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Delegations will find attached the above document partially declassified (second part[1]).

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[1] See also EXT 1 INIT + ADD 2-5.

*Table 4: Principal budgetary aspects. Source: annual Finance Acts*

| (EUR million) | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|
| **I- Total Resources** | **18 965** | **21 083** | **26 288** | **23 707** |
| Revenue general budget | 15 975 | 17 271 | 21 405 | 19 395 |
| *Tuna trap fees* | | *0.1* | *0.2* | *0.1* |
| *Fishing licence fees* | | *2.5* | *2.2* | *1.9* |
| *Other fees* | | *2.5* | *2.0* | *0.7* |
| *Sea fisheries contributions* | | *39.9* | *40.2* | *36.5* |
| *Fishing fines* | | *0.2* | *0.2* | *0.2* |
| *Sundry income* | | *0.7* | *0.7* | *0.7* |
| ***Sub-total fisheries*** | ***43.8*** | ***45.8*** | ***45.4*** | ***40.2*** |
| Revenue Government department budget | 142 | 147 | 189 | 207 |
| Revenue special Treasury accounts | 2 848 | 3 665 | 4 694 | 4 104 |
| | | | | |
| **II- Total Expenditure** | **20 332** | **22 181** | **27 446** | **24 866** |
| Operating general budget | 9 773 | 10 970 | 13 423 | 12 290 |
| *Operating Ministry of Agriculture and Fisheries (staff)* | *66.8* | *72.2* | *79.2* | *61.7* |
| *Operating Ministry of Agriculture and Fisheries (expenditure)* | *102.9* | *93.7* | *98.6* | *131.0* |
| Investment general budget | 3 477 | 4 653 | 5 675 | 7 359 |
| *Investment Ministry of Agriculture and Fisheries* | *267.8* | *275.1* | *497.6* | *666.6* |
| | | | | |
| **Surplus of expenditure over revenue** | **1 367** | **1 098** | **1 158** | **1 159** |

***→The fisheries sector and the budget***

The general budget revenue from the fisheries sector amounts to approximately EUR 45 million per year. Consequently, it represents only a very small part of the revenue of the country (0.2% to 0.3%). The financial compensation paid under the Fisheries Agreement of EUR 36.1 million per year equally is of little significance in the public finance equilibrium (0.2% of budget revenue). The contribution of the EU under the Fisheries Agreement comes under the "Sea Fisheries contribution" where it is added to the compensation received under the Fisheries Agreement with Russia, which can therefore be calculated by subtraction as varying between EUR 5 million and 10 million per year. Overall, the compensation paid by the EU for the Agreement in progress represents about 80% of the public revenue from the fisheries sector.

As regards expenditure, the Ministry of Agriculture and Fisheries receives approximately 1.5% of operating expenditure from the general budget and is among the smallest Ministries in this respect, far behind the Ministries of Education, Defence, the Interior, Health or Justice. On the other hand, the Ministry of Agriculture and Fisheries receives far larger investment appropriations (approximately 9% of the total investment expenditure), with a clear upwards tendency. In 2010, the Ministry has received one of the largest investment appropriations, less than the Ministry of Education, but more than the Ministries of Public Works and Transport, Defence or the Interior. Nevertheless, the bulk of the budget resources allocated to this Ministry are for agriculture. The Sea Fisheries Department in fact receives only the equivalent of EUR 30 million in investment budget, i.e. 4% to 5% of the total appropriation assigned to the Ministry.

## 2.4 Foreign investment and the business climate

Morocco claims to be a country which is resolutely open to foreign enterprise. With positive law which does not discriminate in any way between nationals and foreigners, the country is open to foreign capital, which has come to account for a significant share of investment. The reforms adopted at regular intervals aim to improve the business climate in favour of all operators.

With a supply of skilled labour close to Europe (Morocco is only 14 km from Spain), Morocco aims to position itself as a platform for production and export of European know-how. Its advanced status with the EU in the context of the neighbourhood policy, its free trade agreement with the USA and its membership of the Arab League have already earned it a large number of establishments of foreign enterprises: historically French and Spanish, more recently Chinese and Japanese. This foreign investment is undertaken under the liberalisations and privatisations in the field of ICT, energy, water and electricity distribution, infrastructures, etc.

This progressive opening up, which affects almost all sectors, is accompanied by the gradual establishment of a climate which is more favourable especially to foreign investment. With the adoption of reforms of the Investment Charter in 2005, the State restructured the tax system in 2007 and is engaged in improving the guarantees given to investors. The State has also created installation sites adapted to the needs of investors, such as free zones, business parks for outsourced services (*offshoring*) and integrated industrial platforms.

*Table 5: Data relating to direct foreign investment in Morocco. Source: CNUCED, World Investment Report 2010*

| (USD million) | 1995-2005 | 2006 | 20087 | 2008 | 2009 |
|---|---|---|---|---|---|
| **DFI flows** | | | | | |
| **Incoming** | 1 109 | 2 450 | 2 803 | 2 487 | 1 131 |
| **Outgoing** | 35 | 445 | 621 | 485 | 470 |
| | | | | | |
| **As % of fixed capital formation** | | | | | |
| **Incoming** | 10.4 | | 11.9 | 9 | 4.5 |
| **Outgoing** | 0.3 | | 2.6 | 1.8 | 1.6 |
| | | | | | |
| **DFI stock** | | | | | |
| **Incoming** | 5 126 | 8 842 | 38 613 | 39 388 | 40 719 |
| **Outgoing** | 269 | 402 | 1 337 | 1 699 | 2 169 |
| | | | | | |
| **As % of GDP** | | | | | |
| **Incoming** | 13.9 | | 51.3 | 45.5 | 46 |
| **Outgoing** | 0.7 | | 1.8 | 2 | 2.5 |

As shown in the table above, foreign investment is nevertheless down in 2008 and 2009, as a consequence of the financial crisis affecting the developed countries. Nevertheless, the start of the upturn has prompted the announcement of new major projects concerning a diversified portfolio of sectors: metallurgy with a British group, power stations with a group from the Emirates, motor vehicles with a French group, telecommunications, banking and tourism. European enterprises account for two thirds of DFI flows, compared to a quarter for the Persian Gulf States.

This said, the business climate in Morocco could still be improved further. According to the report *Doing Business 2010*, sponsored by the World Bank, Morocco is classified only in 128th place in the world out of 183 classified countries, down two places compared to its 2009 classification. In the World Bank's analysis, Morocco is penalised compared to other third countries by indicators relating to employment of workers (176th place), property registration (123rd), investment protection (165th), respect of contract law (108th) and tax systems (125th). The favourable indicators for Morocco are those relating to the registration of new companies (76th), access to international trade (72nd) and obtaining credit (87th). Another factor which is unfavourable to the business climate is Morocco's classification in the corruption index measured by the

NGO *Transparency International* is tending to deteriorate, with the country falling from 72nd place in the world in 2007 to 80th place in 2008.

## 2.5 Employment

According to the statistics of the High Commission for Planning, just over 10 million people aged 15 years and over are employed in Morocco. About 41% of jobs are in the primary sectors of agriculture, forestry or fishing, 20% in general administration and social services for the community, 13% in trade and 9% in industry. Jobs in the primary sector are logically mainly in the rural areas (75% of total jobs), with a very small minority in urban areas (5%). Moreover, this sector essentially employs people without qualifications (79% of the workers in the rural areas have no diploma).

*Table 6: Situation of employment by sectors of economic activity. Source: High Commission for Planning*

| (in thousands) | 2007 | 2008 | Trend 2007/2008 |
|---|---|---|---|
| **Agriculture, forestry and fishing** | 4 233.6 | 4 157.1 | -1.8 |
| **Industry** | 1 277.1 | 1 304.2 | 2.1 |
| **Buildings and public works** | 844.7 | 906.8 | 7.4 |
| **Trade** | 1 257 | 1 273.6 | 1.3 |
| **Transport** | 402.2 | 448.3 | 11.5 |
| **Administration** | 1 025.7 | 1 018.9 | -0.7 |
| **Social services** | 1 005.6 | 1 049.5 | 4.4 |
| **Other services** | 10.1 | 20.4 | 102.6 |
| **TOTAL** | 10 056 | 10178.8 | 1.2 |

In 2009, the unemployment rate of the population was estimated at 9.6% (i.e. just over 1 million people), with a greater prevalence in urban areas (13.8%) as opposed to rural areas (4%). As shown in the graph below, the unemployment rate is tending to fall in Morocco. Unemployment mainly affects the population aged 15 to 24 years (18%), followed by the 25-34 year age group (12.7%).

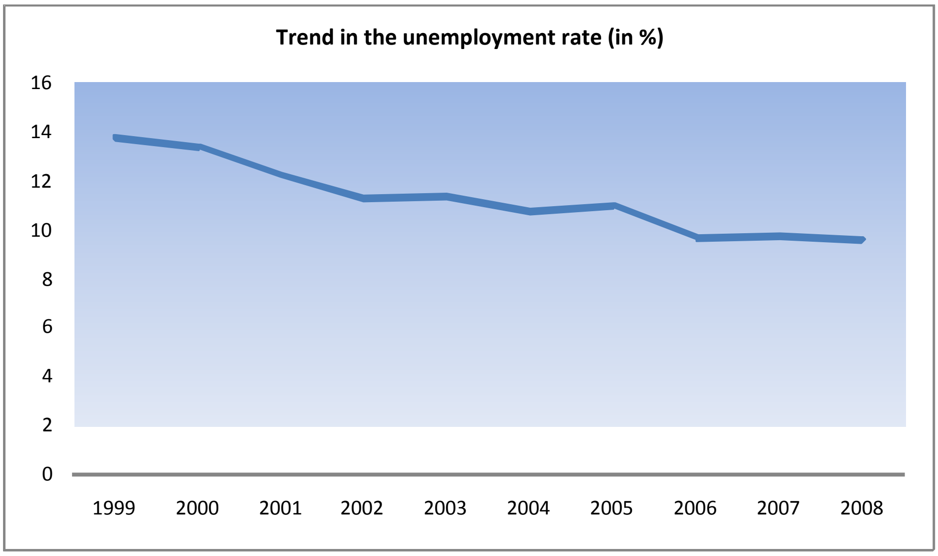



*Figure 3: Trend in the unemployment rate in Morocco. Source: High Commission for Planning*

*→The fisheries sector and employment*

According to the Ministry responsible for fisheries, approximately 170 000 people are directly employed in the fisheries sector, of whom 110 080 in the production sector (on-board employment), 61 650 in the processing industries and 165 in aquaculture. Direct employment in the sector therefore accounts for approximately 1.6% of employment in Morocco and on-board employment 2.6% of jobs in the primary sector. The Ministry's estimates indicate that in addition to this direct employment, fisheries also generate 490 000 jobs in related sectors, giving a total of 660 000 jobs, bringing the contribution of the sector to total employment to 6.5%.

According to the information supplied by the Ministry, employment in the fisheries sector is particularly important in the southern regions where it accounts for about 30% of jobs.

## 3 REGIONAL DATA

Morocco has sixteen regions, each headed by a Wali, and a regional council, which represents the "living strength" of the region. These regions have the status of local authorities. According to the country's Constitution, "the local authorities shall elect the assemblies responsible for the democratic management of their affairs under the conditions determined by law. The governors shall implement the decisions taken by the provincial, prefectoral and regional assemblies under the conditions determined by law."

The various regions in the list below correspond to the numbers shown on the map on the next page:

1. Chaouia-Ouardigha;
2. Doukhala-Abd;
3. Fès-Boulemane;
4. Gharb-Chrarda-Beni Hssen;
5. Grand Casablanca;
6. Guelmim-Es Smara (includes part of the Western Sahara, the province of Es Smara);
7. Laâyoune-Boujdour-Sakia el Hamra (includes part of the Western Sahara);
8. Marrakech-Tensift-Al Haouz;
9. Meknès-Tafilalet;
10. Oriental;
11. Oued Ed-Dahab-Lagouira (located in the Western Sahara);
12. Rabat-Salé-Zemmour-Zaër;
13. Sous-Massa-Drâa;
14. Tadla-Azilal;
15. Tangier-Tétouan;
16. Taza-Al Hoceima-Taounate.


*Figure 4: Outline map of the administrative regions of Morocco*

The principal regional economic indicators are shown in the table below. They were drawn up by the High Commission for Planning for the years 2004 and 2007 with regard to the GDP data and for 2009 regarding the employment indicators. The data on the regional distribution of the population date back to the last census of 2004.

*Table 7: Selection of regional indicators. Source: High Commission for Planning*

| Regions | Population | Regional GDP (2007) | Growth 2004-2007 | Share of fisheries in regional GDP (2007) | Contribution of fisheries to national sectoral GDP (2007) | Labour force partic-ipation rate (2009) | Unemploy-ment rate (2009) |
|---|---|---|---|---|---|---|---|
| Southern regions* | 2.7% | 3.5% | 9.2% | 10.4% | 36.4% | 45.9% | 13.7% |
| Sous-Massa-Drâa | 10.4% | 8.0% | 6.0% | 4.5% | 35.4% | 51.5% | 7.2% |
| Gharb-Chrarda-Beni Hssen | 6.2% | 3.9% | 1.5% | 0.3% | 1.1% | 58.6% | 11.3% |
| Chaouia-Ouardigha | 5.5% | 5.0% | 5.1% | 0.0% | 0.0% | 56.5% | 6.1% |
| Marrakech-Tensift-Al Haouz | 10.4% | 8.9% | 13.4% | 0.1% | 1.2% | 54.5% | 4.9% |
| Oriental | 6.4% | 5.1% | 5.7% | 0.4% | 2.0% | 44.3% | 18.2% |
| Grand Casablanca | 12.1% | 21.3% | 3.1% | 0.3% | 7.4% | 47.0% | 11.6% |
| Rabat-Salé-Zemmour-Zaër | 7.9% | 13.6% | 10.4% | 0.0% | 0.2% | 45.0% | 12.5% |
| Doukhala-Abd | 6.6% | 6.4% | 7.0% | 0.6% | 3.5% | 58.1% | 7.4% |
| Tadla-Azilal | 4.9% | 2.6% | 0.0% | 0.0% | 0.0% | 51.2% | 5.0% |
| Meknès-Tafilalet | 7.2% | 5.2% | 6.5% | 0.0% | 0.0% | 45.9% | 8.4% |
| Fès-Boulemane | 5.3% | 4.5% | 8.5% | 0.0% | 0.0% | 48.4% | 7.0% |
| Taza-Al Hoceima-Taounate | 6.0% | 3.0% | 4.3% | 0.7% | 2.2% | 52.3% | 8.1% |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Tangier-Tétouan | 8.3% | 8.8% | 12.7% | 1.2% | 10.7% | 42.8% | 8.9% |

* The Moroccan statistics cover the regions of Oued Ed-Dahab-Lagouira, Laâyoune-Boujdour-Sakia el Hamra and Guelmim-Es Smara in a southern region aggregate for reasons of representativeness mentioned.

The results of the production accounts show that five regions out of 16 were responsible for nearly 60.6% of the national wealth creation in 2007. Grand Casablanca is in first place with 21.3%, followed by Rabat-Salé-Zemmour-Zaer (13.6%), Marrakech-Tensift-Al Haouz (8.9%), Tangier-Tétouan (8.8%) and Souss-Massa-Daraâ (8%). They are followed by four regions which contribute 21.7% to GDP. These are Doukkala-Abda (6.4%), Mèknes-Tafilalt (5.2%), Oriental (5.1%) and Chaouia-Ouardigha (5%). The contribution of each of the other regions varies between 2.6% (Tadla-Azilal) and 4.5% (Fès-Boulemane).

The regions which posted a two-digit GDP growth rate – or nearly – between 2004 and 2007 are the regions of Marrakech-Tensift-Al Haouz (+13.4%), Tangier-Tétouan (+12.7%), Rabat-Salé-Zemmour-Zaër (+10.4%) and the south (+9.2%).

The economic activities are of variable importance according to the regions. In Grand Casablanca for example, the dominant activities are the extractive and processing industries (28%), trade (11,5%), financial activities and insurance (16%) and property-renting and services (15.8%). The other production contributes a share of less than 6% to the total added value of the region. This region has a different configuration from the others, where at best two activities account for the bulk of added value. For example, agriculture remains significant in the regions of Tangier-Tétouan, Gharb-Chrarda-Béni Hsan, Tadla-Azilal and Meknès-Tafilalt, where it contributes between 22.4% and 30.1% to the formation of added value.

The contribution of the fisheries sector to regional GDP is greatest in the southern regions (10.4%), before the region of Souss Massa Drâa (Agadir) with 4.5% and the region of Tangier Tétouan (1.2%). It is pointed out that over 70% of national GDP of the fisheries sector is generated in the southern regions (36.4% of national fisheries GDP) and in the region of Souss Massa Drâ (35.4%). Only the region of Tangier Tétouan makes a significant contribution to the fisheries sector GDP (10.7%) in addition to the two regions mentioned above.

The unemployment rate is highest in the Oriental region (18.2%), followed by the southern regions (13.7%). The unemployment rate is also high in the large economic centres of Grand Casablanca and Rabat-Salé (approximately 12% compared to a national average of 9.6%). The labour force participation rate, which indicates the proportion of people who are participating or are seeking to participate in the production of goods and services in a given population, is the lowest in the regions of Tangier and Tétouan (42.8%) and the south (45.9%).

## 4 RELATIONS WITH THE EUROPEAN UNION

### 4.1 Political aspects

As early as 1963, Morocco requested the opening of negotiations to conclude a commercial agreement in 1969. This cooperation then developed to end in a new Agreement in 1976 containing both trade provisions and a financial contribution in the form of donations to the socio-economic development of the Kingdom.

This agreement was flanked by four financial protocols signed during the period 1976 to 1996, supplemented by loans from the European Investment Bank. During the period following the financial protocols, the MEDA I programme (1996-99), which represents a tripling of the aid to Morocco compared to the financial protocols, allowed support to be given to the economic transition and socio-economic equilibrium in Morocco. The MEDA II programme, with some projects still in progress, allowed a considerable increase in the amount of finance allocated to Morocco.

At regional level, the Barcelona Conference of November 1995, which brought together the European Union and the 12 Mediterranean partner countries, led to the Barcelona Declaration, a programme of dialogue, trade and cooperation to guarantee peace, stability and prosperity in the region. This unprecedented political commitment covers the "Political and Security", "Economic and Financial" and "Social, cultural and human" facets. This partnership is established at bilateral level by an association agreement between each Mediterranean partner and the European Union. Morocco, which plays a strategic role in the Euro-Mediterranean partnership, signed this Association Agreement in February 1996 and it entered into force in March 2000. The main objectives of this agreement are:

- to strengthen political dialogue,
- to establish the conditions necessary for the progressive liberalisation of trade in goods, services and capital, including that in fisheries products,
- to develop balanced economic and social relations between the parties,
- to support the South-South integration initiatives,
- to promote cooperation in the economic, social, cultural and financial fields.

In 2003, the EU launched the neighbourhood policy, which supplements, specifies and deepens the Euro-Mediterranean partnership. This initiative takes the concrete form of the joint adoption of an action plan which sets out a programme of economic and political reforms with short and medium-term priorities. The fisheries sector does not appear explicitly in this action plan. A new action plan is currently being drawn up for the period 2010-2015, with the possibility of including fisheries and maritime policy in the priority sectors for cooperation.

In October 2008, advanced status[2], the first in the southern Mediterranean region, was granted to Morocco, marking a new phase in special relations. The advanced status will take the form of strengthening the political dialogue, economic and social cooperation, in the parliamentary, security and justice fields and in various sectors, notably agriculture, transport, energy and the environment, as well as the progressive integration of Morocco in the common internal market and convergence of laws and regulations. Morocco will also be able to apply to participate in the work of certain Community agencies.

### 4.2 Financial aspects

Since January 2007, the European Neighbourhood and Partnership Instrument (ENPI) has been financing the cooperation between the EU and Morocco with a budget earmarked under the National Indicative Programme for the period 2007-2010 of EUR 654 million (≈ EUR 163 million per year over four years), which makes Morocco the leading beneficiary from European funds in the region. The distribution of this budget according to the major components of the cooperation is as follows:

| | | |
|---|---|---|
| Social component | 296 M€ | 45% |
| Governance component | 28 M€ | 4% |
| Institutional support component | 40 M€ | 6% |
| Economic component | 240 M€ | 37% |
| Environment component | 50 M€ | 8% |
| Total programme 2007-2010 | 654 M€ | 100% |

For the period 2011-2013, the NIP in the process of adoption provides for a budget of nearly EUR 580 million (≈ EUR 193 million per year for three years). The details of the commitments per component are not yet in the public domain.

By way of comparison, the annual EU financial contribution under the current Fisheries Agreement amounts to EUR 36.1 million per year (4 to 5 times less than the annualised amounts provided for the NIPs), but focuses on a sector which appears only implicitly in the strategic priorities of the NIP 2007-2010. There is therefore no problem *a priori* of consistency between the various components of the EU policy in relation to Morocco.

[2] Commonly defined by commentators as "more than association, less than accession".

## 4.3 Relations with other donors

The figure below provides a summary of the main financial support received by Morocco according to the data published by the OECD Development Assistance Committee. The statistics confirm the pole position of the European Union among the donors, with in addition substantial bilateral interventions by certain Member States, including France, Germany and Spain. The development assistance received by Morocco is in the region of EUR 1 billion per year, i.e. 1.4% of GDP. The EU is at the origin of a third of this development assistance.

For France, the sectoral priorities concern modernisation of the public sector, development of the private sector, vocational training, social development and basic infrastructures. For Germany, the sectoral priorities for intervention are sustainable development of the economy, including vocational training, protection of the environment and natural resources including renewable energies and water and sanitation. Finally, for Spain, the aid is concentrated in the sectors of health, basic social infrastructures, training, urban regeneration, agriculture and tourism. The themes of the Spanish cooperation include actions in favour of the fisheries sector (fishing village as basic infrastructure).

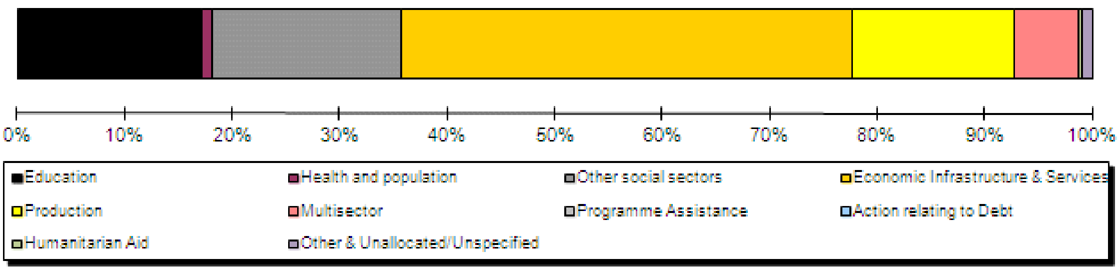
**Morocco**

| Receipts | 2006 | 2007 | 2008 |
|---|---|---|---|
| Net ODA (USD million) | 1 044 | 1 073 | 1 217 |
| Bilateral share (gross ODA) | 65% | 70% | 57% |
| Net ODA / GNI | 1.6% | 1.4% | 1.4% |
| Net Private flows (USD million) | 295 | 1 495 | 1 584 |

| *For reference* | 2006 | 2007 | 2008 |
|---|---|---|---|
| Population (million) | 30.5 | 30.9 | 31.2 |
| GNI per capita (Atlas USD) | 2 170 | 2 290 | 2 580 |

| Top Ten Donors of gross ODA (2007-08 average) | | (USD m) |
|---|---|---|
| 1 | EC | 402 |
| 2 | France | 369 |
| 3 | Germany | 177 |
| 4 | Arab countries | 149 |
| 5 | Japan | 133 |
| 6 | Spain | 124 |
| 7 | Italy | 56 |
| 8 | Portugal | 48 |
| 9 | United States | 35 |
| 10 | Arab agencies | 27 |

Bilateral ODA by Sector (2007-08)




*Sources:* OECD, World Bank. www.oecd.org/dac/stats

*Figure 5: Summary of the development assistance received by Morocco. Source: OECD*

Among the other multilateral donors, mention is made of the contributions of the World Bank, which focus on the reduction of poverty in rural areas, the development of basic social services and the promotion of good governance. The World Bank also supports sectoral reforms in the field of public administration, the business environment and agricultural policy. The annual financing from the Islamic Development Bank (IDB), amounting to just over EUR 1 million, is intended for social development, the development of human resources and agriculture. The African Development Bank commenced operations in Morocco in 1970.

As regards bilateral aid from third countries, mention is made of the United States, with activity centred on education, fostering enterprise and environmental management. Support under the Millennium Challenge Account has just been approved by both parties. It provides for funding amounting to USD 698 million (≈ EUR 550 million) over 5 years, of which USD 116 million (≈ EUR 89 million) targeting on support for artisanal fishing (creation of landing sites and fish wholesale markets). The United States and Morocco also have special relations. The two partners concluded a free trade agreement in 2004, which entered into force on 1January 2006.

Japan finances cooperation activities in the sectors of the drinking water distribution, road construction and in the fisheries sector. Cooperation in this field is longstanding. It started in the 1980s with the training of ships' officers on fishing vessels, then turned to support for artisanal fishing, the conservation of fisheries resources and South-South cooperation. For the period 2010-2015, Japan based a project in Agadir with a view to supporting the small pelagic species resource management capacities. The financial commitment under this project is not known.

## PART 2: ANALYSIS OF THE FISHERIES SECTOR

# 1 OCEANOGRAPHIC CHARACTERISTICS OF THE MOROCCAN EEZ

## 1.1 Exclusive Economic Zone

Morocco has two coastlines: one bordering the Mediterranean and the other the Atlantic.

The Mediterranean coastline bordering the south of the western part of the Alboran Sea and extending over a distance of about 500 km from east to west, from Saïdia at the border with Algeria to Cape Spartel, at the southern entry to the Straight of Gibraltar. In the Mediterranean, the area of the Moroccan continental shelf (up to the 200 m isobath) is approximately 5 600 km$^2$.

The Atlantic coastline is nearly 3 000 km long, from Cape Spartel in the north to the border with Mauritania in the south, of which 1 100 km along the Western Sahara (from Cape Juby to Cape Blanc). The area of the continental shelf off this Atlantic coast is approximately 117 000 km$^2$, of which 54% bordering the Western Sahara.

*Table 8: Distribution of the areas of Moroccan continental shelf to the 200 m isobath (according to Belvèze and Bravo de Laguna, 1980)*

| Portion of coastline | Continental shelf (km$^2$) | Continental shelf (%) |
|---|---|---|
| **Cape Spartel - El Jadida** | 14 950 | **13** |
| **El Jadida - Cape Ghir** | 14 050 | **12** |
| **Cape Ghir – Cape Drâa** | 10 120 | **8** |
| **Cape Drâa – Cape Juby** | 15 180 | **13** |
| **Cape Juby – Cape Blanc** | 62 650 | **54** |
| **TOTAL** | **116 950** | **100** |

Off its Atlantic coastline (from Cape Spartel to Cape Blanc), Morocco also has an EEZ estimated at over one million km$^2$. Legally, the Moroccan territorial waters and exclusive fishing zone were extended to 12 nautical miles in 1973 and an exclusive economic zone of 200 miles was established off the Moroccan (Atlantic) coastline in 1981. According to the information obtained, the border with the Mauritanian EEZ to the south has been defined, but disagreements exist on the delimitation with Spain for the Canaries in the Atlantic and certain islands in the Mediterranean.

## 1.2 Hydrological conditions of the Moroccan Atlantic coastline

Along the Moroccan Atlantic coastline, from Cape Spartel (35° N) to Cape Blanc (21° N), the average circulation of the surface waters is dominated by the Canary current in the direction north-east/south-west. The combination of this general displacement of the waters and the north-east trade winds, which are the dominant winds, causes upwellings, bringing cold waters rich in nutritive salts to the surface, in several places along the ocean coastline. These upwellings, which originate from sub-superficial layers of the continental shelf, are the main hydrological characteristic of the Moroccan coastal areas. Their origins differ from zone to zone and are at depths of between 70 and 200 m depending on the extent of the continental shelf in the zone considered.

This hydrodynamic phenomenon of upwelling, which also occurs along the coasts of Mauritania and Senegambia, is at the origin of the ecosystem of the upwelling of the Canary current.

This is one of the four major upwelling ecosystems of the planet, which are all characterised by great abundance of fisheries resources, especially in the form of coastal small pelagic species.

Under the effect of the seasonal displacement of the Azores anticyclone, the Saharan depression and the intertropical convergence zone (ITCZ), the north-east trade winds appear off Gibraltar in the summer and further south in the winter. This seasonal shift in the trade winds is reflected in the position and intensity of the upwellings, which move from the north in summer to the south in winter.

To the north of Cape Bojador, the upwelling is seasonal and occurs between the months of March and August; from Cape Bojador to Cape Blanc, it is almost permanent and is particularly active in the spring. To the south of Cape Blanc, the upwelling is again seasonal. It occurs from October to June along the coasts of Mauritania; and from December to May alongside those of Senegal and Gambia.

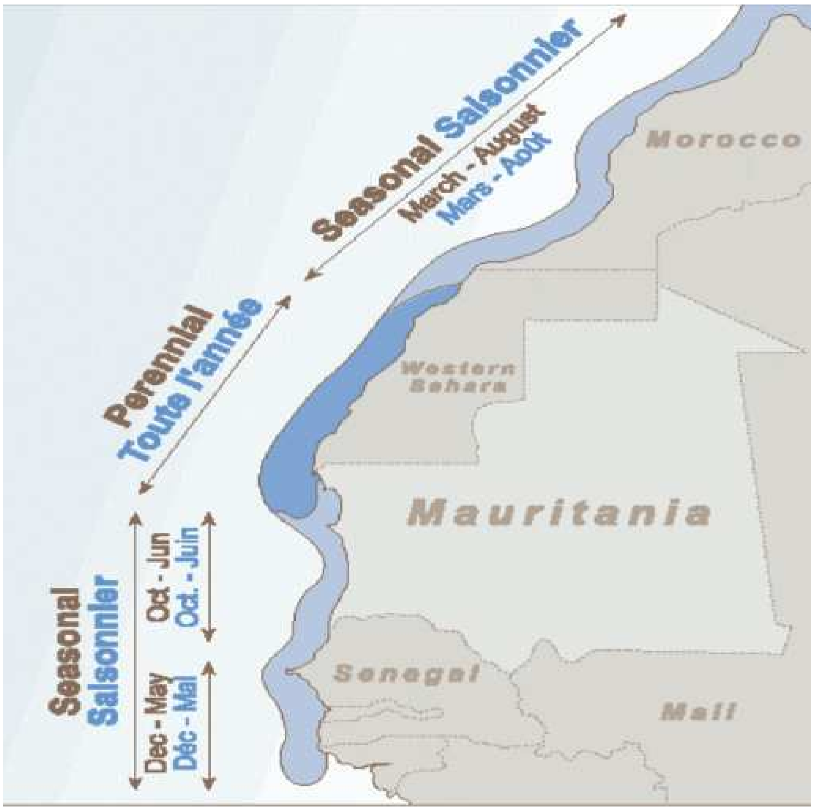



*Figure 6: Location and seasonality of the coastal upwellings in North-West Africa (according to Roy 1992 and Maus 1997, in Ould Taleb Sidi, 2005)*

Five principal areas of upwelling have been identified along the Atlantic coast of Morocco and the Western Sahara. These are, from north to south:

- the Larache region;
- from Cape Cantin to Cape Ghir;
- from Cape Drâa to Cape Juby;
- from Cape Bojador to Dakhla; and
- from Cape Barbas to Cape Blanc.

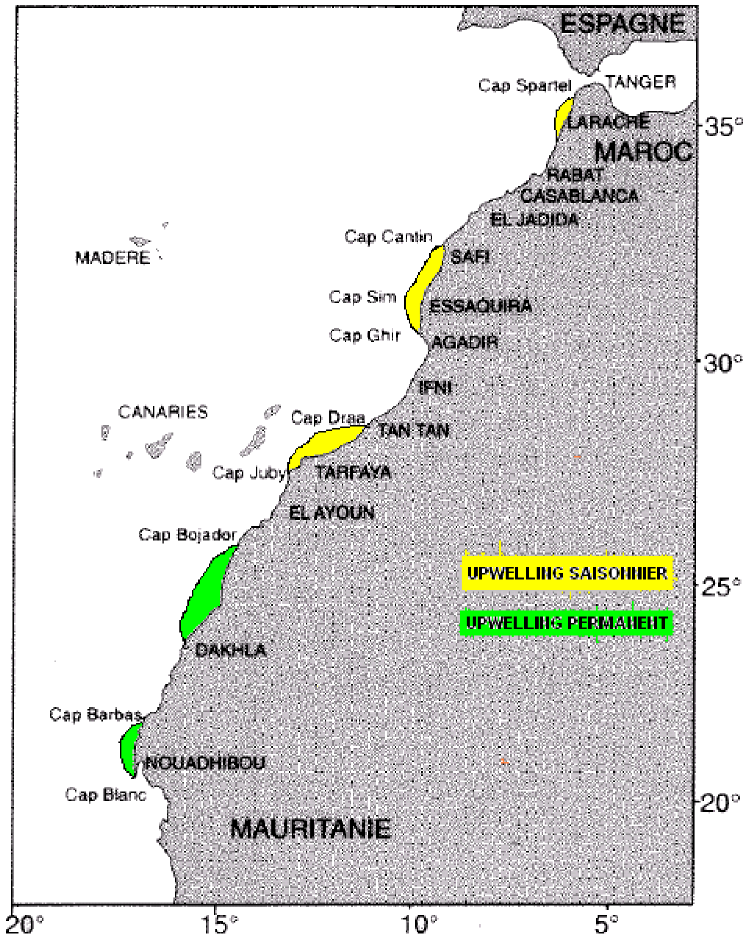



*Figure 7: Location of the main areas of upwelling along the Moroccan Atlantic coast (according to Orbi et al., 1992; Makaoui et al., 2001)*

On the continental shelf, the enrichment in nutritive salts of the surface waters (euphotic layer) is responsible for high levels of biological production in the coastal area. In each area, primary production varies with the seasonal fluctuations in the intensity of the upwelling. Moreover, it is largely conditioned by the width of the continental shelf. A wide continental shelf in fact increases the residence time of the resurgent waters near the coast and in this way favours the retention and development of the plankton populations in the coastal area. It is to the south of Cape Juby, in the areas where of the resurgence of deep waters rich in nutritive salts are almost permanent, that the primary phytoplanktonic production is the highest.

Phytoplanktonic production is the first link in the trophic chain extending to the top predators via zooplankton (secondary production), invertebrates and fish. In this meshed and complex network, the coastal small pelagic species (sardine, sardinella, anchovy, horse mackerel, mackerel) occupy intermediate layers and constitute abundant stocks, the fluctuations in which depend to a large extent on the spatio-temporal variability of the hydrodynamic upwelling phenomenon.

The extremely favourable oceanographic conditions, especially along the coastal areas of the regions to the south of Cape Juby, explain the very strong fisheries potential of the Moroccan zone and especially the abundance of small pelagic species.

# 2 THE MOROCCAN FISHERIES SECTOR

This section of the report presents information relating to the fisheries sector operating in the national EEZ, including marketing and processing.

## 2.1 National fishing fleet

### *2.1.1 Structural data*

The national fishing fleet can be divided into three separate categories: deep-sea vessels, coastal vessels and artisanal vessels. There is no precise legal definition of these categories in fisheries law. However, the National Fisheries Office (ONP), which is responsible for the modernisation of the fleet, considers artisanal vessels to be less than 5 GRT and coastal fishing vessels to be between 5 and 150 GRT. The vessels with a higher tonnage are the deep-sea vessels.

This situation does not appear to have posed any problem so far, while the three categories of vessels show very clear-cut characteristics. However, the appearance of coastal fishing vessels engaging in on-board freezing (37 out of nearly 2000 vessels of this category) is starting to make the demarcation from deep-sea vessels difficult to establish.

The situation of the fleet registered in 2008 by home port is summarised in the table below. In total, the Moroccan fleet is composed of more than 18 300 fishing vessels, 84% of which are artisanal vessels, 14% coastal vessels and 2% deep-sea vessels. 82% of the fleet is based in ports on the Atlantic coast. The capacity expressed in gross registered tonnage is nearly 300 000 GRT, of which nearly 50% is concentrated in the deep-sea segment, 40% in the coastal segment and 10% in the artisanal segment. The total engine power of the deep-sea fleet and the coastal fleet is not far short of 1.2 million KW, of which 40% in the deep-sea segment and 60% in the coastal segment. The engine power of the Moroccan fleet is equivalent to the power of the Italian fishing fleet, which is the largest fleet of the EU Member States and exceeds the combined power of the Spanish or French fishing fleet. The tonnage capacity cannot be compared on account of the different units taken into account (GRT in one case, GT in the other).

*Table 9: Situation of the registered Moroccan fishing fleet in 2008 by port. Source: DPM*

| | Deep-sea fleet | | | Coastal fleet | | | Artisanal fleet |
|---|---|---|---|---|---|---|---|
| | Number | GRT | KW | Number | GRT | KW | Number |
| ***Mediterranean*** | | | | ***567*** | ***20 660*** | ***136 630*** | ***2 752*** |
| Tangier | 32 | 7 327 | 27 956 | 353 | 14 563 | 87 038 | 376 |
| Asilah | | | | 33 | 623 | 4 444 | 104 |
| Larache | | | | 128 | 5 576 | 38 301 | 205 |
| Kenitra | 9 | 1 441 | 6 780 | 93 | 4 727 | 29 947 | 338 |
| Rabat | | | | 5 | 121 | 391 | 205 |
| Mohammedia | | | | 72 | 2 906 | 18 874 | 270 |
| Casablanca | 73 | 21 355 | 72 471 | 232 | 12 306 | 69 201 | 253 |
| El Jadidia | | | | 83 | 3 461 | 22 222 | 1 648 |
| Essaouira | | | | 86 | 4 248 | 24 921 | 624 |
| Safi | 1 | 314 | 1 250 | 351 | 13 554 | 87 776 | 1 098 |
| Agadir | 267 | 93 032 | 271 558 | 342 | 22 417 | 121 547 | 1 457 |
| Sidi Ifni | 1 | 154 | 836 | 24 | 1 624 | 8 943 | 496 |
| Tan Tan | 44 | 14 586 | 51 840 | 121 | 6 027 | 31 276 | 183 |
| Laayoune | 10 | 2 821 | 9 650 | 51 | 3 473 | 19 291 | 443 |
| Boujdour | | | | | | | 1 829 |
| Dakhla | 14 | 5 014 | 16 002 | 21 | 1 224 | 6 345 | 3 089 |
| ***Atlantic*** | ***451*** | ***146 043*** | ***458 343*** | ***1 995*** | ***96 940*** | ***570 516*** | ***12 618*** |
| TOTAL | ***451*** | ***146 043*** | ***458 343*** | ***2 562*** | ***117 600*** | ***707 146*** | ***15 370*** |

At regional level, the deep-sea fleet is clearly concentrated around Agadir (60% of the capacity of this segment), with Casablanca, Tan Tan and Tangier as other important centres. The southern region (maritime districts of Laayoune, Boujdour and Dakhla) has only a few registered industrial vessels. In 2008, no deep-sea vessels were registered in the Mediterranean.

The coastal fishing fleet is concentrated between Tangier and Agadir, with 18% of the capacity at Tangier, 12% in Casablanca, and 35% between Safi and Agadir. Only 4% of the vessels of the coastal fleet are registered in the ports of the southern region, but there would in fact appear to be more in operation in these ports (about 300 in Laayoune and 100 in Dakhla). As in Europe, the port of operations may be different from the port of registry.

The artisanal fleet has a high proportion of its number registered in the ports of the southern region (42% of the Atlantic artisanal fleet), with Dakhla as the main port of registry (24% of the national Atlantic fleet). The other two major hubs are El Jedida (13%) and Agadir (12%).

There is a difference between the registered fleet and the fleet deemed to be active, i.e. that of the vessels which have obtained a fishing licence. In 2007, 329 deep-sea vessels were considered to be operational, as opposed to 449 registered (73%), 1 816 coastal vessels out of 2 544 (71%) and 14 225 artisanal vessels out of 15 428 registered (92%). The data for 2008 are not available. The main explanation for the difference is the unavailability of fishing opportunities in the managed fisheries (octopus in particular), revealing overcapacity in certain segments of the fleet.

The development of the deep-sea fleet and the coastal fleet is shown in the table below. The capacity of the deep-sea segment has remained unchanged overall, which is attributable to the freeze decided from 2002 in response to the collapse of certain stocks. The capacity of the coastal segment has increased by about 15%, evidencing new investments in the pelagic fish sector (seiners in particular). There is no comparable indicator for artisanal fishing. The vessel registration operations were still in progress in 2004.

*Table 10: Trend in the fishing capacity of the deep-sea and coastal segments between 2004 and 2008. Source: DPM*

| | 2004 | | | 2008 | | | Variation 2004/2008 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Number | GRT | KW | Number | GRT | KW | Number | GRT | KW |
| Deep-sea fleet | 447 | 144 669 | 455 518 | 451 | 146 043 | 458 343 | 1% | 1% | 1% |
| Coastal fleet | 2 495 | 102 311 | 618 547 | 2 562 | 117 600 | 707 146 | 3% | 15% | 14% |

### 2.1.2 Typology of the fleets

The deep-sea fishing fleet consists of nearly 75% cephalopod vessels and 20% shrimp vessels. These vessels are trawlers, with an average tonnage higher for the cephalopod vessels (nearly 350 GRT on average) than for the shrimpers (210 GRT on average). These vessels deep-freeze their catches on board and make trips lasting several weeks (from 45 days to 2.5 months). Some of these vessels fish in foreign EEZs (Mauritania, Guinea) under private agreements, especially during periods of biological recovery. The deep-sea segment also includes some vessels specialising in large and small pelagic species (twelve vessels) and mixed vessels. There is strong foreign participation in deep-sea fishing. Spanish operators estimate at about 64 the number of deep-sea vessels working under a joint venture regime (≈ 15% of the deep-sea fleet). There are also Chinese joint ventures, the number of which was unobtainable, but which is relatively high.

The coastal fishing vessels are decked vessels measuring between 15 and 25 m, most of which conserve their catches on ice on board or in refrigerated seawater (RSW). In recent years, a few coastal freezer vessels have made their appearance (37). In 2007, 1 816 vessels were active in this category, of which 535 (29%) were longliners specialised in sea-bottom fish, 525 trawlers targeting species of all types, including cephalopods and crustaceans, 444 seiners (24%) specialised in fishing small pelagic species and 314 multipurpose vessels. The fishing trips of this fleet last between 1 and 3 days at most, but longer for the few freezer vessels. The capital invested in this coastal fleet is essentially of Moroccan origin.

The artisanal fishing vessels are open-deck wooden boats measuring between 5 and 6 m, powered by outboard motors, which conserve the fish on ice on board. The gear used is varied, but essentially passive (lines, pots, nets, octopus pots). Fishing trips are one-day. The capital invested in the artisanal fishing sector is of national origin.

### 2.1.3 National fisheries production

National fisheries production came to slightly over 900 000 tonnes in 2008. It is dominated by the contributions from artisanal and coastal fishing (86% of landings), ahead of the landings from deep-sea fishing (12%). The Ministry statistics also include the production from on-shore fishing, with the gathering of seaweed and bluefin tuna fishing using traps as the main productive sectors. The production of coastal and artisanal fishing has tended to stagnate and even to dwindle over the period 2004-2008, whereas the landings from industrial fishing have increased significantly, in parallel with the cephalopod fishing opportunities which had hit a record low in 2004 (the octopus crisis which led to the landings of this species plummeting from over 100 000 tonnes in 2000 to 10 000 tonnes in 2004, triggering profound restructuring of the sector).

*Table 11: Trend in landings of the Moroccan fleet in weight (tonnes). Source: DPM*

| | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|
| Coastal and artisanal fishing | 862 390 | 865 378 | 702 322 | 680 255 | 779 386 |
| Pelagic fish species | 748 058 | 742 354 | 579 041 | 572 152 | 657 478 |
| Cephalopods | 16 348 | 28 916 | 28 466 | 26 796 | 36 120 |
| Demersal fish species | 91 985 | 85 957 | 87 461 | 73 392 | 79 639 |
| Crustaceans | 5 405 | 5 357 | 5 046 | 6 719 | 5 501 |
| Shellfish | 594 | 2 794 | 2 308 | 1 197 | 648 |
| | | | | | |
| Deep-sea fishing | 75 480 | 113 215 | 90 375 | 88 457 | 112 312 |
| Cephalopods | 13 717 | 42 302 | 35 506 | 24 029 | 40 782 |
| Demersal fish species | 12 045 | 18 076 | 19 378 | 21 685 | 17 120 |
| Crustaceans | 4 020 | 4 158 | 3 657 | 4 014 | 4 104 |
| Pelagic fish species | 45 698 | 48 679 | 31 834 | 38 729 | 50 306 |
| | | | | | |
| Shore activities | 15 454 | 16 180 | 17 165 | 15 394 | 11 212 |
| Seaweed | 13 126 | 12 812 | 14 870 | 12 373 | 9 037 |
| Aquaculture | 975 | 1 466 | 291 | 441 | 214 |
| Coral | 6 | 3 | 2 | 1 | 2 |
| Tuna traps | 1 347 | 1 899 | 2 002 | 2 579 | 1 959 |
| | | | | | |
| **TOTAL** | **953 324** | **994 773** | **809 862** | **784 106** | **902 910** |

In terms of value at first sale, national production is just under EUR 710 million, but with artisanal and coastal fishing accounting for 53% of the total value (compared to 86% in weight) and deep-sea fishing contributing 43%. The on-shore activities contribute 4% to the value of national fishery product production. The most significant trend is the increase in the value of the landings of coastal and artisanal fishing (+ 36% between 2004 and 2008 with practically constant tonnages), which is attributable to the adding value more effectively to the small pelagic species and cephalopods.

*Table 12: Trend in value at first sale of the landings of the Moroccan fleet (EUR million). Source: DPM; original data in MAD*

| | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|
| Coastal and artisanal fishing | 276.1 | 308.9 | 321.2 | 311.7 | 377.2 |
| Pelagic fish species | 113.5 | 114.1 | 122.0 | 116.8 | 130.8 |
| Cephalopods | 46.7 | 82.9 | 80.2 | 79.2 | 127.6 |
| Demersal fish species | 97.0 | 94.8 | 101.6 | 96.0 | 99.9 |
| Crustaceans | 18.9 | 16.6 | 16.9 | 19.4 | 18.7 |
| Shellfish | | | | | |
| | | | | | |
| Deep-sea fishing | 114.8 | 275.6 | 246.5 | 224.4 | 304.0 |
| Cephalopods | 69.7 | 217.7 | 187.1 | 145.0 | 237.3 |
| Demersal fish species | 6.5 | 12.2 | 14.0 | 25.5 | 17.5 |
| Crustaceans | 34.8 | 39.8 | 41.7 | 47.4 | 43.6 |
| Pelagic fish species | 3.8 | 6.0 | 3.6 | 6.5 | 5.6 |
| | | | | | |
| Shore activities | 18.8 | 24.3 | 21.4 | 31.0 | 28.9 |
| Seaweed | 8.2 | 8.7 | 9.4 | 11.0 | 7.8 |
| Aquaculture | 3.3 | 5.5 | 0.8 | 1.0 | 0.7 |
| Coral | 0.7 | 0.4 | 0.1 | 0.1 | 0.2 |
| Tuna traps | 6.6 | 9.7 | 11.0 | 18.8 | 20.2 |
| | | | | | |
| **TOTAL** | **409.7** | **608.7** | **589.1** | **567.1** | **710.0** |

In terms of species group, it is small pelagic species (sardine, anchovy, mackerel, horse mackerel) which dominate Moroccan production in weight in 2008, accounting for approximately 80% of the landings of the national vessels. Demersal species and cephalopods contribute 10% each in weight. As regards the contribution of the various groups of species to the value of national production, cephalopods make the largest contribution to turnover with 54% of the value. Small pelagic species contribute 20%, ahead of the contribution of demersal species (17%)

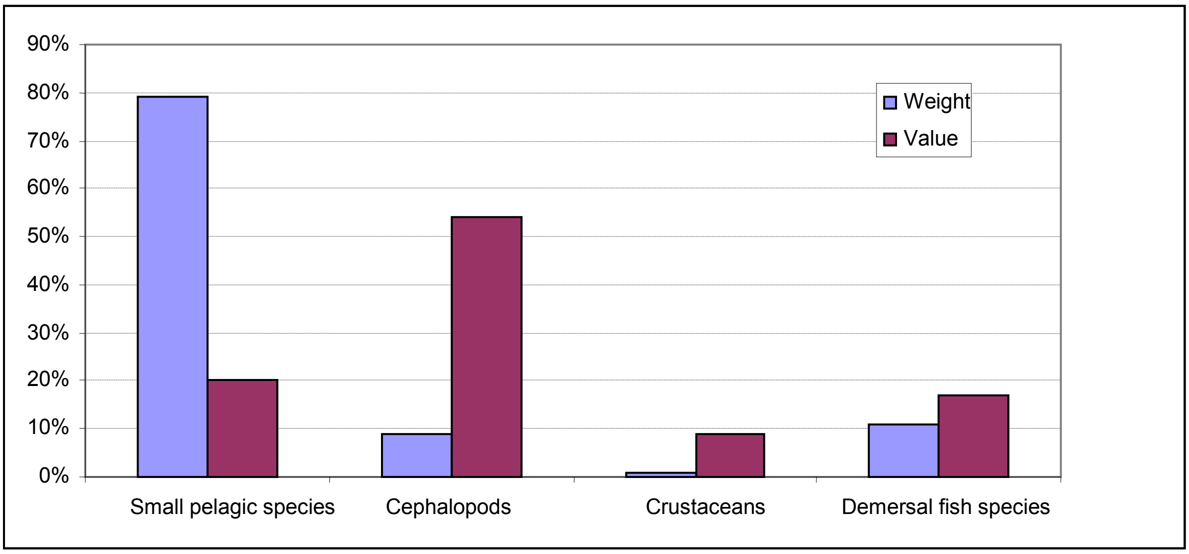



*Figure 8: Contribution in 2008 of the various groups of species to the landings of the national fleet in weight and value. Source: DPM data*

At regional level, the landings from deep-sea fishing are concentrated in Agadir (72% of the value in 2008) and Tan Tan (18%), with few or no landings in the ports of the southern regions or the Mediterranean.

As regards coastal and artisanal fishing, the table below shows that whereas the landings fell by over 30% in weight in the Mediterranean but increased by 6% in value, the increase in the landings on the Atlantic coast was 14% in weight and 19% in value over the period 2006-2008. As regards the southern region (from Tarfaya in the north to Labouirda in the south), the landings in the ports or landing areas for artisanal fishing (fish landing sites or fishing villages) have risen by 16% in weight and 25% in value, i.e. more quickly than in the ports of the northern and central region of the Atlantic coast (11% in weight and 12% in value). In 2008, the southern region accounted for 59% of the landings of the coastal and artisanal fleets on the Atlantic coast and 51% in value.

*Table 13: Trend in landings by large regional blocks in weight and value Source: DPM data*

| | 2006 | | 2007 | | 2008 | | Change | |
|---|---|---|---|---|---|---|---|---|
| | Tonnes | M€ | Tonnes | M€ | Tonnes | M€ | Tonnes | M€ |
| **Mediterranean** | 48 814 | 27.6 | 40 191 | 27.1 | 33 757 | 29.2 | -31% | 6% |
| **Atlantic** | 653 508 | 293.6 | 640 065 | 284.5 | 745 627 | 348.0 | 14% | 19% |
| ***of which southern ports**** | *380 813* | *143.4* | *318 867* | *113.8* | *442 050* | *179.1* | *16%* | *25%* |
| **Other Atlantic ports** | 272 695 | 150 | 321 198 | 171 | 303 577 | 169 | 11% | 12% |

* : from Tarfaya to Labouirda

As regards the southern ports, most of the landings are concentrated in the sites where there are ports able to handle the vessels of the national coastal fishing fleet (Laayoune 86% of the landings in weight, Dakhla 8%) specialised in small pelagic species (seiners, trawlers). In value, the major contributions of artisanal fishing at certain sites give a different breakdown, with 43% of the turnover of the national coastal and artisanal fleet in the southern region landed at Laayoune, 11% at Dakhla, but 13% at the artisanal site of Ntirifit and 11% in that of Lassarga (near Dakhla). Laayoune is the principal national port for landings from national artisanal and coastal fishing.

## 2.2 Foreign fishing fleet

**[DELETED]**

## 2.3 Summary: fishing fleets in the Moroccan EEZ

**[DELETED]**

## 2.4 Aquaculture

Aquaculture is still in its infancy in Morocco. As shown in the table below, production has never really taken off and remains very marginal (less than 1 000 tonnes) compared to the fisheries production (close to one million tonnes).

Fish farming (bass, sea bream) is of interest in the Mediterranean area. The attempts made here have been similar to the production techniques in Greece or Turkey (sea cages), but have failed essentially on account of insufficient mastery of the technologies (hatcheries, prophylactic treatments). Farming of bivalve molluscs (oysters and mussels) requires simpler extensive farming technology and national production is starting to develop. Morocco has some prime sites for breeding shellfish, including Dakhla Bay and the Knefiss lagoon in the south of the country. It was possible to visit some installations which are growing spat imported from Europe for resale on the local market, which is more remunerative than the European market. The quality of the waters of Dakhla Bay means that it takes about a third of the time to grow an oyster to its commercial size than it does in Europe.

*Table 20: Trend in aquaculture production in Morocco in tonnes. Source: DPM*

| | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|
| **Sea bream** | 350 | 332 | 0 | 0 | 0 |
| **Bass** | 370 | 845 | 36 | 79 | 29 |
| **Eel** | 30 | 27 | 0 | 0 | 0 |
| **Oyster** | 160 | 243 | 240 | 362 | 181 |
| **Meagre** | 0 | 20 | 15 | 0 | 0 |
| **Mussels** | 50 | 0 | 0 | 0 | 4 |
| **Other** | 15 | 0 | 0 | 0 | 0 |
| **TOTAL** | **975** | **1467** | **291** | **441** | **214** |

Aquaculture has hitherto never been considered a public policy priority. The possible sites have been poorly identified in view of the other coastal activities and there are no national technological research and development capacities or any real support structure within the Ministry. This situation is likely to change in the near future. The new Halieutis strategy has in fact adopted the princople of support for the development of this sector with production by 2020 of 200 000 tonnes of various specifed including shellfish, flatfish and meagre. An agency specialised in the development of the sector will shortly be established with the initial tasks of identifying the sites and techniques, defining the regulatory framework and the incentive measures to propose to investors. Morocco will also acquire research and development expertise through the INRH.

## 2.5 Land-based industries