



## Policy Perspective

# Evaluating Trump's Tariffs: Impact on Sino-Moroccan Relations and Morocco's Economy

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**Abstract** – This paper delves into the impacts of President Donald Trump's reemergence in politics, focusing on his protectionist trade policies and their effects on a global scale. Trump's tariffs have sparked considerable debate in the international economic community, affecting trade relations and economic stability in numerous countries. The analysis pays particular attention to Morocco, a country situated at the intersection of Africa and Europe, which is currently navigating the challenges of a shifting global trade landscape. The study explores how the current political situation and the economic policies influenced by U.S. directives challenge Morocco's long-established role in international trade agreements. It also looks into both the immediate and long-term impacts of these tariff policies on Morocco's economic stability and growth. As Morocco aims to strengthen its influence in Africa, its relationship with China becomes increasingly important. This analysis highlights the direct effects of U.S. trade policies on Morocco and illustrates the wider implications for global trade dynamics. By examining these interrelated factors, we can gain a clearer understanding of the future of Morocco's economic outlook in an ever-evolving international context. The findings emphasize the necessity for countries like Morocco to strategically adapt to changing trade conditions.

**Keywords:** Morocco; Sino-Morocco Relations; Trade; Trump's Tariffs

## Introduction

American President Donald Trump's resurgence in the political arena and the revival of a bold, protectionist trade agenda have stirred considerable debate within the global economy, prompting discussions in political and economic circles worldwide. As countries reevaluate their positions in this transformed trade environment, the effects of Trump's policies extend far beyond U.S. borders, significantly influencing global markets and partnerships in often underestimated ways. While much attention has rightly been directed toward the U.S.-China relationship—an essential component of this dynamic—the implications of these tariff policies are resonating in lesser-noticed regions, such as Morocco. Strategically located at the crossroads of Africa and Europe, Morocco navigates the complexities of shifting global trade forces. Although the country has long been a participant in various

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international trade agreements, the current political landscape and trade directives pose challenges to its economic stability and growth. This paper investigates the repercussions of Trump's tariff policies on the Moroccan economy (Bown, 2019). It analyzes the immediate consequences and their far-reaching implications for the nation's evolving relationship with China as it seeks to broaden its influence in Africa, including Morocco. Understanding the interplay of these factors will be crucial for comprehending Morocco's future trade dynamics and economic prospects in a rapidly evolving world.

## **A re-examination of Trump's tariff policy**

Trump's 'America First' philosophy has led to significant changes in the U.S. trade landscape, including implementing extensive tariffs on Chinese goods and exports from various trade partners, such as Morocco. In 2025, the U.S. government made a surprising decision to impose a 10% tariff on Moroccan products, which caught many off guard, especially considering the active Free Trade Agreement (FTA) between the two nations (Wall Street Journal, 2025). This unexpected move sent shockwaves through Moroccan trade circles, creating confusion and concern among exporters and businesses alike, particularly since Morocco has long been recognized as a friendly and stable ally of the United States in the region. The ramifications of this decision have raised questions about the future of U.S.-Moroccan trade relations and their impact on Morocco's economy, which heavily relies on its trade partnerships. As discussions unfolded among policymakers and business leaders, the uncertainty surrounding trade practices intensified, illustrating the potential volatility caused by shifting U.S. trade policies under the current administration (Cheng et al., 2023).

## **Exploring the economic effects on Morocco**

Morocco's textile and agricultural export sectors, which are essential to its economy, are currently facing considerable challenges, primarily due to their reliance on competitive pricing strategies in a progressively volatile global market. Exporters in these industries have documented contract disruptions, a predicament compounded by escalating production costs and supply chain complications. Such pressures have significantly strained numerous small enterprises within these sectors, often less equipped to adjust to swiftly evolving economic conditions and market demands (World Bank, 2023).

Concurrently, the phosphate fertilizer sector, a fundamental component of Morocco's agricultural productivity, is predominantly controlled by the state-owned OCP Group and has come under significant scrutiny. Recent U.S. Department of Commerce actions have garnered particular attention, as it retroactively increased tariffs on Moroccan fertilizers from 14.21% to 16.81% (Bouoiyour, 2003). This tariff increase marks a pivotal moment for the industry, affecting profitability and raising concerns about Morocco's ability to compete internationally.

OCP has responded to this increase by formally contesting the decision, describing it as 'economically unjustified and methodologically flawed.' This assertion sparks significant discussions about the implications of such trade policies on developing economies and their impact on domestic industries that heavily depend on exports. The increased tariffs may undermine OCP's competitiveness and threaten Morocco's broader economic stability, a nation striving to establish itself as a key player in the global fertilizer industry, according to the International Fertilizer Association (MADICORP, 2019) and agricultural product markets.

## **Pivot toward China**

In recent years, the global landscape of politics and economics has undergone a notable shift. While the United States has increasingly become more unpredictable, marked by fluctuating policies and uncertain international commitments, China has steadily grown in prominence on the world stage. This evolution is a coincidence and a deliberate strategic maneuver reflecting China's broader global

trade aspirations. Particularly in the case of Morocco, China's interest is deeply rooted, as the country serves as a vital gateway to the vast European and African markets (Belcaid & El Ghini, 2019).

China's investments in Morocco span key sectors, ranging from the ambitious Tangier Tech City project to the burgeoning field of electric battery manufacturing (Moroccan Investment & Export Development Agency (AMDIE, 2022). These initiatives are not isolated but integral to a comprehensive Chinese strategy to localize production near essential trading corridors. By establishing a foothold in Morocco, China is enhancing its economic influence and positioning itself to capitalize on the regional opportunities that arise from Morocco's strategic geographic location (MIEDA, 2022).

For Morocco, the influx of Chinese capital offers a compelling alternative to the volatility of American investments, which can often be unpredictable and subject to rapid policy changes. While engaging with Chinese investments does invite certain risks, such as dependency on a single superpower and potential socio-economic implications, it also presents an extraordinary opportunity for economic development and diversification. Embracing this dynamic relationship could catalyze Morocco's economic transformation, allowing it to thrive in an increasingly complex global landscape. Thus, while caution is warranted, the potential benefits of forging a robust partnership with China should not be overlooked. Such a relationship could position Morocco as a key player on both the African and European fronts, ushering in a new era of growth and stability for the nation.

## Geopolitical balancing act

The evolving relationship between China and Morocco has garnered significant attention in Washington, particularly among U.S. policymakers and analysts. U.S. Secretary of State Marco Rubio has notably highlighted the urgency for the United States to 're-engage Morocco strategically' due to the increasing influx of Chinese investment in North Africa, indicating a shift in the region's geopolitical landscape (Zhang, 2022).

Navigating this complex international terrain poses a considerable challenge for Morocco. On one hand, the country heavily relies on American diplomatic and military support, which has been critical for its stability and security. This partnership with the U.S. has historically provided Morocco with political backing and access to military resources that enhance its defense capabilities.

On the other hand, China is emerging as a vital partner in Morocco's efforts to develop its green economy. Chinese investments are crucial for funding various infrastructure projects and technological advancements that are key to fostering sustainable development in Morocco. This dual reliance presents a precarious balancing act for Moroccan leaders, who strive to secure the benefits of both partnerships without alienating either party. The underlying challenge lies in maintaining solid and fruitful relationships with these two global powers while avoiding the risk of being caught between conflicting demands or expectations from each. Ultimately, Morocco's ability to navigate this intricate dance of diplomacy will be pivotal in shaping its future economic landscape and its role in North African international relations.

## Strategic opportunities

Morocco stands to gain significantly during this turbulent period characterized by global economic shifts and upheavals. As international corporations actively seek to recalibrate their supply chains to minimize potential tariffs and trade barriers, Morocco emerges as an attractive destination. The country benefits from unrestricted trade access to vital markets such as the United States and the European Union. With its modernized infrastructure and geographic proximity to Europe, Morocco is a crucial strategic hub for businesses looking to innovate their operational logistics.

The increasing interest from multinational firms in sectors such as textiles and automotive parts highlights Morocco's attractiveness. These industries recognize the benefits of cost efficiency, skilled

labor, and advantageous trade agreements. The global shift towards sustainable practices has also intensified attention on regions that can effectively meet these demands. In this context, Morocco's continuous progress in renewable energy, especially in solar and wind, positions it as a frontrunner in the energy transition. The country's dedication to promoting innovation in electric vehicle batteries further enhances its appeal, as these technologies are becoming crucial in the global shift towards electrification (Reuters, 2023).

As the world economy continues to expand and evolve, Morocco's competitive advantages present substantial opportunities for growth and partnership. The combination of a strategic location, favorable trade conditions, and a forward-thinking approach to renewable energy creates an environment ripe for investment and development. Consequently, Morocco's potential to capitalize on these dynamics is considerable, potentially establishing it as a pivotal player on the global economic stage in the years to come (Reuters, 2023).

## **Risk and long-term considerations**

Nonetheless, the forthcoming journey involves certain risks that must not be disregarded. A substantial dependence on Chinese capital has the potential to engender significant economic imbalances within the Moroccan economy, which could yield far-reaching ramifications for various sectors. Specific Chinese initiatives, which have already been initiated, have faced considerable criticism for their limited contribution to local employment opportunities and a notable deficiency in transparency regarding their operations. These criticisms highlight stakeholders' ongoing concerns about the benefits these investments provide to the Moroccan workforce and economy. Moreover, the tariffs imposed by Trump serve as a continual reminder for Moroccan policymakers of the precarious nature of excessive reliance on any single market (Belcaid & El Ghini, 2019), particularly in the context of global trade tensions. Such economic vulnerabilities could render Morocco susceptible to unforeseen challenges and impede its growth trajectory. Consequently, the sustainability of long-term resilience relies on thorough institutional reform, the proactive development of skills among the workforce, and the execution of a strategic and diversified foreign policy that aims to engage with multiple global partners. By adopting a multifaceted approach, Morocco can mitigate the risks associated with a heavy reliance on a single country, thereby fostering a more balanced and resilient economic landscape in the years to come.

## **Conclusion**

The trade conflict initiated by President Trump has expanded beyond its initial bilateral scope, which was primarily confined to the Washington political landscape and the vibrant markets of Beijing. It has broadened its impact, affecting nations and economies as distant as Casablanca and Tangier. This ongoing economic contention is not merely a backdrop to geopolitical tensions; it catalyzes significant transformations in global trade dynamics that resonate across various continents. Although introducing new tariffs has undeniably had an adverse effect on Morocco's economy, posing challenges for local businesses and consumers alike, it has concurrently created an opportunity for the nation to embark on a transformative journey. Morocco finds itself in a unique and potentially advantageous position, allowing it to redefine its image and role on the international stage. By capitalizing on this moment, Morocco can establish itself as a dynamic, globally integrated trade and investment hub, attracting foreign investors and supporting local enterprises. The road ahead for Morocco is fraught with challenges, and its ability to truly meet this moment will largely hinge on its strategic foreign policy decisions and the extent to which it can vigorously pursue the ambitious objective of cultivating a modern, self-sufficient economy capable of thriving amid external pressures and competition from other nations.

## Disclosure statement

No potential conflict of interest was reported by the author.

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