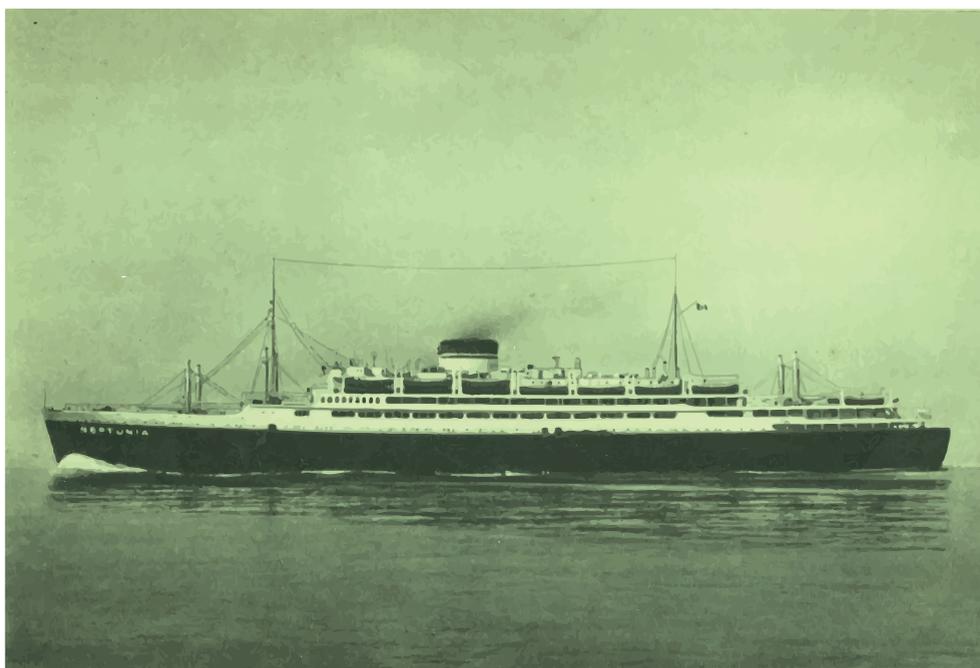


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MOROCCAN-BRAZILIAN BILATERAL COOPERATION: ACHIEVEMENTS AND PROSPECTS

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ABSTRACT: Nowadays south-south cooperation has become increasingly important as a framework that shape international cooperation. The search for beneficial economic relations has encouraged many developing and emerging countries to embark into a preferential set of relations through their economic actors. The aim is to boost trade and enhance investment through joint ventures operations in key economic activities deemed crucial to accelerate growth and create new jobs opportunities.

Moroccan-Brazilian relations represent to some extent an example of this type of cooperation. Both countries enjoy high growth potential and hold prominent positions within their respective regions.

In spite of increased trade between Morocco and Brazil, their relations have not reached yet its potential. Brazil's tremendous natural resources and the size of its market make it a potential trading and investment partner for Morocco. Whether in primary production (agriculture, energy), or in industrial production, Brazil holds significant competitive advantages. Therefore, Brazil could serve as a source of imports at competitive prices, while offering Morocco a platform to enhance its exports. Brazil's regional position could serve Morocco as a gate to the wide market of Latin America, particularly the Mercosur member countries.

KEY WORDS: South-South cooperation, Morocco, Brazil, international trade, investment, emerging economies, joint ventures.

LA COOPÉRATION BILATÉRALE MAROCO-BRESILIENNE: BILAN ET PERSPECTIVES

RÉSUMÉ : Aujourd'hui, la coopération Sud-Sud est devenue de plus en plus importante en tant que cadre qui structure la coopération internationale. La recherche de relations économiques bénéfiques a encouragé de nombreux pays en développement et les pays émergents à se lancer dans un cadre relationnel préférentiel à travers leurs acteurs économiques. L'objectif est de stimuler le commerce et accroître l'investissement à travers des opérations de joint-ventures dans des activités économiques clés à même d'accélérer la croissance et de créer de nouveaux emplois.

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Les relations maroco-brésiliennes représentent, dans une certaine mesure, un exemple de ce type de coopération. Les deux pays jouissent d'un fort potentiel de croissance et affichent un positionnement de premier plan au sein de leurs régions respectives.

En dépit de l'accroissement des échanges entre le Maroc et le Brésil, leurs relations n'ont pas encore atteint leur potentiel. D'énormes ressources naturelles du Brésil ainsi que la taille de son marché en font un partenaire commercial et investisseur potentiel pour le Maroc. Que ce soit dans le secteur primaire (agriculture, énergie) ou dans le secteur industriel, le Brésil détient des avantages concurrentiels importants. Par conséquent, ce pays pourrait constituer une source d'importations à des prix compétitifs, tout en offrant au Maroc une plate-forme pour améliorer ses exportations. Jouissant d'une position régionale, le Brésil pourrait servir le Maroc comme une porte d'entrée vers l'Amérique latine, en particulier les pays membres du Mercosur.

MOTS CLES: coopération Sud-Sud, Maroc, Brésil, commerce international, investissement, économies émergentes, joint-venture.

COOPERACIÓN BILATERAL MARROQUÍ-BRASILEÑA: BALANCE Y PERSPECTIVAS

RESUMEN: Hoy en día, la cooperación Sur-Sur se ha adquirido una importancia, cada vez mayor, como marco para estructurar la cooperación internacional. La búsqueda de relaciones económicas beneficiosas ha animado a muchos países en desarrollo y emergentes a participar en marco relacional preferencial a través de sus actores económicos. El objetivo es impulsar el comercio y aumentar la inversión a través de las operaciones de empresas conjuntas en actividades económicas claves capaces de acelerar el crecimiento y crear nuevos puestos de trabajo.

Las relaciones entre Marruecos y Brasil son, en cierta medida, un ejemplo de tal cooperación. Ambos países tienen un fuerte potencial de crecimiento y tienen una posición de liderazgo en sus respectivas regiones.

A pesar del incremento en el comercio entre Marruecos y Brasil, sus relaciones aún no han alcanzado su potencial. Recursos naturales enormes de Brasil y el tamaño de su mercado lo convierten en un potencial inversor y socio comercial de Marruecos. Ya sea en el sector primario (agricultura, energía) o en el sector industrial, Brasil cuenta con importantes ventajas competitivas. Por lo tanto, este país podría ser una fuente de importaciones a precios competitivos al tiempo que proporciona en Marruecos una plataforma para mejorar sus exportaciones. Teniendo una posición regional, Brasil podría ofrecer a Marruecos una puerta de entrada a América Latina, en especial los países miembros del Mercosur.

PALABRAS CLAVES: cooperación Sur-Sur, Marruecos, Brasil, comercio internacional, inversión, economías emergentes, *joint-venture*.

I. HISTORICAL NOTE

Moroccan-Brazilian relations find their roots in their common history and the cultural heritage of Portugal, which is decisive in the case of Brazil, and surely

significant in Morocco. Several villages and trading posts along Morocco's coastline served as staging points for African trade with North and South America, as late as the eighteenth century. From these localities and their vicinities, Portuguese explorers and Jewish Moroccans left for Brazil where some of them settled in the Amazonian region and established an important cultural legacy in Belém and Manaus.

Indeed, little is known in Brazil and the Arab world of the historical connection between Morocco and Brazil. The Moroccan city of Mazaghan, its original Berber name, was Portuguese colony until 1769 when it was taken over from Portugal after 250 years of occupation and renamed El Jadida, or the New City, its current Arab name.² Its population, including Portuguese and Moroccan Jews in particular, were expelled to Brazil and settled in Amapá, Amazonia where they established a settlement by the name of Nova Mazagão, in Amapá. Therefore, the early presence of a Jewish Moroccan community in Brazil forged a cultural link with Morocco that is part of Brazil's unique Lusitano culture.

It is worth noting that in the nineteenth century the first book ever published in Morocco was written in the language of two Brazilian literary figures, Camões and Machado de Assis.³

Morocco was the first African country to recognize Brazil's independence from Portugal in 1822. Indeed, Morocco was the first African country with which Brazil has established diplomatic relations. In 1884, Brazil opened a consulate in Tangier, then an international centre of commerce.⁴ In 1906, Brazil's Plenipotentiary Minister in Lisbon presented his credentials to Sultan Moulay Abdelaziz of Morocco. Full diplomatic relations were established when Brazil appointed an ambassador in Rabat in 1962. Five years later, in 1967, Morocco opened an embassy in Rio de Janeiro, Brazil's former capital.⁵

² The city was taken over from Portugal during the reign of Sultan Mohammed ben Abdallah al-Khatib who was Sultan of Morocco from 1757 to 1790 under the Alaouite dynasty.

³ "Ambassador highlights strength of Brazil-Morocco dialogue," *Brazil-Arab News Agency (ANBA)*, September 18, 2013. <<http://www2.anba.com.br>>.

⁴ Workshop report on "Le Maroc et le Brésil, » March » 25, 2011, <<http://iehl.um5a.ac.ma>>.

⁵ Statement made by Farida Jaidi, former Ambassador of Morocco to Brazil, "Les enjeux stratégiques des relations Maroc-Brésil," at a conference held by the *Royal Institute for Strategic Studies*, Rabat, July 11, 2011.

II. CURRENT STATE OF MOROCCAN-BRAZILIAN RELATIONS

Today, Moroccan-Brazilian relations fall within the broad concept of south-south cooperation, which has become increasingly important in international trade and investment. The search for beneficial economic relations has encouraged many southern countries to promote new framework of cooperation between their economic actors in order to boost their bilateral trade and support joint ventures in economic activities to accelerate growth and create new jobs opportunities.

While this feature is clearly observed through the regional integration process within countries in the same geographical region, we are experiencing the rise of new forms of south-south cooperation between countries belonging to different regions. This type of cooperation involves not only bilateral relations, but also opens possibilities for triangular relationships by extending the scope of cooperation to third countries.

Moroccan-Brazilian relations represent an example of this type of cooperation. Both countries enjoy high growth potential and hold prominent positions within their respective regions. This should permit both countries to establish strong economic ties. However, in spite of this potential, and the encouraging steps undertaken by Morocco and Brazil to prop up their trade and investment relations, the state of their cooperation remains below their expectations. Many constraints persist, which impede the two countries from realizing taking advantage fully of the various opportunities available to them. Therefore, this chapter will shed some light on the dynamics of cooperation between Morocco and Brazil. It will analyse critically the strengths and weaknesses of their relations. Finally, it will explore some options for enhancing their bilateral relations and on the regional level.

The two countries signed in 1999 a Memorandum of Understanding on political consultations between their respective Ministries of Foreign Affairs. These relations received a boost following the visit of His Majesty King Mohammed VI to Brazil in 2004, as part of a tour in Latin America.⁶

On the occasion of the first session of the Moroccan-Brazilian Joint Commission held on June 24-25, 2008, the two Ministries of Foreign Affairs highlighted the new dynamic in the two countries, which has helped to expand their bilateral cooperation in various areas and to capitalize on their promising partnership, particularly at the

⁶ Foreign policy in South America, Ministry of Foreign Affairs and Cooperation, Kingdom of Morocco, <www.diplomatie.ma>.

economic and scientific levels. During last few years, official visits were undertaken to reinforce these bilateral relations.⁷

Cooperation between Morocco and Brazil covers several political, economic, social, cultural, scientific and technical agreements, which include the following in particular: Air Transport Agreement of 1975; Trade Agreement of February 1983; Agreement on Scientific, Technical and Technological Cooperation of 1984; Cultural Agreement of 1984; Addendum to the Agreement on Scientific and Technical Cooperation Agreement of June 1994 between OFPPT and Brazilian SENAI on Vocational Training; Agreement on Cooperation in the Field of Tourism, of November 2004; Framework Agreement for Trade, of November 2004 between Morocco and the MERCOSUR member countries, which includes Brazil.⁸

The most recent agreements were signed during the first session of the Joint Commission, held in Rabat on June 24-25, 2008, which included: Veterinary and Health Agreement; Memorandum of Cooperation in the field of Environment and Management of Water Resources; and several amendments to the Agreement on Scientific, Technical, and Technological Cooperation.⁹

As for decentralized cooperation, a Cooperation Framework Agreement was

⁷ Official visits included, in particular: visit to Morocco on February 8-9, 2012 by a delegation comprising senior officers of the Brazilian Army led by Mr Celso Amorim, Brazil's Minister of Defence; visit to Brasília on November 26-29, 2012 by a Moroccan delegation from the House of Representatives; visit to Morocco on January 21, 2011 by Senator Suplicy from the Workers' Party to participate in the Forum of Deposit Offices organized by the Deposit and Management Office (CDG) in Marrakech; visit to Morocco on May 24, 2011 by Senator Cristovam Buarque from the Workers' Party to participate in a conference on education held at Mohammed V University in Rabat; visit to Morocco on September 5, 2011 by Mr Antonia Patriota, Brazil's Minister of Foreign Affairs during which he stated that Morocco and Brazil are "multicultural democracies" sharing common values.

⁸ Foreign policy in South America, Ministry of Foreign Affairs and Cooperation, Kingdom of Morocco, <www.diplomatie.ma>.

⁹ Addendum to the Agreement on Scientific, Technical and Technological Cooperation on the implementation of the Project "Support for the Establishment of a Pilot School in Civil Construction Jobs"; Addendum to the Agreement on Scientific, Technical and Technological Cooperation on the implementation of the Project "Support for the Office of Vocational Training and Working towards the Establishment of Seven Training Institutions for the Disabled"; Addendum to the Agreement on Scientific, Technical and Technological Cooperation on the Implementation of the Project "Partnership in the Field of Textile Clothing between ESITH/ Casablanca and the Technology Centre of Chemical Industry and Textile-CETIQT/RIO; Addendum to the Agreement on Scientific, Technical and Technological Cooperation on the Implementation of the Project "Capacity Building for Trainers in the Field of Civil Construction"; Addendum to the Agreement on Scientific, Technical and Technological Cooperation on the Implementation of the Project "Training for Trainers in the Field of Computer Literacy for the Blind and Visually Impaired"; Addendum to the Agreement on Scientific, Technical and Technological Cooperation on the Implementation of the Project "Support of Urban Development of Morocco."

signed on November 15, 2008 in Marrakech between the Council of Marrakech and Brazilian city Florianopolis. This agreement covers several areas of cooperation, such as health, environmental protection and wastewater treatment. At the cultural and technical levels, several groups of Brazilian artists participated in various festivals and cultural events in Morocco. Similarly, Morocco participated in several cultural and artistic events in Brazil.

III. MOROCCAN-BRAZILIAN TRADE

In 2012, Brazil became the 4th export market for Morocco, and its 7th supplier.¹⁰ Its weight in total Moroccan exports has grown steadily, especially since 2007. The share of Brazil in total Moroccan exports has increased during the period 2002-2013 from 2 per cent to 7 per cent, respectively. This reflects the rapid growth of Morocco's exports to Brazil, which has emerged as an important trade destination. On the other hand, the weight of Brazil in total Moroccan imports remains stable at around 2 per cent during the same period. The slow development of imports can be explained partially by the low level of involvement of Brazilian firms targeting the Moroccan market, or as a conduit to regional markets. It is worth noting that Morocco views the Brazilian market not only for its own potential, but also as an entry point to the wider South American markets. This aspect constitutes a strong argument regarding the prospect of improving further cooperation between the two countries.

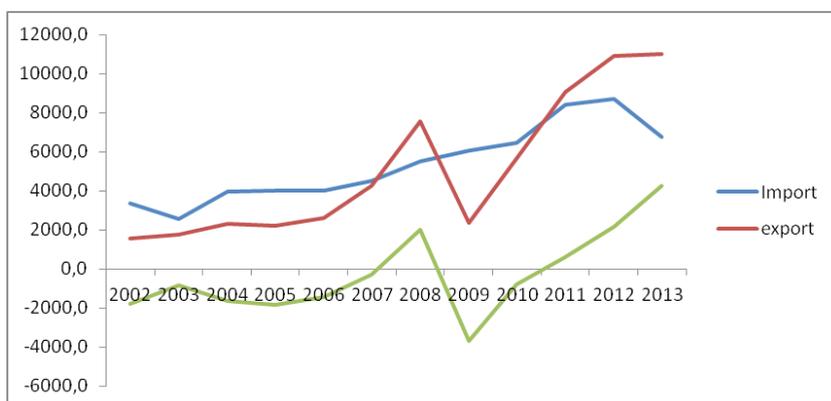
As shown in Figure 3 below, except for 2009, and to a lesser extent in 2010 - due to the financial and economic crisis that has affected both economies - Morocco's balance of trade with Brazil has improved steadily from the previous period (2002-2007) when Morocco ran a trade deficit.

Following their exceptional rise in 2008, Morocco's exports to Brazil have increased steadily since 2011 at a level that has allowed Morocco to have trade surpluses. The year 2013 was exceptional, with a trade ratio of 163 per cent, exceeding largely the level attained in 2008. The weight of phosphates and its derivatives exports explains this trend.

Looking at the main products imported by Morocco from Brazil from 2002 to 2012, more than three quarters are dominated by food. More than half of these

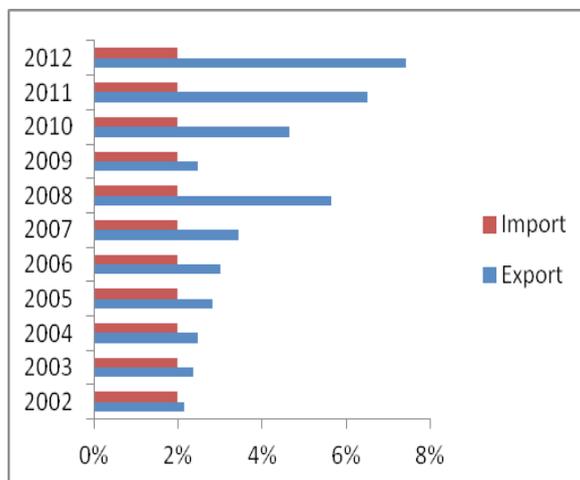
¹⁰ Data collected from Chelem database, Brazil was the 5th largest customer of Morocco and its 10th supplier of goods country in 2010.

FIGURE 1
SHARE OF BRAZIL IN MOROCCO'S EXTERNAL TRADE
(IN MILLION OF MAD)



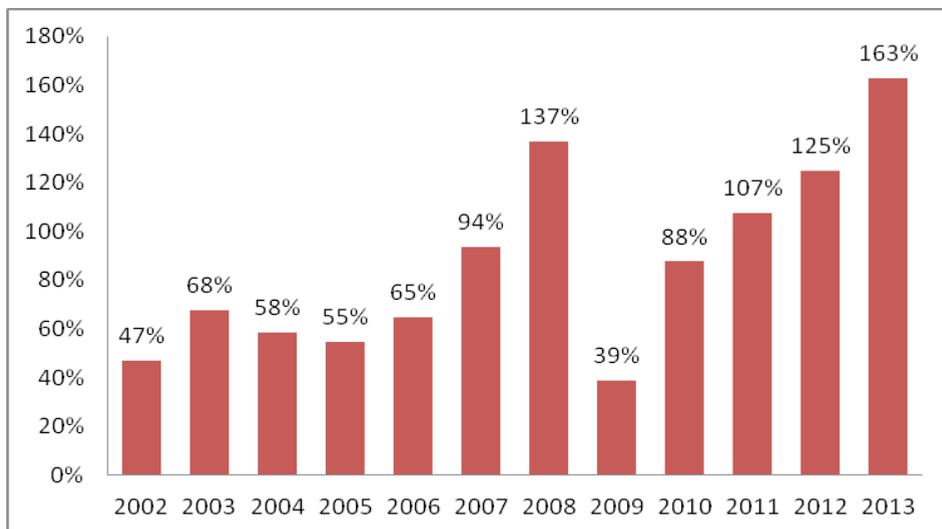
Source: Office des changes, author's calculation

FIGURE 2
SHARE OF BRAZIL IN MOROCCO'S EXTERNAL TRADE
(IN MILLION OF MAD)



Source: Chelem, author's calculation

FIGURE 3
COVERAGE RATIO OF IMPORTS BY EXPORTS WITH BRAZIL (%)



Source: Office des changes, author's calculation

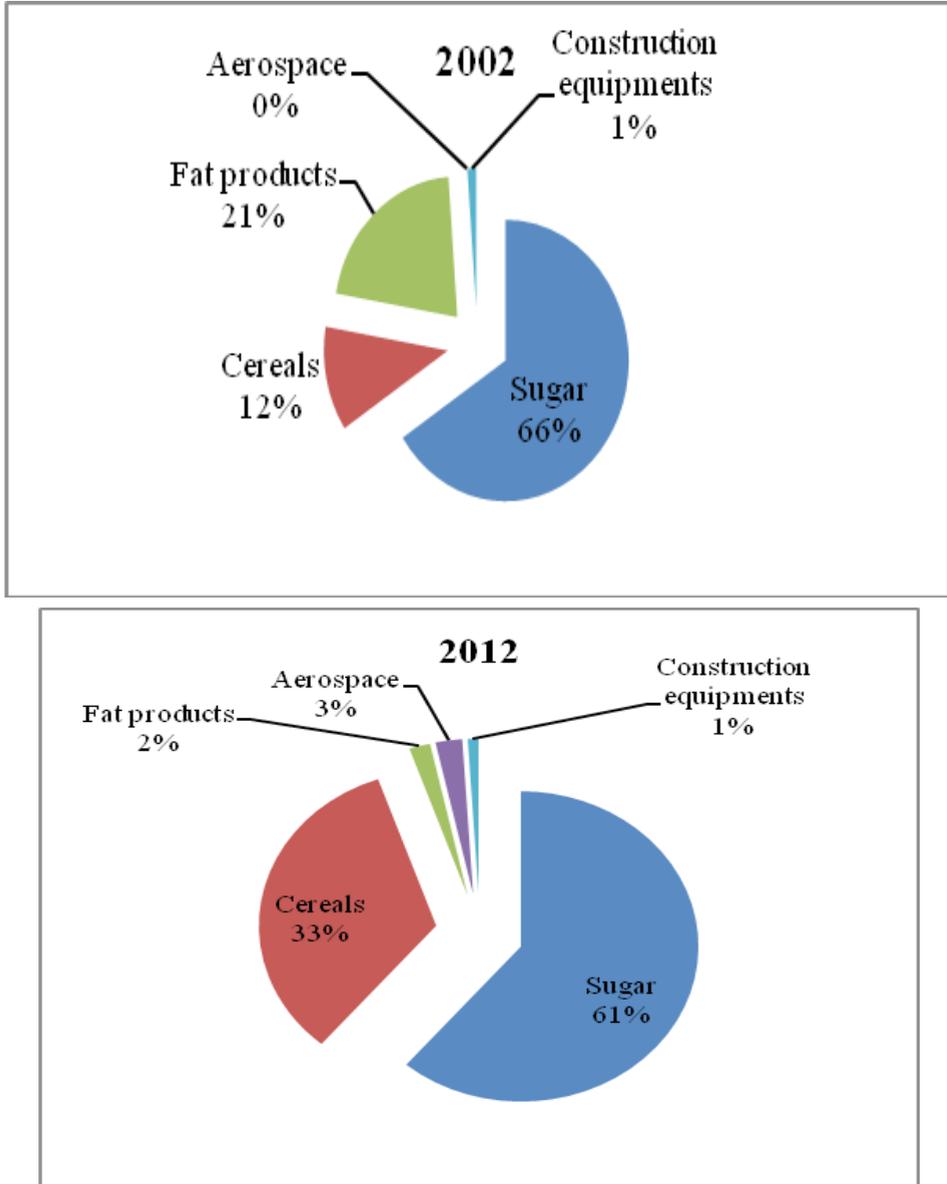
products consist of sugar. Cereals come in a second position, which have been increasing since 2008 to reach 33 per cent. Fat products have decreased from 21 per cent in 2002 to only 2 per cent in 2012. Morocco acquired Brazilian planes for the first time in 2010.

With regard to Morocco' exports, they are dominated by phosphates and derivatives. In 2012, these products accounted for 63 per cent of Moroccan exports to Brazil. Fishery products, mainly sardines, occupy the fourth place with about 2 per cent of total exports.

Morocco's Office Chérifien de Phosphates (OCP) is a leading provider of phosphate products to Brazil through Bunge Fertilizers of Brazil, which is the largest importer and distributor of fertilizers in South America. Brazil is the first customer of Morocco for natural and chemical fertilizers (3.2 billion dirhams in 2010), the second for phosphoric acid (542 million dirhams), and the 7th for raw phosphates (434 million dirhams).

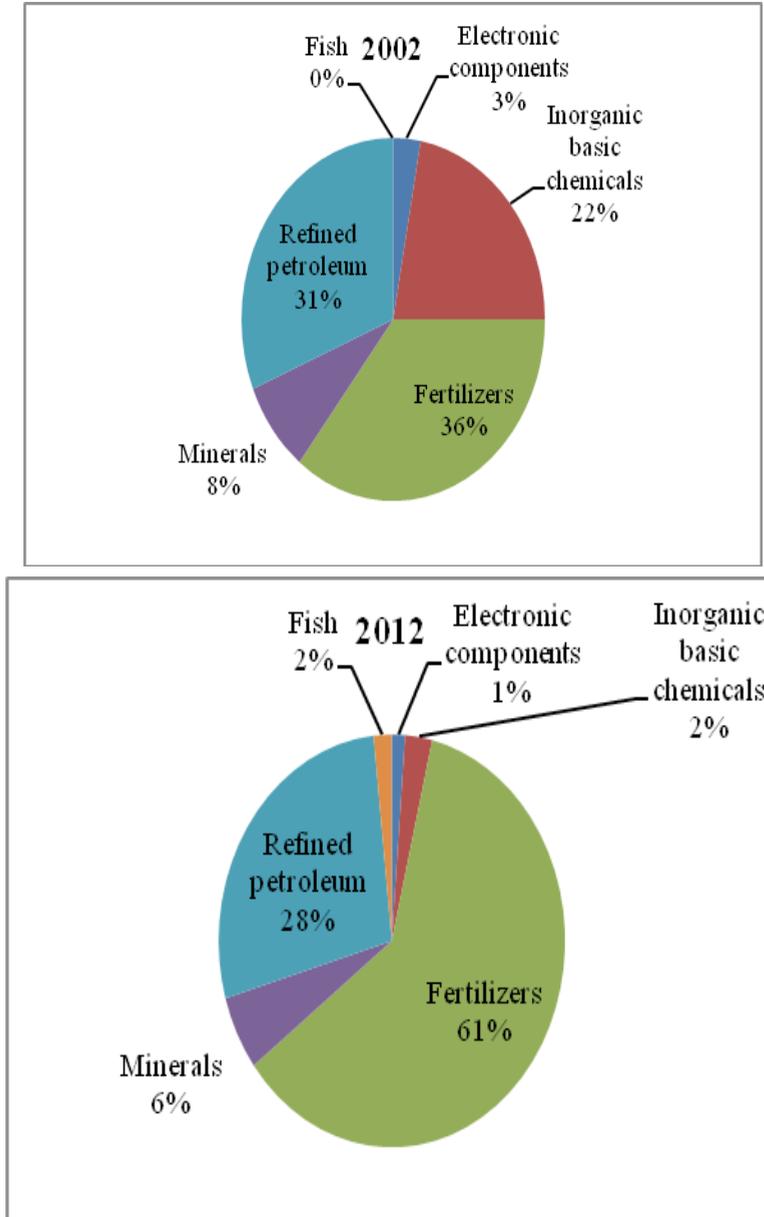
Morocco exported to Brazil the equivalent to US\$521 million in the first half of 2014, down 21.5 per cent in relation to the first half of 2013. The main items

FIGURE 4
MOROCCAN IMPORT FROM BRAZIL (2002-2012)



Source: Cbelem Database, author's calculation

FIGURE 5
MOROCCAN EXPORT TO BRAZIL (2002-2012)



Source: Cbelem Database, author's calculation

commercialized were fertilizers, naphtha, sardines and electric material. On the other hand, Brazilian exports to Morocco amounted to US\$221 million, a decline of 29 per cent in relation to the first half of 2013. The main products were sugar, corn and soy.¹¹

IV. BRAZILIAN DIRECT INVESTMENT IN MOROCCO

In contrast with its important position in Morocco's external trade, Brazil figures among the countries with limited and irregular investments flows to Morocco. Brazilian investments in Morocco stood at a very low level. In spite of the fact of Brazil's substantial investments abroad, no investment was undertaken in Morocco by Brazilian firms between 2001 and 2006. In 2010, Brazil invested only 1.9 million dirhams, ranking the 50th investor in Morocco. Thus, of the \$11.5 billion that Brazil invested abroad in this year, Morocco received only \$0.2 million.

The largest Brazilian investment in Morocco was recorded in 2008 in the amount of 504.4 million dirhams, representing 1.8% of the total FDI received by Morocco during that year. This investment was part of the joint venture "Jorf Lasfar Partnership" between OCP and Bunge Fertilizers of Brazil for the production of fertilizers.¹²

In 2012, Brazilian investment in Morocco totalled 4 million dirhams, representing just 0.01 per cent of total FDI received by Morocco. The recent withdrawal of Bunge Fertilizers from its joint venture with OCP cast a shadow on the future collaboration of both countries in fertilizers production.

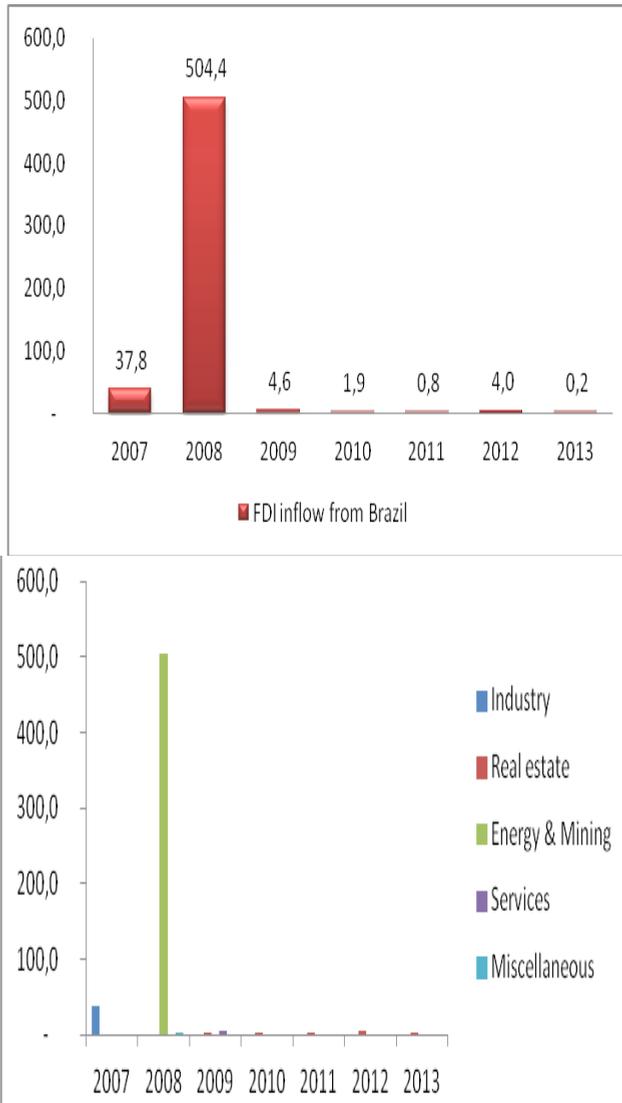
The low level of Brazilian investments in Morocco contrasts with the dynamics of Morocco as an attractive FDI destination, both from developed and emerging countries. Considering the high improvement of Morocco's business environment, one of the explanations that could be offered is that the Brazilian firms seem less informed about the various business opportunities in the Moroccan Market. This corresponds with the limited impact of economic promotion structures in both countries on direct Brazilian investment flows toward Morocco.

Of course, the fierce competition within the Moroccan Market, especially from

¹¹ "Moroccan exports of phosphates down 12%," Brazil-Arab News Agency (ANBA), July 18, 2014. <<http://www2.anba.com.br>>.

¹² This joint venture includes a production of sulphuric acid (1,125,000 ton/year); production capacity of 375,000 ton/year of the phosphate-acid plant; and a fertilizer production plant with a capacity of 300,000 ton/year.

FIGURE 6
FOREIGN DIRECT INVESTMENT FROM BRAZIN IN MOROCCO
(IN MILLIONS MAD)
(2007-2013)



Source: Office des Changes, author's

European firms, which holds strong positions in many economic activities, could be considered as a constraining factor for Brazilian firms to embark on investment projects in Morocco. This type of situation can be resolved, however, through specific incentives, given the political will of the two countries to develop further bilateral cooperation.

V. MOROCCAN MIGRATION FLOW TO BRAZIL

Brazil has received in recent years a steady flow of young Moroccan immigrants who are encouraged by the economic and social opportunities that Brazil offers. It is estimated that 1,500 Moroccans live in Brazil. However, less than 500 are registered at the Consular Section of the Embassy of the Kingdom in Brasilia, while the rest hold Brazilian nationality.

Almost 90 per cent of Moroccan immigrants live in Rio de Janeiro, Sao Paulo and Curitiba, and the rest are distributed in Brasilia, Salvador, Fortaleza and Manaus in the north. Most Moroccan immigrants are involved in trade, industry and services. A limited number of Moroccan professionals are involved in engineering, administration or higher education.

In 2010, Brazil-Morocco Association of Friendship and Cooperation was established to strengthen the long-standing relations between the two communities. This represents an important platform to promote economic, social, human and cultural exchange between the two communities.

VI. ASSESSMENT OF MOROCCAN-BRAZILIAN RELATIONS

A cursory review of Moroccan-Brazilian cooperation shows that their bilateral relations have remained below the expectations proclaimed by their mutual diplomatic discourse. The weakness of the institutional framework for such cooperation and the lack of efforts for closer economic relations contrast sharply with the willingness of both countries to translate their common assets, such as history and geography, into a transatlantic agreement.¹³ The following are some factors to be considered:

¹³ Statement made by Said Moufti, Research Director at the Royal Institute for Strategic Studies at a conference on “Les relations Maroc-Brésil,” organized by Ecole Hassania des travaux publics (EHTP) in Casablanca, March 19, 2014.

1. A POSITIVE DYNAMIC OF POLITICAL RELATIONS BUT MUCH HAS TO BE DONE AT THE TRADE LEVEL

Moroccan-Brazilian relations have always been perceived through the cultural-historical perspective drawn from their Portuguese heritage. Recently, political and economic factors have emerged as a part of the perception that each country holds vis-à-vis the other. The evolution of their bilateral relations reflects the diplomatic ties between the two countries.

Brazil seems to adjust its perception of Morocco through a pluralistic vision, combining economic, political, social and cultural dimensions. This perception is, to some extent, consistent with the image that Brazil holds of itself at the international level. Brazil is defined as a multicultural democracy, which has achieved political transition successfully. Therefore, Brazil represents a model for a country such as Morocco, which has pursued the same process. This self-perception is a fundamental element of the Brazilian diplomatic action that is engaged in the construction of an image that presents Brazil as a partner for democracy and a politically stabilizing power.

Brazil considers Morocco a reliable partner and a country with multiple identities: Atlantic, Arab, African, and Mediterranean. The progress made by Morocco as reflected in the last constitutional reform has been supported by Brazil. Morocco is considered as a strategic interlocutor in the Arab world, particularly with regard to its democratic progress.

From the Moroccan perspective, there is an increasing awareness among decision-makers that foreign policy may no longer be structured through geopolitical considerations, but should increasingly take into account geo-economic mutations as a part of a strategy of diversification of partnerships.¹⁴ Therefore, taking into account recent developments in the international and regional environments, some key points should be highlighted regarding Moroccan-Brazilian relations:

First, recognizing Brazil's international role in light of its global economic standing and its leadership in South America. This position opens areas of cooperation for Morocco by creating opportunities for building and promoting a multipolar world system. Second, Strengthening relations with Brazil through political dialogue and concluding a trade agreement with Mercosur would lead to

¹⁴ This aspect has been highlighted in various speeches addressed by H.M. King Mohammed VI on Moroccan diplomacy; the latest was delivered on August 30, 2013.

mutual benefits in the context of South Atlantic Dialogue. And third, pursuing bilateral relations by increasing the number of meetings of the Joint Committee and official visits. Indeed, the last visit by HM King Mohammed VI to Brazil on November 26, 2004 opened up a new chapter in bilateral relations. Both countries expressed their support for a balanced international order, rather than one dominated by a single superpower. They also agreed to coordinate their efforts toward a multilateral approach to global governance. Morocco supported the proposed reforms of the UN system and Brazil's candidacy for membership at the Security Council. Both countries also agreed to provide mutual support for their respective candidates in international organizations.

With respect of South-South cooperation, the two countries agreed to coordinate their actions in various forums, such as the Africa-South America Process (ASA), the Summit of South American and Arab Heads of State (ASPA), and the Zone of Peace and Cooperation Atlantic South (ZPCAS). The objective of these forums is to promote stronger partnerships between Arab and African countries, and those of South America.

2. BRAZIL'S NEUTRAL POSITION REGARDING THE ISSUE OF MOROCCAN SAHARA

Brazil does not recognize the "Polisario" and maintains a policy based on neutrality and peaceful resolution of the Sahara issue within the UN framework. Brazil abstained from voting on this issue when it was brought before the UN General Assembly and the Security Council. Nevertheless, the pro-Polisario activism of some Brazilian members of parliament has provided an opportunity for Algeria to exert pressure on Brazil. Indeed, Latin American socialist parties have called for the recognition of Polisario during the Brazilian Socialist Party conference held in Brasilia on December 6, 2011.¹⁵

3. STRATEGIC AGENDAS WITH SIMILAR PRIORITIES

Brazil ascended to the global stage thanks to its economic standing and the strategic orientation of its foreign policy. Therefore, Morocco has shown great interest in developing closer relations with the only Latin American country with the status of international power. In fact, relations between Morocco and Brazil put both countries on the same path in their respective regions. Brazil is involved in

¹⁵ « Les partis socialistes d'Amérique latine appellent le Brésil, l'Argentine et le Chili à reconnaître la RASD », December 6, 2011, <<http://www.spsrasd.info>>.

South America where it maintains leadership. Similarly, Morocco aims to preserve its geopolitical position in the Arab and Mediterranean region while trying to establish its leadership in Africa.¹⁶

The two countries have a common strategic maritime space, which allows them to serve as a bridge between Africa and the Arab world, on the one hand, and the South American sub-continent on the other. The two countries could build an important strategic partnership. Their agenda seems to have similar regional priorities, based on the diversification of their international relations.

4. A POLITICAL AND LEGAL FRAMEWORK THAT SHOULD BE ENHANCED FURTHER

The political and legal framework that governs Morocco and Brazil's bilateral relations is quiet rich. Nevertheless, in spite of the several agreements that have been signed, no agreements of strategic importance have been concluded, such as strategic dialogue, investment agreement or security cooperation.

First, the lack of a common statement with respect of their strategic interests deprives both countries of significantly leveraging their relationship. The rate of high-level mutual visits is discontinuous or unbalanced. For example, the visit of Brazilian President to Morocco has been postponed several times. The institutional mechanism of bilateral relations also seems to have stalled. In fact, no meeting of Moroccan-Brazilian Joint Committee has taken place since the first one held on 24 June 2008. In contrast, the Algerian-Brazilian Joint Committee has met four times since 2007.

Second, the absence of a bilateral investment treaty explains, among other things, the limited Brazilian investment flows to Morocco. Agreements that relate to the promotion and protection of investments, as well as the avoidance of double taxation, are essential for the expansion and diversification of trade and investment between the two countries.

Lastly, the lack of security cooperation has an adverse effect on the prospect of a genuine partnership between the two countries. Both countries are parts of the Atlantic Ocean space, and therefore concluding a security cooperation agreement would enhance cooperation in safety and maritime security.

¹⁶ This can be perceived through the various agreements concluded with sub-Saharan African countries as well as the investment of Moroccan firms in several countries of west and central Africa in "Economic Report, Finances law", Ministry of Economy and Finance, 2014.

5. WEAK INVOLVEMENT OF NON-STATE ACTORS

A close look at Moroccan-Brazilian relations reveals lack of involvement of non-state actors and large industrial and financial groups from both sides. Apart from the limited activities of the Parliamentary Friendship Group Morocco-Brazil, the presence of OCP in Brazil, and certain actions limited to some decentralized cultural cooperation, there are no significant parallel actions through which both countries could establish and sustain their mutual interests and the convergence of views and strategic outlooks.

VII. LOOKING TOWARD THE FUTURE

In spite of increased trade between Morocco and Brazil, their relations have not reached their potential. Brazil's tremendous natural resources and the size of its market make it a great potential trading and investment partner for Morocco. Whether in primary production (agriculture, energy), or in industrial production, Brazil holds significant competitive advantages. Therefore, Brazil could serve as a source of imports at competitive prices, while offering Morocco a platform to enhance its exports. Brazil's regional position could serve Morocco as a gate to the wide market of Latin America, particularly the Mercosur member countries.

On the other side of the Atlantic, Morocco offers Brazilian companies the opportunity to invest in the inter-continental markets where it could serve as an export platform at the crossroads of European, African and Arab markets. Morocco has concluded a number of free trade agreements, which could be used beneficially by Brazilian firms looking to extend their international operations.

Expanding trade relations with Brazil could be beneficial for Morocco because this would reduce its dependency on trade with Europe. The 2008 global financial crisis has shown the severe impact of dependency on export markets. Having new partners in emerging countries creates new networks that would lessen such dependency and bring more balance into the international trading system.¹⁷

1. MOROCCAN DOMESTIC MARKET POTENTIAL AS A LEVER TO PROMOTE BILATERAL TRADE AND INVESTMENT RELATIONS

The Moroccan domestic market is experiencing rapid growth, which makes it

¹⁷ IDRISSE, B. I., «Le partenariat Euromed face aux nouvelles données concurrentielles internationales», (PhD dissertation, Université de Perpignan, 2009).

attractive for both local and foreign firms. This situation reflects the dynamic of economic convergence on which Morocco has embarked in terms of its economic modernization and increased revenues. Ambitious sectorial strategies, particularly “Morocco Green Plan” and the “New Industrial Compact” are also suitable platforms for investment by Brazilian firms, especially with view to important incentives provided by the Moroccan government.

Morocco has all the assets needed to attract Brazilian investments. It has an appropriate business climate and a suitable infrastructure that improves steadily. Partnerships may include sectors such as the car industry, agro-business, chemicals and pharmaceuticals, as well as the information technology sector.

Morocco wishes to increase agricultural GDP to US\$17 billion (140 billion dirhams) by 2020. In 2013, the sector generated US\$11.56 billion (95 billion dirhams). A strategy was announced in 2008 that aimed to promote Moroccan agribusiness with new investments of US\$1.1 billion (9 billion dirhams) by the end of the decade of 2020.

With view to expanding production, Morocco started leasing land for agriculture projects. Participation is open for both Moroccan and foreign investors. At the present, 100,000 hectares of lands have been leased, and another 600,000 hectares are to be leased by 2020. At the present, 31 foreign projects have been approved with a total land lease of 7,800 hectares. The leased land may be used for a period of more than 40 years, with the possibility for contract renovation, and the conditions for participating in the process are the same for Moroccans and foreigners.

The aircraft industry is considered among the emerging sectors in Morocco. In this area, Brazilian company Embraer¹⁸, the world’s third aircraft manufacturer (after Airbus and Boeing) could benefit greatly from expanding its current investment in Morocco.¹⁹

2. EXPORT POTENTIAL FOR MOROCCAN FIRMS

Except for the phosphates sector, the current state of development of the Moroccan economy does not allow Moroccan firms to invest directly in the Brazilian market. Therefore, available opportunities are limited to exports.

¹⁸ Embraer delivered over 50 planes to the following Arab countries: Egypt, Jordan, Libya, Bahrain, Oman, Saudi Arabia and Lebanon.

¹⁹ Among the parts produced in Morocco for Brazilian aircrafts are devices to reduce engine noise by up to 90 per cent, which are installed in the 170 models.

Currently, Morocco's main agricultural products are oranges, milk, beef and vegetables. Olives offer an export opportunity for the Brazilian market, which is a net importer of olive oil. For example, the Meknes region produces various types of olives (Moroccan, Greek, Spanish and Italian) with the best quality olive oil that meets the highest international standards. Currently, most of the Moroccan olive oil is exported to the United States. Morocco could have a share of the Brazilian market, particularly in the high-end olive oil segment.

Other sectors that hold great potential for cooperation, in particular, are agriculture, fisheries and bio-energy. Brazil is a major agricultural powerhouse with great experience and huge potential in the sector, and therefore could serve as a strategic partner for Morocco's Green Plan and Plan Halieutis. Morocco could also target the Brazilian market for other industrial components, especially electrical cables, car industry components, thus offering new markets for the emerging Moroccan industry.

3. THE TOURISM SECTOR

The Moroccan real estate market could attract Brazilian investors and tourism professionals who could contribute to the creation of an integrated tourist market beneficial to both sides. A new direct airline operated by the Royal Air Morocco (RAM) connecting Casablanca and Sao Paulo was opened on December 20, 2013, making RAM the 4th African airline to fly to Sao Paulo. The direct line would help establish closer economic links to boost economic cooperation, trade, investment and tourism between the two countries. Morocco is already the first African destination of Brazilian tourists with nearly 15,000 Brazilian visitors in 2012. In 2013 Moroccan visitors to Brazil numbered 2,900, an increase by more than 15 per cent compared to 2012.²⁰

The importance of tourism rests on its ability to have a positive effect on other economic sectors, particularly the service sector that accounts for a substantial part of global trade.²¹ This effect could be amplified further if placed within a regional context in which both countries would grasp opportunities in the Maghreb and South America markets.

²⁰ Statement made by Frederico S. Duque Estrada, Brazil's Ambassador to Morocco at the conference organized by Ecole Hassania des travaux publics (EHTP) in Casablanca on "les relations Maroc-Bésil," March 19, 2014.

²¹ UNCTAD Statistics, published in April 14, 2014, <<http://unctad.org/en/pages/Statistics.aspx>>.

4. MOROCCO AS KEY OF ENTRY TO REGIONAL MARKETS

The importance of Moroccan phosphate exports to Brazil, coupled with the free trade agreements between Morocco and the United States, on one hand, and between Morocco and the European Union, on the other, explain the interests of Southern Common Market (Mercosur) in negotiating a similar agreement with Morocco. Negotiations started in November 2004 to establish a zone of progressive free trade with Mercosur. Once concluded, the agreement would ease trade barriers and open new opportunities for both countries.

Indeed, Morocco has concluded a set of important free trade agreements with several developed, developing and emerging countries. These agreements provide Morocco with access to a global market of almost one billion consumers. This permits Morocco to enjoy a central position, highly attractive for Brazilian firms looking for business opportunities in Africa and the Arab markets. Morocco's proximity to Europe is another asset, particularly with respect of its advanced status at the European Union.²²

Other significant assets could facilitate the status of Morocco as an export platform serving neighbouring markets. This platform is supported by the quality of Moroccan labour force, its infrastructure and easy connections, as well as the positive image that Morocco enjoys in Africa and the Arab world.

5. THE ROLE OF NON-STATE ACTORS

Several institutions could facilitate the expansion of relations between the two countries and provide support for strengthening their economic cooperation. These include, in particular: Arab-Brazilian Chamber of Commerce in Sao Paulo that promotes increased trade between Arab countries and Brazil; Moroccan-Brazilian Chamber of Trade, established in 2007; and Honorary Consuls of Morocco in Brazil (Sao Paulo, Rio de Janeiro, Florianópolis, Curitiba, Belo Horizonte and Vitoria), who contribute to boosting cooperation ties.

It is essential for both countries to promote relationships between their respective civil societies in order to create a sustainable base for their cooperation. Agreements do not create trade flows; close relationships between business and

²² IDRISSE, B.I., Analysis of Morocco-European Union partnership within the framework of the advanced status: Main features and challenges," *Europautredningen*, Norway, Report n°21, September 2011

non-state actors do. Therefore, it is important to expand relations among private sector participants, civil society organizations and representative institutions in order to translate effectively the political will into economic outputs within a win-win strategy.

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