



**Unraveling  
Morocco's Trade  
Dynamics within the  
ACFTA:  
A Gravity Model  
Analysis?**

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**Presenter:**

**Dr. Fatima BEZBIQ**

## Fatima BEZBIQ

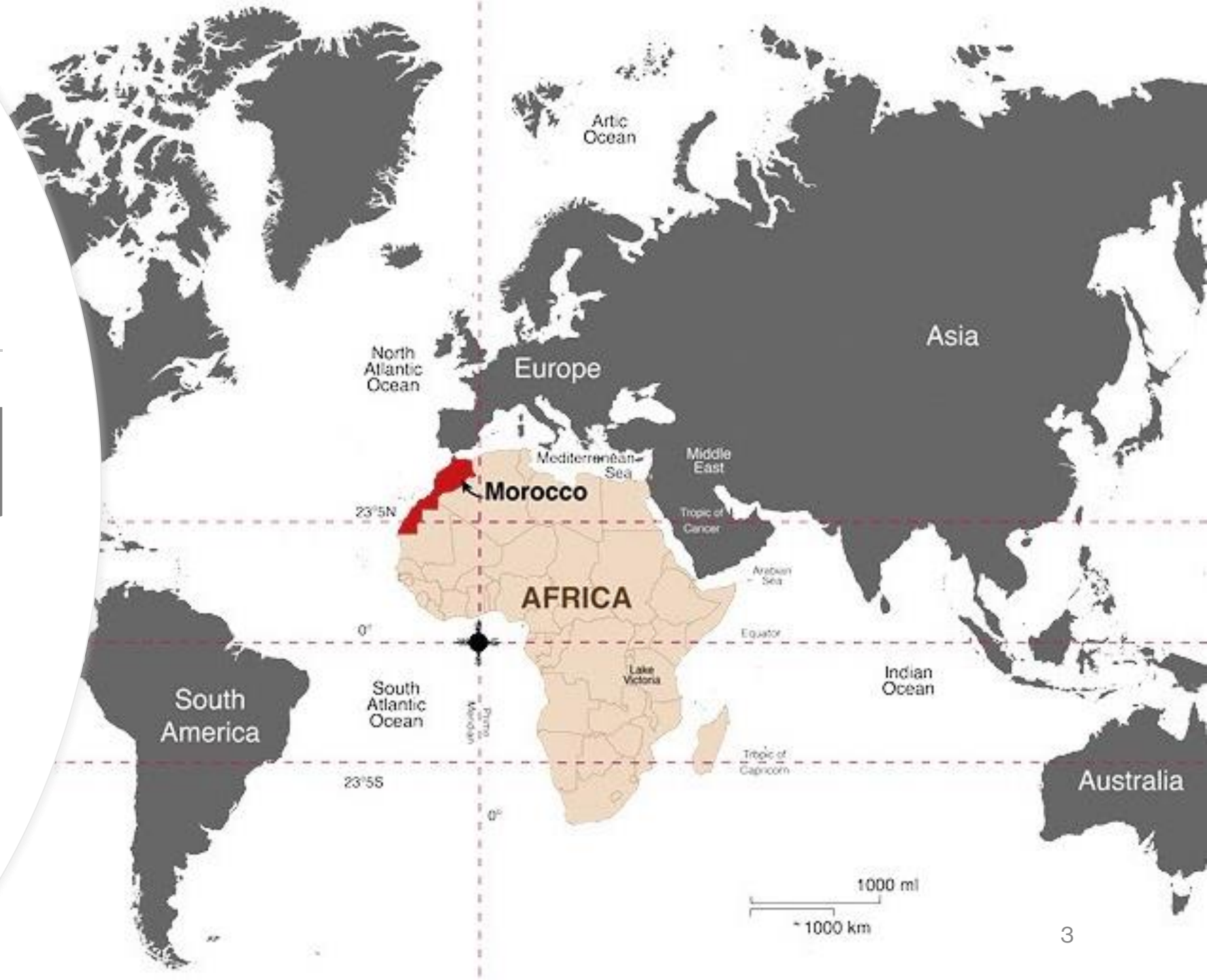
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# INTRODUCTION

Overview  
of the study

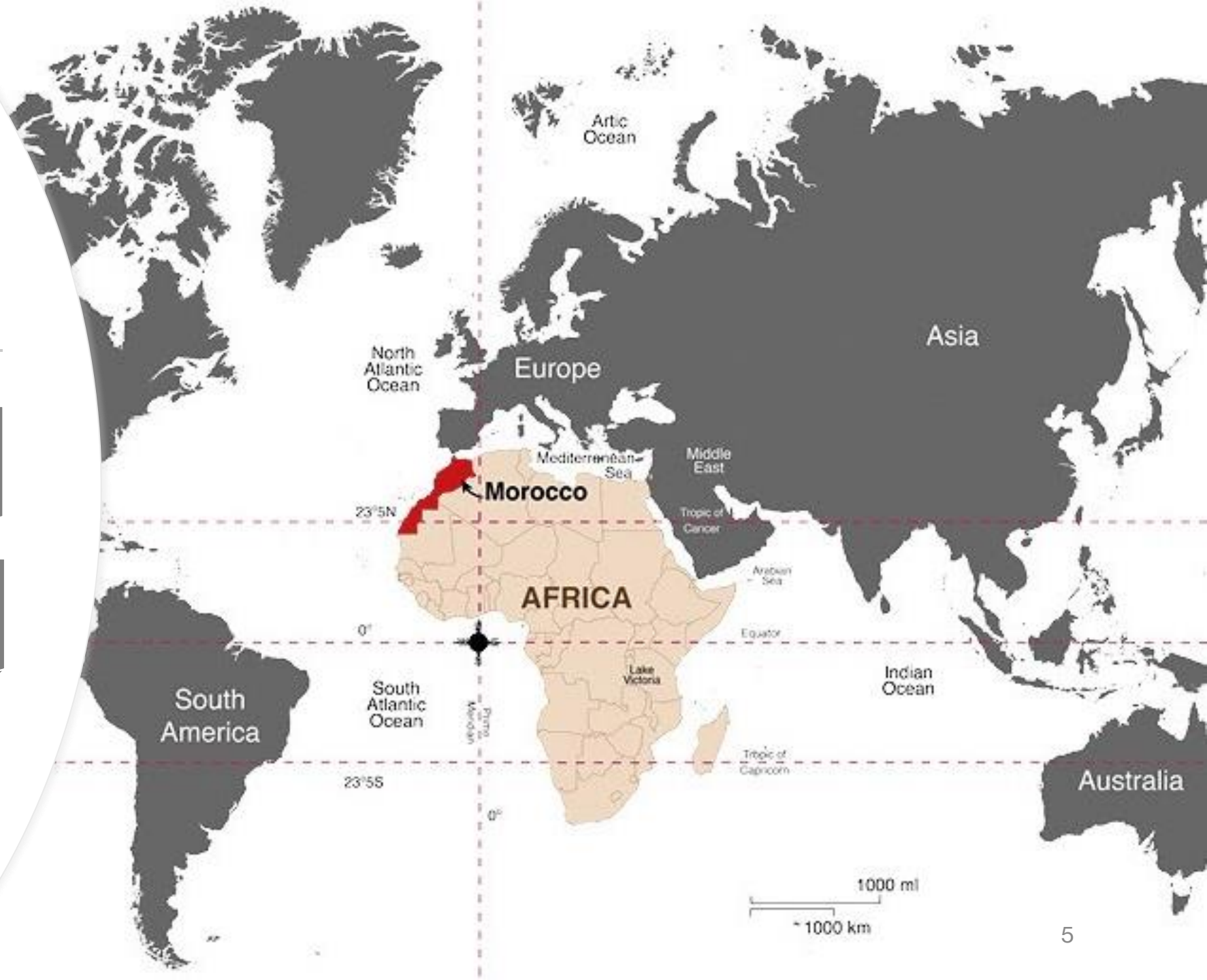


Being at the crossroads of Africa, Europe, and the Middle East gives Morocco valuable trade insights. With the Gravity Model, we aim to uncover why and how Morocco trades within the ACFTA. Our results help policymakers, businesses, and researchers make better decisions to boost Morocco's role in the ACFTA and promote economic integration in Africa.

# INTRODUCTION

Overview  
of the study

Morocco's trade  
dynamics within  
the ACFTA



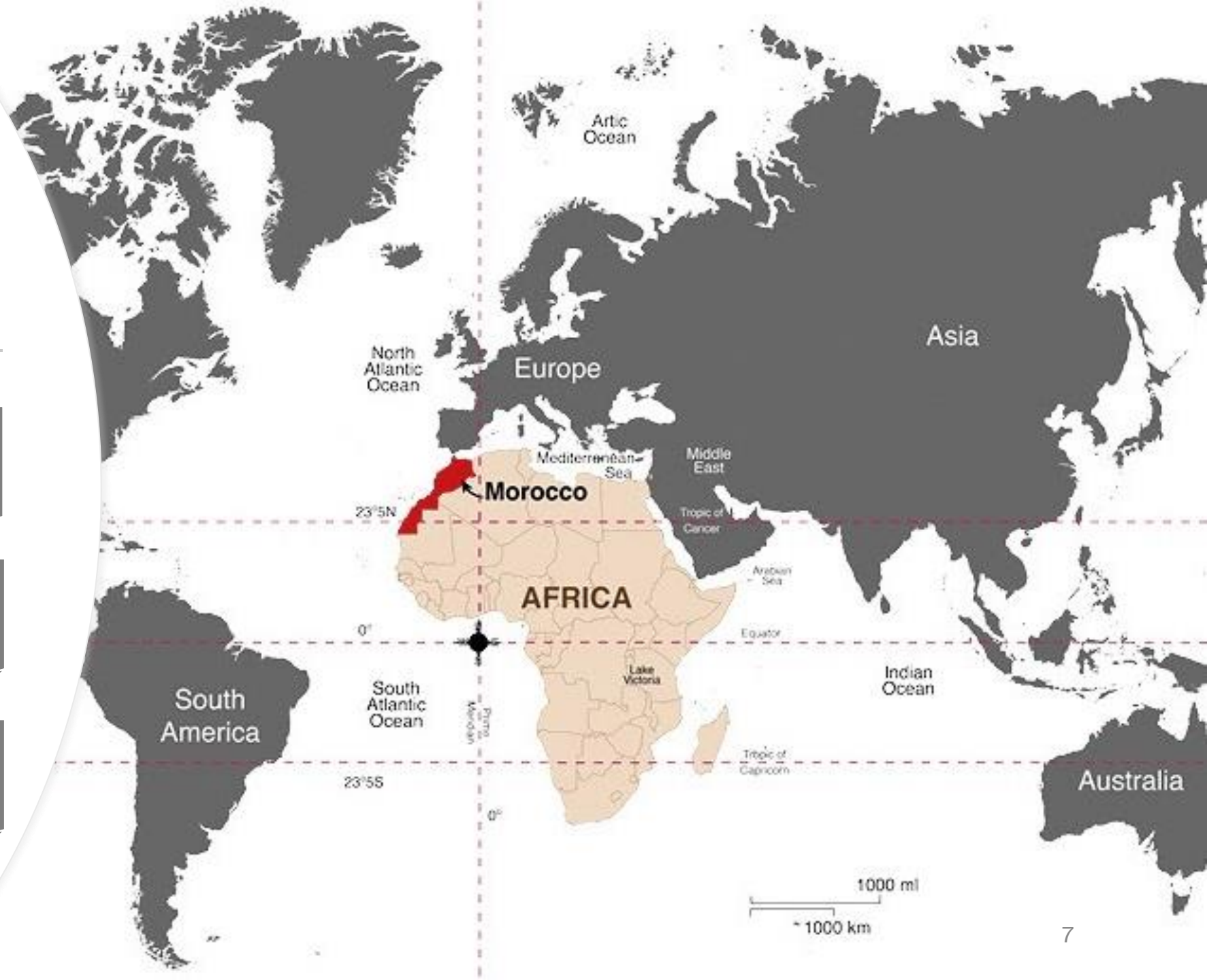
Knowing how Morocco trades in the ACFTA is vital. As a key member, Morocco's role is crucial for the nation and regional integration. Studying its trade patterns helps policymakers and stakeholders spot growth chances and plan strategies. This understanding is key for trade growth, economic development, and shared prosperity across Africa.

# INTRODUCTION

Overview  
of the study

Morocco's trade  
dynamics within  
the ACFTA

Objectives  
of the analysis



Our analysis has several key goals to understand Morocco's trade in the ACFTA:

1

We want to uncover what drives Morocco's trade with other ACFTA members and see how ACFTA membership affects this.

2

We aim to give practical advice to policymakers, businesses, and researchers based on our findings.

3

Our analysis adds to the bigger picture of intra-regional trade in Africa, showing how Morocco's trade impacts its economic growth and regional connections.



## Reviewing the Landscape:

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## Economic Integration in Africa

Economic integration within Africa has been extensively studied. Many researchers have investigated how joining regional trade agreements affects trade between countries on the continent. (Amghar et al, 2018; El Alaoui et al, 2020;)

However, there's a gap in our understanding when it comes to trade between Morocco and other African countries in the African Continental Free Trade Area (ACFTA). While previous studies have explored the overall impact of regional integration, they have not delved into the trade patterns between Morocco and individual ACFTA members.

This study aims to fill that gap. By examining how membership in the ACFTA influences trade between Morocco and its African partners, we can better understand the impact of economic integration on bilateral trade relationships.

# Understanding Morocco's Strategic Positioning



Trade gateway between Africa, Europe, and the Middle East

Proximity to key maritime routes and land borders

Hub for trade diversification and value-added production

Morocco's diverse topography

Implications for trade within the ACFTA

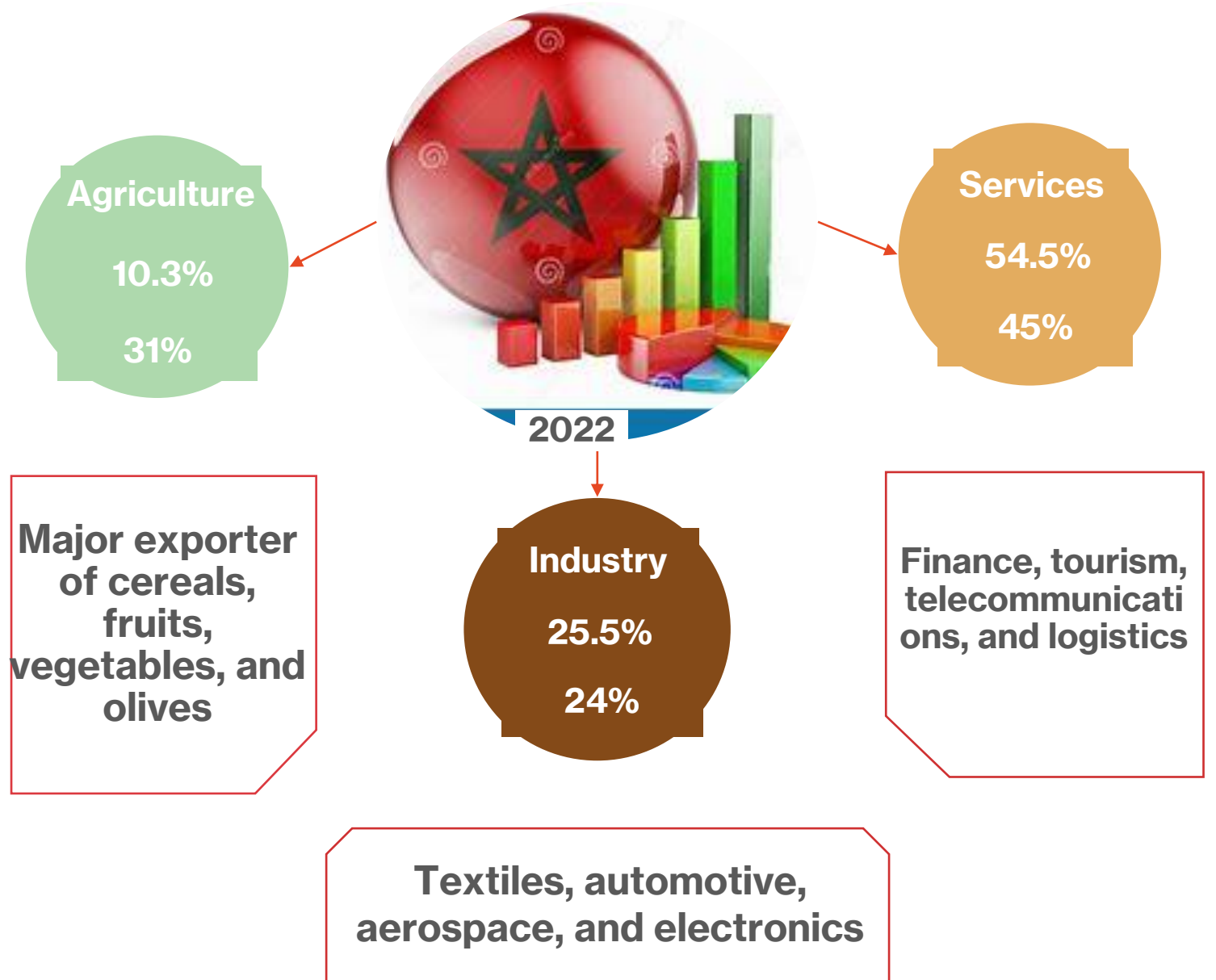
Fostering intra-regional trade expansion and diversification

Its proximity to European markets provides opportunities for export-oriented growth and value-added production

# Economic Landscape of Morocco

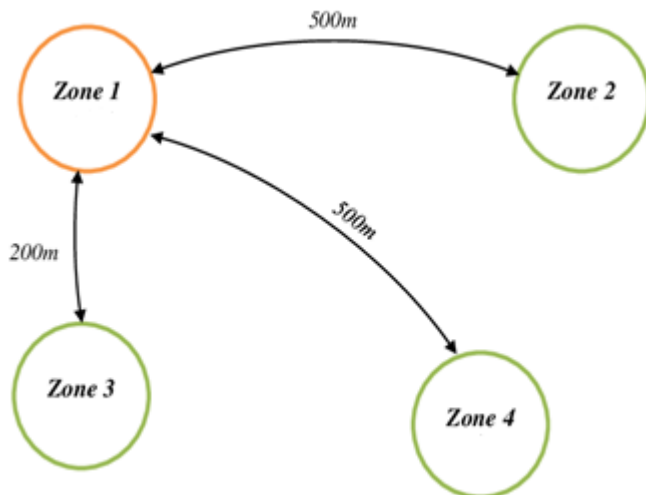
Overview of Morocco's economic sectors

Contribution of sectors



# METHODS

## Gravity Model Analysis



The Gravity Model Analysis (inspired by Newtonian physics) is a powerful tool used to understand and predict trade levels between different regions or countries.

It's like using the laws of gravity to explain trade patterns. Just as larger objects exert a stronger gravitational pull, bigger economies have a bigger influence on trade.

This model says that trade volume depends on two main things: the size of the economies involved (measured by GDP) and how far apart they are.

(Anderson & van Wincoop, 2003)

It can also consider other factors like population size, cultural connections, and trade policies to make better predictions.

By using techniques like regression analysis, researchers can figure out how these factors affect trade.

# METHODS

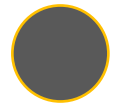
Gravity Model Analysis

Variables considered

Analysis Methods



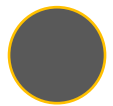
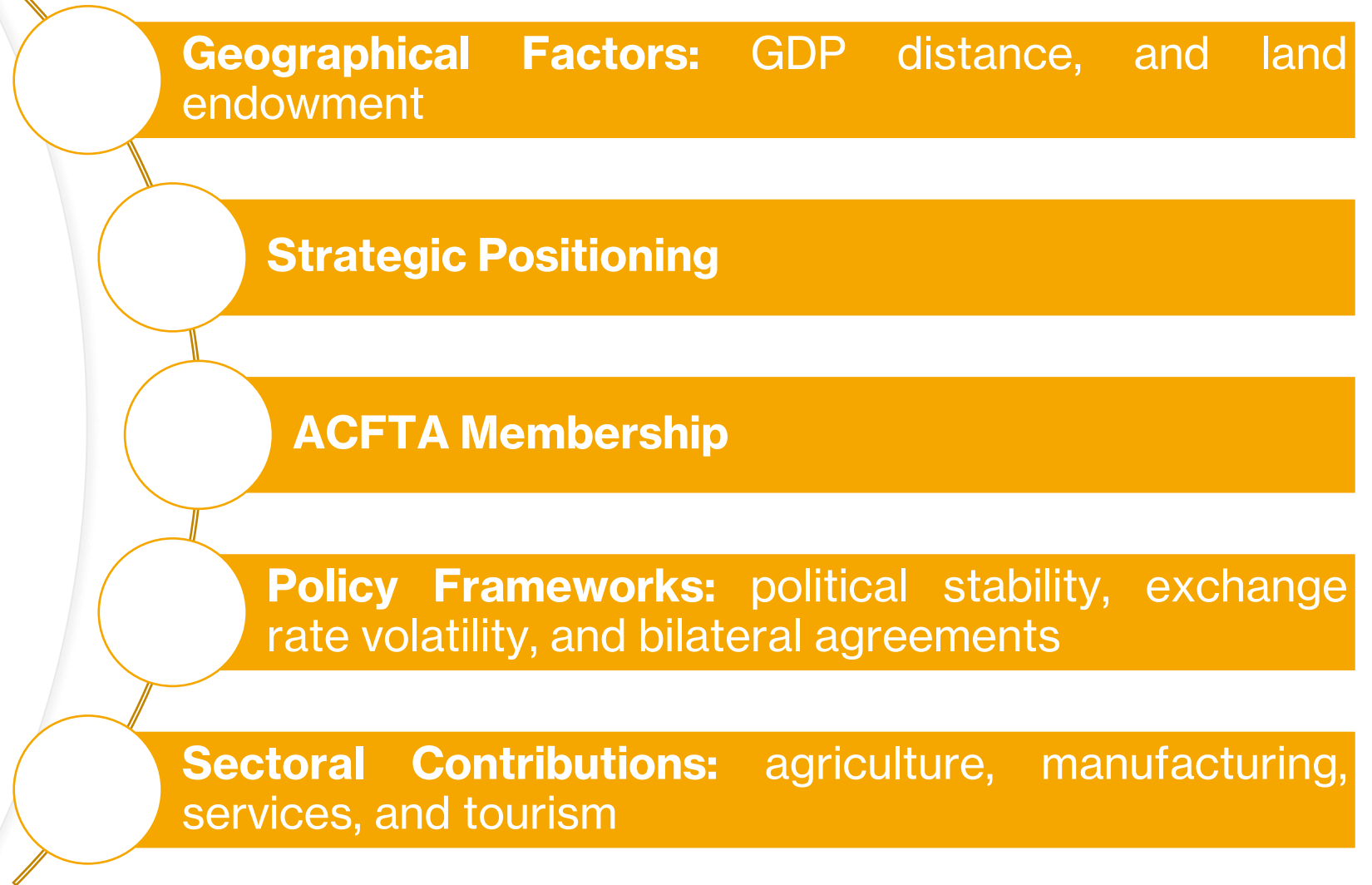
# RESULTS



Key findings from the Gravity Model Analysis

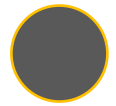
Variables	OLS Robust	Spatial Error
remot	-0.04836 (0.6745)	-.1360957 (0.196)
gdpdist	0.26198 (0.0033)	.3215466 (0.000)
scale	0.35373 (8.77e-06)	.3578823 (0.000)
kendow	-0.65114 (5.61e-11)	-.643673 (0.000)
landendow	-0.82620 (1.29e-14)	-.7065914 (0.000)
ffpdist	-0.99114 (4.51e-16)	-1.118736 (0.000)
polstab	-0.16593 (0.0645)	-.0905175 (0.301)
exchrates	-1.12518 (0.0537)	-.8562995 (0.123)
lang	0.44726 (0.0122)	.4692539 (0.009)
col	0.74590 (1.06e-05)	1.0843 (0.000)
<u>border</u>	0.01817 (0.9465)	-.5169044 (0.012)
seaboard	1.31971 ( $< 2e-16$ )	1.375227 (0.000)
acfta	0.60036 (8.83e-05)	.6080044 (0.000)
agreement	0.64646 (0.2997)	.571555 (0.336)
(Intercept)	-4.40519 (0.2742)	-4.809139 (0.196)
<b>Goodness of Fit Metrics</b>	<b>R<sup>2</sup> = 0.7287</b>	<b>Log likelihood = -1821.54719</b>

# RESULTS



Patterns and trends in Morocco's trade flows within the ACFTA

# RESULTS



Insights derived from empirical data

## Insights

Geographical Proximity

Economic Size

Policy Stability and Frameworks

Sectoral Dynamics

ACFTA Membership Benefits

Strategic Positioning



# DISCUSSION



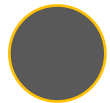
Factors like proximity and economic size show expected effects on trade



Political stability, exchange rate volatility, and interaction between bilateral trade agreements and ACFTA membership didn't appear significant



- Complex nature of trade dynamics
- Highlight the importance of considering multiple factors ...



Interpretation of results

## RECOMMENDATIONS

**1.** Policymakers should focus on strengthening regional infrastructure and trade facilitation measures to improve connectivity and reduce trade barriers within the ACFTA.

**2.** Morocco should prioritize efforts to diversify its export base and promote value-added production across key sectors such as agriculture, manufacturing, and services.

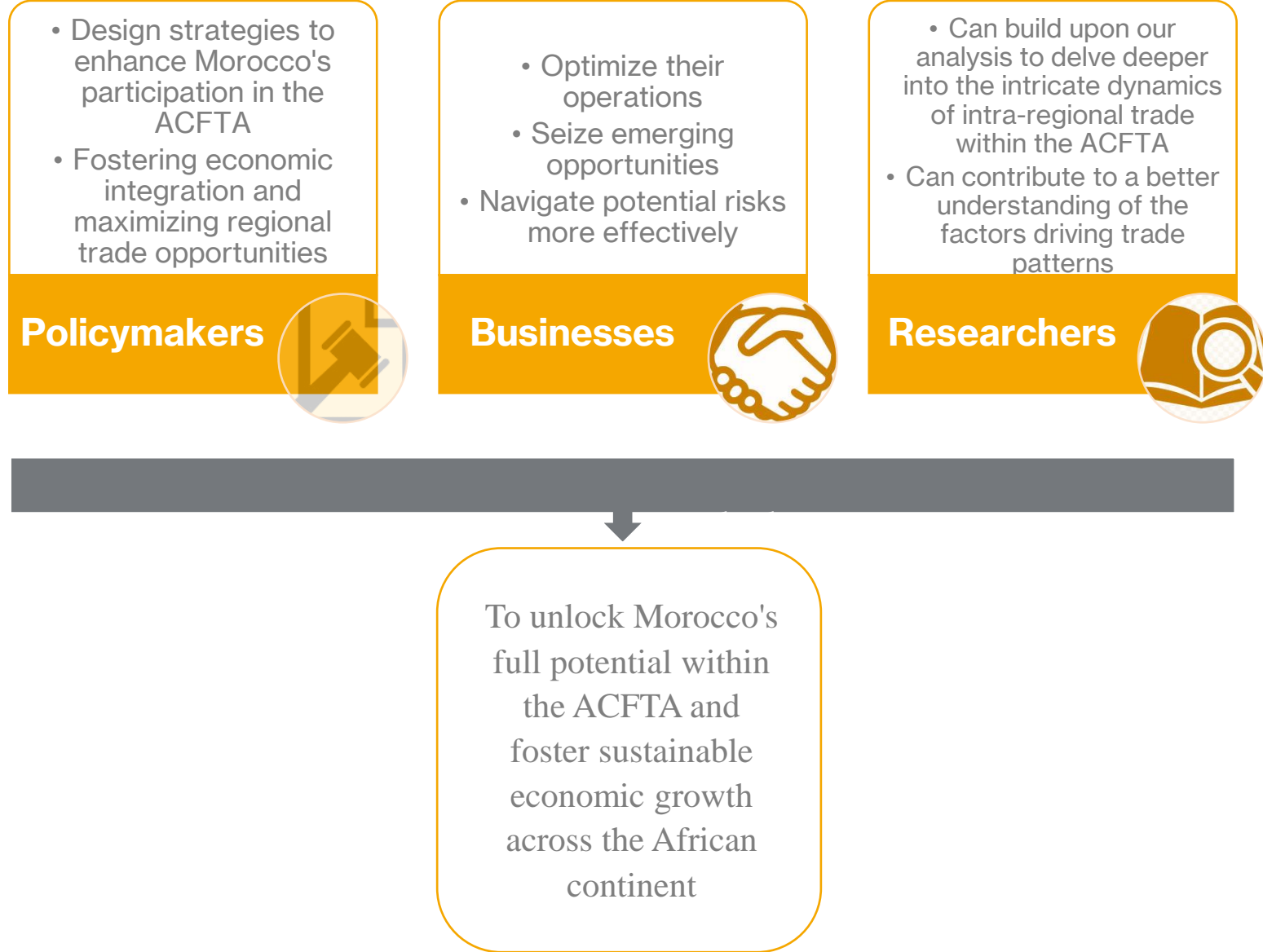
**3.** Policymakers should explore avenues for enhancing trade finance mechanisms and providing support for small and medium-sized enterprises (SMEs) to facilitate their integration into regional value chains.

**4.** Fostering closer collaboration with ACFTA member states through bilateral and multilateral agreements can further enhance Morocco's trade opportunities within the region.

**5.** Continuous monitoring and evaluation of trade policies and their impact on Morocco's participation in the ACFTA are essential to ensure the effectiveness of interventions and adapt to changing market dynamics.

# DISCUSSION

● Implications for policymakers, businesses, and researchers



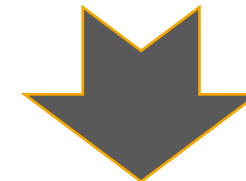
# CONCLUSION

Summary of key findings

1. Geographical proximity and economic size play significant roles in influencing Morocco's trade flows within the ACFTA, with closer and larger economies exhibiting stronger trade relationships.

2. While certain factors like political stability and exchange rate volatility did not show statistical significance, they likely still impact trade dynamics in nuanced ways.

3. Bilateral trade agreements, although not statistically robust in this analysis, may still influence trade patterns.




These findings underscore the multifaceted nature of Morocco's trade within the ACFTA and emphasize the importance of considering a broad array of factors for a comprehensive understanding of regional trade dynamics.



# CONCLUSION

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Significance of the study for understanding trade dynamics within the ACFTA

It's important because it helps policymakers, businesses, and researchers understand how trade works in this region.

By looking at what influences trade, we can make better policies, smarter business decisions, and plan future research.

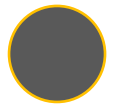
The findings remind us that understanding trade in detail is key to boosting economic growth and cooperation within the ACFTA.



# CONCLUSION

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Let's use what we've learned in this study to inspire more research and teamwork. By digging deeper into Morocco's trade within the African Continental Free Trade Area (ACFTA), we can learn even more. Together, let's figure out how trade patterns change, what makes them tick, and how we can make trade work better for everyone. Let's join forces to understand regional trade better and create opportunities for shared success within the ACFTA.



Call to action for further research and collaboration

**THANK YOU**