

## Country Report Morocco

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### When profits soar, and Morocco remains a mere workshop for worker exploitation

By a Moroccan trade unionist

Major industry reports have revealed a radical shift in the global competitiveness map of the automotive sector, and the "2024 Vehicle Cost vs. Labor Cost Report" placed Morocco at the top of the list of countries with the lowest labor costs for vehicle manufacturing.

The alarming figures in this report, which are among the most important studies in industrial efficiency analysis, confirm that Morocco has become the new magnet for major investments in this field, particularly Chinese investments.

The figure that caught the attention of major European companies is that the cost of the labor needed to manufacture a car in Morocco is only 90 euros. This cost is significantly lower than that charged in Western Europe; in Spain it is 820 euros, in Italy it reaches 1770 euros, while in Germany it reaches a record level of 2840 euros.

This confirms that what attracts major car manufacturers to Morocco is cheap labor, given the exploitation and considerable profits they generate at the workers' expense. This reality is concealed behind the bureaucratic role of more than thirty trade union federations. This role consists of deceiving the working class and negotiating behind their backs with employers in the automotive sector in order to reduce their demands and undermine their struggles and strikes. Despite the blatant collusion of these bureaucratic unions with the authorities to instill fear among workers and dissuade them from intensifying their struggles, they constantly encounter fierce worker resistance aimed at changing the bureaucratic structure of these unions, resistance that often results in expulsion or imprisonment.

But, despite this threshold of exploitation of workers in the automotive sector for the benefit of multinationals, Morocco remains a mere workshop.

The Moroccan automotive industry is often celebrated as a success story:

the country's leading export, the driving force of the trade balance, the flagship of an "industrial takeoff" anticipated since the 1980s. But behind the triumphant figures lies a far more perplexing reality.

Morocco produces, but others harvest; the country assembles, but the value evaporates; the workshops run; but the dividends cross the Mediterranean.

In 2024, automotive exports exceeded 170 billion dirhams (17 billion euro). A remarkable achievement? Perhaps. A trap? Certainly. Because according to data from the Moroccan employers' association (CGEM), 96% of the profits generated by this sector go to French shareholders. In other words: Morocco creates the wealth, France collects the rent. The industrial balance we are sold is, upon closer examination, merely a rhetorical veneer for a structural dependency.

-- Renault–Tangier: a financial arrangement that has become the symbol of a structural imbalance

The story is well known but rarely told in full. In 2007, when Nissan withdrew from the Tangier project, it was the Fonds de dépôt et de gestion (CDG)

— Moroccan public savings, pensions and regulated deposits — that came to Renault's rescue.

The CDG then injected 47% of the capital to save the factory from impending collapse. A major risk, undertaken with public funds.

Then, in 2012, once the infrastructure was financed, the land prepared, the tax exemptions certified, and the machine perfectly oiled, CDG quietly withdrew.

Renault, for its part, remained the sole master of the ship, benefiting from a strategic industrial platform... financed by the Moroccan state.

This operation, which has gone unreported, perfectly sums up the model:

Morocco finances the takeoff, multinationals capture the orbit.

- The new paradox: the more Morocco produces, the less it controls

Since 2023, a clear law has governed public aid to industry:

No company can claim subsidies if it does not incorporate at least 40% local content.

For the first phase of the New National Investment Pact (2023-2024), the state disbursed 2 billion dirhams (200 million euro) in aid. Faced with media pressure, the National Investment Commission had to acknowledge the need to reveal the list of beneficiaries.

But crucial questions remain: have the builders actually reached the 40% local content required by law? And if not, why are they already receiving public subsidies?

According to official projections, the automotive industry hopes to reach 55% local content by 2026. A laudable ambition. But it implicitly states that these thresholds have not yet been reached, even though the subsidies are already being distributed. In other words:

We subsidize the promise, not the performance.

- Electric vehicles: a new market, old habits

The arrival of electric vehicles is presented as the dawn of a shift towards a more sovereign, more innovative, and more controlled model. Yet, to the most essential question—what are the true local components of an electric vehicle produced in Morocco?—the answers remain evasive.

Batteries? Imported. Power electronics? Imported. Embedded software?

Imported. Cells and modules? Imported. Strategic components? Imported.

"Local content" is too often reduced to bodywork, cables, a few wiring harnesses and assembly... in other words, to what advanced economies have outsourced for the last thirty years.

-- A model of attraction, but not of transformation

Morocco has undeniably succeeded in attracting industrialists. But it has not yet managed to transform its relationship with multinationals, which continue to dictate the rules of the game.

And the result is undeniable:

- high productivity,
  - record exports,
  - jobs created,
- more
- low technological content,
  - limited skills transfer,
  - profits massively expatriated,
  - residual industrial sovereignty.

This is the global workshop syndrome:

- The country works, but does not decide.
  - The country assembles, but does not own.
  - The country exports, but imports the added value.
- The real debate: what's left in Morocco?

It is time to ask the only question that matters: what does Morocco actually gain from this industrial equation? Not in terms of export figures, but:

- using mastered technologies,
- in patents filed,
- in national R&D centers,
- in strategic skills,
- as a share of value captured,
- with reduced dependence.

Today, the answer is harsh: very few.

Conclusion: an industrial power without sovereignty

Morocco must not give up on the automobile — that would be absurd.

But it must break free from this model of productive extroversion, where multinationals have the industrial apparatus while the country only provides for its administration.

Because an industrialization that enriches foreign countries more than it strengthens the nation is not a model: it is an illusion.

An illusion that figures mask, that speeches embellish, but that economic reality always ends up revealing.