



SPEECH BY THE DEPUTY SECRETARY GENERAL AMBASSADOR YIĞIT ALPOGAN

9TH MEDITERRANEAN LOGISTICS AND TRANSPORT FORUM

Barcelona, 7 June 2011

At the start of my talk, I would like to congratulate the organizers of the 13th International Logistics and Material Handling Exhibition for their excellent work. I would also like to express my sincere thanks to the Chamber of Commerce of Barcelona, ICEX and ASCAME, for their kind invitation to me to speak at the opening session of the 9th Mediterranean Logistics and Transport Forum. It is a pleasure to see that the Exhibition and the Forum take place in the beautiful city of Barcelona, a city identified with its port and with its long history of maritime relations in the Mediterranean region, which also hosts the Secretariat of the Union for the Mediterranean.

Port cities on the shores of Mediterranean share a common hybrid and cosmopolitan socio-economic and political structure. The history of transportation and commercial activities tells us about man and culture; and the nature of individuals, societies and nations. Commercial activity is an effective way of understanding the Mediterranean world and the relations with societies beyond its shores. This is as true today as ever it was in the past: from the pre-historic times to the 21st century.

Today, against a background of rapid globalization and growing trade between Europe and Asia, the development of transport and the intermodal transport services in the Mediterranean are driven by relatively new patterns. New trade corridors between Asia and Africa, Asia and Latin America and within Asia itself reshape the global supply chains. Trade volumes shift towards emerging markets and the least developed countries take their first steps in the global market place. This type of shift affects development plans and capacity cycles as well as infrastructure developments.



The strategic importance of the Mediterranean is also increasing as a result of global geopolitical and geo-economic trends. The strategic future of the Mediterranean is now firmly linked to the development and security in the Black Sea, the Atlantic and Indian Oceans, as well to the development and security in the adjacent regions to the Mediterranean. In the Mediterranean, we should be ready to respond to the new challenges, resulting from these new realities.

The geographic area of the Union for the Mediterranean has a population of almost 790 million with a GDP expected to increase by more than 50% in 2030. In the Mediterranean region, 95% of international trade among coastal countries is transported via maritime routes. The remaining 5% consists of land transport flows concentrated near the Turkish Straits and Gibraltar. With regard to terrestrial commercial transport, the majority is by road, whereas rail transport, more common on the northern shore than on the southern one, remains minor. The maritime trade in the Mediterranean Sea takes place in 69 commercial ports of which 34 are in the European Union member countries. Even though the role of the Mediterranean as a maritime transport corridor continues, the Mediterranean ports have been put under growing pressure by international economic developments, fostering both integration and competition in the Mediterranean region. Ports in the Southern Mediterranean countries are catching up with the European ports in terms of capacity and logistic performance.

Over the next few decades, there will be a greater demand for mobility, transport and logistics as direct consequence of increasing Euro-Mediterranean trade and economic and social development. The region's investment needs for logistics and transport infrastructure, especially in the Southern rim, are very substantial and are likely to increase considerably. Here, the question of funding major infra-structure projects poses itself dominantly. As it's well known, there is a huge gap in the field of transport and logistics between the available financial resources and the costs of the projects proposed for implementation. Besides the commitments of the International Finance Institutions and the European Union, additional private sector participation is needed for the transport and logistics infrastructure projects in the Mediterranean.

The Euro-Med cooperation also called as Barcelona Process, developed by the European Union and the Mediterranean partners has been working for some years now on the identification of a rail, road and maritime network to improve the multimodal transport



system, including intermodal terminals and interconnections with ports and airports which covers the whole region. In the framework of this exercise, which has been carried out by the Euro-Med Transport Forum, a list of 17 priority infrastructure projects had been elaborated. Among those 17 projects, eight are related to ports and logistics infrastructure. The next step now is to find possible ways of investment and financing to concretize these projects.

The Union for the Mediterranean was created in 2008 by the 27 members of the EU and 16 Mediterranean countries, to give an impulse to the Barcelona Process, with the initiation of new regional and sub-regional projects which would have real relevance for those living in the Mediterranean region. The establishment of the Secretariat of the Union for the Mediterranean in 2010, as a technical arm of the UfM, comes at a critical time when the Mediterranean Region is facing new realities. The Secretariat was created as a new paradigm with a practical and institutional dimension to be instrumental in helping the countries to achieve their objectives and in upgrading the Euro-Mediterranean Partnership. The mandate of the Secretariat is to identify, process, promote and concretize regional, sub-regional and transnational projects in the Mediterranean, search for funding and for implementation partners for the UfM labeled projects in six priority areas; transport and infrastructure being one of them. At the Paris Summit of 2008, which was held to establish the Union for the Mediterranean, the development of motorways of the sea, including the connection of ports, throughout the entire Mediterranean basin, the creation of coastal motorways and the modernization of the trans-Maghreb rail link were declared as the priorities of the UfM.

The Secretariat which was officially created in March 2010 has been almost fully operational since January 2011. After this initial period, during which we worked on the basic documents for the Secretariat's functioning, our institution started to concentrate on its core mandate of identifying, processing and promoting and concretizing regional, sub-regional and transnational projects. After the adoption of our project guidelines in April, the secretariat is now ready to receive project proposals from countries, international or regional organizations, private sector and civil society. Briefly, a project proposal to be presented to the Secretariat must be presented and duly signed by its promoters; it must include sufficiently informative description of the main elements of the project ; and It must include a financial undertaking from the promoters to cover part of the initial development costs (preliminary feasibility study, market research etc.). The project guidelines which are simple and concise can be found at our website www.ufmsecretariat.org.



When working with projects, the Secretariat's objective is to deliver a tailor-made support and assistance to project promoters according to their priorities and strategic needs. We aim to facilitate the mobilization of resources and political support, provide coordination to save costs and time, and finally to enhance investment security. The Secretariat will serve as a platform for sharing experiences on modern financing and concession techniques for large infrastructure projects, donor coordination and the planning of sub-regional or cross-border projects. Enlargement of the scope of subsidies, securing financial and legal protection for the investors and seeking innovative sources are some of the possible solutions for attracting investments for the infrastructure projects. The Projects Funding Coordination and Business Development Division of the Secretariat is working on identification of appropriate tools and programs for tackling this matter with the aim of facilitating the implementation of projects in this field and creating a positive market image. The Secretariat is working in close cooperation with the European Commission and has established institutional relations with the European Investment Bank. Also we are in contact with various international finance institutions such as the World Bank, European development agencies and other international Funds in Europe, in the Gulf region and elsewhere. These are some of the tools of the Secretariat that among others aim to support the UfM-labeled projects. The Secretariat shall also make political engineering when necessary, to remove any obstacles or impediments.

Finally, I would like to express our willingness to work with all stakeholders to realize projects which would help to create a more integrated Mediterranean region. The Secretariat is ready to contribute with its expertise and resources in this common endeavor.

I would also like to express our happiness of collaborating with the European Investment Bank on our joint project "Creation of a Network of Euro-Mediterranean Logistical Platforms" (LOGISMED). I think that our submission of the above mentioned project to the Senior Officials of the UfM and this meeting coincides nicely and the project proposal in question proves to be a timely initiative.

Thank you.