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The Unbalanced Free Trade Agreement Between Morocco and Turkey

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Abstract

This article sheds light on Morocco and Turkey's economies before and after the free trade agreement, explaining the reasons that prevented Morocco from benefiting from the FTA of 2006. This topic constitutes one of the most important agreements and got huge media attention, especially in Morocco. Morocco has always been an important country for Turkey and has managed to maintain its significance over the years. Additionally, it must be emphasized that the Kingdom plays a critical role in developing commercial and economic relations with the countries of the region and the continent of Africa in general. The free trade agreement between these two countries was signed in Ankara on April 7, 2004, and entered into force at the beginning of 2006. Accordingly, this article will demonstrate the Moroccan economy as well as the Turkish economy, compare both countries' economies before and after the FTA of 2006, and show the history of their bilateral relationship. The importance of this study lies in its ambitious attempt to comprehend and explain why this FTA is not benefiting Morocco as much as was expected.

Keywords: Moroccan economy, Turkish economy, FTA, free trade agreement, trading, economy

INTRODUCTION

Internationalization tends to involve spreading across national boundaries. It is a method of increasing participation in international activities and adapting a firm's operations to the international environment. This procedure has become mandatory for businesses in recent years. Apart from the fact that globalization is expanding managers' mentalities, enlarging their geographical horizons, and increasing awareness of international opportunities, countries need to trade to increase their independence and connection, and they need to increase international commerce to face increasing competition. Countries, on the other hand, need to look for opportunities in international markets and build diplomatic ties and trade deals with each other. Economic integration has long been viewed as an instrument for boosting economic growth and stimulating trade (Wilcox, 2022). By gradually and sometimes completely eliminating trade barriers, it encourages openness and creates opportunities beyond borders and nations, resulting in an increase in trade flows among countries (Wilcox, 2022). Morocco has slowly opened up its economy to the global market over the last ten years, gradually lowering tariffs and reducing international exchanges. By entering into preferential trade agreements with regional and bilateral trading partners, Morocco has enlarged and diversified its economic and trading relations, making a contribution to the world trading system's integration as a result, the value of exports and imports increased from less than 40% of GDP in 1995 to more than 60% of GDP in 2014 (Walkenhorst, 2006). Morocco's geographical position and political stability provide the country with a new source of economic growth. Morocco's location and political stability give the nation a new source of development. The country is developing a partnership with strong economies such as China, Europe, and the Middle East. After the 2000s, Turkey started to turn its face toward the Middle East and Africa, especially towards places that have an important meaning in Turkey's historical subconscious, and worked to improve its connections with those countries. Morocco and Turkey both signed a free trade agreement that allows Moroccan industrial products to enter the Turkish market immediately, while customs taxes on products imported from Turkey are phased out during the first decade. The deal covers non-agricultural goods and is based on common approaches. The Republic of Turkey and the Kingdom of Morocco signed a free trade agreement in 2006. Recalling their commitment to actively participate in the economic integration process in Europe and the Mediterranean Basin, and expressing their willingness together to search out ways to strengthen this process. According to the Moroccan Ministry of Trade, the agreement with Turkey has caused controversy since 2006. Since the agreement was implemented, the trade balance between the two countries has largely been in deficit. The Moroccan government expressed concerns about the agreement in 2019, claiming that it had harmed the Moroccan economy.

Moroccan economy and trade relations

Morocco is a country located in North Africa with access to the Mediterranean Sea in the North and the Atlantic Ocean in the West. The country has land borders with Algeria in the east, the Moroccan (western) Sahara in the south, and Spain in the west. It also has land borders with Spain. Morocco is a melting pot of indigenous Berber, African, Arab, and European elements. It is one of Africa's most developed countries. Due to its geographic location and proximity to Europe, the kingdom has been able to accommodate its cultural variety in a stable and politically inclusive system. By being the only constitutional monarchy in North Africa, the kingdom has strengthened its position as an international trade hub by liberalizing its economy and attracting foreign investment (The Report: Morocco, 2018). If the country can maintain its delicate balancing act of providing internal freedoms and opportunities while maintaining security, it will continue to be a major regional power. Morocco's economic and security relations have grown stronger not only with the EU but also with the Gulf States and China (The Report: Morocco, 2018). Morocco’s economy is built on heavy investment and consumption. Household consumption accounts for 60% of the GDP and investments for 30%, which represents one of the highest figures in the world. According to Trading Economics global macro models and analysts expectations, Morocco's GDP is projected to trend around $122 billion, and GDP per capita is projected to trend around $3350.00 in 2022 (Trading, 2022). The official currency of Morocco is the DIRHAM (DH), issued by Bank Al-Maghrib, the Central Bank of Morocco, with an actual exchange rate of 1 USD = 9.39 DH. Over the last 10 years, the exchange rate has been constant, always between 8 and 10 dirhams for every dollar, which makes the currency stable. In general, the openness strategy is similar to economic growth and contributes to the country's employment problem. Morocco has been pursuing an economic liberalization policy since the mid-1980s, which has resulted in the country's engagement in international exchanges and investment patterns. Morocco's openness strategy was implemented under King Mohammed VI's leadership, with work to change business operations, provide good protection to private operators, introduce new laws, encourage investment, and simplify administrative procedures such as customs transactions and enterprise creation (Ouaha, 2021). Morocco has reduced its dependence on phosphate exports in recent years and has established itself as an agricultural producer and exporter, as well as a growing tourist destination. On the other hand, low labor productivity and high wages limit its competitiveness in basic manufactured goods such as textiles. Morocco is dependent on imported fuels and the necessity of food imports can increase significantly in drought years, as happened in 2007. Morocco has a structural trade deficit, but this is usually offset by large revenues from tourism-related services and large inflows of remittances from expatriates. The country usually has a small surplus in the current account (Ouaha, 2021). The Moroccan Ministry of Foreign Trade (MCE), in collaboration with other ministries and government organizations, is drafting trade policy regulations. A majority of the members of the two chambers is required for the adoption of any draft or proposed law. According to Moroccan law, priority over domestic law is granted to foreign legal instruments, such as WTO agreements. The signing of treaties, which are subject to the necessary constitutional amendments, affects constitutional provisions to be adopted before their ratification. The Constitution, laws, decrees, orders, and internal measures represent the current hierarchy of regulations. (World Trade Organization, 2007). The EU and Morocco established a free trade area as part of the EU-Morocco Association

Agreement External Link, signed in 1996, which entered into force on March 1, 2000. The European Union and Morocco also signed a deal that made more trade in agricultural products, processed agricultural products, and fish and fisheries products even more free. This agreement came into effect in October 2012 Industrial products are completely liberalized, and agricultural products have a substantial amount of market opening. Both parties agreed to a protocol establishing a Dispute Settlement Device Document, which was signed in 2012 and went into effect. The negotiations for a Deep and Comprehensive Free Trade Area (DCFTA) began in 2013. An independent contractor prepared a Sustainability Impact Assessment Document to accompany the start of negotiations. The most recent round of negotiations took place in April 2014, after which negotiations were put on hold at Morocco's request (*The EU and Morocco*, 2020). On July 19, 2019, an amendment to the protocols of the EU-Morocco Association Agreement External Link went into effect, extending the Association Agreement's tariff preferences to products originating in Morocco's Sahara. The European Commission published a Staff Working Document on the implementation of the agreement in December 2020. The report showed that the agreement is being implemented smoothly and that it is benefiting Morocco's Sahara and its citizens in terms of exports, economic activity, and employment. The EU has been invited to discuss the modernization of trade and investment relations with Morocco in 2021 as part of the new EU Trade Policy Review Document, in order to better adapt them to today's challenges (*The EU and Morocco*, 2020). France is Morocco's most important trading partner in terms of both imports and exports, accounting for more than 60% of the foreign direct investment in the country. Morocco has established itself as a major source of low-cost labor for European manufacturers, as well as a major commercial transshipment point for goods passing through the Gibraltar Straits. Moroccans' fluency in French has led to the establishment of service operations in Morocco by French banking and call-center companies. In October 2007, the President of France, Nicolas Sarkozy, traveled to Morocco on an official state visit to King Mohammed VI. Sarkozy was accompanied by 70 top French business executives as he announced contracts worth billions of dollars for French companies in Morocco. Morocco has a long history of steady and friendly relationships with the United States. It was the first country to acknowledge the United States in 1777, and it has become a significant ally of the US in the Middle East and North Africa for centuries (MENA). Morocco signed a free trade agreement with the United States in 2004 and it came into force in 2006. The FTA was intended to support the reforming process and provide good opportunities for growth by boosting trade and investment (Hufbauer.G.C & Brunel.C, 2009). The FTA gave Moroccan businesses access to new markets and raised the possibility of more investment from the United States and other countries as commercial laws improved. Additionally, it supported the government's initiatives to change the economy. (Hufbauer.G.C & Brunel.C, 2009). In support of both Morocco's changes and the application of the FTA, the United States provides support to Morocco from three main sources: the US agency for international development; the Middle East Partnership Initiative (MEPI); and the

Millennium Challenge Corporation (MCC). The implementation of the FTA is strongly connected with US economic support to Morocco (Malka, H & Alterman, J. 2006). Morocco is one of the few countries that have a free trade agreement with Europe and a free trade agreement with the USA, which gives Morocco free access to two of the most important markets in the world. Morocco's trade under free trade agreements (FTAs) accounts for the majority of the country's total trade (more than two-thirds of exports and imports are to or from these countries). With a massive share of the market, the agreement with the European Union remains the most important free trade agreement. Between 2000 and 2018, exports that benefited from this agreement totaled $10.71 billion. In terms of market share, we can see that Morocco's exports to the EU fell from 67% between 1995 and 1999 to 63% between 2000 and 2018. On the import side, we note an economic decline in the share of European countries with a ratio of 53%. The agreement with the Arab Free Trade Area represents the second dominant group in the trade carried out within the framework of FTAs. With a very small share of trade conducted under FTAs, the agreement with the Arab Free Trade Area represents the second most important group in trade conducted under FTAs, after the agreement with the European Union (0.04 for exports and 0.11 for imports in the period from 2000 to 2018). Just before the agreement with Turkey, the agreement with the United States comes in third. For all the free trade agreements signed by Morocco, it is noticeable that the level of exports during the periods 1995–1999 and 2000–2018 decreased, and, on the other hand, imports increased. Over time, the latter outperformed exports, reaching 74% (Saadallah & Outtaj, 2021).

Turkish economy and trade relations

Turkey is a transcontinental country with Ankara as its capital and Istanbul as its most populated city. Turkey shares its border with Georgia to the northeast, Syria to the south, Greece and Bulgaria to the northwest, Iran, Azerbaijan, and Armenia to the east, and finally Iraq to the southeast. Turkey's economic and social progress has been outstanding since the early 2000s, resulting in increasing employment and incomes and elevating the country to an upper-middle-income country. Throughout this period, Turkey has become increasingly urbanized while maintaining solid macroeconomic and fiscal policy frameworks, opening up to foreign trade and finance, and aligning many laws and regulations with European Union (EU) norms. In the last few years, the country has suffered some instability in its currency, as well as democratic backsliding and an increase in corruption. Even with that, Turkey is still one of the biggest economies in the world and is continuing to prove its power (EconomicNewbie.2021). The Turkish economy grew 9.1% year-on-year in the 4th quarter of 2021, surpassing market predictions of 9%. Household consumption increased by 21.4% over the previous year, while net foreign demand boosted GDP growth, as exports increased by 20.7% and imports increased slowly by 2.6%, while government spending fell (-1.7 percent vs 7.1 percent) and gross fixed capital creation fell at a slower rate (-0.8 percent vs 1.9 percent) (Taborda, 2022). Turkey's currency has lost more than 48% of its value over the last year as Erdogan, the president of Turkey, has maintained his policy of avoiding rate rises despite sky-high inflation. Turkey's foreign exchange reserves have been progressively decreasing, and Turks earning salaries in the lira are increasingly unable to afford basic items as their prices continue to rise. The situation in Russia and Ukraine escalated, resulting in a rise in commodity prices and significant selling pressure in the stock markets. The Turkish Lira has been showing signs of weakness since 2020, given Turkey's strong reliance on imported energy. This move was made in response to Turkey's annual inflation rate rising to a two-decade high of 54%. The most recent economic and banking sanctions imposed on Russia have also dampened the recovery of Turkey's tourism industry (Taborda, 2022). Turkey, the country that divides Southeastern Europe and Southwestern Asia, has historically been an important hub for transcontinental trade. Turkish exports are diverse, ranging from natural resources and low-value-added products such as metals, precious stones, energy, clothes, and food to high-value-added goods like automobiles and machinery. However, exports continue to be highly dependent on Europe. Meanwhile, a substantial trade deficit is generated by energy and high-value-added imports. Except for a brief period of liberalization between 1950 and 1953, Turkey adopted a strategy of progress through inward-oriented import-substitution industrialization (ISI) combined with strong government intervention for half a century, from the 1930s to the beginning of the 1980s. By creating public businesses and placing restrictions on trade and financial flows, the government had a significant role in the economy. Turkey's economic policies were described as interventionist and protectionist from the early 1930s until the early 1980s. As a result, policies were created primarily to protect domestic industry from international competition and to strengthen government control over resource allocation and the production of goods (Utkulu, 2001). Turkey is both a candidate and negotiating country to join the EU and an associate partner of the Union. The customs union between Turkey and the EU, established on December 31, 1995, is based on the association relationship between both Turkey and the European Economic Community (EEC). The 1963 Ankara Agreement created an association between the parties, the last stage of which was based on a customs union that would be slowly built by following steps. The Additional Protocol of 1970 defined the timing and requirements of the transition phase leading to the customs union by steadily raising customs duties and quantitative barriers in the trade of industrial goods between the parties and defining Turkey’s alignment to the EU’s Common Commercial Policy (CCP) and Common External Tariff (CET) (ÇİĞDEM, 2018). Germany and Turkey have extensive and close relations, which are facilitated by the approximately three million people of Turkish origin who live in Germany. However, bilateral ties are strained in light of Turkey's restrictive domestic policies, particularly in light of the growing number of German nationals arbitrarily detained or forbidden from leaving Turkey since 2017. In 2020, the eastern Mediterranean crisis strained the EU's relations with Turkey. Germany is making a concerted effort to deescalate the situation in the eastern Mediterranean. Germany is Turkey's main trading partner and one of the largest foreign investors in the country. Bilateral trading was worth 36.6 billion euros in 2020. During the first three quarters of 2021, it increased. However, imports from Germany fell significantly in the fourth quarter due to the lira's collapse. In Turkey, there are over 7,500

German or Turkish businesses with German equity participation. The Joint Economic and Trade Commission, established in 2018, and the German-Turkish Energy Forum serve as platforms for communication between Turkish and German authorities and business leaders. Travel restrictions imposed by the COVID-19 outbreak aside, Turkey is a popular tourist destination for Germans (Amt, 2022). In addition to sharing common interests, beliefs, and history, Turkey and Italy maintain bilateral relationships in foreign trade. In terms of international trade problems, these cornerstones allow for close cooperation. Customers have similar incentives, desires, and objectives to purchase products and services in transactions since people of both countries are known as Mediterranean Sea people. Furthermore, close diplomatic ties allow both countries to increase their trade facilitation with one another. The economy and commercial areas have been positively affected by constructive politics and diplomacy between the governments of Turkey and Italy. Italy is Turkey's second-largest European trading partner after Germany, and its fifth-largest world trade partner after China, Germany, Russia, and the United States. However, statistics and studies prove the connection between countries, which is expected to grow in the coming years. Even if there are certain reductions, such as in 2009, 2012, and 2015, the value of Turkish exports to Italy generally increases year after year. The amount begins at $5.6 billion, accounting for 7.6% of total exports. By the end of 2008, the value had risen to $7.8 billion. There is a three-year pattern between 2009 and 2015, with one year of regression and two years of growth. Following that, exports went up a lot from 2016 to 2018, reaching $9.5 billion in just two years. Italy’s imports played a significant influence on Turkey's foreign trade, especially between 2005 and 2012. Following an exceptional gain in 2012, the overall number of exports peaks at $13.5 billion, up from $7.5 billion with a 6.5% ratio to imports. However, since that year, things have changed. Italian imports have lost their importance in the Turkish economy (CANBULAT, 2020). The United Kingdom is essential to Turkey's economic development. According to 2019 data, the UK ranks second among countries to which Turkey exports the most goods and ninth among countries from which Turkey imports the most goods. Apart from being a significant market, the United Kingdom is a highly valued trading partner in a variety of sectors in Turkey (Ozyegin & Oksüz, 2021). Turkey’s main exports to the UK are gold, fabricated textile articles, clothes, electrical and non-electrical machinery, motor vehicles and parts, iron and steel products, and insulated wires, cables, and other electrical conductors. The United Kingdom's primary exports include diesel and semi-diesel engines, vehicles, tramp iron and steel, their ingots, and medicinal and pharmaceutical materials for care and protection Between 2002 and 2019, direct investments from the UK to Turkey totaled $11,120,000. During the same period, direct investment from Turkey into the UK reached 2,969,000 USD (Ozyegin & Oksüz, 2021). On December 29, 2020, the UK signed a free trade agreement (FTA) with Turkey, a development that allows for continuity in terms of bilateral commercial relations from January 1, 2021, onwards, the date on which the UK’s Brexit transition period ended. The UK-Turkey agreement changed the customs union into a traditional free trade agreement. This means that goods must be manufactured by one of the parties in order to be duty-free. One of the agreement's modifications is the conversion of the tariff commitment from Euro to Sterling. The second amendment eliminates agricultural tariffs in order to avoid disrupting Turkish agricultural exports. Thirdly, a single tariff plan has been agreed upon to replace several tariff programs in trade between the two countries. Additionally, tariff rate quotas have been changed (Ataman, 2021). The partnership between the US and Turkey dates back several decades. The factors that drove the United States to make significant defense and economic investments in Turkey during the Cold War have changed with the dynamics of both nations as well as the local, regional, and international environments. Another shift has been Turkey's reduced reliance on material support from the United States and its increased assertiveness as a foreign policy actor, particularly in the Middle East and within international organizations like the United Nations and the G-20, where it is scheduled to take the rotating presidency of the group every year in 2015 (Zanotti, & Thomas, 2014). In 2019, Turkey was the 28th largest export market and the 32nd largest supplier of goods to the United States. Turkey is the world's 7th biggest importer of US oil and natural gas and is an emerging regional energy hub. The United States' main export categories to Turkey are aircraft, mineral fuels, iron and steel, machinery, and optical and medical instruments. Machinery, vehicles, carpets and other textile coverings, precious metals, stone, plaster, and cement are the top import categories from Turkey. Manufacturing, wholesale trade, finance, and insurance account for the vast majority of reported US direct investment in Turkey.

Relationship between Morocco and Turkey

North Africa is among the regions that are within the scope of Turkey's near geography and geopolitical interest. In this region, where historical and cultural ties are extremely strong, the transformations of the 20th century were controlled by the repeal of colonial systems and the creation of independent states. Since these times, the Republic of Turkey has been trying to build up its political, economic, commercial, and cultural ties with these countries. Ever since the 21st century, their relations have acquired a new aspect and new developments have taken place in the commercial and economic relations of Turkey with North African countries. Due to its geopolitical and geostrategic location, Morocco has always been an important country for Turkey and has managed to maintain its significance over the years. Additionally, it must be emphasized that the Kingdom plays a critical role in developing commercial and economic relations with the countries of the region and the continent of Africa in general, as the Kingdom is the entry point to Africa (Chaine, 2020). Turkey and Morocco are strongly linked by deep historical and brotherly connections, as well as common traditions. Turkey and Morocco show a willingness to further strengthen bilateral relations in all sectors. Diplomatic relations between both countries were put in place on April 17, 1956, by a joint declaration of the two countries' governments in response to the Kingdom of Morocco's declaration of independence. Turkey and Morocco had signed a free trade agreement (FTA) in Ankara on April 7, 2004 and entered into force at the beginning of 2006, provides a significant boost to bilateral cooperation. In 2018, the trade volume between Turkey and Morocco rose to around $2.7 billion, which is a good indicator of the signed agreements. Following the loss of its own businesses and trade deficits with Turkey after the FTA came into effect in 2006, Morocco asked for a review of some of the FTA's provisions. As two Mediterranean countries and long-time economic partners, the signing of this agreement provided an opportunity for Morocco and Turkey to benefit from and strengthen bilateral relations. In 2004, the agreement was signed, and it went into effect in 2006. Morocco's deficit has grown over time, as has the country's negative trade balance. Morocco imports significantly more goods than it exports. Morocco's trade deficit with Turkey reached 2 billion dollars in 2019, up to 22% from 2018 (International Trade Center, 2020). Moroccan-Turkish bilateral trade relations are based on similar perspectives; both countries have similar approaches to security problems in the Mediterranean, immigration issues, and the Middle East situation; their trade policies are also quite similar, as proven by their commitment to the WTO; Morocco and Turkey have similar paths to a variety of requirements and provisions purely by keeping their specificity concerning sectoral and regional growth policies. In August 2020, the governments of the two nations agreed to an amendment that intends to apply customs charges on certain Turkish industrial products mentioned in the agreement for a five-year term, equaling 90% of the value of products from the most favored nation. Morocco's recent threats to leave the deal are mainly driven by the fact that Turkish products have had a big impact on the Moroccan market, while Ankara continues to impose harsh tariffs on Moroccan goods. They created a Morocco-Turkey technical committee to review the agreement's functioning and identify Moroccan export areas that are likely to be of interest to the local Turkish market, as well as Turkish investment's potential to balance trade between the two nations. In 2019, Turkish exports to Morocco totaled 2.35 billion US dollars, compared to 713.31 million US dollars in imports (Francois, 2019). Moroccan-Turkish trade was usually low and limited to a small variety of products in the 1980s. Between 1980 and 1989, the total amount of money exchanged did not reach $70 million. However, in the 1990s, as a result of the new economic dynamic that was fostered, bilateral trade increased, primarily due to an increase in Moroccan imports from Turkey. Between 1990 and 1999, the Moroccan-Turkish economic exchange was around $110 billion on average. Moroccan imports from Turkey have risen steadily, reaching 6.9 billion MAD (775 million USD) in 2007, accounting for 2.1% of imports. Metal and steel blooms and outlines, wiring, bars, steel sheet pile, and formed metal and steel shapes account for 38% of total imports, textiles for 17%, and industrial vehicles and farming tractors for 20%.

Table 7. Trade volume between Turkey and Morocco after the FTA of 2006 (million US dollar)

Years	Imports	exports
2007	198.460	721.594
2008	360.519	957.768
2009	234.729	598.540
2010	396.797	623.957
2011	419.945	920.895
2012	429.482	1014.905
2013	572.205	1192.899
2014	639.849	1406.565
2015	710.635	1337.554
2016	758.202	1849.358
2017	706.822	1983.139

CONCLUSION

Morocco is reliant on imported fuels, and in drought years, such as 2007, the demand for imported food can increase. Morocco has a structural trade imbalance, which is often covered by large revenues from tourism-related activities and large remittance inflows from expatriates. Morocco has always maintained positive connections with a lot of countries, signing multiple free trade agreements with the majority of them. It is one of the few countries with free trade agreements with both Europe and the United States, allowing it free access to two of the world's largest marketplaces. Although the Moroccan economy has huge potential, it is clear that there has been a continuous and general trade imbalance since the start of the trade agreements, which has resulted in a slowing in its economic growth and a worsening of youth unemployment. Morocco's long-term economic development strategy aims to turn the country into a regional business hub by relying on its unique position as a multilingual, cosmopolitan nation at the crossroads of the Moroccan Sahara, the Middle East, and Europe. Morocco's government implements regulations to create employment, attract foreign investment. Turkey is a WTO member and an EU candidate, a signatory to the EU's Customs Union Agreement, and a member of the Euro-Mediterranean partnership. Despite significant improvements and advantages, Turkish trade is still limited by financial restrictions and tight regulatory and commercial environments. Turkey has signed free trade agreements with 38 nations, but 11 of these have been annulled due to their EU membership. Turkey has strong ties with both the European Union (Germany, the UK, Italy, etc.) and the U.S., which gives the country a lot of room to trade and a lot of trade advantages. Morocco has always been an important country for Turkey and has managed to maintain its significance over the years. Additionally, it must be emphasized that the Kingdom plays a critical role in developing commercial and economic relations with the countries of the region and the continent of Africa in general, as the Kingdom is the entry point to Africa. Both countries are strongly linked by deep historical and brotherly connections, as well as common traditions. They show a willingness to further strengthen bilateral relations in all sectors. Turkey and Morocco signed a free trade agreement (FTA) in Ankara on April 7, 2004, and entered into force at the beginning of 2006, providing a significant boost to bilateral cooperation since the trade volume between them rose to around $2.7 billion, but Morocco asked for a review of some of the FTA's provisions because the FTA was not balanced. The Moroccan-Turkish trade imbalance demonstrates that Morocco is vulnerable to the aggressiveness of international competition, as it has not been able to take full advantage of international markets. Even with having one of the highest investment rates in the world (at 34% of GDP), the impact of investments on economic growth, the creation of jobs, and productivity have indeed been low. Imports have always surpassed exports in Morocco's commercial transactions with Turkey as seen in the table.

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