International Business

Morocco
International Business
—
Morocco
# Introduction

1. Country Overview
   - 1. Country Map
   - 2. General Statistics
   - 3. Demographics
   - 4. Gender Equality
   - 5. Culture
   - 6. Politics
   - 7. Economy
   - 8. Labour Market and Recruitment
   - 9. Infrastructure
   - 10. A Gateway to Africa

2. Industry Overview
   - Industry Analysis
   - 11. Introduction
   - 12. Agro Industry
   - 13. Fishing Industry
   - 14. Textile Industry
   - 15. Mechanical and Metallurgical Industry
   - 16. Chemical Industry
   - Emerging Sectors
   - 17. Electronic and Electric
   - 18. Renewable Energy
   - 19. Offshoring
   - 20. Industry Snapshots

3. Ease of Doing Business
   - 21. Business Culture
   - 22. Corporate Social Responsibility
   - 23. Entrepreneurship
   - 24. Tax Legislation and Governance
   - 25. Intellectual Property Rights
   - 26. Corruption
   - 27. The Western-Sahara Conflict

The IB Team
Acknowledgments
Reference List
IB Previous Reports
List of Abbreviations

AIP: Industrial Acceleration Plan
AMITH: Moroccan Association of Textile and Clothing Industries
AMO: Assurance Maladie Obligatoire
ANDA: National Agency of the Development of Aquaculture
ANP: Agence Nationale des Ports
ANRT: National Agency for Regulation of Telecommunications
AU: African Union
BAM: Bank Al Maghrib
BPO: Business Process Outsourcing
CDI: Confederation of Danish Industry
CFC: Casablanca Finance City
CGEM: General Confederation of Moroccan Enterprises
CNOPS: National Fund for Social Welfare Organizations
CNSS: National Social Security Fund
CRM: Customer relationship management
CRI: Regional Investment Center
CSF: Concentrated solar power
CSR: Corporate Social Responsibility
DCFTA: Deep and Comprehensive Free Trade Area
EEI: Electrical and Electronic Industry
EEZ: Exclusive economic zone
EPO: European Patent Organization
ESO: Engineering service outsourcing
EU: European Union
FAO: Food and Agriculture Organization
FCP: Federation of Chemistry and Parachimy
FDI: Foreign direct investment
FENIP: National Federation of Seafood Processing and Development Industries
FENELEC: National Federation of Electricity, Electronic and Renewable Energy
FEO: Foreign Exchange Office
FIMME: Metallurgical, Mechanical and Electromechanical Industry Federation
FPA: Fisheries partnership agreement
FTA: Free Trade Agreements
GCR: Global Competitiveness Report
GDP: Gross Domestic Product
GEDI: Global Entrepreneurship Development Index
GEM: Global Entrepreneurship Monitor
GES: Global Entrepreneurship Summit
IDF: Industrial Development Fund
ILO: International labour organization
INRH: National Institute of Fisheries Research
IRENA: International Agency of Renewable Energy
IT: Information Technology
ITO: Information Technology Outsourcing
Km: Kilometres
KPI: Key performance indicator
KPO: Knowledge process outsourcing
MAD: Moroccan Dirham
MASEN: Moroccan Agency for Sustainable Energy
MENA: Middle East & Northern Africa
MEF: Ministry of Foreign Trade
MEA: Middle East & Africa
MEMWE: Ministry of Energy, Mining, Water and Environment
METL: Ministry of Equipment, Transport and Logistics
MICIDE: Ministry of Industry, Commerce, Investment and Digital Economy
MICIEN: Ministry of Industry, Trade, Investment and Digital Economy
MINURSO: The UN’s Mission for the Referendum in Western Sahara
MMI: Mechanical and metallurgical Industry
MNE: Multinational Enterprise
NEA: National Energy Strategy
OBG: Oxford Business Group
OCP: Sherifian Office of Phosphates
OECD: Organisation for Economic Co-operation and Development
ONCF: Moroccan National Railways
ONDA: National Airports Office
ONEE: National Office of Electricity and Water
PAM: Authenticity and Modernity Party
PCT: Patent Cooperation Treaty
PERG: Global Rural Electrification Project
PJD: Islamist Justice and Development Party
PMV: The Green Morocco Plan
PPP: Public–Private Partnership
PV: Photovoltaic
RCAI: Renewable Energy Attractiveness Index
ROI: Return on investment
SD: Sustainable development
SME: Small and medium-sized enterprises
TEU: Twenty-foot Equivalent Unit
TRIPS: Trade-Related Aspects of Intellectual Property Rights
UMT: Morocco Labour Union
USD: US dollar
V2020: Vision 2020 for tourism in Morocco
International Business has more than 30 years of experience with projects that allow Norwegian students to gain valuable experience from working internationally. Innovation Norway has been a proud partner of the program since the beginning.

Norwegian business and society are in a period of change and transition. This makes it more important than ever before to look outside of our country’s borders for business opportunities. Utilizing the best technology and experience available, Norwegian companies can contribute to solving some of the world’s major challenges – such as clean energy, safe and nutritional food and good health services for an ageing population, while creating sustainable businesses at the same time.

International Business are giving you market insight on Morocco as for this year’s project. Our two countries have enjoyed good relations and traded for decades. The Free Trade agreement Norway through EFTA have with Morocco ensures equal terms as products originating in the EU and NAFTA (USA, Mexico and Canada) when imported into Morocco. Morocco has a mixed economy with a large industrial sector and a large service sector providing numerous opportunities for cooperation with Norwegian companies. In addition, the potential for hydroelectric, solar and wind power production, is considerable, which may be a good match for Norwegian expertise. Both Morocco and Norway have long traditions for fisheries – another area with potential for cooperation also free of duties according to the Free Trade Agreement.

I know that International Business’ projects are of high quality, and I believe the insight we may gain from this work will be very valuable to Norwegian exporters, entrepreneurs and investors. To most Norwegian companies, Morocco remains uncharted territory, which means that the knowledge gained from this year’s project will be very useful.

Through International Business ambitious students get international, work-related experience; they learn leadership and improve their skills in project management and international collaboration. Innovation Norway is very pleased to be a partner for International Business and its activities.

Anita Krohn Traaseth
CEO
Innovation Norway
International Business is an independent, non-profit student project that is carried out annually by a group of twelve students enrolled at BI Norwegian Business School (BI), the Norwegian School of Economics (NHH) and the Norwegian University of Science and Technology (NTNU).

Our preceding group of students appointed Morocco as our subject country. The country has charmed us with its rich culture, its magnificent handcraft and beautiful nature. It is evident to us that Morocco is developing as a hub and thereby a suitable “Gateway to Africa”.

During the last 10 months, we have conducted research both remotely from Norway and physically in Morocco. The methodology of this research is similar to an academic paper. Using reliable sources, the research was conducted in a conjoined effort from both primary and secondary-gathered data. Further to this, we have to the extent possible used both secondary and primary sources, and where we have not been able to verify the composition of data, this has been noted.

We have approached the task of writing this report with a mindset of respect, humbleness and a search for objectivity. We have strived to give an honest view of the country’s industries, economy and its overall situation. We have encompassed challenges with regards to the Western Sahara conflict, and in this regard we wish to emphasize that this report highlights business opportunities in Morocco and not in the non-self-governing-territory of Western Sahara.

International Business is truly an extraordinary project, giving us as students the practical experience of following a project from start to finish; starting off with nothing, developing the scope of the report and our research, and finally producing a coherent report. This experience has been a true value-add to our education, and we are grateful that we have been a part of this.

We wish to express our sincere gratitude to our sponsors; without the support of these Norwegian companies, eager to partner with students, we would never have been able to complete our project. We are thrilled by your contributions, and we hope that you continue to see value in such student projects. Our institutional partners (BI, NTNU, NHH and Innovation Norway) are invaluable as they provide us with a platform to drive this student project forward. We hope that this project is taken forward and that the value of International Business will be visible and appreciated in the future.

On a personal note, I wish to thank the members of International Business Project 2016/2017 for their dedication and their impressive excellence.

On behalf of International Business 2016/2017, thank you for showing interest in our project!

Taran Enger Hellenes
Project Leader
Introduction to Morocco

The Kingdom of Morocco is situated in the Northwestern part of Africa, known as the “Arab West”. It is a country where Arab, Berber, European and African culture are intertwined. With a coastline to both the Mediterranean and the Atlantic Ocean, the country is known for its beautiful beaches and surfing areas. The Atlas Mountains are located in the southeast part of the country while in the South, the Sahara desert separates Morocco from the rest of Africa.

Morocco is increasingly becoming an important player in the global industrial market. Due to its strategic location it serves as a stepping stone to Africa. Over the last few years, Morocco has made major investments in its infrastructure such as roads, ports and railways in order to establish itself as a trade hub. The largest city is Casablanca, which is also one of the most important cities in Africa, both economically and demographically. Tangier is also an important city located in the northern part of Morocco, only a few hours from Europe by sea. The country has trade agreements with a variety of countries and regions, which in turn makes the country a favorable area for investments.

In 1975, Morocco claimed the non-self-governing-territory of Western Sahara. This led to a 16-year long armed conflict followed by an UN-supervised ceasefire, and today, the territory is still disputed. Although trade in the area is generally permitted, The Norwegian Ministry of Foreign Affairs advice, in general, not to engage in investments, trade, or exploitation of resources in this area that do not support the best interest of the local population and contradicts international law. To ensure prudent business the OECD Guidelines for Multinational Enterprises provides multilaterally agreed principles and standards for responsible business conduct in such areas consistent with applicable law and internationally recognized standards. This report is based on the current situation around Western Sahara, and research carried out by the International Business team in 2016 and beginning of 2017. Currently, there are processes concerning the Western Saharan conflict that are unfolding and yet to be concluded.

The aim of this report is to explore opportunities for Norwegian companies in Morocco, as well as the challenges. The report is divided into three main parts. The first part will provide an overview, which includes relevant information about Morocco as country, such as the economy in general, political stability, demographics and infrastructure. The second part gives an analysis of selected industries in the country; whilst the last part of the report provides important insights into the ease of doing business in Morocco. This part covers important topics such as tax, corruption and the Western Saharan conflict as well as corporate social responsibilities and entrepreneurship.
Country Overview
2 — General Statistics

Geography (CIA, 2017)

Table 1: Area

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Area</td>
<td>446,550 sq km</td>
</tr>
<tr>
<td>Land</td>
<td>446,300 sq km</td>
</tr>
</tbody>
</table>

Land use

- Agricultural land: 67.5%
- Other: 11.5%
- Forest: 11.5%

Permanent crops 2.9%
Arable land 17.5%
Permanent pasture 47.1%

Economic Indicators

Table 2: GDP: In USD billions*

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (USD billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$2,878</td>
</tr>
<tr>
<td>2014</td>
<td>$3,187</td>
</tr>
<tr>
<td>2015</td>
<td>$3,142</td>
</tr>
<tr>
<td>2012</td>
<td>$2,931</td>
</tr>
</tbody>
</table>

Table 3: GDP per capita: in current USD*

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$2,878</td>
</tr>
<tr>
<td>2014</td>
<td>$3,187</td>
</tr>
<tr>
<td>2015</td>
<td>$3,142</td>
</tr>
<tr>
<td>2012</td>
<td>$2,931</td>
</tr>
</tbody>
</table>

Table 4: GDP growth (annual %)*

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019E</td>
<td>3.60%</td>
</tr>
<tr>
<td>2018E</td>
<td>3.50%</td>
</tr>
<tr>
<td>2017E</td>
<td>4%</td>
</tr>
<tr>
<td>2016E</td>
<td>1.50%</td>
</tr>
<tr>
<td>2015</td>
<td>4.50%</td>
</tr>
<tr>
<td>2014</td>
<td>2.60%</td>
</tr>
<tr>
<td>2013</td>
<td>4.50%</td>
</tr>
</tbody>
</table>
Agriculture 14.5%
Industry 29.2%
Services 56.3%

Chart 1: GDP Composition 2015 (World Bank, 2017)

<table>
<thead>
<tr>
<th>Year</th>
<th>Exports as % of GDP</th>
<th>Imports as % of GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>34.30%</td>
<td>42.10%</td>
</tr>
<tr>
<td>2014</td>
<td>34.30%</td>
<td>46.80%</td>
</tr>
<tr>
<td>2013</td>
<td>32.80%</td>
<td>47.20%</td>
</tr>
<tr>
<td>2012</td>
<td>34.90%</td>
<td>50.20%</td>
</tr>
</tbody>
</table>

*World bank*
Is your biggest tax obligation the one you can't see?

Taxes can quickly become prohibitive. Find out how we can help navigate your tax complexities at ey.com/tax #BetterQuestions

The better the question. The better the answer. The better the world works.
Demographics

Morocco is a country characterised by a young population with increasing rates of urbanisation. The large share of urbanised population can also explain the country’s large service sector. While growth in GDP has led to the elimination of extreme poverty, the share of rural population living below the poverty line is still substantial.

Population and income distribution
Morocco’s population is growing, but at a decreasing rate. Its population size is approximately 34.8 million (UN, 2017), with an average annual population growth of 1.4% in 2015. The declining positive growth is a direct consequence of longer life expectancy and declining number of children per household (CIA, 2017). Morocco’s GDP per capita reached an all-time high in 2015, recorded at $2,878 (World Bank, 2017). The growth in GDP per capita has helped the Moroccan population out of extreme poverty, and the portion of the population living below the poverty line has decreased from a recorded level of 16.3% in 1998 to 4.2% in 2014 (World Bank, 2017). The World Bank now classifies the general income level as lower middle income. However, even though the increased GDP growth has contributed to substantial elimination of poverty, a total of 19% of the rural population are still living in what can be characterised as poverty or vulnerability (World Bank, 2017).

Many economists argue that income equality has significant impact on a country’s medium-term growth (OECD, 2014). The Gini coefficient measures the deviation of the distribution of income among individuals or households within a country from a perfectly equal distribution. For Morocco’s case, this is 40.97. A value of 0 represents perfect and absolute equality while a value of 100 represents absolute inequality. With a Gini coefficient of 40.97, Morocco is ranked at 129th out of 187 countries in the Human Development Index. In comparison, Norway is ranked at 1st with a coefficient of 25.8 (UNDP, 2017).

Age structure
When it comes to age structure, the population of Morocco can be characterised as relatively young. Approximately 44.4% of Morocco’s population are less than 25 years old, while the age range from 25 to 54 accounts for a total of 42% of the population (Economywatch, 2017). Hence, the older population above 54 years only accounts for 13.6% of the population size. Furthermore, the median age is 28.9 years for males and 29.5 years for females (CIA, 2017). In comparison, the median age of Norway’s population is 38.4 for males and 40 for females. Life expectancy in Morocco has increased from 48 years in 1960 to 74 years as per 2014. Norway on the other hand saw life expectancy rise from 74 years in 1960 to 82 years in 2014 (World Bank, 2017).

Urbanisation and the workforce
In regards to urbanisation, the share of urban population in Morocco has doubled since 1960, starting at 29% of the total population and estimated to be 60% in 2015 (World Bank, 2017). The largest cities by population measures are Casablanca, Rabat and Fes. The fraction of urbanised population is also evident in the workforce division. The service industry accounts for roughly 40.5% of labour occupation, while 39.1% of the workforce is employed in the agriculture sector. While the service sector represents 56.3% of GDP, the industry sector and the agriculture sector constitute 29.2% and 14.5%, respectively (CIA, 2017).
When it comes to women’s rights and gender equality in MENA, many see Morocco as a pioneer. However, Morocco comes out as one of the bottom 10 countries in the Global Gender Gap Report; despite several governmental steps towards gender equality during the last decade. While women lag behind in terms of literacy, school enrolment ratios are nearly equal between the genders. Only 27% of women enter the labour market, and they are more likely to be found within the lower paid sectors. The inequality between the genders is partly due to culturally entrenched gender roles. Despite the progress, Morocco still has a long way to go in order to reach gender equality.

**Education**

According to the Global Gender Gap Report, Morocco is ranked at 122nd out of 144 countries with respect to educational attainment. This is most evident in terms of literacy rate. While the literacy rate for young men in Morocco is 82%, it is only 62% for young women (World Economic Forum, 2016). However, the net enrolment ratios for primary school are quite equal between the two sexes, and only differs by one percentage point (98% for girls and 99% for boys). Although net enrolment in primary education is high, the numbers drop significantly when it comes to net enrolment in secondary education and tertiary education. Only 53% of girls and 59% of boys enrol in secondary education, and in terms of tertiary education these numbers are as low as 24% and 25%, respectively. Although these numbers indicate low enrolment rates, they also show that there is still a minor inequality in terms of school enrolment. Hence, gender equality with respect to education attainment is mostly evident in the low literacy rate for Moroccan women.

**Economic participation**

In terms of economic participation and gender equality in Morocco, women still lag behind. Morocco is ranked as 139th out of 144 countries with respect to economic participation and opportunities, while Norway, in comparison, is ranked as 7th. Only 27% of women aged 15 and above participate in the labour market, compared to Moroccan men, whom a total of 78% are engaged in the labour market (World Economic Forum, 2016). According to the MENA (Middle East & Northern Africa) Gender Equality Profile, women are more likely to be found within low paid industries such as textile and agriculture, which is partly due to the lack of education and literacy (UNICEF, 2011). With respect to wage equality for similar work, the ratio between females and males is 0.81, which indicates that Moroccan women only earn 81 cents for every US dollar a man makes (World Economic Forum, 2016). The low employment rate for women is also partially related to culturally entrenched gender roles. Nonetheless, women are more present in the workforce in Morocco compared to other MENA countries (Ulandssekretariatet, 2015).

**Political empowerment**

Morocco’s adoption of the new family code in 2004 was a great step for women’s rights domestically and was seen as a model for the broader Muslim world (Zoglin, 2009). The family code, commonly referred to as Moudawana, governs matters such as marriage, divorce, inheritance and child custody. It introduced a new range of measure to enhance women’s equality and is an example of Morocco’s progress towards becoming a more democratic nation. Gender equality was also a topic during the Arab Spring in 2011. The new constitution, which was adopted after the Arab Spring, included a new law that asserts equal rights to men and women (Castillejo & Tilley, 2015). Some Muslim conservative leaders have opposed this law even though King Mohammed VI claims it is in line with Koranic principles. Despite progress in female empowerment, Morocco comes out as one of the bottom 10 countries in the Global Gender Gap Report, and is ranked at 137th out of 144 countries in terms of gender equality. Women represent only 17% of the parliament, however, this is a drastic improvement from 1% in 2003 (World Economic Forum, 2016). Despite this, in terms of political empowerment and gender equality the Moroccan society still has a long way to go.
The Moroccan population reflects the country’s rich history as the culture today still has significant traces of earlier ethnic groups who settled in the Moroccan territory. Through different epochs in addition to its geographic position, Morocco has become a country with a mix of European, Arab, Berber and African culture. Morocco is a Muslim country, and even though Islam plays an important role in the daily lives of Moroccans, the country is described as tolerant and open minded.

Ethnicity and language
Morocco has two main languages, Arabic and Tamazigh, the last being categorised as a Berber language (CIA, 2017). Together, these languages symbolize two important eras of Moroccan history, with the Berbers being the oldest indigenous inhabitants of North-West Africa prior to the arrival of the Arabs in the end of the seventh century (OBG, 2015). The most common form of Arabic is known as darija, a form with both Berber and French influence. In addition to Arabic and Berber, French language and culture is also strongly noticeable in Morocco, reflecting the former French protectorate that was a result of the Treaty of Fez in 1912 (CIA, 2017). French is mostly used among the business societies and higher education institutions, as well as by the middle and upper class (OBG, 2015). Although French is the most widely used European language, Spanish language is also present in the country, especially in the northern part. Even though English is still far behind in regards to number of speakers, the language is rapidly becoming more noticeable, especially among the younger generations and in business and tourist matters.

Religion
Morocco has since the declaration of his Majesty King Mohammed VI in 2011 been a constitutional monarchy, ruled by a Sunni Muslim dynasty which has been present in the country for centuries (Religious Freedom Report, 2014). According to the constitution the King is determined as the religious leader and commander of the faithful (“Amir Al Mouminine”), believed to be a descendent of Muhammad the Prophet. Islam is the state religion in the constitution, and more than 99 percent of the population are considered to be Muslims (CIA, 2017). While the majority of the population are Sunni Muslims, other religious groups such as Christians and Jews are also present in the country, however they represent less than one percent of the population. Religion plays an important role in the daily life of Moroccans, being present in both personal, political and economic matters. However, the Moroccan Islam is characterized as a tolerant form of the religion and the country is perceived as more liberal than many other Muslim countries (Global Negotiators, 2017). The most evident religious acts in Morocco are the daily prayers that takes place five times a day, and which can easily be heard by the many call for prayers coming from the Moroccan Mosques. Friday is determined as the Muslim holy day, and some shops and markets will close earlier this day. In addition to Fridays, the month of Ramadan is considered to be the most important holy holiday in Islam. During Ramadan many restaurants and cafés closes early. Even though non-Muslims are not expected to follow this tradition, individuals should pay respect to the religious act and avoid breaking the fast in public.
Politics

Morocco has an important geopolitical role as a passage between Europe and Sub-Saharan Africa. The country has a long history of protests and oppositions, but today Morocco is considered a politically stable country compared to many other countries in the MENA region. The kingdom of Morocco is an Islamic constitutional monarchy, with a democratically elected parliament. The monarchy has a constitution, a multi-party government and an independent judiciary.

The constitutional monarchy
King Mohammed VI became King in 1999 after his father, King Hassan II, died after 38 years at the throne. The executive power is shared between King Mohammed VI and the government, however the king has the ultimate authority. King Mohammed VI has initiated both economic and political changes during his reign. In many ways he is a modern leader, especially compared to his father. Religious conservatives and other Islamic leaders have criticized his practice for being too liberal. His reforms include promotion of more democratic processes, giving more rights to women and granting more civic rights as well as encouraging more economic and fiscal reforms. His controversial reforms sparked the Islamist movement and the Islamist Justice and Development Party (PJD) gained more support from the population. Despite the protests, the reforms have been enabled and the process of liberalization has been happening alongside a re-emergence of the Islamist movement.

Democracy
Even though the King has introduced reforms to increase democracy, he is still the head of the executive power and the most powerful person in the country; he is also entitled to name the prime minister from the party that wins the most seats in the parliament. Abdellah Benkirane from the PJD was named prime minister for his second term during the elections in October 2016. The government is a multi-party coalition whereas PJD is the running party with 125 seats, while the Authenticity and Modernity Party (PAM) is the second largest with 102 seats. The third largest is also the oldest party in Morocco, the Authenticity Party, which won 44 seats (Chambre des représentants, 2017). The monarchy believes that it might be easier to rule the country with PAM as the head of the parliament seeing how PAM and the palace share many political opinions. PAM is also a party that relies on financial support from the palace in elections. The King is supposed to stay away from mediating during elections, but according to the BBC (2016) it may seem as if he is pulling strings and skewing media in favor of PAM. During the elections in October 2016, electoral participation was 43% out of 16 million people (BBC, 2016).

Arab spring and demonstrations
Like many other countries in the MENA region, Morocco experienced a revolutionary wave of demonstrations in the spring of 2011. As a response to the protests, a referendum was held the same year. King Mohammed VI managed to survive the Arab Spring by offering to give up some of his power. Contrary to his father, the current King Mohammed agreed to change the constitution and introduce more democracy. He compiled to choose the prime minister from the party who win the most seats during elections rather than naming whomever he preferred. The reform following the Arab spring, included a guarantee of civic, social as well as political equality for women. More importantly, a number of rights was handed over to the selected prime minister. The prime minister now appoints high administrative and diplomatic posts such as governors and CEOs of state own enterprises. He is also the head of government and has the power to dissolve the parliament. Today the king still has the ultimate power and many complained that the new constitution did not go far enough. Regardless of this, the Arab spring did not have the same depth in Morocco as in other countries in the region. The protests in Morocco were fairly peaceful compared to other countries.

International relations
Morocco has a history of being colonized by both the Spanish and the French. Even though much of the political and economical institutions still were kept during the colonization period, nationalist movements were formed long before the independence in 1956. From the independence until today, the monarchy has continued to build strong relations with Europe and the United States (US), as well as maintaining a close relationship with the rest of the MENA region. The ongoing Western Saharan conflict has implicated Morocco’s relationship with many of the African countries. The diplomatic relationship between Algeria and Morocco is especially tense seeing how Algeria supports the Polisario, the Western Saharan independence movement. Disputes have dominated the relationship between the two neighboring countries since Morocco attempted to claim parts of the French Algeria in 1963. Today, the relationship is still characterized by rigidity and their country border remains closed. In 1984, Morocco abandoned the African Union (AU) after the union announced its support of Western Saharan independence (BBC, 2016). In September 2016, Morocco officially filed to rejoin the AU. Since then, King Mohammed VI toured many African countries seeking to strengthen diplomatic relationships and gain support to rejoin the AU. In February 2017, Morocco was readmitted to the AU (Quinn, 2017).

Freedom of speech
The kingdom of Morocco usually tolerates non-violent political demonstrations and protests. However, they have banned and dissolved some; notably those concerning human rights conditions. In 2016, the parliament adopted a new press code, which eliminated prison time as a punishment for speech-offenses. At the same time, imprisonment is maintained as a punishment for nonviolent offenses that can cause harm to Islam, the Monarchy, the King or that can be inciting to Morocco’s claim to Western Sahara (Human Rights Watch, 2017). Both the Moroccan and foreign media are threatened by censorship, fines and imprisonment and according to the Human Rights Watch, authorities are tightening their grip in order to prevent coverage of sensitive subjects.
Har du bruk for de gode hodene fra NTNU?

NTNU Bridge er NTNU’s offisielle koblingsportal mellom våre studenter og arbeidslivet. Tjenesten er utviklet av og for NTNU, og tilpasset arbeidslivets behov. På NTNU Bridge kan du finne studenter til oppgavesamarbeid, praksisplasser og jobber. Vi er din dør inn til NTNU!

www.ntnu.no/bridge
Economic Analysis

Located in North-Western Africa, Morocco has capitalized on its proximity to Europe and relatively low labour costs to strive towards a diverse, open, market-oriented economy. Key sectors of the economy include agriculture, textiles, apparel, mechanical and metalurgical, chemicals and food. In recent years, Morocco has increased its investments in ports, transportation, and industrial infrastructure to position itself as a hub for business throughout Africa. Additionally, the financial market, dominated by a competitive and growing banking sector, is fairly well developed in comparison to other economies in the region. Despite Morocco’s economic progress, the country suffers from high unemployment, poverty, and illiteracy, particularly in the rural areas. Reforming the education system and judiciary are key economic challenges for Morocco.

Economic outlook for 2017: growth, inflation, budget and investments

The draft budget statement issued after a weekly cabinet meeting said the finance ministry sees inflation at 1.7% in 2017, while it expects public investments to reach $6.37 billion and $19.57 billion including state-run company investments (Reuters, 2016). However, the country’s central bank expects growth of only 4%, up from 1.4% in 2014. The bank also said the deficit would narrow to 3.8% of GDP in 2016 if the government maintained its current fiscal policy, and fall to 3.2% in 2017 (Reuters, 2016).

GDP and trade balance

Morocco’s GDP can largely be attributed to its service sector which accounts for 56.3% of GDP in 2016 (World Bank, 2016). This includes services such as tourism, retail, media, IT, finance and insurance. Agriculture accounts for 14.5% and industry for 29.2% of GDP (World Bank, 2016). More recently, Morocco’s economic prospects have improved on the back of the slump in international energy prices. Morocco is highly dependent on importing oil, gas and coal to cover its energy demand. The country’s oil import bill, which was amongst the highest in Africa as a proportion of total imports, has decreased significantly. According to the World Bank, this in turn is forecast to lead to the current account deficit narrowing from 5.7% of GDP in 2014 to less than 1.5% of GDP in 2016.

Moreover, the rise in manufacturing activities has helped sustain overall exports and bolstered Morocco’s efforts to strengthen its trade balance. A great deal of business has been facilitated thanks to the Free Trade Agreements (FTAs) Morocco has signed with 56 countries. Closer to home, negotiations for a Deep and Comprehensive Free Trade Area (DCFTA) between the EU and Morocco have been ongoing since 2013. This accord aims at broadening the scope of the current Association Agreement governing trade relations between the EU and the kingdom since 2000. In addition to providing a free trade area, the DCFTA aims primarily at aligning Moroccan legislation with that of the EU in trade-related areas and will include trade in services, intellectual property rights, investment protection and the adoption of EU industrial standards, technical regulations and sanitary measures.

The Moroccan economy currently hosts roughly 1.68 million informal production units, generating 410 billion dirhams in untaxed revenues every year, according to estimates from the Kingdom’s national planning organization (Calcuttawala, 2016). However, it believes that concerns regarding lower government revenues due to the sector’s non-payment of taxes are unfounded because the workers’ individual earnings are usually too low to be taxed. According to a 2016 study, published in the International Journal of Economics and Finance, the hidden part of the Moroccan economy constitutes 42.9% of the official GDP in 2015 (Othmane & Mama, 2016), amounting to approximately $43 bn.

Investments

Morocco actively encourages foreign investment and has sought to facilitate it through macroeconomic policies, trade liberalization, structural reforms, as well as investments in infrastructure and incentives for investors. Morocco is ranked 71 out of 189 economies in the 2015 Doing Business report, three positions lower than in 2014. This being a result of the increased challenges associated with starting a business, paying taxes, resolving insolvency issues, minority investor protection, and obtaining credit.

Additionally, the authorities have put a range of incentives in place to encourage investment in the kingdom. These include an exemption on duties for goods and materials used in investment projects worth more than 200 million dirhams, as well as financial support from the country’s Investment Promotion Fund. This is providing that the projects in question are worth more than $200 million, employ at least 250 people, involve technology transfer, are based in one of a number of designated geographical areas, or contribute to the protection of the kingdom’s environment (OBG, 2015).

Furthermore, to position itself as a regional trade and investment hub, with an eye towards Africa-bound capital flows from Europe, the government in 2010 established a special investment regime to be based in a new financial city under construction, known as Casablanca Finance City (CFC). Firms granted CFC status can benefit from a range of advantages, including tax incentives, reduced restrictions on foreign exchange and measures to facilitate work permit and residency visa processes. Examples of tax incentives for firms include exemptions from corporate tax for service firms during their first five years of CFC status as well as a reduced tax rate for regional and international company headquarters established in the CFC.

New banking act: regulation and innovation

In February 2015, a new law came into force, permitting the creation of fully sharia-compliant banking institutions. This new category of banks can offer both traditional banking services and commercial, financial and investment operations that are “participatory” (i.e., Islamic), provided that such operations do not under any circumstances give rise to the receipt and/or payment of interest.

Under the old law, Islamic banking products like ijarah, musaraka and murabaha remained subject to conventional banking laws, causing problems such as double taxation. According to Abdellatif Jouahri, Governor at the Bank Al Maghrib (BAM), the
banking act opens new perspectives for the sector’s development, in line with promoting economic growth and financial inclusion. "This new activity should contribute to the diversification of funding sources and allow greater mobilisation of public savings", he states (OBG, 2015).

Most recently, in January 2017, the Moroccan central bank announced that it has approved of five Islamic banks: among them are leading national banks Attijariwafa, linked to the royal family, state-owned Banque Centrale Populaire and private BMCE Bank of Africa. The others are CIB Bank and Credit Agricole du Maroc. Additionally, Qatar International Islamic bank, the Gulf’s third largest Islamic bank, has received a nod to start operations in Morocco (El Yaakoubi, 2017).

### Chart 2: GDP growth, 2006-16 (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP, current prices (Dh bn)</th>
<th>GDP per capita, current prices (Dh)</th>
<th>Total investment (% of GDP)</th>
<th>Gross nat’s savings (% of GDP)</th>
<th>Inflation, avg consumer prices (% change)</th>
<th>Vol. of imports of goods &amp; services (% change)</th>
<th>Vol. of export of goods &amp; services (% change)</th>
<th>General govt revenue (Dh bn)</th>
<th>General govt revenue (%GDP)</th>
<th>Total govt expenditure (Dh bn)</th>
<th>Total govt expenditure (% GDP)</th>
<th>Gov’t net lending/borrowing (Dh bn)</th>
<th>Gov’t gross debt (Dh bn)</th>
<th>Gov’t gross debt (% GDP)</th>
<th>Current account balance ($ bn)</th>
<th>Current account balance (% of GDP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>917.34</td>
<td>974.67</td>
<td>33.97</td>
<td>28.11</td>
<td>0.44</td>
<td>3.02</td>
<td>8.52</td>
<td>259.35</td>
<td>28.27</td>
<td>304.21</td>
<td>33.16</td>
<td>-44.87</td>
<td>586.08</td>
<td>63.89</td>
<td>-6.38</td>
<td>-5.85</td>
</tr>
<tr>
<td>2015</td>
<td>974.67</td>
<td>1041.68</td>
<td>34.27</td>
<td>30.07</td>
<td>1.50</td>
<td>5.64</td>
<td>5.50</td>
<td>263.35</td>
<td>27.02</td>
<td>305.20</td>
<td>31.31</td>
<td>-41.85</td>
<td>658.75</td>
<td>65.54</td>
<td>3.49</td>
<td>-3.42</td>
</tr>
<tr>
<td>2016</td>
<td>1041.68</td>
<td>30794.24</td>
<td>34.70</td>
<td>30.66</td>
<td>2.00</td>
<td>5.07</td>
<td>7.17</td>
<td>286.67</td>
<td>27.52</td>
<td>323.52</td>
<td>31.06</td>
<td>-36.86</td>
<td>675.56</td>
<td>64.85</td>
<td>3.62</td>
<td>-3.31</td>
</tr>
<tr>
<td>2017</td>
<td>1116.75</td>
<td>32701.54</td>
<td>35.21</td>
<td>31.56</td>
<td>2.00</td>
<td>5.07</td>
<td>7.10</td>
<td>313.48</td>
<td>28.07</td>
<td>347.44</td>
<td>31.11</td>
<td>-33.96</td>
<td>709.52</td>
<td>63.54</td>
<td>3.56</td>
<td>-3.04</td>
</tr>
</tbody>
</table>

Source: IMF
Labour Market and Recruitment

The Moroccan labour market has its challenges. A high unemployment rate, and an even higher youth unemployment rate is concerning. Approximately 50% of all males and females above the age of 25 have no schooling and the majority of them are illiterate, however the enrollment rate for education has increased over the past years. Although there are still challenges in terms of quality and reach of the educational system, there seems to be a positive trend building up.

Labour force participation measures the total percent of the population age older than 15 years that contributes in the labour market. In 1990, this was measured at 53% of the population, while in 2014 it had decreased slightly to 51% (World Bank, 2016). The total unemployment rate, measured as a percentage of the total labour force, was 9.6% in the third quarter of 2016 (Trading economics, 2016), a decrease from 1991, when it was 12.5%. Even though the total unemployment rate in Morocco has declined over the past decade, youth unemployment is still a concern. In 1991, youth unemployment (percent of the total labour force aged 15-24 years) was 17.7%, while it increased to 21.8% in 2016 (Trading Economics, 2016). For urban youth, the situation is even more severe as the unemployment rate increased to 38.8% in June 2016 (World Bank, 2016).

Education

Compared to MENA, Morocco is below the average of education/number of years of schooling. In 2010, 51% of male and 64% of females above the age of 25 had no schooling. Morocco has 39.1% of its workforce in agriculture, meaning that a large portion of their workforce are unskilled farmers (CIA, 2016). Since 2010, the enrollment rate for primary education has increased extensively and Morocco now ranks above the average of MENA. This development has also affected secondary and tertiary education; however, the enrollment rate has stayed below MENA’s average. Additionally, it has been shown that a large share of the Moroccans who enroll in primary and secondary education continue to tertiary education.

Nevertheless, higher education is not necessarily a guarantee for job security, as many Moroccans with higher education remain unemployed. In 2015, the unemployment rate for workers with higher education was 17.3% nationally, compared to 4.1% for workers with no educational degree (Export.gov, 2016). Students often lack knowledge of the labour market structure and therefore choose education directions that are not necessarily needed in the labour market. This has been exemplified by the education system, leading to overcrowded public universities, low-quality instruction in non-competitive college majors, and a mismatch between tertiary training and the skills needed in the labour market (Ulandssekretariatet, 2015).

Labour laws and wages

Morocco has what can be considered as a "modern" labour code. The current labour code was established in 2003, containing regulations of employment relations, working age, maternity leave, working hours, occupational safety and health, wages, trade unions, employers’ representation and work councils (ILO, 2014). The code also covers labour disputes. Morocco has ratified several International Labour Organization (ILO) Conventions. Among them, the most important are: freedom of association and collective bargaining, elimination of all forms of forced labour, effective abolition of child labour and elimination of discrimination of employment.

The official minimum wage in Morocco varies. In the industry sector, the legal minimum wage is 13.46 dirham per hour ($~1.25). Within agriculture, the legal minimum wage is even lower with 69.74 dirham per day ($ ~6.9) (Invest in Morocco, 2016). Compared to the average wage level, the minimum wage for agriculture is low; the poverty level in Morocco was in 2014 estimated to $8.5 per day (Bureau of Democracy, Human Rights and Labour, 2014). According to the General Confederation of Moroccan Enterprises (CGEM), the minimum wage has increased approximately 10% (2001-2012) while the inflation has increased by 1.7% (Export.gov, 2016).
The median wage level in Morocco is approximately $1875 per month. Compared to European countries this median wage level is low. Looking to Italy, the median wage level is $2645, for Germany it is $3700, and $4680 for Norway (Salary Explo-
er, 2016).

Morocco’s workers are well protected. However, according to Export.gov (2016), some investors view the country’s labour regulations as a significant constraint. For example, the restrictions on compulsory work and the procedures around lay-offs is complicated and tedious. Moreover, rules for foreign workers are vague and can lead to conflicting interpretations and arbitrary decisions.

Social security
It has been estimated that the social security programs available in Morocco only cover one-third of the economically active population and exclude most of the informal sector. In rural areas, 97% of the workers do not participate in health insurance schemes. Morocco has compulsory insurance schemes, but not all public and private employees are covered by these. In total, there are four social security schemes, among them the CNOPS (Caisse nationale des Organismes de Prévoyance sociale) for the public sector and the CNSS (Caisse nationale de Sécurité sociale) for the private sector are the two most relevant to the majority of Moroccans. These two schemes provide family allowance, pensions for old age, disability and survivors, as well as benefits for sickness and maternity leave. On the other hand, those who are self-employed are not covered by the CNSS.

Furthermore, in 2006 Morocco established a contributory health insurance scheme, Assurance Maladie Obligatoire (AMO). This scheme covers all employees, professionals and workers within the informal economy. Additionally, in 2012, Morocco launched a scheme for economically destitute and poor citizens, this medical assistance scheme is estimated to benefit approximately 14% of the Moroccans.

Trade unions and employer organizations
The previously mentioned labour code allows for independent unions. In order for unions to be recognized and engage in collective bargaining, 35% of the employees must be associated with the union. The labour code protects the unions by prohibiting anti-union discrimination and the dismissal of workers that are members of a union or participate in legitimate union activities. However, only around 26 trade unions are registered nationally and estimates show that only 10% of the workforce and 15% of waged workers are registered as members (ILO, 2014b). Due to the limited access to data, the membership rate could be slightly higher.

The CGEM had in 2010, 31 affiliated sectoral federations and about 2,637 member companies in 2008 (ILO, 2010). The member companies range from large industrial and commercial companies, to small or medium sized enterprises.

Table 1: Average monthly wage by job category (Salary Exporter, 2016)

<table>
<thead>
<tr>
<th>Job Category</th>
<th>Average Wage (MAD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Care giving and child care</td>
<td>3,000</td>
</tr>
<tr>
<td>Customer service and call center</td>
<td>12,400</td>
</tr>
<tr>
<td>Information technology</td>
<td>13,996</td>
</tr>
<tr>
<td>Pharmaceutical and biotechnology</td>
<td>15,000</td>
</tr>
<tr>
<td>Accounting and finance</td>
<td>15,416</td>
</tr>
<tr>
<td>Sales retail and wholesale</td>
<td>26,930</td>
</tr>
<tr>
<td>Factory and manufacturing</td>
<td>40,000</td>
</tr>
</tbody>
</table>

Table 2: Working conditions (ILO, 2014)

<table>
<thead>
<tr>
<th>Condition</th>
<th>Specification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Normal weekly hours limit</td>
<td>44 hours</td>
</tr>
<tr>
<td>Overtime limit</td>
<td>80 hours per year</td>
</tr>
<tr>
<td>Maximum weekly hours limit</td>
<td>46 hours</td>
</tr>
<tr>
<td>Maximum mandatory overtime premium/time off in lieu of overtime wages</td>
<td>25% increase; no universal national entitlement to compensatory time off</td>
</tr>
<tr>
<td>Minimum annual leave</td>
<td>18 days</td>
</tr>
<tr>
<td>Duration of maternity Leave</td>
<td>14 weeks</td>
</tr>
<tr>
<td>Amount of maternity leave benefits</td>
<td>100 %</td>
</tr>
<tr>
<td>Source of maternity leave benefits</td>
<td>Social insurance</td>
</tr>
</tbody>
</table>

Table 3: Main trade unions in Morocco (Total members 2014) (ITUC, 2014)

<table>
<thead>
<tr>
<th>Union Name</th>
<th>Total Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>UMT (Union Marocaine du Travail)</td>
<td>335,000</td>
</tr>
<tr>
<td>UNTM (Union National du Travail du Maroc)</td>
<td>N/A</td>
</tr>
<tr>
<td>UGTM (Union Générale de Travailleurs du Maroc)</td>
<td>750,000</td>
</tr>
<tr>
<td>CDT (Confédération Démocratique du Travail)</td>
<td>61,500</td>
</tr>
<tr>
<td>FDT (Democratic Labour Federation)</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Table 1: Average monthly wage by job category (Salary Exporter, 2016)

<table>
<thead>
<tr>
<th>Job Category</th>
<th>Average Wage (MAD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Care giving and child care</td>
<td>3,000</td>
</tr>
<tr>
<td>Customer service and call center</td>
<td>12,400</td>
</tr>
<tr>
<td>Information technology</td>
<td>13,996</td>
</tr>
<tr>
<td>Pharmaceutical and biotechnology</td>
<td>15,000</td>
</tr>
<tr>
<td>Accounting and finance</td>
<td>15,416</td>
</tr>
<tr>
<td>Sales retail and wholesale</td>
<td>26,930</td>
</tr>
<tr>
<td>Factory and manufacturing</td>
<td>40,000</td>
</tr>
</tbody>
</table>

Child Labour
Child labour has been a common part of the labour market in MENA. Research from 2006 shows a child labour rate of 8% in Morocco, approximately on the average of MENA. Rural areas have a much higher rate of child labour than the urban areas. Boys are more likely to be engaged in child labour. Girls are less likely to be engaged, but if they do, they often work as domestic servants. Child labour is most common in the poorest families (Ulandsssekretariatet, 2015).
Infrastructure has been a major focus for Morocco in recent years, with large investments going to the development of roads, railways, airports and ports. With its strategic position between Europe and Africa combined with a coastline to both the Atlantic and Mediterranean, Morocco is dependent on a well-functioning infrastructure to realise its potential as a hub between continents. The government has launched several programmes and initiatives to further improve the infrastructure, aiming to release the country’s potential. The Global Competitiveness Report (GCR) of 2015–2016, provided by the World Economic Forum, ranks the infrastructure of Morocco at 55th place, far ahead of neighbouring Algeria (105th). Internet and mobile-cellular infrastructure has developed over the recent years, helping Morocco to score better than most MENA-countries on access to internet and cellular services.

Roads
The quality of roads in Morocco was ranked as the 55th out of 140 countries in the GCR 2015–2016, ten places above Norway (World Economic Forum, 2015). Morocco’s road infrastructure has experienced a major upgrade during the last couple of years. The country’s highways totalled 1,511 km by late 2014, with the goal of reaching 1,800 km by end of 2015, adding new highways on the distances Marrakech–Agadir and Fez–Oujda (OBG, 2015). Road infrastructure in rural areas has also experienced major improvements through the National Rural Roads Program, which has been launched in two consecutive periods. These raised the rural road access rate from 43% in 1995 to 70% in 2010. The second program, running from 2005 until 2012, reduced the transport time by 23% and transport cost by 45% for travelers and 42% for goods, quantifying the socio-economic value of these programs (African Development Bank, 2013).

Recently, the Moroccan Ministry of Equipment, Transport and Logistics (METL) launched a study on the national infrastructure. The scheme aims at improving and expanding the country’s road infrastructure towards 2035, serving the other national strategies with respect to logistics and other infrastructure such as ports, railways and airports. In the study, which was put out as a tender in May 2016, both technical as well as financial aspects tied to the medium and long term development and construction of roads and highways will be investigated. The study is focused on the axis of Kenitra–Rabat–Casablanca–El Jadida, which is subject to economic growth and urbanisation (Adgeco Group, 2016).

The road infrastructure has traditionally been financed by loans and pay-per-use toll, however, as a part of the strategy of METL, other ways of financing are under investigation. The Ministry highlights that it is looking into strengthening private partnerships on financing, implementation and operation of road infrastructure. According to the ministry, 41.9 billion dirhams were planned to be invested in roads and highways during 2012–2016 (Ministry of Equipment, Transport and Logistics, 2016).

Railway
As one of the largest railway networks in Africa, Morocco has a total of 2,110 km of railway operated by the Moroccan National Railways (ONCF), transporting a total of 38 million passengers per year (Wikipedia, 2016). Ranked as the 33rd best in the world (World Economic Forum, 2015), beating both Australia (34th) and Norway (41st) in GCR 2015–2016. In 2007, Morocco launched its flagship transport project in the form of a major high-speed rail project. The project aims at constructing 1,500 km of high-speed railway by 2035, divided into two major routes: a coastal line running from Tangier to Agadir through Marrakech, and one connecting Rabat with the eastern parts of the country, running through Fez on its way to Oujda. With a top speed of 320 km/h, this will be the first of its kind in the whole of Africa (OECD Observer, 2016; OBG, 2015).

The Tangiers–Agadir line - also known as the “Atlantic” line - will be built in several stages. The first stage will be built between Tangier and Casablanca, reducing the travel time from about five hours down to two hours and transporting six million passengers during the first year of operation (International Railway Journal, 2016). This will relieve pressure from other means of transportation between Casablanca and Tangier, which are the largest and third largest cities in Morocco (Wikipedia, 2016). In addition to the investments in the high-speed project, the ONCF sat aside 13 billion dirhams over the period 2010–2015 to modernisation of the existing railway network.

Airports
With a score of 4.6 in air transport infrastructure, Morocco is ranked 58th in the GCR 2015–2016. In comparison, Italy is ranked 63rd with a score of 4.5. All of Morocco’s airports are under the care of the Office National Des Aéroports (ONDA), and the number of passengers going through Moroccan airports have increased on average by 5.4% from 2009 to 2014 (Morocco.com, 2016; OBG, 2015). The two biggest and busiest airports are the Mohammed V International Airport in Casablanca and the Menara International Airport in Marrakech, with 7.9 and 4 million passengers in 2014, respectively. Both these airports have received major enhancements over the recent years, rendering their capacity to 14 and 10 million yearly passengers respectively. This has led to the Menera International Airport receiving international acclaim, as The Guardian recently named it one of the most beautiful airports in the world (The Guardian, 2016). Norwegian businesses and tourists can enjoy direct routes from Oslo to Marrakech offered...
by Norwegian from November through April. Marrakech is also a destination for airlines like British Airways, easyJet, Ryanair, Lufthansa and SWISS. Mohammed V International Airport in Casablanca offers flights from major airlines such as Royal Air Maroc, Qatar, Emirates, KLM, Delta and Air France to and from most major European cities. Royal Air Maroc offers direct flights from Casablanca to more than 20 other African countries, making it a natural hub for business in Western Africa.

**Ports**

Being located on the borders of both the Atlantic and the Mediterranean, Morocco has a strategic position for maritime transport. This makes Morocco a natural choice for shipping between Africa and both Europe and America. All of Morocco’s ports are controlled by the Agence Nationale des Ports (ANP), except the Tanger Med port, which is under a public-private partnership agreement (PPP). Strategically positioned in the Straits of Gibraltar, the Tanger Med port is of great importance for Morocco’s economic policy on international trade. When fully completed in 2018, it will be the biggest port in the whole of Africa, and one of the busiest ports in the Mediterranean (Tanger Med Port Authority, 2016).

In late 2012, METL launched the 2030 National Port Strategy, which is aiming at boosting the country’s port infrastructure towards 2030. The strategy includes the building of five completely new ports, as well as development of existing infrastructure. According to ANP, six billion Dirhams will be spent on development between 2015 and 2019 (National Ports Agency, 2016).

**Electrical grid**

The quality of electricity supply in Morocco has been ranked as the 51st out of 140 countries in the GCR 2015-2016. GCR ranks the quality of supply on a 1 (extremely unreliable) to 7 (extremely reliable) scale, where data is based on a survey performed by the World Bank, published in September 2015. Morocco scored 5.4, sharing the same score as Cyprus, but better than China (5.3, 53rd) and far better than neighbouring Algeria (4, 90th).

Rural areas of Morocco have earlier suffered from lack of electricity, but have experienced major improvements during the last decade. Governed by the ONEE (Office National de l’Electricité et de l’Eau Potable), the Global Rural Electrification Project (PERG) has been a huge success. Since the year of 1995, the percentage of rural electrification has risen from 20% up to 99.13% in the year of 2015. The investments into electrification are set to continue, according to the action plan of the Rural Electrification Programme for 2015-2017 (Ministry of Energy, Mines, Water and Environment, 2015). Success factors have been political drive coupled with a clear vision, a multi-stakeholder business model and an effective institutional setup (Islamic Development Bank, 2013).
Norway

Algeria

um, 2015), placing it above neighbouring Algeria (113).

in 2014 before declining to 127 in 2015 (World Economic For

fular telephone subscriptions per 100 habitants peaked at 132

and since 2015 also 4G services. The number of mobile-cel

providing 2G, 3G

mar (IAM), Orange (former Médital) and Inwi, providing 2G, 3G

at a fast pace in coming years.”

further

costs and the limited potential customer base. OBG further

due to high installation

Morocco has a well-established optical-fibre network, but the

has been a strategic target for the government, and their goal

devolution of internet access has stagnated.

Both the internet and mobile-cellular infrastructure in Mo-

have been subject to major development over the recent

years. The development has been governed by the Agence Na-

tionale de Réglementation des Telecommunications (ANRT),

which has been the telecommunication regulator since 2004.

Morocco has experienced a steep development in the per-

centage of individuals using the internet, rising from 15% in

2005 up to 57.1% in 2015 (International Telecommunication

Union, 2016). This is vastly better than other MENA countries

such as Algeria (16.5%) and Libya (16.5%), and somewhat

better than Tunisia (43.8%) and Egypt (49.6%) (International

Telecommunication Union, 2017). According to the GCR

2015–2016, 56.8% of the Moroccan population had access to

internet in 2015, which might tell the story that further de-

velopment of internet access has stagnated.

Providing high-speed broadband internet to the population

has been a strategic target for the government, and their goal

is to cover 50% of the population by 2027 according to OBG,

Morocco has a well-established optical-fibre network, but the

fibre-to-the-home infrastructure lags due to high installation

points out that “ADSL subscribers are set to continue to grow

at a fast pace in coming years.”

Morocco has three mobile-cellular providers, Maroc Tele-

com (IAM), Orange (former Médital) and Inwi, providing 2G, 3G

and since 2015 also 4G services. The number of mobile-cell-

ular telephone subscriptions per 100 habitants peaked at 132

in 2014 before declining to 127 in 2015 (World Economic For-

um, 2015), placing it above neighbouring Algeria (113).

Internet and phone lines

Both the internet and mobile-cellular infrastructure in Mo-

rocco has been subject to major development over the recent

years. The development has been governed by the Agence Na-

tionale de Réglementation des Telecommunications (ANRT),

which has been the telecommunication regulator since 2004.

Quality of overall infrastructure

Quality of railroad infrastructure

Quality of port infrastructure

Quality of roads

Quality of air transport infrastructure

Transport infrastructure

Morocco

Algeria

Norway

Chart 2: Internet penetration in Morocco, Algeria and Norway

Internet Live Stats, 16

Chart 1: Global Competitiveness Index 2015–2016 ranking. Lower is better.

Water and sewage

Most drinking water in Morocco is provided by the ONEE, and

is, according to Lonely Planet, safe to drink in cities but bott-

led water is recommended in rural areas. Steps towards in-

creasing water supply has resulted in access to water rising

steadily from 78.3% in 2000 up to 85.4% in 2015 (65%/98% in

rural/urban areas) (WHO & UNICEF, 2016).

Sanitation has been lagging drinking water when it comes to
development. Little of collected wastewater is being trea-
ted (13% in 2004), and 76% of the population had access to

improved sanitation in 2015 (65% in rural, and 84% in urban

areas) (WHO & UNICEF, 2016). This is of major concern for the
government, as the National Sanitation Program of 2005 aims
at treating 60% of collected wastewater and connecting 80% of
urban household to sewers by 2020 (Agence Francaise de

Developpement, 2013).

Morocco has three mobile-cellular providers, Maroc Tele-

com (IAM), Orange (former Médital) and Inwi, providing 2G, 3G

and since 2015 also 4G services. The number of mobile-cel-

ular telephone subscriptions per 100 habitants peaked at 132

in 2014 before declining to 127 in 2015 (World Economic For-

um, 2015), placing it above neighbouring Algeria (113).

Water and sewage

Most drinking water in Morocco is provided by the ONEE, and

is, according to Lonely Planet, safe to drink in cities but bott-

led water is recommended in rural areas. Steps towards in-

creasing water supply has resulted in access to water rising

steadily from 78.3% in 2000 up to 85.4% in 2015 (65%/98% in

rural/urban areas) (WHO & UNICEF, 2016).

Sanitation has been lagging drinking water when it comes to
development. Little of collected wastewater is being trea-
ted (13% in 2004), and 76% of the population had access to

improved sanitation in 2015 (65% in rural, and 84% in urban

areas) (WHO & UNICEF, 2016). This is of major concern for the
government, as the National Sanitation Program of 2005 aims
at treating 60% of collected wastewater and connecting 80% of
urban household to sewers by 2020 (Agence Francaise de

Developpement, 2013).

Internet and phone lines

Both the internet and mobile-cellular infrastructure in Mo-

rocco has been subject to major development over the recent

years. The development has been governed by the Agence Na-

tionale de Réglementation des Telecommunications (ANRT),

which has been the telecommunication regulator since 2004.

Morocco has experienced a steep development in the per-

centage of individuals using the internet, rising from 15% in

2005 up to 57.1% in 2015 (International Telecommunication

Union, 2016). This is vastly better than other MENA countries

such as Algeria (16.5%) and Libya (16.5%), and somewhat

better than Tunisia (43.8%) and Egypt (49.6%) (International

Telecommunication Union, 2017). According to the GCR

2015–2016, 56.8% of the Moroccan population had access to

internet in 2015, which might tell the story that further de-

velopment of internet access has stagnated.

Providing high-speed broadband internet to the population

has been a strategic target for the government, and their goal

is to cover 50% of the population by 2027 according to OBG,

Morocco has a well-established optical-fibre network, but the

fibre-to-the-home infrastructure lags due to high installation

costs and the limited potential customer base. OBG further

points out that “ADSL subscribers are set to continue to grow

at a fast pace in coming years.”

Morocco has three mobile-cellular providers, Maroc Tele-

com (IAM), Orange (former Médital) and Inwi, providing 2G, 3G

and since 2015 also 4G services. The number of mobile-cel-

ular telephone subscriptions per 100 habitants peaked at 132

in 2014 before declining to 127 in 2015 (World Economic For-

um, 2015), placing it above neighbouring Algeria (113).

Water and sewage

Most drinking water in Morocco is provided by the ONEE, and

is, according to Lonely Planet, safe to drink in cities but bott-

led water is recommended in rural areas. Steps towards in-

creasing water supply has resulted in access to water rising

steadily from 78.3% in 2000 up to 85.4% in 2015 (65%/98% in

rural/urban areas) (WHO & UNICEF, 2016).

Sanitation has been lagging drinking water when it comes to
development. Little of collected wastewater is being trea-
ted (13% in 2004), and 76% of the population had access to

improved sanitation in 2015 (65% in rural, and 84% in urban

areas) (WHO & UNICEF, 2016). This is of major concern for the
government, as the National Sanitation Program of 2005 aims
at treating 60% of collected wastewater and connecting 80% of
urban household to sewers by 2020 (Agence Francaise de

Developpement, 2013).

Internet and phone lines

Both the internet and mobile-cellular infrastructure in Mo-

rocco has been subject to major development over the recent

years. The development has been governed by the Agence Na-

tionale de Réglementation des Telecommunications (ANRT),

which has been the telecommunication regulator since 2004.

Morocco has experienced a steep development in the per-

centage of individuals using the internet, rising from 15% in

2005 up to 57.1% in 2015 (International Telecommunication

Union, 2016). This is vastly better than other MENA countries

such as Algeria (16.5%) and Libya (16.5%), and somewhat

better than Tunisia (43.8%) and Egypt (49.6%) (International

Telecommunication Union, 2017). According to the GCR

2015–2016, 56.8% of the Moroccan population had access to

internet in 2015, which might tell the story that further de-

velopment of internet access has stagnated.

Providing high-speed broadband internet to the population

has been a strategic target for the government, and their goal

is to cover 50% of the population by 2027 according to OBG,

Morocco has a well-established optical-fibre network, but the

fibre-to-the-home infrastructure lags due to high installation

costs and the limited potential customer base. OBG further

points out that “ADSL subscribers are set to continue to grow

at a fast pace in coming years.”

Morocco has three mobile-cellular providers, Maroc Tele-

com (IAM), Orange (former Médital) and Inwi, providing 2G, 3G

and since 2015 also 4G services. The number of mobile-cel-

ular telephone subscriptions per 100 habitants peaked at 132

in 2014 before declining to 127 in 2015 (World Economic For-

um, 2015), placing it above neighbouring Algeria (113).
Bachelor of Business Administration

This three-year, full-time programme is taught entirely in English and has an international focus and student body. The BBA programme will give you a taste of what globalisation and internationalisation are all about: a taste with a Scandinavian flavour, which will prepare you thoroughly for a career in international business or further postgraduate studies. BBA students choose one of the following options for their third year specialisation:
- BBA – International Business
- BBA – Shipping Management
- BBA – Finance

Master of Science

BI offers five different two-year, full-time programmes that provide professional skills to meet the increasing needs of businesses. BI’s Master of Science programmes provide a stimulating and multi-cultural learning environment with an international outlook. A fundamental curiosity towards the subject areas unites faculty and students. Our Master of Science programmes are thorough, demanding and interactive, and require the active participation of students.
- MSc in Business
- MSc in Finance
- MSc in Strategic Marketing Management
- MSc in Leadership and Organisational Psychology
- Master in Accounting and Auditing (in Norwegian)

Executive Programmes

BI offers part-time Executive programmes taught entirely in English in collaboration with international institutions and partners. BI cooperates with several highly ranked international partners: Fudan University in Shanghai, Nanyang Business School in Singapore, IE Business School in Madrid, the University of California, Berkeley in San Francisco and IFP School in Paris.
- Executive MBA
- BI-Fudan MBA Programme
- Executive Master of Management
- Executive Short Programmes

Doctoral Programme

BI offers a full-time doctoral programme leading to the title PhD. The programme’s objective is to develop and educate high-potential individuals to serve the society in academic, business and other working life communities through research, publication, consulting and other professional services within their field of expert knowledge.

Summer Programme

The theme of the 2017 Summer Programme will be Inter-cultural Management: A Scandinavian Perspective. This four-week programme runs from 26 June – 21 July 2017. BI’s Summer Programme provides extensive exposure to Norwegian industries, services and software through guest lectures and company visits. Various social and cultural activities are included in the programme as well.
Given Morocco’s strategic location and close proximity to Europe, it is no surprise that the country is rapidly becoming a major logistics and transport hub, connecting the Mediterranean to the Atlantic. Besides, Morocco has shown to be an economically and politically stable country in a turbulent region.

Morocco has developed steadfast relations with France at the political, economic and cultural levels. Consequently, many French companies have set up subsidiaries in Morocco and expanding into other African countries, a trend that is starting to gain popularity with Multinational Enterprises (MNEs) worldwide. More recently, the King Mohammed VI has visited Anglo-phone countries in Eastern Africa as part of a move to diversify Moroccan exports. In addition, with planned direct flights with Royal Air Maroc to Eastern Africa, doing business in East Africa from Morocco will become easier. In March 2016, Royal Air Maroc launched a direct flight to Nairobi, Kenya (Royal Air Maroc, 2016). This is the airline’s first destination in Eastern Africa and has drastically cut travel time between Morocco and Eastern Africa; a distance that may take up to 9 days by car now takes 8 hours by plane. Morocco is also used as a stepping stone for expanding operations to French-speaking Western Africa, especially by French companies. The international airport in Casablanca serves as a West African transport hub and is key in this whole region. The country is also home to one of the largest ports on the Mediterranean, Tanger-Med, which is strategically located on the Strait of Gibraltar and about 40 kilometers east of Tangier. It went into service in July 2007, and is an important part of the economic policy orienting Morocco towards exports.

Tanger-Med Port serves two key roles in connecting Europe to Africa. It acts as a transhipment hub, and forms part of the Tanger-Med complex that includes four export-oriented free-trade zones, where customs duties are not imposed. These zones are designed to attract investment to Morocco’s industries and services, and to create jobs. Hundreds of foreign companies, attracted by Morocco’s proximity to Europe and low labour cost, have set up manufacturing operations for export to Europe from Tanger-Med’s free trade zones. These companies are mainly in the automotive, aeronautics and textile sectors. For instance, Renault has set up the largest car factory in Africa, with the capacity to produce 340,000 vehicles a year.
For a smarter learning planet

conexus insight
The right insights to the right people. All in one place.

conexus key
Be a better learner. Become a better educator.

conexus engage
A better learning dialogue with every student.

conexus companion
No child should be left behind. Every child deserves to be seen.

mYouTime
Be a lifelong learner. Instant learning nuggets just when you need them.

Conexus AS, Grønland 67, N-3045 Drammen, Norway +47 32 89 54 00 | post@conexus.no
Conexus

As a Scandinavian pioneer Conexus has empowered and inspired school leaders, teachers and students to build a platform for learning for more than 15 years. Our digital solutions facilitate individual and collective learning dialogues, focusing on deeper learning and learning analytics.
Industry Overview
Industry Analysis
Introduction

Since his ascension in 1999, the King of Morocco, Mohammed VI, has expressed his ambition to strengthen the Kingdom’s industries by engaging eco-political measures as well as improve the country’s position on the international scene. In order to position Morocco as a gateway to Africa, the government has also put its attention on the African continent by promoting the so-called “Africa-reflex”, the act of engaging and upgrading Moroccan economic operator’s partnership with African countries. To answer the needs for industrial development and competitiveness, the Ministry of Industry, Trade, Investment and Digital Economy (MICIEN) worked together with the private sector to launch the Industrial Acceleration Plan 2014-2020 (AIP). The AIP has the ambition to create 500,000 jobs among all industries combined and increase their contribution to GDP from 14% to 23% by 2020 (MICIEN, 2017). In order to achieve these objectives, the AIP has initiated a strategy to take advantage of the political, institutional and macroeconomic stability advantages the country offers.

With the ambition to boost industrial growth and strengthen industrial competitiveness, the AIP introduced a new approach called industrial ecosystems, which are formed alliances of private enterprises and organizations sharing common industrial activities. Since 2014, MICIEN has given its full intention to industrial ecosystems by proposing financial support and investment contracts to leading corporations as well as professional training for the active workforce. The AIP has identified several industrial ecosystems aimed at industries with highest export potential; three in the textile industry, five in the automobile industry, four in the aeronautic industry, one in the metallurgical industry and four in the chemical and pharmaceutic industry.

Based on the Directorate of National Accounts, Morocco’s tertiary sector emphasizing on transport, offshoring and tourism activities, contributed 62% of GDP in 2014. The primary sector focused on agriculture, fishing, aquaculture and forestry activities contributed 12% of GDP in 2014 and has showed a stable 1% growth in recent years. In terms of industries, total industrial activity in Morocco was estimated at 392 billion dirhams in 2013, representing a significant part of the total national production. In 2014, the secondary sector consisting of mineral extraction, electricity and construction activities contributed 26% of GDP. Boosted by the young and dynamic sectors of automotive and aeronautic, the electrical and electronic industries together with the mechanical and mining industries are showing the highest production growth with 8.7% and 17% respectively from 2012 to 2013. Considered by the government as important agendas for supporting underdeveloped segments in the Moroccan economy, the textile, leather, chemical and para-chemical industries, which have previously experienced a decrease in activity since 2012, are today on the edge of a new era of industrial improvements.

Chart 1: Industrial production by main sectors in 2013

<table>
<thead>
<tr>
<th>Sector</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chemical &amp; Parachemical</td>
<td>42%</td>
</tr>
<tr>
<td>Food &amp; Agriculture</td>
<td>27%</td>
</tr>
<tr>
<td>Mechanical &amp; Mining</td>
<td>17%</td>
</tr>
<tr>
<td>Textile &amp; Leather</td>
<td>6%</td>
</tr>
<tr>
<td>Electrical &amp; Electronic</td>
<td>8%</td>
</tr>
</tbody>
</table>

38 – International Business 2017
Agriculture is, with its contribution to GDP and the number of jobs it creates, an important sector in the Moroccan economy. Since 2008, agriculture has received a political focus through the Green Morocco Plan, and is increasingly becoming a platform for value creation and social development. The sector is less dependent on rainfall, due to its focus on well-developed irrigation systems and diversification towards high-potential crops. Despite this, still 81% of the agricultural land was not irrigated in 2015. Furthermore, there has been little progress in agribusiness, despite its potential as a contributor to GDP.

Introduction
The Moroccan agriculture contributes to around 15% of the country’s GDP. Having an appropriate Mediterranean climate, the Moroccan agriculture is the largest in the region. According to OBG the agriculture sector employed about 39% (4 million jobs) of the total working force in 2015, while the agribusiness employed 25% (143,000 jobs) of the industrial working force. As a major driver for export, revenues, job creation and rural development, it is additionally becoming a platform for value creation, manufacturing and social development (OBG, 2015).

The green Morocco plan (2008–2020)
In 2008, the Kingdom of Morocco launched a strategic agricultural policy proceeding until 2020, called The Green Morocco Plan (Plan Maroc Vert, “PMV”). PMV is based on two pillars. Firstly, it aims to increase the productivity and sector profitability to become more modern and competitive. Secondly, it intends to curing poverty in rural and disadvantaged parts of the country by improving smallholders’ earnings through agricultural development (Embassy of Morocco, 2016). The latter also intend to establish a selection of cereal crops with a higher value added and reduced sensitivity to rainfall, as well as improve processing of local products (OBG, 2015).

The government has launched a number of large-scale projects that seek to develop efficient irrigation and improve mechanisation in order to approach the objective of modernising production methods. To achieve a higher value added, the focus is on the development of high-potential crops and agribusiness. In terms of improving productivity and rural development, one of the more crucial components has been a focus on aggregation and a closer public-private collaboration. This has been done through a creation of segment-specific committees, known as “interprofessions”. So far, 18 committees have been created, and they work in collaboration with the government to implement their plans for each segment (OBG, 2015).

Primary production
The main agricultural products of Morocco are cereals, citrus fruit, olives and grapes. Particularly upstream activities experienced a boost with the introduction of PMV, and also the inception of a better irrigation systems has benefitted the diversification and production of upstream activities through higher productivity and volume. The results after the launch of PMV are increased overall stability and a reduction of the volatility of the output. Varieties in crops and modern production types have created a sector that is less dependent on rainfall and that may remain rather productive and give greater yields despite unfavourable weather conditions (OBG, 2015).

The quality and access of the water and land in northern Morocco are the main reasons to why Royal, blueberry supplier of BAMA Group AS, chose Morocco as their country of cultivation. Additionally, the low cost of labor and access to the European markets are crucial. The launch of PPPs was a breakthrough in terms of access to land in 2006, land that earlier was reserved for governmental purposes. Royal’s blueberries stands out as the “fresh alternative”, thanks to the proximity to the destinations like the company’s country of origin, Spain, and the rest of Europe (Pozancos de Simón, 2017).

Public-private partnerships
Through the development of (PPPs launched in 2004, the government is gradually withdrawing from agricultural activity. This way the activities and production is moved to private investors. The government’s policy to rent state-owned land has resulted in easier access to land. Additionally, it has benefitted the development of crop varieties and an increase output (OBG, 2015).

Agribusiness
The agribusiness is the second-largest industrial subsector with 27% of industrial GDP, and employs 25% of the industrial workforce. In recent years (until 2011), sector turnover has increased with an average annual growth of 6%. Unfortunately, factors like competition with the informal sector, imports, shortage of input and high taxes have strained the development in agribusiness. The agribusiness has been largely affected by the financial crisis in the EU, and has met the same concerns as the global economy. Due to lack of liquidity, there has been little investment and thereby limited opportunities for development in the industry (OBG, 2015).
The processing activities have not experienced the same significant boost as the primary production, and most agribusiness products are still produced for the domestic market. The value of exports have increased in recent years, but not the volume. The PMV put forward an opportunity to develop a diversified mixture of goods for export, both in terms of quantity and quality. Currently, there is a lack of partnerships with processing industries, and increasing partnerships may help to stimulate major profitability and growth. Furthermore, this could help secure supplies for processors while developing agribusiness products with potential for export around the globe (OBG, 2015).

**Chart 1: Export of Food Products (WITS, 2017)**

**Table 1: Top 5 export partners (Agribusiness) in 2015 with value in US$ Thousand**

<table>
<thead>
<tr>
<th>Country</th>
<th>Value (US$ Thousand)</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>164,183.06</td>
</tr>
<tr>
<td>Turkey</td>
<td>98,092.6</td>
</tr>
<tr>
<td>Spain</td>
<td>93,870.92</td>
</tr>
<tr>
<td>Germany</td>
<td>82,744.76</td>
</tr>
<tr>
<td>Italy</td>
<td>75,511.54</td>
</tr>
</tbody>
</table>

**Challenges**

Despite the Moroccan potential in agriculture, the country is still facing various challenges. First, there is the lack of private partnerships within agribusiness. In the export markets, the competition is fierce. Morocco competes with countries like Spain, Egypt and Turkey, which produce similar products and export to similar destinations at the same time of year. Additionally, unfavourable weather conditions, expected changes in climate, drought and soil degradation are other present challenges. The PMV will hopefully cope with these, developing an efficient local production and products with higher value added (OBG, 2015).
Please note that this section may contain data that includes Western Sahara. Due to the limited availability of data, International Business has not been able to fully confirm this.

With a coastline of over 1800 km (CIA, 2016), Morocco has abundant resources along the country’s coastal fishing areas. These resources are becoming increasingly important for the export of fresh and processed fishery products. The sector accounts for approximately 3% of the country’s GDP (OGB, 2015). Challenges in underdeveloped infrastructure and poor freezing processing hinder the sector. Another major issue is the territorial conflict of Western Sahara. Off the coast of the disputed area there are large fishing resources that have been subject to conflicting interest. The sovereignty of the area is still not settled. Despite the challenges, Morocco’s rich maritime resources outside their coast, closeness to potential markets, free trade agreements with foreign partners, and extensive experiences in canneries give Morocco a competitive advantage on the international market.

Production

In 2014, Morocco harvested approximately 1.3 million tonnes of marine life, making it the only African country among the top 25 countries globally (FAO, 2016). The percentage increase of landings in Morocco is approximately 10 times the global total, indicating relatively high growth. Most of the catches are made along the Atlantic coast of Morocco, where the stocks of European Sardines and Octopus are considered among the richest in the world. On the contrary, resources in the Mediterranean are fatigued and not equally promising compared to the Atlantic. Nevertheless, Morocco consists of a wide variety of maritime species, where nearly 65 species of fish, cephalopods and crustaceans are harvested. Looking at the major species harvested in 2001, Sardine (76%), Anchovy (4.7%), Mackerel (2.5%) and Horse Mackerel (1.2%) accounted for 83% of the overall landing in quantity. However, these species made up only 39% of total value in 2001 (Ministry of Economy and Finance, 2012). Octopus and squid are mainly exported to Spain and Japan. Demand for these species are relatively stable, hence the size of catches have remained unchanged in recent years.

Morocco is the second-largest producer of sardines with nearly half of all sardines harvested in the world, with around three quarters of landings going to by-products. For human consumption, it is focused on canned sardines. For fresh or frozen sardines, Portugal, Spain and Italy are main the main European importers.

Chart 1: Marine Capture: Major Producers (millions tonnes)*

<table>
<thead>
<tr>
<th></th>
<th>Average 2005-2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Morocco</td>
<td>83,0</td>
<td>82,5</td>
<td>82,0</td>
</tr>
<tr>
<td>Norway</td>
<td>5,20</td>
<td>5,10</td>
<td>4,80</td>
</tr>
<tr>
<td>World Total</td>
<td>82,5</td>
<td>82,0</td>
<td>81,5</td>
</tr>
</tbody>
</table>

*Disclaimer: may contain numbers incl. Western Sahara

Processing and export

The fishery sector is heavily leaned towards export, processing 70% of landings and selling 80% of its production to 126 countries, with EU as the largest market (OGB, 2016). Among the European countries, France and Spain are the main importers of Moroccan processed and fresh fish respectively. Looking into Asian markets, Japan is the leading market for octopus and cuttlefish, making up about 70% of imports of the species. The remaining are exported mainly to Spain (Atmani, 2003). Rest of the catches are either consumed locally.
or exported to other European countries. The demands for these species are relatively stable, hence unchanged size of catches in recent year.

In 2014, processed seafood exports generated 15 billion dirhams. Due to a long history in canning process, the country is inexperienced in freezing, and often uses outdated and unsuited freezing operation for the respective species. The eagerness to shift to frozen and fresh products is preferred due to higher market value. The National Federation of Seafood Processing and Valorisation Industries (FENIP), is a network that helps and represents members in the processing sector. Most freezing activities are located in Agadir and southwards.

The market value of export is derived mainly from frozen products (41%), canned and semi-cured products (38%), and fresh products (13%) (Ministry of Economy and Finance, 2012).

Table 1: Breakdown of Moroccan fishery products exports according to processing and to species in MAD million (2008-2011 averages)

<table>
<thead>
<tr>
<th></th>
<th>Fresh (%)</th>
<th>Frozen (%)</th>
<th>canned and semi-cured (%)</th>
<th>Fish oil and fishmeal (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pelagics</td>
<td>115 (1%)</td>
<td>601 (5%)</td>
<td>4634 (37%)</td>
<td>1006 (7%)</td>
</tr>
<tr>
<td>White fish</td>
<td>371 (3%)</td>
<td>149 (1%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cephalopods</td>
<td>74 (1%)</td>
<td>3436 (27%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Crustaceans</td>
<td>532 (4%)</td>
<td>725 (6%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>498 (4%)</td>
<td>174 (1%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1590 (13%)</td>
<td>5085 (41%)</td>
<td>4707 (38%)</td>
<td>1007 (8%)</td>
</tr>
</tbody>
</table>

(Source: Ministry of Economy and Finance, 2012) *might include numbers in Western Sahara.

Moroccan export remains centred on two traditional markets, Spain and Japan. While the growth of the developed markets is on the decline, new markets emerge. Not surprisingly, the country notices the market potential in its home continent. In common with other sectors like finance and logistics, business and trade with neighbouring countries are on the rise. African demand for Moroccan canned fish has grown on average by 22% per year (Ministry of Economy and Finance, 2012). The expected changes in demands force firms to adapt; many companies and the Ministry of Marine Fisheries have shifted their focus to the more difficult markets such as Africa, Asia and Middle Eastern countries. Export of fish products to African countries is one of the main focus of the Halieutis plan.

Halielutis plan

The Ministry of Agriculture and Maritime Fisheries introduced a national strategy for the maritime sector in 2009, Halieutis Plan. By focusing on sustainability, performance and competitiveness, Morocco aims to establish the fishing industry as a major economic driver by 2020.

Tangible achievement of the plan is to increase the fishing and processing industry’s GDP to 21.9 billion dirhams. It also aims to increase the value of exports from $1.2 billion to $3.1 billion by 2020. 70% of this goal was already achieved in 2015. 115,000 people are expected to be employed in the sector. This will increase Morocco’s market share around the world, from 3.3% in 2007 to 5.4% by 2020 (Ministry of Economics and Finance, 2012). The plan also includes bringing its annual catch to 1.66 million tonnes by 2020 by raising production and diversifying the product base (might include numbers in Western Sahara).

Investment in Africa is increasing, and Morocco’s leading position on the continent makes it an exceptional gateway to the African markets. The ministry has various cooperation initiatives with countries in Western Africa, such as Mauritania and Ghana. Projects with African Development Bank Group are also underway to promote sustainability in the African sector. Future plans include cooperation with Nigeria, the largest importer of fishery products in Africa.

Research and development makes up a large part of the Halielutis Plan. The National Institute of Fisheries Research (INRH) has many areas of responsibility such as marine ecology and aquaculture. Important publications regarding aquaculture are publicly published on its website. The National Agency of the Development of Aquaculture (ANDA), also part of Halielutis Plan, has overseen up to 1 billion dirhams in aquaculture investments since 2011. ANDA is responsible for specific action plans, implementation of government policies and promotion of aquaculture.

Foreign agreements

Foreign investments in fisheries are declining compared to emerging markets in telecommunication, aerospace and automobile industry. One explanation is that the fish market is old and conservative. EU also plays a significant role for the Moroccan fishing sector in terms of purchased fishing rights. In 2014, a new agreement was established between EU and Morocco. It gives EU access to certain fishing areas across the Atlantic coast in exchange for an annual payment of $32 million for fishing rights, and an additional $10.6 million to be paid specifically by private European fishing companies wishing to obtain licenses (OGB, 2018). A part of this arrangement includes $14.9 million that is to be invested in the development of the industry and to promote sustainability in its waters. The FPA (Fisheries Partnership Agreement) will last until 2018 14th of July.
Despite the stagnation of the Moroccan textile industry in the past decade, there have been signs of recovery since 2014. Further growth is expected in the wake of the launch of the AIP in 2014. The sector is a key employer with a workforce of around 200,000 people; this number is expected to increase with another 100,000 by 2020. Fast fashion is a main driver of the domestic industry, and so is Morocco’s connection to high-potential niche-markets like the EU and the US.

Introduction
As a key employer, the textile sector is an important sector to the domestic inhabitants. Morocco is home to 1,600 textile manufacturers with a focus on export to international markets such as the US and EU (OBG, 2015). The textile production is a part of the country’s diversified GDP and has a large competitive advantage in the country’s proximity to the markets of Europe and the US. In terms of the sub-segment, fast fashion, enabled by just-in-time supply chains, the Moroccan textile industry has an advantage. The knowledge of and proximity to the European market, developed over two decades, equip Morocco with an advantage compared to its Asian competitors (Marcopolis, 2011).

Signs of recovery
Due to strong competition from Asian manufacturers and decreased demand since the global financial crisis in 2008, the Moroccan textile industry has experienced stagnation in export over the past decade. However, with an average growth in export of 10% from 2009 to 2014, the industry seems to be experiencing a recovery (WITS, 2017). Although there was a decline in the annual value of export between 2014 and 2015 (WITS, 2017), things are starting to turn around. According to ApparelSourcing (2016), there was an increase of 11% in export to the EU looking at the 1st semester of 2016 compared to 2015. The EU imported around 95% of all the Moroccan export of textile and clothing in 2015 (WITS, 2017). Asian actors have shifted their focus to domestic markets, and together with a gradual recovery of the global economy, Morocco has reclaimed its share of international markets. Moreover, through the AIP, the industry has started a process that is expected to advance the industry in the coming years (OBG, 2015).

Plans of development
In 2015, The Moroccan Association of Textile and Clothing Industries (AMITH) put forth a 10-year textile development program in order to achieve the targets of PAI. The program aims to triple the current export revenues of 2015 to 90 billion dirhams (€9.79 billion = $10.67 billion) and is divided into two stages. The first stage runs until 2020, and focuses on building the industry’s fundamentals and managing its challenges during the transition. In the final stage, the industry is meant to pick up pace and accelerate. The textile industry is expected to increase the number of jobs with 100,000 by 2020, 20% of the total goal of PAI (OBG, 2015).

Since 2012, Morocco has experienced various social changes, including evolving consumption habits, which have improved the purchasing power and led to the expansion of the middle class.

Challenges
The textile industry is facing challenges and structural issues associated with the development of upstream and distribution activities. This is an important concern in order to achieve a fully developed, balanced and internationally competitive sector, as the competition in international markets is fierce. The informal sector is also an important concern, as the largest part of the growth in the past five years seems to have benefitted mainly this sector (OBG, 2015). However, recent changes in the authorities’ attitude towards the informal sector display a desire to improve the present situation and reduce the informal sector.

Table 1: Export Textiles and Clothing (from Morocco to the World) (WITS, 2017)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>11 %</td>
<td>-3 %</td>
<td>-9 %</td>
<td>-1 %</td>
<td>11 %</td>
<td>-3 %</td>
<td>-2 %</td>
<td>5 %</td>
<td>-14 %</td>
<td></td>
</tr>
</tbody>
</table>
15
Mechanical and Metallurgical Industry

Please note that this section may contain data that includes West Sahara. Due to the limited availability of data, International Business has not been able to fully confirm this.

The mechanical and metallurgical industry (MMI) lies in the heart of Morocco’s economy and industrial activities and constitutes a broad spectrum of products and services across the whole industrial value chain. The MMI has experienced a constant growth supported by a stable increase from private and public investments and export opportunities throughout the years. The Moroccan government considers the MMI’s connection to other industries as a strategic opportunity to reinforce the national demand for metallurgical and mechanical infrastructure equipment in the country. Like the majority of industries in Morocco, the MMI must adapt to environmental restrictions and new requirements set by national policies influenced by global environmental concerns.

The mechanical and metallurgical industry

The mechanical and metallurgical industry emphasizes manufacturing and provisioning of metallurgical products as well as subcontracting to markets within the sectors of energy, transport and agriculture. The MMI accounts for six branches: metallurgy, metalwork, manufacturing machines and equipment, manufacturing office and computer equipment, automotive sector and manufacturing other transport equipment. According to the MICIDE, the total industrial production in the mechanical industry and mining extraction was 71.6 billion dirhams in 2014, representing an 8% increase compared to the year before. However, private investments in the mechanical and mining extraction industries have decreased from 5.14 to 2.67 billion dirhams between 2012 and 2013 (ACP, 2015). In 2015, the MMI employed 91,278 people and total export was estimated at 29 bn dirhams (ACP, 2015). Some of the main companies operating within the industry are Sonasid, Maghrebsteel, Univers Acier, Ynna Steel, Moroccan Iron Steel and Somasteel.

Table 1: MMI evolution of indicators (in billion dirhams) Source: MICIDE

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>66.4</td>
<td>71.6</td>
<td>8%</td>
</tr>
<tr>
<td>Exports</td>
<td>22.2</td>
<td>29</td>
<td>31%</td>
</tr>
<tr>
<td>Value-added to GDP</td>
<td>13.4</td>
<td>14.4</td>
<td>7%</td>
</tr>
</tbody>
</table>

The metallurgical industry constitutes an important portion of all the activities in the MMI industry with 82% of exports, 94% of investments, 91% of the total production and 82.6% of the employment (MICIEN, 2017). Put together, the MMI industry as a whole represents around 17% of the total industrial production. Since 2012, the production of steel has been decreasing constantly leading to a reduction of activities in the sector. According to the Ministry of Energy, Mining, Water and Environment (MEMWE), the production of iron, necessary for the production of steel, has decreased from 301.1 thousand tons in 2013 to 22.9 thousand tons in 2014. The price of steel has consequently dropped since 2007 from $1300 to $300 per ton (OBG, 2015). Top export markets of iron and steel in 2015 were Algeria with $22.4 million, Spain with $11.2 million and Italy with $6.5 million. As for import markets, Spain, Turkey, Portugal and Russia were taking the lead with $271.4, $249.2 and $169.8 million respectively (UN Comtrade data, 2015).

Mining activities constitute an important part of the total industrial activities within the metallurgical industry and in terms of production value, phosphate constitutes the majority of the country’s output value. With 75% of the world’s phosphate reserves, Morocco was in 2011, the world’s third largest producer of phosphate (OBG, 2015). Created in 1920, the Phosphates Cherifian Office (OCP) is responsible of producing, cleaning, drying and enriching phosphate products for over 90 mining companies located in the country. In 2011, the sector contributed to 35% of total foreign trade and about 5% of the national GDP, from which 10% of the total production comes from Bou Craa in the Western Sahara. Morocco also produces a broad range of minerals such as clays, cobalt, copper, lead, salt silver and zinc. The production and export of phosphates has been stable in recent years with 26,400 tons in 2013 and 27,390 in 2014 for production and 8,608 tons in 2013 and 8,738 in 2014 for exports (UN Comtrade data, 2015).

Table 2: Production and export of phosphates (in thousands of tons) MEMWE

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>66.4</td>
<td>71.6</td>
<td>8%</td>
</tr>
<tr>
<td>Exports</td>
<td>22.2</td>
<td>29</td>
<td>31%</td>
</tr>
<tr>
<td>Value-added to GDP</td>
<td>13.4</td>
<td>14.4</td>
<td>7%</td>
</tr>
</tbody>
</table>

According to the MEMWE, other production of minerals and metals such as lead, iron, copper or zinc have significantly decreased between 2013 and 2014. As a part of the AIP, the OCP has carried out investment projects to modernize and develop the production and distribution of phosphate. In 2014, the installation of a 235 km long pipeline was a project carried out by OCP to connect the phosphate extraction site of Khouribga to its production facilities in Jorf, and by doing so, strengthening the industrial value-chain (OBG, 2015).
A year of transformation
2016 is considered as a year of transformation for the MMI. The Metallurgical, Mechanical and Electromechanical Industry Federation (FIMME) has shared its concerns relating to the lack of competitiveness of the industry in terms of costs, financing and development. Supported by the King Mohammed VI and the International Agency of Renewable Energy (IRENA), the Minister of Energy, Water and Environment, Abdelkader Amara, implemented in 2009, political measures aimed to facilitate the transition to renewable energy. The Climate Change Conference COP22 (Conference of the Parties), that took place in Marrakech in 2016, is the result of the shared understanding of the responsibilities Moroccan private and public actors must have towards the preservation of the environment and reduction of carbon footprint.

Since 2016, three strategies related to the recovery of metals such as copper and aluminium as well as metal processing have been designed to form ecosystems in the MMI industry (MICIEN, 2017). The Industrial Development and Investment Fund (FDDI) created for this occasion will provide investment aid to support the sector’s development. The MICIEN estimates that the implementation of these ecosystems will help to create 13,340 jobs, 1.7 billion dirhams of additional production value, 11 billion dirhams of additional turnover, 2 billion dirhams of investment and a 2.3 billion dirhams gain in the trade balance. During a ceremony introducing MMI ecosystems in May 2016, the MICIDE minister, Mr. Moulay Hafid Elalamy, mentioned that the ecosystems will allow it to take advantage of new opportunities such as the increasing demand for mechanical and metallurgical products as well as replacing current imported products with local materials using recycling methods (MICIEN, 2017).
Chemical Industry

Please note that this section may contain data that includes West Sahara. Due to the limited availability of data, International Business has not been able to fully confirm this.

The chemical industry in Morocco has an important place in the national economy. This is due to its diverse product portfolio having an organic link to other economic activities in the country. The industry has a total turnover of 3.3 billion dirhams and employs 15,000 Moroccans. In 2013, the investments in the sector increased by 36%, and the industry has now been selected as one of several areas to be included in the Industry Acceleration Plan (IAP). The industry of chemicals and para-chemicals will consequently be an area of priority for the government, and is likely to offer several new development opportunities.

The chemicals and para-chemical industry

The industry of chemicals and para-chemicals includes activities such as wood processing, cardboard manufacturing, coking, refining and nuclear industries, chemical products, rubber and plastic products, and other non-metallic mineral products. The Federation of Chemistry and Para-Chemistry (FCP) is the professional association in the industry, with companies operating within the chemical and para-chemical industry as members. This association also has branches for each of the sectors within the industry. The chemical and para-chemical industry represents a turnover of 21 billion dirhams, 3.3 billion dirhams of value-added to GDP and employs 15,000 Moroccans (MICIEN, 2016). The production increased slightly by 0.8% from 2013 to 2014, however, investments grew 36% from 2012 to 2013 (Haut Commissariat au Plan, 2015).

Phosphate products dominate the industry and make up the largest share of the exports (International Business Publications, 2009). The industry of chemicals and para-chemicals largely benefits from Morocco’s reserves of phosphates. The OCP contributes with 52% of the turnover in the chemical sector, 90% of the exports, 67% of investments and 22% of the jobs (MICIEN, 2016). In addition to OCP, large companies such as Procter and Gamble, International Paper, Atlas Paint, National Society of Electrolysis and Petro Chemistry, GPC and Sevam are also present in the chemical industry of Morocco.

In 2015, Morocco exported inorganic chemicals for $1.7 billion and organic chemicals for $11.6 million. The largest importer of inorganic chemicals was India ($694.3 million), however, European companies like Netherlands ($161.1 million) and Belgium ($125.8 million) ranked as second and third on the top 10 list; whilst France and Spain were sixth and seventh respectively. Nevertheless, Spain ($5.4 million) is the largest importer of organic chemicals with France ($4.0 million) as second, while Germany and Italy rank further behind. Morocco exports and imports chemicals to several countries in Europe, and has trade with most countries in Western Africa, along with Sudan, South Africa and Congo. Looking to Norway, Morocco exported inorganic chemicals amounting to $6.3 million in 2015.

The chemical and para-chemical industry is included in the AIP and is one of the selected ecosystems. In April 2014, an agreement between the MEMWE, the MICIEN and OCP was signed to develop ecosystems within the chemicals and para-chemicals industry. The purpose of developing the industry as an ecosystem, is to develop new industrial sectors and products that can make further use of the phosphorus together with OCP. The access to local and low priced raw material (e.g. phosphate) and a continuous knowledge transfer from OCP in training, research and development can arguably open up for development of additional activities around phosphates and the already existing infrastructure. Currently, such ecosystems connected to OCP, are developed to secure integration, performance and attractiveness of the industry. In December 2015, two ecosystems within para-chemistry were concluded between the Ministry of Industry, Ministry of Finance and the Federation of Chemistry and Para-chemistry. These ecosystems are within green chemistry and organic chemistry. According to MICIEN, these two ecosystems will by 2020 create 12,430 jobs and 20,570 indirect jobs, in addition to generating a turnover of 14.6 billion dirhams, with a GDP value add of 3.8 billion dirhams as well as export for 9.8 billion dirhams.
Emerging Sectors
17

Electronic and Electric Industry

Please note that this section may contain data that includes West Sahara. Due to the limited availability of data, International Business has not been able to fully confirm this.

In the last decade, the electrical and electronic industry (EEI) in Morocco has become a global hub attracting foreign direct investments (FDI) and major international players. Together with the automobile, aeronautic, offshoring, textile and agriculture industries, the electronic industry constitutes one of the six so-called Metiers Mondiaux du Maroc (MMM) identified in 2009 by the Moroccan government as key industries to attract foreign investments, increase export activities and technology research and development. The electronic industry is mostly present in the upstream value chain of the automobile industry (also present in Morocco), an industry that has in recent years showed great potential in terms of growth, investment and export. As for the electrical industry, the increasing energy demand and electrification rate in Morocco, along with the liberalisation of the power sector and the politics of renewable energy set by the government are some of the factors explaining why investments in this industry have consistently increased.

The electronic and electric industry

According to the MICIEN, total electrical and electronic production was 29 billion dirhams in 2014, an 8.7% increase compared to 2012. Total investments were 1.39 billion dirhams in 2012 and 1.61 billion dirhams in 2013 and the industry represents 8% of the total industrial production (MICIEN, 2015). According to the Foreign Exchange Office (FEO), total exports of electric and electronic products were 24.1 billion dirhams in 2014, from which 80% included electric wires and cables products and 20% electronic components. In 2015, the EEI industry contributed to about 16% of the workforce in the industries employing 68,234 people and continues to attract highly qualified workforce (MICIEN, 2015).

The import of electronic and electric products increased by 70% between 2012 and 2015, which indicates an important activity growth in the EEI (UN Comtrade data, 2015). International companies such as Renault, Crouzet, STMicroelectronics or Lear Corporation Automotive Electronics see Morocco as a well suited distribution platform and lucrative country for manufacturing electronics exported to Eastern Europe. According to UN Comtrade data, Morocco’s total exports of electronic goods were estimated at $3.5 billion and $3.6 billion of imports indicating a negative trade balance of ~$99.7 million. Morocco’s top five export markets for electrical and electronic equipment were Spain, France, Singapore, Italy and the United Kingdom in 2015. France, China and Spain were the main import markets in terms of imports.

| Table 1: EEI evolution of indicators (in billion dirhams) Source: MICIDE |
|-----------------------------|-----------------------------|-----------------------------|
|                            | 2015                        | 2014                        | % increase   |
| Production                 | 29                          | 31.2                        | 8%            |
| Exports                    | 21.5                        | 24.1                        | 12%           |
| Value-added to GDP         | 7                           | 8                           | 14%           |

| Table 2: Top five export and import markets for electrical and electronic equipment in 2015 (in million dollars) Source: UN Comtrade Data |
|-----------------------------|-----------------------------|-----------------------------|
| Export                      | Import                      |
| Spain                       | 1.5                         | 804.2                       | France        |
| France                      | 1.1                         | 654.2                       | China         |
| Singapore                   | 234.1                       | 476.5                       | Spain         |
| Italy                       | 225.7                       | 331.6                       | Germany       |
| United Kingdom              | 71.2                        | 216.7                       | Italy         |

In order to sharpen its industrial potentials, the government has established tax discounts (see tax section) for the production of electronic devices aimed at exports (MICIEN, 2017). Another key governmental incentive is Maroc Numérique 2013, a national strategy initiated in 2009 by MICIEN. By encouraging the use of Information Technology (IT) in the Moroccan social and economic context, MICIEN hoped to accelerate the development and investment of new technologies in the country. In recent years, Maroc Numérique 2013 has, for instance, partially subsidised computers and electronic devices for the local population hoping to facilitate the use of technology and create investment incentives for companies to produce, treat, store and share information. Since then, the electronic industry has grown in terms of national investments and industrial consumption of electronic related products (MICNT, 2013).

The electric industry emphasizes on six main sub-sectors: wiring and cables, electrical distribution equipment, electrical and storage batteries, electric transformers and generators components (MICIEN, 2017). The electrical industry contributes an important part of Morocco’s industry because of its involvement with various economic sectors such as the energy and automobile sector. In 2009, the government engaged its National Energy Strategy (NES) to reduce the country’s dependency on foreign energy market and increase its use of renewable energies. The industry is therefore marked by ambitious electrification and energy diversification plans, changing the economic landscape of the electrical industry. According to the ONEE, the annual electricity consumption in Morocco
was 33.5 TWh in 2014 and, based on historical averages, it is increasing by 7% every year. The electrification plan of 1995 contributed to the increase in the electrification rate from 18% in 1995 to 99% in 2013 (ONEEP, 2014). The production of cables and electric wires are assigned for 72% of the overall activities and represents 86% of exportations and 79% of the total investments in the electric industry. Competition in this market is quite concentrated since the total production of cables and wires only includes 31% of the totality of companies in this sector (ONEEP, 2014). According to the FEI, the exports of electric wires and cables accounted for 18.5 billion dirham and 4.2 billion dirham for electronic components in 2014. The companies leading the exports activities are mainly international companies such as ABB, Nexans, Simon International, Schneider Electric, Eaton Electric, Ingelec and Cegelec.

The automobile sector

Since 2010, the multiplicity of contracts and investments between producers of electronic components and manufacturers of cars and planes can be explained by two factors: the disposition of electronic components from products manufactured in these industries are increasing and the automobile and aeronautic industries are growing both in size and profitability, leading to more production contracts. The Directorate of Statistics estimated the total production in the automobile sector at 16.64 billion dirhams in 2014. The sector produced 400,000 cars in 2014, from which over half are produced by the French car manufacturer Renault (OBG, 2015). As of today, there are 160 industrial units of car production mostly concentrated in the north of the country. Tangier and its surroundings is an industrial zone specialized in car manufacturing, where factories held by major companies such as Société Marocaine de Construction Automobile, Dacia and Renault are located. Mellousa is an example of a production site that accounts for the exports of electrical products in foreign markets. Companies can receive TVA exonerations from imports of component and products.

The aeronautic sector

The aeronautic sector has proved to be a market of investment opportunities for international players such as Safran, Bombardier, Boeing and Airbus. In 2013, the aeronautic sector generated $1 billion and accounted for 6% of the total exports. In 2015, the sector had a negative trade balance of -$322.3 million with $369.8 million in exports and $692.1 million in imports (UN Comtrade data, 2015). The top three export markets in 2015 were France, USA and Canada and the top three import markets were USA, France and the United Kingdom.

The ecosystems initiated by the AIP since 2014 have multiple objectives to expand production capacity in order to meet the growing demand, stimulate innovation to form expertise on the field, for instance through the creation of training institutions, and attract investments to expand and move the value-chain upwards and create new line of products (OBG, 2015).

New opportunities

In 1995, the Rural Electrification Program (PERG) was established by various Moroccan enterprises to answer the increasing demand for electrical infrastructure within the country’s borders. This collaboration is the product of the growing production of local electric products such as low and high voltage cables and other electrical distribution components. The PERG is a successful example of collaboration that has managed to answer both the local and the international increasing demand for electrical products (MICIEN, 2017). As of today, the National Federal of Electricity, Electronic and Renewable Energy (FENELEC) are working closely with the Minister of Foreign Trade (MCE) to set national strategies aimed to promote the exports of electrical products in foreign markets. Companies can receive TVA exonerations from imports of industrial equipment necessary for projects valued over 200 million dirhams for a period of 3 years (MICIEN, 2017). Most exported products are distributed to the African markets in Mali, Algeria, Mauritania, Senegal or Congo, especially for products related to rural electrification (UN Comtrade data, 2015).

As part of the AIP, the automobile sector has the ambitious objective of increasing exports to 100 billion dirhams, creating 90,000 new jobs and raising the yearly production of cars to 800,000 by 2020 (MICIEN, 2017). In addition, to attract more foreign investments in the country, the AIP also plans to strengthen the sector’s competitiveness by developing specialised production units and value-chains in order to shift from manufacturing individual parts to manufacturing entire components and products.

Table 3: Evolution of EEI and automobile sector production indicator

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>EEI</td>
<td>27.3</td>
<td>27.1</td>
<td>29</td>
<td>31.2</td>
</tr>
<tr>
<td>Automobile sector</td>
<td>10.1</td>
<td>9.2</td>
<td>32.1</td>
<td>16.6</td>
</tr>
</tbody>
</table>

Table 4: Morocco trade in Aircraft and spacecraft part in 2015

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export</td>
<td>219.8</td>
<td>296.3</td>
<td>421.9</td>
<td>387</td>
<td>369.7</td>
</tr>
<tr>
<td>Import</td>
<td>505.3</td>
<td>276.2</td>
<td>358.8</td>
<td>507.5</td>
<td>692</td>
</tr>
<tr>
<td>Balance</td>
<td>285.5</td>
<td>-20.1</td>
<td>-63.1</td>
<td>120.5</td>
<td>322.3</td>
</tr>
</tbody>
</table>
The FDDI fund was also provided by the government with the objective to provide financial and development support for companies within the electric industry. The fund also provides financial contribution to support the formation of a new workforce, land acquisition related to rural electrification projects and export related projects within the industry. The fund, implemented in 2015, will contribute 3 billion dirhams per year until the year 2020 (Moroccan Investment Development Agency, 2014). There are several criteria that must be fulfilled in order to be eligible to receive financial support from the IDF. These are available on the MICIEN’s website (http://www.mcinet.gov.ma/). Maroc PME, the national agency for the promotion of small and medium enterprises, is another incentive set up by the government to offer financial support to small and medium companies operating in the industry. Maroc PME seeks to reinforce the competitiveness of small and medium enterprises within operational performances, development and access to market opportunities, and to promote entrepreneurship in the electrical industry (MICIEN, 2017). Additional information related to the agency can be found on their website (http://candidature.marocpme.ma/).
Renewable Energy

Please note that this section may contain data that includes West Sahara. Due to the limited availability of data, International Business has not been able to fully confirm this.

With its renewable-strategy and track-record of turning visions into reality, Morocco has risen to 13th place on EY’s Renewable Energy Attractiveness Index (RECAI) as of October 2016, which is 14 places up since March 2015. Historically, Morocco has been almost completely dependent on importing energy, with imported oil, gas and coal accounting for more than 97% of the primary energy demand. Thanks to a well-coordinated and effective push for renewable energies, Morocco is now on its way to reaching 42% of renewable production by 2020 and 52% by 2030. Handled by the Moroccan Agency for Sustainable Energy (MASEN), Morocco utilises public-private-partnerships (PPPs), effective tendering and financing to turn their vision into reality. In February 2016, the push resulted in the opening of NOOR 1 just outside the city of Ouarzazate, this will be the largest concentrated solar power (CSP) plant in the world once fully completed in 2018.

Introduction

Entering this century, Morocco sat out on a journey to vastly increase its share of renewable sources. The target of having 42% production from renewable energy sources by 2020 is to be achieved with 2,000 MW of solar, 2,000 MW of wind and 2,000 MW of hydropower (MASEN, 2016). As of 2010, these numbers were zero, 220 MW and 1,305 MW respectively, covering 14% of the electricity consumption (ONEE, 2011). According to the Office National de Electricité et de l’Eau Potable (ONEE, the National Office of Water and Electricity), electricity consumption will double by 2020 and quadruple by 2030, compared to 2014 values.

The reasons for the push towards a greener Morocco are numerous, but three stand out in importance. Firstly, joining in on the global wave of cutting CO2-emissions, Morocco has pledged to reduce its emissions by at least 13% by 2030 compared to business-as-usual projections (Daily Mail, 2015). Secondly, Morocco is almost completely dependent on imported energy, with numbers surpassing 97% (World Bank, 2015). Lastly, Morocco – with its proximity to the equator, coastline and mountains – has vast potentials for solar, wind and hydropower, making it a favourable location for investments in renewable energy.

The implementation of the strategy on renewables is handled by MASEN. In order to better coordinate their efforts, all renewable projects were gathered under what is today known as MASEN (Jouhari & Aherdan, 2017). Being a governmental body, MASEN has several advantages which is attracting foreign investors, suppliers and operators. Investors will feel the comfort of having support from the government, mitigating the risks of projects failing due to lack of official support. Suppliers and operators benefit from a centralised and open tendering process, increasing transparency and reducing bureaucracy. Through their PPP-approach, the government takes on additional project development and delivery risks with the goal of driving down prices, accelerating capacity deployment and achieving an economically optimal outcome (EY, 2015-2016).

Electricity prices in Morocco are generally lower than the EU average, with 61% and 79% of EU prices for households and industrial consumers respectively (Eurostat, 2016). More exactly, the prices for private households range from 0.0842 to 0.1491 EUR/kWh, dependent on the annual consumption (see table 1). Industrial and professional consumers receive a time-dependent price as shown in table 2 (ONEE, 2016).
Solar energy

Located in the northern part of Africa, Morocco is rich in solar resources. A solar panel installed in Rabat can produce on average 177% of the same solar panel installed in Berlin, a city which is located in a country that has seen a dramatic increase in installed capacity of solar power (European Commission, 2012).

Morocco’s solar project, named NOOR (Arabic for light), states that 2,000 MW of solar power should be installed by 2020. The investment is estimated to $9 billion, and is implemented mainly by MASEN (World Bank, 2015). This progressive push for renewable energy was one of the reasons why Morocco was chosen as the host country of the United Nations’ Climate Change Conference, Conference of the Parties (COP) 22, which was held in Marrakech November 2016 (CNN, 2016).

<table>
<thead>
<tr>
<th>Monthly consumption</th>
<th>MAD/kWh</th>
<th>USD/kWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-100 kWh</td>
<td>0.901</td>
<td>0.0884</td>
</tr>
<tr>
<td>101-150 kWh</td>
<td>1.0732</td>
<td>0.1053</td>
</tr>
<tr>
<td>151-200 kWh</td>
<td>1.0732</td>
<td>0.1053</td>
</tr>
<tr>
<td>201-300 kWh</td>
<td>1.1676</td>
<td>0.1146</td>
</tr>
<tr>
<td>301-500 kWh</td>
<td>1.3817</td>
<td>0.1356</td>
</tr>
<tr>
<td>&gt;500 kWh</td>
<td>1.5958</td>
<td>0.1566</td>
</tr>
</tbody>
</table>

Table 1: Energy prices in 2015 for households

<table>
<thead>
<tr>
<th>Voltage level</th>
<th>07.00–18.00</th>
<th>18.00–23.00</th>
<th>23.00–07.00</th>
<th>Weighted average</th>
</tr>
</thead>
<tbody>
<tr>
<td>66-225 kV</td>
<td>0.0956</td>
<td>0.1339</td>
<td>0.0699</td>
<td>0.0950</td>
</tr>
<tr>
<td>&lt; 66 kV</td>
<td>0.0991</td>
<td>0.1389</td>
<td>0.0726</td>
<td>0.0986</td>
</tr>
</tbody>
</table>

Table 2: Energy prices in 2015 for industrial and professional customers, dependent on voltage level of connection. Prices in USD/kWh.
In February 2016, the first step towards the 2020 goal was the opening of the 160 MW NOOR 1 outside of the city of Ouarzazate. NOOR 1, to be completed in 2018, is the first phase of the Ouarzazate project, and it will be the largest CSP in the world, with a total capacity of 510 MW. NOOR 2 and 3 will also be CSP-based and have an installed capacity of 200 MW and 150 MW respectively, while the PV-powered NOOR 4 will have a capacity of 70 MW. The complex, covering a total of 3,000 hectares, will also have a designated area for research and development, where suppliers, organisations and universities from all over the world are welcome to test their equipment (Amrani, 2017). The International Business team was fortunate enough to visit the complex when in Morocco, and received a guided tour led by one of the head engineers.

Upon completion in 2018, the Ouarzazate complex will be able to store enough energy to run on full rated capacity for eight hours, powering about one million households (World Bank, 2015). It is singlehandedly expected to reduce CO2 emissions by 760,000 tons per year (CNN, 2016). Financing comes from a combination of public, private and climate funds. The Ouarzazate project has been funded by 80% debt and 20% of equity. Loans were issued by the European Union and the African Development Bank, among others (African Development Bank, 2013).

Cluster Solaire
Investors, suppliers and other actors looking into the solar industry in Morocco could potentially be interested in joining the Cluster Solaire, the Moroccan cluster for solar power. Cluster Solaire is located in Casablanca and accepts both national and international members. The cluster aims at developing a competitive solar industry in Morocco, combining the efforts and knowledge of organisations, industry, researchers and academics.
Tendering

For each project, MASEN launches a tender process with multiple stages to allow the selection of a developer able to achieve the highest international plant standards, while meeting MASEN’s requirements, with an optimized price per kWh (Kadiri, 2016). The government has the responsibility for site selection and land allocation, and subsequently retains the asset at the end of the contract period.

MASEN has a focus on creating integrated projects, which means including the local community into the benefits of the investments into renewables. CSR-projects such as building schools, sanitary infrastructure and sports facilities are examples, and at least 30% of employees during construction of the plants are to be locals. This goal is varying for different projects, and should be noted by foreign construction companies which are considering attending the tenders (Jouhari & Aherdan, 2017).

Wind power

Morocco has a vast potential for wind power, both on- and offshore with its long coastline, giving an exploitable potential of 25,000 MW (AMEE, 2016) (numbers might include Western Sahara). The Moroccan Integrated Wind Energy Project of 2010 quantifies Morocco’s goal for installed wind capacity, stating that the installed capacity should be 2,000 MW by 2020, increasing from 280 MW in 2010 (Invest in Morocco, 2016). Originally coordinated by ONEE, responsibility for the wind power and hydropower projects were shifted to MASEN in 2016 (Jouhari & Aherdan, 2017).

In March 2016, 850MW of wind capacity was awarded across five projects, representing US$1.1 billion of investment. The awarded consortium comprised of Enel Green Power, Siemens and Nareva Holding. The tender returned record low bid prices, averaging just $30/MWh (EY, 2015-2016).

Hydropower

With the Atlas Mountains running through Morocco, the country has a significant potential for hydropower. This has already been somewhat exploited, as the country had 1,770 MW of installed hydropower capacity by the end of 2015 (Export.gov, 2016). Knowing this, the established target of 2,000 MW of hydropower by 2020 seem less ambitious than the targets for wind and solar.

In order to bolster private investments in the development of small to medium-scale hydropower plants, the government has liberalised their laws concerning private investments in hydropower. As of the amended law no. 13-09 (more on this in the following section), private hydropower plants are now allowed to be as big as 30 MW. This is a 250% increase from the previous 12 MW. ONEE has identified 200 sites fitted for such hydropower plants, which will contribute to meeting energy needs in isolated areas (OGB, 2016).

Power market

Morocco has one state owned transmission system operator, ONEE, which also handles retail for most of the territory. The power market is not liberalised in the same manner as in Europe, but in 2015, the Autorité Nationale de Régulation de l’Électricité (National Electricity Regulatory Authority) was created in order to organise the move towards a more liberalised market (Lexology, 2016). Morocco has electrical connection with Spain through two electric lines of 400 kV/700 MW and a third in progress (Energypedia, 2016), enabling it to trade electricity with Europe.

There are two ways for privately owned power plants to enter the Moroccan market: (1) winning a public tender issued by ONEE, or (2) enter bilateral agreements with customers to buy the energy. According to ONEE, the Moroccan power market is saturated until 2020 because of a surplus of installed capacity in the system. Hence, there will be no new tenders in the coming years (Filali, 2017).

Law no. 13-09 of 2010, also known as The Renewable Energy Law, provides the legal framework for the development of renewable energy project in Morocco. The law enables privately operated power plants to produce and sell electricity to the grid, which before 2010 was limited to the monopoly of ONEE. Private producers must enter bilateral contracts with consumers to buy their produced energy, and might be subject to fees if they produce too much or too little (Filali, 2017). The Renewable Energy Law received an amendment in January 2016 under law no. 58-15, which introduced important improvements to 13-09 (Lexology, 2016). Producers are now allowed to be connected to the urban and rural low voltage networks (used to be limited to the medium, high and extra-high voltage levels) and to sell their surplus to ONEE, limited to 20% of the annual production.
Under the surface

Financial crime, enterprise fraud and global corruption are just some of the few topics Deloitte’s forensic team advises our clients on. Our professionals anticipate emerging threats through the use of market-leading technology to uncover possibilities that others may fail to find, and they help clients turn business issues into opportunities for growth, resilience, and long-term advantage.

Deloitte gathers some of Norway’s and the world’s greatest experts to contribute to forensic services, integrity due diligence, governance and compliance. Our joint knowledge and experience help us meet your challenges.

We call it impact that matters
Since the early 2000s, Morocco has taken advantage of its strategic geographical and structural assets, establishing symbiotic relationships with various international corporations. As an established actor in the offshoring scene, Morocco delivers with an adaptable labour force, tailor-made technological park and strong government support. Today, international dynamics in the business environment challenge Morocco’s positioning. Hence, Morocco is adapting to new demands in the sector – standing strong to face a new wave of growth opportunities.

An emerging sector
Since the launch of the first Digital Morocco Plan in 2006, and as a component of the Emergence Plan, Morocco has witnessed and taken advantage of the phenomenon known as offshoring. With average growth rates reaching almost 20% until 2013, Morocco has established itself as a go-to resource for foreign companies (OBG, 2013). In 2012, Morocco won the award for being the best offshoring destination by the European Association of Offshoring. Since then, global dynamics have affected the strategic landscape of Morocco’s offshoring offerings, which now provides foreign investors with promising opportunities.

As of 2017, offshoring is Morocco’s sixth most important sector in terms of inflow of foreign currency (Association Marocaine de la Relation Client, 2016). The sector employs approximately 63,000 people, provides revenues of 7.6 billion dirham, 6.4 billion dirham in value-added to GDP and contributes to 5% of GDP (MICIEN, 2017).

The Moroccan offshoring offer
Morocco’s physical proximity and developed connectivity to Europe defines it as a nearshoring country for European markets. With its cheap labour pool and highly supportive government in terms of ensuring the position as a top outsourcing destination, Morocco’s offering consists of a specific know-how in Customer Relationship Management (CRM) and IT outsourcing. Moreover, the government invests heavily in developing advanced technological zones that facilitate international entry processes, as well as strong financial incentives with little restrictions for foreign investments.

Strategic landscape
As a general tendency, companies worldwide use foreign providers to execute less strategic activities in order to achieve a higher focus on core activities at home. In the Moroccan context, 70% of today’s offshoring activity consists of low value-added services within CRM, such as telemarketing and customer care, covering an astonishing 50% of the French-speaking market (OBG, 2013). However, the CRM segment is currently facing fierce competition on costs from other African countries, in addition to new ways of dealing with customer relationships globally. Offshoring is typically divided into five categories: CRM consisting of customer care and telemarketing; business process outsourcing (BPO) consisting of accounting, payroll, and HR; information technology outsourcing (ITO) consisting of software development, maintenance, and infrastructure management; engineering service outsourcing (ESO) consisting of civil engineering and R&D; and knowledge process outsourcing (KPO) consisting of market research, data analytics, and publishing.

Today, Moroccan sector growth mainly comes from BPO, which is the leader in terms of return on investment. Since 2006, public investments of $46.92 million have been returned tenfold (OBG, 2015). Therefore, Morocco now seeks to change its focus to more value-added services such as BPO and ITO in order to remain competitive.

Trends and opportunities
European companies show a recent trend of being slightly reluctant in moving jobs abroad. In addition to obvious cultural and linguistic barriers, companies in the developed world are pressured and held accountable by national unions and syndicates to avoid outsourcing labour.

Fortunately for Morocco, two major trends in Europe indicate an increase in future demands. First, the current baby boomers in Europe are approaching retirement. When this generation of accountants, financiers and HR-employees retire, European companies will need to consider opportunities abroad in order to make back-office processes more efficient (Abouzid, 2017). Second, there is an important gap in supply and demand of IT specialists in Europe, which is ready to be partly covered by ITO in Morocco.

The MICIEN has established a new action plan, hoping to bring the offshoring and outsourcing sector up to $1.83 billion in earnings and create an additional 40,000 jobs by 2020, by exploiting the rising demand for more sophisticated, value-added services (OBG, 2015).

Zoning
According to McKinsey, one of the keys to success has been the development of integrated industrial platforms; dedicated zones that fast track investments and operationalization (MIDA, 2017). There are currently four zones that function as clusters, managed by MedZ. The largest park in North Africa is located in Casablanca. Casanearshore Park, opened in 2007, currently hosts 100 multinational IT-companies, employing 26,000 workers within 300,000 square meters. Technopolis Park, opened in 2008 in Rabat, currently hosts 76 multinational companies, employing 30,000 workers in a mix of BPOs. With the hopes of replicating the success of these two zones, the government has created additional mid-sized technology clusters in Fez and Oudja, where fixed costs are lower. In 2009 and 2013, Fez Shore and Oudja Shore employed 15,000 and 2,000 workers, in the areas of CRM and ITO respectively.
Challenges
In the medium term, sector growth depends on technology. However, over a longer horizon, access to qualified human resources plays a more crucial role. Currently, IT academic programmes for higher education are solely focused on technical skills, leading to a lack of talent in management and soft skills. However, “For Shore 3000” and “Call academy program” are examples of initiatives to support the sector (Moroccan Investment Development Agency, 2016). Moreover, according to a report by A.T. Kearney (2016), the automation business model with software robots is predicted to cut back office processes by 25 to 50%. From a longer term perspective, this may threaten the established model of BPO (Global Services Location Index, 2016).

Outlook
Morocco is no longer leading in cost-competitiveness, and needs to adapt in order to maintain a competitive edge. The Digital Morocco 2020-plan seeks to capitalize on IT sector developments and integrate into the global economy, with underlying goals of industrial growth and job creation. The Moroccan government aims to become one of the three highest performing countries in IT businesses within the Middle East and Africa region, and reach offshoring growth of 5 to 10% per year (Medias24, 2016).

The main strategy consists of relaunching Morocco as a digital hub. This includes the strategic repositioning towards BPO from Europe, changing the target audience and a total review of the promotional approach of Morocco as an offshoring destination. This also calls for developing a more qualitative value proposition than what is currently marketed. As of today, Morocco promotes greater investments in data centre capacity and cloud computing in order to modernize operations and reduce the costs of technology. Training programs are developed with the help of industry-partnerships, and launched with a goal of doubling the amount of employees in the IT sector every year, reaching 30,000 new employees by 2020 (Medias24, 2016).

Practicalities
Morocco is highly welcoming towards FDI, which is strongly incentivized. For the first 5 years, revenue tax is lowered to 20%, corporate tax is 0%, and companies benefit from lower toll costs for exports and simple administrative procedures. After five years, corporate tax is upped to 17.5%, which still is a 50% discount (Head of Government of Morocco, 2016).
Pharmaceutical

The pharmaceutical industry has considerable growth over the years, generating turnover of around $1.19 billion per year (OBG, 2016). 95% of the market is held by the top 20 performers and the industry is largely dominated by subsidiaries of multinational companies. Foreign investment is encouraged with reduced tax rates for export companies, but the government has not provided specific incentives for the sector. Due to weak purchasing power, national production is not able to cover the local demand, only 65% (OBG, 2016). Hubert de Ruty, president of Maroc Innovation et Santé, stated that 12 of the 15 multinational pharmaceutical companies have chosen Morocco as a regional or African centre (OBG, 2016).

Total health expenditure in Morocco dropped to 6% of GDP in 2014, and most of this is from public spending. Nevertheless, the country has experienced significant advances that improve health care. Substantial reduction in infant mortality rates, increasing longevity, has led to a rise in chronic diseases among Moroccans. Furthermore, new legal changes to investments in the private sector and governmental focus on mental health legislation will boost access to health care for a growing number of people. Higher demands for treatment and medicines will also shift the focus more towards the health sector.

Tourism

Tourism is an integral cog in the Moroccan economy. In 2014, tourism accounted for nearly 12% of GDP and supports more than 500,000 direct jobs. The same year, Morocco hosted 10.3 million tourists (OBG, 2015), making it the most visited country in Africa (World Tourism Organization, 2015). Still, Morocco hopes to reap even greater benefits from this sector in the future. Succeeding Vision 2010, the national tourism development plan “Vision 2020 for tourism in Morocco” (V2020) states that the government aims at getting Morocco into the world’s top 20 destinations (Morocco Ministry of Tourism, 2013). As well as hoping to attract a greater volume of visitors, the V2020 devotes more attention to the quality of accommodation and services rendered (OBG, 2015). To this end, the Ministry of Tourism is aiming towards a sustainable development of the industry to distinguish itself, especially through an increased focus on ecotourism (Morocco Ministry of Tourism, 2013). If the V2020 proves to be successful, Morocco will welcome a full 20 million tourists in 2020, leaving the country close to a tourist magnet like Greece in terms of the number of visitors (World Tourism Organization, 2015).

Some challenges remain for the country’s tourism industry. The main source market for foreign visitors is Europe. A European economic recession or the Europeans perceived risk in the North African region as a whole are factors that would have an impeding impact on the Moroccan tourism industry (OBG, 2015).
Retailing

In 2016, the Moroccan retailing space accounted for 11% of the GDP. However, due to a strong increase in inflation, stricter import policies, higher fuel prices and a depreciation of the Dirham, Moroccan purchasing power decreased during the course of 2016. With consumers becoming more selective in their expenditures, the retailing sector experienced a 2% value decline (Euromonitor International, 2016).

Even though 85% of the retail business is carried out in the informal sector, modern retail spaces are emerging (OBG, 2016). International brands such as IKEA have recently entered the Moroccan market. Many of these newcomers bring in a new shopping experience, enabling a change in consumer behavior. In the clothing and ready-to-wear segment, there are few national, and many international brands such as Nike and Adidas, as well as international retailers such as Decathlon that have established themselves. Combined with an expanding middle class and evolving consumption habits, the segment is promising. Moreover, shopping malls are scarce but expected to rise, especially along the coast between Casablanca and Tangiers.

The Department of Trade and Industry is currently implementing the Rawaj Vision 2020-plan intended to revive and modernize domestic trade. With ambitions of becoming a “platform for excellence for shopping with an offer that meets the needs of customers”, the initiatives aim to increase sector growth to 8%, create more than 450,000 jobs and triple the current GDP of domestic trade (up to 15%). The transversal measures consist of both strengthening the attractiveness of the Moroccan value proposition, as well as improving the ease of doing business. In practice, this consists of modernizing commercial spaces and responding to new consumer habits through increasing product variety, focusing on quality to price-ratio, innovating promotional campaigns, modernizing payment methods and shaping convivial spaces to deliver a better customer experience. The main challenges of implementation are within the accessibility to human resources, weaknesses in distribution system, difficulties in obtaining fresh produce, and a high cost of land and real estate.

With a rise of internet use and higher banking penetration, e-commerce has showed double-digit growth in recent years. In 2015, the number of transactions totalled 240 billion dirham (Centre Monétique Interbancaire, 2016). Moreover, 66.5% of households had access to internet, and 54.7% of mobile phone owners possessed a smartphone in 2015 (Information Technology Observatory, 2016). Retailers are adapting their websites to mobile viewing, and even developing mobile shopping applications. In addition, the government has since 2015 been pushing the transition with a fiscal law levying a tax of 0.25% on transactions that happen electronically (Euromonitor International, 2016). With multiple large project in pipeline, activity in the sector will be increasing in the coming years. The current challenges that ought to be solved are ensuring profitability of mall projects, and integrating the cities to provide prerequisites such as access, transportation, security and lighting. International presence of brands both stimulates and accelerates the transition to an increasingly modern retailing environment which is mutually beneficial for the sector. Although there is a shift happening towards internet retailing and mobile internet retailing, which are respectively expected to grow by 49.7 and 100.9% until 2021 (Euromonitor International, 2016), demand for shopping in store will also continue to increase.
3

Ease of Doing Business
«In Morocco, everything is complicated but nothing is impossible»
Morocco represents a rich culture, and understanding these aspects should be of importance for anyone doing business in Morocco. In short, Moroccans emphasise loyalty, relationships and time flexibility. Even though English is becoming more common, Moroccans operate almost solely with French as the official business language.

Business language
French language, architecture and culture is still evident in Morocco, and stand as reminders of the past French protectorate that ended in 1956. French is also the dominant business language, and is usually also found within diplomacy, education and government (CIA, 2017). However, it is increasingly common for Moroccans to study in Europe, thus English is rapidly becoming more common among the educated generations (Department of Commerce, 2016). A large growing tourist sector also strengthens the importance of English in Morocco. Even so, both language and systems are very much based on French culture, and it is crucial for anyone doing business in Morocco to understand and know how to operate in French. Knowing French will also come in handy in everyday situations like taking a taxi, ordering food or asking for directions.

Business areas
The most important city for business is Casablanca, which is known as the financial and commercial centre (Department of Commerce, 2016). The majority of large companies are based in Casablanca, and in 2010 his Majesty King Mohammed VI announced the creation of the Casablanca Finance City, a financial hub aiming to develop the countries of North, West and Central Africa (Casablanca Financial City, 2017). While Casablanca is the main financial city, Rabat is the capital and has an important role in government and administrative matters. Mostly all public affairs and transactions take place here (Department of Commerce, 2016).

Business etiquette
Moroccans are perceived as open minded and accepting towards other cultures, and business etiquette and customs are influenced by this openness. Even so, there are some important norms of doing business in Morocco. People aiming to do business in Morocco should be aware of the use of informal business methods; the use of verbal agreements and commitments (Department of Commerce, 2016). As verbal agreements are not legally binding, business matters should rather be done in formal ways. Hence written agreements that are legally binding, should be a priority. There are also some issues that should be avoided due to the risk of offending Moroccans. Such issues are related to views on the Monarchy, the role of women in the society and sovereignty over territories such as the Western Sahara and the Spanish “autonomous cities” Ceuta and Melilla (Global negotiators, 2017). Moroccans are very nationalistic, and rather appreciate conversations about the natural beauty of the country and its culture (Global negotiators, 2017).

Cultural differences
Some cultural differences may present challenges of doing business in Morocco. According to the Geert Hofstede’s analysis (2016) on cultural aspects within societies, Morocco is characterised by high degrees of power distance. Power distance describes the distribution of power within a society, and to what extent individuals accept inequality of such distribution. Morocco is classified as a hierarchical country, which indicates that Moroccans accept and to some extent expect an unequal distribution of power. In business contexts, this can be seen as highly hierarchical organisations with large degrees of centralisation and autocratic leader characteristics. Titles and respect are important factors, and authority overrules mostly all lower ranks.

Moroccan culture can also be described by degrees of individualism, which explains the degree of independence between members in a society. Individuals can be characterised as either individualists or collectivists, dependent on whether they have an “I” or “we” perspective (Geert-Hofstede, 2016). With a collective mindset, Moroccans consider themselves to be a part of a cohesive in-group, where individuals take care of each other in exchange for loyalty. Loyalty is more important than mostly any other rules and regulations in the society, and individuals risk the loss of face if they do not act upon this (Geert-Hofstede, 2016). Moroccans also emphasise the importance of relationship, both in personal and professional matters. In many cases, gaining market access is a time consuming process, and a result of several visits to the country and efforts in relationship building. Moroccans prefer to do business with people they know, and good relations and connections may be crucial for success (Communicaid, 2017).

Societies can further be categorised as either masculine or feminine, all dependent of what motivates individuals. Within masculine cultures, individuals value things such as achievements and successful careers, while feminine societies have a stronger focus on the quality of life and the well being of others. With a medium score of 53 out of 100 (100 being a 100 percent masculine society), Morocco is to be found somewhere in between the two extremes (Geert-Hofstede, 2016). Hence, in business matters Moroccans are likely to be driven both by masculine values such as competition, achievements and career, but also feminine values such as balance in life.

Uncertainty avoidance measures to what extent individuals accept the unknown. With a high score of uncertainty avoidance, individuals are believed to feel threatened by the unknown, and institutions and systems in the country reflect their need to control this. Moroccans are believed to have high behaviour of uncertainty avoidance, which indicates strong beliefs in rules, traditions, norms and security, and thus higher avoidance of changes (Geert-Hofstede, 2016). This is evident in Morocco’s authoritative society, with highly bureaucratic structures. Due to such bureaucratic structures, bu-
Business procedures may take time and often require approvals of many different directors. Hence, patience and flexibility are important aspects of doing business in Morocco (Department of Commerce, 2016).

**Fact box**

People should be addressed by "Mr." (Monsieur) or "Ms." (Madame) followed by the surname.

Moroccans love the gesture of serving mint tea or coffee to their guests, which of politeness should be accepted.

Moroccans are very time flexible and dislike being rushed. However, foreign visitors are expected to be punctual.

During the month of Ramadan, stores remain open at midday but close earlier in the afternoon.

The exchange of business cards is an informal process in Morocco. One side should be translated into French or Arabic.

A handshake is common when meeting colleagues or partners, but friends may be greeted with an embrace or kiss.

When meeting female Muslim colleagues, men should wait for the women to extend their hand.
22
Corporate Social Responsibility

Morocco aspires to become an internationally agile business environment. As an offensive player in implementing liberalization of economic policies and investing heavily in its infrastructure, transportation and telecommunications, Morocco relies on the trend of corporate responsibility. Although the understanding and current practices of corporate social responsibility (CSR) in Morocco have not reached full integration in corporate strategies, it plays an important role in corporate structures, offering possibilities for welfare and social development.

Morocco in MENA
The CSR discussion has reached multiple milestones since the early 2000s. Taking action in line with the new beliefs about the role of business in the world has never been of higher relevance. From the establishment of the Organisation for Economic Co-operation and Development (OECD) principles of corporate governance, to the the United Nations (UN) global compact principles, ILO tripartite declaration concerning multinational enterprises (MNEs) and comprehensive ISO 26000 (International Organization for Standardization) standards, businesses today have access to frameworks to secure the triple bottom-line (CGEM, 2017).

In 2002, the concept of CSR in Morocco was non-existent (Benseddik, 2014). Today, Moroccan companies are the most advanced in terms of CSR within the MENA region. However, the general understanding and practices have a long way to go before being aligned with the western standards and expectations.

Moroccan landscape
In the context of globalisation, today’s stakes for an emerging economy are very high. Currently, increased fiscal competitiveness influences international business decisions, in addition to an increasingly important public spending. In order to create, maintain and develop a competitive advantage in its business environment, it has been argued that Morocco has to focus on adopting both technological and organizational innovations (El Abboubbi & El Kantoussi, 2009). With this in mind, the adoption of CSR connects with developing the economy’s attractiveness, thus increasing the amount of FDI. Moreover, factors such as the improving working laws, environmental protection engagements, development of socially responsible investments (SRIs) and sustainable development project under the Global Compact all favour the emergence of CSR practices in Morocco (Tiemčani, 2009).

Initially, CSR was introduced by subsidiaries of MNEs whose internal policies required various engagements in terms of social responsibility (Benaicha, 2014). These business practices set a standard for ways of doing business and directly affected the way international companies interacted with local partners and suppliers. Naturally, Moroccan companies that seek to become a piece of international value chains, have to respond to these new demands driven by consumers in developed countries. Hence, it is the MNEs that have taken the role of standardizing what responsible business practices ought to be. A prime example of this practice is described in the case-study with Bama’s supplier of blueberries (Fresh Royal). Among other industries, exporting companies in textile mostly choose to invest in renowned certifications in order to access large markets or maintain customers.

Moreover, the Moroccan government (Royaume du Maroc, 2014) envisions “implementing a green and inclusive economy in Morocco by 2020”; the foundation of the Moroccan strategy for Sustainable Development. Consisting of the principles of international and legal compliance, commitment and operationalization, this strategy contains 7 challenges, 31 strategic axes, specific projects and KPI’s. To name a few, the government is investing 97 million dirhams, approximately 2% of GDP per year until 2020, to support sustainable development in areas including agricultural management, waste management, industrial carbon footprint, energy consumption in housing projects, car park renewal, forest protection and clean water management (Royaume du Maroc, 2014).

Certifications
Across countries, it is fairly common to have a handful of organizations seeking to measure impact and certifying responsible conduct among private companies. In Morocco, CGEM is the primary labelling system which recognizes company engagement in social responsibility and its integration in corporate strategies and daily operations. Respected for its rigour even internationally, it is used as a tool to assess and measure impact, promote responsibility towards stakeholders in a standardized way and consult for improvements.

In short, the CSR chart of the CGEM contextualizes and concretised the ISO 26000 norms (CGEM, 2012). As a member of CGEM, one commits to respect human rights, to continuously improve the conditions of employment and work, protect the environment, prevent corruption, respect the rules of healthy competition, strengthen transparency and corporate governance, respect the interests of customers and consumers, promote the social responsibility of suppliers and subcontractors and develop societal commitment. In practice, the evaluation is done by an independent third party every year, with a renewal audit every three years.

However, fewer than 100 companies are labelled (Benaicha, 2014). The organization currently works to convince more businesses to embrace the trend, but most managers might see labelling as irrelevant for small and medium enterprises (SMEs). The next step will be proving that CSR, beyond philanthropy, provides opportunities for innovation and improving business relations. In addition, CGEM is not the only actor. In 2006, a UN Global Compact network was launched in Casablanca, providing support to companies, and The Moroccan Association of Textile and Apparel Industries awards a prestigous “Fibre Citoyenne” label (International Trade Administration, 2016).
Comprehension and common practices

Despite the low number of companies labelled by the CGEM, CSR is an established business term. In fact, a comparative study between Morocco, Algeria and Tunisia indicate that 85% of the companies in Morocco declare their commitment in CSR activities (Sustainable Square, 2013).

Companies focus especially on the social dimension for employees and the local environment. For instance, the blueberry farm that the International Business team visited, facilitates good working conditions for Moroccan employees, and support workers’ families through allocating budgets for philanthropic actions like investing in the education of the worker’s children (see case study for more information). Hence, the result reflects a rather philanthropic orientation of CSR and not yet an integrated, strategic approach (Sustainable Square, 2013). According to a second survey carried out in 2009 among 100 companies (70 percent of which were SMEs), there is indeed a strong confusion between social responsibility and legal responsibility in Morocco (Tlemçani, 2009).

Moroccan companies' sensibility to CSR is mainly determined by three factors: shareholder influence, MNEs internal policies, and board member engagement. The last is by far the most important (Benseddik, 2014). Of course, other factors such as legislation, sectoral context, competition, current trends also play an important role, varying on the context.

To analyse the current context in Morocco, one may try to understand the realities at three levels. At the institutional level, there seems to be a general scepticism towards institutions encouraging the path to transparency and good governance and a relatively weak adherence to legal and regulatory frameworks. On the organizational level, sector dynamics, common practices by the competition, company size and access to capital and foreign markets make it seem risky to invest in CSR. On the individual level, a weak educational system has assimilated a cynical relationship towards the private sector – reducing its value of possibly serving society - to chasing short-termism (Benaicha, 2014).

In general, the common understanding of CSR, especially for foreign companies, is that of an insurance policy where the cost of negligence is superior. “CSR, it’s like an insurance for us.” (Pozancos, 2017).
**You might not know Fresh Royal by name, but you probably do know the taste of them. Fresh Royal is Bama’s producer of blueberries; in any grocery store in Norway contracted by Bama, you will most likely find blueberries from Morocco**

Fresh Royal operates as a farming company in Spain, Portugal and Morocco and has a yearly turnover of EUR 100 million in the region. Roy Agri Maroc, Fresh Royal’s daughter company, operates three farms in Northern Morocco, producing blueberries and some raspberries. In addition to production, Fresh Royal runs a large research and development operation, optimizing the quality, nutrition and taste of their berries. Their R&D operation was established in cooperation with University of Florida, which made Fresh Royal the first producer to make use of genetics research. Collaborating with Cornell University on raspberry research, expanded their R&D adventure even further. Today, the company earmarks 1-2% of the annual turnover to R&D.

When Fresh Royal entered Morocco and established Roy Agri Maroc, their ambition was to do well, do good and play by the rules. According to the company itself, it does not have a specific CSR-policy per se, but rather an honest approach to be compliant, invest in the local community and “be recognized as a valuable neighbour”. Corruption is a well known issue within Morocco and the MENA-region. Ahead of entering Morocco, Fresh Royal decided that no matter how long it takes, no matter how many times one has to repeat actions, the company or any of its associates would not participate in any form of corruption. According to Diego Pozancos de Simón, Fresh Royal’s Product Developer; “it may take a bit longer time, but you get what you want eventually” (Pozancos de Simón, 2017).

Employing between 3000-6000 Moroccans, Roy Agri Maroc is a largest employer in both the local community as well as the agriculture sector in their operating area. The workers at Roy Agri Maroc’s farms are well protected by the Moroccan labour code, and the company states that: “for us, doing things right is like an insurance”. The majority of their workers are illiterate; however, the company has well established routines to meet this challenge, and verbally ensures that all employees understand their contract and the working conditions.

Looking back to the beginning, the company experienced some difficulties in identifying and employing skilled labour; workers that have the necessary skills for the more advanced positions. In order to meet this challenge proactively as well as contributing to the local community, Roy Agri Maroc established a school-program for their worker’s children (Worker’s Children Program). The Worker’s Children Program has now enrolled 600 pupils, and provide support lessons three times per week, with main focus on French and Math. In addition to increasing the children’s level of learning, the goal of the program is also to reduce the dropout rate for primary education. By emphasising communication with parents, they are able to support and facilitate an academic education for the local children.

The local schools around Roy Agri Maroc’s farms have been poorly maintained. As an initiative to secure good learning environments and facilities, Roy Agri Maroc has established an initiative for refurbishing local schools (water, sanitary, lights, windows etc.). One of the key changes that the company has contributed with is the establishment of separate restrooms for girls, enabling them to attend school.

### Fresh Royal

- Developed three farms since 2006, with investments in the region worth EUR 70 m (EUR 9 m per year).
- Productive area end 2014 over 400 hectares (100% in greenhouses)
- More than 3000 employees, with EUR 6 m to be paid in salaries 2014 (~6000 employees in high season)
- 90% of female employees
- Total turnover generated by Roy Agri Maroc in 2016: Over EUR 50 m in sales
- Nursery production of 700,000 plants per year
- Annual expansion of 15% year on year
- Certifications: Leaf, Nurture, M & S Field to Fork, Global G.A.P., Sedex, BSCI, BRC, IFS
As long as we grow the right values.

CO2 emissions grow. Deforestation and desertification expand. The gap between rich and poor increases. Not all growth is good.

But growth is vitally important too. We must produce more food to feed a growing global population. We must help producers in developing countries grow their businesses. We must increase consumption of healthy food in the increasingly obese countries of the world.

Norway is presently the only country in Europe experiencing consumption growth in fruit and vegetables. A lot of factors contribute to this, but none more than our value-chain-based model for running our business.

Bama is a global player. From the supplier (we buy from producers in more than 100 countries all over the world) to the consumer, we assume end-to-end responsibility for making value grow. For the producers, the transporters, the grocery chains and the consumers.

We handle 500,000 tons of fresh fruit, berries, vegetables and beverages. We leave our mark all the way from the plantation to the consumer’s kitchen in Norway. We aim to tread carefully and make positive contributions wherever we can.

Greed is not good. But growth can be.

www.bama.no, phone + 47 22 88 05 00
Setting up a business in Morocco from scratch is not as complicated as it used to be. The process of setting up a company in Morocco is similar to that of Norway (Doing Business, 2016). With the help of one of Morocco’s new Regional Investment Centers (CRI), a company registration can be done within 48 hours, and there is no capital requirement (CRI Casablanca Strategic Council, 2008).

Entrepreneurship is of strategic importance to Morocco as a country, and is seen as a new trend that is sweeping through the Kingdom. Morocco has been undergoing a large diversification process in recent years. A process that has involved regulatory reform and government sponsored initiatives targeting entrepreneurship. The preferred career choice is still getting a safe government job or working for a large MNE for most people, but “being an entrepreneur seems to be the ‘cool’ thing to be in Morocco at the moment”, despite a culture that traditionally has not encouraged people to become entrepreneurs (Nhairy, 2016).

The main entrepreneurial centre in Morocco is found in Casablanca, with known tech hubs such as Technopark, Finance City and the IT hub Casa Nearshore. Being the economic capital in Morocco, Casablanca is rich in international trade and entrepreneurial opportunity. There are some more focused hubs in other cities, like Green Tech Valley and the IT hub Technopolis in Rabat and the arts and craft communities in Fez. There are also coworking spaces in several cities, like New Work Lab in Casablanca and 7AY in Rabat.

As the first country in Africa, Morocco hosted the 2014 Global Entrepreneurship Summit (GES) in Marrakech. GES is an initiative that started in 2010 with the support of the Obama administration, and has since then become an annual meeting of business leaders, foundations and entrepreneurs from all over the world, that come together to celebrate the work and talents of entrepreneurs from Muslim communities around the world. With over 3,000 visitors, the GES is the largest of the events taking place during the Global Entrepreneurship Week. The choice of Morocco as location for the event is an indication of Morocco’s dedication towards entrepreneurship (GES, 2014). GES 2014 was held under the theme “Harnessing the Power of Technology for Innovation and Entrepreneurship” and, for the first time, the 2014 GES had a special dedication to women and young entrepreneurs, as well as tackling development issues in Africa with the use of entrepreneurship (The White House, 2014). “Although women’s participation in entrepreneurial activity in Morocco is relatively high compared to some of the GEM-MENA countries, there is still a gender gap in the level of confidence women have in their abilities to start a business” (Global Entrepreneurship Monitor, 2016).

Although Morocco has an ambition to become a great country for entrepreneurship, the current situation is not necessarily a success story. In a Financial Times article (2015), the start-up scene in Morocco is described as just coming into existence (Jenkins, 2015). Although co-working spaces and incubators have popped up in recent years, in reality, very few are leaving the incubation stage; “there aren’t enough entrepreneurs to go around” (Rogers, 2016). According to the Global Entrepreneurship Development Index (GEDI, 2017), Morocco still has a way to go in terms of becoming a strong entrepreneurial nation. Morocco ranks 78th on the GEDI world ranking, below Algeria and Tunisia, but above Egypt.

Morocco scores well as a place for opportunity, both for internationalization of existing business and for launching a startup. However, the human capital seems to be more experienced in working with strong international partners to co-create value in Morocco, and less so with small scale startups (GEDI, 2017). This might be the reason why it is generally accepted that Moroccans prefer the aid of foreign partners to launch new businesses locally. Morocco is known for being relatively friendly towards foreign entrepreneurs. Being a Muslim country, the recent flow of investment into Moroccan wineries serves as a good example of Morocco’s openness towards foreign investors and entrepreneurs. Morocco has strong traditions with wine making and in recent years the industry has experienced a rejuvenation with the help of foreign entrepreneurs, often with Moroccan partners aided by foreign investment. Morocco has called for increased efforts in investment in human capital to address the serious backlog in the area of competitiveness, but there is still work to be done and major challenges especially in terms of supporting entrepreneurship (Global Entrepreneurship Monitor, 2016).
24

Tax Legislation and Governance

The Moroccan Taxation system is based on the Constitution of 2011, which defines the general tax obligations and the authorities that are competent for tax purposes. Currently, major taxes are Corporate Income Tax, Value Added Tax, Income Tax, Registration Duties, Stamp Duties and the Annual Personal Special Tax on Vehicles.

Local municipalities tax include:
- Business Tax, based on the gross rental value of business premises (rates varying between 10% and 30%).
- Communal Services Tax (taxable basis is identical to business tax), which is either 6.5% (for rural areas) or 10.5% (for urban areas).

Withholding (WHT) taxes to Norway
Morocco has Double Tax Treaties (hereafter “DTT”) with Norway. Most of the tax treaties concluded by Morocco are based on the OECD model and do not contain specific anti-abuse provisions.

Based on the DTT concluded between Morocco and Norway, dividends paid to Norwegian companies are subject to a 15% WHT of the gross amount of the dividends paid. Such withholding tax does not apply to dividends paid to Moroccan companies that are subject to Moroccan Corporate Tax.

WHT on services paid to a Norwegian firm is 10%, to the extent, such remuneration corresponds to the definition of “royalties” provided by the DTT concluded by Morocco and Norway. Interest paid to non-resident companies for loans issued in foreign currency for a period equal to or greater than ten years is exempt from WHT. Other interest paid to a non-resident is subject to a 10% WHT unless a DTT provides for a lower rate.

Corporate income tax
The following companies are subject to Corporate Income Tax in Morocco:
- Resident companies (i.e. those incorporated in Morocco);
- Permanent establishments of non-resident companies;
- Non-resident companies deriving capital gains from sales of non-listed shares and bonds in Morocco (unless a tax treaty between Morocco and the residence country of the beneficiary provides otherwise);

<table>
<thead>
<tr>
<th>Exceeding (USD)</th>
<th>Not exceeding (USD)</th>
<th>Rate %</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>30,813</td>
<td>10</td>
</tr>
<tr>
<td>30,813</td>
<td>102,711</td>
<td>20</td>
</tr>
<tr>
<td>102,711</td>
<td>513,553</td>
<td>30</td>
</tr>
<tr>
<td>513,553</td>
<td>-</td>
<td>31</td>
</tr>
</tbody>
</table>

Banks, financial institutions and insurance companies are subject to 37% rate.

- The minimum amount of tax payable equals the greater of:
  - The minimum fixed amount of approximately $308;
  - 0.5% of the operating income, financial income and subsidies.

The rate of minimum tax is reduced to 0.25% for sales of petroleum goods, gasoline, butter, oil, sugar, flour, water and electricity.

- Relief for tax losses: Losses may be carried forward for four years, losses attributable to depreciation may be carried forward indefinitely. Losses may not be carried back.
- Groups of companies: Moroccan law does not provide for tax-consolidation rules.

Corporate income tax return
Within three months after the end of their financial year, companies must file a Corporate Income Tax return with the local tax administration where their headquarters are located. The company’s financial statements must be enclosed with the return. Companies must make advance payments of Corporate Income Tax.

For companies with a fiscal year ending on 31 December, the payments must be made by 31 March, 30 June, 30 September and 31 December. Each payment must be equal to 25% of the previous year’s tax due.

Transfer pricing
The Transfer Pricing (hereafter “TP”) is a sensitive subject for the Moroccan tax administration. The TP issue comes to light when an enterprise is dependent, directly or indirectly, on enterprises located in Morocco or outside Morocco. In this context, profits indirectly transferred, by way of reduction or increase in purchase or sale prices, or by any other mean, may be added by the tax authorities during a tax audit to the taxable income and/or the turnover declared.

These adjustments are performed by way of comparison with similar independent enterprises or by way of direct appreciation, based on any information available to the tax administration.
It should be noted that the Moroccan tax regulations do not provide for any specific requirement or guidelines relating to the model or methodology to be used with regards to inter-company transactions. However, the TP methods set out in the OECD guidelines can constitute a solid base to face challenges from the tax authorities.

Moroccan law does not provide any documented requirement in this context. However, the preparation of such documentation is highly recommended with the view to a potential tax audit.

**Personal income tax**

Individuals that are tax resident of Morocco are liable to pay tax on their worldwide income. This applies regardless of their nationality. Non-residents are taxable on income generated in Morocco. They are charged progressively at 10% to 38%.

Returns are to be filed each year before the 1st of March.

The following additional features of Moroccan individual income tax are worth mentioning:
- Employers are bound to withhold and pay any Income Tax due on the salaries paid to their employees.
- Individuals who receive income from non-wage sources must file a tax return every year, before 1st March.

**VAT (Value Added Tax)**

Purchases of goods are in principle subject to a standard VAT rate of 20%. However, certain goods are subject to reduced rates. For example, electric energy is taxed at 14%, while banking operations, interest and gas are taxed at 10%. Water and pharmaceutical products are taxed at 7%.

In addition, there are two types of exemptions from VAT. The first one regroups exemptions that maintain the right to deduct input VAT. This notably applies to export transactions, agricultural material and equipment, fishing equipment, international transport services, etc. The other type of exemption excludes the right to deduct input VAT. It notably applies to sales of first necessity products such as bread, milk, meat, etc. and certain cultural products such as movies, books, etc. Specific taxes apply to wines and precious metals (platinum, gold and silver).

**Other significant taxes**

**Registration duties**

Registration duties are made up of fixed and proportional fees. The rates of proportional duties vary between 1% and 6%, e.g. transfer of shares in companies other than real estate companies are subject to registration duty at a rate of 4%. Creation of companies and increases in capital are subject to a 1%, transfers of real estate property are subject to the 6% rate.

**Stamp duty**

All documents, books, records or directories, (regardless their form) drawn up in order to constitute a basis or a justification to a right, obligation or for discharge purpose shall be subject to stamp duties. There are two categories of stamp duties: stamp duty based on a proportional rate (0, 25%, 5%, 10%, 15% and 20%) and stamp duty based on a fixed amount ($10, $5, etc.).

**Social security contributions**

The only mandatory social security regime in Morocco is managed by the Moroccan Social Security Fund (other private social security organisms are available but are not mandatory). According to the law, and except some exemption cases, all employers must affiliate their employees before the National Social Security. It is worth noting that the social security contribution is apportioned between the employer and the employee. In this case, the contribution will be made by employer on a monthly basis for both the employee and the employer parts.

**Social security contribution rates for 2016 are as follows:**

<table>
<thead>
<tr>
<th>Contribution Category</th>
<th>Employer Part</th>
<th>Employee Part</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uncapped contributions</td>
<td>12.11%</td>
<td>2.26%</td>
<td>14.37%</td>
</tr>
<tr>
<td>Capped contributions</td>
<td>8.98%</td>
<td>4.48%</td>
<td>13.46%</td>
</tr>
<tr>
<td>Total contributions</td>
<td>21.09%</td>
<td>6.74%</td>
<td>27.83%</td>
</tr>
</tbody>
</table>

It should be noted that Morocco has signed 18 Social Security Treaties (DTT) (two of them are not yet ratified). However, Morocco and Norway did not sign such kind of treaty.

(Written by EY)
Tax incentives

Morocco offers various types of tax incentives. They generally benefit Moroccan companies, regardless of the nationality of their shareholders.

**Total exemption followed by permanent reduction of tax rate:** Export companies are exempt from Corporate Income Tax on their profits related to their export turnover during the first five years following their first export transaction. These companies benefit from a reduced rate of 17.5% in subsequent years.

Hotel companies benefit from a five-year tax exemption, and then a reduced tax rate of 17.5% with respect to their profits corresponding to their revenues in foreign currency that are generated by their hotels and are remitted to Morocco either directly or through travel agencies.

The Casablanca Finance City regime provides to financial institutions (e.g. Credit institutions, insurance and reinsurance companies), regional headquarters of multinational companies, professional services providers (e.g. financial rating, financial research, financial reporting, audit, etc.) and holding companies a five-year tax exemption and an 8.75% tax rate during subsequent years. For regional or international head offices that benefit from the Casablanca Finance City regime, a 10% rate applies after a five-year exemption.

**Permanent reductions of tax rates:** Mining companies, including those that sell products to export companies, benefit from a reduced Corporate Income Tax rate of 17.5%.

**Total exemption followed by temporary reduction:** Export companies established in Moroccan free zones are exempt from Corporate Income Tax for the first 5 years of activity and are subject to Corporate Income Tax at a rate of 8.75% for the following 20 years. This rule also applies to transactions performed between companies established in the same Moroccan free zone and between companies established in different Moroccan free zones.

**Temporary reduction of tax rate:** Banks and holding companies located in offshore zones benefit from a reduction in Corporate Income Tax for the first 15 years of operation.

Handicraft companies, private schools and educational institutes benefit from a reduced Corporate Income Tax rate of 17.5% for their first five years of operations.

**Temporary total exemption:** Newly created industrial companies benefit from a Corporate Income Tax exemption for a period of five consecutive years as from the starting date of business operations. The eligible industrial activities will be defined at a later stage by a Decree.

**Miscellaneous matters**

**Foreign-exchange controls**

Morocco practices foreign exchange control, which means that any transaction involving foreign currency is subject to control by the Moroccan Exchange Control Office. From a general standpoint remittances of capital and related income to non-residents are authorized. No limitations are imposed on the time or amount of profit remittances. The remittance of net profits on liquidation, up to the amount of capital contributions is also authorized.

As a result of the progressive liberalization of foreign-exchange controls, loans granted to Moroccan companies by their foreign shareholders generally do not require an authorization from the foreign exchange control office. However, to obtain a guarantee for the remittance of principal and interest, notes are commonly filed before the control office, either through the bank or directly by the borrower.

**Tax-Free intra-group restructuring**

A new tax neutrality mechanism has been introduced (Applicable from 1 January 2017) for the sale of fixed assets between companies of the same group, allowing the transfer or sale of fixed assets without affecting the taxable income of the transferor. Amongst others, it is subject to the following conditions:

- The transfer occurs between companies subject to Corporate Income Tax;
- Said companies are member of a “group”, i.e. that a parent company holds, directly or indirectly, at least 95% of the share capital of said companies;
- Asset transferred is recorded in the books as a fixed asset.

These transactions are subject to a fixed duty of MAD 1000 instead of a proportional rate.
Morocco is a member of several treaties, conventions and agreements regarding patents, copyrights and registration of goods and services. Among the most important is the Paris convention, the Patent Cooperation Treaty (PCT) and the WTO’s Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement. In addition, Morocco also validated European patents from 2015 (EPO, 2015).

Patents
There are three types of patents available: (1) Patents of Inventions, (2) National Phase PCT application and (3) validation of European patents. Validation of European patents was enforced in 2015 and means that anyone filing a patent application in Europe can ask for validation in Morocco. By paying a validation fee, patents and applications will be subject to the Moroccan patent law and have the same legal effects as the Moroccan patents. This gives legal certainty of patents granted by the European Patent Organization (EPO) in Morocco, which in turn is likely to attract more foreign investors and increase the economic benefits by having a national patent system anchored in the international system.

Patentability of diagnostic, surgical or therapeutic methods for treatment of animals and humans is not allowed, however, products used in such treatment may be patented. Absolute novelty is a requirement for patents in Morocco.

Trade marks
Provision of trademarks is made for the registration of goods and services, as well as for collective and certification marks. Trademarks filing must be done according to the international classification of goods and services under the Nice agreement. If the applicant is not a Moroccan resident the trademark filing must be appointed an agent with the power of attorney to represent the applicant.

Plant Breeder’s right
Morocco is a member of the International Union for Protection of New Varieties of Plants and the TRIPS Agreement, which protect inventions including new varieties of plants. According to Moroccan law, the protection concerns varieties of species determined by the Ministry of Agriculture. For each species, the ministry also determines the duration of the protection and other elements concerned by the rights of the breeder. There are currently more than 80 species that are protected (AGIP, 2017). The recommendation from the authorities for protection of plant varieties in Morocco, is that the variety is already protected abroad, in order to ease the national procedures.
The African continent is home to many countries facing great challenges with corruption, bribes and facilitation payments. Morocco is no exception, and it is unfortunately known for widespread corruption, patronage, nepotism and collusion between the public and private sector.

There remain challenges in doing business in Morocco, namely with corruption, bribery, administration, and the judiciary system. The Kingdom of Morocco signed the United Nations Convention against Corruption in 2003 and ratified it in 2007. This resulted in the establishment of the L’Instance Centrale de Prévention de la Corruption (ICPC), and has been followed by a number of “sporadic” programmes, strategies and initiatives, being launched in subsequent years, with limited efficacy (CNAC). The Government has reportedly taken some steps to improve upon corruption in business and the judiciary, bolstering their central agencies tasked with countering corruption, and a recent Government Anti-Corruption Strategy launched by the Moroccan Commission National Anti-Corruption (CNAC) in July of 2016. This strategy recognizes Transparency International surveys citing most public corruption occurring in the sectors of health, justice, security, and administration.

Due to the conflict regarding Western Sahara, Morocco left the African Union in 1984 and has therefore, as the only African country, not signed the African Union Convention on Preventing and Combating Corruption. Morocco has as of March 2016, raised questions as to once again join the African Union.

Legal and institutional frameworks

The Moroccan Criminal Code of 1962 criminalises corruption, active and passive bribery and bribing foreign officials, in addition to giving and receiving gifts, any attempts of corruption, extortion, influence peddling and abuse of office (Gan Integrity, 2016). However, international organisations report insufficient enforcement of the law, as mainly petty corruption is being targeted, as opposed to highly influential persons and their companies or organisations.

In the aftermath of the Arab Spring, and the changes in Morocco’s Constitution, other legal frameworks were also modernised. Morocco’s procurement system had constituted a significant risk of corruption and nepotism, as public procurement contracts were granted to persons or companies close to the inner circle of the King and companies with a local connection (World Economic Forum, Global Competitiveness Report 2015-2016). Victims of suspected wrongdoings had no other complaint option than to file complaints directly to the procuring entity. An option seldom used, due to fear of retaliation or damage to future possibility to compete for other tenders. The new constitution has led to several reforms, including mandates on anti-corruption action and institutional frameworks, creation of a centralized public procurement policy-making body, and establishment of procurement training. Additionally, there have been actions to update existing tools to an E-Procurement framework. The new public procurement framework aims for more transparency, accountability and training.

Oversight and handling of public procurements complaints is, as of 2013, under the responsibility of the independent and objective body Commission Nationale de la Commande Publique (CNCP). The new public procurement framework and CNCP’s specialist oversight is deemed by the World Bank as a key component for Morocco to promote transparency and fight corruption (World Bank, 2013), while still recognizing that Morocco has challenges in public procurement, and towards transferring the intentions of the legislation to effective anti-corruption measures.

Within the private sector, anti-corruption efforts are coordinated by the Confédération Générale des Entreprises du Maroc (CGEM) Commission Ethique et Bonne Gouvernance. The CGEM is also tasked with promoting business environment and investment at the international level. Further, Transparency International has a chapter and an Anti-Corruption Hotline in Morocco where people can turn for support and advice on corruption issues.

Morocco’s recent initiatives to strengthen its anti-corruption rules, regulations and enforcement must, in addition to the demand for reform set forth in the Arab spring, be seen in connection with the country’s ambition to become a financial hub in North-West Africa and to attract foreign businesses and investors.

Corruption rankings

In rankings relevant to corruption, human rights, and ease of doing business, Morocco has seen recent rankings wax and wane. Of note, Morocco ranked 75 out of 189 in the World Bank’s 2016 Ease of Doing Business rankings, an improvement of 5 places. However, in Transparency International’s latest Corruption Perception Index (CPI) the country fell back another 8 places to 90 out of 176 countries. Transparency International reports that 48% of public service users report to have paid bribes in the past 12 months. Courts and the police have the highest bribery rates: 61% of service users have reported paying bribes to a public officer within the judicial system in the past 12 months. In addition, the judicial system in Morocco is known to be inefficient and lacking professional judges. Bribes are often paid to judges, in order to gain favourable results, especially in the lower courts. This can make for uncertain and unfair, or even unjust rulings, which poses a risk for both local and international businesses. International companies seem to be aware of this risk, as several of them make use of the option of resolving issues in arbitration outside of Morocco’s borders. Foreign businesses operating in Morocco are advised to include arbitration clauses in their contracts.

Morocco has shown significant progress the last few years in combatting money laundering and is no longer listed on The Financial Crime Action Task Force (FATF) list of countries that have been identified as having strategic Anti-Money Laundering (AML) deficiencies. No international sanctions are in force against Morocco.

The inter-governmental body FATF sets standards and promotes effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system. In addition, FATF monitor
the progress of its members and conducts on a regular basis audit of its members to identify AML vulnerabilities. In 2007, FATF identified strategic deficiencies in Morocco's legal and regulatory framework to meet its AML commitments. Based on the findings, the Moroccan authorities have undertaken several legislative changes in order to comply with the FATF findings. As of 18 October 2013, FATF no longer considers Morocco to have strategic AML/CFT deficiencies and is no longer subject to FATF's monitoring process. Morocco was in 2015 classified as one of the "Countries of Concern", which is not as acute as those countries considered to be of "Primary Concern" ("International Narcotics Control Strategy Report (INCSR), Volume II, 2015)

However, the risk of money laundering and terrorist financing still remains high in Morocco due to its international narcotics trade, especially cannabis. The US Department of State estimates that most narcotics proceeds stem from the narcotics trade in Europe. Morocco's financial system is considered to be informal, with a predominant use of cash. Invoices and written documentation is not usual, making paper trails of transactions difficult to track and control, further increasing the risk of financial crimes such as corruption, fraud and money laundering.

(Written by Deloitte)
The ongoing conflict in Western Sahara could be a potential barrier for investments and starting up businesses in Morocco. Since the 1970s, the Western Saharan area has been subject to a long-running dispute between Morocco and the indigenous Saharawi people. Although Morocco has the de facto administrative control over the area, the sovereignty of Western Sahara remains unsolved. The area is home to phosphate reserves and has rich fishing ground off its coast. However, both the UN and the Norwegian Ministry of Foreign Affairs are discouraging investments in the area or any other sectors that can relate to the conflict.
Brief history of the conflict
The Western Sahara conflict is an ongoing conflict that involves Morocco, Algeria and the Polisario front as well as Western countries like Spain and France. It took shape in the mid-1970s when the UN increased its pressure on Spain to decolonize what was at that time known as Spanish Sahara. The liberal movement Polisario was formed in 1973 (Zoubir & White, 2016) with the aim of obtaining independence for Western Sahara and received overwhelming support from the Sahrawi population. Polisario had been leading armed resistance to the Spanish colonial presence before the UN started mediating. In 1975, Spain, Morocco and Mauritania signed an agreement, which arranged for Spain to hand over administration of the territory to Morocco and Mauritania. Thousands of civilians fled the territory and settled in refugee camps across the border in Algeria. Polisario fought against Morocco and Mauritania and assumed leadership and governance of the refugee population. In 1976 the Polisario front declared the establishment of the SADR, which was not admitted by the UN, but won recognition from other nations, including the African Union. Mauritania withdrew from the conflict in 1979 (Zoubir & White, 2016) and left Polisario and Morocco to fight, until this day, for sovereignty over the territory. Polisario gained support from left winged countries like Algeria, Libya, Cuba and Yugoslavia, while Morocco had support from France and USA (FN-sambandet, 2016). The 16-year long armed conflict ended with a ceasefires agreement in 1991 and a promise of a referendum on independence (BBC news, 2016).

Situation today
The UN's Mission for the Referendum in Western Sahara (MINURSO) was established in 1991 in accordance with the cease-fire agreement accepted by both sides of the conflict (United Nations, 2017). The referendum has still not seen the light of day and the sovereignty of Western Sahara remains unsolved. The Norwegian government supports the UN and the MINURSO to find a political solution for the situation (Regjeringen, 2016). Today, the territory is divided by a military wall, built by Morocco, as a defence against the Polisario front (Swenson, 2015). The wall divides the territory between a westerly Moroccan controlled area, which is larger and richer in resources, and an easterly area controlled by Polisario, without coastal access. Morocco’s interest in the territory lies mainly in the resources, namely oil, phosphate and fish.

What implications might the conflict have on business opportunities in Morocco?
Some industries are not affected by the conflict at all, but other sectors could potentially go against the recommendations from the Norwegian Ministry of Foreign Affairs. The UN and the Norwegian Ministry of Foreign Affairs among others are discouraging investment and involvement in Moroccan businesses that take place in the territory of Western Sahara. The reason for this is that international companies are a part of this conflict in such a way that provides income to authorities of the non-self-governing territory. The Norwegian government advises against all activities that could potentially go against the interests of the local citizens of Western Sahara or that contradicts international law (Regjeringen, 2016). However, these recommendations are not legally binding and Norwegian authorities cannot hinder possible operations in the area.

Problems that the conflict can create for businesses in Morocco come from the fact that no one has recognized sovereignty over the area. Thus, by definition, there is no one to enforce laws concerning land area, resources or trade. There are mainly two inquiries emerging from this. The first one is a problem of trade agreements. Since Morocco has claimed Western Sahara as their territory, they export goods produced in Western Sahara as Moroccan products. These products then (according to Morocco) go under the EFTA trade agreement with reduced tariffs, but since Western Sahara is not recognized as Moroccan territory by the EU, trade of such products violates the trade agreement with EU and international law. The second problem is concerning the fishing industry and whether Morocco has the right to distribute fishing quotas in Western Saharan waters. Both these problems have been under investigation, and dispute settlements are handled by the UN.

The pressure to abstain from investment in Western Sahara comes mainly from independent organizations. The Norwegian Support Committee for Western Sahara, Norwatch and The Norwegian Refugee Council are just some of the organizations putting pressure on Norwegian companies to pull out of Western Sahara. Big companies and institutions like DNB, the Government Pension Fund of Norway, KLP (Kommunal Landspensjonskasse) and the Norwegian Confederation of Trade Unions have blacklisted companies operating in Western Sahara (Lorentzen, 2016).

Concluding remarks
Most industries do not infringe on any international laws, except for the fishing industry, renewable energy, phosphate extraction and production of some agricultural products. The agricultural products that are associated with Western Sahara are tomatoes, cherry tomatoes and melons. The fishing industry is one of the largest exporting industries in Morocco and there are currently no certain statistics on how big the proportion of the harvest that stems from Western Saharan waters is.

---

**Sahara Facts**
(Source: Norwegian Refugee Council (2014))

- **Official name:** Sahrawi Arab Democratic Republic
- **Capital:** Alûn (Laayoune)
- **Population:** Area controlled by Morocco: approximately 400,000 of which 250-300,000 are Moroccan settlers and 100-150,000 are Sahrawi. In addition, there are approximately 160,000 Moroccan soldiers. Area controlled by Polisario: Approximately 30,000 nomads
- **Refugees:** Approximately 160,000 in refugee camps in Algeria
- **Natural resources:** Phosphate, fish, oil and gas

---

**Norway facts**
(Source: Norwegian Refugee Council (2014))

- **Capital:** Oslo
- **Official name:** Kingdom of Norway
- **Population:** Approximately 5.2 million
- **Languages:** Norwegian
- **Religion:** Predominantly Christian
- **Currency:** Norwegian krone
- **GDP:** $442 billion
- **GDP per capita:** $56,000
- **Government:** Parliamentary democracy
- **Exports:** Petroleum, fish, chemicals, machinery
- **Imports:** Consumer goods, raw materials, technology
- **Major trade partners:** EU, USA, China

---

**The Norwegian Ministry of Foreign Affairs**

- **Role:** Supports the UN and the MINURSO in finding a political solution for the situation in Western Sahara.
- **Recommendations:** Advises against all investments and activities that could potentially go against the interests of the local citizens of Western Sahara.
- **Pressures:** Encourages companies to pull out of Western Sahara.

---

**The Norwegian Refugee Council**

- **Role:** Supports refugees in Western Sahara and promotes solutions to the conflict.
- **Activities:** Advocacy, support, and information.

---

**The Norwegian Union of Students**

- **Role:** Promotes the interests of students in Norway.
- **Activities:** Advocacy, support, and information.

---

**The Norwegian Ministry of Trade and Industry**

- **Role:** Supports Norwegian companies in the global market.
- **Activities:** Advocacy, support, and information.

---

**The Norwegian Development Agency**

- **Role:** Supports development projects in the developing world.
- **Activities:** Advocacy, support, and information.

---

**The Norwegian Refugee Council**

- **Role:** Supports refugees in Western Sahara and promotes solutions to the conflict.
- **Activities:** Advocacy, support, and information.

---

**The Norwegian Union of Students**

- **Role:** Promotes the interests of students in Norway.
- **Activities:** Advocacy, support, and information.

---

**The Norwegian Ministry of Foreign Affairs**

- **Role:** Supports the UN and the MINURSO in finding a political solution for the situation in Western Sahara.
- **Recommendations:** Advises against all investments and activities that could potentially go against the interests of the local citizens of Western Sahara.
- **Pressures:** Encourages companies to pull out of Western Sahara.

---

**The Norwegian Ministry of Trade and Industry**

- **Role:** Supports Norwegian companies in the global market.
- **Activities:** Advocacy, support, and information.

---

**The Norwegian Development Agency**

- **Role:** Supports development projects in the developing world.
- **Activities:** Advocacy, support, and information.

---

**The Norwegian Refugee Council**

- **Role:** Supports refugees in Western Sahara and promotes solutions to the conflict.
- **Activities:** Advocacy, support, and information.

---

**The Norwegian Union of Students**

- **Role:** Promotes the interests of students in Norway.
- **Activities:** Advocacy, support, and information.

---

**The Norwegian Ministry of Foreign Affairs**

- **Role:** Supports the UN and the MINURSO in finding a political solution for the situation in Western Sahara.
- **Recommendations:** Advises against all investments and activities that could potentially go against the interests of the local citizens of Western Sahara.
- **Pressures:** Encourages companies to pull out of Western Sahara.
The IB team

Anders Ottesen
Head of Financial Affairs
MSc International Business
anders.ottesen@ib.no

Dan-Richard Knudsen
Head of Business Relations
MSc in Economics and Business Administration
dan.knudsen@ib.no

Guangcheng Hua
Research Analyst /University Coordinator NTNU
MSc Industrial Economics and Technology Management
guangcheng.hua@ib.no

Joshua Chong
Research Analyst
BSc Business Administration
joshua.chong@ib.no

Jørgen Sørgård Erdal
Research Analyst
MSc Electrical Energy Engineering
jorgen.erdal@ib.no

Louis Repain
Meeting Booker
BSc Business Administration
louis.repain@ib.no
Acknowledgements

The IB-team would like to acknowledge all contributors to this year’s project. International Business is a student-driven non-profit project, and is therefore fully dependent on financial support from our sponsors. Furthermore, to be able to provide good quality research, we have met with several professionals and experts that have in depth knowledge of our topics. We are thrilled over the support we have received and forever grateful. Thank you!

Sponsors
Conexus (Main Sponsor)
Sjøvik Gruppen
BAMA
Arne Blystad

Institutional partners
BI Norwegian Business School
Norwegian University of Science and Technology (NTNU)
Faculty of Industrial Economics and Technology Management (NTNU)
Norwegian School of Economics
Innovation Norway

Supporting companies and organizations
McKinsey
The Boston Consulting Group
MASEN
BearingPoint
SIGLA
ONEE
EY
Deloitte
The Norwegian Embassy in Morocco

Supporting individuals
Bennet Kjeldsen, the Norwegian Consulate (Casablanca)
Henning Fotland, Western Bulk Chartering
Diego Pozancos de Simón, Fresh Royal
Khalid Chenguiti, UNICEF
Ole Johan Sandvær, Innovation Norway
Maria Cathrine Lundstad Aulie, Innovation Norway
Younes Ayouch, Minister of Agriculture and Maritime Fisheries
Fatim-Zahra Blaz, New Work Lab
Ilham Halib, 7AY Coworking
Reference list

General statistics


Gender equality


Culture


Politics


Economy

Labour market and recruitment


Infrastructure


A gateway to Africa


Agro-industry

- Diego Pozancos de Simón (personal communication, 11 January, 2017)
Fishing industry


Textile industry


Mechanical and metallurgical industry


Renewable energy

bless segment


Offshoring


Pharmaceutical


Tourism


Business culture

- Corporate Social Responsibility
duct

Entrepreneurship


The Western-Sahara Conflict


Next Year’s Project: Iran

Previous IB Projects

2016/2017: Morocco
2015/2016: Ecuador
2014/2015: Myanmar
2013/2014: Tanzania
2012/2013: Brazil
2011/2012: India
2010/2011: Indonesia
2009/2010: Mexico
2008/2009: Malaysia
2007/2008: Vietnam
2006/2007: Brazil
2005/2006: India
2004/2005: China
2003/2004: Russia
2002/2003: Turkey
2001/2002: Poland
2000/2001: South Korea
1999/2000: Brazil
1998/1999: The Baltic States
1997/1998: Indonesia
1996/1997: India
1995/1996: South Africa
1994/1995: Chile
1993/1994: Hungary
1992/1993: Mexico
1990/1991: Russia and the Baltic States
1989/1990: Thailand
1988/1989: China
1987/1988: Italy
1986/1987: Australia
1985/1986: Brazil
1984/1985: Singapore