

**Closing speech for Mr Ivan Surkoš
at the EIB MED Conference 2017
"Boosting Investments in the Mediterranean Region"
13 September 2017, Conrad Hotel Cairo**

Excellencies, Distinguished guests,

I am very grateful to take part in the closure of this conference, where economic challenges and obstacles in the Mediterranean region have been discussed, but also the great opportunities offered by public and private sector investments to promote job creation and social inclusion have been widely disclosed.

I wish to thank the EIB and the UfM for having organised this event, which not only brought together the private sector from across the Mediterranean, but also decision-makers, government representatives, national and international organisations and financial institutions, start-ups, microfinance companies, research centres and universities, chambers of commerce and business associations.

For the EU the EIB remains an important partner for development and cooperation. Our shared vision on economic development is evidenced in our long-standing partnership and

our mutual commitment to help the modernization of the Mediterranean region and to raise the living standards of its citizens.

Let me stress that economic development is a critically important challenge, but to bear benefits it should be sustainable, inclusive and guarantee decent job opportunities for all, especially for young people and for women.

In this process, **trade, investment and a vibrant private sector remain key issues for stability, growth and job creation. Regional cooperation in the MENA (Mediterranean and North Africa) Region and across the Mediterranean is fundamental.**

The development of micro, small and medium-sized enterprises (MSMEs) is absolutely crucial in the quest to create jobs in particular for youth. The 6 million MSMEs in the MENA region account for 90% of total employment. However, the potential to create new jobs in response to demographic pressures and to meet the aspirations of ordinary citizens is still largely untapped.

A positive business environment is key to MSMEs development. It is for this reason that the EU invests heavily in building the

capacity of our partners in the region to develop and implement policies that foster private sector development and inclusive growth. Our support ranges from formulating sector strategies to developing regulatory reform, to fostering wider consultation between public and private sectors.

Another essential element is **access to finance**. It is about encouraging the financial sector to lend to the productive sectors and to develop new types of financing instruments.

In line with the Egyptian government's commitment to further improve the business climate and to put forward reforms in the investment environment including access to finance, supporting the private sector in Egypt and the Mediterranean region at large will continue to be one of the priorities of the EU.

The EU **cooperates closely with financial institutions to promote financial inclusion**. As already raised by my colleague from Brussels, the EU has recently launched the "**Regional EU Initiative for Financial Inclusion**" with the EIB, EBRD, KFW, and AFD/IFC.

Specifically for Egypt, we have tailored a specific programme, the "**EU Facility for Inclusive growth and job creation**", to improve the Business Environment and to facilitate SME access

to Finance and know-how. This facility will mobilise approximately €450 million, by lowering the cost of borrowing and absorbing risk. It will facilitate SME access to long term financing, support business linkages, value chain development and innovation among SMEs.

In addition, as mentioned this morning, the EU will come forward with the **European External Investment Plan (EIP)**. This initiative, which will cover the MENA region, aims at **leveraging public and private funds** from the EU and its Member States. It will include a guarantee [mechanism] in order to crowd in private investments. This is particularly important in the MENA region in view of relatively low private sector investment rates. [Foreign investment is half of what it used to be in the region five years ago, and represents today less than 1% of GDP.]

The Initiative will also reinforce the efforts to improve the business and investment climate. **About €44 billion are expected to be mobilised from 2017 until 2020.**

Our partnership approach with MENA countries is geared at promoting trade and investment opportunities. The aim is to deepen economic integration across the Mediterranean Sea and in the MENA region. This is why we attach such importance

to **regional trade integration** for example the **deepening of the Agadir Agreement** and cooperation within the UfM.

Excellencies – ladies and gentlemen - a flourishing economy across the Mediterranean is key to reach our shared objectives of stability and prosperity. And for that, **the private sector must be at the core of any successful process**. Therefore I am sure this conference has represented an important opportunity **to boost communication between public and private stakeholders**, and to discuss the critical role of investment and private sector for **innovation and competitiveness**.

Thank you very much for your attention!