

The African Continental Free Trade Area (AfCFTA) : Progress, Challenges, and Potential Benefits for Morocco

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Abstract

The African Continental Free Trade Area (AfCFTA) is an initiative aimed at establishing a single market for goods and services across Africa. It was signed in March 2018 and became operational on January 1, 2021. The AfCFTA aims to promote intra-African trade, enhance economic diversification, facilitate industrialization and value addition, promote small and medium-sized enterprises (SMEs), encourage investment flows, and harmonize trade and economic policies. For Morocco, joining the AfCFTA presents potential benefits.

The country has made the socio-economic development of Africa a priority and was among the first countries to sign the agreement. Simulations and studies suggest that Morocco's exports, particularly in sectors such as manufacturing industries, food, and textiles, could benefit from the AfCFTA. The agreement provides opportunities for increased trade, market access, and economic integration with other African countries.

It is important to note that the implementation of the AfCFTA is an ongoing process, and its full impact will be realized over time. The collaboration and efforts of member states are crucial in realizing the potential benefits of the agreement and addressing challenges along the way.

Keywords : The African Continental Free Trade Area (AfCFTA), intra-African trade, impacts on the moroccan exports and imports, GDP.

Introduction

Africa has a long history of regional economic integration efforts aimed at fostering economic cooperation and integration among African countries. These initiatives have been driven by the recognition that closer economic ties can lead to shared benefits, such as increased trade, investment, and overall economic growth. The desire for economic integration in Africa can be traced back to the early days of decolonization when African leaders recognized the importance of regional cooperation for achieving development goals.

The formation of the Organization of African Unity (OAU) in 1963, the precursor to the African Union (AU), marked a significant milestone in African integration efforts. While the OAU primarily focused on political and liberation struggles, it laid the foundation for future economic integration initiatives. Over the years, African countries recognized that regional economic integration was crucial for overcoming their common challenges and advancing their collective interests.

African countries have encountered various challenges in their pursuit of economic integration. These challenges include :¹

- ✓ **Diverse Economies** : African countries possess diverse economic structures, levels of development, and resource endowments. Harmonizing policies and strategies to accommodate these differences has been a complex task.
- ✓ **Trade Barriers** : Non-tariff barriers, including bureaucratic red tape, customs inefficiencies, and inconsistent regulations, have hindered intra-African trade. High transport and logistics costs have also impeded the movement of goods and services within the continent.
- ✓ **Infrastructure Deficits** : Inadequate infrastructure, such as transportation networks, energy systems, and telecommunications, has impeded trade and economic cooperation. Insufficient connectivity between countries has limited the potential for regional integration.
- ✓ **Political and Security Challenges** : Political instability, conflicts, and security concerns in some African regions have created obstacles to economic integration. These factors have undermined trust, disrupted supply chains, and deterred investment.

¹ Tuluy H. (2016). Regional Economic Integration in Africa. Global journal of emerging Market economies.

Several regional integration initiatives have emerged in Africa, each with its specific objectives and levels of integration (East African Community (EAC), Economic Community of West African States (ECOWAS), Southern African Development Community (SADC)...).

These regional integration initiatives have played a crucial role in fostering economic cooperation, harmonizing policies, and creating frameworks for regional integration. They have provided valuable lessons and insights for the establishment and implementation of the African Continental Free Trade Area (AfCFTA).

The main idea of this article is to study the African Continental Free Trade Area (AfCFTA) and its impact on moroccan economy. The aim of the study is to provide a comprehensive analysis of how Morocco stands to benefit from this regional economic integration initiative. It seeks to examine the potential opportunities, challenges, and implications for Morocco's economy, trade, and overall development.

To do so, we will begin by a general overview of the AfCFTA : Provide a brief introduction to the AfCFTA, its objectives, and the participating African countries. Explain the significance of this agreement as the largest free trade area in the world. And finally proceed with the analysis of the benefits for Morocco : Highlight the potential benefits that Morocco can derive from the AfCFTA, by studying its impacts in terms of trade (imports and exports of the major sectors), GDP,

1. Overview of the African Continental Free Trade Area (AfCFTA)

1.1. Explanation of the AfCFTA's establishment and goals

The AfCFTA is an ambitious project aimed at creating one of the world's largest free trade areas on the African continent, with a potential market of 1.2 billion consumers and a combined GDP of \$3 trillion. Signed in March 2018 at the Kigali Summit by 44 heads of state and government, the AfCFTA is part of the African Union's Agenda 2063², which aims to establish a single market across the continent. The agreement establishing the AfCFTA outlines three phases of negotiations. Phase I focuses on trade in goods and services and dispute settlement procedures. Phase II covers investment, competition policy, and intellectual property rights, while the final phase addresses e-commerce.

The agreement entered into force in late May 2019, following the ratification of 28 signatory members. It became fully operational on January 1, 2021, allowing countries to trade under the AfCFTA regime. As of September 30, 2021, 38 countries had ratified the agreement.

While the AfCFTA became operational in January 2021, negotiations on rules of origin are still ongoing for Phase I. According to the Secretariat, member countries have agreed on nearly 90% of the rules of origin. Pending issues include dairy products, automobiles, clothing and textiles, sugar, and edible oils.

Implementation of the AfCFTA is also underway for services, albeit with delays similar to the implementation of the goods agreement. Five priority sectors have been identified, including transportation, communications, tourism, financial services, and business services. To date, 34 countries have already submitted their initial offers on trade in services. Regarding Phases II and III, the December 2020 Johannesburg Summit urged trade ministers to conclude all negotiations by December 31, 2021.

Furthermore, the Agreement stipulates that the liberalization of non-sensitive products (90% of tariff lines) will take place between 2021 and 2025, while the liberalization of sensitive products (7% of tariff lines) will occur between 2026 and 2030. As per the agreement, 3% of the lines are excluded from liberalization, provided that it does not account for more than 10% of trade³. Non-tariff measures are integrated into the AfCFTA under the Goods Protocol, which defines the practical modalities of operationalization, including the institutions to be established. Non-

² Olutayo O. & Aderinan I. (2016). Regional Economic Communities : Exploring the Process of Socio-Economic Integration in Africa. Edition CODESRIA.

³ Grubel H. (2012). Commission économique pour l'Afrique. État de l'intégration régionale en Afrique V : Vers une zone de libre-échange continentale africaine. Addis Abeba.

tariff measures are heterogeneous, ranging from regulations on pre-shipment cargo inspection to sanitary and phytosanitary (SPS) measures and rules of origin related to the implementation of a free trade agreement.

The goals of the AfCFTA are multifaceted and encompass various aspects of economic integration. They include ⁴:

- ✓ **Promoting Intra-African Trade** : The AfCFTA aims to significantly boost trade among African countries by eliminating or reducing barriers to trade. It seeks to create a more conducive environment for businesses to engage in cross-border trade and to enhance the competitiveness of African products and services in the global market.
- ✓ **Enhancing Economic Diversification** : The AfCFTA seeks to catalyze economic diversification across the continent. By promoting trade in a wide range of goods and services, it aims to encourage African countries to move beyond their traditional reliance on commodities and explore new sectors and markets.
- ✓ **Facilitating Industrialization and Value Addition** : The AfCFTA aims to drive industrial development and value addition within Africa. It seeks to foster the growth of manufacturing and processing industries by promoting regional value chains and encouraging the production of goods with higher value and quality. This will contribute to job creation, technology transfer, and skill development.
- ✓ **Promoting Small and Medium-sized Enterprises (SMEs)** : The AfCFTA recognizes the important role of SMEs in Africa's economy. It aims to create opportunities for SMEs to participate in regional and international trade by reducing barriers, providing access to larger markets, and promoting capacity-building initiatives to enhance their competitiveness.
- ✓ **Encouraging Investment Flows** : The AfCFTA seeks to attract increased foreign direct investment (FDI) into Africa by creating a more predictable and transparent business environment. It aims to promote investor confidence by ensuring the protection of investments and facilitating the movement of capital across borders.
- ✓ **Harmonizing Trade and Economic Policies** : The AfCFTA aims to harmonize trade policies, standards, and regulations across African countries. It seeks to establish common rules and norms to facilitate trade and reduce the complexity and costs associated with multiple trade agreements and varying regulations.

⁴ Gourdon J. (2022). Quel avenir pour le libre-échange en Afrique. Open Edition Journal

Overall, the establishment of the AfCFTA reflects Africa's commitment to harnessing the potential of regional economic integration for sustainable development, poverty reduction, and improved living standards. By fostering closer economic cooperation among African nations, the AfCFTA aspires to create a more prosperous and integrated Africa.

1.2. Scope and coverage of the AfCFTA agreement

The African Continental Free Trade Area (AfCFTA) agreement has a broad scope and comprehensive coverage, aiming to create a unified and integrated market for goods and services across Africa. Here are the key aspects of the agreement's scope and coverage ⁵:

1.2.1. Goods Trade :

The AfCFTA agreement covers trade in goods among the 55 member states of the African Union. It encompasses nearly all product categories, including agricultural products, industrial goods, and processed goods. The agreement aims to progressively eliminate tariffs on 90% of goods traded within Africa, promoting the free movement of goods across borders.

It includes provisions on rules of origin to determine the eligibility of goods for preferential treatment and to prevent non-African goods from benefiting from tariff concessions.

1.2.2. Services Trade :

The AfCFTA covers trade in services, recognizing the growing importance of services in the modern economy. It promotes liberalization and increased market access for services, including sectors such as financial services, telecommunications, tourism, professional services, and transport.

The agreement facilitates the movement of service providers, promotes fair competition, and encourages cooperation in service sectors across the continent.

1.2.3. Intellectual Property Rights (IPR) :

The AfCFTA agreement includes provisions relating to the protection and enforcement of intellectual property rights. It encourages cooperation among member states in the area of intellectual property, fostering innovation, creativity, and knowledge-sharing.

⁵ Machrafi M. & Boutkhili K. (2014). Diplomatie économique marocaine en Afrique : enjeux pour un partenariat stratégique. Institut des études africaines.

1.2.4. Competition Policy and Investment :

The AfCFTA addresses competition policy to ensure fair competition and prevent anti-competitive practices within the free trade area. It promotes the establishment of competition authorities and encourages cooperation among member states in addressing competition-related issues.

The AfCFTA acknowledges the importance of investment flows and aims to create a conducive environment for investment within Africa. It provides a framework for investment facilitation, protection, and promotion, aiming to attract increased foreign direct investment (FDI) into the continent. The agreement includes provisions on investment dispute settlement and the protection of investor rights.

1.2.5. Trade-related Infrastructure and Customs Cooperation :

The AfCFTA recognizes the significance of trade-related infrastructure, including transportation, logistics, and telecommunications, in facilitating trade. It encourages member states to cooperate and invest in the development of infrastructure, such as transportation networks, border infrastructure, and digital connectivity. The agreement promotes customs cooperation and trade facilitation measures to simplify procedures, reduce delays, and enhance efficiency in customs operations.

It is important to note that the scope and coverage of the AfCFTA agreement may evolve over time as member states negotiate and implement specific protocols and annexes. The aim is to continually deepen integration and address emerging issues to ensure the effective functioning of the free trade area.

1.3. Progress and current status of the AfCFTA implementation

Since its establishment, the African Continental Free Trade Area (AfCFTA) has made significant progress in its implementation, marking a new era of economic integration in Africa. Here is an overview of the progress and current status of the AfCFTA implementation :

1.3.1. Operational Phase :

The operational phase of the AfCFTA commenced on January 1, 2021, signaling the start of trading under the agreement. This phase focuses on the implementation of trade liberalization

measures, including the reduction and elimination of tariffs, the harmonization of trade rules and procedures, and the facilitation of intra-African trade.

1.3.2. Rules of Origin :

Rules of origin, which define the criteria for determining the origin of goods, have been developed and adopted. These rules ensure that only goods genuinely originating from Africa benefit from preferential treatment under the AfCFTA. Rules of origin help prevent third-party countries from channeling goods through Africa to take advantage of the free trade benefits.

1.3.3. AfCFTA Secretariat :

The AfCFTA Secretariat, headquartered in Accra, Ghana, was officially launched in August 2020. The Secretariat plays a pivotal role in coordinating the implementation of the AfCFTA and supporting member states in their efforts to integrate their economies. The Secretariat provides technical assistance, facilitates negotiations, oversees the administration of the agreement, and supports capacity-building activities.

1.3.4. Digital Trade Platform :

The AfCFTA has launched a digital trade platform known as the AfCFTA Virtual Trade Facilitation System (VTF) to facilitate trade and enable businesses to access information, submit trade documents electronically, and track shipments. The VTF aims to streamline trade processes, reduce paperwork, and enhance transparency and efficiency in cross-border trade operations.

1.3.5. Tariff Schedules and Offers :

Member states have been engaged in negotiations and consultations to determine their tariff schedules and make offers for the liberalization of goods trade. Tariff schedules outline the timeline for the reduction and elimination of tariffs on specific goods, allowing for the progressive liberalization of trade.

1.3.6. Challenges and Ongoing Work :

Despite the progress made, several challenges remain in the implementation of the AfCFTA. These challenges include non-tariff barriers, logistical issues, infrastructure deficits, and

regulatory harmonization. Efforts are underway to address these challenges through ongoing negotiations, capacity-building initiatives, and the development of support mechanisms. Technical committees and working groups have been established to address specific areas, such as rules of origin, trade in services, investment, and intellectual property rights.

1.3.7. Future Milestones :

Future milestones include the completion of negotiations on outstanding protocols, such as those related to competition policy, intellectual property rights, and investment. Efforts will continue to focus on ensuring effective implementation, monitoring and evaluation of the AfCFTA's impact, and addressing emerging issues to maximize the benefits of the agreement. The AfCFTA has gained significant momentum and commitment from African countries, and its implementation is expected to unlock new opportunities for trade, investment, and economic growth across the continent. The ongoing work and collaboration among member states will be crucial in realizing the full potential of the AfCFTA.

2. Potential Benefits of the AfCFTA for Morocco

Morocco, which has made the socio-economic development of Africa one of its priorities, was among the first countries to sign this agreement. To anticipate the economic consequences of Morocco's accession to the AfCFTA, the Directorate of Studies and Financial Forecasts (DEPF) of the Ministry of Economy and Finance of the Kingdom of Morocco, in collaboration with the French Development Agency (AFD) and the International Food Policy Research Institute (IFPRI), has undertaken a study on the economic impacts of this accession using the MIRAGRODEP model⁶. This partnership aims to provide insights for decision-making and action by economic stakeholders and public authorities in formulating, supporting, and evaluating Morocco's African integration policies.

The results of the simulations presented in this paper are based on two scenarios :

1. Scenario 1 : This corresponds to the case of the AfCFTA without sensitive and excluded products (AfCFTA0%). In this scenario, total elimination of customs duties (without sensitive and excluded products) is assumed to study the impact of sensitive and

⁶ Antoine B., David L. & Fousseini T. (2021). L'intégration du Maroc à la Zone de Libre-Echange Continentale (ZLECAf) : Scenarii d'impacts à l'horizon 2035 et politiques d'accompagnement, DEPF Policy brief.

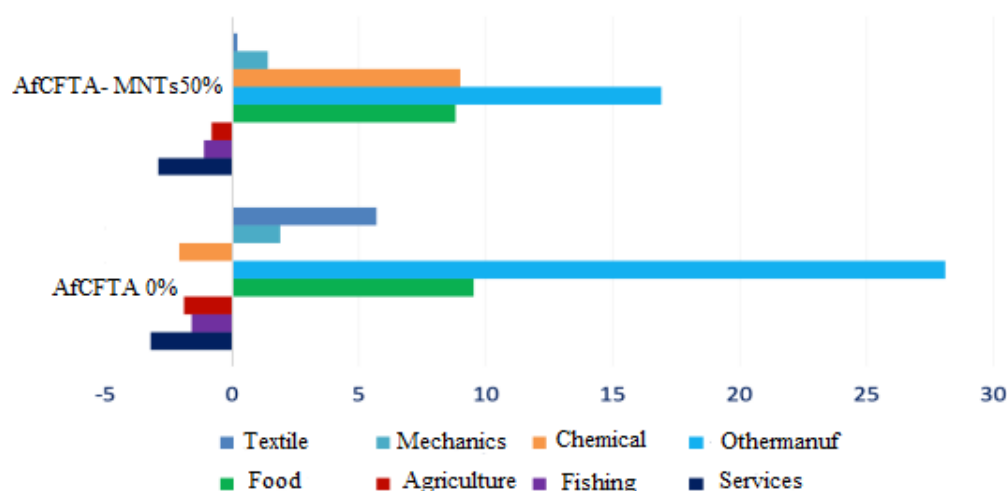
excluded product clauses. It represents the maximum gain that would be observed in the absence of exclusion clauses.

2. Scenario 2 : This corresponds to the case of the AfCFTA with a 50% reduction in non-tariff measures (AfCFTA-MNTs50%). This scenario aligns with the agreement's timetable, where customs duties between African countries are eliminated on 90% of tariff lines between 2021 and 2025, followed by the liberalization of 7% of lines corresponding to sensitive products between 2026 and 2030. Additionally, in this scenario, it is assumed that negotiations on non-tariff measures result in a 50% reduction in these trade barriers for goods between African countries.

2.1. Impacts on Morocco's exports

Figure 1 presents the impact of reforms on Moroccan exports for a group of products. The sectors that would benefit the most from the agreement, in the case of the AfCFTA 0% scenario, are the "Other" Manufacturing Industries, Food, and Textile sectors. In the AfCFTA-MNTs50% scenario, exports from these same sectors would also increase, but to a lesser extent. On the other hand, the Chemical Industry exports, which were declining in the first scenario, would experience an increase in the second scenario. A more detailed analysis of the results shows that exports of white meat, energy, wood and paper industry, mining, milk, and textiles would benefit the most from the agreement.

Figure N°1 : Impact on Moroccan exports for selected products (in volume, in 2035, in %)

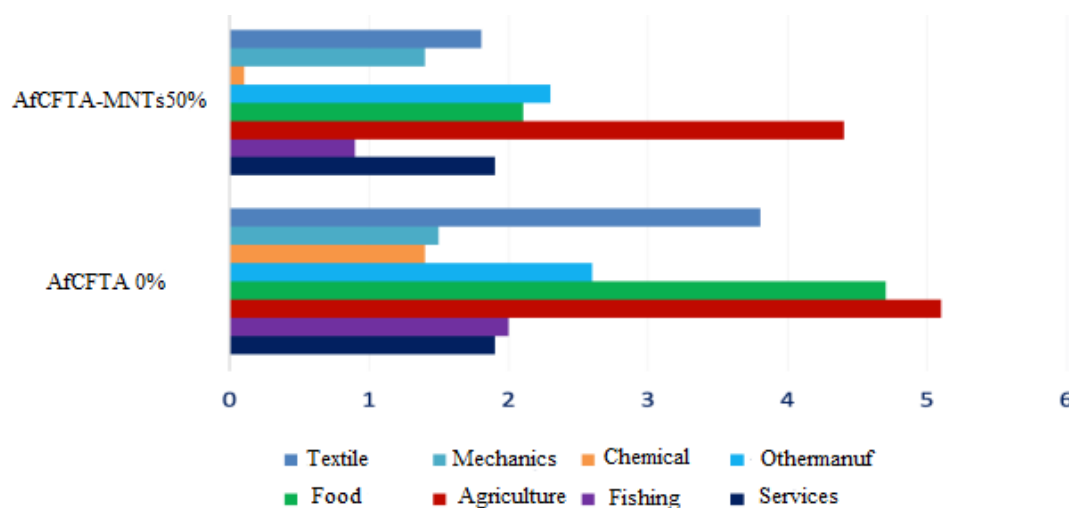


Source : MIRAGRODEP and authors' calculations

2.2. Impacts on Morocco's imports

Figure 2 presents the impact of the two scenarios on Moroccan import volumes for the same group of products. It is in the sectors of Agriculture, Food Industry, and "Other" Manufacturing Industries that Moroccan imports would experience the highest growth. In the AfCFTA-MNTs50% scenario, the growth in imports of Textiles, Fisheries, and the Chemical Industry would be less pronounced compared to the AfCFTA 0% scenario. At a disaggregated level, the sectors experiencing the highest increases in volume are other crops, white meats, milk, and oilseeds.

Figure N°2 : Impact on Moroccan imports for selected products (in volume, in 2035, in %)



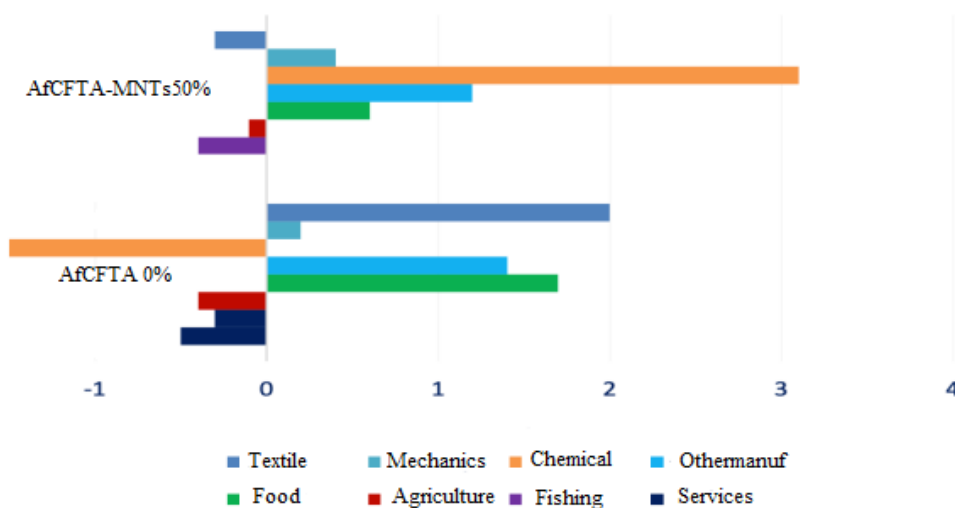
Source : MIRAGRODEP and authors' calculations

2.3. Impacts on sectoral value added and factor markets

To assess the impact of these two scenarios on activity in Morocco, we focus on the volume of value added for the same sectors. The ambitious liberalization scenario with a 50% reduction in non-tariff measures would lead to an increase in activity in all sectors except Agriculture, Fisheries, and Textiles (see Figure 3). In this scenario, the chemical industry would experience the highest increase in economic activity. On the other hand, in the scenario without a reduction in non-tariff measures, economic activity would decrease in Agriculture, Fisheries, Chemical Industry, and Services. However, economic activity in the Textile sector would improve in the AfCFTA 0% scenario. A detailed analysis shows that the agreement would primarily benefit the Energy, White Meat, Metals, Mining, Textile, and Dairy sectors, while sectors such as

Wheat, Other Crops, Automobile, Other Services, Communication, Fisheries, Pharmaceuticals, Transportation, and Red Meat would not experience significant gains.

Figure N°3 : Impact on value added by major sectors (in 2035, in %)



Source : MIRAGRODEP and authors' calculations

Table 1 presents the impact of the two scenarios on factor remuneration in Morocco for four factors (skilled labor, capital, unskilled labor, and land). Both scenarios have positive effects on all factors. The AfCFTA agreements would primarily benefit unskilled labor and capital. However, skilled labor would also benefit from a AfCFTA agreement with an ambitious approach to reducing non-tariff measures (MNTs). As mentioned earlier, unskilled labor would benefit from the AfCFTA agreements, and these benefits would be distributed evenly between rural and urban labor.

Table N°1 : Rate of change in real remuneration (in 2035, in %)

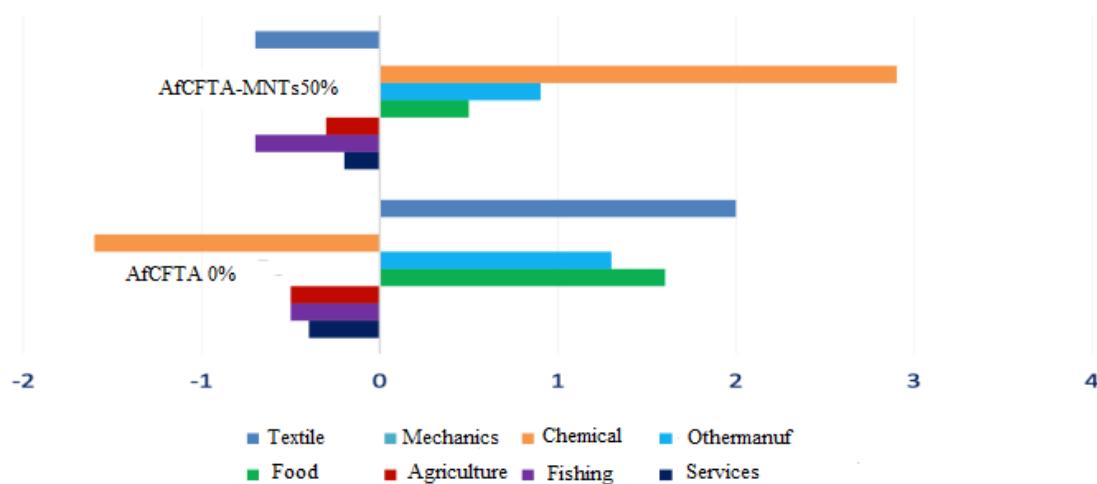
	Skilled labor	Capital	Unskilled labor Rural	Unskilled labor Urban	Land
AfCFTA 0%	0,1	0,1	0,4	0,3	0
AfCFTA-MNTs50%	0,4	0,5	0,4	0,6	0,2

Source : MIRAGRODEP and authors' calculations

The MIRAGRODEP model is a model where adjustments in the labor market are made through wage changes and worker mobility between sectors. The previous analysis showed positive results for workers, particularly for unskilled workers. Therefore, we can study the volume of demand for unskilled labor to identify the job-creating sectors due to the shocks created by the agreement.

Figure 4 indicates that the agreement would create unskilled jobs in the Food Industry and "Other" Manufacturing Industries, but it would lead to a decrease in unskilled jobs in Agriculture, Fisheries, and services. However, the direction of change in the demand for unskilled labor in the Textile and Chemical Industries would vary between scenarios in line with the changes in economic activity in these sectors.

Figure N°4 : Rate of change of unskilled labor demand by major sector (in 2035, in %)



Source : MIRAGRODEP and authors' calculations

2.4. Impacts on GDP in volume

Table 2 presents the results for the main aggregates of the resources-employment balance in 2035 for Morocco.

**Table N°2 : Impacts on the components of the resource-employment balance in volume
(in 2035, in %)**

	AfCFTA 0%	AfCFTA-MNTs50%
GDP	0,0	0,3
Imports	2,5	2,0
Final consumption	0,2	0,5
Investment	0,3	0,3
Exports	2,7	2,3

Source : MIRAGRODEP and authors' calculations

The AfCFTA 0% scenario would have a negligible impact on the volume of GDP. The increase in export volume by 2.7%, combined with a slight rise in final consumption (+0.2%) and total investment (+0.3%), would be almost offset by the increase in import volume by 2.5%.

On the other hand, the actual agreement accompanied by a 50% reduction in non-tariff measures would have a significant impact on GDP, with a growth of +0.3%. In this case, the increase in imports was lower (+2%), while the rise in final consumption was more dynamic (+0.5%).

Therefore, it can be argued that an agreement solely focusing on tariffs would have limited impact, and only an ambitious reduction in non-tariff measures is capable of generating a significant effect.

It should be noted that these results can be largely explained by the fact that Africa represents only 9.4% of Moroccan merchandise exports, and total Moroccan merchandise exports account for only about 16% of Moroccan GDP. Consequently, Moroccan merchandise exports to Africa represent only 1.5% of Moroccan GDP. Under these circumstances, the reform of the AfCFTA, which is expected to primarily boost Moroccan economic activity through an increase in merchandise exports to Africa, can have only a limited impact on Moroccan GDP.

3. Guidelines to contribute to the success of Morocco's integration into the AfCFTA.

The results of the simulations for the two integration scenarios of Morocco into the AfCFTA analyzed in this study are generally positive for the Moroccan economy. If these results are positive, it is mainly because this integration has a stronger positive impact on Moroccan exports of goods than on imports. However, the magnitude of the effects remains limited because, on the one hand, liberalization directly affects only the agri-food and manufacturing

sectors, but not services, and on the other hand, Africa is not by far Morocco's most important trading partner.

Three important conclusions emerge from this study. Firstly, the tariff component of the AfCFTA, in its current form, will have a weak but positive macroeconomic impact on Morocco : the clauses regarding sensitive and excluded products reduce the positive effects of the agreement. Secondly, if the AfCFTA includes an ambitious reduction in costs related to Non-Tariff Measures, for example, by 50 percent, the impact of the continental trade agreement on Morocco would be more significant : a significant increase in GDP (+0.3%), real household income in Morocco (+0.6%), total Moroccan exports in volume (+2.3%), and an increase in the remuneration of unskilled labor (+0.3%) and skilled labor (+0.5%) and capital (+0.6%).

Thirdly, if tariff liberalization within the framework of the AfCFTA benefits primarily the agri-food industry and the livestock sector, adding an ambitious reduction in non-tariff measures would significantly benefit activity in the overall manufacturing industry.

Furthermore, accompanying actions by the public authorities are necessary to fully benefit from the potential of Morocco's integration into the AfCFTA. These actions include :

- Adapting the Moroccan supply to the demand and specificities of African economies by effectively appropriating knowledge of the continental market by the Moroccan private sector.
- Building complementary ecosystems to the Moroccan industry, including joint ventures and alliances between companies, particularly in industries such as automotive and aerospace, to enhance integration with African economies.
- Continuing efforts to develop road infrastructure between countries to facilitate intra-African trade and make it competitive, as well as improving the quality of distribution networks.

Conclusion

The African Continental Free Trade Area (AfCFTA) struggles to materialize and strengthen because African states have very little to exchange among themselves. African exports are mainly composed of raw materials, which are meant to be transformed outside the continent and then sold back to African markets with added value. If African countries were to transform their own production and trade among themselves, the level of intra-African trade would automatically take off. Thanks to its economic progress achieved in recent years, Morocco has managed to develop numerous sectors and can serve as a locomotive in this regard.

In my opinion, the programs of the AfCFTA struggle to take off not due to a lack of political will, as some have claimed, but due to growing skepticism. It is necessary to first establish trust before addressing fiscal and investment policies. It is also important to maintain and strengthen Regional Economic Communities (RECs) as integral components of Africa's regional integration. They serve as the best incubators for integration. We should draw lessons from them and leverage their experiences to help the AfCFTA gain credibility at the regional level.

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ANNEXES

- The MIRAGRODEP Model

The impact study is based on the model MIRAGRODEP, which is a computable general equilibrium (CGE) model based on the MIRAGE (Modelling International Relations under Applied General Equilibrium) model. The MIRAGE model was developed at the Centre d'Etudes Prospectives et d'Information Internationales (CEPII) in Paris starting from 2001 to evaluate the consequences of trade policy reforms. MIRAGRODEP is an enhanced version of MIRAGE, explicitly representing a government in each country. It is a multi-region, multisectoral model with recursive dynamics. The main data source used is the GTAP (Global Trade Analysis Project) database, and the version utilized for this impact study is GTAP10, aggregated into 40 sectors and 22 countries/regions.

In defining the scenarios, tariff aggregation is a crucial issue. It involves moving from tariffs defined at the 6-digit level of the Harmonized System (HS6), which comprises over 5,000 tariff lines, or from national customs nomenclature to the model's nomenclature (40 sectors). Additionally, tariffs need to be aggregated for the same product but differentiated by trading partner since the model only includes 22 regions/countries. The process of aggregation can introduce numerous biases, particularly regarding welfare.

The approach employed in MIRAGRODEP is the Consistent Policy Aggregator, developed by Laborde, Martin, and Van der Mensbrugghe (2017). This approach is theoretically grounded (cf. Anderson and Neary, 1996) and aims to aggregate tariff lines into the model's nomenclature, considering that the weights of tariff lines are endogenous.

- Choice of excluded products

Table shows the list of products excluded from Morocco in the FTAA. The list includes fruit, semi-processed and processed food products, coal, clothing and vehicles.

The exclusion clause implies that exporters from all African countries do not fully benefit from liberalization due to the governments' choice not to open certain sectors of their economies. Simulations show that the value of Moroccan exports in sectors included in the lists of sensitive products of each African country can be significantly reduced. Potentially, this clause can hinder the expansion of Moroccan exports in the automotive sector, chemicals, metals, and agri-food products.

80390	Fruits, bananes (y compris plantains), fraîches ou sèches
80440	Fruits ; avocats, frais ou secs
110100	Farines de froment (blé) ou de méteil.
160413	Sardines en conserves ordinaires en boîtes
160414	Thons, listaos et bonites
220421	Vins; En récipients d'une contenance n'excédant pas 2 l
240120	Tabac ; partiellement ou totalement écôtés
270112	Houille bitumineuse
270119	Autres houilles
630900	Articles de friperie
870421	Véhicules ; moteur à piston à allumage par compression (diesel ou semi-diesel), pour le transport de marchandises, (d'un PTAC n'excédant pas 5 tonnes)

Source : MIRAGRODEP and authors' calculations