



National Counterpart Team Meeting (NCT) 1

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LIBERALIZATION & REGIONAL COOPERATION IN TRANSPORT REGIONAL ECONOMICS & TRADE – E.U. POLICIES & MEDA REGION

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(A) OVERVIEW OF MEDA REGION: REGIONAL ECONOMY & TRADE

Current Situation – Facts & Figures



MEDA Region Diversifications

- ✓ **ECONOMICS / POLITICS:** From centralised economies to market economies with various levels of liberalisation
- ✓ **TRANSNATIONAL:** Various disputes over the region
- ✓ **TECHNOLOGY:** From technologically advanced societies to traditional agricultural societies
- ✓ **SOCIO-ECONOMICS:**
 - Per Capita GDP/PPP : 3.280 ÷ 21.190 USD
 - Urbanisation : 43% ÷ 92%
 - Consumer Price Index (last decade) : 3% p.a ÷ 78% p.a
 - Population : 0,4 mil. ÷ 70 mil.
 - HDI (Human Development Index) : 0,61 ÷ 0,90
- ✓ **GEOGRAPHY & TERRAIN:** North Africa, Middle East, S.E Europe, Mediterranean islands
Region has access also to: Atlantic Ocean, Black Sea, Red Sea Islands, long coasts, vast regions of dessert, mountainous areas
- ✓ **ACCESSION TO E.U.:** Two countries will join E.U in 2004, one country later (negotiations)



Basic Socioeconomic Indices / World – E.U (15) – MEDA (12)

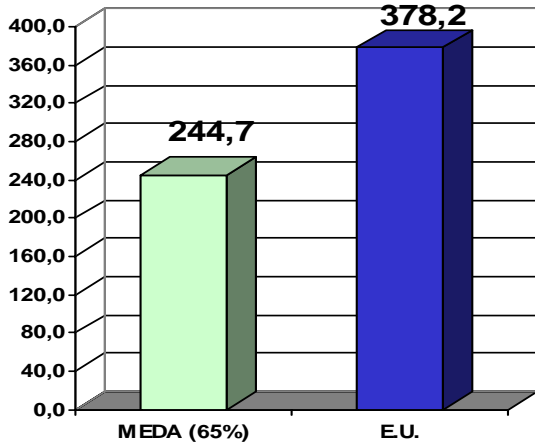
Year 2001	World	E.U. – 15	MEDA – 12
Population	6.148 mil.	378,2 mil.	244,7 mil. (4,0% of world)
Urban population	48%	80%	57,0%
GDP	30.721 bil \$	7.890 bil. \$	525 bil. \$ (1,7% of world)
GDP per capita	5.000 \$	20.850 \$	2.150 \$ (43% of world average)
GDP / capita (PPP)	7.350 \$	24.100 \$	5.150 \$ (70% of world average)
HDI (Human Development Index)	0,722	0,925	0,695 (96% of world average)
CPI (Consumer Price Index)			
1990 – 2001	n.a	2,4% p.a	28,5% p.a
2000 - 2001	n.a	2,8%	17,5%

Source: UNDP – Human Development Reports

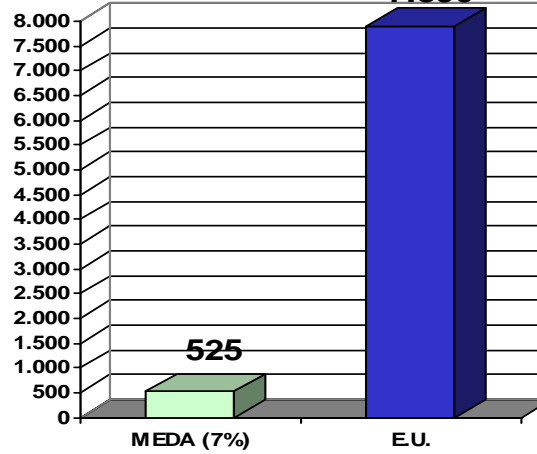


MEDA (12) versus E.U (15)

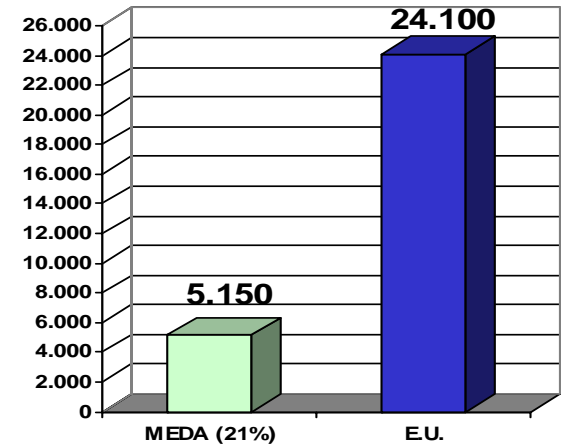
Population (2001) - mil.



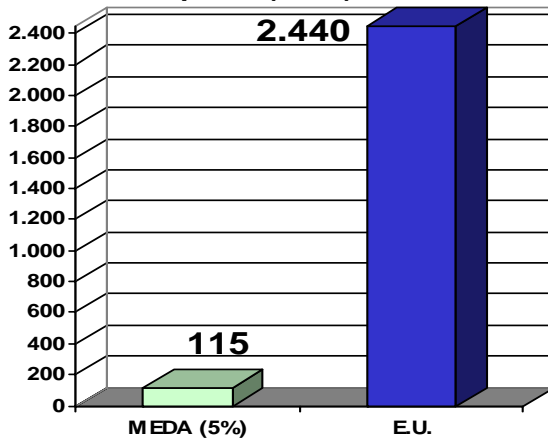
GDP (2001) - bil \$



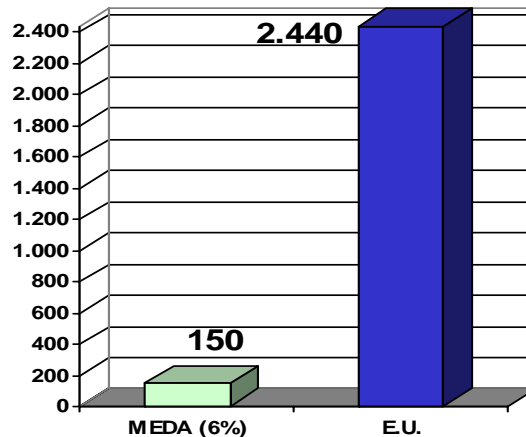
GDP / Capita PPP (2001) - \$



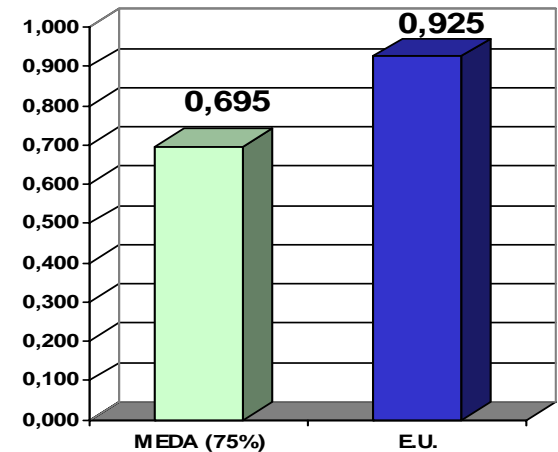
Exports (2002) - bil \$



Imports (2002) - bil. \$



HDI (2001)





Socioeconomic Data for MEDA Countries (2001)

	Population (mil)	GDP (bil.\$)	GDP / Capita (\$)	PPP / Capita (\$)	CPI 1990 – 2001 (% p.a)	Urbanisation (%)	HDI (*)
Morocco	29,6	34,2	1.175	3.600	3,5	56,1	0,606
Algeria	30,7	54,7	1.775	6.090	15,5	57,7	0,704
Tunisia	9,6	20,0	2.065	6.390	4,2	66,1	0,740
Egypt	69,1	98,5	1.510	3.520	8,1	42,7	0,648
Israel	6,2	108,3	17.025	19.790	8,9	91,8	0,905
Jordan	5,2	8,8	1.755	3.870	3,3	78,8	0,743
Syria	17,0	19,5	1.175	3.280	5,9	51,8	0,685
Lebanon	3,5	16,7	3.810	4.170	n.a	90,0	0,752
Palestinian Ter.	3,3	4,0	1.285	n.a	n.a	n.a	0,731
Turkey	69,3	147,7	2.230	5.890	77,9	66,2	0,734
Cyprus	0,8	9,1	12.005	21.190	3,5	70,2	0,891
Malta	0,4	3,6	9.170	13.160	3,0	91,2	0,856

Source: UNDP / Human Development Reports

(*) Index including 3 components: standard of living, education, health / life expectancy (max = 1 / best Norway: 0,944)



Resources & Industries in MEDA Region

- ✓ Hydrocarbons and petroleum products for some countries (mainly Algeria)
- ✓ Arable land and water are precious resources as they are scarce for many countries
- ✓ Mineral resources and mining industries in most countries
- ✓ Strong agricultural sector
- ✓ Mostly light industries in food and textiles processing
- ✓ Heavy industries (mostly Turkey) and high tech industries (Israel)
- ✓ Tourism: very high potential for development

Trade Figures in MEDA Region (bil. \$ of merchandises)

	Exports		Imports		Total		Remarks
	1990	2002	1990	2002	1990	2002	
Morocco	4,3	7,7	6,9	11,0	11,2	18,7	
Algeria	12,9	19,1	9,8	10,5	22,7	29,6	
Tunisia	3,5	6,8	5,5	9,5	9,0	16,3	
Egypt	3,5	4,7	12,4	12,4	15,9	17,1	
Israel	12,1	29,5	16,8	35,2	28,9	64,7	
Jordan	1,1	2,8	2,6	4,9	3,7	7,7	
Syria	4,2	5,9	2,4	5,0	6,6	10,9	
Lebanon	0,5	1,0	2,5	6,4	3,0	7,4	
Palestinian Ter.	n.a	n.a	n.a	n.a	n.a	n.a	
Turkey	13,0	34,7	22,3	48,8	35,3	83,5	
Cyprus	1,0	0,8	2,6	3,9	3,6	4,7	
Malta	1,1	2,1	2,0	2,8	3,1	4,9	
MEDA (12)	57,2 + 6,0% p.a	115,1	85,8 + 4,8 % p.a	150,4	143,0 + 5,3% p.a	265,5	6% intra - MEDA
E.U. (15)	1.509	2.441	1.558	2.438	3.067 + 3,9% p.a	4.879	61% intra – E.U
World	3.448	6.424	3.497	6.501	6.945 + 5,3% p.a	12.925	



Some Information on Trade Flows in MEDA Region

- ✓ Trade MEDA (12) ↔ E.U (15) : 60% of total MEDA (approx. 150 bil. € in 2002)
- Intra MEDA trade : 6%
- MEDA (12) ↔ Asia : 30%
- ✓ Of all MEDA trade, 80% by sea
- ✓ In 2000 : 486,6 m. tons shipped through MEDA ports (12,8% more than 1998)
 - 37,0% Maghreb (3)
 - 30,6% Turkey
 - 29,7% Middle East (6)
 - 2,7% Cyprus + Malta
- Total MEDA ↔ E.U trade flow: approx. 195 m. tons (145 m. tons or 74% by sea)
- ✓ Approx. 80 m. tons are petroleum products (Ch. 3 / NST nom.) – 80% by sea



(B) MEDA REGION AND INTERNATIONAL CONVENTIONS

Status of MEDA Countries



Participation in Major International Organisations (related to transport, trade, funding, etc.)

- ✓ With the exception of Palestinian Territories, all MEDA countries participate in major International Organisations, such as:

UN, ICC, ICAO, IMO, WTO, ISO, IMF, IBRD

- ✓ With exception: Malta does not participate in ICC (customs)
Syria does not participate in WTO (trade),
while Lebanon participates as observer
- ✓ In addition : Cyprus, Malta, Israel and Turkey participate in UN / ECE
Turkey participates in OECD
Algeria participates in OPEC



UNECE Transport Agreements & Conventions (1/2)

	Infrastructure networks						Road traffic										Vehicles				Road Transport								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29
	Construction Traffic Arteries, 1950	E Road Network (AGR), 1975	E Rail Network (AGC), 1985	E Comb. Tr. Network (AGTC), 1991	Protocol Int. Nav. to AGTC, 1997	E Int. Water Network (AGN), 1996	Road Traffic, 1949	Road Traffic, 1968	Road Signs & Signals, 1949	Road Signs & Signals, 1968	Suppl. 1968 Convention Road Traffic, 1971	Suppl. 1968 Conv. Road Signs & Signals, 1971	Weights and Dimensions, 1950	Suppl. 1949 Conv. and Protocol, 1950	Road Markings, 1957	Protocol Road Markings, 1973	Driving Permits (APC), 1975	Vehicles Regulations, 1958	Techn. Inspection Vehicles, 1997	Global Vehicles Regulations, 1998	Work of Crews Int. Road Transport (AETR), 1970	Taxation Private Road Vehicles, 1956	Taxation Road Passenger Vehicles, 1956	Taxation Road Goods Vehicles, 1956	Contract Road Goods Transport (CMR), 1956	Protocol to CMR, 1978	Contract Pass. & Lugg. Rd. Transp. (CVR), 1973	Protocol to CVR, 1978	Econ. Regulations Road Transport, 1954
Algeria							X																						
Morocco							X	X		X							X							X	X				
Tunisia							X		X																X	X			
Egypt							X		X																				
Israel							X	X	S																				
Jordan							X																						
Lebanon							X		S																				
Syria							X																						
Turkey	X	X	X	X			X								X			X		X	X				X	X			
Cyprus							X								X				S										
Malta							X															X							
Palestinian Territories: n.a.																													
Status: February 2003																													
Note: X = Ratification / accession, S = signature																													



UNECE Transport Agreements & Conventions (2/2)

	Inland navigation							Border crossing facilitation													Dangerous goods & special cargoes					Rail		
	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55		
Collision Int. Nav., 1960																												
Registr. Int. Nav. Vessels, 1965																												
Measurement Int. Nav. Vessels, 1966																												
Liability Vessel Owners (CLN), 1973																												
Protocol to CLN, 1978																												
Contract Int. Nav. Pass. & Lugg. (CVN), 1976																												
Protocol to CVN, 1978																												
Touring Facilities, 1954																												
Temp. Import. Priv. Road Vehicles, 1954																												
TIR Convention, 1959																												
TIR Convention, 1975																												
Temp. Import. Aircraft & Boats, 1956																												
Temp. Import. Commercial Vehicles, 1956																												
Cross. Front. Pass. Bagg. Rail, 1952																												
Cross. Front. Goods Rail, 1952																												
Spare Parts European Wagons, 1958																												
Customs Container Convention, 1956																												
Customs Container Convention, 1972																												
Customs Treatment Pallets, 1960																												
Harmoniz. Frontier Controls Goods, 1982																												
Customs Pool Containers, 1994																												
Dang. Goods by Road (ADR), 1957																												
Protocol to ADR, 1993																												
Liabilities Dang. Goods (CRTD), 1989																												
Dang. Goods by Inland Waterways (AND), 2000																												
Perishable Foodstuffs (ATP), 1970																												
COTIF / CIM																												
Algeria								X	X		X	X	X				X	X										✓
Morocco								X	X	X	X							X				X		S		X		✓
Tunisia								X	X		X																	✓
Egypt								X	X																			
Israel								X	X	X	X						X											
Jordan								X	X	X	X																	
Lebanon								X			X																	✓
Syria								X	X		X																	✓
Turkey								X	X	X	X							X	X									✓
Cyprus								X	X	X	X		X															
Malta								X	X	X	X	X										X						
Palestinian Territories: n.a.																												
Status: February 2003																												
Note: X = Ratification / accession, S = signature																												



(C) EUROPEAN TRANSPORT POLICY AND THE ACQUIS COMMUNAUTAIRE

The Future: E.U and MEDA Region



European Transport Policy for 2010: White Paper

- ✓ **Shifting the balance between modes of transport**
 - Improve quality in road sector, revitalise railways and monitor growth in air transport
 - Link up the modes of transport and promote intermodal services
- ✓ **Eliminating bottlenecks**
 - Freight priority to multimodal corridors, high-speed (road, rail) passenger networks, improve traffic conditions
 - Attract private funds and establish innovative approaches to project financing (pooling of funds)
- ✓ **Placing users at the heart of transport policy**
 - Improve road safety
 - Improve level of service and transport efficiency
 - Intermodality, interoperability and systems integration
 - Rationalise urban transport and reduce conventional energy consumption
- ✓ **Managing globalisation of transport**
 - Enlargement: The infrastructure challenge (Agenda 2000: Pan-European Networks)
 - Maritime safety, open skies and Galileo



Acquis Communautaire in Transport

For the Transport Sector (and for related activities), the Acquis focuses on:

- ✓ Free movement of goods, by removing technical & administrative barriers to trade
- ✓ Free movement of persons
- ✓ Customs union
- ✓ Harmonisation of transport legislation, of technical standards, of transport documents, of safety requirements and introduction of common regulatory standards

More specifically, the Acquis deals with: market access, competition rules, public services, state aid, environment, safety, licensing, social legislation and other issues specific for land, air and maritime transports.



(D) OBJECTIVES, RECOMMENDATIONS & TOOLS FOR MEDA REGION



Objectives for MEDA Region

The primary objectives –with respect to the present contract- are:

- ✓ Development of Euro – Mediterranean Free Trade Area
- ✓ Economic Integration among Mediterranean Partners
via development of Mediterranean transport system

To reach the objectives there is need for:

- ✓ Regional Co-operation and Trade Facilitation
- ✓ Liberalisation and Institutional Strengthening

To achieve aforementioned goals, it is essential to:

- ✓ Adapt institutional / legislative / regulatory frameworks, in order to
remove barriers to the freedom to provide transport services
- ✓ Approximate social, environmental and safety standards
- ✓ Improve interfaces between transport services, customs authorities, banking and insurance sectors.



Recommendations for MEDA Region

It is important to note that MEDA countries should

- ✓ Acceed to International Conventions and Agreements (signature, ratification)
- ✓ Harmonise documents and procedures (especially at border stations)
and
- ✓ Adapt to European Transport Policy and the Acquis

but also

- ✓ Establish enforcement mechanisms
and
- ✓ Monitor the implementation

for new framework and agreements.

Regional Co-operation –if not possible across the whole region- should be at least ensured for sub-regions with multilateral or bilateral agreements.



Euro-Med Free Trade Area and Association Agreements

- ✓ Barcelona Declaration: Set up a free trade area in Mediterranean by 2010
An area of prosperity which in the future will include 40 countries and 600 mil. consumers.
- ✓ Association Agreements (A.A) to implement free trade area
 - already established (+ customs unions) for: Turkey, Cyprus, Malta
 - ratified / in force for: Tunisia, Morocco, Israel
 - negotiations concluded for: Jordan, Egypt, Algeria, Lebanon
 - interim A.A for: Palestinian Territories

Syria is the only partner which has yet to conclude an A.A with E.U

- ✓ Free Trade Area requires reforms in fiscal, economic and industrial sectors
- ✓ Need for bilateral trade liberalisation, not only E.U – MEDA (vertical) but also MEDA – MEDA (horizontal)



Implementation of GNSS – Galileo in Transport Sector

- ✓ MEDA countries have poor infrastructure in the field of maritime safety, mostly: organisational, educational / training and technological deficiencies
- ✓ GALILEO – the new Global Navigation System under development – promises new prospects in the transport sector (including maritime safety)
 - Continuous shore – based monitor and supervision of vessel’s operation / maintenance
 - Emergency shore – based response in damage, fast assessment and monitor of evacuation procedures
 - Monitor of loading procedures and vessel’s structural behaviour

Application in Air Transport

- ✓ GALILEO could be also used in Railways (to maximise benefits of ERTMS) by capturing train position at low cost.

MEDA countries –not having sophisticated signalling systems- could benefit, at low cost, for train positioning.