

MOROCCO AND THE AfCFTA

1. Introduction: AfCFTA's Genesis and Prospects
2. AfCFTA's Roadmap
3. The Dynamics of Morocco's adherence to the AfCFTA

1. Introduction: AfCFTA's Genesis and Prospects

1. 1. Genesis

A long process: From the AUO-AU to the establishment of AfCFTA after five years of travaux préparatoires

Before signing the Legal Instruments

Which still have to be ratified

1.1.1. The travaux préparatoires

➤ **The AU's Work: Examples**

- Draft objectives and guiding principles for negotiating the CFTA, 2013
- Reports of the High Level African Trade Committee (HATC) on Trade Issues, 2014 and 2015
- Update on the CFTA and Work Plan for the AU Commission for the Preparatory Phase of the CFTA Negotiations, 2014

- Fast-tracking the CFTA: RECs as Building Blocks, 2016
- Draft Framework, Road Map and Architecture For Fast-tracking the CFTA
- Update on the CFTA negotiations, 2017

➤ UNCTAD Support: Examples

- Building the AfCFTA... 2015
- The CFTA: Making it Work for Africa
- ACFTA: Policy and Negotiation Options for Trade in Goods, 2016
- ACFTA: Advancing Pan-African Integration..., 2016
- Market Access Negotiations on Tariffs: Some Key Issues for Consideration

1.1.2. The Legal Instruments

Signed at the Extraordinary Summit on the (AfCFTA)
from 17-21 March 2018

- Agreement Establishing the AfCFTA Consolidated Text embedding the Protocol on Free Trade of Goods: **signed by Morocco**
- Protocol on Free Movement of Persons
- Kigali Declaration

1.2. Prospects

1.2.1. Arguments for Skepticism

- Africa is mired in all kinds of problems
- Many countries do not control their affairs
- Integration experiences are not a success
- Decision-making is extremely concentrated at the summit
- Peoples do not appropriate governments' decisions

1.2.2. Arguments for Good Prospects:

➤ Action Plan on Boosting Intra-Africa Trade (BIAT),

2012

➤ AfCFTA considers free trade is all benefit to the private sector

➤ It encourages the ERC to speed up the pace of integration as its “building blocks”

- It is part of a global

- It provides other integrational measures

2. AfCFTA's Detailed Roadmap

2.1. Ultimate Horizon: AfCFTA should “ensure Business community involvement and ownership of the AfCFTA programs towards 2063 Agenda

2.2. Further Negotiations: March 2018 to January 2019 (Establishment of CFTA's Committees) and after, i.e. negotiation of tariffs, non-tariff measures progressive reduction...

2.3. An Institutional and decision-making Framework for the Implementation

The Assembly of Heads of State and Government;

The Council of African Ministers responsible for Trade;

The Committee of Senior Trade Officials; and

The Secretariat.

2.4. Obligations of the Parties: publication, notification as regards laws, regulations, other international commitments, continental preferences , conflict and inconsistencies with regional agreements, dispute settlement, “no reservation clause”...

3. The Dynamics of Morocco's Support to the AfCFTA

« Morocco's like a tree whose roots are in Africa and its foliage in Europe ». It simply can't keep green its leaves if it does not water its roots.

About 1000 Agreements, concrete steps in regards to the African economic development/cooperation

3.1. Trade with Africa

3.2. Investment projects with African countries

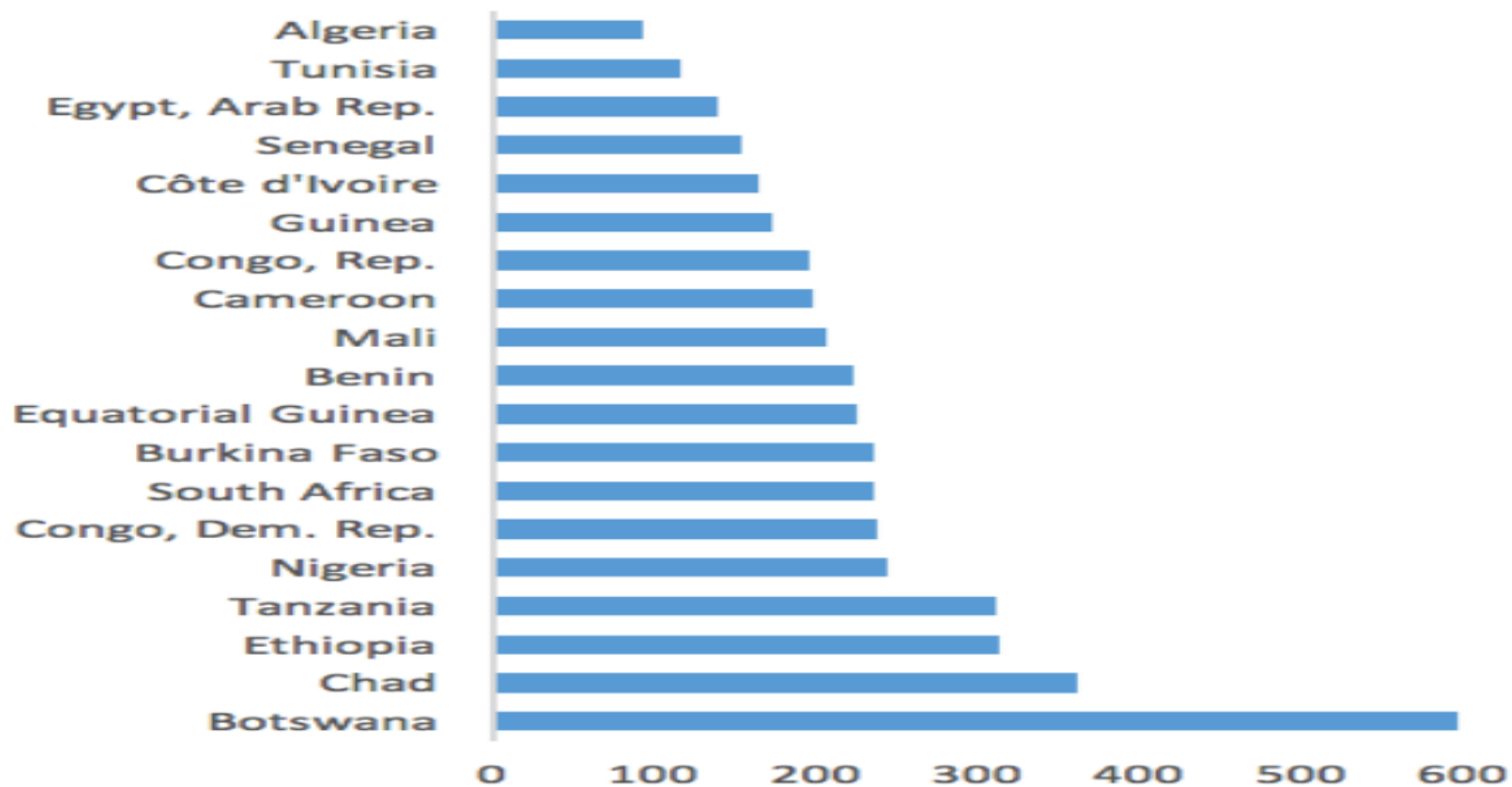
3.1. Developing Trade with Africa

3.1.1. Agadir Free Trade Agreement between Morocco on the one hand, and Egypt and Tunisia on the other hand

3.1.2. The WAEMU, CAEMC agreements awaiting ratification

3.1.3. Progress despite hurdles: notably trade costs

Figure 1 : Trade costs in % of export value between some African countries and Morocco (Average 2009 – 2015)



Source: ESCAP World Bank: International Trade Costs

Morocco's exports, imports and trade balance with sub-Saharan Africa between 2005-2015, in thousands USD

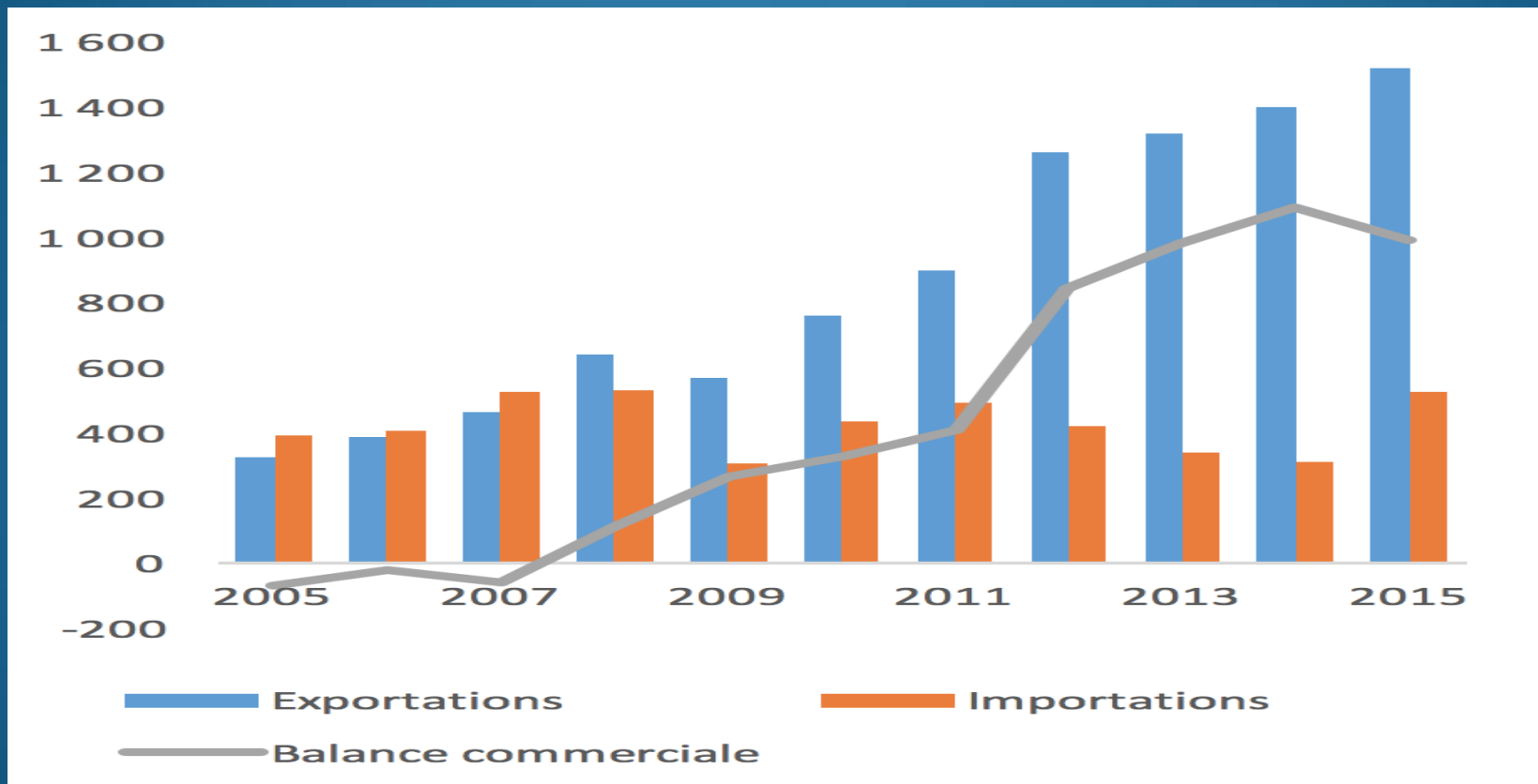
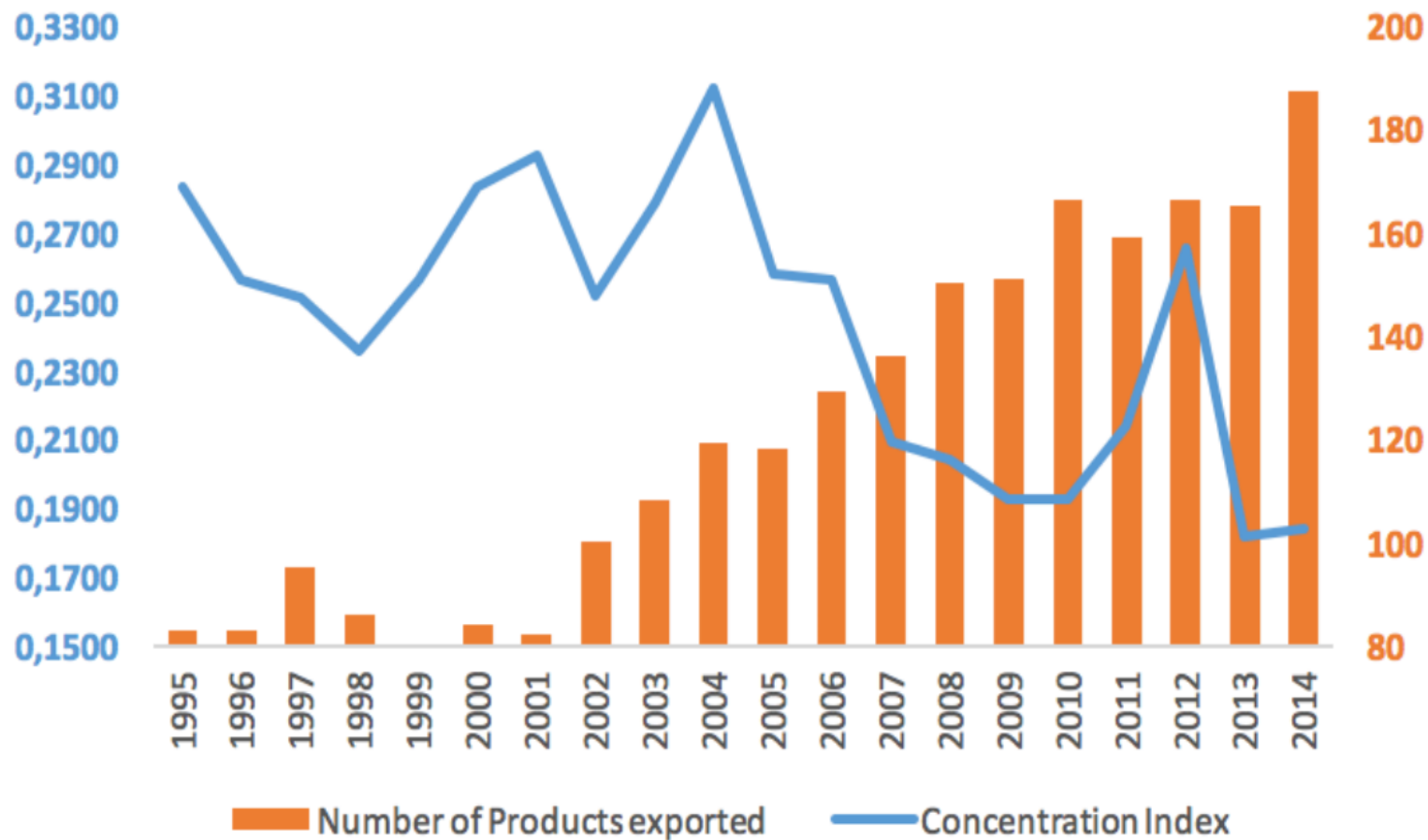


Figure 3 : Concentration index and number of products exported by Morocco to sub-Saharan Africa between 1995 and 2014

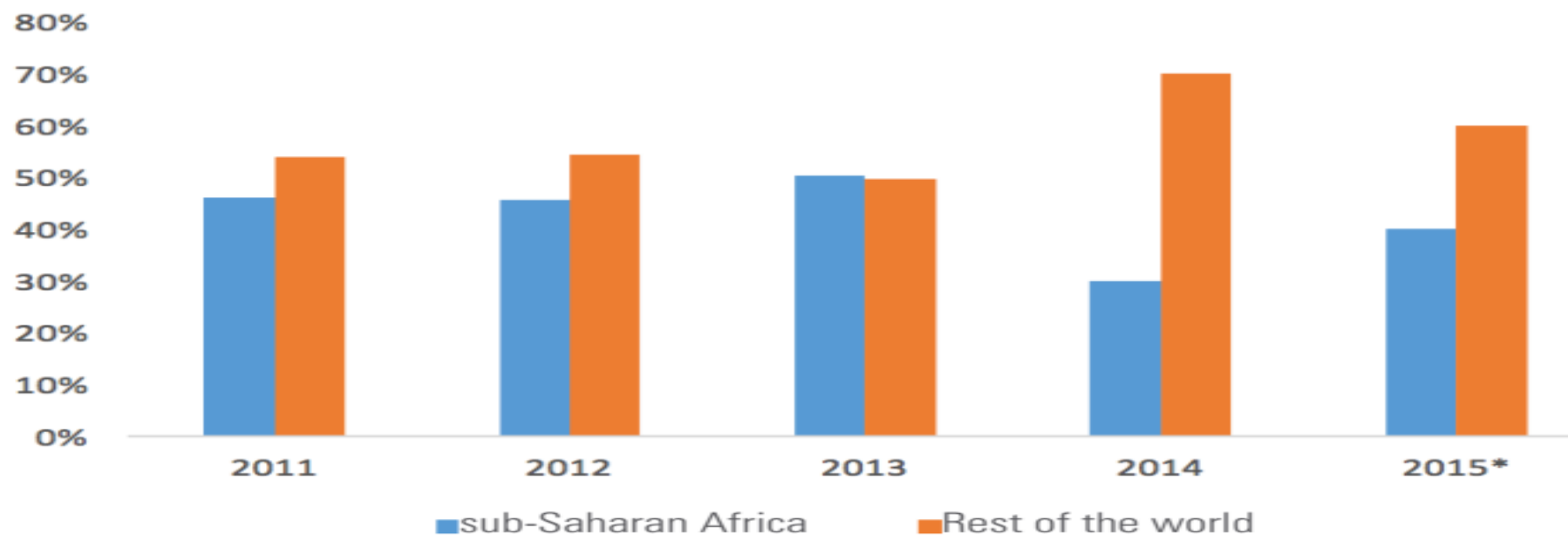


Source : UNCTAD

3.2. Increasing & diversifying Investments in sub-Saharan Africa

3.2.1. High Value-Added Investments:
banking, telecommunications, industry.

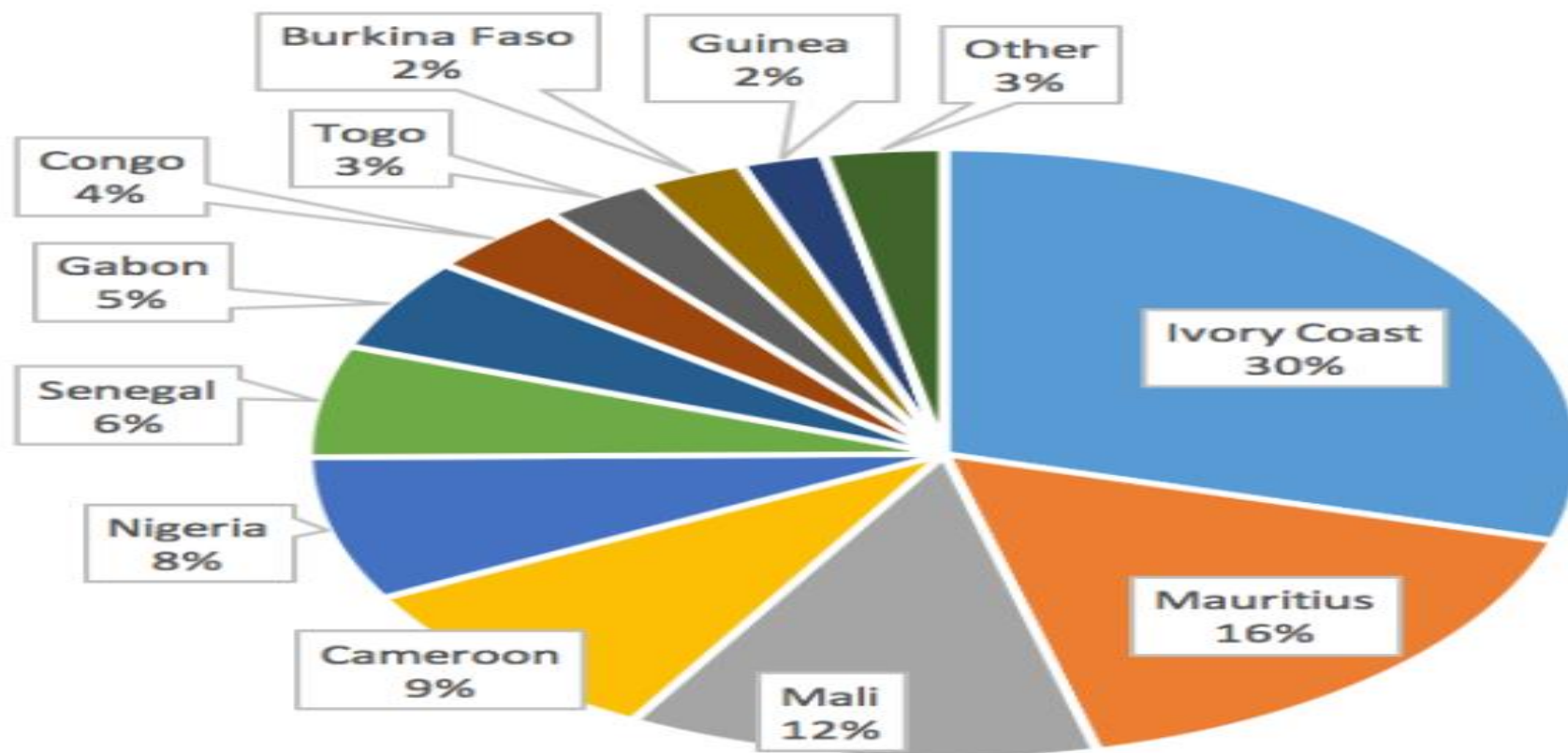
Figure 6 : Evolution of outward FDI flows from Morocco toward sub-Saharan Africa and the rest of the world, as a percentage of total outward FDI between 2011 and 2015



* : Updated figures

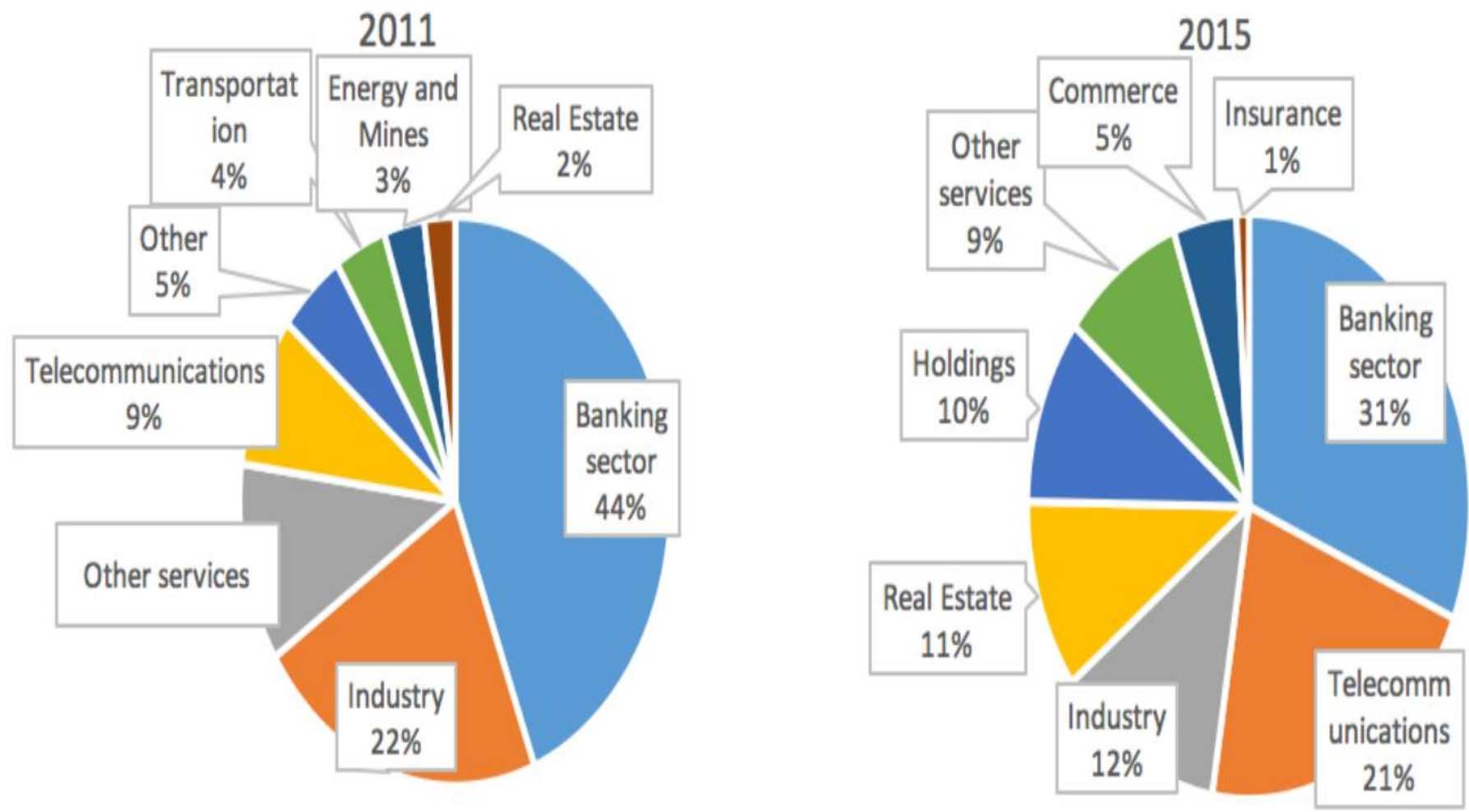
Source: Office des Changes

Figure 7 : Distribution of Moroccan FDI flow sub-Saharan Africa between 2011 and 2015 country, in percentage



Source: Office des changes

Figure 8 : Distribution of Moroccan FDI flows in sub-Saharan Africa in 2011 and 2015, in percentage



Source: Office des changes

3.2.2. Important Future Projects

- West-African Gaz pipeline with Nigeria: 20 billion dollars
- Fertilizers Plants with Ethiopia: 3.7 billion dollars
- Assistance in Building the New Capital of South-Sudan: (Project total cost: 10 billion dollars/20 years)
- Morocco's Financial Aid in the preliminary stage: 5.1 million dollars

Thank you