OTHMAN EL FERDAOUS

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Nathalie DELAPALME

Mr. Minister, as Secretary of State to the Ministry of Investment, Industry, Trade and the Digital Economy, you are at the heart of the public policies President Terrab has just mentioned and which are essential for implementing the agreement. Can you tell us what the main obstacles or rather the main conditions are, according to you? Thank you.

Othman EL FERDAOUS

Thank you, Madam. Hello everybody. I am delighted to be here because this is a very important topic where many preconceived ideas can lead the discussion towards what I would call depressive storytelling. In Morocco, the Konrad Adenauer Foundation conducted a survey on the educational level and sociology of sub-Saharan migrants: it turns out that they are better educated than the average Moroccan. Why are these better-educated people going to Europe? Simply because the conditions you have just mentioned do not exist yet. Here is an example. Shipping a container 1,200 kilometres north from Cotonou to Ouagadougou costs two-and-a-half times more than to ship the same container from Cotonou 12,000 kilometres to Shanghai. Africa's integration into globalisation is based on extraversion, that Mr. Terrab just mentioned with regard to phosphates and the DAP 10 years ago. That is still the case for many industries still present in Africa. The bad news is that between 2012 and 2017, industrial added value in Africa fell by around $70 billion, according to the ADB. I mentioned infrastructure; Ms. Guigou spoke of Europe's role in all of this. I think that what the Chinese are doing with regard to Europe by launching the Silk Road is the kind of initiative Africa needs. Building a north-south economic corridor, whose first physical manifestation will be infrastructure—I am talking mainly about transport, digital, communication and logistical infrastructure—will allow these people who are better educated than Moroccans to work at home. They have better training, more raw materials and everything it takes to succeed. We do not expect Europeans to build that north-south corridor. We must do it ourselves. On our small scale in Morocco, there is what we call the southern provinces' new development model, a seven-billion-dollar project to extend the country's infrastructure backbone from north to south, from Tangier to Dakhla. There is the highway to Laâyoune, there is Africa's largest lorry station, which will put the markets of Abidjan and Lagos within reach of containers from the port of Tanger Med. You know that in Mali for example, a huge part of the mango harvest rots on the spot because they do not have the capacity and the ability to get it to markets.

Now, returning to the issues of trade and the free trade agreement, and this may be because of my job or my ministry, but I think trade must help achieving industrialisation and not the other way around. It is not an end in itself. The mistake that the countries on the Mediterranean southern rim made when negotiating with the European Union was that they each looked out for their own interests and they did not necessarily have the skills required to conduct negotiations. Moreover, they had substandard governance systems. When a non-democratic country negotiates with a democratic unit of 500 million people, I can assure you the talks are flawed because you have short decision-making circuits in non-democratic countries, whereas those on the other side can say, “Sorry, I can’t make any commitments. The parliament and NGOs in my country have a say in the matter.”

I would like to say something else. There are extraordinary possibilities in manufacturing. Asian countries, especially the ASEAN+3 countries, have led the way. Japanese economist Kaname Akamatsu put forward the flying geese theory. The idea is that when an industrialising country starts diversifying its products and manufacturing better-quality ones, it must be able to rely on neighbouring countries with younger populations and more competitive salaries to take over these industrial value chains. I think Morocco’s industrial policy will have succeeded the day its factories move from Tangier to Dakar or Abidjan, just as Japanese factories moved to Taiwan and South Korea and now Vietnam and the Philippines.

A free trade agreement will not work without territorial continuity. A case in point is the Agadir agreement, where there is no territorial continuity. Every other country from Morocco to Jordan has joined the Agadir agreement. The map looks
like a checkerboard. There is no territorial continuity. The resulting logistical problems I just mentioned are an impediment. The best example is Algeria because we make cars. The Renault plant in Oran imports semi-finished vehicles from the Renault plant in Romania. That goes to show that major opportunities are being lost.

If we want to build an integrated, non-fragmented market, we must have entry barriers. I see Africa’s entry barriers in the area of R&D. Many multinational companies that have launched projects in Africa have come up empty. Why? Because they made no attempt to adapt their products and services to the African context. The example of OCP fertilisers is an extraordinary one because OCP obviously did its homework. It adjusted its product to African reality. It is the same in other areas. Take digital technology for example. When you buy a sensor and put it on a manufacturing machine to collect data on how the machine works, the sensor is made in Europe or the United States. It has been made to function in an environment where good-quality, high-speed broadband is omnipresent and it works; there is no problem. But bring it to Morocco or Côte d’Ivoire, where broadband is slower and might go on and off, and the data is intermittent; the databases look like Swiss cheese. A start-up decided to launch a sensor with a small flash memory so that when the Internet cuts out the sensor keeps storing data and afterwards the data series are complete. That small innovation allows you to have a well suited product for local reality. Thank you.

Nathalie DELAPALME

Thank you for that pragmatic, encouraging view, although of course many countries still have a long way to go before they catch up with Morocco. But it shows that there is always a way up.