



Press release

2012 report on MED Foreign Direct Investment attractiveness

## Emerging countries: the new Mediterranean FDI providers?

The MED region to record good 2012 results: a direct consequence of the increasing economic involvement of emerging countries?

*Marseille, 19 November 2013* - according to the annual review of the Mediterranean Investment and Partnership Observatory (ANIMA-MIPO), Foreign Direct Investments (FDI) and international partnerships in the MED countries (the 9 Mediterranean partner countries, plus Libya and Turkey) are on the rise in 2012. Indeed after two difficult years of struggles on the political and global economic fronts, the region registered an excellent year in terms of FDI attraction - the fourth best in the last decade.

The economic resilience of MED countries is confirmed: with 37 billion euro of FDI announced in 2012 (a 36% growth compared to 2011), the MED countries have reached their pre-2008 crisis levels. Conversely the number of projects has slowly decreased down to 645 (a 10% decrease compared to 2010), a sign that 2012 amounts are driven up by the announcements of a few major projects. These figures, which are relatively good given the exceptional political and economic context, must however, be taken with caution: globally, the FDI market share of the MED region has in fact been decreasing on the past year according to UNCTAD, attracting 3.3% in 2008 to 2.6% in 2012 of global FDI flows.

*Annexes - Figure 1. Change in amounts and number of FDI projects (€m, sources: ANIMA-MIPO and UNCTAD converted into €)*

**All countries, except for Syria, record very encouraging results in 2012**, thanks to, among other factors, some spectacular deals announced in Algeria, Egypt and Turkey. **Israel and Turkey are asserting their leadership:** these two countries are recording more than half of the FDI amounts and 43% of the projects attracted in the region in 2012. With nearly 9 billion euro announced, the Maghreb is flirting with its highs, especially thanks to the good figures recorded in Algeria (which accounts for more than half of the total). The Mashreq has also regained some ground, with amounts similar to the ones announced in the Maghreb: The region, still affected by the political turmoil, is notably driven by Egypt which records investment intentions on the rise, thanks mainly to the resumption of major projects launched by the Gulf countries.

*Annexes - Figure 2. Net FDI flows per region of destination (€m, source: ANIMA-MIPO)*

2012 also marks the return to the center stage of "traditional" sectors of investment with a clear preference from investor for projects in the energy, banking, telecommunications and building sectors. These four sectors account together for two-thirds of FDI amounts announced.

Yet, the region is changing: the transitions seem to have induced a redistribution of investment sources. Since the Arab springs, Europe (the region's historical FDI provider) is dramatically losing its leadership to the benefit of emerging countries which are demonstrating a growing interest for the region's potential. In two years, European FDI intentions have dropped from 45% to 26% in amounts invested. The BRIC countries (Russia, India and China in the lead) are in 2012, and for the first time, the main investors in the region with €10.7bn announced (i.e. a 28% share). The Gulf countries have from their part initiated a notable comeback: with €9bn announced they are running neck and neck with Europe. Mega real-estate and banking investment projects, put on hold in 2010, have resumed, since Gulf countries are increasingly willing to show their support to the region's new governments.

At the very moment when European firms are in need of a fresh impetus, and while Africa is to become the world's next major source of growth, isn't the European withdrawal a strategic mistake? Eventually, the comparative advantages of the Southern shore which existed before the political changes are still valid in a Mediterranean in search of a new economic development model.

*Annexes - Figure 3. FDI amounts announced by region of origin (€m, source: ANIMA-MIPO)*

## Contacts

**Lauriane Ammouche**, Communication Officer, [lauriane.ammouche@anima.coop](mailto:lauriane.ammouche@anima.coop)  
+33 496116768

**Manal Tabet**, ANIMA-MIPO Observatory 2013, [manal.tabet@anima.coop](mailto:manal.tabet@anima.coop)

## Information

### About the ANIMA-MIPO Observatory

The ANIMA-MIPO Observatory (Mediterranean Investment and Partnership Observatory) created by ANIMA Investment Network in 2003, provides the business community with real time information on all the announcements of investment and partnership towards the Southern rim of the Mediterranean: MED-11 countries (Algeria, Palestinian Authority, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Syria, Tunisia, Turkey), Cyprus and Malta. [www.anima.coop/mipo](http://www.anima.coop/mipo)

### About ANIMA Investment Network

ANIMA Investment Network is a multi-country platform supporting the economic development of the Mediterranean. The ANIMA network gathers more than 70 governmental agencies and international business, innovation and financing networks. The objective of ANIMA is to contribute to a better investment and business climate and to the growth of capital flows into the Mediterranean region. The ANIMA network is operated from Marseille (France) by a team of 15 people and is chaired by Mrs Wafaa Sobhy, Vice President of the GAFI (Egypt). The majority of its funding comes from the management of European Commission's programmes. [www.anima.coop](http://www.anima.coop)

## ANNEXES

Figure 1. Change in amounts and number of FDI projects (€m, sources: ANIMA-MIPO and UNCTAD converted into €)

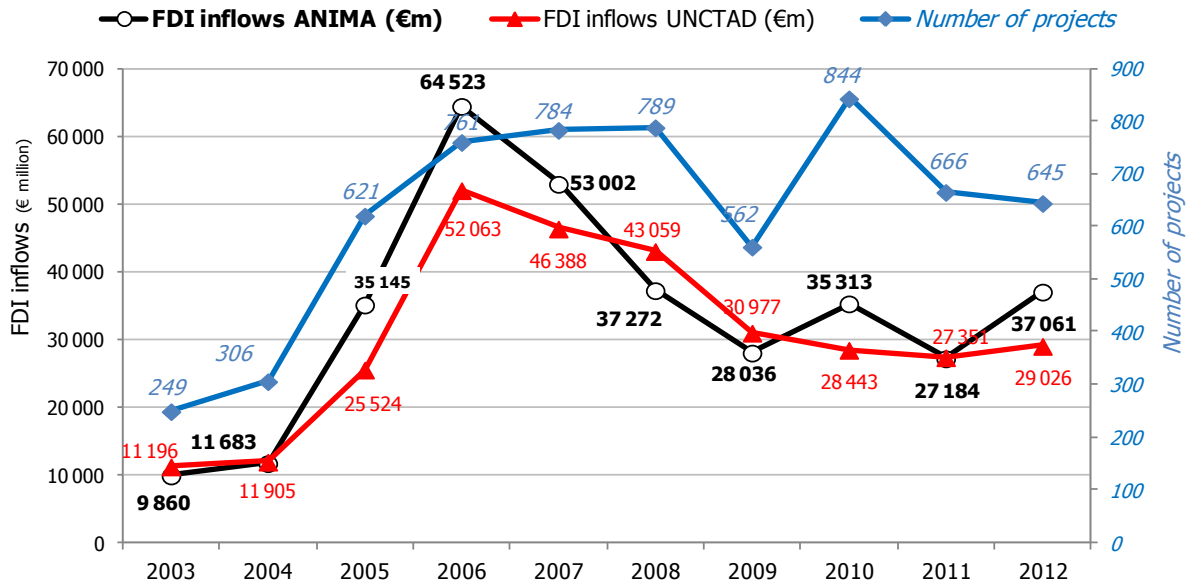


Figure 2. Net FDI flows per region of destination (€m, source: ANIMA-MIPO)

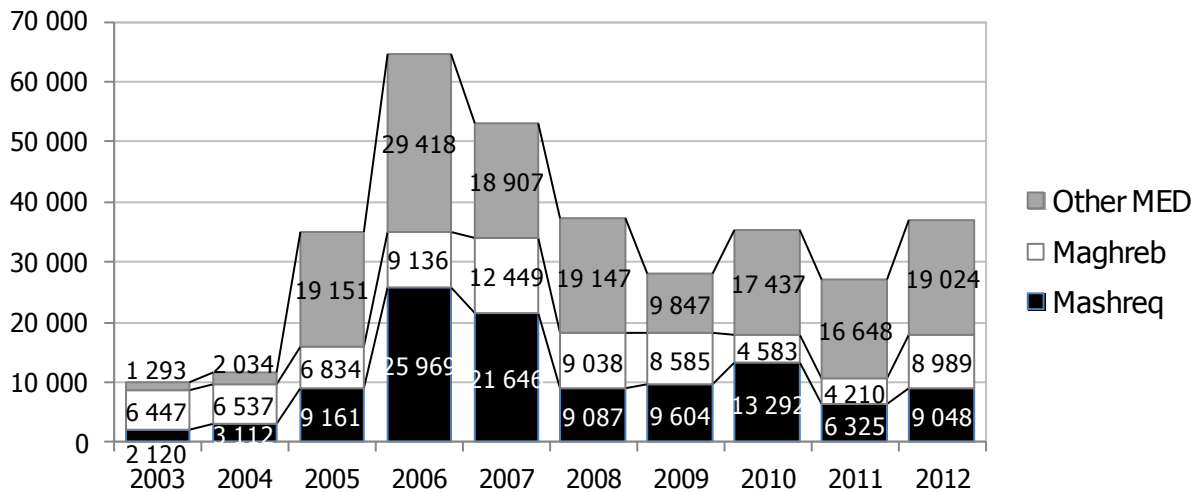


Figure 3. FDI amounts announced by region of origin (€m, source: ANIMA-MIPO)

