MOROCCO
AMDIE leads the kingdom into a new growth phase
The kingdom of Morocco—a constitutional monarchy—is situated at the tip of Northwest Africa. It has established its position as a global trade hub by continuing to liberalize its economy and attract foreign investment. To this end, Morocco has strengthened its economic and security commitments with the U.S., the EU, China and the Gulf states, as well as reuniting with the African Union.

Relations between the kingdom of Morocco and the U.S. date back to the American Revolutionary War (1775-1783). Morocco was one of the first countries to recognize the independence of the U.S., and remains one of its oldest and closest allies in North Africa. Formal U.S. diplomatic relations with Morocco started in 1787, with a treaty of peace and friendship between them that still is in force and constitutes the longest unbroken treaty relationship in U.S. history. Currently, there are more than 100 U.S. companies operating in Morocco, predominantly in infrastructure, aviation, renewable energy and environmental technology. Since the signing in 2006 of a free-trade agreement (FTA) between the two countries, exports from Morocco to the U.S. have more than doubled and U.S. exports to Morocco have more than quadrupled—from 2005 to 2017, the total value of Moroccan exports to the U.S. grew from $445.8 million to $1.2 billion, while U.S. exports to Morocco increased from $480 million to $2.2 billion. Currently, Morocco is the U.S.’s 68th-largest goods trading partner.

AMDIE, Morocco’s export and investment agency, is responsible for promoting Morocco’s national and foreign investment, as well as the export of goods and services. The agency is committed to supporting all economic actors throughout their life cycle—offering advice and support for each project in its entirety, from preparation to financing and execution. It identifies the best partners in Morocco for foreign investors and assists in the deal-making process. For Moroccan companies, the agency facilitates access to international markets and export control. AMDIE will identify the best opportunities abroad and follow up on each participant during the entire investment process, regardless of your country of origin,” AMDIE Acting Director General Hicham Boudraa confirmed.

In recent years, the Moroccan authorities and AMDIE have been successful in attracting a relatively consistent flow of foreign capital, mainly through the country’s national privatization program, the conversion of foreign debt into investments and the operations of public services concessions. Various other sectors have also benefited from foreign investment, including banking, tourism, energy and industry.

So, where does Morocco stand today? What is our national economy’s global ranking? Is Morocco competitive? Can it be classified among emerging nations? Needless to say, there is no single model of an emerging nation. Each country has its own development process, which is based on its human, economic and natural resources, as well as on its cultural heritage. It is also contingent on the obstacles and difficulties each nation has to face. However, there are standards and requirements to meet in order to join this category of nations, particularly in terms of democratic and institutional development, social and economic progress, and regional and international openness.

Hajesty King Mohammed VI

The time to come to Morocco is now

AM DIE Acting Director General Hicham Boudraa details some of the advantages of investing in Morocco

What are your expectations for economic growth in Morocco? The fact that Morocco is a kingdom is vitally important. We benefit greatly from having a king with a clear, long-term vision based on in-depth research and facts. Most of our key policies cover 20 to 25-year periods and are under constant review. AMDIE will continue in current momentum in building up the country. We have already succeeded in growing various vital sectors of the economy. Aerospace, for example, is growing more than 20 per cent a year; the automotive industry has become Morocco’s biggest exporter; and textile production and exports are flourishing. This is the beginning of a new growth phase for Morocco. Currently, our imports exceed our exports. To change this, we have been developing strategic alliances with Africa and are also working to improve our relationship with the U.S., which we can provide with trade advantages. For instance, looking at aspects of business between the U.S. and Chinese sales in China are increasing, regulations and taxes between the two countries are problematic. Morocco is the solution. The U.S. would keep the same base but with additional advantages, such as quality, better delivery times and lower freight costs.

What is behind AMDIE’s success? We have made it a point to be at the service of Morocco’s private sector—offering our investment services, and promotion and export expertise at every phase of their economic operations. We have transformed the agency into being proactive and business-case based, working as an investment banker. For example, we identify the Moroccan offer within ecosystems, and then reach out to companies that will invest here and enhance the local network. The key is integration and we have built completely integrated industries. Each industrial base has a different ecosystem that comprises everything, including logistics, employee restaurants, transportation and housing. Having a clear vision and a well-defined ecosystem offer makes it easier for us as an agency, and also facilitates the process for investors and purchasing departments to place orders and move forward with investments. We have put all the elements in position for investors to build on business plans and Morocco offers the complete package: we are stable, we are a kingdom and we provide the right environment for financial success.

How strong is the relationship between Morocco and the U.S.? We have great confidence in it, but our important historical ties and excellent political relationship are separate from our economic ties. Asian companies are making greater into Africa and Morocco a priority, and we need to do more to ensure U.S. companies are aware of the outstanding benefits that Morocco offers. We want to create new partnerships with U.S. firms and learn from them. They, in turn, will enjoy profits by positioning themselves here today—not tomorrow. The time for coming to Africa is now:
Meet the kingdom of Morocco’s investment team

Moulay Hafid Elalamy
Minister of Industry, Investment, Trade and Digital Economy

Could you provide an overview of the business environment for international investors in Morocco?

Businesses have become increasingly global and Morocco, with its stability and 60 free-trade agreements, has positioned itself as an excellent platform for global investment. Morocco has gradually created a very strong industrial ecosystem. It actively searched for companies that would act as mentors of development for certain sectors, for example, Bombardier in aeronautics and Renault in the automotive industry, among many others.

This has yielded encouraging results and the industrial sector is now really on the rise. Since our industrial Acceleration Plan was launched in 2014, industry’s contribution to GDP has grown from 14 to 18 percent and we have created nearly 500,000 jobs—and that is just the beginning.

Today, Morocco is no longer a source of cheap labor but a reliable source of highly trained engineers, with a competitive logistical structure, state support for businesses and a high level of protection for investments—foreign investors can own 100 percent of a Moroccan company and reap 100 percent of their dividends and revenue every year. As a result, whereas I had to work hard to find investors in the past, we are now overwhelmed by the number of investors coming to Morocco.

Othman El Ferdaous
Secretary of State for Investment

What are some of the major reasons that a growing number of international companies are relocating to Morocco?

Foreign investors essentially opt for Morocco for three reasons: its political and economic stability, quality infrastructure and logistical cost reduction, and human capital. At around 30 percent, Morocco boasts one of the highest public investment rates in the world, most of which is related to infrastructure.

Over the last 15 years, for example, Morocco has invested around $20 billion in modern, competitive infrastructure and the government's investment program continues. Not only do we have an extremely well-developed motorway network connecting all the major cities, but also the largest airport hub in Africa and about 30 ports, including TangerMed, which is Africa's biggest port. In addition, public investment in solar and wind renewable energy plants is equal to around $3.2 billion.

Furthermore, a growing network of industrial parks and special economic zones located across the country is helping to create a manufacturing environment that is very attractive to international players, while state-led training programs dedicated to the needs of specific industries are speeding the rate at which the kingdom can provide the necessary human resources that are supporting businesses in Morocco as they grow and develop.

Hicham Boudraa
Acting Director General, Moroccan Investment and Export Development Agency (AMDIE)

Can you give some examples of how AMDIE supports international investors and exporters?

AMDIE is Morocco’s one-stop shop for investors and exporters. We provide transparency about what is possible for international companies and we evaluate how the state can best help them through financial incentives. By working with AMDIE, investors can save up to 20-30 percent of the set-up costs they would otherwise incur. By working with AMDIE, investors can save up to 20-30 percent of the set-up costs they would otherwise incur. By working with AMDIE, investors can save up to 20-30 percent of the set-up costs they would otherwise incur.

Wide-ranging opportunities for investors

A focus on some of the numerous sectors of Morocco’s economy that offer potential for international investors

Industry

Morocco’s groundbreaking industrial acceleration plan, which includes the creation of a $2.28 billion public industrial investment fund, is based on building efficient ecosystems around key sectors. This strategy has already seen the kingdom becoming a leader in areas such as the automotive industry, with Renault operating two production plants. PSA Group establishing one and China’s BYD about to start producing electric vehicles in Morocco.

The aerospace sector is another seeing rapid growth and it currently involves 110 companies including Boeing.

Logistics

Only 14 kilometers from Europe and at the crossroads of the main trade routes between the U.S., Africa, Europe and the Middle East, Morocco is ideal for logistics companies. Adding to its attractiveness is the best transport infrastructure in the region, which includes an extensive network of airports, sea ports, railways and motorways.

The government is continually investing in improving this infrastructure, and its current focus is on road extensions, port developments and building 70 new logistical hubs countrywide.

Mining

Ranking second behind Saudi Arabia in BMI Research’s 2018 mining risk/reward index for the Middle East and North Africa, Morocco is the world’s second largest producer of phosphate, although there are also significant opportunities in minerals such as cobalt, silver, copper, lead, zinc, manganese, iron and barite. The country’s mining code was recently updated to increase legal clarity and encourage foreign investment in all aspects of the mining value chain, including exploration, research, operation and the transformation of ores.

Tourism

Morocco tourism is booming, with visitor numbers up 8.5 percent in the first 11 months of 2018, in comparison with the same period in 2017. Its fourth-largest city, Marrakesh, was named Fodor’s top place to visit in 2018, but Morocco has many other attractions that draw in guests—from beautiful landscapes such as stunning beaches, deserts and mountains, to a rich cultural mix that spans the ancient to the modern. The sector also offers numerous activities, with $1.25 billion being channeled into 371 food production facilities, for instance.

Digital Morocco

The government’s Morocco Digital 2020 plan aims to develop the country’s capacities to become a regional hub for the digital sector and innovation, and to make new technology a tool for economic growth. As part of its strategy, the government intends to train 30,000 IT professionals, and equip and connect 20 percent of SMEs with new technology. The country already has a well-developed ecosystem for innovative startups, which has been boosted by the establishment of a special economic area for technology firms, Technopark.

Liquefied natural gas

Morocco is moving its energy mix toward gas and renewable power. In October 2018, the National Office for Electricity and Water launched a tender for a $4.5 billion LNG import terminal near Casablanca, along with 400 kilometers of pipeline. Four power plants with a total capacity of 2.4GW will be built to convert this gas to electricity. Morocco could also become a gas exporter. 70 permits for exploration permits were issued in 2018, while production is due to start soon at a site that contains an estimated 31 trillion cubic feet of gas.

www.country-reports.net
Introducing Morocco, a hub for business with global connections

Morocco is at the crossroads of the main international trade routes linking the U.S., Europe, Africa and the Middle East.

A competitive kingdom

Thanks to its highly qualified and competitive labor force, lower tax rates and attractive exporting costs, Morocco is the region’s most competitive exporting platform.

Population
35.4 million

Surface area
710,850 km²

Currency
Moroccan dirham (MAD)
USD 1 = MAD 9.52 (2019)

GDP
$111.7 billion

GDP growth
4.1%

*All data relates to 2017 unless otherwise noted

Institutional system
Democratic and social constitutional monarchy

Languages
Official: Arabic and Amazigh
Widely spoken: English, French and Spanish

Trade
Exports: $261.1 billion
Imports: $46.0 billion

Foreign direct investment
Value: $2.7 billion
Growth: 21.5%

Inflation
0.7%

GDP per capita
$3,292

Total tax rate (% of profit)

Morocco Morocco China Spain Tunisia
49.3% 51.8% 58.2% 62.4% 64.6%

Average wage ($/month)

Morocco Tunisia Turkey South Africa
327 338 430 1,280

Cost to export ($ per container)

Morocco Egypt Tunisia Jordan Turkey Poland Spain
595 625 805 825 990 1,050 1,310

Morocco's ecosystems

Heavy Trucks
Aerospace
Chemicals
Phosphate Industries
Plastics Processing
Mechanical and Metalworking Industries
Pharmaceuticals
Offshoring
Leather
Textiles
Agriculture
Automotive

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“AMDIE will identify the best opportunities abroad and follow up on each participant during the entire investment process, regardless of your country of origin.”

Hicham Boudraa, AMDIE Acting Director General