



Maghreb: China replaces France as the leading supplier of capital goods

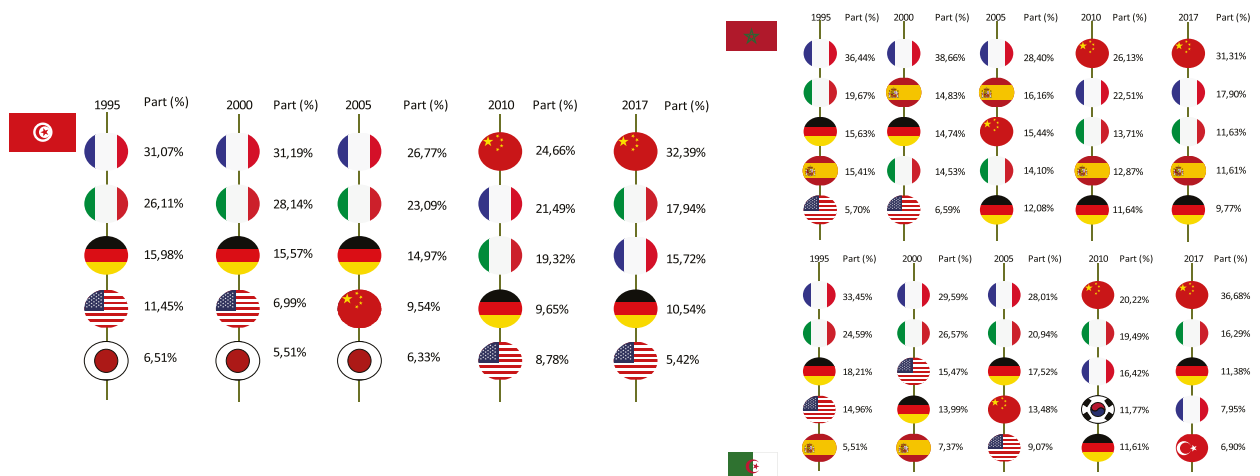
Key highlights :

- Until 2000, the Maghreb countries imported their capital goods from Western countries, with France in the lead.
- Since the 2000s, China has been making a breakthrough in the Maghreb.
- As of 2010, China is the leading supplier of capital goods in the Maghreb, replacing France.

Title: Capital goods imports (BEC 41)

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Sources: UN COMTRADE



In a study published in 2014, researcher Catherine Y. Co¹ notes that «colonial and cultural ties are found to be important determinants of imports of capital goods» in Africa. As the table shows, France and to a lesser extent Italy and Spain have historically been the main suppliers of capital goods to the Maghreb countries (Morocco, Algeria, Tunisia). In 1995, at the time the Barcelona Process was launched, the Maghreb countries essentially imported their capital goods from Western countries, with about a third of them imported from France for the three countries, thus corroborating the finding made by Co. It should be noted that the top 5 suppliers are almost the same in the three countries this year: France, Italy, Germany, USA, Spain, Japan. In 2000, the situation remains similar.

It was only in 2005, after China's accession to the WTO in 2001, that things began to change. Indeed, China was already making a major breakthrough in Algeria and Morocco, where it held between 13.5% and 15.5% of imported capital goods respectively. Nevertheless, by 2010, China had become the leading supplier of capital goods in the three Maghreb countries, dethroning France. Finally, in 2017, China takes the place occupied by France in 1995 with about a third of the capital goods imported for the three Maghreb countries that come from China. However, France remains an important supplier in Morocco and even Tunisia, where it is falling behind Italy, but is losing a lot of market share in Algeria, where it only holds 8% in 2017.

Is this breakthrough of China as the main supplier of capital goods the result of a strengthening of economic cooperation between the Maghreb and China or the result of the adaptation of European companies established in the Maghreb to the improved competitiveness of Chinese products?

¹ Co, Catherine Y. 'Supply-side constraints, capital goods imports, and the quality of Sub-Saharan African countries' exports' WIDER Working Paper 2014/12. October 2014.

