Morocco: The world’s gateway to Africa

The kingdom is a rising destination for continental investment and trade

Morocco is the African hotspot for foreign direct investment (FDI), says the kingdom’s Head of Government Saad Dine El Otmani. Agriculture and services vie for its economic crown but “a large amount of FDI is going toward industry in Morocco,” he points out, highlighting the automotive, aviation, technology, renewable energy and mining industries as being particularly attractive. “There are many reasons for Morocco’s success, including a stability fostered by King Mohammed VI, a prominent regional and global influence,” says El Otmani: “Morocco is an African country at the door of Europe. We have free trade agreements with almost 50 countries.”

Since 2016, the government has introduced around 60 reforms to optimise the business climate, he notes. In collaboration with unions and employers’ organisations, it is also focusing on Morocco’s social climate and education: another priority, El Otmani states: “We established the Superior Council for Education, Training and Scientific Research to put in place a strategic vision for education reform. We have started to apply these reforms, which include making preschool accessible to all and reducing class size.”

Morocco’s World Bank Doing Business ranking has gone from 97th in 2012 to 37th in 2020,” says Saad Dine El Otmani, the government’s Prime Minister. “Thanks to our legislative and regulatory reforms, the simplification and digitalisation of procedures, and the establishment of new reception and logistic infrastructures, Morocco aspires to become one of the world’s 50 best destinations for industrial, commercial, financial and service activities by 2021.” As a result of the government’s reforms, “Our legislative and regulatory framework has been ranked first in Africa” states Hajoui. He adds that Morocco’s top-quality infrastructure structure now includes “Tanger-Med port, the largest and most modern port of the Mediterranean and African regions; airports connecting with Europe, Africa, the Middle East, the Americas and Asia; a modern road and railways network; and networks of special economic zones and specialized institutions offering investors guidelines and support.”

U.S. investors are well placed to take advantage of the opportunities in business-friendly Morocco, Hajoui believes: “Since 1786, Morocco has had an uninterrupted friendship and alliance with the U.S. Furthermore, our 2006 free trade agreement has brought remarkable benefits for the economic operators of both countries.” Morocco and the U.S. are also strong partners in the fight against crime and collaboration in this area has deepened recently, particularly in relation to terrorism, says former Minister of Justice Mohamed Auajjar. Overall, he says: “A comprehensive reform of our judicial system has been undertaken in the past few years. Having established its Superior Council of the Judiciary two years ago, the country now has a demonstrably independent justice system that reflects the Moroccan Constitution enacted in 2011. ‘The constitution represented a qualitative landmark. It has an entire section on human rights and freedoms, affirms that democracy is our fundamental choice and strengthens judicial independence in a framework where powers are balanced in fairness and cooperate with each other,” Auajjar explains.

Many of the legal reforms that have been implemented, which are aligned to international standards, “strengthen human and civic rights and improve governance,” he states. In 2018, a major reform to the kingdom’s commercial code was also introduced, adds Auajjar. “It is now in line with our open, market economy and desire to improve our attractiveness to investors and businesses. We have adopted new legislation on the difficulties that enterprises can face, which is inspired by the world’s best practices. This enabled us to jump from 134th to 71st place in the ‘troubling insolvency’ criterion of the World Bank’s Doing Business ranking.” In addition, the code’s system for property securities and the establishment of an arbitration center led by well-known international arbitrators. “In addition, members receive tax incentives, including a five-year corporate tax exemption, have access to a skilled local talent pool, and can tap into both CFC and other members in-depth knowledge about doing business in Africa.”

With CFC, continuing to grow, it is looking to recruit new members in specific industries, which is more investment funds, private banking for high-net-worth African individuals and families—that will profit from ever increasing opportunities, he says: “The African Continental Free Trade Area will start soon and, by 2050, the continent will be the second biggest in the worldwide economy. The potential is huge but the continent is fragmented—

We have 54 countries with 54 different ways of doing business. It’s important to be on the ground in Africa and Casablanca is the best place.”

As the continent gets richer, more Africans are joining the many people from around the world who travel to Morocco for first-class cosmetic treatment services from the state-of-the-art Guess Clinic in Casablanca, says its owner and leading plastic surgeon, Dr. Mohamed Guessous: “We offer personalized medical-tourism, our techniques are at the front on board, and we are passionate about beauty and well-being.” The clinic has gained recognition for specialties that include cosmetic and plasticurgery, laser treatments, hair transplants, dentistry and gynecological cosmetic medicine. Guessous is now looking to expand his Guess Clinic concept, possibly with external partners, he states. Reflecting the Moroccan economy overall, success is breeding ever more success.

“Africa is now, more than ever, a prime investment destination that is open for business. Every day at Casablanca Finance City (CFC), we host international investors seize the next untapped investment opportunity in Africa.” Mohamed Hajoui, Secretary General of the Government

Guess Clinic

Casablanca, Morocco

www.guessclinic.com/en

Tel: +212 522 79 79 11

contact@guessclinic.com

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As the leading financial center in Africa (GFCI, 2019) and partner to some of the world’s largest financial centers, CFC has built a strong and thriving community of 200 companies.

Our members benefit from privileged access to a business-friendly environment, cooperative government institutions and insights on Africa. CFC is also committed to promoting its members expertise across the financial ecosystem through its networking platform.

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Casablanca, Morocco

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Kettani Law Firm (KLF), origi-

nally established by Professor Azzedine Kettani in 1971, is one of the strongest and largest independent law firms in Morocco with almost 100 staff members, including over 50 lawyers, covering litigation, consulting and arbitration cases in its Casablanca head office.

KLF is specialized in business activities and is a leader in the fields of banking and finance, project finance, capital markets, labor, intellectual property, anti-trust, renewable energy, telecommunications as well as aviation. KLF has advised government offices, major businesses, public and private companies and institutions from all over the world.

The consulting department, managed by senior partner Nadia Kettani who is known for her astuteness, corporate experience as well as her excellent commercial sense, is composed of a strong multidisciplinary team of highly experienced lawyers admitted in multiple bars and working at a sustained pace.

The litigation department, led by senior partner Rita Kettani, has a strategic component. It involves the most experienced lawyers who are known for their experience and knowledge in judicial and arbitral proceedings.

Senior partner Zineb Kettani is also one of the most brilliant minds in KLF and manages flawlessly the debt recovery department which is considered as one of the largest departments in the firm. After nearly 50 years of experience, KLF measures its success by its involvement in the most important projects and financial operations in Morocco. Its outstanding successes have led the firm to regularly receive prestigious international awards and recognitions. As for the future, KLF will continue to provide its clients with an impeccable service exceeding their expectations.
A well orchestrated transition for Morocco leading it to success

Saadeddine Othmani, Head of Government of the Kingdom of Morocco, provides a thorough overview on the country's plans and strategies.

What is your evaluation of Morocco’s economic performance in 2018, and what are the government’s objectives for 2019?

Morocco is a middle-income country, which is a challenge but also an achievement for its stability and security. It is a monarchy, and His Majesty The King Mohammed VI plays a global role in this, as well as an important role for regional and international influence. The goal is to place Morocco in a good competitive position, among the most developed countries. We hope to be in the club of promising emerging countries very soon.

Regarding the economic and social plan, many reforms have been made over recent years, especially in 2018 regarding the business climate. Between 2016 and 2018 we did about 60 reforms in this domain. We aim to be among the top 50 countries for business in 2020. These reforms facilitate the life of the company, especially smal and medium-sized businesses, for international investors. This is why Morocco is the main country in Africa that attracts foreign direct investments (FDI). Between the aforementioned years, FDI increased by 25 percent. A large part of foreign investment is in industry, because Morocco is placing more importance on industry within the Moroccan development model. About 17 percent of our GDP comes from the industrial sector, and we aim to increase that to 23 percent in 2021. We have a lot of European investors who are located in Morocco and we are also beginning to attract other investors, especially from Asia and the U.S. This is the result of the reforms that we started several years ago.

“We for the first time in 2017 and 2018, Morocco was able to improve its score on the Corruptions Perception Index by Transparency International, moving up 18 places in two years. In 2016 we were 90th and now we are 73rd, because of the reforms that were implemented. There is an ongoing effort to align the national laws with international standards. We started by translating our laws into English, to allow international investors to directly access a respective database.

Focusing on our social plan, we have strategies and plans to fulfill the needs of disadvantaged segments of society. We know that today that there are social tensions throughout the region, not just in the countries in the north, but also the countries in the east, Northern Africa and the Middle East. There are material expectations for disadvantaged segments of society.

We have many projects. INDH - National Initiative for Human Development - is a royal initiative that has been in place for 14 years, focusing on highly disadvantaged groups, to allow them to have jobs that bring them income. We also have a strategy for basic universal medical coverage for the segment of the population who are not covered, especially for independent professionals. We have a lot of reforms and initiatives for social reform, because industrialization makes populations fragile as well. It creates wealth, but also creates differences between the various layers of society and the regions. We had a social dialogue with the unions and employers’ organizations, and we signed a tri-partite accord between the government, management and unions which allows for a focus on social climate for at least the next three years.

Who are the international investors in Morocco, and where are they by sector? Can you give examples of the most important or the most representative?

We come across most of them mainly in automotive and aviation, as well as IT and renewable energy. There is significant growth in the number of aviation investors. Our renewable energy strategy aims to put Morocco among the top renewable energy producing countries in the world. 38 percent of our energy comes from renewable energy. Our goal is to reach 42 percent in 2020, and 52 percent in 2030.

What would be the current roles of Morocco in terms of what distinguishes it in the MENA region; how do you view Morocco in the next 10 or 20 years?

Up until now American investments in Morocco have not been at the same level as the political relations between the two countries. We expect much more from investors. For instance, rare earth minerals, of which China has a monopoly, are quite an interesting topic for investments. We have a lot of resources, and the American investing community is very interested. We understand that there have been difficulties in the past, but we seek ways to overcome them.

Morocco will be an emerging country for at least 10 years, and will be among the most developed in Africa and MENA, which is already a reality. Morocco plays a role of stability in the entire region, but we are aware that if the whole region lacks stability, there are always challenges. That is why Morocco has a special significance in the South-South cooperation, and in the cooperation between Morocco and other African countries.

The King of Morocco places special importance on this subject. He has made many trips to many African countries to build relations and sign agreements to develop cooperation at different levels: political, economic, social, cultural and religious, given that security is among the challenges that we face. Unless we resolve the security problems in the region, there will always be risks. Morocco has a strategy to combat terrorism, organized crime, weapons and drug trafficking.

Secondly, resolving the problem of overdeciding, which has been a challenge. We have started to reduce class size and need to continue our efforts for the next 2 to 3 years, but we already have made very important steps. To meet these needs, we increased the education budget by 25 percent between 2016 and 2019.

Thirdly, we are giving particular importance to the quality of education. Fourthly, we are placing more importance on professional development, because, in today’s world, there needs to be training which allows graduates of our institutions to have the know-how to easily and immediately find a job.

What would be your final message to our readers, investors and government of the U.S. who will read this report?

Morocco has made significant efforts on structural reforms, which today allow investors to have a lot of opportunities in Morocco. Firstly, it is a country which is strategically positioned – an African country at the door of Europe, with good relations with the MENA region. Secondly, it is a country that is economically open. We have free trade agreements with almost 50 countries, including the US, Europe, Arab countries and Turkey. So investors have import and export opportunities. Judicial reforms have also been made. There is an important outlook regarding judicial reform since the last constitution with complete independence of the judiciary, as well as reforms that allow the judiciary to fulfill the needs of investors.

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How do you evaluate the business environment in Morocco today?

Morocco has an attractive business environment founded on the country’s system of values of political and cultural pluralism, economic liberalism, the rule of law and openness to the world in a spirit of dialogue, tolerance and mutually beneficial cooperation, with the ultimate aim of guaranteeing peace and prosperity for all. Morocco has made considerable economic development progress in the past few years, as attested by the figures compiled by the World Bank, the Organization for Cooperation and Economic Development (OECD), and the United Nations Conference on Trade and Development (UNCTAD). Furthermore, in the space of a few years, Morocco’s ranking in the World Bank’s Doing Business report has gone from 97th in 2012 to 53rd in 2020.

Thanks to legislative and regulatory reforms, the simplification and digitalization of procedures and the establishment of new reception and logistic infrastructures, Morocco aspires to become by 2021 one of the 50 best destinations in the world for industrial, commercial, financial and service activities within a single legal framework. We stand a good chance to achieving this goal given the growth in investment forecast by UNCTAD for 2019, following a 36% hike in 2018 and a 23% hike in 2017, according to the same source.

What are the latest legislative and regulatory reforms implemented to facilitate business?

It is noteworthy that the significant increase in FDI during the last few years coincided with the reform and adoption of a number of strategically important legislative and regulatory texts. Broadly, they concern two areas:

1. A legal and regulatory framework in line with international norms and standards, the national program for regulatory convergency with the European Union legislation, simplified and increasingly digitalized administrative procedures, top-quality logistic and communication infrastructures with a series of modern maritime ports along its 3,600km-long coastline including the Tangier-Med port in the midst of the Strait of Gibraltar classified as the largest and most modern port of the Mediterranean and African regions, airports connecting directly Morocco with Europe, Africa, the Middle East, and North and South America as well as Asia, and a modern road and railways network, including new high speed - trains; a network of special economic zones (SEZs) that account for 60% of our manufactured good exports; a qualified workforce, including young and competent middle-level professionals, a new reformed legal framework.

2. A gateway to a market of over one billion consumers; our adherence to international conventions on the promotion and protection of investments and protection against dual taxation; a network of specialized institutions offering national and foreign investment guidelines and support, such as the National Committee for Business Environment (Comité National de l’Environnement des Affaires, CNEA), the Investment and Trade Agency (Agence Marocaine de Développement des Investissements et des Exportations, AMIDE), the Regional Investment Centers (Centres Régionaux des Investissements, CRI), and the Unified Regional Investment Committees (Commissions Régionales Unifiées des Investissements, CRUI).

What are the main challenges for the future in improving the legal and regulatory business environment?

All the reforms we have implemented to date will be enriched with the new Investment Charter whose main objective will be to promote investment. It will establish a favorable conventional regime for enterprises incorporated under either Moroccan or foreign law by putting in place good governance rules for processing investment projects and supporting investors in completing their project. Furthermore, a new law is set to pass to further simplify administrative procedures, which will apply to all administrations that deal with the public.

What are the latest legislative and regulatory texts that have been published, which amend the laws on commercial companies regarding the protection of minority shareholders and governance, and other legislative and regulatory texts on the insurance, capital market and banking sectors.

On this basis, our two countries are bound by an exceptional historical strategic alliance. As far as I know, this is oldest Treaty still in effect signed by the US. Already at that time, this Treaty sought to promote trade between our two countries on the basis of the most favored nation clause. One of the Treaty’s last clauses—still remarkably topical in the present World turmoil—says that Morocco will protect American commercial ships operating off Morocco’s maritime spaces, including Moroccan Sahara.

American companies operating in Morocco, and more specifically in the fields of energy and telecommunications, have always been at the forefront of innovation and development, contributing to the economic growth and stability of both countries. Furthermore, our two countries have signed in 2004 a free trade agreement, which came into force in 2006 and brought since then, increased remarkable benefits for economic operators of both countries.

National and international economic operators can rest assured about the soundness of our legislative and regulatory framework, which has been ranked first in Africa and hailed world wide as a benchmark in terms of legal security. It also stands out for its transparency and ease of access.

What significant messages would you like to convey to our North American audience?

For your North American readers, I would like to recall, that beyond the legendary hospitality and beauty of our land, that Morocco has a historical uninterrupted friendship and alliance with the United States of America as illustrated by the Peace and Friendship Treaty signed by our two countries in the year 1776, in Marrakech.

As a testament to the deep and multifaceted ties between our two nations, the Treaty of 1776—also known as the Treaty of Amity and Commerce—remains an important cornerstone of our bilateral relationship. It is still remarkably topical in the present World turmoil—says that Morocco will protect American commercial ships operating off Morocco’s maritime spaces, including Moroccan Sahara.

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Morocco, the most highly ranked destination in Africa for investors

Nadia Kettani, Senior Partner at Kettani Law Firm, describes what makes Morocco the best gateway towards Africa

What are your impressions about the country’s current development? Morocco has modernised its economy to become a highly attractive platform and a true hub for investors. With its unique set of free-trade agreements, competitive labour costs and attractive incentives, Morocco is one of the most attractive African countries for foreign investors. Using wisely its advantageous geographic location (sitting only 14 kilometers from Europe and at the crossroads of the main trade routes linking America, Africa, Europe and the Middle East), Morocco has signed multiple free-trade agreements and non double taxation treaties. In addition to facilitating investments and protecting companies, Morocco has modernized its legal framework to make it more competitive and develop a highly experienced team.

What have been your biggest achievements and challenges? The biggest achievement is to have contributed to several major projects in Morocco that have had a significant impact on the market, and to have earned not only national but also international recognition as an excellent business lawyer, both from my peers and my clients. The challenge is to always be mindful of the necessity to deliver the best service at the best price.

What is your vision for the firm? Kettani Law Firm will continue growing as a proud independent Moroccan firm and providing its clients with the best service, ensuring that it not only meets their requirements but also exceeds their expectations. The firm will continue advising and protecting foreign investors in various areas, simplifying their access to local information and helping them implement their projects thanks to a highly experienced team.

What is the importance of the Azzedine Kettani Foundation? Since 2012, the main purpose of the Foundation Azzedine Kettani (FAK) has been the promotion of legal culture through multiple events and seminars held within universities in Morocco and abroad, providing scholarships to support the most deserving students in the pursuit of their legal studies and contributing to the development of research by creating libraries.

In recent years, Morocco has turned out to be a very large goods trading partner. How does the firm benefit from this situation? Morocco remains a place of sustainable progress and stability which attracts, their projects thanks to the development of research by creating libraries. Kettani Law Firm, the staff is composed of bilingual and bilingual lawyers admitted to various international bars who constantly work at a sustained pace to meet the clients’ needs and provide them with an impeccable service.

They are also attracted to the firm because of its local knowledge and the expertise it has developed within its litigation department. Thanks to the experience gained through the thousand of litigation files it handles, Kettani Law Firm is able to have a very precise idea of how deals should be structured to maximize the chances of protection for its clients should the complex documentation used in transactions need to be presented to Moroccans or international judicial and arbitration bodies.

As Kettani Law Firm, our deep-rooted expertise and local knowledge in multiple fields enable us to offer our clients a transparent and efficient approach to each case’s specific issues. As a result, we are able to provide our clients with innovative legal advice and solutions.

Kettani Law Firm (KLF) is a tier law firm based in the city of Casablanca, Morocco, which has been successfully advising its clients in high-profile international legal matters since 1971. KLF brings the right combination of firm-wide skills and local-market presence to deliver the top-quality legal advice necessary to help its clients achieve their goals and objectives.

The team as a whole consists of a distinguished group of almost 100 staff members, including over 50 lawyers who share diverse academic and professional experience both in Morocco and other jurisdictions. KLF’s unparalleled multinational expertise, strong business sense, innovative strategy and remarkable track record maximize clients’ results and enable it to offer a tailored service according to the needs of its blue-chip clients. KLF also provides high-end transactional and corporate services to its clients across a range of key industries, including energy, mining, finance, banking, aircraft financing, capital markets, telecommunications, mergers and acquisitions, labor and intellectual property.

KLF was founded by Azzedine Kettani, head of the Arbitration department within the firm. Azzedine Kettani has been practicing as a top-notch lawyer as well as a national and international arbitrator for 50 years. KLF is co-managed by senior partners Nadia and Rita Kettani.

Its international legal consulting department is led by Nadia Kettani, senior partner, who is renowned for her skills as a deal maker with a unique combination of experience and commercial sense in complex deals.

The litigation and labor departments are led by Rita Kettani, a truly experienced lawyer with a thorough focus on her clients’ objectives and a good eye for identifying the strengths and weaknesses of a case in order to develop the right strategy and persuasive arguments in major litigation proceedings across the country.

As one of her responsibilities within KLF, Zineb Kettani leads the debt recovery department. She is a highly regarded member of the Casablanca Bar Association who handles thousands of procedures and gives priority to clients’ satisfaction.

Today, KLF regularly receives plaudits for its expertise in legal matters and it has been honored with significant and prestigious international awards over many years.
A national initiative for the development of the medical sector

Doctor Mohamed Guesous, esthetic surgeon and founder, Guess Clinic, explains why Morocco is considered by many a particularity in their sector.

What are your impressions about the country’s development right now?
Morocco has seen a great revolution in the economic plan in the last twenty years. I have been practicing in Morocco for 20 years and I have seen a big change in the level of our sector, from the point of view of the development of the country and the quality of patients that we receive. 20 years ago, we had a clientele that was 100 percent Moroccan with a lower demand. In the measure of patients that were coming from abroad, we received patients primarily from France, Belgium, and Switzerland. We adapted to this and created what is called personalized medical tourism; even here in Morocco, we have chosen not to engage in medical tourism en masse, but we have instead chosen personalized medical tourism, which is to say that the clinic receives patients without passing through intermediaries or travel agents. This is what differentiates us from countries that have chosen the low-cost route, like Tunisia, Thailand and Turkey.

“‘We will surely open equivalent clinics in other cities because there is demand from patients, seeing that the concept is complete and that they feel both trust and pleasure under Guess Clinic’s roof.’”

- Doctor Mohamed Guesous, Founder, Guess Esthetic Clinic

How would you describe Morocco’s position in the realm of aesthetic surgery throughout the years?
Historically, in the 60s, there were already well-known surgeons in Morocco, surgeons who made their mark, while in Europe the industry was just beginning. There were French and Moroccan surgeons who received patients from abroad, and we as contemporary surgeons have inherited this history. The patients coming to Morocco come quite naturally, because we have this history of cosmetic surgery in our country, in terms of geography we have a strategic position, in relation to Europe, Africa and the Middle East, while in terms of cost we are at an advantageous level. Eventually, we will surely open equivalent clinics in other cities because there is demand from patients, seeing that the concept is complete and that they feel both trust and pleasure under Guess Clinic’s roof.

What would be the next step for you and Morocco in general in this industry?
We are in the process of developing our private medical clinic concept and have looked at the possibility of approaching partners or investment funding. It is important that potential investors considering investing in Morocco investigate the market. Then they will understand that the two sectors in Morocco that attract most of the world and money are medical care and education.

Morocco has a history in the domain of cosmetic surgery. We have developed this specialty and, while it is not too well-known, it suffices to look a bit into the history of cosmetic surgery. We have the culture and local demand here: in Morocco, physical appearance is very important for Moroccans men and women. This is our local patrimony, we use it in our medicine and we export it abroad. In this clinic, we don’t only use imported products and techniques, but also local ones, so it is a perfect symbiosis between tradition and modernity. It is not only based in surgery but also in know-how, above all, and on very competent professionals. People devoted and passionate about the fields of well-being and cosmetic care.

Could you share with us some of your current challenges in your sector?
The challenge for me is creating new units. We are at the point of creating Guess Clinic 2, which will be a parallel clinic, at the forefront of current practice. We have chosen Casablanca again, because Casablanca is a big city in need of a high-level clinic.

We studied everything that is done in this country. Eventually, we will surely open equivalent clinics in other cities because there is demand from patients, seeing that the concept is complete and that they feel both trust and pleasure under Guess Clinic’s roof.

What are your impressions regarding the country’s development?
Morocco’s development has been steady in recent years with a positive growth rate, thanks to a liberal and open economy, and benefiting from free-trade agreements with the US and the EU notably. Important investments were directed towards infrastructure development, with excellent results, but a challenge remains in making growth more inclusive.

When it comes to financial ambitions, how is the financial center a gateway to the rest of Africa?
Casablanca Finance City (CFC) has multiple members in the financial sector, such as a banking, insurance, private equity, asset managers and more. With the support of CFC, these financial institutions carry a lot of business in Africa. Our goal is to continue to channel international capital flow into Africa. The continent has a big need in terms of financing, whether it be in infrastructure or development, these needs are not always being met.

What are your strategies for bringing companies together and what value do the companies gain?
Being part of the CFC community allows companies to be based in Morocco, while benefiting from its strategic assets to conduct their business in Africa.

Morocco has a strong political and macroeconomic stability, with one of the lowest inflation rates in Africa. Our infrastructure and connectivity are also at a high-development point: a vital factor for companies. The country has a good system of regulation in terms of the financial sector, which, according to the World Bank and International Monetary Fund, has made Morocco’s central bank an example in the African region. Moreover, CFC has created a set of dedicated value propositions for its members, which embodies efficiency and reliability.

CFC helps its members dedicate 100% of their time and efforts on conducting businesses by offering a streamlined process for all administrative procedures and paperwork. In addition, CFC companies have an open-ended hiring quota for expatriates, helping more professional services grow in Casablanca. Companies also have access to free mobility of capital flow, meaning our community benefits from unrestricted exchange control. Furthermore, CFC has put in place a mediation and arbitration center for resolution dispute and is led by well-known international arbitrators.

Our members are part of a community dedicated to Africa, enabling them to gain real knowledge on doing business in countries throughout the continent. To that end, CFC provides its members with information and fact sheets containing key insights that are not readily found. Moreover, the CFC community benefits from an up-and-coming, vibrant Casablanca, where expatriates can find a piece of home through a diversity of activities. From sport marathons to art exhibitions, Casablanca and Morocco have adapted to cater to the expatriate world.

What have been the CFC’s biggest achievements and what are your goals?
Initially, we performed an analysis of the continent and found there were only two African financial centers ranked in the Global Financial Centers Index (GFCI) - Johannesburg and Mauritius. Our goal was to build a successful financial center that would promote Casablanca. Therefore, CFC was created around a set of values, to attract international and national companies with an African vocation. In a nutshell, companies have access to CFC’s value propositions by being granted the CFC status and thus, becoming a member. In 2014, as our community quickly expanded, and CFC successfully entered the GFCI ranking. In a short time, CFC gained top ranks and is now recognized as one of the most promising international financial centers.

Towards the future, CFC aims to continue improving this rank and to support its community in furthering their efficiency of doing business in Africa. Another one of our priorities, is to recruit new members in specific areas of the financial sector, with a focus on investment funds and private banking, to meet the needs of high-net-worth individuals in Casablanca. Finally, CFC is determined to have a strong focus on Fintech, which is currently key for African countries.
OCP: Leading the world’s agricultural revolution

How Morocco’s largest company is key to our food future

Headquartered in Casablanca, OCP Group is a global leader in the phosphate rock and derivatives market, employing 21,000 people worldwide.

The company extracts, transforms and commercializes phosphate and phosphate products. With exclusive access to the world’s largest phosphate rock reserve according to the U.S. Geological Survey, OCP is the world’s top producer and exporter of phosphate rock and phosphoric acid, and is one of the largest fertilizer producers. It offers a wide range of customized fertilizer products to help sustainably feed the planet by enhancing soil and increasing agricultural yields. The company leads the industry in the promotion of the nutrient-stewardship philosophy of the “4Rs”: right source, right rate, right time and right place.

OCP will be celebrating its centenary in 2020. Historically a department of the Moroccan state, the company was spun out in 2008. That same year it launched its large-scale integrated industrial development strategy, due to be completed in 2027, which is transforming the company into one of the world’s most sustainable fertilizer producers with a presence throughout the phosphate value chain. Key to enabling this strategy has been its three industrial joint ventures with leading U.S. firms DuPont, Jacobs and IBM.

This transformation could not be happening at a more important time. With the world population predicted to near 10 billion by 2050, global agricultural production will need to increase by 77 percent just to keep up with food demand. To do this, crop yields need to be tripled and phosphate nutrient consumption doubled. And all of this will need to be done in a sustainable way that protects the environment. Customized fertilizer production, a deep understanding of plant nutrition and its correct application have never been more crucial.

With more than 160 clients across five continents, the group has significant international presence and market share, particularly in Africa, North America and Latin America. The company’s competitive advantage lies in its ability to quickly adapt its product offerings by flexing its production volumes in line with the seasonal volatilities of the market.

The group’s plant nutrition subsidiary in Canada and the U.S., OCP North America, strives to advance the smart and efficient use of phosphorus on farms and to provide customers with plant-nutrition solutions that protect the environment. In 2018, the OCP Group earned revenues of $5.95 billion. 2019’s first-quarter results have seen revenues increase 20 percent to $1.31 billion from $1.33 billion in the same period in 2018. The first-quarter earnings before interest, tax, depreciation and amortization reached $436 million, 73 percent ahead of the $257 million achieved in that period of 2018, with an associated margin increase to 35 percent.

“...most sustainable fertilizer producer with a presence throughout the phosphate value chain. Key to enabling this strategy has been its three industrial joint ventures with leading U.S. firms DuPont, Jacobs and IBM. This transformation could not be happening at a more important time. With the world population predicted to near 10 billion by 2050, global agricultural production will need to increase by 77 percent just to keep up with food demand. To do this, crop yields need to be tripled and phosphate nutrient consumption doubled. And all of this will need to be done in a sustainable way that protects the environment. Customized fertilizer production, a deep understanding of plant nutrition and its correct application have never been more crucial."

Mostafa Terrab
Chairman and CEO, OCP Group

Innovation is crucial to our food security

Chairman and CEO Mostafa Terrab explains OCP’s approach

Innovation is at the heart of our strategy to achieve a sustainable response to the global challenge of food security. Our policy is to continually invest in research and development (R&D) to realize value and deliver impact.

Today, the group’s R&D activities are concentrated at the Mohammed VI Polytechnic University, our research hub and an incubator for ideas and innovation that is connected to a network of over 50 of the world’s leading academic institutions. It is playing a key role in accelerating our progress.

Our approach has four pillars: first, we are focused on finding the right solutions for farmers and their soils. Because using the right fertilizer, at the right rate, in the right place, at the right time is the most effective method for increasing yields.

This is why we have created our smart fertilizer portfolio and have developed innovative solutions to meet farmer, agriculture and agro-food market needs. We export over 40 different fertilizer formulas to meet the specific needs of different soils and crops. And we are undertaking massive soil fertility mapping exercises across the globe to ensure their correct application.

Second, it’s something we call “hacking phosphate”; diversifying our product portfolio by researching and commercializing new applications of phosphate and its by-products. In this way, we can leverage a huge amount of resources on optimizing our processes to drive efficiencies.

Innovating, through the digitization and integration of our supply chain and adopting new technologies, is essential if we are to maintain our competitive advantage.

Finally, we are innovating sustainable production systems that meet our environmental and circular economy visions. Clean energy, for example, now accounts for 70 percent of OCP Group’s needs and the group aims to meet 100 percent of its electricity needs by 2028 through wind, solar or cogeneration. We produce 25 percent of Morocco’s clean electricity and are investing a further $21.3 million in energy research.

“We export over 40 different fertilizer formulas to meet the specific needs of different soils and crops.”

Mostafa Terrab, Chairman and CEO, OCP Group

World leader in the phosphate industry

100 years of expertise in helping to sustainably feed the planet

No. 1 global producer and exporter of phosphate rock and phosphoric acid with 31% market share and a major fertilizer producer

$5.95 billion in revenues up 15% in 2018, with a strong performance in all segments

21,000 employees committed to serving sustainable agriculture

51,000 farmers benefiting from OCP’s Agribooster program in Africa

More than 160 clients across 5 continent

OCP S.A. Headquarters : 2 - 4, rue Al Abtal – Hay Erraha 20200 - Casablanca, Morocco www.ocpgroup.ma
OCP Group’s results reflect the completion of the first phase of OCP’s industrial development plan. Over the last eight years, the company invested heavily in optimizing production costs, tripling mining production capacity to reach 44 metric tons of phosphate ore and doubling fertilizer production capacity to 12 metric tons.

OCP has also invested in its logistical flexibility through the construction of a slurry pipeline that connects its main mine in Khouribga to its facilities in Jorf Lasfar, where port infrastructure has been strengthened to help facilitate exports. This has required state-of-the-art production capacities that allow OCP to optimize product customization, which in turn gives access to new strategic growth markets. “This focus on customization gives a crucial edge to our environmental commitments,” says OCP Chairman and CEO Mostafa Terrab. “It ensures we can lead the way in the industry’s ‘4Rs’ objectives of fertilizer use in the right place, at the right time, right rate and from the right source. They are defining goals for the future of our industry.”

“OCP's strategic initiative to diversify is fully underpinned by the industry’s strong long-term fundamentals, despite its cyclical volatilities. Since February 2016, when OCP officially launched OCP Africa, the company has entered into strategic south-south partnerships with several African countries. This African strategy is a natural development for OCP: there is a clear role for fertilizers to play in fostering a continent-wide green revolution and, as an African company, OCP will be well placed to assist.”

As Morocco’s leading company, employing 21,000 people, OCP is contributing extensively to regional development in several sectors, such as mining and fertilizer operations, as well as through its sustainability program. At the heart of OCP, however, is a desire to keep learning and transforming. One of the key company philosophies focuses on education and change management, and every year it encourages its employees to spend four weeks volunteering their time to promote the communities in which they work. The company has seen the overall age of employees fall substantially: “In 10 years, we reduced the average age by 10 years,” says Terrab, adding that the number of female employees in management positions continues to rise.

The company has mining and production sites throughout the country, and is committed to using as many local subcontractors and service providers as possible. It supports a complex ecosystem of small- and medium-sized companies, and ensures it is at the heart of the communities it serves. It has a substantial commitment to development of farming on the continent at a time when Africa’s global role is on the rise. OCP’s sustainability program aims to increase local community involvement. In its water program, for example, the company has committed to using no underground water. That has led to investments in water sewage treatment and desalination plants in the communities where it operates.

Potential of Moroccan agriculture and opportunities available within the sector mirror many other African countries. The opportunity lies in the fact that between 60 and 70 percent of the population is rural and agriculture is a traditional activity. The challenge is to grow the value add of agricultural production, to use as little water as possible and to support smallholders.

OCP is a long-standing partner of the sector and is strongly committed to supporting the emergence of innovative, high-impact models able to accelerate its transformation. The ‘Al Mouthir’ program offers a wide range of products and services to do that which, alongside the Ministry of Agriculture’s 10-year-old Green Program, have and will continue to drive results and impact. The Moroccan economy has the advantage of being diverse, and its shares of services, manufacturing and agriculture are fairly balanced. So it is a very attractive destination for foreign investors, such as those in the automotive industry and high-tech sectors like aeronautics.

Investors are attracted to Morocco’s stable and open economic environment, its modern financial sector, the country’s competitive workforce and the fact that Morocco is closely integrated into broader economic areas such as Africa, the U.S. and Europe. OCP’s expanding African agricultural ecosystem OCP’s strategy is to shift from being a pure fertilizer producer to an agricultural solution provider, with an end-to-end ecosystem approach that starts and ends with the smallholder farmer, and involves the key stakeholders throughout the value chain:

- "Africa's" maize program focuses on four main areas: customized fertilizers, soil nutrient mapping and agronomic testing, production and logistics; holistic, farmer-centric support; and agricultural innovation.

OCP is and will continue to be a significant driver of Morocco’s economy and we are heavily committed to playing a key role in major technological developments such as clean energy and water conservation.”

Mostafa Terrab, Chairman and CEO, OCP Group
Our global presence
With operations in 5 continents, we are strong where our customers need us to be

Our partnerships
Strong partners to help us fulfill our mission of sustainably feeding the soil to feed the world

Can we sustainably feed a world of nearly 10 billion people? At OCP Africa, we believe the answer is “yes.”

With subsidiaries in 12 countries and projects in over 15, we have made a major commitment to dramatically increase farmers’ access to affordable, customized fertilizers and other products, services and networks they need to feed their fellow Africans and the world’s growing population.

OCP Africa is proud to be working hand-in-hand with African farmers, using African resources, to contribute to unlocking Africa’s vast potential in sustainable agriculture.
Feeding the soil to feed the planet

With nearly a century of expertise, the OCP Group is a world Leader in the phosphate and derivatives market. Helping to feed a growing global population by providing essential nutrients for plant growth, the Group implements a vision of sustainable and prosperous agriculture by increasing crop yields while conserving soils.

Headquartered in Morocco, OCP works in close partnership with more than 160 customers over 5 continents.

The three pillars of our industrial strategy

- Strengthening mining and processing capacities
- Cost control
- Industrial flexibility and commercial agility

OCP has doubled its share in the fertilizer market from 11% to 22% over the past 10 years

Our circular economy approach

- Zero conventional water consumption
- 100% green power
- Emissions control and effluent management
- Implement smart agriculture
- Mines rehabilitation for the communities’ benefits
- Make our waste a new source of value

Total consumption of water from seawater desalination or wastewater treatment

Exploit all available technological advances to reduce emissions and discharges

Develop the ‘smart fertilizers’ and innovative solutions for farmers

Redevelop twice the land rehabilitated each year, creating seasonal and permanent employment in the agricultural sector

Full recovery of phosphate and other elements present in the rock

24,000 metric tons of industrial waste to be recycled each year, with the potential to create jobs

Windmill, solar, or co-generated production - 25% of national green power produced by OCP (14% of the annual consumption in energy)
How would you qualify Morocco’s record on human rights, in particular since the accession of Mohamed VI to the throne 20 years ago?

Human rights have been considered for the past two decades as a fundamental principle and a strategic choice for our country, and there has been a marked rupture with some of the practices of previous eras. Indeed, we have extended civil, political, social, cultural, and environmental rights.

Following the recommendations of the Equity and Reconciliation Commission, reforms have been implemented at every level. At the same time, we have upheld our commitment to United Nations-led mechanisms. A number of initiatives have been taken to expand freedoms, such as the new Family Code and the reformed Nationality Code, which have improved gender equality, the new Labor Code, and the National Initiative for Human Development.

The overarching aim was simply to ensure that Morocco, like many other countries, has an independent justice system based on the Constitution, alongside the legislative and executive powers. The Superior Council of the Judiciary, established two years ago, guarantees this independence, as is done in the world’s most democratic countries. Today, two years down the line, we can safely assert that the result is successful and meets our expectations.

Can you tell us more about the reformed commercial code and also about the reforms aimed at empowering women at administrative level?

Concerning the reform of the commercial code, it is in line with our open, market economy and our desire to improve our attractiveness to investors and businesses. We have thus adopted new legislation on the difficulties that enterprises can face, which is inspired by the best practices implemented worldwide. This reform has enabled us to jump from 134th to 71st place worldwide regarding the “resolving disputes” category of the World Bank’s Doing Business ranking.

Furthermore, parliament has recently adopted a new law about the system of property securities, which gives businesses new avenues for financing since they can now offer their tangible and intangible assets as collateral securities. In accordance with this law, we will now establish a national property security registrar with the support of World Bank experts. Now, concerning gender equality, we are very proud to have almost reached parity among the Ministry of Justice’s 14,000 odd civil servants. Furthermore, last year we opened for the first time in the history of our kingdom the profession of notary to women. Up until then, they were barred from entering this trade. We have recently organized the first entrance examination open to women, and we expect 300 will be soon able to operate as notary.

We believe all these reforms create a feeling of security, serenity and justice.

Morocco and the United States are strong partners in the fight against terrorism, and the Ministry of Justice plays a leading role in this respect. How is this collaboration enacted in practical terms?

As part of the government’s global approach on the complex phenomenon of international terrorism, our partnership with the United States is implemented through bilateral and international cooperation on crime in general and on terrorism in particular.

Over the past two years, this collaboration has been implemented, under the auspices of the working group on foreign fighters, particularly through two initiatives: the Rabat – Washington Good Practices on the Prevention, Detection, Intervention and Response to Homegrown Terrorism, which was adopted in 2018, and a document on advanced control and the sharing of information, which should be adopted by the end of 2019.

Furthermore, Morocco and the United States launched a common initiative in 2015 as part of the working group on capacity building in the Sahel region with the aim of creating a platform for promoting informal judicial cooperation in the fight against terrorism in Sahel and Maghreb countries.

What are the cooperation mechanisms for international judicial cooperation?

Since 1983, the Kingdom of Morocco and the United States are signatories to a judicial cooperation agreement on criminal matters aimed at preserving and strengthening our long-standing relationship and establishing efficient judicial cooperation. Since then, this heightened judicial cooperation has been manifest through an increase in regulatory commissions and judicial notifications, as well as through mutual requests for extradition.

Morocco’s approach is multifaceted. Apart from strengthening security, which is obviously key to avoid tragedies, we are pursuing an approach based on the development of underprivileged areas and a religious approach based on promoting a tolerant Islam and fostering dialogue to counter the obscurantist ideas that feed into terrorism. This approach has been largely successful: a number of Salafist Jihadist leaders have disengaged from their extremist views and now adhere to our religion’s pacifist values.

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“Our reforms seek to strengthen human rights and governance”

Mohamed Aujjar, former Minister of Justice, comments on the far-reaching reforms of the judiciary carried out over the last few years