



# Agricultural Trade Policy

Morocco

21 FEVRIER 2019

# Introduction



## Objectives assigned to agricultural trade policy under the Green Morocco Plan:

- Improvement of the competitiveness of agricultural products;
- Diversification and improvement of trade in products and markets;
- Improvement of the agricultural trade balance;
- Protection of national agricultural production;
- Guarantee of local market supply of inputs and basic commodities;
- Improvement of farmers' incomes;
- The guarantee of the country's food security.



Place of choice for policy measures  
agricultural commercial

## Trade Policy Measures

### Adoption of Trade Policy Measures tailored to the objectives of the Green Morocco Plan:

- ❖ The conclusion of several free trade agreements with different partners (EU, Africa, etc.);
- ❖ Accession to new generations of protocols on preferential rules of origin (Pan-Euro Med regional convention, protocols with African countries, etc.);
- ❖ Tariff reform of agricultural products and specific tax incentive regimes for agricultural inputs and certain agro-industrial products;
- ❖ The introduction of trade defense measures (MDC / Anti-Dumping, and Safeguard Law);
- ❖ Support for market diversification, particularly in terms of transportation costs;

# Trade Policy Measures



- ❖ Strategic repositioning of the EACCE (Autonomous Institution for Export Control and Coordination);
- ❖ Contribution to the organization of agricultural logistics;
- ❖ modernization of Law 13-89 on Foreign Trade and its implementing legislation by promulgation of the new Law 91-14;
- ❖ Agricultural special safeguards
- ❖ Governance of trade negotiations

## Trade Policy Measures

- ❖ Morocco's accession to the Trade Facilitation Agreement in the WTO;
- ❖ International promotion of local products, among others, through preparation for international protection through bilateral and multilateral agreements (Morocco's accession to the Lisbon Acts and Geographic Indications protection agreements with the EU).

## Indicators of the evaluation of agricultural trade policy measures

Agricultural trade

structure of agricultural trade

Valued product trade

Taxation on imports of agricultural products

Objective: Effect of tax incentives on improving exports and competitiveness of agricultural products and protecting the sector

Agricultural trade in the context of the customs-based economic regimes

Objective: Effect of incentives on improving the competitiveness of agricultural exports.



## Indicators of the evaluation of agricultural trade policy measures



### Indicateurs d'évaluation

Evaluation of agricultural trade in the context of preferential agreements

Objective: Effect of preferential agreements on the agricultural trade balance

Accompanying the Agri-Food Export Sector

objectif: Contribution of the PMV to strengthening the integration of agricultural exports in the global market

## Indicators of the evaluation of agricultural trade policy measures

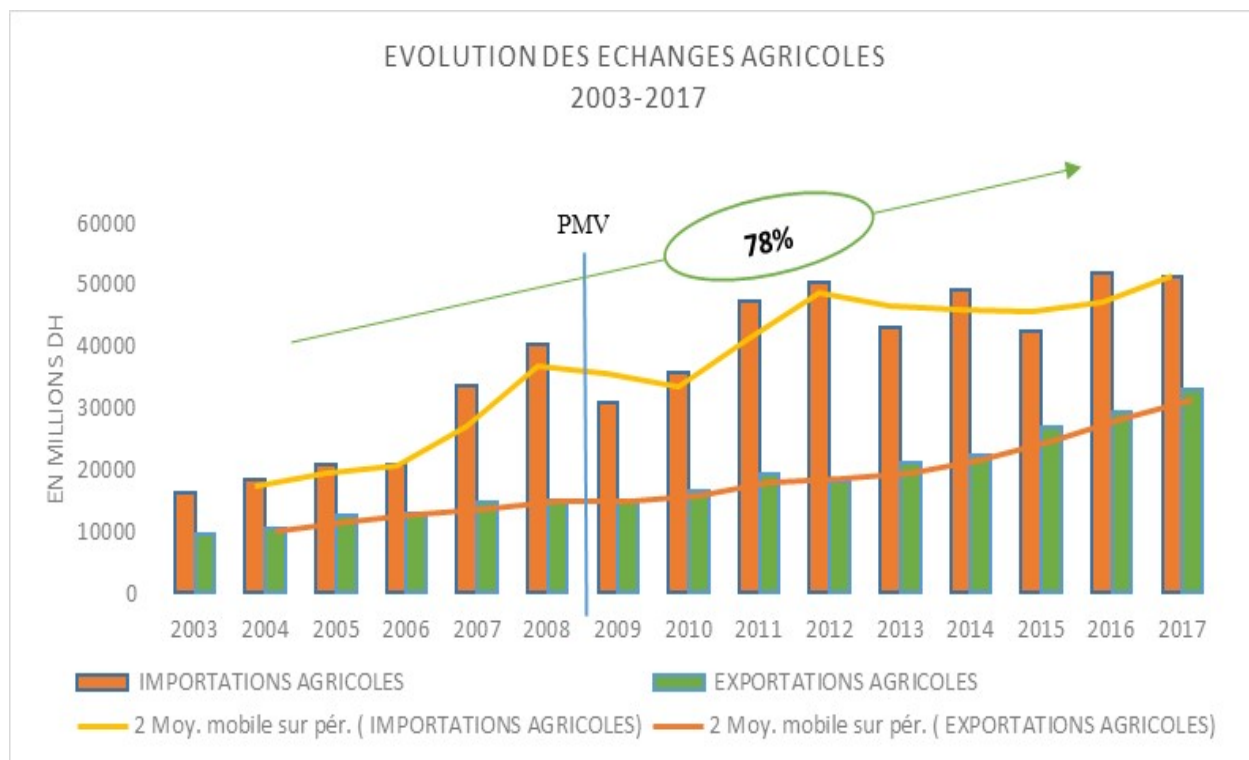
### Statistics

The database of the foreign exchange: the exchange office

Agricultural products according to the WTO definition : Agricultural product under HS 1 to 24 exception of fish product

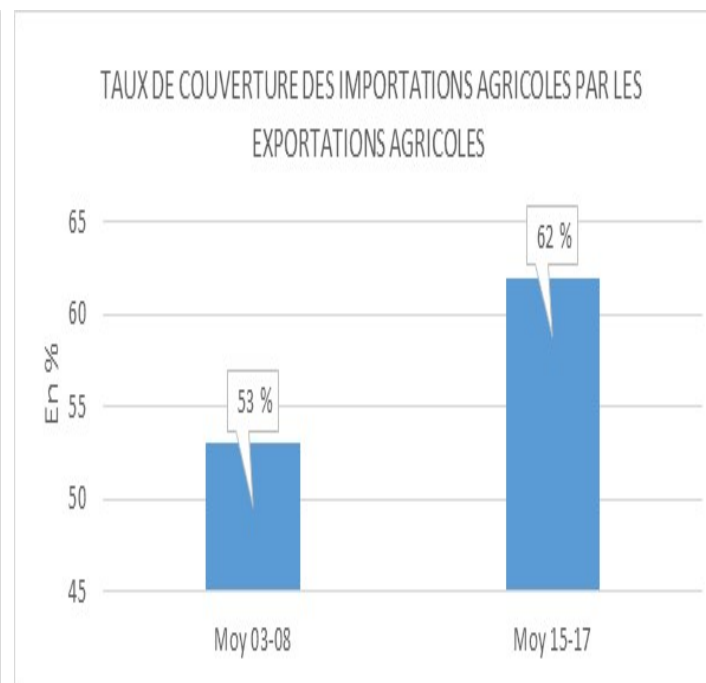
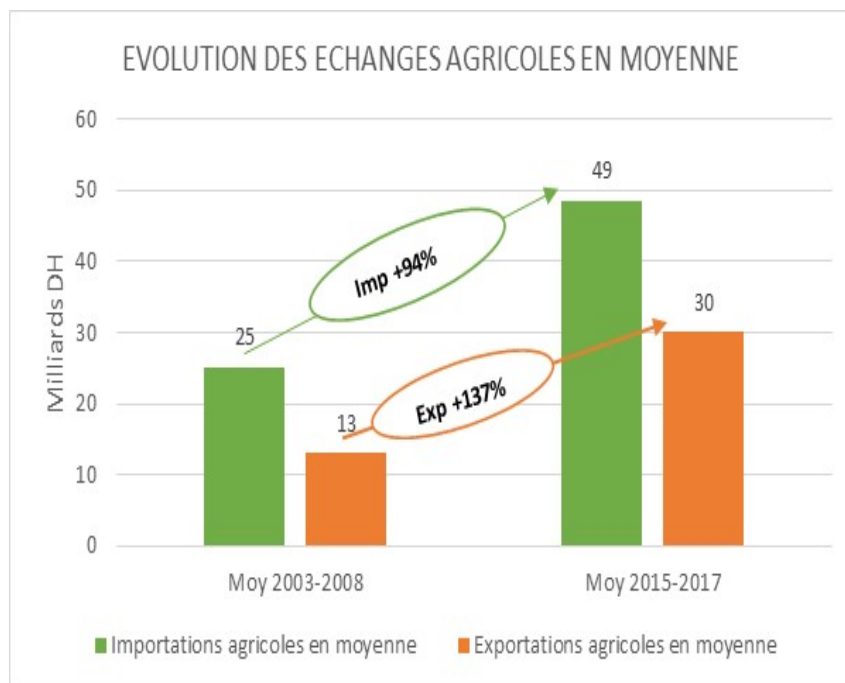


# Evolution of Agricultural Trade



- Increase in agricultural trade by 78% on average (38 billion DH in (2003-2008) to 67 billion DH in (2009-2017)).
- A structural deficit of the agricultural trade balance (13 billion dirhams (2003-2008) and 22 billion dirhams (2009-2017)).

# Evolution of agricultural trade



- Increase of 137% in agricultural exports from 13 billion dirhams to 30 billion dirhams between (2003-2008) and (2015-2017),
- Agricultural imports increased by 94%, from DH 25 billion (2003-2008) to DH 49 billion (2015-2017).
- Structural deficit of the trade balance 13 billion dirhams (2003-2008) and 19 billion dirhams (2015-2017).
- Improvement of import coverage rate by export 53% (2003-2008) to 62% in (2015-2017).

## Structure of agricultural trade

The dynamism experienced by the export sector of agricultural products in recent years has enabled Morocco to become one of the world's leading exporters.

Morocco ranks among the TOP 5 global exporters for the following products:

1st world exporter of capers;

1st world exporter of argan oil.

3rd world exporter of canned olives (after Spain and Greece);

4th largest exporter of citrus fruits (after Spain, Turkey and China);

4th world exporter of tomatoes (after Mexico, the Netherlands and Spain);

Compared to the Community market which constitutes the principal destination market, Morocco is positioned as:

1st Extra-EU supplier of tomatoes;

1st Extra-EU supplier of canned olive;

2nd Extra-EU supplier of olive oil (after Tunisia);

3rd largest supplier of citrus fruits (after South Africa and Argentina).

Compared to Citrus berries, Morocco is positioned as:

Canada's leading supplier of Citrus berries;

Russia's second largest supplier of citrus fruits (after Turkey);

3rd supplier of USA in citrus fruits (after Chile and Peru).

## Structure of agricultural trade

Despite the predominance of fruits and vegetables in agricultural exports (on average 60%), there is a diversification of exported products, including:

- Green beans: 88 thousand tons in (2003-2008) to 129 thousand tons in (2015-2017), an increase of about 47%,
- Pepper: from 33 thousand tons in (2003-2008) to 86 thousand tons in (2015-2017), an increase of about 160%,
- Strawberries: from 63 thousand tons to 74 thousand tons, an increase of about 18%.

For strategic export products, they recorded the following changes:

- Tomato: 20% to 30% / fruit and vegetables group and 12% to 18% / agricultural total exported respectively (2003-2008) and (2015-2017)
- Citrus fruits: 38% to 21% / fruit and vegetables group and 22% to 15%% / agricultural total exported respectively (2003-2008) and (2015-2017).

## Structure of agricultural trade

### Evolution of imports of main agricultural products

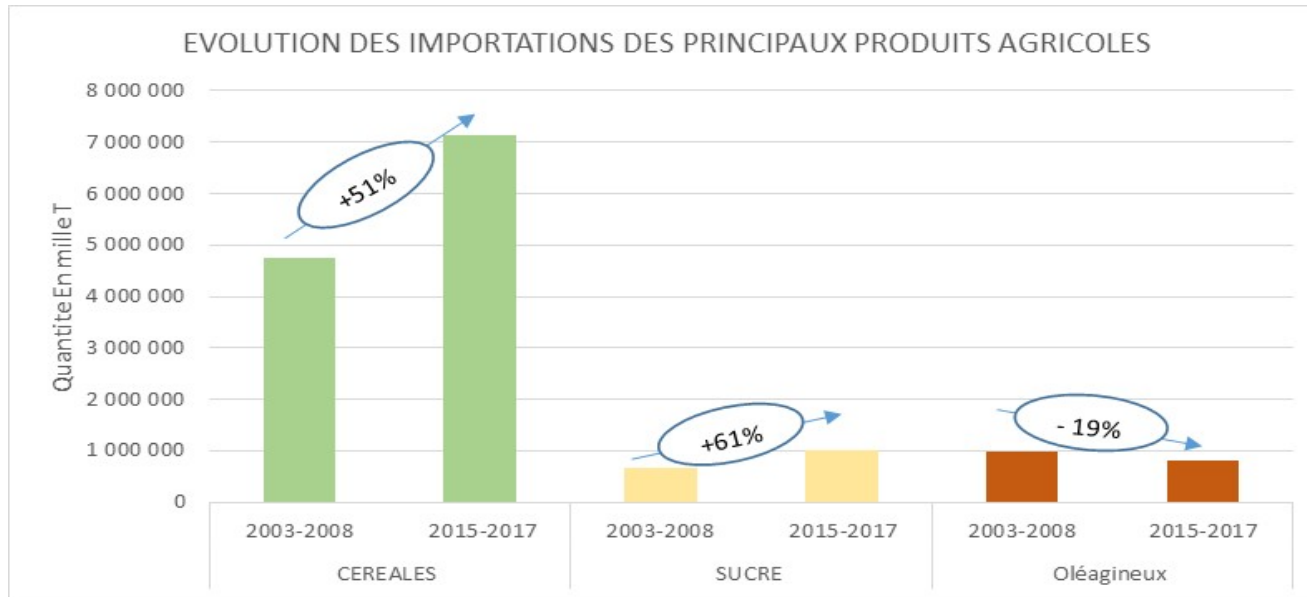
Imports of agricultural products consist mainly of the following agricultural products (over 70% on average of the total value of agricultural imports for the period (2009-2017):



- ☐ Cereals: 33%
- ☐ Oleaginous 14%,
- ☐ Animal feed 10%,
- ☐ The sugars 9%,
- ☐ Dairy products 5%.

# Structure of agricultural trade

## Evolution of imports of main agricultural products

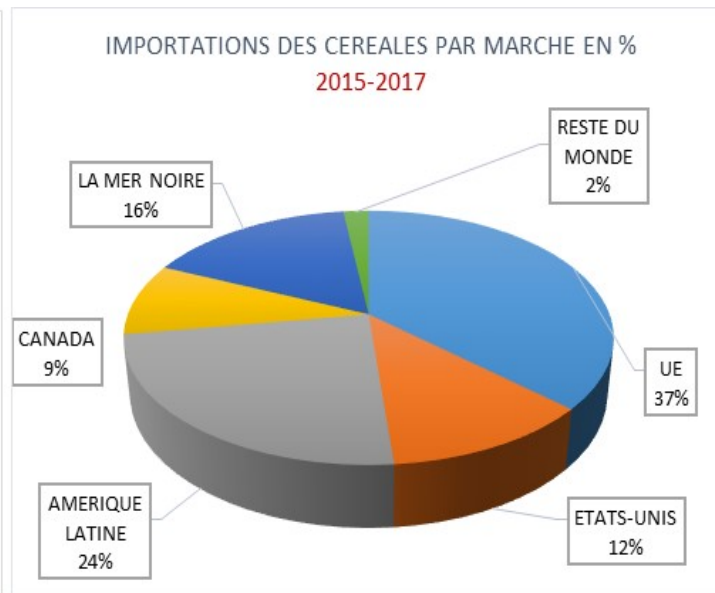
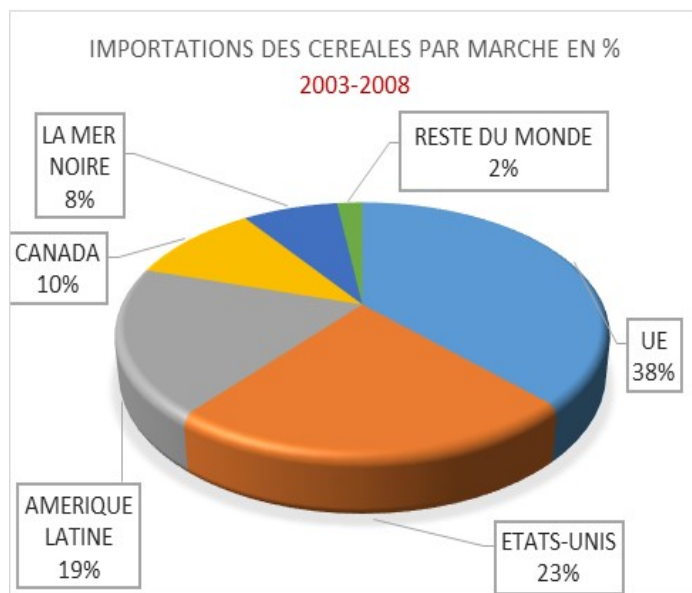


- ✓ Increase in cereal imports / increase in national demand
- ✓ Increase in sugar imports due to increased demand from agricultural industries

# Structure of agricultural trade

## Suppliers from Morocco

### ➤ Céréales



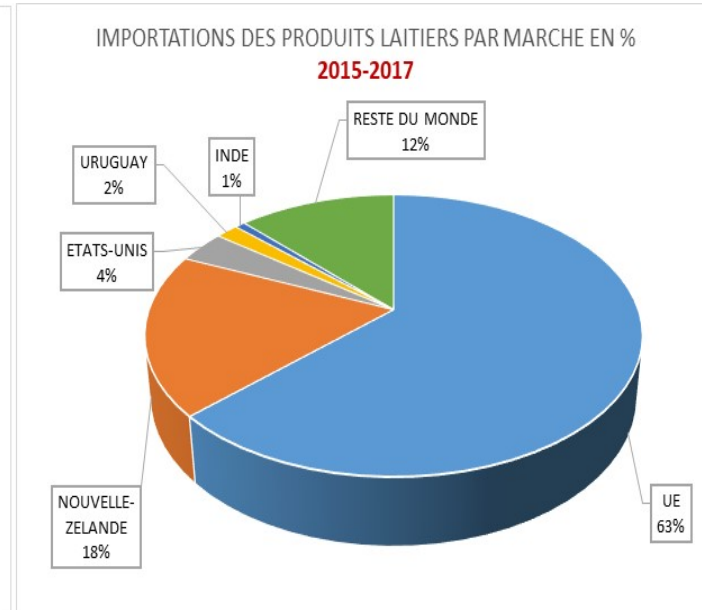
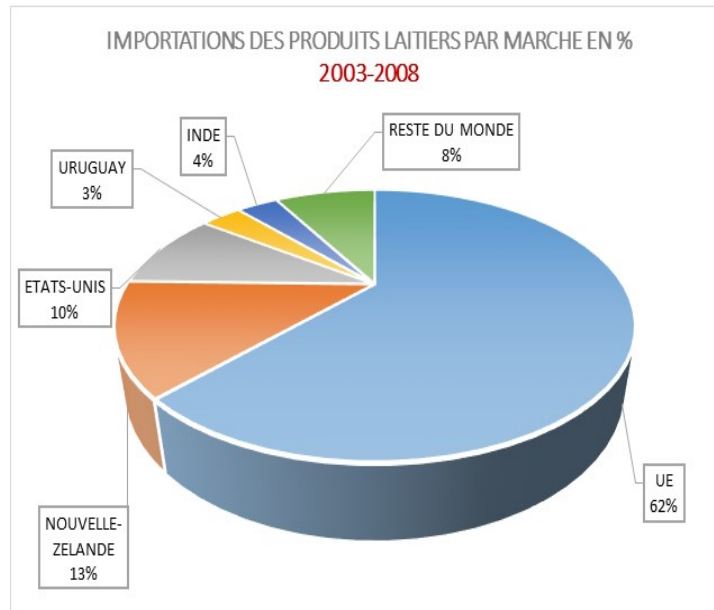
- ✓ EU has maintained its market share.
- ✓ The black sea is gaining ground in Morocco's supply of cereals relative to the US (US wheat remains quite expensive compared to black sea wheat).



# Structure of agricultural trade

## Suppliers from Morocco

### ➤ Dairy Products (Milk Powder, Whey, Butter, Inputs)

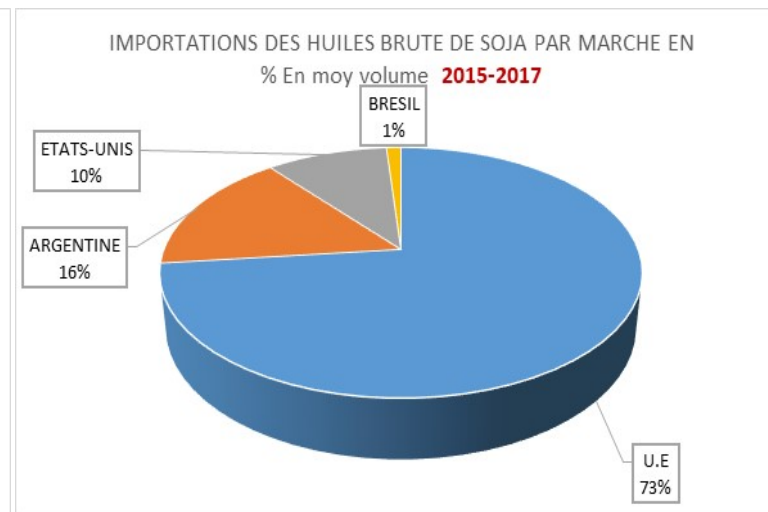
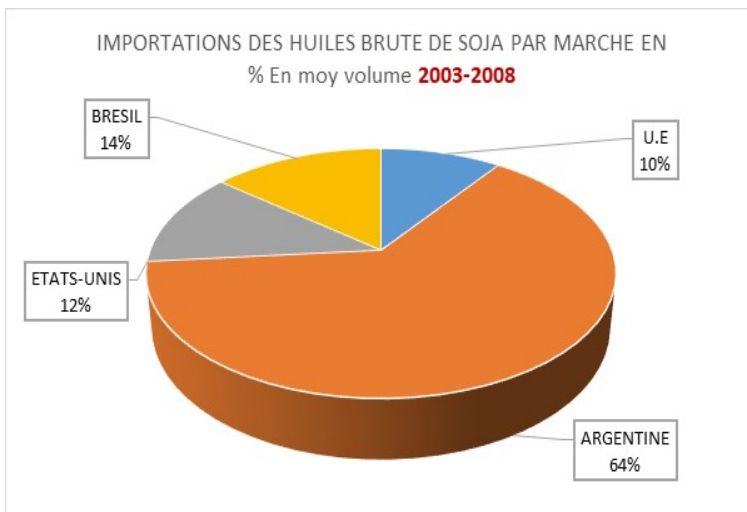


- ✓ EU has maintained its market share.
- ✓ USA lost their market share in Morocco in favor of New Zealand.

# Structure of agricultural trade

## Suppliers from Morocco

### ➤ Oilseeds (raw soybean oil)



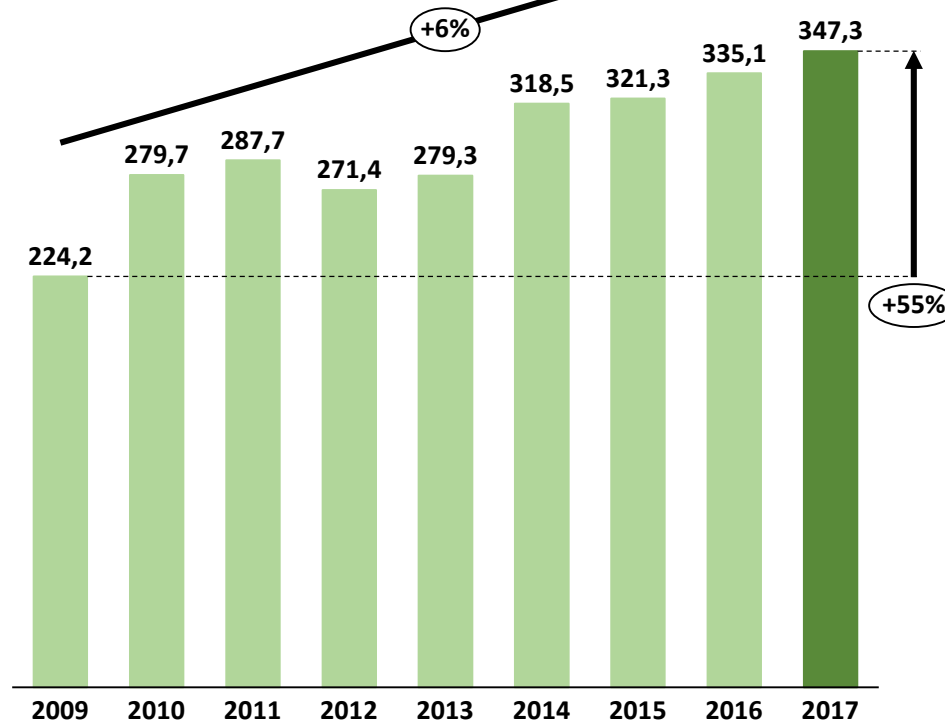
- ✓ The EU is currently the main supplier of Morocco.
- ✓ The EU has gained market share at the expense of Argentina.
- **Sugar: the main supplier of Morocco is Brazil (on average (98%))**  
le principal fournisseur du Maroc est le Brésil (en moyenne (98%))

# Value-added agricultural products

## Objective: effect of the PMV on the industrialization of agriculture

Evolution of exports of Processed Agricultural Products by volume  
En mille T (Entre 2009-2017)

Exports of Processed Agricultural Products reached a volume of about 347 thousand tons in 2017, a growth of 55% compared to 2009 (224 thousand tons).



## Taxation on the importation of agricultural products

Objective: Fiscal incentive to improve the competitiveness of agricultural products and the protection of the sector

A tariff reform of agricultural products was operationalized in 2013 to ensure adaptation to the objectives of the Green Moroccan plan. This reform consisted of:

- The reduction to the minimum rate 2.5% of all inputs entering animal feed, seeds and seedlings, inputs not manufactured locally for agribusiness.
- The application of the progressive principle of taxation (increasing taxation from the input to the semi-finished product and the finished product).
- The reduction in the number of tariffs offer more visibility to the operators;
- The reduction of the differential between the preferential right and the common tariff avoid the diversion of the trade in favor of uncompetitive origins;
- The rationalization of the tariff structure applied to agricultural products.
- The exclusion of basic products (sugar and wheat) given their sensitivity and their link with the system of compensation that is not yet overhauled.

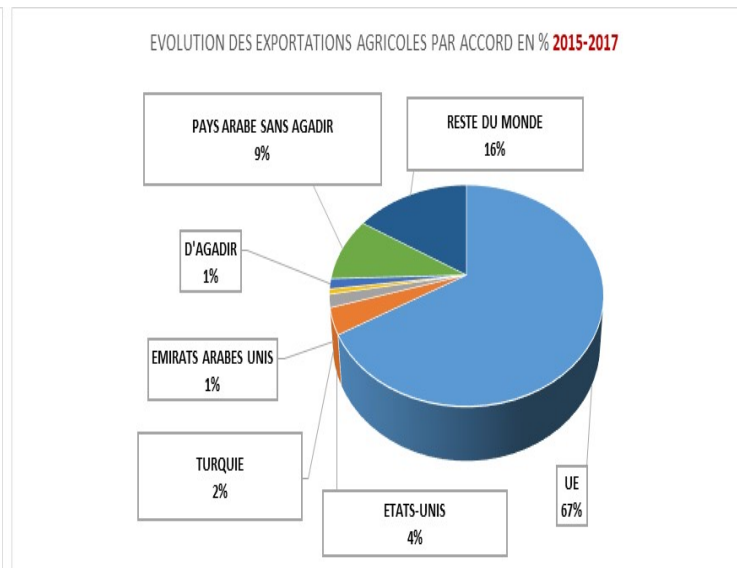
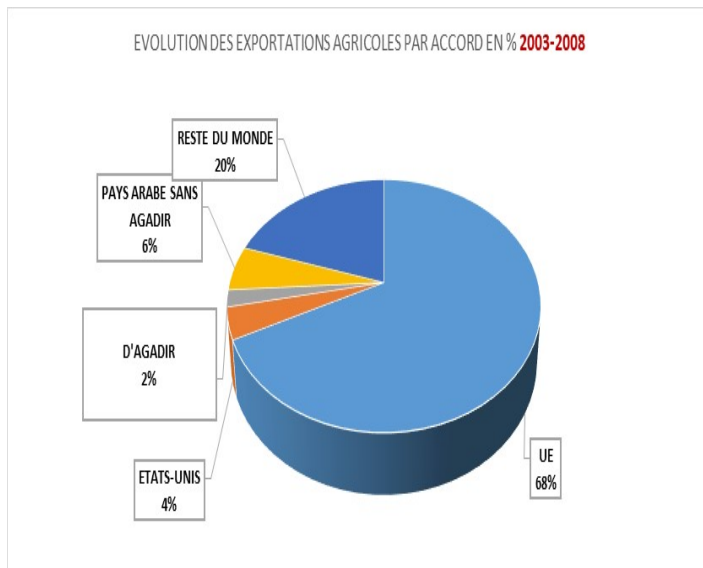


Improving the competitiveness of agricultural products while ensuring protection for this sector

# Evaluation of agricultural trade under preferential agreements

**Objective: Effect of preferential agreements on the agricultural trade balance**

**Over 80% of agricultural exports are under free trade agreements**

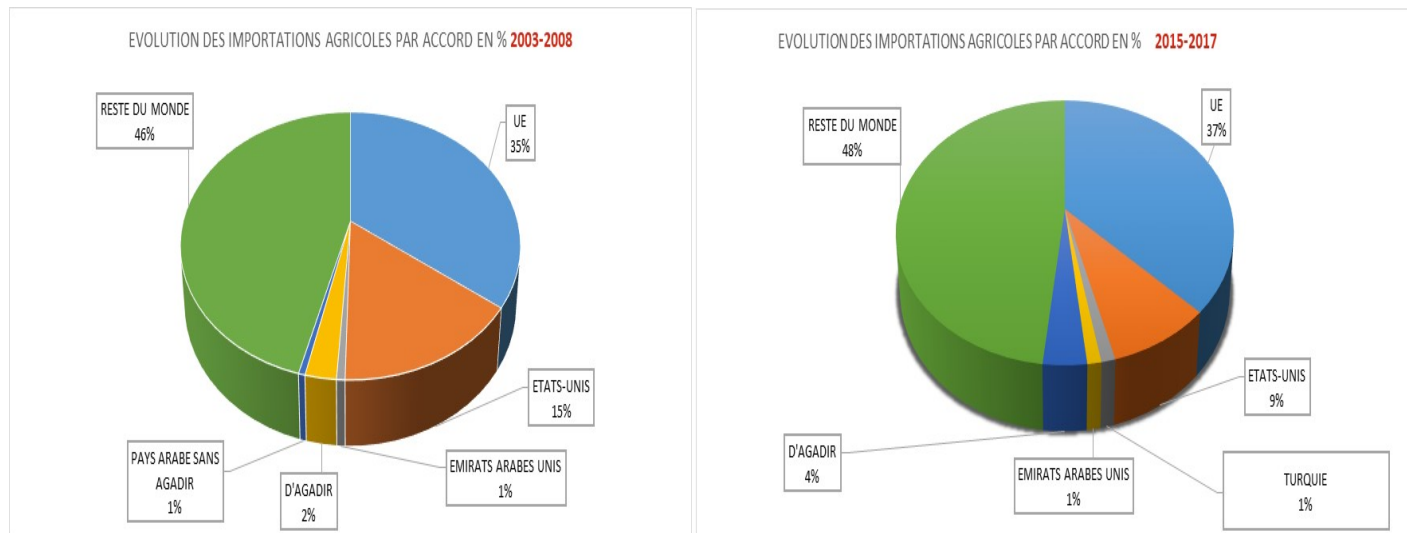


- ✓ Morocco maintained its market share in the EU under the preferential framework.
- ✓ Morocco's shares fell at the level of the countries of the Agadir agreement. And have been improved at the level of other Arab countries.
- ✓ Market shares with the US remained stable.

# Evaluation of agricultural trade in the context of preferential agreements

## Objective: Effect of preferential agreements on the agricultural trade balance

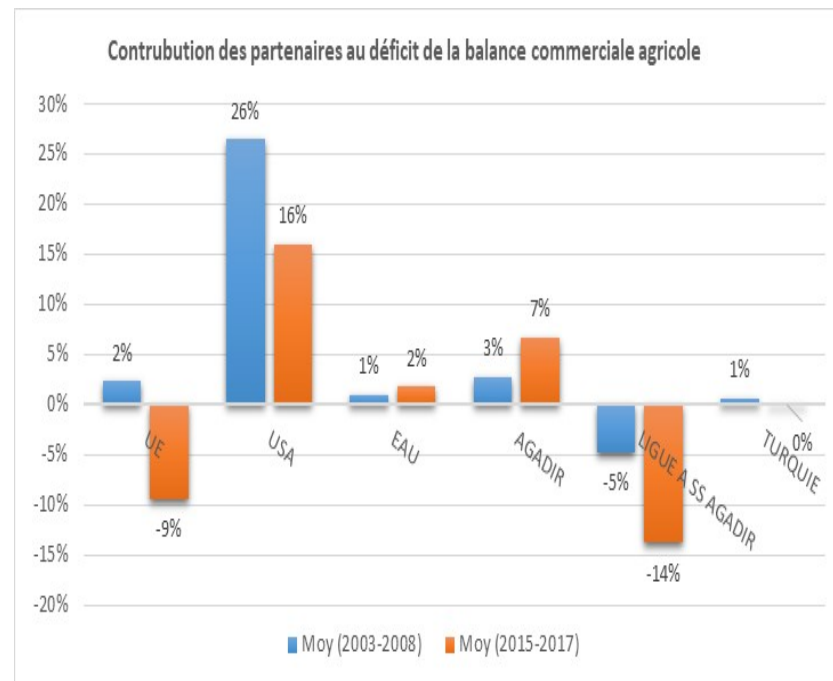
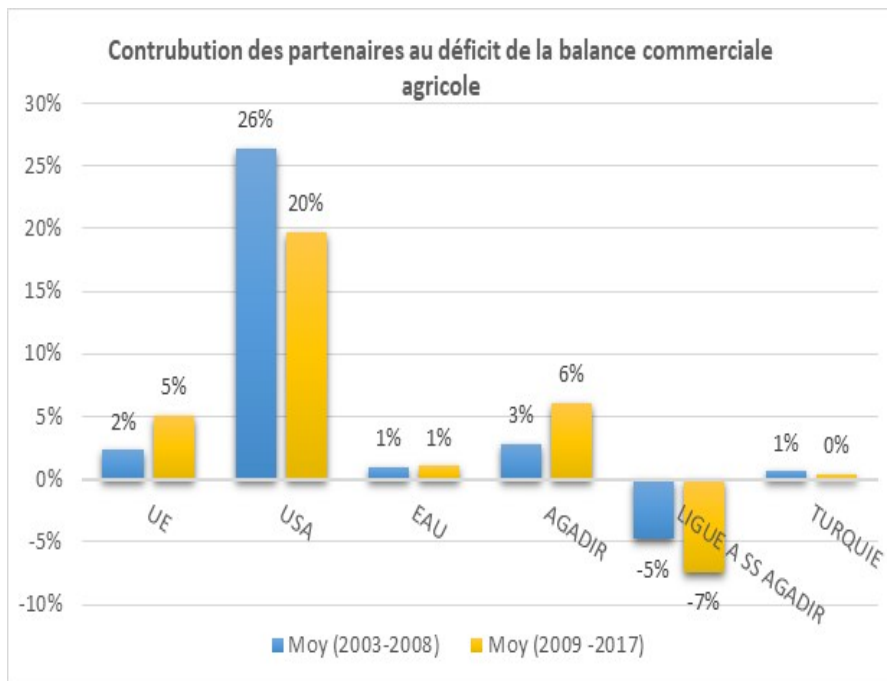
More than 52% of agricultural imports are under free trade agreements



- ✓ The EU has maintained its market share in Morocco under the preferential framework.
- ✓ US shares fell from 15% (2003-2008) to 9% (2015-2017).
- ✓ The market shares of the Agadir Accord countries increased from 4% to 6%.

# Evaluation of agricultural trade in the context of preferential agreements

**Objective: Effect of preferential agreements on the agricultural trade balance**



**The deficit in the agricultural trade balance is mainly dependent on trade with the USA (> 20%)**



# Promotion of exports

- Moroccan agricultural strategy encourages the promotion of exports, through the diversification of products and markets, as well as the improvement of the exportable supply, through the guarantee of quality and marketing standards.
- Indeed, this recommendation encourages intra-OIC trade for animal products, which are, in fact, niche products for several countries within the OIC.
- In this regard, Morocco has undertaken as part of the agricultural strategy (Green Morocco Plan) a reorganization of its control and food safety system. It has established ONSSA, which carries out on behalf of the State the powers relating to the protection of consumer health and the preservation of the health of the animal and vegetable products.
- ONSSA's role is to support the strategic orientations outlined by the PMV in order to support the transformation of the agro-food system and to ensure food safety in order to make them more competitive both on the national and international markets .
- Many sanitary and phytosanitary changes have been put in place to ensure that a commodity, animal or animal feed imported for placing it on the national market is safe for human or animal health.
- Morocco is at an advanced stage for the implementation of this certification. in Morocco, the SMIC standard is adopted, the implementing regulations are being drafted. "IMANOR" Moroccan Institute of Standardization, is the official institution which will be able to delivery of the Halal certificate



**Thank you**  
**For your attention**