News Release

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MENA region still suffers from infrastructure deficit

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Marrakech, Morocco, 27 October 2010 – The MENA region needs to overcome its infrastructure deficit if it is to boost its competitiveness and attract much-needed foreign investment, said government and business leaders in a panel at the World Economic Forum on the Middle East and North Africa taking place in Marrakech, Morocco from 26 to 28 October. The meeting convenes over 1,000 business, government, civil society and media leaders from 62 countries. The theme of the meeting is " Purpose, Resilience and Prosperity " .

Shamshad Akhtar, Regional Vice-President, Middle East and North Africa, World Bank, Washington DC, said that infrastructure deficits persist, despite many improvements in the last decade. " The region's infrastructure needs are between US$ 75 and 100 billion a year for the next five years, after experiencing an investment low of US$ 6 billion in mid-2009. "

" To attract the massive foreign capital it needs, the MENA region needs to boost its competitiveness by enhancing regional infrastructure, " said Carlos Ghosn, Chairman and Chief Executive Officer, Renault-Nissan Alliance (France and Japan), France; Co-Chair of the World Economic Forum on the Middle East and North Africa. " Good infrastructure is a necessary – though not sufficient – condition for investors to come in. "

Governments in the region are heeding the call to action, according to Karim Ghellab, Minister of Equipment and Transport of Morocco. " In the case of Morocco, we have multiplied investment in transport infrastructure by a factor of four in the last decade – spending 11 billion euros between 2008 and 2012. " Infrastructure is not just laying concrete, he added, high performance infrastructure requires world-class operations.

Abdul Malek Al Jaber, Board Member, Astra Holding, Jordan, agreed and included the ICT sector, which represents 14% of Jordan ' s GDP. " We need to find the right balance between hard infrastructure and human capital so as to best use the infrastructure we have, " he said, making an analogy to needing good hardware as well as good software.

José W. Fernandez, US Assistant Secretary of State for Economic, Energy and Business Affairs, emphasized the need for the public and private sectors to work together. " Government has a central, galvanizing role in developing infrastructure; while the amount of capital required means the private sector is essential. " The main thing that governments can do is to remove barriers to trade and free movement of goods and people, thus boosting intra-regional trade and integration, he noted.

" It should not be forgotten that there has been huge progress in improving infrastructure in the past decade, said Khalid Abdulla-Janahi, Honorary Chairman, Vision 3, United Arab Emirates; Regional Agenda Council on the Middle East & North Africa. Nevertheless, there is much more that needs to be done – especially in terms of cross-border projects that enhance transnational integration, he pointed out. Andrea Canino, President, Conseil de Coopération Economique, France agreed: " Rather than focus on the challenges and the failures, we need to showcase flagship projects which have been successful. "

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