

Morocco Korea's Gateway to Africa

Mohamed El Bouchikhi, Ph.D.
Sun Moon University

Korea-Morocco Economic Cooperation

Seoul: 26 June 2018

Contents



- ▶ Morocco & Korea: Brief Overview
- ▶ Why Morocco
- ▶ Morocco: Strong Presence in Africa
- ▶ Convergence with Korean SSA Policy

Morocco & Korea: Brief Overview

- Diplomatic relations go back to 1962
- The Third Trade Partner in Africa following Libya and Algeria

Total Goods: Top trading partners 2017

Source: IMF

Imports			Exports			Total trade		
Partner	Value Mio €	% World	Partner	Value Mio €	% World	Partner	Value Mio €	% World
World	39,451	100.0	World	21,763	100.0	World	61,213	100.0
1 EU 28	22,283	56.5	1 EU 28	14,062	64.6	1 EU 28	36,344	59.4
2 China	3,618	9.2	2 USA	903	4.1	2 China	3,888	6.4
3 USA	2,740	6.9	3 Brazil	804	3.7	3 USA	3,643	6.0
4 Turkey	1,768	4.5	4 India	611	2.8	4 Turkey	2,356	3.8
5 Russia	857	2.2	5 Turkey	588	2.7	5 Brazil	1,441	2.4
6 Saudi Arabia	769	1.9	6 China	271	1.2	6 India	1,157	1.9
7 Brazil	637	1.6	7 Singapore	240	1.1	7 Russia	1,025	1.7
8 India	545	1.4	8 Ethiopia	218	1.0	8 Saudi Arabia	866	1.4
9 Argentina	514	1.3	9 Pakistan	182	0.8	9 Algeria	653	1.1
10 Algeria	478	1.2	10 Algeria	175	0.8	10 Argentina	583	1.0
1 EU 28	22,283	56.5	1 EU 28	14,062	64.6	1 EU 28	36,344	59.4

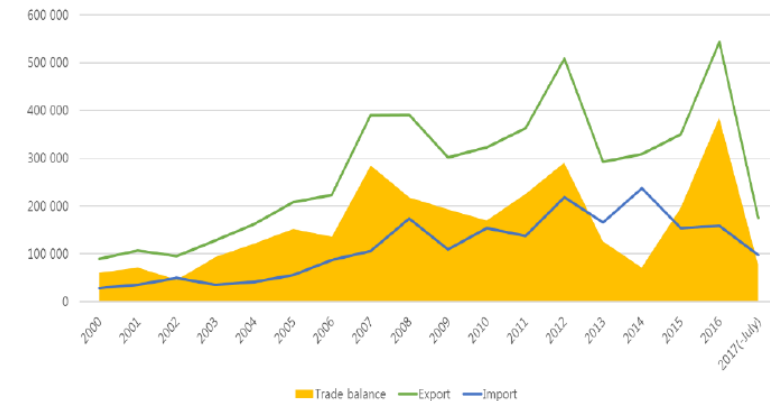
World trade: excluding intra-region trade

Top partners: excluding region member states

% Growth: relative variation between current and previous period

European Commission, 2018

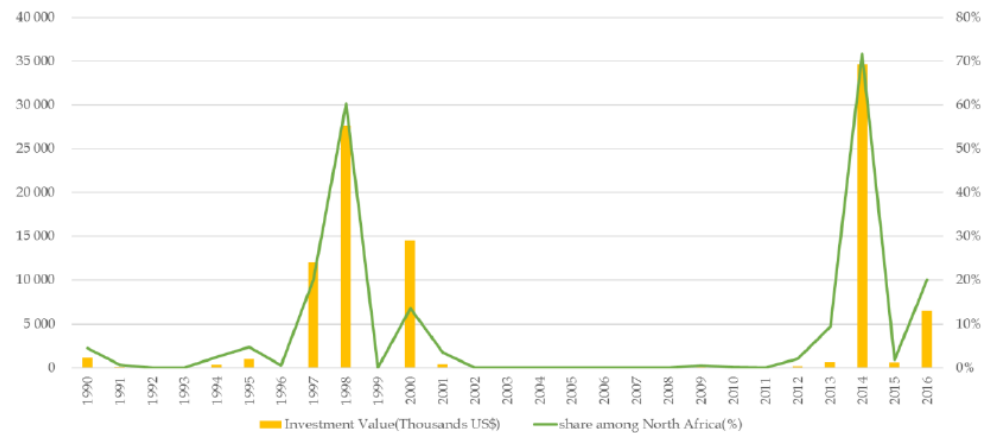
Bilateral trade between Morocco and Korea



Source: KITA, Units: Thousands US\$

IRES-KIEP Seminar, 2017

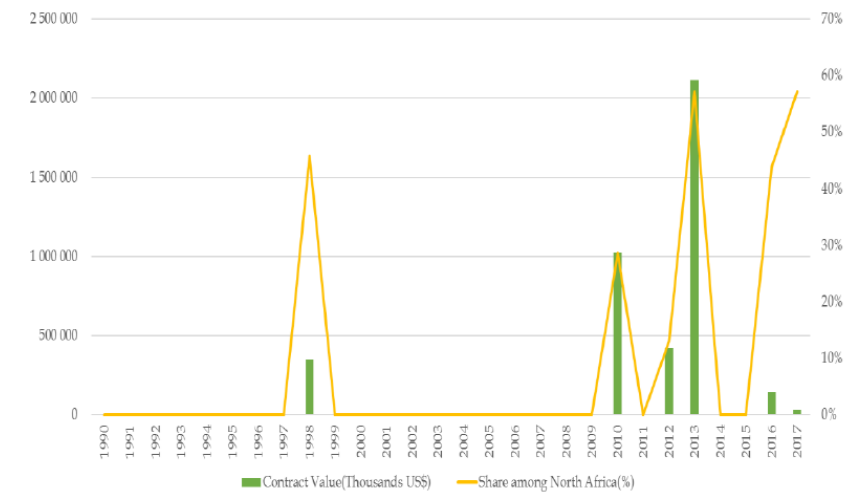
Korea's FDI Flow in Morocco



Source: Ex-Im Bank of Korea

IRES-KIEP Seminar, 2017

Korea's construction in Morocco



Source: International construction information service of Korea

IRES-KIEP Seminar, 2017



Why Morocco?

Domestic Stability

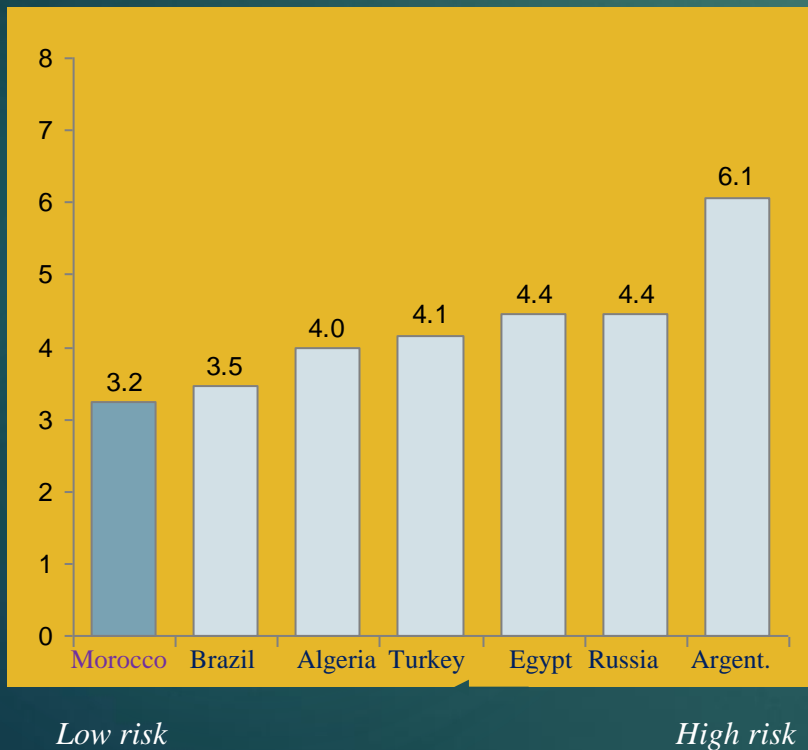
- Politically Stable Country.
- A Safe Land in the Era of International Terror
- A Historical Bastion of Religious Tolerance and Moderation
- Vibrant young Society (30% of the population, and one tenth of the region's total youth population).
- Multi-lingual Society
- The 15-24 age groups display a high level of skill diversity (World Economic Forum).
- A Open Economy

Summary statistics	
Region	Northern Africa
Population	33 million (estimated, 2013)
Territory	710,850 sq. km
GDP	\$104.4 billion (2013)
GDP growth	4.4% (2013)
Inflation	1.9% (2013)
Currency	Moroccan Dirham - MAD
Credit ratings	S&P BBB- (Stable Outlook) Fitch BBB- (Stable Outlook)

Business Friendly Environment

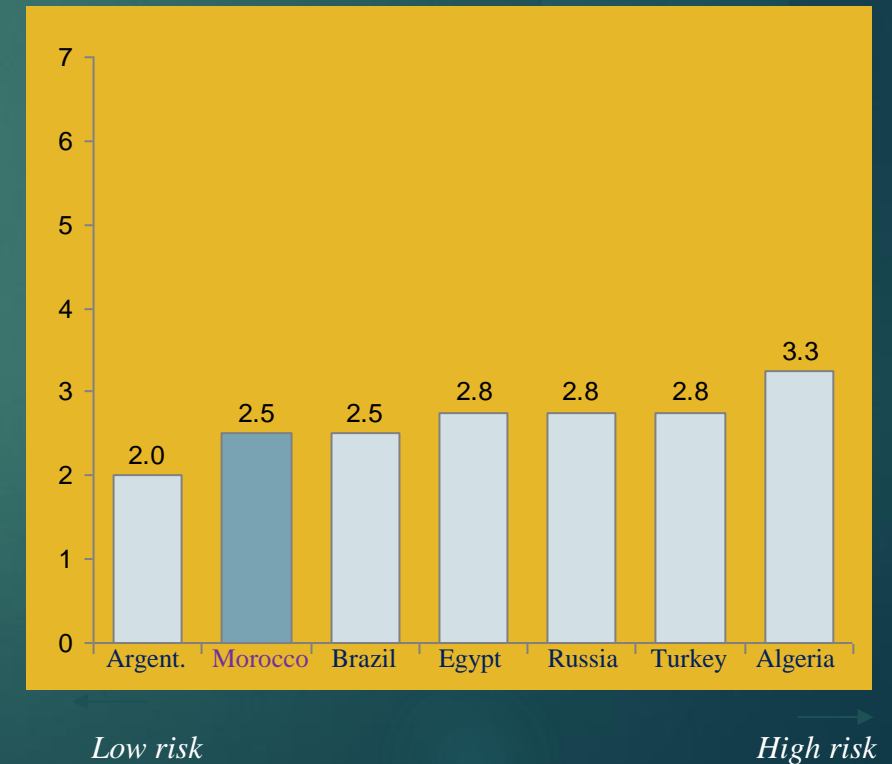
Business & Political Risk Evaluation

Risk rating (1-7 scale)
1 = Good

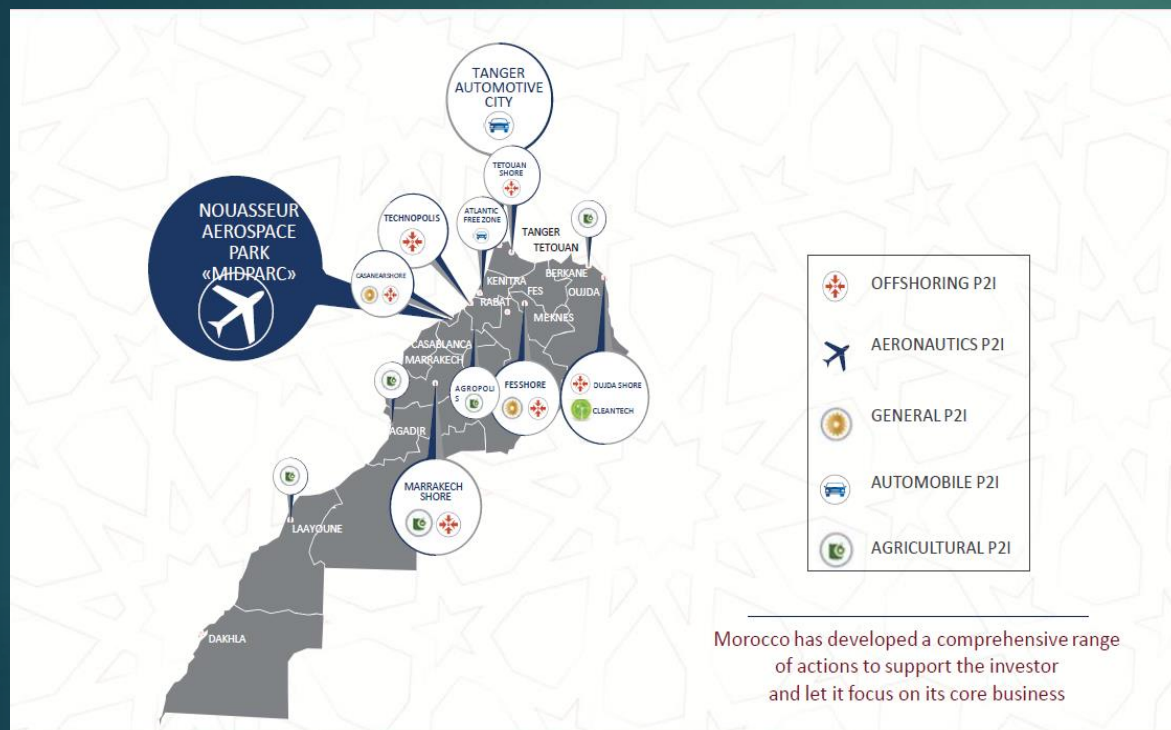


Personal Risk Evaluation

Risk rating (1-4 scale)
1 = Good

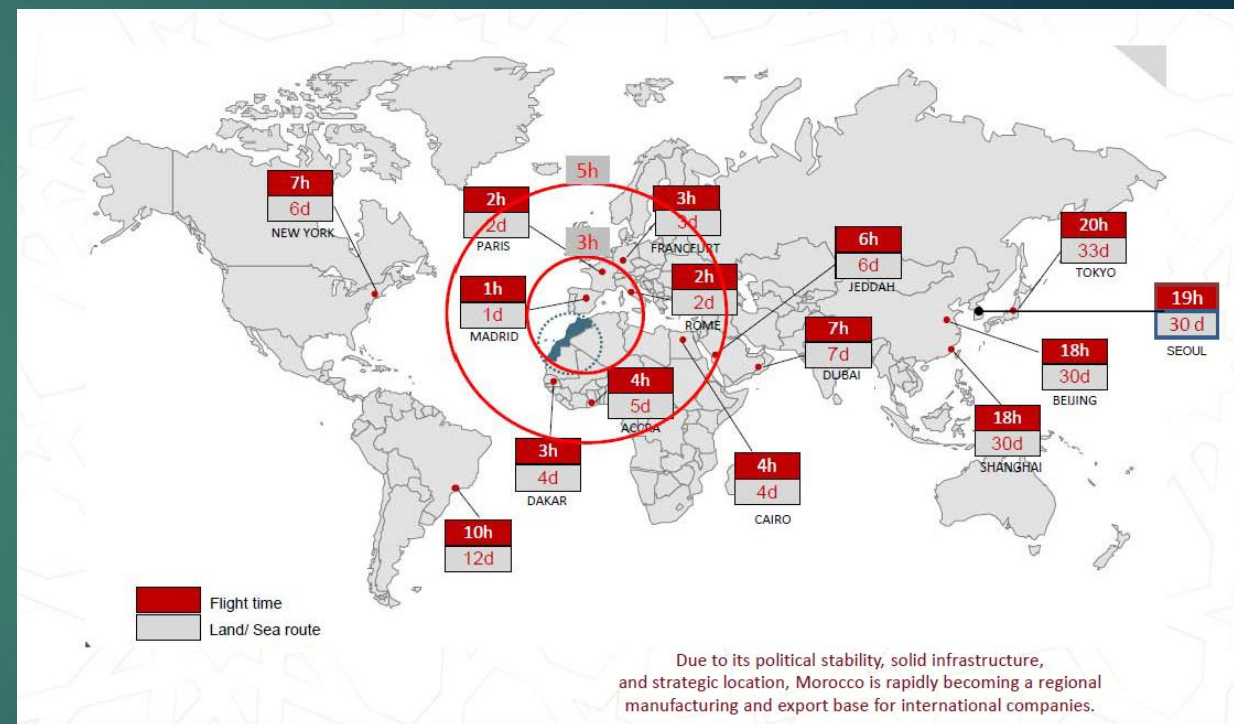


High-End Integrated Industrial platforms



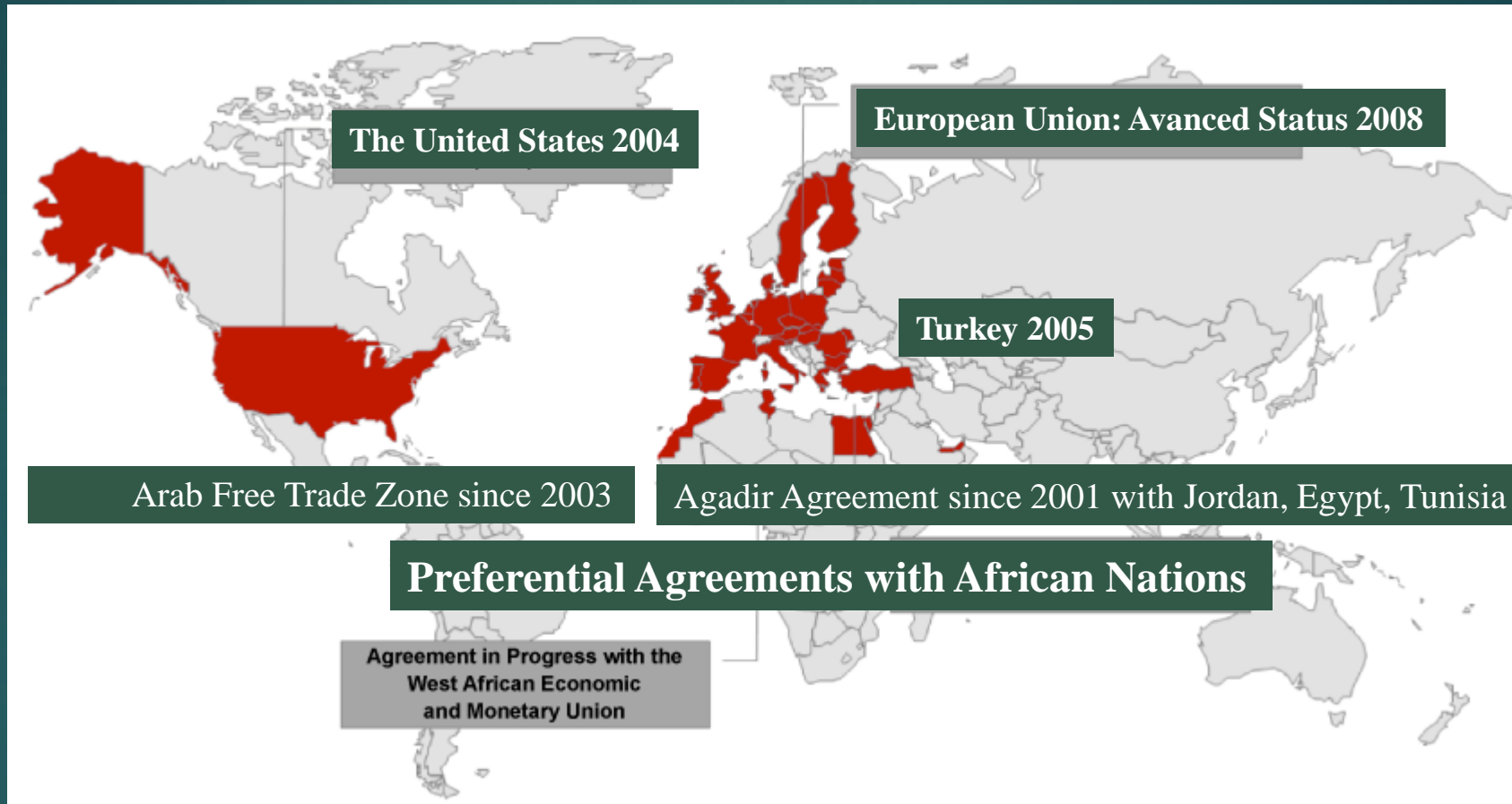
Invest in Morocco

Geostrategic Location Crossroads of the Continents



Invest in Morocco

Set of Free Trade Agreements



Major Upgrade in Infrastructure



Airports

- 14 international airports
- Casablanca #1 Europe-Africa hub



Tramways

- Rabat and Casablanca
- 1 €Bn



Highways

- 2000 : 150 km
- 2010 : 1.000 km
- 2015 : 1.800 km



Railways

- First High-speed railway in Africa (Tangier-Casablanca) by 2017 – 1.8 €Bn

Tangiers Med: world-class infrastructure in a strategic location

- 8.5 million containers capacity by 2017
- Target: ranked among World Top 15
- Integrated offer of Industrial, Logistical and Commercial Zones with multimodal infrastructure

Hub & Spoke port to serve Mediterranean, as well as Western African countries



Automotive Industry



PSA PEUGEOT CITROËN

PSA PEUGEOT CITROËN

Current Status and Prospects of Automobile Industry

- 1st in Morocco export product and export \$ 5 bil.('15)
- Export growth of 27% per year('09-'15)
- Establishment of automobile industry ecosystem by entering major automobile parts companies

1	Export Sector 1st	Export in '15 U\$5 Billion	86,500 Employees ('15)
	Manufacture in NA 1st	Export in '20 U\$10 Billion	Growth 27% (2009-2015)

< Investment of major auto parts companies >

company	parts	Inv. amount
Saint-Gobain	Auto glass	€700 mill.
Kansai Paint	Auto paint	€20 mill.
Sumitomo	Cable and parts	€336 mill.
Yura corporation	Cable	-

IRES-KIEP Seminar 2017



- PSA Peugeot Citroën with an investment of 560 million EUR for the construction of a factory to produce small and subcompact cars for Africa and the Middle East.
- The initial production will be 90,000 units per year, a figure that could increase to 200,000 as demand rises.

- Production capacity: 420 thousand units
- Renault will invest 20 million euros to build a new production line in Tanger
- Forecast by 2023: Automotive production 1 mil. units, domestic demand 400,000 units, exports 600,000 units

Aeronautics

- more than 100 supply chain companies established in less than 10 years with about 10,000 employees.
- Aerospace exports have increased annually 15% between 2009 and 2015.
- In 2014, aerospace exports reached 0.7 billion € and represented 4% of total Moroccan exports.
- The Free Zone Midparc (close to Casablanca Airport), inaugurated in 2013 and occupying 128 ha, includes ready-to-use facilities, shared services for logistics, transport and catering and a business center.

Bombardier invested \$200 million on a manufacturing plant to build sub-assemblies that will create 850 jobs by 2020.



Major Upgrade in Infrastructure



Airports

- 14 international airports
- Casablanca #1 Europe-Africa hub



Tramways

- Rabat and Casablanca
- 1 €Bn



Highways

- 2000 : 150 km
- 2010 : 1.000 km
- 2015 : 1.800 km



Railways

- First High-speed railway in Africa (Tangier-Casablanca) by 2017 – 1.8 €Bn

Tangiers Med: world-class infrastructure in a strategic location

- 8.5 million containers capacity by 2017
- Target: ranked among World Top 15
- Integrated offer of Industrial, Logistical and Commercial Zones with multimodal infrastructure

Hub & Spoke port to serve Mediterranean, as well as Western African countries



Strong Presence in Africa

- Africa has been of a paramount importance in Moroccan Foreign Policy.
- Historical Shift towards Africa since 1999
- Long term vision based on South-South Cooperation

Morocco – Sub-Saharan countries Most Favored Nation agreements

Countries	Date of signature (mm/ dd/yyyy)
Angola	10-23-1989
Benin	03-07-1991
Burkina Faso	06-29-1996
Cameroun	04-15-1987
Central African Republic	06-26-1986
Congo	09-18-1996
Côte d'Ivoire	9-22-1973/ Additional protocol : 12-16-1980
Gabon	11-06-1974
Guinea	04-12-1997
Equatorial Guinea	09-12-1986
Mali	9-17-1987
Niger	11-7-1982
Nigeria	4-4-1977
Sudan	9-9-1998
Chad	12-4-1997

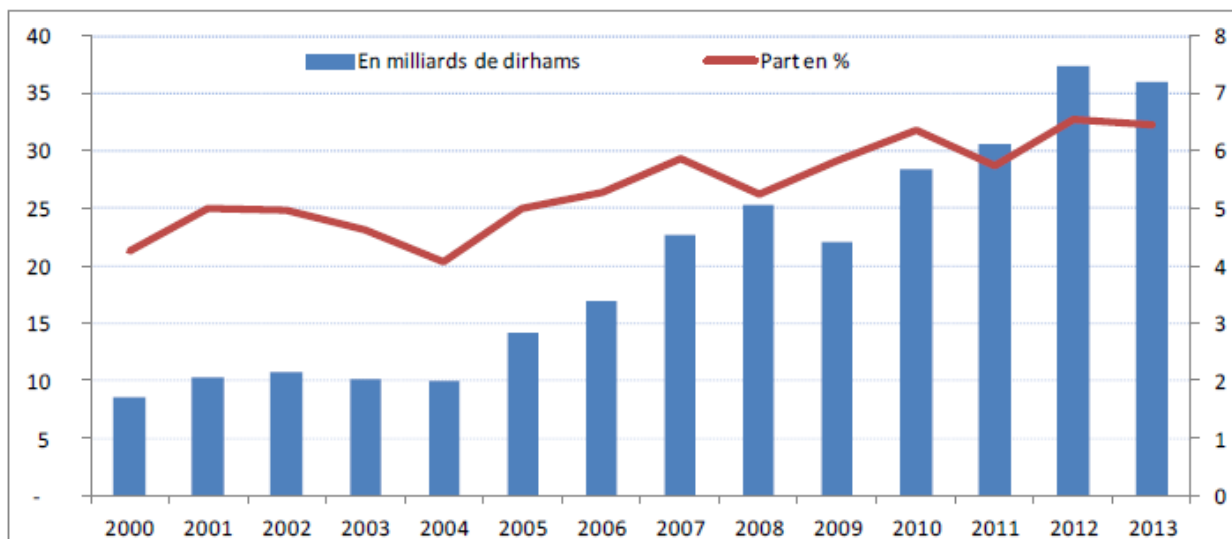
Source : Ministry of Foreign Trade

Morocco-Sub-Saharan Africa: preferential trade agreements

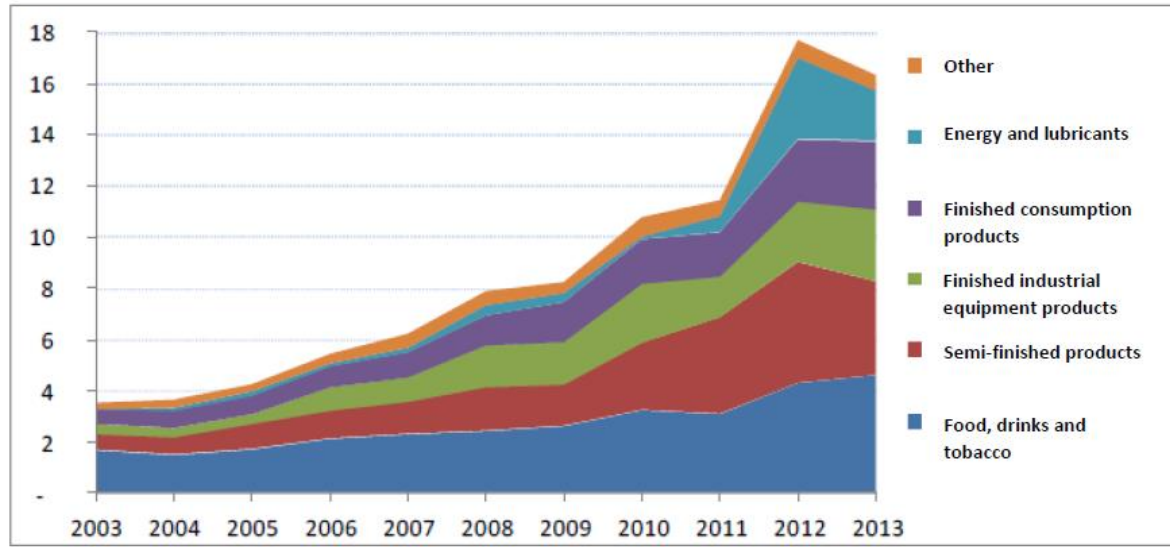
Country	Date of signature (mm/ dd/yyyy)	Date of entry into force (mm/ dd/yyyy)
Guinea	04/12/1997	04/12/1997
Senegal	09/13/1987	12/03/1987
Chad	12/14/1997	12/04/1997

Source: Ministry of Foreign Trade

Moroccan trade with Africa (in billions of MAD)

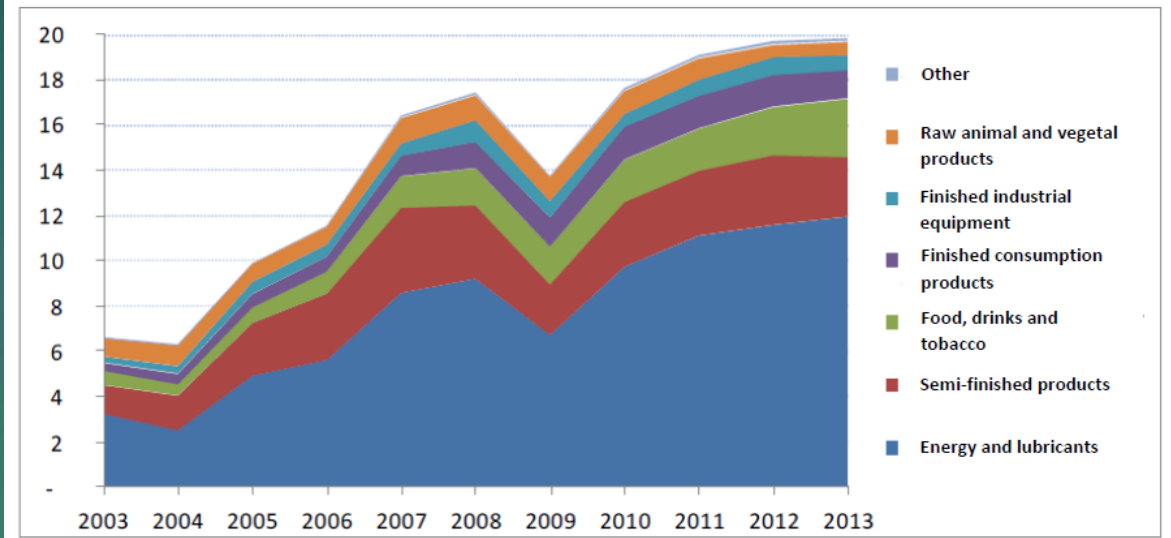


Moroccan Exports Towards Africa (in billions of MAD)



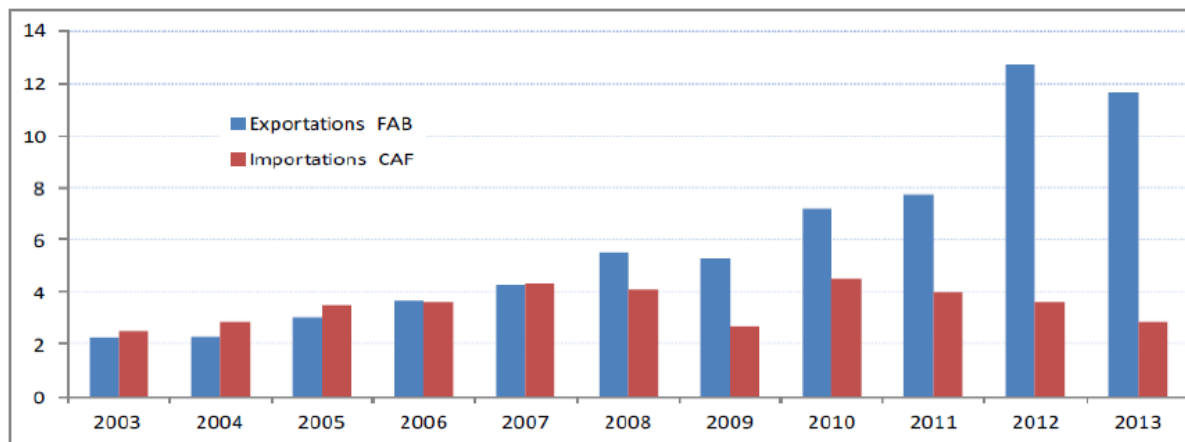
Offices des Changes

Moroccan Imports Towards Africa (in billions of MAD)



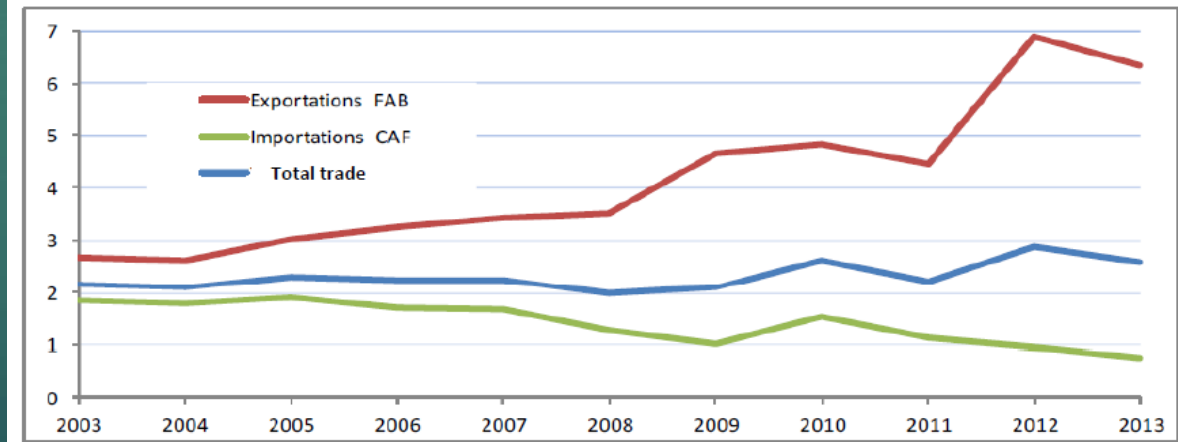
Offices des Changes

Moroccan Trade with SSA (in billions of MAD)



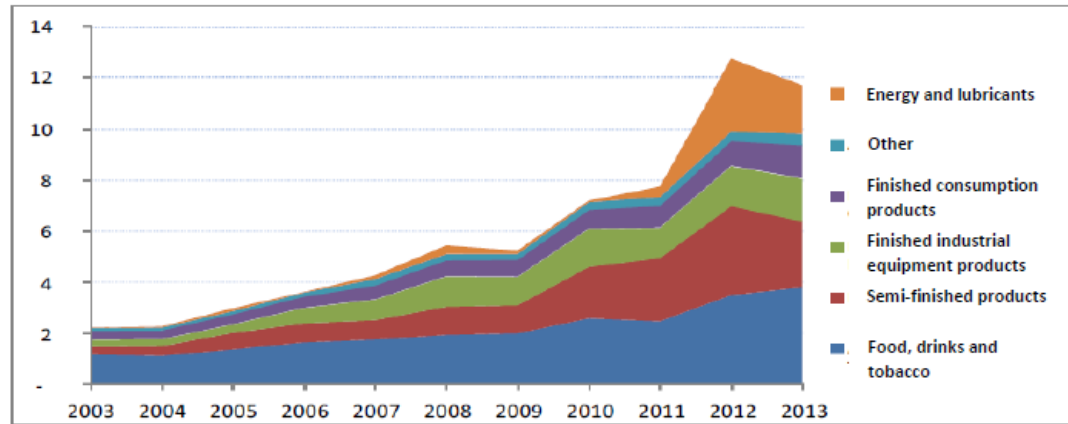
Offices des Changes

Moroccan Trade with SSA (World Share in %)



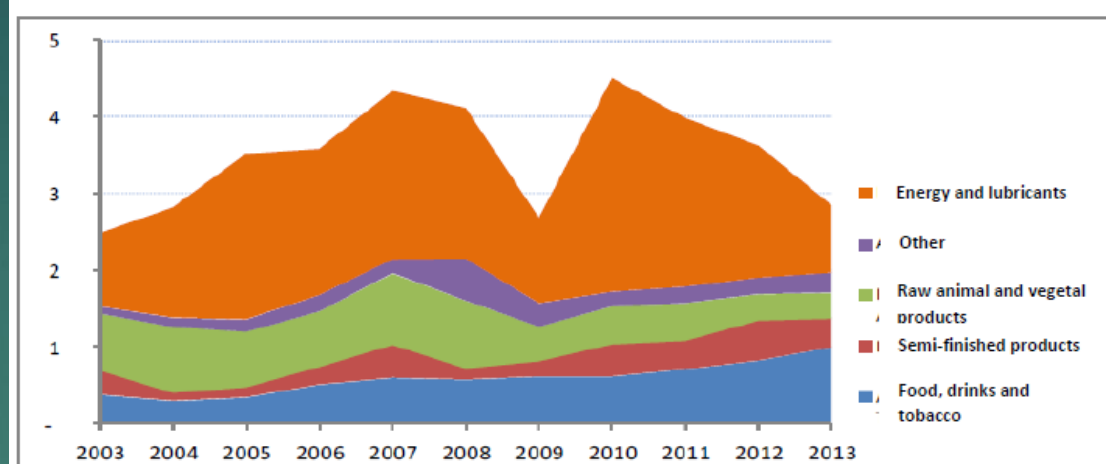
Offices des Changes

Moroccan Exports Towards SSA (in billions of MAD)



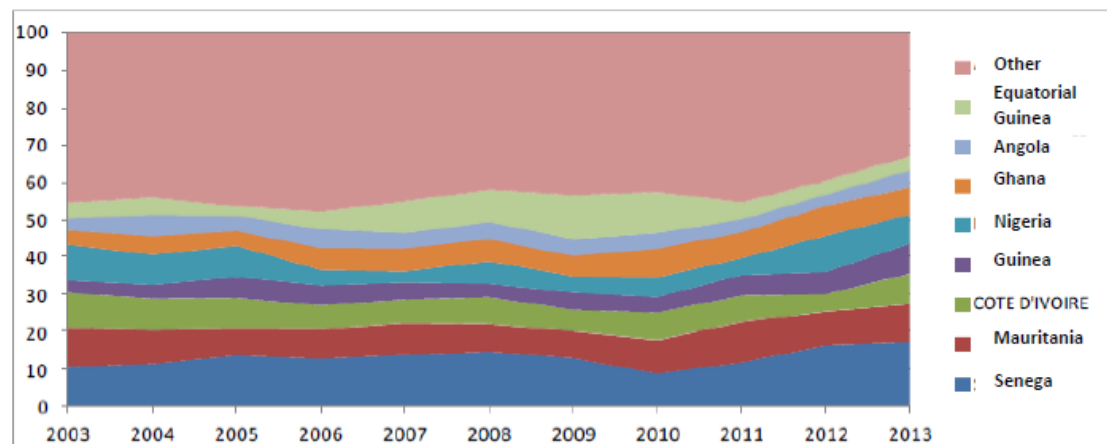
Offices des Changes

Moroccan Imports From SSA (in billions of MAD)



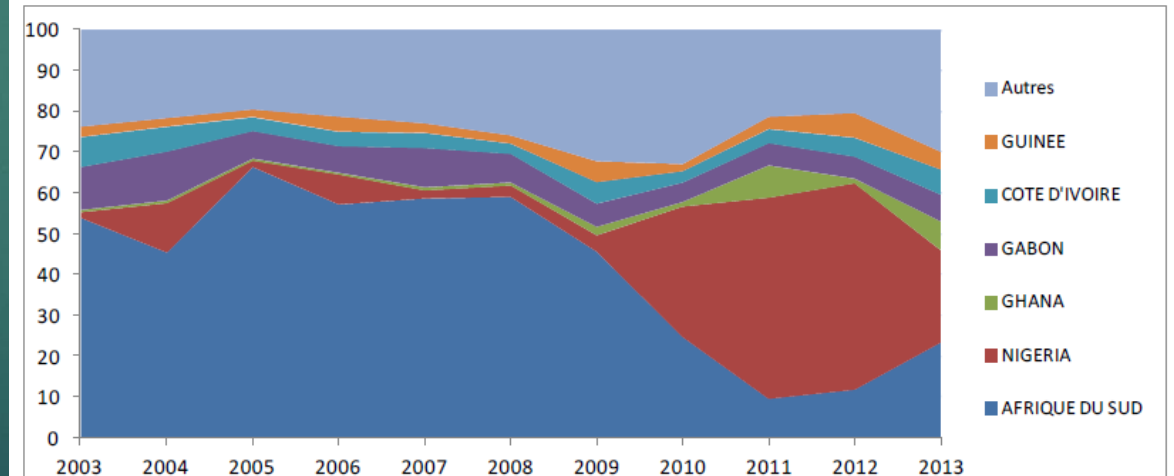
Offices des Changes

Moroccan Exports Towards SSA (Share in %)



Offices des Changes

Moroccan Imports from SSA (Share in %)



Offices des Changes



Moroccan Companies Operating in Africa

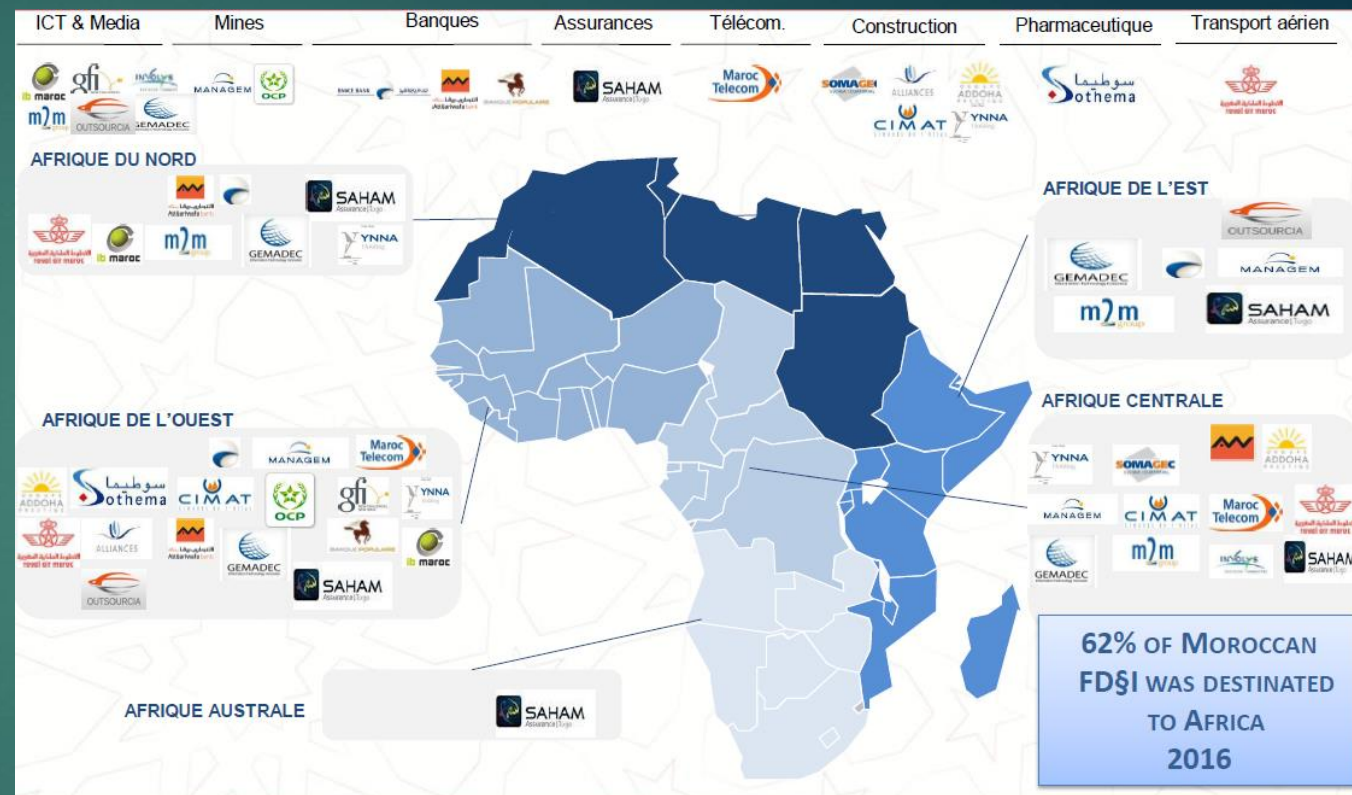
Morocco's financial system has grown in size and complexity, with increased links between the banking and insurance sectors and a significant expansion into Sub-Saharan Africa.

Number of credit institutions and similar bodies : 84

- Banks : 19
- Finance companies : 34
- Offshore banks : 6
- Microcredit associations : 13
- Funds transfer companies : 10

Network:

- In Morocco: 6.139 branches, 5.500 inhabitants per branch and 6.529 automated teller machines
- Abroad: 41 subsidiaries and 18 branches with about 1.453 banking agencies



Expertise Sharing: A Warm Welcome

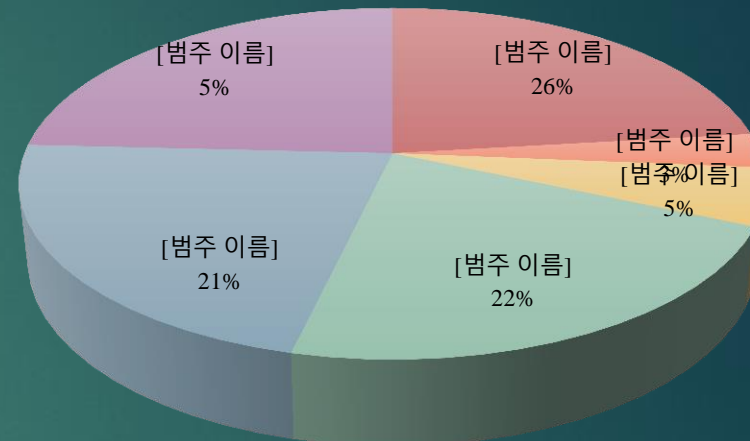
Human Development

- Morocco shares its expertise in human development and poverty reduction
- 2007: the First African Human Development Conference

De-radicalization

- Morocco provides on request training on de-radicalization and extremism fighting.
- Reviving religious and cultural ties across the continent
- Warmly welcomed by Africans (people & governments)
- South-South Strategy based on know-how transfer & expertise sharing

The Percentage of Trainees in the Mohammed VI Institute for Imams and Preachers in 2016



Ministry of Endowment & Religious Affairs, Morocco, 2018

Convergence with Korean SSA Policy

Korea's SSA Policy

- The pursuit of Food & Energy Security
- New markets
- Sharing Development Expertise
- Curbing the DPRK Influence in SSA

Triangular Cooperation

Japan-Morocco-Francophone Africa 2001

- Benin, Cameroon, Rep of Congo, Guinea, Gabon, Senegal,.
- Japan financed 70%, Morocco 30%
- 2005-09: Training hundreds of engineers
- 2012 ~: Training 100 African officials

Belgium-Morocco-African Nations

DRC, Burundi, Rwanda, Niger, Burkina Faso, Senegal, Mali

Drinking Water, Agriculture, and Rural Development

Morocco-Morocco-SSA

- Human Capital Development Expertise
- Rural Development
- Community Development
- Agricultural productivity
- E-government & Education

Morocco as a Gateway

- Morocco provides an opportunity to enter the African markets based on win-win strategy
- For Korea to overcome the previous unsuccessful experiences with Some African countries
- Diverse human capital with deep understanding of the African mindset
- A warmly welcome African nations based on its friendly relations with Africa
- The expertise sharing in terms of human development, de-radicalization trainings..



Thank you for your Attention

잘 들어 주셔서 감사합니다