

# report

## EURO-MEDITERRANEAN ECONOMIC & BUSINESS FORUM 2025



REPORT No. 37  
January 2026  
[www.iemed.org](http://www.iemed.org)

## EURO-MEDITERRANEAN ECONOMIC & BUSINESS FORUM 2025 SHAPING INDUSTRY, BRIDGING MARKETS

Special Edition – 30<sup>th</sup> Anniversary Barcelona Process  
18 -19 November 2025, Barcelona (Spain)



The Euro-Mediterranean Economic and Business Forum 2025, organized by the Barcelona Chamber of Commerce and the European Institute of the Mediterranean (IEMed), under the high patronage of the Association of the Mediterranean Chambers of Commerce and Industry (ASCAME) and the Secretariat of the Union for the Mediterranean (UfM), took place from 18 to 19 November 2025 in Barcelona, Spain.

This milestone edition coincided with the 30th anniversary of the Barcelona Declaration, offering a unique opportunity to reflect on three decades of Euro-Mediterranean cooperation and to shape a renewed vision for economic collaboration amid current global and regional challenges.

This summit brought together Mediterranean political and business leaders from Europe, Africa, and the Middle East, as well as representatives from business associations, chambers of commerce and industry, SMEs, and multilateral organizations. Together, they joined forces and reaffirmed their commitment to the economic and social development of the Mediterranean region.

It is no coincidence that Barcelona was the birthplace of Euro-Mediterranean integration more than 30 years ago. Both shores of the Mediterranean recognized the need to embark on a new chapter; one founded on the belief that collaboration is essential to facing the challenges of the future.

The Mediterranean sits at the crossroads of Asia, Europe and Africa, making it not only a regional hub but also a gateway to the world. This strategic location offers unmatched potential for global trade and logistics. However, unlocking this economic potential requires greater regional integration. A unified strategy is needed, one that promotes investment, modernization, infrastructure development, and competitiveness on a global scale.

On 18 November 2025, the **Euro-Mediterranean Economic and Business Forum** was inaugurated in Barcelona, bringing together high-level institutional representatives, policymakers, and business leaders from across the Mediterranean region. The opening session was jointly organised by the **Barcelona Chamber of Commerce, ASCAME**, and the **European Institute of the Mediterranean (IEMed)**, in cooperation with key national and regional partners.

The opening began with accreditation of participants, followed by welcome and opening remarks delivered by **Josep Santacreu**, President of the Barcelona Chamber of Commerce; **Ahmed El Wakil**, President of ASCAME; and **Senén Florensa**, President of IEMed. Their interventions highlighted the strategic importance of strengthening economic integration, industrial cooperation, and public-private dialogue in the Mediterranean at a time of profound geopolitical and economic transformation.

This was followed by institutional speeches from **Nasser Kamel**, Secretary General of the Union for the Mediterranean; **M<sup>a</sup> Eugenia Gay**, Deputy Mayor of the City of Barcelona; and **Jaume Duch**, Minister for European Union and External Action of the Government of Catalonia. Speakers underlined the need for coordinated regional responses to shared challenges, including industrial transition, competitiveness, sustainability, and resilience.

The session continued with a keynote address by **Stefano Sannino**, Director-General of DG MENA at the European Commission, who presented the **New Pact for the Mediterranean** to the business community, emphasising its role in fostering investment, economic convergence, and mutually beneficial partnerships across the region.

Subsequently, **Lorena Elvira Ayuso**, Secretary General for European Union and External Action of the Government of Catalonia, presented **Catalonia's Mediterranean Strategy (MedCat 2030)**, outlining the region's priorities and instruments for deepening Mediterranean cooperation in economic, social, and political domains.

The opening programme concluded with a high-level dialogue on advancing industrial and economic development in the Mediterranean, featuring **Hakim Ben Hammouda**, Executive Director, Global Institute for Transitions, former Minister of Finance of Tunisia; **Suhair Al Ali**, Senator, Jordan; **Nera Pavić**, Director-General for Industry and Mining, Government of Croatia; **Khaled Mohamed Hanafy**, Secretary-General of the Union of Arab Chambers and former Minister of Supply and Internal Trade of Egypt; and **Mohamed Bachiri**, President of the Morocco Industries–CGEM Group. Discussions focused on industrial policy, regional value chains, investment frameworks, and the role of business actors in driving inclusive and sustainable growth.

The session concluded with closing remarks and networking drinks, setting the stage for subsequent thematic discussions throughout the Forum.

On 19 November 2025, the Euro-Mediterranean Economic and Business Forum continued in Barcelona with a full day dedicated to **thematic and policy-oriented discussions** aimed at advancing economic cooperation, investment, and sustainable growth across the Mediterranean region.

The day introduced the Forum's parallel thematic sessions. Discussions were structured around three successive rounds of thematic sessions, each organised in a format of three parallel tracks, allowing participants to engage in focused exchanges according to their areas of interest. Across the day, these sessions addressed **key economic sectors**, strategies for **building the next economy**, and approaches to **investment promotion and business support**, with a strong emphasis on innovation, competitiveness, and regional value creation. These thematic sessions deepened dialogue among policymakers, business representatives, financial institutions, and development actors, highlighting both shared challenges and opportunities for cross-Mediterranean cooperation.

The Forum then convened a plenary final session, titled "*Shaping the Mediterranean Future: A Roadmap for Regional Prosperity*". The session was moderated by **Roger Albinyana**, Managing Director of the European Institute of the Mediterranean (IEMed), and brought together senior institutional and policy leaders from the European and Mediterranean spheres.

Plenary interventions were delivered by **Juan Lugo Sánchez**, Ambassador and Representative of the Ministry of Foreign Affairs, the European Union and Cooperation of Spain; **Agustí Fernández de Losada**, Secretary of European and Multilateral Affairs and Development Cooperation of the Government of Catalonia; **Fulvio Capurso**, Head of Unit for Economic Cooperation, Investments, Business Development, and Financial Instruments at the European Commission, Directorate-General for the Middle East, North Africa and the Gulf (DG MENA); and **Hakim El Karoui**, Founder and President of the Action Committee for the Mediterranean.

Discussions during the plenary focused on strengthening regional economic integration, improving the investment climate, supporting industrial transformation,

and enhancing cooperation between public institutions and the private sector as key drivers of long-term Mediterranean prosperity.

The Forum concluded with a closing lunch, jointly hosted by the Chamber of Commerce of Barcelona and IEMed, providing an opportunity for continued networking and informal exchange among participants.



## THEMATIC SESSIONS

The thematic parallel sessions addressed three strategic areas: Key economic sectors, building the next economy, and investment promotion and support in the Mediterranean.

KEY ECONOMIC SECTORS	BUILDING THE NEXT ECONOMY	INVESTMENT PROMOTION & SUPPORT
Driving competitiveness: opportunities for the Mediterranean automotive industry	Startup incubators, accelerators & innovation ecosystems: building the next unicorns	Unlocking growth: Special economic zones and ports as catalysts for industrialization & trade
Fashion & textiles: innovating Mediterranean value chains for global competitiveness	Smart & secure industries: AI, automation, and cybersecurity in manufacturing	Investment policies & tax incentives: attracting foreign direct investment (FDI) in the Mediterranean
Sustainable agriculture & agri-tech: feeding the future	Solar and wind energy investments: scaling investments for a net-zero future	Venture capital & industrial project financing: new avenues for growth

## KEY ECONOMIC SECTORS

### Driving Competitiveness: Opportunities for the Mediterranean Automotive Industry

**Fadi Saab**, President, ASCAME Integrity Values & Business Ethics Commission (Lebanon);

**Mohamed Bachiri**, CEO of Renault Group Morocco (Morocco);

**Ramzi Gara**, Automotive Project Manager, Foreign Investment Promotion Agency (FIPA) (Tunisia);

**Xavier Aliberch**, Operational Director JV divisional liaison, Gestamp Europe (Spain)

#### First reactions and comments:

**Amirah El-Haddad**, Senior Researcher, German Institute of Development and Sustainability (IDOS) (Germany)

The session focused on how the Mediterranean can strengthen its position as a competitive, reliable hub in global automotive value chains, particularly in the context of near-shoring, regionalisation, and the transition from “automotive” to broader “mobility” ecosystems. Discussions highlighted that competitiveness is increasingly determined by the ability to build integrated industrial ecosystems, combining infrastructure, skills, suppliers, finance, and regulatory predictability, rather than by isolated national strategies.

A central theme was the **Mediterranean’s strategic geography** as a crossroads between Europe, Africa, and the Middle East, and the opportunity this creates to shorten supply chains and improve resilience after recent global disruptions. Participants argued that the region’s advantage will be maximised if countries avoid duplicating efforts to attract the same investments and instead pursue complementary specialisation, where each country builds on its strengths and integrates into a regional production platform.

Another key area of discussion concerned the importance of **industrial ecosystems and enabling infrastructure**. The Moroccan experience was presented as a case where sustained industrial policy, world-class logistics (notably port connectivity),

dedicated industrial zones, and supplier clustering enabled rapid export-oriented growth. Speakers emphasised that such ecosystems require long-term commitment and strong operational coordination between Original Equipment Manufacturer (OEMs) and suppliers, supported by reliable logistics and energy systems.

From an investor and financing perspective, the discussion reframed the sector as an ecosystem challenge rather than a standalone manufacturing race. Competitiveness was linked to the capacity to operate as a coordinated network that delivers predictability on cost, time, quality, and compliance. Predictability was repeatedly identified as decisive for investment decisions, alongside resilience planning, transparency, and reduced regulatory friction.

**Sustainability and decarbonisation** emerged as a growing determinant of value-chain positioning. Participants stressed that decarbonisation is not limited to vehicle electrification but extends across the full value chain, including supplier localisation, logistics distance, energy inputs, and traceability. Renewable energy access and cost-competitiveness were framed as strategic advantages for export-oriented manufacturing, particularly given tightening EU climate-related requirements. The discussion also highlighted the strategic importance of battery value chains, including upstream materials and refining, as a way to reduce dependence on concentrated global suppliers.

The session also addressed the role of **public-private partnerships** in building competitiveness. Speakers highlighted co-construction approaches where state incentives are matched by measurable industrial commitments (local integration targets, supplier development, job creation, and skills investment). Training was presented as a core competitiveness lever, including dedicated training centres supporting both OEMs and supplier ecosystems.

Barriers to deeper regional integration were explicitly discussed. Participants pointed to cultural frictions, institutional ego, and insufficient scalability as risks that can undermine alliances and cross-border collaboration. In parallel, speakers stressed

that industrial development is gradual and requires consistent, long-term execution, while recognising that the region's potential and talent base are strong.

Finally, the discussion opened toward future-oriented cooperation needs, including regional logistics harmonisation, software-defined vehicles, and cross-Mediterranean collaboration to catch up on electric mobility timelines. Circularity was also highlighted as an emerging strategic pillar, linking recycling and resource efficiency to competitiveness, customer trust, and carbon footprint reduction. Broader industrial spillovers were discussed through Morocco's experience, suggesting that automotive ecosystem approaches can be replicated in other sectors such as aeronautics through similar clustering, skills development, and investor confidence-building.



## PROPOSED POLICY DIRECTIONS INCLUDED

- ▶ Developing complementary regional industrial strategies to reduce intra-regional competition for identical investments and strengthen specialisation
- ▶ Strengthening logistics connectivity and regulatory harmonisation, including port, transport, and customs facilitation to fluidify value chains
- ▶ Scaling industrial clusters and supplier ecosystems, enabling deeper local integration and stronger OEM–supplier coordination
- ▶ Enhancing predictability and regulatory stability to support long-term investment decisions and reduce friction for compliance and audits
- ▶ Investing in skills development and dedicated training infrastructures aligned with emerging technologies (Industry 4.0, digitalisation, advanced materials)
- ▶ Advancing full value-chain decarbonisation, including localisation, renewable energy use, traceability, and low-carbon logistics
- ▶ Supporting battery and critical materials value chains, including refining and upstream ecosystem development to reduce external dependency
- ▶ Promoting resilience planning through diversified supply chains and contingency strategies across industrial networks
- ▶ Accelerating circular economy models in manufacturing, linking recycling and material recovery to competitiveness and carbon reduction
- ▶ Encouraging cross-sector spillovers and replication of ecosystem models (e.g., automotive-to-aeronautics) through clusters, SEZs, and technology transfer

Overall, the session framed Mediterranean competitiveness in automotive value chains not as a single-country industrial ambition, but as a regional ecosystem-building challenge, requiring coordinated public–private action, cross-border integration, and sustained investment in infrastructure, skills, and decarbonised industrial upgrading.

## KEY ECONOMIC SECTORS

### Fashion & Textiles: Innovating Mediterranean Industries for Global Competitiveness

**Hind Saidi**, former Head of Textile & Leather Department, Moroccan Investment and Export Development Agency (AMDIE); current Director of Economic Development & Investment Offer at the Regional Investment Centre of Rabat and Region (Morocco)

**Haithem Bouagila**, President, Tunisian Textile & Apparel Federation (Tunisia)

#### First reactions and comments:

**Roberta de Palma**, Chief Technical Advisor, UNIDO

**Anna Ibañez**, Project Manager - Green Entrepreneurship, MedWaves

The session focused on how Mediterranean countries can strengthen the global competitiveness of their textile and fashion industries by upgrading value chains, improving responsiveness to market demand, and accelerating the shift toward sustainable and circular production models. Discussions highlighted that the region's proximity to European markets creates a structural advantage in lead times and flexibility, but that competitiveness increasingly depends on greater autonomy in inputs, stronger regional coordination, and credible sustainability performance.

A central theme was the Mediterranean's comparative advantage in speed-to-market. Panellists argued that near-shoring trends and post-COVID supply chain reconfiguration make the region well positioned to serve European demand with shorter lead times, smaller production runs, and higher flexibility. However, this advantage is constrained when upstream inputs (yarn, fabric, trims) remain imported from distant markets. Strengthening competitiveness therefore requires strategic investment in upstream capacity and practical interim solutions such as sourcing hubs that consolidate materials, design, and production capabilities to reduce dependency and delays.

Another key area of discussion concerned regional integration and diversification across the Euro-Mediterranean textile ecosystem. Participants emphasised that the

region contains strong and differentiated industrial bases (e.g., Italy, Portugal, Türkiye, Tunisia, Morocco, and a rising Egypt), and that deeper coordination could enable complementary specialisation across segments, ranging from fashion and home textiles to technical textiles for medical, automotive, and aeronautics. Diversification was presented as a resilience factor that helps firms absorb shocks and adapt to changing market cycles.

Sustainability and circularity featured prominently as both a compliance requirement and a competitiveness opportunity. Panellists noted that the industry is moving beyond voluntary commitments toward regulation-driven transformation, particularly in European markets. Circularity was framed as an industrial strategy for the region, given the scale of textile waste and the very low global recycling rates. The Mediterranean was presented as uniquely positioned because it can mobilise both post-industrial waste (from manufacturing) and post-consumer waste (from consumption), creating opportunities to build localized recycling and fibre-to-fibre ecosystems, provided investment and enabling policies support the development of the necessary infrastructure.

The discussion also highlighted the structural tension between stricter sustainability requirements in Europe and the competitive pressure from global producers operating with weaker standards. Panellists argued that Euro-Mediterranean industry risks being disadvantaged if sustainability compliance is not matched by comparable expectations in other regions or by stronger commitment from brands. In this context, participants stressed the need to turn sustainability into a market advantage through quality, durability, eco-design, transparency, and traceability, while strengthening fairness in value chains so that suppliers are not solely burdened with compliance costs.

Fast fashion and declining garment quality were identified as critical barriers to circularity. Panellists underlined that poor-quality, mixed-material garments are difficult to reuse or recycle economically, undermining sorting business models and increasing export of waste. Eco-design and durability were therefore framed as prerequisites for closing material loops. While innovation in recycling (including

chemical recycling) is advancing, speakers emphasised that innovation must be coupled with clear investment pathways and coherent policy instruments.

Finally, the session highlighted the importance of investment facilitation and coordinated public–private action. Examples from Morocco and Tunisia pointed to the value of “Team” approaches (investment agencies working in lockstep with industry associations) to attract strategic upstream investors, build clusters, and complete value chains. Participants stressed that sustainability requires not only regulatory ambition but also infrastructure investment, including wastewater treatment, resource efficiency, and recycling capacity, to preserve scarce resources such as water and energy and ensure credible transition pathways.



## PROPOSED POLICY DIRECTIONS INCLUDED

- ▶ Leveraging near-shoring advantages by strengthening speed-to-market and flexible production, while reducing upstream dependency
- ▶ Investing in upstream integration (yarn, fabric, inputs) and establishing regional sourcing hubs as transitional solutions
- ▶ Deepening Euro-Mediterranean industrial coordination to enable complementary specialisation and resilient diversification across segments
- ▶ Scaling circular economy infrastructure, especially localized systems for post-industrial and post-consumer textile recycling
- ▶ Introducing and operationalising policy instruments such as Extended Producer Responsibility (EPR) schemes and eco-design incentives
- ▶ Prioritising durability and eco-design to reduce waste generation and improve recyclability, countering fast and ultra-fast fashion impacts
- ▶ Strengthening resource efficiency and environmental compliance, including wastewater treatment and energy management in manufacturing
- ▶ Supporting SMEs and designers through digital tools, green innovation, and branding, enabling them to move up the value chain
- ▶ Promoting traceability and transparency systems to reduce greenwashing risk and meet rising consumer and regulatory expectations
- ▶ Encouraging brands to adopt fair and consistent sustainability requirements across supply chains to avoid uneven burdens on suppliers

Overall, the session framed Mediterranean textile competitiveness not only as a question of cost and speed, but as a strategic transition toward more integrated, higher-value, and circular value chains, underpinned by coordinated investment, policy coherence, and regional collaboration.

## KEY ECONOMIC SECTORS

### Sustainable Agriculture & Agri-Tech: Feeding the Future

**Omar Elboghday**, Co-founder and CEO, Viridia Tech (Egypt)

**Tuğçe Ergün Cireli**, Co-Founder of Foodback, EIT Food Türkiye Hub (Türkiye)

**Pau López**, Sustainability and Innovation Director, Mercabarna (Spain)

#### First reactions and comments:

**Octavi Quintana**, Director, PRIMA Foundation

The session focused on the barriers and enablers for scaling agri-tech and food-system innovation across the Mediterranean, with particular attention to how SMEs and small producers can access markets, reduce food loss and waste, and improve resource efficiency under climate and price volatility. Discussions highlighted that while digital tools and circular solutions are increasingly available, adoption is constrained by financing gaps, certification burdens, long farm cycles, and limited integration between producers, markets, and innovation ecosystems.

A central theme was the challenge of enabling small producers and startups to reach larger markets. Participants pointed to limited access to investment as a primary constraint, compounded by the high cost and complexity of certifications required to work with large buyers (e.g., retailer standards and compliance processes). Certification was framed not only as a financial barrier but also as an organisational one, requiring managerial capacity, documentation, and specialised human resources that many small actors lack.

The discussion also examined why scaling agricultural innovation is structurally slower than in other sectors. From the agri-tech startup perspective, adoption depends heavily on trust-building and local presence, as farmers are risk-averse and reluctant to trial new approaches on their own farms. At the same time, agriculture operates on long cycles: pilots may take a full season, meaning startups often face 12-month customer acquisition and revenue delays. However,

once trust is established, farmers can become highly loyal clients, creating durable relationships and strong market “moats.”

A second major area of discussion concerned designing technology for user realities, rather than for idealised digital capabilities. Participants stressed that farmers do not typically engage with dashboards or analytics tools, so successful solutions must integrate into daily routines and deliver actionable insights in simple formats (e.g., targeted alerts and practical recommendations via familiar channels such as messaging apps). The session framed adoption as a usability challenge as much as a technical one, requiring product design that reflects farmers’ time constraints and operational practices.

Food loss and waste emerged as a third core theme, linked to both inefficiency and circular opportunity. Panellists highlighted that Mediterranean value chains for perishable produce often involve fragmented logistics and multiple intermediaries, creating information gaps between production and demand that contribute to overproduction and waste. Digital platforms were presented as tools to improve demand visibility and reduce waste upstream by helping producers align output with market needs. At the same time, circular solutions, such as redistribution, valorisation into biomaterials, and waste-to-product innovation, were seen as increasingly important, but constrained by long R&D horizons and a lack of early-stage financing and laboratory infrastructure.

The session also analysed price volatility and the “boom-bust” cycle of crop production as a systemic challenge. Examples of oversupply dynamics illustrated how producers often base planting decisions on last year’s prices, leading to cyclical gluts and shortages. Participants argued that better data and early indicators, such as acreage mapping and yield forecasting, could improve collective decision-making and reduce volatility but require coordination mechanisms and wider access to information systems.

Scaling challenges were discussed in relation to national contexts, including macroeconomic uncertainty that discourages international investment in some

countries. Participants noted that entrepreneurs may struggle to access global financing and may relocate legally or operationally to more stable jurisdictions to attract investors. This reinforced the importance of cross-border accelerators, partnerships, and structured pathways into European innovation ecosystems to help startups scale regionally.

Practical examples of market integration and circularity were also presented through wholesale market infrastructure. The Mercabarna case illustrated how wholesale hubs can support local farmers through dedicated selling spaces, marketing support, and cooperative organisation, while also reducing food waste through structured collection and redistribution systems that recover surplus produce for social use. These examples highlighted the value of public-private-social partnerships in operationalising circularity at scale.

Finally, reflections from PRIMA emphasised the strategic role of SMEs as the bridge from research to market. The session highlighted that innovation uptake depends on embedding SMEs in research and innovation projects, as they are the actors most capable of translating research outputs into scalable solutions. At the same time, speakers noted that non-European Mediterranean countries may have a demographic advantage, with younger, more digitally native populations, suggesting that adoption barriers can be lowered when tools are simple and adapted to user needs.



## PROPOSED POLICY DIRECTIONS INCLUDED

- ▶ Expanding access to finance and investment readiness support for SMEs and startups, particularly to bridge long agricultural sales cycles
- ▶ Reducing certification barriers through cost-sharing mechanisms, pooled compliance services, and targeted technical assistance for SMEs and small producers
- ▶ Promoting farmer adoption through user-centred product design, simplified tools, and delivery via familiar channels (e.g., practical advisories rather than dashboards)
- ▶ Supporting digital platforms that connect production to demand, reducing overproduction and food waste by improving market transparency
- ▶ Investing in innovation labs, food innovation centres, and shared R&D infrastructure to shorten development timelines for circular and waste-valorisation startups
- ▶ Strengthening data systems for early forecasting (acreage, yield, demand signals) to mitigate volatility and improve collective crop planning
- ▶ Scaling circular models through surplus recovery, redistribution systems, and waste-to-value value chains, supported by public–private–social partnerships
- ▶ Improving market access for local producers through dedicated spaces in wholesale markets, cooperative strengthening, and targeted marketing campaigns
- ▶ Expanding cross-Mediterranean acceleration and EU ecosystem access to help startups scale beyond national constraints and attract international financing
- ▶ Embedding SMEs systematically into research-to-market programs and ensuring innovation projects include pathways to commercialization

Overall, the session framed food-system innovation as both a technical and governance challenge: scaling requires not only better tools, but also financing, standards support, institutional coordination, and market mechanisms that align productivity goals with efficiency, circularity, and resilience across the Mediterranean.

## **BUILDING THE NEXT ECONOMY**

### **Startup Incubators, Accelerators & Innovation Ecosystems:**

#### **Building the Next Unicorns**

**Krystel Khalil**, Programs Director, Berytech (Lebanon)

**Habib Hammami**, President, Sfax Chamber of Commerce and Industry (Tunisia)

**Salma Bougarrani**, CEO, GreenWatech (Morocco)

#### **First reactions and comments:**

**Tarik El Malki**, Director, Higher Institute of Commerce and Business Administration (ISCAE) (Morocco)

**Muamer Mahmutovi**, President, Sarajevo Canton Chamber of Economy (Bosnia)

The session focused on the conditions required to build innovation ecosystems capable of generating high-growth industrial startups in the Euro-Mediterranean region. Discussions highlighted the limits of fragmented incubation models and isolated support initiatives, stressing that successful startup scaling depends on systemic alignment between market demand, research capacity, industrial actors, and finance.

A central theme was the importance of market-driven innovation. Participants emphasised that startups scale when they are anchored in clearly identified industrial and societal needs, rather than technology- or idea-led approaches disconnected from demand. Co-creation mechanisms, such as industry challenge definition, early customer engagement, and structured feedback loops, were seen as critical to reducing failure rates and improving commercial relevance.

Another key area of discussion concerned the structural gap between research and industrial deployment. Despite strong academic output in several Mediterranean countries, many innovations fail to progress beyond the prototype stage due to limited access to testing facilities, pilot lines, certification environments, and scale-up infrastructure. This “missing middle” was identified as a major bottleneck, particularly in industrial, cleantech, agritech, and biotech sectors.

Access to finance and scaling support was framed as a systemic challenge rather than a simple funding shortage. Participants noted that while public funding and guarantee instruments exist, entrepreneurs often face barriers related to information asymmetries, administrative complexity, risk aversion, and limited investment readiness. Funding gaps were compounded by weak managerial capacity and insufficient support for market entry and partnership-building.

The discussion also highlighted governance and coordination failures within innovation ecosystems. In several country contexts, the proliferation of incubators, public programs, and support initiatives has not translated into scale, due to fragmentation and lack of a coordinating lead actor. Without shared priorities, performance metrics, and continuity across startup stages, ecosystem efforts struggle to deliver sustained outcomes.

Human capital and entrepreneurial culture featured prominently. Participants pointed to low risk tolerance, limited exposure to entrepreneurship in education systems, and persistent preferences for stable employment as barriers to ambition and scalability. Startup failure was frequently attributed not to weak ideas, but to management and governance shortcomings, reinforcing the need for leadership and operational skills alongside technical innovation.



The session also addressed competitiveness in global markets, warning that innovation must be benchmarked early against existing solutions and international value chains. In this context, emerging sectors such as the blue economy were seen as offering significant opportunities, particularly in tourism, fisheries, and coastal sustainability, but dependent on enabling regulation and clearer demand signals.

Finally, there was strong consensus on the need to strengthen Euro-Mediterranean cooperation to overcome limited domestic market size and fragmented resources. Cross-border collaboration was viewed as essential to enabling startups to scale, access infrastructure, attract investment, and integrate into regional and global value chains.

## PROPOSED POLICY DIRECTIONS INCLUDED

- ▶ Shifting innovation policy toward demand-driven and co-creation-based models anchored in real industrial needs
- ▶ Investing in shared prototyping, testing, and pilot infrastructures, including cross-border access mechanisms
- ▶ Strengthening ecosystem governance and coordination through designated lead actors and shared roadmaps
- ▶ Improving access to finance through simplified, blended public–private instruments combined with mentoring and market access
- ▶ Embedding entrepreneurship, management, and risk-taking skills more systematically in education and training systems
- ▶ Supporting sector-specific acceleration and clustering, particularly in cleantech, agritech, and the blue economy
- ▶ Promoting inclusive entrepreneurship, with targeted support for women-led and underrepresented founders

- ▶ Expanding Euro-Mediterranean cooperation mechanisms, including soft-landing programs, cluster partnerships, investor networks, and knowledge exchange platforms

Overall, the session framed innovation and startup development not as isolated entrepreneurial challenges, but as strategic ecosystem and policy issues, requiring coordinated governance, market alignment, and sustained cross-Mediterranean collaboration.

## BUILDING THE NEXT ECONOMY

### Smart & Secure Industries:

#### AI, Automation, and Cybersecurity in Manufacturing

**Candice Tran Dai**, Director, Cybersécurité Group (France)

**Enrique Martín**, Sales and Business Development Director for Large Companies and Public Administrations, Samsung (Spain)

**Mahmoud Abdelaziz**, Founder & CEO, DevisionX (Egypt)

The session focused on the governance, security, and resilience challenges associated with the rapid deployment of artificial intelligence, automation, and digital technologies in industrial sectors across the Euro-Mediterranean region. Discussions highlighted the limits of one-size-fits-all regulatory approaches, stressing that effective AI and cybersecurity governance must be sector-specific, adaptive, and co-designed by public authorities and private actors.



A central theme was the need for differentiated regulatory frameworks reflecting the varying risk profiles of sectors such as healthcare, finance, industry, and retail. Participants argued that horizontal rules applied uniformly across all sectors are unlikely to be effective, particularly given the pace of technological change. Instead, the discussion called for dynamic, principle-based regulatory frameworks that can evolve over time, allowing both AI and cybersecurity rules to be regularly updated in line with technological and operational realities.

From an industrial perspective, participants identified supply-chain concentration and single points of failure as a major vulnerability, particularly in relation to cloud services, critical digital infrastructure, and key technology providers. Recent disruptions were cited as evidence of the need for redundancy, diversification of suppliers, and robust contingency planning, including disaster recovery and business continuity strategies. These vulnerabilities were framed not only as cybersecurity risks but also as systemic operational and economic risks, with potential spillover effects across entire value chains and national economies.

Another key area of concern was the persistence of legacy systems in industrial environments, which complicates cybersecurity management and increases exposure to both cyber and operational risks. The discussion emphasised the difficult trade-offs between cybersecurity, operational continuity, and human safety, noting that in many industrial contexts, safety considerations may legitimately take precedence, even at the cost of increased cyber risk or financial loss. This reinforced the importance of risk-based decision-making at senior management and governance levels, rather than purely technical responses.

Human factors also featured prominently. Participants underlined the need for greater cybersecurity awareness, specialised training, and upskilling within industrial workforces, particularly as employees are increasingly expected to integrate cyber considerations while maintaining uninterrupted operations and adopting AI-driven systems. Cybersecurity in industrial settings was repeatedly

characterised as a distinct domain requiring tailored approaches, rather than a simple extension of IT security models.

On solutions, technology providers highlighted the importance of security-by-design, certified devices and infrastructure, and innovation focused on protecting data at the source, particularly as AI systems increasingly rely on edge devices and locally generated data. At the same time, AI system providers stressed the growing relevance of on-premises and edge-based deployments as a response to security, latency, and data-sovereignty concerns, while acknowledging the associated infrastructure and governance challenges.

The discussion also addressed data governance, accountability, and legal responsibility, especially where AI systems monitor human behaviour in industrial environments. Participants highlighted significant cross-country differences in legal and ethical standards, calling for clearer frameworks on responsibility, data sharing, anonymisation, and compliance, adapted to national contexts but guided by shared principles.

Finally, there was strong consensus on the need to strengthen Euro-Mediterranean cooperation on cybersecurity and AI governance.

## **PROPOSED POLICY DIRECTIONS INCLUDED**

- ▶ Joint sector-specific cyber drills and simulation exercises, particularly for industrial value chains
- ▶ Enhanced cooperation among computer security incident response teams (CSIRTs)
- ▶ Cross-border information sharing and cyber-intelligence cooperation

- ▶ Development of common baselines and interoperable standards, while allowing flexibility to accommodate different national capacities
- ▶ Public-private platforms for joint training, R&D, and operational coordination

Overall, the session framed cybersecurity and AI governance not as purely technical challenges, but as strategic policy issues requiring coordinated action, institutional capacity-building, and sustained cross-Mediterranean collaboration.

## BUILDING THE NEXT ECONOMY

### Solar and Wind Energy Investments:

#### Scaling Investments for a Net-Zero Future

**Mohamed Ouhmed**, Secretary General of the Department of Energy Transition, Ministry of Energy Transition and Sustainable Development (Morocco)

**Nadia Zeddou**, Founder & General Director, Green Wave (Morocco)

**Houda Ben Jannet Allal**, Director General, Mediterranean Observatory of Energy and Climate (OMEC)

**Ferran Minguella**, Head of Division – Corporates Lending Outside EU, European Investment Bank (EIB)

**Nurzat Myrsaliev**, Project Manager - Division of Energy and Climate Action, United Nations Industrial Development Organization (UNIDO)

#### First reactions and comments:

**Stella Tsani**, Associate Professor at the Department of Economics, National and Kapodistrian University of Athens (Greece)

**Marie-Claire Boillot**, Senior Expert - Energy & Climate Action, Union for the Mediterranean (UfM)

The session focused on the policy, regulatory, and financial conditions required to accelerate large-scale solar and wind investments across the Euro-Mediterranean region. Discussions highlighted that while the region is endowed with significant renewable energy potential, deployment at scale depends on stable regulatory frameworks, long-term political commitment, and coordinated action between public authorities, financiers, and private actors.

A central theme was the importance of clear, predictable, and long-term policy frameworks. Participants stressed that renewable energy investments are capital-intensive and long-gestation, making regulatory stability and credible long-term targets essential to mobilising private capital. Experiences from Europe and Morocco illustrated how binding objectives, transparent permitting processes, and clear investment rules can act as powerful enablers, whereas

regulatory uncertainty continues to constrain investment in parts of the Southern Mediterranean.

Another key area of discussion concerned the role of regional integration and energy interconnections. Solar and wind deployment was framed as inseparable from the development of electricity grids, cross-border interconnections, and system flexibility, particularly given the intermittency of renewables. Strengthening North–South interconnections was seen as a strategic lever to balance supply and demand, enhance energy security, and enable future trade in renewable electricity and green hydrogen.



From a financing perspective, participants emphasised the importance of blended and de-risked investment structures. Public finance institutions, notably development banks, play a catalytic role by conducting rigorous due diligence, co-financing projects, and mobilising private capital through trust-building and risk-sharing mechanisms. Technical assistance was highlighted as a critical tool to improve project bankability, particularly in contexts where project pipelines remain immature.

The discussion also addressed local industrial integration and capacity-building. Participants underlined that large-scale renewable projects deliver limited employment during operation unless accompanied by local value-chain development, skills upgrading, and industrial policy measures. The need to better integrate local SMEs into renewable energy supply chains, while maintaining technical and quality standards, was repeatedly emphasised, alongside the importance of gradually building domestic capabilities through phased participation.

Private-sector perspectives highlighted additional challenges related to technical capacity, quality assurance, and incentive design. While subsidies and incentives have helped kick-start markets, participants warned that poorly calibrated support mechanisms can distort investment decisions, delay action, or undermine market confidence. Instead, an integrated approach combining regulation, competitiveness incentives, financing access, and quality control was seen as more effective in sustaining long-term investment.

The session further explored the evolving drivers of renewable deployment, noting a shift from subsidy-driven investment toward competitiveness, energy security, and export market requirements, particularly for firms exposed to European decarbonisation standards. Renewable energy was increasingly framed not only as a climate instrument, but as a strategic asset for industrial resilience and sovereignty.

Finally, there was strong consensus on the need to deepen Euro-Mediterranean cooperation on renewable energy and decarbonisation. Participants highlighted the emergence of a shared North–South vision around green electricity and hydrogen trade, supported by regional platforms,

intergovernmental cooperation, and new EU initiatives. At the same time, concerns were raised about uneven progress across countries, underscoring the need for knowledge transfer, coordinated standards, and inclusive regional mechanisms that support lagging countries.

## PROPOSED POLICY DIRECTIONS INCLUDED

- ▶ Establishing stable, long-term, and transparent regulatory frameworks with clear renewable energy targets to reduce investor risk
- ▶ Accelerating grid development, system flexibility, and cross-border interconnections to enable large-scale renewable integration
- ▶ Expanding blended finance and de-risking mechanisms, combining public finance, private capital, and technical assistance
- ▶ Strengthening local industrial integration and SME participation through phased local-content strategies and skills development
- ▶ Designing incentive frameworks that support competitiveness and self-consumption, while avoiding subsidy dependency
- ▶ Enhancing quality standards, certification, and monitoring across equipment, installers, and service providers
- ▶ Advancing regional cooperation on green electricity and hydrogen trade, including harmonised standards and infrastructure planning
- ▶ Promoting knowledge-sharing and capacity-building to reduce disparities between more advanced and lagging Mediterranean countries

Overall, the session framed large-scale renewable energy deployment not only as a climate imperative, but as a strategic economic and regional integration challenge, requiring coherent policy design, credible financing structures, and sustained Euro-Mediterranean cooperation.

## INVESTMENT PROMOTION & SUPPORT

### Unlocking Growth: Special Economic Zones and Ports as Catalysts for Industrialization & Trade

**Alaa Ezz**, Secretary General, Confederation of Egyptian European Chambers (CEEBA), and Union of African Chambers (UACCIAP) (Egypt)

**Yasser Abbas**, Deputy CEO, General Authority for Investment and Free Zones (GAFI) (Egypt)

**Jordi Torrent**, Director of Strategy, Port of Barcelona. Secretary General, MEDPorts Association (Spain)

**Mario Espinosa**, Manager Transport & Infrastructure, ALG (Spain)

#### First reactions and comments:

**Tarek Tawfik**, President of the Federation of Mediterranean Business Organisation (BUSINESSMED). Chairman, Cairo Poultry Group Egypt (Egypt)

**Taieb Zahar**, President, Forum International Réalités (FIR)

The session examined how special economic zones (SEZs), industrial parks, and ports can function as coordinated engines of industrial development, export promotion, and global value chain integration across the Mediterranean, rather than operating as isolated and competing enclaves. Discussions highlighted that while the region benefits from strategic geography and dense trade routes, long-term competitiveness increasingly depends on governance quality, regulatory predictability, and cross-border coordination as much as on fiscal incentives.

A central theme was the need to shift SEZ strategy from “enclave competition” toward regional industrial corridors built on complementarity. Speakers stressed that the Mediterranean already functions as a mega-market and gateway region, combining proximity to Europe with connectivity to Africa and the Arab world, and hosting critical trade flows through the Mediterranean and the Suez Canal. In this perspective, the strongest positioning tool is not preferential taxation alone, but integrated access to multiple markets through

overlapping free-trade agreements and the ability to embed zones into wider regional and global value chains.

The discussion underscored that SEZ governance models are decisive for investor confidence and performance. Egypt's experience was presented as relying on three pillars: an empowered central investment authority to accelerate decision-making; clear accountability and transparent procedures; and integrated investor services delivered through one-stop-shop models. Panellists argued that operational autonomy and administrative simplification are essential but warned that autonomy without strategic direction can leave zones underperforming.

A recurring critique concerned the prevalence of “salad zones”, SEZs hosting unrelated activities without sectoral focus or clustering logic. Speakers noted that without targeted sector strategies, supplier ecosystems, and industrial linkages, zones struggle to generate spillovers in skills, innovation, and local sourcing, remaining largely real estate and incentive platforms. Tangier Med was cited as a contrasting example, where ecosystem logic and sectoral focus (notably in automotive and logistics) enabled clustering effects and transformed infrastructure into a coherent industrial base.

Ports were presented as a concrete example of competitive cooperation. Experiences from Mediterranean port networks illustrated how ports can compete for traffic and investment while cooperating on issues where scale and network effects matter. Areas highlighted included decarbonisation (notably onshore power supply and shared operational learning), cruise itineraries that depend on multi-port circuits competing globally, alternative fuels corridors leveraging regional potential in methanol, ammonia, and hydrogen, and Motorways of the Sea where administrative burdens remain a key constraint. Joint engagement on legislation and regulatory intelligence was also identified as a growing area of cooperation.

From a logistics and infrastructure perspective, participants emphasised that corridor competitiveness depends on planning-level coordination. Ports,

logistics platforms, and industrial zones must be conceived as nodes within broader multimodal networks rather than standalone assets. This requires aligning transport planning with industrial development strategies, and adopting multinational approaches when corridors span several countries.

Audience interventions pushed the debate toward distributional effects and performance metrics. One question concerned whether SEZs distort competition between firms inside and outside zones. Panellists responded that advantages depend on business models: export-oriented firms may benefit more from zone regimes, while firms targeting domestic markets may prefer inland locations. They also noted that selling into the local market from free zones often triggers export treatment, meaning tariffs and restrictions still apply, underscoring that SEZs are tools whose effectiveness depends on regulatory design rather than automatic advantages.

Another theme was the need to assess SEZs beyond FDI volumes. Participants challenged the “please pick me” dynamic among Southern Mediterranean countries competing through lax regimes, arguing that success should be measured by employment creation, local content, supplier development, R&D, and industrial upgrading. Panellists agreed that local benefits are not automatic and depend on whether regulators actively use incentives, procurement, and content requirements to foster localisation and ecosystem development.

The session also explored “SEZ 2.0” functions, particularly around the circular economy and trade compliance. Industrial symbiosis, where one firm’s waste becomes another’s input, was presented as an established but increasingly strategic practice, now linked to readiness for carbon-related trade measures. Rather than treating CBAM compliance as a single policy response, speakers emphasised collateral pathways: renewable energy adoption, efficiency improvements, cleaner production, and technological upgrading.

Dry ports were discussed as complementary instruments rather than substitutes for SEZs and maritime ports. They were framed primarily as inland logistics hubs that

relieve congestion by shifting customs clearance and warehousing away from seaports, improving corridor efficiency. The Port of Barcelona example illustrated how rail-connected dry ports can anchor supply chains and offer customs regimes that replicate some zone-related logistics advantages, while also highlighting the importance of fiscal and VAT treatment as a competitiveness lever.

Sustainability regulation was framed as both an accelerator and a challenge. EU frameworks (including Fit for 55, ETS extension, FuelEU Maritime, and AFIR) were described as accelerating investment in decarbonisation and alternative fuels, while uneven global regulation risks shifting transshipment activity toward non-EU ports. Speakers noted a pattern of voluntary compliance driven by market pressure, but with uneven readiness across the region.



## PROPOSED POLICY DIRECTIONS INCLUDED

- ▶ Shifting SEZ policy from enclave competition to corridor-based regional industrial strategies built on complementarity and sector focus
- ▶ Prioritising clustering and value-chain design inside zones, avoiding “salad zones” with weak industrial linkages
- ▶ Strengthening SEZ governance through empowered authorities, transparent accountability, and one-stop-shop services
- ▶ Using incentives strategically to promote local content, supplier ecosystems, and spillovers rather than only tenant attraction
- ▶ Deepening port cooperation on OPS, alternative fuels readiness, cruise circuits, and shared operational learning
- ▶ Reducing administrative burdens for Motorways of the Sea and short sea shipping routes linking EU and non-EU shores
- ▶ Embedding logistics nodes into integrated multimodal planning aligned with industrial development strategies
- ▶ Expanding dry ports and inland logistics platforms to improve clearance efficiency and reduce port congestion
- ▶ Supporting industrial upgrading for trade compliance (e.g. CBAM) through renewables, efficiency, cleaner production, and circular economy tools
- ▶ Developing shared Mediterranean approaches on sustainability and competitiveness to avoid regulatory fragmentation and race-to-the-bottom dynamics

Overall, the session framed SEZs, industrial parks, and ports as strategic instruments whose effectiveness depends less on standalone incentives and more on governance quality, corridor integration, clustering, and coordinated regional planning, enabling the Mediterranean to compete as a connected industrial and logistics system between Europe, Africa, and Asia.

## INVESTMENT PROMOTION & SUPPORT

### Investment Policies & Tax Incentives: Attracting FDI in the Mediterranean

**Youssef Tber**, Director of Investments and Exports, Moroccan Investment and Export Development Agency (AMDIE) (Morocco)

**Anas Makhmalji**, Overseas Offices Unit Analyst, Investment Office of the Presidency of the Republic of Türkiye (Türkiye)

**Rym Ayadi**, Founder and President, Euro-Mediterranean Economists Association (EMEA)

**Lilia Naas**, Independent Senior Expert, Former Chief of the Office for MENA region at the International Trade Centre (Tunisia)

**Ahmed Ghoneim**, Professor of Economics at the Faculty of Economics and Political Science at Cairo University (Egypt)

#### First reactions and comments:

**Dimitrios F. Bakalis**, Project Manager of EU funded projects, Iliia Chamber of Commerce (Greece)

The exchange focused on why some investment policies translate into long-term industrial upgrading while others merely attract short-term capital flows. Discussions converged around a shared diagnosis: sustainable competitiveness cannot be built on incentives or geography alone, but must rest on productivity growth, skills development, institutional credibility, and resilience to structural shocks.

A first line of argument stressed that every country must clearly identify its competitiveness pillars and explicitly anchor them in productivity. This implies a structural rethinking that connects labour market dynamics, demographic change, and education policy with national investment strategies. Participants highlighted the need to move from quantity-based approaches, maximising FDI inflows regardless of content, toward quality-based strategies that attract investment aligned with sustainability, inclusiveness, resilience, and national economic security priorities. Structural reforms, in this view, must be consciously owned by countries themselves rather than implemented only as external conditionality (e.g. IMF-driven). Climate

adaptation was also framed as a critical long-term stressor that must be integrated into macroeconomic and economic policy, given that adaptation costs will diverge sharply depending on fiscal capacity.

A complementary intervention emphasised that productivity is driven not only by machinery and physical capital, but also by intangible value, talent utilisation, organisational quality, and human capital retention. It was noted that many Mediterranean economies underuse talent and suffer from “brain drain” not only across borders but also within firms, visible in disengagement, absenteeism, and declining cognitive well-being. These factors silently erode productivity and reduce investment attractiveness. This perspective also challenged an excessive focus on FDI, arguing that domestic capital often exits because macroeconomic and monetary conditions are not conducive to local investment. Effective investment policy must therefore mobilise domestic investment alongside FDI, recognising that FDI’s value also lies in diversity of business models, competition, and knowledge transfer.



Another contribution addressed what distinguishes effective investment policies from those that fail. Success was linked to embedding investment policy within a long-term, nationally owned development strategy supported by broad stakeholder commitment across government, private sector, and civil society. Investment policy was described as effective only when it is “appropriated” by the country (integrated into a coherent national vision) rather than deployed as a fragmented set of incentives. It was also argued that the Mediterranean’s comparative advantages, including geography, are underused: the region acts as a bridge to Africa and the Arab world (via the African Continental Free Trade Area and pan-Arab frameworks) and can also leverage Europe’s strategic concerns around stability, migration, and supply-chain security to reposition Euro-Mediterranean investment as a mutual-interest agenda.

This intervention further observed that European FDI to the Southern Mediterranean has declined sharply relative to past levels, while investors from China, the United States, and other regions have increased their presence. This was interpreted not as a lack of opportunity, but as a failure to articulate a compelling Euro-Mediterranean investment narrative and pipeline. The region’s strengths were identified as a young and educated population, improving infrastructure, and an SME-dominated economic structure that can be flexible and shock-responsive if adequately supported. Large “unrealised potential” in trade was highlighted, with participants arguing that identifying priority sectors, reducing barriers, and enabling specialisation could unlock substantial growth and encourage longer-term, value-adding investment.

A contrasting intervention questioned high expectations around “regional integration” as traditionally understood, particularly trade integration, noting that outcomes in the Mediterranean have often fallen short. Instead, it called for a shift pragmatic regional cooperation focused on concrete, sector-specific achievements, highlighting cases, such as in energy, where flexible cooperation frameworks, rather than formal integration, have delivered tangible results. It was also argued that emerging global groupings and forums increasingly shape

investment and trade patterns, and Mediterranean countries should adapt strategies accordingly rather than relying solely on classic integration models.

This perspective outlined additional reform priorities for building credible investment environments. These included explicitly linking trade and investment policies (rather than treating export promotion as a standalone agenda), integrating “servicification” into regulation, given the growing inseparability of services from goods and value chains, and closing the gap between the speed of technological change and regulatory capacity, which creates both missed opportunities and vulnerabilities to fraud and loopholes. Concern was expressed about preparedness for environmental trade measures, notably CBAM, with warnings that many Southern Mediterranean economies risk significant medium-term disruption without rapid upgrading.

From an SME and territorial perspective, a regional chamber representative reinforced several themes. SMEs were framed as both the backbone of local economies and the actors most exposed to the collateral damage of poorly designed policy. The intervention highlighted the role of intangible heritage and place-based assets in branding and investment attraction; the centrality of infrastructure and logistics (especially rail and port connectivity) for scaling; and the importance of prioritising value over volume, even when SMEs feel pressure to accept any inflow of capital. A key policy trade-off was identified between offering tax incentives and incentivising investors to build local linkages with SMEs, embed in communities, and generate spillovers that make investment more durable. Chambers and intermediaries were also seen as essential in translating green transition requirements into SME-ready support, as many small family firms struggle to prioritise long-term green investment over short-term liquidity despite rising competitiveness risks.

The discussion also addressed the relationship between migration and investment following an audience question on whether tightening legal and circular migration might influence FDI patterns. While speakers suggested the relationship should be tested empirically, an initial intuition was offered: as investment strategies shift toward competency-based ecosystems, skilled labour availability and retention become

decisive. In this framing, migration policy becomes part of investment policy, as countries must retain not only capital but also investment outcomes such as skills, technology transfer, and long-term presence, conditions closely tied to institutional quality.

## PROPOSED POLICY DIRECTIONS INCLUDED

- ▶ Re-anchoring investment policy in productivity, with explicit links to education, skills, labour markets, and demographic realities
- ▶ Shifting from FDI volume to FDI quality, prioritising investments that deepen capabilities and resilience
- ▶ Treating climate adaptation as a structural economic variable rather than an external add-on
- ▶ Mobilising domestic investment by improving macroeconomic and monetary conditions and investor confidence
- ▶ Building credible investment environments through faster, more reliable institutions, regulatory clarity, and predictable governance
- ▶ Linking trade, investment, and services (“servicification”) within coherent regulatory frameworks
- ▶ Accelerating preparedness for CBAM and related environmental measures through upgrading and compliance support
- ▶ Focusing on pragmatic regional cooperation where traditional integration has underdelivered
- ▶ Using chambers and intermediaries to translate competitiveness and green transition demands into SME-level capability-building

Overall, the session framed effective investment policy as a governance and productivity project. Countries attract and retain investment sustainably when they convert geography into strategy, incentives into capabilities, and reform into credibility, while ensuring SMEs and human capital are integral to the investment model rather than treated as afterthoughts.

## INVESTMENT PROMOTION & SUPPORT

### Venture Capital & Industrial Financing: New Avenues for Growth

**Andrea Tinagli**, Representative to the UfM, European Investment Bank (EIB)

**Helena Torras**, Venture Partner and Investment Manager South Europe, Hans(wo)men Group (Spain)

**Simon Neaime**, Professor of Economics and Director Institute of Financial Economics, American University of Beirut (Lebanon)

**Jad El Boustani**, Partner of Middle East Venture Partners (UAE)

The session focused on the ecosystem, institutional, and financing conditions required to build a healthy venture capital landscape capable of supporting industrial transformation across the Euro-Mediterranean region. Discussions highlighted that while the Mediterranean has strong innovation potential and a growing startup base, scaling innovation into competitive firms and industrial outcomes remains constrained by shallow capital markets, limited late-stage risk capital, and uneven public-private coordination across the region.

A central theme was the structural financing gap between early-stage dynamism and later-stage scale. Participants noted that many Mediterranean ecosystems have active entrepreneurship communities and business angels that can support ideation



and initial funding. However, the region continues to struggle at Series A/B and beyond, where rounds tend to be smaller than in Northern and Central Europe. This “scale gap” reduces competitiveness, imposes a “fundraising tax” on founders who must spend disproportionate time raising capital, and limits the ability of firms to iterate, absorb mistakes, and invest in innovation-intensive growth.

Another key area of discussion concerned the fragmented nature of the Mediterranean financial space. Participants stressed that the region is not homogeneous: conditions differ sharply between EU and non-EU Mediterranean countries, not only in market maturity but also in access to EU instruments, liquidity mechanisms, and fund-of-funds structures. Even within the EU, Southern Europe remains behind Northern and Central Europe in venture capital mobilisation relative to GDP. This unevenness was framed as a core barrier to building integrated Euro-Mediterranean capital flows and cross-border scaling pathways.

From a policy and institutional perspective, speakers emphasised that venture ecosystems cannot be built sequentially. Successful innovation hubs were described as those that develop the entire chain simultaneously, universities and research, incubators and accelerators, angel networks, venture funds, banks, corporate partners, and market access actors such as chambers and clusters. Participants argued that building this system requires long-term policy continuity, coordination among stakeholders, and a shift from short-term political cycles toward generation-scale strategies that outlast electoral changes.

From a financing perspective, discussions highlighted blended finance as the most effective approach to crowd in private capital. Public finance institutions were described as catalytic when they reduce risk, improve project bankability, and mobilise private investors through trust and due diligence. Several participants underscored that public actors often fail to play this role effectively when they insist on *pari passu* participation rather than adopting genuine de-risking positions. Greater use of first-loss structures, risk-sharing, technical assistance, and simplified administrative procedures was seen as necessary to unlock private capital at scale. An example from the Blue Mediterranean

Partnership illustrated how technical assistance can unlock major lending and private co-financing by improving project readiness and bankability, with discussion noting the additional complexity of adapting such mechanisms to SMEs and startups.

The discussion also addressed ecosystem incentives and the importance of success stories. Private investors were described as primarily driven by risk-adjusted returns, while public capital tends to pursue broader impact KPIs such as job creation, inclusion, and sector development. Bridging these motivations requires mechanisms that align objectives and improve the risk–reward profile of investment, including matching funds, early-stage grants for R&D, accelerator support, and co-investment platforms. Participants stressed that visible exits and scale successes play a central role in creating a self-reinforcing cycle: success stories attract more funds, deepen deal flow, and reduce reliance on purely public support.

Private-sector perspectives highlighted the growing emphasis on integrity, governance, and ESG as investment filters. Ethical standards and “honesty” in investment decisions were framed as increasingly material, both because early-stage investing is highly dependent on trust in founders and because institutional investors and public banks increasingly require governance and compliance safeguards. At the same time, speakers acknowledged that due diligence and governance requirements must remain practical and not become a barrier to speed and innovation.

Finally, there was cautious optimism that the region is improving. Participants pointed to the emergence of more mature entrepreneurs, increasing cross-border investment activity, growing international LP participation, and a more complete, if still fragmented, venture ecosystem compared to 10–15 years ago. The session concluded that the Mediterranean has many of the necessary pieces already in place, but that sustained progress depends on stronger coordination, more catalytic public finance, deeper Euro-Mediterranean capital integration, and long-term strategic alignment.

## PROPOSED POLICY DIRECTIONS INCLUDED

- ▶ Strengthening the full venture ecosystem chain simultaneously, from research and incubation to VC, banking, corporate partnerships, and market access, rather than building components in isolation
- ▶ Addressing the “scale gap” by expanding late-stage capital availability and increasing average round sizes to reduce the “fundraising tax” on founders
- ▶ Expanding blended finance and de-risking instruments, including first-loss structures, guarantees, co-investment vehicles, and technical assistance to crowd in private capital
- ▶ Simplifying and accelerating public support mechanisms to reduce administrative burden and improve responsiveness to market timelines
- ▶ Developing exit pathways through stronger secondary markets, pre-IPO support instruments, and improved stock market and listing options
- ▶ Deepening Euro-Mediterranean capital market integration to enable cross-border scaling, liquidity, and investor participation across both EU and non-EU Mediterranean countries
- ▶ Promoting governance, integrity, and ESG standards as enabling conditions for institutional investment, while ensuring compliance frameworks remain workable for SMEs and startups
- ▶ Supporting long-term strategic alignment and continuity in innovation policy beyond electoral cycles to sustain ecosystem credibility and investor confidence

Overall, the session framed venture capital not only as a financial tool, but as a strategic instrument for industrial modernisation, innovation-to-market translation, and SME-driven job creation. Achieving this requires coordinated ecosystem-building, catalytic public finance, credible institutional frameworks, and stronger Euro-Mediterranean cooperation to mobilise and retain private investment over the long term.

## SUMMARY OF POLICY RECOMMENDATIONS

Across the thematic sessions, a strong convergence emerged around cross-cutting priorities shaping Mediterranean competitiveness and industrial transformation. A central message was the need to move beyond intra-regional competition toward **coordinated and complementary regional strategies**, based on specialisation, value-chain alignment, and corridor- and cluster-based cooperation at the Euro-Mediterranean level.

Competitiveness was consistently linked to strong **value-chain integration and ecosystem depth**, rather than isolated assets or projects. Supplier networks, logistics, services, skills, finance, and market access must function together; weak links, notably in upstream inputs, growth finance, or exit mechanisms, limit scaling and performance.

A recurrent constraint was the **scale-up and late-stage financing gap**. While early-stage entrepreneurship is relatively dynamic, firms struggle to progress through Series B/C, industrial scaling, and market expansion. Closing this “growth gap” requires larger ticket sizes, deeper capital markets, stronger exit pathways, and better integration of venture capital, banking, development finance, and corporate investment.

There was broad consensus on the **catalytic role of public finance**, framed as a means to de-risk investment and crowd in private capital, rather than replace it. **Blended finance**, first-loss instruments, guarantees, and technical assistance were repeatedly highlighted, alongside the need for simplified procedures and alignment with market timelines.

Across sectors, **governance quality and institutional capacity** emerged as foundational conditions for investment and innovation. Regulatory predictability, transparency, empowered authorities, and one-stop-shop mechanisms were seen as essential to long-term investment, compliance, and trust, particularly in cross-border contexts.

**Skills and capabilities** are binding constraints. Beyond technical skills in digitalisation, Industry 4.0, and renewables, competitiveness depends on management, entrepreneurial, and ESG-related capabilities, as well as the ability of SMEs to absorb innovation. Training infrastructures, education–industry linkages, and continuous upskilling were framed as core investments.

**Environmental objectives** were consistently treated as structural competitiveness drivers. Decarbonisation, circular economy models, resource efficiency, traceability, and climate adaptation were presented as prerequisites for market access, regulatory compliance (including CBAM), resilience, and long-term viability.

Finally, **SMEs and scale-ups** were identified as system anchors of transformation but face disproportionate burdens in finance, compliance, and market access. Addressing this requires tailored support, effective intermediaries, and ecosystem-level approaches, supported by long-term policy continuity and strategic alignment beyond electoral cycles.

## CROSS-CUTTING POLICY THEMES EMERGING ACROSS SESSIONS

Cross-cutting theme	Policy recommendation
<b>From fragmentation to regional complementarity</b> <b>Value-chain integration &amp; ecosystem depth</b>	<ul style="list-style-type: none"> <li>▪ Shift from intra-regional competition toward coordinated Euro-Mediterranean strategies based on specialisation, complementarities, corridors, and cluster logic rather than duplicating identical offers. Competitiveness depends on complete ecosystems (suppliers, logistics, services, skills, finance, and market access) rather than isolated assets, zones, or projects. Weak links undermine the whole system.</li> </ul>
<b>Scaling finance &amp; closing the growth gap</b>	<ul style="list-style-type: none"> <li>▪ The main bottleneck lies at scale-up and late-stage growth (Series B/C, industrial scaling, exits). Larger ticket sizes, deeper capital markets, and credible exit pathways are required.</li> </ul>
<b>Catalytic public finance &amp; blended finance</b>	<ul style="list-style-type: none"> <li>▪ Public finance should crowd in private capital through blended finance, first-loss instruments, guarantees, technical assistance, and risk-sharing, aligned with market timelines and simplified procedures.</li> </ul>
<b>Governance quality &amp; regulatory predictability</b>	<ul style="list-style-type: none"> <li>▪ Long-term investment depends more on institutional credibility, regulatory stability, transparency, and empowered authorities than on incentives alone.</li> </ul>
<b>Skills, human capital, &amp; organisational capabilities</b> <b>Sustainability &amp; decarbonisation as competitiveness drivers</b> <b>SMEs &amp; scale-ups as system anchors</b>	<ul style="list-style-type: none"> <li>▪ Skills gaps (technical, managerial, digital, ESG, and compliance) are binding constraints. Investment in training, education–industry linkages, and continuous upskilling is central to competitiveness. Decarbonisation, circular economy models, resource efficiency, traceability, and climate adaptation are structural conditions for market access, resilience, and long-term competitiveness. SMEs and scale-ups are key transmission channels for innovation and job creation but face disproportionate burdens. Tailored support, intermediaries, and ecosystem-level solutions are required.</li> </ul>
<b>Demand-driven innovation &amp; industry–innovation linkages</b> <b>Long-term strategic</b>	<ul style="list-style-type: none"> <li>▪ Innovation policy should be anchored in real industrial demand through co-creation, piloting, testing infrastructures, and stronger links between startups, corporates, and markets.</li> </ul>

**alignment beyond political cycles**

Ecosystem-building and industrial transformation require long-term policy continuity, cross-ministerial coordination, and strategies that outlast electoral cycles.

**POLICY RECOMMENDATIONS EMERGING FROM THE SESSIONS****Session****Policy recommendations****Driving competitiveness: opportunities for the Mediterranean automotive industry**

- Developing complementary regional industrial strategies to reduce intra-regional competition for identical investments and strengthen specialisation
- Strengthening logistics connectivity and regulatory harmonisation, including port, transport, and customs facilitation to fluidify value chains
- Scaling industrial clusters and supplier ecosystems, enabling deeper local integration and stronger OEM–supplier coordination
- Enhancing predictability and regulatory stability to support long-term investment decisions and reduce friction for compliance and audits
- Investing in skills development and dedicated training infrastructures aligned with emerging technologies (Industry 4.0, digitalisation, advanced materials)
- Advancing full value-chain decarbonisation, including localisation, renewable energy use, traceability, and low-carbon logistics
- Supporting battery and critical materials value chains, including refining and upstream ecosystem development to reduce external dependency
- Promoting resilience planning through diversified supply chains and contingency strategies across industrial networks
- Accelerating circular economy models in manufacturing, linking recycling and material recovery to competitiveness and carbon reduction
- Encouraging cross-sector spillovers and replication of ecosystem models (e.g., automotive-to-aeronautics) through clusters, SEZs, and technology transfer

**Fashion & textiles:  
innovating Mediterranean  
value chains for global  
competitiveness**

- Leveraging near-shoring advantages by strengthening speed-to-market and flexible production, while reducing upstream dependency
- Investing in upstream integration (yarn, fabric, inputs) and establishing regional sourcing hubs as transitional solutions
- Deepening Euro-Mediterranean industrial coordination to enable complementary specialisation and resilient diversification across segments
- Scaling circular economy infrastructure, especially localized systems for post-industrial and post-consumer textile recycling
- Introducing and operationalising policy instruments such as Extended Producer Responsibility (EPR) schemes and eco-design incentives
- Prioritising durability and eco-design to reduce waste generation and improve recyclability, countering fast and ultra-fast fashion impacts
- Strengthening resource efficiency and environmental compliance, including wastewater treatment and energy management in manufacturing
- Supporting SMEs and designers through digital tools, green innovation, and branding, enabling them to move up the value chain
- Promoting traceability and transparency systems to reduce greenwashing risk and meet rising consumer and regulatory expectations
- Encouraging brands to adopt fair and consistent sustainability requirements across supply chains to avoid uneven burdens on suppliers

**Sustainable agriculture &  
agri-tech: feeding the future**

- Expanding access to finance and investment readiness support for SMEs and startups, particularly to bridge long agricultural sales cycles
- Reducing certification barriers through cost-sharing mechanisms, pooled compliance services, and targeted technical assistance for SMEs and small producers
- Promoting farmer adoption through user-centred product design, simplified tools, and delivery via familiar channels (e.g., practical advisories rather than dashboards)

- Supporting digital platforms that connect production to demand, reducing overproduction and food waste by improving market transparency
- Investing in innovation labs, food innovation centres, and shared R&D infrastructure to shorten development timelines for circular and waste-valorisation startups
- Strengthening data systems for early forecasting (acreage, yield, demand signals) to mitigate volatility and improve collective crop planning
- Scaling circular models through surplus recovery, redistribution systems, and waste-to-value value chains, supported by public-private-social partnerships
- Improving market access for local producers through dedicated spaces in wholesale markets, cooperative strengthening, and targeted marketing campaigns
- Expanding cross-Mediterranean acceleration and EU ecosystem access to help startups scale beyond national constraints and attract international financing
- Embedding SMEs systematically into research-to-market programs and ensuring innovation projects include pathways to commercialization

**Startup incubators, accelerators & innovation ecosystems: building the next unicorns**

- Shifting innovation policy toward demand-driven and co-creation-based models anchored in real industrial needs
- Investing in shared prototyping, testing, and pilot infrastructures, including cross-border access mechanisms
- Strengthening ecosystem governance and coordination through designated lead actors and shared roadmaps
- Improving access to finance through simplified, blended public-private instruments combined with mentoring and market access
- Embedding entrepreneurship, management, and risk-taking skills more systematically in education and training systems
- Supporting sector-specific acceleration and clustering, particularly in cleantech, agritech, and the blue economy
- Promoting inclusive entrepreneurship, with targeted support for women-led and underrepresented founders
- Expanding Euro-Mediterranean cooperation mechanisms,

including soft-landing programs, cluster partnerships, investor networks, and knowledge exchange platforms

## **Smart & secure industries: AI, automation, and cybersecurity in manufacturing**

- Joint sector-specific cyber drills and simulation exercises, particularly for industrial value chains
- Enhanced cooperation among computer security incident response teams (CSIRTs)
- Cross-border information sharing and cyber-intelligence cooperation
- Development of common baselines and interoperable standards, while allowing flexibility to accommodate different national capacities
- Public-private platforms for joint training, R&D, and operational coordination

## **Solar and wind energy investments: scaling investments for a net-zero future**

- Establishing stable, long-term, and transparent regulatory frameworks with clear renewable energy targets to reduce investor risk
- Accelerating grid development, system flexibility, and cross-border interconnections to enable large-scale renewable integration

## **Unlocking growth: Special economic zones and ports as catalysts for industrialization & trade**

- Expanding blended finance and de-risking mechanisms, combining public finance, private capital, and technical assistance
- Strengthening local industrial integration and SME participation through phased local-content strategies and skills development
- Designing incentive frameworks that support competitiveness and self-consumption, while avoiding subsidy dependency
- Enhancing quality standards, certification, and monitoring across equipment, installers, and service providers
- Advancing regional cooperation on green electricity and hydrogen trade, including harmonised standards and infrastructure planning
- Promoting knowledge-sharing and capacity-building to reduce disparities between more advanced and lagging Mediterranean countries

- Shifting SEZ policy from enclave competition to corridor-based regional industrial strategies built on complementarity and sector focus
- Prioritising clustering and value-chain design inside zones, avoiding “salad zones” with weak industrial linkages
- Strengthening SEZ governance through empowered authorities, transparent accountability, and one-stop-shop services
- Using incentives strategically to promote local content, supplier ecosystems, and spillovers rather than only tenant attraction
- Deepening port cooperation on OPS, alternative fuels readiness, cruise circuits, and shared operational learning
- Reducing administrative burdens for Motorways of the Sea and short sea shipping routes linking EU and non-EU shores
- Embedding logistics nodes into integrated multimodal planning aligned with industrial development strategies
- Expanding dry ports and inland logistics platforms to improve clearance efficiency and reduce port congestion
- Supporting industrial upgrading for trade compliance (e.g. CBAM) through renewables, efficiency, cleaner production, and circular economy tools
- Developing shared Mediterranean approaches on sustainability and competitiveness to avoid regulatory fragmentation and race-to-the-bottom dynamics

**Investment policies & tax incentives: attracting foreign direct investment (FDI) in the Mediterranean**

- Re-anchoring investment policy in productivity, with explicit links to education, skills, labour markets, and demographic realities
- Shifting from FDI volume to FDI quality, prioritising investments that deepen capabilities and resilience
- Treating climate adaptation as a structural economic variable rather than an external add-on
- Mobilising domestic investment by improving macroeconomic and monetary conditions and investor confidence
- Building credible investment environments through faster, more reliable institutions, regulatory clarity, and predictable governance
- Linking trade, investment, and services (“servicification”) within coherent regulatory frameworks
- Accelerating preparedness for CBAM and related

## **Venture capital & industrial project financing: new avenues for growth**

- environmental measures through upgrading and compliance support
- Focusing on pragmatic regional cooperation where traditional integration has underdelivered
- Using chambers and intermediaries to translate competitiveness and green transition demands into SME-level capability-building
- Strengthening the full venture ecosystem chain simultaneously, from research and incubation to VC, banking, corporate partnerships, and market access, rather than building components in isolation
- Addressing the “scale gap” by expanding late-stage capital availability and increasing average round sizes to reduce the “fundraising tax” on founders
- Expanding blended finance and de-risking instruments, including first-loss structures, guarantees, co-investment vehicles, and technical assistance to crowd in private capital
- Simplifying and accelerating public support mechanisms to reduce administrative burden and improve responsiveness to market timelines
- Developing exit pathways through stronger secondary markets, pre-IPO support instruments, and improved stock market and listing options
- Deepening Euro-Mediterranean capital market integration to enable cross-border scaling, liquidity, and investor participation across both EU and non-EU Mediterranean countries
- Promoting governance, integrity, and ESG standards as enabling conditions for institutional investment, while ensuring compliance frameworks remain workable for SMEs and startups
- Supporting long-term strategic alignment and continuity in innovation policy beyond electoral cycles to sustain ecosystem credibility and investor confidence



Association des Chambres de Commerce et d'Industrie de la Méditerranée  
Association of the Mediterranean Chambers of Commerce and Industry  
جمعية غرف التجارة والصناعة والبحر الأبيض المتوسط



Union for the Mediterranean  
Union pour la Méditerranée  
الإتحاد من أجل المتوسط