



U.S. CHAMBER OF COMMERCE
International Affairs

Mediterranean Digest

2017 Transatlantic Economic Forum

Economic reforms, energy and security cooperation, and increasing regional and transatlantic partnerships were the overarching themes of the 5th annual Transatlantic Economic Forum in Washington D.C., organized by the Center for Transatlantic Relations SAIS in partnership with the U.S. Chamber of Commerce.



With government officials, private sector- and media representatives from 15 countries, the three-day conference had a regional focus on the wider Mediterranean, the Western Balkans, MENA, and the Gulf countries, focusing in particular on defense and energy.

CTR-SAIS Senior Fellow and Director of the Mediterranean Basin, Middle East and Gulf Initiative, **Sasha Toperich** provided the opening statement, welcoming the audience and those watching around the world via livestream.

“This is the 5th Transatlantic Economic Forum, which CTR-SAIS hosts annually with the goal to bring the business and government leaders from the countries of the larger Mediterranean together in an ongoing effort to support stronger transatlantic ties and a more dynamic regional cooperation. I am pleased to say that this year we extended participation to the Gulf region and I welcome our friends **Omar Bahlaiwa** from Saudi Arabia and the **Bilal Sabouni** from the United Arab Emirates who are here with us,” **Toperich** said.

DAY 1

Click [here](#) to view all panels on Day 1.

“Further improving regional border security cooperation is key to prevent smuggling, human trafficking, and terrorist infiltration. These issues will dominate discussions in 2018, and we will address them during our Forum with a new series titled ‘Military and Security Cooperation: Safeguarding the Mediterranean.’ We are thrilled to have our Secretary of the Navy, the Honorable **Richard Spencer** address us later today,” said **Sasha Toperich**, CTR-SAIS Senior Fellow and Director of the Mediterranean Basin, Middle East, and Gulf Initiative.

Egypt

“In Egypt, significant efforts are being made to improve the business climate, with a 12 billion-dollar IMF loan, the closing of the black market, and the floating Egyptian pound, reforms in education, religion and other sectors while rebuilding from the damage done under Muslim Brotherhood-rule, reviving tourism while fighting terrorism, both domestic and imported,” said **Toperich**. “Egypt has challenges (like any country) particularly in regards to human rights, but we stay committed to working close together in support of President Sisi’s ‘new Egypt,’ which, if truly successful, will represent a source of great stability for the region, an important ally in the Israel-Palestinian peace process, and a country that can emerge as solid and prosperous democracy.”

Algeria

“In Algeria, where the new government was elected last spring, new Prime Minister Ahmed Ouyahia is committed to overhauling the country’s longstanding subsidy policy, launching Islamic banking to attract money from the informal market and from conservative Algerians, and set new tax policies with the goal to reduce reliance on oil and gas. As is the case with most oil-rich countries, economic diversification has been a key goal also for Algeria ever since global oil prices dropped. This is indeed vital and it would be very short-sighted – as oil prices continue rebounding – for Algeria to continue with the ‘same old.’ The government has to start investing in agriculture, fishing, manufacturing, petrochemicals, solar energy, to name a few,” **Toperich** noted.

The Center for Transatlantic Relations has published a French version of the book



“American people know very little about your young nation [Algeria] and we are happy to be part of changing this and building strong U.S.-Algeria understanding and relations,” Sasha Toperich, CTR-SAIS Senior Fellow and Director of the Mediterranean Basin, Middle East and Gulf Initiative.

Algeria and Transatlantic Relations, with the English publication expected early next year.

“This edited volume was created to further support Algeria – a country that went from being a colony, endured a civil war, socialism, and has had independence for the last 50 years,” **Toperich** explained.

“American people know very little about your young nation [Algeria] and we are happy to be part of changing this and building strong U.S.-Algeria understanding and relations. I would like to acknowledge our CTR Fellow from Algeria, **Samy Boukaila**, who is spearheading this process.”

North Africa

Toperich then turned to progress in the entire North Africa region, stating that while needed reforms are taking place, the pace is rather slow, provoking demonstrations and unsettling the already fragile regional politics.

“The bold and welcomed decision of the Moroccan King to remove several ministers due to a lack of development progress reflects the general wish to push forward with reforms to creating prosperity and stability. Stability that has been shaken by terrorist attacks in 2015 in Tunisia, a country we often refer to as the success story of the Arab Spring. Tunisia, thanks to international support and its own military, police, and secret service, has rebounded.

Even though recent events in the political and social transition in Tunisia have proven that this process is not easy, the country is moving in the right direction to establish itself as a true democracy – the recent decision to allow Muslim women to marry outside their religion, amending a law from 1973, is another testament to that,” **Toperich** said. “We will continue to support these democratic processes throughout the larger Mediterranean, social and economic reforms, economic diversification, and the building of stronger regional and transatlantic cooperation. Opportunities are plenty.”

The Western Balkans

“Our work in supporting the countries of the Western Balkans on their journey to join the EU and NATO will continue. We congratulate Montenegro for recently becoming the 29th NATO member. With accelerated accessions talks with the EU, Montenegro makes the Balkans proud. Congratulations to Macedonia as well, for finally getting a new government ready to push towards EU and NATO integration. Results of the recent local elections only sealed the commitment of the Macedonian people in support of Prime Minister **Zaev**’s government. And we are happy to have Deputy Prime Minister **Kocho Anghjusev** with us as we dedicate an entire panel to progress in Macedonia. We honor Prime Minister **Zaev** with our Mediterranean Leadership award, as a symbolic statement of our support for your country [Macedonia],” **Toperich** said, turning to security in the wider region.



Sasha Toperich, CTR-SAIS Senior Fellow and Director of the Mediterranean Basin, Middle East and Gulf Initiative.

“While all the countries of the larger Mediterranean (some more, some less) feel the pressure of illegal migration, for safety and security of the entire region and beyond, it is crucial to reach a political solution on the war in Syria, but also in Libya, where it seems, yet again, without stronger U.S. engagement, that the UN-led process continues to fail in reaching needed political solutions. I am pleased to welcome **Mustafa Sanalla**, Chairman of the National Oil Corporation of Libya, and **Anis Muhamed Elfesatwi**, NOC Board Affairs Manager,” **Toperich** added.

Turkey

“I would also mention the important role Turkey has, through the migration deal reached with the EU. While we do not see eye-to-eye on some important issues, the transatlantic relationship with Turkey is very important, and honest, continued dialogue is needed. That’s why we published a book, **Turkey and Transatlantic Relations**, on these pending issues, with suggestions from expert authors on how to solve the current problems and how to improve the relationship between Turkey and the U.S., Turkey and the EU, and between Turkey and its neighborhood and beyond. I hereby want to thank our colleague, CTR-SAIS Senior Fellow residing in Istanbul, **Aylin Ünver Noi**, for her leadership in this process. I am pleased to inform you that our Center, in partnership with ISPAT (Turkey’s investment promotion agency), will launch a new project to explore ways in which larger market space can be created, to include Turkey, now that TTIP is off the table,” **Toperich** explained.

Sasha Toperich concluded his remarks by thanking all CTR-SAIS colleagues and staff for their extraordinary effort and work in putting this forum together.

KEYNOTE SPEECH AMANDA BENNETT, VOA DIRECTOR

"In every single place without exception, I heard the same thing. The sense of the growing dysfunction, paralysis, and distrust of the media, and its pernicious effect [...] They felt that there was no longer any way to see into the things that were going wrong [...] to the political stasis, to the grip that corruption has on their societies. When the things that people are reading, and seeing and hearing (in the media), don't match the things that they see with their own eyes – that is a very, very, dangerous situation," said **Amanda Bennett**, VOA director.

"Even at the highest levels of government [...] they would talk about their concerns about this paralysis of the media – because in their view, a lack of a transparent media leads to a sense of impunity," **Bennett** said.

Bennett urged support for courageous journalists in the region who are trying to produce objective reports. She said VOA tries to partner with groups such as



the Balkans Investigative Reporting Network, because truth matters. "I think that we should all resist the concept that we are somehow living in a post-truth society. We should be staunch defenders of facts and knowledge, and the ability of a free press to transmit that knowledge to the people around the world." "I would like to say with certainty that facts and truth do matter and that the independent, neutral, and unpurchased ability to transmit facts and information across the world is critical to the success of governments and businesses. Without that, you get cynicism, impunity; a sense of despair and hopelessness. Underlying all of your work, all your missions, and all your efforts, is a free press," **Bennett** concluded.



Amanda Bennett, VOA director and Pulitzer-prize winning author, provided the keynote address, citing increased and widespread concern about the lack of free and independent media in the Western Balkans. During a recent visit to the region, she met with journalists, diplomats, officials, and students.



The registration table during this year's Transatlantic Economic Forum

"Underlying all of your work, all your missions, and all your efforts, is a free press," says Amanda Bennett, VOA director.

“DOING BUSINESS IN THE MAGHREB”



“In the first panel, we will discuss a region [the Maghreb] that is not very familiar to most Americans. It is a region with a rich culture that we ought to know more about, and entails a string of important countries. Each of the countries have distinct political, economic, and social personalities,” said Greg Lebedev, Senior Advisor to the U.S. Chamber of Commerce President, and Chairman of the Board of CIPE.

Greg Lebedev, Senior Advisor to the U.S. Chamber of Commerce and President and Chairman of the Board of CIPE, added to VOA Director **Bennett**’s remarks that the problem is even larger than a mere distrust in media institutions.

“Mistrust in the media is leading to mistrust in institutions, which is leading to a deterioration in society.”

“Egypt, for example, is the largest Arab community in the Middle East with 100 million people, a trillion-dollar economy, and probably the largest operationally effective military in the region, but it is still recovering from the Morsi regime, from the damage done by the Muslim Brotherhood while they were in power during that short period of time. El-Sisi and the new economic package has moved the country forward, and that is being noted.

“You have to trust all [of these] institutions at some point to increase social stability and prosperity. This is especially true for the business community, because we are the solution for much of what is going on – we are ultimately providing jobs and create outputs that are tangible, visible, and instructive for society as a whole,” notes Greg Lebedev, Senior Advisor to the U.S. Chamber of Commerce and President and Chairman of the Board of CIPE.



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Egypt is moving in the right direction,” **Lebedev** said. “When you look at Libya, you see a different story. It is the example of a destabilizing Western intervention. The oil-rich country is now burdened with two governments of a sort, ISIS outposts in Sirte, and the label of being a failed state. We are hopeful to receive some good news from that part of the world,” **Lebedev** explained.

Turning to its neighbor, **Lebedev** noted that “Tunisia is a splendid small country, hugely well-educated population [...] The immediate challenges are twofold: chronic unemployment, and a slow progress of economic reforms to satisfy the IMF. Two challenges to wrestle with.”

“In terms of land-mass, Algeria is the tenth-largest country in the world, with vast oil and gas resources but an unfortunate history of civil strife. Reconciliation is still ongoing, as is the recovery from the ‘bad addiction’ of socialism to a free-market environment. They are becoming a more vocal and important player in the region,” **Lebedev** said.



The audience at Kenney Auditorium during the 5th annual Transatlantic Economic Forum.

He concluded his opening remarks by praising “Morocco [as] the most balanced story in the region. The King has liberalized the economy – with the question remaining if it’s enough – but many of the macroeconomic indicators are very positive with growth heading in the right direction at a reasonable pace.

There was a political stalemate, but they have a new government and now all eyes are on the new leadership to see how they will move along the promising economic agenda.”

CTR Fellow **Tea Ivanovic** conducted an interview with **Greg Lebedev**, accessible [here](#).

Asmaa El Mkhentar from the Ministry of Industry, Trade, Investment and Digital Economy in Morocco, represented the country as an investment destination.

“Morocco’s prime objective is job creation and fighting poverty. The country is politically stable, with a focus on the judicial system and trust in its institutions. The geographic location at a crossroads of two continents makes it an attractive destination for FDI.”



Panelists (L-R): **Asmaa El Mkhentar**, Ministry of Industry, Trade, Investment and Digital Economy (Morocco); **Omar Mohanna**, Chairman, Suez Cement Group of Companies (Egypt); **Mustafa Sanalla**, Chairman, National Oil Corporation, (Libya); **Adel Mohsen Chaabane**, AmCham (Tunisia); and **Mahieddine Taleb**, Advisor to CEO, Sonatrach, (Algeria); moderator **Greg Lebedev**, Senior Advisor to the U.S. Chamber of Commerce President, and Chairman of the Board of CIPE.

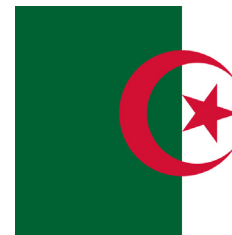
“Morocco’s industrial acceleration plan focuses on key industrial sectors like automotive, aerospace, textiles, and includes several international companies like Boeing. Morocco has a diversified FDI portfolio, and in terms of projects it is second only to South Africa in the African continent,” **El Mkhentar** said.



“Low geo-political risks, no restrictions on capital for non-residents, and investment protection agreements guaranteeing the protection of investors’ capital have made Morocco an attractive business climate. Free Trade Agreements (FTAs) with various partners give Morocco access to 1.3 billion consumers,” says Asmaa El Mkhentar from the Ministry of Industry, Trade, Investment and Digital Economy in Morocco.

Morocco was the first country to recognize the independence of the U.S. It is also the only African country to have signed a FTA with the United States, to cover not only trade in goods and services but also investment, environment and employment standards. In 2013, the two countries signed a trade facilitation agreement,” **El Mkhentar** concluded.

Mahieddine Taleb, Advisor to the CEO of Sonatrach from Algeria, discussed increased privatization of state-owned enterprises in a predominantly state-dominated economy. The private sector operates under a 49-51 percent rule, meaning that foreign investment must find an Algerian partner for a joint venture,” **Taleb** said of the investment law, adding that “The investment law grants a number of guarantees for foreign investors, fair and equitable compensation and treatment, and provides generous incentives.



“Sonatrach is changing the way to do business, putting a lot of effort to include attractiveness and preparing a revision to the hydrocarbon law, coming into effect in Q2 2018, minimizing approval processes and eliminating bureaucracies,” **Taleb** concluded.

“The government is putting a lot of effort to diversify the economy by attracting foreign and domestic investment, with vast natural resources and a politically stable environment. Recently, Algeria has adopted a new investment law to attract FDI,” says Mahieddine Taleb, Advisor to the CEO of Sonatrach from Algeria.



The first panel, "Doing Business in the Maghreb," featured panelists with extensive private sector experience in the Maghreb region.

Adel Mohsen Chaabane, AmCham Tunisia, provided strong arguments on why the Maghreb is an important region for FDI, but also how its potential has not yet been reached.



"Having a strong Maghreb region is key to boosting transatlantic cooperation," says Adel Mohsen Chaabane from AmCham Tunisia.

"Tunisia is improving its investment climate, and has a growing and strong ecosystem, educated and talented human resources, and a strong legal framework. It has several signed FTAs, and is ranked the 11th cheapest country in the world. Tunisia can play a significant role in improving the business climate in the entire Maghreb," he said, adding that "Trade between the Maghreb countries represents less than 5 percent of their overall trade volume, and less than 2 percent of the region's combined GDP. According to the World Bank, with increased integration, each country of the Maghreb would gain a minimum 5 percent raise in GDP."

Mustafa Sanalla, Chairman of the National Oil Corporation of Libya, talked about the importance of oil for the Libyan economy, and ways in which the sector represents "a building block" to overcome internal difficulties.

"The primary objective is to create a coordinated national policy to counter security-related issues such as attacks on oil-fields," **Sanalla** said.

"Libya continues to function, and we remain confident that Libya will stabilize, so it is important to maintain our existing strong commercial relationship with U.S. companies [...] Libya's oil industry is the main driving force of the economy and practically the sole source of state revenue collection and distribution, **Sanalla** concluded, noting that Libya's oil can provide the building blocks for a stable economy in the future.



"The National Oil Corporation is Libya's primary employer, and a key component to raising state revenues," says Mustafa Sanalla, Chairman, National Oil Corporation of Libya.

CTR Fellow **Tea Ivanovic** conducted an interview with **Mustafa Sanalla**, accessible [here](#).

Omar Mohanna, Chairman of the Suez Cement Group of Companies in Egypt, looked back at history to draw lessons for the future.

"In 2011, the Egyptian people were fed up with the system and stood up. Unfortunately, the Muslim Brotherhood was well-organized and managed to stop people's rise. We are paying a high price for their one-year rule, but are now 'vaccinated' against the myth of religious fascism," he said.



"Egypt's economy was relying heavily on state-subsidies – a residue from the **Nasr** period – at the time, these subsidies accounted for five times the budget of health and education.

The people showed tremendous resilience in accepting the harsh economic reality as Egypt was moving away from this unsustainable system, net worth was slashed overnight by 50 percent and a very sharp devaluation of the Egyptian pound.”

Mohanna, who also serves as the Chairman of the Egyptian Center for Economic Studies (ECES), Chairman of the Egypt – U.S. Business Council, Chairman of the Chubb Insurance Co., Chairman of the Prometeon Tyre Egypt Co. (Pirelli) is the recipient of the CTR-SAIS 2017 Mediterranean Leadership Award for his outstanding contribution in fostering stronger U.S. – Egypt business relations.

“We have a legal system that is very well established, and incentives for investment - all the large U.S. companies that have operated in Egypt in the last 30 years have made profits, and they did not leave Egypt during the upheavals. Many companies are now moving their regional headquarters to Egypt,” says Omar Mohanna, Chairman of the Suez Cement Group of Companies.

CTR Fellow **Tea Ivanovic** conducted an interview with **Omar Mohanna**, accessible [here](#).

Click [here](#) to view the opening remarks and the first panel, “Doing Business in the Maghreb.”

“DOING BUSINESS IN THE BALKANS”

Click [here](#) to view this panel.

Floreta Faber, Ambassador of Albania to the United States; **Mujo Selimović**, CEO of the MIMS group and Chairman of the CTR-SAIS Mediterranean Basin Initiative Corporate Advisory Board; **Michael Barbero**, Lieutenant General (ret.) of the United States Army; and moderator **Michael Haltzel**, CTR-SAIS Senior Fellow, discussed economic opportunities in the Western Balkans as a whole, and Albania, Bosnia and Herzegovina, and Kosovo specifically.

Floreta Faber, Ambassador of Albania to the United States, urged for stronger cooperation among the countries of the Western Balkans. “There is a much better view of the economic situation of each of our countries if we compare it to 20-25 years ago, and even if we compare it to five years ago,” **Faber** said, adding that “If we don’t increase economic cooperation with each other, we have not done anything.”

“As long as everyone sees us as six countries sitting together, that is the best diplomacy we can have,” says Floreta Faber, Ambassador of Albania to the United States.



Panelists (L-R): **Mujo Selimović**, CEO, MIMS group, Chairman, CTR-SAIS Mediterranean Basin Initiative Corporate Advisory Board; **Floreta Faber**, Ambassador of Albania to the United States; **Michael Barbero**, Lieutenant General (ret.), United States Army; moderator **Michael Haltzel**, CTR-SAIS Senior Fellow.

“We are all aspiring to become EU members, and we all believe it is a good perspective – for us it would mean that we have reached the standards of doing business, economic development, and that we have freer societies and more cooperation,” Ambassador **Faber** noted.



Mujo Selimović, CEO of the MIMS group and Chairman of the CTR-SAIS Mediterranean Basin Initiative Corporate Advisory Board, urged for a more positive outlook on investing in the Balkans.

“What I hear often is complaints about the excessive bureaucracy, corruption, political instability and other issues that are raising flags for potential investors to enter Bosnia and Herzegovina,” **Selimović** noted, adding that “These issues are common across the region, but are in some ways overrated – the perception is in many cases worse than the real situation on the ground,” **Selimović** argued, adding that “Doing business in our region is not always easy, but I would encourage – from my personal experience – investors to consider our region. There is, however, still a lack of knowledge about investing there, about the opportunities and potential obstacles.”

“The private sector, government officials, media, and all other stakeholders in Bosnia and Herzegovina should send positive messages and explain that there are a number of opportunities in a variety of sectors where investors can make better profit in a shorter period of time than they can find in mature markets that are more stable,” says Mujo Selimović, CEO, MIMS group and Chairman of the CTR-SAIS Mediterranean Basin Initiative Corporate Advisory Board.

“Numbers are showing a slight increase of the economy that is going in the right direction, but I still don’t see that we have recognition from investors nor do I see that global perceptions are changing. We need to increase time and effort and communicate our positive experiences with the rest of the world,” **Selimović** concluded.

Michael Barbero, Lieutenant General (ret.) of the United States Army shared his experience with the markets he is most familiar with, Kosovo, Bosnia and Herzegovina – and “hopefully Albania in the near future.”

“There are tremendous amounts of untapped natural resources and human potential, good infrastructure – telecom especially, and English is widely spoken,” **Barbero** said, encouraging potential investors, “There is a new breed of visionary politicians and business leaders. There is legislation moving forward and a great interest in enabling foreign investment [...] the business environment is improving and there are many positives there.”



However, **Barbero** added, “The region is on international fault lines, and they feel pulled from the East and the West, with remnants of Eastern business models, but this is being pushed out by a more Western model of investment and entrepreneurship. It is hard to attract foreign investment – mostly for two reasons. First of all, the mechanisms in place to award sovereign guarantees, to facilitate PPPs, build operate transfer across the region [...] if investors are risk-averse they will look elsewhere. The regulatory frameworks are perceived to be weak in some places, and corruption is an issue, but governments are tackling this issue and they are realizing that if they are going to attract foreign investment, this must be addressed.”

Barbero concluded on a positive note, saying “The business environment is very positive, but it is not for the faint-hearted [...] it is absolutely in the U.S. interest to remain engaged, whether through business or government, to help this transition and to ensure continued stability.”

“With small investment in this region [the Balkans], you can make a difference, have tremendous payback, and bank for the buck,” says Michael Barbero, Lieutenant General (ret.) of the United States Army.

KEYNOTE SPEECH, SENATOR CHRIS MURPHY (D-CT)

Click [here](#) to view the address.

Senator **Chris Murphy** (D-CT), member of the Senate Foreign Relations Committee, delivered a keynote address, discussing the U.S.' role, in a world substantially different from a few decades ago.



"Macedonia has been able to emerge from very difficult years with a new coalition government, and we are really excited for them to make some real steps forward with respect to economic and political reform," says Senator Murphy (D-CT).

How to cement economic partnerships between the U.S. and Europe, is incredibly important, the Senator remarked, noting that "about 40 percent of Connecticut's exports go to Europe, and non-tariff barriers still represent obstacles to doing more business [...]."

"It's Forums like this where important economic leaders can liaison with business leaders and political leaders here in the United States," said Senator **Murphy**. "If we can't get a trade agreement in the next four years, then we can at least keep talking about the foundational issues that may be at the heart of that trade agreement," adding that "there are some things we can do to strengthen country-to-country bilateral trade opportunities."



The Senator then turned to the Balkans. "Montenegro's NATO accession tops that list [of good news stories from the Balkans]. It is really important for the United States and Europe to make it clear that the doors are still open to transatlantic and continental European institutions. Much of the economic reform that has been playing out in the Balkan region is in anticipation of the EU to hold its door open for new members," he said.



Senator **Chris Murphy** (D-CT) is the recipient of the CTR-SAIS 2017 Mediterranean Leadership Award for his outstanding contributions in fostering stronger transatlantic relations. Below: Senator **Murphy** in an interview with the media.



"Montenegro's accession to NATO is important, Senator Chris Murphy (D-CT) says, because the country "was ready and because it was an important symbol for the entire region [...] and because it says an important message to Russia, that no matter how to try to play and interfere in the politics of their periphery, that is not going to stop NATO from continuing to strengthen its membership set."

“Prime Minister **Vučić** and President **Thaci** continue to move forward on the Serbia-Kosovo dialogue process – really good news [...] that the two leaders have finally begun the implementation of the 2015 justice agreement,” Senator **Murphy** said, noting that “Every country has stepped up in the last several years and put onto their books laws criminalizing the movement of foreign fighters out of the region into the conflict in the Middle East and then eventually back into the Balkans and Europe.”

“No matter the stumbles occasionally in the relationship [...] Europe is still the first place that we call when we need help,” Senator **Murphy** concluded.

KEYNOTE SPEECH, U.S. SECRETARY OF THE NAVY

Click [here](#) to view the address.

Richard Spencer, the U.S. Secretary of the Navy, provided a keynote speech, stressing the importance “of the seas when it comes to commerce and international prosperity.”

“You may ask why the United States is so interested in security in the Atlantic and the Mediterranean? Some might say it would be easy for the United States to sit back and do nothing, let the neighbors solely bear the responsibility. I disagree, as we are interested in all the global areas of maritime commerce – the costs of being hands off, in both lives and treasure, would far exceed the costs of being involved and being a responsible neighbor and partner,” he said.



“To all responsible nations, I’d like to foremost convey that the United States Navy and Marine Corps team is dedicated to being the best international partner you could hope for. I see true partnership when shared risks lead to shared rewards,” he said, noting that “we all have a responsibility to provide security and contribute to the collective safety and stability of the global market. This is true all over the world, but it is critically important in the Mediterranean where 21 countries spanning three continents all border that body of water. Because there are so many interested parties, American resolve and commitment must be matched, and even exceeded, by the international community,” Secretary **Spencer** said.

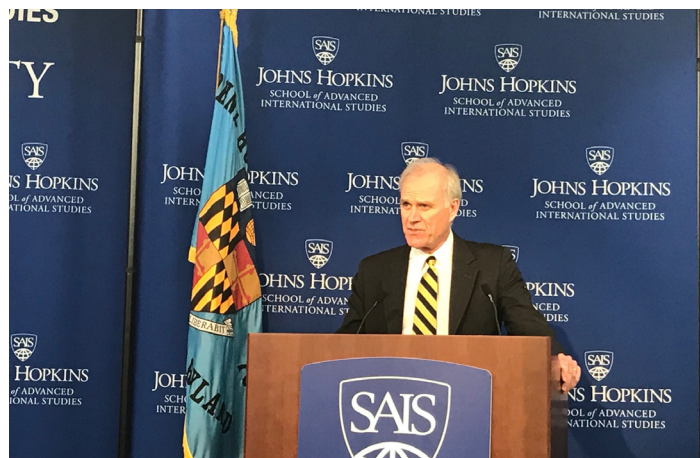


Richard Spencer, U.S. Secretary of the Navy.

Discussing the importance of international cooperation, Secretary **Spencer** reaffirmed the U.S.’ role in the wider Mediterranean, “American mainland may be physically protected by oceans, but we know that threats remain and we will not surrender our international responsibilities. The forward deployed United States Navy and Marines Corps team is in the Mediterranean because we must be a consistently reliable ally and partner so we may deter all would be adversaries. Deterrence isn’t just about protecting our homeland – it’s about providing safety and security to our allies and partners.”

“We [also] know that freedom of the seas is a cornerstone for international relations and for international peace in general. Securing the safety of the maritime lines of commerce is not a job that any single nation can accomplish,” says Richard Spencer, U.S. Secretary of the Navy.

Secretary Spencer noted the importance of the private sector, too. “But it’s not just public partnerships that we need to bring to bear on the issue of security in the Mediterranean. We also need private industry to partner with us and also partner with our regional partners. Nation states are not the only beneficiaries from the stability generated by security forces. We need industry, especially multinational corporations, who have vested interests in the region to work with us – to provide solutions and resources for the challenges in the region. I see there are many representatives from the private sector here, I know you understand when I say that from my time in the private sector, I know that partnerships are critical to business,” Secretary **Spencer** concluded.



*“The U.S. will not surrender its international responsibilities and [will] continue to work closely with all partners and allies around the world,” says **Richard Spencer**, U.S. Secretary of the Navy.*

“SECURITY AND MILITARY COOPERATION: SAFEGUARDING THE MEDITERRANEAN - PART 1”

Click [here](#) to view this panel.



*Panelists (L-R): **Aldesouky Youssef**, Minister Plenipotentiary, Political Military & Economic Affairs, Embassy of Egypt to the United States; **Khaled Shawky**, Maj. Gen., Defense, Army, Naval & Air Force Attaché, U.S. and Canada, Embassy of Egypt to the United States; **Mitar Klikovac**, LtC, Defense, Military, Naval and Air Attaché, Embassy of Montenegro to the United States; **Dragan Galić**, Colonel, Defense, Military, Naval and Air Attaché, Embassy of Serbia to the United States; moderator **Hans Binnendijk**, Senior Fellow, CTR-SAIS.*

The afternoon panels were dedicated to a two-part series titled, “Safeguarding the Mediterranean.” The first panel looked at the northern and southern shores of the Mediterranean, with four military and security experts panelists, two from the Balkans: **Mitar Klikovac**, LtC, Defense, Military, Naval and Air Attaché, Embassy of Montenegro to the United States, and **Dragan Galić**, Colonel, Defense, Military, Naval and Air Attaché,

Embassy of Serbia to the United States; and two panelists from North Africa: **Aldesouky Youssef**, Minister Plenipotentiary, Political Military & Economic Affairs, Embassy of Egypt to the United States; **Khaled Shawky**, Maj. Gen., Defense, Army, Naval & Air Force Attaché, U.S. and Canada, Embassy of Egypt to the United States. The panel was moderated by CTR-SAIS Senior Fellow **Hans Binnendijk**.

“We notice many positive developments in Southeastern Europe, especially in terms of cooperation and mutual confidence-building,” said Colonel **Dragan Galić**, the Defense, Military, Naval and Air Attaché at the Embassy of Serbia to the United States, presenting Serbia’s current standpoint and his government’s main foreign policy goals and approach to security challenges in the region.



“Serbia’s foreign policy goals rely on four pillars: The U.S., Russia, China, and the EU, further establishing and enhancing cooperation with all our neighbors and partners worldwide,” he remarked.

“Serbia is dedicated to fulfilling its foreign policy goals by maintaining and further advancing relations with all countries of the world, especially in our region, and especially in the Adriatic, Ionean, and Mediterranean region. Terrorism, and religious and political extremism are in close relation with the migrant crisis and that is why Serbia considers the Balkans and the Mediterranean region a top priority for regional security and stability,” says Colonel Dragan Galić, the Defense, Military, Naval and Air Attaché at the Embassy of Serbia to the United States.

“Serbia’s path towards EU membership is seen as a path toward great stability and economic progress [...] we will never abandon our policy of military neutrality because we believe it is a policy of peace and prosperity,” **Galić** noted.

“Of all countries in the Western Balkans, Serbia has the largest UN peace-keeping engagement, and we participate in several peacekeeping operations, six of which are UN-led, and four by the EU,” **Galić** concluded.

LtC **Mitar Klikovac**, the Defense, Military, Naval and Air Attaché at the Embassy of Montenegro to the United States, expressed a deep willingness from his government to support neighboring countries in joining the NATO Alliance.



“Montenegro, as NATO’s youngest member, is committed to maritime and overall security in the region and beyond,” says LtC Mitar Klikovac, the Defense, Military, Naval and Air Attaché at the Embassy of Montenegro to the United States.

“Throughout history, the Mediterranean has been an important strategic region. Conflicts in the Middle East and North Africa have resulted in an increase of terrorist and radical activities and uncontrolled mass migration towards Europe,” **Klikovac** said.

“On June 5, 2017 when we became a NATO member, the whole northern shore from Portugal to Turkey is under the NATO umbrella, which amounts to a peaceful, secure, and stable environment and commitment to respect and promotion of Euro-Atlantic values [...] We are committed to be a strong advocate of the NATO open door policy, and we stand ready to provide support and assistance, and to share our experiences with all the countries that share our common values, and in particular with our neighbors that are striving to become NATO members,” **Klikovac** concluded.



The panelists offered a positive outlook on cooperation in the wider Mediterranean region.

Khaled Shawky, Maj. Gen., Defense, Army, Naval & Air Force Attaché, U.S. and Canada, Embassy of Egypt to the United States, opted to answer to questions, rather than provide remarks.

Responding to moderator **Binnendijk**’s question for each panelist to provide the top priority in terms of security from their respective country, **Shawky** said, “that the U.S. is as important to Egypt as Egypt is to the U.S. Our relationship has been strong since the 1970s, and even though it has been bumpy at times, it is improving significantly, and is a core pillar in our strategic relations.



Egypt's geographical location is crucial for the U.S., and so from a military standpoint, rebuilding the U.S.-Egypt relationship to where it used to be."

Aldesouky Youssef, Minister Plenipotentiary, Political Military & Economic Affairs, Embassy of Egypt to the United States, elaborated on Egypt's response to these challenges, by "playing a crucial role in Syria, trying to bring back Israel and Palestine to the table, Libya and working closely with the U.S. and UN to bring about a comprehensive peace in the country."

"Egypt is on the frontlines of fighting terrorism, playing an important role in fighting the distorted message promoted these groups," says Aldesouky Youssef, Minister Plenipotentiary, Political Military & Economic Affairs, Embassy of Egypt to the United States.

"We can summarize the challenges into a few groups. Firstly, the instability and open conflict in the Mediterranean and adjacent region – Syria, Iraq, Libya, Israel-Palestine peace process, Mali, failed state in South Sudan, Somalia, [...]The second group of challenges is related to fighting terrorism, not only ISIL, but al-Qaeda, AQIM in the Maghreb, Boko Haram, and many other groups. The third group is international organized crime, if we look carefully in the south of Libya, East of Sudan, in Mali, and other places, we can find many groups. Migration is also a challenge in the Mediterranean, and the flow of the refugees remains an important issue," **Youssef** said.

"SECURITY AND MILITARY COOPERATION: SAFEGUARDING THE MEDITERRANEAN - PART 2"

Click [here](#) to view this panel.

Moderator **Donald Jensen**, CTR-SAIS Senior Fellow, opened the panel by introducing the panel topics: The migration crisis, terrorism, the Russian threat in terms of both hard and soft power and pressure, the Syrian war and what that means for the regional geopolitical balance, and the internal stability of the various countries.



Panelists (L-R): **Michael MacQueen**, Senior Historian, Human Rights Violators and War Crimes Center, U.S. Department of Homeland Security; **Michael Barbero**, Lieutenant General (ret.), United States Army; **Pjer Šimunović**, Ambassador of Croatia to the United States; moderator **Donald Jensen**, CTR-SAIS Senior Fellow.

Pjer Šimunović, Ambassador of Croatia to the United States noted that "For both EU and NATO, the important instruments at their disposal are the actual benefits stemming from membership itself," adding that "the actions by the EU and NATO, [their] engagement and partnership [...] we see as the best hope to achieve a higher level of security and prosperity in the Mediterranean, and along its shores."



"Despite everything, in terms of reconciliation, stabilization, and integration into the wider European and Euro-Atlantic mainstream, Southeastern Europe has made a remarkable achievement, says Pjer Šimunović, Ambassador of Croatia to the United States

"We see a great deal of structural instability which has nothing to do with the Mediterranean itself, but has a high level of spillover effect to many of the problems we face. In the foreseeable future, we will have to live with heightened tensions and unpredictability in the Mediterranean, and an almost certain continued influx of refugees and exposure to many aspects of extremist Islam – which has nothing to do with the religion itself but is an extremist reading. Not helping are some structural weaknesses in the EU these days, among which are Brexit and debates on how the EU should be led," Ambassador **Šimunović** concluded.



"The threats to security in the Mediterranean region all emanate from outside the region [...] the shores of Europe are now awash with these problems – from the Levant, North Africa and the ungoverned spaces of Africa, Russia and its destabilizing actions, and Iran and its proxy forces," said **Michael Barbero**, Lieutenant General (ret.), United States Army, focusing on the conditions that set the stage for these destabilizing factors. "We should really focus on the conditions that set the stage for these threats, and unless we address those conditions, on future panels we will be talking about ISIS 2.0, mass migration 3.0, and so forth [...] Some conditions are ungoverned spaces, weak governments, and absence of security, the attractive nature of extremism and its messaging, which we have failed to counter effectively, explosive growth rates within these regions, and then corruption, limited economic opportunities and youth unemployment, deepened ethnic and cultural fault lines which we see playing out every day [...] These problems will shape the Mediterranean security environment for some time and for decades," Barbero said, noting that the tactical defeat of ISIS is not the end of the problem – it is the beginning of new problems.

Michael MacQueen, Senior Historian at the Human Rights Violators and War Crimes Center of the U.S. Department of Homeland Security, focused on the gap between the nominal reality and the actual existing situation in Bosnia and Herzegovina from a law enforcement perspective. The senior historian then turned to the issue of foreign fighters. "On the surface, it would seem that the prevailing conditions in BiH: the very high unemployment, especially youth unemployment, the lack of perspectives for the future, the crisis of confidence in governmental and political institutions – would make it a very fertile breeding ground for foreign fighters. However, the best statistical evidence available shows that only some 270 Bosnian citizens have been identified as having traveled abroad to fight for ISIS and other jihadist groups [...]"



Michael MacQueen, Senior Historian at the Human Rights Violators and War Crimes Center of the U.S. Department of Homeland Security

This can be attributed in the main to the extremely effective surveillance network maintained by SIPA and the OAS (Intelligence-Security Agency)."

"These threats are asymmetric, and they require an asymmetric solution. There is no military solution to this – it will take the full range of diplomatic, economic, military, and informational efforts to address these conditions which create threats to security," says Michael Barbero, Lieutenant General (ret.), United States Army.

MacQueen concluded by urging international cooperation to secure future progress in the country. “I can state that the best solutions to the overall problems of security, impunity and corruption may be to turn back the hands of time, and while respecting Bosnian sovereignty, reengage the international elements which helped make such rapid positive change possible in the immediate postwar years. The dangers presented by further backsliding, in my mind, fully justify the provision of international guidance – in full partnership – in correcting the most egregious flaws in the legal and internal security systems in BiH.”

“No one can fault BiH for not having enough law enforcement bodies – between the state level (SIPA, OSA, Border Police), entity level (Federation MUP, RS MUP) and the lower local levels (cantonal) there are more police on a per capita basis than in the U.S. The problems lie in coordination of activity in the investigation of complex cases, especially those involving cross-border crime; too often the mechanisms for exchange of information do not function well or at all. This is especially true when it comes to coordination between the entities; when the political winds blow cold, as has increasingly been the case, coordination suffers,” says Michael MacQueen, Senior Historian at the Human Rights Violators and War Crimes Center of the U.S. Department of Homeland Security.



L-R: **Mujo Selimović**, CEO, MIMS group, Chairman, CTR-SAIS Mediterranean Basin Initiative Corporate Advisory Board; **Daniel Serwer**, CTR-SAIS Senior Fellow; and **András Simonyi**, CTR-SAIS Managing Director.



Kocho Angjushev (L), Deputy Prime Minister of Macedonia, and **Vasko Naumovski** (R), Ambassador of Macedonia to the United States.

DAY 2

Click [here](#) to view all panels on Day 2.

“WORKING THROUGH REFORMS: WHAT’S NEXT?”

Click [here](#) to view this panel.

The second day of the Transatlantic Economic Forum was opened with a panel on the reform process in Bosnia and Herzegovina, with **Marinko Čavara**, President of the Federation of Bosnia and Herzegovina (FBiH), BiH, **Bruce Berton**, OSCE Ambassador in Bosnia and Herzegovina, and **Dejan Vanjek**, Foreign Policy advisor to **Dragan Čović**, the Chairman of the Presidency of BiH, as panelists, and **Daniel Serwer**, CTR-SAIS Senior Fellow, as the moderator.

CTR-SAIS Senior Fellow **Daniel Serwer** noted in his opening remarks that the U.S. has three options in the Balkans: 1) to continue business as usual (i.e. support EU leadership in the region), 2) to rearrange borders, or 3) to retake more active leadership. He expressed support for “the third option, with clear preference to preserving the borders as they today exist. I rejected the option of changing borders on the basis that it was inconsistent both with American interests and values.” He wrote an article on this for the Council on Foreign Relations, available [here](#).

“War brings destruction, pain, and death, and, it brings the destruction of relations among the nations in BiH,” says **Marinko Čavara**, president of the FBiH entity in Bosnia and Herzegovina. The topic of the panel was the socio-economic reform process in BiH, and all panelists discussed the importance of the Washington and Dayton peace agreements – but also mentioning the provisional nature of these arrangements – which have constituted the Bosnian constitution since the end of the war in 1995.

We are a young democracy, and we are discussing what to do next. The creators of the Washington treaty did not expect it to last this long – so now we need new solutions [...] Because of the imperfection of our internal system and external threats, we need to help fill the gaps in the Dayton peace agreement with democratic values and to finally define relations between the peoples of BiH and to complete the establishment of our legal institutions. So, again, we need the help of the United States,” **Čavara** concluded.



Panelists (L-R): **Dejan Vanjek**, Foreign Policy advisor to **Dragan Čović**, Chairman of the Presidency of BiH; **Bruce Berton**, OSCE Ambassador in BiH; **Marinko Čavara**, President, Federation of Bosnia and Herzegovina (translated by **Valentino Grbavac**; moderator **Daniel Serwer**, CTR-SAIS Senior Fellow.



Bruce Berton (L), OSCE Ambassador in BiH; **Marinko Čavara**, President, FBiH

“The purpose of the Washington peace agreement was the end of the war and [creating] equality between the peoples of Bosnia and Herzegovina. The treaty (and thus the BiH constitution) has been changed 115 times, and by doing a quick analysis, we can see at who’s cost,” says Marinko Čavara, President of the FBiH entity in Bosnia and Herzegovina.



“The most important challenge for the political leaders of Bosnia and Herzegovina is to respond to the needs of the citizens,” says Bruce Berton, OSCE Ambassador in Bosnia and Herzegovina.



The FBiH president thanked the United States for its involvement and thereby the ending of the bloodshed, but stressed the importance of continued assistance.

“The country is implementing reforms at a pace that is too slow, and it is falling behind its neighbors,” said Ambassador **Berton**, adding, “This does not leave much space for optimism, with 75 percent of the population not satisfied with the country’s economic development. Corruption is rife, and citizens have low trust in institutions – public spending is inefficient, and FDI is lacking. The business climate has not improved quickly enough to follow competition.”

“Emigration is rising, and birth rates are not keeping up.” While **Berton** placed emphasis on the importance of these reforms, he also noted how crucial the electoral law reforms are, in addition to constitutional changes, such as Sejdić-Finci. However, he noted, these large-scale reforms are unlikely to happen anytime soon. “The electoral campaign [for the general elections in 2018] has started, much too early.

This has led to increased nationalistic rhetoric – while that is playing to various political bases, it leaves little room for constructive dialogue,” **Berton** said.

Dejan Vanjek, Foreign Policy Advisor to **Dragan Čović**, Chairman of the BiH Presidency, noted that economic prosperity is conditional upon political stability and that in turn is needed for increased investment in the country.



Dejan Vanjek (R), Foreign Policy Advisor to **Dragan Čović**, Chairman of the BiH Presidency, and **Daniel Serwer**, CTR-SAIS Senior Fellow.

While discussing the importance of elections, **Vanjek** mentioned the importance of electoral law reform. “We are now in a so-called legal vacuum - we need to find ways to directly implement the decisions of the Court of International Human Rights,” **Vanjek** said.

“We need more engagement, active support, and encouragement – specifically from the United States in order to overcome these delicate domestic challenges and achieve stability,” **Vanjek** concluded.

“There is nothing more central to democracy than free and fair elections,” says Dejan Vanjek, the Foreign Policy Advisor to Dragan Čović, Chairman of the BiH Presidency.

“DIVERSIFYING ECONOMIES: THE PRIVATE SECTOR AS THE KEY TO BUILDING PROSPERITY”

Click [here](#) to view this panel.

CTR-SAIS Managing Director **András Simonyi** opened the panel, stating, “Business is part of the solution, not part of the problem. The foundation [of prosperity and reforms] is a solid, transparent, well-functioning private sector with a strong support from government.”

“Every country has its own unique challenges that impede the private sector or the economy. Some of these may emanate from ideologies, such as that the private sector is only about profit making, and that state-owned corporations will do a better job,” said **Hisham Fahmy**, CEO AmCham Egypt, Inc., adding that “Egypt as a whole, and the private sector in particular, have been hit hard since 2011, however they have survived and continued to strive, as did investors and multinationals.”

“Egypt has endured two revolutions, major political instabilities and security challenge [...] To pull through that and to become the region’s fastest growing economy, I think, is quite a miracle,” **Fahmy** said.

“What is really remarkable about the current government is the fact that it listens and consults with the private sector as it carries out its reform programs, which has gradually built the confidence of the sector. In addition, the endorsements that Egypt has received from international financial institutions, including the World Bank, the IMF, the African Development Bank, etc. have positively impacted the overall business environment” **Fahmy** noted. “The series of fiscal and monetary reforms,



Panelists (L-R): **Ali Haddad**, CEO, ETRHB Haddad Group (Algeria); moderator **András Simonyi**, CTR-SAIS Managing Director; **Hisham Fahmy**, AmCham Egypt, Inc.; **Dalibor Miloš**, Chairman of Supervisory Board, Aluminij d.d., (Bosnia and Herzegovina).

the introduction of the new investment law as well as other pro-business reforms were well received by different stakeholders inside and outside of Egypt, including its Gulf neighbors that pledged billions of dollars in support of Egypt’s economy,” he noted, saying that “The private sector sees the potential of Egypt’s huge market and has become increasingly committed, leveraging Egypt’s fundamentals to export to countries of Africa, Europe and the Middle East. Tourism is gradually recovering and slowly reaching pre-2011 figures. GDP has been revised from 3.4 to 4.2 and IMF reviewed Egypt’s progress and sent glorying reports,” **Fahmy** concluded.

“We have major obstacles ahead, and these must be resolved for the private sector to flourish in Bosnia and Herzegovina,” said **Dalibor Miloš**, Chairman of Supervisory Board, Aluminij d.d., one of the largest companies in Bosnia and Herzegovina.



“*The private sector’s partnership with the government is critical to Egypt’s success*” says **Hisham Fahmy**, CEO AmCham Egypt, Inc.



"BiH is making improvements towards Euro-Atlantic integrations, leading to a positive business climate, but there is plenty of untapped potential left," Dalibor Miloš, Chairman of Supervisory Board, Aluminij d.d.



"A rise in SMEs signifies growth, state-run companies are being privatized, but we need a larger presence of investors. Bosnia and Herzegovina has several very positive economic indicators, attractive for potential investors. We have very low inflation, a stable banking sector, and progressive legislative process. But, there are still areas of improvement. GDP is 2.8 percent and the FBiH has a balanced budget. The government cancelled a short-term treasury auction last month due to solid liquidity performance in the tax system," he said.

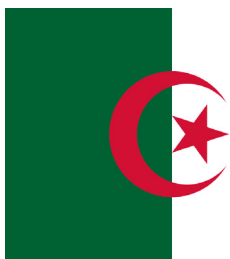
"Manufacturing industries and exports remain the driving factor of further economic advancement in the country, which is one of the reasons why Aluminij d.d. Mostar is valuable and important. With an annual turnover surpassing 500 million dollars, and exports exceeding 200 million dollars, Aluminij d.d. contributes to 8 percent of the national GDP. Our company is thus a leader for economic development as a whole, and holds important responsibilities towards the entire country," says Dalibor Miloš, Chairman of Supervisory Board, Aluminij d.d.

"Aluminij Mostar produces primary aluminum products and aluminum foundry alloys. It has a stable capital structure – 44 percent is owned by small shareholders, 44 percent by the FBiH government, and 12 percent by Croatia. The company produces 160,000 metric tons of aluminum annually, and consumes 20 percent of overall electricity consumption in Bosnia and Herzegovina – it is the largest consumer of electricity in Southeast Europe. However, this incurs costs that reach up to 45 percent of total expense. Under current legislation, Aluminij d.d. pays very high fees (7.2 euros per MgW/h, while other European producers typically settle between 1-2 euros). Renewable energy fees have been doubled since last year, and it is troubling to operate under such economically groundless and unreasonable legislation. As a private sector driving force and a regional leader, Aluminij d.d. supports educational reforms, fostering stability and prosperity," **Miloš** concluded.

Ali Haddad, CEO of ETRHB Haddad Group and President of FCE, Algeria. ETRHB Group has an annual turnover of one billion dollars, with 15,000 employees and is active in several sectors (e.g., highways and roads, dams, railways, water transfers, technical construction, housing, gas, among others). In 2020, we expect to produce 8 million tons of cement, and 2.5 million tons of steel. We are also in the media sector, with two newspapers and two TV channels, where we employ about a thousand employees, and are owners of a prestigious soccer team – which just missed the African Champions League.



"Two thirds of job creation in Algeria has been generated by the private sector, and the private sector is key to the diversification of the economy," says Ali Haddad, CEO of ETRHB Haddad Group and President of FCE, Algeria.



"The FCE, Forum of Entrepreneurs, is an organization of more than 2,000 entrepreneurs and industrialists with an annual turnover of 40 billion dollars and 40,000 companies with 400,000 employees. It is the prime business-supporting organization to defend the interests of companies and enterprises and positively influence the economy for a more prosperous society. The FCE has always advocated for the paramount importance of the private sector, and the necessity for liberty and trade. These principles are now the foundation of the Algerian economy, as they are in the developed world. Not long ago, the economy was completely state-controlled, with the state acting as the main investor, predominantly in the hydro-carbon sector. We had a 50 percent drop in oil and gas revenues, and structural reforms that have been initiated have completed overhauled the economic climate. The government has initiated dialogue with various stakeholders to find solutions to the crisis and plan for a global strategy," he said.

"Within the next five years, the private sector is keen to invest 2.5 billion dollars to set up a photo-voltaic solar farm that would provide 2 GW of electricity. The automotive industry is also developing very quickly, and the green economy and IT sectors are supported and developed by young entrepreneurs. The government is enhancing the economic environment and has committed to reforms to stimulate entrepreneurs and create jobs for prosperity," **Haddad** concluded.

"A public-private dialogue has allowed us to improve government reactivity to tackling business climate constraints, and now more than 90 percent of Algerian SMEs are privately-owned - 85 percent of the added value outside the hydrocarbon sector is through the private sector," says Ali Haddad, CEO of ETRHB Haddad Group and President of FCE, Algeria.

CTR Fellow **Tea Ivanovic** conducted an interview with **Ali Haddad**, available [here](#).



ENTREPRENEURS DE PROGRES

"Algeria is the gateway of Africa. Today we have 40 million inhabitants, and by 2030 we are likely to have 50 million, while the African continent will have 1.5 billion inhabitants - this is the future market," says Ali Haddad, CEO of ETRHB Haddad Group and President of FCE, Algeria.

“MACEDONIA: TURNING A NEW PAGE”

Click [here](#) to view this panel.

In light of recent political developments, Macedonian Deputy Prime Minister **Kocho Angjushev** and VOA Macedonia Service Chief, **Lilica Kitanovska**, discussed the political and media climate, and the future of this country's Euro-Atlantic integration processes. The panel was moderated by CTR-SAIS Senior Fellow **Edward Joseph**.

“Macedonia did the hard work, and had qualified for NATO membership in 2008 but was not offered membership even though it had completed reforms. The country has come through a period of political turmoil, and there is a new government in place and a chance to ‘turn the page,’” said CTR-SAIS Senior Fellow **Edward Joseph**.

“On behalf of the government of Macedonia, I would like to express my gratitude for the invitation to participate in the eminent 2017 Transatlantic Economic Forum to exchange ideas, knowledge, and cultural experiences,” said **Kocho Angjushev**, Deputy Prime Minister for Economic Affairs.



Panelists (L-R): **Lilica Kitanovska**, Voice of America Macedonia Service Chief; **Kocho Angjushev**, Deputy Prime Minister for Economic Affairs, Macedonia; Moderator **Edward Joseph**, CTR-SAIS Senior Fellow.

“Today, only six months after these unprecedented developments in parliament [violent attacks against members of the democratically-elected government], there is a positive spirit in the Republic of Macedonia. The government, led by the SDSM party, works patiently to create a better life for its citizens – without differentiation of their nationality,



religion or any kind of belonging,” said **Angjushev**, who then turned to speak from his personal experience as a businessman.

“All Balkan politicians play the games of nationalism with their respective citizens. These games result in war, conflict – it is now time to move on from this approach. The preconditions for doing business are simple, yet complex to achieve. First, you need a stable political and societal situation, and second, you need a strong rule of law to protect investors and their capital (both foreign and domestic). Otherwise, you depend on a small group of people and their willingness to make changes,” **Angjushev** noted.

“If we want to remain on this road of democratic progress, we need to become part of NATO and the EU – where we are still in the waiting room. The precondition for both is to resolve the name issue with Greece – our first priority to overcoming all of our problems.”



“Confidence in politicians and the government's vision was confirmed in the recent local elections, where from 81 municipalities, the leading coalition won 70 majority seats,” says **Kocho Angjushev**, the Macedonian Deputy Prime Minister for Economic Affairs.

“The new government of Macedonia was formed on June 1st, 2017, ending a period of controversy, undemocratic rule, and strained relations with neighbors and other stakeholders. This government has turned a new page, ending violence and entering an era of democratic rule, governing accountability and transparency,” says Kocho Angjushev, Deputy Prime Minister for Economic Affairs.

Angjushev, focusing his remarks primarily on the economy, explained that “In a country with two million people, we need an industry that is export-oriented. At the moment, we have approx. 50 percent of our GDP that is export-oriented, but if we want to establish a 5-6 percent GDP increase, we need a 75 percent export-led economy. There are several areas in which we can grow our economy: Industry, agriculture, services, and energy. We need to invest in renewable energy, as we have no natural resources and need to import all of our oil and gas. In addition, infrastructure should be supported by the government to support the private sector in the entire region.”

Lilica Kitanovska, VOA Macedonia Service Chief, spoke about the political environment, with a hopeful nod to the new government. “The current government, represented here by Mr. Angjushev, has a challenging road ahead, following the 15 consecutive years of VMRO-DPMNE rule.”

“Historians will most certainly dissect this period in great detail, but the bottom line is fairly simple: Being effectively unchallenged, Prime Minister **Nikola Gruevski** was able to design a distorted version of a supposedly democratic, but in fact an undeniably authoritarian political system. He used a range of tools in the populist toolbox to hold onto power. Some critics argue that the most damaging was the nationalism he allegedly promoted.

“The optimism, almost tangible after the elections, can go just so far if it is not fortified with economic gains. Unemployment is at a record low since 2005, but 22.6 percent is still very high. The Macedonian government cannot afford to lose the momentum regarding the reforms desperately needed in the country,” says Lilica Kitanovska, VOA Macedonia Service Chief.



Macedonia also has a brain drain problem. Young people, effectively consisting more than half of the unemployed in the past decade, rightfully want to thrive, not just survive,” says **Lilica Kitanovska**, VOA Macedonia Service Chief.

During this time, the EU accession process was derailed, interethnic relations worsened, as did negotiations with Greece over the name issue, which prevented Macedonia from advancing toward the EU and NATO. The imaginary line between patriots and traitors became thick and red – you were either with us or against us,” **Kitanovska** said.

Kitanovska warned for Russian influence. “In the vacuum created by the absence of real incentives from Europe and obvious disengagement from the United States, Russia stepped in. Half of the population believes that there is nothing wrong with that, for various reasons, ranging from historic, to religious and economic. Russia creates jobs in Macedonia and penetrates society in other, more subtle ways, scoring points against the West, which many believe is the ultimate goal. Nonetheless, it worked. From what we have seen so far, the Macedonian government threads carefully. Reaching out for support and friendship, including to the Russian Federation, but with clear boundaries when it comes to pursuing national priorities.”

“THE GULF COUNTRIES: STRENGTHENING TRANSATLANTIC COOPERATION”

“The focus today is on cooperation between the GCC states and the United States, and transatlantic cooperation. We will focus primarily on Saudi Arabia and the United Arab Emirates, two of the leading economies in the GCC, and two of the largest, also acknowledging that the other GCC countries, Kuwait, Oman, and Qatar play a very important role, certainly in terms of their bilateral relationship with the United States, and in the context of the Arabian Gulf,” said **Khush Choksy**, Senior Vice President, Middle East and Turkey Affairs at the U.S. Chamber of Commerce.

“Politically, these countries seem to have a stronger relationship with Washington in the last year than they had in prior times. The presidential visit to Saudi Arabia was a highlight – it was the president’s first visit, not just to the region, but outside of the United States. Choosing the GCC to launch that, symbolizes aptly the importance the U.S. places on the GCC in terms of political security and economic relationships,” **Choksy** said.



Consulting bureau (OBCB) and Member of the board of Committee for International Trade (CIT) of Saudi Arabia. “We have created an organization called the ‘Saudi Arabia General Investment Authority’ (SAGIA), where investors have a one-stop-shop, where you can own your land 100 percent, and where you have no restrictions on transferring money back and forth, no personal tax, and a corporate tax rate of 20 percent,” **Bahlaiwa** said about the investment climate in Saudi Arabia.

“We have a strong GDP growth, have the world’s second largest oil reserves, with 269 billion barrels at the end of 2015, and have the world’s 5th largest natural gas reserves,” noted Omar A. Bahlaiwa, President, Optimum business consulting bureau (OBCB), Member of the board of committee for international trade (CIT) of Saudi Arabia., adding that “Vision 2030’s goal is to have a vibrant society, a thriving economy, and an ambitious nation.”



Panelists (L-R): **Omar A. Bahlaiwa**, President, Optimum business consulting bureau (OBCB), Member of the board of committee for international trade (CIT), (Saudi Arabia); **Bilal Sabouni**, CEO, American Business Council in Dubai, (UAE); moderator **Khush Choksy**, Senior Vice President, Middle East and Turkey Affairs.

“The Saudi economy is one of the largest in the Middle East, with a population of about 31 million and a population growth rate of 2.1 percent. The GDP in 2016 was 653 billion dollars with a GDP per capita of 55,000 dollars. Trade balance is about 62.7 billion, and debt represents only 5.8 percent of GDP,” said **Omar A. Bahlaiwa**, President of the Optimum Business



Omar A. Bahlaiwa, President, Optimum Business Consulting Bureau (OBCB), Member of the board of Committee for International Trade (CIT) of Saudi Arabia.

“The bilateral economic relationship between the U.S. and the Middle East is very important, marked by 19 billion dollars in trade surplus, the third-largest trade surplus in the world for the U.S. [...] The UAE is the single largest export market for the U.S. in the region,” said **Bilal Sabouni**, CEO of the American Business Council in Dubai, and noted that the UAE has a trade relationship with each of the 50 U.S. states and U.S. territories. “There are continuous changes in the legal landscape, as the UAE is a very young country that is still evolving and maturing. My recommendation for those looking to invest is to have your ear to the ground for some period of time to get a sense of what may be coming down the pipeline in terms of legislation or policy changes. If you’re not in the know, you may be caught off guard,” **Sabouni** explained, suggesting U.S. firms looking to invest in the UAE should look at membership in the U.S. Chamber of Commerce, and as its international affiliate, the American Business Council in Dubai.

CTR Fellow **Tea Ivanovic** conducted an interview with **Bilal Sabouni**, available [here](#).

CTR Fellow **Tea Ivanovic** conducted an interview with **Omar A. Bahlaiwa**, available [here](#).



Bilal Sabouni, CEO of the American Business Council in Dubai

“It’s a fertile land for SMEs, and the trend of accelerators and incubators are all the rage now in the UAE and the region,” said **Bilal Sabouni**, CEO of the American Business Council in Dubai, noting that the UAE is bidding to become the first country in the world to establish Elon Musk’s Hyperloop.

“REGIONAL AND TRANSATLANTIC COOPERATION: A KEY TO GROWTH AND PROSPERITY”

Click [here](#) to view this panel.

In his opening remarks, **Steve Lutes** stated that the U.S. Chamber of Commerce represents business interests of more than three million U.S. companies around the world and works on strengthening domestic business environments to increase trade and commerce between nations on bilateral, regional, and transatlantic levels. “We are supportive of initiatives (such as the SAIS Transatlantic Economic Forum) that help build bridges between the U.S. and the rest of the world,” **Lutes** said.

Steve Lutes, Vice President for the Middle East, U.S. Chamber of Commerce, is a CTR-SAIS 2017 “Mediterranean Leadership Award” recipient for his outstanding contributions in facilitating stronger U.S. – transatlantic relations.



L-R: **Jasmin Mahmužić**, Director, Banking Agency of the Federation of Bosnia and Herzegovina, BiH; moderator **Steve Lutes**, Vice President for the Middle East, U.S. Chamber of Commerce; **Mehdi Bendimerad**, Vice President, Algerian Business Association (FCE).

"If you look at the main output measures such as GDP, GDP per capita, employment, among other indicators, the former Yugoslavia used to be quite ahead [of its neighbors], but we decided to go the other way – while Europe was opening up and removing boundaries, we were setting new boundaries [talking about the wars of the 1990s]. Today, if you observe these same measures of economic growth, all these countries of the former Yugoslavia are very much behind the countries of Eastern Europe," said **Jasmin Mahmužić**, Director of the Banking Agency of the FBiH.



Jasmin Mahmužić, Director, Banking Agency of the Federation of Bosnia and Herzegovina, BiH; **Steve Lutes**, Vice President for the Middle East, U.S. Chamber of Commerce.

"17 years since the inception of FCE, we have seen Algeria changing and stabilizing, moving its economy forward and establishing international relationships," said **Mehdi Bendimerad**, Vice President, Algerian Business Association (FCE).

"Algeria is ranked the third most important economy in the MENA region, and a leader in the Maghreb. It is also among a handful of countries that have achieved a 20 percent poverty reduction rate in the last two decades. The government took significant steps to improve the well-being of its people by implementing social policies, working in tandem with the UN sustainable development goals," **Bendimerad** explained, noting that the country's oil boom has enabled the authorities to clear its debt, which was constraining Algeria's budget. "Now, the country has very little debt, about 3 billion dollars out of a 200-billion-dollar economy," **Bendimerad** said. "That is not much compared to many Western countries, where debt often exceeds 60 percent of GDP." In the latest Human Development Report,

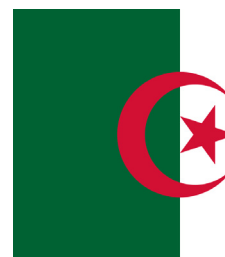
"Algeria is ranked 83 out of 188 countries" said **Bendimerad**, showing its large improvements in terms of life expectancy, education, and others. "The Algerian market presents itself as one of the most dynamic and profitable markets in the region, and thus I believe it is no longer acceptable that trade between

“Despite of a sharp decline of oil prices [...] Algeria was able to maintain economic growth at 3.4 percent in 2016,” says Mehdi Bendimerad, Vice President, Algerian Business Association (FCE).

Algeria and the U.S. remains at the current level, and that it is so little diversified. The shift towards a more diversified economy will help Algeria move towards more sustainable growth and create more jobs. Algeria wants to establish exceptional economic relations with the United States. Important opportunities exist in various sectors besides hydrocarbons, such as mining, renewable energy, medicine, and agriculture. American expertise in the fields of biotechnology, digital technology, and the automotive industry are of interest to us. I invite American companies to focus more on Algeria, which has important investment opportunities. FCE is willing to actively contribute to strengthening cooperation between the businesses of our two countries," **Bendimerad** concluded.



"Algeria is ranked the third most important economy in the MENA region, and a leader in the Maghreb," says Mehdi Bendimerad, Vice President, Algerian Business Association (FCE).



DAY 3

Click [here](#) to view all panels on Day 3.

BOOK LAUNCH: TURKEY AND TRANSATLANTIC RELATIONS

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Opening the third day of the 2017 Transatlantic Economic Forum, CTR-SAIS Senior Fellow and Director of the Mediterranean Basin, Middle East and Gulf Countries Initiative, and co-editor of the book *Turkey and Transatlantic Relations*, **Sasha Toperich**, welcomed the audience for the first book launch, a panel discussion on Turkey and Transatlantic Relations.



Sasha Toperich, CTR-SAIS Senior Fellow and Director of the Mediterranean Basin, Middle East and Gulf countries Initiative, provided the opening remarks for the third day of the 2017 Transatlantic Economic Forum. **Aylin Ünver Noi**, CTR-SAIS, Non-Resident Senior Fellow moderated the panel discussion.

"We launched this effort [...] to feature American, European, but first and foremost prominent Turkish scholars, to address issues not only on Turkish and the United States, but also Turkey's relationship with the European Union, the OSCE, Russia, China, Turkey's neighbors, among others," **Toperich** said, adding, "The goal of the project is to have a constructive, open, and honest dialogue, to criticize, but also to understand and praise. Turkey is an important ally to the United States, and that will remain regardless of current disagreements. The aim of this project is to strengthen the bilateral relationship."

"This year marks the 70th anniversary of the Marshall Plan, and the establishment of the transatlantic alliance. Along with cooperative security that contributed to the



European economic integration process and the transatlantic alliance, over 70 years of peace in Europe is a remarkable achievement of a U.S. foreign policy based on the notion that 'the U.S. needs a strong partner in Europe.' Although the Truman Doctrine lost its viability after the Soviet Union collapse in 1991, fragments of the strategy were still shaping U.S. thinking until a major reassessment of the U.S. global role has prompted recent discussions on the future of the international order and the U.S. leading global role," said co-editor of the book *Turkey and Transatlantic Relations*, and CTR-SAIS Non-Resident Senior Fellow and moderator of this panel, **Aylin Ünver Noi**, adding that, "Today, the U.S. and Europe face mounting challenges, including security in the region, an erosion of public confidence in institutions, and instability on Europe's periphery. There are many questions waiting to be answered. How can the United States and Europe adapt to these growing complexities and strengthen transatlantic alliance? How can the United States and Europe reinvest in their shared values and tackle shared challenges? It also raises question whether 'the United States and Europe were supposed to stand shoulder to shoulder to protect the gains reaped from 70 years of cooperation.'"

“Turkey is an important ally to the United States, and that will remain regardless of current disagreements. The aim of this project is to strengthen the bilateral relationship,” says Sasha Toperich, CTR-SAIS Senior Fellow and Director of the Mediterranean Basin, Middle East, and Gulf Initiative.

“During the 70 years of transatlantic alliance, crises and divergent views have led to tensions on both side the Atlantic from time to time, but these temporary crises never became structural, profound in nature. Transatlantic alliance evolved, adjusted and accommodated itself into new realities. In recent years, again the interests of both sides of Atlantic have developed in different directions. Despite Turkey’s longstanding place in the transatlantic alliance dating from 1950s, recent developments, in particular different perceptions, divergent interests and approaches raised questions on Turkey’s future in the Transatlantic alliance. Our book addresses the problematic issues between Turkey and Transatlantic partners, as well as offers several concrete policy recommendations to Turkey the U.S. and the EU with the goal to foster stronger Turkey-Transatlantic relations” **Ünver Noi** concluded.



“Turkey has a vested interest in the Western- and transatlantic alliance, and there is no need to be concerned about Turkey’s orientation towards the West,” said Kılıç Buğra Kanat, Research Director of the SETA Foundation in Washington D.C.

“There are 1,700 U.S. companies currently in Turkey, and about 100,000 employees – both direct and indirect – from U.S. companies in Turkey. Many of these employees are Turkish [...] as U.S. companies see value in the human capital in Turkey, where more than half of the population is under 30,” **Jennifer Miel** noted.

“There is a 20-billion-dollar trade volume between the U.S. and Turkey, but we believe this could be vastly improved upon. Over the last six years we have seen this wane, from a height at almost 20 billion, to about 17 billion, and this decline corresponds with a lack of any formal dialogue between our two governments. The opportunities are there, we need to seize them and we need to reach alignment and harmonization on some policy issues and market access barriers that both of our private sectors face,” **Miel** explained. “There is a customs union between Turkey and the EU, and many U.S. companies see this as an opportunity [to enter the EU through Turkey and vice versa] since TTIP is currently off the table.”

“Turkey has the most dynamic and diversified private sector in the region, and we see this as an opportunity that the U.S. should not and cannot pass up to create new opportunities for the private sector, and enhance collaboration between our two governments, and ultimately our two countries,” says Jennifer Miel, Executive Director of the U.S.-Turkey Business Council at the U.S. Chamber of Commerce.



Panelists (L-R): **Donald Jensen**, CTR-SAIS Senior Fellow; **Jennifer Miel**, Executive Director, U.S.-Turkey Business Council, U.S. Chamber of Commerce; **Kılıç Buğra Kanat**, Research Director, SETA Foundation, Washington D.C.; moderator **Aylin Ünver Noi**, CTR-SAIS, Non-Resident Senior Fellow.

Jennifer Miel, Executive Director of the U.S.-Turkey Business Council at the U.S. Chamber of Commerce, and author of a chapter in this publication, focused on the economic bilateral relationship between the U.S. and Turkey.



Jennifer Miel, Executive Director of the U.S.-Turkey Business Council at the U.S. Chamber of Commerce.

"The U.S. is changing its foreign policy, and this is probably one of the most significant reasons for the emergence of regional powers in different parts of the world as well as the relative decline of U.S. power and willingness to adjust to Cold War realities in a post-Cold War world," **Buğra Kanat** noted, adding that, "The confusion of U.S. foreign policy is creating these concerns and pushing most of the allies in different parts of the world for alternatives and options if they need it.

"The U.S. policy to help the YPG to defeat ISIS creates a major concern for Turkish national security. Starting in 2013-2014, there was a much more direct clash of relations, also related to the July 15 coup attempt and the presence of **Fetullah Gülen** in this country, and Turkey's request for his extradition," concluded **Kılıç Buğra Kanat**, Research Director of the SETA Foundation in Washington D.C.

Turkey, explained CTR-SAIS Senior Fellow **Donald Jensen** and author of a chapter on Turkey-Russia relations in *Turkey and Transatlantic Relations*, is instrumental to Russia for the "undermining of NATO."

"Russia's relationship with Turkey dates back for centuries, and there are geopolitical issues of joint concern and sharing, and sometimes overlapping, which have caused difficulty in the past," **Jensen** said, noting in particular the situation in the Middle East, and historical competition in the Balkans and the Caucasus. "When you look at the list of issues for Turkey-Russia relations: Trade, tourism, defense cooperation, attitudes towards Syria, the Kurds, and so forth, it is important to keep in

mind Putin's agenda toward Turkey, the West, and the undermining of NATO and the U.S.," he said, adding that "Russia wants to get the U.S. out of the region, or at least diminish its role to the extent that it's possible."

"Having a benign Turkish corridor through which it can ship energy to Eastern Europe is a key Russian policy objective [...] and an important point that isn't talked about is that Russia increasingly likes to sow confusion and create chaos for its own sake, and that means undermining NATO, undermining the U.S. image in Turkey, and [...] taking advantage of the traditional American concern of democracy building and construction of more pluralistic institutions in the region," **Jensen** concluded.

"A pragmatic approach on both sides would be the best way to building a constructive relationship between the U.S. and Turkey," says CTR-SAIS Senior Fellow Donald Jensen.



BOOK LAUNCH: BOSNIA AND HERZEGOVINA: TOWARDS ITS EUROPEAN FUTURE

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Click [here](#) to download or purchase this book.



The Vision 2020 for Bosnia and Herzegovina project supports ongoing social and economic reforms needed in the country to create a better legal framework in accordance with the European Union, but also to improve the business environment and attract foreign investment.

Vildana Selimbegović, Editor-in-Chief of Oslobođenje, provided the opening remarks for the panel discussion.

“Everything I was thinking of talking about today was overshadowed by dramatic news this morning: again, a crisis in Bosnia and Herzegovina. The Council of Ministers had to postpone its session, as did the state parliament, all because of a verbal exchange between **Bakir Izetbegović**, the SDA leader and **Milorad Dodik**, the leader of SNSD,” **Selimbegović** said.

“I am glad to be back with you because that means that SAIS still cares and pays attention to what is happening in my country. I wish I could tell you that Bosnia and Herzegovina is much closer to the European Union and NATO than when I was here at SAIS a year ago. I wish I could tell you that this fall, Bosnia and Herzegovina decisively embarked on a battle against crime and corruption because we are faced with alarming data that keeps our country at the top of international lists that measures this plague. I wish I could boast about strong economic reforms and the accelerating creation of new jobs. Unfortunately, I can’t tell you any of this, but what I can tell you is the reason why time has stalled in Bosnia and Herzegovina: We are again in an electoral campaign.



Although the next general elections - if they happen - aren’t until October 2018, the battle for conquering power began half a year ago,” she added.

“The results of domestic politics and politicians whose only goal is personal enrichment are leading to streams of young people leaving the country. Only this year - according to various NGOs - so far 80,000 people have left BiH. Bosnia and Herzegovina needs a different model of government. This can be achieved by changing the government’s policy orientation and establishing a clear commitment to leading the country towards the EU and NATO integration as the only valid recipe for security, rule of law, and the creation of a desirable investment destination. For this type of change, my country needs the help of the international community and I dare to say more significant engagement of the United States in joining the NATO alliance, not only because of more pronounced Russian appetites to maintain the status quo, but also because every step towards NATO integration is a gained battle against those who, in their fear of each other, make plans for survival in power. Trust me, the ordinary people - whether they are Serbs, Croats, Bosniaks or others - live in equally bad conditions. I know that because they are the readers and associates of Oslobođenje. And that’s why Oslobođenje bothers them,” **Selimbegović** concluded.

“To begin with, elected leaders who have issued their commitment to European Union integration need to step back from polarized positions and search for compromises needed to adopt the necessary reforms,” says Valentin Inzko, OHR High Representative in Bosnia and Herzegovina.

“The process of moving closer to the EU is one that will ultimately bring stability and prosperity to Bosnia and Herzegovina, which is why progress on this path remains the stated goal of Bosnian leaders of all ethnic communities and all citizens,” said **Valentin Inzko**, OHR High Representative in Bosnia and Herzegovina.

“BiH authorities are currently working on completing the EU questionnaire, received after **Dragan Čović** handed over the request for membership, accepted in February last year in Brussels. As a result, BiH received about 3,300 questions, all an important part of this process,” **Inzko** explained. An important challenge remains the issue of elections, namely the electoral law. “Current disagreement on elections need to be resolved ahead of next year’s elections in October. If we do not solve this issue next year, there will be a



“The international community believes that elections need to take place, and the results need to be implemented without significant delays,” says Valentin Inzko, OHR High Representative in Bosnia and Herzegovina.

question what will happen – and the economic reforms and EU integration would suffer if we do not see progress in this field. The political parties which should be discussing this issue are adopting maximalist positions, which do not lead to solutions,” **Inzko** noted.

“The second issue is with regards to respecting the Dayton peace agreement, and especially annex 4 which is the Constitution. Statements by certain leaders in Republika Srpska questioning the future of the country and the authority of state-level institutions including the decision of the highest courts, are destabilizing and they make reforms increasingly more difficult,” **Inzko** said.

“The third issue is the deterioration of the rule of law – be it at lower levels or even at the highest level. This includes the continued failure to implement the European Court on Human Rights ruling of Sejdić-Finci, and five other cases. This is the foundation of all foundations,” **Inzko** concluded.



Opening remarks: **Vildana Selimbegović**, Editor-in-Chief, *Oslobodjenje* (translated by CTR-SAIS Fellow and co-editor **Tea Ivanović**)

Panelists (L-R): **Adnan Muminović**, Political Economic Advisor, EU Delegation in Bosnia and Herzegovina; **Valentin Inzko**, OHR High Representative in Bosnia and Herzegovina; **Goran Mirašić**, Operation Officer, The World Bank Group, Bosnia and Herzegovina; Moderator **Michael Haltzel**, CTR-SAIS Senior Fellow; **Mak Kamenica**, Deputy Chief of Party, USAID Energy Investment Activity (USAID EIA).



Adnan Muminović, Political Economic Advisor for the EU Delegation to Bosnia and Herzegovina, focused on the reform agenda and socio-economic reforms currently underway in the country. “Despite the current stalemate of reforms, we should not forget what the Reform Agenda has achieved so far.”

“Significant progress was achieved in the period from late 2015 to early 2017, which included new labor laws, improved banking legislation, fight against the gray economy, improvements in the business environment and greater budgetary restraints. As a result of these reforms, but also some other developments, BiH’s economy has begun to show significant signs of growth: A 18 percent increase in exports and a 5.5 percent increase in industrial production. Banks have started to lend significant amounts to private firms and we are seeing record tax revenues as a result of increased retail spending and combined efforts to fight the gray economy,” **Muminović** explained. “It should not be neglected that for the first time in the post-war history of BiH, socio-economic reforms are at the center of local efforts and deliberations. And, most importantly, the Reform Agenda has put BiH back on its EU track.” The last phase of the Reform Agenda includes some major reforms like health, public administration, SOE restructuring and a significant reduction in the cost of labor. Unfortunately, the last phase will most likely not be implemented in an election year. However, a lot of work is already underway to prepare for these reforms and to ensure that they will be ready to enact when new governments are in place in 2019. Although it formally lasts only until 2018, the relevance of the Reform Agenda goes beyond next year and the initial results give us reason for optimism and show that we are on the right path. We have yet to see a significant impact on the labor market and this should remain our focus in persevering with reforms,” **Muminović** concluded.

“The Reform Agenda showed results because of a greater sense of local ownership, an unprecedented degree of cooperation between the EU and IFIs and because the international community learned from the past i.e., it was agreed that the authorities would need to demonstrate an early commitment to reforms before any financial assistance was provided,” says Adnan Muminović, Political Economic Advisor for the EU Delegation to Bosnia and Herzegovina.



Vision 2020: BiH Towards its European Future addresses achievements made to date, addresses the work still to be done, and provides creative ideas on how to engage in the broader political and institutional reform necessary in Bosnia and Herzegovina.

Goran Mirašić, Operation Officer at the World Bank in Sarajevo, looked at the economic indicators of Bosnia and Herzegovina, noting in particular the importance of lowering the unemployment rate. “Negative macroeconomic trends have been stopped, and BiH’s projected GDP for 2017 is 3 percent. The high unemployment rate remains the biggest problem, and an economic growth rate of 3 percent cannot enable a significant decrease in unemployment. For that to happen, BiH needs to increase its economic growth, a growth of its real GDP up to 5.5 - 6 percent,” **Mirašić** added.

“Moreover, the EU grew at about 2.2 percent in 2017, and we can expect the so-called economic ‘pull’ forces to do their work and create demand for our products, but ‘push’ forces need to be put to use. In order for those to be activated, BiH needs substantial structural reforms. The desired growth rate can come from investments. In the absence of private investment, the state has to intervene in order to boost the economic cycle. This boost can come as a result of public infrastructural works, more particularly, from road construction, since this type of public works carries the largest multiplier effects on economic growth,” he said.

“Unfortunately, general elections are less than a year away, and typically, not much can be accomplished during an election year. BiH cannot afford to waste an additional 18 months, as it usually takes about 4-6 months to form the government on all levels,” **Mirašić** concluded.



A full house at the book launch of *Vision 2020: Bosnia and Herzegovina Toward its European Future*.

“It is of crucial importance to have all the decision-makers put aside their political differences and work in the best interests of BiH citizens in this period before the elections,” says Goran Miraščić, Operation Officer at the World Bank

“In BiH and the regional countries there is a reform agenda for the energy sector since 2005, the year when the Energy Community Treaty, an international agreement, was signed. The Treaty established the Energy Community Secretariat, an international organization which brings together the European Union and its neighbors to create an integrated pan-European energy market. The key objective of the Energy Community is to extend the EU internal energy market rules and principles to countries in Southeast Europe, the Black Sea region and beyond on the basis of a legally binding framework,” said **Mak Kamenica**, Deputy Chief of Party, USAID Energy Investment Activity (USAID EIA). The USAID EIA is a five-year policy and technical assistance project that is supporting the energy sector in BiH to implement legislation and regulation necessary for reaching EU standards and EU accession.

“Energy efficiency is significant as it can create jobs, stimulate investment, save energy/money, improve energy security, and improve the environment.

To reap the benefits, USAID EIA is proposing to implement the Energy Efficiency Obligation schemes, proven to be excellent mechanisms to stimulate the economy of the countries that implement them. Through this instrument, energy efficiency measures are financed on a large scale through a domestic financing source that does not depend on donor funding or loans,” explained Kamenica, adding that “The EEO mechanism can help energize the BiH economy, which is why it is viewed as a development mechanism and some of the quantified benefits could be annual investments of 60 million dollars, and because of a high GDP multiplier of 3.7 times for EE investment, the increase of GDP would be close to 220 million dollars. This constitutes an annual GDP growth of more than 1 percent per year in BiH and 5,000 new green jobs created annually.”

“Because of the slow pace of reforms, among other things, BiH has the highest energy intensity in the Balkan region, and is five to six times worse than the EU-28 average. Energy intensity is a measure of the energy efficiency of a nation’s economy that is calculated as energy spent per unit of GDP,” says Mak Kamenica, Deputy Chief of Party, USAID Energy Investment Activity (USAID EIA).



Valentin Inzko, OHR High Representative in Bosnia and Herzegovina, with reporters.

BOOK LAUNCH: ALGERIA AND TRANSATLANTIC RELATIONS

Click [here](#) to view this panel.

Algeria and Transatlantic Relations, expected in English by early 2018, is an edited volume that narrates the history of Algeria and its transatlantic ties with the United States, as well as the aspiration for a more inclusive and integrated relations.



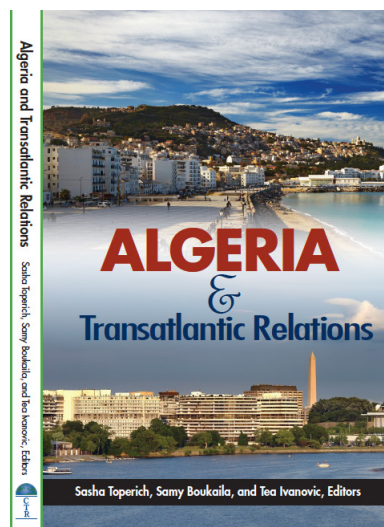
Opening Remarks: **Ali Haddad** (C), CEO, ETRHB Haddad Group, President, Algerian Business Association (FCE), Algeria.

Panelists (L-R) **Ismael Chikhoun**, President, U.S. – Algeria Business Council; **Jeremy Berndt**, Deputy Director, Office of Maghreb Affairs Near Eastern Affairs Bureau, Department of State; moderator **Samy Boukaila**, CTR-SAIS Fellow.

Opening remarks were given by **Ali Haddad**, CEO of ETRHB and the FCE. He noted that this publication will lead to a better understanding of Algeria and its long-lasting relation with the United States and the American people, and the desire to improve friendship between the people, foster even more cooperation in culture, business and trade for the benefit of both nations.

“We are determined to engage Algeria into a new era, and are committed to accelerate the pace of reform on the basis of a transparent and frank dialogue with the government,” **Haddad** said. “This publication traces the history of Algeria before, during, and after its revolution, and is a reference for all those interested in our country, its history, evolution, and its progress.”

“Most of the large U.S. pharmaceutical companies are currently producing in Algeria, with local partners – whether they are large public companies or private companies. In agriculture, last year we saw the first joint venture between Algerian private farmers and a consortium of large



U.S. enterprises in this sector, and they are currently harvesting 500 ha. of potato seeds in the Algerian highlands,” noted **Ismael Chikhoun**, President of the U.S. – Algeria Business Council, noting that “Algeria is looking for exactly this type of partnership, where everyone can benefit.”

“*The synergy of efforts that allowed for the writing of this book is the true proof that we can achieve beautiful things when we work together,*” says **Ali Haddad**, CEO, ETRHB Haddad Group, President, Algerian Business Association (FCE).

“When you combine the low costs of setting up manufacturing, a skilled workforce, and incentives offered by the Algerian government – no customs duties and no taxes for projects from five to ten years, improvements in the banking system – these are great indicators for investors,” **Chikhoun** concluded.

“This book comes at a great time. Our relationship with Algeria is growing stronger and becoming more diverse than it has ever been. The bilateral relationship is one founded on the principle of deep mutual respect, and we have been striving to achieve shared interests in security, stability, and prosperity,” said **Jeremy Berndt**, Deputy Director, Office of Maghreb Affairs Near Eastern Affairs Bureau, Department of State.

"Since 2001, our Trade and Investment Framework Agreement, or TIFA talks, have provided a valuable forum for exploring new ways to reduce trade barriers and expand economic cooperation [...] Each of our countries is blessed with a talented, ambitious, highly educated workforce, [and] as such I'm confident that our bilateral initiatives will foster exchange and collaboration between American and Algerian entrepreneurs, providing new opportunities for investment, innovation, and cutting edge research and development," **Berndt** noted.

"Algeria has emerged as a regional leader, promoting stability, and it plays a critical role in offering security assistance to its neighbors, while also promoting reconciliation to mediate regional conflicts," says Jeremy Berndt, Deputy Director, Office of Maghreb Affairs Near Eastern Affairs Bureau, Department of State.



"In the last decade, we've seen a lot of companies emerging to do business and attract foreign investment, which we view as a very good sign," noted **Ismael Chikhoun**, President, U.S. – Algeria Business Council.

THE MEDITERRANEAN BASIN LEADERSHIP AWARD CEREMONY

Click [here](#) to view the ceremony.



CTR-SAIS Managing Director, **András Simonyi** provided the opening remarks, welcoming Senator **Roger Wicker** (R-MS) to the stage.

Since the inception of the Transatlantic Economic Forum in 2013, each year, the Center for Transatlantic Relations SAIS recognizes prominent political, business, and academic leaders from the countries of the larger Mediterranean and the United States for their work in strengthening transatlantic ties and leadership in the wider Mediterranean Basin.



L-R: **András Simonyi**, CTR-SAIS Managing Director; **Mahieddine Taleb**, Advisor to CEO, Sonatrach, (Algeria) accepting for **Abdelmoumen Ould Kaddour**, CEO, Sonatrach, (Algeria); **Steve Lutes**, Vice President for the Middle East, U.S. Chamber of Commerce; **Ali Haddad**, CEO, ETRHB Haddad Group (Algeria), 2016 Awardee; **Omar A. Bahlaiwa**, President, Optimum Business Consulting Bureau (OBCB), Member of the board of the Committee for International Trade (CIT), (Saudi Arabia); **Omar A. Mohanna**, Chairman, Suez Cement Group of Companies, (Egypt); **Kocho Angjushev**, Deputy Prime Minister for Economic Affairs of the Republic of Macedonia, accepting for **Zoran Zaev**, Prime Minister of the Republic of Macedonia; **Sasha Toperich**, Director of the Mediterranean Basin, Middle East and Gulf Initiative, CTR-SAIS.

The 2017 CTR-SAIS Mediterranean Basin Leadership awardees are:

Zoran Zaev, Prime Minister, Republic of Macedonia;

Chris Murphy, U.S. Senator (D-CT)

Roger Wicker, U.S. Senator (R-MS)

Jeff Fortenberry, U.S. Member of Congress (R-NE);

Omar A. Mohanna, Chairman, Suez Cement Group of Companies, Egypt, and Chairman, Egypt-U.S. Business Council (EUSBC)

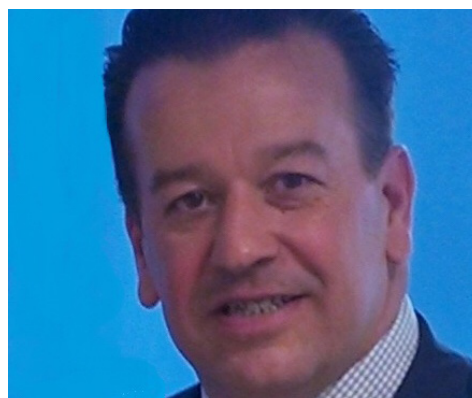
Abdelmoumen Ould Kaddour, CEO, Sonatrach, Algeria

Omar A. Bahlaiwa, President, Optimum Business Consulting Bureau (OBCB), and Member of the Board of Committee for International trade (CIT), Kingdom of Saudi Arabia

Steve Lutes, Vice President for the Middle East, U.S. Chamber of Commerce

Dave Howell, CEO, HMT Industries, United States.

Awardee **Dave Howell**, CEO of HMT Industries, was unable to attend this year's ceremony. For 28 years, **Howell** has worked within manufacturing, eventually buying his own fabrication shop and later an ammunition machine company. Ultimately his business grew into component and ammunition manufacturing. **Howell's** various companies employ over 300 people within the states of Idaho and Nevada.



"The American ammunition market has slowed with this current change in government leadership. The hunting and holiday season has seen an upswing in sales. We hold strong with component sales and machinery parts and sales - future import/export with the Balkans is imperative to honor our commitment to support this region," says **Dave Howell**, CEO, HMT Industries.



Mahieddine Taleb, Advisor to CEO, Sonatrach accepting for **Abdelmoumen Ould Kaddour**, CEO, Sonatrach, (Algeria).



Omar A. Bahlaiwa, President, Optimum Business Consulting Bureau (OBCB), Member of the board of the Committee for International Trade (CIT), (Saudi Arabia).



Omar A. Mohanna, Chairman, Suez Cement Group of Companies, (Egypt).



L-R top: **Donald Jensen**, CTR-SAIS Senior Fellow; **Sasha Toperich**, CTR-SAIS Director of the Mediterranean Basin, Middle East and Gulf Initiative; 2017 Awardee Senator **Chris Murphy** (D-CT); **Edward Joseph**, CTR-SAIS Senior Fellow; **Hans Binnendijk**, CTR-SAIS Senior Fellow.

L-R bottom: **Emanuel Örtengren**, CTR-SAIS Visiting Fellow and Research Assistant; **Morten Tastum**, Assistant to Ambassador Simonyi; **Tea Ivanovic**, CTR-SAIS Fellow; **Jason Moyer**, CTR-SAIS Program Coordinator.



Sasha Toperich, CTR-SAIS Director of the Mediterranean Basin, Middle East and Gulf Initiative, hands Senator **Roger Wicker** (R-MS) his award.



Andy Braner (L), President of KIVU, WYLN and Mediterranean Basin Fellow, hands over the Mediterranean Basin Award to Congressman **Jeff Fortenberry** (R-NE).



2016 Awardee **Ali Haddad**, CEO of ETRHB Haddad Group and President of FCE, Algeria (translated by CTR-SAIS Fellow **Samy Boukaila**), with the 2017 awardees.



Kocho Angjushev, Deputy Prime Minister of Macedonia, accepts the award for **Zoran Zaev**, Prime Minister of Macedonia.



Senator **Roger Wicker** (R-MS); **Sasha Toperich** (C), CTR-SAIS Director of the Mediterranean Basin, Middle East and Gulf Initiative; **Steve Lutes** (R), Vice President for the Middle East, U.S. Chamber of Commerce.

IN THE PRESS

This year, the Transatlantic Economic Forum hosted media outlets and journalists from around the world.

CTR-SAIS Managing Director, **András Simonyi**, and CTR-SAIS Fellow **Tea Ivanovic** wrote an op-ed about the three-day conference, available [here](#).

[Chairman Wicker Honored with the Mediterranean Leadership Award, CSCE - The Helsinki Commission \(U.S.\)](#)

[Balkan Democracy Dances Between Russia, Turkey and NATO, The Cipher Brief \(U.S.\)](#)

[Strengthening Regional and Transatlantic Cooperation, Oslobođenje \(Bosnia and Herzegovina\)](#)

[NOC to open Houston purchasing office to support US\\$ 20 bn spending programme, Libya Herald \(Libya\)](#)

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THE MEDITERRANEAN BASIN INITIA- TIVE

The Mediterranean Basin Initiative was launched in 2013 by the Center for Transatlantic Relations (CTR) at the Johns Hopkins University - School of Advanced International Studies (SAIS).

The Initiative brings together policy makers, academics, the private sector, civil society activists, and women in leadership from the United States, the European Union, and the countries of Southeast Europe and North Africa in a collaborative, issue-focused framework built around the themes of stronger transatlantic economic cooperation, empowering civil society and women in leadership, and political and academic dialogue throughout the Mediterranean.

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