

Opinion of the European Economic and Social Committee on 'Relations between the European Union and Morocco'

(own-initiative opinion)

(2010/C 347/08)

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On 16 July 2009, the European Economic and Social Committee, acting under Rule 29(2) of its Rules of Procedure, decided to draw up an own-initiative opinion on

Relations between the European Union and Morocco.

The Section for External Relations, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 7 January 2010.

At its 460th plenary session, held on 17 and 18 February 2010 (meeting of 17 February), the European Economic and Social Committee adopted the following opinion by 187 votes to two, with eight abstentions.

1. Conclusions and recommendations

1.1 The EESC considers Morocco's commitment to set up an economic and social council to be of the utmost importance and thus hopes that this initiative can be carried out within the specified timeframe; its implementation is at an advanced stage, given that last October the Council of Ministers approved a draft organic law on setting up this new institution which will be submitted to the Moroccan parliament for approval. It is hoped that the economic and social council will take up its functions in the coming months, being comprised of representatives of the country's vital and productive interest groups, primarily the relevant socio-economic and business organisations and associations. The EESC offers its knowledge and advice to help meet this objective.

1.2 The EESC recommends that heads of state at the first EU-Morocco summit, due to be held during the Spanish presidency in the first half of 2010, should give a mandate to the EESC and the future Moroccan ESC to establish structured cooperation ensuring the active participation of organised civil society.

1.3 The EESC recognises the Moroccan government's commitment to integrate the Community *acquis* into its legislation despite Morocco not being an EU Member State. In future this will help Morocco to participate more fully throughout the whole of the single European market. The integration of the *acquis* should strengthen the effectiveness of consultation and negotiation bodies, which are based on the principles of representativeness and independence. They should be provided with sufficient and

adequate means to carry out their work, while recognising their right to have access to the necessary information and administrative documents.

1.4 In the work carried out by the Kingdom of Morocco towards achieving an 'advanced status', which was obtained on the basis of a Association Council decision at a meeting held in Luxemburg on 13 October 2008, the EESC values the efforts that this country is making to remain one of the EU's most important partners in the region. Following the example of what has happened with other countries, for example the members of the European Economic Area, conferring on Morocco an advanced status could act as an incentive for the authorities of that country as they strengthen their commitment to the EU and their recognition of the Community *acquis* in all areas including the social domain and human rights.

1.5 Although the changes occurring in Morocco are to be welcomed, it is evident that many reforms are still required before Morocco can be considered a developed country with all the necessary guarantees.

1.6 The EESC believes that the full potential of the relationship with Morocco, in all its aspects, has not been sufficiently developed. Above all, it is important here to consider the benefits for Moroccan society. It therefore considers that reforms must be pushed forward in order to open up new sectors to trade in services and investment. It is necessary to promote the development of businesses on both sides, facilitating institutional relations, creating a favourable climate for business activity and promoting forums for dialogue. Bilateral cooperation must be stepped up in external initiatives of common interest, particularly with the other countries in the Mediterranean area with an eye to better regional integration, from both an economic and a social and environmental point of view.

1.7 Furthermore, it is vital to ensure the participation of civil society in the implementation of these tasks. In this connection and as already mentioned, the EESC is firmly in favour of the creation of an economic and social consultative council in Morocco and, to this end, calls on the Moroccan authorities to carry out public consultations. It should be based on the principles of representativeness, independence and legitimacy. The EESC's experience has shown that in order to successfully set up this type of institution, there must be a concerted effort by the different civil society sectors involved and the Moroccan administration, and fair criteria in the definition of how the various organisations will be represented. Such organisations should appoint their representatives freely. Under no circumstances should the creation of an economic and social council in Morocco legitimise the elimination of other consultative bodies which already exist, and which participate in the consultation of civil society and help it to mature. The competences of this council should not in principle exclude any subject on which the government is due to express its opinion, including financial matters.

1.8 The EU's ultimate objective should be for Morocco to become a key strategic reference point in all aspects – present and future – of its relations with the Euromed area.

1.9 In this connection, the EESC recommends the creation of a labour market observatory, a vocational training system and a social security system that does not discriminate against women and strengthens efforts to combat child labour. At the same time, the Committee recommends that the Commission support social dialogue stakeholders, i.e. the social partners, in order to strengthen social dialogue and ensure that it is constructive.

1.10 The Committee finds it regrettable that the EU-Morocco Association Agreement was established without the prior consultation of the social partners on both sides, as regards cooperation on employment and social development.

1.11 It is against this backdrop that the EESC is drawing up an opinion specifically on Morocco, so that organised civil society is taken into consideration in bilateral relations, proposing a new structure for dialogue between civil society on both sides.

2. Explanatory statement

2.1 Morocco is a privileged partner of the European Union, which shares the European external policy objectives of promoting democracy and economic and social development. In order to help meet these objectives, the Moroccan government is working to extend the process of democratisation and further consolidate the rule of law, which makes it the most advanced country in the region.

2.2 The EU's strategy in Morocco is to address the country's two main concerns which dominate its political, economic and social agenda. The first is to continue economic growth and deal with unemployment, poverty and emigration. On the external front,

however, it is about the intention to implement in full the Association Agreement, the European Neighbourhood Policy and the Action Plans.

2.3 The Ad Hoc EU-Morocco Working Group has recommended that closer ties be established between new stakeholders in the EU-Morocco partnership, in particular between the European and Moroccan parliaments⁽¹⁾ on the one hand, and the European Economic and Social Committee and the soon-to-be-created Moroccan economic and social council, on the other.

3. Political situation

3.1 Morocco is a constitutional monarchy, with the monarchy holding very important powers in the country's government. The current constitution, which dates back to 1970 and was reformed in 1991 and 1996, governs a bicameral parliamentary system, prohibiting explicitly the existence of a one-party system and guaranteeing freedom of association.

3.2 In recent years, the Kingdom of Morocco has been modernising its political system and making it more democratic, with the establishment of a new family civil code, the Political Parties Act, improvements to local democracy, justice and prison reform and a draft of a new electoral law. Despite the achievements made, however, the EESC believes that the social challenges continue to be enormous and require ongoing and coherent action over the long term with an eye to social redistribution, thus facilitating a readjustment in terms of human development indicators.

4. Economic situation

4.1 Morocco's macroeconomic framework has become stronger despite rather unfavourable conditions. In recent years, however, the tourism sector has been expanding rapidly, with major investments, primarily in the north of the country. An important agricultural reform has been launched with a view to improving productivity and strengthening the role of this sector in tackling poverty.

4.2 Despite the fact that competitiveness and efforts to attract investment could still be improved significantly, foreign direct investment has increased substantially, amounting to USD 29 250 m in 2006⁽²⁾, chiefly as a result of privatisations. Since 2006, foreign investment flows have become increasingly disassociated from the privatisation process and important operations are being carried out in sectors such as tourism, real estate, telecommunications, insurance, banking, industry and transport.

(1) Greater parliamentary cooperation will be achieved, among other things, by setting up a joint parliamentary commission between the European and Moroccan parliaments, with the participation of both the latter's chambers and not just the Chamber of Representatives.

(2) Source: UNCTAD – FDI/INC Database.

4.3 The Moroccan economy is relatively diversified, with the services sector making an important and growing contribution to GDP ⁽³⁾. The manufacturing sector comes second in terms of its contribution to GDP, followed by the agricultural sector ⁽⁴⁾, whose share of GDP has been on a downward trend. The contribution of the mining and energy sector to GDP remains modest.

4.4 For its part, tourism represents the main source of Moroccan foreign currency, followed by financial remittances from Moroccans living abroad and phosphate exports. Revenue from the export of services ⁽⁵⁾ is equivalent to more than 80 % of revenue from goods. A growing number of Europeans choose Morocco as a holiday destination, or even as their place of residence.

4.5 The macroeconomic and structural reforms carried out in recent years have contributed to the growing diversification of the country's economy and its successful global performance. The consolidation over the medium and long term of such reforms will be achieved by means of better governance, applying transparent competition rules and implementing an effective policy for protecting consumers and users. In the 2002-2007 period, the average annual rate of real GDP growth in Morocco was 4,5 % ⁽⁶⁾, sustained by a dynamic domestic demand and a significant increase in the rate of investment. In 2008, the Moroccan economy grew by 5,8 % despite a slowdown due to weaker external demand, which in turn was prompted by the international economic and financial crisis as well as the increase in prices, especially of oil.

4.6 The agricultural sector plays a key role in the economic and social development of Morocco, greater than its real value in terms of GDP ⁽⁷⁾. It provides work for 44 % ⁽⁸⁾ of the active population, a percentage which rises to 80 % if we take account of the active rural population, owing to the lack of economic diversification in the countryside.

Agriculture continues to be a sector that is very dependent on the weather, owing to the insufficient development of water infrastructure. It has scarcely been modernised, maintaining an archaic structure comprising mainly small farms (75 % belong to smallholders), with limited equipment, antiquated production methods and a low-skilled workforce. Despite this, in part owing to the efforts of the government and foreign investors, there has been

⁽³⁾ Approximately two thirds.

⁽⁴⁾ Including cattle raising, forestry and fishing.

⁽⁵⁾ It doubled between 2002 and 2006.

⁽⁶⁾ Source: International Monetary Fund (IMF).

⁽⁷⁾ Represented 13 % of GDP in 2008. Source: FAO.

⁽⁸⁾ 13 734 506 persons (including agriculture, forestry and fishing). Source: FAO.

a change over recent years. Currently the remaining 25 % of businesses are large, modern irrigated farms that are clearly export-oriented, producing 80 % of citrus fruits, 35 % of vegetables and 15 % of cereals. There are essentially 400-500 large producers: major producer-exporters, the Moroccan government and a number of cooperatives.

Training, technological support and research are basic components that must be included in any future agricultural policies in Morocco. In order to make Moroccan farming more competitive, a more dynamic marketing strategy is needed. At the same time, new structural policies and incentives are needed that will give value to women's work and foster the creation of community associations as a means of boosting entrepreneurship, which is also needed in the agricultural sphere.

4.7 One part of the new strategy could be cooperatives and other producer organisations, which would serve as instruments that producers could use to group supply and improve their market positioning. Moroccan dairy cooperative COPAG is one example of how bringing producers together in cooperatives can generate added value and encourage entrepreneurship in the production sector, the weakest link in the chain.

4.8 At the same time, the Green Plan put forward by Morocco in April 2008 seeks to develop the country's agriculture with the support of private foreign investment, which shows an interesting new agricultural strategy in the Maghreb, and is an example of a change of mentality. The plan aims to turn agriculture into the main driver of the national economy within 10 to 15 years, through strong public investment, in order to achieve two key goals: a modern, high added-value agricultural sector and increased earnings for small farmers. The plan provides for the privatisation of 700 000 hectares, currently used for cereals, with a view to converting them into land for more intensive vegetable and fruit growing, acting as an incentive for irrigation. Over the next ten years, Morocco will channel around MAD 150 m through the Agricultural Development Agency in order to implement the measures contained in the Green Plan. To this end, 700-900 projects will be proposed with a cost of between MAD 10 and 15 million annually.

4.9 Morocco is a medium-income country. In 2008, GDP per capita reached USD 2 580 ⁽⁹⁾, having almost doubled since 2002.

4.10 The Moroccan population increased to more than 31 650 000 in November 2009, growing at an average annual rate of 1,2 % ⁽⁹⁾. The urban population continues to grow, representing 56,4 % of the total population. In 2008, the active population was 11,5 million ⁽¹⁰⁾ – 0,7 % higher than the previous year, while the labour participation rate fell slightly, to 36,8 %, as compared with 36,9 % in 2007.

⁽⁹⁾ Source: World Bank - World Development Indicators.

⁽¹⁰⁾ Source: ILO-LABORSTA (database of labour statistics) based on a study of the workforce.

4.11 Unemployment continues to be one of the country's main concerns. In urban areas, the unemployment rate amounts to 14,1 %, whereas it is 4,7 % in rural areas. Overall, the rate of unemployment was 9,4 % in 2008 ⁽¹¹⁾, equivalent to a total of 1 077 800 workers aged 15 and over. Average pay in the Moroccan rural sector is between EUR 0,55-0,65/per hour for 9 hours work ⁽¹²⁾, seasonal workers have no labour rights whatsoever and child labour is widespread in Moroccan greenhouses.

4.12 Until now, the international financial crisis has not affected the Moroccan economy significantly, mainly due to the fact that the country's financial sector was not particularly integrated into the international financial sector. There is no doubt, however, that the international economic crisis is already having an impact on some of the country's key economic sectors, such as real estate, tourism, textiles, motor vehicles and exports. Foreign investment flows and remittances from abroad have also been affected, and are arriving in Morocco in smaller quantities than before. This could mean that the crisis will affect the country for some time to come.

4.13 Morocco has been classified as the third best destination for foreign direct investment in Africa for 2009-2010, behind South Africa and Egypt ⁽¹³⁾. A study points out that Morocco has achieved good results in a variety of categories, such as infrastructure, strategy for foreign direct investment and economic potential. However, although the trend in investment flows is positive, the business climate calls for critical analysis. Despite this, last year a general code on business governance and a specific code for SMEs were approved, and implementing decrees were adopted for various amendments to the Limited Company Law. In October 2008, a draft law was adopted on setting up a Moroccan Investment Development Agency (AMDI).

4.14 The Moroccan authorities have put a lot of effort into launching the Euro-Mediterranean Charter for Enterprise, which calls for consultation, consensus and quality. There are various institutions which promote investment by private enterprises, especially by SMEs, and access to credit is promoted through the Central Guarantees Fund (CCG).

4.15 Despite everything, the outlook ⁽¹⁴⁾ for the Moroccan economy continues to be encouraging. At present, Morocco is in a sense shielded from the global financial turbulence thanks to its relatively low and long-term external debt, as well as the improvements to its macroeconomic policies. Economic growth should continue to be relatively strong in the medium term with a positive external current account balance, although there could be a small deficit over the medium term. For its part, the Moroccan

government ⁽¹⁵⁾ foresees real GDP growing by 5,8 % in 2009, with the agricultural sector ⁽¹⁶⁾ growing by 15 % and the non-agricultural sector by 4,1 %. The country's economic authorities are determined to push ahead with the budgetary consolidation efforts of recent years and meet the objective of maintaining the primary budget deficit below 3 % of GDP in the medium term.

5. Social situation

5.1 The unemployment rate in 2008 ⁽¹¹⁾ was 9,4 % despite 310 000 jobs having been created in the previous year, mainly in the construction and services sectors. In the first three months of 2009, there was a net creation of 40 000 jobs, the result of 76 000 new jobs being created in urban areas, with a loss of 36 000 jobs in rural areas. The new jobs were limited to the services and public works sectors, which recorded increases of 5,9 % respectively, while the other sectors recorded losses ranging from 4,5 % in the industrial sector to 1,4 % in the agricultural and fishing sectors.

5.2 The most serious problem in this area is youth unemployment ⁽¹⁷⁾, including that of university graduates, which is leading to a brain drain. Another issue is that the labour market is dominated by the agricultural sector, which also makes up a significant proportion of informal employment. At the same time, part of the black economy is based on irregular employment. Furthermore, the previous population explosion means that Morocco is faced with growing difficulties in absorbing labour into its labour market.

5.3 These unemployment figures have a direct impact on private households as a result of the shortcomings that still exist in social protection systems (unemployment and health insurance, pensions, etc.).

5.4 Migratory flows are diminishing as a result of the economic crisis, with the EU being the main destination for emigrating Moroccan workers. It is important to point out the differences that exist between legal and illegal emigration. Those who endure the latter find themselves in much more difficult reception conditions. There has also been a steady increase in professional exchanges between the two geographic areas.

5.5 Female participation in the workforce remains low. While male employment rates are around 80 %, female employment is 21 % in urban areas and 33 % in rural areas ⁽¹⁸⁾. With the exception of life expectancy, the social development indicators for women are lower than those for men in all other areas, including type of activity, professional status, level of responsibility, wage in the private sector, unemployment rate and level of social protection.

⁽¹¹⁾ Source: ILO-LABORSTA (database of labour statistics).

⁽¹²⁾ Source: Moroccan National Federation for the Agricultural Sector (UMT).

⁽¹³⁾ According to a study published by FDI Intelligence, a subsidiary of the British press group 'The Financial Times'.

⁽¹⁴⁾ According to data from the International Monetary Fund (IMF).

⁽¹⁵⁾ Forecasts of the Moroccan Economy and Treasury Department.

⁽¹⁶⁾ Including fishing and forestry.

⁽¹⁷⁾ According to figures from the International Labour Organization (ILO), youth unemployment is seven points higher than the average unemployment rate of the active population. 39 % of the unemployed are young people.

⁽¹⁸⁾ Source: Morocco progress report – SEC (2009) 520/2 of 23 April 2009.

5.6 The subject of employment and social affairs should be explored in more depth with a view to creating an institutional framework that makes it possible to develop active measures and public employment services, monitor the labour market in order to tackle the black economy, informal work and undeclared unemployment, improve investment in human capital and employability, increase social protection and inclusion, and employ mechanisms that prevent discrimination in recruitment.

5.7 Social security cover for a large majority of Moroccan workers is inadequate. This situation represents a serious problem for many families. The Moroccan government is aware of this and has the political will to seek a solution. The Moroccan authorities have undertaken to step up monitoring so that the situation of all employed workers is regularised under the social security system. To this end, the labour inspectorate and national social security office are stepping up their efforts to improve workers' cover. However, the Moroccan government will have to step up investment in health and medical cover in order to facilitate access by Moroccan citizens to the public health system.

5.8 A tripartite 'social compliance' plan is being drawn up to determine the extent to which Moroccan businesses satisfy and comply with the country's labour legislation. Furthermore, within the framework Morocco's new social legislation, progress is being made towards the certification of businesses which comply with labour rules.

5.9 Some time ago, initial steps were taken to establish a centralised civil society forum, although it was not genuinely representative. The Moroccan government has now committed itself to setting up an economic and social council by the end of 2009 but the council has yet to be established officially, despite being included in the Moroccan constitution since 1997. The EESC hopes that the diversity of civil society associations is reflected in the membership of the Moroccan ESC, since the representativeness of economic and social councils, guaranteed by clear and fair criteria, is a prerequisite for their effectiveness, their capacity to operate independently and the allocation of the resources they require. The existence of an economic and social council is not at odds with the role of the other consultative bodies that currently exist in Morocco. On the contrary, it complements them.

5.10 Within the business world, the most representative business organisation is the General Confederation of Moroccan Businesses (CGEM). The Chamber of Trade and Industry also plays an important role in supporting businesses, education, training, business services and internationalisation. The Association of Moroccan Business Women (AFEM), which has more than 350 members at national level, is seeking to promote the role of women in business and has regional organisations. The association *Maroc Entrepreneurs* promotes learning and business start-ups among young people.

5.11 The main trade union organisations are the Moroccan Workers' Union (UMT), the Democratic Labour Confederation (CDT), the General Union of Moroccan Workers (UGTM), the Democratic Labour Federation (FDT) and the National Moroccan Workers Union (UNTM). The National Union of Moroccan Agricultural Cooperatives (UNCAM) is also prominent.

5.12 Although the Moroccan government has carried out reforms in the area of labour law, it must continue to take steps to improve observance of labour rights, and ratify the relevant ILO conventions, especially Convention 87 on freedom of association.

5.13 Improving the education system and promoting literacy continues to be one of the most important challenges for the country's development. In September 2008, the Moroccan ministry of education presented an emergency plan designed to promote the schooling of girls in rural areas, as well as the equal and effective access of children to compulsory education. The lack of a skilled workforce is one of the main obstacles to setting up a business in Morocco, with semi-skilled technical posts the most difficult to fill.

5.14 Efforts are being made to forge closer ties between the Moroccan systems of higher education, research and vocational training and the European area for higher education, scientific research and vocational training. This objective will help improve the qualifications of Moroccan students and their vocational skills so that they can enter the labour market. There is a need for a better match between vocational skills and the recruitment needs of businesses. It would be a good idea to facilitate the implementation of practices in businesses on the basis of agreements between universities and business organisations, such as CGEM and the chambers of commerce.

5.15 The EESC advocates systems to facilitate mutual recognition of qualifications between the EU and Morocco, taking into account Morocco's advanced status. One of the main problems facing the country is the high number of unemployed graduates.

5.16 In cooperation with the EU, a working group ⁽¹⁹⁾ is due to be set up comprising representatives of European and Moroccan business organisations and businesspeople. The objective is to provide the Association Council with regular information on barriers to trade and investment. Trade union representatives may also participate in this group.

⁽¹⁹⁾ Joint EU-Morocco document on strengthening bilateral relations/Advanced status – DG E V Doc. 13653/08, page 6.

5.17 Reforms to extend democracy have achieved advances such as the adoption of a new electoral law boosting female participation, anti-corruption measures, and the adoption of a strategic action plan to provide gender equality with an institutional framework. Although the Moroccan government has withdrawn its reservations concerning the Convention on the Elimination of All Forms of Discrimination against Women, it has yet to deposit the relevant instruments at the United Nations ⁽²⁰⁾.

5.18 In November 2008, the Ministry for Social Development, the Family and Solidarity launched its sixth campaign against gender-based violence, which has helped to increase the number of acts of violence against women being reported via the telephone hotline set up for this purpose. However, there is still a need for more reception centres for victims. Equally, a draft law criminalising gender-based violence ⁽²¹⁾ has yet to be passed, with problems persisting in the application of the family civil code.

5.19 The poverty rate has fallen to 9 % ⁽²²⁾, meaning that there are more than 2 million poor people. This continues to be a worrying social situation, making tackling poverty one of the most significant challenges facing the country. The above-mentioned increase in GDP per head is still not enough to tackle poverty. The fact that it is distributed unevenly means that it has not produced the hoped-for increase in living standards. The main tool for reducing poverty successfully has to be increasing economic growth and improving productivity, in parallel with inseparable human rights: economic, social, cultural and environmental rights, without which a better distribution of wealth cannot be guaranteed. There is a need for better coordination among the various poverty-reduction programmes being carried out in Morocco by international institutions such as the United Nations and the World Bank.

5.20 Illegal emigration to the EU is another of the main concerns. Together with the two million Moroccans who reside legally in EU countries, it is estimated that a further million live there illegally. In addition, Morocco is one of the transit countries through which illegal emigrants from sub-Saharan countries travel to the EU. A readmission agreement is being negotiated between the EU and Morocco.

6. Relations between the European Union and Morocco

6.1 The first agreements signed between the European Union and Morocco date back to 1969 and 1976. The EU-Morocco Association Agreement was later signed as part of the Barcelona process which began in 1995, entering into force in 2000. More recently, in July 2005 the EU-Morocco Action Plan was adopted

for a period of five years ⁽²³⁾ within the framework of the European Neighbourhood Policy (ENP). Current relations with Morocco come under the framework of the Union for the Mediterranean.

6.2 The Association Agreement establishes the legal framework for relations between the European Union and Morocco and seeks to create a free trade area, in addition to establishing privileged cooperation in other areas, including the political, economic, social, scientific and cultural spheres.

6.3 The Country Strategy Paper (CSP) establishes the strategic framework for EU assistance to Morocco in the 2007-2013 period, recognising the following priority areas of cooperation:

- development of social policies;
- economic modernisation;
- institutional assistance;
- good governance and promotion of human rights and fundamental freedoms;
- environmental protection.

6.4 Within the framework of strategic cooperation between Africa and the EU, Morocco plays an active role in political dialogue between the EU and Africa as it is the main party responsible for initiating cooperation on climate change.

6.5 In October 2008, a joint document was signed between the EU and Morocco within the framework of the Association Agreement, seeking to strengthen bilateral ties with a view to obtaining the advanced status, which is designed to further political relations, the integration of the internal market, sectoral cooperation and the human dimension.

6.6 The EU continues to be Morocco's main trading partner, since more than half of its foreign purchases ⁽²⁴⁾ originate from European countries and almost three quarters of its sales ⁽²⁵⁾ are destined for the EU. In terms of a country-by-country breakdown, France is the main supplier, followed by Spain, the United Kingdom, Italy and Germany. There is a similar breakdown for importers of Moroccan goods.

6.7 In terms of the breakdown of trade between the EU and Morocco by products, there has been a gradual diversification of Moroccan imports. Throughout this decade, the number of different European products bought by Morocco has increased considerably. The main products that Morocco imports from the EU are fabrics, petroleum gas and other hydrocarbons, machinery and equipment and chemical products.

⁽²⁰⁾ According to the Morocco progress report – Document SEC (2009) 520/2 of 23 April 2009.

⁽²¹⁾ In preparation since 2006.

⁽²²⁾ Source: International Monetary Fund (IMF).

⁽²³⁾ To date, three progress reports have been drawn up, in December 2006, April 2008 and April 2009.

⁽²⁴⁾ 51,4 % of Moroccan imports originate from the EU.

⁽²⁵⁾ 71,9 % of Moroccan exports are destined for the EU.

6.8 Moroccan exports to the EU are more concentrated, since over half are articles of clothing and knitted articles (more than one third of the total), electronic components, crustaceans, molluscs and shellfish and electrical wires and cables.

6.9 In the current negotiations, the situation of certain sensitive sectors is being taken into consideration, with due consideration for asymmetry in commitments and their gradual implementation. It is a question, first and foremost, of liberalising trade in services and the right of establishment, as well as liberalising trade in primary and processed agricultural products and fisheries products.

6.10 The current economic crisis has had a significant impact on the European agricultural sector and farmers are earning less (according to Eurostat, farmers' incomes decreased by 12,2 % in 2009). The new trade concessions for Morocco on sensitive products such as fruit and vegetables which are hardly protected by the EU at all are having a particularly negative impact, on the already difficult economic situation of many European farms. Using fruit

and vegetables as bargaining chip in the process of opening up trade between the EU and Morocco to bolster other economic activities is jeopardising farmers' futures, as well as the development of many European regions. Real compensation should therefore be established, through lines of additional support, to improve the competitiveness of these regions.

The EESC is concerned about the fact that the European Union and Morocco have recently revised agricultural trade relations in the framework of the Association Agreement, especially when the existing Agreement is being systematically flouted – customs duties are going unpaid and quotas are being breached – and no new mechanisms have been set up or current mechanisms significantly improved to ensure that clauses accepted by both sides are complied with.

6.11 As regards direct investment from the EU ⁽²⁶⁾, it should be highlighted that France ⁽²⁷⁾ is the main investor in Morocco, followed by Spain, the United Kingdom and Germany ⁽²⁸⁾. The main sectors of investment are tourism, real estate, telecommunications, insurance, banking, industry and transport.

Brussels, 17 February 2010

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⁽²⁶⁾ Source: Office des Changes – financial flows – Moroccan government.

⁽²⁷⁾ Between 2002 and 2008, French investment in Morocco exceeded 53 bn dirhams.

⁽²⁸⁾ In the same period, investment by Spain exceeded 35 bn dirhams; investment by the United Kingdom and Germany exceeded 6 bn dirhams each.