

The Pact for the Mediterranean



Context

Last month, the European Commission published its Joint Communication with regards to the recently announced Mediterranean Pact, which aims to improve collaboration between Mediterranean neighbours through three pillars: People, Strong Economies and Security. Its aim is to transform the region into a hub for innovation, improve its resilience to climate shocks and develop stronger security.

For Malta, such a Pact can bring the necessary change to advocate for its insularity and improve connectivity, allowing the island to fully compete in the EU Single Market as well as better advocate for its unique but interconnected challenges in face of emerging EU legislation.

The Malta Business Bureau presents this policy brief to summarise the Pact and ends the brief with the key elements relevant to the Maltese context.

A People First Approach

The first pillar of the Pact focuses on people, ensuring a stronger connection between Mediterranean neighbours.

Investments in the Mediterranean region will create a positive spillover on the region's labour market, as vocational training and education become prioritised. This comes in response to the declining demographic trends — due to high life-expectancy and declining birth rates — in the region. This also allows for the gap between education and equal work opportunities to close. The establishment of a Mediterranean University, a Science Diplomacy Centre and intergenerational mentoring programmes, amongst other initiatives will help streamline this. Furthermore, the expansion of labour migration pathways will allow to meet supply and demand of workers and promote economic growth, especially with regards to seasonal workers.

Culture, sport and tourism are also areas of interest in the Pact. Through a holistic approach of food, language, tradition and culture, members of the Pact can safeguard their national heritage whilst opening their doors to tourism, as a means of spreading knowledge of their identity. This requires close collaboration - through regular dialogue - from stakeholders in the public and private spheres, to ensure mutually beneficial solutions. The Euro-Med initiative allows for the achievement of this.

Stronger Economies in the Face of Uncertainty

1. Meaningful Trade Relations

Due to the fragmented nature of the Mediterranean and its disconnect to mainland Europe, prioritising stronger trade relations will ensure economic resilience and integration. The Global Gateway in the Mediterranean is one way of achieving this, with smart, clean and secure investments. This also aligns with the Clean Industrial Deal, which pushes for decarbonisation in Europe and increased competitiveness. The Mediterranean can become an attractive region to investors, focusing on clean energy and becoming a hub for innovation and Research & Development (R&D).

2. Youth Entrepreneurship and Support

Entrepreneurial activity in the Mediterranean region is gaining momentum, as the young, tech-inclined population gains investor interest. This diversifies the economy, with new opportunities at the national and regional level, emerging. The StartUp4Med initiative unlocks this potential, supporting micro, small and medium-sized enterprises (MSMEs). This also allows for a focus on youth development, as young people are given opportunities to showcase their talents.

3. Digitalisation

Similarly, there is a growing focus on digital tools and Artificial Intelligence (AI) for competitiveness, resilience and simplification. This can facilitate connectivity across the Mediterranean region, as data flows become more developed. Increasing technical exchanges and cooperation on cybersecurity will also aid in terms of security and preparedness to unexpected crisis. Such digital tools can also facilitate the monitoring of oceans — through stronger inspection capabilities. This will allow for an enhanced ocean diplomacy and the achievement of a European Ocean Pact.

4. Sustainable Transport

Sustainable transport is especially relevant to this region. As members suffer from connectivity issues, investment in better-connected value chains is crucial. The EU's Trans-European Network for Transport (TEN-T) is one way of doing so. This is not only important in terms of movement of people, but also of goods and services, boosting economic security in the region. This cleaner mode of transport shall be supported by cleaner fuels, such as Sustainable Aviation Fuels (SAFs) and Sustainable Marine Fuels.

5. Credible Information

Information must be based on credible, scientific evidence, to ensure an ad hoc mechanism which allows for information exchange and the assessment of cross-border impact of emerging legislation. This allows for problem-solving based on accurate statistics, thus supporting the EU Copernicus.

Regional Security and Migration Flows

Growing climatic and border pressures call for more cohesion in the Mediterranean.

The exploitation of the maritime domain remains an issue, with increased security needed — this is streamlined through the EU Maritime Strategy. As geopolitical instability increases, members of the Pact must aim for closer collaboration despite separation by borders. This feeds into the Med-Peace and Security Initiative which aims to advance dialogue on peace and security, enhancing cooperation between national authorities and setting up a regional forum.

This will also ensure preparedness in times of unprecedented crisis — both natural and human. The Mediterranean region is particularly vulnerable to climate-related shocks which highlights the need for the EU Preparedness Strategy. Early-warning systems, food security preparedness and stronger synergies are all crucial to a more resilient region. Investing in more R&D, especially in innovative agriculture is one means of doing so, as wildfires, droughts and soil erosion become increasingly common, impacting food security and consequently, political stability and social cohesion.

Due to the diverse nature of the region, migration remains a contested topic, with agreements often hard to reach. Members must take joint responsibility to ensure coordination and a whole-of-route approach which ensures the protection of human-rights, through stronger law enforcement and judicial cooperation.

The Malta Case

Malta should consider how these three pillars apply to its context.

The country stands to benefit from youth-focused initiatives and mobility programmes that enhance skills and improve access to fair employment. Key sectors such as water, agriculture, and tourism are particularly relevant for Malta's youth and its role in advancing the EU Green Deal and its subsequent Clean Industrial Deal. Furthermore, regular worker

exchanges within the region will help balance labour supply and demand, particularly during peak seasons.

With regards to heritage and tourism, Malta's UNESCO sites offer opportunities for public engagement and economic gain. The mobilisation of both private and public stakeholders can allow for more national cohesion, the promotion of cultural values and democratic participation. Nevertheless, careful management is needed to balance tourism with heritage preservation, especially given infrastructure limitations and risks of overtourism.

Malta's strategic location presents potential for investment in digitalisation, renewable energy, water resilience, smart agriculture, and connectivity, contributing to regional supply chain integration. With regards to sustainable transport, efforts to reduce car dependency will require comprehensive strategies, including financial incentives and behavioural shifts, to overcome infrastructure challenges and support cleaner transport options. There is potential in exploring the uptake of SAFs considering the island's large tourism sector and reliance on air travel. More sustainable maritime fuels are also of interest, for a greener shipping industry.

The full EU Joint Communication can be found [here](#).

Disclaimer: This is a policy brief to create awareness about the legislative proposal and for information purposes. It is not an official position of the Malta Business Bureau.

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