

Strengthening the Partnership with the Middle East / North Africa
NMI's approach for stronger economic cooperation with the MENA region

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1. The Middle East / North Africa (MENA) is an important growth market for German business

The MENA's geographical proximity to Europe, its natural resources and young populations are crucial elements that make the MENA region an important partner for German industry, commerce, finance and services. In order to enable sustainable growth in this strategically important part of the world, German business is keen to continue its involvement in the dynamic development process of the MENA countries and to participate as an important and highly efficient partner in the implementation of various projects.

2. Key Messages of the NMI

The NMI has set itself the target to deepen the economic relations between Germany and the MENA region. The main focus here is on the coordination and communication of the interests of the NMI member organizations vis-à-vis political decision-makers in Germany and the MENA region. At the same time, the NMI offers its support to the German government in questions relating to economic policies and activities in foreign trade. The NMI relies on the expertise of its five member organizations and their broad network.

The members of the NMI aim to enforce the cooperation with partner associations in the MENA region. The NMI adopts a country-specific approach while taking into account the heterogeneity of the region.

The basic credo for the NMI is "dialogue and partnership" in order to allow a lively exchange of experiences and knowledge based on mutual trust.

3. Opportunities for German business in the MENA region

Promising areas of cooperation include:

- transport infrastructure
- the energy sector
- the health sector
- the petrochemical industry
- the construction industry
- water management

- education and vocational training
- research cooperation as well as technology and knowledge transfer
- information and communication technology.

Successful reforms and substantial progress towards an attractive investment climate and stronger trade relationships would transmit positive development impulses to the populations in the MENA region and offer new business opportunities for German companies.

4. Recommendations for action

- Market-based reforms with a pro-competitive legal and regulatory framework as well as market surveillance authorities and transparent tendering procedures are necessary in order to strengthen bilateral economic relations.
- Reliable intraregional integration and cooperation is needed in order to allow MENA economies to prosper through, for example, intraregional commerce and cross-border infrastructure projects (transportation, energy, and telecommunication).
- State subsidies should not lead to continuous dependencies. Political decision-makers should give clear perspectives for eliminating subsidies and trade distortive measures in MENA countries.
- An efficient tax landscape needs to be implemented in the region. This would improve government budgets in some of the MENA countries and allow a reliable financing of the social systems. Greater transparency and accountability and less bureaucracy is required to restore the business community's confidence in the MENA markets.
- Progressive education systems and vocational training are essential for a diversification of local economies and the establishment of competitive small and medium-sized enterprises.

5. German Business: Change in MENA region could open up new opportunities

German business pays great attention to political changes in some of the countries in the MENA region and is ready to contribute to a successful transformation.

Despite many challenges in the MENA countries the NMI is confident that the change could unlock sustained economic growth and enhance the region's integration into world markets. A secure, rule-based and democratic environment is a key prerequisite to spur foreign and domestic investment. The NMI welcomes the different initiatives of international financial institutions to cover the external financing requirements for investments in the MENA region.