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## **Strategic Morocco: Economic Resilience and Ambitions in a Shifting Global Order**

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While grappling with inflation shocks and the aftermath of natural disasters, Morocco has maintained steady economic progress. As its economy rebounds, Morocco's ambitions extend beyond mere growth; it seeks to position itself as a bridge between Africa and Europe while maintaining balanced relationships with global powers from both the East and West.

### **Economic Resilience Amid Challenges**

Morocco, classified by the International Monetary Fund's [World Economic Outlook Database](#) as an emerging market and middle-income economy, is actively working to strengthen and modernize its industrial base to outpace regional competitors. Under the [second phase of its Industrial Acceleration Plan \(PAI\) 2021-2025](#), Morocco is not only enhancing key sectors but also laying the groundwork for a more assertive foreign policy posture, even amid global economic headwinds, including inflation shocks, the [Al Haouz earthquake](#), and severe droughts.

The World Bank's [latest economic monitor](#) highlights the resilience of the Moroccan economy, with real GDP growth of 3.4% in 2023, driven by a strong rebound in tourism, robust export manufacturing in automotive and aeronautics, and a revival of private consumption. This economic resilience signals Morocco's capacity to engage more confidently on the international stage, as noted in the [OECD Economic Assessment](#) issued in September. Morocco's recovery from the pandemic and recent energy and food price shocks continues, though GDP remains below pre-pandemic levels. Macroeconomic policies supporting public sector growth and fiscal

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consolidation have contributed to this acceleration, while foreign direct investment (FDI) has surged, with Morocco's current account deficit reaching its lowest since 2007.

This economic strength, as [affirmed by S&P Global](#), also fuels Morocco's ambitions beyond its borders, with growth attributed to diversification in tourism, automotive, and phosphates sectors. Likewise, [Moody's Investors Services anticipates](#) sustained economic and social reforms that will further enhance Morocco's resilience to both internal and external challenges.

Free Trade Agreements (FTAs) with the [United States](#), as well as [with others](#) such as European Union (EU), China, Egypt, Turkey, and the United Arab Emirates (UAE) have bolstered Morocco's economy, facilitating expansion into advanced manufacturing industries such as automotive parts, electronics, and aeronautics. The country's green energy sector, led by projects such as the [Noor Ouarzazate Solar Complex](#), has also positioned Morocco as a [renewable energy leader](#).

In his [mid-term review](#) to parliament on May 8, 2024, Prime Minister Aziz Akhannouch underscored his administration's achievements, highlighting wage increases, stabilized electricity and transport prices, and agreements with trade unions. These achievements reflect a domestic foundation that is translating into greater self-confidence, as Morocco balances economic development with a more proactive role in regional diplomacy.

### **Repositioning Morocco in the Trans-Mediterranean and African Arena**

Under King Mohammed VI, Morocco's foreign policy is advancing along three fronts: establishing itself as a bridge between Africa and Europe, positioning as a continental economic power, and consolidating control over Western Sahara. Moroccan leaders often present their increased engagement with Africa as an advantage for Europe, portraying the kingdom as an economic bridge between the continents. Morocco is [committed to](#) preserving strong ties with the EU while simultaneously deepening its connections across Africa.

Morocco's "[return](#)" to Africa was marked by its reintegration into the African Union (AU) in 2017, a significant shift after thirty-three years of suspended membership following the Organization for African Unity's (OAU) admission of the Sahrawi Arab Democratic Republic (SADR). However, the [deeper source](#) of Morocco-Algeria rivalry lies in a broader contest for regional leadership, as well as an unresolved colonial-era border dispute, which led to a short but still-contentious war in 1963.

In recent years, Morocco has [increasingly challenged](#) Algeria's influence in North Africa and beyond. Morocco's support for the [G5 Sahel security alliance](#) — an initiative backed by France and received ambivalently by Algeria — reflects its bid for a stronger regional role. As part of

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this initiative, Morocco announced in September 2023 [plans to make its infrastructure available](#) to Mali, Burkina Faso, Niger, and Chad, aiming to leverage its strategic location for enhanced economic and security influence in the Sahel.

This vision was further underscored in a November 6, 2023, [speech](#) by King Mohammed, where he emphasized Morocco's ambition for an integrated African Atlantic region that could serve as a hub for economic integration and a center of continental influence. To achieve this, Morocco launched an [Atlantic Initiative](#) focused on improving access to the Atlantic for Sahel countries through Moroccan infrastructure, alongside collaborative efforts in agriculture, renewable energy, education, and healthcare. During a follow-up ministerial meeting in Marrakesh, participants agreed to form a task force in each country to facilitate [the initiative's operationalization](#), which has since begun.

Morocco's entry into the energy sector through the [Nigeria-Morocco Gas Pipeline \(NMGP\)](#) is another notable development challenging Algeria's traditional dominance. This project circumvents Algerian land to transport Nigerian gas directly to Europe, posing a challenge to Algeria's monopoly on energy exports. Morocco's increased involvement in energy aligns with its broader ambition to establish itself as a leading economic and security partner in the Sahel and beyond.

### **Diversifying International Partnerships**

At the international level, Morocco's foreign relations primarily center on partnerships with Western allies such as France, Spain, the EU, and the United States, along with strong ties with the Arab Gulf states and growing connections with sub-Saharan Africa. A pivotal shift came in late 2020 when the Trump administration [recognized](#) Morocco's sovereignty over Western Sahara — a longstanding priority for Rabat — in conjunction with its entry into the "Abraham Accords" with Israel. The Biden Administration has since [reinforced Morocco's status](#) as a "strategic partner," praising its stabilizing role in the region, [though expressing concerns](#) about press freedom and human rights.

Morocco's foreign policy activism is taking place amid significant global shifts impacting North Africa, which is no longer dominated solely by the EU. New regional players — Russia, China, Türkiye, and the Gulf states, notably Saudi Arabia, Qatar, and the UAE — have gained influence. This changing landscape offers Morocco [opportunities to diversify its partnerships](#), strengthening its leverage and fostering a more balanced relationship with Europe.

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Amid these dynamics, relations with Algeria remain tense. Algeria, which has long supported the Polisario Front in the Western Sahara dispute, [responded](#) to Morocco's assertive policies by severing diplomatic ties in August 2021, citing "hostile actions." The rivalry has periodically manifested in military clashes in the Western Sahara, further underscoring the complex regional power struggle.

Amid the growing significance of Africa, Morocco is also working to reduce its traditional reliance on Europe and the West by strengthening ties with countries like China, Russia, India, and Brazil. Morocco remains [heavily dependent](#) on European trade, financial aid, and diplomatic support regarding Western Sahara. In the [security sphere](#), Morocco is a Major Non-NATO ally and plays a leading role in US counter-terrorism efforts. Nevertheless, Moroccan authorities [view](#) this overdependence on Europe as a vulnerability. By diversifying its partnerships, Morocco [signals](#) to the West that it has credible alternatives and should not be taken for granted.

Morocco's engagement with Russia and China does not inherently conflict with Western interests, nor is their influence in Morocco deeply entrenched. However, some aspects of these relationships pose unique challenges, particularly as Morocco navigates the delicate balance of maintaining its traditional alliances while exploring new partnerships. As both Russia and China seek to bypass Western sanctions and import restrictions, Morocco must tread carefully to avoid jeopardizing its longstanding ties with the West.

Russia's strategy in the region has focused more on Algeria and Libya, partly because Morocco maintains strong security ties with the United States and Europe. Despite this, Morocco has built [substantial economic connections](#) with Russia. These include significant imports of ammonia and fertilizer, crucial for Morocco's agriculture sector, which employs around 45% of its workforce and contributes 15% to the national GDP. Russian wheat imports to Morocco will surpass France's in 2024/25 due to domestic crop shortages linked to drought, necessitating the import of around 5 million tons of soft grain.

Morocco's imports from Russia also cover coal, petroleum, fishing, and nuclear energy, highlighting the breadth of their economic cooperation. Amid the ongoing Ukraine conflict, Morocco has, like other Maghreb states, maintained an [independent stance](#) — evidenced by its abstention from an early 2023 UN General Assembly vote condemning Russian aggression. However, Morocco was also the first Maghreb nation to send military support to Ukraine, in the form of 20 modernized T-72B tanks, underscoring its status as a major non-NATO ally of the US.

In 2023, Morocco became a major importer of Russian diesel, a trend partly driven by European Union sanctions on Russian refined products. This situation illustrates how Morocco is

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strategically positioned to benefit from European countries seeking alternatives due to sanctions, raising questions about the implications for its Western alliances. This development allowed Morocco to capitalize on shifts in global supply chains, with Tanger Med port serving as a [transshipment hub](#) for electronics and other goods from Taiwan, China, and other centers destined for Russia. Additionally, some Russian tankers have shifted to using Moroccan waters near Nador for [ship-to-ship \(STS\) transfers](#) of crude oil, sidestepping Greek navy deterrence in response to sanctions.

Meanwhile, China's presence in the Maghreb is mainly economic, lacking significant political or security influence. Morocco's role as a [transshipment hub for Chinese electric vehicles \(EVs\) is growing](#), driven by recent US and EU tariffs on Chinese vehicle imports. Many Chinese companies are now leveraging Morocco's advantageous geography, proximity to Europe, and favorable trade agreements with both the EU and US to meet rising demand, bypassing some new import restrictions. This dynamic presents a challenge, as Morocco's facilitation of these operations will undoubtedly draw scrutiny from Western partners concerned about China's expanding footprint in the region.

China has also been active in Morocco's [critical minerals sector](#), with South Korea's LG Chem and China's Youshan committing to a new lithium-phosphate-iron (LFP) cathode facility scheduled for 2026. CNGR, one of China's leading battery manufacturers, has also partnered with Morocco's Al Mada investment group in a \$2 billion joint venture, positioning Morocco as a hub for Chinese and U.S.-allied companies in critical minerals.

Morocco's Tangier Tech City is a key element in China's Digital Silk Road initiative, intended to host around 200 Chinese companies. However, this initiative could potentially increase Morocco's economic reliance on China, complicating its diplomatic posture towards Western nations. Yet, [delays have hampered the project](#) due to factors such as restrictive business laws, limited integration with European supply chains, and ongoing government inefficiencies.

### **Navigating Geopolitical Tensions**

As Morocco's Western partners aim to solidify their relationship with the kingdom and counter Russian and Chinese influence, the Western Sahara dispute has emerged as a central focus in this dynamic. This territorial issue is not only a cornerstone of Morocco's national identity but also a litmus test for its diplomatic engagements. Morocco's 2020 accord with then-US President Donald Trump, recognizing Moroccan sovereignty over the disputed territory and normalizing relations with Israel, bolstered the kingdom's diplomatic clout and reshaped its foreign policy. The US recognition of Morocco's claims has reaffirmed its role as a key ally in the

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Mediterranean, crucial for Western interests in stability and security across Africa. This policy shift led King Mohammed to declare that the Western Sahara issue became “[the lens through which Morocco looks at the world.](#)”

While Western powers have backed Morocco’s sovereignty over the Western Sahara, recent events reflect their growing commitment to Morocco’s ambitions. The relationship between Washington and Rabat has [notably improved](#) since the United States backed Morocco’s sovereignty over Western Sahara in December 2020. US Secretary of State Antony Blinken has underlined Morocco’s key role in “fostering stability in the region.” This acknowledgment underscores the West’s recognition of Morocco as an essential partner in navigating challenges posed by regional instability and rival powers. The EU, despite a European Court of Justice (ECJ) ruling that criticized Morocco-EU agreements for failing to consult Western Sahara’s people, has pledged to strengthen ties with Rabat. In a [joint statement](#), European Commission President Ursula von der Leyen and High Representative Josep Borrell affirmed the EU’s determination to advance the partnership with Morocco across all sectors in the coming weeks and months.

Morocco’s relations with Spain have also shown improvement. Following years of diplomatic discord, the two countries have worked to mend relations. Spain’s engagement reflects its understanding that a stable Morocco is vital for its own security and economic interests in the region. Spanish Foreign Minister José Manuel Albares [stated](#) Spain’s respect for the ECJ ruling while emphasizing the importance of a “strategic partnership” with Morocco. Minister Planas’ remarks reflect Madrid’s commitment to maintaining strong bilateral ties despite remaining points of contention.

Meanwhile, despite recent tensions, relations between Morocco and France — historically viewed as Morocco’s foremost partnership — appear to be strengthening once again. France’s renewed support illustrates the strategic calculus of European nations seeking stability in North Africa. In a significant shift, [France in July endorsed](#) Morocco’s autonomy plan for Western Sahara, aligning itself with a growing number of nations, including the United States, Israel, Spain, Belgium, Hungary, and several African countries. France subsequently [pledged investment](#) in Western Sahara. This shift marks a notable diplomatic success for Morocco, as France has long been cautious in taking such a stance. The renewed cooperation between Morocco and France [has extended to the military realm](#), with both nations reviving security collaboration.

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Meanwhile, Morocco is reportedly keen on maintaining Russia's nuanced position on the Western Sahara issue. While Moscow publicly supports Sahrawi "self-determination" and backs the Polisario Front, it understands the importance of maintaining relations with Morocco for its broader strategic interests in the region. Although Moscow publicly supports Sahrawi "self-determination" and backs the Polisario Front, its voting record at the United Nations suggests a level of neutrality Morocco finds useful in managing the dispute. Likewise, if China were to accept Morocco's claims or proposals, it could risk alienating Algeria; conversely, recognizing the SADR could endanger its relationship with Morocco. Thus, China has opted for a strategically cautious approach.

### **Conclusion**

Despite Morocco's steady economic progress and strategic ambitions, several limitations and uncertainties could impede its path toward realizing its goals. The country faces significant internal challenges, including the lingering effects of inflation shocks, natural disasters like the Al Haouz earthquake, and severe droughts that could undermine agricultural output and economic stability. Additionally, while the IMF classifies Morocco as an emerging market, its GDP remains below pre-pandemic levels, highlighting vulnerabilities in its economic recovery.

Morocco's foreign policy ambitions may be hindered by geopolitical rivalries, especially with Algeria, which threaten regional stability. The ongoing Western Sahara dispute complicates relationships with key partners and could undermine Morocco's diplomatic standing.

***Navigating ties with global powers like the United States, China, and Russia requires careful balancing of competing interests to preserve existing alliances.***

Additionally, Morocco's dependence on European trade and investment poses risks, as shifts in international dynamics could pressure its economic ties and limit diversification. ***As Morocco seeks to enhance its influence, these internal and external challenges will require astute management and strategic foresight.***