10 good reasons to invest in Morocco
1 - Stable political environment

A continuing drive for openness and democratisation

- Sovereignty exercised by the nation
  - By referendum or through constitutional institutions

- Freedom of opinion, expression, association and membership to any political party or union labor organization
  - Guaranteed by the Constitution

- A bicameral parliamentary system

- Both chambers vote on all laws

- Constitutionnal Council
  - Reviews the conformity of all laws with the Constitution

- The judicial branch remains independent from the legislative and executive branches

- 33 political parties and over 85 000 associations and NGO’s

In July 2011, a referendum established a new constitution, guaranteeing

- The plurality of the Moroccan identity

- The legality of the state and its institutions

- The enlargement of the scope of individual as well collective freedoms

- The reinforcement of Human rights scheme

- The reinforcement of the status of the Prime Minister as the head of the government, directly responsible of the public administration

- The improvement of moral standards in public life

Stable political environment
Morocco, an exception in the MENA region

International analysts highlight the Moroccan exception… … and praise its democratic push.

“The European Council congratulates its cooperation with Morocco, the most advanced country in the Arab region in terms of democracy and respect for human rights”.
Thorbjorn Jagland, Secretary General at the European Council - 10/08/2012

“Despite regional troubles, Morocco continues its progress…Various factors point to encouraging prospects for the Moroccan economy in 2011, namely an excellent harvest and a continuous diversification of the Moroccan economy”
International think-tank Oxford Business Group (OBG) - 29/07/2011

“The United States reiterates its “strong support” for the reform efforts in Morocco and other efforts on the economic level.”
Victoria Nuland, Spokesperson for the United States Department of State - 05/01/2012

"The positive developments that Morocco was known in 2011 shows that the political transition took place in good conditions unlike other countries in the region face enormous difficulties in this regard. Morocco has distinguished by a rapid implementation and effective political and economic reforms. ”
Arnaud Louis, Associate Director of Fitch Ratings - 11/09/2012
2- Strong macroeconomic drivers

- **Average Growth** (average 2001-2012): 4.8%
- **Inflation** (average 2001-2012): 1.7%
- **FDI evolution*** (average 2011-2012): 38%
- **Unemployment rate** (end of 2012): 8.7%

* Net inflows of FDI

Sources: Haut Commissariat au Plan, Office des Changes

**Morocco maintains A4 grade - 2012**

**Affirms Morocco's Investment rating 2012**

**#1 Inflation control 2012-2013**
## Ambitious sectorial strategies

### Industry: Emergence Pact

**Objective:**
- 1.6% in additional GDP growth
- 220,000 jobs created
- Key sectors: automobile; aeronautics; electronics; IT; fishing and agriculture; textile

Launched in 2009

### Agriculture: Green Morocco Plan

**Objective:**
- To modernise the agricultural sector
- US$10 billion in additional GDP from agriculture
- US$15 billion in public and private investments

Launched in 2008

### Tourism: Vision 2020

**Objective:**
- 20 million tourists in 2020
- 200,000 new beds
- Tourism GDP: from US$6 billion in 2010 to US$17 billion in 2020

Launched in 2010

### Logistics

**Objective:**
- To improve the country’s logistical competitiveness
- To reduce logistical costs from 20% to 15% of GDP
- An integrated national network of 70 multi-flow logistical zones

→ Morocco has increased from the 90th to the 47th position in 2012 in terms of logistics competitiveness

Launched in 2010

### Energy: Moroccan Solar Plan

**Objective:**
- Renewable energy >40% of national production by 2020
- Capacity: 2,000 MW of solar power + 2,000 MW of wind power

Launched in 2009 (Solar) and in 2010 (Wind) with a budget of US$ 15 billion

### Fishing: Halieutis

**Objective:**
- US$1.5 billion in additional GDP
- The creation of 75,000 jobs by 2020

Launched in 2009
4 - Worldclass infrastructures

Airports
• 15 international airports
• Casablanca is #1 Europe-Africa hub

Tramways
• Rabat et Casablanca
• 1 milliard €

Highways (number of Km)
• 2000 - 2010: from 150 to 1 000 km ($\approx x \ 7$)
• 2010 - 2015: from 1 000 to 1 800 km ($\approx x \ 2$)

Railway Network
• First high-speed train in Africa (Tangier-Casablanca) in 2015 – €1.8 billion

Tangier Med: world-class infrastructure in a strategic geographical location.
• Annual capacity of 3 million containers.
• Capacity of 8.5 million containers by 2017
• Objective: reach World Top-15.
• Integrated industrial, logistics, and commercial zones neighbouring the port.
Ideal maritime platform to serve Europe and Western Africa.
Worldclass infrastructures
22 Integrated Industrial Parks
A unique geographical position
At the crossroad of continents

- NEW YORK: 7h 10d
- PARIS: 2h 2d
- MADRID: 1h 1d
- ROME: 2h 2d
- DAKAR: 18h 25d
- SAO PAULO: 18h 25d
- ACCRA: 3h 4d
- BEIJING: 22h 30d
- CAIRO: 4h 4d
- FRANKFURT: 3h 3d
- NEW YORK: 7h 10d
- PARIS: 2h 2d
- MADRID: 1h 1d
- ROME: 2h 2d
- DAKAR: 18h 25d
- SAO PAULO: 18h 25d
- ACCRA: 3h 4d
- BEIJING: 22h 30d
- CAIRO: 4h 4d
- FRANKFURT: 3h 3d
5. **A unique geographical position**
Tanger Med Port: Connection to 130 ports in 65 countries

A total traffic of 27 million tonnes in 2011, a rise of 17% from 2010

UNCTAD shipping routes

2004 2005 2006 2007 2008 2009 2010 2011
77 83 84 80 33 23 18 18

MAERSK LINE
MOL Mitsui O.S.K. Lines
Hapag-Lloyd
CMA CGM
Hamburg Süd
DELMAŚ
OPDR
Safmarine
ARKAS
imtc
6 - Competitive costs

Exportation Costs*

- Maroc: 700
- Jordanie: 730
- Egypte: 737
- Tunisie: 773
- Pologne: 884
- Turquie: 990

US$ per container

Competitive wages (average)

- Chine: 302
- Maroc: 360
- Mexique: 393
- Roumanie: 530
- Pologne: 1081
- Turquie: 1226
- Espagne: 2736
- Etats-Unis: 3046
- Allemagne: 3787

US$ per month

Corporate taxe rates

- Maroc: 41.70%
- Egypte: 43%
- Turquie: 44.50%
- Tunisie: 62.80%
- Chine: 63.80%

Source: World Bank Data 2012

The average wage in Romania is ≈ 50% higher than in Morocco.
Access to Custom duty exemptions to a market of 1 billion consumers

- Agreement with Turkey (2003)
- Association Agreement with European Union (1996)
- Agreement under negotiations with the Economic Community of West African States (ECOWAS & CEMAC)
- Agreement under negotiations with Canada
- Agreement with United States of America (2005)
8 - A Highly **qualified** Workforce

A young and educated population

- 64% of Moroccans are aged under 34 years
- 6 million young people (between 18 and 35 years old)
- An active population of 12 million
- 175,000 university students
- 10,000 engineering graduates per year
- **Over 100 public universities** and schools
- **Over 200 private universities**

A youth open to the world

- 13 million internet users
- 4.1 million Facebook users (39th in the world), including 80% under 30 **years old**
- Steady growth of English, Spanish, and German **learning**
- Strong cultural and linguistic affinity with Europe

Sources: Arab Social Media Report, Dubai School of Government; Haut Commissariat au Plan, Ministère de l’Enseignement Supérieur, Agence Nationale de Réglementation des Télécommunications
9 - A solid and competent banking system

Key Elements

- The highest penetration of banking services in Africa after South Africa.
  - Bank assets reached 73% of GDP, as opposed to 69% in Egypt and 33% in Algeria.

- 3 national banks in African Top-10
  - Attijariwafa Bank: #6
  - Groupe Banque Populaire: #8
  - BMCE Bank: #9

- A strong presence in African countries to support Moroccan businesses.

Attijariwafa Bank

- 1.9 B$ revenues
- 40 B$ assets

2010 African bank of the year

Groupe Banque Populaire

- 1.2 B$ revenues
- 27.6 B$ assets

BMCE Bank (& Bank of Africa)

- 0.97 B$ revenues
- 24 B$ assets

Data: till the end of the year 2011

Source: Jeune Afrique, Bank al Maghrib, banks websites & annual reports
10. A business environment favourable to investment

**Investor Protection**
- 51 Double Tax Avoidance Agreements
- 62 Investment Protection Agreements
- Member of **OECD Investment Committee**
- Member of **International Centre for Settlement of Investment Disputes (ICSID)**
- Member of **MIGA (Multilateral Investment Guarantee Agency)**

**Legal Reforms**
- The creation of the **Business Environment National Committee (CNEA)** to facilitate procedures and access to information, and to carry out legal reforms
- The modernisation of business law
- The strengthening of intellectual property protection
- A new law on arbitration and mediation
- New banking regulations
- Administrative simplification

**An Incentive Tax System**
- Reduction of tax burden
- The creation of funds specifically for investment promotion

**International Instruments**
- Morocco adhered to the OECD Declaration on Propriety, Integrity and Transparency in the Conduct of International Business and Finance and to the OECD Declaration on Green Growth

**Morocco is "the most improved" country in business regulations in 2011 +21 positions in global ranking**
FDI in Morocco

Per sector in 2012 (billion MAD and %)

- Industry: 8.3 (26%)
- Real Estate: 7.9 (25%)
- Energy and mine: 5.7 (18%)
- Transport: 1.4 (4%)
- Commerce: 1.5 (5%)
- Big works: 0.7 (2%)
- Tourism: 1.6 (5%)
- Bank: 2.0 (6%)
- Holding: 2.5 (8%)

Per country in 2012 (billion MAD and %)

- France: 12.6 (39%)
- United Arab Emirates: 7.9 (25%)
- United States: 1.6 (5%)
- Switzerland: 0.8 (3%)
- Spain: 1.3 (4%)
- Great Britain: 0.8 (3%)
- Saoudia Arabia: 1.2 (4%)
- Holland: 1.0 (3%)
- Qatar: 0.5 (2%)
- Others: 3.9 (12%)

FDI evolution (billion MAD)
An ideal destination to attract your investments

"Morocco is becoming an increasingly attractive market, where investors are turning their attention”
11/08/2012

“The Moroccan economy continues to be one of the best performers in the MENA (Middle East and North Africa) Region”.
Nema Shafik, Deputy Managing Director of the International Monetary Fund (IMF) - 14/05/2012

"Morocco" has attracted the highest number of FDI in North Africa since the beginning of 2012, adding that the Kingdom has attracted 32 projects during the first 8 months of this year, capturing 34 % of total FDI in the region “
10/19/2012

“Thanks to the free trade agreement between Morocco and the US, the Kingdom will become a trade platform for American businesses wishing to gain a foothold in Africa, particularly in the MENA region.”
José Fernandez, U.S. Assistant Secretary for Economic and Business Affairs - 06/05/2012
Thank you for your attention

www.invest.gov.ma