

The Arab Maghreb Union:

Regionalization without integration

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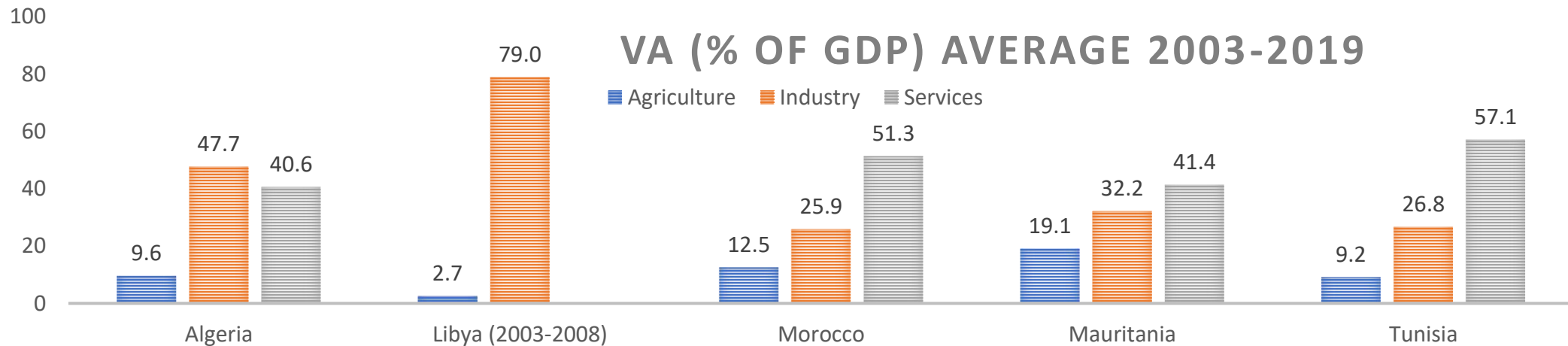
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Introduction

- AMU: Five countries Algeria, Libya, Mauritania, Morocco and Tunisia
 - Strategically located
 - Heterogeneous in terms of economic and political structures and resources
 - Face some common threats
- Established in 1989
 - Dismantlement of tariffs and non tariffs barriers
 - Customs union with common external tariffs to the World
 - Free movement of factors of production

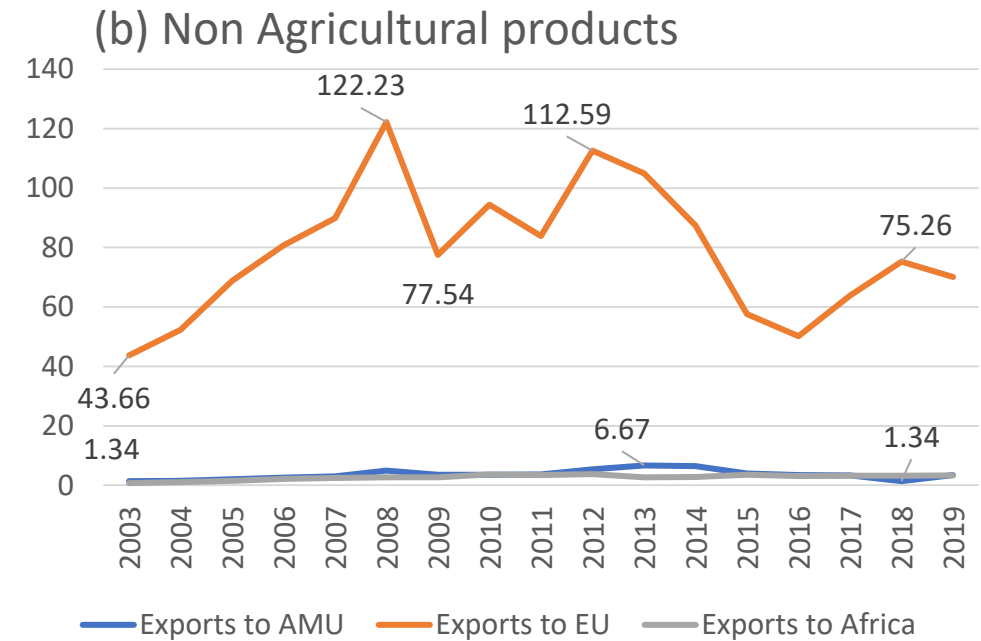
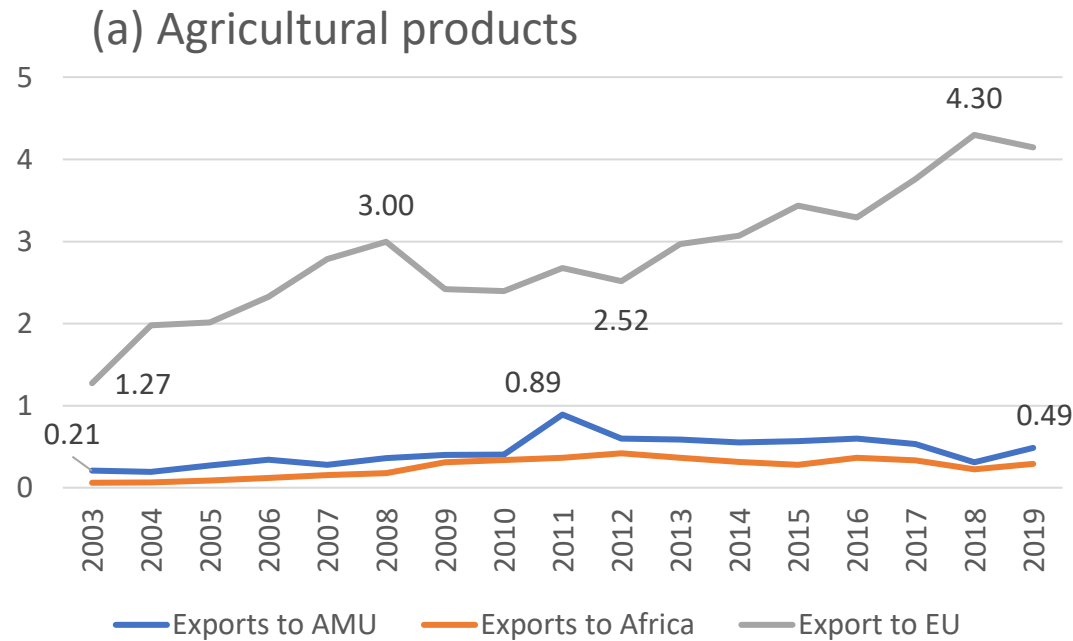
AMU Trade Overview

#1 Contribution of agriculture to the economy in AMU lower than manufacturing and services



AMU Trade Overview

#2 AMU countries trade more with Europe than with African countries or AMU



Why has the AMU not achieved its objective?

#1 Spaghetti Bowl Agreements

Country	Bilateral Free Trade Agreement	Regional Free Trade Agreement – Within Africa	Regional Free Trade Agreement – Outside Africa
Algeria	Jordan, Mauritania, Tunisia	AMU, AfCFTA	EU-Algeria Association Agreement , PAFTA
Libya	Jordan, Morocco, Tunisia	AMU, COMESA, AfCFTA	PAFTA
Morocco	China, Egypt, United Arab Emirates, Jordan, Libya, Tunisia, Turkey, USA	AMU, AfCFTA	EU-Morocco Association Agreement , PAFTA, Agadir Agreement
Mauritania	Algeria, China, Gambia, Kuwait, Morocco, Qatar, Tunisia, Turkey, Sudan	AMU, AfCFTA	Economic Partnership Agreement with the EU
Tunisia	Algeria, Egypt, Iraq, Jordan, Kuwait, Libya, Mauritania, Morocco, Palestine, Senegal, Syria, Sudan, Turkey	AMU, AfCFTA, COMESA	EU-Tunisia Association Agreement , PAFTA, Agadir Agreement

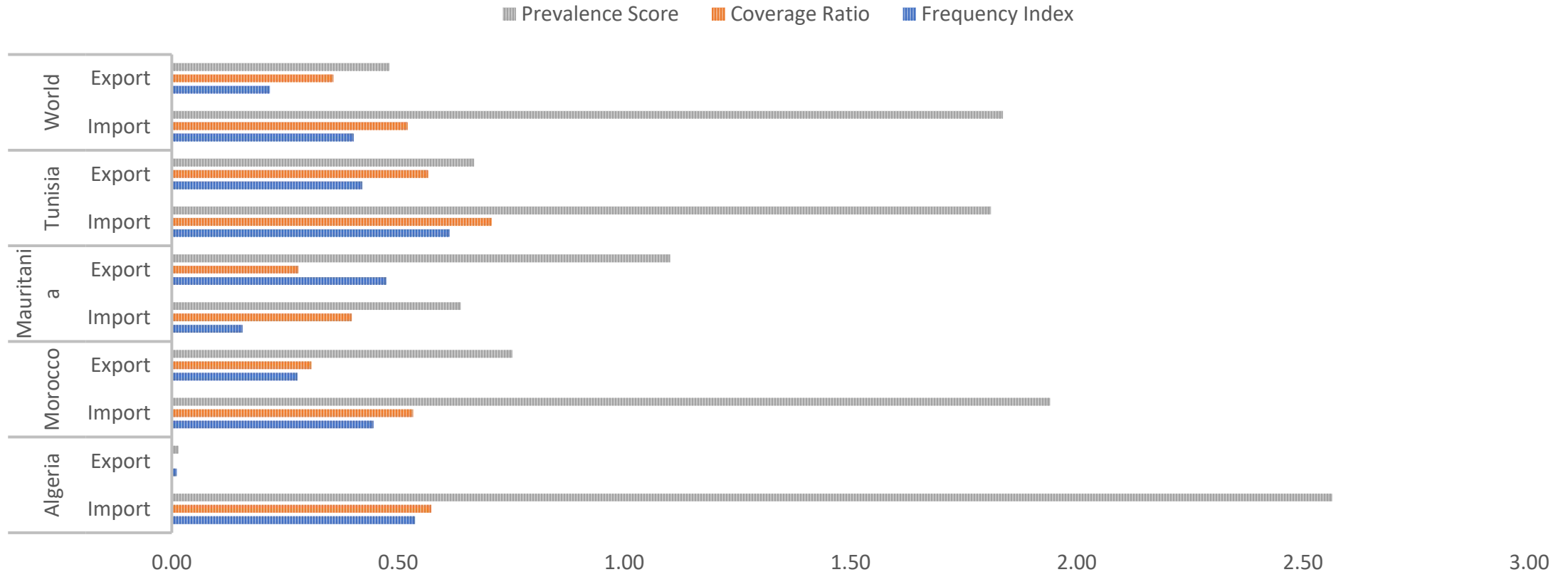
Why has the AMU not achieved its objective?

#2 Tariffs higher on the agricultural sector than on the non agricultural sector

→ All agricultural imports within the AMU face a tariff of 1.2% (Algeria), 3.9% (Libya), 10.8% (Morocco), 10.9% (Tunisia), and 16.2% (Mauritania)

Why has the AMU not achieved its objective?

#3 High Non Tariff barriers



Why has the AMU not achieved its objective?

#4 Trade facilitation measures still to be improved

- Lowest connectivity in the world in AMU countries, along with Africa south of the Sahara
- Highest cost to trade of the world in AMU followed by Africa South of the Sahara
- Poor quality of ports and railroads

Why has the AMU not achieved its objective?

#5 Domestic institutions

- Corruption higher in AMU and property rights lower than US, UE, MENA, higher than Africa South of the Sahara
- Higher level of market dominance in AMU countries than MENA
- Lower effectiveness of anti-monopoly practice in AMU countries than MENA

Recommendations

#1 Common vision for the agrifood sector to drive AMU's integration

- Lowering common risks of water scarcity and climate change
 - Ensuring food security
- Platform with private and public stakeholders

#2 Comprehensive regional integration linking trade policy to agricultural, industrial and competition policies

#3 Improving infrastructure and connectivity intra AMU