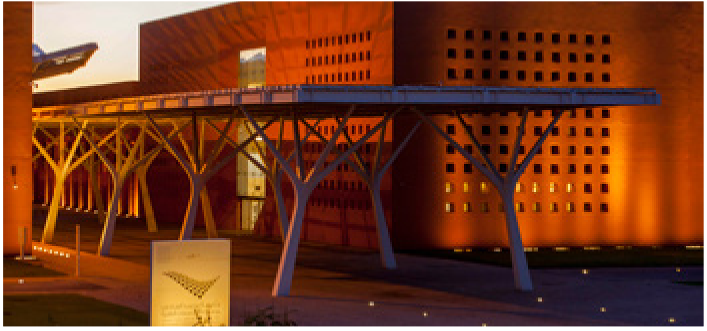
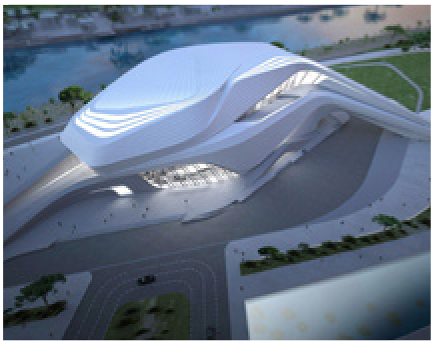



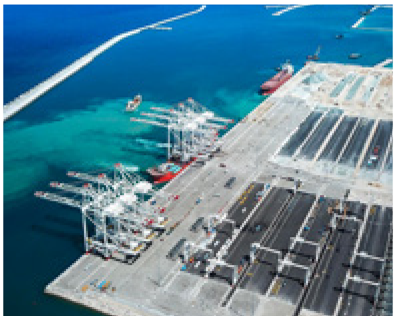
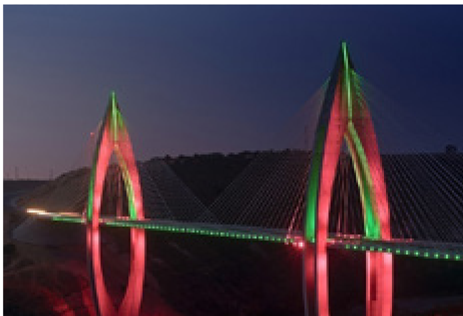



MOROCCO'S ECONOMIC STRATEGY IN AFRICA

The cherifian model of co-development





POLICY PAPER

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UNDERSTANDING THE ISSUES OF A RECONFIGURATING WORLD

« *Africa must trust Africa* », said King Mohammed VI in 2014 during a speech delivered at the Morocco-Ivory Coast Economic Forum in Abidjan. Seven years later, the African Union officially implemented the first phase of the African Continental Free Trade Area (AfCFTA), as part of the strategic goals of the African Union's 2063 Agenda. A concrete sign of the trust advocated by the King of Morocco and carefully applied in his relations with the continent.

In fact, the modern economic history of Moroccan African relations did not begin in 2014. Since ascending to the throne, King Mohammed VI has made Africa a strategic focus of his foreign policy in terms of development, economic and human cooperation. This approach is even enshrined in the new constitution of 2011, in which Morocco commits to « to consolidate relations of cooperation and of solidarity with the peoples and the countries of Africa, notably the sub-Saharan countries and the countries of the Sahel.» This African orientation was institutionally reflected in Morocco's effective return to the African Union in 2017. This return was emotional for Moroccans and their King but also promising, with Morocco actively participating in the work and organs of the pan-African institution. Morocco's African orientation was recently consolidated with the unveiling in 2023 by the Head of state of his agenda for the Atlantic facade of the continent, which Mohammed VI aims to contribute to developing in order to create a renewed transatlantic axis. The clear goal of this approach is to continue the dynamic of diversifying alliances and opportunities for the West African region.

Concretely, numerous projects have given substance to this continental commitment. In addition to the work on the efficiency of the Union's leadership bodies, the signing of hundreds of partnership agreements with many countries has concretized this new direction. This includes the consolidation of the presence of major Moroccan banks in more than twenty African countries, the launch of industrial and agricultural projects by OCP in Ethiopia, Ghana, and Nigeria, as well as the contribution of Moroccan companies to mega infrastructure projects, including the sanitation of the lagoon in Abidjan and its Cocody-Plateau bridge. These are tangible signs that Morocco definitively assumes its desire to make Africa its vital economic space and the spearhead of its internationalization strategy. This explains how Morocco has become one of the top African investors in Africa today.[1]

This organic economic relationship, with Morocco fully embracing its African identity, has not escaped the numerous geostrategic and economic disruptions linked to the international context. The COVID-19 crisis, for example, demonstrated Africa's collective under preparedness for large-scale epidemic or catastrophic crises. Despite Morocco's strong mobilization to secure over 8 million masks and tens of thousands of liters of hand sanitizer in the early weeks of the crisis for the benefit of dozens of African countries, the continent remained heavily dependent on foreign powers to secure its supplies of anti-COVID vaccines. Just emerging from lockdowns and states of emergency related to the pandemic, the combination of the economic recovery effects and the outbreak of the war in Ukraine in February 2022 dealt a severe blow to African economic recovery. Historic levels of debt and inflation and successive disruptions in supply chains, particularly for food products, laid bare the economic vulnerability and worrisome instability of several African economies. All of this against a backdrop of political instability and various conflicts.

[1] Telquel, « Ryad Mezzour : Le Maroc est le premier investisseur africain en Afrique », 2nd December 2022, Link

This succession of economic, geopolitical, health, and security crises has put strong pressure on global value chains (GVC). Without plunging into reckless prophecy announcing the end of globalization, it is undeniable that the trade policies of major global economic powers are moving towards a new dynamic of repatriating strategic or high-value-added economic activities to their own territories or nearby «friendly» territories. The «trade war» between China and the United States, initiated under the Republican Trump administration and continued by the Democratic Biden administration, is a visible symptom of this. The BRICS response in Johannesburg[2], by expanding their club and setting ambitious goals, amplifies the «fragmentation» that characterizes the global order.

Faced with this succession and superposition of crises, new economic dynamics are emerging, especially in the southern hemisphere of the planet. The «Global South,» a concept still in the process of maturation, reflects a pronounced willingness of new emerging countries to play a more significant role on the international stage and to bring their own vision of prosperity to the global geostrategic and economic chessboard. The signing of the historic AfCFTA agreement and its gradual implementation starting from January 2021 is a manifestation of this South-South development dynamic. Thus, economists at the World Bank estimate, for example, that this new agreement could increase regional incomes by 9%, or an additional $571 billion, and create around 18 million additional jobs[3] for the continent.

Faced with this reshuffling of geostrategic, economic, and trade cards, it is necessary to reclarify the economic and strategic stakes of the continent and to place those related to the pioneering role that Morocco plays in this new dynamic.

This policy paper highlights three main stakes:

1. Seizing the economic opportunities offered by the new international landscape to give a new impetus to the socio-economic development of African countries in the service of their populations.

2. Guaranteeing the sovereignty of African states and reducing their dependence on extracontinental powers.

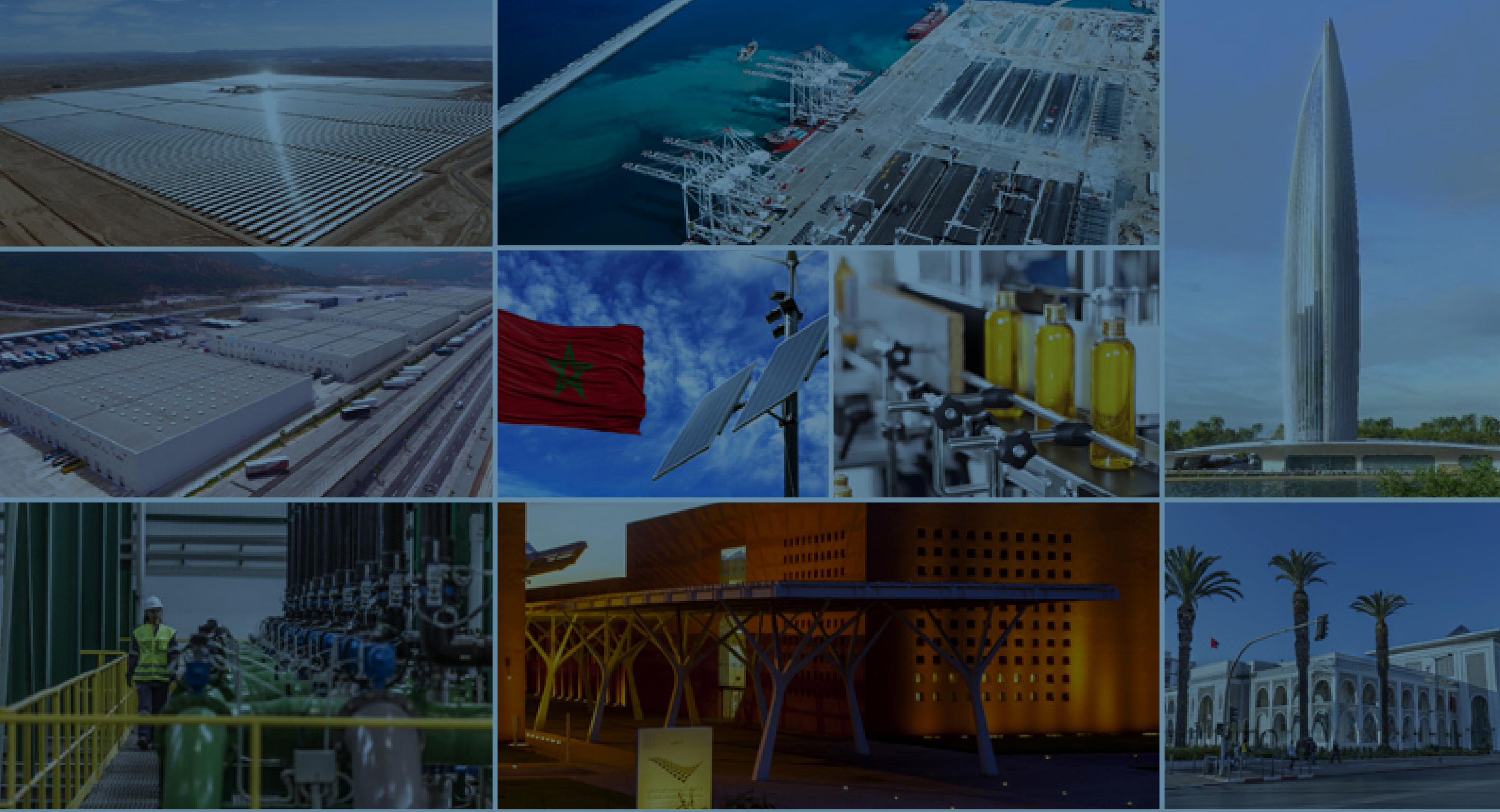
3. Planning the ecological transition of the continent and inventing a sustainable African development model.

In this context, this document contributes to the continental and global debate to address these challenges. It also aims to achieve two specific complementary objectives:

a) Enlighten Moroccan stakeholders on the real growth potential of the African continent considering the ongoing geostrategic and economic transformations.

b) Propose concrete steps to be taken to seize the co-development opportunities of an «African Region» crystallizing and transitioning in a world undergoing reconfiguration.

[2] The 15th BRICS Summit in Johannesburg from August 22 to 24, 2023, concluded with the accession of six new members: Saudi Arabia, Argentina, Egypt, the United Arab Emirates, Ethiopia, and Iran.
[3] World Bank, Press Release, « Free Trade Pact Could Help Lift Up to 50 Million Africans from Extreme Poverty », 30th June 2022, Link



01
REGIONAL INTEGRATION : DIRECTION OF MOROCCO'S TRADE AND INVESTMENT DYNAMICS

Understanding the characteristics of Morocco's economic strategy in Africa requires recalling elements of the regional integration process and the main trade and investment dynamics between Morocco and Africa. These dynamics actively contribute to the construction of the «African Region,» forming the basis for Morocco's partnership with the rest of the continent.

In specialized literature, the term «region» or «regionalization» refers to the partitioning of nation-states into «provinces», such as the grouping of these nation-states into federated political or economic entities.[4]

Applied to global economy, regionalization involves market integration characterized by the availability of goods at similar prices and qualities. In this model, economic relations between countries in the integrated geographic area are more intense than with the rest of the world, encompassing flows of goods, services, factors of production, financial capital, or currency.[5]

In terms of typology, regionalization can take the form of intensified exchange movements through the removal of barriers, creating a free-trade zone, establishing a common tariff through a Customs Union, or even a common market by facilitating factors mobility. It can also take the form of an economic union through in-depth coordination of economic and social policies or market integration resulting from economic independences and convergences, or even productive or network integration induced by relationships internalized by networks or firms. Economic integration is closely linked to regionalization, as it is one of its forms.

In economic integration theory, it is presented as a process starting with preferential trade between countries in the same group, aiming to establish monetary integration manifested by the creation of a Monetary Union.

[4] Jean-Marc Siroën, «The Regionalization of the World Economy », Editions La Découverte, Paris, 2004, p. 03.
[5] Ibid., p. 06

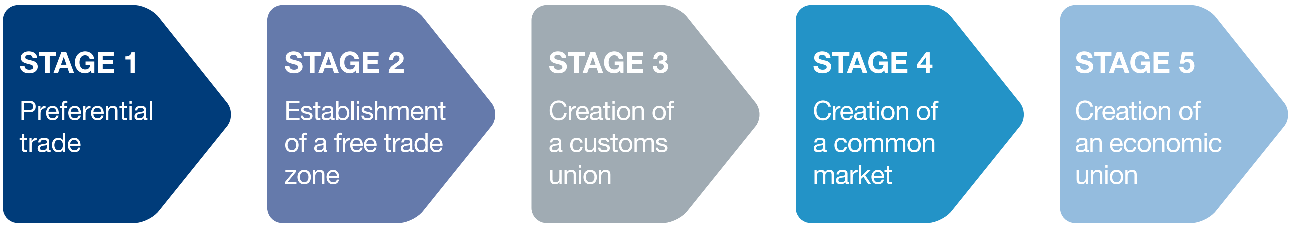
Achieving this union, characterized by adopting a single currency, is the result of a constructive progression through five other phases, with the creation of a free-trade area (FTA) as the cornerstone.[6]

Based on the elimination and(or) reduction of customs duties applied to trade within the zone, with the maintenance of certain quantitative restrictions, one characteristic of an FTA is that it can cover a sector or the entirety of goods and services.

In this process, preferential trade constitutes the first phase, followed by the creation of a Free Trade Area. By adopting common tariffs towards the world, this evolves in the third phase into a Customs Union before transforming into a Common Market, assuming the free movement of all factors of production and the freedom of movement of capital and people.[7]

In this context, by granting this market free movement of services and freedom of establishment, coupled with the coordination of fiscal and monetary policies, it will transform, in the penultimate phase of this integration process, into a Single Market. This, in turn, is expected to transform into an Economic Union, the result of prior and extensive harmonization of economic policies, particularly monetary, budgetary, and industrial. Ultimately, this leads to the creation of a Monetary Union with a single currency.

Figure 1 : Stages of the Economic Integration Process



This definition has also been adopted by other authors, notably Siroën (2004), who anchored economic integration and its foundation in the framework advocated by Bela Balassa (1961). It is described as a movement of increasing unification, with the European approach serving as a legitimate illustration.[8]

This theory was supported by Ousmane Kaba (2007), who defined integration as a gradual elimination of discriminatory practices between countries through the pooling of resources and markets. According to this author, integration is synonymous with the freedom of movement for goods and factors of production, with a long-term perspective of equalizing their prices.

According to Ousmane Kaba (2007), by allowing producing companies to benefit from economies of scale, facilitated access to a larger market, and consumers to enjoy price reductions due to triggered competition, economic integration becomes a factor in increasing efficiency and economic prosperity for the integrated countries. It is a pillar of growth and rationalization of resources and factors of production.

However, Philippe Hugon (2003) raises concerns about the benefits of regional integration, emphasizing its interconnection with national adjustment policies. He highlights real interdependencies between economies and the intensity of their official and unofficial institutional links.[9] Hugon suggests that regional integration is

[6] Ousmane Kaba, «Modern Macroeconomics,» L'Harmattan, Guinea, 2007, p. 68.
[7] Ousmane Kaba, «Modern Macroeconomics,» L'Harmattan, Guinea, 2007, p. 68.
[8] Jean-Marc Siroën, «The Regionalization of the World Economy,» Editions La Découverte, Paris, 2004, p. 03.
[9] Philippe Hugon, «The Economy of Africa», 4th edition, La Découverte, Paris, 2003, p. 93.

a prerequisite for external opening, favoring Africa's negotiation capabilities and facilitating a gradual external opening while reducing conflicts.

This view aligns with Siroën's (2004) perspective, summarizing the contribution of integration theory by considering the effects of diversion resulting from the preferential nature of external opening. Regional agreements, according to Siroën, are a stage in the globalization of economies process.[10] The integration process involves preferential agreements between countries, the internationalization of production, and integration into global value chains. The goal is to grant access to markets and supplies across multiple territories, leading to trade gains and creation effects.

Miotti and Sachwald (2006) supported this thesis and highlighted the existing interactions between economic integration, external trade, and production. According to these authors, the integration of economies increases competition in various markets and the reallocation of production capacities among companies, sectors, and countries.[11]

For Miotti and Sachwald (2006), the rapid integration of large emerging countries into international trade has altered the dynamics of global trade and its consequences on national production systems. According to these authors, this economic interaction has even extended to other macroeconomic components, including foreign direct investment (FDI). In their view, there has been a dynamic shift in investments towards the development of productive activities in low-wage countries, especially in the least developed countries, since the 2000s. Integration into global production networks, as well as the development of their local markets, are determinants of the attractiveness of these countries.

The same observation applies to Merdan Nagattai-Lam (2014), who associates regional integration with trade and considers them as major assets for development. According to this author, the comparison of the volume of intra-regional trade serves to evaluate the integration process. By revealing the total or partial utilization of the region's trade potential, it indicates the degree of integration in the region.

In summary, whether economic, trade, or monetary, regional integration is a constructive process that involves regulatory determinants defining the characteristics of the union and the flows of production, investment, and trade that mark the degree of integration. The engagement of stakeholders is crucial in driving this process. Given the significance of these determinants, they will serve as key stages in our analysis of Morocco's economic dynamics within its «Continent-Region» under construction.

[10] Jean-Marc Siroën, «The Regionalization of the World Economy,» Editions La Découverte, Paris, 2004, p. 03.
[11] LLuis Miotti and Frédérique Sachwald,» The Old Economy in the New Globalization Phase», French institute of international relations, Paris, 2006, Link

■ Box 1 : The Regional and Multilateral Framework Governing Morocco and Its Continent

The regional and multilateral framework bringing together Morocco and its African counterparts is characterized by the existence of four regional trade agreements currently in force, as well as a Preferential Trade Agreement.

Types of agreements	Agreement	Date of signature	Entry into force	African Member Countries Signatories
Regional Trade Agreements	Agadir Agreement	25-Feb-2004	27-March-07	Egypt, Jordan, Morocco, Tunisia
	Agreement on the Global System of Trade Preferences among Developing Countries	13-Apr-1988	19-Apr-1989	Algeria, Benin, Cameroon, Egypt, Ghana, Guinea, Libya, Morocco, Mozambique, Nigeria, Sudan, Tanzania, Tunisia, Zimbabwe
	Zone de Libre-Echange Panarabe (PAFTA)	19-Feb-1997	01-Jan-1998	Egypt, Libya, Morocco, Sudan, Tunisia, Algeria
	African Continental Free Trade Area (AfCFTA)	21-march-18	30-May-19	South Africa; Algeria; Angola; Benin; Botswana; Burkina Faso; Burundi; Cameroon; Central African Republic; Cape Verde; Ivory Coast; Comoros; Republic of the Congo; Democratic Republic of the Congo; Djibouti; Egypt; Eswatini; Ethiopia; Gabon; Gambia; Ghana; Guinea; Guinea-Bissau; Equatorial Guinea; Kenya; Lesotho; Liberia; Libya; Madagascar; Malawi; Mali; Morocco; Mauritius; Mauritania; Mozambique; Namibia; Niger; Nigeria; Uganda; Rwanda; Sao Tome and Principe; Senegal; Seychelles; Sierra Leone; Somalia; South Sudan; Sudan; Tanzania; Chad; Togo; Tunisia; Zambia; Zimbabwe.
Preferential Trade Agreement	Tariff Preferences for Least Developed Countries (Duty-Free Import) For Morocco, of certain products originating from and coming from the least developed countries in Africa.	-	01-Jan-01	Angola, Benin, Burkina Faso, Burundi, Cape Verde, Central African Republic, Chad, Comoros, Congo, Djibouti, Equatorial Guinea, Eritrea, Ethiopia, Guinea, Guinea-Bissau, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Niger, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, Somalia, Sudan, Tanzania, Gambia, Togo, Uganda, Zambia.

Source : Data from the World Trade Organization and the Ministry of Industry and Commerce (September 2023)

■ Box 2 : Bilateral Trade Framework Governing Morocco and Other African Countries

On a bilateral level, Morocco has two trade and tariff conventions, two Free Trade Agreements, and three trade agreements with seven African partners.

Countries	Agreements and Bilateral Conventions	Signature Date
Algeria	Commercial and Tariff Agreement	14 March 1989
Egypt	Free trade agreement	27 May 1998
Guinea	Commercial and Tariff Convention	12 April 1997
Libya	Commercial and Tariff Agreement	29 June 1990
Mauritania	Commercial and Tariff Agreement	04 August 1986
Senegal	Commercial Agreement	13 February 1963
Tunisia	Free trade agreement	16 March 1999

Source : Customs and Excise Administration (September 2023)

1.1. Dynamics of Morocco's Trade Integration in its African Region

The analysis of trade flows between Morocco and the rest of the continent, along with the examination of existing potentials and ongoing trends, falls within the framework of the approach conceived by the authors mentioned before (Siroën and Merdan Nagattai-Lam). By tracing causal links between economic integration, production, and foreign trade, this approach highlights the role of foreign trade in intensifying supply chain flows and the relocation of production capacities across different territories. This results in strengthened economic integration and, consequently, trade and efficiency gain that condition growth.

1.1.1. Trade Relations between Morocco and the Rest of Africa

The value of Morocco's annual trade with Africa during the period (2020-2022) is provided in the following table :

Figure 2: Morocco's Trade Flows with Africa in thousands of US Dollars

	Valeur en 2020	Valeur en 2021	Valeur en 2022
Exports of Moroccan goods to Africa	2 246 341	2 881 907	3 737 277
Imports of Moroccan goods from Africa	1 488 428	2 209 992	2 527 266
Trade Balance	**757 913**	**671 915**	**1 210 011**

Source : International Trade Centre Statistics (ITC, 2023)

Thus, Morocco's trade balance with the African continent was positive over this period. The comparative analysis of the annual values recorded shows a decline in the surplus in 2021 by 11% compared to 2020 due to the pandemic peak, but it was quickly recovered in 2022.

The growth maintained by Morocco during the period (2020-2022) in its import and export values to and from Africa fully reflects its post-pandemic economic rebound and the strength of its continental commitment.

1.1.2. Integration Potential of Production Chains

Morocco's total exports to the rest of Africa during the period 2020-2022 experienced continuous growth. Compared to 2020, these exports recorded a growth of 28% in 2021 and further increased to 66% in 2022.

Chemicals, automobiles, processed agri-food products (especially fishery products), electrical products, and plastics are the industrial sectors that constituted the main exports from Morocco to Africa from 2020 to 2022. These accounted for a share ranging from 77% to 83% of the total annual Moroccan exports to the continent during this period.

At the top of the list in the ranking by annual export value of Morocco by product groups, the fertilizers exported by the Kingdom to Africa mainly consist of mineral or chemical fertilizers containing nitrogen and/or phosphorus. These are exported by Morocco to African markets in Djibouti, Kenya, Nigeria, Tanzania, Ethiopia, Côte d'Ivoire, Benin, and Mozambique..

1.1.3. Consistency of Moroccan Imports from the Continent

Moroccan imports from other African countries almost doubled during the period 2020-2022, increasing from a total annual value of 1.5 billion dollars to 2.5 billion dollars.

During the period 2020-2022, the share of the main products imported by Morocco in the total annual imports from the continent fluctuated between 60% and 70%.

Mineral Fuels are at the top of the list of this group of products, representing 28% of Morocco's total imports in 2020, 36% in 2021, and 30% in 2022. The structure of this group is essentially based on Coal, Gas, Oil, and gaseous hydrocarbons as main products.

In this regard, the comparative analysis of the annual growth recorded by these imports reveals that Inorganic Chemicals and Animal, Vegetable, or Microbial Fats and Oils are the products that experienced significant growth in their import values in 2022 compared to the year 2020: respectively +6 points for the first and +3 points for the second. In terms of markets, during these three reference years, Egypt, Tunisia, and Algeria were the main suppliers to Morocco, with import values varying each year.

For fuel and inorganic chemicals, for example, South Africa was Morocco's top supplier during this period. The same case applies to fats, where Ivory Coast distinguished itself as the Kingdom's top supplier. In conclusion, Morocco's growing trade integration in its African region contributes to the success of the AfCFTA. The revival of the Maghreb Union, ardently desired by the Kingdom, could give this integration an even more sustained pace.

1.2. Dynamics of Moroccan Investment in Africa

Unlike trade, investment in other African countries during the period 2020-2022 had a special character due to the health crisis and its impact on investor behavior during this period of heightened risks. To get an overview of the reality of these flows, our analysis will go back to 2017, where flows to and from Africa are considered normal, and stop in 2022, the post-crisis year.

1.2.1. Investment Trends in Africa

The post-Covid period marked a turning point in African investment flow trends. Impacted by it, investment, both «In-flow of Africa» and «Out-flow of Africa,» has its own characteristics.

1.2.1.1. African Outward Investment

Outgoing investment flows from the continent by country during the period (2017-2022) are presented as shown in the following table:

■ Table 1 : Net Outgoing Investment Flows from the Continent by Country during the period 2017-2022 (Values in million US dollars)

Country	2017	2018	2019	2020	2021	2022
South Africa	7 449	4 027	3 141	-1 936	102	2 155
Algeria	-9	846	31	15	-52	71
Angola	1 352	6	-2 349	91	-1 057	41
Benin	32	10	27	22	43	28
Botswana	-1	82	-20	-68	-33	-42
Burkina Faso	10	68	16	-7	-43	21
Burundi	0	0	1	1	1	2
Cabo Verde	16	9	16	4	-1	18
Cameroun	22	108	126	84	71	94
Comoros	0	0	0	0	0	0
Democratic Republic of the Congo	292	209	134	149	192	436
Congo	45	14	423	-981	25	25
Ivory Cost	676	145	109	1	285	436
Djibouti	0	0	0	0	0	0
Egypt	199	323	405	327	367	342
Eretria	0	0	0	0	0	0
Eswatini	64	-8	21	-12	59	-22

Ethiopia	0	0	0	0	0	0
Gabon	-84	-63	-34	0	0	0
Gambia	-7	-4	-2	-3	-3	2
Ghana	16	81	588	542	199	351
Guinee	1	0	1	2	-3	8
Equatorial Guinea	0	0	0	0	0	0
Guinea-Bissau	0	0	0	0	1	0
Kenya	110	-3	37	-142	410	49
Lesotho	0	0	0	0	0	0
Liberia	54	84	102	80	91	91
Libya	-295	276	-269	350	-55	50
Madagascar	106	118	102	119	114	155
Malawi	-7	-102	23	-154	122	30
Mali	13	0	1	1	56	9
Maroc	1 012	781	893	459	643	613
Maurice	89	98	58	16	86	19
Mauritania	10	-772	5	6	9	3
Mozambique	26	-25	-31	153	194	564
Namibia	-66	97	9	51	17	8
Niger	29	39	32	15	39	40
Nigeria	311	566	285	1 473	1 818	-67
Uganda	0	0	0	0	0	0
Central African Republic	0	0	0	0	0	0
Rwanda	16	18	5	0	0	0
Sao Tomé-et-Principe	0	2	1	1	0	1
Senegal	82	53	71	99	52	182
Seychelles	544	-10	-8	-55	-48	28
Sierra Leone	0	0	0	0	0	0
Somalia	0	0	0	0	0	0
Soudan	0	0	0	0	54	0
Soudan du Sud	42	0	0	0	0	0
Tanzania	0	0	0	0	0	0
Tchad	0	0	0	0	0	0
Togo	-33	70	43	-112	-71	-56
Tunisia	57	34	22	43	35	30
Zambia	-72	45	696	64	-280	-327
Zimbabwe	1	1	2	-4	32	17

Source : Banque Mondiale (Septembre 2023)

According to the table, in comparison to the recorded values in terms of African investment towards countries worldwide, 12 countries cannot be considered as African outward investors during the period between 2017 and 2022. These countries are Comoros, Djibouti, Eritrea, Ethiopia, Equatorial Guinea, Lesotho, Uganda, Central African Republic, Sierra Leone, Somalia, Tanzania, and Chad. However, no outgoing investment flows were recorded.

Furthermore, South Africa, Morocco, Mozambique, Ivory Coast, the Democratic Republic of the Congo, Egypt, and Ghana have been identified as significant foreign investors in Africa. Except for the first two countries that are considered as top foreign investors in Africa given their annual performance in outgoing investment, the investments of the remaining countries experienced significant growth in 2022 compared to the year 2017 (investment values recorded ranged between 155 million dollars and 564 million dollars). However, despite the importance of South African and Moroccan foreign investment, they recorded a significant decline in their values in 2022 compared to the year 2017.

1.2.2. Foreign Investment from Morocco

1.2.2.1. Moroccan FDI Worldwide by Sector

The structure of Morocco's outgoing investments by sector of economic activity is documented in the following table:

■ **Table 2 : Outgoing Investments from Morocco in 2020**

ECONOMIC SECTORS	Outflow (US $ million)	Outflow (% Investments total)	Outflow (% PIB)
Primary sector	147,94	30,09	0,12
Secondary sector	53,49	10,88	0,04
Tertiary sector	291,36	59,25	0,24
Other sectors	-1,05	-0,21	0
Total	**491,74**	**100**	**0,41**

Source : Data from the International Trade Centre (ITC.WTO.UNCTAD)

In terms of the sectoral distribution of Morocco's outgoing investment by destination, the analysis of flows from the following African countries is identified as significant investors. It is shown that these flows are mainly directed towards Cameroon, followed by Luxembourg and the United Arab Emirates (ITC, 2020). However, in the secondary sector, Ireland, Luxembourg, the United States of America, and the United Kingdom, in addition to the United Arab Emirates and Luxembourg, are the main countries absorbing foreign investments from Morocco. However, in the tertiary sector, the destination countries for these FDI are Cameroon, Chad, Luxembourg, Ivory Coast, Mauritius, the Netherlands, Saudi Arabia, Senegal, the United Arab Emirates, Egypt, and the United States of America.

In summary, it is evident that the African choice for Morocco's foreign investment is primarily oriented towards the tertiary sector, which surpasses other traditional industrial sectors in terms of value, especially in financial and insurance activities. This reflects the importance of the Moroccan services sector as a value-added producer locally and internationally.

1.2.2.2. Characteristics of Foreign and African Investment in Morocco

Incoming investment flows into Morocco by sector of economic activity are as follows:

■ **Table 3 : Inward Investment Flows into Morocco in 2020**

ECONOMIC SECTORS	Inflow (US $ million)	Inflow (% Investments total)	Inflow (% PIB)
Primary sector	58,76	3,33	0,05
Secondary sector	573,77	32,54	0,47
Tertiary sector	1123,74	63,74	0,93
Other Sectors	6,84	0,39	0,01
Total	**1763,11**	**100**	**1,45**

Source : Data from the International Trade Centre

The tertiary sector is the primary investment sector in Morocco, contributing over 64% of the total annual investment to the country. In contrast, the secondary sector constitutes only 33% of this investment, and the primary sector accounts for 3%. Moreover, unlike outgoing investment flows from Morocco, incoming investments mainly come from France, Ireland, Spain, the United Arab Emirates, the United Kingdom, and the United States. These six countries are the primary investors in Morocco across all three economic sectors (primary, secondary, and tertiary), with varying significance in terms of values. For instance, the United Arab Emirates is the leading investor in Morocco's primary sector, constituting 27% of the total investment in 2020. However, France and Ireland have been the main investors in the secondary sector, with successive values recorded at 32% and 19%, respectively. Regarding the tertiary sector, France takes the top spot as a foreign investor, contributing 40% to the total annual inbound investment in Morocco in 2020.

Nevertheless, at the continental level, African Foreign Direct Investments (FDIs) destined for Morocco primarily come from Congo, Gabon, Ivory Coast, Mauritius, Senegal, South Africa, Tunisia, and Egypt. However, their values are either regressive or negligible compared to FDIs from other countries during the year 2020. This weakness has been exacerbated by the impact of the Covid-19 crisis.

In summary, despite the in-flow and out-flow of investment exchanges between Morocco and its continent, they remain fragile, weak, and poorly diversified. Any strategic strengthening of the current investment framework to and from this region will not occur without the prior identification of new promising sectors for investment and their targeting by each African country, all while capitalizing on current initiatives with traditional African partners and promoting new expansion activities.

1.2.3. Moroccan Investment in Africa: Co-development as the Main Objective

Conceived and led by the King, the Kingdom's continental strategy has unfolded through a multifaceted partnership between Morocco and each Sub-Saharan country. The State's investment and numerous agreements signed in diverse fields have mobilized significant public investments. All of this aligns with a philosophy of sharing and transferring Moroccan experiences without reservation. Moroccan companies, both public and private, have followed the path set by this clear strategic will expressed by the State, exemplified by the remarkable dynamism of Morocco's champion banks and businesses, as well as the role played by the financial arm, Casablanca Finance City (CFC)[12].

Established in 2010 as a public-private partnership, CFC aims to attract international capital flows before channeling them into Africa, contributing to the development of the entire continent through South-South cooperation. Over the past decade, Morocco has invested nearly 5 billion dollars in Sub-Saharan Africa, positioning itself as the second intra-African investor and the leading investor in West Africa.

Companies active on the continent operate in diverse sectors: finance-banking-insurance, telecommunications, transportation, construction and tourism, agriculture and agro-industry, fertilizers, pharmaceuticals, and various services. This African rootedness extends beyond material investments, as Morocco also engages in multifaceted cooperation with the continent through state-to-state agreements and conventions. These agreements cover various aspects, ranging from administrative, academic, technical cooperation, and human development to cultural and religious dimensions.

Sub-Saharan students and young entrepreneurs operating in Morocco now emphasize the allure of Morocco and the flexibility of its immigration policies, often cited as an example. According to the World Bank's Ease of Doing Business Index, Morocco is among the countries that have made significant progress in attracting foreign investments. Over the years, the Kingdom has climbed from the 130th to the 50th position globally and continues to progress. «The economic development of Morocco now requires greater integration with sub-Saharan African countries and with the establishment of the African Continental Free Trade Area (AfCFTA), the Kingdom has all the cards in hand to be a key player on the continent.»[13].

[12]Refer to DEPF (Ministry of Finance), Economic, Social and Environmental Council, Ministry of Industry...
[13]MAPEXPRESS, «Morocco Has All Cards in Hand to Become Key Player in Afric», 2nd December 2021, Link

1.3. DYNAMICS OF INFRASTRUCTURE: «ONE CONTINENT, ONE INFRASTRUCTURE»

In the array of urgent and necessary investments for Africa's development and mobilization of productive investments, economic and social infrastructures constitute a heavy financial burden. But this infrastructural imperative is unavoidable.

Indeed, «Africa faces a significant paradox in terms of infrastructure investment. On one hand, the needs to be met are enormous, representing more than 3.5% of the continental GDP, and on the other hand, the number of bankable projects is very low, and the realization deadlines are too long.» Moreover, the handicap of the continent's size, multiple natural barriers (Sahara, mountains, rivers...), and the imperative to preserve biodiversity complicate matters. Therefore, phased action at the level of the 5 major regions of the continent could facilitate the task (such as the Maghreb-West Africa bloc...). It also involves the systemic implementation of Agenda 2063 but, above all, the commitment of each of the 54 states to an inter-African philosophy of integrated continent-oriented connections (Corridors 2.0), creating synergies and rational use of resources.

1.3.1. How to do it?

-First, ensuring the financial sustainability of cross-border infrastructure projects. It is about prioritizing Corridor projects and mobilizing more funds for investments in the blocks to be integrated, correctly measuring the impact of projects and ensuring the determinants of their performance. It goes without saying that strict financial calculations are not impactful. Strictly banking or exclusively political criteria are also not convincing.

- Taking advantage of new trends in business models via Corridors 2.0. Technological innovations can accelerate the development of quality infrastructure.

-For this, benefit from the lessons provided by regional integration experiences outside Africa (Asia...).

1.3.2. By whom and with what innovative financing?

Money is abundant on financial markets and is looking for takers. But takers must present the necessary guarantees. In fact, there is a notable lack of interest from the West in equipping Africa, despite the strong involvement of this pole in Africa. This is why the West is losing ground to China, which offers a different model of exchange and financing, in addition to not intervening in the political situations of states.

Financial engineering in this case requires a strong continental commitment through the African Union, whose guarantee is necessary to mobilize the various parties likely to intervene:

- **Intra-African first :** the lack of synergy and political commitment needs to be addressed. Also, the African Union Guarantee Fund should be consolidated and activated.

- **Multilateral :** here «bankability» is required. In this regard, the African Development Bank (AfDB) stands out for its direct dynamism and indirect leverage posture.

- **Bilateral :** The shortcomings of Official Development Assistance are well known. The issue of linked aid is also disturbing. In this lot, the African Development Bank (AfDB) stands out for its direct dynamism and its posture as an indirect lever.

- **National public budgets** : show continuous deficits in least developed countries and weak governance in resource-rich countries. Africa finds itself faced with a colossal and binding debt.

[14] 6th edition of the international conference «Financing Investment and Trade in Africa (FITA 2023).» Theme of Panel 5: «Transborder Infrastructures: Corridors 2.0 as a Stimulus for Intra-African Trade.»

- The private sector : its commitment remains dependent on a facilitating environment, a normal and non-bureaucratic welcome, sufficient incentives, and on the professionalism of private companies. There are shortcomings on both sides. Mobilization structures like the Moroccan Casablanca Finance City (CFC) and African stock exchanges work to overcome the handicaps of weak African savings and the mobilization of foreign capital.

1.3.3. Moroccan strategy and experience

Based on the maxim «one continent, one infrastructure» and aiming for integration into the African Union's Agenda 2063, Morocco's engagement philosophy is summed up in the statement made by King Mohammed VI in Abidjan in 2014: «Africa must trust Africa.» This philosophy described above is based on 4 principles and 4 strategic pillars. Concretely, it is articulated in a synthetic way around 3 axes :

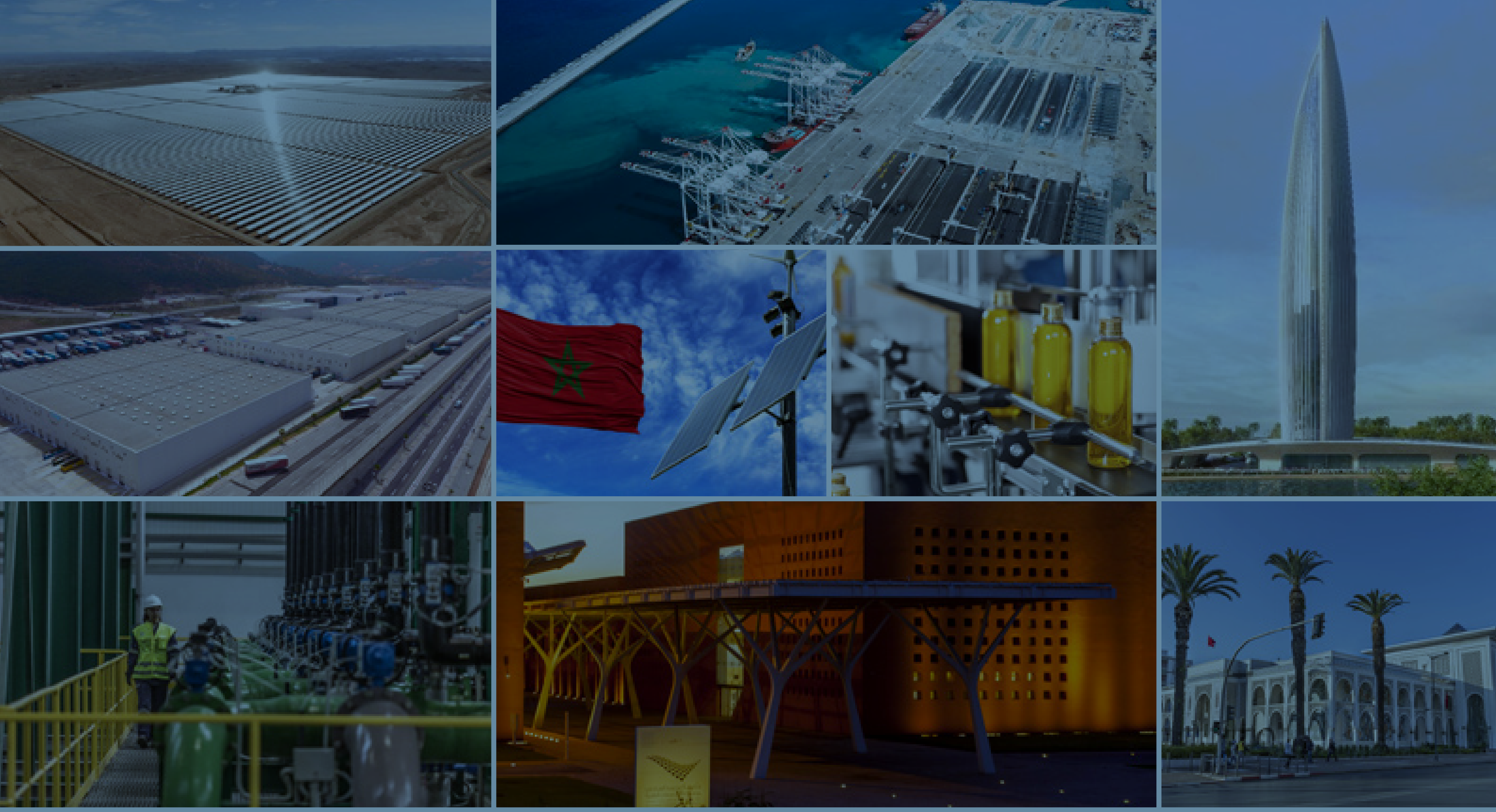
- A systemic approach to continent-oriented corridors : Air. Sea. Land. Digital.

- Landmark structuring projects : there are many of them :
- The Cairo/Dakar highway, blocked at the Morocco-Algeria border since 1994.
- Port Nador West, the first port in Africa Tanger Med with its 4 terminals; the ports of Jorf Lasfar, Safi, and Agadir as well as Dakhla.
- The Royal Air Maroc (RAM) air routes.
- TELECOM links.
- OCP's industrial and agricultural projects.
- The Morocco-Nigeria Gas Pipeline.
- The future Atlantic Corridor.
- Rural electrification...

- Perspectives in line with the main global and regional challenges :
- Renewable energies (solar and wind and green hydrogen).
- Active participation in the success of the AfCFTA.
- Setting up regional value chains.

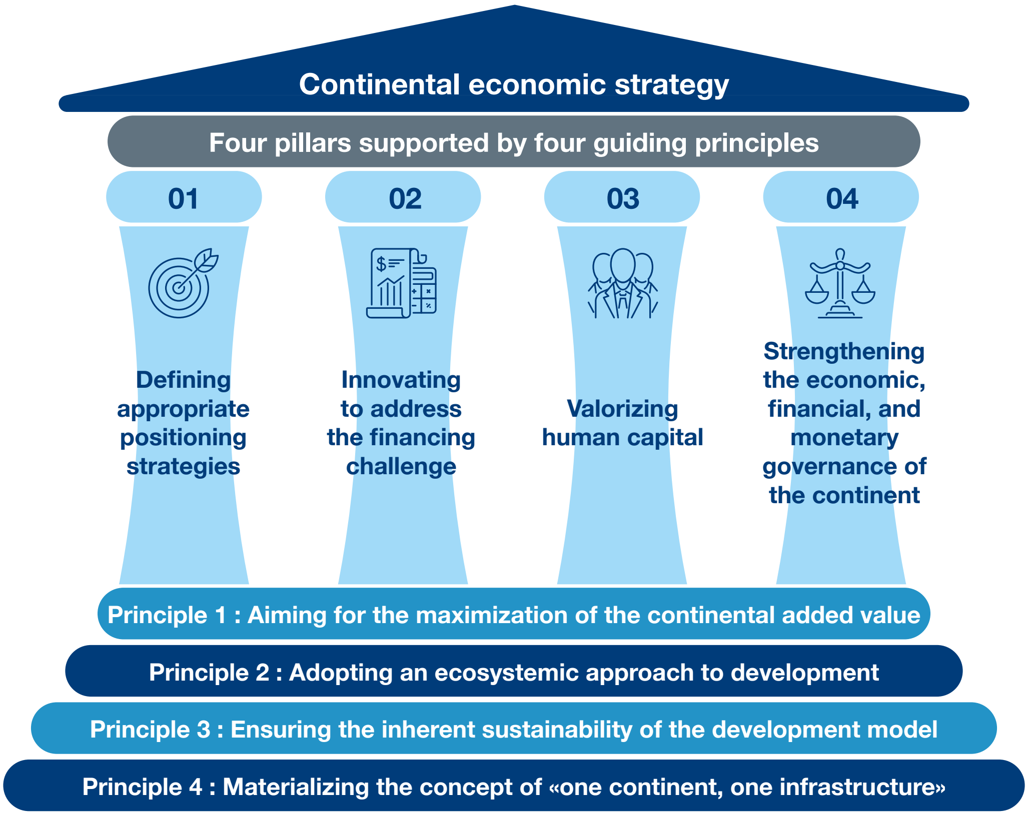
The success of Morocco's action on the continent and in favor of it requires a deepening of the South-South partnership advocated by the Kingdom and common work to implement an African strategy for inclusive and sustainable development, including:

- The need to tame international covetousness, or even to take advantage of it.
- The mobilization of innovative financing, especially through the efficient mobilization of continental resources.
- Synergies and rationality to be developed at the level of various blocs: Maghreb/West Africa, Maghreb/Sahel, Atlantic Corridor, East-West Corridor (Egypt-Morocco-ECOWAS...).
- The urgent restart of the Maghreb and the revitalization of the rest of the sub-regional groupings in Africa as sources of complementarities.



02
MOROCCO'S CONTINENTAL ECONOMIC STRATEGY : A SYSTEMIC FRAMEWORK

Considering this scientific, regulatory, and economic overview, this section proposes a comprehensive 360° analysis framework to examine the strengths, weaknesses, opportunities, and risks related to Morocco's economic strategy in Africa. This analytical framework identifies four guiding principles that currently shape Morocco's economic actions on the continent. It also outlines, through four pillars, the substance and direction of Morocco's economic orientations on the continent, along with concrete manifestations of the achievement of these pillars. The proposed analysis also provides summaries of key elements in the economic strategies of major African and non-African economic powers comparable to Morocco.



2.1. PRINCIPLE 1: AIMING TO MAXIMIZE CONTINENTAL VALUE-ADDED

It is no secret that Africa is currently one of the least economically integrated regions globally. While intra-regional trade reaches 52% in Southeast Asia and even 67% in Europe, it barely surpasses 15%[15] on the African continent. This deprives our economies of significant growth opportunities. However, increasing regional and sub-regional integration does not merely mean African consumers buying goods made in Africa. Significantly enhancing this integration involves our businesses consistently asking themselves a fundamental question before exporting any goods to extracontinental markets :

Can I further increase the final value of my product through additional processing in Africa before exporting it ?

[15]OECD Development Centre, «Production Transformation Policy Review of Egypt», 8th July 2021, link

This is the principle of maximizing continental value- added, also known as «Augmented Regional Value Chains» (ARVC). The goal of this principle and its underlying question is to streamline African exports of raw materials and raw products to extracontinental territories. Currently, Africa plays a minimal role in global value chains, especially Sub-Saharan Africa, which has the world's lowest contribution to global Manufacturing Value Added (MVA), not exceeding 2%.[16] In 2021, over 80% of African exports remain primary products: minerals, hydrocarbons, and agricultural products. Despite some economies still relying on export revenues from mining, energy, and agricultural products, there is a significant potential to move a portion of these raw materials to regional value links for transformation, thus increasing their value.

This principle is exemplified by the series of investments by the Office Chérifien des Phosphates (OCP) in phosphate fertilizer production. Consider the two cases of fertilizer plant construction projects in Nigeria[17] and Togo[18]. The first, operational since late 2022, manufactures fertilizer from Nigerian ammonia (derived from gas) and phosphoric acid imported from Morocco. The second, still under construction, will directly transform Togolese phosphate into fertilizer. In both cases, the value of the final product exceeds the aggregated value of the initial products. Beyond the agricultural and agro-food sectors, the logic of increasing regional value chains applies to a wide range of industries. It can involve the energy sector (refining, thermal power plants), manufacturing industries (manufacture of electrical equipment, information technology products), or services for individuals and businesses (media, internet, digital services, etc.). Whether the final product is intended for African consumption or export, ARVCs allow businesses to explore new growth opportunities while benefiting other continental economic operators.

In this regard, the African Continental Free Trade Area (AfCFTA) agreement boosts this dynamic of maximizing continental added value. The removal of tariff barriers between African economies for a wide range of goods enables African companies, especially Moroccan ones, to continue developing their regional value chains while remaining competitive.

■ Box 3 : AfCFTA, African Continental Free Trade Area

Signed in Kigali on March 21, 2018, the agreement establishing the African Continental Free Trade Area (AfCFTA) contributes to achieving eight general objectives[19] :

a. Create a single market for goods and services facilitated by the movement of people to deepen the economic integration of the African continent, in line with the pan-African vision of an «integrated, prosperous, and peaceful Africa» as outlined in Agenda 2063.

b. Create a liberalized market for goods and services through successive negotiation cycles.

c. Contribute to the movement of capital and individuals and facilitate investments by building on initiatives and developments in member states and regional economic communities.

d. Lay the groundwork for the creation of a continental customs union at a later stage.

e. Promote and achieve inclusive and sustainable socio-economic development, gender equality, and the structural transformation of member states.

f. Enhance the competitiveness of the economies of member states at the continental and global levels.

[16] Economic and sectoral analysis by Crédit Agricole Group, «Sub-Saharan Africa - Industrialization and regional integration, engines of development,», 8th December 2022, Link
[17] Le Point Afrique, « Engrais : l'Office chérifien des phosphates joue sa partition au Nigeria », 22nd October 2022, Link
[18] Jeune Afrique, Charles Djade, « Le Togo se tourne vers OCP pour transformer son phosphate en engrais », 2nd June 2023, Link
[19] African Union, the document of the agreement establishing the African Continental Free Trade Area, 21st March 2018, Link

g. Promote industrial development through the diversification and development of regional value chains, agricultural development, and food security.

h. Address challenges related to belonging to a multitude of overlapping organizations and accelerate regional and continental integration processes.

2.2. PRINCIPLE 2 : ADOPTING AN ECOSYSTEMIC APPROACH TO DEVELOPMENT

Entering a new market is always an exciting venture for any ambitious company seeking sustainable growth. However, this journey of venturing into a new market is often filled with challenges and requires patience, expertise (often external), knowledge of the target market, and significant human and financial resources. Entry barriers can sometimes discourage business leaders from making the investment or, at the very least, push them to scale back their short and medium-term ambitions. The difficulty can be even more pronounced depending on whether the new market involves a new geography, a new customer segment, or a new product or service.

The ecosystemic approach helps alleviate some of these challenges. This approach involves bringing together in the same business space a group of economic operators with different value propositions but potential synergies and opportunities for complementarity. Each operator can offer other ecosystem members its knowledge of historical markets, economic, social, and regulatory environment, privileged access to its clients, or even conditional sharing of some of its operations. This exchange of tangible and intangible strategic assets is particularly useful since large and medium-sized enterprises in the continent often have in-depth knowledge of their markets but limited to certain sub-regions. In a continent where sub-regional markets have very specific socio-cultural and socio-economic characteristics, sharing this knowledge can give new impetus to many businesses and thus eliminate historical trade barriers.

Such business ecosystems can be established by one or more major economic operators with the impetus of public authorities. Concretely, creating an ecosystem involves implementing three complementary elements :

- **Define an ecosystem strategy :** The operator initiating the ecosystem must set clear objectives. These objectives are then translated into a series of structuring choices: which sectors and areas of activity to address? Which geographical regions and customer segments to penetrate first? What financial and human resources are needed to support these goals? In a 2021 study[20], the American consulting firm McKinsey identified twelve ecosystems gestating worldwide that deserve close observation to identify the most promising ones for the African continent. This list includes the B2B Marketplace, B2B services, public services, health, education, and mobility.

- **Design target products and services :** The second step is to imagine future value propositions. These can follow a logic of horizontal integration (seeking other businesses parallel to its historical activity) or vertical integration (exploring opportunities for downstream or upstream extension of its historical value chain).

- **Establish the right partnerships and adopt a win-win animation approach for all stakeholders :** Setting up an ecosystem requires identifying and surrounding oneself with the right partners (companies, research and innovation centers, incubators, universities and schools, etc.). Beyond ensuring strategic alignment with future partners, it is also essential to ensure that the values of the entities in question are homogeneous and complementary.

[20]McKinsey & Company, Niharika Hariharan Joshi, Hamza Khan, & Istvan Rab, «A design-led approach to embracing an ecosystem strategy», 21st July 2021, Link

In concrete terms, an ecosystem relies on two categories of actors: «leaders», who have a driving capacity (a substantial volume of turnover, proven expertise and know-how, investment capacities, etc.), and «boosters,» who operate around the leaders, bringing complementary value links and benefiting from the ecosystem to scale up and develop.

It is worth noting that the ecosystemic approach is not limited to large groups and established historical operators. On the contrary, it allows engaging intermediate-sized enterprise (ETIs), small and medium-sized enterprises (SMEs), and even innovative incubators and startups, as well as networks of independent professionals. This diversity helps foster innovation within the ecosystem, often transforming into a growth vector for all ecosystem stakeholders.

Finally, this ecosystemic approach helps develop coopetition dynamics at the continental level. Initially counterintuitive, these relationships combining competition and cooperation constitute a vast learning ground for our African businesses to grow and increase their capabilities, expertise, and value propositions.

2.3. PRINCIPLE 3: ENSURING THE INHERENT SUSTAINABILITY OF THE DEVELOPMENT MODEL

The succession of conjunctural crises the world is going through at the beginning of this century should not make us forget the fundamental and structural crisis of our time: the climate crisis. The latest report[21] from the Intergovernmental Panel on Climate Change (IPCC) states that Africa remains among the most vulnerable regions to the consequences of climate change. This high exposure of our populations to the risks of drought, food insecurity, and extreme climate events should alert us, Africans, to our choices regarding our development models, both at the national and continental levels.

However, impatience and the rushed race towards wealth and job-creating development led some actors to neglect the imperative of sustainability when defining the broad outlines of the development strategy. By aiming for acceleration that initially generates wealth and jobs and then initiating an ecological transition in a second phase, these actors miss the main lessons learned from the experiences of countries now considered developed. Besides this intellectual waste, such a doctrine is also contrary to mathematical and economic logic. The theory of triangular inequality applied to economic and ecological transition asserts that the total cost of a sustainable economic development inherently ecological is lower than the added cost of an economic (non-sustainable) development followed by a very costly ecological transition.

Contrary to what some might think, the principle of sustainability is not a hindrance to the socio-economic development of the region. While it requires considering new parameters before making an investment decision, the principle of sustainability opens the door to new economic and business opportunities. Today, several investment funds carry substantial financial flows to support projects contributing to the ecological and energy transition of the continent. Examples include the Sustainable Energy Fund for Africa (SEFA)[22], hosted by the African Development Bank (AfDB), and the «Global Gateway»[23] initiative for Africa-Europe, supporting major sustainable transformation projects in Africa.

This principle is perfectly illustrated by Morocco's adoption of an ambitious energy transition strategy[24] (SNTE). With a target of an electricity mix relying on 52% of renewable energy, Morocco is firmly asserting its inherently sustainable economic orientation. Similarly, the success of large renewable energy infrastructure projects such as the NOOR OUARZAZATE solar complex and the launch of new solar and wind park projects in various regions of the Kingdom are encouraging signals of the government's confirmed commitment to

[21] IPCC, Synthesis Report of the Sixth Assessment Report (AR6), 20th March 2023, Link
[22] Link
[23] Link
[24] Link

investing in these strategic transition sectors. At the continental level, Morocco seems to adopt the same approach with the co-launch of the «African Green Hydrogen Alliance» alongside South Africa, Egypt, Kenya, Mauritania, and Namibia. These national and continental initiatives thus equip African economies in their decarbonization process to face the new climate instruments being put in place. These instruments, such as the European Union's Carbon Border Adjustment Mechanism (CBAM), a priority receptor for African exports, are multiplying worldwide and testing the industrial and commercial capacities of nations. It is therefore essential for African economies to quickly and irreversibly decarbonize services and products manufactured in Africa for competitiveness.

The sustainability principle of the African development model also requires bringing the major issue of preserving biodiversity and protecting natural ecosystems to the forefront of the concerns of political and economic decision-makers. Indeed, the African continent is home to extremely rich fauna and flora. Besides its contribution to the prosperity of local populations (food, water, health, etc.), experts consider African biodiversity a strategic asset for the economic and technological development of the continent. According to a report[25] from the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), more than 25% of living species on the continent have disappeared or are severely threatened with extinction. This deterioration of the quality of African natural ecosystems has serious consequences on the well-being of inhabitants: increased exposure to climate risks, soil fertility decline, degradation of water quality, and certain food products. Faced with these challenges, a series of projects have already been launched by some African countries. Supported by the World Bank[26], Tanzania has implemented the SWIOFish program for fishermen to increase their income while allowing the replenishment of fish stocks and the restoration of livelihoods. Similarly, Mozambique launched the MozBio program in 2015, dedicated to biodiversity protection and

[25] Link
[26] World Bank, «This Is What It's All About: Protecting Biodiversity in Africa», 14th February 2019, Link

development. MozBio has created areas to protect the country's natural ecosystems such as its coastline or coral reefs.

By mobilizing nearly $90 million[27], MozBio has also supported rural economic development in these protected areas in line with the goals of conserving natural resources.

In Morocco, since the beginning of the century, the government has defined a series of national plans to consolidate and strengthen efforts to preserve biodiversity. In 2016, Morocco formalized a new strategy and a national action plan[28] for biodiversity. This strategy is based on six major axes:

1. **Strengthening the conservation of species, ecosystems, and the services they provide.**
2. **Ensuring the sustainable use of biodiversity and biological resources.**
3. **Contributing to improving the living conditions of populations through the effective implementation of the SPANB.**
4. **Consolidating the governance of biological diversity.**
5. **Improving, enhancing, and sharing knowledge about national biodiversity.**
6. **Promoting, among citizens, the will to change behavior towards the national biodiversity heritage.**

On an operational level, Moroccan institutional investors are multiplying initiatives to give substance to national ambitions. This includes CDG Development, which signed a partnership[29] in spring 2022 with CDC Biodiversity to preserve biodiversity. The cooperation agreement aims to strengthen the biodiversity dimension in the study and implementation of projects developed or financed by the Moroccan Fund.

2.4. PRINCIPLE 4: ACTUALIZING THE CONCEPT OF «ONE CONTINENT, ONE INFRASTRUCTURE»

The doctrine of economic cooperation, as the co-development doctrine, relies on a set of strategic assets that make this cooperation possible. In this regard, infrastructure is considered as the cornerstone of these assets. However, an infrastructure is by default useful to its economic environment only when it is integrated into a network of interconnected and complementary infrastructures. A port is useful to the merchants of a city only if it is connected by a road that transports goods from the market to the port and vice versa. Thus, aiming for regional economic integration in Africa based on a logic of co-development that requires introducing the concept of «One Continent, One Infrastructure.» This concept involves envisioning infrastructure in Africa as a unique and indivisible bloc.

The first consequence of adopting this principle is to influence national and regional development strategies. Planning a country's territory and the construction of a series of infrastructures should, when not already the case, incorporate consideration of the mutual impact of the future infrastructure on neighboring infrastructures. This approach allows optimizing major infrastructure projects in Africa while ensuring improved connectivity. If a country wants to build a port in a border region to export its goods while the neighboring country already has a port a few hundred kilometers away, it is naturally not wise to waste such a significant investment when a multilane road between the city and the neighboring port achieves the same goal with significantly more modest financial efforts. In summary, any infrastructure construction project should be thought of not only in its local and national context but should also integrate considerations of continuity and connectivity with other strategic assets on the continent.

The second consequence of this principle is to attract more investments to development projects in Africa, even when they are located in other sub-regions of the continent. Indeed, national investment funds and

[27] Link
[28] Stratégie et Plan d'Actions National pour la Diversité Biologique du Maroc (2016-2020), Link
[29] Médias24, « CDG développement signe un partenariat avec CDC Biodiversité », 17th March 2022, Link

funders naturally prioritize projects with a direct impact on the development of their territory. However, funding applications including advanced studies on the economic impact of the project on neighboring territories would convince these sovereign funds and negotiate additional financing envelopes from other regional and international organizations. This financing is all the more necessary as the Global Infrastructure Outlook[30] estimates that Africa needs about $6 trillion to fill its infrastructure deficit, including $1.7 trillion in financing not yet acquired.

This approach to a single African infrastructure applies equally to port, airport, road, and railway infrastructures as well as to water, energy, or telecommunications infrastructures.

Similarly, this unique and extensive infrastructure is the main means of capitalizing on opportunities related to the AfCFTA. Indeed, it is impossible to trade with partners without appropriate transport systems and logistics chains. Moreover, these chains and systems require very high connectivity to enable the exchange of physical (people and goods), financial, and information flows over such an extensive area as the African territory.

To date, several existing infrastructures, projects under execution, or in the launching phase contribute to achieving this connectivity goal. For example, the Africa Transcontinental Highway[31] presents a strong ambition for roadways across the continent. Similarly, the Morocco-Nigeria Gas Pipeline project[32] constitutes an exemplary pan-African adventure of cooperation around a strategic infrastructure that would ultimately boost the economies of more than 13 African countries.

At the national level, Morocco's port strategy is now a case study. After the radiant success of the Tangier Med port in the Mediterranean basin, it will soon be strengthened by the Nador West Med transshipment port. This will further densify exchanges with other North African countries and the rest of the Mediterranean basin. In the same logic, the under-construction Dakhla Atlantique port[33] will eventually open up new prospects for trade with Sub-Saharan Africa, a boon for businesses in the southern provinces with the entry into force of the AfCFTA agreement.

In conclusion, it appears that Morocco and its companies have undeniable assets to actively contribute to structuring continental infrastructure projects. These projects would not only accelerate the development of their host countries but would also provide support and concrete schemes for companies wishing to expand, thereby building an «African Silk Road.»

If the four principles developed above reflect the vision of inclusive, sustainable, and wealth- and job-creating development envisioned and initiated by Moroccan economic and political decision-makers, these principles also remain valid to inspire the action of all stakeholders involved in the continent's development. States, multilateral organizations, and private stakeholders all contribute to shaping this African development model and can therefore implement these principles in their daily decision-making processes.

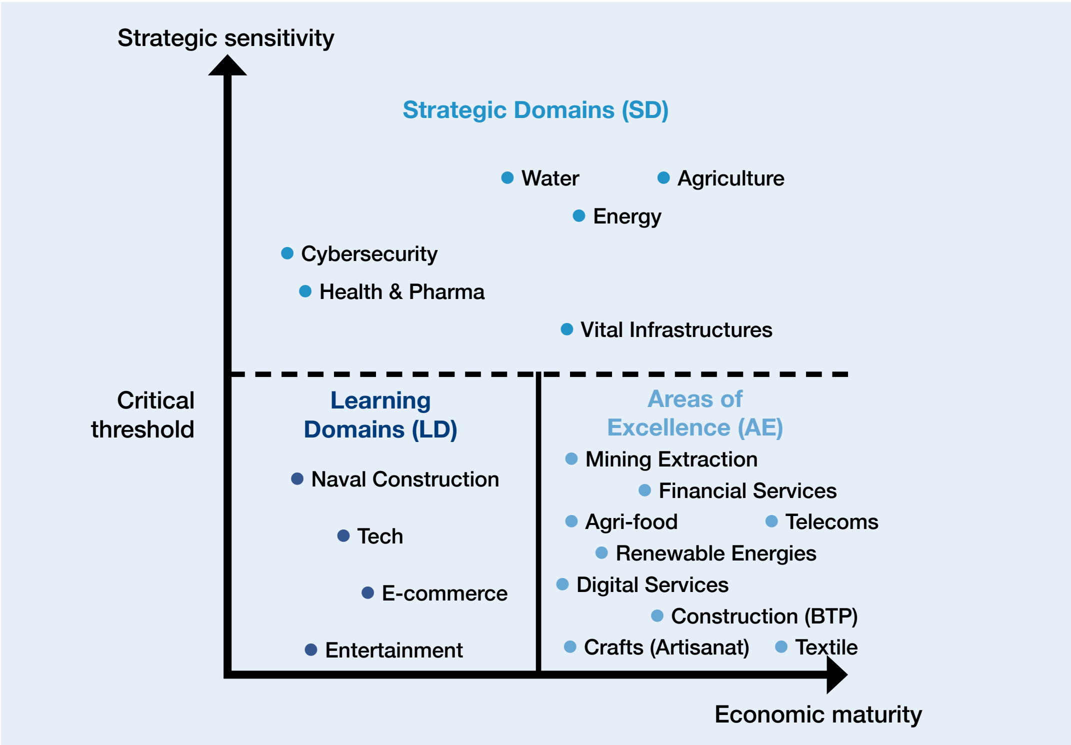
The second part of this note deals with the foundations of Morocco's continental economic strategy. As the Kingdom has already taken its economic and commercial turn towards the continent for more than two decades, it is interesting today to expose the pillars of its strategy to measure the extent of the achievements and explore the prospects for the consolidation and acceleration of co-development. This analysis is based on a quadruple model of the Moroccan economic strategy in Africa, composed of 4 pillars: positioning strategies in promising activity areas, investment financing issues, human capital, and economic and financial governance.

[30] Link
[31] Link
[32] Médias24, « Quatre nouveaux pays rejoignent le projet de gazoduc Maroc-Nigeria », 16th June 2023, Link
[33] Jeune Afrique, El Mehdi Berrada, « Maroc : Dakhla Atlantique, escale stratégique pour l'Afrique de l'Ouest », 17 July 2021, Link

2.5. PILLAR 1: DEFINING APPROPRIATE POSITIONING STRATEGIES

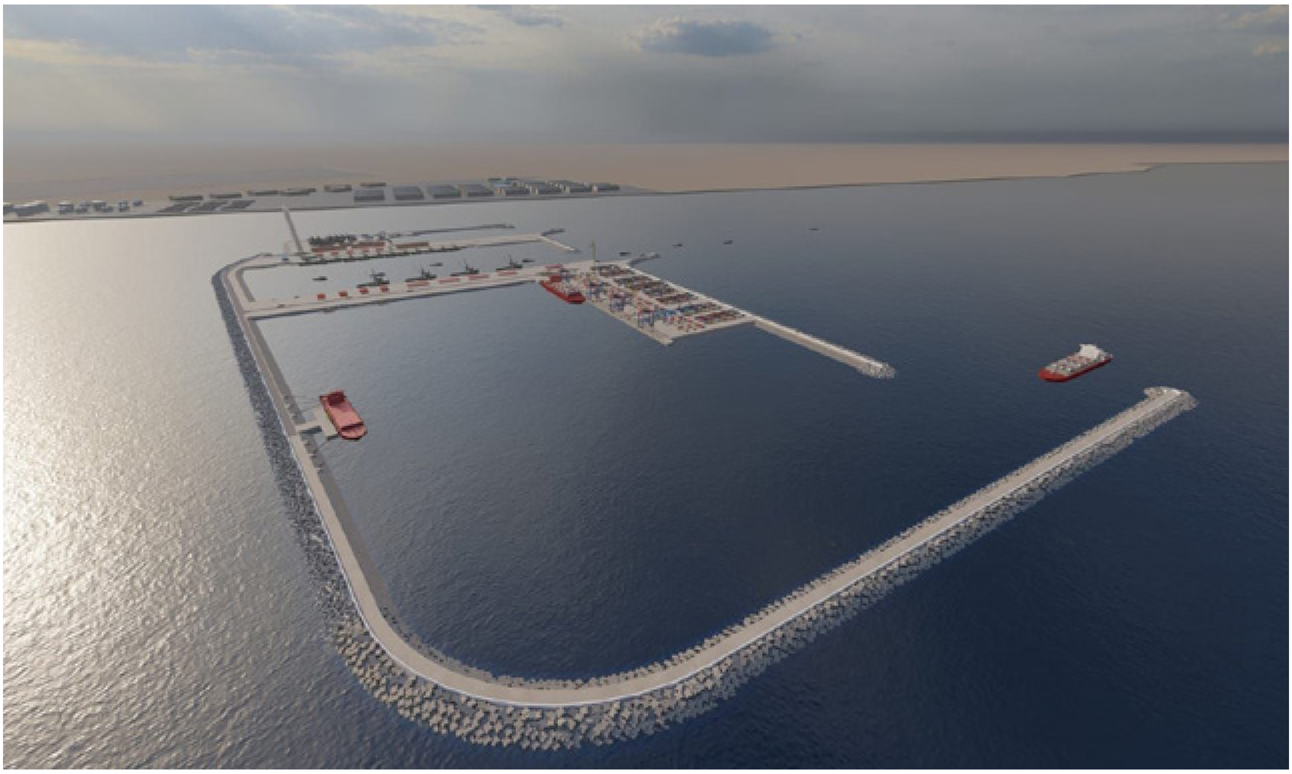
The first pillar of Morocco's economic strategy in Africa revolves around the relevance of choices in the addressed areas of activity. These strategic choices, focusing on specific business sectors while excluding others, aim to avoid dispersion effects and concentrate investment efforts on the most promising growth opportunities. To comprehend these choices, this note provides a synthetic analytical framework to decipher the main lines of continental development strategies adopted by Moroccan public and private entrepreneurs and investors. The examples given below are inspired by general trends observed among Moroccan enterprises. However, personalized adaptation to each company's field of activity is necessary for precise and contextualized analyses.

Figure 3 : Categories of Moroccan Business domains



The proposed framework relies on three categories of business sectors (see Figure 3). Each category presents characteristics related to the «strategic sensitivity» and «economic maturity» of the activity domains it comprises. Strategic sensitivity is defined as the level of criticality of the business domain for the economic sovereignty of a given African country or the entire African continent. Economic maturity reflects the development level of the domain in question within a specific country and its economic operators.

This analytical framework associates each category of business domains with an investment recipe extrapolated from observed economic dynamics. This investment recipe includes a development doctrine, implantation modalities, and alliance formats to establish.



2.5.1. Category 1 : Strategic Domains (SD)

These are activities presenting sovereignty issues for Morocco (national strategic domains, NSD) or for the continent (continental strategic domains, CSD). SD are critical for Africa's socio-economic resilience and development model. SD often require significant investments from Moroccan companies, supported by public funders, if necessary, to secure funding. These domains typically operate within expanded ecosystems, covering a significant portion of the value chain constituting the domain of activity.

For continental strategic domains, it's timely for Moroccan companies to integrate these ecosystems through major operators, either as «leaders» or «boosters» (cf. principle 2). These operators help position Morocco at the heart of critical continental issues and establish the credibility and legitimacy of Moroccan expertise in these domains. As for NSD (strategic domains for Morocco), Moroccan companies benefit from positioning themselves at the center of these ecosystems, assuming a leadership role. This way, they can stimulate African (Moroccan or non-Moroccan) medium and small operators and strengthen the continental network within the sector's ecosystem. This creates a form of healthy interdependence between African economic operators to address the continent's major challenges. An interdependence that brings the cursor back to balance between uncontrolled economic dependence and an unrealistic self-sufficiency ambition. It is worth noting that the high strategic sensitivity of these areas does not completely prohibit cooperation with non-African economic operators. However, such cooperation must remain controlled (avoiding situations of dependence on an extracontinental power or a foreign economic or political bloc, having simple alternatives to activate at all times) and limited to non-critical activities. Among these strategic areas are water management, agriculture, energy production and distribution, health and the pharmaceutical industry, cybersecurity, as well as the construction and operation of vital infrastructures. Players like Cooper Pharma, the OCP Group, or the Al Mada Group[34], positioned in the pharmaceutical, agricultural, and agri-food sectors, respectively, fully align with this strategy of African growth.

[34] La Tribune Afrique, « Maroc : Teralys devient majoritaire dans le tour de table de l'agro-industriel sénégalais Patisen », 7th July 2023, Link

2.5.2. Category 2 : Areas of Excellence (AE)

This category encompasses sectors where Morocco excels, with mature assets and flagship companies generating substantial revenues in current markets. Companies in these areas have a significant competitive advantage and are well-positioned to expand into other African markets. An example is the telecommunications sector, where Maroc Télécom has over 60 million customers in 10 African countries. Similarly, the banking sector is represented by key players such as Attijariwafa Bank, BCP, and Bank Of Africa, with a dense network in over twenty African markets. In addition to these traditional sectors, others, like digital services with companies such as HPS and M2M[35], have successfully convinced African markets.

Prosperous Moroccan companies in these domains can serve as inspiration for others aiming to grow on a continental scale. The new Moroccan investment charter[36], with its specific support mechanisms, is an additional lever encouraging companies to establish an international presence, particularly in Africa. Economic collaborations in these domains can involve partners of all nationalities, with a particular interest in those from Southern countries offering complementary value propositions. These business alliances, termed win-win, facilitate the internationalization of African companies, especially those from Morocco.

2.5.3. Category 3 : Learning Domains (LD)

This category represents sectors offering significant growth potential for Moroccan companies, including small and medium-sized enterprises (SMEs). These domains are characterized by a strong desire for development by Moroccan businesses, made possible by the implementation of the African Continental Free Trade Area (AfCFTA). Before this, obstacles such as insufficient domestic market size, absence of certain customer segments, inadequate local purchasing power, and local regulatory constraints limited their expansion.

With the AfCFTA, Moroccan entrepreneurs can now explore all 54 markets on the continent, opening new opportunities to convince African consumers of their products and services. This dynamic provides a real boost to entrepreneurship and innovation, especially for young entrepreneurs. Entrepreneurial ventures in sectors like Tech (FinTech, HealthTech, EdTech, FoodTech, GreenTech, etc.), e-commerce, or entertainment can create new national champions. As these sectors pose minimal risks to state security and the competitiveness of African economies, Moroccan entrepreneurs can consider international collaborations to attract new expertise, technologies, and innovations.

■ Box 4 : Focus on Egypt's Economic Strategy in Africa

With the aim of strengthening its influence on the African continent and safeguarding its strategic interests, such as the Nile dossier, Egypt has injected new dynamics into its economic relations with Africa since 2013. By 2022[37], trade between Egypt and Africa exceeded $8.6 billion. Egyptian investments in sub-Saharan Africa gradually reached record levels, surpassing $9 billion in 2017[38]. Egyptian companies are notably active in construction, the chemical industry, and mining, with some having a historical presence in Africa since the 1970s, according to the COMESA regional investment agency. Major projects like the Julius Nyerere Dam construction in Tanzania and the expansion of the Abidjan airport exemplify this cooperation.

In 2021, Egypt established a new roadmap[39] dedicated to its economic development in Africa. This roadmap aims to unlock the full potential of existing trade agreements, address logistical challenges, and promote

[35]Telquel, « Cartographie : les entreprises marocaines qui rayonnenent en Afrique », 2nd December 2022, Link
[36]Moroccan Investment and Export Development Agency, The Investment Charter, Link
[37]Egypt today, « Trade exchange bet. Egypt, African countries grows by 14.4% in 2022 », 27th July 2023, Link
[38]American Chamber of Commerce in Egypt, Tamer Hafez, « The Investment Prospects of Sub-Saharan Africa », April 2018, Link
[39]Link

joint industrialization projects with other African countries to capitalize on the continent's raw materials. The Egyptian vision also includes a technical cooperation component aiming to develop industrial complementarity, streamline information exchange, and optimize financial sector mobilization. The Egyptian banking sector actively supports Egyptian exports to Africa, receiving dedicated funds from the central bank to facilitate trade and investments in Africa. This encouragement has enabled Egyptian companies to export significant volumes of medical equipment, chemicals, and construction materials[40]. Egypt continues to pursue an assertive economic strategy in Africa, exemplified by the central bank's recommendations to tie energy subsidies for companies to the volume of their exports to African countries.[41]

■ Box 5 : South Africa's Economic Strategy in Africa

South Africa is a major economic player on the African continent, being both the largest importer and exporter within the region. The total volume of trade between South Africa and other African countries exceeded $35.6 billion in 2021.[42] However, there is a substantial imbalance in the South Africa-Africa trade balance, with South African exports to Africa constituting approximately 75% of this total trade volume. Similarly, South African investments in Africa represent around 14% of the total stock of South African foreign direct investment (FDI), surpassing $32 billion in 2021[43]. South African companies are highly active in the banking, mining, distribution, and telecommunications sectors, driving the majority of South African investments in Africa[44]. This implies that complementary intervention from the South African public sector could further increase the weight of these investments.

The regional economic influence of South Africa is based on a strategy of sub-regional anchoring in Southern and Eastern Africa. South Africa wields a growing influence within sub-regional economic communities such as the Southern African Customs Union (SACU) and the Southern African Development Community (SADC). Institutional and financial instruments like the South African Development Partnership Agency spearhead this strategy. Despite official South African discourse, economic analysts note that several African countries express concerns about South Africa's economic hegemony, fearing it may compromise the emergence of local industries and create disadvantageous economic dependencies.

2.6. PILLAR 2 : INNOVATING TO ADDRESS THE FINANCING CHALLENGE

While investment opportunities in Africa remain abundant, their realization into projects often falters due to financing issues. African financial markets handle limited financial volumes, and access to international capital markets often faces challenges unique to the business environment in African markets. However, African companies cannot sustainably grow on the continent if financing remains a persistent obstacle. For Morocco, four innovative levers are gradually being implemented to optimize access to financing conditions and enhance investment mobilization. To fully leverage these actions, national and regional public authorities and African companies themselves need to be actively involved :

2.6.1. Encouraging national and sub-regional Public-Private Partnerships (PPPs) and improving their governance framework

Public-private partnerships are an innovative solution for financing infrastructure projects or public services. These partnerships involve combining the financial efforts of public and private operators around a project of general interest. The private operator immediately invests its capital by mobilizing its own resources against

[40] French Institute of international relations, Amr Abdelrahim, « Le retour de l'Égypte comme puissance régionale ? », December 2022, Link
[41] Link
[42] Tralac, «South Africa's Global Trade 2021 Update», 28th February 2022, Link
[43] UNCTAD, World Investment Report 2023, Link
[44] Link

a deferred payment, often in the form of the right to operate the infrastructure in question for a specified period. The main advantage of this financial tool is to create a leverage effect for public investments. Instead of allocating the entire public investment budget to a single large project, PPPs allow the same budget to be distributed across multiple projects by attracting more private funding. Involving a private operator also increases vigilance regarding the economic relevance of projects by pushing feasibility studies to advanced levels. In practice, PPPs have enabled several flagship infrastructure projects to be launched on the continent, such as the Lake Turkana Wind Park (Kenya), the Henri Konan Bédié Bridge (Côte d'Ivoire), or the Tanger Med Port (Morocco)[45]. While PPPs accelerate the launch of certain projects and relieve the public finances of states, they do not guarantee the success of these partnerships. Several failures, both in Africa and elsewhere, have resulted in losses amounting to hundreds of millions of dollars. It is, therefore, crucial to strengthen and refine the legislative and institutional framework governing these investments, drawing lessons from past failures.

2.6.2. Establishing continental investment Funds

While PPPs transfer a significant portion of the investment burden to the private sector, it still faces challenges in securing substantial funding for its projects on the continent. This difficulty is partly due to the insufficient knowledge of certain national or foreign (non-African) funding agencies about African markets and the strong competition with investment projects from other regions of the world with lower risks. The creation of funds dedicated to Africa's economic development could help project sponsors engage in constructive discussions about their opportunities with funders familiar with the specificities of African markets. Moreover, these pan-African funds can also specialize by sector, geography, or theme to have the expertise needed to process the presented projects. This dual trend of «pan-Africanization» and specialization is gradually emerging.[46] Its confirmation will depend on the involvement of so-called «continental champion» companies in contributing to these funds and, more broadly, in creating a dynamic African financial market.

2.6.3. Adopting risk consolidation approaches and improving investor information

Many emerging African countries often struggle to negotiate loans at favorable rates. This is mainly due to two reasons. First, it is related to the high levels of debt and risk in these countries and their companies. To overcome this obstacle, some countries use risk consolidation mechanisms to reduce the overall exposure level of the group and obtain financing on optimal terms. An example is the West African Development Bank (BOAD), in which Morocco is a shareholder, supporting the development financing of West African countries. Thanks to positive investment ratings obtained from rating agencies, BOAD can issue bond offerings on regional and international capital markets under comfortable conditions. This logic is replicable for other sub-regions or groups of African countries sharing common development models. The second cause is the scarcity of reliable and up-to-date economic and financial information for investors. This issue is mainly related to the under-digitization of economic and financial circuits in these countries. Basic economic and financial procedures (tax declaration, VAT declaration, financial statements, banking procedures, administrative procedures, etc.) are still often not digitized. This delay in digitization hampers the analysis and reporting capabilities of statistical institutions responsible for preparing economic and financial studies. In summary, the digital transformation of economic and financial circuits is an urgent lever to activate to improve economic and financial information, a crucial condition for raising funds.

2.6.4. Diversifying economic partnerships and transforming the approach of international cooperation and development aid

The fourth lever to facilitate access to financing relies on diversifying economic and development partners. Today, it is widely acknowledged that the African continent is the subject of interest from various international economic actors. This interest triggers dynamic competition between global economic powers, with informational issues surrounding development financing institutions in Africa[47]. However, the African continent now needs to adopt a proactive stance and develop an assumed doctrine of economic cooperation to no

[45] Link
[46] La Tribune Afrique, Ristel Tchounand, « Private Equity : en Afrique, les fonds d'investissement se spécialisent et se panafricanisent », 9th October 2019, Link

longer be subject to the economic strategies of others. While the precise definition of the African economic cooperation doctrine is not the subject of this note, it is useful to propose some general guidelines to forge its core. A first orientation would be to establish economic development partnerships and agreements with a wide range of actors, including states, regional groupings, or non-governmental organizations. The multiplication of these economic partnerships opens up new opportunities for the continent and enriches it with diverse expertise, whether in a bilateral or multilateral framework. In this regard, Morocco presents an example of partnership diversification to examine. At the international level, the Kingdom of Morocco currently has more than 9 free trade agreements and many more economic cooperation agreements. At the regional level, in addition to the numerous cooperation agreements signed with dozens of African countries, Morocco has made strategic cooperation choices by seeking to get closer to the Economic Community of West African States (ECOWAS) and to revitalize the Atlantic community of the continent, consisting of 23 countries. A second orientation would be to transform classical modes of development aid into an efficient and empowering cooperation that does not compromise the sovereignty of countries. This involves promoting cooperative relations on an equal footing where all stakeholders honor their respective commitments and emerge as winners. Thus, investment projects based on loans guaranteed by strategic assets are extremely dangerous and seriously undermine the sovereignty of countries. Alternative financing methods such as Build-Operate-Transfer (BOT) are much preferable. In this spirit, the OECD[48] recommends in a report dated May 2023 supporting the modernization of global governance to involve low-income countries more in decision-making processes related to the financing of global public goods. This would rebalance power relations between partners on the international stage.

In summary, while the four levers proposed above may not completely and entirely solve the challenge of accessing project investment financing, they provide innovative avenues for thinking outside the box to take advantage of ongoing economic and financial dynamics and secure the development needs of African economies.

[47]Link
[48]OECD, « Development Co-operation Report 2023 : Debating the Aid System », 2023, Link

■ Box 6: Turkey's Economic Strategy in Africa

Economic relations between Turkey and Africa have experienced a new momentum since Turkey became an observer member of the African Union in 2005 and a strategic partner of the pan-African institution in 2008. Since then, trade between Turkey and Africa exceeded $34.5 billion in 2021, and Turkish investments in Africa reached a cumulative total of $77.8 billion[49]. Turkish companies have been involved in several mega projects, such as the railway connecting the east, center, and north of Ethiopia to the port of Djibouti, and the construction of the new international airport in Khartoum, Sudan. Turkish companies operating on the African continent are particularly present in the railway, energy, construction, and port infrastructure sectors. Turkey's economic strategy in Africa is based on several trade agreements, including economic partnerships with regional organizations such as the Economic Community of West African States (ECOWAS) or the Southern African Development Community (SADC). In parallel, Turkey organizes economic and business forums between Turkey and Africa to further develop its trade relations with countries on the continent. Turkey is currently seeking to establish two trade corridors to set up its industrial bases and transport its products to the Maghreb and West Africa: a Mediterranean corridor passing through Algeria and an Atlantic corridor relying on Senegal[50]. It is worth noting that the financing terms of Turkish investments and their guarantees are significantly less aggressive than those used by other non-African emerging economic powers. Turkey relies on its own foreign direct investments (FDI) and joint financing with other countries (Japan) or international organizations (World Bank) to finance these projects. Turkey significantly favors the Build-Operate-Transfer (BOT) models over loans guaranteed by assets.[51]

2.7. PILLAR 3 : VALORIZING HUMAN CAPITAL

Despite the richness of Africa's geography and geology, making it one of the richest lands in natural resources, the most precious resource in Africa is human capital. This resource becomes even more crucial as the competitiveness of modern economies shifts from the exploitation of raw natural resources to increasingly focus on high-value-added economic activities, such as sophisticated intellectual services, complex industries, new technologies, advanced research, and innovation. However, despite the efforts made by various African states over the decades, this resource remains significantly undervalued across the continent. The main reasons for this undervaluation include an underperforming education system and insufficient or inadequate mechanisms for the training and support of young people.

In Morocco, the valorization of human capital is a shared undertaking between the public authorities and economic operators. The authorities acknowledge that investing in human capital is a rational, relevant, and wealth-creating economic choice, just as investing in strategic infrastructure. Economic operators are beginning to explore investment opportunities in sectors related to human capital development, both at the national and continental levels. This valorization process involves three categories of actions:

2.7.1. Investing in Education, Higher Education, and Vocational Training

While the development of private education is often perceived as a sign of the deterioration of public education services and exploited politically as a reproach to governments in their management of this portfolio, this sector nevertheless remains a producer of elites in several countries. Like many emerging countries, Morocco has witnessed growth in this sector over the past decades. Initially in primary education, then in higher education, and more recently in vocational training, private schools in Morocco have multiplied. Today, the management of a Moroccan private education offering stands as a model and can inspire beyond Cherifian

[49] Turkish Ministry of Foreign Affairs, Turkey-Africa relations, Link
[50] Centre for Applied Turkey Studies, Michaël Tanchum, « Turkey's Maghreb–West Africa Economic Architecture: Challenges and Opportunities for the European Union», 3rd June 2021, Link
[51] African Cooperation Sector, Turkish and Chinese Economic Presence in Africa, Link

borders. Without competing with public education offerings, this private Moroccan school offering can be useful in other African countries and complement the services offered by public schools. The Moroccan private school, inherently bilingual, can offer elementary education programs in Arabic-French, Arabic-English, or even French-English. At the higher education level, the private Moroccan university could enhance the influence of its commerce and management, engineering, medical sciences, or architecture programs. Moroccan vocational training centers can provide training in digital, automotive, mechanical, electrical engineering, textile, or hospitality professions. While creating local employment (teachers, administrative and technical staff, etc.), these educational projects would contribute to improving young Africans' access to school and training for employment.

2.7.2. Improving Public and Private Social Service Offerings

The second lever for valorizing human capital is based on the consolidation and development of social services such as healthcare, housing, access to clean water, and electricity. While the general quality of these services largely depends on the political choices of governments and budgetary directions in these sectors, cooperation models between public authorities and private operators (public-private partnerships) are devised to overcome these obstacles and provide African populations with quality social services at a lower cost. These sectors, often considered as black holes in public budgets, actually contribute real value to the economy as they actively help African talents create wealth. Another optimization path for investments in these sectors lies in delegating skills related to these social services to local authorities through program contracts. While fitting into a national framework (objectives, guidelines, etc.), locally managed social services benefit from a shorter action-responsibility loop and strong involvement of stakeholders concerned.

2.7.3. Adopting a Positive Approach to African Migration Movements and Encouraging the Empowerment of Youth and Women

While African migration flows largely remain intraregional (Africa is the destination for about 53% of African migrants)[52], the benefits of this active circulation of human capital are not fully cultivated. Indeed, African migration components constitute a significant factor in enriching national demographic fabrics. A positive integration of migrants not only injects fresh blood into the universities and businesses of the host country but also disseminates advanced knowledge (popular and institutional) of the cultural and social characteristics of other African communities. This knowledge dissemination gradually allows economic operators to shape and strengthen their African identity, a significant competitive advantage for their deployment in the 54 markets of the continent. In Morocco, if the state has adopted a positive migration policy since 2013[53], this policy can still be strengthened with the acceleration of the continental attractiveness of Moroccan schools, universities, and businesses to welcome more African students, professionals, and businessmen to the territory. This involves multiplying scholarships granted to African students and opening social rights and integration mechanisms to all residents of the Moroccan territory. Opening and making early childhood establishments and services financially accessible can, for example, facilitate the economic integration of African women and help them join the job market. Similarly, granting young people access to micro-credits or entrepreneurship support programs, such as the «INTILAKA» program[54], can transform the potential of this youth into GDP points. In short, the Moroccan model of migration reception and integration, far from perfect, remains a source of inspiration for other governments on the continent to integrate the migration issue as an asset into their development models. The emancipation and empowerment of African women and youth, two powerful driving forces for socio-economic development on the continent, must remain a constant priority for public authorities.

[52]UN Migration,» Africa Migration Report: Challenging the Narrative », 12th October 2020, Link
[53]Wilson Center, Stephen J. King, « Sub-Saharan African Migrants in North Africa: Morocco Shows a Way Forward », 3rd August 2023, Link
[54]Link

2.8. PILLAR 4: STRENGTHENING THE ECONOMIC, FINANCIAL, AND MONETARY GOVERNANCE OF THE CONTINENT

Alongside the positioning strategies of economic operators and the financial and human resources to be mobilized, good economic, financial, and monetary governance is a key element of Morocco's strategy for continental development. This governance is based on a regulatory and institutional framework at both the national and regional levels.

Morocco has a significant role to play in laying the foundations for this regulatory and institutional framework, in consultation with other nations of the African Union. This framework includes accelerating the creation of pan-African financial institutions provided for in the Constitutive Act and confirmed in Agenda 2063, namely the African Monetary Fund (AMF), the African Investment Bank (AIB), and the African Central Bank (ACB)[55].

• **African Monetary Fund (AMF) :** Established in 2014, the AMF aims to enhance the continent's economic integration by contributing to the definition of regional macroeconomic goals in its loan policies. Initially set for creation in 2023, achieving this milestone now seems unreachable given the modest progress on this front.

• **African Investment Bank (AIB) :** Statutes for the AIB were voted on in 2009. It is the financial institution responsible for accelerating economic growth on the continent and promoting public and private investments in the strategic projects of different AU member countries. The creation deadline, set for 2025 in Agenda 2063, also appears challenging to meet.

• **African Central Bank (ACB) :** Tasked with formulating the continent's monetary policy and issuing a single African currency, the creation of the ACB is hindered by difficulties in converging toward common macroeconomic criteria. Moreover, few African countries seem to meet the initial criteria with a consensus. Originally planned between 2028 and 2034, the creation of the ACB is now expected to materialize only in 2045[56].

[55]African Union, Financial Institutions, Link
[56]La Tribune Afrique, Aboubacar Yacouba Barma, « Union Africaine : une monnaie unique, une banque centrale et un fonds monétaire à l'horizon 2045 », 8th March 2019, Link

Despite these significant delays in these strategic projects for the continent, the African Union reactivated itself in 2019 to expedite the processes of creating its economic institutions. Morocco actively contributes to this, both in the work of the Association of African Central Banks (AACB) and the organization's Specialized Technical Committee on Finance, Monetary Affairs, Economic Planning, and Integration.

In parallel, other initiatives also deserve encouragement to strengthen economic, financial, and monetary governance at the national level. One such example is the Economic Governance Strategy in Africa[57] (SEGA) developed by the African Development Bank. This initiative aims to strengthen the institutions, processes, and regulatory frameworks of African countries. «Multiple crises have unequivocally proven that countries with strong economic institutions were better able to overcome these difficulties and lay the groundwork for a vigorous recovery, regardless of their respective levels of development,»[58] said the Deputy Managing Director of the International Monetary Fund (IMF) in 2022 in an address to the governors of African central banks in Botswana. Finally, the initiative of the Organization for the Harmonization of Business Law in Africa (OHADA) and its work on unifying business law rules constitute a remarkable step toward legal integration and improvement of commercial governance on the continent. With approximately 17 member states today, OHADA remains open to admitting any state, whether a member of the African Union or not[59]. Morocco and other African states have a keen interest in joining and being active drivers of this legal and judicial dynamic. The advent of the AfCFTA makes the need for clear and shared commercial rules even more urgent.

■ Box 7: 2063 Agenda, Africa's Major Projects

Adopted in 2013 by African heads of state during the celebration of the 50th anniversary of the creation of the OAU/AU, Agenda 2063 serves as the strategic roadmap for the African continent, structuring its ambition for progress, development, and prosperity. Built around 7 aspirations, Agenda 2063 introduces about 15 flagship projects that would help achieve its ambition:

1.	Integrated high-speed train network
2.	2. Formulation of an African strategy on commodities
3.	3. Establishment of the African Continental Free Trade Area (AfCFTA)
4.	4. African passport and free movement of people
5.	5. Silencing the guns by 2020
6.	6. Implementation of the GRAND INGA dam project
7.	7. Creation of a single African air transport market (SAATM)
8.	8. Establishment of an African economic forum
9.	9. Setting up African financial institutions
10.	10. Pan-African online services network
11.	11. African space strategy for outer space
12.	12. African virtual and online university
13.	13. Cybersecurity
14.	14. Grand African Museum

[57] African Development Bank, « Strategy for economic governance in Africa », 2nd July 2021, Link
[58] International Monetary Fund, « Governance and Accountability in Africa: Progress and Road Ahead », 13th June 2022, Link
[59] Link

CONCLUSION: EIGHT RECOMMENDATIONS TO STRENGTHEN THE CONTINENTAL PARTNERSHIP

With this strategy, Morocco undeniably demonstrates a clear and ambitious vision for the development of its continent, diligently putting it into action. The Moroccan path can rely on eight concrete actions to propel key stakeholders and better apprehend the future:

1. Continue and Accelerate the Development of Major National and Regional Infrastructures : Ensuring connectivity and interoperability, Morocco can gain new strategic advantages in several sectors such as ports, railways, energy complexes, water supply, and wastewater treatment.

2. Establish Dedicated Monitoring and Economic Intelligence Structures for Africa : Creating units attached to ministerial departments or strategic directions of major companies can illuminate the positioning choices of public and private investors.

3. Anticipate Legislative Alignment with New Economic and Commercial Realities : Preparing the institutionalization of new continental economic, financial, and monetary governance bodies.

4. Rethink Support Mechanisms for Companies Wishing to Expand in Africa : Tailoring support offerings to the size of operators (SMEs, mid-sized enterprises, large groups), their sector (strategic activity domain, domain of excellence, etc.), and their specific needs can optimize effectiveness.

5. Promote the Emergence of Industrial Ecosystems : Encouraging the formation of economic interest groups (EIGs) and simplifying their regulation, especially for operators in strategic sectors.

6. Develop Specific Financing Offers for African Investment Projects : Mobilizing institutional investors and national banks to propose optimized financing and insurance mechanisms to Moroccan companies looking to expand into African markets.

7. Become a Hub for Decarbonizing Industry in Africa : Operationalizing its Low Carbon Strategy 2050, Morocco could establish itself as a long-term platform for hosting green industrial investments.

8. Enhance the Attractiveness of the Kingdom as an Unmissable African Destination for Training and Economic Opportunities : This involves positioning Moroccan schools and universities in fields preparing for future professions (digital, artificial intelligence, biotechnology, robotics, new mobility, renewable energies, circular economy, etc.) and promoting the Moroccan social model (education, social protection, justice, and security, etc.).

While the development of the African continent is now a political, economic, and social imperative to address numerous geostrategic, geoeconomic, and demographic challenges, some prerequisites are even more fundamental to creating the conditions for this development. Africa needs security across its entire territory more than ever. Attracting and establishing investors, domestic and foreign, requires an atmosphere of complete peace and tranquility. Resolving conflicts within the continent, particularly armed conflicts, must be supported by all African stakeholders and conducted within a consensual political and peaceful framework. In this context, Morocco has shown firm commitment in international and regional efforts to combat terrorism,

[60] Tenue de 2ème édition de la Réunion de Haut Niveau des Chefs d'Agences de lutte contre le terrorisme et de sécurité en Afrique «Plateforme de Marrakech», à Tanger, Lien, 02 Juin 2023

as evidenced by its partnership with the United Nations Office of Counterterrorism (UNOCT), involvement in the Global Coalition Against Daesh, and concrete contributions to the Marrakech Platform, in addition to other bilateral and multilateral security cooperation. However, the anti-terrorist action of Morocco and the various involved parties can only become more effective if it aligns with an African vision of counterterrorism. Similarly, the political stability of each of the 54 African countries is a prerequisite for the economic development of states and the prosperity of populations. Business-friendly climates for entrepreneurship and innovation depend heavily on it.

The development of Africa is already in progress. Entrepreneurial ventures launched or in the process of being launched by some regional economic powers are already bearing fruit. However, this legitimate quest for growth must never encroach upon the initial axiom of investment: co-development. It is crucial to resist the temptation to replicate post-colonial exploitation patterns. Africa's development cannot happen by marginalizing part of its population. It must be inclusive, equitable, and transparent. This development should pave the way for prosperity for all Africans and contribute significantly to reducing existing social and territorial inequalities. The expected leadership of regional economic powers is one of humility, vision, and integration. Condescending postures and imbalanced power dynamics are no longer acceptable.

This leadership should also help counter strong foreign interference in the internal affairs of African states. However, countering these influences requires relying on strong and representative democratic institutions, both national and pan-African. Only these institutions would enable the construction of a unified, if not unique, African political voice. In their constitution, these institutions should draw on all the dynamic forces of African nations. Political parties, associations, professional federations, unions, and diasporas abroad must all be involved in decision-making and influencing processes in the service of the continent's interests. Africans should be able to speak with one voice to face the pressures from other powers and defend their development models and political and economic sovereignties.

Finally, an Africa in search of prosperity is an Africa that projects an image of success. Large-scale projects that bring concrete symbols of the emergence of the African continent to life are essential to motivate and regain the trust of citizens and partners. Africa must seize every opportunity to demonstrate its seriousness, ambition, and dynamism. The recipe for this: the credibility of discourse and the legitimacy of achievement.

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APPENDICES

APPENDIX 1: TABLE OF PRODUCTS EXPORTED BY MOROCCO TO AFRICA							
SH	Product description	Value in 2020	Share in (%)	Value in 2021	Share in (%)	Value in 2022	Share in (%)
'31	Fertilizers	525 071	23%	738 949	26%	1 636 036	44%
'16	Preparations of meat, fish, crustaceans, mollusks, and other aquatic invertebrates...	257 180	11%	246 548	9%	258 225	7%
'85	Machines, electrical equipment, and their parts; recording or...	221 256	10%	243 442	8%	250 510	7%
'03	Fish and crustaceans, mollusks, and other aquatic invertebrates	109 025	5%	151 289	5%	178 792	5%
'17	Sugars and confectionery	85 011	4%	189 642	7%	114 347	3%
'25	Salt; sulfur; earth and stone; plaster, lime, and cement	57 413	3%	90 372	3%	92 895	2%
'48	Papers and paperboard; articles of cellulose pulp, paper, or paperboard	73 335	3%	85 824	3%	92 268	2%
'27	Mineral fuels, mineral oils, and products of their distillation; bituminous substances;	51 733	2%	75 121	3%	84 260	2%
'39	Plastics and articles thereof	52 681	2%	69 029	2%	77 304	2%
'73	Articles of iron or steel	70 166	3%	76 888	3%	73 250	2%
'76	Aluminum and articles thereof	44 245	2%	55 302	2%	65 588	2%
'07	Vegetables, plants, roots, and tubers for food	39 898	2%	64 179	2%	62 559	2%
'84	Nuclear reactors, boilers, machinery, appliances, and mechanical devices; parts of these...	54 489	2%	59 784	2%	60 740	2%
'87	Motor vehicles, tractors, cycles, and other land vehicles; their parts and accessories	82 005	4%	101 215	4%	56 202	2%
	Other products	522 833	23%	634 323	22%	634 301	17%
	'TOTAL	**2 246 341**	**100%**	**2 881 907**	**100%**	**3 737 277**	**100%**

APPENDIX 2 : TABLE OF THE MAIN PRODUCTS IMPORTED BY MOROCCO FROM AFRICA

SH	Product description	Value in 2020	Share in (%)	Value in 2021	Share in (%)	Value in 2022	Share in (%)
'27	Mineral Fuels, Mineral Oils, and Products of Their Distillation; Bituminous Substances...	421 307	28%	790 593	36%	750 660	30%
'28	Inorganic Chemicals; Precious Metal Compounds, Inorganic or Organic Compounds of Precious Metals...	25 881	2%	70 180	3%	203 927	8%
'08	Edible Fruits; Citrus or Melon Peels	112 703	8%	124 090	6%	140 586	6%
'85	Machines, Electrical Equipment, and Their Parts; Recording or...	83 485	6%	100 099	5%	133 926	5%
'39	Plastics and Articles Thereof	79 522	5%	106 799	5%	131 124	5%
'70	Glass and Glassware	40 545	3%	46 332	2%	101 062	4%
'15	Animal, Vegetable Fats and Oils, and Their Cleavage Products; Prepared Edible Fats; Animal or Vegetable Waxes	16 157	1%	125 953	6%	90 470	4%
'09	Coffee, Tea, Mate, and Spices	47 620	3%	62 209	3%	90 227	4%
'12	Oil Seeds and Oleaginous Fruits; Miscellaneous Grains, Seeds, and Fruits; Industrial or Medicinal Plants...	35 304	2%	46025	2%	71 434	3%
'76	Aluminum and Articles Thereof	33 389	2%	50 719	2%	52 084	2%
	Other Products	592 515	40%	686 993	31%	761 766	30%
	'TOTAL	**1 488 428**	**100%**	**2 209 992**	**100%**	**2 527 266**	**100%**

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ABOUT IMIS

The Moroccan Institute of Strategic Intelligence (IMIS) defines itself as a generalist think tank dedicated to studying Morocco's strategic challenges and decoding the complex positioning of actors in its continental environment. Based in Rabat, the institute emerged from a dynamic initiated in 2007 with the Association Marocaine d'Intelligence Economique (AMIE) and its migration to the AMIE Center for Policy. These structures have established themselves as a continental reference for practitioners of strategic intelligence and as a driving force in producing strategic doctrine through reference works on the country, including «A Moroccan Path: 1999-2019 Journey of a Kingdom in Transformation,» «The Strategic Morocco,» or «A Moroccan Ambition.»

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