

1. EUROPEAN CORPORATE WORLD'S 'MED BLIND SPOT'

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European Corporate World's 'Med Blind Spot'

Europe still treats the Mediterranean through a post-colonial lens – a neighborhood to be managed rather than a market to be integrated

Ask any board director to locate the Mediterranean on their strategic map and you will find it stranded between categories – too Southern for Europe, too Northern for Africa, too Western for the Gulf. This categorical failure is costing companies real money and compounding geopolitical risk in ways boards are not yet registering.

The Mediterranean basin is home to half a billion people, a market the size of the EU's internal market, producing roughly 10% of global GDP. Yet intra-regional trade accounts for barely a quarter of that economic weight – making it one of the least economically integrated regions on the planet. That gap between potential and connectivity is not to be ignored. It is a strategic opportunity and, for those who continue

to ignore it, a vulnerability.

China has not ignored it. Through port concessions, fibre-optic cables, energy agreements, and logistics corridors, Beijing has systematically positioned the Mediterranean as the pivot of its Africa and Europe play. In Algeria alone, approximately 1,000 Chinese companies operate across construction, telecoms, energy, and infrastructure. In Morocco, \$5.6 billion in Chinese-backed battery gigafactory investment in 2025 is positioning the country as a manufacturing bridge to European and US markets. The Med is not China's frontier. It is China's gateway.

Gulf sovereign wealth funds are the other actor boards cannot afford to miss. From Libya to Israel, from Egypt to Cyprus and Greece, Gulf capital is the most active investment force across the Mediterranean – frequently

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the access mechanism that unlocks upstream positions, the co-investor that provides political legitimacy, and the financial partner that bridges the gap between what European Institutional finance will fund and what projects actually require. Understanding where Gulf capital is flowing, and on what terms, is not a secondary consideration – it is a prerequisite for any credible EMEA growth strategy.

Europe still treats the Mediterranean through a post-colonial lens – a neighborhood to be managed rather than a market to be

integrated. The EU has built investment frameworks focused on energy security, but without connecting energy to trade, digital infrastructure, financial inclusion, or supply chain resilience. When the partial closure of the Strait of Hormuz in early 2026 took one-quarter of global LNG export capacity offline, the result was a bilateral scramble – Spain's Foreign Minister to Algiers, Italy accelerating its Eni-Libya partnerships – rather than the activation of a coherent framework. A UN-led Cyprus reunification process moving toward a conference this summer could unlock EEZ demarcation across the Eastern Mediterranean and reshape offshore energy licensing for a generation. Greece illustrates what serious positioning looks like: its €30 billion energy investment program, with PPC and IPTO raising approximately

€5 billion in 2026 alone, is transforming the country into the primary hub for Southeast European power and gas supply. The architecture of the Mediterranean is being decided, on both flanks, largely without boards in the room.

This is where boards have a role beyond governance of their own exposure. The tools that would make the Mediterranean commercially viable at scale – political risk hedging mechanisms, capital co-investment frameworks, governance and transparency standards for producing and interconnector states – do not yet exist in the form the region requires. European and US private sectors, acting through their boards, are among the few constituencies with the commercial credibility and strategic interest to urge governments to build them. European boards should be asking why EU in-

vestment frameworks are not connecting energy security to the broader geoeconomic picture. US boards should be asking whether their Middle East and Africa strategies account for the Mediterranean as the connective geography between them – because their competitors, state-backed and otherwise, already have an answer.

The architecture of the Mediterranean is still open. That is not a risk to be noted and filed. It is an invitation – to the boards willing to ask the questions others have not yet thought to raise.

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