



EUROMED REPORT

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CONCLUSIONS OF THE FIFTH EURO-MEDITERRANEAN MINISTERIAL CONFERENCE ON INDUSTRY

Caserta, 4 October 2004

1. Ministers reaffirmed their continued commitment to the objectives of the Barcelona Declaration to create a Euro-Mediterranean area of shared prosperity and to the fundamental principles of partnership and co-ownership.
2. They welcomed the fact that the European Neighbourhood Policy puts emphasis on co-operation towards more economic integration between the European Union and its partners and, in particular, reiterated the important role played by the Mediterranean partners within this policy.
3. They underlined the fact that economic development in the Mediterranean region requires competitive market economies, efficient public administrations, regional integration and co-operation between partners at all levels. This is essential in meeting the challenges of globalisation and creating sufficient jobs for a rapidly growing force.
4. Ministers welcomed the progresses accomplished by the Mediterranean partners in the economic, social and industrial fields, despite the uncertain and difficult economic climate worldwide. They also noted the considerable progress since the launch of the Barcelona process in structural reforms and trade liberalisation, even though economic integration is still weak, especially South-South integration. Nevertheless, South-South integration has gained a certain momentum with the signature of the Agadir Agreement earlier this year and with the negotiations of new bilateral Free Trade Agreements. This process should be accelerated.
5. The removal of non-trade barriers is important in fostering business links across the region. Ministers welcomed the launch of a process aimed at harmonising procedures in the field of technical regulations, standardisation, and conformity assessment with those in force in the EU, one of the recommendations of their last meeting in Malaga.
6. Ministers recalled the achievements of Euro-Mediterranean industrial co-operation since the first ministerial conference of Brussels in 1996, notably in the field of investment promotion, creation of business support networks and mechanisms for trade facilitation. In particular, they stressed the merits of regional, pro-active initiatives to improve the image of the Mediterranean partner countries as a promising region for inward investment in the manufacturing and services industries. Concerted efforts



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should continue in the field of investment promotion, with a particular emphasis on the removal of remaining barriers to investment, image building, economic intelligence, investment targeting, project generation and networking.

7. To instigate the culture of partnership between economic operators that will make a reality of the Euro-Mediterranean economic space, Ministers agreed to put enterprise more at the centre of the co-operation process. This will translate into two orientations for the future:
 - (i) Launching a structured dialogue on enterprise policy issues, based on jointly defined priorities and leading to concrete improvements in the business environment; and
 - (ii) Initiating a reflection on the actions that could allow Mediterranean business to move up the value chain and foster industrial partnerships throughout the region.

Ministers stressed the central contribution of the private sector in this process. They took note of the joint message addressed to them by UMCE (Union of Mediterranean Confederations of Enterprises) and UNICE (Union of Industrial and Employers' Confederations of Europe) in this respect.

8. The Euro-Mediterranean Charter for Enterprise will be the common framework for developing effective policies to improve enterprise competitiveness and support private sector development in the region. The Euro-Mediterranean Charter will also be a reference for future regional, sub-regional and bilateral co-operation activities.

The Ministers from the nine Mediterranean partners signed the "Caserta Declaration", by which they committed to implementing the Charter. The Dutch Minister for Foreign Trade, on behalf of the Presidency of the European Union, the Member of the European Commission, and the Italian Minister for Productive Activities, on behalf of Italy as the host country, also initialled the Caserta Declaration. The European Union and its Member States committed to making available to the Mediterranean partners their experience in the areas covered by the Charter. They expressed their readiness to support their efforts in implementing the principles of the Charter.

Progress in implementing the Charter will be reviewed on a regular basis, according to the methodology outlined in the Work Programme 2005-2006 of the Working Party on Euro-Mediterranean Industrial Co-operation. The Working Party will become the platform for benchmarking activities and the systematic exchange of experience, good practice and knowledge.

9. Ministers took note of the results and recommendations arising from the "MED BEST" (Business Environment Simplification Task) process, an inventory of measures to improve competitiveness in the Mediterranean region. The reports confirm the existence of good practices that could be the basis for a fruitful regional policy dialogue.

MED BEST confirmed the strides made by the Mediterranean partners over the past years in creating the conditions for private sector development. It also highlighted the



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areas for improvement, in particular with respect to the transparency, efficiency and predictability of administrative procedures. Ministers agreed that difficult access to finance for small business is a common concern. This has a negative impact on the emergence of a buoyant enterprise sector. The weak entrepreneurship culture is another matter of concern. The education system fails so far to nurture entrepreneurial skills and risk-taking attitudes. In addition, there is a mismatch between the curricula and the requirements of the labour market.

As a result, Ministers decided to enhance co-operation, as a matter of priority in 2005-2006, in the three following areas:

- Administrative simplification
- Education for entrepreneurship
- Access to finance.

All relevant economic operators and international organisations will be associated with the policy dialogue, including the European Bank for Investment.

10. Ministers welcomed the positive results accomplished by industrial co-operation through the regional and bilateral projects under the MEDA programme. In consideration of the effects generated by the market globalisation, they underlined the importance of considering complementing these with sub-regional programmes and regional efforts to attract investment, and enhancing the sectoral dimension of co-operation. Within this framework, Ministers recommended launching without delay a pan-Euro-Mediterranean dialogue on the future of the textile and clothing industry with a view to the setting up of a strategy for the Euro-Mediterranean region. They invited the European Commission to examine the possibility for Mediterranean partners to be associated with EU action to improve skills, promote research and innovation and secure the protection of intellectual property rights. They welcomed the efforts made in implementing the protocol on pan-Euro-Mediterranean rules of origin. This will stimulate intra-regional trade in the sector and facilitate the integration of Mediterranean companies into European production value chains.
11. Ministers acknowledged the vital contribution of innovation, research and non research, to enterprise competitiveness and hoped for the strengthening of the initiatives aimed at facilitating access to information, technology transfers and networks, as well as increasing links, notably between universities and enterprises.
12. The Working Party on Euro-Mediterranean Industrial Co-operation will play a more active role in the future in establishing the links between policy issues and co-operation activities. The Working Party will be informed on the progress in implementing MEDA programmes concerning private sector development, will exploit the results of these programmes, and will assist MEDA partners in identifying possible new approaches for co-operation with a view to fostering private sector development.



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13. Ministers approved the 'Work Programme 2005-2006' of the Working Party on Euro-Mediterranean Industrial Co-operation, which outlines activities in the following areas:
 - Monitoring of progress in implementing the Euro-Mediterranean Charter for Enterprise
 - Regional policy dialogue on enterprise policy
 - Pan-Euro-Mediterranean dialogue on the future of the textile and clothing industry
 - Co-operation projects for private sector development.
14. Ministers agreed to meet again in 2006 to assess progress in implementing the Euro-Mediterranean Charter for Enterprise and to discuss the orientations put forward by the Working Party on Euro-Mediterranean Industrial Co-operation.