



EUROPEAN CLUSTER
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EU-South Med Cluster Collaboration

Input Paper on the Cluster Landscape and
Collaboration Opportunities in the Southern
Mediterranean Region

Part of the series “Input papers on 3rd countries”

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Executive Summary

This input paper presents the economic profile and the cluster landscape of seven selected countries in the Southern Mediterranean (South Med) — Algeria, Egypt, Jordan, Lebanon, Morocco, Palestine¹ and Tunisia, which participate in the EU-South Med Matchmaking.² Whenever the paper refers to South Med, these seven countries are included. This matchmaking event aims to foster collaboration between European clusters, SMEs and South Med Partners in selected key industries. These focus areas include green tech & renewable energy, smart cities & digital technologies, sustainable construction and communications.

Economic profile of the South Mediterranean region

- The seven South Med countries have a combined population of 240.6 million and a total GDP of €916.6 billion as of 2022. Egypt is the largest economy with a GDP of €452.8 billion in 2022, followed by Algeria (€214.3 billion) and Morocco (€124.4 billion). Together, these three countries account for 86% of the region's total GDP.
- The region witnessed strong economic growth over the last 20 years, which translated to a GDP that doubled in size between 2000 and 2022.
- Economic performance varies significantly among South Med countries. Egypt led in average economic growth from 2000-2022, achieving 4.4% annual growth, followed by Jordan (4.1%) and Morocco (3.7%). In terms of GDP per capita (PPP) in 2022, Egypt also ranked highest with 16,600 EUR, followed by Algeria (€15,000) and Tunisia (€12,900).

EU27 economic ties with the South Mediterranean region

- The most important trading partner for the EU in the South Med region is Morocco with a total trade volume of €60.8 billion, followed by Algeria (€54 billion), Egypt (€33.8 billion), and Tunisia (€32.1 billion). These four countries account for 94% of the region's total trade with the EU.
- The trade structure between the South Med countries and the EU is mostly focused on natural resources, manufactured goods and agri-food.
- Morocco is the most targeted South Med market by EU cluster organisations. Spain is the EU country that hosts the most cluster organisations that are targeting South Med countries, followed by France and Italy.

Cluster Landscape and Policy in the South Mediterranean region

- A diverse range of economic sectors is addressed by cluster organisations, spanning from raw material production to manufacturing and services. Tunisia, Morocco, and Egypt stand out for having the highest numbers of clusters across a diverse set of sectors including key areas like Agri-food, ICT and Green Tech.

¹ This analysis does not take the current conflict and the latest developments in Palestine into account.

² Organised in cooperation with the "Euromed Cluster Forward" initiative funded by DG MENA. For more details, see <https://anima.coop/en/our-projects/euromed-clusters-forward/>.



- ICT, Agri-food, and Energy/Green Tech are the most prominent cluster sectors across the region, aligning well with the EU's strategic focus on digital transformation and clean industry.
- Three distinct cluster profiles emerge: (1) diversified cluster ecosystems (Tunisia, Morocco), (2) agri-food plus high-tech sectors (Algeria, Egypt, Lebanon) and (3) ICT-focused landscapes (Jordan, Palestine).

Outlook: Potential for future EU – South Med cluster collaboration

- The South Med region offers strong potential for EU collaboration in Green Tech, Smart Cities, Sustainable Construction, and Communications, with well-established cluster activity in ICT and Renewable Energy.
- Tunisia, Morocco, and Egypt emerge as key partners for future cluster cooperation, thanks to their sectoral diversity, economic size, and alignment with EU industrial ecosystems. Smaller cluster landscapes offer opportunities for collaboration in specific sectors.
- Existing EU trade agreements, policy instruments, and ECCP support services provide a solid framework to deepen cluster ties and foster innovation partnerships across the region.



01

Economic Profile of the South Mediterranean region



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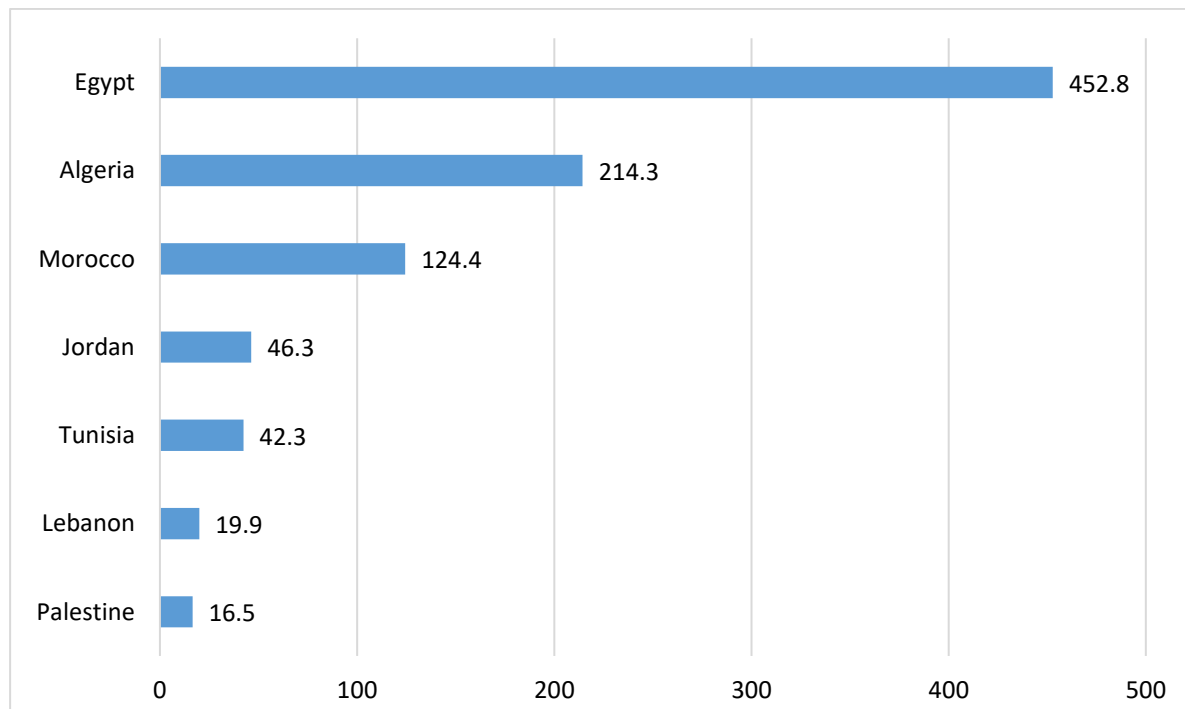


1. Economic Profile of the South Mediterranean Region

This section offers an overview of the economy of seven selected South Mediterranean (South Med) countries—Egypt, Morocco, Algeria, Jordan, Lebanon, Palestine and Tunisia. The analysis is based on secondary data sources, such as the World Bank and the United Nations, to ensure consistent and comparable insights across countries.

The seven selected South Med countries exhibit a population of 240.6 million people⁴ in 2023 and represent a **combined GDP of approximately €916.6 billion as of 2022**.⁶ As shown in Figure 1, the economic size of South Med countries is very heterogeneous, with Egypt accounting for the biggest share of the regional GDP with €452.8 billion. This is followed by Algeria (€214.3 billion) and Morocco (€124.4 billion). These three economies account for 86% of the total GDP of the selected seven South Med economies.

Figure 1: GDP of South Med countries in 2022, values in billion EUR



Source: ECCP (2025), own elaboration based on the [World Bank](#). Note: USD has been converted to EUR based on [ECB](#) data.

To assess the economic performance of the region over time, Figure 2 shows the GDP in constant 2015 billion EUR for the South Med economies. The South Med economy as a whole witnessed **strong economic growth** over the last 20 years, which translated to a GDP that doubled in size between 2000 and 2022. When examining the countries individually, strong differences can be found in terms of economic performance. The economy of Egypt

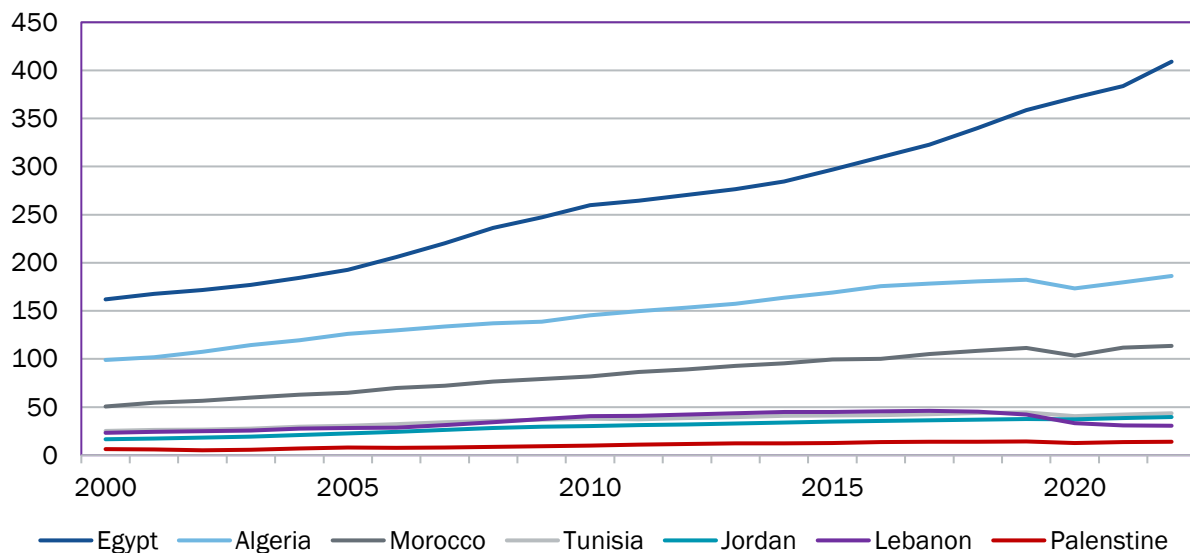
⁴ World Bank (2025): [Population, total](#) (last access 14.05.2025).

⁶ World Bank (2025): [GDP \(current US\\$\)](#) (last access 16.05.2025).



witnessed the strongest economic growth and nearly tripled in the last 20 years, while other economies like Lebanon had a more stagnant growth performance.

Figure 2: GDP in constant 2015 billion EUR in the selected South Med countries, 2000-2022



Source: ECCP (2025), own elaborations based on the [World Bank](#). Note: USD has been converted to EUR based on [ECB](#) data.

In terms of economic growth and **GDP per capita**, economic development among the South Med economies is rather heterogeneous, as shown in Table 1. Regarding economic growth, Egypt had the highest average growth from 2000 onwards, with 4.4%. This is followed by Jordan (4.1%) and Morocco (3.7%), all being above the South Med average of 3.3%. In terms of GDP per capita PPP (per capita income adjusted for price level), Egypt has the highest per capita value with €16,600. This is followed by Algeria (€15,000) and Tunisia (€12,900), while the South Med average stands at €13,700.

Table 1: Economic Growth and GDP per capita in the selected South Med countries

Country	Growth in 2000-2022, in %	GDP per capita 2022 PPP, in EUR
Algeria	3.0	15,000
Egypt	4.4	16,600
Jordan	4.1	9,400
Lebanon	1.5	11,700
Morocco	3.7	8,800
State of Palestine	3.4	5,900
Tunisia	2.7	12,900
South Med	3.3	13,700

Source: ECCP (2025), own elaboration based on the World Bank data for [GDP growth annual](#) & [GDP per capita, PPP](#).



02

EU27 Economic Ties with the Southern Mediterranean Region



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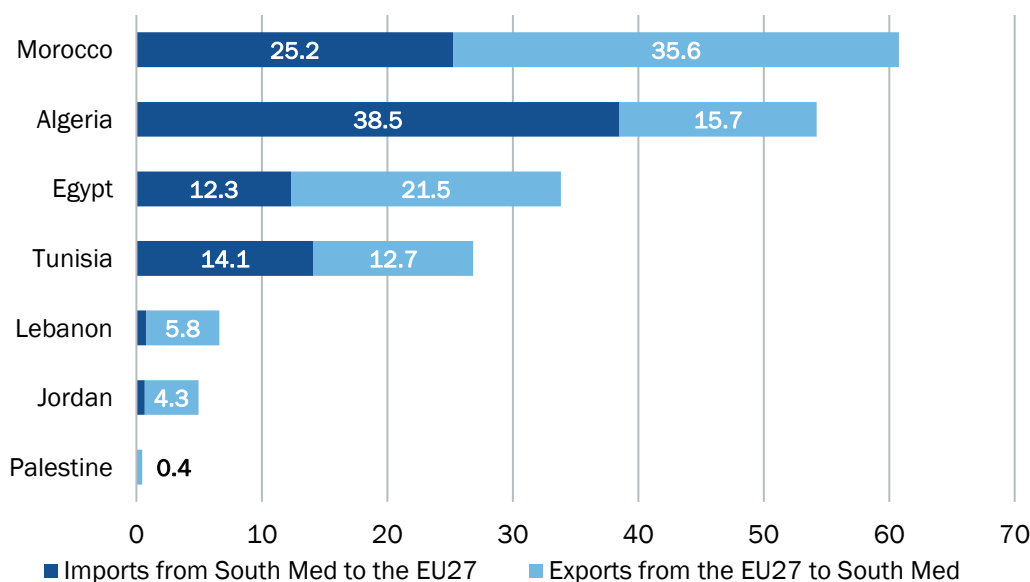


2. EU27 Economic Ties with the Southern Mediterranean Region

This chapter focuses on outlining important economic ties between the EU27 and the South Med region. Thereby, the most relevant trading partners of the South Med countries from the EU27 will be shown as well as the key sectors & commodities that dominate the trade flows between the mentioned regions. To gain insights into the trade flows between the EU27 Member States and the South Med countries, the UN Comtrade database is used as a key source of information. After this, important trade agreements between the EU and the South Med region will be reviewed. Finally, the interest of EU cluster organisations in the South Med market will be analysed based on ECCP data that gives information about the selected target market of registered cluster organisations.

As a comparative overview, the following Figure 3 shows the **trade volumes between the selected South Med countries and the EU27 by imports and exports**. The total imports from the South Med region to the EU account for €91.6 billion, while the exports from the EU to the South Med region account for €96.1 billion. The largest trade volume is found in the trade relations between the EU and Morocco, which amounts to €60.8 billion. Algeria follows behind with an EU total trade volume of €54 billion. The total trade volume between the EU and Egypt amounts to around €33.8 billion, while it is €26.8 billion for Tunisia. The top four countries mentioned here account for 94% of the total traded volume between the EU27 and the South Med region.

Figure 3: Trade volume between the selected South Med countries and the EU27 in 2023, by imports and exports, values in billion EUR



Source: ECCP (2025), own elaboration based on UN Comtrade data. Note: USD has been converted to EUR based on [ECB](#) data.



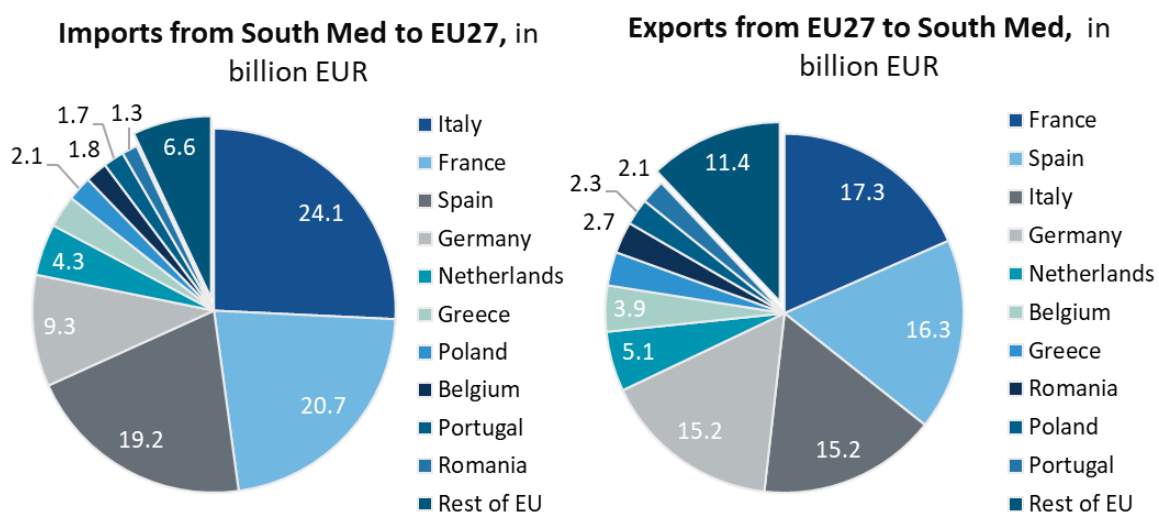
Over the past few decades, the South Med region has taken steps to open up its economy and integrate itself into the global economy by adopting trade liberalisation and free trade agreements.⁷ The EU remains the most significant trading partner for the selected South Med countries and accounts for roughly half of the South Med exports.⁸

In the following sub-chapter, the most important trading partners as well as traded goods and commodities are examined by each of the selected South Med countries.

2.1 EU27 and the South Med: Analysis of Business & Value Chains

Figure 4 illustrates the **ten most important EU27 trading partners** for the selected South Med countries by imports to the EU27 and exports from the EU27 in 2023. On the side of the imports from South Med to the EU27, the majority of imports can be linked to Italy (€24.1 billion), France (€20.7 billion) and Spain (€19.2 billion). Together, these three countries represent more than 60% of all imports from the South Med region to the EU27. On the export side, France (€17.3 billion), Spain (€16.3 billion) and Italy (€15.2 billion) are also the most relevant trading partners for the South Med region and account for nearly 50% of the EU27 exports to the region.

Figure 4: 10 most important EU27 trading partners for the South Med region, by imports to EU27 and exports from the EU27 in 2023, values in billion EUR



Source: ECCP (2025). Own elaboration based on UN Comtrade data. Note: USD has been converted to EUR based on [ECB](#) data.

To further analyse the trade flow between the EU and the South Med region, Figure 5 illustrates the traded goods by imports from South Med to EU27 and exports from the EU27 to South Med in 2023. Key findings that emerge

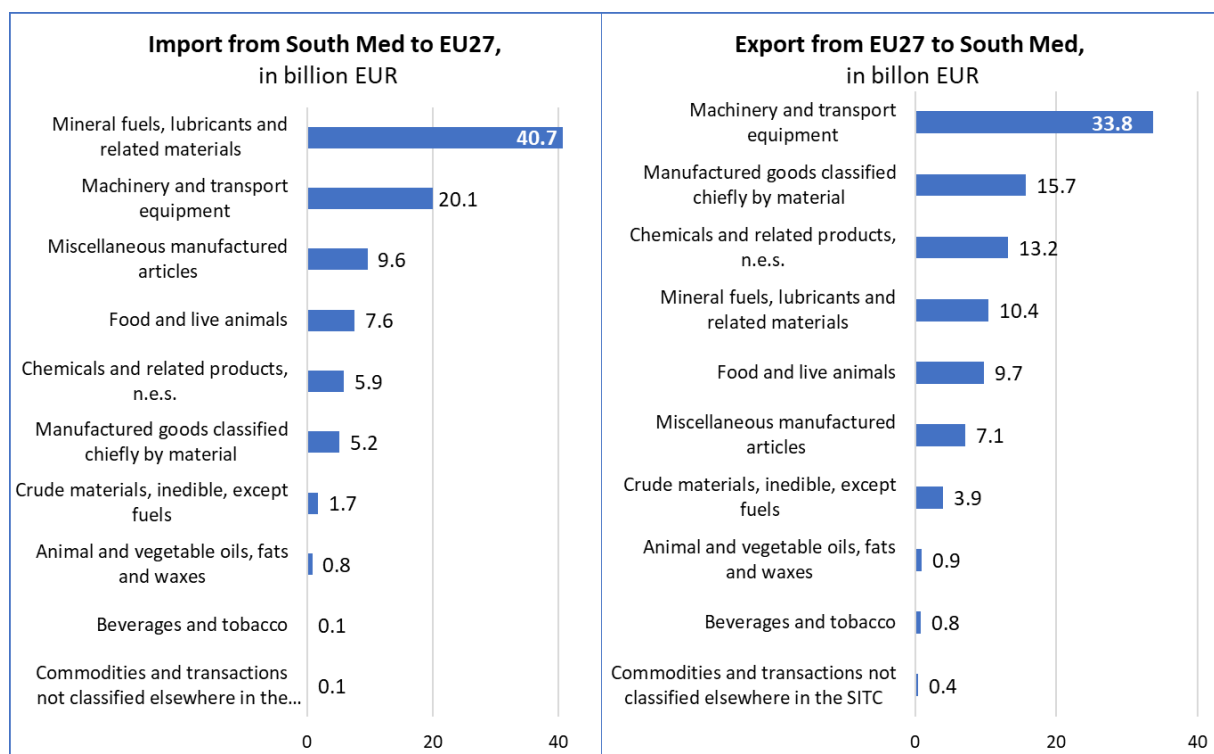
⁷ ILO (2022): Trade, investment and employment in the Southern Mediterranean Countries. Available online https://south.euneighbours.eu/wp-content/uploads/2022/08/wcms_848757.pdf (last access 16.05.2025).

⁸ *ibid.*



from this analysis are that **mineral fuels** account for 44% of all imports from South Med to the EU27 Member States. This highlights the importance of the **Energy Intensive Industries** industrial ecosystem for the South Med economies and their economic ties with Europe.⁹ Next to this, the trade of **machinery and transport equipment** accounts for 22% of total imports of the EU from South Med, which points to the relevance of the **Mobility-Transport-Automotive** industrial ecosystem. This is followed by manufactured goods that account for 10% of EU imports. Value chains linked to the **Agri-food industrial ecosystem** account for 8% of EU imports. On the export side, more than 50% of the EU exports to the South Med region can be assigned to machinery and transport equipment and to manufactured goods. This is followed by chemical products, mineral fuels and food and live animals. This showcases that the export side covers the same industrial ecosystems as the imports.

Figure 5: Overview of traded goods between the EU27 & the South Med region, by imports to EU27 and exports from the EU27 in 2023, values in billion EUR



Source: ECCP (2025), own elaboration based on UN Comtrade data. Note: USD has been converted to EUR based on ECB data.

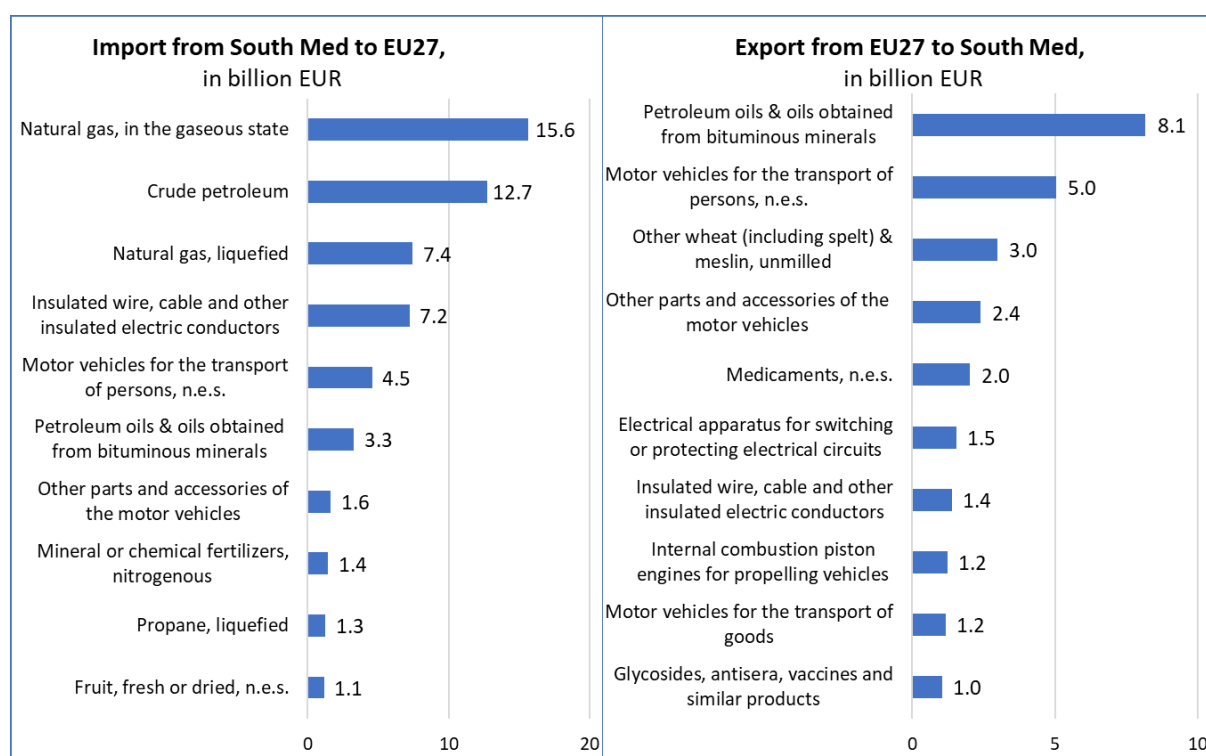
Moving on to a more granular analysis of traded commodities, Figure 6 below shows the ten most important commodities traded between the EU27 & the South Med by import to and export from the EU27 in 2023. This figure demonstrates that the most important commodities imported from the South Med region to the EU are natural gas and crude petroleum. The commodities motor vehicles for the transport of persons as well as other parts and accessories of the motor vehicles, can be linked to the **Mobility-Transport-Automotive** industrial

⁹ The concept of the EU Industrial ecosystem has been introduced as part of the “A new industrial strategy for Europe” of the European Commission to provide an analytical tool which is not related to a fixed nomenclature. For more information on the Industrial ecosystems see https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/europe-fit-digital-age/european-industrial-strategy_en (last access 15.05.2025).



ecosystems and once again highlight the ecosystem's importance for the EU South Med trade. The most exported commodities from the EU to the South Med region are petroleum oil (30%), which shows that the **Energy Intensive Industries** industrial ecosystem in the South Med region is equally important for EU exporters. In addition, three of the top ten commodities can be linked to the **Mobility-Transport-Automotive** industrial ecosystem. Furthermore, the **Health** ecosystem is represented in the most exported commodities by medicaments as well as by glycosides, antisera, vaccines and similar products.

Figure 6: 10 most important commodities traded between the EU27 & the South Med region, by imports to EU27 & exports from EU27 in 2023, values in billion EUR



Source: ECCP (2025), own elaboration based on UN Comtrade data. Note: USD has been converted to EUR based on ECB data.

2.2 Trade Agreements between the EU and the South Med

The trade agreements between the European Union and the South Med countries represent a complex and evolving tapestry of economic and political engagements. Through initiatives like the **Euro-Mediterranean Partnership** and the **European Neighbourhood Policy**, the EU has pursued a long-term vision to enhance integration, promote trade, and strengthen cooperation across the region, paving the way for a potential Euro-Mediterranean Free Trade Area. However, this vision is complicated by persistent political tensions and the volatile geopolitical landscape, which present significant challenges to achieving seamless integration and collaboration.

The Euro-Mediterranean Partnership, commonly known as the Barcelona Process, was initiated in 1995, has been a cornerstone in fostering economic integration and political cooperation between the European Union and the Southern and Eastern Mediterranean countries, part of the broader MENA region. This ambitious initiative seeks to create a seamless Euro-Mediterranean Free Trade Area, supported by a network of Association Agreements



with several South Med countries, including Morocco, Tunisia, Egypt, Algeria, Jordan, Lebanon and Palestine¹⁰. The European Neighbourhood Policy (ENP), launched in 2004, further strengthens this relationship by offering enhanced trade access, investment promotion, sectoral cooperation across energy, digital, and climate sectors, and technical and financial assistance through the NDICI – Global Europe initiative. The ENP is a bilateral cooperation framework designed to bring the EU and its southern neighbours closer together.¹¹ Deep and Comprehensive Free Trade Areas (DCFTAs) represent an evolution of trade agreements, aiming not just at tariff elimination but also at the inclusion of services, investments, public procurement, and regulatory convergence. Negotiations on DCFTAs are at various stages, with Tunisia actively negotiating, while talks with Morocco are currently stalled. Jordan and Egypt are potential candidates, though formal negotiations have yet to commence.¹²

Taking a look at the individual countries and their relationship to the EU allows us to trace their differing approaches and identify specific opportunities:

- **Morocco** stands out as having the most advanced trade partnership with the EU. Under an Association Agreement in force since 2000, Morocco enjoys fully liberalised trade in industrial goods and has further augmented its agricultural and fisheries trade through additional agreements. Although DCFTA negotiations started in 2013 to deepen these ties, they have faced delays due to domestic concerns. Morocco is also a part of the Agadir Agreement, aimed at enhancing regional trade facilitation through diagonal cumulation.¹³
- **Tunisia**, on the other hand, exhibits strong trade integration with the EU, with an Association Agreement effective since 1998. The country's trade in industrial goods is liberalised, with ongoing efforts to extend this to other sectors like agri-food. DCFTA negotiations, which began in 2015, are anticipated to broaden trade to services, procurement, and intellectual property.¹⁴ Tunisia significantly benefits from EU support through the Neighbourhood Policy and ENI funds.
- **Egypt** maintains a comprehensive trade relationship with the EU, governed by an Association Agreement in force since 2004, supplemented by a 2010 addendum liberalising agricultural trade. Egypt's involvement in the Agadir Agreement further bolsters its integration with both South-South and EU partners.¹⁵

¹⁰ European Commission's Directorate-General for Trade and Economic Security (2025): Southern Neighbourhood. Available online: https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/southern-neighbourhood_en (last access 15.05.2025).

¹¹ Eu External Action (2021): European Neighbourhood Policy. Available online: https://www.eeas.europa.eu/eeas/european-neighbourhood-policy_en (retrieved on 12.05.2025).

¹² European Commission's Directorate-General for Trade and Economic Security (2025): Negotiations and agreements https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/negotiations-and-agreements_en (last access 13.05.2025).

¹³ European Commission's Directorate-General for Trade and Economic Security (2025): Morocco. Available online: https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/morocco_en (last access 13.05.2025)

¹⁴ European Commission's Directorate-General for Trade and Economic Security (2025): Tunisia. Available online: https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/tunisia_en (last access 14.05.2025).

¹⁵ European Commission's Directorate-General for Trade and Economic Security (2025). Egypt. Available online: https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/egypt_en (last access 13.05.2025).



- Meanwhile, **Jordan**, with its 1997 Association Agreement enforced since 2002, has liberalised trade in industrial goods and established provisions for services and public procurement. The simplification of rules of origin in 2016 has been pivotal in boosting Jordanian exports to the EU, accompanied by active engagement in EU-funded trade facilitation programs.¹⁶
- **Algeria** presents a more complex picture, with an Association Agreement since 2005 that has seen limited progress toward trade liberalisation due to its economic model and regulatory hurdles. The country remains heavily reliant on hydrocarbon exports to the EU, constraining deeper engagement.¹⁷
- **Lebanon's** trade partnership with the EU, guided by an Association Agreement effective since 2006, remains modest but structured. The agreement promotes gradual trade liberalisation and enhanced regulatory cooperation. Yet, political and economic instability pose significant challenges to strengthening these ties.¹⁸
- Lastly, **Palestine** operates under an Interim Association Agreement from 1997, offering duty-free access to the EU market for most industrial products and considerable agricultural concessions. Despite serious political challenges, the EU continues to support Palestine through the European Neighbourhood Policy and bilateral cooperation programs aimed at enhancing trade capacity and infrastructure.¹⁹

In summary, the EU's trade agreements with South Med countries demonstrate varying levels of integration and cooperation. While some countries like Morocco and Tunisia have forged strong ties with the EU, others face challenges due to political, economic, or structural constraints. Nevertheless, the overarching goal remains to foster economic integration and political cooperation across the Euro-Mediterranean region.

2.3 EU27 Cluster Organisations targeting South Med markets

In the complex landscape of EU-South Med trade relations, certain countries stand out as particularly relevant for the **EU27 cluster organisations**. Among the South Med countries, Morocco stands out as the **most targeted market** by EU cluster organisations (Figure 7). This reflects its strong economic ties with the European Union, as shown in Figure 3, with Morocco being the EU's largest trading partner in the South Med region. Morocco even features prominently within the Top 15 target markets of EU cluster organisations, underscoring the importance of these countries in the broader Euro-Mediterranean economic framework. Egypt, Tunisia, and Algeria follow, also appearing as important targets for EU cluster organisations.

¹⁶ European Commission's Directorate-General for Trade and Economic Security (2025): Jordan. Available online: https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/jordan_en (last access 13.05.2025).

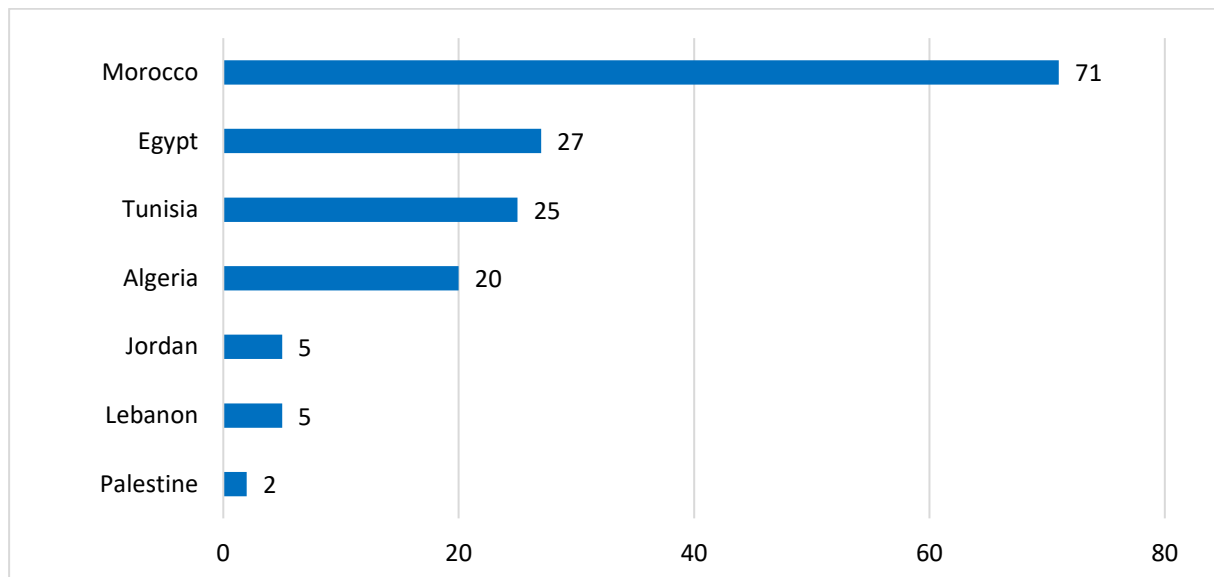
¹⁷ European Commission's Directorate-General for Trade and Economic Security (2025): Algeria. Available online: https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/algeria_en (last access 12.05.2025).

¹⁸ European Commission's Directorate-General for Trade and Economic Security (2025): Lebanon. Available online: https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/lebanon_en (last access 13.05.2025).

¹⁹ European Commission's Directorate-General for Trade and Economic Security (2025): Palestine. Available online: https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/palestine_en (last access 14.05.2025).



Figure 7: The South Med region as target markets for EU cluster organisations



Source: ECCP (2025), own elaboration based on ECCP. Data was retrieved from the ECCP on 14.05.2025.

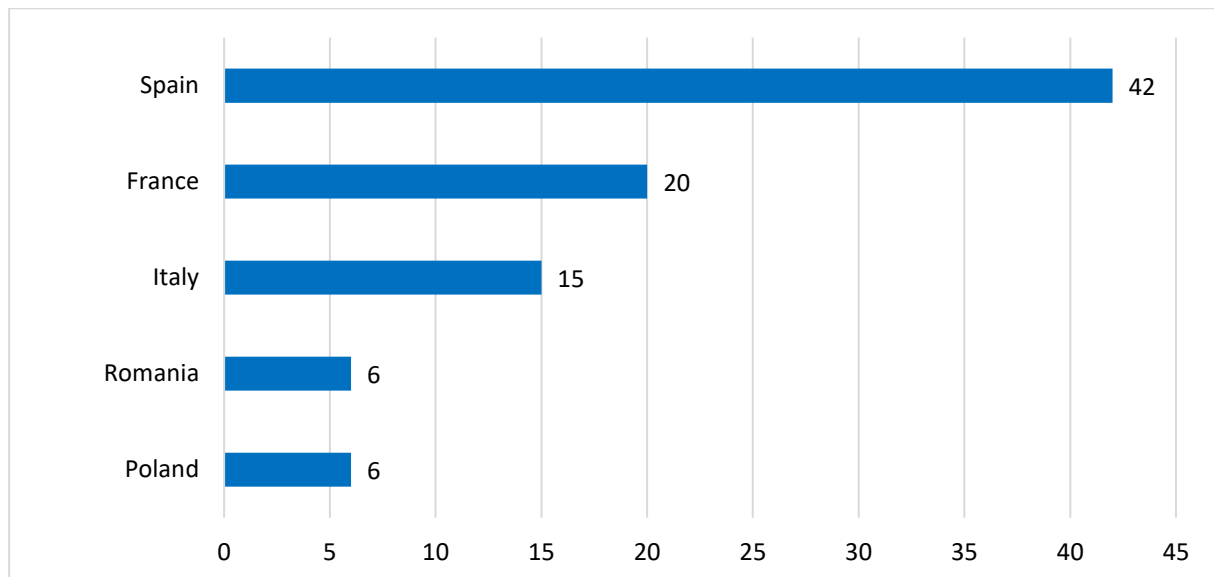
This pattern aligns with their trade volumes with the EU, reflecting the economic connections between these countries and the European markets.

The geographic origins of the cluster organisations focusing on the South Med markets reveal a **pattern of concentrated interest from certain EU27 Member States**. As can be seen in Figure 8, most cluster organisations that target countries in the South Med region are from Spain, with 42 registered cluster organisations. This outsized interest can be attributed to Spain's historical links and its proximity to North Africa, fostering a long-standing relationship of economic exchanges. France follows this, with 20 and Italy, with 15 cluster organisations. As it has been shown in Figure 4, the economic interest between Spain, France and Italy and the South Med region is also reflected in their trade relationship with these three countries being the EU's biggest importers and exporters from and to the South Med region.

In contrast, other countries like Romania, Poland, while contributing to the cluster efforts, do so to a lesser extent, largely due to less direct geographic proximity and historical ties with the South Med region. Nonetheless, their involvement helps broaden the EU's collaborative reach and influence, showcasing a unified European interest in the region's economic development and integration.



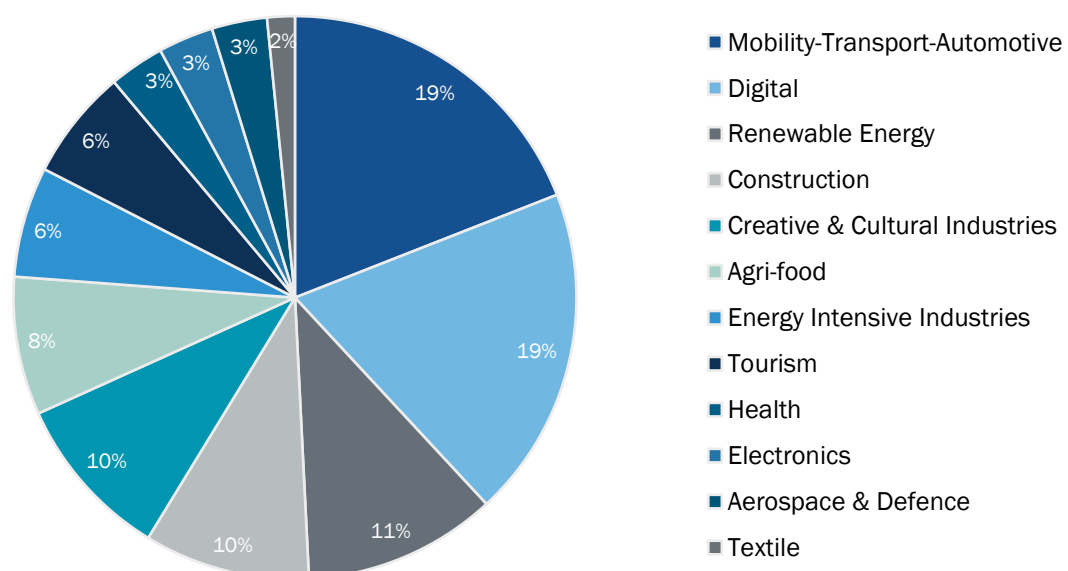
Figure 8: Top 5 EU countries in which cluster organisations show interest in the South Med region as a target market



Source: ECCP (2025), own elaboration based on ECCP. Data was retrieved from the ECCP on 14.05.2025.

Figure 9 further showcases the **Industrial Ecosystems** to which the EU Cluster organisations can be aligned to that are targeting the South Med region market. Mobility-Transport-Automotive and Digital stand out as the most prominent industrial ecosystems; together, they represent nearly 40% of the EU cluster organisations that target the South Med market.

Figure 9: Industrial ecosystems of EU cluster organisations that target the South Med markets



Source: ECCP (2025), own elaboration based on ECCP. Data was retrieved from the ECCP on 14.05.2025.

This further underlines the economic ties between the EU and the South Med market in the **Mobility-Transport-Automotive ecosystem**, as previously seen by the trade flows between the regions. The **Digital industrial**



ecosystem represents the interest of EU cluster organisations in the growing ICT sector in the South Med region. Especially the e-commerce sector has increased strongly in the South Med region in recent years and shows the region's strong potential in the digital economy.²⁰ The industrial ecosystems of Renewable Energy, Construction and Creative & Cultural Industries follow this. The wide range of ecosystems from EU cluster organisations that target the South Med speaks to the diverse economic opportunities between South Med countries and the EU.

Overall, the strategic targeting of the selected South Med countries by EU27 cluster organisations highlights the potential for deeper economic integration and the mutual benefits of leveraging collective strengths in fostering trade relations, especially in EU27 Member States where cultural and geographical ties with the South Med region are present.

²⁰ ILO (2022): Trade, investment and employment in the Southern Mediterranean Countries. Available online https://south.euneighbours.eu/wp-content/uploads/2022/08/wcms_848757.pdf (last access 16.05.2025)

03

Cluster Landscape and Policy in the Southern Mediterranean Region



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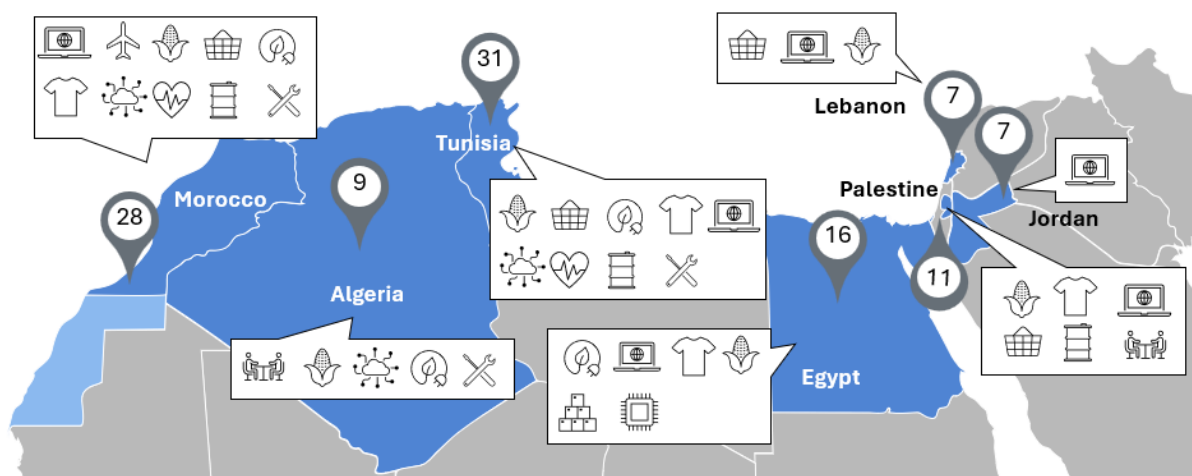
3. Cluster Landscape and Policy in the Southern Mediterranean Region

This section elaborates on the cluster landscapes of the selected South Med countries. The number of clusters, their respective locations, and their sectoral focus will be examined, relying on the available information. In doing so, the analysis aims to highlight the key sectors represented in each country, the distribution of cluster organisations within the region, and the extent to which these clusters align with broader economic profiles.

3.1 Cluster Landscape of the South Med

Among the seven countries considered in this paper, **Tunisia has the highest number of cluster organisations** in the South Med region, with 31 (see Figure 10). Tunisia is closely followed by Morocco, with 28 cluster organisations. Egypt, on its side, ranks third with 16 cluster organisations, and Palestine²¹ ranks fourth, with 11 cluster organisations. Lebanon and Jordan both count seven cluster organisations.

Figure 10: Number of cluster organisations in selected South Med countries



Source: ECCP (2025), own elaboration based on the data provided by ANIMA.

Figure 11 presents the different sectors addressed by cluster organisations in the selected South Med countries and the number of cluster organisations that develop activities related to those sectors. The sectors are spread across the three main economic areas and cover activities related to the production of raw materials, manufacturing and services.

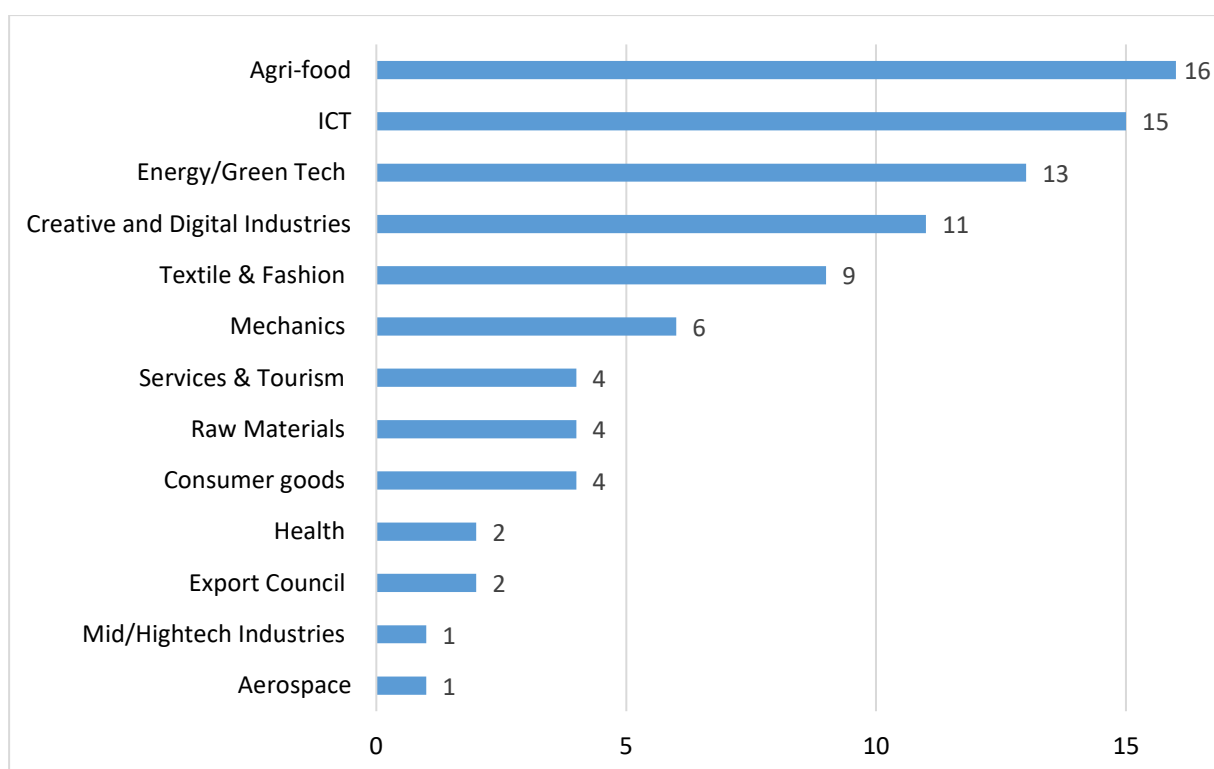
- The most relevant sector addressed by cluster organisations in the South Med region is **Agri-food**, as 16 cluster organisations take part in activities related to this environment. Tunisia stands out as the country with the most clusters (6) participating in this sector, followed by Morocco, which has three.

²¹ This analysis does not take the current conflict and the latest developments in Palestine into account.



- The second most relevant sector is **ICT**, which has 15 clusters of organisations. This reflects the importance of the ICT sector for the region and also aligns with the selected focus area of the matchmaking event in Smart Cities and Digital Technology, as well as in Communications (Communication Equipment & Services, Data Communications and Telecommunications Services, Digital Transformation Solutions, ICT Services). The number of cluster organisations that are part of this sector is very evenly distributed among Egypt, Jordan, Lebanon, Morocco, Palestine and Tunisia.
- The third most relevant sector is **Energy/Green Tech**, which comprises 13 organisations, six of them from Morocco. These organisations strongly align with the event's focus on Green Tech and Renewable Energy and showcase the economic potential of the sector for the region.

Figure 11: Number of cluster organisations from the South Med region by sector



Source: ECCP (2025), own elaboration based on the data provided by ANIMA.

Other relevant sectors are Creative and Digital Industries (11) and Textile and Fashion (9), where Tunisia stands out as a relevant country, with seven and three cluster organisations being part of those sectors, respectively. As the countries with the most cluster organisations in the region, Morocco and Tunisia play a first-row role in most of the remaining sectors. For example, the two countries have a strong presence in the cluster landscapes of Mechanics, Health, Raw Materials and Aerospace.

The whole picture can be summarised by stating that the region forms a diverse cluster landscape, with cluster organisations playing a role in highly innovative sectors, such as Green Tech, as well as more traditional ones, such as agri-food.



3.2 Top Sectors by the selected South Med countries

The following paragraphs will provide an overview of the number of sectors in the different countries, as well as each country's most relevant sectors. Table 2 in the Annex shows the number of cluster organisations by sector in each country. Thus, **Morocco and Tunisia**, which have the highest number of cluster organisations (28 and 31, respectively), are also the countries with the **highest sector diversity**. Moroccan clusters participate in ten different sectors out of the 14, while Tunisia is active in nine. In both cases, the landscape is very varied, however, the priorities are different: Morocco places high importance on Energy/Green Tech, with six clusters participating in that sector. At the same time, ICT and Agri-food also remain important, with three clusters, each being part of those sectors. Tunisia, on the other hand, places more importance on Creative and digital industries, with seven cluster organisations being crucial for the Smart Cities and Digital Technologies focus area. At the same time, Tunisia puts more weight than Morocco on Agri-food with six cluster organisations. Additionally, the sectors Mechanics and Textile & Fashion also play a relevant role, each with three cluster organisations.

In **Palestine and Egypt**, cluster organisations are present in six sectors each. For Palestine, the most relevant sector is ICT, as three clusters take part in it. Otherwise, the rest of the cluster landscape is less concentrated. By contrast, Egypt's most relevant sectors are consolidated in ICT (3), Textile & Fashion (3) and Energy/Green Tech (3). On its side, **Algeria's** clusters are part of five different sectors, being Creative & digital industries (3), Energy/Green Tech (2) and Agri-food (2), the three most relevant ones. **Lebanon**, with three different sectors, reflects Agri-food as the most relevant one, with two cluster organisations participating in that sector. ICT (1) and Consumer goods (1) are also relevant for Lebanon. Lastly, **Jordan** counts three clusters in ICT and is thus one of the countries that contributes more to the focus areas of Communications and Smart Cities and Digital Technologies.

All in all, it can be concluded that countries with a higher number of cluster organisations have a higher sector variety. Additionally, countries with a lower number of cluster organisations have a higher proportion in technologically leading sectors, such as Jordan, where six out of the nine cluster organisations belong to Creative & digital industries, Energy/Green Tech, ICT or Mechanics sectors. Another example in this line is Algeria, with six out of nine cluster organisations belonging to these sectors.

In conclusion, the countries' cluster landscapes can be characterised as belonging to three groups. The **first group** is formed between Tunisia and Morocco, as they share a very similar sector pattern and diversity. Additionally, Tunisia's and Morocco's clusters participate in the same sectors, except for Aerospace, which plays a role in Morocco but not in Tunisia. Thus, this group can be characterised by its sector diversity and cluster organisations quantity, which contribute to the four focus areas. A **second group** is formed by Algeria, Egypt and Lebanon. These countries share a high relevance of Agri-food combined with solid performance and clusters belonging to technologically leading sectors such as Energy/Green Tech, Creative Digital Industries or ICT. Therefore, the focus areas Green Tech and Renewable Energy, Smart Cities and Digital Technologies, as well as Communications, are addressed by this second group. Finally, a **third group** can be recognised in the two remaining countries, Jordan and Palestine. They represent strongly ICT-focused cluster landscapes playing into the focus areas of Communications and Smart Cities and Digital Technologies.

Summing up, the three groups could be characterised as follows:

- **Diversified, broad Cluster Landscape:** Tunisia and Morocco
- **Agri-food + Technologically leading sectors** Cluster Landscape: Algeria, Egypt and Lebanon
- **Combined ICT Focused Cluster Landscape:** Jordan and Palestine

04

Outlook: Potential for Cluster Collaboration between the EU and the Southern Mediterranean Region



4. Outlook: Potential for future cluster collaboration between the EU and the Southern Mediterranean Region

This input paper has examined the economic profile, relevant trade and business linkages, as well as the cluster landscapes of Egypt, Morocco, Tunisia, Lebanon, Algeria, Jordan, and Palestine. In this chapter, we summarise the key findings and explore the potential for further cluster collaboration between these South Med countries and the EU27 Member States.

Sectoral Collaboration Opportunities

The South Med region offers a **strong match with the focus areas of the EU-South Med Matchmaking event** — namely Green Tech & Renewable Energy, Smart Cities & Digital Technologies, Sustainable Construction, and Communications. Notably, the region hosts 13 cluster organisations in the Energy/Green Tech sector, with a strong presence in Morocco and Egypt. The ICT sector, highly relevant for Smart Cities and Communications, is represented by 15 cluster organisations spread across nearly all countries. In Tunisia, the Creative and Digital Industries sector is particularly vibrant, making it a promising partner for digital innovation. These sectoral strengths form a robust foundation for EU-South Med partnerships that can address global challenges through technology and sustainability.

Geographic Focus and Cluster Strength

Among the South Med countries, **Tunisia, Morocco and Egypt stand out as key regional partners**, offering diverse and mature cluster landscapes. Tunisia leads with 31 cluster organisations active across nine sectors, while Morocco follows closely with 28 clusters spanning ten sectors, including all four matchmaking focus areas. Egypt also plays a central role, particularly in ICT, Energy/Green Tech, and Textile & Fashion. Meanwhile, Jordan and Palestine, though smaller in cluster numbers, show concentrated strength in ICT, aligning well with Smart Cities and digital collaboration. These countries represent fertile ground for EU partners seeking complementary competencies and regional innovation hubs.

EU Cluster Engagement and Trade Synergies

European **cluster organisations have demonstrated growing interest in the South Med region**, with **Morocco emerging as the top target market**, followed by Egypt, Tunisia, and Algeria. Spain, France, and Italy — the EU's leading trade partners with South Med countries — also host the highest number of clusters engaged in the region. These links reflect strong trade ties, especially in mobility, energy, and digital technologies, which align directly with the industrial ecosystems represented at the matchmaking event. Strengthening these value chain connections through cluster cooperation presents a clear pathway for deepening EU-South Med economic integration and innovation-led growth.

Policy Frameworks and Future Potential

The EU's **long-standing trade and cooperation frameworks with South Med countries** — including Association Agreements, the European Neighbourhood Policy (ENP), and the Agadir Agreement — provide



an enabling policy environment for collaboration. Ongoing Deep and Comprehensive Free Trade Agreement (DCFTA) negotiations with Tunisia and Morocco further signal the region's integration potential. These frameworks, together with EU initiatives like Horizon Europe and the Global Gateway, support not only trade but also innovation, technology transfer, and cluster-to-cluster partnerships. Leveraging these tools can empower matchmaking participants to build sustainable, long-term collaborations in priority sectors.

Another relevant EU initiative is the **Euromed Cluster Forward (ECF)** initiative, funded by DG MENA and run by the investment network ANIMA.²² ECF's goal is to strengthen clusters and their members among the seven South Med countries to improve growth, economic diversification and sustainable development and employment. In this line, the latest published call "Cluster Business Connect" looks forward to developing a Euro-Mediterranean value chain and strengthening inter-cluster business and technology cooperation across the region by promoting inclusive innovation, encouraging cross-border business linkages and enhancing competitiveness of enterprises in the South Med region.²³

As a concluding remark, the different **services of the ECCP**, such as the [ECCP Mapping Tool](#) can be highlighted. This ECCP Mapping tool enables international users to find European cooperation partners and access a network of more than **1,200 cluster organisations in the EU27**.²⁴ These cluster organisations can be identified and directly contacted via the platform. For instance, a simple search allows to identify more than 70 cluster organisations in the industrial ecosystem Agri-food, around 120 cluster organisations in the industrial ecosystem Digital and around 40 cluster organisations in the industrial ecosystem Construction.

²² For more information see <https://anima.coop/en/our-projects/euromed-clusters-forward/> (last access 02.06.2025).

²³ For more information see <https://anima.coop/en/opportunity-cluster-business-connect-call-2025-euromed-clusters-forward-anima/> (last access 02.06.2025).

²⁴ see also ECCP (2024): The European Cluster Panorama Report 2024. Available online: https://www.clustercollaboration.eu/sites/default/files/document-store/Cluster_Panorama2024.pdf (last access 02.06.2025).



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Annex

Table 2: Number of cluster organisations in the selected South Med countries by sector

Sector/Country	Jordan	Lebanon	Algeria	Egypt	Palestine	Tunisia	Morocco
Aerospace	-	-	-	-	-	-	1
Agri-food	-	2	2	3	1	6	3
Consumer goods	-	1	-	-	1	1	1
Creative and digital industries	-	-	3	-	-	7	1
Energy/Green Tech	-	-	2	3	-	2	6
Export Council	-	-	-	2	-	-	-
Health	-	-	-	-	-	1	1
ICT	3	1	-	3	3	2	3
Mechanics	-	-	1	-	-	3	2
Mid/High Tech Industries	-	-	-	1	-	-	-
Raw Materials	-	-	-	-	1	2	1
Services & Tourism	-	-	1	-	1	-	-
Textile & Fashion	-	-	-	3	1	3	2
Others	4	3	-	2	3	4	7
Total	7	7	9	16	11	31	28

Source: ECCP (2025), own elaboration based on data provided by ANIMA.