Research Paper

Yahia H. Zoubir
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Expanding Sino–Maghreb Relations
Morocco and Tunisia

Contents

Summary

- China's presence in the Maghreb has increased in recent years, raising concerns among Western powers. China has focused on bilateral relations with these countries while also working within the Forum on China–Africa Cooperation (FOCAC) and the China–Arab States Cooperation Forum (CASCF). However, this engagement has limited strategic value compared to relations China has with Saudi Arabia or the United Arab Emirates.
- Since the launch of the Belt and Road Initiative (BRI) in 2013, China has shown greater interest in the Maghreb as an entry point to European and African markets. China has pursued commercial relations over political influence in the region. Morocco and Tunisia are still dependent on France, their former colonial power, and the European Union, which exert great political, economic, security and cultural influence over the two countries.
- The Maghreb countries' economic relations with China have grown exponentially, with Algeria forming the closest relationship. However, Morocco and Tunisia are keen to attract China's investment and involvement in major construction and infrastructure projects to boost industrial and economic development. While China's investments in Morocco and Tunisia remain at a low level, trade relations with both countries have grown steadily. Politically, China's policy of non-interference in domestic affairs appeals to Maghreb states, which resent Western interference.
- China's influence in the Maghreb remains minimal. Its soft power push has struggled to promote advantages of strong relations with China beyond economics. Furthermore, Morocco and Tunisia's populations have generally scant knowledge about China's politics and culture. China has tried to address this lack of familiarity through the establishment of Confucius Institutes and other cultural activities. However, language and cultural barriers still impede the development of close relations, compared to those China has with other countries in Africa.

1. Introduction

Over the past two decades, China has increased its presence in the Maghreb countries – Algeria, Libya, Mauritania, Morocco and Tunisia – in terms of trade, investment and economic cooperation. Although it does not have a specific regional policy, China has become active in these countries, focusing on bilateral relations while also working within two frameworks: the Forum on China–Africa Cooperation (FOCAC) and the China–Arab States Cooperation Forum (CASCF), created in 2000 and 2004, respectively. Beijing's political, diplomatic, economic and commercial relations in this region are strongest with Algeria,[1] but ties with Morocco and Tunisia continue to grow steadily. China is multiplying cooperation initiatives and is positioning itself in these markets. Morocco and Tunisia are not critical to China's interests, but both seek its investment for their development, in part to offset their dependence on Western powers. Morocco and Tunisia view China as a potential source of means to fix their infrastructure gaps, increase foreign investment, expand trade, and reduce poverty and other socio-economic challenges. This shared interest in developing relations with China coincides with Beijing's own new approach towards the Arab world.

Since the launch of the Belt and Road Initiative (BRI) in 2013, which most African countries have signed up to, China has reaffirmed its strategic interests in the Middle East and North Africa (MENA). At the Ministerial Meeting of the CASCF in 2014, President Xi Jinping declared that 'the establishment of the China–Arab States Cooperation Forum was a strategic step the two sides took for the long-term development of the China–Arab relations'.[2] China's 2016 *Arab Policy Paper* states that China will continue its traditional friendship with the Arab states and promote cooperation at all levels. The paper reiterated the strategic nature of those relations whose objective is to preserve peace and stability.[3]

China's relations with Morocco and Tunisia cover multiple areas, mainly in the commercial realm. These ties have allowed China to increase its presence not only to implement the BRI, but also to achieve its wider geopolitical objectives. China's relatively successful engagement in recent decades is due to its shift away from international relations with the developing world based on ideology (the approach it took in 1949–79) to those based primarily on commercial deals (since the economic reforms introduced under Deng Xiaoping), which has made it more attractive to Morocco and Tunisia. This paper looks at China's policy within the broader context of its Africa and Middle East policies to better understand its approach to Morocco and Tunisia and their bilateral relations.

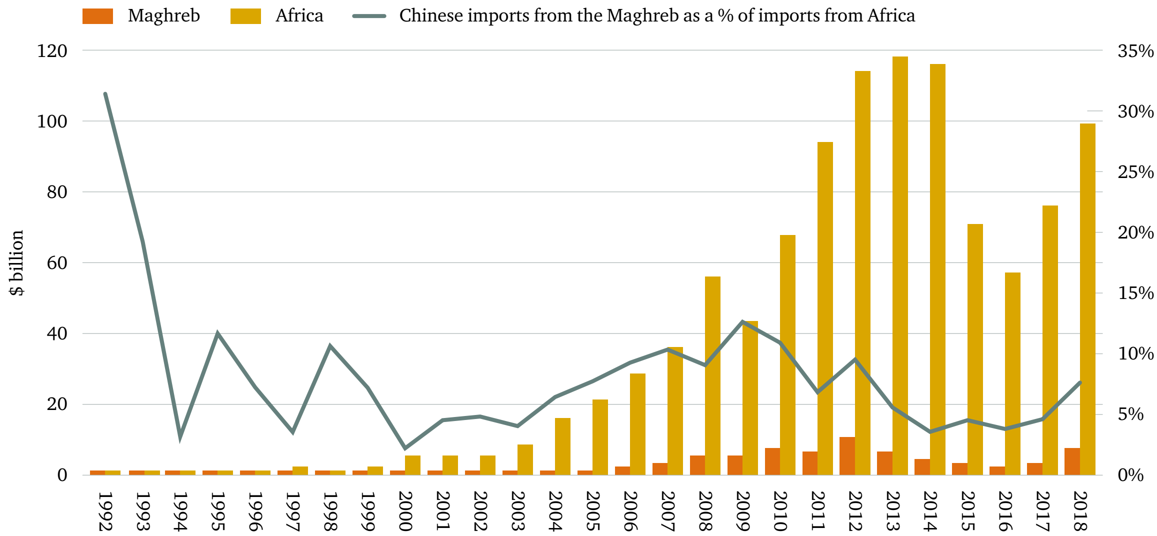
[1] Zoubir, Y. H. (2019), 'Les Relations de la Chine avec les pays du Maghreb: La place prépondérante de l'Algérie' [China's Relations with the Maghreb Countries: The Predominance of Algeria], *Confluences Méditerranée*, 109(2), pp. 91–103.
[2] Xi, J. (2014), 'Promoting the Silk Road Spirit and Deepening China-Arab Cooperation', speech at the opening ceremony of the 6th Ministerial Meeting of the China–Arab States Cooperation Forum, http://www.china.org.cn/report/2014-07/14/content_32941818.htm (accessed 9 Dec. 2019).
[3] Ministry of Foreign Affairs of the People's Republic of China (2016), 'China's Arab Policy Paper', https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1331683.shtml (accessed 8 Nov. 2017).

2. China and the Maghreb

The Maghreb in the context of China's Africa policy

China's current international relations stem from its global policies of the late 1970s and early 1980s. Its political, economic, military and cultural interactions with the rest of the world derive from the necessity to modernize China. In this context, Africa continues to play a key role,[4] particularly as a source of energy and mining resources. The Maghreb accounted for 31.3 per cent of China's imports from Africa in 1992, whereas in 2018 the share had fallen to 7.76 per cent[5] as a result of China's expanded trade volume with Africa as a whole (see Figure 1). Similarly, Chinese exports to the Maghreb amounted to 20.6 per cent of its overall exports to Africa in 1992, but by 2018 that share was 14.7 per cent (see Figure 2).[6] The total trade volume between China and Africa in 1992 was worth $1.8 billion; in 2018, it reached $204.6 billion.[7]

Figure 1: Chinese imports from the Maghreb and Africa, 1992–2018

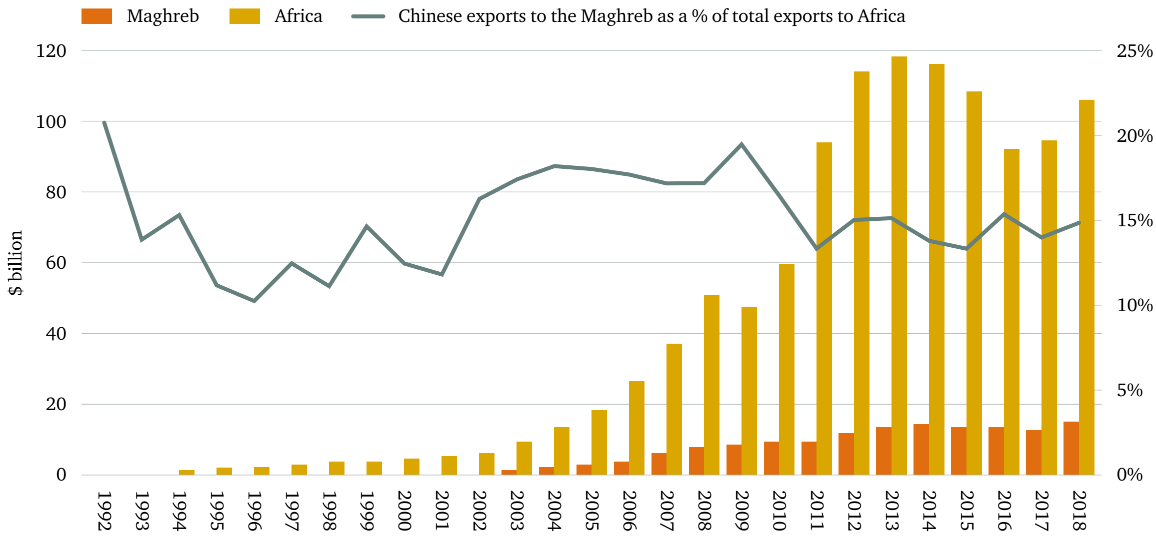


Source: Compiled by author using World Integrated Trade Solution (WITS) (n.d.), 'China Imports from By Country and Region, in US$Thousand 1992-2018', China Imports Data, https://wits.worldbank.org/CountryProfile/en/Country/CHN/StartYear/1992/EndYear/2018/TradeFlow/Import/Partner/ALL/Indicator/MPRT-TRD-VL# (accessed 21 Jan. 2020).

Since 2013, China's main trading partner in the Maghreb has been Algeria. Chinese investment is ubiquitous across the continent, and the country is working unremittingly to implement the BRI in much of Africa.

[4] Author interviews with Professor Li Anshan in Beijing, July 2011 and November 2016.
[5] World Integrated Trade Solution (WITS) (n.d.), 'China Imports from By Country and Region, in US$Thousand 1992-2018', https://wits.worldbank.org/CountryProfile/en/Country/CHN/StartYear/1992/EndYear/2018/TradeFlow/Import/Partner/ALL/Indicator/MPRT-TRD-VL# (accessed 21 Jan. 2020).
[6] World Integrated Trade Solution (WITS) (n.d.), 'China Exports to By Country and Region, in US$Thousand 1992-2018', https://wits.worldbank.org/CountryProfile/en/Country/CHN/StartYear/1992/EndYear/2018/TradeFlow/Export/Partner/ALL/Indicator/XPRT-TRD-VL# (accessed 21 Jan. 2020).
[7] Calculated by author using World Integrated Trade Solution (WITS) (n.d.), 'China Imports from By Country and Region, in US$Thousand 1992-2018'; World Integrated Trade Solution (WITS) (n.d.), 'China Exports to By Country and Region, in US$Thousand 1992-2018'.

Figure 2: Chinese exports to the Maghreb and Africa, 1992–2018



Source: Compiled by the author using World Integrated Trade Solution (WITS) (n.d.), 'China Exports to By Country and Region, in US$Thousand 1992-2018', https://wits.worldbank.org/CountryProfile/en/Country/CHN/StartYear/1992/EndYear/2018/TradeFlow/Export/Partner/ALL/Indicator/XPRT-TRD-VL# (accessed 21 Jan. 2020).

China has financed more than 3,000 major projects across the continent, mostly in infrastructure.[8] Between 2000 and 2014, China made commercial loans to African governments worth $86 billion, equivalent to $6 billion per year. At the 2015 FOCAC summit, President Xi announced $60 billion in commercial loans for the region, including an increase of $5 billion each to the China–Africa Development Fund and the Special Loan for the Development of African SMEs, as well as an initial contribution of $10 billion to the China–Africa Fund for Production Capacity Cooperation.[9] In September 2018, President Xi pledged another $60 billion for projects in the form of assistance, investment and loans.[10] China is now Africa's main creditor and accounts for 14 per cent of sub-Saharan Africa's total debt.

Chinese foreign direct investment (FDI) in Africa is relatively low, standing at $32 billion in 2018.[11] In recent years, there has been a surge in private investment from China with a continued, more limited, commitment by the state. At present, more than 10,000 Chinese companies are established in Africa, about one-third of them in the manufacturing sector. Most of these companies are small and micro enterprises. This Chinese investment in Africa is increasingly contributing to job creation, skills development and the transfer of new technologies.[12]

[8] Schneidman, W. and Wiegert, J. (2018), 'Competing in Africa: China, the European Union, and the United States', Brookings *Africa in Focus* blog, 16 April 2018, https://www.brookings.edu/blog/africa-in-focus/2018/04/16/competing-in-africa-china-the-european-union-and-the-united-states/ (accessed 11 Dec. 2019).

[9] Zhao, H. and Zhang, Y. (2015), '$60 billion in aid set for Africa', *China Daily*, 6 December 2015, http://www.chinadaily.com.cn/world/XiattendsParisclimateconference/2015-12/05/content_22633394.htm (accessed 11 Dec. 2019).

[10] *Telegraph* (2018), 'China raises fears of "new colonialism" with $60 billion investment across Africa', https://www.telegraph.co.uk/news/2018/09/03/china-invest-60-billion-across-continent-raising-fears-new-colonialism/ (accessed 11 Dec. 2019).

[11] United Nations Conference on Trade and Development (UNCTAD) (2019), *World Investment Report 2019*, Geneva: UNCTAD, https://unctad.org/en/PublicationChapters/WIR2019_CH2.pdf (accessed 7 Jan. 2020).

[12] Maritzon, J. (2017), 'Seven Chinese companies that have made it in Africa', *Africa Business Insight,* 8 August 2017, https://www.howwemadeitinafrica.com/seven-chinese-companies-made-africa/59407/ (accessed 7 Jan. 2020).

The Maghreb in the context of Chinese–Arab relations

The Chinese government has made clear its intention to make the MENA region an integral part of the BRI. In his speech at the CASCF in 2014, President Xi highlighted the low level of commercial exchanges between China and the region:

> In 2013, China's imports from Arab nations amounted to $140 billion, accounting for a mere 7 per cent of its annual import value over the next five years; its outward foreign direct investment in Arab nations totalled $2.2 billion… The gap signals potential and opportunities. China is prepared to support Arab states in increasing employment, advancing industrialization and pushing economic development. [13]

Xi advanced the establishment of a new approach to MENA and the Maghreb, known as the '1+2+3' cooperation pattern. The '1' stands for the main path of further collaboration, which involves closer cooperation in the energy sector. The '2' relates to a focus on two branches of cooperation – infrastructure-building and trade and investment – to intensify China's relations with the Arab states by collaborating on development plans aimed at improving living conditions. This stage also includes setting up institutions to encourage bilateral trade and investment into various sectors, including energy, petrochemical, agricultural, manufacturing and services. The main objective was to boost trade with the MENA from $240 billion in 2013 to $600 billion within the next decade;[14] however, so far, trade volume has not increased as expected.[15] Furthermore, according to this approach, China would raise its non-financial investment stock in the Arab countries from $10 billion in 2013 to more than $60 billion by 2023.[16] In 2018, China pledged a further $23 billion of FDI in the Middle East (not counting North Africa).[17] The '3' in the approach refers to the three high-technology fields of nuclear energy, space satellites and renewable energy. Technology exchanges would assist Arab states in developing nuclear energy for peaceful use, and in replicating the Beidou Navigation Satellite System in the MENA. The BRI will facilitate these transfers of technology.

China's *Arab Policy Paper* stresses the country's willingness to develop relations with MENA countries through 'strategic cooperative relations of comprehensive cooperation and common development', while upholding China's Five Principles of Peaceful Coexistence: mutual respect for sovereignty and territorial integrity; mutual non-aggression; non-interference in each other's internal affairs; equality and mutual benefit; and peaceful coexistence.[18] A wide range of areas fall under this umbrella, including political, legal, economic, energy, healthcare, education, science and technology, environmental, and cultural cooperation.[19]

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[13] Xi (2014), 'Promoting the Silk Road Spirit and Deepening China-Arab Cooperation'.
[14] Ibid.
[15] In 2018, Chinese enterprises inked $35.6 billion of new development contracts in Arab countries, a yearly growth of 9 per cent. The bilateral trade volume with the Arab states amounted to $244.3 billion, jumping 28 per cent year-on-year. China Daily (2019), 'China, Arab states see enhanced production capacity cooperation: report', 6 September 2019, https://www.chinadaily.com.cn/a/201909/06/WS5d72e134a310cf3e3556a374.html (accessed 7 Jan. 2020).
[16] Embassy of China in Iraq (2014), 'Xi Jinping Attends Opening Ceremony of Sixth Ministerial Conference of China-Arab States Cooperation Forum and Delivers Important Speech Stressing to Promote Silk Road Spirit and Deepen China-Arab Cooperation', May 2014, http://iq.chineseembassy.org/eng/zygx/t1164662.htm (accessed 20 Jan. 2020).
[17] Fulton, J. (2019), 'China Is Becoming a Major Player in the Middle East', BRINK News, 19 September 2019, https://www.brinknews.com/china-is-becoming-a-major-player-in-the-middle-east/ (accessed 11 Dec. 2019).
[18] Ministry of Foreign Affairs of the People's Republic of China (2004), 'The Five Principles', https://www.fmprc.gov.cn/mfa_eng/topics_665678/seminaronfiveprinciples_665898/t140589.shtml (accessed 10 Aug. 2018).
[19] Ministry of Foreign Affairs of the People's Republic of China (2016), 'China's Arab Policy Paper'.

China's view of the Maghreb

Unlike Russia and the US, which tend to see the Maghreb as an extension of the Middle East, China views it as a specific group of countries within the Middle East and Africa with its own characteristics. When dealing with the Maghreb, China considers each country's relations with its neighbours. For example, it is careful not to take a position on the dispute over Western Sahara, which could damage relations with Algeria or Morocco.[20] European countries and the US have expressed concern about China's increasing presence in the region.[21]

Table 1: Chinese FDI stock in Tunisia and Morocco ($, million)

	Tunisia	Morocco
2003	1.56	4.31
2004	1.28	9.06
2005	2.15	20.59
2006	3.91	27.01
2007	3.57	29.65
2008	3.57	28.06
2009	2.27	48.78
2010	2.53	55.85
2011	6.29	89.48
2012	5.69	95.22
2013	13.86	102.96
2014	14.56	114.44
2015	20.84	156.29
2016	16.3	162.7
2017	15.08	318.21

Source: China Africa Research Initiative, Johns Hopkins University (n.d.), 'Chinese FDI Flows to African Countries', http://www.sais-cari.org/s/FDIData_04Mar2019.xlsx (accessed 21 Jan. 2020).

The Maghreb has historically had close relations with France, the former colonial power, and the EU. Even Algeria, which had close political and military ties with the Soviet Union, has maintained close, multifaceted interactions with France.[22] Morocco and Tunisia also have close relationships with France. Nonetheless, China has gradually consolidated its presence in the Maghreb over the past two decades. Trade between China and the five Maghreb countries reached nearly $17 billion in 2017.[23] Between 2005 and 2019, the value of China's investments and contracts in the Maghreb rose from $600 million to $29.6 billion, with Algeria receiving the lion's share of $23.6 billion.[24] Up to 2012, Morocco received Chinese investments and contracts of $680 million; by 2018 the figure

[20] Sun, S. and Zoubir, Y. H. (2018), 'China's Participation in Conflict Resolution in the Middle East and North Africa: A Case of Quasi-mediation Diplomacy?', *Journal of Contemporary China,* 27(110), pp. 224–43.
[21] Smith, J. and Taussig, T. (2019), 'The Old World and the Middle Kingdom Europe Wakes Up to China's Rise', *Foreign Affairs*, 98(5), https://www.foreignaffairs.com/articles/china/2019-08-12/old-world-and-middle-kingdom (accessed 5 Nov. 2019).
[22] Zoubir, Y. H. (2011), 'Russia and Algeria: Reconciling Contrasting Interests', *The Maghreb Review*, (36)3, pp. 99–126.
[23] Figures calculated from National Bureau of Statistics of China (2018), *China Statistical Yearbook 2018*, http://www.stats.gov.cn/tjsj/ndsj/2018/indexeh.htm (accessed 10 Jan. 2020).
[24] American Enterprise Institute (2019), 'China Global Investment Tracker', https://www.aei.org/china-global-investment-tracker/ (accessed 15 Aug. 2019).

was $2.3 billion,[25] though a large proportion of this was a single energy investment in 2014,[26] and annual investment remains low. Tunisia has received much less FDI from China – $103.5 million from 2003 to 2017 (see Table 1).[27] In 2019, according to Tunisian Investment Minister Zied Ladhari, Chinese investment in Tunisia was merely $6 million.[28]

The evolution of China's relations with the Maghreb states

Although there is some concern about China's involvement in the Maghreb,[29] its presence there is not a new phenomenon. Among the Maghreb countries, Algeria has the closest relationship with China, the two countries established diplomatic relations four years before Algerian independence in 1962.[30] Morocco and Tunisia also have a long history with China.[31] Diplomatic ties with Morocco and Tunisia were established in 1958 and 1964, respectively. Though decidedly pro-Western, Morocco showed more pragmatism than Tunisia towards communist China during the Cold War, an approach adopted by King Hassan II (1961–99), which King Mohammed VI has developed since his visit to China in 2016.[32] This is part of Morocco's policy of diversification, including a strategic partnership with China and Russia.[33]

China's relationship with the Maghreb can be traced back to the rule of Mao Zedong, when close ties with national liberation movements were established. The Bandung Conference in 1955 – attended by Premier Zhou Enlai, as well as delegations from Algeria's National Liberation Front, Tunisia's Neo Destour party, and Morocco's Istiqlal party – cemented these relationships.[34] Algeria and Morocco played a key role in supporting the People's Republic of China taking over the permanent seat on the UN Security Council from the Republic of China.[35] In 1963–64, Zhou and Vice Premier Chen Yi visited 10 African countries, including Algeria, Morocco and Tunisia. President Habib Bourguiba of Tunisia was quite critical of Chinese foreign policy[36] and was wary not to alienate the US, its main benefactor at the time. During the visits, Zhou and Chen expressed China's strong support for the fight of African and Arab governments against imperialism, colonialism and neo-colonialism, and encouraged them to pursue nonaligned policies of peace and neutrality, and to achieve unity and solidarity. In the

[25] Ibid.
[26] Helioscpe (2019), 'Chinese firm helps build world's largest concentrated solar power complex in Morocco's desert', 20 January 2019, http://helioscsp.com/chinese-firm-helps-build-worlds-largest-concentrated-solar-power-complex-in-moroccos-desert/ (accessed 10 Jan. 2020).
[27] These figures are drawn from China Africa Research Initiative, Johns Hopkins University (n.d.), 'Chinese FDI Flows to African Countries', http://www.sais-cari.org/s/FDIData_04Mar2019.xlsx (accessed 21 Jan. 2020). These figures were based on National Bureau of Statistics (2018), 'China's Statistical Yearbook 2018'.
[28] CGTN (2019), 'Tunisia-China Partnership: Nations ink deal to offer China lead on infrastructure projects', 8 April 2019, https://news.cgtn.com/news/34596a4d33494464776c6d636a4e6e62684a4856/index.html (accessed 11 Dec. 2019).
[29] See, for instance, Mezran, K. and Samet, D. J. (2019), 'China Has Quietly Carved out a Foothold in North Africa', *The Diplomat*, 26 July 2019, https://thediplomat.com/2019/07/china-has-quietly-carved-out-a-foothold-in-north-africa/ (accessed 27 Jul. 2019).
[30] The PRC recognized the Provisional Government of the Algerian Republic (GPRA) in December 1958, three months after its proclamation. The PRC was the first non-Arab country to extend such recognition to the GPRA.
[31] Zoubir, Y. H. and Hamitouche, Y. (2020), 'China's Relations with Algeria: A Strategic Partnership?', in Zoubir Y. H. (ed.) (2020), *The Politics of Algeria: Domestic Issues and International Relations*, London and New York: Routledge.
[32] During his state visit to Beijing in 2016, Mohammed VI showed more interest in pushing for the strengthening for relations with China. Merran, J. (2016), 'Morocco, China Strengthen Business Ties During King Mohammed VI's Historic Visit to Beijing', Globe News Wire, 13 May 2016, https://www.globenewswire.com/news-release/2016/05/13/1306626/0/en/Morocco-China-Strengthen-Business-Ties-During-King-Mohammed-VI-s-Historic-Visit-to-Beijing.html (accessed 15 Aug. 2017).
[33] Agence Marocaine de Presse (2016), 'Full Text of HM the King's Speech to Morocco-GCC Summit in Riyadh', 20 April 2016, http://www.mapnews.ma/en/activites-royales/full-text-hm-kings-speech-morocco-gcc-summit-riyadh (accessed 17 Aug. 2018).
[34] Pairault, T. (2017), 'La Chine au Maghreb: de l'esprit de Bandung à l'esprit du capitalisme' [China in the Maghreb: from the spirit of Bandung to the spirit of capitalism], *Revue de la régulation: Capitalisme, institutions, pouvoirs,* 21(1), DOI: 10.4000/regulation.12230 (accessed 17 Aug. 2018).
[35] Algeria was the first African country to submit an official proposal for the Chinese case, which was continuously supported by all North African countries during the following sessions of the Assembly. Belhadj, I., Sun, D. and Zoubir, Y. H. (2016), 'China in North Africa: A strategic partnership', in Zoubir, Y. H. and White, G. (eds) (2016), *North African Politics: Change and Continuity*, London and New York: Routledge.
[36] Olimat, M. S. (2014), *China and North Africa Since World War II: A Bilateral Approach*, Washington DC: Lexington Books, p. 174.

1960s and 1970s, China did not show any economic interest in North Africa; its drive to offer aid to newly independent African countries aimed to gain diplomatic recognition and to politically and ideologically compete with the Soviet Union and the US.

In 1982, the 12th Assembly of the Communist Party proposed to establish relations with progressive parties and organizations abroad. The party would cooperate with parties that adhered to diverse ideologies, not only with socialist or communist parties.

At the end of the 1970s, China shifted away from foreign relations based on ideology. After the launch of its economic reform policy in 1978, its relations with the outside world became more pragmatic. In 1982, the 12th Assembly of the Communist Party proposed to establish relations with progressive parties and organizations abroad. In other words, the party would cooperate with parties that adhered to diverse ideologies, not only with socialist or communist parties.[37] China's economic relations with the Maghreb countries progressed steadily in the 1980s and 1990s. This included economic and technical cooperation agreements with Morocco in mining, fishing, agriculture and technology, and with Tunisia in the phosphate, renewables and water industries.

Developing new partnerships

In the last two decades, China's engagement with the Maghreb, and with Morocco and Tunisia in particular, has mainly focused on the economic dimension. Access to natural resources and the exploration of markets for Chinese products have been vital drivers of further cooperation. The Maghreb region, with a potential market of a little over 100 million people, is also important because it is the northern gateway to the African continent. Since 2013, China has designated the Middle East and North Africa as a key geostrategic zone. Given the geopolitical importance of Morocco and Algeria strategic considerations are also part of China's approach. Although Tunisia has much in common with these countries it is not yet a priority in Beijing's eyes. The 2016 *Arab Policy Paper* stresses China's relations with Arab countries through either comprehensive strategic partnerships, strategic partnerships or strategic cooperative partnerships.[38] At the 2018 CASCF, Beijing upgraded its relationship with the Arab world to the level of strategic partnership.[39]

The Maghreb is an attractive market for Chinese companies and investors.[40] But Chinese economic activities there are limited in comparison with its efforts in sub-Saharan Africa. Trade with the Maghreb (except for Algeria) represents only about 14 per cent of China's total volume with Africa.[41] Investments in Africa have been concentrated in oil-rich sub-Saharan countries, like Nigeria and

[37] Li, A. (2008), 'China's New Policy toward Africa', in Rotberg, R. I. (ed.) (2008), *China into Africa: Trade, Aid, and Influence*, Washington, DC: Brookings Institution Press, pp. 21–47.
[38] Ministry of Foreign Affairs of the People's Republic of China (2016), 'China's Arab Policy Paper'.
[39] Xinhua (2018), 'China Focus: China, Arab states to forge strategic partnership', 10 July 2018, http://www.xinhuanet.com/english/2018-07/10/c_137315080.htm (accessed 10 Jan. 2020).
[40] Breslin, S. (2012), *China and the Arab Awakening*, ISPI Analysis No. 140, Milan: Istituto per gli Studi di Politica Internazionale, https://www.ispionline.it/sites/default/files/pubblicazioni/analysis_140_2012.pdf (accessed 10 Jan. 2020).
[41] Pairault, T. (2013), 'Booming Sino-Maghreb Economic Relations: Incentives for a New European Partnership', in Berhe, M. G. and Liu, H. (eds) (2013), *China-Africa Relations: Governance, Peace and Security*, Addis Ababa: Institute for Peace and Security Studies.

Angola, and in the transport and energy sectors.[42] Following the 2015 FOCAC summit, Chinese investments in Africa increased dramatically; however, these were concentrated mostly in countries such as Nigeria, Angola, Ethiopia, Kenya, Zambia, South Africa and Mozambique. China's relations with Morocco and Tunisia have yet to witness a real take-off.

China's interest in Morocco and Tunisia goes beyond economic objectives. Beijing highly values the two countries' strategic locations at the crossroads of the Arab world, Africa and the Mediterranean. However, China faces strong competition from the EU in these countries. The EU signed Association Agreements with Tunisia in 1995 (which came into force in 1998) and Morocco in 1996 (which came into force in 2000). The total trade in goods between the EU and Tunisia reached $23 billion in 2017,[43] and trade with Morocco was close to $45 billion in 2018.[44] While, over the same time periods, China's trade with Morocco and Tunisia stood at $5.3 billion and $1.5 billion, respectively. By the end of 2017, China's total FDI stock in Morocco stood at $318 million, or 0.7 per cent of total Chinese FDI in Africa.[45] The limited amount of Chinese direct investment reflects the general lack of investment experience and enthusiasm of Chinese enterprises, which has been a key challenge to cooperation between China and Morocco, in particular, regarding the production of energy.[46] Despite much optimism, Chinese investment in Morocco remains very low.[47] The bulk of the country's FDI, $4.2 billion, comes from France, the UK, South Korea and Spain. Investment from France significantly increased by 25 per cent in 2017, led by the renewable energy and automotive sectors.[48] It is doubtful that China wishes to establish a hegemony in the region, but it would probably like to see less Western influence there. China offers the countries of the Maghreb an option to diversify their economic interests.

Morocco and Tunisia: Looking for new partnerships in the Gulf and Asia

In the last several years, Morocco and Tunisia have been increasingly cognizant of China's economic rise and have ramped up efforts to strengthen relations with the country in order to diversify economic cooperation. Like other developing countries, they broadly prefer China's policies to those of the West, as they emphasize equal partnership, mutual benefits and non-interference in each other's internal affairs.

[42] Sow, M. (2018), 'Figures of the week: Chinese investment in Africa', Brookings *Africa in Focus* blog, 6 September 2018, https://www.brookings.edu/blog/africa-in-focus/2018/09/06/figures-of-the-week-chinese-investment-in-africa/ (accessed 10 Sep. 2018).
[43] European Commission (2019), 'Countries and Regions: Tunisia', https://ec.europa.eu/trade/policy/countries-and-regions/countries/tunisia/ (accessed 14 Jan. 2020).
[44] European Commission (2019), 'Countries and Regions: Morocco', https://ec.europa.eu/trade/policy/countries-and-regions/countries/morocco/ (accessed 14 Jan. 2020).
[45] China Africa Research Initiative, Johns Hopkins University (n.d.), 'Chinese FDI Flows to African Countries'.
[46] Liu, D. (2019), 'Morocco's Industrial Development Strategy and Sino-Morocco Production Capacity Cooperation', *Arab World Studies,* 2, pp. 105–20.
[47] Morocco's official statistics show that in 2018, China ranked 23rd among sources of FDI inflows into Morocco; inflows from China totalled $17.3 million out of a total of $3.6 billion. The Chinese tally was higher in 2017, reaching $89.7 million out of $2.7 billion, when China was ranked ninth. (The figures in Moroccan Dirhams were converted into US dollars.) See Office des Changes, Département Études et Statistiques (2018), *Rapport annuel-Balance des paiements et position extérieure globale du Maroc 2018 [Annual report-Balance of payments and global investment position of Morocco 2018],* Rabat: Office des Changes, https://www.oc.gov.ma/sites/default/files/2019-08/Rapport%20annuel%20BP%20%20PEG%202018%20VF.pdf (accessed 14 Jan. 2020).
[48] Klasa, A. (2019), 'Morocco positions itself as more independent FDI portal to Africa', *Financial Times*, 24 January 2019, https://www.ft.com/content/28187230-f970-11e8-a154-2b65ddf314e9 (accessed 25 Aug. 2019).

This facet of China's international policy has long been attractive to countries of the Maghreb. The Arab uprisings and the fall of various regimes in the region, which were often supported by the West, made China's policies all the more appealing to regimes and even to the populations to some extent. China offers a new development model with its authoritarian capitalism system.[49]

China has demonstrated to the Maghreb countries that it follows a different philosophy than that of the West in the region. The perception in these countries is that it does not seek to impose its own political, economic and cultural system on them.

China has demonstrated to the Maghreb countries that it follows a different philosophy than that of the West in the region.[50] The perception in these countries is that it does not seek to impose its own political, economic and cultural system on them. They appreciate not only China's emphasis on its Five Principles of Peaceful Coexistence, but also its pronouncements regarding mutual respect and trust, security and stability, development and prosperity, openness and inclusiveness, cooperation and innovation, non-hegemonic ambitions, leveraging economic development to solve security and humanitarian issues, and support for Arab countries' development of their national economies. China is aware of the resistance in the developing world to imposed models of development. As President Xi put it at the 6th Ministerial Meeting of the CASCF in 2014, 'we should not require countries with different cultural traditions, histories and national conditions to follow a single development pattern'.[51]

After the Arab uprisings, Morocco and Tunisia began to look east to the rich Gulf monarchies – the United Arab Emirates, Qatar and Saudi Arabia[52] – for trade and investment. While Morocco and Tunisia are aware of China's growing global economic power, they have yet to develop coherent policies to guide their interactions, though to satisfy Beijing both have offered support for the 'One-China' policy.[53] Tunisia and Morocco's relations with China are still at arm's length and serve more as a counterbalance to relations with Western powers. For the most part, the foreign policies of Morocco and Tunisia are still oriented towards traditional partnerships with European powers, particularly France, and they have also developed closer ties, especially Morocco, with the US in recent years for economic and security reasons.[54] As such, there is still a long way to go before China supplants the West as a partner to these countries.

[49] Halper, S. (2009), *The Beijing Consensus: Legitimizing Authoritarianism in our Time*, New York: Basic Books.
[50] See, Freeman Jr., C. W. (2019), 'Nobody's Century: Deglobalization and its Discontents', Consortium News, 4 October 2019, https://consortiumnews.com/2019/10/04/nobodys-century-deglobalization-and-its-discontents/ (accessed 11 Dec. 2019).
[51] China News and Report (2014), 'Promoting the Silk Road Spirit and Deepening China-Arab Cooperation: Speech by President Xi Jinping at the Opening Ceremony of the 6th Ministerial Meeting of the China-Arab States Cooperation Forum', 5 June 2014, http://www.china.org.cn/report/2014-07/14/content_32941818.htm (accessed 15 Jan. 2015).
[52] Maestri, E. (2016), 'The Role of the GCC in North Africa in Light of the Arab Spring', in Zoubir, Y. H. and White, G. (eds) (2016), *North African Politics: Change and Continuity*, London and New York: Routledge.
[53] See the introduction to Olimat, M. S. (2014), *China and North Africa Since World War II: A Bilateral Approach*, Washington DC: Lexington Books.
[54] Zoubir, Y. H. (2011), 'The Maghreb: Strategic Interests', in Akbarzadeh, S. (ed.) (2011), *Obama in the Middle East: Failure to Bring Change*, New York: Palgrave-Macmillan.

3. Morocco and China: A Pragmatic Relationship

Pragmatism best characterizes China's relations with Morocco. Chinese leaders are aware that Morocco is a pro-Western state, but its strategic location makes it a valuable asset. Morocco's ties to the Gulf monarchies are also considered in China's calculations as are Morocco's recent diplomatic offensive in sub-Saharan Africa and its membership of the African Union. Relations have been steady and are reflected in the numerous high-level official visits between the two countries[55] and in their shared positions on non-interference in domestic affairs, win-win co-development, equality, stability and cooperation. Furthermore, China has openly supported Morocco's political stability. During the uprising in February 2011, for instance, it supported the regime while formally encouraging it to consider the needs of the population.[56]

Sino–Moroccan relations have grown considerably even if their promise remains unfulfilled. King Mohammed VI has sought to recalibrate the country's foreign policy away from the West. Although still decidedly anchored in the Western camp, under King Mohammed VI Morocco has sought investments from China.[57] Between 2011 and 2015, Chinese FDI in the country increased by 195 per cent, with a 93 per cent increase between 2014 and 2015,[58] largely due to the investment in the Noor solar plant in 2014.[59] In May 2016, President Xi and King Mohammed announced the establishment of a strategic partnership between the two countries and signed numerous agreements in a variety of economic sectors,[60] many of which have yet to be realized.

While it has often been argued that, for economic reasons, China takes a neutral stance on the conflict in Western Sahara – between the Algeria-backed Sahrawi independence movement and Morocco, which has occupied the territory since 1975 – it is doubtful whether the prospects of lucrative gains alone fully explain Beijing's position. Algeria's close relationship with China might explain the latter's reluctance to get involved in the politics of Western Sahara. China has adopted a seemingly disinterested position, yet at times it gives the impression of being inclined to favour the Moroccan 'offer' of 'large autonomy' to the Sahrawis instead of a referendum on self-determination as UN resolutions on Western Sahara have stipulated since the 1970s.[61] Beijing's policy on the dispute is based on the principle of respect for sovereignty and the territorial integrity of states. Officially,

[55] Each visit resulted in the two countries signing agreements. In 2002, during King Mohammed VI's visit to China, the two countries signed agreements in 'economic and technological cooperation, environmental protection, social development and employment, health, tourism and journalism'.
[56] Sun, D. and Zoubir, Y. H. (2014), 'China's Response to the Revolts in the Arab World: A Case of Pragmatic Diplomacy', *Mediterranean Politics*, 19(1), pp. 2–20.
[57] Feuer, S. and Ayadi, R. (2019), 'Twenty Years Under King Mohammed VI (Part 2): Foreign Policy Developments', *Policy Watch,* 3157, 29 July 2019, https://www.washingtoninstitute.org/policy-analysis/view/twenty-years-under-king-mohammed-vi-part-2-foreign-policy-developments (accessed 10 Sep. 2019).
[58] Luedi, J. (2017), 'Under the Radar: What's behind China's love affair with Morocco?', *Global Risk Insights*, 26 March 2017, https://globalriskinsights.com/2017/03/chinas-love-affair-with-morocco/ (accessed 10 Sep. 2018).
[59] The multibillion-dollar Noor 2 and Noor 3 solar farm near Ouarzazate, 60 miles southeast of Marrakesh, the biggest solar park ever built; although Noor 1 has been operating since 2016, it is expected to be completed in 2019. See Klasa (2019), 'Morocco positions itself as more independent FDI portal to Africa'.
[60] Xinhua (2016), 'La Chine et le Maroc établissent un partenariat stratégique' ['China and Morocco establish a strategic partnership'], 11 May 2016, http://french.xinhuanet.com/2016-05/11/c_135351719.htm (accessed 15 Oct. 2018).
[61] Security Council Report (2019), 'UN Documents for Western Sahara', https://www.securitycouncilreport.org/un-documents/western-sahara/ (accessed 15 Dec. 2019).

China favours a peaceful political settlement within the UN framework, encouraging the Sahrawi Polisario Front and Morocco to commit to Security Council resolutions calling for negotiations to reach a fair, lasting and acceptable settlement.

Morocco's economic policies on China

Economic relations with China are only one aspect of Morocco's global vision to attract investments. The strategic partnership is part of an attempt to diversify the economy and to attract the maximum number of partners to invest in, and trade with, the country. This does not mean loosening Morocco's traditional ties with the European Union or the US, which granted Morocco major non-NATO ally status and a free-trade agreement signed in 2006. King Mohammed has stressed that 'Morocco is free in its decisions and choices, and is not the exclusive preserve of any country; it will continue to honour the commitments it makes to its partners, and the latter [China] should not think that their interests will be affected'.[62]

In 2005, Morocco launched its Industrial Emergence Plan 2020. The objective was 'to modernize and strengthen the competitiveness of the industrial sector through, *inter alia*, targeting strategic sectors in Morocco, with a view to increasing Moroccan exports, modernizing and strengthening the pillars of the Moroccan economy.'[63] In 2014, the authorities launched the even more ambitious Industrial Acceleration Plan, which aimed to create 500,000 jobs, half through FDI, and to increase industry's (processing and manufacturing) share of GDP from 14 per cent to 23 per cent by 2020.[64] These targets now seem unlikely to be met, despite initial optimism.[65] The success of this programme depends on its development of 'networks, or productive industrial clusters'.[66] This approach aims to ensure technology transfers and further business integration to improve quality and productivity. It is necessary to promote closer economic relations with China and other potential investing countries to meet these goals.

Moroccan and Chinese businesses signed 15 agreements during King Mohammed's 2016 visit to Beijing,[67] along with a strategic partnership between the two countries.[68] During this visit it was announced that Chinese citizens were no longer required to obtain visas to travel to Morocco.

[62] Agence Marocaine de Presse (2016), 'Full Text of HM the King's Speech to Morocco-GCC Summit in Riyadh'.
[63] Commerce International 2016 (2016), 'Plan Émergence Industriel Maroc 2020' ['Morocco Industrial Emergence Plan 2020'], https://commerceinternational2016.wordpress.com/2016/04/19/plan-emergence-industriel-maroc-2020/ (accessed 18 Aug. 2018).
[64] Ministry of Industry, Investment, Commerce, and Digital Economy (n.d.), 'Industrial Acceleration Plan 2014-2020', http://www.mcinet.gov.ma/en/content/industrial-acceleration-plan-2014-2020 (accessed 7 Jan. 2020).
[65] Ibid. The authorities stated that, 'tangible achievements can be noted, in particular: the creation of 110,000 industrial jobs between 2008 and 2011; an increase of 22% in the sector's exports; a clear development of the infrastructure and establishment of global industry leaders, thus increasing foreign direct investment up by annual average rate of 23% since 2009'.
[66] Oxford Business Group (n.d.), 'New industrial policy in Morocco stimulating growth in many segments', https://oxfordbusinessgroup.com/overview/new-industrial-policy-morocco-stimulating-growth-many-segments (accessed 10 Jan. 2020).
[67] Lamlili, N. (2016), 'Maroc-Chine: une quinzaine de contrats signés durant la visite de Mohammed VI' ['Morocco-China: around fifteen contracts signed during Mohammed VI's visit'], *Jeune Afrique*, 13 May 2016, https://www.jeuneafrique.com/325644/politique/pluie-de-contrats-entre-maroc-chine/ (accessed 16 Sep. 2018).
[68] Agreements include: Morocco and China's Haite group agreement to build logistical and residential zones in the Tangier region; Morocco's National Office for Electricity and Drinking Water (ONEE) and China's SEPCO III Electric Power Construction agreement to conduct studies on extending and maintaining the Jerada power plant; Morocco's National Tourism Office and China International Travel Service agreement to increase tourism between the two countries; Linuo Ritter, SIE, Cap Holding and Attijariwafa Bank agreement for the creation of an industrial production unit for solar water heaters; China-Africa Development Fund and Attijariwafa Bank agreement to open new prospects for Moroccan–Chinese investment opportunities in Africa; and Haite Group, Morocco-China International and BMCE Bank of Africa agreement to set up a Chinese–Moroccan industrial park and a Chinese– Moroccan investment fund targeting the aeronautics, finances, industrial parks and infrastructure sectors. See Globe News Wire (2016), 'Morocco, China Strengthen Business Ties During King Mohammed VI's Historic Visit to Beijing', 13 May 2016, https://www.globenewswire.com/news-release/2016/05/13/1306626/0/en/Morocco-China-Strengthen-Business-Ties-During-King-Mohammed-VI-s -Historic-Visit-to-Beijing.html (accessed 10 Jan. 2020).

Since 2016, there has been a modest increase in trade between the two countries, Chinese exports to Morocco have noticeably risen, but from a very low base. According to Morocco's most recent annual data, total trade with China increased from $4 billion in 2016 to $5.3 billion in 2018. Chinese exports to Morocco accounted for the bulk of this increase, rising from $3.8 billion to $5 billion over the same period. The Chinese share of Morocco's total imports rose to almost 10 per cent in 2018 from 9.1 per cent in 2016 and 7.5 per cent in 2014. Over the same period, Morocco's exports to China have remained negligible, annually accounting for only about 1 per cent of total exports. The EU remains the predominant trading partner, accounting for more than half of Morocco's imports and about two-thirds of its exports.[69]

Table 2: Morocco–China trade, 2014–18

($ billion, unless stated)	2014	2015	2016	2017	2018
Imports from China	3.51	3.14	3.81	4.08	5.04
Total imports	46.54	38.12	41.86	45.20	51.25
Imports from China/total (%)	7.5	8.2	9.1	9.0	9.8
Imports from EU	23.93	20.36	23.33	25.72	28.64
Imports from EU/total (%)	51.4	53.4	55.7	56.9	55.9
Exports to China	0.27	0.24	0.23	0.31	0.27
Total exports	23.89	22.33	23.01	25.67	29.32
Exports to China/total (%)	1.1	1.1	1.0	1.2	0.9
Exports to EU	15.13	14.23	14.97	17.07	19.45
Exports to EU/total (%)	63.3	63.7	65.1	66.5	66.3

Source: Office des Changes (2018), *Annual Report*.
Note: Figures were converted from MAD to USD using Official exchange rate (LCU per US$, period average) from https://databank.worldbank.org/reports.aspx?source=2&series=PA.NUS.FCRF&country=MAR#.

Morocco's main imports from China include plastics, textiles, mobile phones, electronic goods and mechanical and electrical equipment. China is not an obvious or readily accessible market for Morocco's principal exports including cars, automotive parts, fresh food products, textiles and phosphates.

Morocco continues to have a trade imbalance with China as it has done with most of its traditional partners for the last two decades.[70] Morocco's exports to China are mainly low value-added products, such as ores, slag and ash, but they do include some high value-added items such as aircraft and spacecraft.[71] Meanwhile, Morocco imports are a more diverse range of goods from China most of which are high value-added products, such as electronic equipment, coffee, spices, knitted or crocheted fabric, vehicles, iron or steel products and plastics.[72]

Since 2005, Morocco has pursued a consistent labour-intensive industrial development strategy and built a solid foundation for its manufacturing industry by establishing industrial parks and vocational training for large segments of the labour force. It has also endeavoured to improve the business

[69] Office des Changes (2018), *Annual Report*, Chapter 4: Annual Trade Statistics, https://www.oc.gov.ma/sites/default/files/2019-07/Rapport%20BC_2018.pdf (accessed 14 Jan. 2020).
[70] Trading Economics (2019), 'Morocco Balance of Trade', https://tradingeconomics.com/morocco/balance-of-trade (accessed 10 Jan. 2020).
[71] Trading Economics (2017), 'Morocco Exports to China 2017', https://tradingeconomics.com/morocco/exports/china (accessed 10 Jan. 2020).
[72] World Richest Countries (n.d.), 'Top Morocco Imports 2017', http://www.worldsrichestcountries.com/top-morocco-imports.html (accessed 10 Jan. 2020).

environment to attract investors.[73] According to Dong Liu, an economist at the Chinese Academy of Social Sciences, Morocco possesses a promising environment for the expansion of labour-intensive industrial manufacturing, which gives Morocco a comparative advantage for the potential relocation of manufacturing from China to Morocco.[74]

Morocco's reforms kicked off the development of new industries with high value-added products, as seen in many industrial parks, which tend to include automobile assembly and auto-parts production. Since 2016, the automobile industry has become the country's main driver of export revenue. The sector produced 400,000 passenger vehicles in 2018.[75] The largest producer of vehicles is Renault, which established a modern plant outside Tangiers. In July 2019, the PSA Group started up a plant in Kenitra, north of Rabat, with the capacity to produce 200,000 cars per year, with options to develop electric vehicle lines over the next few years.[76]

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Chinese companies looking to Morocco as a production base, such as in the automotive industry, have to take account of the scale of the operations already put in place by major European firms, like Renault and PSA. One option is for Chinese companies to enter the feeder industry market, following in the footsteps of Citic Dicastal, which has set up a $400 million plant that will produce aluminium wheels for the cars made in the PSA factory in Kenitra.[77] Another possibility for Chinese firms is to set up a completely new car plant, as has been envisaged by BYD, one of China's leading electric vehicle producers. However, since the initial agreement between the Moroccan government and BYD was announced in December 2017, there has been little progress with the project. The delays have prompted a number of negative commentaries in the Moroccan media.[78]

Delays have also plagued a project to set up a Chinese hi-tech industrial zone in northern Morocco. Among the agreements announced in 2016 was a deal with a Chinese developer, Haite, to build the Mohammed VI Tanger Tech City – a $10 billion, 7.7 square-mile industrial and technology site intended to house 300,000 people and to create 100,000 jobs. This is a rather ambitious project aiming to capitalize on Tangier's proximity to Europe, and the projected infrastructure projects to support it (the modern port of Tanger Med, a highway network, a high-speed train line, and industrial and logistics areas). The development was to be divided into zones specializing in aerospace, automobiles, telecoms and a multitude of other sectors. The aim was to attract about 200 multinational corporations

[73] While Morocco had a ranking of 128th place in 2009, in 2018 it ranked 60th, a considerable improvement. For the 2018 ranking, see World Bank Group (2018), *Doing Business 2019: Training for Reform*, Washington DC: World Bank Group, https://www.doingbusiness.org/content/dam/doingBusiness/media/Annual-Reports/English/DB2019-report_print-version.pdf (accessed 10 Jan. 2020); World Bank Group (2008) *Doing Business 2009*, Washington DC: World Bank Group, https://www.doingbusiness.org/content/dam/doingBusiness/media/Annual-Reports/English/DB09-FullReport.pdf (accessed 10 Jan. 2020).
[74] Liu (2019), 'Morocco's Industrial Development Strategy and Sino-Morocco Production Capacity Cooperation'.
[75] Dragan, A. (2019), 'Renault plants in Morocco produced over 400,000 Dacia cars last year', *Business Review*, 18 January 2019, http://business-review.eu/business/auto/renault-plants-in-morocco-produced-over-400000-dacia-cars-last-year-195012 (accessed 11 Dec. 2919).
[76] Ennaji, K. (2019), 'PSA Kenitra Plant Officially Opens', *Morocco World News*, 20 June 2019, https://www.moroccoworldnews.com/2019/06/276284/psa-kenitra-plant-officially/ (accessed 11 Dec. 2019).
[77] Eliason, M. (2019), 'Kenitra: Car Component Manufacturer CITIC DICASTAL Opens its First Factory in Africa', *Morocco World News*, 28 June 2019, https://www.moroccoworldnews.com/2019/06/276920/citic-dicastal-morocco/ (accessed 11 Dec. 2019).
[78] For example, Abjiou, A. (2019), 'BYD, le dossier du 3e constructeur traîne' [BYD, the third manufacturer's file is lagging behind], *L'Economiste*, 26 September 2019, https://www.leconomiste.com/article/1050794-byd-le-dossier-du-3e-constructeur-traine (accessed 10 Jan. 2020); Savage, T. (2019), 'BYD, la lente fabrique d'un rêve' [BYD, slowly building a dream], *TelQuel*, 8 February 2019, https://telquel.ma/2019/02/08/byd-la-lente-fabrique-dun-reve_1627623/?utm_source=tq&utm_medium=normal_post (accessed 10 Jan. 2020).

as well as 100 Chinese companies wishing to have access to European markets. The finance for the construction of the city would be accessed over a 10-year period, with the funds coming from Haite and the Moroccan private bank BMCE, as well as from the Moroccan government.[79]

The construction of the Mohammed VI Tanger Tech City stalled, however, because of a dispute between Haite and the authorities over the ownership of the site.[80] Construction finally began after the signing of a memorandum of understanding for its development between BMCE and the China Communications Construction Company and its subsidiary, the China Road and Bridge Corporation in April 2019. Speaking about the reasons for Haite's withdrawal from the project, Ilyas El Omari, the head of the Tangier-Tetouan-Alhoceima region stated that, 'There were disagreements on the ownership of the city among other issues. Our partners are Chinese but this does not mean that the city belongs to Chinese'.[81] The development will now take place in three phases and cover up to 2.7 square miles rather than the 7.7 square miles initially projected. According to a statement issued by BMCE bank in September 2019, work has started and the zone will be ready to receive its first investors by the end of the year.[82] There is no evidence though that investments have materialized yet.

The development will have road and rail links. According to news reports, Morocco will provide tax incentives to companies in the food, automotive, aeronautical, renewable energy, chemical and textile industries to encourage them to locate themselves in the tech city. As initially projected, it will also benefit from the Tanger Med Port, which at present is being enlarged.[83] Chinese enterprises built the 952-metre King Mohammed VI Bridge and are potentially taking part in the construction of a multi-billion, high-speed rail connecting Marrakesh to Agadir, as part of larger infrastructure projects.

Some observers remain sceptical as to whether this development will become a reality under the new agreement and attract the intended investments.[84] However, the most important question is not whether the two sides will complete the project but how they tackle the obstacles that Sino–Moroccan economic relations face. As the academic Dong Liu suggests, 'Only by properly responding to the relevant obstacles can China–Morocco production capacity cooperation be fully implemented… Chinese enterprises face many obstacles in both subjective and objective aspects when investing in Morocco.'[85] He points out that, while 100 Chinese companies are anticipated to move to Tanger Tech City, there are only a few Chinese enterprises currently active in Morocco.

Protectionism has also discouraged Chinese enterprises from investing in the country. Morocco has imposed strict restrictions on the domestic sale of free-trade-zone products and high tariffs on intermediate products needed for industrial production. With these measures in place, Chinese enterprises struggle to reduce the cost of exports to Morocco through the traditional model of setting up assembly plants in a host country.[86]

[79] Global Construction Review (2017), 'Chinese aerospace firm signs $10bn deal to build Tangier tech city', 23 March 2017, http://www.globalconstructionreview.com/news/chinese-aerospace-firm-s7igns-10bn-d7eal-b7uild/ (accessed 20 Feb. 2018).
[80] Sherlock, R., Al-Arian, L. and Wei, S. (2018), 'Will Morocco's Chinese-Funded 'Tech City' Ever Break Ground?', National Public Radio, 3 October 2018, https://text.npr.org/s.php?sId=638297986 (accessed 15 Jan. 2019).
[81] Kemboi, L. (2019), 'Morocco begins construction of new tech city in Tangier', *Construction Review Online*, 9 July 2019, https://construction reviewonline.com/2019/07/morocco-begins-construction-of-new-tech-city-in-tangier/ (accessed 5 Aug. 2019).
[82] Media24 (2019), 'Cité Mohammed VI Tanger Tech: la première tranche prête pour le démarrage' ['Mohammed VI Tanger Tech City: first phase ready to start up'], 30 September 2019, https://www.medias24.com/cite-mohammed-vi-tanger-tech-la-premiere-tranche-prete-pour-le-demarrage-4646.html (accessed 10 Oct. 2019).
[83] Ibid.
[84] Feuer and Ayadi (2019), 'Twenty Years Under King Mohammed VI (Part 2): Foreign Policy Developments'.
[85] Liu (2019), 'Morocco's Industrial Development Strategy and Sino-Morocco Production Capacity Cooperation'.
[86] Ibid.

Another obstacle is the issue of integration. Chinese enterprises have difficulty integrating into the established European industrial chain in Morocco. This is because emerging industries in the country mainly integrate into the French industrial system. Chinese companies are more familiar with participating in the industrial system of North America and East Asia. In Europe, they engage mostly with German companies and have little interaction with French counterparts precisely because of the different industrial chains. Thus, overall favourable production conditions in Morocco hold risks for Chinese enterprises. This has a big impact on smaller Chinese firms who see the difficulties that large established companies have in Morocco and are put off as a result. It remains to be seen whether many Chinese companies actually establish factories in Morocco and engage in production cooperation with Moroccan companies.

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The inefficiency of the Moroccan government, a lack of trust in the business environment, restrictive business laws, and low levels of human capital all continue to challenge the Sino–Moroccan economic relationship.[87]

Agriculture is a growing sector for economic relations between the two countries with rising demand for foreign food in China. Therefore, Morocco has begun exporting citrus to China. The country's integration into EU food-supply chains, which requires high-quality standards, appeals to Chinese consumers.[88] China is also extending its cooperation with Morocco in the fisheries sector, particularly in aquaculture and seafood processing. According to the World Bank, in 2016, total fisheries production was 1.45 million tonnes in Morocco and 81.5 million tonnes in China.[89]

The number of Chinese tourists visiting Morocco has grown significantly in the last two years. Up to 2016, when there was a visa requirement for Chinese citizens to visit Morocco, about 20,000 Chinese tourists visited the country every year. That number grew to 118,000 in 2017, 180,000 in 2018,[90] and 200,000 in 2019.[91] However, this is insignificant when compared to the total number of tourists, nearly 8 million, who visited Morocco by July 2019.[92] Minister of Tourism Mohamed Sajid's prediction of 500,000 Chinese tourists a year by 2020 is still a long way off.[93]

[87] Author interview with Chinese scholar in Beijing, who chose to remain anonymous, 25 July 2019.
[88] Luedi (2017), 'Under the Radar: What's behind China's love affair with Morocco?'.
[89] World Bank (n.d.), 'Total fisheries production (metric tons) – Morocco, China', https://data.worldbank.org/indicator/ER.FSH.PROD.MT?locations=MA-CN (accessed 21 Jan. 2020).
[90] Xinhua (2019), 'Morocco attracts 180,000 Chinese tourists in 2018', 15 February 2019, http://www.xinhuanet.com/english/2019-02/15/c_137825187.htm (accessed 25 Aug. 2019).
[91] Boulet, J. (2019), 'Un œil sur la Chine, Royal Air Maroc poursuit sa mue à l'international' ['An eye on China, Royal Air Maroc continues its international transformation'], *Le Monde Arabe*, 10 October 2019, https://lemonde-arabe.fr/10/10/2019/chine-royal-air-maroc/ (accessed 20 Oct. 2019).
[92] Morocco's Tourism Observatory announced that figure, reported in, Kasraoui, S. (2019), 'Nearly 8 Million Tourists Visited Morocco by the End of July 2019', *Morocco World News*, 18 September, 2019, https://www.moroccoworldnews.com/2019/09/282872/tourists-morocco-tourism-2/ (accessed 15 Sep. 2019).
[93] Slate, T. (2019), 'Morocco Tourism: Chinese Influx Momentum Runs Out of Steam', Tourism Review News, 29 April 2019, https://www.tourism-review.com/morocco-tourism-chinese-travel-growth-slows-down-news11040 (accessed 15 Sep. 2019).

In August 2019, the National Office for Tourism announced a partnership with the leading Chinese online tourism agency trip.com.[94] In September 2019, Royal Air Maroc announced that it would offer three flights per week from Casablanca to Beijing as of January 2020.[95]

In addition to this significant rise in cooperation with China, Morocco signed a memorandum of understanding in November 2017 to join the BRI and it became a member of the China-led Asian Infrastructure Investment Bank in December 2018. The main question for Morocco is how to closely cooperate with China without risking its ties with the EU and the US.

[94] Boulet (2019), 'Un œil sur la Chine, Royal Air Maroc poursuit sa mue à l'international' ['An eye on China, Royal Air Maroc continues its international transformation'].
[95] Media24 (2019), 'RAM lancera le Casablanca-Pékin le 16 janvier 2020 avec 3 rotations par semaine' ['RAM will launch Casablanca-Beijing on 16 January 2020 with 3 rotations per week'], 10 September 2019, https://www.medias24.com/ram-lancera-le-casablanca-pekin-le-16-janvier-2020-avec-3-rotations-par-semaine-4286.html (accessed 15 Sep. 2019).

4. Tunisia and China: An Evolution of Relations

China's relations with Tunisia are relatively undeveloped, especially compared to those with Algeria or Morocco. China has a low-level economic presence in Tunisia concentrated in the ICT, infrastructure and oil sectors.[96] According to the eminent Tunisian journalist Hichem Ben Yaiche, 'Tunisia is a small market. Only the port of Bizerte might be of interest as a hub for trans-shipment'.[97] Nonetheless, Sino–Tunisian relations are growing, albeit at a slow pace.

During the long presidency of Habib Bourguiba (1957–87), Tunisia had a rather distant, and even antagonistic, relationship with China. His anti-communist and pro-Western policies made it difficult to develop close ties. Throughout the 1960s, Bourguiba condemned China for its foreign policy actions, particularly the border dispute with India. However, in 1961, it began to vote in favour of China's participation in the UN Security Council. Tensions over foreign policy issues did not prevent trade relations from being established as early as 1958. In 1983, the two countries signed the Sino–Tunisian Joint Committee of Economic, Trade, and Technological Cooperation to facilitate trade relations. Both made efforts to consolidate bilateral ties.[98]

In line with its policy of non-interference, China did not react to the 'medical coup' that ousted Bourguiba in 1987. Beijing recognized the new regime led by President Zine el-Abidine Ben Ali, which maintained cordial relations with China. The regime's anti-communist position notwithstanding, the two countries maintained good relations and exchanged high-level official visits. The most important visit was President Jiang Zemin's in 2002, while Ben Ali visited China in 1991. Until 2011, China and Tunisia shared a security outlook and were both governed by authoritarian, one-party rule.[99]

Prior to the 2011 Arab uprisings, China saw Tunisia as a stable Mediterranean state and overlooked its authoritarian regime. The fall of Ben Ali surprised Beijing. Soon after the revolution, Vice Foreign Minister Zhai Jun visited the country and said that, 'The Chinese government respects the choice of the Tunisian people and is willing to cement and develop the bilateral traditional friendship [between China and Tunisia] and the mutually beneficial cooperation as always.'[100] During a meeting with Foreign Minister Mouldi Kefi, a couple of months later, President Xi stated that 'China believes the Tunisian government and its people have the ability, wisdom and ways to find an economic system and road of development suitable for the country's conditions'.[101] At that time, the Chinese authorities were more concerned about the situation in Libya, from which they had to repatriate 38,000 nationals from the conflict zone. They were able to do so effectively with the assistance of Tunisia, which opened its ports and airports to Chinese vessels and aircraft.[102] Although the Tunisia–China

[96] Author telephone interview with Chinese researcher living in Tunisia, who wished to remain anonymous, 31 July 2019.
[97] Author telephone interview with Hichem Ben Yaiche, geopolitics expert and editor of the magazines *New African* and *African Business* in French, 8 August 2019.
[98] Rakhmat, M. Z. (2014), 'China and Tunisia: A Quiet Partnership', *The Diplomat*, 28 June 2014, https://thediplomat.com/2014/06/china-and-tunisia-a-quiet-partnership/ (accessed 10 Jan. 2020).
[99] Olimat, M. S. (2014), *China and North Africa Since World War II: A Bilateral Approach.*
[100] Embassy of the People's Republic of China in the United States of America (2011), 'Vice Foreign Minister Zhai Jun Meets with Beji Caid-Essebsi, Prime Minister of the Tunisian National Unity Government', 7 March 2011, http://www.china-embassy.org/eng/zgyw/t804639.htm (accessed 11 Aug. 2018).
[101] China Daily (2011), 'China believes Tunisia can realize social stability', 30 May 2011, http://www.chinadaily.com.cn/china/2011-05/20/content_12550621.htm (accessed 11 Aug. 2018).
[102] Sun, D. and Zoubir, Y. H. (2014), 'China's Response to the Revolts in the Arab World: A Case of Pragmatic Diplomacy', *Mediterranean Politics*, 19(1), pp. 2–20.

relationship is negligible, potential instability following the Arab uprising was a major concern for China as it feared losing the support of another friendly regime in the MENA region.[103] China supported the political and economic transition in Tunisia to mitigate this risk.

Economic relations: Rhetoric versus reality

Tunisia's main export markets are in Europe.[104] Despite efforts to diversify the economy, the EU accounts for more than 50 per cent of Tunisia's imports and exports. France is its main trading partner, with 30.6 per cent of exports and 15.1 per cent of its imports. Italy is its second largest trading partner, and others include Germany, Spain and Turkey, which although not a member of the EU has a customs union.[105]

Table 3: Tunisia–China trade, 2014–18

($ billion, unless stated)	2014	2015	2016	2017	2018
Imports from China	1.24	1.24	1.30	1.30	1.40
Total imports	38.07	30.88	29.86	32.43	34.66
Imports from China/total (%)	3.25	4.01	4.34	4.09	4.08
Imports from EU	n/a	n/a	13.33	14.00	14.50*
Imports from EU/total (%)	n/a	n/a	44.66	43.17	41.83*
Exports to China	0.21	0.18	0.14	0.20	0.19
Total exports	16.63	14.36	13.95	14.68	16.38
Exports to China/total (%)	1.27	1.31	0.99	1.35	1.19
Exports to EU	n/a	n/a	12.89	13.22	12.63*
Exports to EU/total (%)	n/a	n/a	92.4	90.07	77.1*

* European trade figures include goods only, and is missing trade in services.
Source: Compiled by the author. Imports/Exports from/to China: World Bank (n.d.), 'World Integrated Trade Solution, China Exports/Imports by Country, 2018', https://bit.ly/2RacJ52 and https://bit.ly/365rb2l; Total Imports/Exports: World Bank (n.d.), 'World Integrated Trade Solution, World Exports/Imports by Country, 2018', https://bit.ly/3asixyz and https://bit.ly/2v3wCC9; European Commission (n.d.), 'Imports/Exports from/to Europe: European Commission, Trade with Tunisia', https://ec.europa.eu/trade/policy/countries-and-regions/countries/tunisia/, converted from Euro to USD using World Bank, Official exchange rate (LCU per US$, period average), https://databank.worldbank.org/reports.aspx?source=2&series=PA.NUS.FCRF&country=EMU.

Since 1958, China and Tunisia signed numerous trade agreements. In addition, mechanisms such as the China–Tunisia Cooperation Forum and the Tunisia–China Investment and Trade Forum were developed to strengthen their relations.[106] In 1984, a number of Chinese companies came to Tunisia to build highways, ports and other facilities.[107] However, total trade between the two countries has remained small. In 2005, for example, it was around $340 million. In 2017, the total trade volume between the two reached $1.5 billion.[108] China accounts for 9 per cent of Tunisia's imports, making

[103] Kandil, A. (2012), *China and the 'Arab Spring': A New Player in the Middle East?,* Euromesco Brief 47, Barcelona: European Institute of the Mediterranean, https://www.euromesco.net/wp-content/uploads/2017/10/201207-EuroMeSCo-Policy-Brief-47.pdf (accessed 12 Sep. 2014).
[104] Trading Economics (2019), 'Tunisia Exports', https://tradingeconomics.com/tunisia/exports (accessed 11 Dec. 2019).
[105] Nordea Trade (2019), 'Tunisia: Economic and Political Overview', https://www.nordeatrade.com/en/explore-new-market/tunisia/trade-profile (accessed 11 Dec. 2019).
[106] Rakhmat, M. Z. (2014), 'China and Tunisia: A Quiet Partnership'.
[107] Ibid.
[108] World Bank (n.d.), 'World Integrated Trade Solution, China Exports/Imports by Country, 2018', https://bit.ly/2RacJ52, https://bit.ly/365rb2l.

it the country's third-largest supplier of products. In 2017, Tunisia's imports from China amounted to $1.3 billion, including electrical and electronic equipment, nuclear reactors, iron and steel, plastics and organic chemicals.[109]

Tunisia is ambitious to increase cooperation with China. In 2018, the government said, 'Chinese Direct Investment in Tunisia, which represents 12.9 million TD [Tunisian Dinars, $4.5 million], remains below the Tunisian aspirations and the real capacities of the Chinese economy'.[110]

Tourism, culture, agri-food, renewable energy and automotive sectors are all of interest to Chinese investors, but they are hesitant to invest because of political uncertainty, insecurity, a conservative business climate, and restrictive fiscal measures.

Tunisia's officials and business community argue that Chinese firms can benefit from doing business in the country as this would enable them to enter European markets. They often highlight the fact that Tunisia is the first southern Mediterranean country to have obtained a free-trade agreement with the EU. In addition, according to Mohamed Ben Rhouma, president of the Tunisian–Chinese Business Council, 'instead of competitors, Chinese companies are partners… We can establish a true partnership by sharing customers and strategic positions.'[111] Undoubtedly, China is interested in Tunisia's Bizerte port because it provides easy access to Europe; in addition, the port is located at a critical hub of fibre optic submarine network cables.[112] However, Chinese investors have been looking for development opportunities in Tunisia for years without major success.[113] Tourism, culture, agri-food, renewable energy and automotive sectors are all of interest to Chinese investors, but they are hesitant to invest because of political uncertainty, insecurity, a conservative business climate, and restrictive fiscal measures. In 2015, the two countries signed a strategic framework to launch a free-trade zone in Tunisia that was hoped would increase China's interest in 'leveraging North Africa's location to strengthen its economic ties with the EU'.[114] The project has not yet materialized and Tunisian authorities continue speaking about the creation of free-trade zones, one of which is along the border with Libya.

Tunisia has made significant efforts to attract foreign businesses – it ranks 80th in the World Bank's Doing Business Index 2019 – but it is still short of meeting its targets. In addition, political and economic instability deter foreign multinationals. There are just 10 Chinese companies operating in Tunisia, with a combined annual revenue of about $10 million, while there are more than 4,000 European companies, with a combined annual turnover of about $12 billion.[115]

[109] Ibid.
[110] Republic of Tunisia Ministry of Foreign Affairs (2018), 'Bilateral relations between Tunisia and China', https://www.diplomatie.gov.tn/fileadmin/user_upload/pdf/Bilateral_relations_between_Tunisia_and_China.pdf (accessed 15 Nov. 2019).
[111] *China Daily* (2018), 'Tunisia to enhance partnership with China in expanding markets: official', 17 May 2018, http://www.chinadaily.com.cn/a/201805/17/WS5afcdecda3103f6866ee8ed9.html (accessed 15 Aug. 2019).
[112] Souli, S. (2018), 'Tunisia hopes boost in Chinese investment can ease economic woes', *Al-Monitor*, 19 March 2018, https://www.al-monitor.com/pulse/originals/2018/03/boost-china-investment-tunisia-europe-trade.html (accessed 15 Aug. 2019).
[113] Author telephone interview with journalist, who wished to remain anonymous, based in Beijing, 5 August 2019.
[114] Eid-Oakden, F. (2017), 'China's Growing North Africa Footprint', *ACT Middle East Treasurer*, summer 2017, https://www.treasurers.org/system/files/Summer17MET_freetradezones08-09.pdf (accessed 15 Aug. 2019).
[115] Ghanmi, L. (2018), 'Tunisia joins China's Belt and Road Initiative as it seeks to diversify trade, investment', *The Arab Weekly*, 9 September 2018, https://thearabweekly.com/tunisia-joins-chinas-belt-and-road-initiative-it-seeks-diversify-trade-investment (accessed 11 Nov. 2019).

Tunisia has demonstrated its determination to develop relations with China by joining the BRI and becoming a member of the Asian Infrastructure Investment Bank.[116] According to China's ambassador to Tunisia, Wang Wenbin, through participation in the BRI, 'bilateral cooperation should be strengthened in five areas: policy coordination, interconnection of infrastructure, trade facilitation, financial integration as well as mutual understanding'.[117] Tunisia has signed various BRI agreements since September 2018, with a view to reinforce cooperation with China and to attract Chinese investment, particularly in infrastructure. Tunisia is hopeful that this closer cooperation marks a shift in relations between the two countries.

During the FOCAC summit in Beijing in September 2018, the Tunisian delegation signed agreements with China for various projects, including turning the port of Zarzis into an economic and commercial centre; the construction of a railway line linking Médenine, a region rich in minerals in Gabès, the heart of the petrochemical and processing industries of phosphates, and Zarzis; establishing a production plant for SAIC Motor Corporation Ltd, a Chinese state-owned company, to build and export cars to the countries around the Mediterranean and in Africa. In addition, China is currently building a hydraulic dam in the Kef region.[118]

> Tunisia has also called upon Chinese expertise to build a solar power plant. Tunisia is a country with huge unexploited capacity in this sector and plans to develop at least 835 megawatts of solar power plants by 2030.

Tunisia has also called upon Chinese expertise to build a solar power plant. Tunisia is a country with huge unexploited capacity in this sector and plans to develop at least 835 megawatts of solar power plants by 2030.[119] In July 2019, the Tunisian authorities signed a memorandum of understanding with Chinese corporations with expertise in renewables to develop solar energy and to continue importing equipment and products from China. This reflects the shift in emphasis in China's regional policy, as highlighted by the *Arab Policy Paper,* towards energy cooperation, infrastructure construction and the 'new tech fields of nuclear energy, space satellite and new energy'.[120]

Like Morocco, Tunisia is seeking to attract Chinese tourists. Chinese tourism in Tunisia had increased from 2,000 in 2016 to 15,000 in 2018.[121] By August 2019, citing official statistics from the Tunisian Ministry of Tourism, it was reported that the number of Chinese tourists visiting Tunisia had increased by 10.1 per cent year-on-year, reaching 18,935.[122] However, this represents a small proportion of the 5 million tourists that visited Tunisia in 2019. This relative growth has likely been boosted by the removal of visa restrictions for Chinese tourists visiting the country.

However, Chinese tourism in Tunisia will fail to develop further without regular flights between the two countries. In September 2018, as part of Tunisia's participation in the BRI, the two countries signed a cooperation agreement to start direct flights to boost numbers of Chinese tourists visiting

[116] *China Daily* (2019), 'AIIB approves membership of Cote d'Ivoire, Guinea, Tunisia and Uruguay', 22 April 2019, http://usa.chinadaily.com.cn/a/201904/22/WS5cbd9f06a3104842260b7990.html (accessed 15 Aug. 2019).
[117] *China Daily* (2018), 'Tunisia to enhance partnership with China in expanding markets: official'.
[118] Ghanmi (2018), 'Tunisia joins China's Belt and Road Initiative as it seeks to diversify trade, investment'.
[119] CGTV (2019), 'Tunisia Energy: Chinese experts help build solar power plant: Transcript', 28 July 2019, https://news.cgtn.com/news/314d544f784d4464776c6d636a4e6e62684a4856/index.html (accessed 18 Aug. 2019).
[120] Ministry of Foreign Affairs of the People's Republic of China (2016), 'China's Arab Policy Paper'.
[121] COTRI China Outbound Tourism Research Institute (2018), 'Tunisia turning towards the Chinese outbound tourism market', https://china-outbound.com/2018/08/29/tunisia-turning-towards-the-chinese-outbound-tourism-market/ (accessed 17 Jan. 2020).
[122] Kapitalis (2019), 'Tunisie: le nombre de touristes chinois progresse de 10% au 19 aout 2019', 21 August 2019, http://kapitalis.com/tunisie/2019/08/21/tunisie-le-nombre-de-touristes-chinois-progresse-de-10-au-10-aout-2019/ (accessed 17 Jan. 2020).

Tunisia.[123] Though, at the time of writing, these direct flights have yet to be realized. According to Minister of Tourism Salma Elloumi Rekik, the authorities 'are trying to draw more Chinese tourists, by upgrading payment methods, setting up Chinese logos, launching direct flights, as well as running Chinese restaurants, to make Chinese visitors' trips in Tunisia more convenient and enjoyable'.[124]

One area where Sino–Tunisian cooperation has been relatively strong is security, notably in counterterrorism since the collapse of the Ben Ali regime and in light of the instability in Libya. Although Tunisia imports most of its weapons from France, in 2013, it received an $8 million grant from China for the acquisition of Chinese equipment for the army to boost its operational capabilities in the fight against terrorism and other illegal activities.[125] In 2015, China provided another grant to Tunisia for an undisclosed number of weapons.[126] In May 2019, the two countries announced their intention to develop their security cooperation in health services and training for Tunisia's military.[127] However, Tunisia's security cooperation with China pales in comparison to what it has with the US and France. Despite decreasing from $241.4 million to $86.4 million in the 2019 fiscal year, US assistance to Tunisia still dwarfs support from China. The US's considerable security involvement in Tunisia is not only in military supplies but also in the form of a discreet military presence in the country.[128] France annually provides €10 million in military aid to Tunisia and it has closer military cooperation with Tunisia than China.[129]

[123] Ghanmi (2018), 'Tunisia joins China's Belt and Road Initiative as it seeks to diversify trade, investment'.
[124] Xinhua (2018), 'Chinese tourists to Tunisia witness boom in 2018', 28 October 2018, http://www.xinhuanet.com/english/2018-10/28/c_137562912.htm (accessed 17 Aug. 2019).
[125] Tunisie Agence Presse (2013), 'Tunisie: Don chinois de 8 MD au profit de l'Armée nationale' ['Tunisia: Chinese donation of 8 MD for the benefit of the National Army'], 2 December 2013, https://chinaafricaproject.com/china-tunisia-grants-cooperation-military-development/ (accessed 15 Oct. 2014).
[126] L'Economiste maghrébin (2015), 'La Tunisie reçoit un don d'armes chinois' ['Tunisia receives donation of Chinese weapons'], 28 April 2015, https://www.leconomistemaghrebin.com/2015/04/28/tunisie-don-armes-chinois/ (accessed 15 Aug. 2019).
[127] Xinhua (2019), 'China, Tunisia to strengthen military training cooperation', 30 May 2019, http://eng.chinamil.com.cn/view/2019-05/30/content_9518641.htm (accessed 21 Aug. 2019).
[128] Nsaibia, H. (2018), 'US Special Operations Forces Are Quietly Expanding Their War In Tunisia', *Task & Purpose*, 20 September 2018, https://taskandpurpose.com/marine-special-operations-forces-tunisia (accessed 30 Sep. 2019).
[129] La France en Tunisie (2019), 'Mission de Defense', https://tn.ambafrance.org/Mission-de-defense (accessed 10 Jan. 2020).

5. The Outlook for China's Relations with Morocco and Tunisia

While China is gaining a foothold in the Maghreb, it cannot match US and European dominance in the region. In Tunisia, France has a particularly strong role:

> With respect to culture, language, mentality, political and economic ties, the French presence has deeply shaped Tunisia. China does not have the will nor the capacity to compete with, or replace, France. China's strategy is to maintain its presence in the region to reassure its ambition as a global emerging power.[130]

The same is true of Morocco, which also has longstanding ties to the US and France. However, a wave of anti-Americanism has washed over the region in recent years. According to a recent survey, for example:

> only 45 percent of Tunisians prefer stronger ties with the United States–compared to 63 percent for China, 57 percent for Turkey and 50 percent for Russia. Additionally, more Tunisians say they want foreign aid from China and Russia to increase (50 and 46 percent, respectively), than from the United States (45 percent).[131]

The populations of Morocco and Tunisia generally have scant knowledge about China's politics and culture. China has tried to tackle this with the establishment of Confucius Institutes in these two countries. Language and cultural barriers still impede the development of relations. Cultural exchanges are still sparse between China and the two countries, compared to those China has with other countries in Africa. Furthermore, significant Chinese migration to the Maghreb region, particularly in Algeria, which hosts up to 80,000 Chinese citizens,[132] has occasionally caused conflicts with the local populations and emphasized cultural barriers.[133] However, in the context of the wider Arab world, China's image has improved considerably in recent years.[134]

The Moroccan and Tunisian governments share concerns that China either views the Maghreb as a place to primarily sell inexpensive and low-quality products, or merely as a source of vital raw materials and resources.

The distribution networks of Chinese products could improve in Morocco and Tunisia, but local protectionist policies make their establishment difficult.[135] Although Morocco has made progress in attracting new business from outside the country, there are still many challenges for foreign

[130] Author telephone interview with Chinese researcher living in Tunisia, who wished to remain anonymous, 28 July 2019.
[131] Yerkes, S. (2019), 'As the U.S. and Tunisian Delegations Meet, Anti-Americanism is on the Rise', *The Washington Post*, 14 July 2019, https://www.washingtonpost.com/politics/2019/07/14/us-tunisian-delegations-meet-anti-americanism-is-rise/ (accessed 10 Jan. 2020).
[132] The figures on the number of Chinese in Algeria vary considerably. In part, this is due to the fact that these are mainly temporary workers who return home once their work in Algeria is complete. Another reason is that neither the Algerian nor Chinese governments disclose the number of Chinese citizens in Algeria. In November 2019, the French newspaper *Mediapart* estimated the number was between 40,000 and 80,000, see Brahim, N. (2019), 'En Algérie, la vie en marge des ouvriers chinois se déroule loin de l'agitation du 'hirak' ['In Algeria, life on the sidelines for Chinese workers takes place far from the unrest of the 'hirak'], *Mediapart*, 4 November 2019, https://www.mediapart.fr/journal/international/041119/en-algerie-la-vie-en-marge-des-ouvriers-chinois-se-deroule-loin-de-l-agitation-du-hirak (accessed 10 Nov. 2019).
[133] Abtroun, S. (2018), 'Expatriés chinois en Algérie : l'amour au bout du voyage' ['Chinese expatriates in Algeria: love at the end of the journey'], *Paris Match*, 14 September 2018, https://www.parismatch.com/Actu/International/Expatries-chinois-en-Algerie-l-amour-au-bout-du-voyage-1574387 (accessed 11 Dec. 2019).
[134] Friedrichs, J. (2019), 'Explaining China's Popularity in the Middle East and Africa', *Third World Quarterly*, 40(9), pp. 1634–54, DOI: 10.1080/01436597.2019.1592670.
[135] Lafargue, F. (2018), *The Economic Presence of China in the Maghreb: Ambitions and Limits,* Paris: Foundation de la Recherche Stratégique, https://www.frstrategie.org/en/programmes/observatoire-du-monde-arabo-musulman-et-du-sahel/the-economic-presence-of-china-in-the-maghreb-ambitions-and-limits-293 (accessed 10 Jan. 2020).

companies operating in the country. For example, despite its relative stability and business-friendly policies, domestic companies and government agencies tend to be slow in making payments, which incurs long delays for private enterprises.[136] Meanwhile, Tunisia continues to struggle to regain the level of foreign investment it had prior to its political transition.

Although China can comfortably compete with India, Russia, Brazil and Turkey on the economic front in the region, it faces formidable challenges from the EU and the Gulf states. For instance, France and the United Arab Emirates hold three-quarters of the FDI stock in Morocco.[137] In response to China's increasing presence in Africa and the Maghreb, the EU launched the Africa–EU Strategic Partnership in 2007. At the 5th EU–Africa Summit in Abidjan in 2017, the two sides expressed a willingness to adopt a partnership model based on reciprocal trade, which is worth more than $300 billion at present.[138] The EU has pledged to provide €44 billion in 'sustainable' investment in Africa by 2020.[139] It is also buttressing its commercial position in the continent with a network of free-trade agreements or Economic Partnership Agreements, which it is negotiating or has signed with 40 sub-Saharan African countries. The EU is in a strong position when it comes to African economies, due to its historical ties to the region and its comprehensive trade strategy, the stage is set 'for continued growth and influence by European firms in the African market. In addition, the EU is well positioned to share lessons learned from its decades of experience with regional economic integration'.[140]

[136] Klasa (2019), 'Morocco positions itself as more independent FDI portal to Africa'.
[137] Lafargue (2018), *The Economic Presence of China in the Maghreb: Ambitions and Limits*.
[138] Buckland, J. (2019), *Investing in Africa – Our Outlook for 2019/2020*, London: Hogan Lovells Publications, https://www.hoganlovells.com/en/publications/investing-in-africa-our-outlook-for-2019-2020 (accessed 12 Aug. 2019).
[139] Ibid.
[140] Schneidman and Wiegert (2018), 'Competing in Africa: China, the European Union, and the United States'.

6. Conclusion

China has made a notable entry in the Maghreb. Although its engagement with Morocco and Tunisia can potentially support the two countries' economic growth, industrialization and social development – particularly through purchases of raw materials and the construction of infrastructure – there is little evidence that this is happening. Morocco and Tunisia have important geopolitical value in Beijing's eyes due to their location in Africa, their role in the Arab-Muslim world and their proximity to Europe. Their inclusion in the BRI is significant only insofar as it is a strategic project for China. For their part, the two countries see cooperation with China as an opportunity to reduce Western influence in the context of multi-centric globalization.

Like other outside actors engaged in the Maghreb, China must deal with the instability of existing regimes. Political upheavals may threaten its interests at any time, as occurred in Libya in 2011. China and Libya have yet to restore normal trade relations since the fall of the regime of Muammar Gaddafi. China's policy of non-interference and neutrality has until now served its interests in the region. Nevertheless, there is a question as to whether it can maintain this stance indefinitely, which amounts to supporting the regimes in place, without being seen negatively by civil society in the region. Similarly, China has so far managed to maintain relative impartiality on the issue of Western Sahara, thus maintaining the balance in its relations with Algeria and Morocco.[141] However, Western Sahara Resource Watch has alleged that China is participating in the illegal purchase of phosphates and fisheries in the Moroccan-occupied territory of Western Sahara.[142] This could hurt relations with African countries, including Algeria, and confirm suspicions that China is a neo-colonialist power.

As geopolitical and geo-economic factors have become intertwined across the Maghreb since the Arab uprisings, China's diplomatic approach, which consists of seeking only economic solutions, might prove difficult to implement. With the exception of Algeria, China's diplomacy has yet to achieve bilateral relations at a real strategic level in the Maghreb, in terms of the political and military dimensions. Despite efforts to develop China's cultural diplomacy in the region – in the form of exchanges between academics, the media, youth organizations and think-tanks – levels of cultural exchange remain low. As a result, the establishment of China's strategic relations in the Maghreb is still a distant objective.

[141] Zhou, H. (2018), 'China's Balancing Act in the Western Sahara Conflict', *Africana Studia-International Journal of African Studies*, 29, pp. 145–56.
[142] Western Sahara Resource Watch (2019), *P pour Pillage: Les exportations marocaines des phosphates du Sahara Occidental occupé [P for Pillage: Moroccan exports of phosphates from occupied Western Sahara],* Brussels: Western Sahara Resource Watch, https://www.wsrw.org/files/dated/2019-04-23/p_pour_pillage_2019_web.pdf (accessed 30 May 2019).

About the Author

Yahia H. Zoubir is senior professor of international studies and international management and director of research in geopolitics at KEDGE Business School, France. His publications on China and the MENA include, *Building a New Silk Road: China and the Middle East in the 21st Century* (2014) and book chapters and academic articles in *Confluences Méditerranée* (2019), the *Journal of Contemporary China* (2018), and *Mediterranean Politics* (2014).

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Cover image: Chinese President Xi Jinping and King Mohammed VI of Morocco wave during a welcoming ceremony outside the Great Hall of the People in Beijing on 11 May 2016.

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The Royal Institute of International Affairs
Chatham House
10 St James's Square, London SW1Y 4LE
T +44 (0)20 7957 5700 F +44 (0)20 7957 5710
contact@chathamhouse.org www.chathamhouse.org

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