

## COUNTRY BRIEFS

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**Morocco / Development**
**Wriggling free from the hook of a new fish deal**

Moroccans want to avoid being caught again in an unhappy agreement with the EU and also want to develop new markets for its agricultural products by Mark Huband



Morocco's search for new export markets, as well as expansion of its existing outlets, has been influenced by its negotiations with the European Union. For much of the last decade, they have been discussing the rights of EU fishing vessels to fish in Moroccan waters.

A four-year fishing agreement signed in 1995 expired on November 30, and Morocco insists it will not renew it. Franz Fischler, the EU agricultural commissioner, is expected to lead what Morocco calls dialogue, and the EU calls negotiations, at meetings expected to start this month.

Moroccan officials are determined not to repeat what they thought was a bad agreement.

By the 1995 agreement, Morocco received \$162m a year in return for allowing European trawlers to fish in its waters. The deal licensed 415 fishing boats to fish Moroccan waters from ports in Galicia, Andalusia and the Canary Islands, employing 4,400 crew members.

"The main factor is that we don't have any more fish to give, and we are not going to renew the agreement," says Mohammed Rami, adviser on fisheries to Abderahman Youssoufi, Morocco's prime minister.

Last September, Morocco instigated a two-month suspension of mollusc fishing off its southern coast.

The "biological rest" applied to both local and EU fishing vessels. The mollusc and white fish catch has fallen by 6 per cent since 1996, leading Morocco to consider a four-month annual suspension.

Since the 1997 Asian financial crisis, Morocco's fish export business has also been hard hit, increasing the pressure for a restructuring of the industry. The guaranteed income from the EU during the period of the fishing agreement in fact cushioned the blow of the contracting export market. However, this was offset by a decline in canned fish exports, down 9 per cent.

In 1995 Mr Rami was instrumental in negotiating the agreement with the EU. Now, Morocco intends to allow the replenishment of its fish stocks over the next four years, and in the meantime has assessed it would take \$760m to develop its own fish processing industry, which it estimates could be worth \$2bn annually.

As part of its strategy of modernising the industry, the government has completed construction of 160 fish unloading points, and has allocated Dh200m for further modernisation plans.

"We are not at the level of negotiations. We are just starting," says a senior EU official. The EU is uncertain how to address the Moroccan claim that its stocks are being depleted to the point of becoming endangered.

Moreover, the EU's increasing determination to strengthen its ties with the countries of the southern Mediterranean through economic and political partnership agreements is more important than the single issue of fish.

"If Morocco intends exploiting the fishing resources on its own, then the discussions can start on the basis of how the EU can help. The fishing agreement isn't popular, and it was negotiated in bad conditions.

"Everybody is against it, and Brussels isn't very keen to restart it. We have a complicated and complex level of relations, and it's not just about Spanish relations but about EU relations with Morocco," the EU official says.

Just as Europe is determined to assist in retaining Morocco's social stability, by providing financial aid and privileged access for Moroccan exports to Europe, so Morocco is keen to build on the political and economic ties it has developed with Spain and France.

"The non-renewal of the fishing agreement does not signal an

end to the broader partnership which exists with the EU," says Hassan el-Malki, minister of agriculture, rural development and fisheries.

"We are starting a new century with a new vision. The non-renewal is not a formal act. It is part of a strategy being evolved by the government for integrated development regarding the fishing sector."

Central to the Moroccan strategy has been the partnership agreement it signed with the EU in February 1996. Morocco was the third southern Mediterranean country to sign, after Tunisia and Israel.

Negotiations over the agreement were stalled for four years in the face of objections by European farmers over free access of Moroccan potatoes and cut flowers.

However, Morocco is also seeking to expand its export markets, in part with a view to reducing reliance upon access to the EU.

The appeal of the US as a market for Moroccan goods has grown since 1998 when the US began making offers of a special relationship with the states of the Maghreb - in particular Morocco, Algeria and Tunisia - if they made efforts to resolve their political conflicts.

"The Europeans are our privileged partners, and Morocco's decision to opt for close ties with Europe goes back many years," says Mr el-Malki. "It's a geopolitical choice, before it can be an economic and commercial choice. But it's a choice made against the background of it being logical that one should not be limited to one market, whatever its importance.

"For that reason, the government is pursuing agricultural diplomacy to seek new markets, in central and eastern Europe, and across the Atlantic and in particular in the US," he says.