

the business year

Supported by



MOROCCO 2021/22

ECONOMY & FINANCE | INDUSTRY & ENERGY | IT & MEDIA | TRANSPORT & LOGISTICS
CONSTRUCTION & REAL ESTATE | AGRICULTURE | HEALTH & EDUCATION | TOURISM





The Rabat skyline. The city is the country's seventh largest and its capital.



THE BUSINESS YEAR: MOROCCO 2021/22

Following the success of our inaugural publication and in spite of the challenges of the pandemic, TBY is back in Morocco for its second year. In partnership with AMDIE, Morocco's Investment and Trade Agency, The Business Year returned to offer insights into the themes of economic recovery. Though faced with significant challenges, the overall tone of those interviewed in this publication has been one of optimism. Having weathered the difficulties and adapted to the rigors of the pandemic, the business world of Morocco is tougher, savvier, and, crucially, more resilient.

2021 has been a year of upheaval. Military action, a new government, vaccine success, and a new model for development might each have been enough to warrant the spotlight on their own this past year. The unrelenting nature of the course of history has meant that all of these events have emerged to shape, each in their own right, the direction of the Kingdom.

The Business Year has encountered warm and welcoming people and we're proud to recount our readers with their journeys and provide a detailed view from the ground of how each sector is performing. This year, we struck up close collaborations with several leading enterprises

to delve into key sectors in greater depth.

In the health sector, TBY partnered with ABA Technology for a detailed view of the work carried out between the public and private spheres in the orchestration of a world-beating vaccination campaign. In logistics, our special report with PortNet fleshes out the industry's innovative ecosystem connected through a single operating window. In mining and chemicals, TBY worked with JESA, the renowned engineering company, to find out just how it is driving the sector forward. Finally, we are thrilled to work with L'Agence du Sud, the public agency for the development of Morocco's Southern Region, to highlight the important work being done to develop the region's infrastructure and integrate it further into the wider Moroccan economy.

These partnerships supplement the work in this annual publication to furnish readers with a complete understanding of the Kingdom's economy and how it is on the tipping point of immense, far reaching, and long-lasting transformation.

With the pandemic slipping into the rearview mirror, now is an exciting time to get to grips with one of the most dynamic economies in the region. ✕

CEO
Ayşe Valentin

Regional Director
Carlos Martinez

Country Manager
Myriem Dahlab

Associate Editor
Benjamin Macshane

Editorial
Terry Whitlam, Aidan McMahon

Contributors
Translinguo Global, Gillian Docherty, Emily Damgali, Jason Shaw, Heather Conover, Babak Babali, Mark Szawtowski

ISBN-13: 978-1-912498-90-1



ISBN 978-1-912498-90-1

www.thebusinessyear.com

the business year



3 From the editor's desk

7 Executive summary

9 Timeline

10 ECONOMY & FINANCE

11 Bold ambition • Chapter summary

12 Mohamed Benchaâboun, former Moroccan Minister of Economy and Finance • Interview

14 The place to invest to reach the world • Focus: Morocco Now

16 Marie-Alexandra Veilleux-Laborie, Director-Head of Morocco, The European Bank for Reconstruction and Development (EBRD) • Interview

17 Technically speaking • Focus: New government

18 Mehdi Tazi, General Vice President, General Confederation of Moroccan Companies (CGEM) • Interview

19 Rabia El Alama, General Manager, AmCham • Interview

20 Zakaria Fahim, President & Head of Advisory, BDO • Interview

21 Zakaria Benabdeljalil Sjöberg, Country Manager Morocco & Regional Manager North and West Africa, Business Sweden • Interview

22 Here's the plan • Focus: New Development Model (NMD)



23 Youssef Fassi Fihri, CEO, Société Centrale de Réassurance (SCR) • Interview

24 M'Fadel El Halaissi, Deputy CEO, Bank of Africa • Interview

25 Hicham Achki, Country Head & General Manager, Arab Bank • Interview

26 INDUSTRY & ENERGY

27 Keen advantages • Chapter summary

29 Nourddine Rhalmi, Managing Director, Alstom Maroc • Interview

30 Victoria Plantalamor, CEO, Crimidesa Group • Interview

31 Dounia Gnaou, Managing Director, Soremar • Interview

32 Brahim Laroui, CEO, Lesieur Cristal Morocco • Interview

33 Saïd El Houari, General Manager, Alomra Group • Interview

34 Fatima-Zohra Alaoui, Director General, Moroccan Association of Textile and Apparel Industries (AMITH) • Interview

35 Adil Touyeb, Managing Director, North Africa Platform Wilo Group • Interview

35 Mohamed Benamour, CEO, Benson Shoes • Interview

36 Being clean • Focus: Renewables



38 IT & MEDIA

39 Bouncing back • Chapter summary

41 Hicham Iraqi Houssaini, Managing Director, SAP Francophone Africa • Interview

42 Fatime Outaghani, CEO, PR Media Agency • Interview

43 Mehdi El Morjani, Founder & CEO, Bonzai Agency • Interview

44 Voices from the sector

46 TRANSPORT & LOGISTICS

47 Big role • Chapter summary

49 Nadia Laraki, General Manager, National Ports Agency (ANP) • Interview

50 Youssef Ahouzi, Director General & Acting CEO, PortNet • Interview

53 Saïd Maghraoui Hassani, Director Trade Remedies and Regulation, Ministry of Industry, Investment, Trade and Digital Economy • Interview

54 A window on tomorrow • Focus: Challenges to international trade

55 Hassan Sentissi El Idriissi, President, ASMEX • Interview

56 Hicham Mellakh, President, Logistics Competitiveness Commission, CGEM • Interview



57 Abdelaziz Mantrach, President, Professional Association of Maritime Agents, Consignees, and Ship Brokers Chartering of Morocco (APRAM) • Interview

57 Rachid Tahri, President, Association of Freight Forwarding of Morocco (AFFM) • Interview

59 Rachid Kamal, Executive Director - Group, Services and Processing, Attijariwafa bank • Interview

59 Nouredine Lahmamssi, President, Association of Authorized Customs Brokers in Morocco (ATADM) • Interview

60 The smart move • Focus: The logistics sector

62 Isidore Biyiha, President, African Alliance for Electronic Commerce (AAEC) • Interview

62 Hans Rook, Chairman, International Port Community Systems Association (IPCSA) • Interview



63 Mohamed Ifrah, Country Manager Morocco, Tunisia, and Mauritania, DHL • Interview

64 CONSTRUCTION & REAL ESTATE

65 Hurdles ahead • Chapter summary

66 Driss El Rhazi, CEO, SOGEA Maroc • Interview

67 Tarik El Harraqui, Director General, CBRE • Interview

69 Moulay Lakbir Alaoui Ismaili CEO, Lamalif Group • Interview

70 AGRICULTURE

71 Green future • Chapter summary

72 Hassan Sentissi El Idrissi, President, Fédération Nationale des Industries de Transformation et de Valorisation des Produits de la Pêche (FENIP) • Interview



73 El Mahdi Arrifi, General Manager, Agency for Agricultural Development (ADA) • Interview

74 Jean-Christopher Queyroux, General Manager, Marjane • Interview

74 Mohamed El Baroudi, Managing Director, SITI Tea • Interview

75 The times they are a-changin' • Focus: Cannabis in Morocco

76 HEALTH & EDUCATION

77 Shot in the arm • Chapter summary

78 Khalid Ait Taleb, Minister of Health • Interview

79 Complex challenges • Focus: Visibility in the global vaccine supply chain

80 Hicham El Habti, President, Mohammed VI Polytechnic University (UM6P) • Interview



81 Nawal Chraïbi, Managing Director, Moroccan Foundation for Advanced Science, Innovation and Research (MAScIR) • Interview

83 Mohammed Barkaoui, President, Mundiapolis University • Chapter summary

84 Mohamed Benouda, Founder, ABA Technology • Interview

86 Fighting back • Focus: Vaccination drive in Morocco

87 Hynd Bouhia, President & CEO, Strategica • Interview

88 TOURISM

89 Stay local • Chapter summary

90 Chadi Chemaly, General Manager, Fairmont Royal Palm • Interview

92 Brahim Eloufay, Co-founder & CEO, EasyGo Tours • Interview

Read more at thebusinessyear.com/morocco

The Business Year is published by The Business Year International, Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Islands. The Business Year is a registered trademark of The Business Year International. Copyright The Business Year International Inc. 2022. All rights reserved. No part of this publication may be reproduced, stored in a retrievable system, or transmitted in any form or by any means, electronic, mechanical, photocopied, recorded, or otherwise without prior permission of The Business Year International Inc. The Business Year International Inc. has made every effort to ensure that the content of this publication is accurate at the time of printing. The Business Year International Inc. makes no warranty, representation, or undertaking, whether expressed or implied, nor does it assume any legal liability, direct or indirect, or responsibility for the accuracy, completeness, or usefulness of any information contained in this publication. The paper used in the production of this publication comes from well-managed sources.

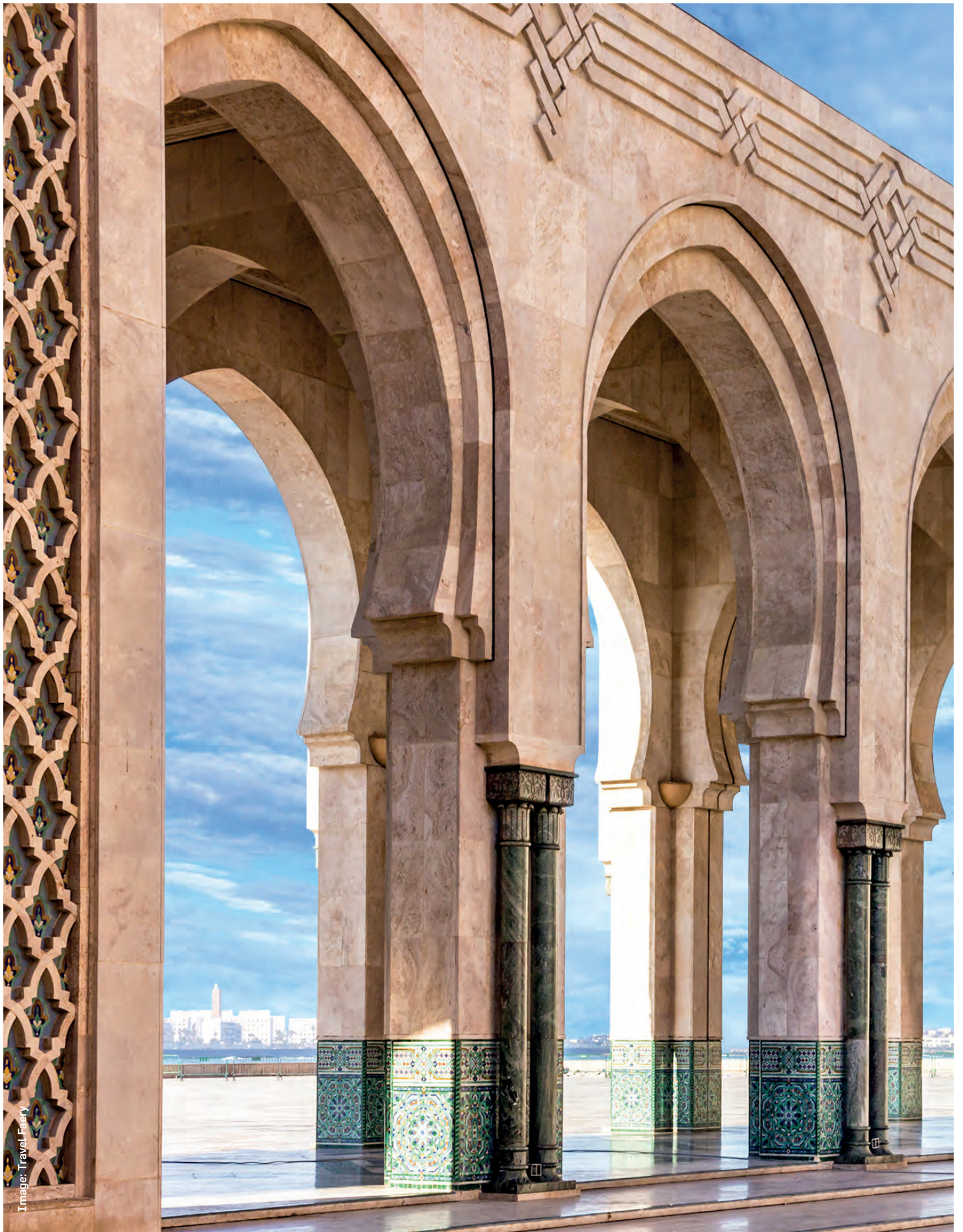


Image: Travel Fairy



EXECUTIVE SUMMARY

COVID-19 only slightly hindered *Morocco's* bold plans for economic transformation.

IN 2021, THE BUSINESS YEAR returned for its second year covering and surveying the economic and business landscape of the Kingdom of Morocco. Our 2020 edition covered the country's initial reaction to the pandemic, providing in-depth insights into the steps taken to mitigate the impacts of COVID-19. With the world still in the throes of the virus' constant new variants, this year's edition comprises voices and insights of business leaders now attuned to the "new normal" and fully adapted to the rhythm of lockdowns, restrictions, and reopenings. Indeed, it would be too easy to write that this was the year of full recovery following 2020's unprecedented challenges; the journey has not been straightforward and is still far from over.

S&P Global Ratings estimated that Morocco's economy contracted by some 6.7% in 2020 and is set to rebound by 5% in 2021, with expectation of annual growth of 3.6% over the next three years. Were this to unfold as predicted, Morocco's growth would be behind only Egypt's, highlighting the Kingdom's enormous potential.

Across the interviews conducted, the consensus is clear: Whatever the impact of the pandemic, the damage done would have been far worse were it not for the swift and agile response of the government

under King Mohamed VI. Mohammed Benchaâboun, Ambassador to France and former Minister of Economy and Finance, explains that the call to action first focused on distributing monetary aid and orchestrating the deferment of the payment of social securities. With the initial impact mitigated, the Ministry of Economy and Finance set about launching an ambitious recovery plan for a rapid return to growth comprising MAD120 billion, or roughly 12% of GDP.

The scope and momentum of this agenda was given ample grit in April with the government's announcement of the New Model for Development (NMD). This holistic mandate has laid out the primary targets to completely level up the Kingdom's socio-political economy by 2035. From GDP per capita to number of exporting companies and green energy targets, youth employment, and the integration of the informal sector, should the NMD succeed, Morocco will be one of the most attractive countries in Africa to do business in.

NMD has served as a reminder of the active role the monarchy plays in guiding the economic and political agenda of the Kingdom. It came about following a royal decree three years ago to have a commission layout the strategic vision for the Kingdom. 2021 continued

to be a busy year for the royal palace, as King Mohamed VI also oversaw the beginning of his new government after the September general elections.

Like clockwork, every five years under the reign of Mohamed VI, legislative elections have been held. The volatility of his father, Hassan II's reign—with its state of emergencies and coups d'états—seem a long-distant memory. The modern era's stability and regular elections belie the fact that the political machinery is still relatively underdeveloped. The overarching guidelines for Moroccan politics, as highlighted by NMD, still emanate from the royal palace.

This notwithstanding, the September elections were particularly momentous in importance as much as result. One special feature of the 2021 elections was that they coincided with the holding of municipal and regional elections that are scheduled every six years. These elections had the highest number of registered voters in Morocco's electoral history, at 17,983,490. The RNI party emerged as the clear winner in the threefold elections held in Morocco on September 8. Its wide margin of victory heralds a new political architecture that will preside over the country for the five years and begin the implementation of NMD.

The outcome of the 2021 elections cannot be easily divorced from the context of the pandemic. Higher unemployment and businesses on the brink was more than enough to tip the favor for the former opposition party. This was in spite of three major success stories for Morocco: in foreign policy, the signing of the Abraham Accords; the continuation of the country's green energy industry; and the phenomenal vaccination campaign that to date, in December 2021, has seen over 60% of the whole country vaccinated—the most on the African continent.

On the energy front, green power remains one of the country's most important and fast-developing industries. In 2020, it accounted for 37% of Morocco's electricity needs. A target of 50% by 2030 exists, underlining one of the most ambitious clean energy programs in the MENA region. Morocco continues to position itself as a clean energy leader and, in particular, an exporter of energy to Europe and Africa.

The prioritization of the vaccination drive, meanwhile, was overseen by Khalid Ait Taleb, Minister of Health. TBY's coverage of the vaccination campaign was highlighted in our special report on ABA Technology, one of the Ministry of Health's main partners. Its work, as emphasized by Ait Taleb, was critical in ensuring the cold chain of vaccine supplies was maintained to near perfection, thereby enabling distribution and delivery.

Finally, in return for the normalization of relations with Israel, a historic first, Donald Trump's parting gift to the Kingdom was to formally recognize Morocco's annexation of Western Sahara as its southern region. From Laayoune to Dakhla, Morocco has built up the magnificent desert coastline.

This move, however, did much to inflame the opposition, the Polisario Front, which equally claims the territory as its own, as well as sour relations with Morocco's main neighbor and rival Algeria. The state of play today is an uneasy formal ending of the ceasefire and a renewal of conflict.

In spite of the challenges presented by the pandemic, Morocco has proven itself able to forge ahead with its agenda for national transformation.

The past year was momentous in the Kingdom's history, and The Business Year is proud to publish key insights from the business and political leaders that will shape Morocco's future. ✖

GDP PER CAPITA (2020)

SOURCE: FOCUS ECONOMICS

USD3,000

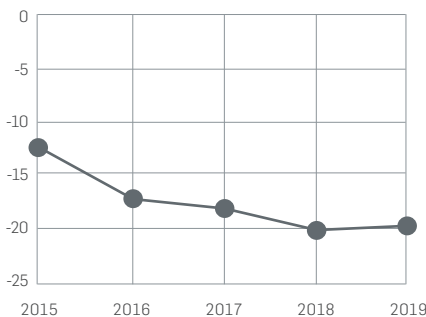
INFLATION (2020)

SOURCE: FOCUS ECONOMICS

0.62%

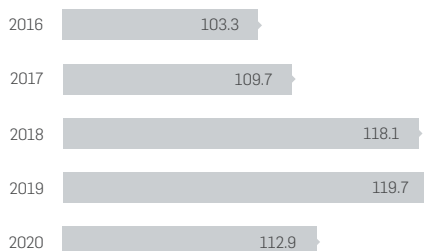
TRADE BALANCE (USD BN)

SOURCE: FOCUS ECONOMICS



GDP (CURRENT PRICES, USD BN)

SOURCE: THE WORLD BANK



**2021
JANUARY 1**

The African Continental Free Trade Area agreement commences

**2021
MARCH 30**

Government extends the monetary pandemic measure, Damane Relance facility, until end-June 2021

**2021
APRIL 12**

Announcement of New Model for Development

**2021
AUGUST 24**

Algeria cuts diplomatic relations with Morocco

**2021
OCTOBER 7**

New government headed by Aziz Akhannouch takes office

**2021
JANUARY 28**

COVID-19 vaccination campaign starts



**2021
MAY**

Migrant crisis between Morocco and Spain

**2021
SEPTEMBER 8**

General elections held; National Rally of Independents (RNI) win a majority

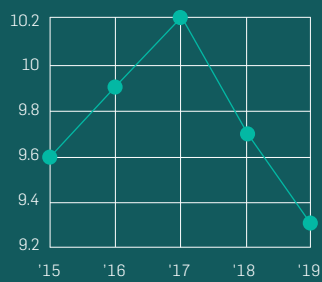
**2021
NOVEMBER 30**

Suspension of all incoming flights as Morocco mitigates spread of Omicron variant

A view over Tangier at night

UNEMPLOYMENT RATE (%)

SOURCE: FOCUS ECONOMICS



EXPORTS (USD BLN)

SOURCE: FOCUS ECONOMICS

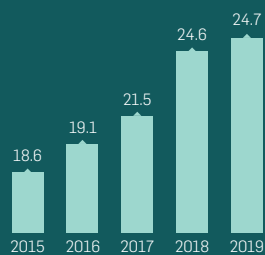


Image: Issam alhaffi



Economy & Finance

BOLD AMBITION

2 020 had proved to be a tough year for the Moroccan economy, as it was almost everywhere across the globe. However, in Morocco, COVID-19 was also accompanied by a drought. GDP contracted by 6.3%, tourism all but collapsed, and demand from Europe for manufacturing and agricultural exports fell precipitously. 2021 marked the turning of the tide, as recovery was underpinned by an exceptional vaccination drive and good rains helping the agricultural sector to rebound. The IMF, consequently, has predicted the country will grow 4.5% in 2021.

During our interview with Mohammed Benchaâboun, Ambassador to France and former Minister of Economy and Finance, he explained that the Recovery Plan of MAD120 billion was intended to be a holistic effort to integrate recovery from the pandemic with the transformation of the national economy.

First, densification of stimulus credit support and the scaling up of financial support for direct investment through the Mohammed VI Fund for Investment would be aimed at priority areas, including industrial restructuring, innovation, and growth-promoting activities, including the promotion of SMEs, infrastructure, agriculture, and tourism. Second, public sector reform aimed at strengthening the strategic role of public establishments and enterprises were designed to help accelerate the structural transformation of the Moroccan economy. With respects to the ame-

lioration in the provision of social securities, Benchaâboun emphasized the government's plans to progressively generalize social coverage, while reforming existing aid programs and the compensation system. The potential would be for 22 million Moroccans to benefit from the compulsory health insurance scheme.

The realization of this agenda is of pertinence to Morocco's financial sector. Its fortunes are intimately tied to the recovery of the entire economy. Over the last year, Casablanca's Financial City (CFC) has sought to alter its tax regime in a bid to increase its transparency and attract more business by being compliant with EU rules. In January 2021, a new law saw CFC companies subject to 15% corporate tax, up from 8.75%. In exchange for the tax levy, CFC companies would not be subject to regulation on movement, nor would they be obliged to hire local staff.

Accompanying this move has been a noted pivot southward. Morocco had reintegrated into the African Union in 2017, but it was only in January 2021 that African Continental Free Trade Area (AfCFTA) came into effect. The USD3.4 trillion economic bloc aims to facilitate the movement of goods and services and will be a boon to Morocco's financial priorities in the coming years.

With Morocco's economic recovery underway, the African continent opening up for trade, and regulatory reform improving the attractiveness of Moroccan enterprises, the horizon looks bright. ✖

SUSTAINED *growth*



The Ministry of Economy and Finance made significant efforts to improve the business and investment context in addition to several other measures to encourage a rapid return to economic growth.

Mohamed Benchaâboun
FORMER MOROCCAN MINISTER
OF ECONOMY AND FINANCE

The success of the vaccination campaign has been essential in curbing economic crisis

BIO

Mohamed Benchaâboun was appointed Moroccan Ambassador to France on October 17, 2021 by His Majesty King Mohammed VI. Previously, he served as Minister of Economy and Finance from 2018-2021. He is a graduate of École Nationale Supérieure des Télécommunications de Paris. In 1996, he was appointed director of the administration of customs and indirect taxes. Three years later, Benchaâboun joined Popular Central Bank (BCP) as deputy general manager. In 2003, he was appointed by His Majesty the King as general manager of the National Telecommunications Regulatory Agency, a position he held until 2008, when he was appointed CEO of BCP. Benchaâboun previously held a number of senior-level positions in the private sector, including director of the industrial division of Alcatel Alsthom Group in Morocco. An active member of associations and institutions, he was notably president of the International Confederation of Popular Banks (CIBP) and president of the Francophone telecommunications regulatory network. In 2010, His Majesty the King bestowed on Benchaâboun the Ouissam Al-Arch, an order of knighthood.

Morocco's financial and economic management of the crisis has been lauded by the international community. What have been the main challenges, and which achievements are you most proud of?

Under the informed leadership of His Majesty Mohammed VI, the country was able to mobilize its forces and take the necessary steps in timely manner in order to cope with the effects of the current health crisis. His Majesty introduced a special COVID-19 fund that gave people hope and stimulated an extraordinary mobilization. The response to the call for solidarity was much greater than expected, with over MAD34.6 billion (USD3.78 billion) donated, a record and an example that has drawn admiration from all over the world. The first measures were to distribute monetary aid, defer the payment of social security contributions, support access to state-guaranteed funding for companies, and pause the repayment of loans for both families and companies. The planning and execution of its vaccination drive also made Morocco a model, commanding both respect and admiration. Corporate defaults have been kept to a relatively moderate level, thanks to the many measures designed to reduce constraints on company cash flow and solvency. Faced with the magnitude of the health crisis, we implemented various short-term measures to ensure a quick economic recovery. Morocco opted for the implementation of an ambitious recovery plan allowing a rapid return to economic growth. With a budget of MAD120 billion (USD13.11 billion), or about 12% of GDP, the recovery plan includes the expansion of stimulus credit support and the scaling up of financial support for direct investment through the Mohammed VI Fund for Investment into priority areas, including industrial restructuring, innovation and growth-promoting activities, including the promotion of SMEs, infrastructure, agriculture, and tourism. An exhaustive reform of the public sector was also initiated to strengthen the strategic role of Public Establishments and Enterprises (EEP) in socio-economic development to help accelerate structural transformation. In order to tackle the economic and social difficulties, Morocco intends to progressively expand social coverage, while reforming existing aid programs and the compensation system. Finally, significant efforts have been made to improve

the business and investment context, particularly through reforms aimed at simplifying administrative procedures, modernizing the legal framework for business, and strengthening economic governance.

What will be the impact of the New Development Model (NMD) on Morocco's economy?

On May 25, 2021, under High Royal Instructions, a Special Commission for a New Development Model proposed a roadmap based on four strategic development pillars: the strengthening of economic resilience and the diversification of growth resources; the consolidation of human capital; equal access to inclusion opportunities; and the strengthening of the territories. The Ministry of Economy, Finance, and Administrative Reform will ensure the application of strategies and reforms aimed, on the one hand, at making Morocco one of the most dynamic and attractive economies in Africa, and, on the other, achieving an average annual economic growth of 6%. The success of NMD demands an adequate financing strategy. In this regard, the Ministry of Economy and Finance will play a pivotal role in the mobilization of financial resources, through the establishment of a more efficient fiscal policy, promoting, in addition to the preservation of the competitiveness of companies, the mobilization of additional resources, whose potential is estimated at between 2 and 3% of GDP.

What are the goals for the year?

The financial sector development strategy aims to establish a favorable framework for sustainably financing the economy. This objective is pursued through strengthening financial inclusion, consolidating financial stability, initiating a new dynamic in the development of the capital market and its infrastructure, and developing the insurance and social security sector. Regarding the banking sector, in the future, support and stimulus measures should continue, considering the evolving health situation and the recovery of economic growth. Priorities must be set for Moroccan banks. The objective is to identify ways to boost bank financing for the target populations, including the promotion of access to entrepreneurship bank loans for as many young, qualified project promoters as possible, and support for small and medium-sized businesses. ✖



AMERICAN CHAMBER OF COMMERCE IN MOROCCO

(AMCHAM MOROCCO)

Bridging the Atlantic in the Pursuit of Mutual Prosperity

The chamber's mission is to provide support to businesses, Moroccan and American, in expanding their opportunities in each market through advocacy, information, networking and business support services

SERVICES

- Advocacy and Assistance with Business Concerns.
- Business Briefings and Testimonials.
- Business Opportunities and Matchmaking.
- Business Referrals.
- Business Priority User for U.S. Visas.
- Discounts.
- Events: Seminars, debates, roundtables, gala ball, golf challenge and mixers.
- Information on U.S.-Morocco Trade and Investment.
- Promotional Opportunities on AmCham publications and website.
- Trade missions and door knock to the U.S.
- U.S.-Morocco Trade and Investment Awards.
- Corporate Social Responsibility Award.
- Hall of Fame Award.

PUBLICATIONS

- Membership Directory
- Morocco Trade & Investment Guide

COMMITTEES

- Corporate Social Responsibility
- Business Concerns
- Trade and Investment

WHO CAN JOIN

- American companies based in Morocco.
- American companies based in the U.S.
- International and Moroccan companies dealing with the U.S. market.

NETWORKS

AmCham network includes:

AmCham MENA



U.S.-Africa Business Center



FOCUS

Morocco Now

THE PLACE TO INVEST TO REACH THE WORLD

With the launching of “Morocco Now,” the Kingdom of Morocco is now—more than ever—an ideal, future-proof place to set up shop whether you want to launch an automotive assembly plant or create the next big trend in fast fashion.

MOROCCO HAS UNDERGONE a thorough economic transformation over the last two decades. The North African country is no longer admired merely for its historical cities and pleasant weather; Morocco is now undeniably a rising hub of industrial activities, offering a highly competitive platform to foreign investors from around the world.

Morocco’s successful repositioning efforts since the turn of the millennium are also the result of political stability in the country, under the leadership of HM King Mohammed VI. Thanks to the kingdom’s long-standing political stability in the MENA region and its reputation for delivering on its promises, many investors are flocking to Morocco with no fear of sustaining losses or running unreasonable risks.

No competitive industrial hub will be complete without easily accessible sources of energy, and the kingdom’s energy portfolio is increasingly shifting toward renewable energies. Morocco is widely considered to be Africa’s forerunner in terms of green energy. As of 2021, renewable energy meets 35-40% of electricity capacities. Meanwhile, the country is determined to raise the figure to 52% of its installed capacity by the year 2030 and 100% before 2050. If Morocco’s past milestones in clean energy are anything to go by, there is a very good chance that the kingdom will easily achieve its goals for 2030 and 2050, making Morocco one of the most sustainable centers of industry in the 21st century.

Morocco is, in short, a far more eco-friendly industrial hub than its competitors. Given the favorable winds and the perfect sunlight that Morocco enjoys, the country’s 2,500-km-long coastline is already dotted with cutting-edge wind turbines. The country is also home to some of the world’s largest solar projects such as the Noor III plant. Thus, those investors who care about sustainability and the future of our planet will have a set of good reasons to choose Morocco over its competitors.

In addition to Morocco’s continuing advancements in renewable energies, the presence of a highly skilled workforce and its business-friendly ecosystem have also helped turn the country into a safe haven for many international investors, particularly in the manufacturing sector. The country’s proximity to Europe

and the proficiency in French and English among Moroccans is yet another attraction for potential European and American investors.

With so many strong suits, the nation has launched a campaign called “Morocco Now” to encourage investors to come over and begin their businesses in the kingdom. “Morocco Now reflects the kingdom’s vision, its youth dynamism, its industrial innovation, its entrepreneurs’ agility, its historical openness and the growth potential that Morocco offers for your business to thrive,” suggests the initiative’s official website. Thanks to its free trade agreements covering 54 countries resulting from a long-term economic openness and integration into the global economy, the country offers a privileged access to over 1 billion consumers in Europe, UK, US, and Africa. The Morocco Now campaign is supposed to highlight and solidify the competitive status Morocco has already achieved as a center of industry and exports, while giving it more visibility to international investors.

The designers of the Morocco Now campaign are trying to capitalize on a few further winning cards, which will turn Morocco into a strategic investment hub. Most notably, production costs in Morocco are far more reasonable than any other emerging market of the world of its caliber, while its workforce has the right skill set for many types of businesses, thanks to high levels of literacy and higher education in the country. The kingdom has a unique and young talent pool both for the service sector and, especially, the manufacturing sector. It is estimated that over 152,000 Moroccans graduate every year in industrial fields, and—thanks to the absence of language barriers—many partnerships between Moroccan and foreign educational institutions are being formed, which will further enhance the skills of the kingdom’s talent pool.

Despite the presence of these outstanding advantages, Morocco is not an expensive industrial hub. The minimum wage in Morocco is just under USD300, while the shipping costs for exports are said to be the “most competitive in the region.” Although there may be lower production costs in other regions in the world, Morocco has shown itself to be exemplary in com-

munication and supporting business needs. Morocco is a truly well-proven hub with an excellent track record of delivering promises.

Morocco has proven to be agile and reliable during challenging times. During the COVID-19 pandemic, for example, the country's industrial enterprises were quick to reopen and resume their usual activities safely with 100% of their capacity, thanks to the timely vaccination of the population and the readiness of the industrial sector's manpower to resume work ahead of most other industrial hubs in Asia and Africa. The nation takes pride in the fact that the "capacity to quickly adapt is part of Morocco's DNA as illustrated recently during COVID," according to the Morocco Now initiative, adding that the country is ahead of the curve in "swift reallocation of industrial production, mobilizing innovation, know-how, and expertise."

The country has thus far attracted several small and large industries, especially from Southern Europe. French automotive giants such as the Renault-Nissan Alliance and the PSA Group, which manufacturers famous brands such as Citroen and Peugeot, among others, operate several assembly lines in Casablanca and Tangier. It is estimated that 650,000 to 1 million vehicles of various denominations will be assembled in Morocco by the end of 2021, creating some 160,000 jobs and a financial turnover

of EUR10 billion. Fiat and the Chinese automotive giant, BYD, are likewise considering large-scale investments in Morocco to launch their African plants in the country soon. Although the pandemic slowed down and postponed the opening of new assembly plants in the country, BYD is still serious about making investments in Morocco, putting an end to the monopoly of French automakers in Morocco.

Morocco also has an excellent track record in industries such as textiles, which offer tremendous opportunities for export. Morocco is not only famous for the manufacturing of fine textiles, but the nation is home to some of Africa's most talented fashion designers. Over the last few decades, many Moroccan designers who honed their craft in studios in Milan, Paris, or London are now back in the country to turn Morocco into Africa's market leader in the fast fashion and even high-end garments market. Hassan Hajjaj and Youssef Lahlou are but two names among the many rising stars of Morocco's fashion industry.

In any case, there are some 1,200 textile and fashion companies in Morocco forming around 12% of the nation's exports. In accordance with the objectives of the Morocco Now initiative, this figure can easily be increased with more investment, thanks to the extensive know-how and the solid reputation of Moroccan textiles and fast fashion around the world. ✖



valuable ASSISTANCE

EBRD played a big role in supporting public and private companies in Morocco with innovative financing packages even during the crisis.

Marie-Alexandra Veilleux-Laborie
DIRECTOR-HEAD OF MOROCCO,
THE EUROPEAN BANK FOR RECONSTRUCTION
AND DEVELOPMENT (EBRD)



What is your strategy behind working with the Green Climate Fund, and how would you characterize the strength of Morocco's green economy?

EBRD aims to support the government's National Sustainable Development Strategy in guiding the actions of both public and private actors towards a green and inclusive economy. In 2015, we deployed our first green financing package called the Morocco Sustainable Energy Financing Facility (MorSEFF), together with other international financial institutions, a EUR110-million financing program designed to support businesses investing in energy efficiency and renewable energy projects, through two partner banks in the country: BOA and BCP. It incentivized MSMEs and corporates to invest in green equipment. This program was a huge success and contributed to the creation of a green financing market. Since then, other local banks have requested more green financing from EBRD because we have enabled the creation of a market by addressing market barriers and entrenched behaviors that hinder the uptake of green technologies and solutions. Our financing package includes several key components, one of which is money through credit facility, technical assistance to the partner bank that allows it to design a dedicated offering, as well as incentives to the end borrowers. That was a winning formula that helped us attract more clients, and since then we followed up with new programs such as the Green Value Chain, co-financed with the Green Climate Fund and the EU. We also partnered with the Green Climate Fund to support the modernization of the irrigation system in the Saïss area, through the provision of EUR120-million loan to the Saïss Water Conservation Project and

EUR32-million grants from the Green Climate Fund. This project is 100% green. We also launched a third large program, a green economy financing facility II (GEFF-II) that provides intermediated finance of at least EUR 150 million that may include up to EUR37.5 million in co-financing from the Green Climate Fund and EUR18 million grant from the EU to financial institutions in Morocco.

What were the main lessons learned during this past year, and how has EBRD demonstrated resilience?

The bank was one of the fastest development financial institutions to deploy a solidarity package to its existing partners at the beginning of the pandemic in 2020; Morocco was the first one to receive it in April 2020. The idea of the solidarity package was—and still is—to support our partners in meeting liquidity needs. Bank of Africa (BOA)—and later other banks—expressed the need for short-term financing in anticipation of the upcoming economic crisis. Our support was composed of a short-term, EUR100-million liquidity loan to BOA and an increase in the uncommitted multi-currency trade finance limit by USD50 million. This package helped BOA to address the challenges and the difficulties faced by many of its clients at the time and truly anticipate market needs. We were the only development financing institution able to provide working capital, cash financing and guarantees, and short-term liquidity.

What are your goals and expectations for EBRD in Morocco this year?

2020 was a record year for the bank in Morocco since it started in 2013. We signed and committed EUR750 million

of investments in the kingdom. It was a record year because we were able to deploy the solidarity package and meet our clients' needs during a severe systemic crisis. I expect 2021 to be a great year for us as well, though it is difficult to predict. We will continue to remain close to our clients and partners to truly understand their needs and help them be innovative to remain resilient. The green agenda will remain high, and we are starting to deploy a new green financing package for banks and MSMEs that will likely be successful. We will continue to support public and private companies with innovative financing packages. Also, this year will be important for us, as we will define and approve our new country strategy for the next four years. That will be in line with the new economic development model that Morocco is working on right now. ✕

BIO

Marie-Alexandra Veilleux-Laborie is EBRD's director for Morocco and responsible for the bank's investments and operations in the country, overseeing close to a EUR3-billion portfolio. Prior to her post in Morocco, she was the first head of the EBRD's office in Tunisia where she launched the bank's activities in the country and positioned the bank prominently with the authorities, business communities, and other stakeholders. She joined EBRD in 2007 and initially worked for the financial institutions and equity funds teams in London and Moscow. She began her career at Ernst & Young in Paris. She is a graduate of both HEC Paris and the Institute of Political Sciences in Paris and is a certified non-executive director in France (IFA-Sciences-Po).



You've reached the end of the free preview.

To continue reading, purchase the
full version via this app or go to
thebusinessyear.com/shop

Or contact us at:
info@thebusinessyear.com

thebusiness | year