

## **MENA@Risk 2010 - World Economic Forum Report Highlights Key Risks and Opportunities for MENA Countries**

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- Water scarcity, energy security and underinvestment in infrastructure are interconnected risks affecting development in MENA countries
- Regional opportunities in managing risks include investment prospects, lowering transaction costs and improving cooperation among stakeholders
- Regionally-focused institution-building aimed at increasing system resilience is a key to mitigating risks and grasping opportunities
- Download the report at: [http://www3.weforum.org/docs/ME10/WEF\\_ME10\\_RiskReport.pdf](http://www3.weforum.org/docs/ME10/WEF_ME10_RiskReport.pdf)

**Marrakech, Morocco, 26 October 2010** – The World Economic Forum today launched its report The Middle East and North Africa at Risk 2010, revealing that growth trends across the region are placing rising and competing demands on water, energy and infrastructure. The report was presented at the start of the World Economic Forum on the Middle East and North Africa, taking place in Marrakech, Morocco, from 26 to 28 October.

Together, the risks to water, energy and infrastructure have the potential to impede economic progress as well as heighten the danger of critical failures in essential services. The report, written in collaboration with Oliver Wyman, the management consulting arm of Marsh & McLennan Companies, discusses the trends and uncertainties that are driving the evolution of these risks and the resulting trade-offs involved in formulating response strategies.

“The Forum feels that the region’s business leaders master a high degree of understanding of the complexity of global risks today,” said Sherif El Diwany, Senior Director, Middle East, at the World Economic Forum. “Resilience is seen increasingly as a business strategy imperative for the Middle East and North Africa. Every region in the world must assume it is vulnerable one way or another to the global risks in this decade. The Middle East was to some degree spared during the recent crisis, but it is certainly time to think collectively how we can be more resilient to avoid a case where we would be reacting to another global crisis of a different nature and reach.”

“Population growth, resource shortages, and economic conditions in one country impact entire regions. Global leaders and decision-makers must support initiatives to improve global and regional risk resilience,” said Brian Duperreault, President and Chief Executive Officer of Marsh & McLennan Companies Inc. (MMC), and Co-Chair of the 2010 World Economic Forum on the Middle East and North Africa.

The report argues that more integrated water and energy management strategies within and between MENA countries are absolutely critical, given the limited resources that must be shared across sectors and geographic boundaries. Energy security is an increasingly urgent risk despite extensive fossil fuel reserves in some MENA countries. The region’s highly energy-intensive growth model is exacerbating the impact of resource depletion, limited conversion capacities and unbalanced regional distribution of fossil fuels. Increasing the price of energy and water across the region could help spur investment in more resilient distribution networks while creating incentives to reduce demand and increase efficiency; however, price increases create difficult trade-offs for economic and social development.

Underinvestment in infrastructure is a driver of the energy and water challenges as well as a chronic risk to growth. Regionally-focused infrastructure at greater scale and higher levels of quality would help mitigate these chronic risks and increase regional resilience to shocks. However, much-needed private sector participation in infrastructure projects is hampered by barriers in the legal and regulatory environments.

The Middle East and North Africa at Risk 2010 report will be a major part of the discussions at the meeting in Marrakech this week. The full report is available on the Forum’s website at [www.weforum.org/GlobalRisks](http://www.weforum.org/GlobalRisks)

#### **Notes to Editors:**

The Report will be available at [http://www3.weforum.org/docs/ME10/WEF\\_ME10\\_RiskReport.pdf](http://www3.weforum.org/docs/ME10/WEF_ME10_RiskReport.pdf)

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