

# Cluster landscapes and collaboration opportunities in the European Union and the Southern Mediterranean

**Dr. Jan-Philipp Kramer**

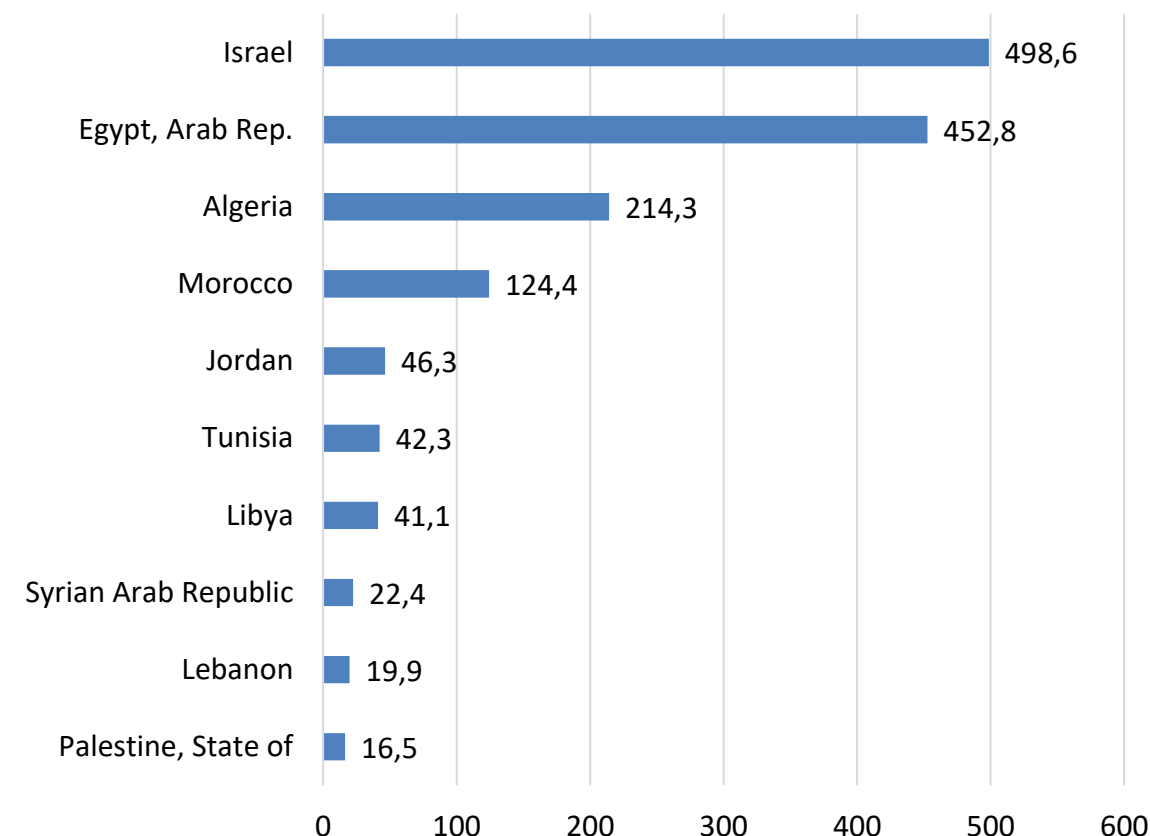
Team Leader 'Data & Policy', Prognos/ECCCP

# Economic profile of the Southern Mediterranean (South Med) region

## General characteristics of the economy:

- Israel is showcasing the highest **GDP in the South Med**, followed by Egypt
- In total, the region accounts for a GDP of **€1,478 billion**
- Most countries have a **GDP per capita** between 3,300€ and 5,700€ with Israel being a strong outlier (52,000€)
- **Diverse region** with different stages of economic development

GDP by country, bn. €

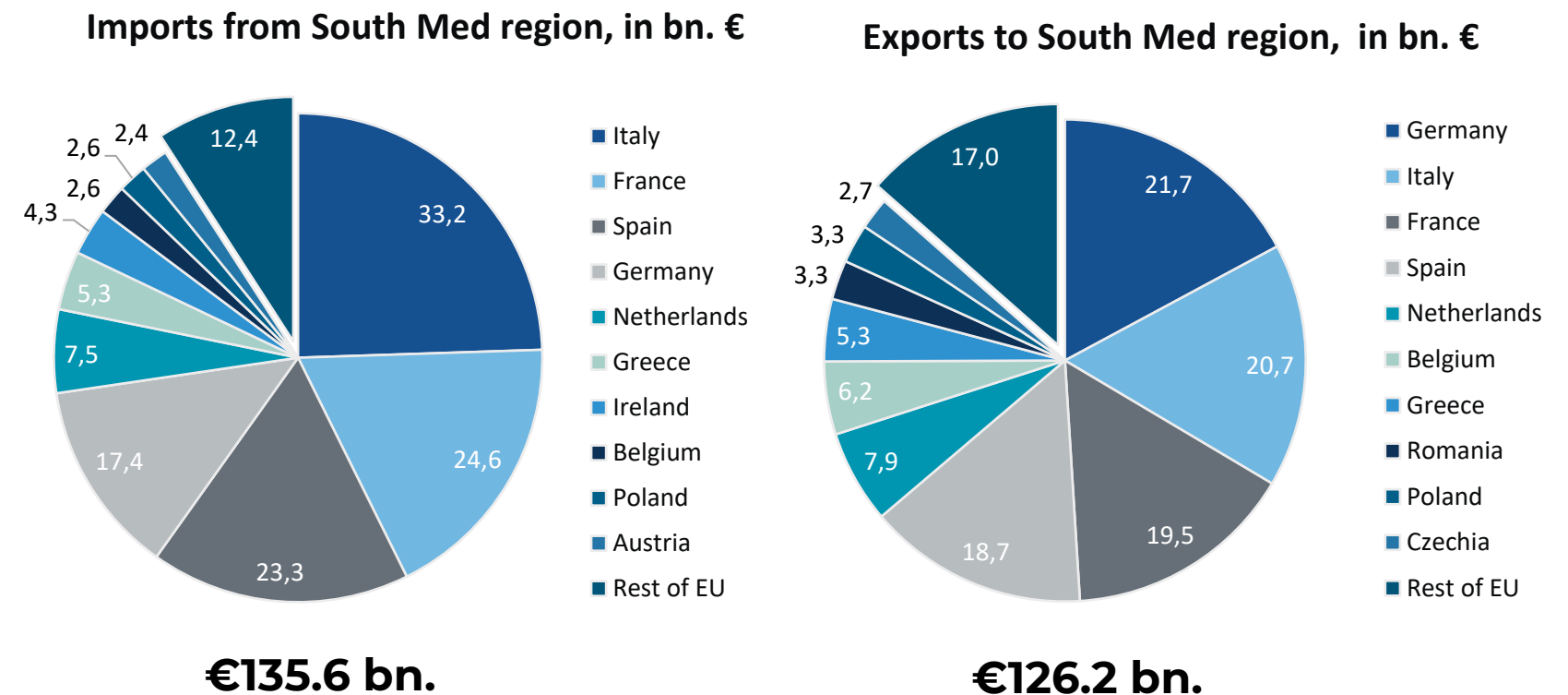


Source: ECCP (2025), own calculation based on World Bank.. Data exported on 09.05.2025. Note: The total GDP has been converted from USD to EUR based on the ECB conversion rates

# EU-South Med trade: Most relevant EU trading partners for the South Med region

- **Morocco:** EU's 21st **largest trade partner**, 1% of the EU's total trade in goods
- The EU is **Tunisia's largest trade partner**, 56% of its trade in 2023
- The EU is also **Egypt's biggest trading partner** (25% of Egypt's trade volume)

Top 10 EU27 trading partners for South Med countries, by imports from and exports to the South Med region, in bn. €

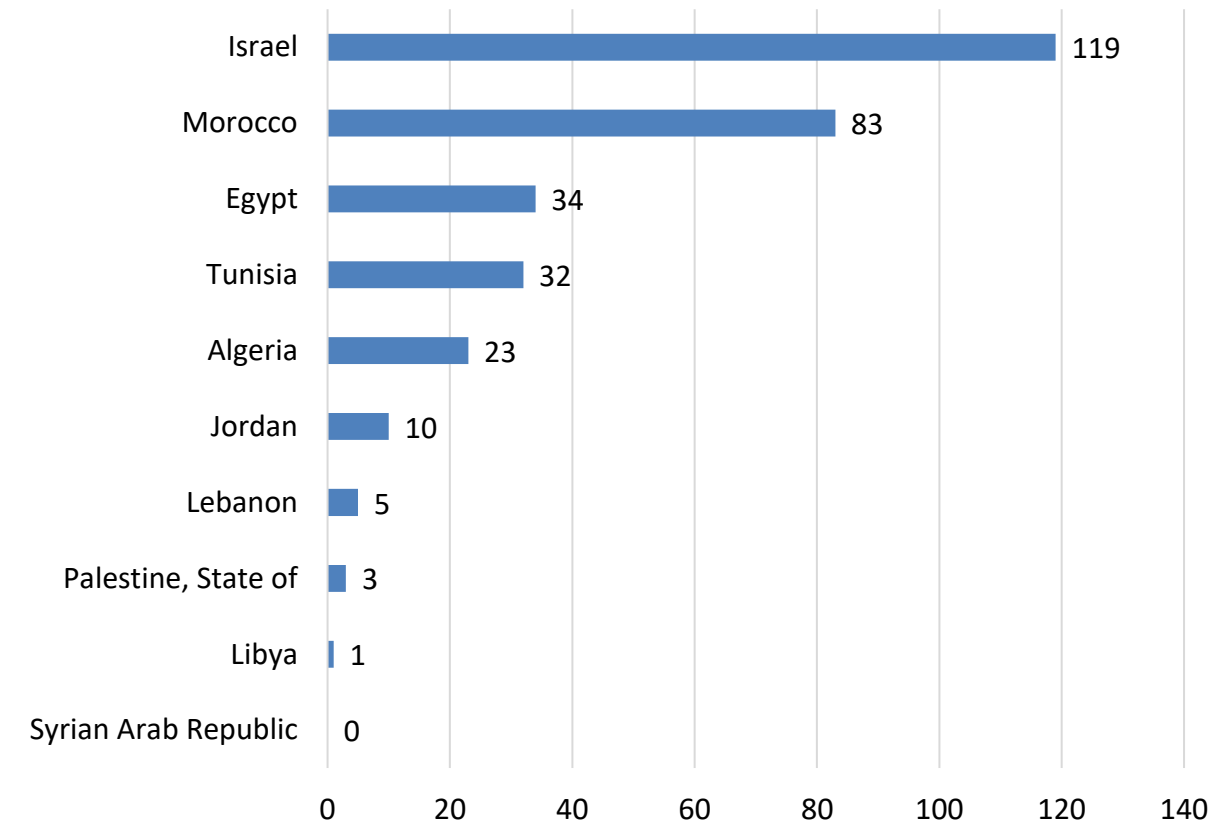


Source: ECCP (2025), own calculation based on UN Comtrade Database. Data exported on 07.05.2025

# Most relevant countries in the Southern Mediterranean for EU27 cluster organisations

- **Israel is the most popular target market** for EU27 cluster organisations in the southern Mediterranean region
- Both **Israel** (8) and **Morocco** (11) are among the **top 15 target markets** of EU cluster organisations
- Highlighting the **economic ties** and interests between the EU and the South Med

South Med as Target Markets of EU 27 Cluster Organisations

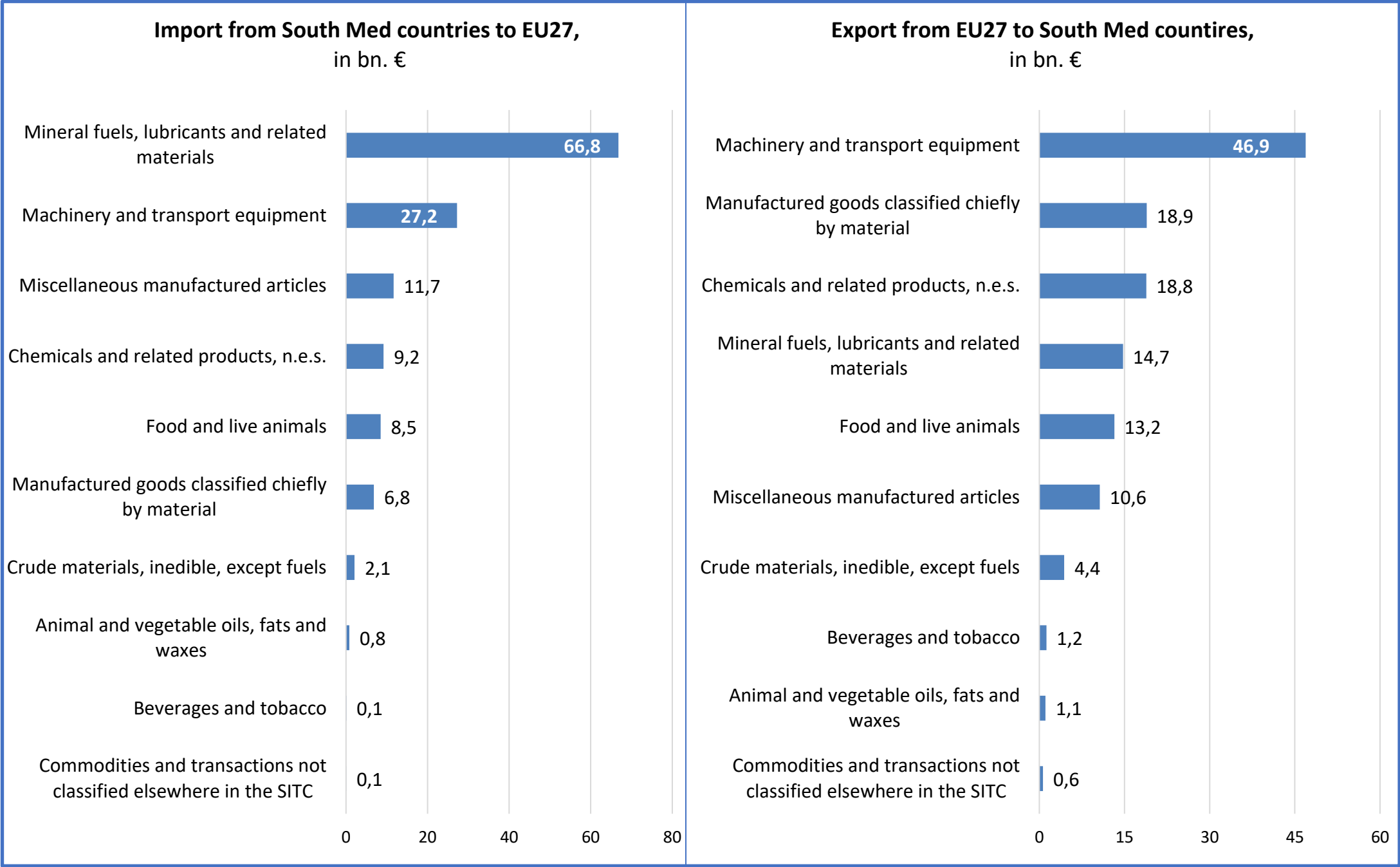


Source: ECCP (2025) own calculation based on ECCP data. Data exported on 07.05.2025

# Overview of traded goods between the EU27 & Southern Mediterranean, by imports to EU27 and exports from the EU27 in 2022, values in billion Euro

The **most significant sectors** in terms of trade volume between the EU and the South Med region include:

- Mineral fuels
- Machinery
- Chemical products
- Manufactured goods
- Food and live animals



# EU-South Med Trade: Agreements and National Trade Reforms

## EU Trade Agreements

1. **Euro-Mediterranean Partnership** aims for a shared free trade area
2. **EU has Association Agreements** with most South Med countries
3. **Agadir Agreement** supports South–South trade & EU integration
4. **European Neighbourhood Policy (ENP)** is a bilateral cooperation framework with the countries of the Southern Neighbourhood
5. **Deep and Comprehensive Free Trade Areas (DCFTAs)** are intended to go beyond tariff elimination

## South Med Countries Trade Liberalisation



**Morocco:** Liberalised industrial goods; advanced agricultural trade



**Tunisia:** Gradual goods liberalisation; key EU partner



**Egypt:** Agriculture trade expanded via 2010 agreement



**Jordan:** Covers services, procurement; active in EU trade programmes



**Algeria:** Trade liberalisation slower; challenges in implementation



**Lebanon:** Gradual goods liberalisation; customs and standards cooperation

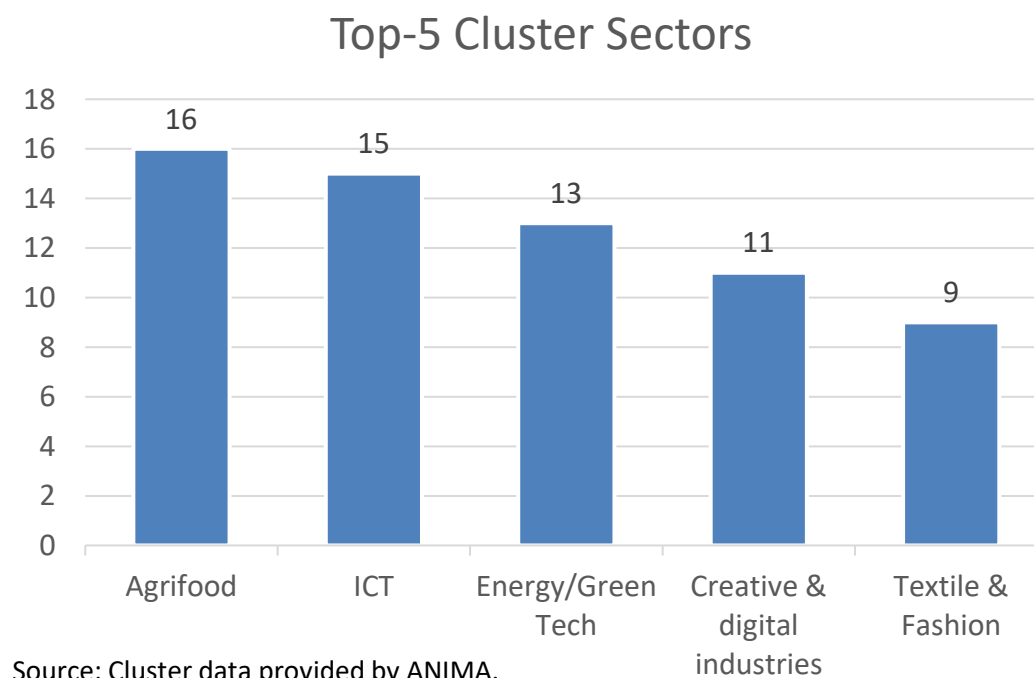


**Palestine:** Interim Trade Arrangement with preferential access

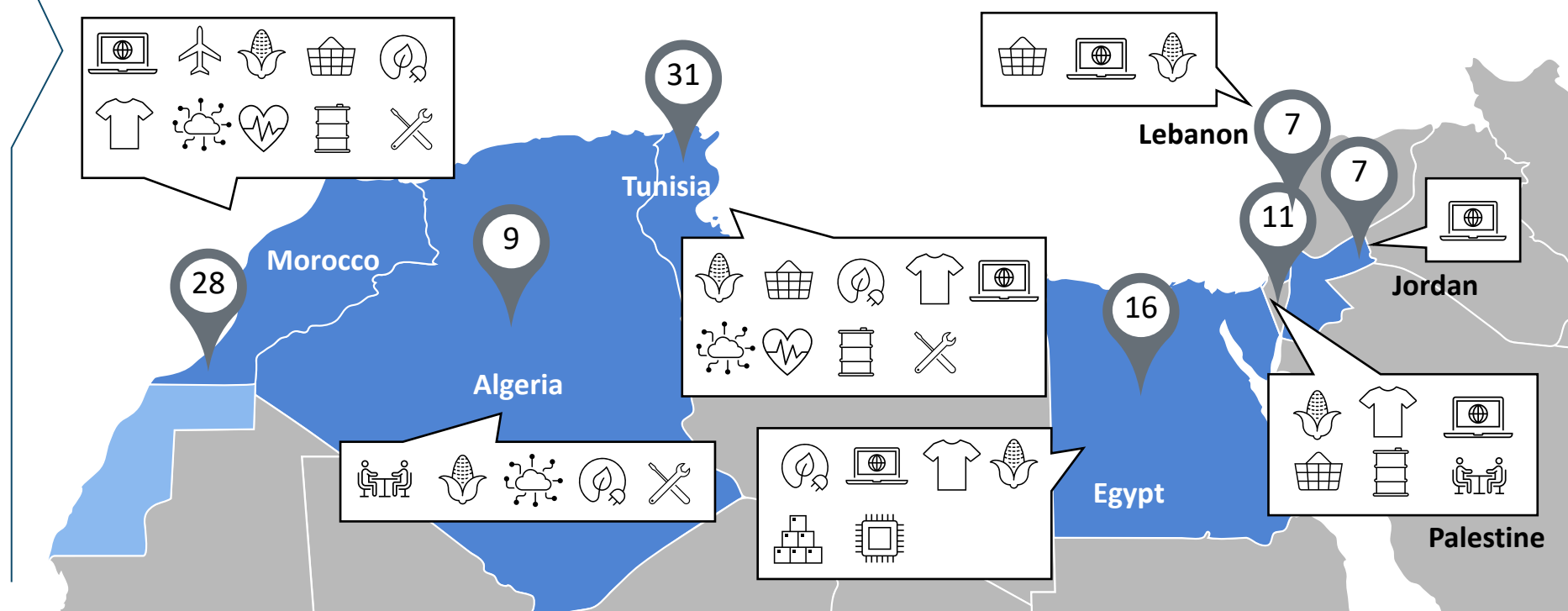


# The Southern Mediterranean Cluster Landscape

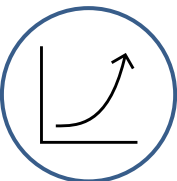
- The Southern Mediterranean hosts a **growing and diverse cluster landscape**
- Particularly in **sectors** like **textiles, agri-food, ICT and energy**
- **Tunisia, Morocco, and Egypt** stand out with the highest number of clusters



## Sectors addressed by cluster organisations



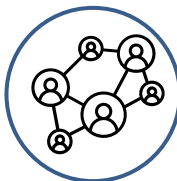
# Final Remarks



The region has a diverse economic landscape, translating into a total **GDP of €1,478 billion**, with Israel and Egypt having the highest GDP.



Key **traded goods & commodities** between the EU & South Med can be linked to several EU industrial ecosystems. Several Free Trade Agreements further enhance the trade and economic ties between the EU and the South Med.



The Southern Mediterranean has a diverse and growing **cluster landscape**, especially in textiles, agri-food, ICT, and energy, with Tunisia, Morocco, and Egypt leading in cluster numbers.





**THANK YOU**