May 2025 – Research Paper

The Green Transition in Morocco's Garment and Textile Industry: Green Squeeze or Green Push?

Joshua White

Josh White is a Doctoral Researcher at the University of Sheffield. His research explores the green transition within the export industries of the MENA region, with a particular focus on the Moroccan garment and textile sector.

The global garment and textile industry, like the rest of the world economy, is currently undergoing a process of profound change under the aegis of the "green transition". Since the late 2000's brands have sought to improve their sustainability credentials by establishing minimum standards of environmental performance for their operations. Emulating previous waves of Corporate Social Responsibility initiatives, these have sought to reduce both pre and post consumption waste, carbon emissions, and other forms of environmental degradation arising from their operations. Recently, these have begun to be built on by public initiatives led by nation states and supranational regulatory authorities like the European Union (EU), who have passed various forms of legislation to tax carbon emissions and legally enforce improved environmental performance within the garment industry.

These developments are reshaping industry. As sustainability management becomes an increasingly important part of the governance of supply chains, new points of competitive advantage are being created for suppliers. As well as transforming the internal dynamics of these chains, their geography is also being reshaped, as manufacturing hubs with a closer proximity to end markets and stronger credentials for sustainability experience a boost to their fortunes at the expense of those who had previously relied on labour cost advantages.

These issues are of critical importance to Morocco. It's garment and textile industry is central to its export-led development model, representing an invaluable source of employment. Moreover, it's deep integration into the European Single Market, proximity to European end markets, and rapidly growing clean energy sector mean it is extremely viable as a green manufacturing hub for European brands. The green transition thus represents an invaluable opportunity for Morocco.

To fully grasp this opportunity, it is vital that the uneven, variegated, and often contradictory impacts of this green transition are understood in all their complexity. It is only with this understanding that Morocco will be able to avoid the potential pitfalls of the "green squeeze" and take full advantage of the forces within them that can, if harnessed correctly, drive a "green push" for the industry. It is to this task that this article directs itself, through an analysis of the impacts of this unfolding transition upon Morocco's garment and textile industry.

Morocco's Garment and Textile Industry

Morocco's garment and textile industry is one of the kingdom's largest and longest established industrial sectors. Representing 15% of industrial GDP and 11% of Morocco's total exports, the industry is not only a vital source of foreign currency but also a critical source of employment, employing an estimated 27% of the industrial workforce.[1] Until this year, no other industry employed more.[2] The story of the industry in its modern form can be traced back to the end of the 1970's, as Morocco's wider shift to an export led growth model prompted exponential growth through the 80's and 90's fuelled by trade with the newly established European Economic Community. By 1998, Morocco was the 5th largest garment exporter to the European Union, despite not even featuring within the top 20 as late as 1981.[3] The industry became central to Morocco's new export-oriented economy, accounting for 37% of Morocco's total exports by the turn of the millennium, along with over 40% of its industrial employment.[4] However, after the phase out of the Multi Fibre Agreement in 2004 – which had hitherto placed a limit on imports from China and other low cost South-East Asian manufacturers, insulating Morocco from their competition – Morocco's garment industry entered a period of serious decline. Between 2003 and 2007, an estimated one in ten of its firms closed their doors.[5]

This decline was only arrested by the repositioning of the industry, and its reintegration into European supply chains not just as a low-cost manufacturer – where it was now vastly inferior to Chinese and Bangladeshi competitors – but instead based on its specialisation into fast-fashion supply chains. Prioritising reactivity and short lead times, retailers working in these areas required skilled, flexible, and most importantly rapid manufacturing options close to their European end markets. Morocco was thus the ideal candidate, separated for mainland Europe by only 15 kilometres of sea, and possessing an established garment industry willing to be remoulded to maximise its competencies for this new market. Moreover, Morocco's strong integration into the structures of the Single Market also ensured that manufacture within the kingdom would come with all the same ease as the European manufacturing hubs these brands were currently using, at a fraction of the cost. After a brief period of transition and restructuring, Morocco thus rapidly established itself as one of the primary sourcing destinations for fast fashion brands such as Mango and Inditex.[6]

Today, Morocco's garment and textile industry is thus dominated by this integration into the supply chains of these fast fashion giants. 52% of Moroccan garment and textile production is estimated to be directly in the service of these fast fashion giants.[7] Morocco's proximity to Europe, its adeptness at flexible manufacturing, and strong integration into the structures of the Single Market consequently continue to be the core points of competitive advantage around which its industry anchors itself.[8] Looking forward however, a further point appears to be emerging: that of Morocco's capacities as a green manufacturer. Since its announcement in 2009, Morocco's "National Energy Strategy" has poured considerable resources into the development of renewable energy, setting the target of 42% renewable energy

---

[1] International Financial Corporation (2023) Thematic Review: Circularity and Morocco's Textile Industry https://www.ifc.org/content/dam/ifc/doc/2023-delta/circularity-and-morocco-textile-industry-en.pdf.
[2] Smouh, S. et al. (2022) 'A New Approach to Energy Transition in Morocco for Low Carbon and Sustainable Industry (Case of Textile Sector)', Energies (Basel), 15(10), p. 3693. doi: 10.3390/en15103693.
[3] Cammett, M. (2007) 'Business–Government Relations and Industrial Change: The Politics of Upgrading in Morocco and Tunisia', *World development*, 35(11), pp. 1889–1903. doi: 10.1016/j.worlddev.2007.01.003.
[4] *Ibid.*
[5] Hanieh, A. (2013) *Lineages of revolt: issues of contemporary capitalism in the Middle East*. Chicago, Illinois: Haymarket Books.
[6] International Financial Corporation, (2021) *L'industrie de l'habillement au Maroc vue par les acheteurs internationaux.* https://documents1.worldbank.org/curated/en/978741633614155611/pdf/Lindustrie-de-Lhabillement-au-Maroc-Vue-par-les-Acheteurs-Internationaux-Ce-Rapport-est-la-Version-Abregee-dune-Etude-Detaillee-Realisee-en-Anglais-pour-LAMITH.pdf.
[7] Financial Times, (2023) *Textiles weave their way into Moroccan export bounceback*. https://www.ft.com/content/ec568c4b-5ed7-4aa1-bd44-72c79b5e3ccd.
[8] Industrie Du Maroc, (2024) Exclusif. Taha Ghazi: « Le Sahara marocain, un nouveau pôle d'attraction pour l'industrie textile ». https://industries.ma/entretientaha-ghazi-le-secteur-textile-marocain-un-aimant-pour-les-investissements-etrangers/.

capacity by 2020, and 52% by 2030.[9] In partnership with a range of international partners eager to get access its abundance of sun, enormous solar farms such as the world-renowned Noor Ouarzazate Solar Complex have been constructed across Morocco's territories. Accompanying this has been the erection of countless wind turbines, alongside dramatic improvements to the infrastructure of the kingdoms electricity grid to allow it to transport its now ample supply of self-generated electricity. Exploratory projects into the development of green hydrogen along Morocco's coastline have also been made, with the European Union viewing this as an indispensable partner to the acceleration of its decarbonisation plans. These speed of these advances has allowed Morocco to exceed its original renewable energy targets, with the achievement of 45% renewable energy capacity in 2024 prompting a new goal of 56% by 2027.[10] These developments thus leave Morocco with almost unrivalled potential as a green manufacturing hub for the EU, offering access to the cheap renewable energy necessary for carbon-neutral production, a skilled but inexpensive workforce, and an extremely close proximity and integration into the European mainland. This, alongside its existing competitive advantages, are what defines the future of Morocco's garment and textile industry.

The Green Transition, and a Changing Global Context

Due to this deep integration into European supply chains, the fortunes of Morocco's industry are inextricably tied up with those of the industry globally. This is currently undergoing substantial changes as its "green transition" accelerates. Under pressure due to the industry's enormous carbon footprint, water pollution, and excessive waste, brands have over the last twenty years sought to develop private environmental corporate social responsibility initiatives to mitigate their ecological harms. These programmes seek to develop minimum environmental standards that the company itself and its subsidiary suppliers have to adhere to.[11] They pertain to both the reduction of pre-consumption impacts inflicted in the course of the production process, and post-consumption impacts arising from how garments are disposed of.[12] These are then monitored through private auditing procedures, where suppliers are required to record their performance around these issues and receive inspections from their buyers to verify this. These standards have now proliferated to the point where adherence to them is a pre-requisite to doing business with most European brands.[13] Public initiatives have also been launched in this direction. The EU, taking a leading role in this process, first outlined in 2022 its "Strategy for sustainable and circular textiles", as part of the wider European Green Deal.[14] Alongside increasing minimum standards for garments entering the EU, these measures include a proposed carbon tax for the industry set to come into force in 2026.[15]

The green transition is thus rapidly transforming how retailers govern the supply chains they oversee, and what they look for from potential suppliers. Compliance with these sustainability directives consequently now stands alongside cost minimisation,

[9] Němečková, T. and Malzi, M. J. (2024) 'Unveiling Moroccan perspectives on the EU-Morocco Green Partnership: assessing its potential for a sustainable future for Morocco'.
[10] Morocco World News, (2024). Morocco Continues to Strengthen Focus on Renewable Energy for Sustainable Growth. https://www.moroccoworldnews.com/2024/12/167573/morocco-continues-to-strengthen-focus-on-renewable-energy-for-sustainable-growth/#:~:text=As%20of%20this%20year%2C%20an,by%20several%20projects%20and%20initiatives.
[11] Ponte, S. (2022) 'The hidden costs of environmental upgrading in global value chains', *Review of international political economy: RIPE*, 29(3), pp. 818–843. doi: 10.1080/09692290.2020.1816199.
[12] *Ibid.*
[13] Khattak, A., Stringer, C., Benson-Rea, M., & Haworth, N. (2015). Environmental upgrading of apparel firms in global value chains: Evidence from Sri Lanka. Competition & Change, 19(4), 317-335. https://doi.org/10.1177/1024529415581972 (Original work published 2015).
[14] EU Strategy for Sustainable and Circular Textiles, (2024). https://environment.ec.europa.eu/strategy/textiles-strategy_en.
[15] *Ibid.*

flexibility and speed as the core competencies retailers look for.[16] Due to the importance of strong proportion of transit related carbon emission within the overall total of the industry, and the different capabilities of countries in green manufacturing, the green transition is consequently having substantial impacts on the geography of the global garment industry. Manufacturing hubs which lie closer to end markets, as well as having better environmental performance, are consequently receiving a boost to their competitiveness.

This green transition is not proceeding in a vacuum however, and its effects on the global garment industry are being deeply shaped by its interaction with two other key changes within the world economy: geopolitical fracturing and increasing disruption to global supply chains. On the former, growing tensions between China on one side and the US and EU on others have come to increasingly impact the world of garments. With the introduction of the Uyghur Forced Labour Prevention Act (UFPLA) in 2021, any goods either produced in or using inputs from the Xinjiang region of China – which accounts for 80% of Chinese and 25% of global cotton production – were banned from entering the US market.[17] The deep integration between China and other South-East Asian manufacturing hubs means that it is not only China, but also Vietnam, Cambodia, and Bangladesh who have been greatly harmed by these measures.[18] They, and concerns about further tariff measures, have thus prompted retailers to accelerate the process of diversifying their sourcing strategies and reducing their reliance on China and the wider region of South-East Asia.[19] An increase in "friend-shoring" is consequently visible as retailers seek to reduce tariff costs by locating production within the borders of geo-political allies.[20]

These trends have been intensified by the latter of these changes. Both extreme weather events linked to climate breakdown, and political unrest in manufacturing hubs or along shipping lanes have seen exponential increases in both their frequency and the severity of disruption upon supply chains. In Dhaka, Hanoi, Ho Chi Minh City, Phnom Penh and Karachi, all key garment manufacturing hubs, the number of days with "wet-bulb" temperatures – a measurement that accounts for air temperature as well as humidity – above 30.5 degrees Celsius jumped by 42% in 2020-2024 compared to 2005-2009.[21] By 2030, it is estimated that $65 billion will be lost in heat related disruptions to Apparel exports across Pakistan, India, Vietnam and Cambodia.[22] Flooding has also been wreaking escalating havoc within the region, with Bangladesh's 2024 August floods paralysing the nations industry for weeks during what is one of the busiest parts of the year as retailers prepare for Christmas.[23] 2024's political unrest in Bangladesh, and raids upon shipping in the Red Sea by Yemen's Houthi group were just some of the more prominent examples of the increasingly prevalent political disruptions to global supply chains. These events can no longer be considered freak externalities to the global economy and instead must now be recognised as in built parts of it that economic actors are

---

[16] Ponte (2022), *Ibid.*
[17] Shengl Lu Fashion, (2025). *New Study: How Has the Uyghur Forced Labor Prevention Act (UFLPA) Affected U.S. Apparel Import?* https://shenglufashion.com/2024/11/01/new-study-how-has-the-uyghur-forced-labor-prevention-act-uflpa-affected-u-s-apparel-import/.
[18] *Ibid.*
[19] McKinsey & Company, (2024), The State of Fashion 2025: Challenges at every turn https://www.mckinsey.com/industries/retail/our-insights/state-of-fashion.
[20] CSIS, (2023) *The Limits of "Friend-Shoring".* https://www.csis.org/analysis/limits-friend-shoring.
[21] Reuters, (2024). *Extreme heat puts garment factory workers at risk, study shows.* https://www.reuters.com/business/extreme-heat-puts-garment-factory-workers-risk-study-shows-2024-12-08/.
[22] Reuters, (2023). *Asia apparel hubs face $65 billion export hit from extreme weather, study shows.* https://www.reuters.com/business/retail-consumer/asia-apparel-hubs-face-65-bln-export-hit-extreme-weather-study-shows-2023-09-12/.
[23] Reuters, (2024). *Bangladesh garment industry short on cotton as floods worsen protest backlog* https://www.reuters.com/world/asia-pacific/bangladesh-garment-industry-short-cotton-floods-worsen-protest-backlog-2024-08-30/#:~:text=Bangladesh%20is%20a%20leading%20global,industry%20officials%20and%20analysts%20said.

forced to reckon with. A recognition of this is now becoming increasingly apparent within the behaviour of retailers, who are seeking to "de-risk" their sourcing strategies as much as possible by diversifying their supplier base and strengthen their ties with flexible and reactive suppliers who can plug gaps that emerge from disruption elsewhere in their supply chain.[24]

Impacts for Morocco – A Green Push?

These changes will thus deliver a boost in competitiveness to suppliers with lower carbon footprint both in the production and transit processes, strong geo-political ties to their end markets, and a reduced risk of disruption to their operations. Morocco's strengths leave it well placed to take advantage of all three of these dynamics. The importance of its capacities and reputation as a prospective green manufacturer within this new conjuncture are self-evident, as tightening restrictions around carbon emissions make access to clean energy for manufacturing operations increasingly indispensable. Moreover, the visibility of Morocco's solar and wind developments also offers further potential benefits to retailers looking to build their sustainability credentials. Associating themselves closely with a country liable to become increasingly known for clean energy production represents an attractive proposition for brands ever more conscious of their environmental reputations, particularly as places like Bangladesh, Pakistan, and China become synonymous with environmental degradation. Furthermore, Morocco's energy transition also offers further advantages in the face of growing disruption to the world economy. With fluctuations in the price of hydrocarbons already wreaking havoc on many industries across Europe and the MENA region, the stability and relative cheapness of Morocco's now abundant supply of solar and wind energy will offer growing raw cost advantages over carbon-dependent manufacturing hubs.

Morocco's proximity to Europe will also be of great benefit to it. Transit related carbon emissions for Moroccan garments destined for Europe are substantially lower than those of their South-East Asian competitors. This will dramatically reduce the competitiveness of garments from further afield, advantaging Morocco as a result. Combined with its reputation for flexibility and reactivity, this proximity will thus likely make Morocco one of the principal beneficiaries of further supply chain disruption. With this, and Morocco's strong reputation for political stability, the kingdom represents one of the safest options available. When disruptions do occur, its short lead times mean that it is a prime candidate to pick up orders others are no longer to fulfil. Furthermore, this proximity also makes Morocco extremely viable as a potential hub for the recycling of Europe's used garments and their repurposing into new products. Indeed, moves are already being made in this direction, with several European companies already established within Morocco piloting this business model.[25] In addition to boosting Morocco's competitiveness within its existing operations, the green transition will thus carve out completely new spaces of capital accumulation for the Moroccan garment industry.

Finally, its close relations with the EU and the US will be critical as geopolitical fracturing intensifies. Friendshoring in North Africa will become increasingly attractive for European firms as the EU seeks to further economically integrate its southern "borderlands" across the Mediterranean.[26] Morocco's already close trading relations with its main export market are consequently likely to only tighten, as the terms on which its South-East

[24] Business of Fashion, (2023). *What 'Friendshoring' Means for Fashion.* https://www.businessoffashion.com/briefings/china/what-friendshoring-means-for-fashion/#:~:text=The%20World%20Economic%20Forum%20defines,to%20the%20flow%20of%20business.%E2%80%9D.

[25] Interview with IFC official, 15th of January 2025.

[26] Del Sarto, R. A. (2021) *Borderlands : Europe and the Mediterranean Middle East*. First edition. Oxford: Oxford University Press.

Asian competitors are able to trade with the bloc worsen. Moreover, Morocco's strong relations with the US will also improve its competitiveness for this market. With a free trade agreement implemented between the nations since 2006, and Morocco's ports representing the nearest African transit hubs to the US mainland, Morocco stands to benefit considerably from any friendshoring from US firms as well.[27] Indeed, Chinese firms have already begun launching substantial investment projects into Morocco principally as a way to get around growing tariff barriers and to take advantage of its privileged access to both of these markets. In 2024, Chinese textile giant Sunrise announced a 400 million Euros investment project within the kingdom, which is set to create 11,000 direct jobs within three years.[28]

These transformations within the world economy have consequently resulted in an increase in importance for retailers of each of the core competencies Morocco's industry is based around. In doing so, the competitiveness of the industry within the world market is being markedly increased, as its inability to compete on price with South-East Asia is offset by the now critical factors of end market proximity, green manufacture capabilities, and stability at which it possesses a strong competitive advantage. The green transition, in conjunction with these wider transformations, thus appears to be driving what can be understood as a "green push" for Morocco's garment and textile industry. On the face of its global competitiveness, these changes thus appear to be a substantial net positive for Morocco.

The Dangers of a Green Squeeze

However, the benefits Morocco can accrue from this green push will likely be limited if it is unable to escape the "fast fashion trap" that it's industry currently finds itself in. This fast fashion model leaves Morocco's garment industry heavily concentrated within simple "cut, make, trim" (CMT) operations, the labour-intensive functions of producing finished garments from textile inputs.[29] It disaggregates them from the more lucrative operations of product development above them, and the more capital-intensive production of textile inputs below them. These CMT operations are extremely low "value added" activities, with the huge power disparities between monopolistic retailers and the plethora of potential suppliers available to them allowing retailers to force cost and risk pressures down the chain.[30] This allows retailers to extract the lion's share of the value created within the supply chain, leaving manufacturers with razor thin margins from what remains.[31] Some suppliers can push back against this and capture more value by vertically integrating to become "full package suppliers", charging premiums based on the convenience they offer.[32] This requires substantial investment however, requiring capital that the margins of CMT manufacturers ill affords. The system thus traps them in these low value-added labour-intensive operations, making them dependent on integration into these chains. This consequently also creates downward pressure on the pay and conditions for workers within these firms, as these cost pressures are driven down onto the workforce as manufacturers seek to reduce costs as much as possible to break even.[33]

[27] Office of the United States Trade Representative, (2024). *Morocco Free Trade Agreement.* https://ustr.gov/trade-agreements/free-trade-agreements/morocco-fta.
[28] Morocco World News, (2024). *China's Textile Company Sunrise to Invest $422.2 Million in Morocco* https://www.moroccoworldnews.com/2024/09/14974/chinas-textile-company-sunrise-to-invest-422-2-million-in-morocco/.
[29] Anner, M. (2020) 'Squeezing workers' rights in global supply chains: purchasing practices in the Bangladesh garment export sector in comparative perspective', *Review of international political economy: RIPE*, 27(2), pp. 320–347. doi: 10.1080/09692290.2019.1625426.
[30] *Ibid.*
[31] *Ibid.*
[32] Kumar, A. (2020) *Monopsony capitalism : power and production in the twilight of the sweatshop age*. Cambridge, United Kingdom ; New York, NY: Cambridge University Press.
[33] Anner, M. (2020) 'Squeezing workers' rights in global supply chains: purchasing practices in the Bangladesh garment export sector in comparative perspective', *Review of international political economy: RIPE*, 27(2), pp. 320–347. doi: 10.1080/09692290.2019.1625426.

These problems are further compounded by the acute lead time pressures and order fluctuation of the fast fashion model. Order patterns within this model are much smaller, more unpredictable, and with less advanced notice than in other sectors.[34] Lead times in fast fashion manufacture is often measured in weeks if not days, as retailers seek to respond to rapidly changing seasonal trends.[35] The model consequently requires substantial flexibility and reactivity from manufacturers to be able to respond to these demands and deliver these orders on time. This involves routinely restructuring production lines, costing manufacturers time and money that eats into their already narrow margins. The system also greatly reduces the capacity for long term planning for manufacturers, which is essential to making investments and efficiency cost savings.[36] It also makes it much harder for manufacturers to access the levels of external finance necessary to invest in new machinery, or to expand their operations to more lucrative areas of the supply chain.[37] The model thus exposes manufacturers to substantial risk, as the flexibility retailers desire is achieved by the evisceration in any certainty for manufacturers' future orders. As with cost pressures, the risk arising from these time pressures is then often passed down onto the sectors' workers. Due to the fluctuations in orders between "hot" and "cold" seasons, manufacturers must ensure they have the level of manufacturing capacity required to fulfil orders during busy periods, without overburdening themselves with excessively large and so expensive workforces during fallow periods. This drives a casualisation in the contractual relationship between workers and their employers, as the latter seeks to free themselves to increase and reduce their capacity as demand requires.[38] By entrenching this instability, the model limits the sector's ability to deliver stable, sufficiently paid, and dignified work for its employees. It thus limits its contribution not only to Morocco's economic development, but also to the achievement of Morocco's social development goals.

What's more, new costs have been imparted upon manufacturers by the green transition. As noted previously, the principal mechanism through which the green transition has so far been enforced has been through the rapid proliferation of certifications and audited standards with which suppliers must comply. Gaining these qualifications does not come without cost. The reporting procedure is time consuming and often also involves a substantial fee to have the process verified.[39] This is before any costs and production time lost to remediating the issues identified within the audits. Moreover, the proliferation of these certifications means that different retailers will have different standards and auditing procedures required as a prerequisite to doing business with them.[40] Manufacturers are thus required to constantly jump through new and increasingly convoluted sets of hoops to continue operating, absorbing substantial costs for often very little improvement in their environmental performance.[41] The responsibility for gaining these certifications lies solely with manufacturers, with brands rarely offering financial support.[42] Manufacturers are thus having to devote increasing resources to the completion of auditing procedures, squeezing their already tight margins.[43] Furthermore, adherence with these standards often requires the use of higher quality recycled or recyclable textiles. These come at higher

[34] Niinimäki, K., Peters, G., Dahlbo, H., Perry, P., Rissanen, T., & Gwilt, A. (2020). The environmental price of fast fashion. Nature Reviews Earth & Environment, 1(4), 189–200.
[35] *Ibid.*
[36] Khattak, A., Stringer, C., Benson-Rea, M., & Haworth, N. (2015). Environmental upgrading of apparel firms in global value chains: Evidence from Sri Lanka. Competition & Change, 19(4), 317-335. https://doi.org/10.1177/1024529415581972.
[37] *Ibid.*
[38] Interview with CDT Official, 19th of February 2025.
[39] Khattak, A., Stringer, C., Benson-Rea, M., & Haworth, N. (2015). Environmental upgrading of apparel firms in global value chains: Evidence from Sri Lanka. Competition & Change, 19(4), 317-335.
[40] Interview with Garment Manufacturer, 20th of November 2024.
[41] Interview with Garment Manufacturer, 6th of February 2025.
[42] Interview with AMITH Official, 13th of February 2025.
[43] Interview with Garment Manufacturer, 27th of November 2024.

prices than the textiles previously employed, yet manufacturers are commonly expected to complete these orders for the same price as those employing the cheaper materials.[44] Moroccan suppliers are thus being forced to shoulder the burden of the environmental costs, while retailers reap the rewards.

Though the green push will provide a boost to the competitiveness of Morocco's garment industry, it will thus do nothing to address the underlying structural problems that limits the value it captures from the industry. What's more, with the green transition increasing the squeeze on suppliers, this value capture is likely to lessen further. The green transition is thus simultaneously engendering both a green push and a green squeeze for Morocco's garment industry. As the importance of Morocco's competitive advantages grows, so too do the structural pressures that squeeze its manufacturers and limit the value it captures from this growth. Continuing to rely on CMT functions within the fast fashion model will consequently put a hard brake on the benefits Morocco is going to see from this green push, limiting the contributions it will make to the kingdoms economic and social development goals. For Morocco to escape this trap, it is consequently vital that efforts are made to move its industry beyond this.

Escaping the Fast Fashion Trap

Concerted action from state and private actors within the Moroccan garment industry is consequently required to boost its competitiveness, reduce costs, and ultimately move it into higher value-added activities within the supply chain. This fact is well recognised, and already action is being taken towards this end by the Moroccan state. As part of its wider "New Development Model", the Moroccan state has introduced a range of new measures to support the garment industry. Six Special Export Processing Zones have been established, within which manufacturers can enjoy tax breaks, access to cheap land, and technical support from local authorities.[45] Substantial improvements have also been made to Morocco's infrastructure, with headline projects such as the Tanger Med port accompanied by a suite of more general improvements to rail and road networks.[46] New financial mechanisms have also been development to make it easier for firms to access external investment, as well as adding incentives for foreign investors to come and establish their operations in Morocco.[47]

Alongside these direct interventions, the Moroccan state has also sought to support the industry through the creation and funding of institutions parallel to it. The foundation of ESITH, the École nationale Supérieure des Industries du Textile et de l'Habillement, has sought to support the industry with a new generation of technical experts, capable of driving its green transition and developing new efficiency gains to help the industry innovate and upgrade.[48] Similarly, the Centre Technique du Textile et de Habillement (CTTH) has sought to further develop the technical competencies of the Moroccan textile sector, pursuing new innovations that will help foster the growth of domestic textile inputs.[49] The Cluster des Textiles Techniques Marocains (C2TM) has sought to foster the developments of eco-systems and clusters within the industry, mutually beneficial networks of economic relations that tie the development of CMT operations to the establishment of new textile input manufacture, fostering backwards linkages within the industry.[50] This is all alongside the continued material support for the garment industries business association, AMITH, which has enabled them to substantially scale up their own operations to support the industry. As the voice of the industry, AMITH has played a vocal role in lobbying for the interests of manufacturers at both national and international

[44] Interview with Garment Manufacturer, 1st of March 2025.
[45] Ministry of Industry and Trade, (2024) *Textile.* https://www.mcinet.gov.ma/en/content/industry-0/textile.
[46] *Ibid.*
[47] *Ibid.*
[48] Interview with ESITH Director, 6th of February 2025.
[49] *Ibid.*
[50] Interview with C2TM Director, 21st of January 2025.

levels.[51] Moreover, they have also sought to attract new clients to try and decrease the reliance of Moroccan manufacturers supplying the Spanish fast fashion giant Inditex.[52] This is all in addition to the provision of general technical support to the industry, helping it navigate the new regulations that enforce the green transition, and make the efficiency gains necessary to accumulate greater capital.[53]

Promising efforts are thus already being made to support the development of vertical integration and upgrading within the industry. This needs to be pushed further however, and greater technical and particularly financial support is of pressing need. Greater access to finance for investment would greatly accelerate the process of developing backwards linkages within the industry. Moreover, expanding the provision and generosity of start-up loans targeted at firms looking to establish textile production would further help build an integrated eco-system of textile and garment manufacture. The state should be actively co-operating with potential partners to bring these operations into existence, and in some cases taking direct ownership or involvement in firms established to develop these backwards linkages. As well as operations within Morocco, efforts should also be made to cultivate the importation of textile inputs from Sub-Saharan Africa, where promising developments around new sustainable textile materials are emerging. Similarly, increasing funding for research into new sustainable or recycled textiles would also greatly advance Morocco's capacities as a green textile manufacturer, allowing it to become a first mover in the promising new fields such as that of hemp textiles, or the recycling of plastic bottles into poly-fibres usable for the garment industry.

Furthermore, financial assistance for the development of forward linkages within the Moroccan garment industry will also be crucial. This could take the form of developing the technical capacity of product development within the kingdom and promoting the emergence of Moroccan brands within local and international markets. Moves have begun to be made in this direction, with the establishment of the Casa Moda Academy tasked with training a new generation of designers and brand experts.[54] Supporting the cultivation of new markets for the garment exporters would also assist in the reduction of Morocco's reliance on the Spanish fast fashion market. Exploratory efforts have already been made to build ties with Scandinavia and restore trading relations with the British brands who formerly dominated the industry, and these should be pursued further and centralised more in the negotiation of future trade agreements with these partners. Increasing the frequency and scale of international trade fairs within Morocco would also help work towards these goals.

To develop its supplier relationship with higher end retailers, who offer substantially higher prices for their garments to suppliers, Morocco should be seeking to maximise its credentials as a sustainable and ethical manufacturing hub as much as possible. Accelerating Morocco's advances in its energy transition will be vital, alongside actively cultivating a public image around this of a sustainable and clean energy superpower within the MENA region. Alongside these larger scale projects, support should also be increased for factories to make their own clean energy investments like solar panels or wind turbines, to attract companies actively seeking out these offers from suppliers. Alongside environmental performance, Morocco also needs to take steps to maximise its perceived credentials as an ethical and socially minded manufacturing hub as well. Union involvement here is vital, and Morocco should seek to immediately foster sector

[51] Challenge, (2025). *3 questions au président de l'AMITH, Anas Al-Ansari*. https://www.challenge.ma/3-questions-au-president-de-lamith-anas-al-ansari-294844/.
[52] *Ibid.*
[53] *Ibid.*
[54] Challenge, (2025). *3 questions au président de l'AMITH, Anas Al-Ansari*. https://www.challenge.ma/3-questions-au-president-de-lamith-anas-al-ansari-294844/.

wide recognition of and dialogue with garment unions to ensure the highest standards of social compliance are being met. While this often is framed as counterproductive to an industries fortune, with social audits proliferating alongside environmental audits it is vital for Morocco to maximise its credentials in these areas if it wants to attract higher end retailers who market themselves on a higher standard of environmental and social responsibility. These measures would also help immeasurably to ensure that the industry is contributing to meeting Morocco's social development goals, and providing secure, stable and well-paid jobs for its workers.

Finally, greater efforts to lobby internationally for the interests of Moroccan manufactures would help immeasurably to reduce the cost and time pressures manufacturers face. Supporting measures to force retailers to provide greater security for their suppliers, offering more sustainable order patterns at fairer prices, would greatly ameliorate the pressures of the fast fashion model, without disadvantaging Morocco vis-à-vis its competitors. Regarding the green transition specifically, legally enforcing greater financial and technical support from retailers for the changes they require would lessen any "green squeeze" on the industry and allow it to take fuller advantage of the opportunity presented by these changes. Potential coalitions are evident here between manufacturers within Morocco and the wider MENA region, international union federations, and environmental NGO's, as all of these groups share a collective interest in improving the conditions on which manufacturers engage in these supply chains, to allow for them to develop more sustainable margins, improve the pay of conditions of workers, and reduce their environmental harms in the process.

Conclusion

This article has sought to interrogate the impacts of the green squeeze upon Morocco's garment and textile industry. In doing so, it has attempted to detail how though these dynamics are likely to engender a "green push" for the industry, Morocco will not be able to capture the full benefits from this if it remains reliant on CMT operations within the fast fashion model it currently depends upon. Specifically, it has made the following arguments:

The green transition, in conjunction with the intertwined processes of geopolitical fracturing and escalating climactic and political disruptions to the global economy, is reshaping the internal dynamics and geography of the global garment industry.

- Proliferating private sustainability directives and new national and supranational legislation now mean that environmental performance is a key consideration in lead firms' governance of their supply chains.
- At the same time, escalating trade wars and increasing disruption to supply chains have driven a rise in both friendshoring and nearshoring, as brands seek to escape tariffs costs and de-risk their operations.
- These intertwined changes are boosting the competitiveness of suppliers with greater capabilities around green manufacture, with closer proximity to end markets, and with stronger economic ties to the authorities these end markets inhabit.

Due to the particular dynamics of its industry, Morocco is likely to experience a "'green push" from these dynamics.

- As a fast fashion manufacturer for European brands, Morocco's core competitive advantages lie in its flexibility, its proximity to end markets, and its strong integration into European Single Market.
- These factors, alongside its growing capacities as a green manufacturing hub, will only increase in their salience as a result of the aforementioned transformations in the industry globally.
- As a result, Morocco's relative competitiveness within the industry globally will increase, as industry's fortunes are propelled by a "green push".

However, Morocco's capture of these benefits will be limited by the structural pressures of its fast fashion model.

- This model traps Morocco within low value added CMT operations, with thin margins for its manufacturers that inhibit the accumulation of sufficient capital to invest in vertical integration.
- The costs of compliance with these new sustainability regulations – currently being wholly born by manufacturers – are squeezing them further.
- Alongside this green push, there is therefore a simultaneous "green squeeze" afflicting suppliers.
- Continued reliance on the fast fashion model will thus place a hard brake on the benefits Morocco will be able to accrue from this green push.

For Morocco to take full advantage of this situation, it is vital that it escapes the fast fashion trap.

- Moving beyond this model requires substantial technical and financial support from the Moroccan state to foster the development of forward and backward linkages within the industry, driving the vertical integration necessary to move into higher value-added operations.
- This is already recognised, and efforts are being made in this direction by both public and private stakeholders from the industry.
- These must be pushed further however, with greater financial support in a range of areas critical to developing Morocco's capacities as a full-package green manufacturing hub, and capturing a greater share of the benefits from this green push.

Though this study has concerned itself only with Morocco's garment and textile industry, the relevance of its arguments extends well beyond these into the wider dynamics of the kingdoms economy. Many of Morocco's other export industries are similarly reliant on a European market increasingly being restructured along more sustainable lines, integrated into their own global value chains of similar dynamics to the garment industry, and possessing similar competitive advantages as a nearshored manufacturing option unable to compete on price alone with more distant suppliers. The parallels are thus clear, and the core message remains the same: Morocco is likely to experience a green push as the green transition unfolds. However, it will not be able to reap the full benefits if it remains trapped within low value-added operations of European headed supply chains. It is thus crucial that sustained efforts are made to develop upgrading across all of Morocco's economic sectors, developing both forward and backward linkages to foster the development of a new green, higher wage and higher value-added development model for the kingdom.

Konrad-Adenauer-Stiftung e. V.

Steven Höfner
Leiter Auslandsbüro Marokko
https://www.kas.de/en/web/marokko/
steven.hoefner@kas.de

www.kas.de