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OUTCOME DOCUMENT 7TH UfM TRADE AND INVESTMENT FORUM BARCELONA, SPAIN, 10 DECEMBER 2025

*Navigating Disruption,
Building Integration:
Reshaping Trade and
Investment in the
UfM region*



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Navigating Disruption, Building Integration: Reshaping Trade and Investment in the UfM region



Global trade and investment are undergoing profound structural transformation. The convergence of geopolitical tensions, supply chain disruptions, regulatory fragmentation, technological acceleration, climate transition pressures, and financial volatility has created a persistent state of “polycrisis.” This environment signals not a temporary disruption but a systemic reconfiguration of global economic patterns.

Against this backdrop and coinciding with the 30th anniversary of the Barcelona Process and the adoption of a renewed Strategic Vision by the UfM Member States — the UfM Secretariat, in partnership with the German Development Cooperation, organized the 7th UfM Trade and Investment Forum on 10 December 2025 in Barcelona.

Acting upon the mandate of the UfM Ministers of Trade (Brussels, 19 March 2018), the Forum continues to serve as the flagship annual plat-

form to assess regional trade and investment trends, foster evidence-based dialogue, and mobilize coordinated regional responses.

The Forum convened over 120 participants, including policymakers, regional and international organizations, private sector actors, investment promotion agencies, chambers of commerce, financial institutions, academics, and business support institutions.

This edition focused on three interrelated themes:

1. Global Trade Disruption and its Repercussions in the UfM Region: How can the UfM region address challenges to maintaining supply chain continuity, managing price pressures, and keeping export competitiveness in an increasingly fragmented global trading environment?



Family picture.

2. Trade Integration in the UfM Region, exploring the cost of non-integration and other relevant trade topics highlighted by the UfM Progress Report on Regional Integration.
3. Promoting cross-border investment and bankable projects, particularly in sectors such as green energy, digital services, and sustainable production – Best practices by Investment Promotion Agencies in the UfM region and Regional Integration Frameworks. Facilitating mechanisms for viable investment projects in the Mediterranean region.

The Forum has yielded the following findings and recommendations:

I. Global Trade Disruption and its Repercussions in the UfM Region

Global disruption is structural rather than cyclical. The shift from “just-in-time” to “just-in-case” production models reflects a deeper transformation in global trade architecture, requiring Mediterranean economies to strengthen resilience, diversify partnerships, and reinforce regional value chains.

SMEs, as the backbone of Mediterranean economies, remain disproportionately exposed to volatility due to limited buffers and constrained access to diversified financing. Addressing this vulnerability requires targeted financial instruments, blended finance mechanisms, and improved governance of capital markets.

Sustainability is increasingly the new dimension of competitiveness. Environmental performance, supply chain transparency, and energy efficiency are no longer optional add-ons but strategic imperatives. In this regard, shortening and regionalizing value chains — particularly in green energy, digital infrastructure, and sustainable manufacturing — were identified as both climate-responsible and economically rational responses.

A recurring concern was the lack of harmonized and reliable regional data. Without stronger data integrity and comparable metrics, the region struggles to articulate a coherent investment narrative. Participants therefore called for the development of a regional data and transparency framework to strengthen evidence-based policy-making and investor confidence.

The Mediterranean’s unique geographic position as a bridge between Europe, Africa, and the Gulf was recognized as a strategic asset. To capital-

ize on this advantage, governments and private sector actors must adopt more agile governance models, enhance regulatory predictability, empower women and youth through skills development, and incentivize the formalization of informal economic activity to broaden participation in regional growth.

Key Findings

- SMEs remain the most exposed to global volatility due to limited buffers and constrained access to finance.
- Value chain vulnerabilities highlight the need for diversification and regional consolidation.
- Sustainability is increasingly perceived not as a regulatory burden but as a new dimension of competitiveness.
- There is insufficient reliable and harmonized regional data to tell a coherent Mediterranean investment story.
- Access to capital - especially diversified and innovation-oriented financing - remains a structural bottleneck.

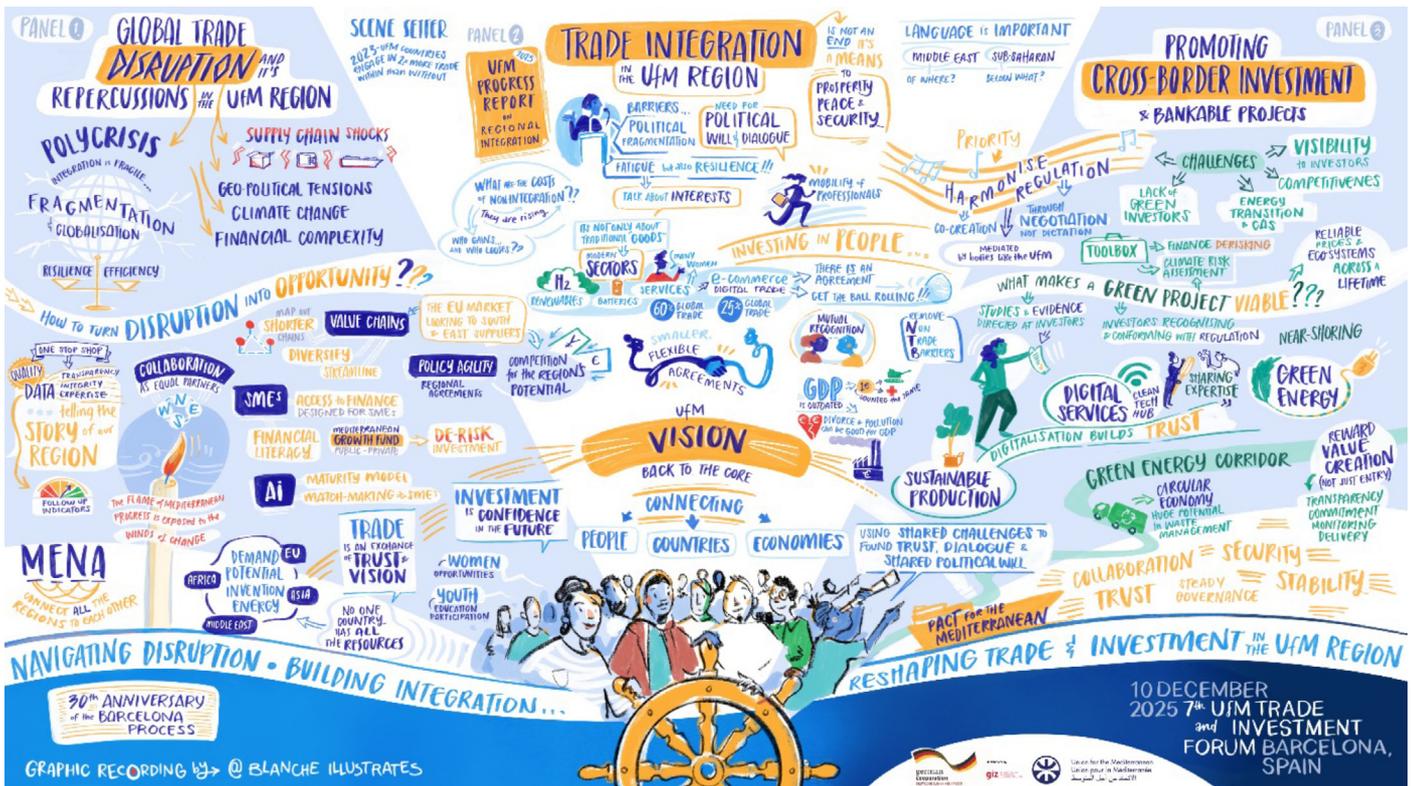
Recommendations

- Promote regional shortening and diversification of value chains, including in strategic sectors such as green energy, digital infrastructure, and sustainable manufacturing.
- Strengthen SME resilience through targeted financial instruments, blended finance, and improved governance of capital markets.
- Develop a regional data and transparency framework to support evidence-based policy design and investor confidence.
- Encourage agile business governance models and regulatory simplification to enhance adaptability.
- Empower women and youth through skills development and targeted inclusion strategies.
- Build trust through transparency and formalization incentives, particularly for informal economic actors.

The live scribing of the Forum provide a visual narrative of some of the main ideas brought into the discussion.

II. Trade Integration in the UfM Region: From Political Narrative to Economic Reality

Building on the findings of the 2nd UfM Progress Report on Regional Integration, participants underscored the substantial economic and social cost of non-integration. Fragmented standards,





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deduplicated regulations, non-tariff barriers, and cumbersome customs procedures continue to constrain trade, particularly for SMEs and youth-led enterprises.

There was broad agreement that regional integration must move beyond political declarations toward practical implementation. Regulatory harmonization, mutual recognition mechanisms, and digital trade facilitation were identified as priority areas. Modernizing customs procedures and reducing administrative burdens would significantly enhance intra-regional trade flows.

Trade agreements were also seen as requiring modernization to better incorporate services, digital trade, and updated regulatory standards.

Participants emphasized that integration should be approached pragmatically - advancing sectoral convergence where feasible and promoting flexible cooperation mechanisms even in the absence of fully harmonized frameworks.

Importantly, participants noted that the costs of non-integration extend beyond GDP losses. They include diminished employment quality, reduced competitiveness, persistent inequality, and missed opportunities for innovation. The development of methodologies to measure both the costs of non-integration and the broader benefits of integration was therefore recommended.

Investment in human capital, digital connectivity, and MSME modernization was recognized

as foundational to meaningful integration. Ultimately, participants reaffirmed that integration is not an end in itself but a strategic means to achieve stability, resilience, shared prosperity, and peace in the Mediterranean region.

Key Findings

- The Mediterranean region remains under-integrated in practice despite longstanding political commitments.
- Non-tariff barriers and cumbersome customs procedures significantly constrain SME participation in trade.
- Trade agreements must evolve to incorporate services, digital trade, and regulatory convergence.
- The cost of non-integration extends beyond GDP losses to include employment quality, inequality, and lost innovation potential.
- Sectoral convergence in future-oriented sectors remains largely untapped.

- Promote coordinated regional approaches instead of fragmented or competing national strategies.
- Invest in human capital and digital connectivity as foundational pillars of integration.

III. Cross-Border Investment and Bankability: From Ideas to Implementation

Despite strong investment potential in green energy, digital services, and sustainable industries, many projects in the Mediterranean struggle to reach bankability. Regulatory fragmentation, insufficient project preparation, grid capacity constraints, rising supply chain costs, and pricing uncertainty were cited as key obstacles.

Participants emphasized that improving bankability requires action at multiple stages of the project lifecycle. Strong project preparation facilities, national fact sheets for priority sectors, climate risk assessments, SDG investor mapping, and transparent revenue models were identified as essential tools to enhance predictability and investor confidence.

The role of development finance institutions in providing guarantees and blended finance instruments was highlighted as critical to de-risk investments and mobilize private capital. Coordinated regional de-risking mechanisms and stronger collaboration among investment promotion agencies were recommended to avoid uncoordinated competition among Southern Mediterranean economies.

Alignment of investment policies, predictable regulatory frameworks, and coherent sustainability criteria were seen as necessary to accelerate the green

transition while maintaining competitiveness. Participants also expressed interest in exploring regional mechanisms - including the possible establishment of a Mediterranean Green Investment Facility - to scale climate-resilient and inclusive investment flows.

Key Findings

- Investment flows remain below potential due to regulatory uncertainty, fragmented



Recommendations

- Accelerate regulatory harmonization and mutual recognition in priority sectors.
- Modernize customs procedures and trade facilitation systems, leveraging digitalization.
- Expand trade agreements to include services and digital trade provisions.
- Develop regional methodologies to measure both the costs of non-integration and the broader benefits of integration beyond GDP.

frameworks, and insufficient project preparation.

- Grid capacity constraints, rising supply chain costs, and pricing volatility affect green transition investments.
- Lack of reliable data and standardized sustainability criteria limits investor confidence.
- Smaller economies face challenges in visibility and long-term capital mobilization.
- Development finance guarantees and predictable cash-flow models are critical to de-risk projects.

Recommendations

- Enhance project preparation facilities and strengthen national fact sheets for priority sectors.

- Promote climate risk assessments, SDG investor mapping, and energy performance measures to increase transparency and predictability.
- Foster coordinated regional de-risking mechanisms, including blended finance and development finance guarantees.
- Align investment policies across Southern Mediterranean countries to avoid uncoordinated competition.
- Explore the feasibility of a Mediterranean Green Investment Facility to accelerate climate-resilient and inclusive projects.
- Strengthen collaboration between investment promotion agencies and regional institutions.





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