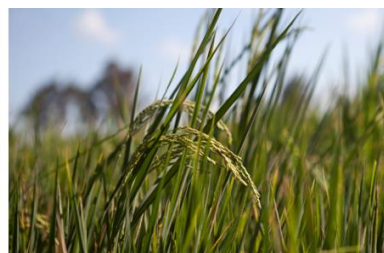


Forum ReaMed

30-31 March 2015, Villa Méditerranée, Marseille (France)



European regulations, soon Mediterranean: an opportunity
for the markets and research

Report

The development of Euro-Mediterranean trade and innovation flows in the agri-food, fine and green chemical sectors is at the top of the European agenda. The ReaMed Forum, supported by the PACA Region, aimed to:

- develop the potential of research and innovation and open up new opportunities between the two shores of the Mediterranean;
- assist project promoters in smart application of EU regulations;
- stimulate the creation of innovative companies by encouraging partnerships between Euro-Mediterranean players..

Monday 30 March 2015 – Plenary Session

9:30-11:30 – Impacts of EU regulations

Plenary session moderator, **Emmanuel Noutary, General Delegate of ANIMA Investment Network**, introduces the Forum. He summarizes the issues which the exchanges will concentrate on: the European regulations in the sectors of chemistry and food-processing, the necessity to understand them in order to enter the European markets and to overcome the barriers that they represent for certain companies, in particular those of the Southern Mediterranean. He also details the 3 reasons of the implication of ANIMA in the Forum:

- the importance of these regulations for investments and partnerships between the two shores of the Mediterranean;
- the necessity of meeting the expectations of the South concerning the opening-up of the European markets;
- the ambition to boost investments, exports and attractiveness of the EU, shown by the major plan recently introduced by the European Central Bank.

Phillippe Mussi, Regional Councillor for Research of Provence-Alpes-Côte d'Azur (France), acknowledges the challenge which the ReaMed Forum intends to meet, to approach the regulations as a chance for the economy and cooperation, and emphasizes his interest in these issues.

Guy Guistini, President of Ader Méditerranée, reminds the realizations of his agency in 50 years of its existence. He underlines the companies' uneven capacity to adapt to regulations and the general tendency to procrastinate. He asserts that the REACH regulation will force the professionals and the researchers to abandon certain molecules and to change their habits.

Louis Aloccio, Vice-President of ASCAME and the Marseille-Provence Chamber of Commerce and Industry (France), comes back to the point that the European regulations can be perceived as a disguised protectionism (severe and expensive standards) but also as an opportunity. He distinguishes 2 issues:

- capacity of companies to become international;
- innovation and research.

Faced with the rising power of Asian economies, he sees as crucial for Europe to renew its privileged relationship with Mediterranean countries. Raising the awareness of Southern companies on European regulations is thus imperative.

José Elguero, Member of the Royal Academy of Sciences and Member of the National Academy of Pharmacy (Spain), explains that the introduction of the REACH regulation in 2007 reversed the burden of proof: from now on, it is up to industrialists and researchers to demonstrate that a chemical substance is not harmful for health and environment. This significant evolution encourages a virtuous approach on the environmental plan and the development of the green chemistry. The latter consists on implementing principles reducing and eliminating the use or the generation of environmentally damaging substances. The green chemistry is based on the following alternative processes: mechanic-chemistry, photochemistry, ultrasounds, microwaves, ohmic heating, microreactors. The market share of the green chemistry has considerably increased during the last decade and its development varies according to different regions. It is particularly developed in Asia due to the low risk aversion of this region. To conclude, José Elguero pleads in favour of the strengthening of Euro-Mediterranean scientific collaborations and a better use of solar energy.

Pierre Michel, Director of Ader Méditerranée, presents the REACH regulations and its 3 objectives:

- to guarantee a high level of health and environment protection;
- to improve competitiveness and innovation;
- to forbid manufacturing and sale of certain chemical basic substances and transformed substances based on the principle "no data, no market".

To produce and import substances into the European community space (pure, mixed or used in articles), it is necessary to record, assess and authorize previously these substances within the area. Manufacturers and importers are responsible for supplying the REACH data and for assessing associated risks. In 2008, we counted 150,000 substances preregistered by 2 mln companies. In 2015, only 13,052 substances were registered while the deadline for registering small tonnage substances is fixed for 2018. The cost of substance registering varies from € 40,000 to 1 mln (cost increases with the toxicity of the substance). Shared registering between manufacturers and importers is possible. The big international chemical groups have registered the big tonnages. The profitability of the small tonnages of specialty chemicals is likely to be strongly affected. The cost of registering and the complexity of REACH might represent an obstacle for certain actors, in particular those of the Southern Mediterranean. Nevertheless, substances of natural origin, extracted without chemical agents and that are not classified as dangerous, are exempted from registering. Thus, REACH creates commercial niches for the green industries. There are real opportunities for producers of the Southern Mediterranean. [\[Download the presentation in French\]](#)

Frédéric Bertassi, Inspector at the French Directorate General for Food (DGAL), reminds that France has a rather heavy regulatory asset (old, with a stack of standards). The hierarchy of the standards is as follows: international standards are translated into European regulations which are implemented at national level by means of national regulations. In the agri-food sector, the international standards aim to estimate the risks to protect the health and life of humans, animals or plants. Countries have different risk aversion. In France, the regulations currently implemented are mainly defined at the European level. Before 2006, 17 vertical directives (by sectors) and the horizontal directive adopted at the European level were implemented into French law by dozens of national texts. Since 2006, this complex system has been replaced by 6 regulations of the 'Hygiene Package', which are directly applicable by transposition in all the countries of the EU. The 'Hygiene Package' is divided into 2 very different parts: the first one applicable to professionals, and the second one applicable to control services. These measures meet the demand of consumers and authorities concerning the guarantee of food quality and security. Thus, an integrated approach, called "from fork to fork", has been adapted. This approach is based on a system of traceability at all stages of the production, processing and distribution. In application of the regulations 852 and 853/2004, companies must be registered (possibly approved), respect the HACCP system and implement an autocontrol approach. At the national level, a plan of control and supervision must be implemented in order to verify the conformity of foods. To import food products in the European community space, non EU-members have to prove that their control systems are in compliance with the two specific regulations. To accompany the dynamics of current opening toward the south of the Mediterranean at the European level, France participates in trainings and twinnings aiming to help these countries to reach levels of food safety equivalent to those of the EU. [\[Download the presentation in French\]](#)

11:45-13:00 – State of international trade and research between Europe and the Mediterranean

Ikram Makni, General Director of Sfax Business Centre (Tunisia), takes stocks of mixed results of the trade between the EU and Southern Mediterranean countries. In 2012, they amounted to € 330 bln, in clear growth. The trade of MED countries with the EU represents 10% of all international exchanges of these countries. The evolution of the relations with the EU differs from country to country: in 13 years, Morocco has passed from the Association Agreement (2000) to a deep and comprehensive free trade agreement (DCFTA) in 2013. Tunisia is in discussion for new agreements while it was the first country to sign a Free Trade Agreement in 1995. Jordan obtained an advanced status in 2010 after 8 years of the Association Agreement. Other countries are still lagging behind. These various agreements have generally brought an improvement of the products quality in MED countries. The exports of the EU towards MED countries are dominated by chemicals and equipment whereas the main imports are raw materials, agri-food products and textile. The economic integration of the EU with MED countries is one of the lowest in the world. The growing disparities in income, knowledge and technological levels between the two shores of the Mediterranean strengthen the attractiveness of the EU for inhabitants of MED countries, in particular for young people. Consequently, it is necessary for the EU to strengthen its business, economic, political and cultural connections with MED countries in order to rise to the challenge. [[Download the presentation in French](#)]

Serena Sanna, European projects' engineer at Institut de Recherche pour le Développement (IRD), recalls the EU policy concerning EuroMed cooperation. She reminds that the 1995 Barcelona Declaration had identified research as a priority axis of cooperation. The process of creating EuroMed scientific networks and implementing joint research programmes was pursued in 2003 with the adoption of the European Neighbourhood Policy, then in 2008 with the launch of the Union for the Mediterranean. 170 collaborative projects between the EU and the MED countries have been financed for a total of € 400 mln under the 7th Framework Programme for Research and Development. Among them, we find MedSpring, a concrete project aiming to strengthen the EuroMed cooperation in the field of research. MedSpring has led in particular an investigation on the Mediterranean thematic observatories in order to know better the research actors in the Mediterranean, their objectives and their needs. 78 observatories have been contacted; 35 of them replied to the survey and represented hence 8 countries (19 observatories in the EU and 16 in MED countries). They are generally affiliated to universities or public research laboratories and are financed by research competitive funds and by national public institutes, more rarely by bilateral research programmes. The best covered scientific domains are earth sciences, astronomy, oceanography and climatology (28%), environmental biological sciences (19%), social sciences and humanities (11%) and agriculture, animal production and veterinary (8%). The end users of these observatories are mainly actors of the research, civil society (including companies) and governments. This survey allowed to reveal the vitality of the Mediterranean scientific community. [[Download the presentation in French](#)]

Riadh Zayane, Vice-President of the Tunisian business association CONECT, indicates that Arabic revolutions call for a further support from the EU as priorities have evolved. The political instability of MED countries and the economic crisis in Europe have caused a trade slowdown between the two zones. Administrative reforms are necessary to accelerate the customs procedures, to improve the transparency and to harmonize the controls with the EU. The latter should also help the MED countries by facilitating movements and accelerating the flows of goods. These evolutions are essential to perpetuate the investments of EU companies in MED countries (and to avoid that they relocate in distant countries such as East Asia or Sub-Saharan Africa), to capitalize on the knowledge and skills acquired by local workforce and to integrate value chains at the level of the Mediterranean Basin in order to allow the stability of the zone.

Monday 30 March 2015 – Forward-Thinking Workshop “Dairy Chain”

Workshop moderator, **Jeanne Lapujade, Network & Development Coordinator at ANIMA Investment Network**, introduces the topic: ‘How to integrate the specificities linked to local resources and traditional know-how in the implementation of European regulations?’ She underlines that the difficulties of access to the European market for dairy products from the South Mediterranean countries that the LACTIMED project met from its beginning have resulted in the concentration of efforts on domestic and Arabic markets. In order to expand these markets, a work of awareness-raising on the European regulations and collective reflection on the existing room for manoeuvre was imperative.

Selma Tozanli, Lecturer at the Mediterranean Agronomic Institute of Montpellier (CIHEAM-IAMM), presents briefly the current situation of the Mediterranean dairy chains. In the South, the main issues are at the levels of milk production and collection whereas, in the North, they concern essentially marketing (declining position of the typical products when compared to standardized industrial products). She regrets the lack of awareness of Mediterranean typical dairy products, yet a part of the Mediterranean diet. She pleads in favour of the extension of their markets, at national and international levels, provided that international hygiene standards are respected. Certain countries of the South already export towards nearby countries but wish to expand these markets to the EU. Yet, the latter is still largely inaccessible for them. The protected geographic indications (PGI), for which some initiatives are in progress in Lebanon and in Tunisia, might allow to better promote the specificities of the local dairy chains in the implementation of the regulations. [[Download the presentation](#)]

Frédéric Bertassi, Inspector at the French Directorate General for Food (DGAL), presents the measures of flexibility adopted in France to protect traditional productions, which include products under quality or origin labels, farm products and PGI or PDO products (protected designation of origin). He reminds that France is a country with strong dairy tradition, which counts 300 different cheeses and 50 PDO dairy products. Adopted measures of flexibility apply to farmers and home-made productions which process less than 2 mln litres a year. They allow for example the preservation of the use of wooden structures, a better tolerance concerning moulds observed on cheeses and other dispensations. Guidebooks on hygiene good practice also aim to facilitate the application of the regulations by small producers. Indeed, often the main difficulty for them is to inform the various stages of the production. [[Download the presentation in French](#)]

Joanna Pappa, Head of the Animal Production Department of the Ministry of Reconstruction of Production, Environment and Energy (Greece) mentions that Greece has met difficulties when complying with the European regulations, in particular at the level of SMEs. National rules of flexibility were finally defined in 2014. The challenges which they intend to face are as follows: structuring of value chains, organization of producers (in particular to promote typical products), adaptation of hygiene controls to small traditional units (processing less than 500 kg a day). These small units can consequently derogate from certain rules, but only on the local market.

Maria Kandili, Sales Manager at Kissas Bross and Co (Greece), adds that in Greece, the PDO has been recognized for cheeses since 1994. Nevertheless, this scheme applies to the national level without differentiation between local territories. That’s why she supports the LACTIMED approach in Thessaly, which introduces a distinction of products at local level thanks to Terra Thessalia Lactis label. [[Download the presentation](#)]

Morsi El Soda, Professor Emeritus at the Faculty of Agriculture of the University of Alexandria (Egypt) reminds that Egypt also has a long dairy tradition, which started at the time of Pharaohs. The Egyptian dairy sector includes industrial productions as well as home-made and traditional productions. He sees the Diaspora in the EU as a possible market niche for Egyptian traditional dairy products. A Committee has been created within the Egyptian Ministry of Trade, Industry and SMEs in order to develop an integrated national system for Egyptian dairy products quality and safety that would allow their access to the European market.

This Committee has asked the EU to grant an authorisation to factories willing to comply with the regulations (there were 8 pre-identified factories). [[Download the presentation in French](#)]

Gehan Saleh, Dean of the College of International Transport and Logistics of the Arab Academy for Science, Technology and Maritime Transport (Egypt), summarizes the strengths, weaknesses, opportunities and threats of the dairy chain in Alexandria and Beheira, and explains how the dairy cluster project developed as part of LACTIMED intends to meet these challenges. [[Download the presentation](#)]

Michele Germana, President of the Agency for the Mediterranean (Italy), indicates that the dairy tradition is also very important in Sicily. To take into account local specificities, the European regulations are applied in Italy via national regulations, which are translated at the regional level into decrees. Thus, a decree identifies Sicily's traditional products. In association with universities, institutions and intermediary bodies, the Agency for the Mediterranean aims to promote the specificities of these products in local and international markets as well as via tourism. The Agency has set up a traceability system to guarantee the quality of products for local and international consumers.

Interactions among participants have highlighted the following opportunities and recommendations: setting up integrated systems of traceability (a solution to hygiene problems and a way to promote local resources and know-how), strengthening the cooperation between various stakeholders in the value chain (companies, CCIs, researchers, institutions, etc.), introducing measures of flexibility for small traditional units into implementation of regulations (a way to protect specificities and to prevent them from turning to the informal sector), promoting field-based approaches in the translation of international standards and European regulations at national and regional levels. Furthermore, the problems which the MED countries are confronted with are similar to those of the countries that integrated the EU during the last decades. Thus, exchanges of experience with these countries could be very rewarding. Finally, beyond the application of the hygiene and traceability regulations, the quality and typicality of products represent for SMEs of the North as well as of the South of the Mediterranean a way to differentiate themselves, to develop new markets or simply to face the competition of big international groups.

Tuesday 31 March 2015 – Training and Support Workshop “Dairy Chain”

Jeanne Lapujade, Network & Development Coordinator at ANIMA Investment Network, introduces the second thematic workshop dedicated to European regulations applicable to dairy products, which takes a more technical approach and aims to help the actors of the dairy chain to comply with these regulations.

The workshop begins with **discussions among participants**. Joanna Papa reminds to the participants that hygiene regulations are first of all a result of scientific researches aiming to protect consumers' health. Zied Ben Youssef, cheese maker from Béja (Tunisia), wonders which adaptations a cheese maker can accept in order to comply with regulations: does he have to give up hand milking while this practice is a part of the tradition? Joanna Pappa mentions that hand milking is authorized in Greece and other EU Member States provided that certain hygiene rules are respected. Frédéric Bertassi adds that the level of hygiene is not necessarily related to the level of equipment of the production unit (sometimes it is the opposite). Fatima El Hadad-Gauthier from CIHEAM-IAMM specifies that it is possible to modernize on the scale of hand-made production. To do it, it is advisable to identify the constituent specificities of traditional products. She insists on the importance of the autocontrol in companies. Saïd Gedeon, Deputy Director-General of CCIAZ, indicates that in Lebanon, it is difficult to check the quality of milk at production level. The milk quality is generally checked at processing level and is sometimes improved by thermal processes.

Frédéric Bertassi, Inspector at the French Directorate General for Food (DGAL), presents briefly the French dairy sector and its professional organizations. He recalls the key-points of the European agri-food regulations: HACCP method, traceability (from fork to fork approach) and risk management. He specifies that direct aid to farmers is conditional upon respect for community standards (under a reduction up to 30%) and that the payment of milk is determined by its quality. As for processors, they have to set up a control plan.
[\[Download the presentation\]](#)

Following this intervention, Zeineb Louafi El Abed, Head of studies at Industries Alimentaires de Tunisie (IAT), states that Tunisia is implementing the European regulation at national level and that industrial companies will have to comply with it to obtain an authorisation. IAT has been supported by the Ministry of Agriculture but meets certain difficulties to comply with the regulations (e.g. necessity to import equipment, etc.). Zied Ben Youssef regrets that the Ministry has not clearly explained the rules to be implemented by small units to obtain an authorisation. Fatima El Hadad-Gauthier reminds that the convergence towards European standards is a part of the discussions engaged within the framework of bilateral agreements aiming to accompany the liberalization of trade. Indeed, it is important that the MED countries meet these standards to face the European competition. George Assonitis, Councillor for European Affairs at Hellenic Union of CCI, wonders if the sanitary problems pointed by the EU are not most of all a pretext. Selma Tozanli and Frédéric Bertassi reply that sanitary rules can be seen as a non-tariff barrier but that first of all they want to guarantee a satisfactory level of safety and quality of foods for consumers who do not know the producers, in particular when it comes to export perspectives.

