

Dialogue Earth

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Morocco's green industrialisation builds on relations with Europe and China, but that model faces a more complex path ahead

In 2025, Morocco became Africa's most industrialised economy, and is increasingly being held up as a model of successful industrialisation, long term planning and agency in Africa. A visit to the coastal urban corridors of Morocco today reveals a country densely networked with roads, rail, ports, manufacturing facilities and warehouses. At the core of Morocco's industrial ecosystem for many years has been automobiles, particularly as a result of large investments from Renault and Stellantis in the 2010s. In response to pressures and incentives from Europe, China and domestically, Morocco's industrial base is increasingly switching to renewable energy sources and absorbing green manufacturing capabilities, including in batteries, solar panels and their related input products.

Also central to Morocco's industrial development has been its position as a conduit between China and Europe. The country's relationship to Europe, from which it is separated by only 14 km of sea, has been key to trade and investment. But increasingly, China is emerging as an investor and as a major origin of trade. This has been positive for Morocco's industrialisation, particularly as China's world-leading green tech companies invest in manufacturing capacity overseas, due to pressures at home and the need to secure access to Western markets. But Rabat's successful hedging of economic relations may face a much more difficult path ahead, as Europe competes to bring manufacturing capacity within its borders, and as China seeks to rein in overcapacity in green tech sectors and limit the export of cutting edge renewable technologies.

This Dialogue Earth briefing is the fifth in a series on China's diverse and rapidly evolving engagements in climate transitions and development in the Global South. It builds on insights from visits to Tangier Med Port and the Tangier Auto City in October 2026, as well as conversations with European, Moroccan and Chinese policy professionals who also attended the site visits.

Key takeaways

- Morocco has effectively leveraged its preferential access to the European market and strong political and trade relations with China to realise its industrial vision. Auto manufacturing, of both combustion engine and electric vehicles, in particular, has emerged as a successful sector.
- Morocco's long term industrial planning has been central to the industrial transformation that has taken place since the 2000s, particularly through its emphasis on supporting infrastructure such as energy, roads, rail and ports.
- Increasingly, the industrial base that has been built over the last two decades is greening. Europe's decarbonisation and carbon-based trade policies have helped stimulate this. China's green tech sector has helped enable it. Meanwhile, Moroccan industrial policy foresight sees the competitive advantages that could accrue from greening its industrial sectors.
- Morocco's long-term policy vision and effective leveraging of its trade and investment relationships demonstrates the country's agency in its development pathway, something from which other African countries could learn.
- However, the pathway ahead is becoming more complicated as Europe seeks to bring industrial capacity within its borders and China-Europe trade tensions evolve.

Morocco, an African success model

Morocco's industrialisation is a relatively new phenomenon, driven by long-term development plans released in the mid-2000s. Central to these were the Industrial Emergence Plans which set five-year priorities, starting from 2005. The plans mandated a capital-intensive model of industrial development, with an emphasis on infrastructure.

They bore fruit and Morocco soon became a key industrial hub serving, primarily, the European market. This built on a free trade agreement with the EU which came into force in 2000. In the two decades since, Morocco's exports to Europe have grown fivefold, accounting for a third of Morocco's exports in 2025. European investment in Morocco has also been large, particularly from France. The real estate and transportation and storage sectors have generally accounted for the vast majority of FDI (over 70% in 2023, for example), pointing to the importance of the country's industrial ecosystem. Trade with and investment from China also grew over that period, from just USD 277 million in 2000 to nearly USD 10 billion in 2025. Chinese FDI is a far more recent phenomenon, surging from less than USD 200 million in 2022 to over USD 1 billion from 2023 onwards, dominated by investments in the automobile sector.

Examples of how those relationships were leveraged in support of Morocco's industrial ambitions include Renault Tangier, a EUR 1 billion investment involving Renault Group and the European Investment Bank, and the USD 1 billion Tanger Tech City, involving the Chinese state-owned China Communications Construction Company, the Bank of Africa and Moroccan partners. The former facility is now the largest Renault Group factory in the world, the source of one out of every six Renault Group vehicles on the roads. The latter, while still in development phase, has become a hub for Chinese manufacturers in Morocco, including investments from 12 Chinese EV and battery manufacturers.

On 19 October 2026, Dialogue Earth and a cohort of European, Moroccan and Chinese policy researchers visited two sites central to Morocco's industrial development: the Tangier Med Port and the Tangier Auto City.

The Tangier Med Port is Africa's largest port, handling 11.1 million twenty-foot equivalent units (TEUs) in 2025. It was opened in 2007, before expanding in 2019. Today it operates beyond planned capacity and plans for a third terminal are underway. In the 19 years since it began operations, the port has become a major global transit zone, handling transhipments moving from Asia to Europe – visible to the eye just across the Straits of Gibraltar – as well as North and South America. It is also linked via rail and road into a large inland industrial ecosystem formed of at least four industrial zones, all of which were built in the last 20 years. Among these are the Tangier Auto City, Renault Tangier Med, and the Tanger Free Zone.

The Tangier Auto City is an 800-hectare hub for equipment manufacturers, suppliers and logistics firms for the automotive and other industries. Notably, the city is home to Solaris, Morocco and Africa's largest solar PV manufacturer, as well as a number of Chinese companies producing EV components.

Towards green industrialisation

In recent years Morocco's industrial ecosystem has begun to green, via a drive toward renewable energy usage and the uptake of green tech manufacturing. The country is considered one of the most progressive in the world for its climate policies and targets over 50% renewable power generation by 2030 and fully decarbonised power by 2050. A number of industrial bases are moving faster.

This has been driven in part by Europe's growing demand for products required for decarbonisation and energy security goals, as well as European incentives to decarbonise production, most

notably the Carbon Border Adjustment Mechanism (CBAM). For Morocco, decarbonising its industrial base has become essential for maintaining competitive access to the important European market. It could also provide broader competitive advantages as other parts of the world accelerate their decarbonisation, and ensure Morocco's industry is modern and technologically advanced.

But the incentive to decarbonise production has also been catalysed by the ready availability and affordability of green technology from China, and Chinese companies' desire to use Morocco as a springboard into European markets. Chinese companies and equipment providers have been prominent in the buildout of renewable energy in the country. Meanwhile, Morocco is the seventh-biggest recipient of Chinese green tech investments in the world by number of existing projects, and the largest Global South recipient outside of the ASEAN region, according to data from the Net Zero Industrial Policy Lab. It also ranks second in pledged Chinese green tech investments by value.

The sites Dialogue Earth visited both boast low-carbon and environmental standards. The Tangier Med Port, for example, has used 100% green electricity for operations within the port complex since 2025 and has a 2030 carbon neutrality goal. It also encourages docked vessels to connect to the port grid rather than burn diesel for power and, since as early as 2014, became part of the Med Emissions Control Area.

Meanwhile, the Tangier Auto City, through its parent Tangier Med Group, targets 100% zero carbon operations by 2030. The industrial zone already hosts prominent examples of green tech manufacturing in Morocco, from companies such as Solaris and Chinese electric motor producer Broad-Ocean. Siemens Gamesa, the German-Spanish wind turbine blade manufacturer, operated in Tangier Auto City from 2017 to 2023.

However, in Morocco's all important auto manufacturing sector, to date only around 9% of auto exports are electric vehicles.

Alongside this decarbonisation of industrial supply chains and increasing involvement in green technology, Morocco is keen to ensure local value addition and benefits for the Moroccan economy, evident, for example, in the new Investment Charter which came into force in 2023.

In the same week as Dialogue Earth's site visits, the Chinese battery company Gotion opened Africa's first lithium-iron-phosphate (LFP) battery gigawatt factory in the city of Kenitra, a USD 1.3 billion investment. Initial production capacity is expected to be around 10-20 gigawatt-hours. Gotion is a privately owned company; its largest shareholder is in fact Volkswagen, underscoring the interconnections between European and Chinese automobile supply chains.

Complicated path ahead

One participant in the discussions noted that Morocco should be a model for other African countries to follow. While it benefits from geographical proximity to the European common market, with the right infrastructure and efficiencies in place, other African countries could also position themselves as green manufacturing bases for European, Chinese and other companies. The participant argued that Morocco's well designed and implemented long-term industrial plans, and the "patient capital" it encouraged, is one piece of the picture from which other African governments could learn.

Another participant saw this as evidence of Morocco's "agency" and strategic foresight in its diplomatic and trade relations. The investments and supply chain linkages made by both Chinese and European companies in Morocco were not the product of Chinese-European bilateral or even trilateral diplomacy – a regular agenda item in EU-China diplomacy in the 2000s and 2010s. Rather, these were the result of Morocco building the supporting infrastructure for manufacturing and trade, shaping incentives for investors, and fully leveraging its preferential access to the European

market and strong relations with China.

However, the world in which Morocco was able to leverage these strengths is moving toward a much more complicated place. Trade and supply chains have become sources of contestation more than they are of connection, and the logic of global trade is shifting towards that of weaponisation and security rather than interdependence and efficiency.

Europe's Industrial Accelerator Act (IAA), proposed in March 2026 and expected to enter into force in 2027, could fundamentally shift the ground on which Moroccan industrial development has grown. The IAA is set to boost manufacturing within the EU via subsidies and local content requirements. In its original draft, all countries with existing FTAs with Europe would qualify as "trusted partners", essentially expanding the local content designation to products from those countries. However, recent signals indicate that they may not mean automatic inclusion, and Morocco has yet to be explicitly listed as a trusted partner. Morocco-based companies may therefore find themselves in a situation of competition with subsidised European equivalents.

Additionally, Morocco is facing accusations that it has become a launch pad for "unfairly subsidised" Chinese excess manufacturing capacity to reach European markets, a key concern of the IAA. The EU has already placed duties on aluminium wheels imported from Morocco due to concerns that they are essentially transited from China, where they are backed by subsidies. Morocco rejects these accusations and argues that the country's green industrial base, particularly in batteries, has been built up largely in response to the EU's decarbonisation goals.

Meanwhile, with regard to China, though Morocco has benefited from green tech investments, it is also challenged by China's world-leading scale and efficiency. Solaris, for example, Morocco's home grown solar PV manufacturer, finds itself outcompeted by Chinese importers who simply produce in much greater quantities and much lower prices, participants in the Dialogue Earth event were informed.

Additionally, China is beginning to move to limit the export of frontier solar PV technologies, an effort to protect Chinese IP and reinforce China's leadership in the sector, but one that could raise new challenges to countries aiming to move up green value chains. China's ongoing struggle to contain capacity problems in the solar PV sector could also have the effect of consolidating Chinese dominance of global production in a small number of mega-firms. A side effect may also be the stabilisation of solar PV prices as China's price wars come under control. Either way, China's dominance of the global solar PV production means that the domestic policies it pursues will have ripple effects across the world, felt most acutely in countries aiming to build their own solar sectors.

This places Morocco and other like-minded countries in a difficult position. As with many other countries, Morocco faces a situation of dependencies. Currently the most obvious of these is dependence on Europe as an export market. But dependence on China as a source of green tech investment and component supply could also be an emerging issue, particularly as it relates to Morocco's attempt to move up value chains.

That said, as witnessed in Dialogue Earth's site visits, Morocco has built up substantial low-carbon industrial capacity over the last two decades. That provides Morocco a firm foundation for further green industrialisation and positioning of itself as an indispensable partner in Europe's green industrial ecosystem.

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