

# POLICY BRIEF

## THE EU-NORTH AFRICA RELATIONSHIPS UNDER A NEW GEOPOLITICAL ERA

### I. The Context

The global landscape is gradually moving towards a multipolar geopolitical map that will emerge with its relative certainties and uncertainties. The multidimensional crisis affecting the entire world has the following effects: exponential inflation, food disruptions, raw materials and energy supply chain, displacement of vulnerable populations and high migratory risks as well as the development of major urban and transnational crime.

As a result, the restructuring of alliances and partnerships in the Euro-Mediterranean and African area is taking place under the effect of the following developments:

- **Pandemic crisis and Ukraine-Russia war:** The Covid-19 pandemic and the war in Ukraine has shown a vulnerability of the EU's import structure:
  - ✓ Over 40% of its manufactured products are imported or sourced from Asia, and mainly from China.
  - ✓ Over 40% of gas imports came from Russia in 2021.
  - ✓ Value chain disruptions during Covid-19 and disruptions of gas supplies due to the Ukraine war have clearly shown that the EU needs to “de-risk” (as opposed to a total “de-coupling”) –i.e. diversify the countries from which it imports, and generally “de-risk” its economic relationship with especially China.
- **Israeli-Palestinian war:** The war in the Gaza strip has increased risks of shipping along the traditional China-EU route via the Red Sea. The alternative route via the Cap of Good Hope adds 6500 km, 2 weeks of shipping time and almost triples the costs. It will also inevitably add to CO<sup>2</sup> emissions from shipping, at a time when the International Maritime Organization (IMO) adopted a strategy, in July 2023, aiming to reduce emissions from shipping to zero by 2050.
- **Changing dynamics in China:** Beyond politics, a recent study shows that 94% of major European companies are planning to reduce their dependency on China, on average planning to reduce their imports by 35% from China. This could be for a variety of reasons, including the past years' wage increases in Chinese manufacturing, where the average monthly manufacturing wage is at present 1000 EUR, compared to 250 - 500 EUR in North Africa.

- **Low and medium intensity conflicts in the Sahel (from Red Sea to Atlantic Sea) and the migration crisis:** Political turbulences, military coups, and social unrest in the Sahel are adding to existing migration pressures. Year 2023 and 2024 saw an increase of outflows from Libya, Tunisia and Morocco, and of inflows to Algeria from Niger, Mali and Burkina Faso. The EU and its North African partners have a joint interest in maintaining stability in North Africa and cooperating on the management of this phenomenon. Stability can only be maintained by cooperating to boost economic development in North Africa, which continues to suffer from high unemployment.
- **International competition in North Africa:** The four most influential EU member states (France, Italy, Spain, Germany) are competing in the region with other extra-regional players as Russia, Turkey, China, USA, UAE, Qatar, and South Africa. UK, India, Japan and South Korea are in a proactive logic of gradually entering the North African market.
- **The new paradigms of US foreign policy:** Elected for a term until 2029, President Donald Trump and his “MAGA” constellation are implementing a foreign policy based on three pillars: Deconstruction, Disengagement, Transactional Diplomacy.
- **Climate change and energy transition:** Climate change and war in Ukraine have pushed the EU to accelerate its plans for energy transition. This will include the introduction of the Carbon Border Adjustment Mechanism (CBAM), which from 2026 will tax non-European exports of certain goods (heavy industry in particular) to the EU according to the CO<sub>2</sub> emissions linked to their production (to avoid “CO<sub>2</sub> dumping”). This could hit exports of steel, aluminum, fertilizers, etc. from countries in North Africa. Moreover, the immense solar energy potential of North Africa means that if their energy transition can be speeded up, the CBAM can become an advantage for North Africa, in so far as they can increase the use of renewable energy for the production of these exported goods to the EU. The dynamics of deglobalization that we are witnessing, under the 3D Reset (Decarbonization Demographics Deglobalization), have pushed governments to rapidly identify secure energy sources with low geopolitical risk – conventional supplies that are geographically closer or from sources located in stable countries. As a result, the issue of energy security, i.e. how to procure, transport and store energy safely and affordably, has come to the forefront. This is a complex economic issue in the short and long term. Thus, we see governments adopting policies to promote local energy production and reduce dependence on global energy supply chains, including the REPower plan in the EU, the Inflation Reduction Act in the US and the 14th Five-Year Plan in China. The risks of a turbulent world do not seem to be diminishing any time soon. As such, energy security will remain a major concern for governments and investors. Addressing the supply squeeze in today’s energy markets will require massive investment across a wide range of areas and over many years.

## **II. The challenges of the Southern Shore of the Mediterranean**

In a context of geopolitical reshaping, three major axes define the evolution of the southern shore of the Mediterranean:

- The southern Mediterranean countries are increasingly turn towards the South for their economic development.
- The inward-looking Europe is not recognizing this trend and ultimately misses a new period of growth and prosperity in the Southern Mediterranean.
- The EU's efforts to counter China's expansion in Africa via the Global Gateway Initiative (half of the planned 300 billion USD is devoted to Africa) follow a different philosophy that does not necessarily meet the expectations of African countries, especially since it is dependent on conditionalities that affect the values of nations and national sovereignty.

### **1. The four most influential EU member states posture in North Africa**

The policies of the four most influential EU member states are diverging, driven by national politics and their interaction with developments in the region:

- France's relations with North African countries (Algeria, Tunisia, Morocco) are complicated by historical legacies and regional expectations,
- Italy is pushing an 'engagement-first' strategy for Tunisia and building energy links and strong strategic partnership with Algeria,
- Spain has recently tilted towards Morocco while its relation with Algeria went through a turbulence zone since 2022. Recently the bilateral relationships between Spain and Algeria have recovered,
- Germany is pulling back as hopes for democratic reform have faded.

### **2. The four North African states posture toward EU**

The countries of the central North Africa (Algeria, Morocco, Tunisia, and Libya) are seeing as increasingly difficult partners for Europe. Over the past few years, their governing elites have become more assertive in trying to set the terms of relations with the EU and its member states, using both their countries' strengths and vulnerabilities to win concessions. They have turned energy assets, the threat of migration, and even the risk of economic collapse into tools to secure diplomatic goals, deflect international criticism, and get financial support without burdensome conditions. Moreover, the Abraham Accord signed between Morocco and Israel in 2021, and the status quo regarding the Western Sahara issue and the longstanding low intensity conflict in Libya has complicated the North Africa inter-states political relationships. Facing of these moves, European countries have presented a fragmented response.

### **3. Analysis**

From an analytical perspective, the new elites of the southern shore of the Mediterranean will be increasingly reluctant to foster cooperation with the North but rather to focus on South-South development. China, Turkey and India will undoubtedly contribute to the renewal and development of infrastructure in the region. Partly driven by significant investments and growing demand from the BRICS and GCC countries, businesses and entrepreneurs will be at the centre of the development of new regional ties.

Consequently, the Southern Mediterranean will position itself as a key gateway to the rapid growth of emerging markets in Latin America, Asia, and North and Sub-Saharan Africa. Without a doubt, Africa will become the surprise growth story of the forthcoming decades. Driven by sustained investment and demand from other emerging markets, several African countries will lead the entire continent towards greater economic integration. The entrepreneurial community of North Africa, particularly Algeria and Egypt, will inevitably join this process. Europe, for its part, having long been inward-looking, will find it difficult to reposition itself while the Eastern and Southern Mediterranean economy will become the main hub for growing African trade and investment. Intra-continental free trade agreements will experience new dynamics to the detriment of the Association Agreement with Europe. With these new and dynamic potential markets, North African countries will gradually lose interest in EU initiatives. With increasing South-South cooperation, a new Southern Mediterranean identity will develop and the region will emerge as an increasingly influential emerging market power with new, well-consolidated governing elites.

### **III. Implication of the Trump administration's Africa policy on EU-Africa relations**

The United States of America under Trump II will continue to show its willingness to use its strength to consolidate diplomatic influence. We will call this relative balance between "Soft Power" and "Hard Power" "Smart Power". Indeed, the foreign policy of Trump II and his "MAGA" constellation is essentially focused on a diplomacy of interest and transaction.

Based on these fundamental principles, the United States of America focus its foreign policy activities and economic and commercial enterprises in a "cooperation zone" defined by two subsets, the "Western Hemisphere Bloc" and the "Special Interest Area". The first is linked to the entire American continent and the second to Africa. The "Western Hemisphere Bloc" would constitute a commercial counterweight to China, Europe, and Japan by encouraging free trade and increasing the supply of strategic and critical minerals (rare earths) to the United States of America from Latin America. The "Special Interest Area" is chosen for its natural resources and its economic complementarity. In the American strategic vision, the "Western Hemisphere Bloc" could present Africa with an alternative to Europe's traditional partnership. As America, through its population, has many links with Africa, it intends to enhance them and approach Africa differently than during the Cold War.

The interest of the United States of America in Africa would increase as European countries leave their "private hunting ground" but specially to contain the propensity of China, which has also opted for a "Smart Power", combining economic and commercial diplomacy and scientific and health diplomacy as well as networking diplomacy. It should be considered that in the future American geo-economic vision, Europe and Japan are relative competitors but China is a certain rival. The strengthened strategic alliance with the United Kingdom, resulting from Brexit and the future development of an exceptional relationship with Russia through the convergence of interests around the transactional issue for the cessation of hostilities in Ukraine will only consolidate this vision.

As for the geostrategic priorities of the United States of America in Africa, they are first of all to ensure the possibility of projecting its power in all corners of the continent, and thus to set up bases. As the United States of America depends on the freedom and openness of sea routes as well as a powerful high seas fleet for its supply of raw materials and its economic vitality, it will always be concerned with access to ports and passage through straits. Consequently, attention will be focused on the few African countries under the umbrella of global cooperation and whose weight is felt in terms of oil, gas and mineral production, maritime communication lines and proliferation of military equipment. These include, in particular, South Africa, Kenya, Congo, Zimbabwe, Nigeria, Ethiopia, Libya, Morocco and Algeria.

President Trump's return to the White House for a new term will likely adopt an active policy in Africa. In my opinion, President Trump would not turn his back on the African continent. It is in terms of approach that things will be different. The new President will work to regain the leading position of trading partner that China has dethroned for more than five years on the continent. He would undoubtedly rely on his strategic ally the United Kingdom, which has several African countries as members of the Commonwealth and others that have expressed the wish to join. Regarding the development aid provided by the United States of America to the African continent, it would remain modest without significant impact compared to that provided to Afghanistan, Israel, Iraq and Egypt.

From an analytical perspective, US relations with North African countries in particular will not fundamentally change in the short term, but they will be modified over time. Indeed, the close military and counterterrorism relations that Washington has forged through US-Africom are based on a network of common interests, bilateral agreements, and joint plans developed by specialized US agencies and their North African counterparts. According to many observers, neither the annual "African Lion" military exercises between the United States and Morocco, nor the counterterrorism agreements concluded with Algeria, nor the joint "Bright Star" military exercises between the United States and Egypt in which some twenty countries participate, to name just a few examples, will be called into question by President Trump II administration. In these areas, there will be continuity, or at least the intention of continuity.

The return to power of the USA of Donald Trump, who had committed during his previous term to recognize Moroccan authority over Western Sahara, in return for its normalization with Israel, seems to have encouraged King Mohammed VI and his government to openly

attack Algeria in a multi-layered escalation. Many observers, however, believe that Morocco will not be a priority for President Donald Trump. His diplomatic agenda will focus mainly on the war in the Gaza Strip, which he has repeated that he wants to end. His desire to see peace established in the Middle East, which he had made a campaign argument with Arab-American voters, could therefore involve the revival of the Abraham Accords process.

The policy of strengthening bilateral trade partnerships with key countries on the African continent and the desire to develop the fight against terrorism through the "Prosper Africa Program - PAP" would not be abandoned by the Trump II administration. To date, the PAP counts 2,500 agreements signed with 49 countries. In a way, with Prosper Africa, Donald Trump remained in the continuity of his predecessors since each president has had "his" African program. We think of Bill Clinton and the African Growth and Opportunity Act (AGOA) launched in 1999 and renegotiated at the end of 2025, of George Bush and his Millennium Challenge Account (MCA) and of the President's Emergency Plan for Aids Relief (PEPFAR) launched in 2004. Under Barack Obama, there was a number of mechanisms such as the Global Hunger and Food Security Initiative in 2009 or the Young African Leaders Initiative, the following year. We can see through these few examples that the American objectives, beyond the presidents, remain fundamentally the same: secure the country's supplies and establish partnerships, in particular with what are considered to be the countries of "useful Africa" for Washington. According to informed observers, Donald Trump's entourage has prepared a real battle plan in this area and has more coherent "African" team. If we quickly study the positions taken by the "MAGA" constellation on the issue of Africa, things seem quite clear: the fundamentals of Trump's first term remain but they are more refined.

Indeed, in the "Project 2025" developed by the conservative republican think tank "The Heritage Foundation" close to Donald Trump, Africa is mentioned about sixty times. To establish American leadership on the continent, the authors intend to play the useful Africa game to the fullest, by better targeting programs, agreements and aid towards countries with which the United States can hope for a mutually beneficial relationship. On the climate issue, for example, the report highlights that in the Biden administration's promotion of green a crack attacking American leadership in the energy sector to the benefit of China, which is extending its influence in Africa through its network of companies. By funding the energy transition, the Biden administration is accused of encouraging the proliferation of Chinese-made solar panels, and to address this. The report stated the: *"The United States must return to a policy of supporting a comprehensive energy development strategy, in which African countries are empowered to choose the type of energy that suits them best. This would facilitate continued diplomatic cooperation on issues of American national interest."* The report accuses the Biden administration and the European Union of promoting costly, inappropriate, and ineffective energy development models that do not create jobs, while China fails to impose a clean energy policy on its African partners. The report highlights that it is no wonder that China has gained influence and America has lost it in Africa.

Regarding Trump's African team, we can notice in particular the appointment to the portfolio of Under Secretary of State for Africa of J. Peter Pham, the former special envoy for the Sahel and then for the Great Lakes region during Trump's first term. In November 2024, he theorized what the second term could be like with regard to Africa in a *"give and take"* mode. This means that if African capitals do not align with Washington, they risk seeing the aid cut and the trade facilities that are still allocated to them cut. Peter Pham notes the growing weight and importance of Africa for the United States in terms of trade and geopolitical competition. From my perspective, it is undeniable that with regard to the African continent, Donald Trump has a theoretical arsenal, strategic aims and team to implement them.

Moreover, The Heritage Foundation recently raised the issue of the "final resolution" of the conflict in Western Sahara, the Trump administration having recognized, during the first term, Moroccan prerogatives over this territory and envisaged three billion investments in the region as well as the opening of a consulate in Dakhla. At the end of December 2024, the Republican think tank advocated that the United States handle this issue directly. In the American vision of Trump II, this strategy is first of all to counter the influence of China and Russia in the region but also that of Iran in its supposed support for the Polisario Front. Then, to open up economic opportunities for American companies in a potentially rich region and play a major role in the "vital" Atlantic-Mediterranean corridor. The future port of Dakhla, whose terminals should be operational in 2029, is linked by road to that of Tangier port in the Mediterranean. This would also make it possible to further tie Morocco to the United States while offering Algeria - according to the think tank - the possibility of strengthened bilateral cooperation, a double whammy in a way. According to the strategists of The Heritage Foundation, resolving this "complex" conflict would demonstrate the United States' capacity in this area of conflict resolutions.

In terms of trade, the major project will be the extension of the AGOA (African Growth and Opportunity Act) adopted in 2000 and which expires in 2025. Let us recall that these trade agreements make it possible to open the American market to certain African products without customs duties, provided that the partner states adopt a liberal economy. As for the "Prosper Africa program", based on bilateral agreements, should not be called into question, the objective remaining, again and again, to align the majority of African countries with the United States.

Concerning energy policy and the consequences of global warming, Donald Trump will continue to bet on fossil fuels. He is also opposed to the principle of climate reparations requested by countries in the South. Let us recall that Africa produces approximately 5% of greenhouse gases and that certain countries like Madagascar are paying a high price in terms of repercussions related to climate change. That being said, in addition to the traditional oil-producing countries, many African leaders are also playing the fossil fuel card, particularly through the discovery of new deposits, whether in Senegal and Mauritania or in Ivory Coast.

In terms of stability, the multiplication of conflict areas and "grey zones" not controlled by states can be one of the means of influence of the United States, the latter offering its help to

fragile regimes often in demand for security measures. But, here again, Washington will find itself in competition with Russia or Turkey. Let us recall that the Russia is present to varying degrees in the Sahel and the Central African Republic, where the United States has just faced some setbacks by thinking of competing with the Africa Corps (ex-Wagner) via Bancroft Global Development, an American private military company. Moscow has also signed military agreements with Sao Tome and Principe in 2024, which gives Russia access to the South Atlantic. Russia is also pushing its pawns in Sudan with the upcoming opening of a naval base in the Red Sea, and is conducting joint exercises with the Chinese and South African navies in the Indian Ocean. Another challenge is the possible launch of a new Chinese naval base on the west coast of Africa. These are just a few of the issues that Donald Trump and his administration and his “MAGA” constellation will have to manage.

It is obvious that the Africa of Trump II no longer has much in common with that of Trump I. The new president will have to take an interest in Africa, if only in his trade war with China, because of the rise of the Indo-Pacific issue and because new players are investing more and more in the continent, some pro-United States like Japan or South Korea, others more pragmatic like Turkey, whose influence on the continent has increased drastically, or the United Arab Emirates, India or Brazil, two powers that are too often forgotten, finally some hostile, such as Iran which for several years has been pushing its pawns more and more on the continent. Let us not forget the European Union and some countries of the Old Continent like Italy, Germany or even Hungary in Chad. France, despite its various setbacks in the Sahel, remains present, particularly in the Maghreb.

During the first term, the Trump administration had an ad hoc and very pragmatic policy towards Africa: "Economy first" was the watchword. This will be amplified during the new Era with an open economic and commercial war waged against China. The fight against China and Russia and the containment of EU countries will become more bitter, support for pro-American countries more marked, punitive measures against this or that nation deemed insufficiently "friendly" stronger. A security issue will be added to the economic one.

#### **IV. Conclusion**

This changing geopolitical landscape and the intense competition of external power actors, presents high intensity risks, but could represents an opportunity for improving the EU's cooperation with its North African partners as long as there is convergence of interests and avoiding any political conditionalities or imposing western values. The following are some key matters that could be addressed:

- The EU could especially leverage the power of its internal market by encouraging a shift of some manufacturing from Asia to North Africa. The manufacturing sector in China alone employs around 180 million people. If only a small part of this manufacturing can be moved to North Africa, it could have an immense impact on the region's economic development. A shift to North Africa would also drastically reduce shipping costs, shipping time and CO<sup>2</sup> emissions. Such a shift could also create low-skilled jobs to migrants from the Sahel. As an example, Algeria decided to create 5



new free trade zones on its borders with the Sahel countries and Libya as part of its border security strategy, in order to increase job opportunities for both Algerians and migrants from its neighboring countries. The EU could support the implementation and the development of such zones.

- The EU could support increased cooperation between European private companies and partner countries in North Africa, to promote investment and outsourcing (example: FDI bilateral promotion project in Algeria). Given dynamics in Southern Europe (especially around the agricultural sector, and water shortages), “win-win” type of projects could be developed that benefit both sides of the Mediterranean.
- The EU could re-evaluate its trade preferences, in particular in terms of “rules of origin”. Currently, it provides preferences to countries on the other side of the planet (via “Everything but Arms - EBA” initiative), while not giving the same preferences to its immediate neighbors in North Africa.
- The EU could find more flexible ways of implementing its economic cooperation programs in North Africa, outside of the usual setup, where cooperation is slowed down as it passes via overly bureaucratic ministries. Working with the European Bank for Reconstruction and Development (ERBD) is an example of successful cooperation.
- The EU could support the legal and institutional frameworks for Public Private Partnerships (PPP), as an alternative to classic procurement. The EU could also support North African partners’ capacity to prepare and negotiate PPP contracts. In the field of renewable energies, support for “Power-Purchasing Agreement -PPA” type of setups could be encouraged.
- The EU should continue to support a settlement to the conflict in Libya, which has immense economic potential. A stable and prosperous Libya can become a major stabilizing factor in the Sahel and North Africa region.

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