GROWTH OPPORTUNITIES IN THE MEDITERRANEAN

ALGERIA
Building an industry that meets the needs of the country!

EGYPT
Pharaonic Projects on the Agenda

ISRAEL
Collaborating with the world Centre of AgriTech

JORDAN
Diverse Perspectives for Exporters

LEBANON
Promising Segments in the Domestic Market and Exports

MOROCCO
A Booming Sector

PALESTINE
A Profitable Market Despite Difficult Conditions

TUNISIA
The World Leader of Olive Oil, Dates... and Tomorrow, of Organic

RENEWABLE ENERGY

ALGERIA
Preparations for the Post-Oil Period

EGYPT
Solar and Wind Are Booming

ISRAEL
Take-off Initiated!

JORDAN
Green Electricity Exports in Sight

LEBANON
Imminent Take-off

MOROCCO
Leading Regional Green Electricity Producer by 2020

PALESTINE
Make Way For Private Investment!

TUNISIA
The Country Launches Its Energy Transition

CULTURAL AND CREATIVE INDUSTRIES

ALGERIA
Promoting Heritage, Knowledge... and Youth!

EGYPT
Testing the Arab World’s Cultural Champion

ISRAEL
The Start-up Nation at the Forefront of Creativity

JORDAN
Video Games at the Top of the Industries of the Future

LEBANON
High Potential Niches for Investors

MOROCCO
A Boom in the Arts sector

PALESTINE
A Vital Sector in Rapid Transformation

TUNISIA
A Country with a Thriving Talents and Europe-

TOURISM

ALGERIA
Preparing for the Post-Oil Period

EGYPT
Rebuild Trust and Move Upmarket

ISRAEL
Accelerate the Emergence of a Cheaper Holiday Offer

JORDAN
The Kingdom of All Tourisms

LEBANON
Priority to Land Transport and Intermodality

MOROCCO
A Booming Sector!

PALESTINE
A Development Dependent on the Peace Process

TUNISIA
A Development-Dependent on the Peace Process

TRANSPORT AND LOGISTICS

ALGERIA
A Market of 40 Million Inhabitants to Be Developed!

EGYPT
The Gateway to Africa and the Middle East in Search for Investors

ISRAEL
Large Projects... and Start-ups!

JORDAN
Several Infrastructure Projects in the Pipeline

LEBANON
Priority to Land Transport and Intermodalities

MOROCCO
A Booming Sector

PALESTINE
A Development-Dependent on the Peace Process

TUNISIA
Structuring Projects Currently Being Identified
This publication has been produced in the framework of the EUROMED Invest Business Intelligence with the financial assistance of the European Union. The contents of this publication are the sole responsibility of ANIMA Investment Network and can in no way be taken to reflect the view of the European Union.

The EUROMED Invest is a 4-year project (2013-2017) co-financed at 80% by the European Commission for a global amount of 5 million euros. It is coordinated by ANIMA Investment Network in the framework of the MedAlliance consortium.
Agrifood is one of the most strategic sectors for foreign operators interested in the East and South Mediterranean markets. In most MED countries, agriculture represents above 10% of GDP and 10 to 25% of trade. Concerning challenges, Mediterranean countries are first and foremost facing increasing food needs, a consequence of their demographic growth and the latest changes in consumption patterns. They are also directly impacted by the effects of climate change, which lowers agricultural yields by increasing the water needs of plants whilst water stress is worsening. Lastly, regarding food safety, most MED countries heavily depend on their food imports and thus international market fluctuations, especially for cereals, sugar, oil plants and meat.

Social unrest before the “Arab Springs” has highlighted the emergency of reducing food vulnerability and of a more integrated development of rural areas. The objective of food self-dependence appears as the most relevant in the Mediterranean context: strengthen production, export products which are among the country’s resources, fruits and vegetables at the top, and only import those which are not. Some countries thus have made significant progress on this path, such as Morocco and Tunisia, but the situation remains largely problematic for others, such as Algeria, Egypt or the Mashreq.

The South of the Mediterranean has major assets to strengthen its agrifood sector and attract foreign operators: a wide range of agro-climatic conditions, making diversified productions possible, competitive labour, opportunities to export to Europe, Arab countries and Africa; strong political will to develop the sector and help it move upmarket (notably with the creation of agropoles) and additionally excellent culinary reputation, from Morocco to Lebanon, with iconic local products of the Mediterranean diet, for which there is growing international and internal demand.

Modernise and increase the production of strategic sectors
The main opportunities first encompass high-yielding crops that offer good export potential, fruits and vegetables ahead. Several MED countries thus are among the world’s leading exporters of dates as well as beans, tomatoes and oranges: a list rapidly expanding! The second strategic direction includes sectors still little developed in relation to internal demand: dairy products, processed products and aquaculture especially. Lastly, there is strong value creation potential linked to packaging and quality improvement.

Invest in the Agrifood sector in the Mediterranean: why?
Agrifood is one of the most strategic sectors for foreign operators interested in the East and South Mediterranean markets. In most MED countries, agriculture represents above 10% of GDP and 10 to 25% of trade. Concerning challenges, Mediterranean countries are first and foremost facing increasing food needs, a consequence of their demographic growth and the latest changes in consumption patterns. They are also directly impacted by the effects of climate change, which lowers agricultural yields by increasing the water needs of plants whilst water stress is worsening. Lastly, regarding food safety, most MED countries heavily depend on their food imports and thus international market fluctuations, especially for cereals, sugar, oil plants and meat.

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NICHES AND PRIORITY SECTORS
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The main opportunities first encompass high-yielding crops that offer good export potential, fruits and vegetables ahead. Several MED countries thus are among the world’s leading exporters of dates as well as beans, tomatoes and oranges: a list rapidly expanding! The second strategic direction includes sectors still little developed in relation to internal demand: dairy products, processed products and aquaculture especially. Lastly, there is strong value creation potential linked to packaging and quality improvement.

Exploit niches with strong growth potential
Typical and quality agricultural and processed products shape a significant opportunity to strengthen the competitiveness of agrifood industries in the region. Especially the case of ingredients and processes that make up the Mediterranean diet (horticulture, vegetable oils, processed vegetables, dairy products, aromatic and medicinal plants, etc.), ready-made dishes but also organic and halal. Indeed, organic products are receiving growing attention from international consumers, who are increasingly interested in “Mediterranean basket” products. The halal niche is also booming, boosted by growing demand from European and Asian markets.

Contribute to the implementation of sustainable agriculture
Several public and private stakeholders are already committed to the transformation of Mediterranean agriculture to address the challenges of sustainability and adaptation to climate change. European businesses are well positioned to contribute to the adoption of practices and technologies which preserve water resources and soil quality: diversification and selection of varieties adapted to local conditions, integrated systems (agriculture and breeding or aquaculture notably), drip technologies… Organic agriculture is booming, and also enables curbing chemical inputs, the environmental and health cost of which we now know, and furthermore enables to meet the consumers’ growing expectation of quality and traceability.
AGRIFOOD IN ALGERIA

BUILDING AN INDUSTRY THAT MEETS THE NEEDS OF THE COUNTRY!

Algeria has an arable land of 8.4 million hectares which will reach 9 million hectares in 2019 thanks to new state land attributions. 12% of the surface is irrigated. Farm holdings are predominantly small scale: 70% are smaller than 10 hectares and 80% are individual farms.

The wide range of agro-climatic conditions allows a diversified production, spread throughout the year, with significant opportunities in the domestic market (40 million inhabitants) as well as in the rest of the Mediterranean basin and in Africa.

The issue of food dependence is of utmost strategic importance: 75% of needs are still met by imports, and the agricultural trade balance is in heavy deficit. Despite sectoral development plans initiated in 2000, exports remain weak and imports (especially wheat and dairy products) is in heavy deficit. Despite sectoral development plans initiated in 2000, exports remain weak and imports (especially wheat and dairy products) is in heavy deficit. Although the country is in a position of comparative advantage in the production of soft fruits and vegetables, milk, home produces (dates, vegetable oils, table grapes...), wood and cork or even essential oils. However, many foreign businesses are already present through equipment sales, know-how transfer or investment projects. Therefore, many foreign businesses are already present through equipment sales, know-how transfer or investment projects. There are large opportunities in the market. The challenge is to remain competitive and to increase production.
Egypt has limited arable land (2.7 million hectares, i.e. 3% of its total surface), however extremely fertile: two annual harvests are possible around the Nile. The agricultural sector represents 14% of GDP and employs about a quarter of the country’s workforce, essentially in small-scale farms.

Field crops (corn, rice, wheat, sorghum, beans) account for 78% of the value produced, but do not cover local demand: half of the products consumed are imported, for a bill worth about 10 billion dollars in 2015. Therefore, food independence constitutes an essential challenge in the most populous country of both the Mediterranean and the Arab world (93 million inhabitants).

The State plans to invest independently or together with the private sector, with objectives identified in its “Vision 2030”: strengthening of the agricultural area (relaunch of the New Valley (or Toshka) project in 2015 and announcement of the “1.5m Feddan project” which aims at increasing the country’s arable lands by 17%); support to agro-industrialisation, water management and creation of agro-industrial clusters. Such efforts are paying off: the country has recently become a net fruit and vegetable, cotton, rice and cut flower exporter again.

In the dairy sector for instance, the European project LACTIMED has showcased around twenty investment opportunities or business partnerships in the governorates of Alexandria and Beheira, ranging from the production of cattle feed to that of dairy products (yoghurt, cheese and milk). Investment perspectives are thus very promising, on the segment of internal demand but also that of quality product exports. Egypt indeed has an excellent potential of immediate opportunities in the Middle East, in Africa and in Europe: free trade agreements with Europe, Arab countries (CAFTA) and Eastern and Southern Africa (COMESA).

Opportunities are to be seized in plenty of sectors: logistics infrastructure (silk, platforms...), irrigation systems as well as processing industries (fruits and vegetables, beet sugar, medicinal and aromatic plants, dairy products, fish).

In the dairy sector for instance, the European project LACTIMED has showcased around twenty investment opportunities or business partnerships in the governorates of Alexandria and Beheira, ranging from the production of cattle feed to that of dairy products (yoghurt, cheese, and milk) and to the manufacturing of milk tanker.

They invested in Egypt…

- Damco (Finland). 2016. The group to fully acquire Egyptian company Halayeb for Dairy Products and Juice, a processor of processed cheese and juice.
- European Bank for Reconstruction and Development (United Kingdom). 2016. The Bank to invest in United Sugar Company of Egypt, a local affiliate of a Saudi industrial group (€702 m).
- Patchi (Lebanon). 2016. The chocolate maker to build a new 10,000 sqm facility in Cairo to supply as a priority its 9 Egyptian stores (€ 3.8 m).
- Al Ghurair (United Arab Emirates). 2016. The Bank to invest in United Sugar Company of Egypt, a local affiliate of a Saudi industrial group (€90.7 m).
- Kellogg (United States). 2015. The American giant to acquire Mass Food Group, a producer of breakfast cereals (€38.5 m).
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Israel has little arable land compared to its population (about 300,000 hectares for 8.5 million inhabitants), and limited water resources, with the risk of shortage increased by global warming. The country therefore largely bets on technologies to ensure its agricultural production from cherry tomato to drip irrigation, a wide range of solutions has been developed to increase mechanisation and reduce water and pesticide consumption. Israel thus displays one of the worlds best productivity rates in several sectors such as dairy production, cotton or olives. Agriculture represents an average 3% of Israel GDP and about 18% of national production is exported, for an annual amount of more than 3 billion dollars. 80% of agricultural production comes from cooperative businesses (kibbutz and moshav).

Nonetheless, Israeli technological lead does not allow compensating for the scarcity of natural resources and reaching food independence: the country imports 90% of its cereal and sugar consumption and 50% of its beef meat consumption. To support the sector, the government strongly encourages R&D (which receives 17% of the overall budget devoted to agriculture) and is preparing a major reform which aims at removing customs barriers and quota systems to move towards direct support to agriculture (and is preparing a major reform which aims at removing customs barriers and quota systems to move towards direct support to agriculture). By 2015, the group to buy the remaining stake (36%) it still did not hold in Osem, Israel’s largest food company, by purchasing 76% of its shares from British Bright Food (China).


Innovation Endeavors (United States).

In 2013, the owner of the luxury food group to invest in Eden Springs’ operations and subsidiaries, a local mineral water manufacturer (€70 m).

In 2015. The private-equity fund to acquire for restructuring Rhone Group (USA).

In 2014. The group to acquire a majority stake in Tsena, Israel’s largest food company, by purchasing 76% of its shares from British firm Amap Partners (€86 m).

Kedma Capital (€2.6 m).

In 2016. The group to buy the remaining stake (36%) it still did not hold in Osem, Israel’s largest food company, by purchasing 76% of its shares from British Bright Food (China).

Nestlé (Switzerland).

In 2013. The owner of the luxury food group to invest in Eden Springs’ operations and subsidiaries, a local mineral water manufacturer (€70 m).

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Jordan has little arable land (237,500 hectares) and extremely scarce water resources. As the main production zone, the Jordan Valley enjoys ideal conditions to produce and export fruits, vegetables, flowers and aromatic plants throughout the year, with excellent yields. As for the plateau region, it harbours field crops, market gardening and fruit trees, irrigated or not. Agricultural production mainly includes horticulture, poultry farming and extensive breeding, and comes from small farms and some large holdings located in Mafrag, Shobak and the Jordan Valley.

In total, Jordan, which population tops 9 million people in 2017 due to the massive influx of refugees, imports 98% of its food needs. Agriculture represents around 4% of GDP and 17% of exports, and employs 15% of the workforce (mainly foreigners), but it is decreasing due to growing water stress. The processing industry remains little developed.

The government supports the sector through direct aid to operators (exempt from customs duty, sales taxes and income taxes) and development of the use of hydroponics and ICTs. The 2018-2022 economic planning report thus cites among priorities the destinied to improve the agricultural yields of Jordanian farms: the another promising segment lastly lies in the provision of technologies compatible with the recommendation of 5 fruits or vegetables per day. Another promising segment lastly lies in the provision of technologies destined to improve the agricultural yields of Jordanian farms: the 2018-2022 economic planning report thus cites among priorities the development of the use of hydroponics and ICTs.

THEY INVESTED IN JORDAN...

PepsiCo (United States). 2009. International Dairy and Juice, a $2-48 JV of PepsiCo and Saudi group Almarai, to acquire from Almarai its 75% stake in International Dairy and Juice, a 52-48 JV of PepsiCo (United States).

NATIONAL STRATEGY...


USEFUL CONTACTS

Jordan Investment Commission: www.jic.gov.jo/portal

Ministry of Agriculture (MoA): www.moa.gov.jo

Jordan Exporters and Producers Association for Fruits and Vegetables: www.jepa.org.jo
AGRIFOOD IN LEBANON

PROMISING SEGMENTS IN THE DOMESTIC MARKET AND EXPORTS

Climate, water resources, availability and quality of soils in Lebanon enjoy among the most favorable agricultural conditions of the Arab world, particularly with an arable land of 152,000 hectares for a population that exceeded 6 million residents in 2016.

Despite that, the agricultural sector only contributes to approximately 9% of GDP and employs 6% of the workforce. It is however experiencing real expansion: the production has indeed increased by 11% between 2011 and 2014. Agrifood processing chains are well developed: they constitute the leading sector in Lebanese industry, but they essentially are the result of very small businesses (6 employees on average).

Lebanese agrifood thus displays excellent development potential whereas on the one hand 88% of the country’s food needs are imported and on the other hand the country enjoys very good brand image for Lebanese agrifood thus displays excellent development potential.

Therefore, the Lebanese agricultural sector is full of opportunities for foreign businesses, and in fact attracts growing investments: +3.6% per year on average for agriculture and +7.6% for agro-industry over recent years. In 2015 Lebanon mentions among the most promising sectors for foreign investments such as automotive (good export perspectives), chestnuts (partly imported from China when several regions offer areas suitable for exploitation) and aquaculture (introduction of recirculating systems to introduce barramundi, seabass and shrimp farming) as well as the construction of packaging units and cold storage facilities.

As for agro-industry, Invest in Lebanon puts the emphasis on the production of oilive, dairy products, nuts and dried fruits, wines and processed products such as plant milk, which the Lebanese are increasingly fond of.

THEY INVESTED IN LEBANON…

Yildiz Holding (Turkey). 2016. The group’s British brand, United Biscuits, to open a representative office in Beirut to promote its snack food and bakery products.

Anajm (Saudi Arabia). 2014. ACCBC, the group’s JV with Coca-Cola, to introduce barramundi, seabass and shrimp farming, as well as the introduction of recirculating systems to introduce barramundi, seabass and shrimp farming.

Carlos Ghosn (Brazil). 2012. The businessman, current CEO of Renault-Nissan, to acquire 35.8% of Biomass, a Lebanese company established in 2009 and producing organic fruits, vegetables, dairy products and grains.

Qatar First Investment Bank (Qatar). 2012. The investment bank to increase from 15 to 35% its stake in the Lebanese nut producer, Al Rifaï International, from 15 to 35% its stake in the Lebanese nut producer, Al Rifaï International.

Bel (France). 2012. The group’s British brand, United Biscuits, to acquire 35.8% of Biomass, a Lebanese company established in 2009 and producing organic fruits, vegetables, dairy products and grains.

They invested in Lebanon…

No dedicated event besides Horeca Lebanon (hotels and catering services) and The Garden Show (gardens) fairs. Lebanese participation in several international fairs including ANUGA (Germany), SIAL (France) and Gulfood (United Arab Emirates).

NATIONAL STRATEGY


USEFUL CONTACTS

Invest in Lebanon (IDAL): pages devoted to the agricultural and agrifood sectors (key figures, investment aid and business opportunities) - www.investinlebanon.gov.lb

Mechanisms of public support to agricultural investments: subsidised loans (Central Bank), tax incentive for income tax and dividend taxes for 10 years (IDAL).

Choice and curd

Products with high export potential

Non-alcoholic beverages, excluding fruit and vegetable juices

Potatoes

Apple

Grape

Fruits

Mediterranean Sea

Beirut

Agrifood Business Development Centre

Mediterranean Sea

Syria

Professional federations:

Federation of the Chambers of Commerce Industry & Agriculture in Lebanon - www.cci-fed.org.lb

Syndicate of Lebanese Food Industries (SLFI) - www.slfi.org.lb

Syndicate of Agrifood Traders in Lebanon - www.agrifood.org.lb

Flagship Event

No dedicated event besides Horeca Lebanon (hotels and catering services) and The Garden Show (gardens) fairs. Lebanese participation in several international fairs including ANUGA (Germany), SIAL (France) and Gulfood (United Arab Emirates).
**AGRIFOOD IN MOROCCO**

A BOOMING SECTOR!

Morocco, which has an arable land of 8 million hectares and great agro-climatic wealth, generates a diversified agricultural production, however strongly dependent on rainfall. The share of agriculture in the GDP thus varies from 20 to 15% from one year to another – to which adds about 4% for agro-industry. 13% of cropland is irrigated in private vegetable farms dedicated to export, and in irrigated perimeters rather focused on local demand (milk, sugar, fruits and vegetables). Rainfed crops encompass cereals, olive, legumes and breeding.

Far from self-sufficient, Morocco mostly imports cereals, dairy products and sugar. Nevertheless, it also constitutes a major exporter, towards Europe (66%) and new markets such as West and North Africa. In 2018, Moroccan agrifood exports to Europe reached 3.1 billion euros (seafood products, fruits and vegetables essentially), while imports from the Union amounted to 2.6 billion euros. With the ambitious “Green Morocco” Plan, the government has since 2008 been supporting the structuring of large high added value poles (for example, agricultural goods, organic production and home produce). 43 products thus qualified in 2017 for the protected geographical indication label: dates, olive and argan oils, honey, almonds, saffron, medicinal plants, organic production and home produce.

**THEY INVESTED IN MOROCCO…**

Bimbo (Mexico): 2017. The world's largest bakery company makes first foray in Africa with the acquisition of Moroccan Agdal and its three bread and pastry manufacturing plants.

Danone (France): 2015. The group to acquire the 5% stake in Centrale Dattore (former Centrale Italiana) still held by ISE, raising its participation to more than 95% (64.7 m).

Frulact (Portugal). 2016. The group to set up an Indomie instant noodle factory in Tiflet after the local success of its distribution JV (€4.5 m).

Al Dahra (United Arab Emirates). 2017. The group to invest in apple and confectionery and snacks.

Sanad/Bimbo (Mexique). 2017. The world's largest baking company makes first foray in Africa with the acquisition of Moroccan Adghal and its three bread and pastry manufacturing plants.

**FLAGSHIP EVENTS**


Halieutis Fair: Bi-annual event in Agadir. More than 250 exhibitors and buyers.

**USEFUL CONTACTS**

Invest in Morocco: www.invest.gov.ma

Agency for Agricultural Development (ADA): presentation of investment opportunities in the sector and terms of support: www.invest.gov.ma


**NATIONAL STRATEGY**


Support to agricultural investment projects subsidies and agricultural insurance system granted by the Agricultural Development Fund (FDA) of the Agency for Agricultural Development (ADA).

**Origin of foreign investment in agrifood**

<table>
<thead>
<tr>
<th>Country</th>
<th>Tech US 2015</th>
<th>France</th>
<th>Morocco</th>
<th>Others</th>
<th>World Total</th>
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<td>5</td>
<td>17</td>
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<td>USA</td>
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<tr>
<td>Other countries</td>
<td>7</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>10</td>
</tr>
</tbody>
</table>

**Top exported products**

- Maize (corn)
- Wheat and meslin
- Tea and mint
- Olives
- Sardines
- Tomatoes
- Cane or beet sugar
- Cereals
- Edible oils
- Drinks
- Starches
- Fruits and vegetables
- Meat and meat products
- Dairy products
- Saffron
- Medicinal plants
- Organic products
- Halieutis plan.

**Products with high export potential**

- Tomatoes
- Cereals
- Edible oils
- Grapes
- Fruits and vegetables
- Meat and meat products
- Dairy products
- Saffron
- Medicinal plants
- Organic products
- Halieutis plan.

**Source**

World Trade Organisation (2015)
AGRIFOOD IN PALESTINE

A PROFITABLE MARKET DESPITE DIFFICULT CONDITIONS

Palestine has an arable land of 64,000 hectares, particularly favourable in the Jordan Valley, for a population of 4.5 million inhabitants. Crops, of which 80% are rainfed, encompass in order of importance arboriculture, market gardening and cereals, and cover the local demand for vegetables and half that for fruits. The country strongly depends on its imports for other sectors such as cereals and red meat.

Agriculture, which employs 12% of the population, is among the sectors that suffer the most from restrictions linked to Israeli occupation; beyond issues of access to land, water and inputs, there are strong limitations on the movement of goods as well as quotas on agricultural exports to Israel, the main outlet due to prevailing restrictions.

Currently agriculture only contributes to 6% of GDP, twice less than in the 90s. Agricultural exports, even weak, play a significant role in the economy. They are mainly composed of tropical fruits, olive oil and red meat.

The development of agriculture thus constitutes a strategic priority, be it to provide the necessary inputs to agro-industry, to reduce dependence on food imports or, of course, to create jobs. Despite strong prevailing constraints, Palestine offers interesting business opportunities in terms of agrifood. The 10-million-dollar loan granted in May 2017 by the French Development Agency to date producer Nakheel constitutes in that sense a strong positive signal about local private sector profitability.

PIPA, the national agency in charge of investment promotion, mentions among the most promising sectors the cultivation of roses, strawberries, peaches and dates, the production of olive oil, medicinal plants, aromatic herbs and fish farming.

It has published in July 2016 a list of diversified project opportunities (olive oil, margarine and vegetable oil production, market gardening, winemaking, fishing, sheep breeding and mineral water production) to be implemented in joint venture with local operators, with investments ranging from 0.3 to 9.5 million euros. There is also good potential for sustainable agriculture technologies and practices (water recycling, organic agriculture, permaculture), which could curb the issue of access to inputs and water, and best promote typical products that sense a strong positive signal about local private sector profitability.

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Pipa (Jerusalem), 2008. Pisco, an affiliate of the group, to establish a chicken farm and a modern slaughterhouse in the West Bank (62.5 m).

FLAGSHIP EVENT

We major event in Palestine, however Palestinian stakeholders take part in events organised in neighbouring countries.

PIA/Prepa (France). 2017. The public finance institution to support Nakheel, the number 1 Palestinian producer of Medjoul dates, which expands its production, refrigeration and cropping capacities.

Coca Cola (USA). 2016. The group and its local partner the National Beverage Company (NBC) to invest in a bottling plant in Gaza, creating 270 jobs (€ 18.1 m).

Preco, an affiliate of the group, to establish a chicken processing factory in the West Bank.

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PIA/Prepa (France). 2017. The public finance institution to support Nakheel, the number 1 Palestinian producer of Medjoul dates, which expands its production, refrigeration and cropping capacities.

Coca Cola (USA). 2016. The group and its local partner the National Beverage Company (NBC) to invest in a bottling plant in Gaza, creating 270 jobs (€ 18.1 m).

Preco, an affiliate of the group, to establish a chicken processing factory in the West Bank.
AGRIFOOD IN TUNISIA

THE WORLD LEADER OF OLIVE OIL, DATES... AND TOMORROW, OF ORGANIC!

Tunisia is the world’s leading exporter of olive oil and dates, the 2nd African exporter of organic products, the 10th world producer of tomatoes... and looks forward to adding to this list thanks to its many natural, institutional and social-economic assets.

The country, which has an arable land of 3.1 million hectares, draws 15% of its GDP from agriculture and agri-food. Agricultural production is by breeding, arboriculture (olives, dates and citrus fruits, largely exported), market gardening and cereals (which production is strongly dependent on rainfall). Apart from a strong dependence on wheat imports, Tunisia boasts well developed chains, most often covering its local demand. Agro-industry benefits from the competitiveness and good availability of local products and from an internal demand in constant growth.

Concerned with ensuring food security, the Tunisian State has been actively supporting the sector since the 90s. Agricultural exports are therefore strongly growing, their main outlets being Europe (69% of fresh produce turnover in 2015 for the first time in 20 years thanks to an active trade policy). The most promising segments include processed products (ready-made dishes, frozen products, canned foods...), organic, extra virgin olive oil, seafood products, cheese and medicinal and aromatic plants.

Crop production thus produces more than 250 organic products sent to 60 destinations, and the 550,000 hectares currently devoted to organic could go up to 2 million according to the Tunisian Ministry of Agriculture. Other sectors also have strong potential to go upmarket: olive-growing (annual yields are weak and the production is mostly exported to Italy and Spain to be refined, bottled then resold), tomato (which could be transformed into higher added value derivatives: sauces, peeled or dried tomatoes) or dates (improvement of packaging and conservation techniques).

NATIONAL STRATEGY

Tunisia 2020 Strategy: more than 20 public or private investment projects in the agricultural sector, available on www.tunisia2020.com/projets

Investment framework among the most attractive in the region (free transfer of benefits and sales proceeds, bilateral agreements for investment protection, etc.) strengthened in the field of agri-food: www.apia.com.tn.

USEFUL CONTACTS


Professional associations: National Federation of Agribusiness (FENAA), within the Tunisian Union of Industry, Trade and Handicrafts (UTICA) - www.utica.org.tn

Tunisian Union of Agriculture and Fishing (UTAP) - www.utap.org.tn

Confederation of Tunisian Citizen Enterprises (CONECT) - www.conect.org.tn

Tunisian Ministry of Agriculture and Fishing (UTAP) - www.utap.org.tn

Tunisia Olive Oil networking portal: www.tunisia-oliveoil.com

THEY INVESTED IN TUNISIA...

Tata (France). 2017. The agro-industrial group to launch the first 100% Tunisian agro-industrial project thanks to a project developed in 2014 with local company Carthage Grain.

Supreme (United Arab Emirates). 2014. The group to buy 42% of Tunisian Gepaco, a manufacturer of industrial pastry items sold under the brand Moulin’O; to support its African development strategy (442.5 m).

Nissei Castiglione (Italy). 2014. The group to develop a tuna fish processing plant on a 4.2 ha area at the Bizerte agrifood park (14.5 m).

Abiess Capital (United Arab Emirates). 2013. The group to buy 34% of Tunisian Gepaco, a manufacturer of industrial pastry items sold under the brand Moulin’O.

CISM (Netherlands). 2013. The world leader in bakery products to team up with local Slama Group to establish a distribution joint-venture, CISM Slama Négoce (90.1 m).

Flagship Events


Source: World Bank

Source: Department of Potential Indicators – International Trade Centre (ITC).
CULTURAL AND CREATIVE INDUSTRIES GROWTH OPPORTUNITIES IN THE MEDITERRANEAN BUSINESS GUIDE

- Tourism
- Agrifood
- Transport and Logistics
- Cultural and Creative Industries
- Renewable Energy
This publication has been produced in the framework of the EUROMED Invest Business Intelligence with the financial assistance of the European Union. The contents of this publication are the sole responsibility of ANIMA Investment Network and can in no way be taken to reflect the view of the European Union.

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List of abbreviations

ENEA: European Energy Research and Technology Centre
IEA: International Energy Agency
EIB: European Investment Bank
EIB: European Bank for Reconstruction and Development
BOOT: build, own, operate, transfer
BOT: build, own, transfer
CO2: carbon dioxide
CSP: Concentrated solar power technology
DE: energy efficiency
EMEA: Europe, Middle East & Africa
RE: renewable energies
EP: Engineering, Procurement, Construction
GE: government
GN: government-owned
EID: European Direct Investment
IV: Joint Venture

Main sources
World Bank
CIFF World
EY: Ernst & Young
MEDENER: Mediterranean Association of the National Agencies for Energy Conservation
PWC: PricewaterhouseCoopers
RCREEE: Regional Centre for Renewable Energy and Energy Efficiency
RES4MED: Renewable Energy Solutions for the Mediterranean
The Wind Power Cartography

Cartography
The designations employed and the presentation of material on these maps do not imply the expression of any opinion whatsoever on the part of ANIMA Investment Network concerning the legal status of any country, territory, city or area or of its authorities or concerning the delimitation of its frontiers or boundaries.

The delimitation of frontiers is in compliance with Map No. 3584 Rev. 2 UNITED NATIONS January 2004 - Department of Peacekeeping Operations Cartographic Section; Map No. 4204 Rev. 3 UNITED NATIONS April 2012 - Department of Field Support Cartographic Section; Map No. 3795 Rev. 3 UNITED NATIONS March 2012 - Department of Field Support Cartographic Section.

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Authors
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This guide is intended for renewable energy sector businesses wishing to know Southern Mediterranean countries better. Overview of business opportunities, examples of projects implemented by foreign operators, main business events in Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Palestine, and Tunisia... all the information needed to speed up your prospecting!

**INVEST IN RENEWABLE ENERGY IN THE MEDITERRANEAN: WHY?**

The energy revolution called for by all experts is finally underway: in 2015, renewable energy has for the first time represented more than half of the energy capacity created on a global scale, exceeding coal to become the leading global energy in combined capacity.

In the Mediterranean, renewable energy is still little used: in 2014, less than 4% of the total primary energy consumed in Morocco, Algeria, Tunisia, Egypt, Israel, Palestine, Jordan, and Lebanon was produced from green resources – biomass and hydropower mainly. Yet the situation evolves quickly in a region that has all the assets to become “an action laboratory for climate at the international level,” as said the European Commissioner for energy. European countries and their neighbours from the southern and eastern shores of the Mediterranean indeed have everything to gain from joining forces together: they represent 17 of the 40 most attractive countries for the renewable energy sector according to the Renewable Energy Country Attractiveness Index established late 2016 by EY.

MED countries have adopted ambitious objectives for 2030 and aim to develop their renewable sectors by using the technologies and expertise of outside partners. They give European companies a very suitable playground for the “third industrial revolution” called for by Europe: fast-growing energy needs, dependency of States importing fossil fuels, exporting countries’ will of diversification, as they see their reserves depleting, exceptional potential for solar and wind especially, and mobilisation of public and private institutional investors to support the finance schemes of projects deemed strategic for both shores of the Mediterranean, and for global climate!

**NICHES AND PRIORITY SECTORS**

The energy transition scenario published by the Mediterranean association of national agencies for energy efficiency and renewable energy (MEDENER) expects the share of renewable energy in the energy mix of MED countries to be multiplied by 3 to reach 16% in 2040. Renewable energy could even represent two-thirds of the total installed electric capacities, to provide about 35% of electricity production in 2040, thus becoming the primary source of electricity production in the south of the Mediterranean. This very strong growth will concern solar in the first place, before wind and then other green energy sources.

Wind, second green energy of the future... and other options

Wind also witnesses strong growth in the region: wind atlases show there are areas that combine significant potential and large available surface in almost all MED countries. The first large-scale facilities have thus appeared in Egypt, Israel, Jordan, and Morocco.

Other renewable energy sources offer a globally smaller, however non negligible potential: hydroelectricity, first renewable energy used in the region, offers development opportunities in several countries, especially in small hydraulics and existing facility rehabilitation. There is also fair potential for biomass (reuse of household waste, organic waste, etc.) as well as for geothermal energy in Algeria and Morocco especially.

The Mediterranean, a global hot spot for solar energy

The production of electricity as well as heat through the different types of solar energy should increase by 8% a year until 2040. Solar thermal displays the best returns on investment: the production of domestic hot water (solar water heaters) has proved its worth at a large scale in several MED countries and offers almost everywhere still a significant growth reservoir. Another major sector, photovoltaics, includes facilities intended for self-consumption as well as larger-scale projects, and is booming in the region. The production of electricity using CSP technology (concentrated solar) constitutes a promising third option, resolutely pursued in Morocco especially. Other interesting applications concern cooling (solar air-conditioning) or water desalination in rural areas.
The development of renewable energies constitutes an extremely strategic issue for Algeria: its energy needs are rapidly growing and currently come up to 98% from natural gas. The world’s 18th oil producer and 8th natural gas exporter, which also has one of the strongest solar resources in the world, has indeed adopted in 2011 the Algerian Programme of Development of Renewable Energies and Energy Efficiency (PHEREE) in order to develop a renewable capacity of 4.5 GW by 2020 then 22 GW by 2030 (i.e. 37% of national power production capacity, including 10 GW for export).

**PREPARING FOR THE POST-OIL PERIOD**

**2020**

- **15% ELECTRICITY (I.E 4.5 GW)**

**2030**

- **27% ELECTRICITY (I.E 22 GW)**

**RENEWABLE ELECTRIC CAPACITY IN 2030:**
- Photovoltaics (PV): 13,575 MW
- Wind: 5,010 MW
- Concentrating solar (CSP): 2,000 MW
- Biomass: 1,000 MW
- Geothermal energy: 400 MW
- Cogeneration: 15 MW

**ENERGY EFFICIENCY**

- OF CUMULATIVE ENERGY SAVINGS BETWEEN 2015 AND 2030
- 60Mtoe

**Share of renewables in total primary energy supply (%)**
- Biofuels and waste: 3.1%
- Coal: 62.4%
- Oil: 37.2%

**Total production of renewables (Mtoe)**
- 0.15
- 0.1
- 0.05
- 0.0

**Number of FDI and partnership announcements, 2006-2015. Source: ANIMA**

**Origin of foreign investment in renewable energy**
- France: 3
- USA: 1
- Spain: 3

**Major projects (capacity in MW)**
- Concentrated solar thermal (CSP)
- Photovoltaics
- Wind
- Complete
- Execution

**ANALYSIS**

There is a vast potential for hydroelectric power generation in Algeria with promising sites for large scale projects on the Djurdjura, Gharbeia, and Kabylie mountain ranges. Wind energy has also great potential in the country, notably in the east of Algeria, particularly in the Ain Témouchent and Chlef regions. Solar energy is particularly promising in the desert areas, which have the highest potential in the world. In the Great South region, the potential is around 2,000 MW, as already noted in the Algerian Desert Programme. Similarly, in Kabyle, the potential is estimated at around 1,000 MW. More recently, the interest in biomass energy has increased due to its extensive potential for development in Algeria. In addition, the country has a large potential for geothermal energy in the High Atlas and the Sahara, which could contribute to the country’s energy mix.

**CONCLUSION**

The development of renewable energies is a strategic issue for Algeria, and progress is being made. The country has considerable potential for hydroelectric, wind, and solar energy, as well as biomass and geothermal energy. The Algerian Programme of Development of Renewable Energies and Energy Efficiency (PHEREE) is a key initiative to support this development. Further efforts are needed to fully exploit these resources and ensure a sustainable future for the country.
To support such renewable revolution, which will require private investments estimated at 100 billion euros, Algeria has created in 2009 a Fund for renewable energy and cogeneration (FNERC), financed by a tax on oil revenues.

The country has also adopted several laws since 1999 and defined in 2014 feed-in tariffs for photovoltaic and wind electricity, complemented by a 20-year guarantee. Lastly, authorities have launched in 2015 the construction of an emblematic project: an “urban oasis” powered with green energy located near Hassi R'mel, built by Spanish Abener and Cofides and Algerian Neal and Sonatrach, the 10 MW photovoltaic plant which has supplied facilities operated by Italian ENI and Sonatrach, and the two PV panel plants of Bordj Bou Arreridj and Chetouane of Algerian private businesses such as Condor and Alsolar.

This should soon be done, as a 10 million euros support programme on these regulatory aspects was signed in March 2017 with the European Union.

Depending on these evolutions, opportunities are in fact tremendous, including for megaprojects of green electricity export towards Europe. The most competitive technologies are photovoltaics and, to a lesser extent, wind.

The first projects to appear include the hybrid gas-solar electricity plant of Hassi R'mel, built by Spanish Abener and Cofides and Algerian Neal and Sonatrach, the 10 MW photovoltaic plant which supplies facilities operated by Italian ENI and Sonatrach, and the two PV panel plants of Bordj Bou Arreridj and Chetouane of Algerian private businesses such as Condor and Alsolar.
Egypt has set up an attractive legal framework: electric sector liberalised in 2015, total disappearance of energy subsidies planned for 2019, risk mitigation mechanisms for private developers including feed-in rules for green electricity produced, with buyback in foreign currencies by the Egyptian Electricity Transmission Company which manages the power network, public guarantees starting from 20 MW as well as tax incentives.

Egyptian ambitions are high; the country wants to reach a 20% share of wind and solar electricity by 2022 (plus about 4% for hydropower) and positions itself as a regional hub of expertise and equipment supply in the field of green energy for all EMEA (Europe, Middle East & Africa).

To this end, Egypt has set up as soon as 2008 the diversification of its energy mix on top of its agenda with the adoption of the New Renewable Energy Act, in order not to strain its hydrocarbon export capacities. It enjoys ideal conditions to do so average irradiation of 7.7 kWh/m²/day and exceptional wind potential especially in the Gulf of Suez.

Egypt is the 19th fastest growing market in the world according to EY 2016 Renewable Energy Country Attractiveness Index, thus offering tremendous opportunities of investment and equipment supply or expertise.

As a result, in January 2017, 67 Egyptian and foreign companies were retained to implement these projects representing a total capacity of 4.3 GW. In addition to projects planned for 2022, bilateral agreements were signed for PV and wind megaprojects representing 7 GW with Saudis Acwa and Masdar, Canadian Sky Power Global in association with Enrirri IED and Swiss Terra Nex & Terra Solar. On the way to revolutionise the Egyptian energy landscape!

**THEY INVESTED IN EGYPT...**

- Actis (United Kingdom). 2015. Lekela Power, 60% owned by Actis, to create a 50-MW solar plant and two wind farms in the Gulf of Suez.
- Masdar (United Arab Emirates). 2015. The clean energy investor to relaunch a 200 megawatt wind farm project in the Gulf of Suez (€340 m).
- Building Energy (Italy). 2015. The company to partner with the public institution NREA for the construction and operation of two 50 MW photovoltaic plants in Baniyas (€154 m).
- Siemens (Germany). 2015. The group to build a rotor blade manufacturing facility.
- Italcementi/Italgen (Italy). 2014. The Renewable Energy branch of the cement group to invest in the construction of a 120 MW wind farm in the coastal town of El-Zaafarana (€150 m).

**NATIONAL STRATEGY**


Several financial support mechanisms managed by the National Bank of Egypt (NBE), of which credit line Egypt Sustainable Energy Financing Facility, supported by the European Bank for Reconstruction and Development (EBRD). www.nbe.com.eg

**USEFUL CONTACTS**

General Authority For Investment and Free Zones (GAFI): www.gafi.gov.eg


Egyptian Electricity Transmission Company (EETC): www.eetc.net.eg
Israel, cradle of innovation, has one of the world’s strongest solar potential. The country, which is home to a hundred start-ups specialised in green energy, is paradoxically late in exploiting its renewable assets, especially solar – the enormous natural gas discoveries in 2010 are probably the reason. Israel has nevertheless set up an incentive regulatory framework in terms of renewable energy. Feed-in tariffs were established in 2008 then complemented by a net metering system in 2013. The 2007 law on electricity provides that independent energy producers will eventually manage 20% of the country’s electric capacity, up from less than 1% in 2017. The government has set in 2009 green electricity development objectives that are far from being reached yet: renewable energy only represented 2.5% of produced electricity in early 2017.

TAKE-OFF INITIATED!
The sector thus has significant development potential. Israel, which ranks 26th in the world as most promising destination in EY 2016 Renewable Energy Country Attractiveness Index, has decided to speed up the movement in late 2016 by announcing the imminent launch of 6 competitive bidding for low, high and very high voltage solar power projects of a total capacity of 1 GW. Tenders targeting wind are also expected. Bidders will be able to freely set the price of produced electricity.

These projects will complement the country’s first achievements. In solar energy, 90% of the population uses solar heat, and the first PV and CSP projects are appearing, such as the Ashdod plant, with a total capacity of 350 MW.

Three components are developed in BOT (build, operate, transfer) by consortia of Israeli and foreign companies: 110 MW in CSP for Brightsource and Alstom/General Electric; 121 MW in CSP with the world’s highest solar tower (250 meters) for New Fund, Brightsource and Alstom, and two photovoltaic plants of 70 MW which had not been attributed yet in early 2017.

The wind potential is smaller but now tapped: the first wind farms appeared thanks to local businesses, and the Israeli Wind Energy Association (IsraWEA) thinks they could eventually represent 3 GW for the entire country.

Promising perspectives in fact, particularly for foreign companies which have developed strong expertise in the field.

### NATIONAL STRATEGY


### USEFUL CONTACTS

- **Invest in Israel**: www.investinisrael.gov.il
- **Israel Electric Corporation (IEC)**: www.iec.co.il
- **Electricity Authority**: www.pua.gov.il
- **Professional associations**:
  - Green Energy Association of Israel - www.greenrg.org.il
  - Israeli Smart Energy Association (ISEA) - www.isea.org.il
  - Israeli Wind Energy Association (IsraWEA) - www.israwea.org.il

Promising perspectives in fact, particularly for foreign companies which have developed strong expertise in the field.

### RENEWABLE ENERGY IN JORDAN

**FLAGSHIP EVENT**

Elat-Eilot Green Energy: biannual event in Elat. 2,000 participants for the 8th edition (November 2018).

**THEY INVESTED IN ISRAEL**

**Atlantic (France).** 2015. The provider of thermal comfort solutions to buy a 51% stake in Israeli Chromagen, a manufacturer of solar water solutions (€16.7 m).

**Toshiba (Japan).** 2015. The group to team up with Ormat, an Israeli expert in geothermal energy, to develop a common offer and tap into new markets.

**Pirveli Ventures (Canada).** 2015. The fund to lead a financing round for Eco Wave Power, which develops onshore wave energy power plants (€1.8 m).

**EDF Energies Nouvelles (France).** 2014. The group to launch 5 solar plants totalling 32 MW in Gvoulot, Lahav, Nahal Oz, Kerem Shalom and Mishmar Haneguv in JV with Arava Power (€40 m).

**Abengoa/Abener (Spain).** 2013. Negev Energy, JV of the group with local Shikun & Binui, to win the BOT contract for the Ashelim thermo-solar power plant, set to start operation in 2017 (€853 m).

**NATIONAL STRATEGY**

- **Source:** International Energy Agency (2014)
- **Concentrated solar thermal (CSP)**
- **Photovoltaic**
- **Wind**
- **Major projects (capacity in MW)**
- **Hydro**
- **Solar, Wind, Geothermal**
- **Biofuels and waste**
- **Coal**
- **Oil**
- **Natural gas**
- **Electricity**

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Promising perspectives in fact, particularly for foreign companies which have developed strong expertise in the field.
The country has adopted in 2010 a Programme for renewable energy and energy efficiency which aims at bringing the share of green electricity from 2% (essentially hydroelectricity and biomass) to 10% in 2020.

In the solar sector, CSP is drawing interest but is not developed yet, whilst the movement is largely underway for photovoltaics, with more than 300 MW that were operational or under construction throughout the country at the end of 2016, such as in Ma’an where a Chinese-Qatari-Jordanian project now provides 1% of the country’s electric consumption. This gives credibility to the objective of net green electricity export by 2030.

The country has the region’s most attractive regulatory framework according to the 2016 Arab Future Energy Index (AFEX) ranking, established by the RES4MED association.

The 2012 law defines the feed-in tariff scheme involving the national electric company NEPCO or regional distributors, and foresees the State’s take-over power grid connection costs. Furthermore, it allows direct negotiation between State and private promoters, without prior bidding process. Tax exemptions are provided for renewable equipment (customs duties and sales taxes).

Jordan thus ranks as the world’s 33rd most promising destination in EY 2016 Renewable Energy Country Attractiveness Index. The sector is booming: numerous international donors (Gulf Cooperation Council, EIB, EBRD, World Bank, AFD, etc.) are mobilised to back the funding of the first projects, and 365 companies worked in the sector of green technologies in 2016, 20% of them with foreign participation.

Plenty of opportunities are to be seized: in addition to the competitive biddings launched by NEPCO, electricity purchase agreements were signed with 12 companies following direct negotiations, for a total capacity of 200 MW.

In the wind sector, the first private project, a 117 MW wind farm in the region of Tafila, was inaugurated at the initiative of Emirati Masdar and the Inframed fund, and others are implemented by Korea Electric Power and Dubai-based Alcazar Energy (Spanish Gamesa having won the construction, operation and maintenance contract).

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Lebanon produces 92% of its energy from imported fossil fuels, the rest being almost entirely provided by hydropower. Electric production remains a State prerogative (a law authorised privatisation for 2 years in 2014, however, without being subject to any enforcement decree), and the context of shortage has been persisting since the end of the civil war.

The use of renewable energy is still in its infancy, due to the lack of appropriate legal framework: only self-consumption facilities have been completed yet, often with the support of international donors. The situation should nevertheless evolve very fast: target figures for 2020 then 2030 have been set by action plans for energy efficiency (NEEAP 2016-2020) and for renewable energy (NREAP 2016-2020), and the first tenders have been launched in 2017.

IMMINENT TAKE-OFF!

Share of renewables in total primary energy supply (%)

Total production of renewables (Mtoe)

Origin of foreign investment in renewable energy

Major projects (capacity in MW)

Solar water heaters

Photovoltaics decentralised

Concentrating solar thermal (CSP)

Geothermal power

Hydropower

Wind

Biomass

Biomass

Hydro

Solar, Wind, Geothermal

Biofuels and waste

Coal

Oil

Electricity

RENEWABLE ENERGY IN LEBANON

RENEWABLE ENERGY


95.4%

Share of renewables in total primary energy supply (%)
The most mature market in 2017 is that of solar water heaters. Their use has been spread thanks to the National Energy Efficiency and Renewable Energy Action (NEEREA), a “green” funding which should be extended until 2030. The decentralised PV facilities of the industrial and public sector represented a total capacity of 20 MW in early 2017, strongly growing.

Larger scale projects were non-existent in early 2017, apart from the “Beirut river solar snake”, a 1 MW-demonstration PV site built in 2015 by Lebanese companies for public authorities. “ReNEWABLE Energy Lebanon” (REEL), the renewable energy specialist to ink a franchising agreement for Lebanon with local ME Green Energy. The group, also known as Care-Energy, to open an office in Beirut to sell PV systems in the Middle East, using Lebanon as a hub (€2.1 m).

2010. The renewable energy specialist to win a franchising agreement for Lebanon with local ME Green Energy. The group, also known as Care-Energy, to open an office in Beirut to sell PV systems in the Middle East, using Lebanon as a hub (€2.1 m).

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Morocco, Africa's top energy importer, has an excellent potential for solar (average irradiation of 5.3 kWh/m²/day) and wind (average speed above 9 m/s at 40 m in several regions of the North and the South). The country deemed "green growth champion" by the African Development Bank, has adopted in 2010 the MRED region's most ambitious energy transition objectives:

<table>
<thead>
<tr>
<th>YEAR</th>
<th>HYDROPOWER</th>
<th>WIND</th>
<th>SOLAR (PV and CSP)</th>
<th>TOTAL</th>
</tr>
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<tbody>
<tr>
<td>2020</td>
<td>2 GW</td>
<td>2 GW</td>
<td>1.72 GW</td>
<td>5.72 GW</td>
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<tr>
<td>2030</td>
<td>5 GW</td>
<td>5 GW</td>
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<td>10 GW</td>
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</table>

Morocco has thus gone up to the world’s 13th rank of most promising destinations in FY 2016 Renewable Energy Country Attractiveness Index. The country offers countless opportunities to the sector’s businesses: investment, equipment supply, civil engineering, maintenance, training, engineering. Among the iconic achievements, of course, is Noor Ouarzazate, which will be among the largest plants in the world after its completion (70%) of the Khalladi Wind Farm project, a 120 MW wind farm 15 km east of Tangerie (426 m).

Volkswagen (France), 2005. The electricity producer from renewable energy sources, owned by the Creasol private equity fund, to set up Volta Maroc.

Ghial (Spain), 2015. The manufacturer of wind turbine components, but also solar concentrators, heliostats, solar farms, to set up Ghial Energy Morocco.

First Solar (USA), 2014. The manufacturer of photovoltaic panels to create a commercial hub in Casablanca, First Solar Maroc, to manage its expansion in North Africa.

They invested in Morocco:

- Breakthrough Partners (USA), 2016. Platinum Power, in which the fund is a leading shareholder, to develop 3 hydropower plants (36 MW) and a wind farm (50 MW).
- ACWA (Saudi Arabia), 2015. The group to become the majority shareholder, to develop 3 hydropower plants (56 MW) and a wind farm (50 MW).
- Solaire Expo Maroc edition (4-7 October 2017).
- EneR Event - International fair of renewable energy and energy efficiency.

Flagship events

Enel Event - International fair of renewable energy and energy efficiency annual event in Casablanca. 200 exhibitors and 10 countries for the 6th edition (4-7 October 2017).

Salaires Expo Maroc annual event in Casablanca. 75 exhibitors for the 7th edition (February 2018).

Pheoterrorisme bi-annual event. 100 EMEA zone exhibitors for the 3rd edition (2018).

Saudi AcwaPower has won the 4 BOOT contracts of this megaproject, in association with American ARIES, Spanish TSK, Chinese Chint and Indian Sterling & Wilson. In the wind sector, several projects of 50 MW and more are planned or already operational, the record being held by the Tarfaya farm, the largest in Africa (300 MW), jointly developed by French GDF Suez and Moroccan Nareva. In parallel to these large projects managed by Masen, emphasis is now shifting towards self-production facilities: industrial sites, solar pumping in agriculture... Thus, Morocco is on the way to reach its 2020 objectives and has all the assets to become a regional energy hub exporting its green energy to Europe and serving as a strategic base for activities in Africa.
Energy supply is a highly strategic issue in Palestine: the country hardly produces any energy on its soil yet and depends on Israeli companies for its imports, at a record cost for the region. Excellent solar potential, combined with a favourable legal framework and the absence of energy subsidies, pave the way for a deep change of energy mix. Palestine indeed is the 4th most attractive MED country for the development of renewable energy according to the Arab Future Energy Index (AFEX) 2016 ranking, established by the RES4MED association.

Currently, only self-consumption projects (private individuals, public buildings or industrial sites) are operating. They almost all concern the photovoltaic sector and solar water heaters (Palestine constitutes the second MED market behind Israel, with more than 1.6 million m² installed). The government now wishes to take things to the next level.

The national 2012-2020 energy strategy and the Palestinian solar initiative have been complemented by the law on renewable energy and energy efficiency in October 2015. The sector benefits from green energy feed-in tariffs, a net metering system allowing grid connection, and dedicated tax incentives.

**MAKE WAY FOR PRIVATE INVESTMENT!**

<table>
<thead>
<tr>
<th>Major projects (capacity in MW)</th>
<th>Concentrating solar (CSP) 20 MW</th>
<th>Photovoltaics 45 MW</th>
<th>Wind 44 MW</th>
<th>Biomass 21 MW</th>
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<tbody>
<tr>
<td>Planned</td>
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<td>Complete</td>
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<tr>
<td>Execution</td>
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</tr>
<tr>
<td>Planned</td>
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</tbody>
</table>

They aim to achieve a 10% electricity in 2020. Renewable electric capacity in 2020 is expected to reach 45 MW (photovoltaics), 44 MW (wind), and 21 MW (biomass). Concentrating solar power (CSP) is planned to reach 20 MW.Electric consumption in 2020 compared to 2012 is expected to decrease by 5%.
The sector is booming: installed capacities have tripled from 2012 to 2016 thanks to international public funding, to reach 0.7 MW for wind, 4 MW for PV and 0.22 MW for geothermal energy – Palestine being the first country in the region to use it. Private investments, non-existent in 2013, represented 3.5% of installed capacity in 2016.

The Palestine Investment Fund (PIF) supports the development of individual PV facilities with subsidised loans and aims for a total additional capacity of 35 MW by 2020: 25 MW for businesses and 10 MW for residential and public sector.

As for large scale PV, Massader, a PIF subsidiary, is reviewing projects with a total capacity of 70 MW. Furthermore, public competitive biddings are announced for 10 MW projects in each governorate, meaning a total capacity of 110 MW that will be connected to the network in 4 years.

Lastly, the law allows directly submitting project proposals: authorities had thus received as of late 2016 proposals for a 100 MW wind farm and 4 PV projects representing a total capacity of 63 MW. Enough to shake the country’s energy mix, and improve the living conditions of millions of Palestinians.

**THEY INVESTED IN PALESTINE...**

Gigawatt Global (Netherlands), 2016. The group and its Jordanian-Palestinian partner Rock Tech to get a license to develop a 5.7 MW PV plant in Hebron, co-financed by US agency OPIC.

**FLAGSHIP EVENT**

No major event in Palestine, however conferences sometimes take place abroad, especially in Gulf countries.

**USEFUL CONTACTS**

Palestinian Investment Promotion Agency (PIPA): www.pipa.ps
Palestinian Energy Authority (PEA): www.pea-pal.tripod.com
Palestinian Electricity Transmission Company (PETL): public operator de facto repurchasing green electricity produced by private projects - www.petl.ps
Professional associations:
Palestine Solar Industry Association (PSIA) - www.palestine-sia.com

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**RENEWABLE ENERGY IN TUNISIA**

<table>
<thead>
<tr>
<th>Origin of foreign investment in renewable energy</th>
<th>France</th>
<th>Other EU</th>
<th>United Kingdom</th>
<th>Germany</th>
<th>Italy</th>
<th>Japan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major projects (capacity in MW)</td>
<td>Concentrated solar thermal (CST)</td>
<td>Photovoltaic</td>
<td>Wind</td>
<td>Complete</td>
<td>Execution</td>
<td>Planned</td>
</tr>
<tr>
<td>Planned projects</td>
<td>Clusters and poles</td>
<td>Renewable energy (RE)</td>
<td>Multisector incl. RE</td>
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<td></td>
<td></td>
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<tr>
<td>Source: ANIMA</td>
<td>Origin of foreign investment in renewable energy</td>
<td>Major projects (capacity in MW)</td>
<td>Planned projects</td>
<td>Clusters and poles</td>
<td>Renewable energy (RE)</td>
<td>Multisector incl. RE</td>
</tr>
</tbody>
</table>

**NATIONAL STRATEGY**


Palestine Investment Fund - PIF, the Palestinian sovereign fund manages the Solar Energy Fund, a 50 million dollar fund targeting small scale PV projects. Its subsidiary Massader plans to develop medium-scale PV projects (about 10 MW) with a total capacity of 70 MW, for a 100 million dollar estimated investment.
In 2023, Tunisia has set itself a new ambition: reducing its energy consumption by 30% and reach 30% of electricity from renewable origin by 2030. Meeting these objectives would put Tunisia second on the podium of MED countries must widely using green energies, after Morocco.

In order to implement such sector development scenario, the necessary public and private investments are estimated by STEG (Tunisian Company of Electricity and Gas) at 3.7 billion euros until 2020 then 6.3 billion euros by 2030. Prior to anything, the government (Tunisian Company of Electricity and Gas) at 3.7 billion euros until necessary public and private investments are estimated by STEG. In 2030, the installation of renewable energy technologies will have proven their profitability, and maybe tomorrow, marine energies.

Numerous European businesses are already interested in the Tunisian market, as service providers for STEG Renewable Energies (STEG ER), or as independent producers. In the wind sector first, two first large projects of a total capacity of 245 MW were implemented by STEG or as independent producers. In the wind sector first, two large projects of a total capacity of 245 MW were implemented by STEG together with Spanish Gamesa, and new projects are considered in the governorates of Kebili, Medenine and Gabes, where the wind potential is particularly favourable.

In the solar sector, the photovoltaic chain represented a total capacity of 23 MW in 2016, deployed in rural electrification and public, residential or industrial self-production sites. STEG now also targets the development of larger scale projects: several PV plants from 10 to 50 MW are under study. Other projects targeting CSP technology are also at the stage of search for funding, including the Akarit plant, with a capacity from 50 to 100 MW, developed by STEG, and the 2 GW megaproject initiated by British Huir Energie to supply Europe with green energy from Saharah.

Lastly, opportunities can be found in biomass (the first private facilities, dedicated to self-production, use agricultural residues and have proven their profitability), and maybe tomorrow, marine energies.

In 2013, Tunisia has set itself a new ambition: reducing its energy consumption by 30% and reach 30% of electricity from renewable origin by 2030. Meeting these objectives would put Tunisia second on the podium of MED countries must widely using green energies, after Morocco.
This publication has been produced in the framework of the EUROMED Invest Business Intelligence with the financial assistance of the European Union. The contents of this publication are the sole responsibility of ANIMA Investment Network and can in no way be taken to reflect the view of the European Union.

The EUROMED Invest is a 4-year project (2013-2017) co-financed at 80% by the European Commission and creates an investment of €5 million euros. It is coordinated by ANIMA Investment Network in the framework of the MedAlliance consortium.
Design industries: Promote the «made in the Mediterranean»

The Mediterranean enjoys traditional know-how in extremely varied fields: cotton, wool, linen, vegetable fibre (alpha, palm, cane...), terracotta and ceramic, blown glass, copper, tin, silver, olive wood... Such numerous productions currently target domestic clients and tourists, while they could also target upmarket segments, especially exports.

The upgrade of production technologies, design and marketing is a promising niche for foreign businesses. To go further: mapping of both existing and potential ICC clusters in 7 Mediterranean countries on the website www.medcreative.org.

Culture and media: Convey a new image of the Mediterranean

The Mediterranean has strengthened its position on the world artistic stage thanks to the spotlight sparked by the uprisings and revolutions of 2011. Mediterranean artists now exhibit their work in the entire world and world-scale events have been created in MED countries, such as the Beirut Art Fair launched in 2010. Be it film, television, music, literature or performing arts, the challenges and markets for economic operators are the same: promote local offer in the country (including on the tourism segment) and abroad, and strengthen local distribution channels, often still inadequate.

To go further: mapping of the media sector in 9 Mediterranean countries on the website www.med-media.eu and cultural sector state of the art in 8 Mediterranean countries on the website www.medculture.eu.

Digital technology: Target the new patterns of production and consumption and the needs of the Arab world

Digital technology first and foremost opens new cross-border collaboration opportunities in services related to creation, such as design and graphic design. It also enables inventing new dissemination and consumption patterns of cultural products which remain hardly found in MED countries: freemiums, book and magazine hybrids (mooks), low cost press, modernisation of cultural sites, subscriptions allowing to widen the broadcasting of music, TV and film offers...

A third major outlet lies in the development of contents adapted to the demand of Arab countries, in the market of video games but also applications. Arab versions of Uber (Careem) and Booking (Yamsafer) are very successful, and a lot remains to be done to develop Arab contents on the web.

Cultural and creative industries (CCIs) include a wide range of sectors characterised by their connection to cultural heritage, tradition, design and know-how. Using the typology provided by the Creative Mediterranean project implemented by UNIDO and co-financed by the European Union, CCIs include 4 major fields:

• design industries: fashion, clothing, footwear, jewellery;
• culture and media industries: audiovisual, music, publishing, video games;
• performing arts: performing arts, visual arts, heritage management;
• and lastly services related to creation: communication/publicity, interior design, architecture.

CCIs, which mainly involve small and medium-sized enterprises (SMEs), are central to European economy and competitiveness, amounting to over 4% of the European Union’s GDP. They hardly attract any foreign businesses in the South of the Mediterranean, and have hardly been included in national development and attractiveness strategies so far. Yet CCIs grow faster than other sectors and MED countries have strong assets to attract foreign operators and investors: rich and still undervalued cultural heritage, youth and emerging middle class that are hungry for culture, and qualified and competitive workforce.

In addition to the gradual opening of the audiovisual sector in MED countries, the development of telecom infrastructure and the stimulation of artistic production related to Arab springs. This guide gives a non-exhaustive overview of opportunities provided in the multiple fields of CCIs and mainly those related to design, culture and media – performing arts and services related to creation shape lesser markets for foreign businesses.

INVEST IN THE SECTOR OF CULTURAL AND CREATIVE INDUSTRIES IN THE MEDITERRANEAN: WHY?

This guide is intended for businesses in the creative and cultural industries sector wishing to know southern Mediterranean countries better. Overview of business opportunities, examples of projects implemented by foreign operators, main business events in Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Palestine and Tunisia... all the information needed to speed up your prospecting!
A Algerian cultural heritage remains little known despite being exceptional, both in terms of age (the country has millennial rock paintings) and diversity: each region singles out itself by its crafts, architecture (ieuxs of remarkable beauty and technical feats), music (Kabyle, tuareg, chawi, amazigh repertoires...), arts of speech or literature and cinema. Algerian youth is another aspect of such diversity: its creativity, entrepreneurial drive, mastering of new technologies and openness to the world are all assets to promote and spread such amazing human and economic development reservoir.

Conscious of such opportunities and concerned with developing a new image of the country, authorities have multiplied the budget allocated to culture over 10 years, giving Algeria the richest Ministry of Culture in the Arab region in 2014 (an increase however stopped in 2015).

The latter gives priority to cultural events, cinema and the development of tens of private channels broadcast by satellite, as well as the emergence of numerous digital media.

The Algerian film production, which has won a great deal of awards at several international festivals over the past fifty years, is hampered by the absence of an appropriate training system and the lack of theatres (47 in 2016 when the country has had up to 480 in the past). Nonetheless the Algerian film industry benefits from a fresh boost with FDATIC funding (Film Art, Technique and Industry Development Fund), and hopes for private investments to create new theatres.

Several other sectors such as fashion, handicraft, digital media and design shape plenty of opportunities yet to be tapped. The regional European project Creative Mediterranean led by UNIDO thus supports the strengthening of centres dedicated to tapestry, jewellery, pottery and traditional clothing located in the wadys of Algiers, Ghadaria and in Kabylia.

The public reading incentive programme has enabled a profusion of new publishing companies despite still limited distribution channels. The liberalisation of the audio-visual sector in 2012 has triggered the development of tens of private channels broadcast by satellite, as well as the absence of an appropriate training system and the lack of theatres (47 in 2016 when the country has had up to 480 in the past). Nonetheless the Algerian film industry benefits from a fresh boost with FDATIC funding (Film Art, Technique and Industry Development Fund), and hopes for private investments to create new theatres.

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BETTING ON THE ARAB WORLD’S CULTURAL CHAMPION

Egypt is a reference in the Arab world in terms of music, cinema, literature and handicraft. The revolution of 2011 has opened up a public debate on culture and democratise access to it. Other key objectives pursued concern the safeguarding and promotion of national heritage (antiques, archive and architectural heritage) and the promotion of reading, especially among youth.

The main Egyptian cultural and creative industries are located around the cities of Cairo and Alexandria. The regional European project Creative Mediterranean, implemented by UNIDO, mentions among the most promising sectors the industries of design and brands and subcontracting positioning in the leather industry.

In terms of media, Egyptian cinema is a reference: Cairo has long been compared to the Hollywood of the Arab World. Today the sector is declining due to growing financing difficulties, piracy and competition from India notably.

Egyptian film production and distribution industries nevertheless rank second in the Africa and Middle-East region (behind Nigeria) in amount of films produced, and represents around 300 theatres with an annual attendance of 25 to 30 million. The main business opportunities in the sector lie in the renovation and creation of cinema theatres.

Other sectors are emerging such as video games and heritage management. Several publishing companies and bookshops have also seen the light over the past few years, as well as art galleries.

On a smaller scale, Egypt has an extremely diverse handicraft production however essentially based on the informal sector: carpets, pottery, embroidery, leatherwork, etc. Niches identified by UNIDO particularly concern high-end products, online sale, the use of recycled materials as part of a sustainable design trend, the revival of ancient techniques and materials, but also the development of local brands and subcontracting positioning in the leather industry.

Flagship events

Cairo International Film Festival is the only international competition recognised by the International Federation of Film Producers Associations for the Arab world and Africa. 35th edition (21-30 November 2017).

Cairo Fashion & Textile Fair: bi-annual event in Cairo. 20 countries represented for the 11th edition (2-5 May 2017).


Cairo International Fair: bi-annual event in Cairo. 20 countries represented for the 62nd edition (13-16 September 2017).

Fierex: annual event on furniture in Cairo. 150 exhibitors for the 11th edition (2-5 May 2017).

Crafts and design

unesco, craft and design

Useful contacts

General Authority For Investment and Free Zones (GAFI):
www.gafi.gov.eg

Ministry of Culture:
www.moc.gov.eg/en

Egyptian Export Council of Handicrafts:
www.facebook.com/EgyptianExportCouncilHandicraftscom

Promotion of reading: Iqraa project launched in 2014 by the Ministry of Culture to subsidise the purchase of books for youth in dedicated kiosks, online library Egyptian Knowledge Bank- EKB providing Egyptian users free access to books and magazines from the entire world.

NATIONAL STRATEGY

Governance, legislation and cultural policy see the Egypt country sheet of the website www.medculture.eu
Creativity is a cardinal value of Israel, which ranks 2nd worldwide for innovation in the 2016-2017 Global Competitiveness Report. Israel also boasts a remarkable cultural dynamic that goes beyond contemporary dance to fashion and cinema.

Three cities concentrate most of cultural and creative industries: Tel Aviv, which has joined UNESCO’s global Creative Cities Network in 2014 in the “digital arts“ category, Jerusalem and Haifa. The government effectively supports the sector and most particularly the digital sector.

Indeed, the first Israeli CCI is unquestionably digital: ICTs amount for 16% of GDP and 26% of Israeli exports in 2016. The country has the highest start-up/population ratio, and Tel Aviv is the second largest high-tech centre in the world after Silicon Valley. Over 250 multinational firms have chosen to establish R&D centres in Israel, often following acquisitions. The sector of video games includes several global champions, such as Playtika, which has 1,300 employees and was acquired by Chinese funds in 2016.

Opportunities are also to be seized in other cultural and creative industries. Israel is a great literary country and has a dynamic book market, whether on the domestic market (6,000 books published each year) or export, as well as print media spearheaded by 22 daily newspapers notably.

As for Israeli cinema, it has seen a true boom after the adoption in 2001 of a law organising the system of financial support to the sector. The threshold of 2 million spectators for films produced in Israel was reached for the first time in 2016. Moreover the country has 9 channels broadcast on public television, in addition to multiple channels broadcast by satellite.

In design industries, Tel Aviv is among the rising world capitals for fashion especially: the city has since 2011 been hosting a world class Fashion Week. Established whether in Israel or in major Western capitals, Israeli creators stand out on segments ranging from casual chic to wedding dresses. Visual arts, also flourishing, are featured in three cities which concentrate most of cultural and creative industries:

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CULTURAL AND CREATIVE INDUSTRIES IN JORDAN

VIDEO GAMES AT THE TOP OF THE INDUSTRIES OF THE FUTURE

or Jordan, a country that has practically no natural resources, the future lies in knowledge-based industries and especially cultural and creative industries. The latter remain little developed yet outside of the IT sector.

The Jordanian cultural world, originating from the influence of several civilisations, is now marked by a high concentration in Amman and by a clear boundary between public and private spheres. On the public side, the government mainly supports theatre, graphic arts and literature. It has created 500 cultural centres throughout the country and supports festivals, cultural organisations and handicraft.

The private scene essentially stands out in visual arts, design and cinema, and reaches a smaller but wealthy audience. It benefits from the country’s well-developed infrastructure, numerous international cooperation programmes and sponsorship from large national companies.

The main business opportunities first and foremost lie in the ICT sector professional association (INTAJ) - www.intaj.net

The Gaming Lab, incubator dedicated to video games - www.gaminglab.jo

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F

The sector had 16 companies and over 500 employees in 2016 according to the King Abdullah II Fund for Development (KAFD), which has been organising the Jordan Gaming Summit since 2011, in association with the Gaming Lab incubator.

Fashion constitutes another interesting market, supported by European project MedCreative. Jordan has 7,000 companies in the textile sector, enjoying long experience of production, distribution and design in addition to public authority support. The main opportunities concern markets growing strongly including Islamic fashion and markets under favourable trade agreements, led by the United States.

The handicraft sector, little structured as yet, also offers interesting prospects (mosaics, carpets...), whilst 80% of souvenirs bought by tourists are imported! In culture, the MedCulture project has identified needs at middle management level: music producers, editors, curators...

Cinema is finally developing thanks to the support of the Royal Film Commission and the Higher Council of youth for broadcasting. Skills are there, and local productions (250 in 2014 according to MedCreative) could eventually compete with foreign films, ahead at the box office at the moment.

THEY INVESTED IN JORDAN...

Uber (USA) 2015. The ride-hailing service to be launched in Amman, currently only offering its cheapest service, UberX.

SelfGroom/Diamantina (Mauritania). 2010. The subsidiary of the group specialised in Moroccan handmade garment, to open an air outlet in Amman as part of its regional expansion strategy.

Imax (Canada). 2014. The group to partner with UAE-based movie theatre operator VOX to introduce the IMAX screen technology in its Amman theatre.

The Gaming Lab, incubator dedicated to video games - www.gaminglab.jo

FLAGSHIP EVENTS

Jordan Gaming Summit annual event in Amman. 1,000 participants for the 7th edition (November 2017).

Amman international book fair annual event. 350 publishing companies and 15 countries represented for the 7th edition (28 September-8 October 2017).

Amman Design Week annual event. 100 local and regional designers for the 2nd edition (6-14 October 2017).

USEFUL CONTACTS

Jordan Investment Commission: www.jic.gov.jo/portal

Creative Jordan directory of stakeholders and opportunities: www.creativejordan.org

IT sector professional association (INTAJ): www.intaj.net

The Gaming Lab, incubator dedicated to video games: www.gaminglab.jo

NATIONAL STRATEGY

Governance, legislation and cultural policy: see the Jordan country sheet of the website www.medculture.eu. First national culture strategy currently being defined with the support of the European project MedCulture (adoption scheduled late 2017).

INDUSTRIES IN LEBANON
A MYRIAD OF PROMISING MARKETS!

CULTURAL AND CREATIVE INDUSTRIES

Lebanon is an ideal setting for cultural and creative industries thanks to the multiple influences that shape it, its freedom of expression and enterprise, its dynamic private sector and its diaspora, vector of influence throughout the world. CCIs thus represent about 5% of Lebanese GDP.

Beirut concentrates most creative industries - except handicraft, and constitutes a regional capital in terms of design, entertainment, architecture, fashion, gastronomy, publishing and cinema.

The intervention of public authorities in the economic life is minimal. In culture, besides scarce public fundings essentially allocated to festivals, operators can count on private sponsorship actions and international cooperation programmes, particularly those of Europe and the Gulf.

Business opportunities in CCIs are multiple. In the digital sector, the Beirut Creative Cluster launched in 2012 with the backing of the European Union is very successful. By the end of 2016 it had around 50 start-ups and SMEs operating in several segments of ICTs: video games, animation, interactive design, mobile applications and content, etc.

In the publishing field, more than 500 operators equally publish in Arabic, French and English, which gives Beirut the reputation of “the Arab world’s printing house”. Lebanese cinema, nourished by graduates from the numerous local schools, often crosses the country’s borders, and marketing. That is what European project MedCreative has been doing by choosing to support a jewellery cluster in Beirut and another on furniture and wood carving in Tripoli, and inaugurating in 2016 a concept store “Creative Lebanon” in the trendy district of Gemmayzeh in Beirut.

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The rich and eclectic musical heritage, from traditional dabke to the most modern forms, is featured during world class festivals (Baalbek, the Beirut Arab and International Book Fair ...Né à Beyrouth”). The intervention of public authorities in the economic life is minimal. In culture, besides scarce public fundings essentially allocated to festivals, operators can count on private sponsorship actions and international cooperation programmes, particularly those of Europe and the Gulf.

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Flagship Events


ArabNet Forum: annual event about ICTs in Beirut. Over 1,500 participants for the 8th edition (December 2018).

Beirut International Film Festival: annual event in Beirut. 20 countries represented for the 17th edition (4-12 October 2017). But also the Arab cinema festival “Cinema Days of Beirut” and the documentary and TV festival “...Né à Beyrouth”.


National Strategy

Governance, legislation and cultural policy: see the Lebanon country sheet of the website www.mediculture.eu

Handicraft offers a wide range of promotion opportunities both for the internal market and for export: wickerwork, glassware, tableware, household items, granite processing, marble, copper, leather...

They Invested in Lebanon...


Australian Broadcasting Corporation (Australia). 2014. The public station is planning to open its 14th office outside Australia in Beirut to increase its broadcast coverage of the Middle East (€2.1 m).

France. 2013. The group to partner with UAE-based movie theatre operator VOX to introduce the IMAX screen technology in its Beirut theatre.

France. 2014. The group to open a new sales office in Beirut to facilitate the firm’s expansion into markets across the Middle East and Africa (€5.6 m).

Cookpad (Japan). 2014. The online recipe sharing company to expand on the Arabic-speaking market by acquiring Lebanese website Shahiya, developed by local Netila (€10 m).

Technicolor (France). 2014. The group to open a new sales office in Beirut to facilitate the firm’s expansion into markets across the Middle East and Africa (€5.6 m).


National Strategy
Governance, legislation and cultural policy: see the Lebanon country sheet of the website www.mediculture.eu

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MOROCCO, a country with rich cultural and craft traditions, is currently witnessing a renaissance in all sectors of creation: literature, visual and performing arts, design. Cultural and creative industries, still dominated by textile, leather and handicraft, more than ever constitute sectors for the future of the country, and are subject to public development programmes. Moreover the Moroccan State has enshrined the objective of “youth inclusion through culture” in the constitution adopted after the 2011 popular uprising. The State has enshrined the objective of “youth inclusion through culture” in the constitution adopted after the 2011 popular uprising. Therefore business opportunities are to be seized in several fields.

The same goes for the country’s numerous handicraft outlets: tapestry, ceramic, copper work, decoration and furniture, silver jewellery. There is indeed strong demand for Moroccan traditional know-how, which is an integral part of daily life and delights tourists, who may easily give rise to a more up-market production.

This is the object of European project MedCreative, which backs upmarket on such segments by working on the quality and marketing of its products.

As a major leather and textile producer, Morocco could strongly move towards digital hubs in French-speaking Africa and the second in Africa after South Africa.

They are now going through the crucial step of fundraising. On the publishing side, a public support fund was created in 2013 and about 2,700 books were published in 2015-2016, which is a hundred more than the previous year. Moroccan literature is exported, but its Arabic-speaking segment and its young authors remain little known abroad.

Lastly, plenty remains to be done in terms of distribution channels, whether on the private or public side, for reading as well as for other fields: cinema, performing arts, etc. Providing Morocco with new opportunities to access artistic creation (libraries and bookshops, performance venues and theatres) constitutes a strategic challenge both for the Moroccan State and for Moroccan and foreign economic operators.
Palestine has to deal with several geopolitical issues restricting access to natural resources and export capacities. This has an impact on the development of cultural and creative industries, which are strategic for the future of the country.

However, there are plenty of reasons to take interest in these markets: great dynamism of civil society, youth and private sector, diversity of cultures shaping the Palestinian nation, high qualification of local labour and interesting prospects in fair trade, community networks and tourism among other things.

Handicraft plays a major role in the Palestinian economy. Its production is extremely diversified: olive wood carving, embroidery, mother-of-pearl, pottery, blown glass, mosaic, leather, furniture and jewellery. The leather and footwear industry, mainly located in Hebron and focused on high quality products, supplies local and Israeli demand and could target new markets by upgrading its production and design techniques.

European project MedCreative supports a furniture cluster in Nablus and design techniques. The digital sector constitutes another significant opportunity: Palestine is home to a resilient and extremely creative ecosystem of start-ups and incubators.

The young entrepreneurs confronted with limited hours of access to energy have for instance developed a battery that recharges with its user’s walking, “Walk and charge”, while Yamsafer, the “Booking of the Arab world”, has achieved a historic fundraising in 2015. The Sadara fund, based in Ramallah and mainly backed by American investors, has a USD 30 million budget and had already invested in 6 ICT businesses by late 2016.

Other opportunities lie in the audiovisual sector and performing arts. In cinema for example, talented directors succeed in overcoming the many obstacles they face to offer jewels such as those of Elia Suleiman (Cannes jury prize in 2002), Hany Abu-Assad or most recently the Nasser brothers.

For its part, the local music scene has performed in front of international producers during the sector’s first business event in April 2017, the Palestine Music Expo, with the hope of matching the international producers during the sector’s first business event in April 2017, the Palestine Music Expo, with the hope of matching the international producers during the sector’s first business event in April 2017, the Palestine Music Expo, with the hope of matching the international producers during the sector’s first business event in April 2017, the Palestine Music Expo, with the hope of matching the international producers during the sector’s first business event in April 2017, the Palestine Music Expo, with the hope of matching the international producers during the sector’s first business event in April 2017, the Palestine Music Expo, with the hope of matching the international producers during the sector’s first business event in April 2017, the Palestine Music Expo, with the hope of matching the international producers during the sector’s first business event in April 2017, the Palestine Music Expo, with the hope of matching the international producers during the sector’s first business event in April 2017, the Palestine Music Expo, with the hope of matching the international producers during the sector’s first business event in April 2017, the Palestine Music Expo, with the hope of matching the international producers during the sector’s first business event in April 2017, the Palestine Music Expo, with the hope of matching the international producers during the sector’s first business event in April 2017, the Palestine Music Expo, with the hope of matching the international producers during the sector’s first business event in April 2017, the Palestine Music Expo, with the hope of matching the international producers during the sector’s first business event in April 2017, the Palestine Music Expo, with the hope of matching the international producers during the sector’s first business event in April 2017, the Palestine Music Expo, with the hope of matching the international producers during the sector’s first business event in April 2017, the Palestine Music Expo, with the hope of matching the international producers during the sector’s first business event in April 2017, the Palestine Music Expo, with the hope of matching the international producers during the sector’s first business event in April 2017, the Palestine Music Expo, with the hope of matching the international producers during the sector’s first business event in April 2017, the Palestine Music Expo, with the hope of matching the international producers during the sector’s first business event in April 2017, the Palestine Music Expo, with the hope of matching the international producers during the sector’s first business event in April 2017, the Palestine Music Expo, with the hope of matching the international producers during the sector’s first business event in April 2017, the Palestine Music Expo, with the hope of matching the international producers during the sector’s first business event in April 2017, the Palestine Music Expo, with the hope of matching the international producers during the sector’s first business event in April 2017, the Palestine Music Expo, with the hope of matching the international producers during the sector’s first business event in April 2017, the Palestine Music Expo, with the hope of matching the international producers during the sector’s first business event in April 2017, the Palestine Music Expo, with the hope of matching the international producers during the sector’s first business event in April 2017, the Palestine Music Expo, with the hope of matching the international producers during the sector’s first business event in April 2017, the Palestine Music Expo, with the hope of matching the international producers during the sector’s first business event.

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**INDUSTRIES IN PALESTINE**

**UNTAPPED WEALTH, A SOCIOECONOMIC INTEGRATION VECTOR**

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**THEY INVESTED IN PALESTINE…**

Sadara Ventures (USA, Palestine), 2015. The fund to invest in online international freight marketplace Freightos and in online hotel booking website Yamsafer (€0.7 m).

Global Founders Capital (Germany), 2015. The firm established by Rocket Internet to lead the second round of investment in online hotel booking website Yamsafer, which has 70 employees in Ramallah.

Sadara Ventures (USA, Palestine), 2014. The fund to invest in PitchPoint, a Ramallah-based developer of online games.

Abraaj Capital (United Arab Emirates), 2013. The fund to invest in Palestinian educational toy company Anoud Games through its PGCF fund, in team with the Palestine Investment Fund (PIF).

**FLAGSHIP EVENTS**

Sadara Ventures (USA, Palestine), 2012. The venture capital fund to in kits first deal with online hotel booking website Yamsafer (€0.7 m).

**BUSINESS GUIDE**

Palestinian Investment Promotion Agency (PIPA) 
Palestinian Federation of Industries (PFI)
Palestine’s Information and Communications Technology Incubator (PCTI)

**USEFUL CONTACTS**

Palestinian Investment Promotion Agency (PIPA) www.pipa.ps
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Tunisia excels in most handicraft branches, and the advent of democracy and freedom of expression since 2011 has come along remarkable cultural effervescence in the Arab world. As for the digital sector, it accounts for more than 7% of GDP – surpassing tourism since 2015. All opportunities to be seized in the field of cultural and creative industries. The priorities of public action particularly focus on supporting exporting companies, creating clusters and promoting private investment in culture – a priority issue dependent on the application of intellectual property rights.

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**THEY INVESTED IN TUNISIA...**

The Harvest Group (USA). 2018. The specialist in sales data for consumer goods manufacturers to establish Harvest Group Tunisia, a local subsidiary.

Neumens/Intense (France). 2014. Intrinsic partners with Tunisian group Paulina to create Cloud Temple Tunisie, a cloud computing firm in the data centre of Paulina’s group in Tunisia (€30 m).

Quai des Grelves (France). 2013. The group to sign a partnership with local Webcom for consulting services in the digital communication field.

Sagia Equity (Saudi Arabia). 2013. The investment company to fully acquire the first Tunisian private TV channel, Hannibal TV, founded in 2005 by local businessman Lhara Hara.

Techlimed (France). 2013. The group to partner with Samih which will use Techlimed’s data processing technologies in the new Arabic digital tablet it is planning to launch.

**FLAGSHIP EVENTS**

Handicraft Creation Fair annual event in Tunisia. Over 1,000 exhibitors for the 39th edition (April 2018)

Dar Been annual furniture and decoration fair in Tunisia. 250 exhibitors for the 14th edition (05-24 December 2017)


International Fashion Festival annual event in Tunisia. 4th edition in April 2018.

**NATIONAL STRATEGY**

Handicraft 2017-2021 national development plan in the process of being approved, objective of doubling the sector’s exports.

Culture priority to supporting over 300 festivals, preserving heritage and enforcing intellectual property rights. Guide of cultural sponsorship issued in 2016.

Tunisia Numérique 2020 (2016) aims at pulling Tunisia from the 81st world rank (World Economic Forum’s Networked Readiness Index) up to the 40th world rank and to the top rank in Africa.

**USEFUL CONTACTS**

Agency for the Promotion of Industry and Innovation (API):

National office of Tunisian handicrafts: www.conat.rnt.tn
National heritage institute of Tunisia: www.inp.rnt.tn

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**CULTURAL AND CREATIVE INDUSTRIES IN TUNISIA**

**A COUNTRY WITH A THOUSAND TALENTS AND KNOW-HOW**

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List of abbreviations

BN: Billion
FDI: Foreign Direct Investment
M: Million
USAID: United States Agency for International Development

Cartography
The designations employed and the presentation of material on these maps do not imply the expression of any opinion whatsoever on the part of ANIMA Investment Network concerning the legal status of any country, territory, city or area or of its authorities or concerning the delimitation of its frontiers or boundaries.

The designations of territories is in compliance with Maps No. 4234 Rev. 3 (UN OCHA, May 2011 - Department of Peacekeeping Operations Cartographic Section), Maps No. 4235 Rev. 3 (UN OCHA, April 2011 - Department of Field Support Cartographic Section), Map No. 3795 Rev. 3 (UN OCHA, March 2012 - Department of Field Support Cartographic Section).

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GROWTH OPPORTUNITIES IN THE MEDITERRANEAN

International tourism: number of arrivals


Egypt
Algeria
Morocco
Jordan
Israel
Lebanon
Palestine
Libya
Tunisia
Syria

Southern Mediterranean countries offer a tremendous potential for tourism development: the number of visits has quadrupled between 1990 and 2010, record year with more than 50 million visitors received mostly by Egypt, Morocco, Syria, Tunisia and Jordan.

The revolutions of 2011 and the political and security crises that have since been shaking the region sure have stopped this increase, but the region has all the assets to restore strong growth once confidence is restored.

In the medium term, the challenge lies in building a new model of tourism, which would allow providing visitors with a quality of stay that corresponds to the riches of the region.

GROWTH OPPORTUNITIES IN THE MEDITERRANEAN

INVEST IN THE TOURISM SECTOR IN THE MEDITERRANEAN: WHY?

This guide is intended for tourism sector businesses wishing to know southern Mediterranean countries better. Overview of business opportunities, examples of projects implemented by foreign operators, main business events in Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Palestine and Tunisia... all the information needed to speed up your prospecting!

MED countries offer an environment conducive to the development of several types of tourism. Hereafter the most strategic ones according to the World Tourism Organisation and public authorities:

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Tourism and mobile technologies

Mobile technologies have affected the expectations of visitors and their consumption patterns of tourism products. Mobile platforms allowing to contextualise the information provided to users they geolocate; online sharing of recommendations from users during their travel; mobile payment technologies... so many services to develop in MED countries.

INVEST IN THE TOURISM SECTOR IN THE MEDITERRANEAN: WHY?

Relaunch coastal tourism and develop non-coastal destinations

MED countries have very strong assets to move beyond the mere « sea and sun » offer: marine and cruise tourism, medical tourism, religious and cultural tourism, etc.

In non-coastal areas, nearly everything remains to be done in terms of ecotourism: development of guest houses and lodges, cultural itineraries such as the routes of Al-Andalus, the Phoenicians or Odyssea, tours around the olive tree or typical products (cheeses, etc.).
The development of tourism in Algeria is in its infancy, whilst the country has extraordinary potential: it has gorgeous landscape such as Tadrart, among the most beautiful and wild deserts in the world, as well as historical heritage so rich it is hard to match (ancient remains in an exceptional state of preservation, 7 UNESCO World Heritage sites and 6 in the process of nomination).

Though still a confidential destination at the international level, national tourists and expatriates constitute the immediate target of public authorities.

The will to "build destination Algeria in the long run" led in 2015 to the adoption of administrative simplifications and incentive measures for investors to obtain land (transfer or subsidised loan) and the creation of 50 tourist expansion areas for ecological and thermal purposes.

Tourism infrastructure, for the time being very little developed, is changing very rapidly. The road network is steadily improving while domestic and foreign investments accelerate, with somewhat more than a thousand projects validated by authorities from 2008 to 2015. Several chains are establishing or expanding their presence: Marriott (USA), which already manages several hotels, should be offering 6 new destinations in industrial and port areas of the country (starting with Adrar); while on less high-end slots, Accor (France) is opening a Mercure hotel in Algiers and Louvre Hotels (property of China’s Jinjiang) is launching facilities under the brands Campanile and Première Classe.

The establishment of a representative office in Algiers in November 2015 by Jovago, leading online hotel reservation website in Africa, created by the Rocket Internet Group, demonstrates such acceleration. Yet new formulas remain to be proposed such as short stays in Algiers, which may trigger the dynamic and subsequently attract tourists towards the rest of the country.

THEY INVESTED IN ALGERIA…


Rocket Internet/AIG - Africa Internet Group (France). 2015. Jovago, Africa’s number one hotel booking website, to open a representative office in Algiers.


Starwood/Louvre Hotels (États-Unis). 2014. The group’s subsidiary to open 3 mid-range hotels under its “Campanile” and “Première Classe” brands in Algeria by the end of 2014.

Al-Aberah/Dal’s Burgers (Jordan). 2013. The group to launch 2 Dal’s Burger fast food restaurants in Algiers and to open 20 more by 2018 under a 49-51 JV with a local partner.

FLAGSHIP EVENT


NATIONAL STRATEGY

Tourism Development Master Plan (Schéma Directeur d’Aménagement Touristique « SDAT ») 2025.

Quality Tourism Plan (PQT), based on 3 pillars: Certification with the labelling project of “Quality Tourism” branding, communication and training, especially on Information and Communication Technologies (ICT), and positioning on new global tourist niches.

USEFUL CONTACTS

National Agency of Investment Development (ANDI): www.andi.dz

National Agency of Tourism Development (ANDT): www.andt-dz.org

National Tourism Board (ONT): proposes a comprehensive and efficient guide. www.ont.dz.

Portal of Algerian tourism and handicraft: www.algeriantourism.com/voyages.php

Professional Federations:

National Federation of Algerian Hoteliers (FNHR): www.facebook.com/fnhalgeriens

National Federation of Associations of Tourism and Travel Agencies (FNAT): www.facebook.com/FNAT-Algérie-495011523842462/info
REBUILD TRUST AND MOVE UPMARKET

While tourism opportunities are among the most diversified in the world (cruises on the Nile, desert tours, sports, medical, religious tourism…), tourism infrastructure is continuously improving, both in terms of roads (6 motorways under development) and hotels: an accommodation capacity of 20 million tourists is about to be reached. However much is to be done in terms of restaurants and shopping centres.

The Tourism Development Authority (TDA) thus provides investors with tens of investment opportunities, especially in Gambel Bay (near Hurghada), on the Mediterranean coast – which could become the “Riviera of new Egypt” – and in the Gulf of Aqaba.

A potential confirmed by the “Travel and Tourism Competitiveness” report published in 2018 by the Davos World Economic Forum, which considers that numerous investments are possible to promote a heritage that remains largely untapped.

**THEY INVESTED IN EGYPT…**

Globalex Group, which has 9 branches in Egypt and international subsidiaries in China, USA, Japan and the UAE.

Yusuf Bin Ahmed Kanoo (Bahrain).

China, USA, Japan and the UAE.

The travel agency to acquire Cairo-based Wings TRN Marketing (India).

Qatar Investment Authority/DIAR (Qatar).

The property developer to purchase outgoing and business travel agencies from Britain’s Thomas Cook in Egypt (€4 m).

2012. The property developer to purchase outgoing and business travel agencies from Britain’s Thomas Cook in Egypt (€4 m). Following the plane crashes of October 2015 and May 2016.

Authorities are working to restore confidence in this key sector of the economy, which represents 10 to 15% of direct and indirect jobs as well as 11% of national GDP. The Papyrus fund, aiming for 1 billion dollars of investments in tourism, was launched in 2015. A 3-year international advertising campaign, worth 63 million euros, has started in 2016. Moreover, tourism constitutes one of the main features of “Vision 2030”, presented in late 2016 by the government, which counts on a 7.3% growth of the sector in 2017.

The development potential of tourism is huge: the strategy proposed by the government, which counts on a 7.3% growth of the sector in 2017.

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TOURISM IN ISRAEL

ACCELERATE THE EMERGENCE OF A CHEAPER HOLIDAY OFFER

From Jerusalem, sacred city for all three monotheistic religions, to Tel Aviv, a Bauhaus style open-air museum, through the Dead Sea or Galilee, Israel offers its visitors unforgettable travels through space and time. After a drastic drop in arrivals due to the second Intifada, visitors are back and the 3 million mark has been exceeded for the first time in 2015 and 2016. To bring renewed interest and trust, the government speaks to all categories of tourists, with targeted marketing plans: the Birthright programme launched in 1999 has for example allowed offering free 10-day stays to more than 500,000 young Jews from 64 countries, while the international promotion campaign ‘Tel Aviv, Jerusalem, two destinations, one trip’ has made international arrivals bounce back very quickly after the 2014 Gaza war.

Air connection openings are multiplying thanks to the “open skies” agreement signed with Europe in 2013 and financial incentives set up by the Ministry of Tourism in 2016. To address hotel shortage, investment incentives amount to 20% for the construction, expansion or renovation of hotels, and even 33% in the case of low cost hotels. The government hopes to reach an objective of 27,000 additional rooms from 2016 to 2026 thanks to incentives in place, especially on the mid-range segment.

Besides religious and cultural tourism, the country is positioning itself of a more family-oriented tourism and attract new international hotel groups, which are still very present.

A call for tenders was launched in late 2015 to establish a chain of 5 hotels and 1,000 rooms at low cost, to encourage the development of a more family-oriented tourism and attract new international hotel groups, which are still very present.

THEY INVESTED IN ISRAEL…

Roman Abramovich (Russia). 2015. The Russian billionaire to buy Tel Aviv’s Varsano Hotel ($23 m).

Nahal group. hotel currently under construction on Tel Aviv’s seafront by Israeli developer Kempinski Hotels (Germany). 2010. The luxury hospitality chain to manage a hotel to be built in Tel Aviv.

The notorious hotel and management school to open a school in Tel-Aviv in October 2012 (€ m).

2012. The hospitality group to sign an agreement with Israeli developers Tidhar, Migdal and Adi’s Investments to manage a 2010. The group to launch the Waldorf Astoria.

2014. The Russian billionaire to buy Tel Aviv’s Roman Abramovich (Russia).

THEY INVESTED IN ISRAEL…

The international arrivals bounce back very quickly after the 2014 Gaza war.

The group to sign an agreement with Europe in 2013 and financial incentives set up by the Ministry of Tourism in 2016. To address hotel shortage, investment incentives amount to 20% for the construction, expansion or renovation of hotels, and even 33% in the case of low cost hotels. Famous for its luxury hotels, Israel also seeks to propose offers adapted to a less wealthy clientele.

While tourism represents only 2% of GDP and 7% of jobs (both direct and indirect), Israel aims for a total of 5 million annual visitors in the very short term, and opportunities are to be seized in almost all segments. The government hopes to reach an objective of 27,000 additional rooms from 2016 to 2026 thanks to incentives in place, especially on the mid-range segment.

Besides religious and cultural tourism, the country is positioning itself on medical and wellness stays (Israel ranks 3rd in the 2016 Medical Tourism Index), as well as ecotourism (the website www.ecotourism.org). It identifies hundreds of sites, activities and accommodations across the country), which could particularly benefit from the advent of cheaper stays.

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The Kingdom of All Tourist Sites

As a link between Mediterranean world and Orient, Jordan offers its visitors an exceptional variety of landscapes as well as historic and religious sites. The 5 sites registered as UNESCO World Heritage Sites include Petra, jewel of the Middle East, and the protected area of Wadi Rum, paradise for hikers. Jordan, ranked 2017 best destination 2017 by the travel website Matador Network, welcomes a smaller number of Western tourists since 2011 due to neighbouring conflicts. Such disaffection is nonetheless compensated by tourists from the Gulf; the number of visitors was therefore maintained at 3.8 million in 2015 and 2016, in comparison to a maximum of 4.2 million in 2010.

The tourism sector is vital for the Jordanian economy; it represents about 13% of GDP and constitutes the first provider of private sector jobs. The Ministry of Tourism, which budget has been strongly rising since 2015, has led a major international promotion campaign and launched the “Jordan pass”, which offers access to the country’s main sites at preferential rate.

They Invested in Jordan...

El Ranche Group (USA). 2015. The American group obtained a master franchise to open 10 restaurants under the brand Dairy Queen (DQ) Grill & Chill and DQ Treat.

Amer Group (Egypt). 2013. The group to launch a 5-year development plan for the Porto Dead Sea project, on the eastern shore of the Dead Sea, to attract half-a-million tourists (€189 m).

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Flagship Event

Jordan Investment Commission. Annual International trade show for Hotels, restaurant, catering, food & hospitality services in Amman. 4th edition (10 -12 October 2017) with a focus on tourists from Egypt, Iraq and Palestine.

National Strategy

2017-2021 National strategy for tourism in the process of finalisation. Priorities promotion strategy notably targeting domestic and religious tourism, regulatory improvements, training of tourism professionals and new technology (strengthening of online offer).

New air connections are regularly established to Amman (served by an airport which capacity has been increased from 3 to 9 million passengers in 2013) and Aqaba.

Significant private investments in the hotel sector (3 billion dollars from 2010 to 2015), mainly focused on the high-end segment: Rotana, Starwood, Hilton, have allowed providing the country with a capacity of 30,000 beds in 2016, a figure that could double within 10 years according to the Jordan Hotel Association.

The sector indeed offers strong development potential. Jordan, regional pioneer in terms of tourism diversification, has as early as the 1990s focused on ecotourism and medical tourism, and is also positioning itself on adventure tourism, sport activities (canyoning, climbing, water sports and bicycle), and of course cultural and religious tourism (several historic sites are still absent from current sightseeing tours). So many opportunities to be developed!

Useful Contacts


Jordan Hotel Association (JHA): www.johotels.org

Jordan Society of Tourism & Travel Agents (JSTA): www.jsta.org.jo

Jordan Inbound Tour Operators Association (JITOA): www.jitoa.org

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Professionals federations:

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Jordan Hotel Association (JHA): www.johotels.org

National Tourism Board. www.visitjordan.com

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THEY INVESTED IN LEBANON...

Mandarin Oriental Group (China). 2018. The luxury hospitality chain to open by 2017 a five-star hotel in Beirut, developed by a Saudi-Lebanese venture.


InterContinental Hotels (United Kingdom). 2013. The diversified conglomerate to purchase outgoing and business travel agencies from Britain’s Thomas Cook (4-7 April 2017).

InterContinental Hotels (United Kingdom). 2013. The hospitality chain to modernise and expand its Beirut Vendome hotel which included 5 additional rooms at its reopening by autumn 2014.

Olayan (Saudi Arabia). 2012. The group to invest along with other Saudi investors in Bachoura 987, a JV responsible for the construction of the first Mandarin Oriental in Lebanon (776 m).

TOURISM IN LEBANON

HIGH POTENTIAL NICHEs FOR INVESTORS

Lebanon offers its visitors an incredible patchwork of mountains and fertile valleys, bordered by the Mediterranean Sea and filled with archaeological sites and cities famous for their cultural and night life. The specialised magazine Travel and Leisure has in fact ranked Beirut Mandarin Oriental in Lebanon (€77 m).

Despite its small size and the political uncertainties gone through, Lebanon in fact maintains strong attractiveness, both for tourists and investors. The country has been ranking among the world’s 20 first destinations of foreign investment in tourism since 2003, according to FDI market.

The sector is largely sustained by the visits of diaspora and nationals from neighbouring countries, relatively less sensitive to the political and security context than their Western counterparts. It also benefits from an offer in the process of diversification, notably through ecotourism and rural tourism, targeting a young clientele, both local and Western.

To stimulate such sector, which contributes to about a quarter of the country’s GDP and jobs, the government especially counts on Arab tourists subsidised stays and plane tickets have been set up for 3 months, in spring 2017, for nationals from Egypt, Kuwait, Jordan, Saudi Arabia, Qatar, United Arab Emirates, Iraq as well as Armenia. Authorities also support the project of Jounieh’s new tourist port, which construction started in late 2016. thousands of passengers and tourists are expected in what could become the largest resort of the eastern Mediterranean.

The sector to modernise and expand its Beirut Vendome hotel which included 31 additional rooms at its reopening by autumn 2014. The group to invest along with other Saudi Olayan (Saudi Arabia). 2012. The group to ink a new management contract for the Golden Tulip Jounieh, set to open in 2016 and owned by local Jet Group.

Opportunities range from luxury hotels (several major international chains are present, mostly via management contracts with local or regional investors) to guest houses – a market still confidential however on the rise to face the demand of adventure tourists and festival-goers, through medical tourism, which offers strong potential especially for plastic surgery.

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Tourism thus constitutes the 3rd most attractive sector for foreign investors: “Vision 2020” already counted in 2010 on 200,000 additional tourists, including on the entry-level segment, which yet remains underdeveloped.

Numerous opportunities are to be found as well in the field of ecotourism, cultural and religious tourism, sport tourism (Morocco has won the World Golf Awards Organisation’s prize of best African destination for international arrivals in 2015, surpassing South Africa and Egypt.

Tourism is based on 6 framework programmes corresponding to the main investment opportunities: high added-value niches (business, health and wellness), cultural offer, “nature” offer (eco-lodges, desert investment opportunities: high added-value niches (business, health and wellness), cultural offer, “nature” offer (eco-lodges, desert

In 2016, the tourism giant to open a new hotel in Marrakesh.

In 2015, the food chain to open 3 restaurants in the cities of Fez, Marrakesh, Rabat…

8 touristic territories. Available on the Ministry of Tourism website -


10 000 000 11 000 000 8 000 000 9 000 000 5 000 000 7 000 000 3 000 000 6 000 000 4 000 000 2 000 000 1 000 000

France

Spain

United Kingdom, Germany

Other EU countries

North Africa

Morocco

United Arab Emirates

Saudi Arabia

Canada

Kuwait

Australia

Other Gulf

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TURISMO EN MARRUECOS

EXPAND THE OFFER OF AFRICA’S 1ST DESTINATION

Magnificent natural and cultural heritage, hospitality and air accessibility have made Morocco the first African destination for international arrivals in 2015, surpassing South Africa and Egypt.

90,000 visitors, following the removal of visa for nationals of the Middle Kingdom. The ambition to attract one million tourists from emerging countries by 2030 seems more realistic than ever.

Tourism represents about 7% of GDP and nearly 5% of direct employment in Morocco. The “Vision 2020” plan, adopted in 2010, aims at putting the Kingdom among the world’s 20 first destinations and making it a reference in terms of sustainable development.

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Travelling to Palestine brings you to meet a welcoming people and a millennial history to be discovered throughout cities with splendid heritage, fields of olive trees, monasteries lost in the desert and wonderful oasis.

The accession to UNESCO in 2011 as full member has enabled comforting the tourist appeal of Palestine, despite existing constraints (visits only possible from Israel or Jordan, and Gaza strip inaccessible to tourists).

More than half a million visitors thus went to the West Bank in 2014: a figure that compares to the annual potential estimated at 1 million visitors by the World Bank. Tourism in fact represented 14% of Palestinian GDP in 2014, including spill-overs. Whereas in the early 2000s, visits were limited to a trip to Bethlehem for a few hours, the duration of stays is increasing and trails are broadening. The number of nights has reached 1.4 million in 2010 (in the West Bank and East Jerusalem, including domestic stays), then 1.5 million in 2013.

Both public and private stakeholders take action to encourage such development and diversify the offer of religious, cultural and open air tourism. Authorities have notably improved bus connections between major cities. Bethlehem University’s first class of community trekking guides has graduated in 2016, while hiking trails now allow travelling the territory and resort to an offer of homestay accommodation or camping facilitated by various associations.

The Alternative Tourism Group (ATG) also offers stays around the olive harvest and meetings with civil society. Cities are active as well, such as Battir, listed as UNESCO World Heritage Site since 2014, which has set up a development plan “Battir 2020” and plans to build a restaurant and a hotel to reach the level of Jericho and Bethlehem. 300 million dollars have in fact been invested in private operators to renovate or expand hotel accommodation between 2000 and 2009, and a first foreign chain, Mövenpick, has opened a hotel in Ramallah in 2010.

Other investments should follow for this very young country, cradle of humanity, to be able to welcome tourists in the best conditions, whether in the hotel sector or restaurants, leisure and transport services.

**THEY INVESTED IN PALESTINE:**
- Arcmed (Switzerland). 2011. The group to sign a management contract for al-Mashtal, a five star hotel with 270 rooms in Gaza, opened in July 2011.
- Mövenpick (Switzerland). 2005. The hotel chain to sign a management contract for a hotel in Ramallah, the first one in the country.

**NATIONAL STRATEGY**

**USEFUL CONTACTS**
Palestinian Investment Promotion Agency (PIPA) www.pipa.ps
Professional portal of the Ministry of Tourism: www.travelpalestine.ps

**FLAGSHIP EVENT**
Promotion of tourism in Palestine in international fairs (no fair specifically dedicated to tourism in Palestine).
THEY INVESTED IN TUNISIA…

To encourage such development, Tunisia is working on all fronts: international promotion campaigns, strengthened security measures including for example the “Security check” certificate attributed to the most secure hotels by the Tunisian International Standards certification institution, “open sky” agreement of opening to European airlines (for all airports but Tunis), continuation of the upgrading of hotels (for all airports but Tunis), restriction guidelines issued by Western chancelleries are progressively lifted and travel agencies are back at programming stays in 2017, including Thomas Cook, TUI and MSC Cruises. As luxury accommodation expands, with the opening of 3 hotels in Greater Tunis in 2017 (Laico, Four Seasons and Golden Tulip), Tunisia also wishes to attract hotels on both budget and mid-range segments; such as the first Ibis, Mercure and Novotel established in Tunis and Sfax by AccorHotels. The sector offers significant potential in several niches including ecotourism, health tourism and Saharan tourism. The Tunisian South could then become “Tunisia’s Nevada, gateway entertainments, golf, international events…” according to the President of the Tunisian Hotel Federation, which is by the way preparing the integration of guest houses into the Tunisian hotel network.

TOURISM IN TUNISIA

Business Guide

Business Guide

Invest in Tunisia: www.investintunisia.tn
National Board of Tunisian Tourism (ONTT): www.discovertunisia.com

USEFUL CONTACTS

Professional federations:
- Inter-professional Federation of Tunisian Tourism (FFT): www.ft.tunisie.org
- Tunisian Hotel Federation (FHT): www.facebook.com/FHT.Tunisie
- Tunisian Federation of Travel Agencies (FTAV): www.ftav.org

NATIONAL STRATEGY

3+1 strategic vision (2014). 4 pillars: Diversification of offer (by taking into account the specificities of each region); quality and training; branding and modernisation.


Hotel Upgrading Programme (PMNH): www.pmn.tn

Financial attractiveness:
- The Tunisian tourism sector! The latter constitutes one of the economy’s main drivers it represents about 7% of GDP and employs 12% of the labour force.

Hiltons (USA). 2013. The hospitality chain to build a 5-star resort in Tunis on the site currently occupied by the Hotel du Lac (acquired in 2011), set to open about 2016 (€13.3 m).

Arab International Bank of Tunisia to build and manage an Ibis hotel in Sfax, 2014. The group to sign a partnership agreement with the Accor (France).

DAPHNE Hotels (Turkey). 2014. The upscale hotel group to restore the former residence of the Grand Mufti in order to open the Bayram palace, its first hotel in Tunis (€4.4 m).

Djerba. The hospitality chain to ink three management contracts with Hilton (USA).

They invested in Tunisia…

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BUSINESS GROWTH OPPORTUNITIES IN THE MEDITERRANEAN GUIDE
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Infrastructure and transport services: Sectors under construction in the Mediterranean

Public and local authorities in MED countries thoroughly rely on foreign expertise, especially European, for the design and implementation of their transport plans. Billions of euros have been invested in upgrading the sector, be it for passenger transport or freight, and the pipeline is as full as ever: railway and light rail network projects (urban and suburban trams, metro lines), sea motorways with their ports and attached free zones (such as Tangiers and Aqaba), airports… with the goal of establishing intermodal nodes and efficient traffic management systems.

Logistics: Intermodality, ICTs and green technologies

The logistics offer, still very fragmented and in competition with the informal sector, is going upmarket thanks to the emergence of local operators and the establishment of international stakeholders. The expectations of manufacturers and their end customers are high in terms of cost optimisation and integrated offer development. Third-Party Logistics (3PL), i.e. the subcontracting of logistics operations to third-parties, implies a variety of services: transport, storage, order picking, labelling, co-packing and forwarding (which pools flows of goods). Courier and express parcel delivery services as well as cold chain logistics also constitute markets with strong annual growth.

Beyond the development of multimodality, the sector’s growth relies on the introduction of ICTs (Information and Communications Technology): real-time communication, digitisation and radio frequency identification technologies (RFID), allowing to better manage flows of goods all while optimising costs and processes. There is also growing interest in reducing the environmental footprint of transport, which translates into various opportunities ranging from technological advances (cleaner vehicles) to operational measures (eco-driving training…).

INVEST IN THE TRANSPORT AND LOGISTICS SECTOR IN THE MEDITERRANEAN: WHY?

Business opportunities to be seized are first and foremost related to large projects initiated by authorities: modernisation and construction of new ports, airports, dry ports, improvement of road and rail connections, creation of logistics zones… generating tenders for public private partnership contracts as well as construction services, equipment supply and expertise management and transfer.

Equally strategic perspectives for MED countries otherwise lie in the improvement of transport and logistics services, a key factor of economic integration and competitiveness for the Mediterranean. Significant markets are to be developed in all segments: physical distribution activities involving all modes of transportation and their intermodality, as well as operations conducted in warehouses and logistics centres, little developed yet.

NICHES AND PRIORITY SECTORS

This guide is intended for transport and logistics businesses wishing to know southern Mediterranean countries better. Overview of business opportunities, examples of projects implemented by foreign operators, main business events in Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Palestine and Tunisia… all the information needed to speed up your prospecting!
Several weaknesses however remain in the logistics chain: they make Algeria one of the MED countries where transport of goods is the most expensive, with an average forwarding cost estimated at 30 or even 35% of the total price of a product, twice the world average. A project to establish a national network of logistics and distribution platforms. These are mainly based on building logistics platforms and of course consulting and training. For the moment, these activities are mainly externalised, resulting in large Algerian producers and distributors often giving up on outsourcing the transport of their goods. Several large projects have nonetheless been announced by authorities, such as the construction of a cargo area destined for African countries in the airport of Tamanrasset, the construction of a major commercial port in Cherchell, and the creation of 30 logistics zones throughout the country. “Everything thus remains to be done in the sector of logistics” to use the words of the director of French group APRC, which started operating in Algeria in 2006 and has partnered in 2015 with national operator SNTR to set up a national school of logistics and distribution platforms.

They invested in Algeria


National Strategy


National logistics plan under development: objective of reducing the cost of logistics to 5% (down from 35% currently) and building of 30 logistics zones to support the development of exports.
Egypt offers exceptional economic potential: the size of its market (540 million inhabitants in 2050), its geographic position and its bilateral and regional agreements make it an ideal "hub" to trade with the Middle East and a fair share of the African continent. Its status of maritime gateway to the Far East for the northern hemisphere was consolidated by the doubling of the Suez Canal, inaugurated in 2015. Authorities indeed expect a doubling of traffic: the number of ships transiting the Canal every day should go from 49 currently to 97 in 2023. Egypt, which has invested a lot to upgrade its port infrastructure, is among the top-three best connected African countries according to UNCTAD’s index of maritime transport connectivity, along with Morocco and South Africa. The country also scores the best level of logistics performance in the Mediterranean region (aside from Israel) according to the World Bank’s 2016 ranking.

Egyptian authorities are not stopping there: they have relaunched in 2015 the vision of Egypt 2030 (2015) as a national development strategy. Several projects in the field of transport and logistics: finalisation of 16 new roads and construction of strategic roads in South Sinai, completion of Cairo metro’s line 3 and launch of line 4, development of the Suez Canal construction of logistics infrastructures notably dedicated to the agriculture and mining sectors. Available on www.sdsegypt2030.com.

**THE GATEWAY TO AFRICA AND THE MIDDLE EAST IN SEARCH FOR INVESTORS**

A major conference, entitled “2020 Mega Projects”, will be held in Cairo in November 2017 to mobilise private operators and international donors. Therefore, short and medium-term opportunities are plenty. First, Egypt foresees a new expansion of the Suez Canal in line with the development of a logistics hub composed of 4 industrial zones and 6 ports, for which 8 billion dollars have been mobilised during the March 2015 economic development Conference.

Several other projects are under development, which will translate into contracts for construction and supply of equipment and expertise, especially in the fields of rail (Cairo metro, upgrade of the Egyptian National Railways’ locomotive fleet, etc.), ports (construction or extension of ports, development of dry ports, construction of warehouses and logistics terminals), airports and roads.

Concerning pure logistics, Egypt has only attracted a small number of global operators despite its assets. Hence the existence of a significant market for stakeholders of the sector.

**THEY INVESTED IN EGYPT…**


DHL (Germany). 2015. The group to inaugurate a new office in Cairo International Airport with investments worth 500 million Egyptian pounds (€58 m).


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Aramex (United Arab Emirates). 2014. The company to continue expanding in Egypt by opening a 14,000 sqm facility in the industrial complex of 6th of October City (€4.9 m).


**USABLE CONTACTS**

General Authority for Investment (GAFI) www.gafi.gov.eg

Ministry of Transport (ONT) www.mot.gov.eg

Professional association: Transport department of the Federation of Egyptian Industries (FEI) - www.fei.org.eg

**TRANSPORT AND LOGISTICS IN EGYPT**


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Transport and Logistics in Israel

Large Projects… and Start-Ups!

Israel has a well-developed road and rail network as well as modern port and airport infrastructure. Significant investments have indeed been made since the 1990s, notably through concession contracts (BOT) combining Israeli and foreign businesses, be it in the field of roads (with for instance the Trans-Israel Highway, inaugurated in 2009 and currently being extended), rail (Tel Aviv is now linked to most major cities, from Nahariya in the north to Dimona in the Negev) and ports (due to low trade with its neighbouring countries, Israel resorts to maritime transport for the transit of almost all its exports, from the ports of Haifa, Ashdod and Eilat).

Nevertheless, the growth of the transport sector, superior to that of the rest of the economy for the past ten years, has not achieved all expected progress, faced with sustained demographic growth: Israel indeed displays the highest traffic density per road kilometre among OECD countries.

The government therefore continues its investments while seeking to strengthen competition and encourage private investment. Concerning the transport network, priority is given to the extension of the road network, the development of public transport and sustainable mobility solutions: the first “electric road” that charges vehicles using it was for example the development of public transport and sustainable mobility solutions; strengthening competition and encouraging private investment. Concerning the rest of the economy for the past ten years, has not achieved all expected progress, faced with sustained demographic growth: Israel indeed displays the highest traffic density per road kilometre among OECD countries.

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Flagship Event

"No event specific to the sector but an annual summit in Tel Aviv dedicated to mobility upon initiative of the Prime Minister: The Fuel Choices & Smart Mobility Initiative Summit. 1,500 participants and 30 countries for the 2017 edition (30th October – 1st November)."

National Strategy

No recent strategy but sector guidelines are available on Ministry of Transport and Road Safety website www.en.mot.gov.il.

They Invested in Israel

Volkswagen (Germany). 2016. The group to heavily invest in Uber rival Get in new ride-sharing partnership (€272 m).

SMRP (France). 2015. The group to ink a strategic partnership with “Smart Transportation”, an Israeli incubator launched by Tel Aviv University.

ICV Capital Partners (USA). 2015. The fund to take part in a Series B funding round for online freight network Freightos, along with fellow American fund ICV Capital Partners (USA).

Annox Capital (€12.5 m).

Hearst Corporation (USA). 2015. The group to take part in a Series B funding to accelerate growth of new shared taxi network Via (€24 m).

Olive Tree Capital (Jordan). 2015. The fund to invest in Fax2Sure, a social networking platform which allows to share transport to sports events and live music concerts (€43 m).

Hewlett Corporation (USA). 2015. The fund to team up with Roman Abramovich and take part in a Series B funding to accelerate growth of new shared taxi company Via (€24 m).

Useful Contacts

Invest in Israel: www.investinisrael.gov.il

Platform for linking with Israeli start-ups: https://finder.startupnationcentral.org/startups

In Jordan, the most stable State of the region, Jordan constitutes a crossroads of transit and commercial trade between Europe, Asia and Africa. The port of Aqaba, on the Red Sea, is an important destination for the export and re-export of goods, and the future opening of the border with Iraq suggests new perspectives.

The country is actively working on the modernisation and liberalisation of its transport sector, with the support of international organisations. Recent achievements include the extension of Queen Alia airport (jointly conducted by AIG, an international consortium that won in 2007 a 25-year concession contract, and French ADP which holds the corresponding management contract), Aqaba port (implemented by Jordanian-Dutch joint-venture ACT, which 25-year BOT contract was signed in 2006), and the high service level bus project in Amman, under development, which aims at reducing road congestion affecting the capital.

 Jordan has detailed its transport development strategy in the Jordan Economic Growth Plan 2018-2022 (JEGP). It includes several investment projects, which all constitute short and medium-term opportunities for Economic Growth Plan 2018-2022 (JEGP). It includes several investment projects, which all constitute short and medium-term opportunities for foreign businesses, whether as operators or service providers.

The Kingdom first intends to directly finance public transport projects (renovation of infrastructure, strengthening of connections, development of intelligent systems) and road freight transport projects (training, fleet renovation and equipment destined to drivers).

The country then plans to rely on the private sector, first through concession contracts (BOT) to renovate 2 airports (Marka in Amman and King Hussein in Aqaba, for respective investments of 80 and 60 million dollars) and build the Southern Shuna one in the Jordan valley, dedicated to passenger and agricultural goods transport ($321 m). Resorting to private investors is also planned to create an Amman-Zarqa high service level bus line ($110 m of which $24 m brought by the Gulf Cooperation Council).

Last priority, strengthening intermodality will be based on a 442 km rail freight connection linking industrial cities and logistics centres of the country to bridge Europe and the Gulf (in investment of more than 2 billion dollars), and the creation of two dry ports and logistics centres: in Amman ("Madounah" project) and in Mairan (near the governorate’s capital), the future rail connection and main roads serving Saudi Arabia, Iraq and Aqaba. They are currently relying on the transport sector for the development of intelligent systems (and road freight transport projects)

THEY INVESTED IN JORDAN...

Air Arabia (United Arab Emirates). 2005. The low-cost carrier to have bought 44% of Petra Airways from its original founder the HCM group, and to rename the company Air Arabia Jordan.

CMA-GCM (France). 2012. The group to launch Flex 2, a direct service between Aqaba and China (9G00 720), under a Vessel Sharing Agreement with Chinese Hanjin, CSCL and Yang Ming.

Air Arabia (United Arab Emirates). 2011. The airline carrier to open a new hub in Jordan, after those of Sharjah, Casablanca and Alexandria.

Air Arabia (United Arab Emirates). 2010. The low-cost carrier to have bought 49% of its Air Arabia Jordan.

The low-cost carrier to have opened a new hub in Jordan, after those of Sharjah, Casablanca and Alexandria.

Air Arabia (United Arab Emirates). 2011. The low-cost carrier to open a new hub in Jordan, after those of Sharjah, Casablanca and Alexandria.

Flagship Event

19th TRANs Middle East event with regional reach (Middle East) dedicated to maritime transport. 400 professionals for the 2018 edition in Jordan, in Aqaba (24-25 October).

NATIONAL STRATEGY


The projects are as follows:

- Aqaba port (implemented by Jordanian-Dutch joint-venture ACT, which 25-year BOT contract was signed in 2006), and the high service level bus project in Amman, under development, which aims at reducing road congestion affecting the capital.
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Lebanon constitutes an attractive destination for transport operators, due to its role of regional trade platform (though trade generates more than a quarter of national GDP), its capital with regional economic and cultural influence, and its largely liberalised economy.

State role is indeed limited to the upgrading of infrastructure, improvement of regulation and implementation of private sector incentives. Several large projects were implemented over the past two decades but a lot remains to be done: funding needs of the transport infrastructure sector amount to 2 billion dollars and essentially concern land transport and intermodality.

The country currently offers quick and effective access to the rest of the region by air and sea. The ports of Beirut and Tripoli are managed by the private sector through concession contracts. The Beirut port, one of the largest in the Eastern Mediterranean, has been expanded by the private sector through concession contracts. The Beirut port, one of the largest in the Eastern Mediterranean, has been expanded and notably hosts the transhipment centres of MSC and CMA-CGM, one of the largest in the Eastern Mediterranean, has been expanded by the private sector through concession contracts. The Beirut port, one of the largest in the Eastern Mediterranean, has been expanded and notably hosts the transhipment centres of MSC and CMA-CGM, world 2nd and 3rd companies of container transport.

Land transport now constitutes the priority of authorities. In the field of rail, feasibility studies are validated to implement the project of future coastal connection linking the northern border to Beirut via Tripoli, which will be implemented by the private sector under supervision from the Railway and Public Bus Transport Authority (RPTA).

The Lebanese government also continues improving and rehabilitating the road network, with the support of the World Bank: tenders are being prepared at the Council for Development and Reconstruction (CDR).

Another major challenge, the development of public transport should allow reducing congestion issues that paralyse Beirut. Last, Lebanon is contemplating the opportunity to build a dry port serving as a logistics platform, to facilitate intermodality and accelerate customs clearance.

In Tripoli, works are ongoing after the construction of a new container terminal in order to triple storage capacity. The last phase of works, for which the government is seeking an estimated 40 M$ funding, will allow connecting the port to the closest rail and road infrastructure. Lastly, a new port was built in Saida: tenders are underway to complete equipment (gantry cranes).

The Lebanese government is also implementing several large projects: the development of a new dry port in Lebanon, in order to increase the country’s trade capacity and improve its competitiveness in the region. The new dry port will be built in Saida, near the southern border with Israel.

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Morocco will continue to be full of opportunities for foreign businesses. Large infrastructure projects represent plenty of contracts in construction and related services. Equipment supply, management, training and consulting.

In the road sector, the network managed by Autoroutes du Maroc is to be liberalised. For what concerns rail, the National Railways Office (ONCF) has a budget of more than 10 billion euros until 2035 for a Tangiers-Asilah connection via Oujda, Casablanca, Marrakesh and Agadir (including a Casablanca-Marrakesh LGV) to be developed. Several modernisation works and possible urban tram lines that would complete the new infrastructure projects and urban tram lines that would complete the first achievements of Rabat and Casablanca.

In the air sector, the Moroccan Airports Authority (ONDA) is monitoring renovation and expansion projects aiming at supporting the development of tourism. In the maritime field, new ports infrastructure is being developed. In the road sector, the network managed by Autoroutes du Maroc is to be liberalised. For what concerns rail, the National Railways Office (ONCF) has a budget of more than 10 billion euros until 2035 for a Tangiers-Asilah connection via Oujda, Casablanca, Marrakesh and Agadir (including a Casablanca-Marrakesh LGV), then Casablanca-Asilah via Melilla and Fez, as well as several modernisation zero works and possible urban tram lines that would complete the first achievements of Rabat and Casablanca.

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The improvement of transport and logistics services in Palestine will not happen without a radical change in the country’s relations with its neighbours, starting with Israel. Palestinian domestic and international trade is indeed largely managed by the Israeli State due to its control on borders, roads, railways, ports and airports.

Restrictions to the free movement of goods and people are numerous: checkpoints, road closures, strong barriers on flows with the Gaza Strip linked to the partial economic embargo. Trade between the West Bank and Gaza is operated by land, on roads depending on Israel as well.

As for Palestinian exporting businesses, they have 3 options: use Israeli ports and airports, which is the most competitive option despite security constraints; transit through Jordan, which is gaining attractiveness thanks to the equipment upgrading of Queen Alia airport and Aqaba port; and lastly send the products to Egypt via Israel, which constitutes the most expensive solution apart from when Egypt is the final destination.

Such situation strongly penalises local businesses by increasing their logistics costs, extending transit times and reducing their abilities to commit to deadlines. An improvement of this situation would be extremely profitable: about 85% of Palestinian GDP is based on commercial flows (20% export and 80% import). Many Palestinian businesses actually want to move towards export strategies, driven by a logic of both necessity and opportunity.

Palestine indeed has various real assets despite its current isolation: strategic location east of the Mediterranean, proximity with several efficient ports, direct borders with Jordan and Egypt, and trade agreements with the European Union, the United States, Jordan and Egypt as well as Arab League countries.

The reduction of checkpoints to ease the mobility of goods and people between Palestine and Israel would pave the way for a wide range of opportunities in the sector of transport and logistics services, and in fact in the entire Palestinian economy.

It unfortunately does not seem to be on the agenda, although there are talks about the creation of a port that would allow opening up Gaza by organizing the transport of goods with the Turkish part of Cyprus or an artificial island.

They invested in Palestine…

Careem (United Arab Emirates). 2017. The ride-hailing service to begin operations in Ramallah, with plans to expand into more cities in the near future.

National export strategy – Logistics and trade facilitation (2014-2018)


Useful contacts

Palestinian Investment Promotion Agency (PIPA): www.pipa.ps

Professional associations:

Palestinian Federation of Industries (PFI) - www.pfi.ps

Palestine Trade Centre (PalTrade, national association providing export support services) - www.paltrade.org.
Tunisia is a substantially export-oriented country, based on an open economy. The sector of transport and logistics, which represented 7% of national GDP in 2015, is thus of crucial importance for the development and competitiveness of the country. Internal and international logistics flows increase twice faster on average than GDP and should double within the next 10 years.

Tunisia is the first country in the region to have designed structuring logistics projects, with the Enfidha deep water port and a national network of logistics platforms adjoining trade ports, airports and railway stations. However, several years of under-investment have led to a significant deterioration of infrastructure and a drop in the country’s logistics performance.

The government has committed to tackle this issue with the 2016-2020 five-year plan, which estimates the sector’s funding needs at 6 billion euros, of which more than a third is to come from foreign investments. To this end, the country is preparing a national logistics strategy and a National Transport Master Plan for 2040.

There are plenty of needs, especially for the development of public transportation network, public transportation network (600 M€) and the rehabilitation and extension of the light metro network (800 M€). The creation of the Tunis fast rail network (600 M€) and the rehabilitation and extension of the light metro network (tramway), in the capital as well.

Tunisia therefore offers a wide range of opportunities for foreign businesses, despite the modest size of its market. The effectiveness of local logistics has already convinced many foreign investors, which have established themselves in the country and contribute to the strengthening of know-how and the reduction of logistics costs, which are still high compared to those of major emerging powers.

Numerous tenders will be launched in the months and years to come. Large projects currently being identified particularly include the creation of 5 logistics zones of a total surface of 580 ha, in the framework of public-private partnerships, the creation of a regional logistics cluster in the region of Sfax (which notably enjoys the support of European project Logismed Soft), and the extension and modernisation of the Tunis-Carthage international airport, or the construction of a new airport, Airport City, serving Greater Tunis.

More than 60 exhibitors for 12 days, and tracing 2 173 km.

No dedicated event but the construction section of the transport sector is covered by Batimaghreb Expo: Annual construction fair, in Tunis.

The taxi fleet is covered by Batimaghreb Expo: Annual construction fair, in Tunis.

Handpicked Logistics (Germany). 2015. The logistics group to establish KOG in Tunisia, a branch of its DNata subsidiary, the world’s fourth-ranking aviation services company.

Rhenus Logistics (Germany). 2015. The logistics group to establish KOG in Tunisia, a branch of its DNata subsidiary, the world’s fourth-ranking aviation services company.

CMA-CGM (France). 2015. The ship owner to launch its dry ports development project Logismed Soft, and the extension and modernisation of the Tunis-Carthage international airport, or the construction of a new airport, Airport City, serving Greater Tunis.

UPS (USA). 2016. The package delivery company to team up with Express Logistic to launch an air cargo company serving 51 African capital cities from Enfidha.

Emirates Airline (United Arab Emirates). 2015. The airline carrier to set up in Tunisia a branch of its DNata subsidiary, the world’s fourth-ranking aviation services company.

RATP/RATP DEV (France). 2015. The public company to ink a partnership with Société des Transports de Tunis to improve the efficiency of the Tunis public transportation network.

Rhenus Logistics (Germany). 2015. The logistics group to establish KOG in Tunisia, a branch of its DNata subsidiary, the world’s fourth-ranking aviation services company.

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