MAKING THE CASE
FOR MAGHREB BUSINESS
IN TIMES OF CHANGE

A PRIVATE SECTOR STRATEGY FOR A MAGHREB INITIATIVE
OF COMMERCE AND INVESTMENT (IMCI)

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### LIST OF ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>ASEAN</td>
<td>Association of Southeast Asian Nations</td>
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<tr>
<td>AMU</td>
<td>Arab Maghreb Union</td>
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<tr>
<td>BMICE</td>
<td>Banque Maghrébine de l’Investissement et du Commerce</td>
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<tr>
<td>CAP</td>
<td>Confédération algérienne du patronat</td>
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<tr>
<td>CEE</td>
<td>Central and Eastern Europe</td>
</tr>
<tr>
<td>CGEM</td>
<td>Confédération Générale des Entreprises du Maroc</td>
</tr>
<tr>
<td>DCFTA</td>
<td>Deep and Comprehensive Free Trade Area</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>FDI</td>
<td>Foreign direct investment</td>
</tr>
<tr>
<td>GAFTA</td>
<td>Greater Arab Free Trade Area</td>
</tr>
<tr>
<td>GCC</td>
<td>Gulf Cooperation Council</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross domestic product</td>
</tr>
<tr>
<td>IMCI</td>
<td>Initiative Maghrébine du Commerce et de l’Investissement</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>UMA</td>
<td>Union du Maghreb Arabe</td>
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<tr>
<td>UME</td>
<td>Union Maghrébine des Employeurs</td>
</tr>
<tr>
<td>LBC</td>
<td>Libyan Businessmen Council</td>
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<tr>
<td>MCU</td>
<td>Maghreb Customs Union</td>
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<tr>
<td>Mercosur</td>
<td>Mercado Común del Sur</td>
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<tr>
<td>MFTA</td>
<td>Maghreb Free Trade Area</td>
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<tr>
<td>MSM</td>
<td>Maghreb Single Market</td>
</tr>
<tr>
<td>NTB</td>
<td>Non-tariff Barriers</td>
</tr>
<tr>
<td>SME</td>
<td>Small and Medium Enterprises</td>
</tr>
<tr>
<td>UTICA</td>
<td>Union tunisienne pour l’Industrie, le Commerce et l’Artisanat</td>
</tr>
<tr>
<td>UPM</td>
<td>Union nationale du Patronat mauritanien</td>
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<tr>
<td>WTO</td>
<td>World Trade Organization</td>
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A NEW APPROACH TO TRADE INTEGRATION IN THE MAGHREB

A few years ago a number of Maghreb1 countries surprised the entire world. They embarked on a transformation process which has been unique in its kind and which is still pulsing today. At the same time imbalances, increasing disparities and rising youth unemployment rates are keeping the region on tenterhooks. Eventually, the region is longing for a comprehensive strategy which spurs on sustainable and inclusive growth and leads to shared prosperity. This is where a Maghreb Initiative of Commerce and Investment (IMCI) can provide a value added.

Despite a significant number of common economic challenges Maghreb governments have sought remedy in national solutions. Bilateral trade agreements with neighbors overseas such as the European Union (EU) are favored over tighter cooperation within Maghreb states. The absence of regional integration is costly. Up to 2-3 percent of the consolidated regional gross domestic product (GDP), roughly 530 billion Dollars, is lost each year due to trade restrictions and legislative barriers.1 At the same time efforts to couple the “Maghreb potential” have not been in vain. The creation of the Arab Maghreb Union (AMU-UMA) in the late 1980ies initiated a period of common institution-building. However, this framework, able to serve as a backbone for a common single market, has not been effectively called to life. Out of a total of 36 legal conventions, protocols and agreements, only 6 have been ratified by national parliaments within 25 years. Political paralysis blocks the view on the crucial role the Maghreb could play in world economy. Together, the five countries can build the critical mass necessary to exploit economies of scale and to compete on a global level: A young dynamic population, a strategic geographic position, a great plenty of natural resources and a prosperous neighborhood.

These comparative advantages remain to this day largely neglected. Instead major obstacles remain: Intra-Maghreb value chains are fragmented and national markets are relatively closed up vis-à-vis the global level. In sum, this leads to a lack of competitiveness and bars the road to more sustainable and inclusive growth.

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The various building sites are not a secret and have been stated and expanded by academia, international bodies and business: Promotion of small and medium enterprises (SME), access to finance, the need for reliable framework conditions and low bureaucratic burdens, investment in research and vocational training, modernization of infrastructure etc. The infinite number of possible policy options should not cloud the sight: In times of change, affecting the Maghreb countries as well as its neighborhood, political leaders and fore and foremost the business community both have to set the strategic priorities together. Within a period of political transition, which is itself linked to an economic revolution set about some decades ago, the need for courageous signals is more than urgent. They can smooth the way towards sustainable growth and employment. Both are preconditions to global competitiveness as well as guarantors for political stability and a functioning intergenerational contract.

The goal is to suggest in a comprehensive manner how the business community can organize and structure itself to effectively move ahead. How should a new culture of advocacy look like?

In no way this report is a panacea for all the economic difficulties the region is currently facing. However it can lay the basis for a new platform of thought and action.

Method:

1. Review and synthesis of previous in-depth studies on the Maghreb integration process; review of benchmark studies on comparable regional integration projects;
2. Review of Maghreb policy makers and employers federations assessments (e.g. UMA and UME);
3. Analysis of the current economic and political development since the “Arab Spring”;
4. Drafting of concrete organizational and policy-related proposals which may refocus intra-Maghreb integration in the year of the 25th anniversary of the AMU on effective business needs.
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PLAIDER POUR LE MAGHREB DES ENTREPRENEURS - UNE STRATEGIE DU SECTEUR PRIVE POUR UNE INITIATIVE MAGHRÉBINE DU COMMERCE ET DE L’INVESTISSEMENT (IMCI)

Ce rapport propose une nouvelle approche constructive afin de faire avancer l’intégration régionale en matière de commerce dans la région du Maghreb. Face aux blocages politiques qui depuis les années 1994 ont profondément entravé la coopération économique entre les cinq signataires de l’Union du Maghreb arabe (UMA), il faut mobiliser de nouvelles voies afin de relancer le processus dans lequel l’Algerie, la Libye, la Mauritanie, le Maroc et la Tunisie s’étaient embarqués en 1989.


Le Maghreb traverse actuellement de profondes transformations qui affectent tous les domaines des politiques publiques dans la région.

L’entrepreneuriat est un partenaire indispensable afin de remettre le Maghreb en route. En comparaison avec d’autres régions dans le monde, le taux de commerce au niveau intra-maghrebien reste chroniquement bas. Ce sont surtout la persistance de barrières non-tarifaires et l’insuffisance des infrastructures qui freinent la compétitivité de la région. En même temps, l’abondance des ressources naturelles, de capital humain éduqué et de marchés avec un potentiel de développement représentent des opportunités indéniables. Des efforts à la coopération en matière de régulations et à la modernisation des infrastructures seraient une incitation afin d’encourager l’investissement intra-maghrebien ainsi que des Investissements Directs Étrangers (IDE).

La région urbaine, l’importance du taux de chômage des jeunes dans la région reste inquiétante. Dans la conviction qu’il est possible de répondre à ces problèmes au niveau du Maghreb, les cinq pays signataires devraient reconsidérer les arguments en faveur d’une coopération plus étroite.

Le plan d’action indique deux dimensions que les entrepreneurs du Maghreb devraient aborder dans un horizon de 1 à 5 ans. D’un côté, les structures organisationnelles doivent être élargies et adaptées à une défense d’intérêts à l’échelle régionale. De l’autre, les priorités concernant les politiques publiques devraient être définies et communiquées aux acteurs politiques. In fine, la mise en œuvre de ces deux dimensions interconnectées constitue la base pour une action entrepreneuriale crédible et durable dans la région du Maghreb.
EXECUTIVE SUMMARY AND ACTION PLAN

This report is about a new and constructive approach to regional trade integration in the Maghreb. In the face of political deadlock, which has deeply affected economic cooperation between the five signatories of the Arab Maghreb Union (AMU) since 1994, alternative channels have to be mobilized to re-launch the process on which Algeria, Libya, Mauretania, Morocco and Tunisia embarked in 1989.

The new approach consists a more consistent and permanent engagement of the regional private sector to progressively overcome the absence of regional integration. In fact, the virtual absence of cooperation represents a loss of roughly 2-3 percent in the annual regional gross domestic product (GDP). The Employers federations in the five AMU member states have therefore bundled their force in 2007 within the Union Maghrébine des Employeurs (UME). In order to reinvigorate the AMU process in the midst of the challenging Post-Arab Spring era in the view of inclusive growth and employment, UME initiates in 2014 the Maghreb Initiative for Commerce and Investment (IMCI). The rationale behind this private sector initiative is explicated in the first and second chapter of this report. The third chapter contains a comprehensive action plan, divided up in two operative strategies.

The Maghreb is experiencing a number of profound transformations which affect all areas of policy-making in the region. Popular uprising led to regime change in Tunisia and Libya in 2011 reordering the regional political architecture. After years of steady GDP growth, all countries have entered a period of demographic transition. Tunisia and Libya in 2011 reordering the regional political architecture. After years of steady GDP growth, all countries have entered a period of demographic transition. Besides growing territorial disparities and a population move towards urban areas, youth unemployment has remained alarmingly high. Convinced that these challenges can be addressed on a Maghreb level, the five countries should reconsider the reasons why tighter cooperation makes sense.

Business is an indispensable partner in getting the Maghreb back on track. Compared with other regions world-wide intra-Maghreb trade is chronically low and especially Non-tariff barriers and insufficient infrastructure curb the region’s competitiveness. At the same time abundant natural resources, an educated human capital and markets with potential for development are undisputable opportunities. Efforts on regulatory cooperation and infrastructure modernization and expansion would be an incentive for encouraging intra-Maghreb investment as well as FDI inflow.

The action plan indicates two dimensionsMaghreb business should attack in a planning horizon of 1 to 5 years. On the one hand, organizational structures need to be expanded and adapted to regional advocacy. On the other hand, with regard to policy areas, priorities have to be defined and communicated to political actors. Eventually, both dimensions are interconnected and lay the basis for credible and durable business action in the Maghreb.

### Policy action

<table>
<thead>
<tr>
<th>Short term (1 year)</th>
<th>Medium term (2-4 years)</th>
<th>Long term (5 years +)</th>
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<tbody>
<tr>
<td><strong>Trade and finance</strong></td>
<td></td>
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<tr>
<td>Facilitate cross-border access to credits and loans</td>
<td>Harmonisation of customs procedures</td>
<td>Liberalise all capital movements in the Maghreb</td>
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<tr>
<td><strong>Customs</strong></td>
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<tr>
<td>Establish dialogue between the Customs Council and the UME</td>
<td>Agree on a common transit regime</td>
<td>Establish common tariffs</td>
</tr>
<tr>
<td><strong>Infrastructure</strong></td>
<td></td>
<td></td>
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<tr>
<td>Strengthen Public-Private Partnerships (PPP)</td>
<td>Agree on deeper harmonisation in certain sectors</td>
<td>Investment in port and railway capacities</td>
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<tr>
<td><strong>Business climate</strong></td>
<td></td>
<td></td>
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<tr>
<td>Make administrative procedures more transparent</td>
<td>Create Maghreb Investment Agency</td>
<td>Launch intra-Maghrebean and international investment campaign</td>
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<tr>
<td><strong>Markets and Jobs</strong></td>
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<td></td>
</tr>
<tr>
<td>Ease requirements for cross-border work permits</td>
<td>Agree on deeper harmonisation in certain sectors</td>
<td>Create common markets in certain sectors</td>
</tr>
<tr>
<td><strong>Education and Training</strong></td>
<td></td>
<td></td>
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<tr>
<td>Adapt university to business needs</td>
<td>Interlink university research and business</td>
<td>Create a Maghreb Research Area</td>
</tr>
<tr>
<td><strong>UME Organization</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Set up an inter-federation working group</td>
<td>Appoint staff</td>
<td>Regular functioning of the secretarial body</td>
</tr>
<tr>
<td><strong>Establish sectorial committees and expert groups</strong></td>
<td></td>
<td></td>
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<tr>
<td>Agree on key sectors of cooperation</td>
<td>Appoint Committee members</td>
<td>2-4 Committee sessions p.a.</td>
</tr>
<tr>
<td><strong>Strengthen UME-UMA Partnership</strong></td>
<td></td>
<td></td>
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<tr>
<td>Identify common goals after the Marrakesh Forum 2014</td>
<td>Appoint a permanent UMA interlocutor at the UME Secretariat</td>
<td>Participation of UMA representatives in expert groups</td>
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<tr>
<td><strong>Establish Business Roundtables</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CEO Roundtable in 2014</td>
<td>2-3 Sectorial Roundtables p.a. hosted by large companies</td>
<td>3-4 Sectorial Roundtables p.a. hosted by UME</td>
</tr>
<tr>
<td><strong>Establish international liaison offices</strong></td>
<td></td>
<td></td>
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<tr>
<td>Brussels</td>
<td>Riyadh</td>
<td>Washington and Beijing</td>
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<tr>
<td>Annual Report and Forum</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State of progress memorandum 2014</td>
<td>Regular reports on business climate and economic growth</td>
<td>Maghreb business climate index and alumni community</td>
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</table>
Political deadlock is not a reason to give up. Maghreb business remains the backbone of cross-border cooperation and has the potential to go further. In view of multiple transformations reshaping the region, clear and visible signals are more than necessary.
1.1. PROFOUND TRANSFORMATIONS

North Africa may be one of the least integrated regions in the world\(^1\), at the same time it is one of few regions which has embarked on such a vibrant and intense transformation process.

The 2011 uprisings which have been commonly labeled the “Arab Spring” can be considered as a powerful symptom of long term economic and social changes. The origin of these movements lies in the 1980 and 1990 when the end of the Cold War inaugurated a new era of opening up and global exchanges. At the same time the region has entered a phase of demographic transition as fertility rates are decreasing since 1990. The 2011 uprisings which have been commonly labeled the “Arab Spring” can be considered as a powerful symptom of long term economic and social changes.

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At the time Maghreb countries did not only decide to converge economically and politically within the AMU. They also launched a number of decisive national reform packages: Privatization of state owned companies, revamp of infrastructure, and diversification of economies. Very soon national interests overran the Maghreb spirit. Structural adjustments and strategic reorientation were undertaken in each country in a different way, which partly explains today’s fragmented regional economic structure.

Legal obligations, to which AMU member states had committed themselves, remained unapplied as Heads of State and Government could not agree on holding further summits. At the same time the AMU Secretariat has continued actively to adapt legal instruments and keep inter-regional cooperation alive.

Moreover external rapprochement with the EU, the major trading partner of the Maghreb, was strictly orchestrated on a national level (Tunisia and Morocco 1996, Algeria 2002). In the short term, the national strategy paid off: Between 1999 and 2008 the majority of Maghreb countries experienced impressive average GDP growth rates of 3-5.5 percent. However certain governments did not realize or simply ignored the lacking sustainability of their economic models.

Despite a general improvement of living conditions, regional disparities have been increasing. Unemployment has remained high while the population is growing. Corruption and institutional inefficiencies were increasingly denounced.

Governments generally underestimated the effect of the radical shift in the output mix from agricultural products and raw materials to services. In the case of Tunisia for example agricultural production shrank within 20 years by 4 percent, while services expanded by almost 10 percent. A similar phenomenon can be observed in Morocco.

Last but not least, in the aftermath of the Euro crisis 2009, exports to Europe as well as FDI seriously declined. First and foremost the most open Maghreb economies, Tunisia and Morocco, were hit by this shock.

**Figure - GDP growth rates of the AMU area 2000-2012 (annual %)**

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP Growth</th>
</tr>
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<tbody>
<tr>
<td>2000</td>
<td>3%</td>
</tr>
<tr>
<td>2001</td>
<td>4%</td>
</tr>
<tr>
<td>2002</td>
<td>5%</td>
</tr>
<tr>
<td>2003</td>
<td>6%</td>
</tr>
<tr>
<td>2004</td>
<td>7%</td>
</tr>
<tr>
<td>2005</td>
<td>8%</td>
</tr>
<tr>
<td>2006</td>
<td>9%</td>
</tr>
<tr>
<td>2007</td>
<td>10%</td>
</tr>
<tr>
<td>2008</td>
<td>11%</td>
</tr>
<tr>
<td>2009</td>
<td>12%</td>
</tr>
<tr>
<td>2010</td>
<td>13%</td>
</tr>
<tr>
<td>2011</td>
<td>14%</td>
</tr>
<tr>
<td>2012</td>
<td>15%</td>
</tr>
</tbody>
</table>

**Source: UNCTAD**

Demographics and the job market

The Maghreb is a dynamic region. This fact is illustrated best by a rapid population growth which has considerable increased the potential workforce. Between the 1980 and 2000 populations more than doubled in the majority of the Maghreb countries. At the same time the region has entered a phase of demographic transition as fertility rates are decreasing since 1990.

Today the region counts more than 90 million inhabitants. Algeria (38 millions) and Morocco (33 millions) are the most populated countries. Tunisia (10 millions) and Libya (6.5 millions) range in the middle. Mauritania is currently the region’s least populous country.

Within all the countries, the urban population has been growing much faster than in rural areas. This has made cities the key economic and social epicenters. Jobs-seekers would increasingly leave the countryside as the workforce in agriculture has been more and more rationalized.

With the exception of Mauritania, where the majority of the population lives in rural areas, between 58 to 78 percent of Maghrebins was living in cities in 2012. In the past, governments have therefore paid more attention to urban development by improving infrastructure and the access to education. As a consequence, territorial disparities in certain countries have further increased\(^2\).

Juxtaposed to this movement from rural to urban areas, labor in Maghreb countries is experiencing a considerable transformation.

At first view, there has been visible progress in the reduction of unemployment in the major Maghreb economies\(^3\). Between 2000 and 2009 unemployment fell from 13.4 percent to 9.1 percent in Morocco and from 30 percent to 10 percent in Algeria. Tunisia’s unemployment rates remained relatively high, despite the country’s impressive economic performance.

However, employment policies have been unsustainable: In Algeria and Morocco growing employment in the informal sector has led to stagnation in labor productivity. Tunisia has built its growth on low-skilled sectors. The demand for educated labor is sluggish, explaining the high youth unemployment rates in the country.

**BOX: YOUTH UNEMPLOYMENT**

During the last years youth unemployment rates in the Maghreb countries has been one of the highest in the world. Whereas globally 12 percent of the young were unemployed in 2008, 24 percent of young Algerians and 18 percent of young Moroccans were left without a job. In Tunisia, the rate was at alarming 31 percent.

There are multiple causes to this alarming phenomenon: The “youth bulge”, meaning a demographic increase of "prime-age" working population; incompatibility between education outputs and the needs of business; a shortage of high-skilled jobs in the region; adjustments after the global economic crisis.

Leaving the region seems to many young skilled Maghrebins the only solution. Around 16 percent of the labor force in Morocco, 15 percent in Tunisia and 14 percent in Algeria emigrated in 2009. On the one hand, this “brain drain” weakens regional economies as skilled human capital is lost. On the other hand, through remittances migrants overseas exceed FDI and make a considerable contribution to the regional GDP.
1.2. COMPETITIVENESS AND TRADE

Maghreb competitiveness and the regional trade level are currently in a poor state. Compared with other regional blocks worldwide, which have been further converging, the AMU area remains fragmented.

The most significant trade flows in the Maghreb in terms of imports and exports can be observed between the “central Maghreb countries” (Algeria, Tunisia and Morocco) (see Annex page 54). At the same time, intra-regional trade among the central Maghreb countries was less than 3 percent of the region’s total trade. In contrast, intra-regional trade within the EU was 63.6 percent, within ASEAN 24.6 percent, and among Mercosur countries 15.2 percent. Eventually, these facts have been repeatedly deplored and they highlight once more the need to take action. At the same time, global benchmarking does not lead very far when one tries to understand why intra-Maghreb trade remains low and which major barriers impede the turn towards more competitiveness.

Figure - Intra-regional trade by regional agreement 
(% of total trade)

- Lack of trade complementarity
  Intra-regional merchandise trade suffers from low intra-regional trade complementarity, mirroring similarities in trade structures: Small markets; low export diversification; little integration into global production chains limiting the expansion of high value added manufacturing activities.

- Lack of external market diversification
  Maghreb trade patterns are significantly driven by proximity. In fact the EU has remained the main source of exports and imports for Maghreb countries which accounts on average for over 65 percent of their total trade. This high market concentration points to the vulnerability of the region to changes on the European market.

- Lack of product diversification
  The range of goods offered by Maghreb countries still remains relatively similar. Besides products related to the oil- and gas-sector which are mainly traded by Algeria and Libya, the main export manufacturing sectors are the clothing and textiles industry, agri-food and building materials and, to some extent, electrical and mechanical industries. The service sector is dominated by tourism. At the same time there are signs of export diversification in Tunisia and Morocco.

Investments patterns

Today, intra-Maghreb investment patterns as well as international foreign direct investment (FDI) are underdeveloped. Whereas the inflow of FDI was higher in the Maghreb countries than in Central and Eastern Europe (CEE) in the 1990, this trend changed around 2004. Major reasons are ongoing large-scale privatization programs and structural adjustments which attracted numerous foreign investors.

Two major investment patterns characterize the current state of play:

- Intra-Maghreb FDI are low compared to other regional trading blocs
  Intra-regional FDI in Mercosur, ASEAN or the GCC vary from 8 to more than 30 percent of total FDI. In the AMU area they represent less than 1 percent. Libya holds 55 percent of the total regional FDI, followed by Tunisia (20 percent) and Morocco (15 percent). FDI of Maghreb countries outside the AMU area have rapidly shrunk in 2009 after the global financial crisis.

- Inward FDI to the Maghreb countries have decreased after 2011
  While in 2008 extra-regional FDI reached a record level of 3 percent, this trend was reversed sharply after the 2011 uprisings. Even if foreign investors are hesitantly returning, their engagement is much lower. Europe remains the principal FDI source for Maghreb countries, in particular regarding Morocco and Tunisia (80 and 60 percent, 2005-2009). In general, Tunisia holds highest stock of FDI in the region, followed by Morocco and Algeria.

Experiences in the past have shown that FDI can act as growth boosters. Besides an inflow of foreign currency, technology transfer and job creation, FDI also can spur on productivity and help to further diversify economies.

Efforts to take concrete action in the Post-2011 period already exist. On the occasion of the 15th Regional Conference of finance ministers and central bank governors of the Maghreb countries in Nouakchott in 2013 Christine Lagarde, Chief of the International Monetary Fund (IMF), outlined the necessary steps to enhance FDI in the region: “For the level of foreign direct investment to increase, Maghreb countries need to improve the business environment, make customs and taxation rules more transparent, make the judicial system more predictable and independent, and harmonize investment rules across the region.”

By agreeing to finally launch the Arab Maghreb Union Investment Bank (BMICE) in 2014, Maghreb governments made a promising step towards facilitating investment. In fact, BMICE loans will provide a solid financial base for improving infrastructure, a necessary precondition for increasing FDI.

Figure - FDI inflows into Maghreb countries 
(in US$ millions)
1.3. MARKETS AND OPPORTUNITIES

At the current stage, the Maghreb countries are more fragmented than united. The freezing of the integration process within the AMU framework, which was mainly caused by the border closure between Morocco and Algeria in 1994, has left its marks on the region.

Goals, which seemed to be tangible in the 1990 have moved into an uncertain future: The creation of a Maghreb Free Trade Area (MFTA), the creation of a Maghreb Customs Union (MCU) or the creation of a Maghreb Single Market (MSM).

Tariffs remain high between Maghreb countries. This does not only have a deteriorating impact on trade intensity, but limits the competitiveness and quality of products.

These obstacles are coupled by NTB which can consist in straightforward border closures, excessive delays resulting from lengthy clearance and inspection processes, the large number of documents and signatures needed to process a trade transaction, and the frequency of problems with customs and other government authorities.

Besides the virtual non-existence of the free movement of goods and services, the free movement of labor and capital is also more than limited between the five AMU signatories.

In addition, regional and international business has frequently highlighted the need for a comprehensive cross-border infrastructure, which is a precondition for a competitive logistics sector.

The responses to these claims have always been national facilitation strategies, which have been more successful in some Maghreb countries than in others. However, the "Maghreb dimension" is non-existent in national policy decisions.

In times of change, where the need for a Maghreb dimension is more present than ever before on national policy agendas, the status quo has to be courageously put into question:

- Where does the Maghreb stand today?
- Which concrete benefits would further cooperation entail for the five AMU members?

First of all, this means taking a close look at the state of play on a sectorial scale.

Different dynamic markets are overlapping within the AMU area, each one being more or less prominent in one or more member states. Over the recent years, the Maghreb private sector has experienced the evolution of regional and global demand and supply.

In fact, coming to decisions on how to adjust to market forces has not been an easy task as solutions are hampered by a number of obstacles: The absence of regional integration is fragmenting regional value chains and impedes the diversification of the product base.

In the past, a number of in-depth scenario studies have repeatedly quantified the gains of "more Maghreb". Business will further qualify these gains in 2014. They can be harvested in every sector, from agriculture, to industries up to energy and logistics.

**Table:** Maghreb markets today and the gains of deeper regional integration

<table>
<thead>
<tr>
<th>MARKET</th>
<th>STATUS QUO</th>
<th>TIGHTER COOPERATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>• Rising demand for agricultural products (wheat, milk, meat)</td>
<td>• Food security up to 2030</td>
</tr>
<tr>
<td></td>
<td>• Water scarcity</td>
<td>• Sustainable water and soil management</td>
</tr>
<tr>
<td></td>
<td>• Desertification</td>
<td>• Technological innovation (breeding)</td>
</tr>
<tr>
<td></td>
<td>• Increase in global competition</td>
<td></td>
</tr>
<tr>
<td>Agriculture</td>
<td>• Low national electricity production capacities</td>
<td>• Share costs for additional power plants</td>
</tr>
<tr>
<td></td>
<td>• Need for grid extension and modernization</td>
<td>• Lower energy prices for consumers</td>
</tr>
<tr>
<td></td>
<td>• Inefficient energy consumption</td>
<td>• Energy diversification (solar power, wind energy)</td>
</tr>
<tr>
<td>Industry</td>
<td>• Poorly diversified products</td>
<td>• Rising employment</td>
</tr>
<tr>
<td></td>
<td>• Decreasing productivity (deficient manufacturing plants)</td>
<td>• Larger product range</td>
</tr>
<tr>
<td></td>
<td>• Diverging industrial strategies and planning/protectionism</td>
<td>• Innovation</td>
</tr>
<tr>
<td>Information and Communication Technologies (ICT)</td>
<td>• Need for area wide IT-infrastructures</td>
<td>• Increase in FDI</td>
</tr>
<tr>
<td></td>
<td>• Bureaucratic hurdles</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• No internationalization capacities</td>
<td></td>
</tr>
<tr>
<td>Transport and Logistics</td>
<td>• Country-specific progress (e.g. Tanger Med, High speed train sections)</td>
<td>• Cross-border research facilities</td>
</tr>
<tr>
<td></td>
<td>• Time-consuming administrative procedures</td>
<td>• More efficient production processes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Improved administration (customs, security)</td>
</tr>
</tbody>
</table>
Connect, dismantle, invest—A recipe for a successful Maghreb business

Strong and thriving commerce and industry is a fundamental prerequisite for raising prosperity, creating jobs and ultimately improving welfare in a region which has far too long suffered from disintegration and lack of cooperation.

The UME strategy to launch the IMCI is a clear call for giving commerce and industry the necessary framework to play their role in the Maghreb of the future.

Open competition and free trade across borders are crucial elements in a “new deal” for the Maghreb. The free movement of goods, services, capital and people will boost growth and turnover for the many businesses waiting to flourish in the Maghreb.

Liberalization of markets and harmonization of regulation is key to achieve the goal. Concretely this means harmonizing different national regulations and thereby smoothing the path for a free trade area, a common or even a single market.

For a start, legal instruments of the AMU framework, specifically those regarding intra-regional and external trade, investment and cross-border employment have to be ratified and implemented. The AMU Secretariat, which is adapting these instruments to the current legal and economic state of play, is ready to provide the necessary technical assistance to bring the “acquis Maghrébin” back to life.

The push for a successful IMCI is suggested to rest on pragmatism and direct dialogue with national governments and authorities. The attached Strategic Action Plan lists concrete topics to be dealt with on short, medium and long term.

These are the beginnings of a long journey for Maghreb business to convince and demonstrate to politicians, populations and even some times business that the way forward to growth and enhanced prosperity goes through more cooperation thus realizing what was already acknowledged 25 years ago: that the Maghreb should be a prosperous region and not just five countries trying to struggle through on their own.

It is suggested to frame the necessary steps forward under the following headings:

Connect markets  
Dismantle obstacles  
Encourage investment

1. Connect markets

Intra-regional external trade can only be facilitated by providing the necessary networks for exchange. This includes tighter cooperation between the five AMU signatories regarding customs. Beside the need to lower tariffs or abolish them in a foreseeable future, procedures should be harmonized.

Also, customs authorities should be made aware of the needs and problems business encounters when goods and services are crossing the border. Furthermore the common planning, extension and maintenance of physical infrastructure, such as roads, ports and railways is a necessary precondition for the growth of the logistics sector. Stronger partnership between the public and private sectors will help respond to key challenges.

Such partnerships generate wider choice of innovative solutions, better value for more and new sources of financing especially in large infrastructure projects. Public-Private-Partnerships (PPP) would be a way to integrate the business view in further infrastructure development.

Finally, the investment in and use of Information- and Communication Technology (ICT) structures are key in fostering growth through research and innovation. It is key to help minimize administrative burdens, widen consumer choice, lower transactions costs, facilitate communication and lead to new services and products. Here and now it plays a key role in facilitating the cooperation of customs authorities and the development of infrastructures.

The immediate objective should be to:

- Encourage cross-border PPP projects on crucial infrastructure development.

Further, the following measures could be envisaged inter alia:

- Link up the Council of Director-Generals of the five customs authorities with business (UME)
- Agree on the computerized exchange of data among customs authorities
- Finalize the Trans-Maghreb-Motorway and extend the Open Sky agreements
2. Dismantle obstacles

High tariffs as well as NTB both hinder trade flows considerably. They leave markets fragmented and impede competitiveness. Following a logic of integration through trade, capital and labor, freedom of movement should become a tangible reality.

Given the reluctance of some countries to further open up their borders and markets, a sectorial approach could be useful. In those sectors, where deeper cooperation seems achievable without losing one of the five strategic partners, progress should be enhanced.

In these “sectors of the lowest common denominator” the free movement of goods and services, workers and capital should be then established. Other sectors may follow later if experience proves the value added of cooperation. Easy access to capital markets minimizes the financial costs for businesses, contributes to increased investment, and stimulates growth. Therefore, especially the free movement of capital has to be further developed as the access to financing as well as money transfers are indispensable conditions for successful and sustainable business.

The immediate objective should be to:
- Determine a limited number of “pilot sectors” where all five countries can agree on a deeper cooperation agenda.

Further, the following measures could be envisaged inter alia:
- Enhance the harmonization of standards
- Ease requirements for cross-border job contracts
- Facilitate the access to cross-border banking loans and credits

3. Encourage investment

Growth and employment cannot be achieved without a critical mass of investment. Thus it is crucial to provide the basis for a significant increase in intra-regional and external investment.

A well-educated workforce contributes significantly to a nation’s or region’s economic value creation through productivity and business innovation. The improvement of the business climate as well as a move towards better quality education and training are the necessary strategic elements which can create an attractive business environment for local and foreign investors.

Doing business in the Maghreb is currently difficult and cumbersome. This is due to insufficient infrastructure, time-consuming administrative procedures and limited access to finance. Skilled young and motivated employees are easily found but vocational training does in many cases not meet the needs of business in 2014.

The immediate objective should be to:
- Review the national university curricula with a view to cross-border business needs.

Further, the following measures could be envisaged inter alia:
- Improve financing conditions, especially for the growing logistics sector
- Render administrative procedures more transparent
- Encourage dual education/training systems (Link up university and business)
2 ENTREPRENEURS AS INDISPENSABLE PARTNERS OF THE PROJECT

Competing globally means closing ranks. Maghreb countries can assert themselves together with a critical mass of comparative advantages. In this matter business is an essential partner to rely on.
2.1. STRENGTHENING COOPERATION BETWEEN EMPLOYERS FEDERATIONS

Catalyzing expectations

Since the creation of the AMU in 1989 Maghreb business has never blown out the flame of cooperation. Despite the painful 1994 deadlock, which has been paralyzing political action towards closer economic integration, Maghreb entrepreneurs have remained defiant.

Circumventing the diplomatic labyrinths, they have chosen a pragmatic approach to balance the shortcomings of national policies. After all, it is business which has to pay the price for the costly absence of regional integration.

Employers federations in the five AMU member states, which show a natural interest in expanding the room for growth, have been one of the few “first movers” in renewing inter-Maghreb dialogue. In 2007 CGEM (Morocco), UTICA (Tunisia), CAP (Algeria) LBC (Libya) and UNPM (Mauretania) ushered in a new era by founding the Maghreb Union of Employers (UME) in Marrakech.

By agreeing to bundle their forces in order to reinvigorate Maghreb cooperation, Employers federations thought ahead. And this has paid off: When in 2011 the great uprisings transformed social and political structures in Tunisia and Libya, calls for mastering the future challenges on a Maghreb scale were omnipresent.

Since then, there have been more and more reasons to conclude: A private sector initiative makes sense. Maghreb business has therefore agreed to start the Maghreb Initiative of Commerce and Investment (IMCI). On the basis of the IMCI Maghreb business will further strengthen its cooperation to catalyze a powerful spill-over effect.

This move can translate into a dual signal: For politics to wake up and for Maghreb peoples join forces. After the 2011 events expectations among citizens in Maghreb countries are high. For many the moment has come to give reinforced economic cooperation a new chance through the AMU process.

Like in 1989 a climate of change and renewal drives complex transformation movements which the national level cannot embrace alone. Action has to be taken to strengthen the Maghreb as a whole: Deepening the cooperation between the five UME Members through permanent structures and a common communication strategy is a first step.

On the occasion of the 25th anniversary of AMU in 2014 a number of serious challenges lie ahead which bear at the same time unexpected opportunities:

- **Economic**: Growth is recovering but it is still too weak to absorb the large population flows into the job market.
- **Political**: The 2011 uprisings have raised the level of political participation. At the same time religious extremism and security threats have increased.
- **Social**: Youth unemployment and the widening of the social gap influence political action. External factors such as technological progress and climate change matter.

The IMCI is rooted in a spirit of cross-border exchanges. The Maghreb private sector has been following closely the economic development in each of the five countries for decades.

One simple but compelling observation has been made repeatedly: With more intra-Maghreb trade, every single national economy would be better off. Nevertheless efforts to dismantle visible and invisible obstacles, such as lacking infrastructure or diverging legislation, have been half-hearted or completely absent.

But the Maghreb business community has also looked beyond the regional scope and it is disturbing to realize that the Maghreb has fallen behind compared to other regions in the world which are growing faster and performing better. Furthermore foreign investment in the Maghreb countries could be intensified: if the necessary business environment was in place.

Improving the conditions for business in the Maghreb is a major goal of the IMCI. Today, the World Bank’s 2013 “Doing Business Report”23 draws a fairly mixed picture of the region’s economies. While some are doing already well, others lack behind. Libya is currently rated as one of the last countries on the list.

Creating a predictable and growth-friendly regional business climate would result in a double benefit: Expanding trade and investment inside the Maghreb and promoting stronger economic ties with its neighborhood and global markets.

Business can step in where it is in the know: Firstly in sketching scenarios for different markets if closer Maghreb cooperation was actually put into place.

Employers federations do not intend to compete with governments and elected parliaments which will decide on the future of each country. At the same time they are convinced that further action towards a better and a closer Maghreb is more than urgently needed to free up growth and create employment.
2.3. THREE REASONS TO JOIN FORCES

The different degree of the 2011 Uprisings throughout the region can at least partially be explained by the variable success of national growth and employment models in the past. While regimes in Tunisia and Libya had to step down, Morocco and Algeria managed to restore social peace without major confrontations.

Nevertheless the whole region has been affected since by a climate of uncertainty, rising security concerns and changing international power structures. Regional GDP growth has been relatively unsteady since the revolutionary movements and investor confidence remains weak. While Egypt has relied considerably on reconstruction aids by the Arab Gulf States, Maghreb countries are left behind. Some have either sought assistance of the International Monetary Fund (IMF) or try to overcome the current economic atony by national strategies.

The urgency of the current economic and political state of play in 2014 highlights once more:

1. COMPARATIVE ADVANTAGES

- Ample natural resources: Abundance of natural gas and oil, phosphates, iron, sun hours, fishing areas and fertile soils illustrates the common Maghreb wealth.
- Critical mass of consumers and internal demand: Today the AMU area counts more than 90 million inhabitants; in 2025 there will be almost 110 million.
- A young and skilled human capital: In the next ten years the per capita output as well as private savings and investment can be significantly raised.
- A consistent industrial base and a dynamic services sector: Even though their potential is not fully exploited there is promising activity in a number of branches.
- Favorable geostrategic position: Situated between Sub-Saharan Africa, Europe and the Eastern Mediterranean, the Maghreb both accesses crucial coastlines and over-land-transport routes of global trade.
- Cultural heritage and biodiversity: With more than 15 million visitors per year tourism is already one of the economic trumps of the region.

2. TANGIBLE GAINS

- Reduction of transaction costs: Currently intra-Maghreb value chains are fragmented. Removing Non-Tariff Barriers (NTB) increases efficiency and saves time.
- Harvest economies of scale: Using cross-border complementarities in production and services helps to significantly reduce production costs.
- Resistance to external shocks: Macroeconomic policy coordination helps to better meet external shocks, such as the Euro Crisis.
- Generate innovation: Pooling competences and skilled labor facilitates the development of avant-garde products.
- Competitive goods and services: A diversified offer extends the choice for Maghreb consumers and ensures a competitive level of prices.

3. GLOBAL VISIBILITY

- Regional value chains: The Maghreb is embedded in a dynamic neighborhood. Better intra-Maghreb cooperation facilitates future agreements with the EU.
- Global markets: The participation of international instruments helps to diversify trade relations.
- Attraction of FDI: A common intra-Maghreb trade framework provides stability and improves the investment climate.
- Trade negotiations: A common basis makes the Maghreb countries stronger when raising claims and concerns.
- Benchmarking: International best practice can be a valuable input. At the same time Maghreb countries can provide useful advice to other regional cooperation agreements.
Shaping the UME within permanent structures gives trade integration in the Maghreb a new meaning. If business is able to lead a comprehensive strategy towards growth and employment by identifying the major fields of action, it will get other stakeholders on board.
3.1. STRUCTURES FOR BUSINESS ACTION

When the five Maghreb Employers federations decided to bundle their forces by founding the UME in 2007 they were anticipating a genuine structure of opportunity. Today this strategic move pays off:

After the 2011 Uprisings it is not only a convenient forum to address common challenges in a new and effective way. It also bears the potential to unlock AMU structures. UME’s main strengths are:

- **Pragmatism**: Focusing on the basic requirements for fruitful cooperation is possible outside the domain of politics.
- **Diligence**: Almost 90 million consumers deserve better products and modern services. Intra-Maghreb cooperation can help to achieve this.
- **Foresight**: Business can help to create jobs of the future, reduce poverty and provide a save social and ecological environment.

Still, in order to make UME a genuine stakeholder ready to successfully advocate for growth, employment and shared prosperity on a Maghreb scale, its organization as well as its policy priorities need to be further developed.

A comprehensive action plan which is outlined in this chapter addresses both:

- **How to establish solid structures to better organize**
- **Which policy priorities to voice in the years to come**

Coordination capacity generated through continuity and competence sharing is a formula UME should embrace. The central goal is to fill the IMCI with life as soon as possible.

**Figure**: Multilevel Strategy Spectrum of the IMCI

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**Table**: The added value of tighter cooperation between Maghrebine Employers federations

<table>
<thead>
<tr>
<th>RECOMMENDATION</th>
<th>VALUE ADDED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establish a permanent UME Secretariat</td>
<td>Since its creation in 2007 the UME has organized successfully two business fora. In fact further institutionalization would ease considerably the collaboration of the five federations and strengthen their credibility and standing vis-à-vis national and international stakeholders. A physical structure should also be complemented by a website geared towards the members and the media.</td>
</tr>
<tr>
<td>Policy input</td>
<td></td>
</tr>
<tr>
<td>• Sectoral committees</td>
<td>Comprehensive expertise on economic integration in the Maghreb has been collected since the creation of AMU and there is still need for more. However the challenge remains to thoroughly review, update and bundle findings on the state of play in different sectors.</td>
</tr>
<tr>
<td>• Expert groups</td>
<td>Business representatives could take up this task in a pragmatic way by screening legal instruments and cooperation mechanisms on their effectiveness and applicability.</td>
</tr>
</tbody>
</table>

**Expert working groups**

At the same time expert groups consisting of representatives from public administration, the AMU Secretariat, academia and civil society should revisit the regional integration process with regards to its concrete output and prospect in times of great changes.

Within 3-6 meetings policy-oriented position papers should be drafted and then addressed by the UME Secretariat to competent national authorities.

A certain number of committees limited to 5-10 members should be envisaged for the following sectors:

- Agriculture
- Energy
- Services and tourism
- Industry
- ICT and telecommunications
- Infrastructure and logistics

**Expert working groups**

At the same time expert groups consisting of representatives from public administration, the AMU Secretariat, academia and civil society should revisit the regional integration process with regards to its concrete output and prospect in times of great changes.

Within 3-6 meetings policy-oriented position papers should be drafted and then addressed by the UME Secretariat to competent national authorities.

The following fields should be covered:

- Customs and tariff barriers
- Macroeconomic governance
- Employment and social dialogue
- Attraction of FDI
- SME promotion, vocational training and innovation

It would be up to the UME Secretariat to coordinate and prepare the sessions of sectoral committees while expert groups are planning their meeting rhythm autonomously. However, the exchange of ideas between committees and expert groups is necessary.
How much time does it take?

Building up capacities takes time. However UME disposes of a set of promising assets, partners and environments which should be involved when strengthening Maghreb business advocacy structures.

Steps and measures which have been outlined above are most effective if they are implemented as a whole. At the same time each of them represents undoubtedly an added value on its own.

Figure: Action plan on organization- Timeline for strengthening UME capacities
3.2. VOICING BUSINESS CLAIMS EFFECTIVELY

A powerful message

Advocacy structures are always established for a certain purpose. They serve to deliver claims to relevant stakeholders, such as government representatives, media and civil society. Through their channels of communication, business federations nourish a culture of awareness and willingness to act.

Throughout the last years the UME has repeatedly called for closer economic cooperation between the five Maghreb countries. This powerful message has been spread to the entire business community on the occasion of the Algiers and Tunis Forum of Maghreb Entrepreneurs. It will also be alive during the Marrakech Forum in 2014. Summing up the needs and claims of Maghreb business in a single document, in a short and concise way, would be the starting point of a genuine IMCI political strategy.

The 2014 Declaration of Maghreb Entrepreneurs would forcefully address the key-expectations the five Employers federations have of national governments in times of great transformations.

More precisely, this declaration or “business manifesto” may be handed over by the president of each federation to their respective Heads of State and Government. Also, the claims and expectations of Maghreb business should be available on a special website in Arabic, French and English in order to reach national international (media) audience.

The declaration, or “business manifesto” may be handed over by the president of each IMCI founding country to their respective Heads of State and Government. Furthermore questionnaires sent to companies as well as expert assessment by academia are helpful means to add weight to the 2014 Declaration.

The Declaration may also serve as a symbolic founding document of the IMCI as well as of a further institutionalized IMCI as well as of a further institutionalized IMCI agenda. The message of business will thus be closely interlinked with enhanced structure and capacity building.

TRAD & LEGAL FRAMEWORKS

Maghreb countries are currently involved in multilevel legal frameworks. Following the AMU Founding Treaty of 1989 36 conventions and protocols have been signed, of which 6 have been ratified by national parliaments. A complete list of signed and ratified agreements in French can be found in the Annex page 52. Besides the common AMU framework, individual Maghreb countries have concluded diverse bilateral agreements with other countries such as the Free trade agreement between Morocco and Tunisia or between Morocco and Libya.

Within the greater region, Maghreb countries are also bound by numerous international bilateral trade agreements and multilateral instruments. Since 2004 Tunisia, Morocco, Egypt and Jordan are parties to the Agadir Agreement. On a larger scale Tunisia, Morocco, Libya and Algeria are members of the Greater Arab Free Trade Area (GAFTA), an Arab League initiative of 2005.

Algeria, Morocco and Tunisia have concluded Association Agreements with the EU. The EU and Morocco are currently negotiating a Deep and Comprehensive Free Trade Area (DCFTA). Mauretania and the EU cooperate within the Cotonou framework. On a larger scale Tunisia, Morocco, Libya and Algeria are members of the Greater Arab Free Trade Area (GAFTA), an Arab League initiative of 2005.

Morocco, Tunisia and Mauretania are also members of the World Trade Association (WTO).

Table: Action plan on policy issues - Structure and content of a “Declaration of Maghreb Entrepreneurs”

<table>
<thead>
<tr>
<th>CHAPTER 1: Connect markets</th>
<th>BACKGROUND</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plea 1: Train administration</td>
<td>• Link up the Council of Director-Generals of the five customs authorities with business (UME)</td>
</tr>
<tr>
<td>Plea 2: Infrastructure and transit conditions improvement</td>
<td>• Finalize Trans-Maghreb Motorway and common railway project, extend Open Sky agreements</td>
</tr>
<tr>
<td>Plea 3: Use ICT</td>
<td>• Become party to a common transit regime</td>
</tr>
</tbody>
</table>

| CHAPTER 2: Dismantle obstacles                                                              | Immediate Goal: Encourage PPP in the development of modern cross-border infrastructures. |
| Plea 4: Free movement of goods and services                                                 | • Agree on computerized exchange of data among customs authorities |
| Plea 5: Free movement of people                                                             | • Launch study on intra-regional energy smart-grids |

Immediate Goal: Determine a limited number of “pilot sectors” where all 5 five countries can agree on a deeper cooperation agenda.

Plea 1: Further harmonization of standards
Plea 2: Lift tariffs on an important number of goods
Plea 3: Opening of borders and abolition of bilateral visa-requirements between any of the five AMU signatories
Plea 4: Ease bureaucratic burdens for cross-border job market

CHAPTER 2: Use ICT

In order to make intra-Maghreb trade the rule and not the exception basic AMU instruments have to be ratified and applied. The goal of a Maghreb Single Market (MSM) should be maintained without making it an immediate condition.

A step-by-step approach seems useful, especially in order to identify recurrent Non-tariff-barriers (NTB). “Pilot sectors” should then be identified where infra-regional complementarities could be easily capitalized (e.g. energy, pharmaceutical and chemical industry, telecommunications). Different sectoral common markets could then be created in the near future.

Immediate Goal: Determine a limited number of “pilot sectors” where all 5 five countries can agree on a deeper cooperation agenda.
Plea 6: Free movement of capital
• Facilitate the access to cross-border banking loans and credits
• Facilitate cross-border establishment of banks

CHAPTER 3: Encourage investment
The most immediate strategy to set off growth is to incite intra-Maghreb investment as well as international investment inflows. Mutual investment, which is intrinsically linked to the free movement of capital and labor helps to further interconnect the Maghreb economies. Further, FDI are necessary growth boosters. Benefits are numerous: Job creation, technology transfer, foreign currency inflow.

Immediate Goal: Review university curricula with a view to business needs.

Plea 7: Logistics
• Improve financing conditions for expanding logistics
• Rationalize administrative requirements

Plea 8: Trade facilitation
• Render administrative procedures more transparent
• Create a Maghreb Investment Agency (MIA)

Plea 9: Quality of training
• Encourage dual education systems (Link up university and business)
• Invest in regional competitiveness clusters

Where to start?
The communication strategy flanking the IMCI should be comprehensive and simple at the same time. Comprehensive, because a wide field of topics and issues regarding the future of Maghreb economic cooperation needs to be addressed; simple, because too many complex strategies and action plans have been drafted in the past. They are still waiting for implementation.

The 2014 Business Declaration, which serves to attract public attention by highlighting a number of concrete pleas of Maghreb business, is a kick off paper. Being concise, short and compelling it urges political actors to react and reconsider dialogue on a Maghreb level seriously.

The time horizon, in which the Declaration is imbedded, attempts to grasp the complexity of implementation. Short-, medium- and long term processes are structuring the path towards closer convergence in the Maghreb; at the same time they are guidelines, not dictates.

Both the Declaration as well as the time horizon are to be used in a pragmatic way and serve as a blueprint to further action. However this should not blur clear objectives:

By 2019, on the 30th anniversary of AMU, visible progress can be achieved.
The IMCI has been the result of a shared conviction among Maghreb entrepreneurs that the absence of tighter regional cooperation in key economic sectors blocks the road towards a prosperous and more inclusive future for the Maghreb peoples.

The private sector, which shares a considerable responsibility and interest in shaping the economy of the five countries united in the AMU framework, is ready to take the lead. On the basis of the action plan outlined in this report, Employers’ federations will further strengthen their organizational capacities and voice their claims in a clear and constructive way.

The finding of this report as well as the strategy presented in the action plan intend to affect the future decisions of a number of actors:

- **Implications for Governments:**
  Give credible political impetus to the new climate of regional rapprochement and provide the necessary conditions for growth and employment

- **Implications for the private sector:**
  Fill the IMCI with life by involving every level of the Maghreb business community in this strategy for shared prosperity.

- **Implications for international partners (EU, IMF, World Bank, African Development Bank):**
  Support the IMCI by contributing to its organizational set-up and its international visibility.25
ANNEXES

VERSION FRANÇAISE

RECOMMANDATIONS ET PLAN D’ACTION

Figure: Spectre de stratégie multi-niveau de l’IMCI
<table>
<thead>
<tr>
<th>Table: The added value of tighter cooperation between Maghrebine Employers federations</th>
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</table>

### CONTEXTE

#### Instituer un Secrétariat permanent de l’UME

Depuis sa création en 2007 l’UME a organisé deux forums économiques à succès. En effet, une institutionnalisation renforcée faciliterait de manière considérable la collaboration des cinq fédérations et renforcerait leur crédibilité et statut envers les acteurs nationaux et internationaux.

La structure physique devrait être complétée par un site web destiné à la communication médiatique.

#### Contribution politique

- **Comités sectoriels**
- **Groupes d’experts**

Une expertise exhaustive sur l’intégration économique au Maghreb a été rassemblée depuis la création de l’UMA et il en faut encore plus.

En même temps le défi de réexaminer, d’actualiser et de synthétiser de manière détaillée les résultats sur l’état de l’intégration dans les différents secteurs persiste.

#### Comités sectoriels (entrepreneurs)

Des représentants du corps entrepreneurial pourraient accomplir cette tâche de manière pragmatique en examinant les instruments juridiques et les mécanismes de coopération en vue de leur effectivité ainsi que leur applicabilité.

Au cours de 2-4 séances des argumentaires concis devrait être rédigés et adressés ensuite par le Secrétariat de l’UME aux autorités nationaux compétentes.

Un certain nombre de comités limités à 5-10 membres devrait être envisagé relatifs aux secteurs suivants :
- Agriculture
- Energie
- Services et tourisme
- Industrie
- TIC et télécommunications
- Infrastructures et logistiques

#### Groupes de travail des experts

En même temps des groupes d’experts comprenant des représentants des administrations publiques, du Secrétariat de l’UMA, du monde universitaire et de la société civile seraient appelées à revoir le processus de l’intégration régionale en vue de son rendement concret et de sa perspective dans un temps de grands changements.

Les domaines suivants seraient à aborder :
- Douanes et barrières tarifaires
- Souveraineté macro-économique
- Emploi et dialogue social
- Attraction des IDE
- Encouragement des PEM, formation et innovation

Le Secrétariat de l’UME serait chargé de coordonner et de préparer les séances des comités sectoriels tandis que les groupes d’experts organiseraient leur rythme de rencontre de manière autonome. Tout de même l’échange d’idées entre les comités et les groupes d’experts est nécessaire.

### ANNEXES

#### Renforcer le partenariat UME-UMA

L’UMA peut être considérée comme la réussite la plus concrète de la coopération économique maghrébine. C’est impératif de coordonner de manière intensive une institutionalisation renforcée de l’UME avec le Secrétariat de l’UMA et de s’appuyer sur ses conseils et ses effectifs.

#### Organiser des Tables rondes des entrepreneurs

Les entreprises sont le mieux placées pour connaître les avantages et les déficits des marchés maghrébins dans leur quotidien. Afin de partager des pratiques et d’encourager les réseaux l’UME devrait animer les entreprises de proposer des tables rondes sur une base informelle.

Le coup d’envoi devrait être accompagné par une « Table ronde des PDG » rassemblant des représentants des deux entreprises les plus larges dans chaque pays maghrébin.

Plus tard, des tables rondes sectorielles devraient suivre en associant les PEM.

#### Ouvrir des bureaux de liaison à l’international

Les pays du Maghreb sont ancrés dans le commerce. En même temps le corps entrepreneurial souffre d’un manque de visibilité internationale. Des représentations de l’entrepreneuriat maghrébin à l’étranger acheminerait de manière souple l’investissement et des accords commerciaux.


#### Forum annuel:

- **Rapport des affaires**
- **Prix des Entrepreneurs**
- **Bourse d’Études**

Sans courir le risque de rendre compte in extenso de l’état actuel des choses, les résultats des comités sectoriels et avant tout ceux des groupes d’experts seraient à résumer dans un Rapport annuel des Affaires. La problématique concernerait notamment la question si le climat des affaires s’est amélioré au Maghreb. Dans le long terme l’application d’un « Index maghrébin du Climat des Affaires » faciliterait le benchmarking régional.

Afin de mettre l’accent sur les dynamiques générées par les entreprises régionales, l’UME pourrait également attribuer un prix des Entrepreneurs dans les catégories suivantes :
- Meilleure performance dans le commerce intra-maghrébin
- Meilleure performance dans le commerce extra-maghrébin

En outre, on pourrait envisager une bourse d’études donnant la possibilité à un étudiant doué de réaliser un projet personnel lié à la coopération régionale renforcée.

Le rapport, les prix ainsi que les bourses devraient être présentés et remis lors d’un Forum annuel organisé par l’UME dans un des pays de la région.
CHAPITRE 1: CONNECTER LES MARCHÉS

Objectif immédiat: Encourager les PPP pour le développement d’une infrastructure transfrontalière moderne.

Appel 1: Convergence douanière
- Connecter le Conseil des Directeurs-Généraux des cinq autorités douanières et l’UME
- Simplifier et harmoniser les procédures douanières

Appel 2: Amélioration des infrastructures et des régimes de transit
- Finaliser l’Autoroute Trans-Maghribienne et le projet commun de chemin de fer, étendre les accords Open Sky
- Adhérer à un régime de transit commun

Appel 3: Utilisation des TIC
- S’accorder sur l’échange électronique de données entre les autorités douanières
- Lancer une étude sur la mise en place des smart-grids à l’échelle intra-régionale

CHAPITRE 2: SUPPRIMER LES BARRIÈRES

Afin de faire du commerce intra-Maghribien la règle et non pas l’exception des instruments de base de l’UMA devraient être ratifiés et appliqués. L’objectif d’un Marché Unique Maghrébin (MUM) reste à fixer sans que ce soit une condition immédiate.


Objectif immédiat: Déterminer un nombre limité de “secteurs-pilote” où les 5 pays peuvent s’accorder sur un agenda d’intégration approfondie.

Appel 4: Libre mouvement des biens et services
- Harmonisation renforcée des standards
- Abolition des tarifs douaniers pour un grand nombre de biens
Appel 5 : Libre mouvement des personnes
- Ouverture des frontières et abolition des obligations de visa entre tous les 5 signataires de l’UMA
- Faciliter les procédures administratives pour le marché de travail transfrontalier

Appel 6 : Libre mouvement des capitaux
- Faciliter l’accès transfrontalier aux prêts et crédits bancaires
- Faciliter l’établissement transfrontalier de filiales bancaires

Chapitre 3 : Encourager l’investissement
La stratégie la plus immédiate pour déclencher la croissance serait d’inciter l’investissement intra-Maghrébin et l’afflux des investissements internationaux. L’investissement mutuel, qui est lié de manière intrinsèque au libre mouvement des capitaux, aide à renforcer les liens entre les économies Maghrébines. De plus, les IDE sont des déclencheurs importants de croissance. Les avantages sont nombreux : création d’emploi, transfert technologique, afflux de devises.
Enfin et surtout dégager l’innovation en améliorant la qualité des formations est une condition préalable pour la compétitivité.

Objectif : Révision des programmes universitaires en vue des besoins des entrepreneurs.

Appel 7 : Stabilité budgétaire
- Consolider les dettes publiques
- Stabiliser les taux d’échange

Appel 8 : Facilitation du commerce
- Rendre les procédures administratives plus transparentes
- Créer une Agence de Promotion de l’Investissement au Maghreb (APIM)

Appel 9 : Formations de qualité
- Encourager les études en alternance (relier l’université et les entreprises)
- Investir dans des pôles de compétitivité régionaux

Figure : Plan d’action relatif aux domaines politiques : Délais d’implémentation des mesures exigées
## Tableau : Instruments juridiques signés et ratifiés dans le cadre de l'UMA (2014, source : UMA)

<table>
<thead>
<tr>
<th>INSTRUMENT JURIDIQUE</th>
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## Table: Contribution of Maghreb countries to regional exchange (2006, in US$ millions; source: Arab Monetary Fund)

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<th>LIBYA</th>
<th>MOROCCO</th>
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<th>TUNISIA</th>
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<td>4403.45</td>
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</table>

### Notes and References

1. In this report the geographic term “Maghreb” is used to designate Algeria, Morocco and Tunisia as well as Libya and Mauretania.
8. The World Bank (2012), op.cit., p.16
17. The BMICE was formally established by an AMU Convention in 1991. AMU Member states ratified the instrument in 2002. However the bank is expected to start operations by 2014.
18. The World Bank, Economic Integration in the Maghreb (2010), p.18
19. Ibid. See also Chauffour, Jean-Pierre (2010): Furthering Intra-Regional Integration in the Arab World.
NOTES AND REFERENCES


21 “Spill over” is used in loose reference to writings of the political scientist Ernst B. Haas on early European integration (Haas, Ernst B. (1958): The Uniting of Europe: Political, Social, and Economic Forces, 1950-1957. Stanford: Stanford University Press.).

22 The World Bank (2010), op. cit. p.3; see also Hufbauer, Gary C. and Brunel, Claire (2008): Maghreb Regional and Global Integration. A Dream to be Fulfilled.


25 In her Joint Communication of December 12 2012 the EU-High Representative for Foreign Affairs and Security Policy voiced her support for closer cooperation and regional integration in the Maghreb.

Additional sources:
Etude sur le Projet de Création d’une Communauté économique maghrébine, rapport en 4 volumes, Ideaconsult et Louis Berger
United Nations Conference on Trade and Development (UNCTAD) Statistics
International Labour Organisation (ILO) Statistics
World Bank Statistics