

ANALYSIS PAPER



SUMMARY

Sub-Saharan Africa is increasingly vital to Morocco's future economic growth and security. Morocco has pursued a soft power strategy in Africa for over a decade, but regional and global dynamics create a new urgency for Morocco to diversify its economic ties, boost multilateral security cooperation, and play a more active diplomatic role. While Morocco enjoys some competitive advantage in sub-Saharan Africa, it faces several challenges to transforming its presence there. Diplomatically, it must diversify its ties with larger African economies and overcome constraints posed by the Western Sahara conflict. Economically, the challenge will be to restructure its nascent manufacturing base and diversify its products in order to meet growing African consumer demand. The United States can play a role in supporting Morocco's engagement in Africa, which complements U.S. policy objectives in both Morocco and sub-Saharan Africa. ■

Morocco's African Future

by Haim Malka

OVERVIEW

For over a decade the United States and Morocco have searched for ways to boost U.S.-Moroccan trade and investment ties in order to create jobs in both countries and support the economic growth and stability of an important U.S. ally. A Free Trade Agreement (FTA) enacted in 2006 has not dramatically increased bilateral trade or expanded economic cooperation.¹ In fact, most Moroccan exports are not competitive in U.S. markets and Morocco currently ranks 80th on the list of bilateral U.S. trading partners.² Other efforts to encourage Maghreb economic cooperation have also fallen short.

Given this reality and Morocco's overdependence on Europe as its major source of tourism,³ investments,⁴ trade,⁵ and remittances,⁶ a more effective strategy to promote economic growth and job creation should focus on expanding Morocco's presence in sub-Saharan Africa. In Africa, Morocco has a comparative advantage, a history of close ties, and the potential to play an active economic, security, and diplomatic role. Morocco urgently needs to diversify its economic base and expand its network of trading partners in order to meet the growing socioeconomic demands of its population. Helping Morocco expand its strategic engagement in Africa is ultimately more beneficial to Morocco and the United States than focusing on increasing bilateral trade.

Morocco and sub-Saharan Africa have been tied together for centuries through economic, political, cultural, and religious links. Over the last decade Morocco has been quietly building a strong economic and diplomatic position in sub-Saharan Africa. Now, changing regional and global dynamics make sub-Saharan Africa a more urgent component of Morocco's economic and geopolitical environment, sparking a renewed effort to expand its economic and diplomatic clout across the continent.

THE MAGHREB IN TRANSITION

While the Maghreb has long been at the margins of U.S. policy in the Middle East and North Africa, trends in this region increasingly reverberate throughout the Middle East. In this new environment, developments in the Maghreb will continue to have an impact both on the broader Middle East and on U.S. interests. The CSIS Middle East Program examines changing political, economic, and security trends in the Maghreb—defined here as Morocco, Algeria, Tunisia, and Libya—through original research and analysis and by convening events that highlight issues of importance in the Maghreb to business and policymaking audiences. More broadly, the program focuses its research on the drivers of social and political change in the Middle East. For more information on the program's work on the Maghreb, visit <https://csis.org/program/maghreb>. ■

Africa is strategically important to Morocco for several reasons. First, it provides growing markets of over 870 million people at a time when Morocco needs to diversify its economic relations. Second, regional unrest triggered by the Arab uprisings in 2011 and the takeover of northern Mali by al Qaeda-linked militants in 2012 have created a new urgency for Morocco to strengthen its network of regional allies in West Africa and the Sahel and promote greater multilateral security cooperation. Third, Morocco seeks support for its Western Sahara autonomy plan among African states. Finally, Africa is a diplomatic arena where Morocco can play a leadership role by brokering and facilitating diplomatic agreements, solving conflicts, and shaping regional agendas, despite its non-membership in the African Union (AU).

King Mohammed VI has encouraged Moroccan companies and government agencies to expand their activities and make sub-Saharan Africa a key part of Morocco's strategic vision to advance its interests. Morocco has relied in large measure on a soft power strategy, supporting development projects, hosting thousands of African students at Moroccan universities, providing military training, and expanding Moroccan direct investment in sub-Saharan Africa. Moreover, it has experiences and expertise to share with African countries from its own development trajectory and efforts to modernize its economy.

MOROCCO'S AFRICA STRATEGY

Morocco's turn south has deep roots. Since independence in 1956 Morocco has been active in engaging African states both bilaterally and through international organizations such as the United Nations. Its Africa policy has traditionally focused on building diplomatic support for its sovereignty over Western Sahara, which drove a series of development aid programs, bilateral trade agreements, and broader diplomatic cooperation.

This soft power is most effective in West Africa, which is not only geographically close, but where Morocco shares a common language with francophone states, shared religion and cultural ties, a strong diplomatic presence, and extensive business and trade ties. These links have been facilitated by personal relationships, air links through Morocco's national airline, a strong banking presence, relaxed visa policies, and numerous trade- and tariff-reducing agreements. Morocco currently has trade agreements with over

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15 African states and a free trade agreement with the West African Economic and Monetary Union (WAEMU).⁷

Sub-Saharan Africa has great potential as a market for Moroccan goods and services. Although the continent accounts for only 3 percent of the global economy, it has a large population and is an attractive emerging market which is expected to see dramatic growth over the next decade. The Economist Intelligence Unit (EIU) sees Africa as having the "greatest overall investment potential for all frontier markets."⁸ While mining and resource-based industries attract the most attention in sub-Saharan Africa, demand for consumer goods is rising due to the growth of a middle class, particularly in the larger African economies. The most promising areas of growth include the agricultural sector, infrastructure, banking services, and consumer goods.

Moroccan exports to sub-Saharan Africa are expanding, though they still make up less than 5 percent of Morocco's total exports. Between 2000 and 2010 Moroccan exports to sub-Saharan Africa more than tripled, rising from \$248 million to \$849 million (approaching Moroccan exports to the United States, which stood at roughly \$995 million in 2011).⁹ Morocco's manufacturing sector has grown over the last decade, going from \$5.9 billion in 2002 to \$14 billion in 2011,¹⁰ though its share as a percentage of GDP has declined slightly due to competition in the textile sector, going from 17 to 15 percent of Morocco's economy.¹¹ The challenge for Morocco will be to expand its manufacturing base to produce goods beyond the agricultural sector that can compete in sub-Saharan African markets.

That will not be easy, but Morocco enjoys some comparative advantage in West Africa. For one, its firms have been less risk averse than some European companies, which have sold large stakes in the region over the last five years.

This drive has been accelerated by maturing Moroccan companies seeking higher growth and margins than they could find in domestic markets. In some industries, tougher domestic competition also forced companies to pursue new markets. Morocco's labor costs and cost structures are also lower than Europe's (though generally high for the region),¹² making its services and products more competitive than European firms.¹³ More broadly, Morocco's advanced economic sectors complement the sectors in sub-Saharan Africa which promise the most growth and demand in the next decade, most importantly the agricultural, pharmaceutical, telecommunications, and service sectors.

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Morocco's exports to Africa, however, are distributed unevenly across the continent. Over 60 percent of its exports go to West Africa, nearly 28 percent to Central Africa, and less than 3 percent to Southern Africa.¹⁴ As Morocco diversifies its economic ties away from dependence on Europe, it must diversify its exports and trade ties more broadly in Africa, in particular with the larger economies that promise the most growth, such as Nigeria and South Africa. This effort, however, is constrained largely by political tension, primarily over Western Sahara. It is no coincidence that many of Morocco's closest relationships in West Africa are with countries that recognize its sovereignty over Western Sahara. In this sense its economic ties are shaped by its diplomatic ties. Its relations with countries that recognize the Saharan Arab Democratic Republic (SADR) tend to be much weaker. In addition to diversifying its partners, Morocco needs to diversify its products for export away from the natural resources sector if it is to capture a share of Africa's future consumer goods markets.

Thus, to be a major player in Africa, Morocco not only needs to diversify and strengthen its manufacturing base in order to boost exports, but overcome nagging diplomatic chal-

lenges that have kept Morocco out of the AU and soured relations with some of Africa's largest economies. One option would be to maintain an emphasis on francophone West Africa. Morocco has taken a more active role in the Community of Sahel-Saharan States (CEN-SED) and increasingly cooperates with ECOWAS. A primarily regional focus, however, means that Morocco's Africa engagement is confined to a limited number of states and would be dependent on economic trends in West Africa. It would also ignore some of Africa's largest economies. A more difficult path—which would be more strategic and provide longer-term benefit—would look to build ties with larger African economies, many of which recognize the SADR. Morocco cannot reach its full potential in Africa without forging better ties to these countries, which will require pursuing economic and diplomatic opportunities as if there were no Western Sahara conflict.

MOROCCO'S ECONOMIC POTENTIAL IN AFRICA

Banking, fertilizers and agricultural products, and pharmaceuticals are well-established Moroccan industries that have significant growth potential in sub-Saharan Africa. Morocco's banks have led the way in establishing the country's economic presence in sub-Saharan Africa.

Morocco's banking industry went through a series of reforms in the 1990s and is increasingly professional and transparent. Today, three Moroccan banks rank among the top ten banks in Africa, with over \$90 billion in assets.¹⁵ Moroccan banks have a presence in 22 African countries. The expansion into African banks has been driven in part by acquisitions, including from European financial institutions that sold stakes in African banks during the 2008-2009 financial crisis. Banking and other services such as insurance will remain an important component of Morocco's more diversified economic strategy. The potential for growth is dramatic because four out of five Africans don't have bank accounts. Morocco's advanced banking industry puts it in a strong position to emerge as a banking and services hub for North and West Africa. Companies such as IBM already see Morocco as an important hub and gateway for access into other francophone African countries. IBM operates call centers in Morocco and recently opened a Global Delivery Center in Casablanca aimed at providing advanced services throughout the region.¹⁶

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Banking has helped pave the way for other Moroccan industries to expand into Africa. Agricultural products currently represent the largest share (37 percent) of Moroccan exports to sub-Saharan Africa. As in banking, there is potential for expanding Morocco's exports, especially by providing a steady supply of fertilizer, which is crucial for expanding sub-Saharan Africa's agricultural sectors and access to locally-grown food. Only one-tenth of African land is cultivated, and crop yields are among the lowest in the world.¹⁷ Morocco is a leading producer of phosphate, a key ingredient of fertilizer, and as it expands its downstream fertilizer industry, it is well positioned to emerge as a key supplier to Africa. Morocco's state-owned fertilizer company OCP S.A. is already working with African nations to produce adapted fertilizers for specific crops (such as cocoa, cotton, and maize) to meet the needs of specific soil and climatic conditions.

Morocco has also developed Africa's second-largest pharmaceutical sector. Though exports only represent about 10 percent of production, most of that is sold in North and West Africa. SOTHEMA (Société De Therapeutique Marocaine), one of Morocco's largest pharmaceutical companies, operates a subsidiary in Senegal called West Africa Pharma focused on producing generic drugs for West African markets.¹⁸ Africa's pharmaceutical market is expected to reach \$30 billion by 2016 and jump to \$45 billion by 2020,¹⁹ making it a potentially valuable market for Moroccan drug companies.

Morocco's geographical location, and the Tangier Med port in particular, offers the benefit of close proximity to key African markets and low labor costs. It is thus also worth examining Morocco's other nascent industries, which could help in building Morocco's manufacturing base for future export to nearby markets. Auto manufacturing is one such area. French automaker Renault has capitalized on the potential in this sector and currently operates two production facilities in Morocco which employ over 3,000 people.²⁰

Canadian aircraft manufacturer Bombardier also recently began construction of a \$200 million plant expected to open in 2014 to produce parts for its CRJ aircraft and Learjets.²¹ Boeing and France's Safran SA already operate facilities in Morocco that assemble cables and wire bundles for Boeing, General Electric, Dassault Aviation, and Airbus.²² In addition to manufacturing aerospace parts, Morocco operates an airplane maintenance and servicing facility known as Aerotechnic Industries which opened in 2005, servicing Airbus A320 and Royal Air Maroc's fleet of Boeing 737.²³ Morocco's government has opened an institute to help train workers for its aerospace industry.

None of these production facilities on their own will transform Morocco's economy or its manufacturing sector. Most employ small workforces. Bombardier's plant, for example, is only expected to employ 100 hundred full-time trained workers once it opens. Moreover, most of the advanced sectors are oriented toward European markets. Yet taken together these industries can lay the foundation for a broader manufacturing base which has a lower cost structure than European manufacturers and closer proximity to emerging markets in Africa.

A comprehensive assessment both of Morocco's current manufacturing capabilities and of target sub-Saharan markets could help inform a more strategic approach.

The key is to use Morocco's existing foundation in auto and basic aerospace manufacturing to create a broader industrial base of spin-off and feeder industries that can be positioned to supply growing African demand for other goods. A comprehensive assessment both of Morocco's current manufacturing capabilities and of target sub-Saharan markets could help inform a more strategic approach. Such a study should analyze consumer demand trends in targeted African countries, the products manufactured and exported by competing companies into those markets, and a frank assessment of Morocco's potential to competitively develop

products for those markets.

Given the sluggish European market, lack of political will to deepen Maghreb economic cooperation, and limits to U.S. trade, Morocco's most important choice for new markets lies in Africa. The challenge for Morocco is to market its current position in services, pharmaceuticals, and fertilizers more aggressively in the short term while building a long-term manufacturing base which produces goods that African consumers want to buy that are competitive in price and quality. Both strategies must work simultaneously to expand Morocco's West African markets, while opening new markets in less politically hospitable parts of Africa. While foreign capital, primarily from the Gulf, has been available to Morocco, it has been directed mainly toward real estate and tourism, rather than manufacturing. In order to develop a successful export strategy focused on Africa, Morocco will have to convince local and foreign investors to provide greater capital for manufacturing. GCC investors in particular who have a direct interest in promoting economic stability in Morocco could play a role in supporting an export-oriented Moroccan economic strategy. Attracting U.S., European, and other firms will require continuing efforts to make business more transparent, competitive, and less bureaucratic. It will also require expanding educational reform to teach technical skills suited for more advanced manufacturing jobs. Further research is required to identify specific sectors that match Morocco's comparative advantage and production capacity with current and future demand in sub-Saharan Africa.

DIPLOMATIC AND SECURITY ENGAGEMENT

While Morocco looks to expand its economic base, it has the opportunity to continue expanding its broader soft power capabilities in Africa that strengthen multilateral cooperation, especially in the security field. It has consistently called for greater multilateral security cooperation in the Maghreb and Sahel to confront the common challenges of illicit smuggling and terrorism. Morocco currently cooperates with 22 African countries on counternarcotics, disarmament, migration, piracy, and conflict resolution.²⁴ This is urgent because of growing insecurity in the Sahel and Maghreb. Morocco also hosts approximately 6,500 African students from 42 countries annually to study in Morocco,²⁵ and it hosts military officers, mostly from West Africa, at Morocco's Royal Military Academy in Meknes. It recently

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signed an agreement with Mali's new government to train 500 Malian imams in an effort to promote a more tolerant version of Islam.²⁶

One multilateral venue where Morocco seeks to play a larger role is in the Community of Sahel-Saharan States (CEN-SED), one of the AU's eight regional groupings. CEN-SED was established to foster greater economic cooperation and development in the region, and it focuses on a geographical area where Morocco has direct security interests and strong bilateral ties, and which does not include Algeria as a member.²⁷ Morocco has tried to steer the group to address common security issues. At the moment, CEN-SED lacks institutional capacity. Morocco will need to determine whether it is worth the investment to try to strengthen CEN-SED and try to steer its agenda, or to work more closely with the more established ECOWAS, which requires closer cooperation with Nigeria, a large regional power which may not always share Morocco's agenda for the group's direction.

More broadly, Morocco faces similar challenges in the diplomatic and security sphere as it does in the economic one. The ongoing Western Sahara conflict and Morocco's non-membership in the AU are obstacles to its efforts to carve out a more influential diplomatic and security role in Africa. Though Western Sahara has shaped Morocco's approach to Africa for the last several decades, Morocco can no longer afford to let the conflict shape its broader Africa policy.

Sub-Saharan Africa will remain strategically important for Morocco's economic growth and future stability. While Africa is crucial for Morocco, the risk for Morocco is that in the years ahead, Morocco may not be crucial for Africa. Given Africa's status as one of the last remaining frontier markets, international competition over access to resources and markets is intensifying. Morocco's capital cannot compete with that of Chinese and GCC companies, nor can its

aid and investment match that of larger donor governments. Moreover, it faces the same challenging business environment in sub-Saharan Africa that other investors grapple with. Yet Morocco already has many of the necessary ingredients to expand its presence in sub-Saharan Africa. Although the success of Morocco's efforts will depend largely on its own policy choices and strategy, the United States can also play an important role.

POLICY OPTIONS FOR STRENGTHENING MOROCCO'S CAPACITY IN SUB-SAHARAN AFRICA

The United States can play a role in fostering Morocco's positive role in Africa as a way to both improve inclusive economic growth and stability in Morocco and promote economic and political development in sub-Saharan Africa. One way to strengthen Morocco's engagement in sub-Saharan Africa is through triangular aid programs. Rather than requesting additional funds, existing resources could be channeled to triangular programs where U.S.-Moroccan cooperation can harness Morocco's expertise and experience in specific development areas to provide training in a third sub-Saharan country. The United States has launched triangular aid programs with over a dozen countries in Latin America and Africa, including projects related to food security and agriculture, education, biofuel development, health, and microfinance projects.

Morocco has traveled a development path similar to the one many African states face and has expertise to share. While it still faces many setbacks in education, transparency, corruption, and other areas, Morocco can provide training across a range of sectors. These include civil society group development, rural electrification, health care, broadband internet access,²⁸ and food security.

Morocco's strengths in development overlap with many U.S. goals in sub-Saharan Africa. One area where Morocco could have an impact is in renewable energy and power generation. More than two-thirds of sub-Saharan Africa's population lack electricity.²⁹ Morocco went through its own rural development process and successfully connected 98 percent of rural villages with electricity. Morocco could be a useful partner in the U.S. government's Power Africa program, which seeks to increase cleaner and more efficient power generation in sub-Saharan Africa. Such cooperation

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could also benefit Morocco's drive to build renewable energy as a significant source of future energy consumption. The U.S. government's Feed the Future initiative, which promotes agricultural productivity in a dozen African countries, would be another area where Morocco could be a valuable partner.

Morocco currently partners on triangular aid projects with the United Nations Development Programme (UNDP) and the Japan International Cooperation Agency (JICA) in sub-Saharan Africa. It provides training programs in West Africa in health care, sanitation, water infrastructure, and fisheries. Channeling existing aid funds into triangular support programs has a double impact: it strengthens Morocco's capabilities and development programs while providing needed aid and expertise to sub-Saharan African countries. While Morocco pursues its own bilateral projects in many areas, establishing triangular aid projects with the United States increases the impact of those efforts. Including a triangular aid component for Moroccan projects in Africa should be part of a future Millennium Challenge Corporation compact, should it be renewed.

Morocco could also expand its existing training programs for African armies and security forces in coordination with the United States. One option is to expand the program at Morocco's Royal Military Academy for U.S.-led training in counterterrorism, which is a growing priority for U.S. policy in Africa. The annual bilateral training exercise African Lion, which includes observers from other states, could also be expanded to include a multilateral component with sub-Saharan African military participation. African Lion was cancelled in 2013 due to disagreements over U.S. support for human rights monitoring in the Western Sahara monitoring program, MINURSO, which was later withdrawn. More robust bilateral security cooperation must be insulated from diplomatic ups and downs if exercises

like African Lion and other potential projects are to become effective.

LOOKING FORWARD

Africa is crucial to Morocco's future. With growing unrest and instability in the Middle East and North Africa, prospects for Maghreb regional integration stalled, Europe's continued economic challenges, and structural limits to U.S.-Moroccan trade, Morocco's sub-Saharan Africa engagement is a strategic imperative.

Morocco's private sector, which played a major role in establishing its current economic network over the last decade, will be central to overcoming the diplomatic challenges Morocco faces in certain parts of sub-Saharan Africa. Morocco has developed a highly professional cadre of business people who speak English and can play a role in developing broader ties across Africa. Many have been educated abroad and are returning to Morocco, where they are establishing high standards for business operations and efficiency. This entrepreneurial group should be given incentives through public-private partnerships to expand Moroccan business into other parts of Africa where Morocco has less diplomatic and economic presence.

The United States and Morocco share a common interest in promoting greater security, stability, and economic development in sub-Saharan Africa. As the United States seeks ways to strengthen its regional partners and engage in Africa on a range of issues from security to economic development, Morocco can potentially play a critical role in supporting those efforts for the mutual benefit of Morocco, Africa, and the United States. Doing so depends on Morocco pursuing broader diplomatic engagement in Africa despite political differences regarding Morocco's sovereignty over Western Sahara, diversifying its manufacturing sector, and openly addressing its development shortcomings. ■

NOTES

1. The Free Trade Agreement was signed on June 15, 2004 and entered into force on January 1, 2006. See "Morocco Free Trade Agreement," Office of the United States Trade Representative, <http://www.ustr.gov/trade-agreements/free-trade-agreements/morocco-fta>.

2. "Morocco," Office of the United States Trade Representative – Executive Office of the President, 2011, <http://www.ustr.gov/countries-regions/europe-middle-east/middle-east/north>

[africa/morocco](http://www.ustr.gov/countries-regions/europe-middle-east/middle-east/north).

3. Half of Morocco's tourists come from Spain and France alone, and tourism makes up roughly 9 percent of GDP. See Paul Schemm, "Morocco Looks to UK, Germany to Beef Up Tourism," AP, April 10, 2013, <http://bigstory.ap.org/article/morocco-looks-uk-germany-beef-tourism>; and "International Tourism, receipts (current US\$)," The World Bank, accessed June 12, 2013, <http://search.worldbank.org/data?qterm=tourism+morocco&language=EN&format=>.

4. Two-thirds of Morocco's foreign direct investment inflows come from Europe.

5. Nearly 60 percent of Morocco's trade is conducted with the European Union. Isabella Massa, Jodie Keane, and Jane Kennan, "The Euro Zone Crisis and Developing Countries," *Overseas Development Institute Working Paper 345*, London, Overseas Development Institute, 2012, <http://www.odi.org.uk/sites/odi.org.uk/files/odi-assets/publications-opinion-files/7688.pdf>.

6. Remittances, in large measure from Moroccans working in Europe (40 percent from France), make up 7 percent of Morocco's GDP. See "Personal Remittances, Received (current US\$)," World DataBank, The World Bank, accessed June 12, 2013, <http://data.worldbank.org/indicator/BX.TRF.PWKR.CD.DT>; and "Moroccan Remittances Unaffected by Crisis," *Nuqudy*, February 13, 2012, http://english.nuqudy.com/North_Africa/Moroccan_Remittance-898.

7. Morocco also launched negotiations to sign a free trade agreement with the Central African Economic and Monetary Union in 2012.

8. EIU projects that over half of the continent's 54 countries will grow by more than 5 percent per year between 2012 and 2016, with five more expected to grow between 7.7 to 10 percent. Ethiopia, Liberia, Mozambique, Niger, and Uganda are expected to grow between 7.5 and 10 percent. Note however, that all African GDP figures are subject to debate. See "Into Africa: A Special Report on Emerging Opportunities for Business," Economist Intelligence Unit, 2012, 1-3.

9. Imports from sub-Saharan Africa rose during the same period from \$248 million to \$531 million. See "Morocco's Trade Performance on the sub-Saharan African Market," April 2012, Kingdom of Morocco Ministry of Economy and Finance, http://www.finances.gov.ma/portal/page?_pageid=93,17858036&_dad=portal&_schema=PORTAL&id=85&lang=En.

10. "Morocco; Manufacturing; Value Added (current US\$)," World DataBank, The World Bank, accessed October 23, 2013, <http://databank.worldbank.org/data/views/reports/chart.aspx#>.

11. "Morocco; Manufacturing; Value Added (% of GDP)," World DataBank, The World Bank, accessed October 23, 2013, <http://databank.worldbank.org/data/views/reports/tableview.aspx#>.

12. While Morocco's per unit production cost is lower than Europe's, it is high for the region and compared to some Asian countries.

13. According to one analyst, the labor cost in Morocco's main car manufacturing facility is 50 percent lower than costs at

a similar plant in Romania. See Bruce Gain, “Renault expands Morocco plant to meet strong Dacia demand in Europe,” *Automotive News Europe*, October 9, 2013, <http://europe.autonews.com/article/20131009/ANE/131009858/#axzz2i5Z8pv4R>.

14. Ibid.

15. “Insights on the New Moroccan Strategy for Sub-Saharan Africa,” Attijariwafa Bank, Presentation, June 2012.

16. See “IBM Announces Morocco Global Delivery Center, Creates up to 400 New Technology Roles,” IBM press release, July 5, 2013, <http://www-03.ibm.com/press/us/en/pressrelease/41381.wss>.

17. EIU, “Into Africa.” Note that figures on land use in Africa are difficult to accurately calculate because of a lack of formal land tenure and property rights in many countries.

18. “A Success Story from Morocco—SOTHEMA,” *Manufacturing Journal Magazine*, <http://www.manufacturing-journal.net/index.php/articles/pharmaceutical-industry/975-a-success-story-from-morocco-sothema>.

19. IMS, “Africa: A Ripe Opportunity—Understanding the Pharmaceutical Market Opportunity and Developing Sustainable Business Models in Africa,” 2012, http://www.imshealth.com/ims/Global/Content/Insights/Featured%20Topics/Emerging%20Markets/IMS_Africa_Opportunity_Whitepaper.pdf.

20. Renault currently operates a plant south of Casablanca which employs 1,200 workers on two production lines which build the Kangoo multipurpose vehicle for the domestic market as well as for export to the Spanish and French markets. In 2012, the Renault-Nissan plant near Tangier Med port facility began producing a family car and small van. The plant has a capacity of 200,000 cars per year, which is expected to jump to 340,000 per year in 2014. In 2012 the plant employed over 2,000 people, which is expected to jump to 5,000 as production increases. Nearly 90 percent of production is expected for export, primarily to European markets. See “Renault in Morocco,” <http://www.renault.com/en/Groupe/renault-dans-le-monde/Pages/renault-aumaroc.aspx>; and Bruce Gain, “Renault expands Morocco plant.”

21. Morocco is offering favorable investment terms for foreign manufacturers including tax free incentives. Bombardier is currently producing plane components in a temporary facility outside of Casablanca.

22. Safran has expanded its manufacturing to include housings for jet engines from advanced plastics composites. See Daniel Michaels, “Morocco’s Aviation Industry Takes Off,” *The Wall Street Journal*, March 20, 2012, <http://online.wsj.com/news/articles/SB10001424052970204059804577226763868263758>.

23. “Aerotechnic Industries Joint Venture Moves to New Phase,” *Airlines Africa*, April 15, 2013, <http://airlines-africa.com/?p=201>.

24. See “DASD Huddleston and Admiral Moeller Discuss Cooperation with Key Moroccan Officials,” U.S. State Department cable released by Wikileaks, <http://cablegatesearch.net/cable.php?id=09RABAT899&q=admiral%20and%20dasd%20discuss%20huddleston%20moeller%20morocco>.

25. See “Statement by His Excellency Dr. Saad Dine El Otmami, Minister of Foreign Affairs and Cooperation of the

Kingdom of Morocco,” <http://www.diplomatie.ma/Portals/0/Texte%20int%C3%A9gral%20de%20l%27intervention%20de%20M.%20le%20Ministre%20en%20Ang.pdf>.

26. Siham Ali, “Morocco to Train Malian Imams,” *Magharebia*, September 23, 2013, <http://allafrica.com/stories/201309240845.html>.

27. At its 2012 summit held in Rabat, CEN-SED created a security committee to discuss common security threats. Morocco was elected to chair the CEN-SED’s executive council in 2013. See Benjamin P. Nickels, “Morocco’s Engagement with the Sahel Community,” *Sada*, Carnegie Endowment for International Peace, January 3, 2013, <http://carnegieendowment.org/2011/03/25/dangerous-core-breach-suspected-at-japan-reactor/fgf0>.

28. Morocco has the highest percentage of individuals using the internet in Africa at 55 percent of the population. “Africa’s 10 Most Connected Countries,” *IT News Africa*, October 10, 2013, <http://www.itnewsafrika.com/2013/10/africas-10-most-connected-countries/>.

29. “Fact Sheet: Power Africa,” The White House, Office of the Press Secretary, June 30, 2013, <http://www.whitehouse.gov/the-press-office/2013/06/30/fact-sheet-power-africa>.

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