

MENA-OECD WORKING GROUP ON INVESTMENT AND TRADE

November 2018, Jordan

CONCLUSIONS

The annual meeting of the MENA-OECD Working Group on Investment and Trade took place on 27-28 November 2018 in Jordan. It was attended by **120 participants** representing **13 MENA economies, 7 OECD countries**, regional and international organisations (Agadir Technical Unit, Parliamentary Assembly of the Mediterranean, EU, ILO) and representatives from the private sector both from OECD countries and the region.



The meeting was opened by the two co-chairs of the Working Group, **H.E. Mr. Muhannad Shehadeh**, Minister of State for Investment Affairs of Jordan, and **Mr. Koichi Ai**, Minister and Deputy Permanent Representative at the Delegation of Japan to the OECD, as well as **H.E. Mr. Ibrahim Al-Omar**, Governor of the Saudi Arabia General Investment Authority (SAGIA) and **Mr. Karim Dahou**, Senior Counsellor, Global Relations, OECD. The meeting also benefitted from the participation of **H.E. Mr. Zied Ladhari**, Minister of Development, Investment and International Cooperation of Tunisia and Chair of the MENA-OECD Competitiveness Programme.

The theme of the meeting was **“Making trade and investment policies work for all”** in a region not sufficiently reaping the benefits of the key drivers of economic growth and prosperity. The region accounts for only 4.3% of global trade and 1.3% of total FDI flows. MENA economies’ are poorly integrated in GVCs. Regional economic integration is a missed opportunity with only 10% of intra-regional trade (as opposed to two thirds for intra-EU trade). MENA economies are undertaking sweeping legal and institutional reforms to reverse these trends.

Main issues discussed

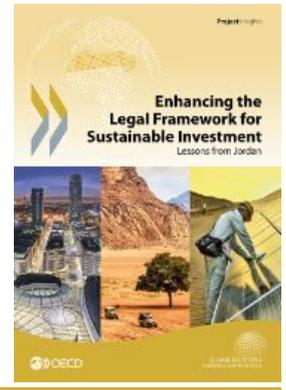
- The impact of trade and investment on MENA societies in a challenging global context.
- MENA economies’ integration into Global Value Chains (GVCs) and the role of local linkages to support economic and social development, building on OECD global work and statistical tools.
- Promotion of inclusive and integrated trade and investment policies that create opportunities for the many and not the few, with a focus on youth, women, refugees and quality jobs.
- Making investment reforms happen.

“Four factors are key to successful reforms: inter-department co-ordination, accountable processes, ownership and political leadership”

H.E. Minister Zied Ladhari from Tunisia

The following papers and publications informed the discussions:

- Background note on [Trends in investment and trade policies in the MENA region](#)
- Background note on [The integration of the MENA region in the global value chains \(GVCs\) – Harnessing the economic and social benefits](#)
- Background note on [Gender mainstreaming considerations relative to trade and foreign direct investment](#)
- Project Insights: [Enhancing the legal framework for sustainable investment: Lessons from Jordan](#)
- Deauville Partnership *Compact for Economic Governance* – Stocktaking Report: Jordan



Key take-aways

- **Strong participation on a timely topic:** with global trade tensions, sluggish growth, low levels of integration both globally and regionally, the region sees trade and investment as an opportunity for diversification and job creation, but it is lagging behind despite reforms. Therefore, the meeting triggered interest and offered an opportunity for debates and networking among the participants.
- **Key policy messages:**
While job creation is the conducive thread of all reforms, four key messages emerged from the discussions:
 - Diversification efforts should focus on sectors (e.g. infrastructure, clean energy), markets (shift to the East and emerging markets) and chains (GVCs upgrading and internationalisation of SMEs).
 - The business community has a key role in regional integration and can overcome some political hurdles.
 - More trade and investment data is needed to inform policy makers.
 - Integrated strategies and broad policy coherence are essential for successful reforms.
- **OECD substantive inputs** to help the region tackle these issues and some structural impediments: OECD tools and instruments that can support the reform efforts of the economies of the region were presented and the meeting benefitted from the contribution of OECD experts in the areas of investment, statistics and gender.

Next Steps

Participants called for more policy actions and capacity-building activities on trade and investment at regional and country levels, building on OECD expertise, instruments and tools. It was agreed to:

- Conduct further analysis (publication on trade and investment)
- Expand use of OECD statistical and benchmarking tools
- Enhance private sector contribution through the [MENA-OECD Business Advisory Board](#)
- Build on existing projects, notably the [EU-OECD Programme on Promoting Investment in the Mediterranean](#)

The Jordanian government supported the meeting's organisation and ensured high-level participation. Financial support was provided by Sida, (Swedish International Development Cooperation Agency), the EU-OECD Programme on Promoting Investment in the Mediterranean, MENA Transition Fund, and Amman Chamber of Commerce.

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