro-Mediterranean business shares and fully endorses the objective of establishment of a Euro-Mediterranean free-trade area on the horizon of 2010. However, they underline that areas of instability to the South of the Mediterranean and imbalances between market integration to the North and South of the Mediterranean place major impediments on its creation. To achieve this goal, they reiterate their call for:

- conclusion of Euro-Mediterranean Association Agreements, as rapidly as possible, with the countries in the region that have not yet concluded one and the need to accelerate ratification by the EU member states;
- new initiatives in South Mediterranean countries to accelerate integration of their markets through development of regional or sub-regional free-trade areas. Particular attention should be paid to harmonisation of bilateral preferential rules of origin and the importance of setting up a pan-mediterranean cumulation of rules of origin;
- implementation of the legislative and administrative reforms already initiated to create an environment conducive to private initiative and investment based on transparency and stability;

- joint efforts by the institutions in Europe and the states concerned to create and improve the infrastructures needed for the development of South-Mediterranean and Euro-Mediterranean economic integration;
- specific, realistic and balanced proposals for the sensitive issues of trade in agricultural products and movement of persons;
- intensification of legislative and regulatory approximation between the two regions. The business community welcomes the European Commission's Euromed Market programme, and stresses the importance of single-market-type harmonisation procedures in the sectors of rules of origin, customs matters, norms and standards, intellectual property protection;
- more efficient use of resources devoted to economic and industrial partnership through proper involvement of representative industrial organisations in definition of the industrial aspects of Euro-Mediterranean programmes financed under the MEDA regulation. In implementation of the programme, particular emphasis should be placed on direct support for SMEs to the North and South of the Mediterranean engaged in industrial cooperation projects which facilitate technology transfers and create local jobs;
- a positive decision on the MEDA II financial envelope, which must be coherent with the objectives in view and reflect the new programming period.

8. Economic integration of SMCs is not only the centrepiece of the future Euro-Mediterranean free-trade area but also the main condition identified by potential investors for long-term commitment to the region. Without significant progress in this direction, competition from other regions of the world will weigh heavily.

9. The success of the Euro-Mediterranean partnership presupposes much more than economic integration. It implies a significant cultural evolution towards a shared pattern which both respects inter-cultural differences between the two regions and endorses the experience of economic freedom. Such an evolution requires profound changes and wide acceptance of these changes by the populations concerned. To that end, it is extremely important to prepare younger generations for these general values through exchange programmes at school and universities. This will help to improve mutual understanding and networking between both sides of the Mediterranean.

10. Euro-Mediterranean business communities welcome the initiative of the European Commission to prepare and launch an information and communication programme designed to raise awareness both in the EU Member States and in the partner countries about the Barcelona process and the advantages of a Euro-Mediterranean free-trade area. The business community underlines the necessity for the MEDA programme to be made more visible to economic operators in SMCs and the EU, and they undertake to contribute actively to this information campaign in their respective countries.

11. The organisations representing Euro-Mediterranean business congratulate the European Commission for the lucid analysis of Euro-Mediterranean partnership presented in the Communication "Reinvigorating the Barcelona process" and invite the Marseille Euro-Mediterranean Ministerial Conference to address the main obstacles identified to the success of the Euro-Mediterranean partnership with courage and pragmatism. The Euro-Mediterranean business community calls for a clear action programme accompanied by a realistic timetable which will make it possible to assess progress in the process and to define adjustments and new measures where necessary.

12. For their part, the Euro-Mediterranean business organisations will intensify their cooperation to strengthen their joint action. They will pursue dialogue with the administrations concerned and other players in the Barcelona process who wish to develop together a Euro-Mediterranean area of shared prosperity. At the next Euro-Mediterranean industrial summit, to take place in Istanbul, they will assess the progress made in implementation of their recommendations by the administrations on both sides of the Mediterranean and decide appropriate action to move the Euro-Mediterranean partnership further forward.