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# Communiqué by the EBRD and four SEMED countries on first SEMED Business Forum



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## Event underscores EBRD's commitment to help unlock the economic potential of the region

The European Bank for Reconstruction and Development (EBRD) today held its first business forum for the southern and eastern Mediterranean (SEMED) region, highlighting the strong potential for investment there and underscoring the Bank's support for economic growth and reforms.

Staged in Skhirat, Morocco, under the auspices of the Moroccan Ministry of Economy and Finances and in cooperation with the Confédération Générale des Entreprises du Maroc (CGEM), the forum "Unleashing the Potential" focussed on the economies of Egypt, Jordan, Morocco and Tunisia.

EBRD President Sir Suma Chakrabarti opened the Forum together with the EBRD Governor for Morocco, Minister Mohammed Boussaid and CGEM President Meriem Bensalah Chaqroun.

In his opening speech, President Chakrabarti said: "When we survey the challenges your countries now face – the need to boost growth and create more jobs and to do so in a sustainable and resilient way – we see problems, yes. But we also see many, many opportunities."

The President went on to praise the impact the SEMED countries have had on the EBRD since the Bank started investing there: "We've learned a lot from our first few years investing in your region. We now look at the world in a different way."

With its investments the EBRD is already making a difference: "Since 2012 we have invested close to €2.3 billion in more than 80 projects in the region. Our impact can also be measured by looking at the lives we have changed, the businesses we have helped transform and the economies we are making more competitive," he added.

The Business Forum underscored the EBRD's commitment to help unlock the economic potential of the region. Overcoming obstacles to growth and the challenges to build greater economic and financial inclusion and how to draw more women and young people into the labour market were the focus of a panel that gathered President Chakrabarti; Mohammed Boussaid; Imad Najib Fakhoury, Minister of Planning and International Cooperation of Jordan; Amel Azzouz, State Secretary for International Cooperation, Ministry of Investment, Development and International Cooperation, Tunisia; and Ambassador Ahmed Ehab Gamal El Din, representing Egypt.

Four interactive working sessions brought together executives from the public and private sectors in discussion to explore the challenges and opportunities in four key areas of the region: agribusiness, industry, infrastructure and sustainable energy.

Chaired by Gilles Mettetal, EBRD Director for Agribusiness, the panel on agribusiness brought together leading companies to discuss "seeds for success" in the sector to support growth.

Senior executives highlighted the importance of food quality standards to differentiate their products on domestic and export markets as well as the benefits of green investments in producing more with less. Strengthening corporate governance also emerged as a priority for SEMED's agribusinesses, many of which are family-owned.

Participants confirmed that the Bank can play a key role in linking food exporters and importers in the EBRD region to improve investments, share best practices and promote agricultural trade.

The EBRD reaffirmed its continued support for a competitive and dynamic agribusiness sector in the SEMED region through financing, business advice and policy dialogue.

"In the next three years, we aim to invest over €300 million in local agribusinesses ranging from SMEs and family farms to larger agro-processing companies to reinforce the private sector role in sustainable agricultural production and trade," said Mr Mettetal.

The panel on industry focused on how to promote a modern industrial sector, building on local success stories such as the automotive industry in Morocco.

The moderators Adil Chikhi, EBRD Director of Industry, Commerce and Agribusiness (ICA) sectors in the SEMED region and Frederic Lucenet, EBRD Director, Manufacturing and Services, highlighted that the ICA sectors represent key areas for the sustainable development of all the SEMED economies and play an important role in the socio-economic stability of the region given the number of people they employ or could employ.

Over the last three years the EBRD has supported industry by investing approximately €700 million across various sectors.

Experts from the private and public sector debated what SEMED governments can do to attract more private sector infrastructure investment. The fiscal constraints can only be overcome through increased levels of private sector investment. Developing modern, efficient and sustainable transport systems is needed to facilitate trade, individual mobility and support economic growth across the SEMED region.

"Key challenges will be to ensure scarce public resources are used commercially, requiring reform of outdated practices, and private capital is mobilised where possible to speed up the modernisation of transport infrastructure and harness private sector efficiencies, for example under public-private partnership (PPP) arrangements," said Thomas Maier, EBRD Managing Director for Infrastructure.

Discussing energy, experts agreed that the vast renewable potential in the SEMED region together with producers is reaching the point where it can deliver such energy at a price that is competitive with conventional energy.

However, the development of the sector requires deep reforms of market structures and the investment climate.

Nandita Parshad, the EBRD Director for Power and Energy, said: "The SEMED region has an incredible potential for renewable energy production. With renewable energy reaching grid parity in some countries and growing energy demand in the face of inefficient infrastructure in the region, the EBRD has an important role to play to support the private sector in providing cleaner, more sustainable energy at competitive prices. In less than four years we have invested €473 million in eight projects."

During the Forum, President Chakrabarti signed a loan of up to €35 million to the Office National de l'Electricite et de l'Eau Potable (ONEE) to finance a rehabilitation programme of 12 small- and medium-sized hydropower plants and the refurbishment of safety elements.

He has also signed a €5 million loan with Albaraka Micro fund to on-lend in the local currency to their clients in the micro business segment.

EBRD provided also today €6,000 local advisory to GECAM, producer of mechanical rubber parts for automotive which marks the 200th project in Morocco. These small businesses are funded by donors in Morocco, most notably the European Union.

The EBRD has been investing in the SEMED region since 2012 across various sectors. The high level of financing is being combined with stepped-up support for policy reform, helping to improve the business climate and open up markets to increased investment.

The EBRD, owned by 64 countries and two intergovernmental institutions, is supporting the development of market economies and democracies.

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