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WTO/PAM High Level Parliamentary Conference

Trade Facilitation and Investments in the Mediterranean region

House of Councillors of Morocco, Rabat, 8-9 October 2017

REPORT

EXECUTIVE SUMMARY

A **High-Level Parliamentary Conference, dedicated to Trade Facilitation and Investments in the Mediterranean region**, took place in Rabat, Morocco, on 8-9 October 2017. The event was jointly organized by the Parliamentary Assembly of the Mediterranean (PAM) and the World Trade Organization (WTO), and was kindly hosted by the House of Councilors of the Parliament of the Kingdom of Morocco.

The conference featured speakers from international institutions, national trade agencies and the private sector.

The sessions of the meeting tackled the **following issues**:

- How does the WTO function? How important are the Multilateral Trade Rules and negotiations for the Mediterranean economies?
- The current political context and its impact on International Trade in the Mediterranean
- The Road to Buenos Aires, Challenges Facing Mediterranean WTO Members as they Prepare for the 11th Ministerial Conference of the WTO next December
- Managing Disputes Over Trade
- How the WTO Trade Facilitation Agreement could foster Trade and Investments flows in the Mediterranean
- How are economies in the Mediterranean adapting to new realities of International Trade? The role of SMEs ; GVCs, E-Commerce, Servicification of economies, investment facilitation etc
- Regional Trade Agreements Vs Multilateralism debate
- Interactive debate how to further engage Members of Parliament with International Trade and the WTO?

Each session included an open debate among participants in order to exchange views, best practices and criticalities experienced at a national level. During the final session, some **main recommendations** were listed, notably:

1. The general level of trade and investment in the Mediterranean must be further stimulated, especially with regards to intra-regional trade (south-south);
2. SMEs are crucial for the Mediterranean economy in terms of job creation, GDP and purchasing power;
3. The exchange of best practices, lessons learned and success stories is an effective mean to facilitate trade and investments, as well as to promote economic integration;
4. The WTO agreement is a useful instrument to facilitate trade;
5. Major improvements are needed with regards to legislation on data protection;
6. In terms of political stability and economic growth, the water crisis in Gaza is an absolute priority;
7. PAM will continue working with member parliaments and with other international parliaments, and a special joint meeting will be dedicated to the Western Balkans next year.

EXECUTIVE REPORT

Session 1 - Welcome remarks and opening addresses

H.E. Hakim Benchamach, President of the House of Councillors of Morocco, opened the works of the conference by welcoming all delegates to Morocco. In his address, the President underlined the importance of Intra-Commerce and of Direct Investments, in a context of sustainable development, which is an issue to which Morocco is highly committed. He also stressed the intention of Morocco to do its part to contribute in the economic integration process at the international level, within PAM and other bodies such as the African Union, and at a national level, through the many actions taken by the government to create the conditions for a conducive investment climate and with the readiness of the parliament to adopt legislation based on equality and liberty even in the economic sector.

Sen. Lhou Lmarbouh, PAM Vice President and President of the 2nd PAM Standing Committee, welcomed all participants and underlined the commitment of the parliament of Morocco to the activities of PAM. He stressed that economic prosperity is a condition that can significantly contribute to reach social peace and political stability, and highlighted the role of MPs in removing the barriers that hamper trade, namely bureaucracy, transport facilities, customs procedures. After listing some of the priorities, such as the need to support south-south trade, he concluded by reiterating that, in spite of the shift in priorities following the Arab Spring and the migratory crisis in the region, PAM is fully committed to foster economic growth as a tool to reach stability.

Mr. Said El Hachimi, Senior Advisor at the World Trade Organization (WTO), thanked the Parliament of Morocco for hosting the conference, and said that WTO is happy to work with PAM and its parliamentarians at the eve of the informal Ministerial meeting of the WTO. He individuated protectionism as the main obstacle to trade, adding that the current scenario is further complicated by the uncertainty surrounding the intentions of the President of the United States of America on liberalization of trade. He concluded his opening remarks by saying that PAM and WTO share the same approach vis-à-vis their membership, since both organizations value diversity as a resource.

SESSION 2 - How does the WTO function? How important are the Multilateral Trade Rules and negotiations for the Mediterranean economies?

The Moderator, **Mr. Said El Hachimi**, introduced the main subject of the session and gave the floor to the first panelist, Ms. Dana Bajjali, from the Media and External Relations Division of the WTO.

During her presentation, **Ms. Dana Bajjali** gave an overview of the functioning of the WTO, explaining that it is one of the youngest of the international organizations, and the successor to the General Agreement on Tariffs and Trade (GATT) established in the wake of the Second

World War. The GATT featured 23 contracting parties and was replaced by WTO in 1995. The WTO foresees a legal framework and deals with trade in goods, services and intellectual property, while the GATT only referred to the trade of goods. Ms. Bajjali explained the structure and the procedures of the WTO, as well as its membership (164 members and 19 countries that are currently negotiating membership). About membership, it involves an extensive accession negotiation (both bilateral and multilateral). The presentation concluded with an overview of the principles of international trade under the WTO: non-discrimination, stability and predictability, transparency and contribution to development.

The following speaker was **Mr. Brahim Ait Addi**, Head of Regulation and Trade Facilitation Division of the Foreign Trade State Secretariat of Morocco. In his presentation, he underlined the role of WTO in facilitating trade through negotiations that lead to multilateral agreements. Agreements facilitate the harmonization of legislation, and aim at resolving the commercial conflicts, which result in barriers that hamper trade, and at settling disputes on trade. These disputes can result in non-tarif barriers or in illegal measures, and the presence of multilateral agreements avoid the occurrence of such actions. Mr. Addi illustrated the main principles on which the WTO is based, namely non-discrimination, free trade, transparency and fair competition. He concluded his intervention by saying that a major milestone for the global trading system was reached on 22 February 2017 when the first multilateral deal concluded in the 21 year history of the World Trade Organization entered into force.

In the debate that followed, the delegation of **Cyprus** asked about the relations between the WTO and the EU, keeping in mind that the EU deals with all non-EU countries as third parties. Mr. El Hachimi answered that, within the WTO, EU has its own representative who speaks on behalf of the entire EU, and the national EU Ambassadors to the WTO do not have the right to take the floor. He also added that, with reference to the Brexit negotiations, its implications were still unknown because these issues could be discussed only once the separation process is completed.

The delegation of **Egypt** noted that Arab and African countries should work on their economic ties with the EU, and the presence of many EU MPs could be an occasion to strengthen them. An MP from **Morocco** underlined how MENA countries poorly contribute to the Mediterranean Trade, both in terms of North-South and South-South, therefore parliaments should pressure governments to increase their efforts, also considering the complementarity that the Mediterranean countries have with regards to each other.

Mr. El Hachimi and Mr. Addi answered to this comment by saying that trade facilitation would be the key to increase trade (obstacles to trade amount to 14% of the total trade according to WTO estimates) and that some parliaments, such as that of Morocco, have made significant progress.

The delegation of **Algeria** noted that the accession process of Algeria to WTO was started in 1997 and is not yet completed. Reference was also made to the subsidies that are used by the government of Algeria in many sector, for instance for used cars. In his answer, Mr. El Hachimi said that joining WTO is relatively simple, but countries have to provide answers to all

questions, and the speed of accession is often connected to the readiness of countries to provide answers. He then differentiated between Algeria and Palestine, saying that for Algeria the WTO decision is taken, while for the accession of Palestine consensus was not reached among WTO member states.

The delegation from **Jordan** asked what the WTO could do in connection with the fact that the Arab Spring resulted in a major stress to Jordan, which is hosting 4 million refugees with clear consequences in terms of imports and exports. Mr. El Hachimi said that WTO is aware of this particular situation and Jordan was given the permission to extend the subsidies policies due to the refugee crisis. On this, Ms. Bajalli added that, for example, if Jordan thinks that the flows of imports can negatively impact its economy, Jordan is able to adopt restriction to imports. This measure could be provisional, until the crisis is solved. This occurs often, and in this case countries are allowed to take this kind of measures.

An MP from **Egypt**, with reference to the one-stop shop, stated that WTO should help countries to liberalize and facilitate trade, also to create jobs.

SESSION 3 – The current political context and its impact on international trade in the Mediterranean

The Moderator, **Hon. Dragica Roščić (Croatia)**, introduced the main subject of the session and gave the floor to the first panelist, Dr. Giovanni Bifulco, Director of the Casablanca Office of the Italian national Foreign Trade Agency.

In his address, **Dr. Bifulco** gave an overview of the Italian economy, and the growing trading partnership with Morocco. He highlighted that Italian corporations employ over 10,000 people in Morocco, and that at present Italian investments in the country are increasing, particularly in the automotive industry. He praised Morocco's policies on attracting foreign investment, which give international companies many benefits. However, he added that streamlining benefit packages would bolster foreign investments even more.

The next speaker, **Mr. Walide El Nozahy**, Institutional Trade Development Advisor at the UNDP, regional office in Cairo, gave a presentation about UNDP's support for Arab Countries and the MENA region. He made seven key recommendations for parliamentarians to bolster international trade in the region:

- 1) Strengthen the partnership with the Governments in improvement of trade and logistics connectivity in MENA and Arab countries at national and regional level;
- 2) Promote the approach of people-centered development with active engagement of the civil society and the public towards better and more secured market access of exports (goods and services) in the region;
- 3) Timely enact required legislations in function of regional trade and economic integration;

- 4) Support the establishment of a policy and regulatory framework to administer regional trade and economic linkages towards better competitiveness and sustainability;
- 5) Support the efforts of the governments in trade facilitation activities and promote private/public sector investments in infrastructure improvement to facilitate trade, including strategic investments in seaports, airports and laboratories but also packing and storage facilities for goods and services;
- 6) Support and coordinate with Governments in promoting active participation of private sector with corresponding business models that link producers to regional and global markets;
- 7) Support the coordination between the governments and regional organizations such as the League of Arab States (LAS), Agadir Technical Unit (ATU), and Arab Maghreb Union (AMU).

The final speaker was **Mr. Said El Hachimi**, from WTO. He noted with worry the unprecedented political events of the past two years such as Brexit, the protectionist rhetoric of the American administration, and the withdrawal of the US from the Trans Pacific Partnership. However, he also noted that growth in global trade has been slow for the past seven years, and that the WTO is actively looking for ways to address protectionist policies. He highlighted that WTO is not the reason for joblessness in countries such as USA, while the increasing automation is responsible. On a positive note, he mentioned a recent trend on increasing regional convergence on regulations, shifting the focus of economic integration from simply reducing or eliminating tariffs. He concluded by stating that policy makers must give more attention to e-commerce, as it will become increasingly important in the coming years.

In the debate that followed, a delegate from **Jordan** stressed that WTO's strategies to address unemployment are not always relevant to developing countries. El Hachimi (WTO) responded that its focus on mitigating the effects of automation will also impact developing countries and provided an example of call centers, which are prevalent in the developing world, which will soon be overtaken by automated robots.

The **UNDP** delegate stated that there is not enough political will among Arab states to proceed with regional economic integration through complementarity, and instead they are too focused on North-South trade. He stressed that, to address unemployment, Arab countries must favor the regional approach over the national approach.

MPs from **Bosnia and Herzegovina** asked about the country's stalled accession process to the organization. El Hachimi (WTO) noted that the parliament of Bosnia and Herzegovina did an excellent job to adopt the Marrakesh agreement into national legislation, and now needs to focus on bi-lateral negotiations with member states to complete the process.

A representative of **Palestine** made a statement that the policy of Israel is an obstacle to economic prosperity of Palestinians as it makes the process of trade impossibly difficult, and that a peace agreement is urgently needed. A delegate from **Israel** responded that people should not blame Israel, and instead focus on internal economic issues to improve competitiveness, which is what Israel did to succeed. Hon Belal of Palestine later reminded the audience that during the recent PAM mission to the Middle East, there was consensus among

delegates that a two state solution is the only way forward to solve the Palestinian issue, and it should be implemented as soon as possible.

A representative from **Croatia** asked Mr. Bifulco to elaborate on obstacles that Italy encountered in its investments in Morocco, to which he responded that the main concerns are currency conversion issues, slow procedures at customs, and some issues at justice level. However he stressed that Morocco is a country with a vision, and brought up an example of large domestic investments to improve infrastructure such as ports, airports, and roads. A Moroccan MP responded that the country is dealing with a structural deficit, and that the issue of convertibility will be addressed in due time.

A delegate from **Egypt** made a statement about the value of economic cooperation in the region, referring to the Agadir agreement to establish free trade, and the importance of simplifying trade procedures to encourage SMEs in the region.

Session 4 - The Road to Buenos Aires, Challenges Facing Mediterranean WTO Members as they Prepare for the 11th Ministerial Conference of the WTO next December

Mr. Said El Hachimi opened Session 4 and gave the floor to **Maria Teresa Pisani**, Acting Chief of the Sustainable Trade and Outreach Division of the United Nations Economic Commission for Europe (UNECE).

Ms Pisani gave an overview of the negotiations on the Trade Facilitation Agreement within the WTO, which led to the entry into force of the WTO TFA in February 2017. She explained that it contains provisions for the simplification of procedures for import, export and transit operations, including movements, clearance and release of goods. She also explained that it includes 36 measures, divided into 3 categories according to their entry into force and financial assistance to be given. These procedures refer to mainly four issues: a) general trade facilitation (transparency, formalities and institutional arrangements); b) Transit facilitation; c) Paperless Trade and d) Cross-border paperless trade. On paperless trade, she underlined its importance in order to limit space for corruption, because very often paperwork gives a high level of discretion to single officers. She also showed a correlation between the implementation of trade facilitation measures and the GDP per capita of countries. Following an overview of the differences across the Mediterranean region, she briefed participants on the role of UNECE in the trade facilitation procedures, which includes the preparation of recommendations and standards, as well as outreach and support (research and assistance to states) and partnership activities.

Mr. Said El Hachimi, the second speaker of this session, gave an overview of the current situation, in view of the forthcoming meeting of the WTO Ministerial Conference of Buenos Aires (December 2017). He referred to the ban of all tariffs on ICTs, which was agreed upon in Nairobi, Kenya in 2015. However he noted that, despite all WTO decisions have to be adopted by consensus, the Nairobi Ministerial Conference was the first ministerial declaration adopted with no consensus reached. The differences of opinion are on the implementation of some recommendations of Doha. While some countries consider the Doha implementation sufficient, some other countries argue that further measures are to be adopted. He underlined that the

mini-ministerial conference, an informal meeting to be held in Marrakech, would discuss also this. Mr. El Hachimi gave an overview on what was currently on the table, namely:

1. Agriculture: aids to exports, particularly related to indirect aid, which is a difficult topic to be addressed. Two of the main players, the USA and China, have divergent opinions;
2. Stockholding: this issue is particularly relevant for India, because it supports many products for its domestic security but it goes beyond its commitments; however there is an agreement according to which India will not be reported to the litigation department until 2018;
3. Fisheries: the WTO is working on a draft paper to regulate aids and combat illegal fishing;
4. Regulation in services. There is a paper on this but what will be done on other topics, for instance on facilitation of investments, will be crucial. On this, Chinese policies are changing: China supports this, due to its high availability of cash to be invested. On the other hand, India is against this and supports the facilitation of services because they perform well in this sector. There are ongoing negotiations within the WTO in order to find a balance;
5. E-commerce. This is a very wide matter. A gentlemen's agreement dated 1998 is in place, according to which members agree not to put taxes on electronic transactions. Obviously, back in 1998 no one knew how e-commerce would develop. Currently, many concerns on this topic are related to the management of personal data.

In the debate that followed, a question from the floor referred to a proposal, put forward by USA, Japan and the UK, in support of developed countries. Mr. El Hachimi said that this proposal would be discussed in Marrakech and concrete decisions on this would be made in Buenos Aires.

The **Cypriot delegation** asked whether there was a United Nations Economic Commission dedicated to the Mediterranean, and Ms. Pisani informed him of a convention, within the UNECE, with a facilitation mandate for the Mediterranean region.

SESSION 5 – Managing Disputes over Trade

The Moderator, **Amb. Sergio Piazzi**, introduced the topic of the session and gave the floor to the panelist, Ms. Dana Bajjali from the WTO's Media and External relations section.

In her presentation, **Ms. Dana Bajjali** gave a comprehensive overview of the WTO's dispute settlement mechanism, through which member states can bring forward complaints against other member states for enacting trade policies which are contradictory to the negotiated rules of the WTO.

In the debate that followed, the questions from the floor included:

- What are the sanctions that have been issues once the country has been found guilty in breaching WTO guidelines?
- What is the support for developing countries to use the settlement system?

- Is there any pressure to force the parties in dispute to accept the conclusions of the experts and the judges?
- What happens if a country refuses to accept the conclusions of the panel?
- What does it indicate that countries like Jordan have not engaged in the dispute settlement system?
- Do the large corporations put pressure on the WTO to pursue challenges against countries?
- Many countries, especially in the Arab world, prefer to settle on a personal level, i.e. between ministers, so how do we increase the use of the dispute settlement system?

In her responses, **Ms. Dana Bajjali** clarified a number of points. She stated that the system is available for all members, both developed and developing countries, and it is used when states have lost hope and negotiations have failed. Private sector and corporations are not part of the dispute settlement mechanism. Their role is to convince the government to take up the issue at the WTO, and they are not putting pressure to change this arrangement. The decisions of the mechanism are binding, and the winning party can ask the WTO to suspend concessions against the offending party, which may lead to sanctions and reparations. There is also an appeal process to challenge the decisions of the panels. The fact that some cases do not reach the dispute settlement system is a good sign. More than two thirds of cases are resolved in consultations and do not reach the panel. Jordan and other countries could have used the system, but they probably resolved their disputes with other states in a friendly manner.

Said El-Hachimi from the WTO added that China did not use the dispute settlement mechanism for the first 6-7 years in the organisation, and instead participated as third party to a large number of disputes. This allowed China to learn the mechanism very well before engaging in the process.

Once all the questions about the dispute settlement mechanism were exhausted, **Amb. Sergio Piazzi** took the floor to give the participants an overview of the PAM Panel on Trade and Investments, as the most effective tool that PAM has in the economic sphere. He urged MPs to take advantage of this platform, as it brings together key actors from the private sector with policy makers to advance economic prosperity in the Mediterranean region.

Session 6 - How the WTO Trade Facilitation Agreement could foster Trade and Investments flows in the Mediterranean

Mr. Said El Hachimi, Moderator of the session, gave the floor to Mr. Pierre-Etienne Bouchaud, Head of Representation of the European Investment Bank, in Morocco.

Mr. Pierre-Etienne Bouchaud provided participants with an overview of the EIB and of the long-term finance projects offered by the EIB, underlining that one of the main focus of the Bank is the financing of Climate Change projects (EUR 19 billion in 2016, EUR 100 billion in the period 2016-2020). He explained that, although most of the funding is dedicated to EU countries, for the year 2016 EUR 8.38 billion (on a total of EUR 83.8 billion) was allocated to extra EU countries. EUR 1.63 billion was allocated to South Neighboring countries. He provided

a breakdown of EIB operations by sector and by country (for the Southern countries) and added that the operational plan until 2020 foresees a higher commitment of the Bank, even in the Mediterranean region. After an overview on EIB's operations in Morocco, he listed the priorities of the Bank: inclusive growth (socio-economic infrastructures, regional integrated approach), job creation (private sector and SMEs, new financing methods), fight to climate change and regional integration. Mr. Bouchaud also explained the eligibility criteria to access EIB funds, and noted that the Bank covers up to 50% of the total cost of the project, for a minimum amount of EUR 15 million.

The second speaker of the session was **Ms. Maria Teresa Pisani** (UNECE). In her presentation, she illustrated the relation between the measures of the agreement and investment flows. Trade facilitation gained a more and more prominent role over the last 20 years. In the last 8 years, over 2000 trade facilitation reforms took place. This is mainly due to a) the shift from tariff barriers to non-tariff barriers (regulatory and procedural barriers for trade); b) the emergence of value chains (increasing number of producers, retailers, shippers etc); c) need of simpler and more transparent procedures; d) the evidence that trade facilitation is beneficial (+4% of international trade and +0.1% GDP per capita). Trade facilitation helps to have clear information on the length and cost of procedures (predictability) and stimulates competitiveness. Ms. Pisani also explained how the different trade facilitation procedures impact on low/medium/upper income countries in terms of documents, automatization and procedures), and illustrated that great differences exist between the PAM member countries in terms of cross-border trade procedures and in terms of costs to export (from almost zero in the EU countries to USD 749 of Mauritania). Ms. Pisani concluded her presentation with some recommendations:

1. Regulatory reforms aiming at a clear, concise and transparent legal framework;
2. Institutional development (for instance, the establishment of a trade facilitation committee);
3. Infrastructure for the electronic processing of trade documents;
4. Capacity building of implementing managers and officers;
5. Cultural shift: many countries have the latest technology available but they do not use it (for instance the electronic single window).

The third speaker of the session was **Ms. Laghzioui Majida**, Chief of the International Cooperation Division of the General Directorate of Customs and Indirect Taxes of Morocco. She underlined that Morocco is aware of its leading role in Africa, and that trade facilitation will help the country to increase integration in the world market. She focused on border operations: clear, fast and simple procedures make the country attractive to enterprises. Concerning Morocco, she mentioned that Morocco doubled its imports through significant improvements of the customs in terms of transparency and compliance to international trade rules. She added that Morocco is on the path to achieve the "zero paper", speeding up procedures through digitalization. After an overview of the actions undertaken by Morocco on the international stage (for instance with Argentina, the Russian Federation and a project with the Arab League member countries), she underlined how countries have to act individually in order to comply with international standards and agreements.

In the debate, **a delegate from Egypt** asked about the main reforms to be implemented in order to improve the ranking of the country. Ms. Pisani answered that, even though she did not know exactly the specific case of Egypt, reducing papers, harmonizing rules and improving transparency are the first measures to put in place. She also recommended to undergo through an assessment, in order to define an action plan and the needs of the country, in terms of expertise and financial support.

The **delegate from Algeria** asked the EIB representative about the relations between EIB and Algeria, and Mr. Bouchaud confirmed the willingness of the Bank to start working again with Algeria, being the country part of the EIB program.

The **Jordanian delegation** asked some details related to the operations of the EIB, notably on grants, financing to SMEs and procedures to access to EIB funding. Mr. Bouchaud replied that the EIB, being a bank, does not provide grants, but loans at very good conditions, for which the EU guarantees. In terms of support to SMEs, he said that the EIB finances local banks, which are then in a position to finance SMEs even through micro financing. With regards to the third question, Mr. Bouchaud said that the EIB can finance maximum the 50% of a project, and sometimes other IFIs are involved in order to guarantee the feasibility and the bankability of the process.

Session 7 - How are economies in the Mediterranean adapting to new realities of International Trade? The role of SMEs; GVCs, E-Commerce, Servicification of economies, investment facilitation etc

Amb. Sergio Piazzì, PAM Secretary General, opened the session and gave the floor to the first speaker.

Ms. Isabelle Durant, Deputy Secretary General of UNCTAD, former Belgian MP and MEP, indicated digital technology as one of the main transformative forces in global industry and trade, and that global economy is organized in Global Value Chains. Ms. Durant explained that these two elements (digitalization and GVCs) have changed the competitiveness parameters at a global level, which are now defined through different indicators: ICT trained labour, internet penetration rate, data management capacity and costs of product digitalization. She then focused on the Mediterranean countries, saying that Western European countries play as a hub for the region. She used the Noor power plant as an example: the energy surplus generated by the plant will be sold to Europe, and not to Morocco's energy-poor neighboring countries. Ms. Durant provided participants with some data on digitalization in the Mediterranean and indicated the following priorities: legislation that supports digital economy and WTO rules. On this, she explained that UNCTAD offers a service, rapid e-Trade Assessment, in order to identify opportunities in terms of e-Commerce strategies, as done in Egypt. Ms. Durant stressed that digitalization still needs adequate transport and logistic infrastructure, as well as efficient trade procedures. She listed a number of recommendations for this sector, among which: develop regional value chains and integrate them into global value chains, meet international norms, diversify economy, promote intra-regional trade and remove unnecessary restrictions to trade. With regards to SMEs, she underlined that they contribute to 60/70% of formal employment in developing countries, therefore they need to be helped by policy makers in terms of skills

development, value chain integration, access to finance. She closed her statement reiterating the commitment of UNCTAD in assisting countries.

The second speaker of the session, **Ms. Marie-Alexandra Veilleux-Laborie**, Morocco Country Director of the European Bank for Reconstruction and Development (EBRD), gave an overview of the mandate and functioning of the EBRD, underlining that it mainly finances the private sector (80% of the total) for big infrastructure projects. She explained that EBRD supports trade through guarantees (to cover risks related to trade finance transactions), short term financing to banks in countries of operation and trade finance training and advisory service to local banks. She added that, within the southern Mediterranean countries, EBRD operates in Morocco, Jordan, Tunisia, Egypt and, very recently, in Lebanon and Palestine (through a trust fund). Ms. Veilleux-Laborie also gave an insight of EBRD's operations and partners in Morocco, including a case study. With reference to support to trade, she underlined the close cooperation with WTO, also in terms of capacity building and training. On this, she referred to an educational programme for trade finance professionals and importers and exporters which has over 5000 students. With regards to the role of PAM in facilitating trade, she mentioned the possibility to establish a mechanism to facilitate the access to finance and remove barriers, underlining that often the access to finance is complicated due to the difficulty for banks to gather information about the applicant.

The following speaker, **Ms. Bouchra Rahmouni Ben Hida**, Vice President of ASMEX (Association of Moroccan Exporters), underlined the impact of the digital revolution and the increase in research and development, which require a more extensive use of technology and information processing. She explained that these changes are determining a sharp increase of technological products in spite of manufacturing products. This will imply a shift in terms of skills needed by companies, and she said that Morocco will have to be ready to offer trained and skilled workers to this rapidly changing market. She closed her intervention by mentioning a number of services offered by ASMEX, among which an interactive platform enabling the exporters to expose their products 24/7 and giving them the opportunity to deal directly with buyers.

The last speaker, **Ms. Dana Bajalli**, informed that WTO is dealing with e-commerce since 1998. On that occasion, a declaration on a work program on e-commerce was signed. This program asked several bodies of the WTO to look into trade-related aspects. The mandate of the program is controversial, and negotiations are ongoing in order to reach consensus. There are some 15 proposals on the table referring to different sub-issues, such as cross-border data, access to payments, copyright tools etc. She also explained that, within the WTO, there are group of countries with different positions on how to tackle the topic and the many sub-topics. In view of the Ministerial Conference, she said that it would be difficult to guess about the outcome of the Buenos Aires event. With reference to SMEs, Ms. Bajalli recalled that WTO has not done anything specific on them. However, there is now a group, within the WTO, in order to work on this very specific issue. She closed her intervention by calling for a better engagement by parliaments on WTO issues, in order to identify priorities in support of e-commerce policies and SMEs.

In the debate that followed, the **delegation of Egypt** stated that Egypt is working on women's inclusion, and that specific legislation is needed on e-commerce. The delegate raised a question of micro-projects, and the EBRD representative answered that the Bank finances micro projects through intermediaries.

Following a comment by the **Tunisian delegation**, Ms. Veilleux-Laborie also indicated that the EBRD is working closely with the institutions in Tunisia, and many projects are related to the automotive and oil sectors. Ms. Durant underlined the importance of diversification, considering that Tunisia lost much of its income due to the sharp drop in tourists visiting the country.

Ms. Durant took the opportunity to make some more general considerations, and said that economy could contribute to support the peace process in Palestine. In addition, she underlined that part of the administration is against digitalization, because this would diminish its power, and concluded that this could be an important focus for MPs.

PAM Vice President, **Sen. Lhou Lmarbouh**, noted the need for IFIs to focus on SMEs, which are the engine of the national economy of every Mediterranean country. In particular, he underlined the statement by one of the speakers, who said that for Banks it is difficult to understand the needs of SMEs. On this, he urged a rapid improvement of quality in the communication between banks and SMEs, which are vital for the Mediterranean economy.

SESSION 8 – Debate on Regional Agreements vs. Multilateralism

The Moderator, **Sen. Mohammad Jawad Hadid (Jordan)**, introduced the topic of the session and gave the floor to the panelist, Hon. Ouafe Bekkali from the Arab Parliament.

In her presentation, **Hon. Ouafe Bekkali**, focused on regional economic integration in the Arab world and gave an overview of the milestone events and agreements signed in this process. She also highlighted the importance of the Arab League and the Arab Parliament in facilitating closer economic ties among Arab countries.

The second speaker was **Prof. Lahcen Oulhaj** of the Euro-Mediterranean Forum of Institutes of Economic Sciences. During his speech, the Professor gave an in-depth overview of the debate about regionalism vs universalism. The Professor made the argument that universal free trade and worldwide economic integration is the most optimal scenario. He argued that regional trade agreements may distort market efficiencies by imposing barriers on producers from other regions. However, regional trade agreements may be a stepping stone towards universal integration. The crucial aspect is the political will of countries to sacrifice some aspects of sovereignty for shared economic benefits.

A representative from **Palestine** noted that trade among Arab countries is rather weak. The Arab parliament was created for integration, but the political considerations often supersede economic integration. He then called on leaders to stop this state of relations among Arab countries.

An MP from **Morocco** mentioned that regional agreements are strengthening integration, by creating stronger common positions for negotiations.

A delegate from **Egypt** outlined some key obstacles to trade in the Mediterranean region including lack of transparency in certain countries, non-tariff barriers, corruption, bureaucratic drawbacks and long delays at customs. He called for political measures to counter these obstacles, harmonization of legislation to make international trade easier and for a one stop source for investors for all information required about policies.

SESSION 9 – Closing session: Interactive debate how to further engage Members of Parliament with International Trade and the WTO?

Sen. Lhou Lmarbouh opened the session inviting MPs to volunteer to become coordinators of one of the sectoral groups of the PAM Panel. Hon. Mohammed Hjira (Morocco) expressed his availability to coordinate the group dedicated to “productive activities and job creation”. The PAM Vice President invited all those MPs interested in the Panel to contact the PAM Secretariat, should they wish to act as coordinator of a sectoral group.

Sen. Lmarbouh listed the main recommendations emerged during the course of the conference, and identified some issues on which legislative action could contribute to the promotion of economic growth:

1. The general level of trade and investment in the Mediterranean can be further stimulated and has high growth potential, especially with regards to the intra-regional trade (south-south);
2. SMEs are crucial for the Mediterranean economy in terms of job creation, GDP and purchasing power. There is a lack of communication between financial institutions and SMEs, therefore a regional bank or mechanism to overcome this problem is needed;
3. The exchange of best practices, lessons learned and success stories is an effective mean to facilitate trade and investments, as well as to promote economic integration and general growth;
4. Member parliaments of countries that have not yet ratified the WTO agreement are warmly encouraged to speed up the ratification process, in light of the benefits that the adoption of the agreement will bring;
5. Major improvements are needed with regards to legislation on data protection;
6. The water crisis in Gaza is an absolute priority, and all parliaments are called to do their utmost in order to facilitate the flow of funding for the construction of the water desalination facility. The effort of the EBRD was underlined and appreciated by all participants;
7. At a regional level, PAM will continue working with member parliaments and with other regional parliamentary Assembly (Pan-African Parliament, Arab Parliament, East African Legislative Assembly among others) in order to contribute to the facilitation of trade and investments in the region. The cooperation with WTO is important for PAM and we look forward organizing in 2018 a similar event for the Western Balkans, as indicated to PAM by the President of the UN General Assembly.

Mr. Said El Hachimi welcomed the commitment of PAM on data protection and underlined the importance of the role played by national and regional parliamentary organizations to speed up

the adoption of the WTO Agreement and to take all necessary actions on trade facilitation. He welcomed the model cooperation established with PAM.

Amb. Sergio Piazzì thanked the Parliament of Morocco for the great hospitality, as well as the WTO for the support and contribution in the organization of the conference, He added that the cooperation PAM-WTO works, and expressed his wish to formalize it, in a way similar to what PAM has already in place with EIB, EBRD and in the pipeline with the World Bank.

He then briefed all delegates on the future activities on the calendar of activities until the end of the year, notably the Parliamentary MEDCOP, to be held in Ouarzazate, Morocco, the conference “Promoting better regional cooperation towards smart and human migration across the Mediterranean” (jointly organized by the IPU, PAM and the Parliament of Malta in Valletta, Malta, 16-17 November 2017), and the conference on counter-terrorism, jointly organized by PAM and IPA-CIS in cooperation with UN-CTED and UNODC (St. Petersburg, Russian Federation, April 2018 tbc).

Sen. Lhou Lmarbouh declared the meeting closed.

WTO-PAM High Level Parliamentary Debate

Agenda

Dates: 8-9 October 2017

House of Councillors, Parliament of the kingdom of Morocco, Rabat

| Day 1, 08 October 2017 | |
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| 0810 | Bus transfer from the hotels <ul style="list-style-type: none">- Sofitel (0810)- La Tour Hassan (0815)- Hotel Rabat (0815)- Hotel Majliss (0815) |
| 0830 – 0900 | Registration |
| 0900 – 1000 | Session I : Welcome Remarks and Keynote Addresses <ul style="list-style-type: none">- H.E. Hakim Benchamach, President, House of Councillors of Morocco- Sen. Lhou Lmarbouh, Vice President, President of the 2nd Standing Committee, PAM- Mr. Said El Hachimi, Counsellor, WTO |
| 1000 – 1015 | Photo-taking session |
| 1015 – 1045 | Coffee Break |
| 1045 -1230 | Session II: How does the WTO function? How important are the Multilateral Trade Rules and negotiations for the Mediterranean economies? <u>Moderator:</u> Mr. Said El Hachimi , Counsellor, WTO <u>Speakers:</u> <ul style="list-style-type: none">- Ms. Dana Bajjali, Media and External Relations , WTO- Mr. Brahim Ait Addi, Head, Regulation and Trade Facilitation Division, Foreign Trade State Secretariat, Morocco |
| 1230 – 1400 | Lunch |

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| 1400 - 1530 | <p>Session III: The current political context and its impact on International Trade in the Mediterranean</p> <p><u>Moderator:</u> Hon. Dragica Roščić, Head of the Croatian Delegation, PAM</p> <p><u>Speakers:</u></p> <ul style="list-style-type: none"> - Dr. Giovanni Bifulco, Director, Italian Trade Agency, Casablanca Office - Mr. Walide El Nozahy, Institutional Trade Development Advisor, UNDP - Mr. Said El Hachimi , Counsellor, WTO |
| 1530-1600 | <p>Coffee Break</p> |
| 1600 – 1730 | <p>Session IV: The Road to Buenos Aires, Challenges Facing Mediterranean WTO Members as they Prepare for the 11th Ministerial Conference of the WTO next December</p> <p><u>Moderator:</u> Mr. Said El Hachimi , Counsellor, WTO</p> <p><u>Speakers:</u></p> <ul style="list-style-type: none"> - Ms. Maria Teresa Pisani, Acting Chief, Sustainable Trade and Outreach, Economic Cooperation and Trade Division, UNECE - Mr. Said El Hachimi , Counsellor, WTO |
| 2000 | <p>Official Dinner hosted by H.E. Hakim Banchamach, President of the House of Councillors – Club Nautique royal</p> |
| <p>Day 2, 09 October 2017</p> | |
| 0840 | <p>Bus transfer from the hotels</p> <ul style="list-style-type: none"> - Sofitel (0840) - La Tour Hassan (0845) - Hotel Rabat (0845) - Hotel Majliss (0845) |

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| 0900 – 1030 | <p>Session V: Managing Disputes Over Trade</p> <p><u>Moderator:</u> Amb. Sergio Piazzi, Secretary General, PAM</p> <p><u>Speaker:</u></p> <ul style="list-style-type: none"> - Ms. Dana Bajjali, Media and External Relations , WTO |
| 1030 – 1100 | Coffee Break |
| 1100– 1245 | <p>Session VI: How the WTO Trade Facilitation Agreement could foster Trade and Investments flows in the Mediterranean</p> <p><u>Moderator:</u> Mr. Said El Hachimi, Counsellor, WTO</p> <p><u>Speakers:</u></p> <ul style="list-style-type: none"> - Ms. Maria Teresa Pisani, Acting Chief, Sustainable Trade and Outreach, Economic Cooperation and Trade Division, UNECE - Mr. Pierre-Etienne Bouchaud, Head of Representation for Morocco, European Investment Bank - Ms. Laghzioui Majida, Chief of International Cooperation Division, General Directorate of Customs and Indirect Taxes of Morocco |
| 1245 – 1400 | Lunch |
| 1400– 1530 | <p>Session VII: How are economies in the Mediterranean adapting to new realities of International Trade? The role of SMEs ; GVCs, E-Commerce, Servicification of economies, investment facilitation etc</p> <p><u>Moderator:</u> Amb. Sergio Piazzi, Secretary General, PAM</p> <p><u>Speakers:</u></p> <ul style="list-style-type: none"> - Ms. Isabelle Durant, Deputy Secretary General, UNCTAD - Ms. Marie-Alexandra Veilleux-Laborie, Morocco Country Director, EBRD - Ms. Bouchra Rahmouni Ben Hida, Vice President, ASMEX - Ms. Dana Bajjali, Media and External Relations , WTO |
| 1530- 1600 | Coffee Break |

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| 1600 – 1700 | <p>Session VIII: Regional Trade Agreements Vs Multilateralism debate</p> <p><u>Moderator:</u> Sen. Mohammad Jawad Hadid, Head of the Jordanian Delegation, PAM</p> <p><u>Speakers:</u></p> <ul style="list-style-type: none"> - Hon. Ouafe Bekkali, Arab Parliament - Mr. Lahcen Oulhaj, Professor, FEMISE |
| 1700- 1730 | <p>Session IX: closing session: Interactive debate how to further engage Members of Parliament with International Trade and the WTO?</p> <p><u>Moderator:</u> Sen. Lhou Lmarbouh, Vice President, President of the 2nd Standing Committee, PAM</p> <p><u>Speakers:</u></p> <ul style="list-style-type: none"> - Mr. Said El Hachimi, Counsellor, WTO - Amb. Sergio Piazzzi, Secretary General, PAM |

WTO/PAM High Level Parliamentary Conference - Conférence Parlementaire de Haut Niveau OMC/APM

Trade Facilitation and Investments in the Mediterranean region

Rabat 8-9 October 2017 / Rabat 8-9 octobre 2017

List of registered participants

PAM MEMBER PARLIAMENTS

| | |
|---------------------------|---|
| Algeria | Sen. Tahar Kellil , PAM Vice-President |
| Bosnia-Herzegovina | Hon. Semsudin Mehmedovic , MP, Head of Delegation Hon. Mirsad Isakovic , MP Ms. Tea Mandilovic , Secretary of the Delegation to PAM Ms. Dubravka Ištuk Pavlović , Translator |
| Croatia | Hon. Dragica Roscic , MP, Head of Delegation Hon. Grozdana Peric , MP Ms. Snjezana Ramljak , Secretary of the Delegation to PAM |

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| Cyprus | Hon. Charalambos Theopembtou, MP Ms. Georgia Neophytou, International Relations Officer |
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| Egypt | Hon. Esmat Zayed, MP Hon. Essam Elkady, MP Hon. Hanem Abouelwafa, MP |
| | |
| Israel | Hon. Amir Peretz, PAM Vice President Hon. Majallie Whbee, PAM Roving Ambassador Mr. Zvika Birman, Consultant of Hon. Peretz |
| | |
| Jordan | Sen. Moh'd Jawad Hadid, MP, Head of Delegation Hon. Riad M. O. Alazzam, MP Hon. Majed Mahmoud Quisim, MP Mr. Hamadeh Ali Hammad Al Mawajdeh, Administrator - House of Representative Mr. Mohammad Alshneikat, Administrator – House of Senate |
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| Morocco | H.E. Hakim Benchamach, President of the House of Councillors Sen. Lhou Lmarbouh, PAM Vice President, President of PAM 2nd Standing Committee Sen. Mohamed Alami, MP Sen. Omar Moro, MP Hon. Amam Choukrane, MP Hon. Mohammed Hjira, MP Hon. Azouha Laarrak, MP Hon. Ahmed Toumi, MP Hon. Jamal Krimi Benchekroun, MP |
| | |
| Palestine | Hon. Belal Kasem, PAM Vice President |

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| | Hon. Ahmad H. A. Abuholi, MP Hon. Dawas T. R. Dawas, MP |
| Serbia | Hon. Tijana Davidovac, MP Hon. Maria Janjusevic, MP Mr. Dejan Milivojevic, Secretary of the Delegation to PAM |
| Tunisia | Hon. Wafa Attia Ep Sghaier, MP Hon. Mohamed Abdellaoui, MP Hon. Hassouna Nassfi, MP |

SPEAKERS AND PARTNER ORGANIZATIONS

| | |
|---|---|
| Arab Parliament | Hon. Ouafe Bekkali, MP |
| ASMEX | Ms. Bouchra Rahmouni Ben Hida, Vice President Mr. Taariji Abdellaziz, Vice President |
| CGEM | Mr. Hifidi Abdelliah, President of the Federation of Transport and Logistics in Morocco, and President of the CGEM Group at the House of Councillors |
| Council of the Region of Rabat Sale Kenitra | Mrs. Nadra Mesfioui, responsible of the Economic Development Committee |
| Council of the Region of Guelmim Oued Noun | Mrs. Imane Najati, Councillor |
| East African Legislative Assembly (EALA) | Mr. Victor Manzi, Clerk Assistant |
| EBRD | Ms. Marie-Alexandra Veilleux-Laborie, Morocco Country Director |
| European Investment Bank | Mr. Pierre-Etienne Bouchaud, Head of Representation for Morocco |
| FEMISE | Mr. Touhami Abdelkhalek, Professor Mr. Lahcen Oulhaj, Professor |
| General Directorate of Customs and Indirect Taxes of Morocco | Ms. Majida Laghzioui, Chief of International Cooperation Division |
| Islamic Center for Development and Trade | Mr. El Hassane Hzaine, Director General |

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| Islamic Development Bank | Mr. Said Mourabit , Senior Regional Economist |
| Italian Trade Agency | Mr. Giovanni Bifulco , Director, Casablanca Office Mr. Mohamed Sami Ben Jelloul , Trade Analyst |
| Med-TSO | Mr. Brahim Oumounah , Director of Engineering and Production Projects Production and Head of Hydraulic and Renewable Management, ONEE Mr. Mly Abdellah Kabiri , Director General of Direction Central Transport, ONEE |
| Ministry of Energy, Mines, Water and Sustainable Development of Morocco | Mr. Abdelali Gour , Chief of Cabinet |
| State Secretariat for Foreign Trade of Morocco | Mr. Brahim Ait Addi , Head of the Regulation and Trade Facilitation Division |
| UNCTAD | Ms. Isabelle Durant , Deputy Secretary General |
| UNDP | Mr. Waleed El Nozahy , Trade Policy Adviser |
| UNECE | Ms. Maria Teresa Pisani , Head of Sustainable Trade and Outreach Unit |
| Union du Maghreb Arabe (UMA) | Ms. Reda El Merini , Director of Economic Affairs |
| World Bank | Ms. Hind Kadiri , Private Sector Officer, Morocco Office |

DIPLOMATIC CORPS

| | |
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| Algeria | Mr. Abbes Belfatmi , Deputy Head of Mission, Embassy of Algeria |
| Holy See | Rev. Marcel Diouf , Secretary of the Apostolic Nunciature in Morocco |
| Jordan | H.E. Belal Hazaimeh , Chargé d’Affairs, Embassy of Jordan |
| MFA Morocco | Ms. Hajar Ez-Zaher , Secretary of Foreign Affairs |
| Serbia | Mr. Ivan Samarozic , First Secretary of the Embassy of the Republic of Serbia |
| Tunisia | H.E. Mohamed Najem Gharsalli , Ambassador |

CO-ORGANIZERS

| | |
|------------------------|--|
| WTO | Mr. Said El Hachimi , Counsellor Ms. Dana Bajjali , Media and External Relations |
| PAM Secretariat | Amb. Sergio Piazzi , Secretary General Mr. Andrea Nurchi , Deputy Secretary General Mr. Vladimir Kirushev , Program officer |