The port and the factory were one deal

Morocco's export wager: Tanger Med, anchor car plants and the ecosystem bargain, 2002-2025

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Abstract. Morocco decided in 2002 to build a new port on the Strait of Gibraltar and, almost at the same time, to reserve the land beside it for a car plant that existed only on paper. Tanger Med opened in 2007; Renault signed its Tangier plant months later and produced from 2012; a second manufacturer, PSA, followed in 2019 at Kenitra. Vehicles and components passed phosphates as Morocco's top export in 2014 and reached 157.6 billion dirhams in 2024, while the port handled 10.24 million TEU, mostly transshipment. The state supplied land, infrastructure, training institutes and conditional support through 'ecosystem' contracts; investors supplied production and supplier networks. Then 2025 brought the sector's first export decline in years as European demand slowed, and the goods trade deficit stayed near a fifth of GDP. This case examines the sequence, the measured outcomes, the limits, and what could conditionally transfer to Sri Lanka itself.

Why this case for Sri Lanka. Sri Lanka's export debate often starts from geography: an island on a busy sea lane should be able to sell logistics and manufactures to the world. Morocco faced the same temptation and made a sharper choice. It did not simply build a port on one of the world's busiest straits. It signed the cargo alongside the concrete, then spent a decade bargaining the assembly plants into supplier networks. By 2024 it held the Mediterranean's largest container port and an automotive sector that had passed phosphates as the country's top export. In 2025 the model hit its first real reversal in years. Both halves matter.

The starting point

Morocco entered the 2000s selling phosphates, textiles, farm produce, tourism and the remittances of its diaspora. It had no serious vehicle industry beyond SOMACA, a small assembly plant near Casablanca dating from 1959. What it had was a coastline on the Strait of Gibraltar, a short crossing from Spain and from the main east-west sea lane into the Mediterranean.

In September 2002, decree-law 2-02-644 created the Tanger-Mediterranee special development zone on open land east of Tangier. The state then built a single agency around the project: Tanger Med Special Agency (TMSA), fully state-owned, acting at once as port authority, economic-zone operator and single counterpart for investors. Construction contracts for the first phase were awarded in 2003.

The bet was never only transshipment. Morocco's industrial policy of the period, first the Plan Emergence and then the 2014-2020 Industrial Acceleration Plan (PAI), treated logistics as one input into a larger bargain: infrastructure, land, training and conditional state support, exchanged for production and supplier networks on Moroccan soil. That bargain, its measured results and its limits are the subject of this case.

A note on evidence. Port figures come from the operator's annual activity reports; trade values from the Office des Changes; production from OICA compilations; macro context from Bank Al-Maghrib. Sector job and integration numbers are government-cited claims and are labelled as such. This is desk research, not an audit.

The decisions, in order

10 September 2002 - Decree-law creates the Tanger-Mediterranee special development zone. TMSA follows as the state's single project agency.

2003 - First-phase port construction contracts awarded; the site is greenfield, roughly 40 km east of Tangier.

July 2007 - First container terminal, TC1, opens under APM Terminals (1.5 million TEU design capacity, EUR 150 million investment). Tanger Med is operational.

1 September 2007 - Protocol of intent for a Renault plant inside the port's free zone, signed in the presence of King Mohammed VI. The factory decision lands two months after the port opens.

16-18 January 2008 - Renault Tanger Mediterranee is created; a framework agreement plus six application agreements commit a 300-hectare site in the zone and a planned capacity of 400,000 vehicles a year.

2009 - After the global financial crisis, Renault slows the ramp-up: a first line of 170,000 vehicles, production from January 2012.

2011 - A dedicated automotive training institute (IFMIA) opens at Tanger-Med, built with the state under the 2008 agreements.

9 February 2012 - The Tangier plant is inaugurated; Lodgy production had begun in January. Dacia Sandero follows in 2013 and becomes the export core.

2 April 2014 - The PAI launches with targets of 500,000 industrial jobs by 2020 and industry rising from 14% to 23% of GDP, delivered through 'ecosystem' contracts, a 20-billion-dirham industrial development fund and 1,000 hectares of serviced industrial land.

June 2015 - Agreement with Groupe PSA for a second car plant, at Kenitra. 2016 - Renault signs ecosystem agreements committing to deeper local sourcing. 2017 - the millionth vehicle leaves the Tangier plant.

June 2019 - Kenitra starts production (new Peugeot 208), capacity 200,000. The same month, the port's TC4 terminal opens (APM Terminals, 5 million TEU design capacity, 2,000-metre quay). The port handles 4.8 million TEU in 2019, up 38%.

Read the order: zone, port, anchor plant, then policy to deepen. Each step made the next one cheaper to say yes to.

How the bargain was built

One agency, one counterpart. TMSA held the port authority role, the land reserve and the zone operator role inside a single state-owned body. An investor negotiated once, with a counterpart that could actually deliver land, quay and permits together.

Private terminals, public frame. The container terminals were concessioned to global operators: APM Terminals (TC1 in 2007, TC4 in 2019), Eurogate (TC2 in 2008) and the Tanger Alliance consortium (TC3 in 2021). The port today lists 9 million TEU of nominal capacity and connections to 180 ports in 70 countries, and serves the major shipping alliances.

A free zone beside the quay. Renault's plant sat inside the Tanger Med economic zone at Melloussa, minutes from the vehicle terminal. Export logistics were the product being sold, and the zone's customs and tax treatment was part of the price.

Skills as the state's contribution. The 2008 agreements included a dedicated training centre; IFMIA institutes followed in Tangier, Kenitra and Casablanca. Training was written into the deal, not added later.

Ecosystems: support with conditions. From 2014 the PAI organised the sector into ecosystems - wiring, seats and interiors, metal pressing, batteries, powertrain, plus one per carmaker. State support (financing help, land, training subsidies) was tied to commitments on local integration, employment and investment. The ministry later cited a 69% local integration rate for the sector.

Money and land. A 20-billion-dirham Industrial Development Fund co-financed industrial projects, and 1,000 hectares of rental industrial parks were programmed under the plan.

The pattern, in our reading: every concession asked for something measurable in return. The full contract texts are not public, so the conditionality is known through the agreements' announcements and the ministry's own descriptions, not through the legal documents themselves.

Measured outcomes I: the port

Container throughput, Tanger Med complex, in twenty-foot equivalent units (operator figures):
2019: 4,801,713 TEU, up 38% (Tanger Med 2 coming online).
2021: 7,173,870 TEU, up 24%.
2023: about 8.6 million TEU (derived from the published 2024 growth rate).
2024: 10,241,392 TEU, up 18.8%.

The 2024 fact sheet, still operator figures: 142 million tonnes of goods handled, up 16.2%; 17,479 vessel calls, of which 1,217 by mega-ships over 290 metres; 516,842 trucks; 3.05 million passengers; and 600,872 new vehicles through the two vehicle terminals. Of those vehicles, 368,843 were exported by Renault's plants (Tangier and SOMACA) and 170,519 by Stellantis (Kenitra); the rest were transshipment and imports.

Standing. The operator describes Tanger Med as the leading container port in the Mediterranean and Africa. Independent measurement supports the efficiency claim: the World Bank and S and P's Container Port Performance Index, built from vessel turnaround times, ranked Tanger Med 4th globally for 2023 and 5th for 2024.

One statistical caution belongs here: most of those ten million TEU are transshipment, cargo moving between other countries that never enters Moroccan trade statistics. The Moroccan-export story is the 600,872 vehicles and the industrial cargo, not the container headline. Both are real businesses; they are not the same business.

Measured outcomes II: exports and factories

Automotive exports, Office des Changes, current dirhams:
2014: MAD 39.8 billion, up 26.2% - vehicles and components pass phosphates as Morocco's top export sector for the first time.
2023: MAD 141.8 billion, up 27.4% - the top sector again (a 2022 fertilizer price spike briefly returned phosphates to first place).
2024: MAD 157.6 billion, up 6.3% - top sector for the second consecutive year. Passenger cars alone were 14.9% of all goods exports, the single largest product; the top seven products together were 56.3% of exports.
2025: MAD 154.5 billion, down 2.0% - finished-vehicle exports fell 13.6% while wiring exports rose 7.7%.

Vehicle production, OICA figures: 535,825 vehicles in 2023; a record 559,645 in 2024; roughly 502,000 in 2025, down about a tenth (secondary compilations of OICA data). Renault's Tangier plant built about 299,000 vehicles in 2025 against a best year of 318,600 in 2018; the plant employs about 6,200 people directly.

Jobs and depth, labelled as claims. The industry ministry cites more than 220,000 automotive jobs, over 250 suppliers and a 69% local integration rate. A ministry-commissioned study using social-security records counted 405,496 new industrial registrations between 2014 and 2018, 81% of the PAI's 500,000-job target; that is a gross count of new registrations across all industry, not a measured net change in employment.

What the numbers do not show

Most of the port is not Moroccan exports. Transshipment dominates the container headline; the vehicles and industrial cargo are the trade story.

Gross exports are not value added. Wiring and assembly import components and materials, so the 157.6 billion dirhams overstate what stays in Morocco. The import side makes the point: 2025 goods imports were MAD 822 billion against MAD 469 billion of exports, a deficit near MAD 352 billion, about 21% of GDP. Bank Al-Maghrib put the 2024 deficit at 19.1% of GDP.

Concentration is the named weakness. Bank Al-Maghrib's 2024 annual report lists the risks directly: dependence of some industries on a limited number of large foreign operators, the transition of the car industry to electric vehicles, and tightening carbon-content rules. In 2025 the risk showed up: European demand slowed, automotive exports fell 2% (the first decline in many years outside the 2020 pandemic, per the central bank), and vehicle production fell about a tenth.

The national labour market barely moved. Unemployment was 13% in 2023, and 35.8% among youth, per Bank Al-Maghrib. A successful sector of roughly 220,000 jobs does not by itself change a labour force of millions.

Geography is not copyable. A coastline a short crossing from the European market, an EU association agreement and one of the world's busiest shipping straits are endowments, not policies. So is the political continuity of a monarchy that held one industrial strategy across two decades.

Conditional lessons for Sri Lanka

These are our judgment, not findings from the Moroccan record.

1. Sequence beats scale. Morocco signed its anchor exporter two months after the port opened and designed zone, plant and terminal as one package. For any Sri Lankan port or zone project, the binding question is who has contracted to ship, not how big the quay is.

2. Reliability is the product. Concessions to global terminal operators and a top-five world ranking on vessel turnaround were the marketing. A port's measured efficiency is a policy output, and buyers watch it.

3. Attach conditions to support. The ecosystem contracts traded land, finance and training for integration and jobs. A future Sri Lankan incentive regime would gain from the same published reciprocity.

4. Plan for the buyer's cycle. Morocco's 2025 reversal came from one region's slowdown. Market and product diversification have to be designed in advance, not announced after the shock.

5. Count honestly. Transshipment, gross export value and domestic value added are three different numbers. Each is useful; none substitutes for the others.

What transfers is the sequencing and the reciprocity, not the map.

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