



**Friends of  
the Earth  
MedNet**

Brussels, September 28, 2007

**Copied to:**

EU Presidency: Mr Manuel Pinho Minister for the Economy and Innovation  
Dr. Benita Ferrero Waldner, European Commissioner for External Relations.  
Mr. Peter Mandelson, European Commissioner for Trade.  
Mr. Stravos Dimas, European Commissioner for the Environment.  
Mr. Mustapha Mechaouri, Minister of Trade, Morocco.  
Mr El Hachemi Djaaboub, Minister of Commerce, Algeria.  
Mr. Rashid Mohamed Rashid, Minister of Foreign Trade and Industry, Egypt.  
Mr. Sami Haddad Minister of Economy and Trade, Lebanon.  
Mr. Salem Khazaaleh, Minister of Industry and trade, Jordan  
Dr. Amer Housni Lutfi, Minister of Economy and Trade, Syria.  
Mr. Yiorgos Lillikas, Minister for Commerce, Industry and Tourism, Cyprus.  
Mr. George Alogoskoufis, Minister of Economy and Finance, Greece.  
Mr. Joan Clos i Matheu, Minister of Industry, tourism and Commerce, Spain.  
Ms Christine Lagarde, Ministre déléguée au Commerce Extérieur, France.  
Ms. Emma Bonino, Minister for European Policy and International Trade, Italy.  
Dr. Michael Frendo, Minister for Foreign Affairs, Malta  
Mr. Hasham Ad Dabbas, Chair, Economic Committee, Euro-Mediterranean Parliamentary Assembly.  
Mr. Guy Giva, chair, Mediterranean Committee, International Federation of Agricultural Producers.  
Mr Jean Francois Courbe, co-ordinator, Euro-Mediterranean Trade Union Forum.  
Mrs Grażyna Ciemiak Chair, Ad Hoc Committee on Women's Rights, Euro-Mediterranean  
Parliamentary Assembly.

**Concerning: the negative impacts of free trade in the EuroMediterranean area**

Dear Minister Pinho,

I am writing to you on behalf of Friends of the Earth MedNet and the Mediterranean Information Office for Environment, Culture and Sustainable Development to draw your attention to our immediate concerns and proposals for the Euro-Mediterranean Partnership and the issue of trade liberalisation in the Mediterranean.

On the occasion of the 6<sup>th</sup> EuroMed Trade Ministerial conference in Lisbon on October 22, we call on you to act upon the conclusions and recommendations of the sustainability impact assessment of the Euro-Mediterranean Free Trade Area (SIA EMFTA) recently finalized by Manchester University on behalf of the European Commission. The study indicates adverse social and environmental impacts

will result from setting up the Free trade area in the Mediterranean by 2010, unless costly mitigation measures are taken.

Poverty levels throughout Mediterranean partner countries (MPCs) will be adversely affected in the short term. There will be job losses in all economic sectors in the south as domestic markets are opened up to imports from more competitive EU companies. Combine this with the fact that the EMFTA is expected to have a significant negative impact on tariff revenues, and the result is a large loss of government revenues leading to adverse effects on local health and education programmes unless mitigated by raising revenue from other sources (i.e. more taxation). This makes Euro Mediterranean free trade a very bitter pill to swallow for millions of Mediterranean citizens already living in poverty.

The economic welfare gain from the free trade area in MPCs is expected to lie in the range of -1% to +2% of GDP for industrial products and between zero and 0.5% for agriculture, equivalent in magnitude to about three or four month's normal economic growth at typical rates. Predicted economic welfare gain in the EU region is even less! In addition, agriculture in South Mediterranean EU countries will be negatively affected by free trade, resulting in job losses (including those of thousands of illegal African immigrants) and land abandonment. This will have knock-on effects on the precarious situation of migrant workers from MPCs who will lose their incomes and be forced to move to other EU regions in search of work. It will also reduce capital flow of migrant workers remittances back to their country of origin, a real lifeline for the poorest sectors of MPC populations.

Based on these forecasts one must seriously question the advisability of the present headlong rush towards full trade liberalisation by 2010. Under present arrangements, free trade will not bring noteworthy economic benefit to either side of the Mediterranean region. It will however, exacerbate environment problems where environmental stress is already high and make poor people poorer still. Add to this the loss of governmental financial resources to provide health and educational services to their citizens and you have the recipe for social upheaval.

In this context, we draw your attention to a key conclusion of the SIA EMFTA:  
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*In order for the EMFTA to make its full potential contribution to the sustainable development of the region, the Euro-Mediterranean Partnership itself needs to be re-invigorated and re-directed towards clearly defined economic, social and environmental goals for each of the partner countries and for the region as a whole. This reinforces a similar regional need arising from the challenges of addressing climate change, economic globalisation, regional migration and the Millennium Development Goals.*

The current approach, in our view will not deliver stability or prosperity to the region. A new approach is needed. We fully support the findings of the SIA EMFTA above, indicating a path which respects the individual characteristics of MPCs' economies and development needs, rooted in sustainable development, the achievement of the Millennium Development Goals, good governance and respect for the environment. The Mediterranean Strategy for Sustainable Development (MCSD), endorsed by the Barcelona summit 2005 provides a blueprint for this new way forward.

Therefore, Friends of the Earth MedNet and the Mediterranean Information Office for Environment, Culture and Sustainable Development advocate that Euromed Partners should halt Mediterranean trade liberalization negotiations. At the same time, the EU should recognize and guarantee Mediterranean governments' right and obligation to use policy tools including trade measures, that:

- develop fair and sustainable economies,
- protect and promote employment, social welfare, health and the environment
- guarantee public participation and the sustainable management of natural resources.

Finally, I would kindly request your written response to this letter at your earliest convenience, so as to share with us your response to our concerns outlined above.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Eugene Clancy'. The signature is written in a cursive style with a large, sweeping underline that loops back under the name.

Mr Eugene Clancy (on behalf of FoE MedNet and MIO-ECSDE)  
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Friends of the Earth Europe  
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