

Towards EU-MENA Shared Prosperity

Policy Report
2nd Edition



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List of Abbreviations

AfDB: African Development Bank

AMU: Arab Maghreb Union

BNEF: Bloomberg New Energy Finance

BP: British Petroleum

CAGR: Compound annual growth rate

DRC: Democratic Republic of Congo

EADS: European Aeronautic Defence and Space Company

ECA: Economic Commission for Africa

ECCAS: Economic Community of Central African States

EIA: Energy Information Administration

EU: European Union

FDI: Foreign Direct Investment

GDP: Gross Domestic Product

GHG: Greenhouse gas

GSIM: Group of Support of Islam and Muslims

GVC: Global Value Chain

IEA: International Energy Agency

IMF: International Monetary Fund

IRENA: International Renewable Energy Agency

ITC: International Trade Center

MENA: Middle East, North Africa

MEND: Movement for the Emancipation of the Niger Delta

NDA: Niger Delta Avengers

NTM: Non-tariff measures

OECD: Organization for Economic Co-operation and Development

OICA: Organisation Internationale des Constructeurs d'Automobiles

RST: Rentier State Theory

SME: Small and Middle Enterprises

SMECO: Southern Maryland Electric Cooperative

SOMACA: Société Marocaine de Construction Automobile

UAE: United Arab Emirates

UN: United Nations

UNComtrade: United Nations Commodity Trade Statistics Database

UNCTAD: United Nations Conference on Trade and Development

UNFCCC: United Nations Framework Convention on Climate Change

UNIDO: United Nations Industrial Development Organization

US: United States

USA: United States of America

USFDA: United States Food and Drug Administration

WB: World Bank

WEC: Energy Group

WEF: World Economic Forum

WITS: World Integrated Trade Solution

WTO: World Trade Organization

About bruegel

Bruegel is a European think tank that specialises in economics. Established in 2005, it is independent and non-doctrinal. Bruegel's mission is to improve the quality of economic policy with open and fact-based research, analysis and debate. We are committed to impartiality, openness and excellence. Bruegel's membership includes EU Member State governments, international corporations and institutions. Through publications, events, social media, and a lively blog, Bruegel has carved a unique discussion space for everyone interested in improving the quality of economic policy. Through a dual focus on analysis and impact, and dynamic relationships with policymakers at every governance level, it has also established itself as a vibrant laboratory for economic policies.

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About OCP Policy Center

The OCP Policy Center is a Moroccan policy-oriented think tank striving to promote knowledge sharing and to contribute to an enriched reflection on key economic and international relations issues. By offering a southern perspective on major regional and global strategic challenges facing developing and emerging countries, the OCP Policy Center aims to provide a meaningful policy-making contribution through its four research programs: Agriculture, Environment and Food Security, Economic and Social Development, Commodity Economics and Finance, Geopolitics and International Relations. On this basis, we are actively engaged in public policy analysis and consultation while promoting international cooperation for the development of countries in the southern hemisphere. In this regard, the OCP Policy Center aims to be an incubator of ideas and a source of forward thinking for proposed actions on public policies within emerging economies, and more broadly for all stakeholders engaged in the national and regional growth and development process. For this purpose, the Think Tank relies on independent research and a solid network of internal and external leading research fellows.

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Foreword

We are very pleased to present this joint publication, which collects the papers produced as part of the second collaboration between Bruegel and OCP Policy Center. Within the theme “Towards EU-MENA Shared Prosperity”, our two organisations launched a “Platform for Advanced & Emerging Economies Policy Dialogue” in Rabat on 1 April 2016, and published a first joint policy report entitled “Seven Years after the Crisis: Intersecting Perspectives”.

The aim is to establish an ambitious, yet timely, platform for policy dialogue between emerging MENA economies and advanced economies. The cooperation between Bruegel and OCP Policy Center constitutes the main pillar of this platform. We aim to be the driving force for a content-based dialogue that can lead to concrete analytical output.

With a strong conviction that fruitful policy dialogue should be primarily anchored in sound policy research, Bruegel and OCP Policy Center researchers have tackled issues of utmost importance to all shores of the Mediterranean basin through their papers.

In the first paper, “The Political Economy of Middle East and North Africa Oil Exporters in Times of Global Decarbonisation”, Simone Tagliapietra illustrates that, should the Paris Agreement on climate change be implemented, MENA oil exporters would see their oil rents decline over the next few decades. The paper shows how MENA oil-exporting countries are still not adequately equipped to prosper in a decarbonising world. Therefore, decarbonisation should represent an incentive for MENA oil exporters to pursue structural processes of transition from rentier to production states.

The second paper, “SME competitiveness in the MENA region: connecting to ‘global’ supply chains” by Marion Jansen and Mario Filadoro, assesses the EU-MENA relationship through the lens of international trade, with a focus on the role of SMEs and their competitiveness in the MENA region. The question asked is whether existing success stories of integration into high value added supply chains can be repeated in other sectors and with other trading partners.

Larabi Jaidi and Yassine Msadfa contribute through the paper “The Complexity of Climbing the Global Value Chain: The Cases of Morocco and Tunisia”, where they shed light on the role of Global Value Chains in offering new opportunities for structural transformation in developing countries. Today, the vision of global value chains is limited to analysing trade flows and FDIs on a global scale and is no longer sufficient to answer

the key questions of positioning and upgrading in these value chains.

In “Development and/or security: Stakes of the relationship between the European Union, the Maghreb and the Sahel”, Abdelhak Bassou highlights relevant comparisons between income levels and security conditions to analyse the interactions between development and security in North and South Mediterranean countries, involving the Sahel as a major actor conditioning the regional security strategies’ success.

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