



Communiqué

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FCM calls for the continuation of EuroMed cooperation activities in the field of Auditing and Accounting following the Conclusions of the EuroMed Market Programme.

FCM calls for the continuation and development of Euro Mediterranean cooperation activities in the field of Auditing and Accounting, towards the creation of a free trade area, in accordance with the Final Conclusions of the Euro Med Market Programme and with the objectives of the Barcelona Process - Union for the Mediterranean and the Joint Declaration of the Paris Summit for the Mediterranean of July 13, 2008.

The EuroMed Market Programme - in which FCM participated as regional expert - was concluded at the end of April 2009.

A final conference took place in Barcelona on the 28th-29th of April, 2009 with an aim:

- to discuss the output of the EuroMed Market Programme (2002- 2009) established with the objective to pave the way for the establishment of a EuroMed Free Trade Area by 2010 between the European Union and its nine Mediterranean Partners (Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, the Palestinian Authority, Syria, and Tunisia) as well as Turkey.

- to present the comparative study "Towards the Free Trade Area" including six priority topics: Auditing and Accounting, Customs, Competition Rules, Public Procurement, Intellectual Property Rights, and Financial Services: Banking & Insurances.

- to agree on conclusions and recommendations in view of achieving the goals of the Barcelona Process - Union for the Mediterranean. As regards Auditing and Accounting, the members of the Working Group made the following recommendations:

- 1) It would be necessary to use the study carried out in the framework of the EuroMed Market Programme as a basis to draft national action plans in this field in each Mediterranean Partner.
- 2) The participants would welcome the setting up of a central Euro-Mediterranean entity comprising both representatives of the public and private sectors, with a view to coordinating action in this field. The Federation of Mediterranean Accountants (FCM), established in 1999, should start working as hub for EuroMed cooperation activities in the field of auditing and accounting and be the starting point to create an Accountancy and Auditing Central EuroMed Entity.



The members of the Working Group on Auditing and Accounting furthermore agreed that it would be important to promote convergence in the Mediterranean region towards high quality financial reporting standards, with special attention to the needs of SMEs.

FCM fully supports these conclusions. FCM strongly believes in the positive impact of the Euro Mediterranean cooperation's activities and in the enormous potential of the Mediterranean region¹, especially in the perspective of a global economy, where single countries increasingly count less and regions increasingly count more.

FCM has been committed to promoting economic growth and integration in the Mediterranean region through reliable and comparable financial information and a developed accountancy profession for 10 years.

FCM strongly believes that sound financial reporting is essential for financial stability and growth. A solid financial reporting infrastructure is not only important in avoiding crises. It is vital for investors' protection, to attract foreign and domestic investments and to develop capital markets². The financial reporting infrastructure is also a crucial factor for the development of a more integrated regional market.

Accounting and auditing standards are key elements of the financial reporting infrastructure, but are not the only ones. Equally important are the system of governmental regulation and the system for education and certification of professionals, i.e. the accountancy profession.

FCM believes that the EuroMed Market Programme was a very important step forward in starting an effective convergence process towards the creation of a Euro Mediterranean free trade area. As highlighted in the conclusions of the EuroMed study, effective actions should now be planned to ensure that this process continues.

¹ According to the World Bank's Global Economic Forecast, growth in the Middle East and North Africa in 2009 "appears least affected among developing regions, dropping just 0.3 points from earlier projections to 3.3 percent". According to ANIMA Investment Network, positive economic signs for countries south of the Mediterranean include currencies faring well in the face of the Euro, dynamic private consumption and "public authorities that are intensifying their efforts". Furthermore, ANIMA indicates that although a slight slowdown is foreseen for 2009, growth in the region will remain sustained and will take up a cruising speed of nearly 4% per annum on average from 2010 onwards. This offers European businesses a credible proposal for competitive production costs supported by a banking system that has been relatively sheltered from the crisis. (Sources: World Bank Press Release NO:2009/285/DEC and "Foreign direct investment towards Med countries in 2008: Facing the crisis", Anima Investment Network, Samir Abdelkrim/Pierre Henry)

² In this perspective, on the 26th of March, 2009 securities regulators from eight countries participating in the Barcelona process, Union for the Mediterranean (Algeria, Egypt, France, Italy, Morocco, Portugal, Spain, and Tunisia) signed a Charter to establish the Mediterranean Partnership of Securities Regulators. It will set out the conditions and practical terms for enhancing their cooperation in financial market regulation and supervision. The charter aims to strengthen national regulations on the basis of common requirements, thereby favouring product security and investor protection and supporting the rapid expansion of financial flows in the region.



References

The study "Towards the Free Trade Area", the Final Conclusion and as well as other relevant documents can be freely downloaded from the Euro Med Market Programme's website:

http://www.euromedmarket.org/ingles/FC2009_list.asp in English

http://www.euromedmarket.org/frances/FC2009_list.asp in French

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About FCM

The Federation of Mediterranean Accountants/ Federation des Experts Comptables Méditerranéens (www.fcmweb.org) is the only representative organisation of the accountancy profession in the Mediterranean Region and was established in 1999. FCM's membership consists of 20 professional institutes of accountants from 16 Mediterranean countries representing more than 320.000 professionals. FCM is an Acknowledged Grouping of IFAC.