De l'Eveil Politique à l'Eveil Economique dans le Monde Arabe: La Voie de l'Intégration Economique

RAPPORT SUR LE COMMERCE ET L'INVESTISSEMENT DIRECT ETRANGER POUR LE PARTENARIAT DE DEAUVILLE

PICARD 2012

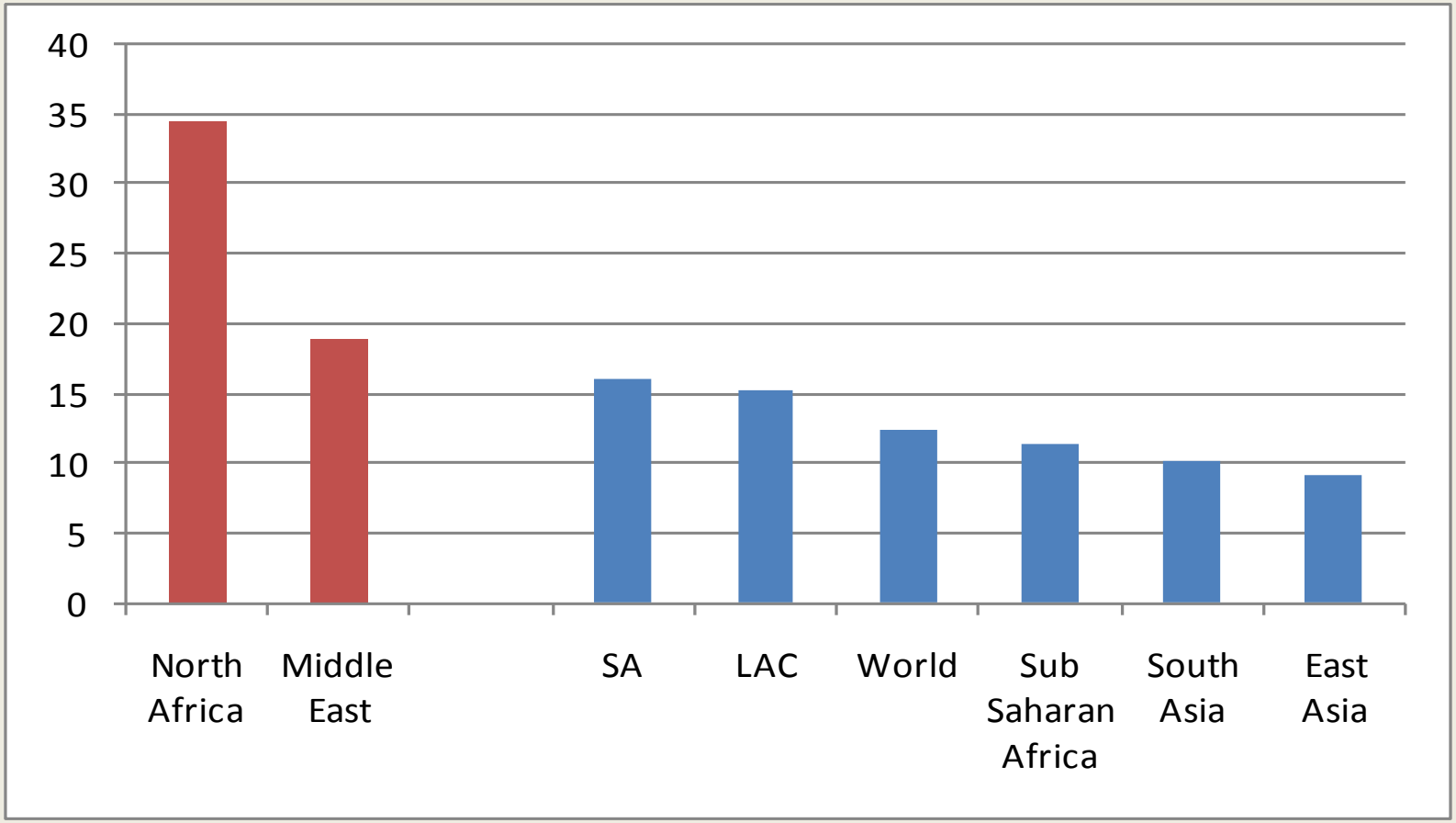
MARRAKESH, LE 25 SEPTEMBRE 2012

JEAN-PIERRE CHAUFFOUR

WORLD BANK

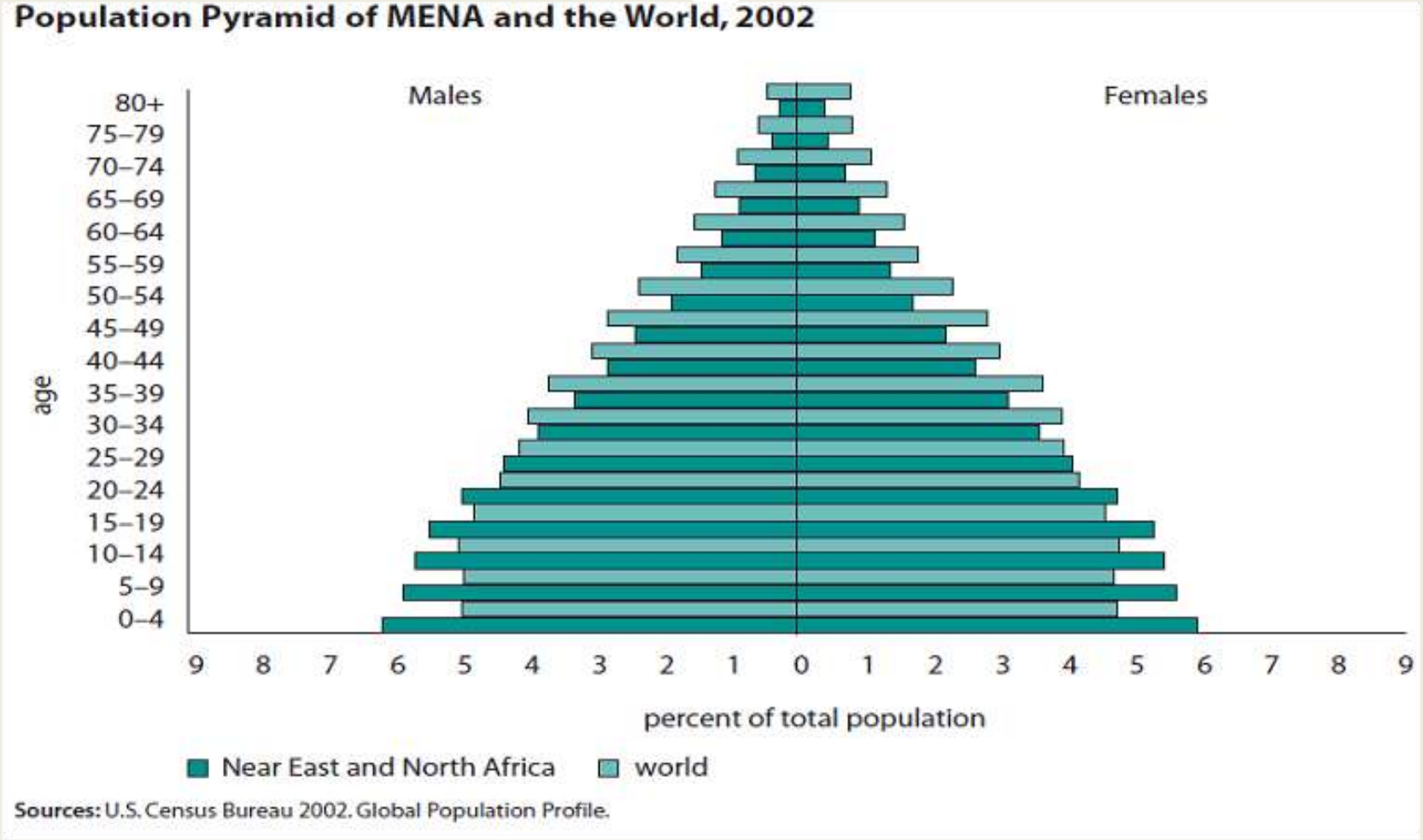
Youth Unemployment Rates

MENA has highest youth unemployment rate in the world (%)



Source: Regional Economic Developments and Prospects, MENA, World Bank, 2011

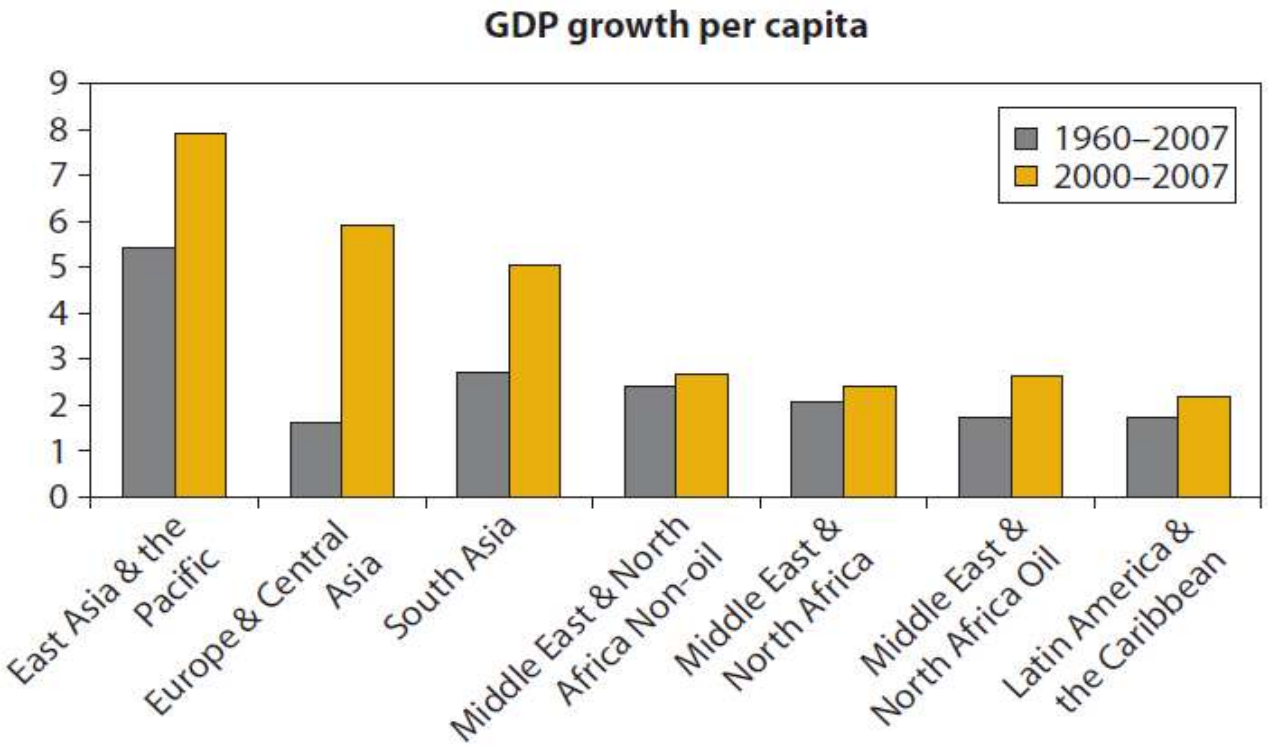
Soaring youth population



Insufficient economic growth to create enough jobs

Middle East and North Africa's Weak Growth in International Perspective

(percent)



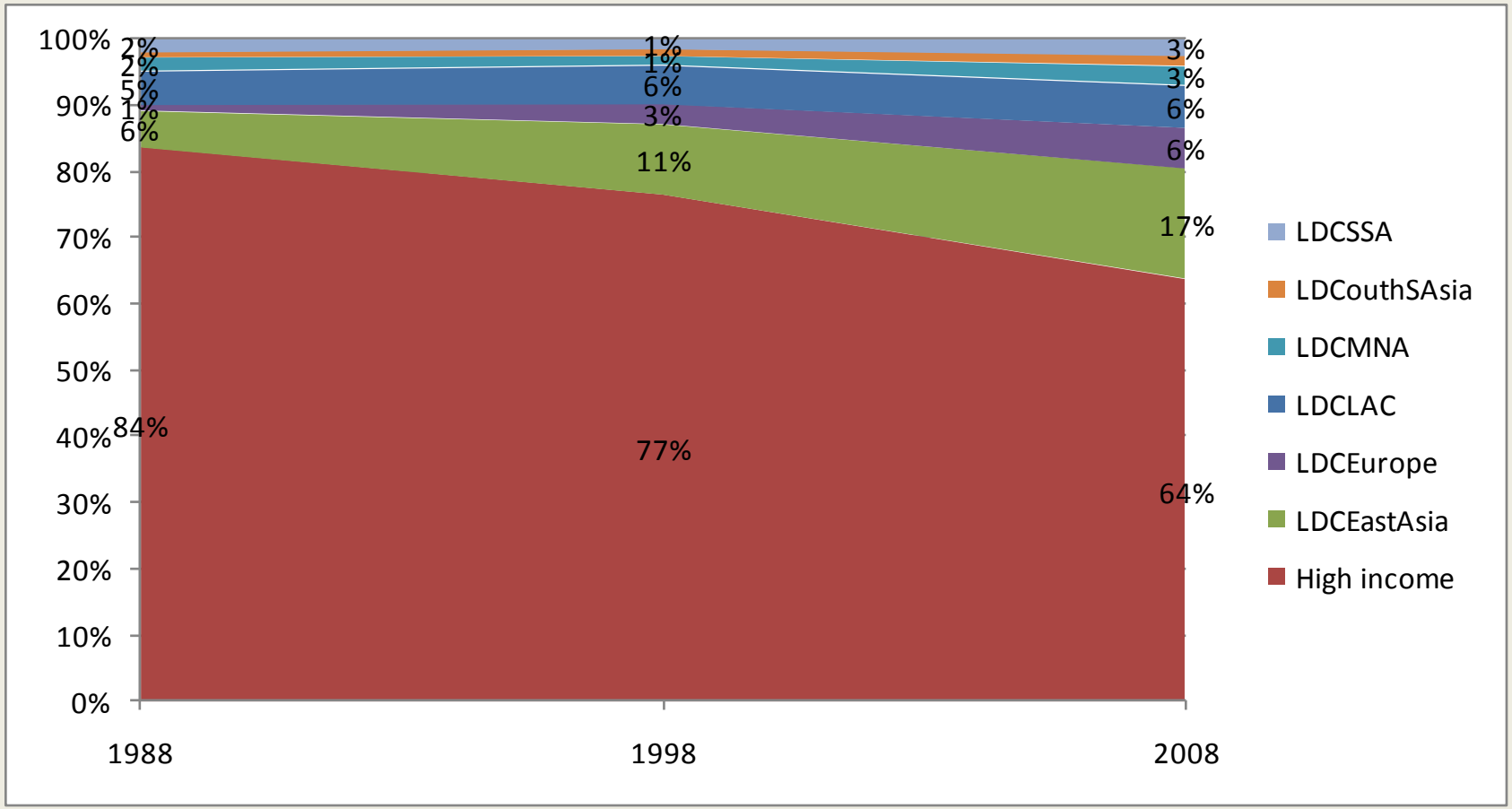
Source: From Privilege to Competition, World Bank, 2009

Could Trade & Investment be part of the answer?

- **Trade.** MENA could produce more if it were to export more. Excluding oil exports, the MENA region of over 400 million people exports roughly the same amount as Switzerland

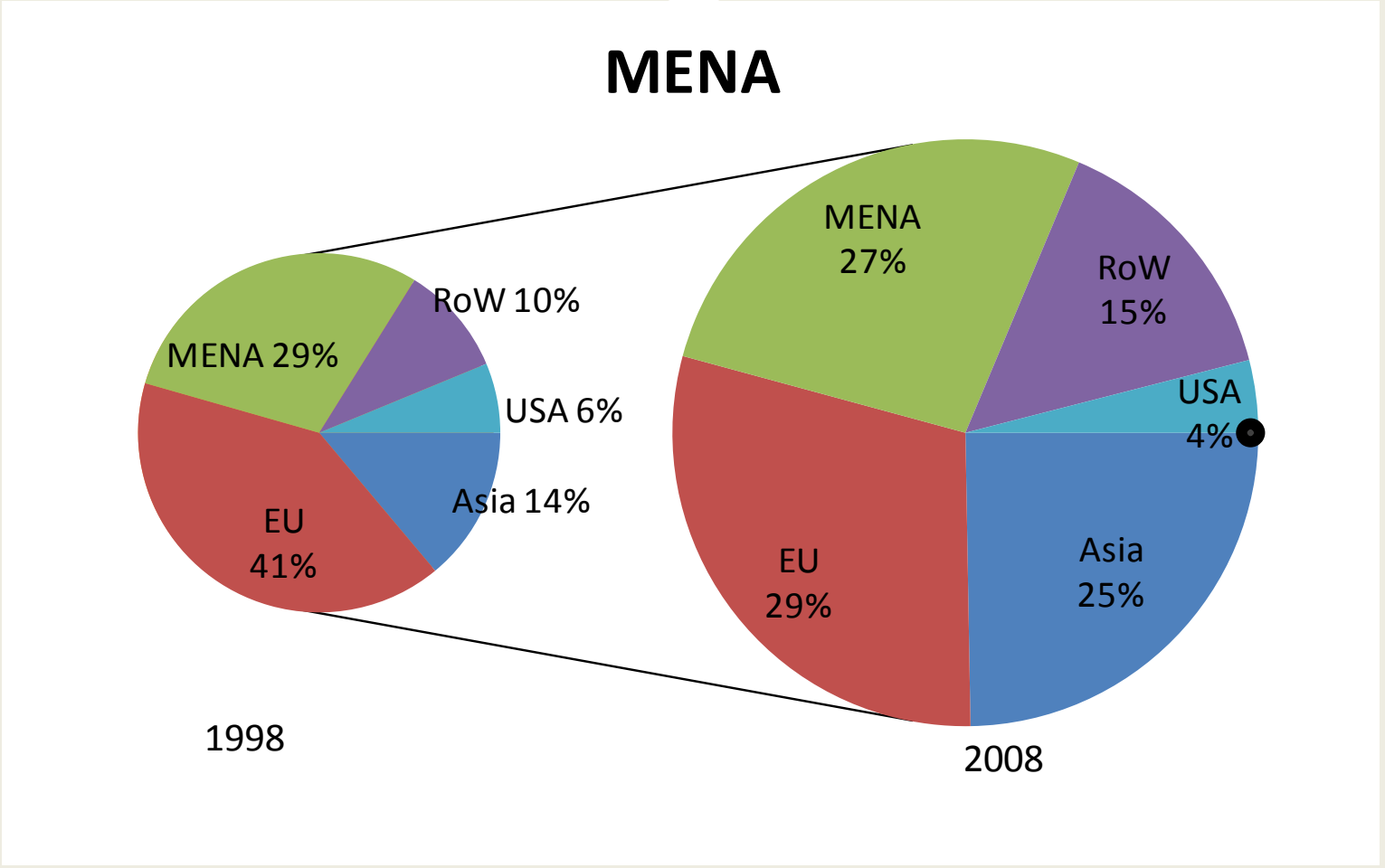
- **FDI.** Excluding oil and real estate investment, FDI in manufacturing—the type of investment rich in employment—has remained marginal, accounting for just a fifth of all FDI inflows in the region

Flat share of global exports of goods and services



Source: Regional Economic Developments and Prospects, MENA, World Bank, 2011

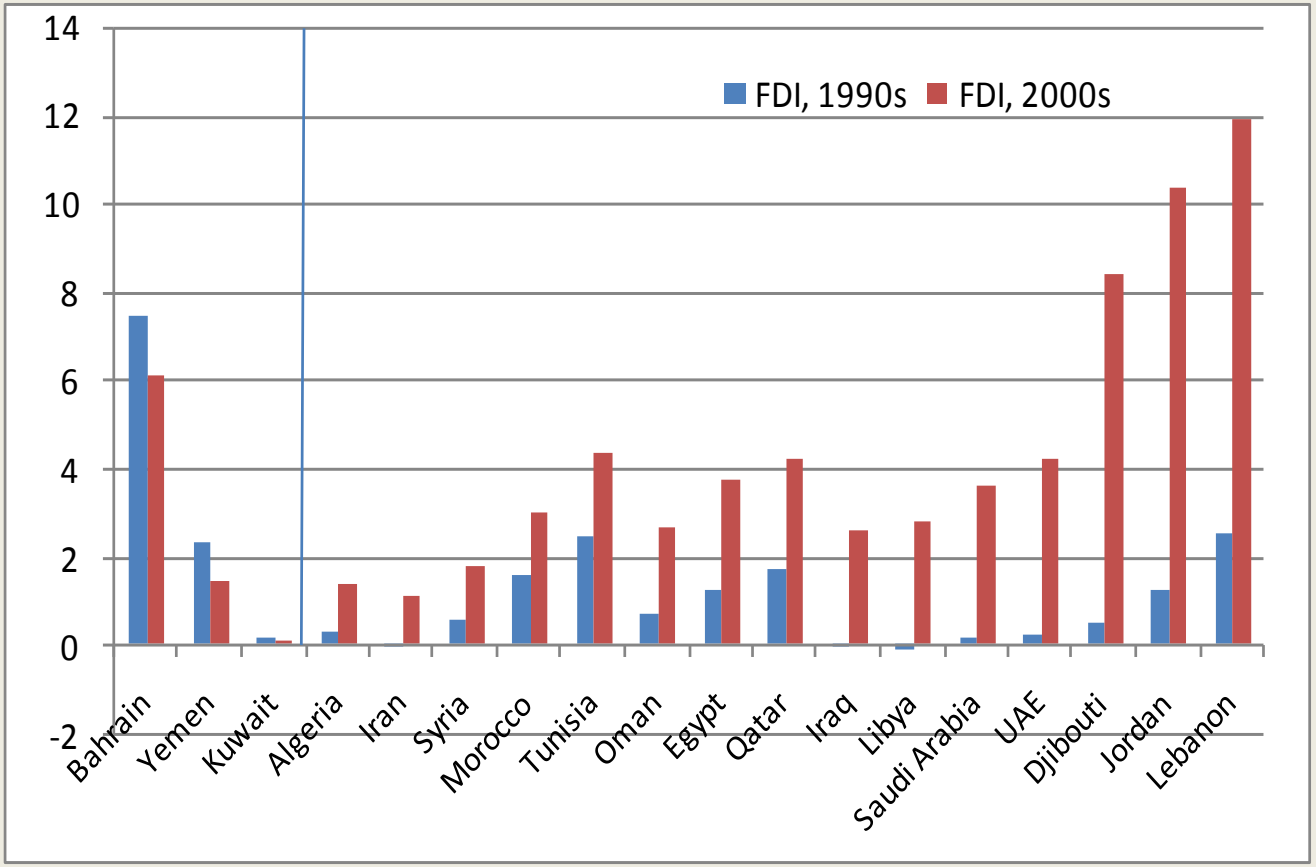
Limited intra-MENA integration
Measured by nonoil exports



Source: World Bank (staff calculations), 2011

FDI inflows surged

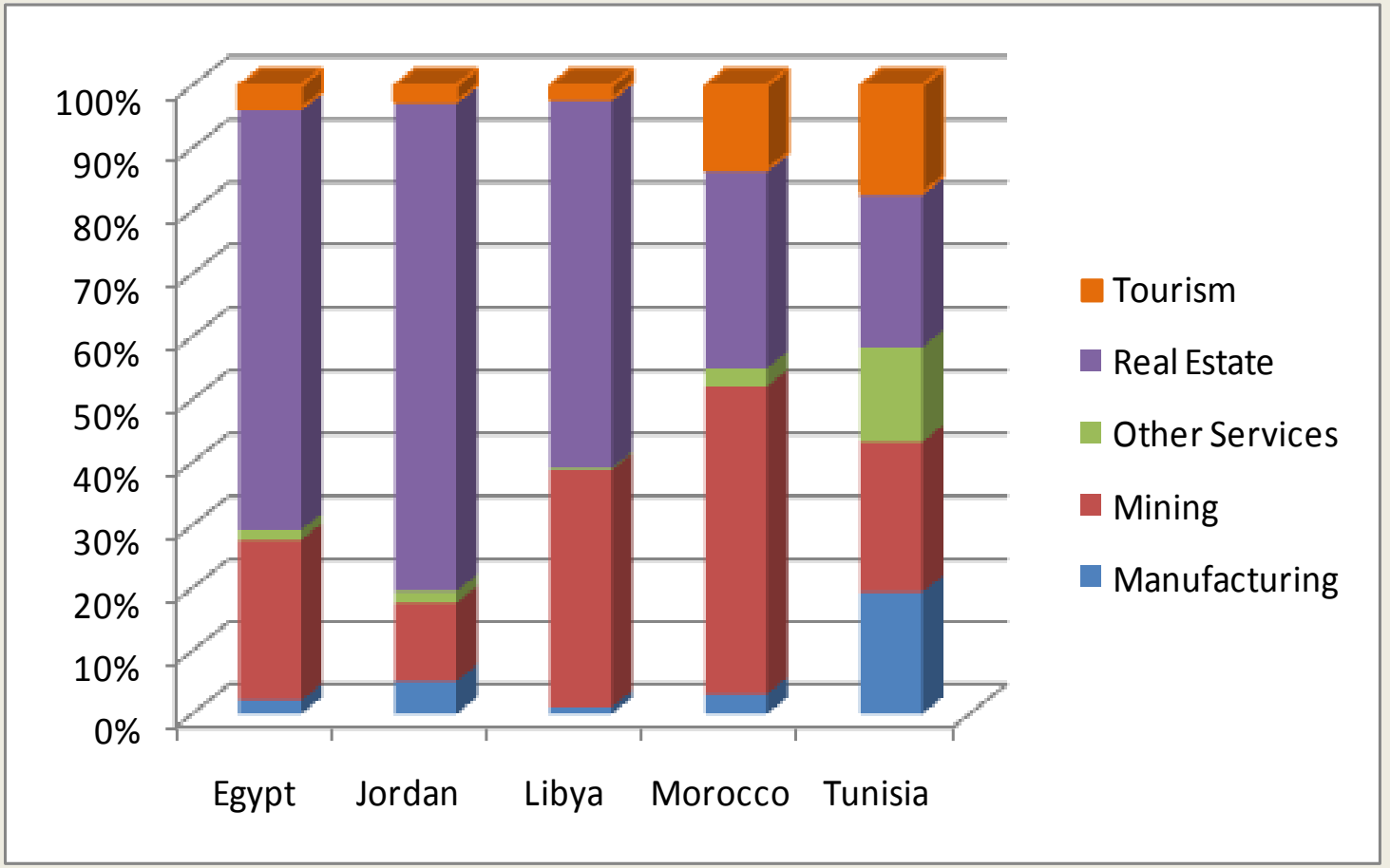
In percent of GDP



Source: Regional Economic Developments and Prospects, MENA, World Bank, 2011

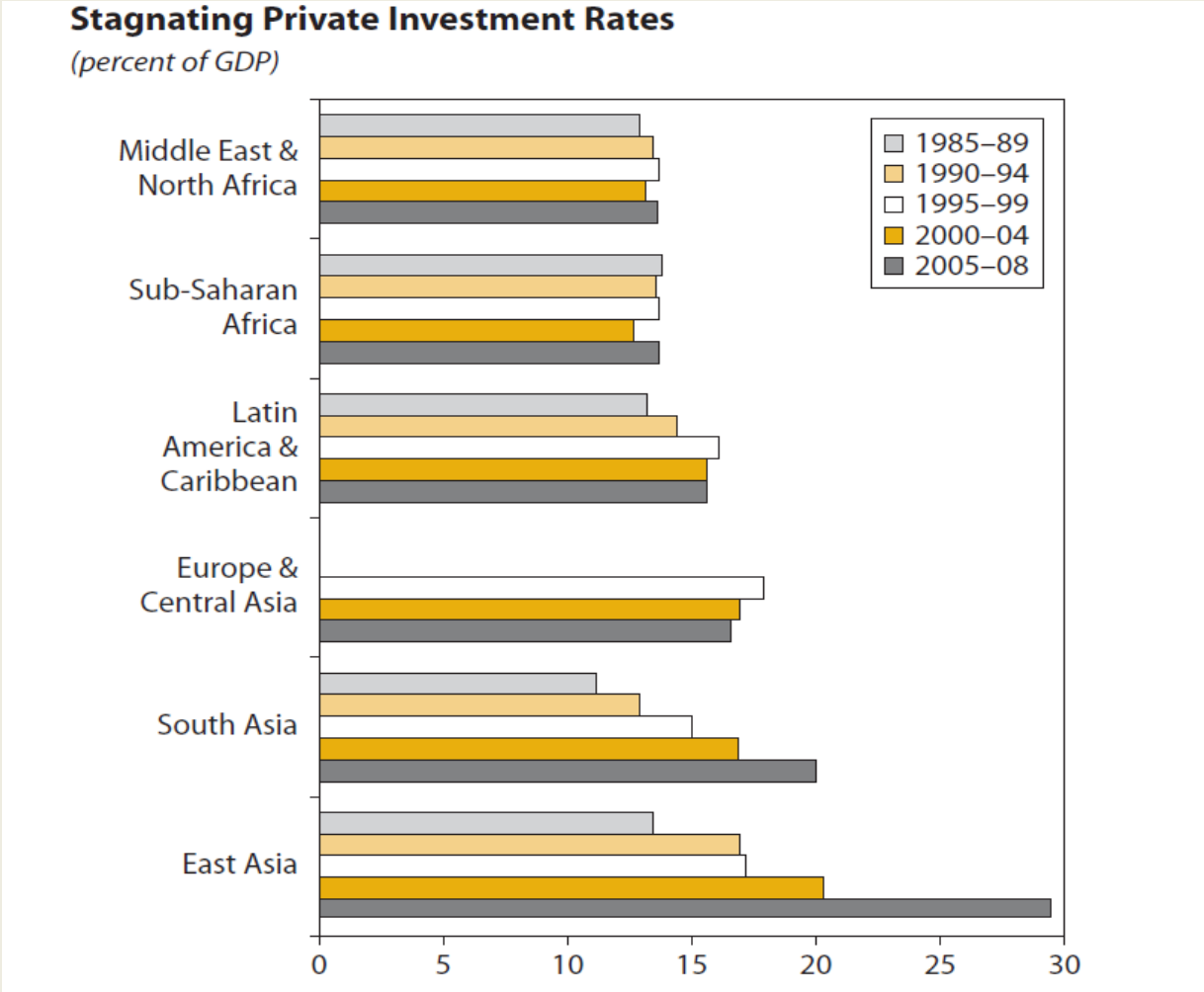
Mainly in real estate and mining

Share of greenfield FDI inflows by sector



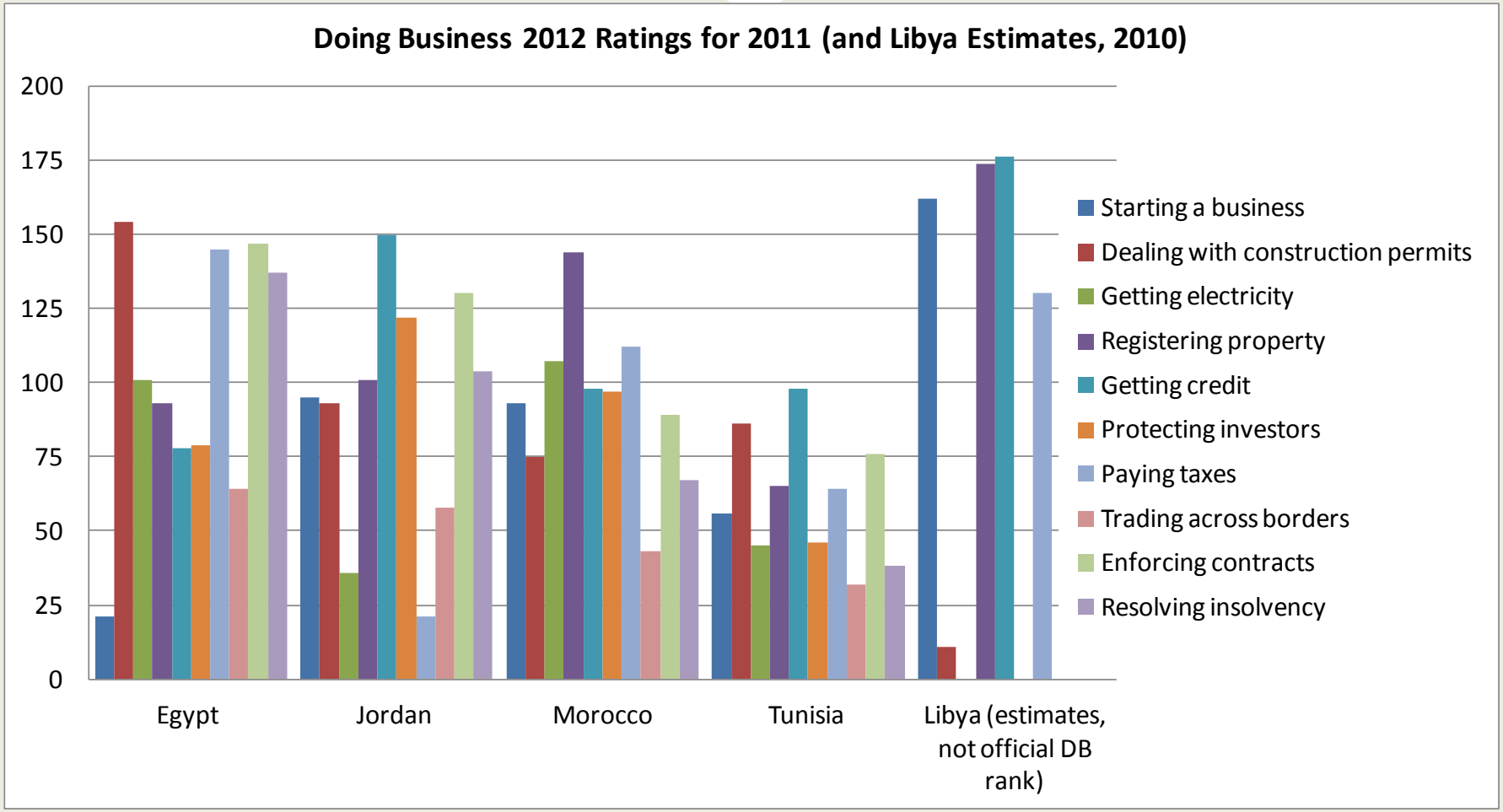
Source: Regional Economic Developments and Prospects, MENA, World Bank, 2011

Domestic private investment has not yet taken off



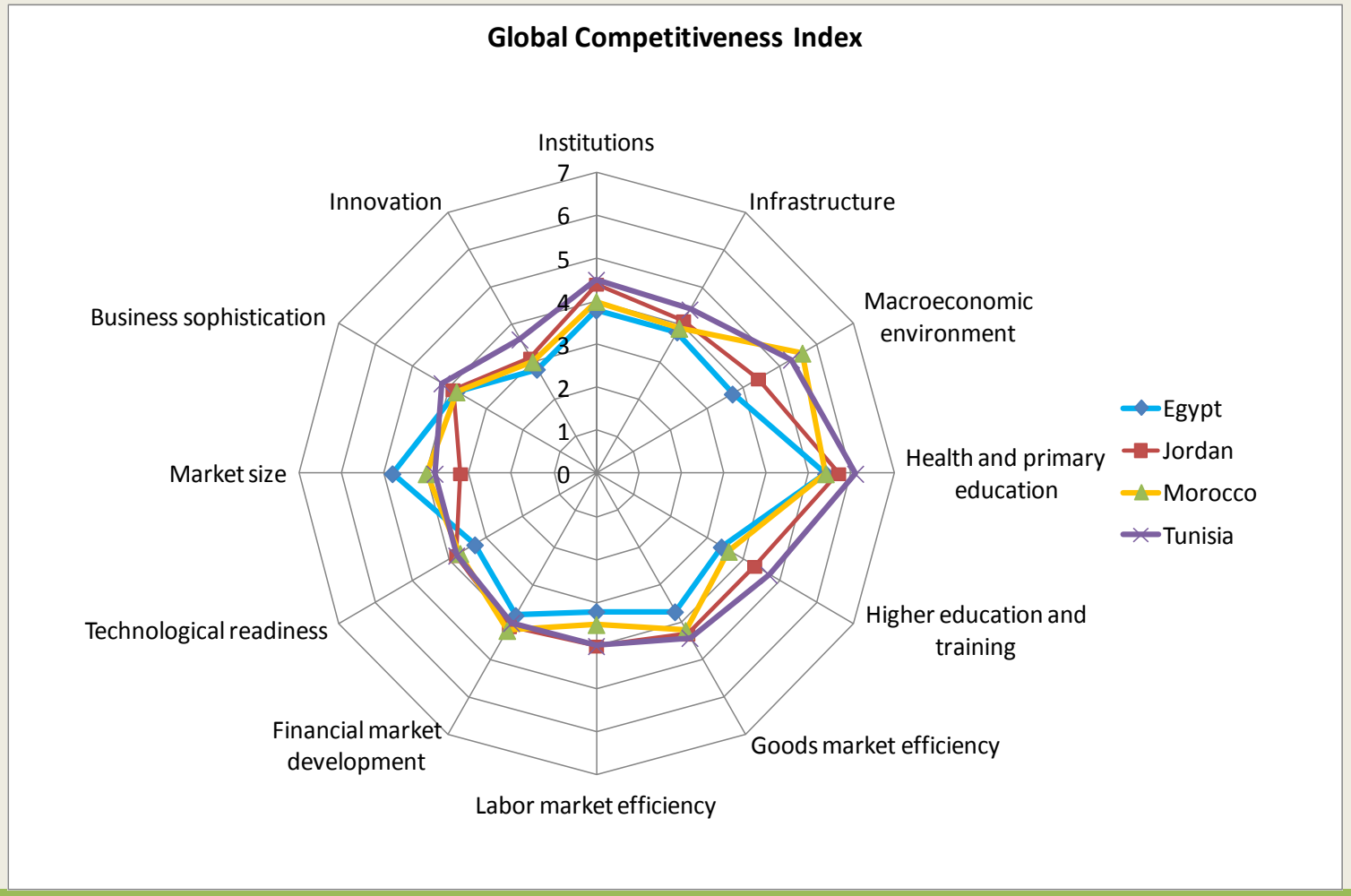
Source: From Privilege to Competition, World bank, 2009

A complex business environment (and indicators hide uneven application of rules)



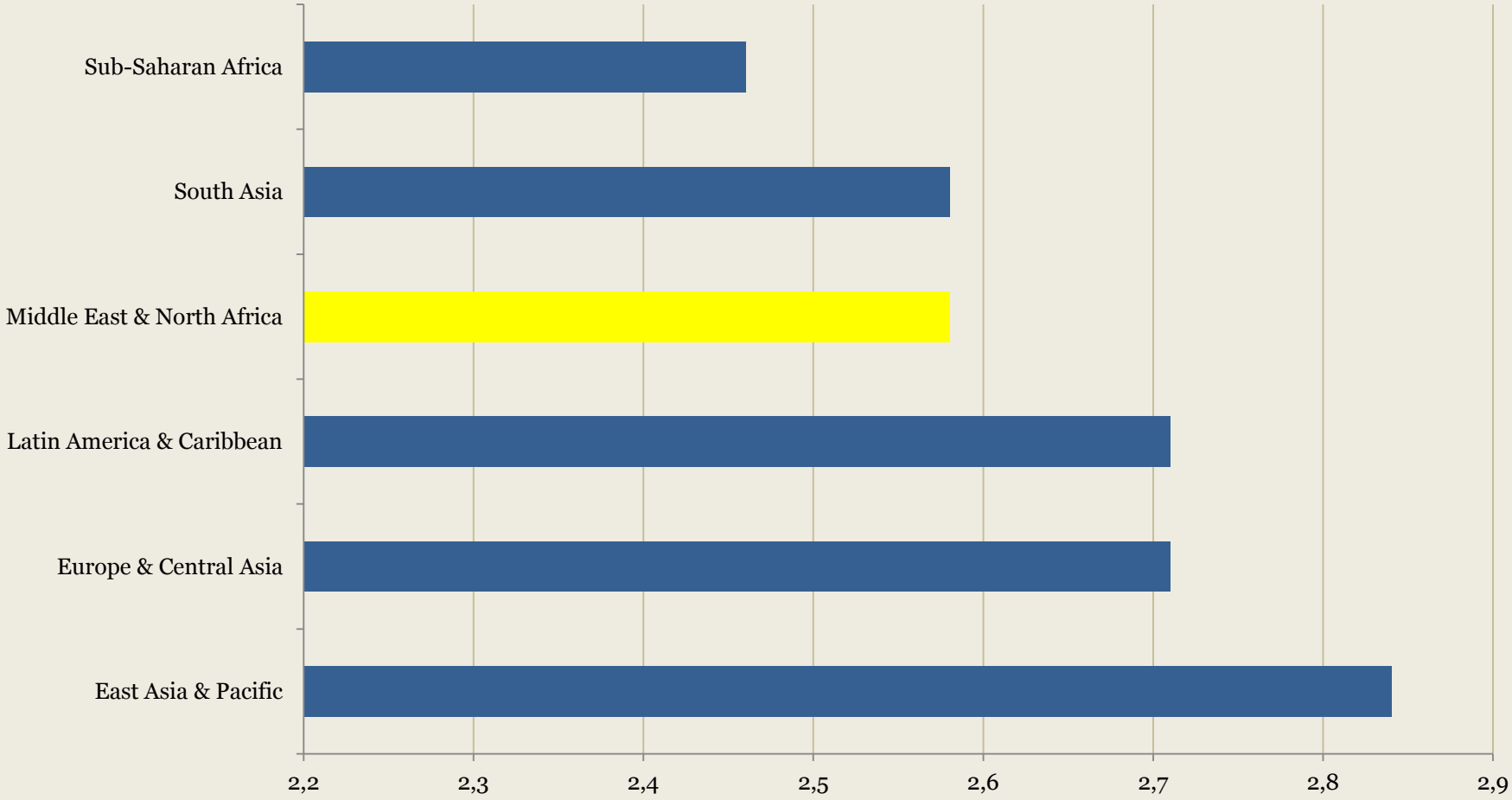
Source: Doing Business in a More Transparent World, Doing Business 2012, World Bank Group

Overall lack of competitiveness

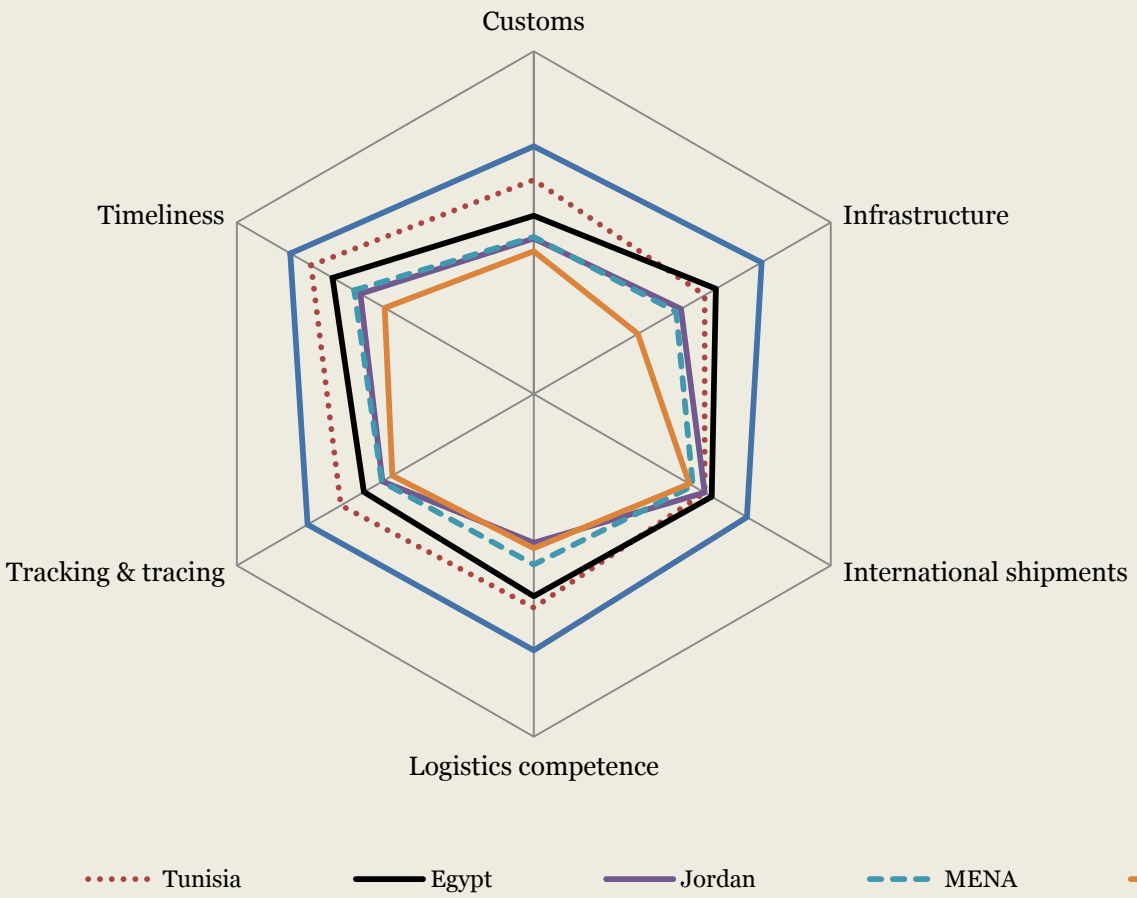


Source: Global Competitiveness Report, 2011

Logistics performance index (LPI) by regions



Logistics performance index (LPI) components



Report on Trade and FDI

Deauville Partnership Finance Ministers tasked the Center for Mediterranean Integration (CMI), drawing on the expertise of the World Bank and in partnership with the Islamic Development Bank, to coordinate an analytical report "to provide an appropriate framework to enhance trade and FDI"

Outline of the report

- Section 1: ***The new global Trade & FDI landscape***—dealing with the fragmentation of production (i.e., global value chains)
- Section 2: ***Market access and rules***—creating opportunities to trade and invest across borders cheaply, securely and predictably
- Section 3: ***Competitiveness and diversification***—implementing complementary domestic reforms of the business climate
- Section 4: ***Trade facilitation and trade finance***—oiling the Trade & FDI engine especially for SMEs
- Section 5: ***Inclusiveness, equity and sustainability***—making economic integration a sustainable and inclusive long term political economy proposition

Trade facilitation: Key selected recommendations

- *Short-term:*
  - **Pursue the modernization of customs, including through computerization and by training staff in techniques for efficiently controlling violations.**
  - Upgrade the quality of logistics service providers in air and maritime transport and freight forwarding, including by rationalizing and simplifying regulations and increasing competition in a range of service providers (e.g., truckers, brokers, agents).

- Medium-term:
  - Automate the operations of all other border agencies through single windows to better coordinate and accelerate communication among agencies.
  - Improve sub-regional trade corridors and regional trade facilitation frameworks, including agreement on transit regimes to facilitate movements from origin to destination along several borders (building on the International Road Transport convention), and coordinate policies and regulatory changes as well as transport and border crossing infrastructure in key transport corridors.

The New Transition Fund

- The details of how the Fund will operate are being worked out and the Fund is expected to be launched at the IMF/World Bank Annual Meetings in Tokyo.
- The Fund is expected to be around US$250 million, and each program financed by the Fund could be multi-year and multi-million
- Early requests will be extremely welcome to get the Fund moving this year.
- The Fund is expected to be managed by the World Bank, with countries accessing it in collaboration with an international financial institution (i.e. the IFI helps prepare the request for funding and also supervises its implementation as it would for a project, but the country implements - that is it defines the tasks, writes ToRs, chooses consultants etc.).
- For countries who will be negotiating and implementing DCFTAs, the Fund could be a great opportunity to provide support during at least the first years of the process.
- It is expected that the call for proposals would be formally launched around the time of the IMF/WB Annual Meetings, but could start informally now.

Merci

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