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Europe-Mediterranean-Africa Commercial Connectivity: Geopolitical Opportunities and Challenges

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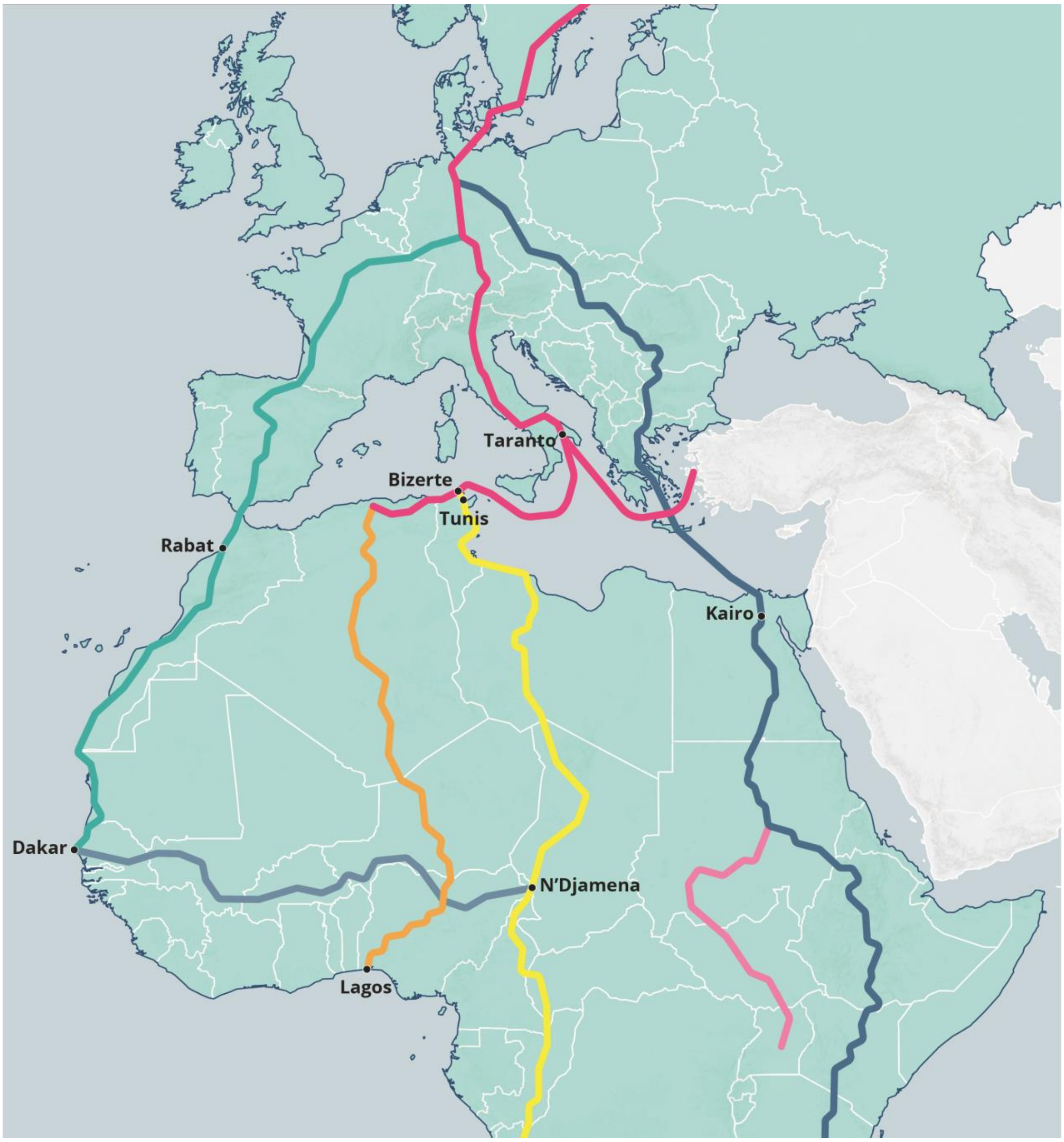
The scramble to establish Africa-to-Europe commercial corridors has given rise to a new global engagement with North Africa that is reshaping the basic economic architecture and the geopolitics of the region. With China, Russia, Turkey, and the Arab Gulf states playing increasingly significant roles in the development of these corridors in the southern Mediterranean, the European Union system confronts a pressing strategic challenge to form a coherent and effective policy in North Africa. The manner and extent to which the European Union (EU) exercises leadership in the development of trans-Mediterranean connectivity will determine the parameters of its future geopolitical influence in North Africa and the effectiveness of the EU's efforts to develop a comprehensive partnership with Africa as a whole.

Three Trans-Mediterranean Corridors Emerging in the Global Pivot to Africa

By the middle of this decade, Africa will have over 100 cities with more than one million inhabitants.[1] International efforts to establish Africa-to-Europe connectivity emerged as part of the unprecedented wave of economic growth that swept across Africa during the past decade, unleashing a surge in global engagement with most of the continent. China became Africa's top trade partner while Russia and Turkey massively expanded their trade relationships on the continent, witnessing rates of growth in trade that surpassed the European Union by a factor of seven and five respectively.[2] From 2010 to 2016, Ankara opened 26 embassies in Africa as part of its push to expand Turkey's economic and political footprint across the continent.[3] The Arab Gulf states have similarly increased their engagement with Africa. The nations of North Africa themselves, with their complex 'triple heritage' of Arab, African, and Mediterranean identities, began pivoting economically to Africa as well, exploiting their key geographic position on the Mediterranean's southern shores, to be the conduits for the new flows of goods, resources, energy, and capital. Morocco, Algeria, and Egypt are the respective geo-political gatekeepers of three emerging trans-Mediterranean corridors of Africa-to-Europe connectivity. This new status has enabled Rabat, Algiers and Cairo to exercise greater autonomy, recalibrating with whom and on what terms they engage in foreign partnerships. At the same time, the Maghreb itself has become an arena of intense global competition over the nexus of trade routes, energy transit routes, and industrial manufacturing value chains that connect Europe, Africa, and Middle East.

Among the three emerging corridors, Morocco's West Africa-to-Western Europe corridor is the most advanced in its development while the Egyptian-based East Africa-to-Eastern Mediterranean corridor is at a preliminary stage of development, albeit with enormous economic potential. The central corridor based in Algeria is still in formation and is witnessing a jockeying among international actors to establish a successful corridor. The requirements for a successful Africa-to-Europe corridor reflect two fundamental needs in Africa's current growth phase more generally – increased commercial connectivity to consumer markets and a larger industrial manufacturing base. As the Moroccan example shows, corridors emerge only where the requisite large investments in port, rail, and road infrastructure are coupled with an industrial base anchored in a manufacturing value chain. The Moroccan example as well as the Algerian example also show that if the

European Union system does not work effectively to partner with North African nations to meet these requirements then EU member states playing leading roles in trans-Mediterranean connectivity will partner with actors outside the union. The Egyptian example is a case wherein the already deeply entrenched positions of China, Russia, and several Arab Gulf states show the necessity of an EU system involvement to ensure a European role in trans-Mediterranean connectivity. Ultimately, the configuration of Africa-to-Europe value chains that result from how the Maghreb nations manage their respective sets of foreign partnerships will establish the geopolitical framework of these emerging trans-regional commercial architectures for years to come.



Morocco's West Africa-to-Western Europe Corridor: The Value of Value Chains

Morocco's success in advancing its West Africa-to-Western Europe commercial corridor stems from the considerable investments made by Rabat and its foreign partners in the concurrent development of both Morocco's transportation infrastructure and its industrial base, anchoring Morocco's emerging trans-Mediterranean commercial connectivity in manufacturing value chains. Morocco's construction of its *al-Boraq* high-speed rail line – Africa's first high-speed rail transportation – has established Morocco's unrivaled position as an Africa-to-Europe commercial corridor. Inaugurated on 15 November 2018, the $2.3 billion first segment of landmark high-speed line was built as a Franco-Moroccan joint venture. Extending 362 km from Morocco's major industrial port city of Tangier to the country's economic center of Casablanca, the line cut the previous travel time by more than half. [4] The *al-Boraq* line is a component of Morocco's ambitious Plan Rail Maroc 2040 to modernize Morocco's railway system, including 1,500 km of additional high-speed rails links that have already started to form the overland transportation backbone of a France-led, Africa-to-Europe industrial chain.[5]

The *al-Boraq* line is linked to Morocco's new state-of-the-art Tanger Med port[6] on the country's Mediterranean coast 40 km east of Tangier. Tanger Med is the flagship project of Morocco's 2030 Strategy port plan,[7] under which Rabat is investing upwards of $7 billion in its network of ports, adding a strategically significant amount of container capacity on its Mediterranean coast. The $1.5 billion Tanger Med 2 capacity expansion was supported by considerable Chinese investment.[8] With the opening of its new terminals in late June 2019, Tanger Med became the Mediterranean's largest port, surpassing Spain's Algeciras and Valencia ports, with a total in container capacity of 9 million twenty-foot equivalent units (TEU). [9]

In June 2019, French automobile manufacturer Groupe PSA, Europe's second largest automaker, opened a manufacturing plant in Kénitra, north of Rabat, because of the *al-Boraq* high-speed rail link to the Tanger Med port. [10] Setting the precedent for Groupe PSA's Kénitra plant**,** Group Renault, in 2012, located its second Moroccan manufacturing plant in Tangier in order to benefit from the expanded Tanger Med Port and the rail link to it. Within five years of opening its plant, Renault produced its millionth vehicle. Europe's third largest automaker presently sends six trainloads of Renault vehicles daily from its Tangier factory to the Tanger Med port for shipment.[11]

Rabat's highest strategic priority in its railway development program is the creation of a high-speed rail link from Tangier to Lagouira (La Güera) in the southernmost point of the Western Sahara region, which Morocco considers its Southern Provinces. [12] Running from Morocco's Tanger-Med Port across and down the length of the Atlantic coast to the Mauritanian border, the Tangier-Lagouira line will create a high-speed commercial transportation corridor from the shores of the western Mediterranean to the border of West Africa. [13]

The *al-Boraq* high-speed rail line, as a French-Moroccan joint venture, is emblematic of France's traditional role as Morocco's leading foreign investment partner as well as Paris' new push to be seen as a positive change-agent for African economic development. France provided 51% of the financing for the project with Morocco providing another 27%. The remaining 22% of the project was financed by development funds from the United Arab Emirates (UAE), Saudi Arabia, and Kuwait. [14] Along with France, the GCC nations – in particular the UAE – have been the mainstays of foreign investment in Morocco.[15] The *al-Boraq* line reflects the fact that France's main partners in facilitating Morocco's transformative infrastructure development are the UAE, Saudi Arabia, and other GCC states.

The EU27 collectively is Morocco's largest trade partner, accounting for 55% of Morocco's 2019 total bilateral trade volume.[16] Nonetheless, France's EU27 partners have not been leading investors in Morocco's infrastructure development, although companies from the other EU member states will invest in opening their own production sites in Morocco to participate in the French-led industrial value chain. France's principal partners for strategic economic engagement with Morocco are Abu Dhabi and Riyadh, not Madrid, Rome, or even Berlin.

The future nature of Morocco's West Africa-to-Western Europe Commercial corridor will be determined by how infrastructure investment is integrated with industrial manufacturing chains, as illustrated by Morocco's successful automotive industry. Africa's leading auto manufacturer with a current capacity to produce over 700,000 vehicles per year, Morocco's automotive manufacturing industry is the current centerpiece of the country's West Africa-to-Western Europe Corridor. Automotive sectors sales are the leading manufacturing component of Morocco's export-driven economy in which foreign trade accounts for approximately 88 percent of Morocco's GDP. In early 2019, automotive sectors sales accounted for 27.6 percent of Morocco's exports.[17] Morocco's automotive industry created nearly 117,000 jobs in Morocco between 2014 and 2018, accounting for 28.8% percent of job creation in the country.[18]

Morocco's present vehicle production is led by French manufacturers Groupe Renault and Groupe PSA, supported by approximately 200 international suppliers operating their own manufacturing plants in the country. Leading European automotive component manufacturers operating in Morocco include major firms headquartered in Germany, France, Italy, Spain, and Belgium.[19] Some Chinese manufacturers are using the opportunity of Groupe PSA's new car manufacturing plant in Kénitra to integrate into the French-led European value chain. Following Groupe PSA's June 2019 announcement of its intention to build the plant, China's CITIC Dicastal, a global leader in the manufacture of lightweight aluminum cast components for automotive systems, announced that it would open a $400 million plant in Kénitra, with a capacity to produce 6 million pieces annually to supply parts to PSA Groupe.

China 's attempt to establish its own industrial chain in Morocco has so far proven less successful. In December 2017, China's electrical vehicle manufacturer BYD inked a deal to build a 2,500-person plant to become Morocco's third automaker.[20] However, BYD's plans have stalled in large part due to China's debacle in constructing the Mohammed VI Tangier Tech City, highlighting the critical synergy between infrastructure development and manufacturing value chains. A $10 billion hi-tech industrial zone project, Tangier Tech City was slated to attract 200 multinational firms and 100 Chinese corporations to open state-of-the-art manufacturing facilities.[21] Tangier Tech City constituted China's opportunity *par excellence* to establish a production base in Morocco, but the project turned into a fiasco for Beijing involving issues of ownership that has raised questions about China's ability co-exist in Morocco's international commercial ecosystem. [22] China's Haite Group was forced to withdraw from Tangier Tech City's construction. Even though the China Communications Construction Company (CCCC) stepped in to construct a zone of only one-third the size of the original project, unresolved issues remain between CCCC and Morocco.[23] BYD's electric vehicle plant was designated for the troubled Tangier Tech City, and the project's implementation has been bogged down with delays to the consternation of Moroccan officials.[24]

Morocco's desire to diversify its strategic relationships has prompted Rabat's significant openings toward China and Russia. Paralleling the growth in Sino-Moroccan relations, a rapprochement between Morocco and Russia has been slowly and cautiously taking place since King Mohammed VI's 2016 visit to Moscow. Morocco's other key Mediterranean port project is the $3.2 billion Nador Med West industrial port complex in the Bay of Bentoya, intended to be a central energy port in the western Mediterranean linked to Morocco's new rail transportation networks.[25] In October 23, 2019, Russian state development corporation VEB concluded a deal to build a petrochemical complex and oil refinery with a target capacity of 200,00 barrels per day. [26] The Russian firm will locate the $2.3-billion-dollar facility in northern Morocco and use the rail links to the Nador Med West port to ship its products.

France remains bereft of European partners willing to play a strategic role in Morocco's infrastructure development. To the extent there is an absence of strategic coordination in Morocco between France and other EU members or with the EU system, Morocco's Africa-to-Europe corridor will increasingly depend on the strategic relationship between France and its Arab Gulf partners. Instead of the EU's "five partnerships" framework for African development, the confluence of strategic interests among Rabat, Paris, Abu Dhabi and Riyadh will set the terms for Morocco's West Africa-to-Western Europe commercial corridor.

The Competition for a Central Corridor: The Connectivity Battle for Algiers

The efforts to develop a Europe-to-Africa corridor through the Central Maghreb fundamentally revolve around Algeria's road connectivity within the Trans-African Highway system, starting in the country's capital Algiers. The recently formed Turkey-Italy-Tunisia transportation network that slices across the center of the Mediterranean, creating an arc of commercial connectivity from the Maghreb to the wider Black Sea is currently the leading contender to form a Europe-to-Africa corridor via the central Maghreb that utilizes Algeria's connectivity. The UAE, whose Dubai-based DP World operates Algeria's own Algiers and Djen Djen ports as well as the northern Mediterranean ports of Tarragona, Spain and Marseilles-Fos (France's largest port) remains a potential rival. However, the main challenge emerging to Turkey-Italy-Tunisia network is being posed by China's effort to construct *El Hamdania*, a large-scale transshipment port in Cherchell.

The Turkey-Italy-Tunisia network's central hub is Italy's deep-sea port of Taranto located on the Italian peninsula's southern tip in the strategic heart of the Mediterranean Sea. Managed by Turkish port operator Yilport, the Taranto port began servicing the Turkey-Italy-Tunisia network in early July 2020. The Taranto-Tunisia segment network simultaneously forms the core link of a potential Europe-to-Africa commercial transportation corridor, by connecting North Africa's coast to the major markets and manufacturing centers of Italy, Germany, and northern Europe via Italy and Europe's high-speed rail systems. From Tunisia's Bizerte port, the corridor can also link by highway to Algiers, the Mediterranean coastal terminal for the Trans-Saharan Highway (Route 2 in the Trans-African Highway (TAH) system), potentially extending the Italy-to-Tunisia corridor southward into West Africa as far as Lagos, Nigeria.

The Turkey-Italy-Tunisia network is a multi-modal transportation route whose Europe-to-Africa segment extends from the network's central node at Taranto to Malta and then the ports of Bizerte and Sfax in Tunisia.[27] The Taranto-Malta maritime link is also supported by the European Union as the southernmost link in the EU's own "Scandinavian-Mediterranean Corridor," one of the nine core network corridors of the European Commission's Trans-European Transportation Network, or TEN-T, program.[28] TEN-T's Scandinavian-Mediterranean Corridor is the EU's central north-south transportation artery, a route spanning the Scandinavian peninsula, Denmark, Germany, Austria, Italy, and Malta. Because the Turkey-Italy-Tunisia network's Taranto-Malta segment was previously designated as TEN-T's Scandinavian-Mediterranean corridor's southern terminal link, Turkey could become the operator of the hub of what may become the most prized Europe-to Africa corridor. By interconnecting the EU's Scandinavian-Mediterranean Corridor with Africa's Algeria-to-Nigeria Trans-Saharan Highway, the Turkey-Italy-Tunisia network's Italy-Tunisia segment potentially forms the vital link for the creation of a mega-corridor spanning Europe and Africa from 60º N. latitude to 6º N. latitude.

The Turkish port operator Yilport is the commercial juggernaut that is assembling the transformative connectivity of the Turkey-Italy-Tunisia network**.** A subsidiary of the private family-owned group Yildirim Holding Inc. headed by its chairman Robert Yüksel Yildirim, Yilport entered into a 49-year concession agreement to operate the Taranto port on July 30, 2019, committing a total of €400 million for the terminal's rennovation and expansion.[29] Yilport's development program envisions an ambitious expansion of Taranto's capacity to 4 million TEU by 2028.[30]

Connecting the dots of the Turkey-Italy-Tunisia corridor is CMA CGM, the world's fourth largest container transportation and shipping company, in which Yilport chief Robert Yüksel Yildirim is a 24% stakeholder.[31] CMA CGM began service to the Taranto port on July 10, 2020, marking the resumption of container traffic at Taranto after a five-year hiatus. Taranto is now the geographic crown jewel in CMA CGM's TURMED service that already links Turkey and Tunisia via Malta.[32] In addition to Yildirm's one-quarter share in CMA CGM, Yilport owns a 50% stake in Malta's Freeport Terminal at the Marsaxlokk port on the island's southern coast.[33] Roughly equidistant between Taranto and Tunis, Yilport's Malta terminal forms an important logistics center for the Africa-to-Europe segment of the Turkey-Italy-Tunisia corridor.

Italy is Algeria's overall largest trade partner as well as Algeria's largest export market.[34] Rome has long promoted trilateral energy interconnectivity between Algeria, Tunisia, and Italy, the most emblematic symbol of which is the Trans-Mediterranean (Transmed) natural gas pipeline that links Algeria,Tunisia, Sicily, and the Italian mainland[35] The electricity grids of Algeria, Tunisia, and Italy similarly are scheduled to become interconnected in 2025 upon the completion of 192 km-long, 600MW undersea cable between Tunisia and Sicily.[36]

Mirroring its efforts at creating Italo-Tunisian-Algerian energy interconnectivity, Italy has literally laid the groundwork for the expansion of the Turkey-Italy-Tunisia corridor's extension to Algeria. Over the past decade, Italy's leading construction firms have been deeply involved in the modernization of Algeria's road system, including the mega-project East-West highway traversing the entire length of Algeria parallel to the country's coast. Italy's Anas International and ITALCONSULT are building the 399 km eastern most segment that runs from Bordj Bon Arreridj to the Tunisian border.[37] The upgrade accounts for over half the 783 km distance between Tunisia's port of Bizerte, the Turkey-Italy-Tunisia corridor's African landfall, and Algiers, the northern starting point of the Trans-Saharan highway.

Without having coupled Algeria's transportation infrastructure development with investments in local industrial production linked to a manufacturing value chain, Italy's role in Algeria's commecial connectivity remains far from certain as Turkey's military presence in neighboring Libya[38] is rewriting the geopolitical rules of the Maghreb. Turkey's overt military intervention during the first half of 2020 to preserve Libya's Government of National Accord (GNA) has created an important strategic beachhead for Turkey in the central Maghreb, increasing Ankara's political and economic clout in neighboring Tunis and Algiers. Turkey's new outsized military presence in Libya now serves as a platform from which Ankara can promote its program to create Afro-Mediterranean commercial connectivity via the central Maghreb states and expand its economic reach both in the Maghreb and South of the Sahara. Already in 2019, Turkey became the largest exporter to Libya after China, surpassing the EU and earning Turkey $1.53 billion in revenue. One month into Turkey's game-changing Libya intervention, Turkey's President Recep Tayyip Erdoğan visited Algeria on January 26, 2020, where he announced the goal of raising Turkey-Algeria bilateral trade to $5 billion. Turkey has already made a strong inroads in Algeria through $3.5 billion dollars of investments, ranking Turkey as one of the country's top foreign investors. Declaring Algeria as "one of our strategic partners in North Africa," during his January 2020 visit Erdoğan explained, "Algeria is one of Turkey's most important gateways to the Maghreb and Africa."

Although careful to maintain a strict neutrality in the Libyan civil war,[39] Tunisia has been drawn into a deeper defense relationship with Ankara.[40] While Italy does constitute Tunisia's second largest trade partner,[41] Italy's position is being undermined by the sizable investments in Tunisia by Turkey's strategic partner Qatar. Following a pattern witnessed elsewhere in Africa,[42] Turkey has been seeking to advance military cooperation with Tunisia while Qatar has focused on economic investment. With approximately $3 billion of investments in Tunisia,[43] Qatar ranks as Tunisia's second largest investor, behind France but ahead of both Italy and Germany.[44]

While the Turkey-Qatar partnership has gained economic and political influence in the central Maghreb, it has not secured a dominant position in the development of central Africa-to Europe corridor either. Bizerte and Sfax, along with Tunisia's four other medium-sized ports, do not provide an economy of scale to sustain an economic corridor, while it remains unclear when construction will begin on Tunisia's proposed deep-sea port at Enfidha.[45] In the absence of a modern deep-sea port, the Turkey-Italy-Tunisia network would become a sub-system in China's Belt and Road Inititiative (BRI) architecture, as both Taranto and Bizerte have been the subject of discussions between Chinese port operators, the current operators, and local authorities.[46] The incorporation of the Turkey-Italy-Tunisia network into a BRI-oriented central corridor may be accomplished with China's construction of *El Hamdania* port in the Algerian municipality of Cherchell. Following China's CITIC Construction's success in building most of Algeria's East-West highway,[47] Algiers inked a deal in 2016 with the China State Construction Engineering Corporation and the China Harbor Engineering Company to construct *El Hamdania* as a massive transhippment port located about 60 km west of Algiers.[48] With a container capacity of 6.5 million TEU, *El Hamdania* could function as the hub of a Africa-to-Europe corridor linked to the Taranto port.

In July 2019, the Algerian government ratified and confirmed by presidential decree its September 2018 Memorandum of Understanding with China in which Algeria agreed to participate in Beijing's BRI program.[49] Slowed but not deterred by COVID19 nor Algeria's changing political environment, Beijing's China International Development Cooperation Agency signed, on 11 October 2020, an economic and technical cooperation agreement with Algiers to deepen Algeria's BRI participation.[50] Nonetheless, requiring seven years of construction at a current estimated cost of $6 billion,[51] whether and when *El Hamdania* will actually be completed remains uncertain.

Egypt's East Africa-to-Eastern Mediterranean Corridor to Eastern and Central Europe

With approximately 103 million inhabitants, Egypt has the largest population of any Mediterranean nation and the third largest in Africa. In 2019, thanks to its large offshore natural gas deposits and smart energy policies, Egypt achieved natural gas self-sufficiency and became a net energy exporter. Combined with

massive investments in renewable energy power generation, Egypt is on the threshold of becoming both a natural gas and electricity export hub – a development, which if it materializes, carries the potential to radically reconfigure the pattern of energy connectivity between Europe, Africa, and the Middle East. [52]
In a parallel manner, Egypt is moving toward becoming a hub for an East Africa-to-Eastern Mediterranean commercial transportation corridor that connects with the European mainland at the massive Chinese-run transshipment port in Piraeus, Greece. From its facilities in Piraeus, port operator China Ocean Shipping Company (COSCO) provides freight rail service through the Balkans and Central Europe to reach Austria, the Czech Republic, Germany, and Poland, extending the East Africa-to-Eastern Mediterranean corridor to the major markets and manufacturing centers of Eastern and Central Europe.[53]

Egypt maintains several ports on its Mediterranean coast and has been engaged in a program to increase its total container capacity to partner with Piraeus as the dominant transshipment hubs in the Eastern Mediterranean. The Alexandria port and its auxiliary *El Dekheila* port have a combined container capacity of 1.5 TEU and handle the majority of the Egypt's foreign trade.[54] The port is run by a Hong Kong-based Hutchison Port Holdings, as a joint venture between Hutchison, the Alexandria Port Authority, and Saudi Al Blagha Holdings.[55] Egypt has also signed an agreement with Hutchison for the company to develop and operate a 2 million TEU port at the nearby Abu Qir peninsula that is scheduled for operation in 2022.[56]
Further east on the Mediterranean coast are the important ports of Damietta with a container capacity of 1.2 million TEU and the East Said Port in the Suez Canal Economic Zone with a container capacity of 5.4 million TEU.[57] The Suez Canal Container Terminal (SCCT) at East Port Said is owned by APM (55%) and COSCO (20%) with the remaining 25% stake split among the Suez Canal Authority, the National Bank of Egypt, and Egyptian private sector participants. In addition to being a large transshipment terminal, the SCCT services the East Port Said Industrial Zone and the Suez Canal Economic Zone mega-project as a whole. Since President Abdel Fatteh el-Sisi launching of Egypt's Sustainable Development Strategy: Vision 2030 in 2015, China has become the largest investor in Egypt's Suez Canal Economic Zone mega-project.[58] Russia, which signed a 2018 comprehensive strategic partnership treaty with Egypt,[59] arguably enjoys an even closer relationship with the Sisi government,[60] engaging in a deep military partnership with Egypt in addition to significant economic investments including in the East Port Said zone.[61]

Egypt's major Red Sea port at Sokhna in the Gulf of Suez forms the southern development area of the Suez Canal Economic Zone and is also connected by rail to East Port Said. Operated by the UAE's DP World, Sokhna is undergoing a $520 million expansion that will soon provide the port with a total container capacity of 1.75 million TEU.[62] The port expansion is intended to better serve CMA CGM Jeddex service that connects Sokhna to the East African ports of Mogadishu and Mombasa.[63] Combined with Egypt's Mediterranean ports in the Suez and in the greater Alexandria region, the Jeddex service creates an East Africa-to-Eastern Mediterranean sea route but the East African coastal connections have limited connectivity with the burgeoning economies of East Africa and the route is insufficient to form the mainstay of a commercial corridor.
The emerging East Africa-to-Eastern Mediterranean commercial corridor centered in Egypt is a multi-modal corridor whose African segment will be primarily based on rail connectivity and secondarily road connectivity. The 10,228 km Cape Town-to-Cairo highway known Trans-African Highway 4 (TAH-4) connects eight other countries from southern, East Africa, and the Horn of Africa to Egypt at the highway's northern terminus in Cairo. However, Egypt's conflict with Ethiopia over the latter's Grand Ethiopian Renaissance Dam (GERD) on the Blue Nile and the current ethnic insurgency in Ethiopia's northern Tigray region may hamper TAH-4's role in the corridor. Accordingly, Cairo has already prioritized shifting its commercial transportation from road to rail.

Egypt is creating rail connectivity with Sudan that could forge a new north-south rail corridor with the White Nile countries with whom Egypt is more closely aligned, extending southward to Egypt's partner Tanzania and the other East African countries of the wider Lake Victoria basin. This development has been facilitated by Egypt's warming relation with the new Sudanese government after the April 2019 ouster of Sudan's former strongman President Omar al-Bashir and the multibillion-dollar support provided to Sudan's new government by Egypt's close strategic partners the UAE and Saudi Arabia.[64] On 25 October, 2020, Egypt and Sudan signed a new transportation connectivity agreement that will create modern rail connections between Egypt and Sudan.[65] The first rail link of the project will be constructed with funding from the Kuwait Fund for

Economic Development and will run from Egypt's southern city of Aswan to the Sudanese border town of Wadi Halfa, which presently is the northern terminus of Sudan's rail line from the country's capital Khartoum. Combined with the eventual upgrade and completion of South Sudan's rail links between its borders with Sudan and Uganda, Egypt will preside over a rail corridor that links the booming economies of East Africa to Eastern Mediterranean coast. With maritime connectivity from Egypt's ports to Piraeus, Egypt will become the multi-modal hub for a commercial corridor extending from East Africa to Eastern and Central Europe via the Eastern Mediterranean.

In December 2019, Egypt tasked the German firm Dornier Consulting to create comprehensive reform strategy for shifting Egypt's freight traffic from road to rail. The plan is expected to be delivered in early-mid 2021.[66] China's construction of a high-speed rail line from Egypt's Red Sea port of Sokhna to its Mediterranean port at Alexandria will accelerate the development of rail transportation as the major land component of an East Africa-Eastern Mediterranean corridor. The $9 billion tender was awarded in September 2020 to a Sino-Egyptian consortium led by the China Civil Engineering Construction Corporation.[67] Although European firms such as Thales[68] and Siemens[69] have been involved with upgrading Egypt's rail system, China is playing the most strategic role in Egypt's transportation connectivity. Still, China has not developed a production base in Egypt anchored in manufacturing value chains to dominate the commercial landscape in Egypt despite its participation in the special economic zone created under Cairo's Sustainable Development Strategy: Vision 2030. There remains a great opportunity for Europe to assume a strategic leadership role in the development of the East Africa-to-Eastern Mediterranean corridor through EU incentivization of European businesses to opening of manufacturing plants in key sectors in Egypt. Despite the COVID19 pandemic, Egypt's Finance Ministry forecasts that the Egyptian economy will grow 3.3% in fiscal year 2020-21.[70] Egypt's large labor supply and consumer market, along with its ample energy resources, may make the eastern corridor the most attractive investment among the three trans-Mediterranean corridors.

Conclusions

On 9 March 2020, the European Commission and the High Representative of the Union issued a joint proposal for "a new comprehensive EU strategy with Africa," based on a program of 'five partnerships' for 1) green transition and energy access; 2) digital transformation; 3) sustainable growth and jobs; 4) peace and governance; and 5) migration and mobility.[1] Africa's leading foreign partners will be the countries that invest in infrastructure that is directly connected to Africa-to-Europe manufacturing value chains. For the European Union to realize its ambition to partner with Africa based on the five partnerships framework, the EU system must materialize its values-based approach through European investments in trans-Mediterranean connectivity that create local manufacturing that participates in European value chains.

In the absence of coherent European Union system policy to incentivize EU member states and European firms to cooperate in effectively partnering with North African nations, leading EU member states will partner with actors outside the union to create Africa-to-Europe corridors. Any space left by the European Union in the development of trans-Mediterranean connectivity will be filled by China, Russia, Turkey and the GCC States. The absence of EU partnerships with North African nations on a strategically significant scale will likely result in trans-Mediterranean connectivity that neither represents European values nor serves Europe's interests. The European Union's window of opportunity is now. The implementation of a robust partnership between the European Union and North Africa that produces Africa-to-Europe value chains will result in trans-regional architectures of commercial connectivity based on the values of the five partnerships framework that will operate for generations and improve the quality of life for the peoples of both continents.

[1] European Commission and High Representative of the Union for Foreign Affairs and Security Policy " Towards a comprehensive Strategy with Africa," *Joint Communication to the European Parliament and the Council* JOIN (2020) 4 final, 9 March 2020

RECOMMENDATIONS

- **Focus on Manufacturing Value Chains**

Corridors emerge only where the requisite large investments in port, rail, and road infrastructure are coupled with an industrial base anchored in a manufacturing value chains. European influence in trans-Mediterranean connectivity depends on investment in productions facilities in North Africa that are connected to European manufacturing value chains.

- **Closer business coordination among EU member states and European Companies**

The EU system should incentivize closer coordination among member states and European firms to make investments on a strategically significant scale in transportation connectivity and in manufacturing facilities that will utilize that commercial connectivity in European manufacturing value chains.

- **Materialize EU Values (and Regulatory Systems) in Manufacturing Value Chains**

While EU values, often manifested through regulatory systems, are viewed by the Union as one of its primary contributions, these will be more readily accepted when adopted by European firms operating manufacturing production facilities in North Africa.

- **Incentivize European Electric Vehicle Manufacturing in Africa**

Automative manufacturing is one of the key growth sectors for North Africa and trans-Mediterranean connectivity. Promote green transition through incentivizing European electric vehicle manufacturers to open production facilities in Morocco, Algeria, or Egypt to employ North Africans.

- **Incentivize Hydrogen production and transport facilities in Africa**

North African countries are expanding their power production capacity from renewable resources as well as their infrastructre for the storage and transport of liquified natural gas. Promote green transition through incentivizing European-African joint ventures in hydrogen production from renewable energy resources and the infrastructure for hydrogen storage and transport.

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