"Trade for Change: The EU Trade and Investment Strategy for the Southern Mediterranean following the Arab Spring revolutions“

13 July 2011
10.30 - 12.30
ROOM PHS4 B001, Brussels

Arab Spring and Europe: threat or opportunity?

by Moncef Cheikh-Rouhou
Contribution to the Hearing
Trade for Change
Brussels, July 13 2011
Arab Spring 2011

- beyond extracting and exporting resources,
- beyond successful traditional subcontracting,
- Emergence is the name of the game
- The real and sustainable path is Human Capital Development
Dignity

<table>
<thead>
<tr>
<th>Human:</th>
<th>Economic:</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Real and Renewed</td>
<td>- Governance (+3% Growth)</td>
</tr>
<tr>
<td>Representativity in a</td>
<td>- Open borders (+2% Growth)</td>
</tr>
<tr>
<td>Parliament</td>
<td></td>
</tr>
<tr>
<td>- Education</td>
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</tr>
</tbody>
</table>

Emergence ➔ Real Stability
### Northern Med countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Population (millions) 2008</th>
<th>GDP (US$ billions) 2008</th>
<th>GDP per capita (US$) 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>62</td>
<td>2 866</td>
<td>46 016</td>
</tr>
<tr>
<td>Italy</td>
<td>59</td>
<td>2 314</td>
<td>38 996</td>
</tr>
<tr>
<td>Spain</td>
<td>45</td>
<td>1 612</td>
<td>35 332</td>
</tr>
<tr>
<td>Cyprus</td>
<td>1</td>
<td>25</td>
<td>32 772</td>
</tr>
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<tr>
<td>Greece</td>
<td>11</td>
<td>358</td>
<td>32 005</td>
</tr>
<tr>
<td>Slovenia</td>
<td>2</td>
<td>55</td>
<td>27 149</td>
</tr>
<tr>
<td>Portugal</td>
<td>11</td>
<td>245</td>
<td>22 997</td>
</tr>
<tr>
<td>Malta</td>
<td>0</td>
<td>8</td>
<td>20 202</td>
</tr>
<tr>
<td>Israel</td>
<td>7</td>
<td>202</td>
<td>28 365</td>
</tr>
<tr>
<td>Turkey</td>
<td>76</td>
<td>729</td>
<td>10 472</td>
</tr>
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</thead>
<tbody>
<tr>
<td>Libya</td>
<td>6</td>
<td>100</td>
<td>16 115</td>
</tr>
<tr>
<td>Lebanon*</td>
<td>4</td>
<td>35</td>
<td>8 060</td>
</tr>
<tr>
<td>Algeria</td>
<td>34</td>
<td>160</td>
<td>4 588</td>
</tr>
<tr>
<td>Tunisia</td>
<td>10</td>
<td>40</td>
<td>3 907</td>
</tr>
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<tr>
<td>Jordan</td>
<td>6</td>
<td>20</td>
<td>3 421</td>
</tr>
<tr>
<td>Syria</td>
<td>20</td>
<td>55</td>
<td>2 757</td>
</tr>
<tr>
<td>Morocco</td>
<td>32</td>
<td>86</td>
<td>2 748</td>
</tr>
<tr>
<td>Egypt</td>
<td>77</td>
<td>162</td>
<td>2 161</td>
</tr>
</tbody>
</table>
Regional competitiveness in 2010

(Weighed regional averages from the 2010 Global Competitiveness Report, World Economic Forum)
Arab World: The Third Stage

- Stage 1: “The Wretched of the Earth” (F Fanon)
- Stage 2: “Black skin, white masks” (F Fanon)
- Stage 3: Arab Spring “Win/Win”

Otherwise . . .
Arab World: Emergence & Hurdles

• EMERGENCE
  Strong Growth with:
  – Enough Job Creation
  – B of P balanced at least
  – Invest in Infrastructure (Education, Technology)
  – Access to Resources

• SUBMERSION
  Major Blockages:
  – Barriers
  – Poor Gouvernance
  – Poor Technology FDI
  – Inadequate HR Dvlpt
Investissements étrangers en Tunisie

Montant net d'investissements directs étrangers en milliards d'euros

- Royaume-Uni: 114
- France: 46
- Allemagne: 79
- Italie: 67
- Espagne: 49
- USA: 58

Graphique: Montant net d'investissements directs étrangers en milliards d'euros (2005-2010)
60% of the value of sovereign wealth funds’ new investments went to North America and Europe in 2009.

Value of new sovereign wealth fund investments by region

Note: Publicly available data for SWF equity and real estate deals, joint ventures and capital injections.

Source: Monitor-FEEM SWF Transactions Database (2010)
North Africa's trade with China and India is growing quickly

North Africa's trade partners

Source: IMF DOTS (2010)
The Mediterranean region in 2030:

**Scenario 1:** “Generation 11” actors fail to reach political consensus, resulting in a prolonged period of uncertainty, Export of Resources (*ouverture subie*)

**Scenario 2:** Mediterranean Labour and Renewable Energy Partnership, Industrial sub-contracting (*ouverture semi choisie*)

**Scenario 3:** Divided Shores - MediterrAfrica rising
“Generation 11” elites are relatively successful at steering political consensus (*ouverture choisie*)
The world is changing

Empires being undone …
while Emergence is taking place!
the Mediterranean and Africa, where
will they be?
Reagan to Clinton on Ibn Khaldun

There They Go Again

Although it goes back well before the 1980's, may I offer you the advice of the 14th century Arab historian Ibn Khaldun, who said: "At the beginning of the empire, the tax rates were low and the revenues were high. At the end of the empire, the tax rates were high and the revenues were low."

And, no, I did not personally know Ibn Khaldun, although we may have had some friends in common!
Qui finance les déficits structurels ?

Sources: ECB and IMF.
Webster ‘61: Arab = Street urchin
Desert dweller
New North?

New South?

New Center?

Line of Emergence

Scenarios for MediterrAfrica

Doha Blocks
- Protectionists
- Cairns Group
- Liberalization
- AU ACP LDC
Partis politiques tunisiens
L’embarras du choix

Cette visualisation des différents partis politiques tunisiens est faite avec l’aide de la communauté Phimt.com, vous pouvez contribuer à sa mise à jour et sa correction en vous rendant sur le site.

91 partis
- 8 partis nationalistes
- 4 partis libéraux
- 18 partis centre droit
- 24 partis centristes
- 10 partis centre gauche
- 2 partis socialistes parannalistes
- 9 partis socialistes
- 9 partis communistes
- 5 partis islamiens
- 2 partis écologistes
- 6 partis sans idéologie définie


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Thank you for your attention!