

Tunisia eyes West African markets to make up for economic downturn in Maghreb, Europe

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Tunis

Tunisia is turning to West Africa for trade and business opportunities to offset an economic lull in the region. As war in Libya rages, the Arab Maghreb Union stands at an impasse and southern European doldrums continue, Tunisia is looking beyond its traditional partners to boost its economy.

Tunisian Prime Minister Youssef Chahed, at the "Tunisian African Empowerment" conference August 22 in Tunis, said Tunisia is expected to be confirmed as a member in the Economic Community of West African States (ECOWAS) at a summit in December.

The gathering, which Tunisian President Beji Caid Essebsi plans to attend, underscores Tunisia's interest in strengthening ties with the West African group. Tunisia has had observer status at ECOWAS since June.

Unlike traditional markets in southern Europe, ECOWAS offers a range of new trade opportunities for Tunisia, including the free movement of people, goods and capital.

Libya had for years functioned as Tunisia's main trade partner after the Maghreb Arab Union fell into paralysis. Libya also offered jobs for hundreds of thousands of Tunisians during the time.

Relations peaked when the two countries planned to declare their frontier an open border for free trade and the free movement of people but that plan was derailed after a NATO-backed uprising in Libya in 2011 that resulted in the overthrow long-time strongman Muammar Qaddafi.

Tunisia has spent considerable resources trying to ward off the threats of jihadists infiltrating from Libya. Morocco and Mauritania, which, along with Tunisia, Libya and Algeria, are members of the Maghreb Arab Union, are also seeking to be ECOWAS members.

Much of the appeal is the region's level of trade. ECOWAS's intra-regional trade stands at 10%, while the Maghreb's is 3% and has been causing a loss of 2.5% in GDP growth annually for each member. This has deprived the North African region of 220,000 job opportunities per year, official figures and estimates by economists and experts said.

The Maghreb Union was launched in 1989 to spur growth in the region and improve its diplomatic and security profile on the world stage. However, it failed to achieve any of its goals. Even a customs union planned for 1995 fell through.

The land border between Algeria and Morocco, the Maghreb's main military and economic powers, has been shut down since 1994, the same year the region's leaders had their last summit.

Tunisia must compete with Morocco to find room in the ECOWAS market, as Rabat has forged successful business links with many countries in Africa, especially West Africa.

Chahed visited with a delegation of 100 businessmen and toured Niger, Burkina Faso, Mali and Sudan as part of his diplomatic efforts. Tunisian flagship air carrier, Tunisair, is planning to expand its African routes to Benin, Sudan, Cameroon, Gabon, Congo, Nigeria and Guinea in the next four years.

Tunisia also wants to boost its soft power in Africa by expanding educational and cultural ties. Tunisian universities receive about 7,000



New horizons. Liberia's President and ECOWAS (Economic Community of West African States) Chairwoman Ellen Johnson Sirleaf (L) and ECOWAS President Marcel De Souza (2-R) during the ECOWAS summit in Monrovia, on June 4.

sub-Saharan graduates and plan to accept 13,000 more by 2020.

For Tunisia, gaining a small share of the ECOWAS market, which has a total population of 350 million, will not be easy. One challenge will be its powerful neighbour, Algeria, which is unlikely to accept Tunisia's move to join Morocco in the African group. Algerian leaders have disparagingly referred to "French vipers under the rocks of ECOWAS."

"We would be dreaming to think that ECOWAS is just waiting for Tunisia to join in. We should face the truth when we see the stream of initiatives launched by world economic stars towards Africa," wrote columnist Meriem Omar in the Tunisian daily, *Echourouk*.

"The second truth is that Morocco had understood all," she added, pointing out how Moroccan King Mohammed VI had visited the continent several times to meet lead-

ers, businesspeople and citizens in the streets.

Algeria has its own internal struggle in the Maghreb. It is locked in a diplomatic stand-off with Morocco over the Western Sahara issue, with Algiers backing the Polisario Front for a state in the former Spanish colony that Rabat sees as part of its territorial sovereignty.

Morocco returned to the African Union in January after an almost four-decade hiatus. Its goal was to weaken Algeria and its Polisario ally in the African Union.

"With Tunisia joining ECOWAS in December, the curtain is raising over a joint Moroccan-Tunisian plot aiming clearly at isolating Algeria at a time when the leaders of Morocco and Tunisia are assailing Algeria on world forums to be the cause of the Maghreb paralysis," said the Algerian newspaper *Algérie Patriotique*, which is the unofficial mouthpiece of the Algerian Foreign Ministry.

Experts differ on Morocco's commitment to join a single currency of ECOWAS

Saad Guerraoui

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Morocco expressed its commitment to join a single currency if adopted by the Economic Community of West African States (ECOWAS), three months after the regional body agreed in principle to Rabat's request to join it.

President of the Commission of ECOWAS Marcel De Souza said Moroccan King Mohammed VI stressed in a letter that "Morocco is committed to joining a single currency on the day it will be adopted by the ECOWAS." De Souza said the establishment of the single currency should take about ten years.

ECOWAS includes 15 West African countries, although none shares a border with Morocco.

Morocco is a "privileged strategic partner" of ECOWAS but the 15 heads of state decided to make the North African kingdom the 16th member of the economic community, a move to be formalised December 16 in Togo at the next ECOWAS summit.

Experts differ on the stakes of Morocco's commitment to join ECOWAS.

El Mehdi Fakir, an economist and a strategy and risk management consultant, said Morocco would greatly benefit from the ECOWAS market, which totals 700 million people and is the youngest in the world.

"Geostrategically, the horizon of

strategic development for the Moroccan economy is Africa because Morocco has been facing many obstacles from the European Union especially in agricultural exports," said Fakir.

"The signing of the gas pipeline agreement between Morocco and Nigeria was really a beginning of a real integration both economically and politically."

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Morocco and Nigeria last December agreed to build a 4,000km pipeline to carry Nigerian natural gas to North Africa and Europe. The pipeline, which is to run along the West African coast from Nigeria to Morocco, is considered a major initiative to boost energy production in the African continent.

Fakir said the road is long for the single currency to happen in ECOWAS.

"The adoption of ECOWAS's single currency in the future will allow Morocco to fully integrate in the West African market regardless of its geographic location," he said, predicting that it would take at least 15 years to get it implemented.

"Colossal efforts and stringent procedures and mechanisms are required to achieve the single currency," he said, adding that a full economic integration within ECOWAS would only happen with the support of big Western powers.

"ECOWAS member states understood that their economies need to be stronger after they lost generations serving the big powers' interests," he said.

ECOWAS brings together countries that are largely poor, although rich in natural resources. Half of its members have experienced armed conflicts in the past two decades.

Professor Lotfi Abourizk at the Hassan II Faculty of Law and Economics in Casablanca was less optimistic about the prospects of a single currency. He said ECOWAS must fulfil many obstacles before introducing a single currency.

"The four primary and indispensable criteria are an optimal infla-

Briefs

Oil prices to stay at \$50-\$55 a barrel: Kuwait minister

Kuwaiti Oil Minister Essam al-Marzouq said he expects oil prices to stay between \$50 and \$55 a barrel and that the market will rebalance by the end of the year.

Marzouq, who heads an oil producers' committee that monitors compliance to output cuts, told Kuwait's *Al-Rai* newspaper that "demand for oil will pick up this quarter" and the rate of the fall in crude inventories will accelerate.

"OPEC's strategy is on the right track... Monthly and weekly indicators for the drop in crude stocks show this strategy is correct," he said.

(Agence France-Presse)

Algeria approves measures to cover budget deficit

Algeria's government approved amendments to a law aimed at securing funding sources to cover budget deficits as it struggles to cope with a sharp fall in energy earnings.

Amendments to the Money and Credit Law were endorsed at a cabinet meeting, led by Algerian President Abdelaziz Bouteflika, that discussed plans for the newly appointed government of Prime Minister Ahmed Ouyahia.

(Reuters)

Oman counts on Chinese billions to build desert boomtown

In the remote desert along Oman's southern coast, construction equipment hired by a Chinese consortium are levelling an expanse of pale orange sand, a first step towards billions of dollars of investment.

Over the past year the Chinese have become key to Oman's effort to transform Duqm, a fishing village 550km south of Muscat, into an industrial centre that will help the country diversify its economy beyond oil and gas exports.

In a pattern seen across much of the Middle East, the economic interests of the Omani and Chinese governments are coinciding in ways that promise a surge of Chinese capital into the region over the next few years.

(Reuters)

Qatar says new port will help circumvent Arab sanctions

Qatar inaugurated a \$7.4 billion port along its Gulf coast that officials said would become a regional transport hub and help shield its economy against sanctions enforced by neighbouring Arab countries.

The Hamad port, 40km south of Doha, is one of the largest such facilities in the Middle East.

Since Saudi Arabia, Egypt, Bahrain and the United Arab Emirates severed ties with Qatar in June, the port has been receiving large quantities of food and material for construction projects, including stadiums for the 2022 FIFA World Cup.

(Reuters)

Saad Guerraoui is a contributor to The Arab Weekly on Maghreb issues.