

U.S. Country Commercial Guides



2017

Morocco

Table of Contents

<i>Doing Business in Morocco</i> _____	7
Market Overview _____	7
Market Challenges _____	9
Market Opportunities _____	9
Market Entry Strategy _____	10
<i>Political Environment</i> _____	11
Political Environment _____	11
<i>Selling U.S. Products & Services</i> _____	12
Using an Agent to Sell U.S. Products and Services _____	12
Establishing an Office _____	12
Franchising _____	13
Direct Marketing _____	15
Joint Ventures/Licensing _____	16
Selling to the Government _____	16
Distribution & Sales Channels _____	16
Express Delivery _____	17
Selling Factors & Techniques _____	17
eCommerce _____	18
Trade Promotion & Advertising _____	18
Pricing _____	18
Sales Service/Customer Support _____	19
Protecting Intellectual Property _____	19
Due Diligence _____	19
Local Professional Services _____	19
Principle Business Associations _____	20
Limitations on Selling U.S. Products and Services _____	22
Web Resources _____	22
<i>Leading Sectors for U.S. Exports & Investments</i> _____	25
Energy _____	25
Overview _____	25
Leading Sub-Sectors _____	28
Opportunities _____	28
Web Resources _____	32

Agricultural Sector	32
Overview	32
Leading Sub-Sectors	34
Web Resources	34
Infrastructure	35
Overview	35
Leading Sub-Sectors	36
Opportunities	37
Transportation	40
Overview – Aviation	40
Leading Sub-Sectors	41
Opportunities	42
Web Resources	43
Overview – Automotive	43
Leading Sub-Sectors	43
Opportunities	44
Web Resources	44
Healthcare	44
Overview	45
Leading Sub-Sectors	45
Opportunities	45
Web Resources	47
Safety and Security	47
Overview	47
Web Resources	49
Telecommunications	49
Overview	49
Leading Sub-Sectors	50
Opportunities	51
Web Resources	51
<i>Customs, Regulations & Standards</i>	52
Trade Barriers	52
Import Tariff	52
Import Requirements & Documentation	53
Labeling/Marking Requirements	54

U.S. Export Controls	55
Temporary Entry	55
Prohibited & Restricted Imports	55
Customs Regulations	55
Standards for Trade	56
Overview	56
Standards	56
Testing, inspection and certification	57
Publication of technical regulations	58
Trade Agreements	58
Licensing Requirements for Professional Services	59
Web Resources	59
<i>Investment Climate Statement</i>	60
Executive Summary	60
Openness to and Restrictions upon Foreign Investment	61
Policies Towards Foreign Direct Investment	61
Limit on Foreign Control and Right to Private Ownership and Establishment	61
Other Investment Policy Reviews	62
Business Facilitation	62
Outward Investment	63
Bilateral Investment Agreement and Taxation Treaties	63
Legal Regime	64
Transparency of the Regulatory System	64
International Regulatory Considerations	65
Legal System and Judicial Independence	65
Laws and Regulations on Foreign Direct Investment	66
Competition and Anti-Trust Laws	66
Expropriation and Compensation	66
Dispute Settlement	67
Bankruptcy Regulations	68
Industrial Policies	68
Investment Incentives	68
Foreign Trade Zones/Free Ports/Trade Facilitation	68
Performance and Data Localization Requirements	69
Protection of Property Rights	69

Real Property _____	69
Intellectual Property Rights _____	70
Financial Sector _____	71
Capital Markets and Portfolio Investment _____	71
Money and Banking System _____	72
Foreign Exchange and Remittances _____	73
Sovereign Wealth Funds _____	74
State-Owned Enterprises _____	74
Privatization Program _____	75
Responsible Business Conduct _____	75
Corruption _____	76
Resources to Report Corruption _____	77
Political and Security Environment _____	77
Labor Policies and Practices _____	77
OPIC and Other Investment Insurance Programs _____	79
Foreign Direct Investment and Foreign Portfolio Investment Statistics _____	79
Contact for More Information _____	80
<i>Trade & Project Financing</i> _____	81
Methods of Payment _____	81
Foreign Exchange _____	81
Tax Issue for foreign billing _____	81
Alternate Payment Forms _____	82
Banking Systems _____	82
Foreign Exchange Controls _____	82
US Banks & Local Correspondent Banks _____	83
Project Financing _____	83
Equity Financing _____	85
Financing Web Resources _____	85
<i>Business Travel</i> _____	86
Business Customs _____	86
Travel Advisory _____	86
Visa Requirements _____	87
Currency _____	87
Telecommunications/Electric _____	87
Transportation _____	87

Language _____	88
Health _____	88
Local Time, Business Hours and Holidays _____	88
Temporary Entry of Materials or Personal Belongings _____	89
Travel Related Web Resources _____	89

INTERNATIONAL COPYRIGHT, U.S. & FOREIGN COMMERCIAL SERVICE AND U.S. DEPARTMENT OF STATE, 2017. ALL RIGHTS RESERVED OUTSIDE OF THE UNITED STATES.

Doing Business in Morocco

Market Overview

Since the advent of the Arab Spring, in comparison to its neighbors, Morocco has remained stable, introducing a reform framework to address the concerns of Moroccan demonstrators. This culminated in the 2011 Constitution, which the Moroccan Government has continued to implement in 2016. The Constitution, combined with Morocco's emphasis on developing industrial clusters, are credited in assessing the country's economic and social concerns.

Trade Statistics:	Exports to Morocco	Imports from Morocco	Balance
TOTAL 2016 in USD billions	1.932	1.021	0,911

The United States had a \$0.9 billion trade surplus with Morocco in 2016 up 48% from the previous year. Morocco is the 26th largest trading partner for the United States. Exports to Morocco from the United States totaled \$1.9 billion, led by aircraft and aviation parts; fuel oil; cereals and animal feed. This is up 19 percent since 2015. The increase is due in large part to the delivery of three dreamliners to Royal Air Maroc (RAM) and an increase in the purchase price of fuel oil.

In 2016, [Moroccan exports](#) to the United States totaled USD 1 billion, up 1 percent year-on-year, led by fertilizers; electric machinery; apparel; agricultural products; other mined products; and fish.

To meet the domestic demand for infrastructure, during 2010 to 2015 Morocco invested more than USD 15 billion in its transportation infrastructure, building roads, highways, ports, and other transportation services. This infrastructure development supports Morocco's overarching economic development plan to leverage its location along the Strait of Gibraltar between Spain and Africa to transform the country into a regional hub for North, West and Sub Saharan Africa for shipping, logistics, assembly, production and sales. Morocco's status as a trade hub is bolstered by its trade agreements with Persian Gulf, Mediterranean and African nations, the United States of America, and the European Union. Morocco currently has duty free access to a market of 55 countries representing more than one billion consumers and 60 percent of world GDP.

Morocco's commercial capital, Casablanca, is a popular location for regional headquarters, thanks to its strategic location and efficient and secure airport. Casablanca's Mohammed V International Airport boasts 23 airlines with round the clock flight schedules. Currently undergoing renovations, the airport is expected to welcome more than 20 million passengers annually when complete. RAM, the Moroccan national carrier, is headquartered on the grounds of Mohammed V International Airport. Majority owned by the Moroccan Government, RAM has contributed to the trade hub vision by establishing direct flights to more capital cities in Africa than any other airline, as well as having regular flights to the United States and Europe.

The Tanger-Med port complex is strategically located on Africa's northwest coast near the mouth of the Mediterranean Sea on the Strait of Gibraltar, where the Atlantic Ocean and Mediterranean Sea meet. Tanger-Med is the second-busiest container port on the African

continent after Port Said, Egypt. Major international shipping companies such as Maersk and CFM-CGM are increasing shipping capacity to take advantage of expected regional growth opportunities.

APM Terminals (owned by the Danish shipping group Maersk) will develop a new trans-shipment terminal in Tangier with an annual capacity of five million TEUs (twenty foot equivalent units). The 30-year concession of APM Terminals MedPort Tangier will complement the current operations of the existing APM Terminals Tangier facility and will increase the port's total annual throughput capacity to over nine million TEUs.

The new terminal will support Morocco's aspiration to become a regional hub for logistics, manufacturing and assembly, particularly in the automotive and aerospace industries which have grown steadily in recent years.

Moroccan businesspeople are increasingly developing a more international outlook on doing business, opting to expand their opportunities beyond the historically close relations with French business interests. There is growing recognition within the Government of Morocco (GOM) of the importance of English language training. This is especially encouraged in the growing travel and tourism sector where more often than not English is the second language of travelers from all over the world.

[The U.S.-Moroccan Free Trade Agreement \(FTA\)](#), signed in 2006, is the only U.S. FTA with an African nation. The FTA eliminated tariffs on 95 percent of currently traded consumer and industrial goods. Duties on most remaining qualifying products were phased out in 2016. The FTA provides enhanced protection for U.S. intellectual property, including trademarks and digital copyrights, expanded protection for patents and product approval information and tough penalties for piracy and counterfeiting.

There are roughly 150 U.S. firms operating in Morocco. Multinationals such as Fruit of the Loom, Kraft, Kohler, DuPont, Lear, and International Paper, as well as smaller companies have established their presence in Morocco in order to export to Europe, the Middle East, and Africa. Significant non-U.S. multinationals, including Renault, Veolia, and Bombardier, also maintain operations in Morocco. Consumer goods companies such as Procter & Gamble, Unilever, and Colgate and pharmaceutical companies such as Pfizer, MSD, and Sanofi-Adventis manufacture some products locally and import others for onward distribution to North African nations. Cargill, Danone, and European agro-industrial companies have also invested heavily in the country. Chevron, Kosmos, and other oil companies are exploring for oil off the coast of Morocco, while others pursue new energy opportunities in renewables and Liquefied Natural Gas (LNG).

The [local American Chamber of Commerce](#) has close to 300 members, (about half are Moroccan firms who do business with U.S. firms) and is active in developing the U.S. - Morocco bilateral commercial relationship. The AmCham often partners with the U.S. Commercial Service to offer networking functions, educational roundtables, market reports, and other business services. AmCham is well known for assisting NGOs and minority-owned businesses.

Market Challenges

The greatest overarching barriers to trade in Morocco are a lack of transparency in government procurement, delays in bureaucratic decision-making and procedures, and limits on payments for imports prior to delivery. 2016 has seen an increase in company complaints of bureaucratic delays in processing of government payments.

The legal and banking systems in Morocco differ in many ways from the U.S. systems. The legal system is based on a combination of Spanish, French, and Islamic laws, and is sometimes complex for U.S. companies to navigate. International and domestic arbitration are accepted and are often used in business contracts. Morocco has made significant reforms in previous years to the banking system including structures and programs for foreign direct investment (FDI), project finance, and trade finance; however, there still exists pockets of significant time delays in procurement implementation and payments.

Restrictions on prepayments of imported orders are often problematic for U.S. exporters who require 100 percent advance payment. Currently, Moroccan companies can prepay up to 30 percent of the total shipment in advance of importing it. A Moroccan company can prepay 100 percent only for orders under MAD 100,000 (approximately \$10,000). Letters of credit are often used to finance shipments. Payments from Moroccan government-owned companies can be slow and often are burdened by excessive bureaucracy.

Market Opportunities

The U.S. Commercial Service has identified the following sectors as the best prospects for U.S. firms.

- Energy
- Infrastructure projects
- Transportation
- Healthcare
- Safety & Security
- Telecommunications

The following agricultural products are the Foreign Agriculture Service's best prospects.

- Wheat
- Feed grains (corn and DDGS)
- Soybeans, soybean meal, and soybean oil
- Pulses
- Live animals* and genetics
- Beef*
- Poultry*
- Dairy
- Dried fruit and nuts

** Pending successful conclusion to outstanding health certificate negotiations*

Market Entry Strategy

Close working relationships are often critical to concluding deals in Morocco. As in many markets, Moroccans base business on trust and mutual respect built over time. U.S. exporters should strongly consider travel to the country to develop and strengthen relationships. In addition, working with a locally based agent or distributor typically enables U.S. firms to sustain relationships, and to develop essential knowledge of key contacts, customs regulations, and niche opportunities. U.S. firms should also fully understand the regulatory environment and procedures before jumping into the market to avoid unexpected hurdles.

Business practices in Morocco differ significantly from those in the United States. For example, bureaucratic procedures often require significantly more time to complete than in America and often require multiple copies of documents, stamped, and signed. Moroccans have rapidly adapted to cell phone technology and generally reply to text messages or phone calls more quickly than email communications. Email correspondence delays should not immediately be interpreted as lack of interest. If delays occur, U.S. firms should consider communicating by phone or texting.

The U.S. Commercial Service in Morocco provides individualized counseling to determine the best market entry strategy for a given U.S. company/product, and can assist with partner searches for joint ventures, resellers, agents, and distributors. U.S. firms are encouraged to contact the nearest U.S. Export Assistance Center for an initial orientation and explanation of export assistance business services.

The U.S. Commercial Service department is located in the U.S. Consulate General in Casablanca and provides advice on how to approach the Moroccan market and assists U.S. exporters in their search for potential partners. U.S. companies may also consult their [local U.S. Export Assistance Center](#). For the address and phone number of the nearest U.S. Export Assistance Center, call 1-800-USA-TRADE (1-800-872-8723).

Political Environment

Political Environment

For background information on the political and economic environment of the country, please go to the [U.S. Department of State Background Notes](#).

Selling U.S. Products & Services

Using an Agent to Sell U.S. Products and Services

Foreign manufacturers and exporters use local offices or authorized agents and distributors. Distributors can provide value-added technical support to end-users and often provide in-bond warehousing. Local agents and distributors can assist the U.S. firms with know-how and local customs. Some U.S. firms supply Morocco indirectly through regional distribution centers in Europe. Regional distribution centers are advantageous in terms of language and shipping but the number of distribution levels makes competitive pricing difficult.

Large-scale stores like Marjane, based on the Costco or Walmart model, are developing and can be used for direct distribution of consumer products. More traditional European-style supermarkets, such as Carrefour and Acima are present in major cities and are appropriate markets for U.S. food products and household supplies. Moroccan supermarkets, such as Aswak Assalam, are also active in major cities. DIY (Do It Yourself) hardware stores, Bricoma and Mr. Bricolage, are similar to Home Depot or Lowes (although smaller in scale) and are in the larger cities of Rabat and Casablanca.

U.S. retailers Banana Republic, Ralph Lauren, Payless Shoes, GAP, Nine West, Steve Madden, American Eagle, and Starbucks among others are located in Casablanca's Morocco Mall and Anfa Place. Morocco Mall opened in 2012 and is the largest mall in Morocco. Additional shopping centers have opened throughout the country most notably in Marrakesh, Rabat, and Tangiers following Morocco Mall's success.

Establishing an Office

Morocco's 16 Regional Investment Centers (CRI) are the government's "one stop shops" for the entire registration process. The CRI is mandated to provide a registration certificate within one week of receiving a completed application, including presentation of a passport or ID (or a copy of an ID document if the applicant is not personally present) and payment of the registration fee. If the approved certificate is not retrieved within one month, it automatically becomes void and one must begin the process again. All businesses are subject to inspection by the CRI.

[The World Bank "Doing Business in Morocco" guide](#) to opening a business is below:

\$1 = MAD 9.41 (August 2017)

No	Procedure	Time to Complete	Associated Costs
1	Obtain a "Certificat Négatif" online, which registers the company name at the Regional Investment Center (CRI, Centre Regional d'Investissement)	1 day	MAD 230 (MAD 210 + MAD 20 droits de timbres)
2	Pay stamp duty	1 day	MAD 20/page + MAD10

3	File documents with CRI to register with the Ministry of Finance for patent tax, with the Tribunal of Commerce, and for social security and taxation	7 days	Fixed fee of MAD 1,000 + MAD200 (registration fee) + MAD 350 (registration at commercial registry) + MAD 150 publication fee (MAD 8-9/ line in business paper, MAD 4/ line bulletin official).
4	File a declaration with the Ministry of Labour	1 day	no charge
5	Make a company stamp	1 day	MAD 200

Consult these websites for additional information on the CRI:

- [Invest in Morocco: CRI](#)
- [Moroccan Ministry of Culture and Communication](#)
- [CRI for the Casablanca region](#)

Franchising

Over 400 franchises operate in the fast food, clothing, office supply, furniture, cosmetics, office cleaning, and auto repair sectors. Recent statistics indicate that 55 percent of the franchising activity is dominated by retail franchises and 45 percent by services. Clothing, food services, home furnishing, and shoe retail occupy 45 percent of the market. Franchise holders are attracted to the marketing image and name recognition of well-known U.S. products and brands such as Hertz, McDonald’s, Chili’s, Pizza Hut, Domino’s Pizza, KFC, Papa John’s, Häagen-Dazs, Burger King, Budget, New Balance, Century21, Starbucks, and Midas. The most recent highlight of consumerism in Morocco was the opening of the “Morocco Mall” in Casablanca. Other large shopping centers are “Anfa Place Mall” in Casablanca, “Mega Mall” in Rabat, and “Mazar Mall” in Marrakech. The “City Mall” in Tangier opened in January 2016 and is considered the second biggest mall in Morocco after the “Morocco Mall.” The GOM has also been recently renovating train stations such as Casa Port, Rabat Ville, and Marrakesh with plans to renovate others as well as major airports. These renovations often expand retail spaces, providing opportunities primarily for fast food franchises.

Moroccan macro-economic trends are ideal for developing a franchise network. The country has benefited from a stable GDP growth rate of 3.5 percent over the past decade. Many Moroccans are entering the middle class where convenience and brand awareness become much more important. The major demographic bulge is in the 15-25 year old age group, which means a steady future supply of consumers with increasing purchasing power; however, this demographic also suffers from high unemployment. The distribution of franchise stores shows a strong concentration in the metropolitan area of Rabat-Casablanca due to its high population density and high purchasing power. As other urban centers become wealthier, they too will become attractive for development, especially in the regions of Tangier-Tetouan, Marrakech-Agadir, and Fez-Meknes.

The success of franchising in Morocco stems from an expanding base of young entrepreneurs, many of whom are U.S. educated and have the financial means to develop master franchises. Franchising is also seen as an efficient way to promote small business creation and

employment in Morocco. The Moroccan Government specifically promotes franchising in the Plan Rawaj, which aims to create commercial activity zones (ZAC) in Morocco's 12 leading cities by 2020. These zones will offer an attractive, safe, and high quality shopping experience adapted to the needs of the local population.

While French franchises have a predominant position in the market, U.S. franchises are a close second and have the lion's share in the food business (McDonald's, Pizza Hut, Domino's, KFC, Papa John's, etc.), the car rental business (Budget, Avis, Hertz, Dollar), and the education business (Dale Carnegie, Wall Street Institute). A new expansive mall in the Agdal area in Rabat, as well as renovation of the Rabat Agdal train station are under construction, and both will create new franchising opportunities.

The following points are challenges that new market entrants may face:

- Weak trademark protection;
- Counterfeit products within the market (especially in apparel);
- Limited financing options; while banks are often comfortable with financing franchises, financing typically excludes franchise fees, which are often a significant portion of the investment;
- Lack of a well-defined franchising regulatory framework and a specific franchising law;
- Difficulty navigating the regulatory system for leasing store space; and
- Restrictions on the imports of meat and poultry from the United States.

The following sectors are considered to be the most attractive industries that would interest Moroccan franchisees:

- Restaurant/beverages
- Apparel
- Education/training (languages, executive training and higher education)
- Supermarket, hyper-mart chains
- Housewares and linen retail
- Temporary employment services
- Business building management services
- Entertainment (movie houses, family parks)

There is a strong concentration of international franchisees in the urban center of Casablanca, but secondary markets remain underdeveloped. Some U.S. franchisers have been profitable by locating in small cities and bringing a new quick service restaurant (QSR) experience. There are a number of locations in Morocco that have a very low penetration rate of U.S. franchises and offer excellent opportunities:

- Secondary Metropolitan Centers: The cities of Tangier, Rabat, Fez, Marrakech, and Agadir remain open and unsaturated. The purchasing power of Moroccan consumers is growing steadily in these cities.
- Plan Rawaj Commercial Zones: As highlighted earlier, there are plans to open 12 commercial centers in Morocco by 2020. These centers will be specifically zoned for stores and suitable for retail franchises.

- Calablanca Malls: The Morocco Mall is Morocco's largest mall and there are opportunities for new companies to occupy available retail spaces. Taking into consideration its geographic location. "Anfa Place Mall" and "Tanger Mall" are also good investment opportunities.
- Airport Terminals and Train Stations: The comprehensive renovation plan for Morocco's airports and train stations will create lucrative new opportunities for franchises, specifically for those that target international travelers.

For more information about future Franchising Trade Shows in Morocco contact:

Office des Foires et Expositions de Casablanca

Mr. Aziz Alami Gouraftei

General Director

Tel: +(212) 522 200 654

Fax: +(212) 522 264 949

Email 1: aziz.alami@gmail.com

Email 2: marocexhibition@gmail.com

Fédération Marocaine de la Franchise (FMF)

Mr Abderrahmane Belghiti.

Angle rue Ain Taoujdate et rue Ain Ifrane Résidence Kacimi

2 éme étage Appt N° 9 Bourgogne - Casablanca

Tel: +(212) 537 77 05 70/ 03

Fax: +(212) 522 48 58 10

Email: fmf@menara.ma

[Association Marocaine des Commerces en Réseau \(AMCR\)](#)

Mrs. Salwa Akhennouch.

3 Rue El Messaoudi Angle Bd Al Massira Khadra Maârif, Casablanca.

Tel: +(212) 522 36 22 88/96/33/41

Fax: +(212) 522 36 22 91

Email: amcrmaroc@yahoo.com

Contact the U.S. Commercial Service for information on legal firms specializing in Business Transactions and Joint Ventures.

Direct Marketing

The Moroccan market is split between the urban wealthy and middle class and the poorer rural communities; therefore, marketing campaigns must be targeted accordingly. Marketing may include point-of-sale promotions, rotating billboards, direct mail, and door-to-door sales. With an adult literacy rate of 68.5 percent, and knowledge of Arabic and French varying widely, promotion campaigns are often designed around images. Three-dimensional product mock-ups are often used to introduce new products and sustain brand awareness. Marketing services and advertising agencies are increasing their use of direct marketing. Avon and Oriflame (Sweden) market directly in door-to-door cosmetic sales. Flyers are often handed out on street corners and stuffed in mailboxes.

There is a new focus on internet and mobile phone promotions. In both of these mediums, it is possible to target consumers directly based on past purchasing habits. This segment will become important due to the growth in the number of young people in Morocco who rely on mobile phones and the internet for entertainment and information. Demographics could become a major factor in marketing as young adults (persons aged 15-29) make up almost 26 percent of the total population. Morocco has the highest internet penetration in Africa at around 50 percent.

Joint Ventures/Licensing

Companies, both private and state-owned as well as wealthy investors seek joint venture business opportunities with U.S. partners as a way to modernize Moroccan factories, license new technology, and create employment. Examples of major joint ventures are MATIS, a Boeing and Labinal Power Systems (Safran) wire-bundle manufacturing facility, and Jacobs Engineering, which has a joint venture with OCP, the state-owned phosphate company. Competent law firms exist in Morocco capable of negotiating joint-venture agreements.

Selling to the Government

Many governments finance public works projects through borrowing from the Multilateral Development Banks. Please refer to “Project Financing” Section in “Trade and Project Financing” for more information.

Morocco’s public procurement laws largely align with international norms in an effort to make tenders transparent and fair; however, transparency remains a significant concern. Each ministry and public establishment has contracting authority and is able to fund projects within their authorized budget. All government contracts must be tendered through the national public tendering portal managed by the [Moroccan treasury](#).

The following websites list tendering opportunities in Morocco, as well as other countries in the region:

- [Development Business](#)
- [dgMarket](#)

The announcement of tenders is published in newspapers and on the websites of the issuing organizations and distributed to Embassies. Deadlines range from 30 to 90 days. Bidding documents are usually published in French and replies must be in French, using French or European standards (i.e., metric, 50/60 hertz).

Distribution & Sales Channels

Casablanca and Tangier are the primary points of entry for foreign manufactured goods for direct distribution. Ferry services between Morocco and Spain allow goods to be imported and exported by truck. The Tanger-Med port, which has a capacity of eight million containers, is operational and is the largest port on the Meditterrean. Additional development is planned for passenger and cruise terminals, road and train interconnections and fuel and coal storage facilities.

Morocco has an established distribution system with wholesalers and dealers who hold the customer relationship and provide access in exchange for a percentage of the final sale price. For technical products, after-service sales support is key to attracting customers.

For example, there is a well-developed software distribution network supported by IT integrator companies and resellers of multiple types of software products. Pharmaceutical sales are also supported by a well-developed network of pharmacies. For a U.S. exporter, it would be relatively easy to identify the major players in these sectors. However other types of products are still distributed through very fragmented market channels. Hardware store items, for example, are available in stores smaller than 100 square feet and in large DIY stores. Selling into these markets requires dealing with several key buyers or working with an intermediary or wholesaler who has access to a broad base of smaller shops.

Express Delivery

Reliable courier services are available in Morocco through both international and local express delivery services. Express service points are serviced at several locations around the country. Average delivery time from Morocco to most parts of the U.S. is four days.

Moroccan Customs officials check all parcels and a duty or tax fee may apply depending on the value and the nature of the merchandise.

Selling Factors & Techniques

Relationships and trust are key to being successful in Morocco. Business relationships are built over time. A key component to successful selling is finding a local partner with an excellent reputation and market experience.

It is also important to be sensitive to market concerns about U.S. products due to perceived barriers including language difficulties for service, access to parts, metric/standard measurement, and electrical connections, among others. U.S. companies must demonstrate that they are a reliable long-term partner by being sensitive to these concerns. Below are a series of key success factors for market penetration:

1. Local distribution partners expect substantial advertising and promotional support, particularly when introducing a new product or brand name.
2. Promotional material and technical documentation should include French or Arabic translations.
3. Each firm should sufficiently train their local partner. The more knowledgeable the partner is about the products, the more competitive these products will be. U.S. machine and equipment sales must be backed up by strong and credible after-sales service and support and spare parts supply.

A small investment in a high-quality online website presence dedicated to the Moroccan business can deliver a substantial return by raising the profile of U.S. products over rivals. Making manuals, parts ordering, and contact information easily available online will help to increase business success.

eCommerce

E-Commerce is small but growing rapidly in Morocco. Morocco has one of Africa's highest internet penetrations rates and e-commerce is being built on this infrastructure. One major hurdle, however, is a lack of online payment systems. There is a high instance of credit card fraud in Morocco and several U.S. companies have blocked access to Moroccan Internet Service Providers (ISP). Nonetheless, the e-commerce market environment is improving. Most transactions made online in Morocco still have the payment executed offline. Restrictions on outbound cash flows make it difficult to use Moroccan Credit Cards for international purchase of large volume. Internet payment systems such as PayPal are beginning to enter the market. This should allow U.S. exporters to market directly to Moroccan consumers or businesses.

International shippers like DHL, Fedex, and UPS are established in the larger urban areas. They offer expedited service for after sales service and support. Certain types of products and parts could be offered online and shipped directly to Morocco with these shippers.

Trade Promotion & Advertising

U.S. advertising firms, including Boomerang, Ogilvy & Mather, and Young & Rubicam, have offices in Morocco and provide services. Moroccan advertising agencies offer comprehensive services. Visual advertising is key due to low literacy. Food, hygiene, and beverages are the most common products advertised on television. Multinationals such as Procter & Gamble, Pepsi Cola, and Coca-Cola are among the biggest advertisers. Newspapers and periodicals provide advertising space but verification of subscriptions and circulation is difficult. Radio advertising sales are growing quickly and are considered a relatively inexpensive form of communication. The amount and importance of billboard advertising has dramatically increased in the last few years.

French is the language of the well-educated elite and Darija, a local Moroccan Arabic dialect, is the language of the average consumer, making it important to choose ad languages carefully. Spanish is spoken widely among the educated in cities along the Mediterranean coast. Small and medium-sized companies increasingly turn to the internet as a means of reaching sophisticated consumers.

Pricing

The currency in Morocco is the Moroccan dirham; which is divided into 100 centimes. Common acronyms for the dirham are MAD, DH, and Dhs. Most prices are quoted in dirhams although some businesspeople occasionally quote in centimes.

Morocco operates under a Value Added Tax regime (TVA in French). This is a tax regime with some complexity as there are different TVA rates for different products and some businesses are exempt from TVA altogether. Before doing business in Morocco, it is advisable to consult with a local tax advisor on how TVA will affect the company's business.

In general, the market freely determines prices without government involvement. The exceptions are staple commodities, flour and sugar, and butane gas which are still subsidized. For service providers, all bills issued from foreign companies are subject to a ten percent tax.

It is important to clarify with the contracting partner if the negotiated rate is before or after this tax has been added.

Sales Service/Customer Support

Sales support to the customer or the reseller is not common in Morocco. Companies that can build a reputation for providing high quality customer support will quickly develop a competitive advantage.

U.S. companies should supply their resellers with sales and product documentation in French as well as training in brand management and customer support services. Product packaging, warranties and guarantees, and user and product care instructions should be in French or Arabic, depending on the end-user market. This information is critical when marketing high tech or consumer goods that are targeted by counterfeiters.

Protecting Intellectual Property

Foreign market companies should consider several general principles for effective management of their intellectual property. For background on these principles please visit our article on [Protecting Intellectual Property](#) and also [Corruption](#).

IP Attaché Contact MOROCCO

Raed Al-Hout

Plot No.14 Block 6 Masjed Al-Aqsa Street Kuwait City, Kuwait

Tel: +965 2259-1247

Email: raed.al-hout@trade.gov

Due Diligence

Potential U.S. investors in Morocco and exporters of U.S. goods and services should perform due diligence of potential local agents, partners and customers, particularly when extending credit. [This central repository](#) has information on Moroccan companies. This repository lists the tax filings for a large number of Moroccan companies. Through this government-sponsored portal, one can find balance sheet and profit and loss information. The portal is not comprehensive, but information for most large companies can be found. There are also independent credit ratings by companies that can be contracted to execute a credit evaluation. One such company is [Coface](#).

U.S. firms, especially those with no previous Morocco experience, should consider the U.S. Commercial Service's [International Company Profile \(ICP\)](#) service prior to signing any agreements. The ICP provides information on the reputation, reliability, and financial status of a potential partner in a confidential report, along with a recommendation from the U.S. Commercial Service as to the partner's suitability.

Local Professional Services

There is a network of U.S.-trained and English speaking professionals who routinely help U.S. companies do business in Morocco. For information on local professional services providers consult:

- [The U.S. Commercial Service in Morocco](#)
- [The American Chamber of Commerce in Morocco](#)

Principle Business Associations

The below mentioned business associations accept U.S. companies' membership and are considered major players in lobbying for foreign and local businesses with the government:

[Chamber of Commerce Industry and Services of Casablanca – CCIS](#)

(Chambre de Commerce, d'Industrie et de Services de Casablanca)

Mr. Mustapha Amhal, President

98, Boulevard Mohammed V

Casablanca, Morocco

Tel: +(212) 522 26.44.38 – 26.43.27

Email: Department of International Relations: Ms. Laila Raji lailaraji@ccisc.gov.ma

[Association of Moroccan Private Equity and Venture Capital Investors](#)

(Association Marocaine des Investisseurs en Capital)

Mrs. Françoise Giraudon, Déléguée Générale

23, Boulevard Mohamed Abdou, Quartier Palmier

Casablanca, Morocco 20340

Tel: +(212) 522 23 74 85

Fax: +(212) 522 98 07 80

Email: info@amic.org.ma

[Confederation of Moroccan Enterprises](#)

(Confederation Générale des Entreprises du Maroc or CGEM)

Mrs. Miriem Bensalah Chaqroun, President

23, Boulevard Mohamed Abdou, Quartier Palmier

Casablanca, Morocco

Tel: +(212) 522 99 70 00

Fax: +(212) 522 98 39 71

[Moroccan Association of Textiles and Apparel Manufacturers](#)

(Association Marocaine des industries de textile or AMITH))

Mr. Mohamed Tazi, General Director

92 Boulevard Moulay Rachid, Casablanca

Tel: +(212) 522 94 20 84/ 85

Fax: +(212) 522 94 05 87

[Feed Millers Association \(AFAC\)](#)

(Association des Fabricants d'Aliments Composés)

Mr. Nourreddine Karim, President

123 Bd Emile Zola

Casablanca, Morocco

Tel: +(212) 522 31 12 49

Fax: +(212) 522 44 22 76

Email: afac@fisa.org.ma

[Telecommunications and Computers Association \(APEBI\)](#)

(Fédération des Technologies de l'Information, des Télécommunications et de l'Offshoring)

Mr. Risi Mohamed Chakib, Président
BUREAU N° 284 Casablanca Technopark
Casablanca. Morocco
Tel: +(212) 522 87 46 12
Fax: +(212) 522 87 57 29
Email: apebi@apebi.org.ma

[Mining Industry Association](#)

(Fédération de l'Industrie Minière)

Mrs. Lhou Marbough, President
1 Place de l'Istiqlal
Casablanca, Morocco
Tel: +(212) 522 30 68 98
Fax: +(212) 522 31 99 96
Email: fdim@wanadoo.net.ma

[Association of Moroccan Importers of Agricultural Equipment](#)

(Association Marocaine des Importateurs de Matériel Agricole- AMIMA)

Mr. Chakib Ben El Khadir, President
Av. Hassan II, Q.I., No 9
Route de Casablanca. Rabat, Morocco.
Tel: +(212) 537 79 31 58/59
Fax: +(212) 537 79 31 56
Email: contact@amima.ma
amima.maroc@gmail.com

[Moroccan Association of Consulting and Engineering – \(FMCI\)](#)

(Fédération Marocaine du Conseil et de l'Ingénierie)

Mr. Benyahia Nouredine, President
5 Rue Idriss Alakbar
Quartier Hassan, Rabat, Morocco
Tel: +(212) 537 70 42 24
Fax: +(212) 537 20 03 47
Email: contact@fmci.ma

[Specialized Agricultural Trade Associations](#)

Poultry Feed, Poultry, and Eggs Federation

(Fédération Interprofessionnelle du Secteur Agricole or FISA)

Mr. Moulay Youssef Alaoui, President
123, Boulevard Emile Zola
Casablanca, Morocco
Tel: +(212) 522 31 12 49
Fax: +(212) 522 44 22 76
Email: fisamaroc@gmail.com

[Grains and Pulses Importers and Traders Association](#)

(La Fédération Nationale des Négociants en Céréales et Légumineuses or FNCL)

Mr. Bouchaib El Haddaj, Executive Director
Résidence El Hadi, B4 57, Bd. Abdelmoumen
Casablanca, Morocco
Tel: +(212) 522 47 64 38 or +(212) 522 47 64 68
Fax: +(212) 522 47 42 07
Email: federation@fncl.ma

Purebred Dairy Cattle Association

(Association Nationale des Eleveurs de Bovins de Races Pures or ANEB)
Mr. Nouredine Belkadi, Director
5, Rue Mohamed Triki, Residence Tissir, Imm. B. Apt. 2
Agdal, Rabat, Morocco 10090
Tel: +(212) 537 23 02 44
Fax: +(212) 537 23 02 62
Email: aneb@menara.ma
aneb@aneb.ma

Wheat Millers Federation

(Fédération Nationale de la Minoterie or FNM)
Mr. Chakib Laalej, President
Angle Ibn Majid Bahar & Brihmi El Idrissi (Ex Girardot/Havre)
Casablanca, Morocco
Tel: +(212) 522 30 18 01 or +(212) 522 30 11 58 or +(212) 522 30 18 01
Fax: +(212) 522 30 65 51 or +(212) 522 30 59 13 or +(212) 522 30 65 51

Office of Trade Events of Casablanca

(Office des Foires et des Expositions de Casablanca or OFEC)
Rue Tiznit, Face à la Mosquée Hassan II
Casablanca 20000, Morocco
Tel: +(212) 522 27 32 82 or +(212) 522 27 16 64 or +(212) 522 20 06 54
Fax: +(212) 522 27 49 73 or +(212) 522 26 49 49

Limitations on Selling U.S. Products and Services

All Moroccan citizens can own and sell U.S. products and services in the manufacturing or services sectors. No particular limitations apply.

Web Resources

Chamber of Commerce Industry and Services of Casablanca – CCIS
(Chambre de Commerce, d'Industrie et de Services de Casablanca)
Mr. Mustapha Amhal, President
98, Boulevard Mohammed V
Casablanca, Morocco

Tel: +(212) 522 26.44.38 – 26.43.27

Email: Department of International Relations: Ms. Laila Raji lailaraji@ccisc.gov.ma

Agence Marocaine de Développement des Investissement (AMDI)

Mr. Hamid Belfdil, Managing Director

Complexe de la fondation Mohammed 6, Avenue Allal El Fassi
Madina El-Irfane, Hay Riad, Rabat, Morocco

Tel: +(212) 537 22 64 00

Fax: +(212) 537 67 34 17/ 42

Email: info@invest.gov.ma

[Other Website Access](#)

[Customs Office \(Administration Des Douanes et Impôts Indirects\)](#)

Mr. Zouheir Chorfi, Director

Avenue Annakhil, Centre des Affaires, Hay Riad
Rabat, Morocco

Tel: +(212) 537 57 90 01 to 03

Fax: +(212) 537 570 90 13

Email: adii@douane.gov.ma

[Agency for the Promotion and Development of the North - APDN](#)

(Agence pour la Promotion et Development du Nord)

Mr. Mounir El bouyouf, Managing Director

3, Angle rues Sijilmassa et Abou Jarir Tabari B.P. 1196
Quartier Administratif CP 90020 Tangier- Morocco

Tel: +(212) 539 94 32 85/88/90

Fax: +(212) 539 94 19 11

Email: contact@apdn.ma

[Ministère de l'Industrie, du Commerce, de l'investissement et de l'économie numérique](#)

Mr. Mly Hafid El-Alamy, Minister

Avenue Mohammed V, Quartier Administratif,
Rabat, Morocco

Tel: +(212) 537 66 96 00 / 537 76 52 27

Fax: +(212) 05 37 76 89 33

Email: ministre@mcinet.gov.ma

[Société d'Exploitation des Ports \(Sodep, also known as Marsa Maroc\)](#)

Mr. Mohamed Abdeljalil, General Manager

175 Bd. Mohamed Zerktouni

Casablanca, Morocco

Tel: +(212) 522 23 23 24

Fax: +(212) 522 25 81 58

Email: contact@marsamaroc.co.ma

[National Airline Company](#)

(Royal Air Maroc or RAM)

Mr. Abdelhamid Addou, President

Aéroport d'Anfa

Casablanca, Morocco

Tel: +(212) 522 91 20 21 or +(212) 522 91 20 22

Fax: +(212) 522 91 20 95

Email: info@royalairmaroc.co.ma

[National Ports Authority \(ANP\)](#)

Mrs. Nadia Laaraki, General Director

300, lotissement Mandarona,

Sidi Maârouf, 20270 Casablanca

Tel: +(212) 5 20 12 13 14

Fax: +(212) 5 22 78 61 02

Leading Sectors for U.S. Exports & Investments

The following sectors will be highlighted in this section:

- Energy
- Agricultural Sectors
- Infrastructure
- Transportation
- Healthcare
- Safety and Security
- Telecommunication

Energy

This is a best prospect industry sector for this country. This section includes a market overview and trade data.

Overview

Morocco has very few deposits of fossil fuels and imports 89.4 percent of its energy needs for its 33.5 million inhabitants. Total primary energy consumption has increased by about 5 percent per year since 2004, with per capita annual increases at 3.6 percent. About one third of the total primary energy consumption is devoted to electricity generation, which amounted to an electricity consumption of 36,500 GWh in 2015. Morocco produces 28,000 GWh of electricity and imports the rest from Spain.

In 2015, Morocco's electricity production capacity was 8,154 MW, divided roughly between coal (31%), fuel and diesel (10%), hydroelectricity (22%), gas (25.8%) and wind (9.4%).

Production Capacities will be increased by 6,500 MW by 2020. Of this new total capacity of around 14,500 MW, solar and wind energy will each represent about 2,000 MW.

The electricity pricing system is modulated, in particular according to consumption, consumption schedules and type of meters. In 2016, the final price per kWh for consumption varied between approx. 8 and 21 dollar cents (including 14 percent TVA), the majority of the tariffs being between approx. 9 and 16 dollar cents (including 14 percent TVA).

The national strategic objective is to safeguard the security of the energy supply by reducing dependence on energy imports. With consistent sun and strong winds, Morocco has strong potential in renewable energy, with a long term goal of becoming an energy exporter to European and African markets.

The Moroccan National Energy Plan is part of the policy of economic and social reforms initiated by King Mohammed VI. It lays out general guidelines and conditions for the development of renewable energies. As of 2015, Morocco had reached a renewable energy 32 percent of its energy goal (mainly hydroelectric and solar power) of installed electricity generation capacity. By 2020, Morocco aims to ensure renewable energies will account for 42 percent of electricity generation capacity, for a total of 6 000 MW. At the 21st Conference of Parties to the UN Framework Convention on Climate Change (COP 21) in Paris, King Mohammed VI announced Morocco would aim to ensure 52 percent of electricity power

generation capacity is from renewable sources by 2030. Fossil energy sources will continue to play an important role in the near future, but there is no doubt that the future of the national electricity mix will be through wind and solar.

The main objectives of the energy strategy are:

- Security of supply,
- Access to energy at reasonable prices,
- Energy management,
- Environmental protection.

These objectives will be achieved mainly through the following Actions:

- Optimizing and diversifying the power generation mix,
- Developing wind, solar and hydroelectric power generation plants,
- Increasing energy efficiency in government buildings, and
- Promoting regional integration of electricity transmission networks.

In November 2015, then Moroccan Energy Minister, Abdelkader Amara, said at a meeting of the International Energy Agency (IEA) in Paris that Morocco would invest a total of USD 37 billion in the national energy sector by 2025. Morocco is viewed as a leader among countries in using renewable energy to answer the growing need for electricity.

Morocco has taken the following steps to achieve its energy transition:

- Development of the national energy strategy (2009)
- Development of decisive framework laws containing provisions for the start of liberalization of the electricity market, renewable energy and energy efficiency: Acts 13-09, Law 47-09, Law 16-08 (2009)
- Development of the Moroccan Solar Plan (2009)
- Development of the Moroccan wind energy plan (2010)
- Establishment of the National Agency for the Development of Renewable Energies and Energy Efficiency - ADEREE (2010)
- Establishment of the Moroccan Agency for Solar Energy (MASEN) (2010)
- Establishment of the Energy Investment Company - SIE (2010)
- Creation of the Institute for Research in Solar Energy and New Energies - IRESEN (2011)
- Commissioning of the first wind farm (150 MW) in Taza under the Moroccan wind plan (2015)
- Commissioning of the first NOOR 1 (160 MW) thermodynamic solar power plant (CSP) in Ouarzazate as part of the Moroccan Solar Plan (2015)
- Initiation of the Training Institute for Renewable Energies and Energy Efficiency (IFMEREE) with locations in Oujda, Tangier and Ouarzazate
- Publication of Law 58-15 opening access to low- and medium-voltage networks, amending and supplementing Law 13-09, and Decree No. 2-15-772 on access to the national grid of medium voltage (2015)
- Adoption of Law 48-15 on the regularization of the energy sector and implementation of the National Electricity Regulatory Authority - ANRE (2016)

- Restructuring at the level of competences and denomination of public institutions MASEN, ONEE and ADEREE/AMEE by laws 37-16, 38-16, 39-16 (2016)

In 2016, key Moroccan energy agencies were restructured. The Moroccan National Agency for Solar Energy (MASEN), previously responsible for the implementation of the Moroccan Solar Plan, became the Moroccan Agency for Sustainable Energy, still known as MASEN but now responsible for all renewable energy, including wind, hydro, and solar power. In addition, the National Agency for Development of Renewable Energy, and Energy Efficiency (ADEREE), was renamed Moroccan Agency for Energy Efficiency (AMEE) and now focuses only on energy efficiency.

Main legislative developments in the Moroccan energy sector:

Law 16-08 on self-production authorizes for the first time any natural or legal person to produce electricity for his own needs. Self-production is subject to authorization and subject to the following conditions:

- The capacity must not exceed 50 MW,
- The production is intended for the exclusive use of the producer, and
- Any surplus production must be sold directly to the grid.

Until today, this possibility has been used mainly by large cement manufacturers “Lafarge” (30 MW) and “Ciments du Maroc” (5 MW) and by the national phosphate company OCP. Law 13-09 allows any natural or legal person to produce energy from renewable sources. This may be self-production or production intended to be injected into the high- or medium-voltage network and sold to buyers with adequate connections. The low voltage network is now included in the extension covered by Law 58-15, but the decree of application is still being drawn up, which for the moment prevents large-scale decentralized injection by private individuals or small businesses. In the medium to long term, this market will also be open, which should give considerable push to the production of electricity by small photovoltaic power plants. Wind power plants with a capacity greater than or equal to 2 MW must be carried out on the sites identified for this purpose. Facilities with a capacity of 2 MW or more (electricity production) or 8 MW (thermal energy) are also subject to authorization. The 13-09 law allows the export of part of the electricity produced. In any case, the connection to the grid and Logictis should be ensured by the National Office of Water and Electricity, ONEE, which must also be an Associate partner in in the sale action.

Law 47-09 deals with energy efficiency in the construction (residential and commercial buildings), transport and industry sectors. This law introduces the energy performance of buildings and equipment and appliances, the compulsory energy audit based on a consumption threshold in industry and the service sector, the preliminary assessment of energy impact of any proposed urban planning or construction on a predicted consumption threshold and technical control of energy efficiency. The text also encourages training and awareness-raising on energy efficiency. In addition, Application Decree No. 2-13-874, which prescribes minimum technical specifications for thermal performances (roofs, exterior walls, windows, floors, etc.) for a series of new constructions entered into force November 2015.

The publication of Law 48-15 in July 2016 represented an important step towards the liberalization of the electricity sector. The law establishes a national regulatory authority responsible for access and use of the medium and high voltage network for new producers. Implementation of the legislation is under way and should enable the authority to manage any conflicts between operators and network users. In addition, the ONEE high-voltage network will be administered independently of energy production in order to avoid discrimination against new producers.

Leading Sub-Sectors

Morocco offers excellent opportunities to U.S. firms in the following segments:

- Electrical components
- Engineering, Procurement, and Construction (EPC) Contracting
- Generators
- Solar water heaters
- Concentrated solar power (CSP)
- Photovoltaic
- Connections
- Micro Hydraulic Centrals
- Switches
- Fittings
- High, medium and low-voltage applications.
- Technical training for facilities repair and maintenance.

Opportunities

All public and semi-public power production projects in Morocco are conducted through [international tenders](#) for development on a concession basis. U.S. manufacturers of solar/wind/biomass equipment are encouraged to partner with others, to participate in tenders as joint consortiums. Power plants are often financed through Public Private Partnership structures. It is also critical to have reliable local partners. Entering into joint ventures with local partners can be an effective way to win contracts.

The U.S. Department of Commerce, Commercial Service provides a free-of-charge advocacy service to U.S firms participating in public tenders to strengthen their position. Contact information can be found at the following links:

[Export.gov Contact Information](#)

[Export.gov Advocacy Center](#)

Solar Energy:

Morocco has an average solar potential of 5 kWh/m²/day. However, solar energy still plays a small role in the Moroccan energy mix, namely in the framework of the rural electrification program, where photovoltaics is used to supply remote villages. Things have changed considerably since the 2009 launch of the Moroccan solar plan. The program foresees that, by 2020, the installed capacity of both CSP and PV will be at least 2,000 MW. In addition to the five planned sites, the Midelt and Tata projects were added in 2016. Once completed, these

plants will allow Morocco to exceed 2,000 MW by 2020. The table below lists the major completed, in process, or planned on seven sites:

Site/Plant	Power in MW	Technology	Commissioning
Ouarzazate	Total: 580		
NOORo I	160	CSP	2015
NOORo II	200	CSP	2017/2018
NOORo III	150	CSP (Solar Tower)	2017/2018
NOORo IV	70	PV	2018
MIDELT	Up to 600	CSP / PV**	2019
TATA	Up to 600	CSP / PV**	2019
AIN BENI MAHTAR	420	CSP / Gas*	2020
SEBKHATE TAH	500	CSP / PV**	2020
FOUM AL OUAD	500	CSP / PV**	2020
Boujdour	100	CSP / PV**	2020

** Solar-gas hybrid power station of 420 MW (20 MW in CSP and 400 MW in gas)

** The exact distribution between CSP and PV has not yet been determined. MASEN estimated that it would be approximately 80% CSP and 20% PV. Given that the manufacturing costs of photovoltaic installations have dropped significantly recently, some experts expect an increase in the share of PV.

Investments of approximately \$9 billion are planned for 2020 under the solar plan. In addition, ONEE will develop a series of medium-sized PV power plants (20 to 30 MW) distributed as follows:

Site/Plant	Power in MW	Technology	Commissioning
NOOR Tafilalet	75-100	PV	2017
NOOR Atlas	200	PV	2018
Not Defined yet	100	PV	2019

In Morocco, solar energy is already competitive: the average production cost at the Ouarzazate site (CSP) is 14 Dollar cents/kWh (source: KfW), and the cost of electricity generated by the Noor IV plant will be 5.8 Dollar cents/kWh, the lowest in the world. Due to the current evolution of producer prices and the excellent natural conditions in Morocco, CSP can be expected to cost substantially less than 14 Dollar cents/kWh.

Wind Energy:

With a coastline of 3,500 km, Morocco has enormous wind potential. The technical wind potential is slightly less than 5,000 TWh/year. It would be possible to install useful capacity of 25,000 MW (source: AMEE). At the end of 2015, the capacity installed or about to be put into service totaled approximately 1,160 MW:

Site/Plant	Power in MW
TARFAYA	300
LAAYOUNE	50
AKHFENIR	200
TANGER I	140
KHALLADI	120
KOUDIA BAIDA	300
HAAOUMA	50

The Integrated Wind Energy Program adopted in 2010 and also known as the Moroccan "wind plan" aims to double these capacities to bring total capacity to 2,000 MW by 2020. The energy program covers a total capacity of 1,000 MW, to be carried out in two phases on six sites:

Site/Plant	Power in MW	Commissioning
TAZA	150	2016/2017
MIDELT	150	2020
TISKARD	300	2020
TANGER II	100	2020
JBEL LAHDID	200	2020
BOUJDOUR	100	2020

Additional 2000 MWs are planned for 2030. MASEN will be responsible for the projects and will call for tenders. Investments of around USD \$3.5 billion are planned for 2020 under the wind power plan.

Hydro Power :

Development of hydropower generation capacity began in the 1960s under the reign of King Hassan II. Hydro-Electric power is considered a traditional component of the Moroccan power plant (capacity installed by 2016: 1,920 MW) and the potential is already well exploited. In the short term, we can expect the construction of small power plants or micro-power plants. Moreover, in Morocco, hydroelectricity production is highly dependent on rainfall.

ONEE recently identified 125 additional sites capable of accommodating small or micro-power plants (100 kW to 1,500 kW), with a potential of approximately 300 MW. These sites are also available for private power producers and can be carried out by them. By 2030, the energy capacity of micro-hydraulic plants should be 3 GW. In addition, Morocco is actively involved in pumping technologies (STEP), with a potential of approximately 6 GW.

Major projects to be accomplished by 2020:

Site/Plant	Power in MW
Abdelmoumen Station of Energy transfer by Pumping Technology (STEP)	2 * 175
El Menzel Hydro electric Plant	125

Biomass:

In Morocco, biomass and biogas benefit from the country's important agricultural sector and the fact that a large part of the waste consists of organic components. In addition, the biomass sector will be strengthened to replace fuel oil in the industrial sector. However, this potential has not yet been the subject of national strategies, although some small companies are already active in this field.

Energy Efficiency:

Morocco demonstrated its commitment to developing its energy efficiency strategy with the adoption of the National Priority Action Plan 2008-2012. Following a national debate on energy efficiency, the energy efficiency strategy was revised with ambitious targets to improve energy efficiency by 20 percent in 2030 and develop action plans in the sectors of transport, construction, industry, agriculture and street lighting. A state-Moroccan Agency of energy Efficiency program contract has been finalized for the implementation of this strategy, which will be adopted in 2017. This strategy will define actions in the following sectors:

- Industrial sector
- Construction and technology
- Building
- Transportation Infrastructure
- Public and domestic lighting

It is important to mention that the theme of energy efficiency is attracting increasing interest in Morocco and that this trend will be further strengthened by the expected population growth and economic development. The nascent investments in energy efficiency mean there is potential for energy efficiency consultancies and for training in these professions.

Fossil fuels

Traditional fossil fuels will continue to play an important role in the Moroccan energy mix in the medium term, especially in the context of a constant increase in electricity consumption. This is manifested by the installation of additional capacities that are under development process since 2015:

- Liquefied natural gas (LNG) power plants at Jorf Lasfar (2 x 600 MW) and at a site to be determined (2 x 600 MW)
- Safi coal-fired power plant (2 x 693 MW)
- Extension of the Jerada coal-fired power plant (from 165 to 515 MW)

In the field of fossil fuels, Morocco has been putting more emphasis on natural gas since 2005 and has developed corresponding capacities. The country is also intensifying its exploration of the small reserves of oil and natural gas at its disposal. Morocco intends to reduce imports of fossil fuels, which remain inevitable in the medium term. It should be emphasized, however, that Morocco is investing much more in the development of renewable energies, whose share in the energy mix will continue to increase substantially over the next few years and which will replace fossil fuels.

Over the past five years, Morocco's consumption of Liquefied Petroleum Gas (butane/propane) has experienced an average growth of 20 percent in volume. This situation makes Morocco the second largest LPG market in Africa. The World LPG Association (WLPGA), the world association for the development of LPG in the world, is organizing from October 3 to 5, 2017 in Marrakech, the 30th World Forum of the LPG industry, which is expected to gather more than 2,000 global professionals and experts.

Web Resources

- [Moroccan Ministry of Energy, Mining, Water and Environment](#)
- [Office National de l'Electricité](#)
- [National Federation of electricity and Renewable energies \(FENELEC\)](#)
- Moroccan Association of Solar and Win Industries (AMISOLE)
 - +212 522 949 182
- [Research Institute for Solar Energy and New Energies \(IRESEN\)](#)
- [Cluster Solaire](#)
- [Cluster EMC \(Energy Efficiency\)](#)
- [Moroccan Agency for Solar Energy \(MASEN\) E-Tenders](#)
- [Moroccan Agency of Energy Efficiency \(AMEE\)](#)
- [Company for Energy Investments \(SIE\)](#)
- [SOLAIRE EXPO](#)
- [POLLUTEC](#)
- [PHOTOVOLTAICA](#)
- [SIAM](#)

Agricultural Sector

This is a best prospect industry sector for this country. It includes a market overview and trade data.

Overview

Agriculture contributes around 15 percent of Morocco's GDP and largely determines the growth level of the economy as agricultural output is highly variable from year-to-year. The agriculture, fishing, and forestry sector employs about 45 percent of the total workforce with a similar portion of the population living in rural areas.

Morocco's agriculture can be divided into three major sectors:

1. Modern, private, irrigated, highly capitalized, and export-oriented farms producing mostly fruit and vegetables
2. Agriculture within reorganized large scale dam-irrigated perimeters producing mostly dairy, sugar crops, seeds, fruits and vegetables mostly for the local market
3. Rain-fed agriculture with more favorable land in the northwest (growing mostly grains, olives, pulses, red meat and dairy) and less favorable land in the south and east (growing mostly grains and non-intensive sheep production)

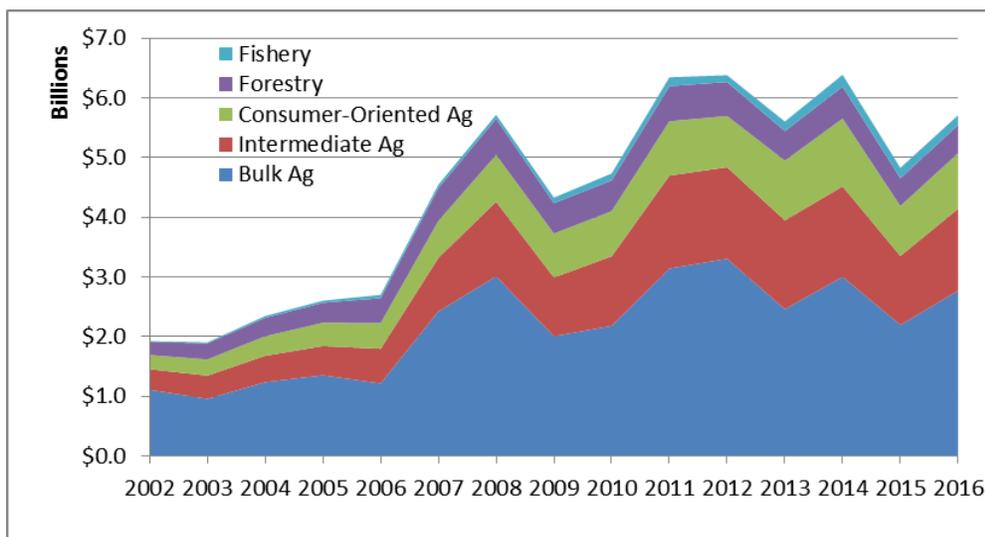
Moroccan agriculture remains mostly traditional with limited applications of production inputs such as fertilizers, pesticides and mechanization. Grains account for over 60 percent of agricultural production, and area planted to wheat has expanded with increased government support. The prevalence of small farms complicates inherited land status, and increasing land prices pose serious challenges to agricultural policy makers. Policy makers struggle with the conflicting underlying principles of economies of scale and the capitalization requirements necessary to modernize the agriculture sector and the desire to alleviate poverty and maintain the social structure of the traditional rural society.

In April 2008, the Ministry of Agriculture, Rural Development and Maritime Fishing launched the Green Morocco Plan (Plan Maroc Vert, PMV) setting out the agriculture development strategy through 2020. It has two pillars:

1. The accelerated development of modern and competitive agriculture, vital for the national economy, through the realization of thousands of new projects, with a focus on high-value agriculture.
2. Support to small-holder agriculture through the implementation or professionalization of 545 projects of small farms in difficult rural areas, thereby promoting greater productivity, greater recovery of production and sustainability of farm income. This second pillar also seeks the conversion of cereal crops to higher-value alternatives and as well as value-added processing.

In 2016, Morocco’s exports of agricultural and related products were \$4.5 billion, while its imports were \$5.7 billion. The European Union is Morocco’s primary trading partner, accounting for about 60 percent of Morocco’s agricultural exports.

Morocco Imports of Global Agricultural, Fishery, and Forestry Products

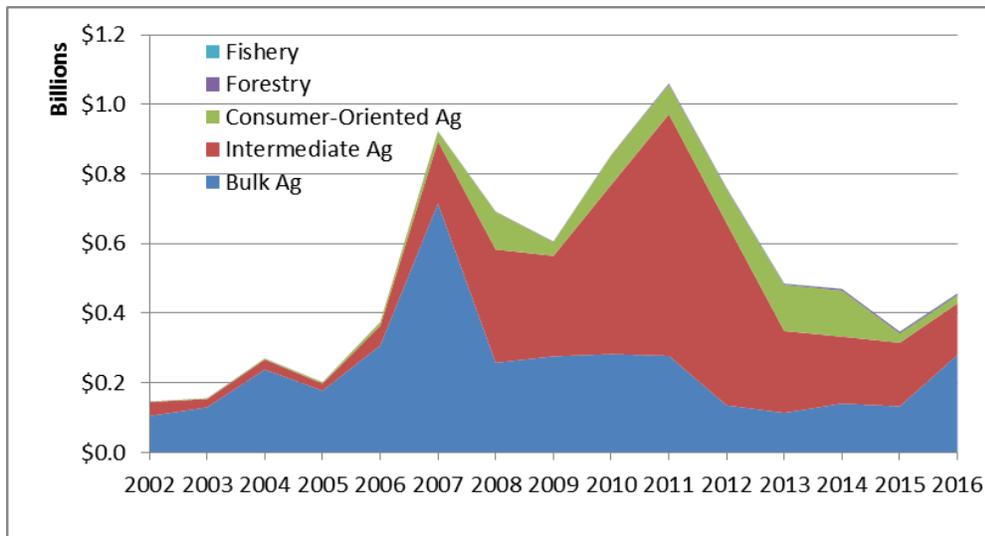


Source: Global Trade Atlas

U.S. agricultural exports to Morocco are mostly bulk and intermediate commodities. While the U.S.-Morocco FTA led to a jump in exports, competitiveness has waned in recent years due to exchange rates and eroding preferences vis-à-vis the European Union. In 2016, U.S. exports of agricultural and related products to Morocco totaled \$432 million, thanks to increased U.S.

wheat sales, which however remain volatile and a derivative of regional production. Meanwhile, U.S. imports totaled \$210 million.

Morocco Imports of U.S. Agricultural, Fishery, and Forestry Products



Source: Global Trade Atlas

[The US-Morocco FTA](#) provisions have been fully implemented for all agricultural products except:

- Live animals
- Animal products (e.g., meat, poultry, dairy, eggs, honey, and fish)
- Barley and products, corn products, and rice products
- Jams, confectionary, and chocolate
- Peas and lentils
- Almonds

Leading Sub-Sectors

- Wheat
- Feed grains (corn and DDGS)
- Soybeans, soybean meal, and soybean oil
- Pulses
- Live animals* and genetics
- Beef*
- Poultry*
- Dairy
- Dried fruit and nuts

* Pending successful conclusion to outstanding health certificate negotiations

Web Resources

U.S. Trade Associations:

[U.S. Wheat Associates](#)

Email: melhachi@uswheat.org

[U.S. Soybean Export Council](#)

Email: kbenabdeljelil@yahoo.fr

[U.S. Grain Council](#)

Email (poultry sector): aitboulahsen@gmail.com

Email (livestock sector): myoussoufi@hotmail.com

In Country USDA contacts:

[Office of Agricultural Affairs, U.S. Embassy Rabat](#)

Phone: (212) 357 76 59 87

Email: AgRabat@fas.usda.gov

List of USDA/FAS Commodity Reports and Briefs:

The Office of Agricultural Affairs publishes [reports](#) including, for example:

- Exporter Guide
- Retail Foods
- Food Service - Hotel Restaurant Institutional
- Food Processing Ingredients
- Food and Agricultural Import Regulations and Standards - Narrative
- Food and Agricultural Import Regulations and Standards - Certification
- Agricultural Biotechnology Annual
- Grain and Feed
- Citrus

Infrastructure

This is a best prospect industry sector for this country. It includes a market overview and trade data.

Overview

Morocco is solidifying its position as a commercial bridge between Europe and West Africa. Modern infrastructure in the form of world-class ports, airports, and rail links are key to realizing this goal. Strategically located along the Strait of Gibraltar, just a seven-hour flight from New York and three hours from Paris, Morocco is increasingly seen as an African regional hub for transportation and business. Morocco's moderate Mediterranean climate and developing infrastructure make it an attractive location for business and leisure. To meet the domestic demand for infrastructure, the Moroccan government invested more than USD 15 billion from 2010 to 2015 to upgrade its basic infrastructure.

As of the beginning of 2016, Morocco has built over 930 miles of highways and has plans to build an additional 700 miles, at a cost of at least USD 3 billion. The GOM issued a plan in early 2015 to create four new major roads and began the implementation phase in early 2016. At a cost of between USD 315 and 445 million, this project will build 250 miles of motorways between Safi on the Atlantic coast, and Beni Mellal, in the center of Morocco, via Marrakech. The plan also entails developing a route linking Agadir and Guelmim (about 250 miles) and

broadening the Rabat-Casablanca (60 miles) axis. The latter highway already has six lanes, but the continual increase in traffic causes congestion particularly on the route to the Airport and north to Rabat.

In addition, given Morocco's growing population and the economic importance of agriculture, a plethora of projects are underway in water technologies including wastewater treatment, water distribution and irrigation.

Leading Sub-Sectors

Morocco offers excellent opportunities to U.S. firms in the following segments:

Building materials:

- Innovative building materials
- Steel
- Prefabricated building
- Glass
- Aluminum doors, windows and frames
- Luxury bath tubs, washbasins, and toilet seats
- Luxury bath and kitchen hardware and accessories
- Luxury door and window knobs and fixtures
- Pigments
- Paints, varnishes
- Vinyl floor covering
- Solar water heaters
- Heating/Air conditioning

Equipment:

- Bulldozers and angle dozers
- Rock drilling and earth boring equipment
- Integral tractor shovel loaders
- Shovels, excavators
- Sorting, screening, separating and washing machines for earth, stone, ores, or other mineral substances in solid form
- Crushing machines for earth, stone, ores, etc.
- Grinding machines for earth, stones, etc.
- Concrete/Mortar mixers
- Machines for mixing mineral substances with bitumen
- Escalators and moving walkways
- Motorway and rail signalling
- Motorway and rail monitoring
- Automobile integrated services and smart city products

Services:

- Architecture and design
- Engineering Consulting

- Infrastructure Maintenance
- Road and Rail bed maintenance
- Signalling
- Construction Supervision

Opportunities

Transportation

Roads: As of 2014, Morocco had approximately 7,000 miles of highways and national roads as well as 5,700 miles and 13,700 miles of regional roads and provincial roads, respectively, totaling 26,500 miles according to Autoroutes Du Maroc, the Moroccan Highway Administration and the Ministry of Transportation and Logistics. In early 2016, the Ministry of Transportation and Logistics announced that USD3.85 billion is set to be invested in a new rural roads program. Moreover, improving transportation safety in some areas of Morocco will result in the implementation of tunnels and beltways, especially around the Atlas mountain areas. Les Autoroutes du Maroc has the monopoly on highway construction and operations. To enhance road expansion, the government is working on the liberalization of highway operations.

Railway: Morocco's railway network comprises 1,300 km (800 miles) of track, with 120 rail stations. Future development plans include the inauguration of the Tanger-Casablanca 225 mile high-speed rail, to be completed by early 2018, and the Casablanca-Marrakech 140 mile high-speed line. This will require the creation of maintenance centers dedicated to high-speed rail activity. The Office National des Chemins de Fer (ONCF) is in charge of railway development and the sole railway operator. It intends to modernize rail lines, rail stations, as well as several regional rail networks around large urban centers. ONCF is committed to developing logistic platforms close to its lines.

Casablanca has plans for 48 miles of rail lines to link Casablanca to its suburbs and a 19-mile tramway line. An extra 10 mile tramline is now in process with an expected completion date of the end of 2018. Rabat also has a tramway line connecting multiple points in Rabat and the neighboring town of Sale. Other large cities, such as Agadir, Fez, Marrakesh and Tangier, also plan to build light tramway/rail lines.

Airports: A variety of projects are in the pipeline aiming to increase capacity and develop Morocco's airports. Among the government's priorities is the expansion of Terminal 1 at Casablanca's Mohammed V International Airport, which will nearly triple its current capacity from 8 million to 23 million passengers. Marrakech Menara Airport is also set to expand with the construction of a new 17 acre terminal worth USD 138 million, which is under way and will raise capacity from 6 million to 9 million passengers.

In order to support the tourism's strategy "2020 Vision", Morocco's Ministry of Tourism, Air Transport, Handicrafts, and Social Economy and the National Office of Airports (ONDA – with authority over airport management and air traffic control) is engaged in a development strategy to:

1. Strengthen the status of the Casablanca airport as an international hub to and from Central and West Africa, and develop Marrakech Menara Airport as a hub towards Europe, and
2. Sustain the development of airport infrastructure through airport extensions, modernizations, and new construction projects.

Recent ONDA projects include:

1. The extension of Nador International Airport (USD 40 million);
2. The construction of new terminals at Marrakech Menara Airport (USD 132 million) and Fes-Sais Airport (USD 58 million); and
3. The construction of new airports at Beni-Mellal (USD 20 million) and Zagora (USD 15 million).

Future airport upgrades will include Essaouira, Oujda, and Al Hoceima.

Shipping, Ports and Container Handling

Morocco has 15 commercial ports that generate 92.3 million tons in merchandise traffic annually. Major developers of ports are Agence Nationale des Port (ANP – Ports' Authority) and Tanger Mediterranean Special Agency (TMSA). Tanger-Med Port terminals 1 and 2 are operational with the capacity to handle 8 million containers, 7 million passengers, 700,000 trucks, 2 million vehicles, and 10 million Metric Ton of oil products, becoming the largest trans-shipment port in Africa. After this successful project that transformed the economic conditions of the Tangier region, the government intends to develop six new fully integrated ports around Morocco including in Kenitra, Casablanca, Doukkala, Abda, Souss, and Tensift.

New ports in the pipeline or currently under way include Nador West Med and Safi Port. The former will be a deep-water port on the Mediterranean coast in the north-east Rif region and is expected to come on-line in 2019 or 2020, with a focus on coal and hydrocarbons. The African Development Bank has already provided the country with USD 113 million for the port project (about 10 percent of the cost). Construction of Safi Port is also under way in the capital of Safi Province on the Atlantic coast. The USD 427 million project will offer facilities for cargo ranging from local agricultural products to bulk and container shipments.

Building Construction

Urban population is growing at four percent per year. To meet the demand for property, the government began a New Cities Program aimed at creating 15 new cities by 2020. Under the program, the government provides land to the public at competitive prices and tax incentives to developers who commit to building 500 low-cost units within five years. The government established three funds for the purchase of a housing unit or land and/or its construction that grant loans at advantageous rates to government employees (Fogaloge-Public Fund), to teachers (Mohammed VI/FOGALEF Fund) and to low-income or temporarily employed people (FOGARIM Fund).

Two new cities were established in 2014; Tamansourt near Marrakesh, and Tamesna, near Rabat. When complete, they will provide 88,000 and 54,000 units respectively, for a total investment of USD 7.2 billion. Morocco needs to build approximately 158,500 units annually to meet demand. Morocco is also building small green cities close to existing larger cities to

provide a diverse choice for living in a green and environmentally friendly atmosphere. Bouskoura Green Golf City located at 10 km from Casablanca is an example of this concept.

Tourism

Morocco is among the world's most attractive and well-established tourism destinations. Marrakesh was ranked first among the world's top 25 destinations by Trip Advisor in April 2014. With unrest in competing tourism markets in North Africa, Morocco is expected to experience higher volume in the short and medium term. However, recent reports indicate that the quality of Moroccan hotels and resorts is slipping. Given the importance of this sector to the Moroccan economy, we expect enhanced tourism construction projects and cultural renovations throughout the country will demand U.S. project management expertise, construction equipment, and building services.

The tourism 2020 vision, aimed at doubling the size of Morocco's tourism in terms of number of visitors, foreign exchange earnings and accommodation capacity (200,000 additional beds), is comprised of six specific programs: Plan Azur 2020, Legacy & Heritage, Eco & Sustainable Development, Animation, Leisure & Sports, Biladi (internal tourism) and niches with high added value.

Public Tenders Will Result from the Following Major Infrastructure Projects

1. Morocco signed a USD 2.4 billion contract for the first phase of a high speed train system connecting Casablanca to Tangier by 2017. Additional segments will be opened for bid in the next two to three years. By 2030, the national rail company Office National des Chemins de Fer (ONCF) will issue tenders to connect Tangier to Agadir via Rabat, Casablanca, Marrakech, and Essaouira, then Casablanca to Oujda via Meknes and Fez.
2. The African Development Bank is providing a 300 million EUR loan to Morocco to support the investment plans of ONCF. ONCF is investing heavily in Morocco's transportation infrastructure with USD13 billion planned into 2035. Plans include the construction of almost 2,000 km of major rail lines linking the country's largest cities, in addition to urban and high speed rail.

Current USTDA Infrastructure Oriented Studies:

- [National Office of Potable Water Industrial Wastewater Treatment projects](#)
- [National Office of Potable Water GIS System](#)

Web Resources

- [Moroccan Tendering Platform](#)
- [Ministry of Housing](#)
- [National Railway Authority](#)
- [National Airport Authority](#)
- [National Ministry of Equipment and Transport](#)
- [Federation of Builders](#)
- [International Building and Public Works Trade Show](#) (Salon international du Bâtiment et des travaux publics), November 23-27, 2016, Casablanca

Transportation

Adapting to the opportunities and challenges of a growing economy, Morocco's transport sector has improved significantly in recent years, benefitting from an influx of capital and a number of major upgrades. In this spirit, the formerly called Ministry of Equipment, Transport, and Logistics, has made significant progress in the development of transportation infrastructure: roads, highways, railways, airports, and ports. It also made a breakthrough in the reform of liberalization and introduction of competition in the various modes of transport and improving the quality of service. As of April 2017, the Aviation portfolio now falls under the Ministry of Tourism, this includes Airport and Royal Air Maroc oversight. The Ministry of Transportation gained oversight of water management and is now called the Ministry of Equipment, Transport, Logistic and Water.

In this chapter, two key transportation subsectors for Morocco will be addressed: aviation and automotive. Major ongoing projects and upcoming opportunities in these respective subsectors for U.S. companies are highlighted. Morocco benefits from a strategic location close to Europe and emerging markets, free trade agreements with large consumer markets, and a stable political environment. Additionally, the Moroccan government made significant investments to make the business environment more attractive: investments in training centers, special economic zones, infrastructure, and tax incentives for automotive and aviation producers.”

Overview – Aviation

It is important to note that as of April 2017, the aviation sector now falls under the Ministry of Tourism. In just 15 years, Morocco has become a major aerospace industry manufacturing hub: the country hosts approximately 120 companies, comprising over 11,500 employees and generating USD1 billion in exports.

The aviation industry contribution to national exports has grown to 4.5 percent in 2016, compared to only 1 percent in 2005. Royal Air Maroc (RAM), the flagship Moroccan airline, is 53.94% owned by the government. It operates short-haul flights within the country, medium-haul flights to Europe and Africa and long-haul flights across the Atlantic to the U.S. and Canada. It has the largest fleet of Boeings 737's in Africa (42) and operates five Boeing 787s. Its headquarters and hub at the Mohammed V International Airport are located in Casablanca.

Morocco has 24 airports: 15 international, six domestic, and three secondary platforms. Half the country's air traffic goes through Casablanca Mohamed V Airport, followed by Marrakech Menara (24 percent) and Agadir (14 percent). The Mohammed V International Airport is operated by ONDA (National Airports Authority) and is located in Nouaceur Province, a suburb 30 km southeast of Casablanca. It is the busiest airport in Morocco, welcoming 5.2 million passengers between January and July 2017. It is among the top four busiest airports in Africa

Established in 1999, ONDA is the operator and administrator of airports in Morocco. Since 2004, they have upgraded the facilities of most airports in the country. The ONDA 2011-2016 strategy aimed to make Morocco the North African hub for commercial aviation services. This

strategy designates the Casablanca airport as the service center for the entire country. To achieve this, the following key measures were implemented:

- Training additional engineers,
- Increased airport capacity from 22 million passengers to 42 million and double the airspace through construction of additional terminals,
- Making the airport a major player in regional development by doubling the capacity of freight stations, and
- Strengthening the position of the Moroccan airports by developing the ecosystems of companies that provide aircraft services.

Morocco's political and security stability and the government's commitment to improve infrastructures further enhanced the country's attractiveness for foreign companies. The growth of the aeronautics industry relies on a highly professional and qualified supply chain of local subcontractors who have achieved certifications from international organizations. The newly created Moroccan Aerospace Institute (IMA) offers practical, continuous training and education to the aviation industry. It is based on the specific needs of the companies in Morocco.

In September 2016, the GOM and Boeing signed a Memorandum of Agreement with a goal of creating an aerospace supplier's ecosystem in Morocco. The Memorandum calls for the structuring of an ecosystem formed by global suppliers and organizing a sourcing platform based in Morocco. This ecosystem is planned to reach an annual export turnover of one billion dollars, and will lead to the establishment of an additional 120 Boeing suppliers in the market creating up to 8,700 specialist jobs. To cover the training needs of its ecosystem, dedicated training programs specially designed by Boeing will be implemented.

Morocco plays an important regional role in aircraft sales. The bi-annual Marrakech Air Show is a must for U.S. companies selling to Africa. The last air show took place in April 2016, and the next event is expected to take place in 2018, at a date still to be determined. For more information, email Commercial Specialist Kenza El Amrani: Kenza.El-Amrani@trade.gov

Leading Sub-Sectors

- The sub-sectors of the aviation industry are equally important and represent great opportunity for future growth. These subsectors are:
- Maintenance for all types of aircraft
- Cabling production for aircrafts (or other commercial vehicles)
- Service providers – VIP lounges, catering
- Parts and equipment suppliers for aircraft
- Parts and equipment suppliers for airport facilities
- Pilot and crew training
- Air navigation control systems
- Radio communication systems
- Baggage handling
- Scanning equipment
- Passenger security devices
- Aviation consulting services

- Security systems

Opportunities

Over 110 international aeronautic and aerospace companies are currently operating in the Moroccan territory. The booming industry plans to double its capacity and number of operators and create 23,000 new jobs by 2020. Thanks to its strategic geographical location, Morocco is a central base with high-quality facilities and nearly 11,500 aviation professionals, of which 50 percent are women.

The Casablanca Free Zone in Nouaceur near the Casablanca Airport is a designated Industrial Integrated Platform (P2i) with special support for investors in the aerospace sector. Incentives include a corporate tax break of five years followed by an 8.75 percent cap during the next 20 years. Boeing and Labinal Power Systems/Safran manufacture airplane wire harnesses in the Casablanca Free Zone via their joint-venture, Matis Aerospace. In 2012, Bombardier Aerospace signed an agreement with Midparc Investment S.A., a Moroccan property holding and management company, to purchase land for its new plant in this P2i. Both Bombardier and United Technologies have invested around USD 200 million in new Moroccan factories. The U.S. firm Eaton started construction of a USD12 million plant in 2014 to manufacture aeronautics components and systems.

Hexcel Corporation opened their USD20 million engineered core facility at the Midparc Free Trade Zone Industrial Park early in 2017. The facility produces HexWeb® honeycomb materials and is expected to employ more than 200 people by 2020.

Specific Opportunities at Nouaceur Include:

1. A space “Ready for Output” offers investors 13,000 square feet of well-equipped (electricity, water, compressed air, IT network) modular production space in units of 2,150 square feet, making it possible to start production rapidly.
2. A space “Ready for Services” is addressed to service firms related to the aeronautics industry and other innovative sectors. It offers modular offices (of 1,100; 2,150 and 3,250 square feet) connected to IT networks and joint-services (conference rooms, copy centers, and other resources).

Public Tenders

All government contracts must be tendered through the [national public tendering portal](#) managed by the Moroccan treasury.

The Office National des Aeroport’s (National Office of Airports) has [a list](#) of current call for aviation related bids.

USTDA Sponsored Opportunities

A feasibility study grant was provided by USTDA to assist Royal Air Maroc (RAM) in developing an operations optimization program in support of the establishment of a hub for RAM’s operations at Casablanca’s Mohammed V Airport. For more information, please go to the [FedBizOpps.gov website](#).

Web Resources

- [ONDA's development plan](#)
- [Ministère du Transport, de l'Équipement et de la logistique, Pole Aviation Civile](#)
- [GIMAS – Groupement des Industries Marocaines Aeronautiques et Spatiales](#)

Overview – Automotive

The automotive sector has been growing exponentially since 2011 with the creation of the Tangier Free Zone, the Atlantic Free Zone, and the Tangier Mediterranean Port.

In early 2017, the Foreign Exchange Office reported that the automotive industry is Morocco's leading export sector for the third year in a row. This is mainly due to the increase in sales of built vehicles. The study has revealed that 316,712 cars were exported in 2016, compared to 258,742 at the end of December 2015. The shares of the sector in total exports reached 24.4 percent, compared with 22.4 percent a year earlier and 20 percent in 2014.

The table below shows the latest statistics provided by Moroccan Association of Vehicle Importers (AIVAM) as of May 2016:

Top Ten Total Vehicle Sales as of End of May 2016 (Le Matin Newspaper, May 2016):			
Car Brand	Sales (units)	Market Share (%)	Variation (%)
Dacia	17814	26.47	20.81
Ford	6931	10.3	64.91
Renault	6907	10.26	40.19
Hyundai	5329	7.92	22.06
Fiat	4523	6.72	18.47
Peugeot	4358	6.48	20.59
Volkswagen	4219	6.27	88.01
Citroën	2615	3.89	31.87
Nissan	2575	3.83	39.87
Toyota	2178	3.24	24.89

Until mid-2016, U.S. vehicles were adversely impacted by Moroccan standards policy, which permitted only vehicles made to EU safety standards to be imported into Morocco. Only vehicles meeting the United Nations Economic Commission for Europe (UNECE) vehicle standards were allowed to be imported and sold in Morocco. The draft decree accepting the U.S. Department of Transportation Federal Motor Vehicle Safety Standards (FMVSS) was approved on May 26, 2016. Since then, the FMVSS/CMVSS decree implementation process has been in process.

Leading Sub-Sectors

The sub-sectors of the auto industry are equally important and represent great opportunity for future growth.

These subsectors are:

- Maintenance for all types of cars,
- Cabling and accessories production for cars (or other commercial vehicles),
- Parts and equipment suppliers for cars, and
- Parts and equipment suppliers for car service facilities.

Opportunities

Moroccan Market:

Auto industry exports are expected to reach an annual USD10.2 billion by 2020 as a result of PSA Peugeot Citroen's new USD630 million factory in Morocco near the city of Kenitra. The automotive industry as a whole in Morocco accounts for only 16 percent of the country's gross domestic product (GDP), but this value is estimated to increase to 20 percent once Peugeot starts production in 2019.

Thanks to its strategic location and proximity to Europe, the Middle East, and Sub-Saharan African countries, Morocco has become an ideal location for car manufacturers to establish plants. Attracting foreign investment from around the world, Morocco is considered an ideal country for companies aiming to export their products to Europe, Africa, and the Middle East.

Tangier Free Zone and the Atlantic Free Zone (Kenitra):

The incentives offered by these zones can be quite compelling for American companies. These incentives include a five-year corporate tax exemption for the automotive firms that build plants, value-added tax exemptions on imports and exports, the removal of restrictions in capital convertibility and repatriation, simplified customs procedures, free transactions in foreign currencies, proximity to Europe, excellent infrastructure and skilled workers.

Tangier Mediterranean Port:

This project is comprised of a major port with a deep sea port, terminals for various types of cargo, infrastructure that links both rail and road, and an industrial complex. This port provides new companies with efficient and cost effective links and shipping to Europe and North America by reducing the transit time from 4 weeks to 2.5 weeks as a result of the direct shipping routes available.

Public Tenders

All government contracts must be tendered through the [national public tendering portal](#) managed by the Moroccan treasury

Web Resources

- [Ministry of Equipment, Transport, Logistics and Water](#)
- [Aivam: Association of vehicle's importers in Morocco](#)
- [Amica: Moroccan Association for the Industry and Commerce of Automobiles](#)

Healthcare

This is a best prospect industry sector for this country. It includes a market overview and trade data.

Overview

The government remains the primary healthcare provider with 70% of the population using public hospitals. There are five University Hospital Centers in Rabat, Casablanca, Fez, Oujda and Marrakech and six military hospitals located in large cities such as Casablanca, Rabat, Meknes and Marrakech. In addition, there are 137 hospitals in the public sector. The private sector healthcare market is growing rapidly as there are more than 360 private clinics, and 9,661 physician specialists in Morocco.

The government spends around 5 percent of the gross domestic product on the healthcare sector; the budget allocated to the healthcare sector this year is USD 1.4 billion USD. The healthcare system is comprised of AMO (Mandatory Health Insurance), which is divided into “private,” which reimburses up to 70 percent and “public,” which reimburses up to 80 percent. Additionally, Le Régime d’Assistance Médicale (RAMED) is a healthcare system based on the principle of social assistance and national solidarity in favor of low income individuals. There is also a separate healthcare system that is solely dedicated to the military.

Leading Sub-Sectors

- Magnetic resonance imaging and ultra-sonic scanning equipment
- X-Ray equipment
- Cancer Treatment
- Hospital infrastructure
- Emergency aid (equipment and services)
- Monitoring and electro-diagnostic equipment
- Computerized tomography equipment
- ICT (E-medicine, equipment and related software).

Opportunities

Hospital Infrastructure

Morocco plans to build 30 new hospitals, including five university hospitals in Tangier, Agadir, Rabat, Laâyoune and Beni Mellal, and expand mobile hospital and emergency units. In March 2015, the Sheikh Khalifa Bin Zayed Al Nahyan Hospital opened its doors in Casablanca. The public hospital was built by the Khalifa Bin Zayed Foundation (KBZF-UAE) stretching over 65,000 hectares and with a total capacity of 205 beds and manpower of 130 doctors and 740 nursing staff, the four-story hospital houses 46 consulting rooms, 85 diagnosis and treatment rooms and eight operating rooms. The hospital seeks to become a major player in medical research and staff training thanks to a partnership with the Mohammed VI University for Health Science. The hospital is now planning to open a new hospital in Casablanca by 2018.

Regulatory reforms have opened the healthcare sector to greater private investment. Until recently, ownership of private healthcare facilities was reserved exclusively for doctors. The new legal framework passed in February 2015 liberalizes the ownership of private clinics. Today, individuals who are not doctors (both local and international) have the right to own a clinic or private hospital but have it run by a healthcare professional.

This expansion will encourage medical tourism as Sub-Saharan countries consider Morocco as a healthcare center and Europe sees Morocco as a low-cost provider.

Medical Equipment

The medical device market is estimated at \$236 million with \$181 million constituting imports. The market is forecast to grow at 7 percent in the period of 2013-2018. As the local medical device manufacturing industry remains at an embryonic stage, most sectors of the market rely on imports. Medical device imports supply approximately 90 percent of the market. Medical equipment prospects are increasing for public and private sector opportunities for American firms. The Moroccan government is planning to build five university hospitals (CHU) by 2018, as well as develop emergency and mobile hospital units. The import of refurbished equipment is no longer allowed for both public and private entities. A new law was submitted banning the purchase of second-hand/refurbished medical devices and equipment in 2015 and came into force in February 2017. This is expected to improve the quality of medical equipment and offer a better quality of medical care to patients treated in Morocco.

Cancer Treatment

"Lalla Salma Foundation – for Prevention and Treatment of Cancers" was founded in 2005. In less than three years since its founding, it mobilized efforts to raise public cancer awareness throughout Morocco, launched an ambitious building campaign, organized the first national cancer day and built ties with an array of international partners in the fight against cancer. Inspired by the vision and leadership of Her Royal Highness, Princess Lalla Salma, the non-governmental organization is already making significant inroads in improving the quality of cancer management and ensuring that all Moroccan patients have access to a high standard of cancer care. Early detection projects in breast and cervical cancer are underway. Additionally, the Lalla Salma Foundation sponsors the creation of "Houses for Life," temporary residences on hospital grounds for patients receiving cancer treatment and their families. So far, Morocco counts six in Casablanca, Agadir, Fez and Marrakech. Another one is being equipped in Marrakech and two houses of life are under construction in Meknès and Tangier. To further encourage patients to follow their treatment and help them overcome lodging constraints, a major cause of the abandonment of outpatient treatment, the foundation is now planning to build three more "Houses for Life."

Morocco has 20 centers to treat 40,000 new cases of cancer every year. Eleven out of 20 are public and the rest are private located in Casablanca, Rabat, Marrakech, Agadir, Fez, Oujda and El-Hoceima.

The National Plan for Prevention and Cancer Control (2010-2019), led by the Lalla Salma Foundation in close partnership with the Ministry of Health, included among its strategic priorities the early detection of breast and cervical cancer. These cancers are a real public health problem accounting for five out of ten cancer types among women. In addition, the foundation has drafted an anti-smoking program entitled, Junior High Schools, High Schools and Companies Without Tobacco (CLE standing for "Collèges, Lycées, Entreprises") to prevent smoking-related cancers. Smoking represents the most important risk factor leading to cancer worldwide causing more than 20 percent of cancer deaths and 70 percent of lung cancer deaths.

According to figures from the World Health Organization (WHO) on the incidence of cancer in Morocco in 2014, breast cancer is the first among women with 6,650 cases, followed by cervical cancer (2,258 cases), colon and rectum cancer (1,126 cases) thyroid cancer (929 cases) and ovarian cancer (735 cases). Among men, lung cancer ranks first with 3,497 cases, followed by prostate cancer (2,332 cases), bladder cancer (1,429 cases), colon cancer and rectum (1,358 cases) and non-Hodgkin lymphoma (1,089 cases).

Identifying the right market segment and geographic region to target remains a key challenge. Starting the market screening process with Casablanca, Rabat and Marrakech is probably the most appropriate approach since these three cities are home to more than 50 percent of Moroccan doctors. OBGYN, pediatrics, ophthalmology and cardiology are the most frequently represented specialties in the three cities. Demand for these specialties is consistently increasing, creating opportunities to either expand in existing clinics or build new ones.

Overall, this momentum experienced by the healthcare sector represents an opportunity for international players to get a foot in the door and enter the Moroccan market through a very dynamic environment with a strong potential.

Web Resources

- [Association of Biomedical Equipment Professionals \(APMB\)](#)
- [Lalla Salma Foundation for Cancer Treatment](#)
- [Ministry of Health](#)

Safety and Security

This is a best prospect industry sector for this country. This section includes a market overview and trade data.

Overview

Military

The Moroccan military consists of approximately 200,000 active personnel. The Army accounts for roughly 175,000 personnel, most of whom are in the Southern Zone Area of Responsibility; the Royal Moroccan Air Force approximately 15,000; the Royal Navy 10,000; and the Royal Gendarmerie 35,000.

The Moroccan army has contracted for 222 excess battle tanks from the United States, with delivery continuing until the summer of 2018. This is the first time the Moroccan army is equipped with Abrams tanks, and the needed upgrades for systems for interoperability present many opportunities for American firms. Other Moroccan military modernization initiatives are planned for the Royal Moroccan Air Force and Navy fleet, including additional F-16 fighters, C-130 transport aircraft, air defense radars, helicopters, and modernization of the Command & Control infrastructure, among other U.S.-origin equipment. In addition, Morocco is currently establishing a Special Operations Forces unit for border security, foreign internal defense, and counter-terrorism missions.

Morocco already boasts one of Africa's and the Middle East's best-trained and most disciplined militaries; as Morocco's equipment modernization program continues, it is also becoming one of the best-equipped. Morocco partners with and hosts several AFRICOM-sponsored exercises

and training venues annually. Morocco is planning to increase considerably its army budget for the next 10 years, financing this increase both with locally-raised funds and with support from abroad. Morocco is already a leader in maintenance and training capabilities; over the next decade the country envisions producing more equipment and parts locally instead of sourcing from foreign companies. Morocco's defense spending capability is expected to increase at a compound annual growth rate (CAGR) of 4.42 percent over the forecast period and reach USD 4.5 billion by 2018 in comparison with the USD 3.8 billion defense budget which was projected in 2014. This growth is primarily due to the government's steps to combat internal and external terrorist attacks, strengthen border security and procure new defense systems. The per-capita defense expenditure is also expected to grow during the forecast period from USD 3.8 billion in 2014 to USD4.5 billion in 2018. Likely areas of expansion for Moroccan military capabilities include enlarged SOF units, fighter aircraft and air defense radars, anti-submarine warfare capabilities, border surveillance and monitoring equipment, and patrol ships. Morocco has almost no local production of military equipment and supplies, and thus relies heavily on imports of foreign equipment. Primary sources for the Moroccan military are France, Spain, and the United States.

The Ministry of Defense was granted a budget of USD 3.4 billion for military expenses in 2017. According to Forecast International, Morocco is among the African countries that devote the most budgetary effort to security. Today, the kingdom dedicates about 15 percent of the annual state budget to the military. The Global Fire Power Institute estimates in its 2015 ranking that the Royal Armed Forces now ranks 49th in the world.

Police:

The Ministry of Interior has oversight of the national police force in Morocco, which is the authoritative police force of Morocco. The national police is tasked with upholding the law and public order. It was founded on 16 May 1956 by King Mohammed V. The Direction Générale de la Sécurité Nationale (DGSN) is comprised of four sections; the Urban Corps, the Judiciary Police, the Mobile Intervention Companies, and the Internal Security Service.

The government highlighted the need to strengthen and improve governance within the security apparatus in order to carry out its missions more effectively. To this end, the human and material resources of the DGSN and other security services will be strengthened in the coming years.

Civilian:

Public Sector

The Office National des Aéroports (ONDA) (National Airport Authority) is responsible for all aspects of airport security and purchasing related to these projects. They have recently announced that they will allocate USD 450 million in investments in 2015 to the development of airport capacity, including USD 110 million on safety and security.

Moroccan ports handle more than 95% of Morocco's foreign trade. Among the 33 ports under the supervision of the regulator, Agence Nationale des Ports (ANP) and operated by the semipublic company Société d'Exploitation des Ports (SODEP, also called Marsa Maroc), Casablanca port is one of the largest in Africa and handles more than 38 percent of the

country's overall imported and exported goods. Tanger-Med, the largest port in Africa, is under the authority of the Tanger-Med Port Authority (TMPA).

Private

The market for private security equipment and services, is expected to increase by 20 percent in the next five years. The security services market (manned, electronic, cash in transit, etc.) is dominated by three international firms (G4S, Brinks, and Securitas) However, the last two years have seen the proliferation of local Moroccan private security firms (now more than 500) competing mostly in the area of manned security services. In 2010, Morocco passed a "Private Security Regulation Bill" which proposes closer regulation of the private security sector and which grants the right to private security agents to bear arms.

Opportunities for sales of security and safety products also exist with large Moroccan firms such as OCP (phosphates industry), major banks, telecoms, and other industrial companies.

Public Sector Procurement and Budgeting

Due to national security concerns and the specialized nature of military hardware and services, the military has more flexibility than other ministries on how it awards procurement contracts. There are lower transparency requirements and the tendering process may be conducted in secret or with a very selective group of pre-selected bidders.

The government reforms that took place at the end of 2011 were followed by a slow-down in the government budget and procurement processes, as a new finance and procurement law and constitution were adopted. This delay lasted into 2014, but procurement has proceeded unhindered during the first half of 2015 and the budgeting delays seem to have been put behind.

American companies that have won Moroccan public tenders report that winning government procurement contracts hinges on the reliability of the equipment, but also the availability of a local supplier that can service the equipment in a timely manner.

Web Resources

Moroccan government safety and security institutions are not accessible via internet.

Telecommunications

This is a best prospect industry sector for this country. This section includes a market overview and trade data.

Overview

Morocco is one of the most mature markets in Africa, with a number of international and local providers but it is still an emerging economy developing its IT environment and investing extensively in hardware and networking infrastructure. Market growth will be driven primarily by large, government-led projects including new e-government initiatives (e.g., Maroc Numeric 2020, smart cities projects, renewable energy projects, and transportation upgrades and expansions), as well as investments in telecommunications and banking and financing.

The Information and Communications Technology (ICT) sector is a strategic axis of development put forward by the National Pact for Industrial Emergence. It is a sector that employs about 52,000 employees. It contributes 7 percent to the national GDP. Mobile phones: Morocco's mobile phone user penetration rate is above 100 percent. The number of subscribers reached 48 million in March 2016, an increase of 3.21 percent over the previous year. It is believed that the use of prepaid sim cards on multiple networks give the appearance of singular customers operating multiple devices. Internet: The connection rate of households to the internet was 58 percent in 2016, a significant increase from 42 percent in 2014. The number of Internet users was estimated at 18.8 million users.

Information security: According to International Data Corporation, up to 65 percent of the software used in Morocco is pirated, leading to rapid growth in the Information Security market.

Telecommunication market: Three operators today share the telecom market: Maroc Telecom (42.25 percent), Orange (29.64 percent) and Wana Corporate (Inwi) (28.11 percent market share). The total income of these telecommunications companies represents more than 75 percent of total industry revenue.

Call centers: As of 2016 the offshoring sector employs more than 120,000 workers of which 68,000 work in call centers. Call centers showed an 8.8 percent growth to Moroccan offshoring market in the past 5 months. Nearly 70 percent of all French company call centers are located in Morocco. Morocco is for France the main destination for investment in the areas of call centers, offshoring IT and business process outsourcing.

Government interests: The Moroccan government aims to position the kingdom among dynamic emerging countries in information technology. It is within this framework that the national strategy "Numeric Morocco 2013" was launched in 2009. The objectives of this plan, among other things, were widespread use of ICT, the computerization of subject matter experts, the development of ICT sectors, and the promotion of centers of excellence. Thus, by the end of 2016, ICT represented:

- Total income of more than USD 6.68 Billion
- An additional GDP of USD 2.66 Billion
- A pool of 58,000 jobs

Integrated project consultants for offshoring areas have encouraged the establishment of businesses dedicated to research and development. Business opportunities are the most promising with SMEs which are still the most poorly equipped businesses. Opportunities also exist in innovative products in business process outsourcing, supply of software and software packages, integration of solutions in accounting and financial management, management services, customer relationship management (CRM) and enterprise resource planning (ERP) software. To address weak research and development among Moroccan IT companies, the Ministry of Industry, Trade, Investment and Digital Economy now requires telephone companies to give one percent of their total income to fund research and innovation.

Leading Sub-Sectors

Morocco offers excellent opportunities to U.S. firms in the following segments:

- Data Center services
- Host Services
- Very Small Aperture Terminal (VSAT)
- Virtualization technologies
- Cloud computing
- Big Data
- Broadband Connection
- Software as a Service (SaaS)
- Communication technologies

Opportunities

Industry forecasts predict the Moroccan IT services market will grow 10.3 percent over the coming years to total USD 472.37 million in 2017. In the recent past, the data center market has seen the entry of telecoms offering hosting services, which leads to increased competition with established local providers. The increasing maturity of the Moroccan IT services market is reflected in the shares of the various foundation markets. The market share of basic services (e.g., deployment and support) is declining, while the market share of more advanced services, including outsourcing, managed and data center services, is increasing. Therefore, a strong emphasis will be placed on cost-saving technologies and services, including virtualization, managed services, and hosting and cloud initiatives

Thus, The Morocco-Algeria-Tunisia Region will certainly continue to push ahead with their ICT transformation initiatives concerning technologies such as cloud, virtualization, mobility, big data and information security.

Web Resources

Fédération des technologies de l'information, des télécommunications et de l'offshoring

Mr. Abdellah Deguig- President

17, rue Najib Mahfoud- Casablanca

Tel: +212 522 274 757

Fax: +212 522 274 728

[National Agency of Regulation of Telecommunications \(ANRT\)](#)

Ms. Samira Khallouk- Chef de la division relation international

Centre d'affaires, Bd. Ar-Ryad, Hay Riad. BP :2939- Rabat 10100

Tel: +212 537 718 430

Fax: +212 537 718 486

Email: khallouk@anrt.ma

Customs, Regulations & Standards

Trade Barriers

Non-tariff barriers in Morocco range from language and cultural differences to oligopolies in certain key industrial sectors - such as banking, insurance and cement. Many standards favor EU products, and excessive formal protocols and bureaucracy lead to long wait times for product launches and openings. The lack of efficient and transparent processes for obtaining government permits, land approvals and receiving payment from government procurements create further barriers when dealing with the public sector.

For more information and help with trade barriers please contact:

[International Trade Administration](#)

Enforcement and Compliance

Tel: (202) 482-0063

Email: ECCommunications@trade.gov

Import Tariff

Under the U.S.-Morocco FTA, most tariffs on qualifying consumer and industrial goods were immediately eliminated. For a very limited number of products, tariffs will be phased out over a period of up to 18 years, through 2024.

To obtain information about tariffs on individual U.S.-origin products exported to Morocco you may use the [FTA tariff tool](#).

The FTA also establishes market access to services, intellectual property protection, a predictable legal framework for U.S. investors, open and fair government procurement, and strong protections for labor and environment.

If an imported good is an unfinished product requiring further processing or assembly in Morocco, duties on it may be reduced further. Import duties on the limited number of products facing tariff phase-outs over the period of 18 years vary from 2.5 to 35 percent. Imported goods are also subject to a Value Added Tax (VAT), which varies from 0 to 20 percent. In contrast, VAT is not always paid on locally produced goods (e.g., corn) or on some vehicles used for international transportation (e.g., moving vans).

According to the Finance Act, a para-fiscal tax (taxe parafiscale) of 25 percent on imports was introduced to finance activities, such as technical inspections for export goods, economic and export promotion, industrial development, and small-scale production. The following are exempt from the "taxe parafiscale"; all merchandise imports qualifying for:

1. Special customs procedures or concessions granted in the context of officially approved investment programs,
2. Exemption or total relief from import duties and taxes by virtue of legislative provisions or special regulations, and
3. Preferential status under trade agreements between Morocco and other countries.

Import Requirements & Documentation

The following documentation is required for all imports and exports:

- A license representing the “physical import or export.”
- A commercial invoice: Pro-forma invoices are provided in most cases. No special invoice form is necessary. The commercial or pro-forma invoice should:
 - Be on the supplier’s letterhead,
 - Fully describe the goods in French,
 - Indicate the HS code when available,
 - Indicate the value of the goods,
 - Indicate the currency for payment (for foreign exchange transfer),
 - Indicate the address of the buyer, and
 - U.S. exporters should keep in mind that the date format should be (dd/mm/yyyy)
- An “import commitment” (engagement d’importation), which is the authorization provided by the exchange office for transfer of foreign currencies from Morocco to foreign suppliers abroad.
- A “customs declaration” (declaration de douane) is provided by the customs office and is required for import and export through a port or airport. For shipments by mail, a simple form filled out at the post office replaces the “declaration de douane.”
- The importer/exporter may attach any documentation, such as technical documentation, that might help the customs office. The authority for Customs in Morocco is the [Administration of Customs and Indirect Tax](#)
- For more information contact the US Commercial services in Casablanca. Local shipment or customs experts are:

Mr. Abdelhadi Said

Head of the Department of Relations with Europe and America

Av. Annakhil, Hay Riad – Rabat – Maroc

Tel: +212 537 579 338

Email: a.said@douane.gov.ma

Mr. El Hani Mohamed Adam

Head of the Department of Tariffs Studies

Av. Annakhil, Hay Riad – Rabat – Maroc

Tel: +212 537 579 315

Email: a.elhani@douane.gov.ma

Ensuring Full Access to Benefits of the Free Trade Agreement

The intention of the FTA is to reduce tariffs and import barriers on goods traded directly between the two countries. Disputes over whether a cargo can be treated under the FTA have occurred when the product has undergone “substantial transformation” or has a value-added economic activity performed to it *en-route*. The text of the FTA on this particular issue is open to interpretation.

ARTICLE 5.9: TRANSIT AND TRANSSHIPMENT

For purposes of this Chapter, each Party shall provide that a good shall not be considered to be imported directly from the territory of the other Party if the good undergoes subsequent production, manufacturing, or any other operation outside the territories of the Parties, other than unloading, reloading, or any other operation necessary to preserve it in good condition or to transport the good to the territory of the other Party.

A Moroccan customs official uses his or her judgment based on shipping manifests, invoices, receipts, etc. to decide on the customs treatment of a cargo.

Two examples illustrate problem areas:

1. A shipment of Moroccan products to the U.S. was unpacked and relabeled in an intermediary port of call, prior to onward shipping to the U.S. U.S. Customs officials decided that these products were no longer eligible for FTA treatment.
2. A bulk shipment of goods from the U.S. was repacked into smaller units at an intermediary port of call prior to onward shipping to Morocco. Moroccan customs officials decided that these products were no longer eligible for FTA treatment.

An additional problem area appears when goods are staged or warehoused for onward shipment in the expectation of future business. Intermediate warehousing or staging could disqualify goods from FTA treatment. Sealed containers from the United States *en route* to Morocco that are temporarily stored in designated transshipping zones at international port authorities are never in question.

Documentation is important in building a case for FTA treatment:

Goods transshipped through a third country port should be accompanied by:

1. A bill of lading showing Morocco as the final destination of the goods and the United States as a point of origin.
2. Invoices issued by the U.S. Company, addressed to the Moroccan importer.
3. A “certificate of non-manipulation” is also required by Moroccan customs

The documentation required for import or export of digitalized products, electronically delivered over the Internet (i.e., software, movies, and downloads) or other networks, is the same as the documentation previously listed.

When sending promotional material, and especially promotional videos, it is important to clearly state, in French, “utilization promotionnelle uniquement” (Promotional Use Only) and “sans valeur commercial” (No Commercial Value).

Labeling/Marking Requirements

No special regulations apply to the exterior marking of containers for shipments to Morocco. However, an indication on outer containers of the net weight in kilograms, together with other identification markings, will assist in locating goods on arrival and speed their clearance through customs. Duties and taxes are assessed on the value indicated on the commercial invoice. Food labels can be in French or Arabic and must show country of origin. Both local and imported canned foods and beverages must have the dates of production and expiration printed on them.

The metric measurement is mandatory since Moroccans are not familiar with U.S. measurements and standards and this system is common on both local and imported products. Almost Moroccan firms exclusively use the same numbers (characters) as those used in the United States. When using the date format (xx/xx/xx), U.S. exporters should keep in mind that the date format should be (dd/mm/yyyy). The NM 09.000 is the standard required labeling on textile products, and the Agricultural Attaché's office in Rabat has prepared a [Food and Agricultural Import Regulations and Standards \(FAIRS\) report](#) for U.S. exporters detailing agricultural labeling requirements.

U.S. Export Controls

The Bureau of Industry and Security (BIS) of the U.S. Department of Commerce is responsible for implementing and enforcing the [Export Administration Regulations \(EAR\)](#), which regulate the export and re-export of most commercial items. The EAR often refers to the items that BIS regulates as "dual-use" items. That is items that have both commercial and military or proliferation applications. However, purely commercial items without an obvious military use are also subject to the EAR.

[This database](#) contains eleven export screening lists of the Departments of Commerce, State, and Treasury to facilitate electronic screens of potential parties to regulated transactions

Temporary Entry

Goods imported under a temporary entry provision must be approved by decree from the Ministry of Economy and Finance. Customs may authorize entry of goods on an individual basis. The limit for temporary entry is six months, renewable for up to two years.

Prohibited & Restricted Imports

Import restrictions apply only to firearms, explosives, used clothing, used tires, pornography, absinthe, kif, and rugs similar to those produced in Morocco.

Customs Regulations

In the last few years, Moroccan customs has endeavored to streamline its processes. The last customs survey results indicated high levels of client satisfaction. Additionally, the American Chamber of Commerce reports that the average wait time to clear goods from customs has been reduced to just a few hours.

For more information on import duties for specific products, U.S. exporters should contact the customs office:

Mr. Zouhair Chorfi
General Director
Av. Annakhil, Hay Riad – Rabat – Maroc
Tel: +212 537 579 001/03
Email: z.chorfi@douane.gov.ma

Mr. Abdelhadi Said
Head of the department of relations with Europe and America
Av. Annakhil, Hay Riad – Rabat – Maroc

Tel: +212 537 579 338

Email: a.said@douane.gov.ma

Mr. El Hani Mohamed Adam

Head of the department of tariffs studies

Av. Annakhil, Hay Riad – Rabat – Maroc

Tel: +212 537 579 315

Email: a.elhani@douane.gov.ma

[The Customs website](#) is also a great reference in French for customs-related issues.

Standards for Trade

Overview

IMANOR (Institut Marocain de Normalisation) is the national standards body of Morocco and is responsible for standardization in Morocco.

IMANOR was created in 2010, replacing the Service de Normalisation Industrielle Marocaine (SNIMA), a part of the Ministry of Industry. With its new status of administrative and financial autonomy, IMANOR aims to contribute to increasing the competitiveness of Moroccan companies while supporting economic competition, consumer protection, and protection of the environment and improvement of living conditions.

IMANOR's mission:

- Production of Moroccan standards,
- Certification of compliance with standards and normative references,
- Publication and dissemination of standards and related products and information,
- Training on standards and implementation techniques, and
- Representation of Morocco in international and regional standardization organizations.

Standards

[IMANOR \(Institut Marocain de Normalisation\)](#)

Mme Naima Akkouri

Angle Avenue Kamal Zebdi et Rue Dadi Secteur 21, Hay Riad, Rabat

Tel: +(212) 537 5724 43/49/50

Fax: +(212) 537 7117 73

Email: imanor@imanor.ma

[The Ministry of Agriculture's inquiry point on standards](#): The National Office for Food Safety (Office National de Sécurité Sanitaire des Produits Alimentaires -ONSSA)

Avenue Hadj Ahmed Cherkaoui, Agdal – Rabat

Tel1: (+212) 537 68 13 51

Tel2: (+212) 675 399 451

Fax: +(212) 537 68 20 49

[La Direction des Contrôles et de la Protection des Végétaux](#)

Contact: Mohamed Belkacemi

Tel: +(212) 537 67 65 29

Fax: +(212) 537 77 93 19

[La Division de la Réglementation et de la Normalisation](#)

Contact: Dr. Hamid Lachab

Tel: +(212) 537 67 65 10

Fax: +(212) 537 68 20 49

[NIST Notify U.S. Service:](#)

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. “Notify U.S.” is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect a company’s access to international markets.

Testing, inspection and certification

The main national testing organization is the Laboratory for Public Tests and Studies (Laboratoire Public d’Essais et d’Etudes, or LPEE). LPEE currently has laboratories in all of Morocco’s major cities. Although most of its work is dedicated to building and construction testing, it also deals with electrical and calibration testing. Le Service de la Normalisation Industrielle Marocaine (SNIMA) has also created technical industrial centers that will specialize in mechanical, chemical, and transportation testing.

The following five government commissions have the sole mandate to certify conformance to mandatory standards:

1. Multi-sector Commission (Commission pluri-sectorielle), which includes services
2. Food and Agricultural Industry Certification Commission (Commission de Certification des Industries Agro-Alimentaires)
3. Chemical and Para-Chemical Industry Certification Commission (Commission de Certificat des Industries de la Chimie et de la Parachimie)
4. Mechanic, Metallurgic, Electric and Electronic Certification Commission (Commission de Certification des Industries Mécaniques, Métallurgiques, Electriques et Electroniques)
5. Textile and Leather Industry Certification Commission (Commission de Certification des Industries du Textile et du Cuir)

IMANOR conforms to ISO/IEC 17065. Once products conform to this standard, the Ministry of Industry, Trade, Investment, and the Digital Economy will grant the product the right to use the NM label as proof of its quality. All products must also conform to the specifications of the FTA.

The only Moroccan accreditation body is the Ministry of Industry, Trade, Investment and the Digital Economy. Although accreditation is still voluntary with no accreditation requirements mandatory by technical regulations, there are almost 30 certified labs nationwide. A complete list of these labs can be found at [the MCINET website](#) by holding your cursor over the tab “THÈMES” and clicking on “Qualité et surveillance des marchés,” then “Accréditation,” and, finally, scroll down near the bottom and select “Télécharger la liste des laboratoires accrédités.” in [French](#) or in [English](#).

Publication of technical regulations

IMANOR is responsible for the production of Moroccan standards, the certification of compliance with standards and normative references, the publication and dissemination of standards and related products and information, and training on standards and implementation techniques. IMANOR represents Morocco in international and regional standardization organizations.

Trade Agreements

[Morocco's Free Trade Agreement \(FTA\)](#) with the United States entered into force in 2006. This agreement was the second U.S. FTA with an Arab nation and is the only U.S. FTA on the continent of Africa. The U.S. - Moroccan FTA is comprehensive and includes chapters detailing commitment on intellectual property rights, labor, and environmental protection.

Morocco has committed to make its business environment more transparent and open to international companies by providing companies with an efficient, legal framework and secure working environment. Both governments have agreed to publish their current trade and investment laws, as well as any proposed legislation in advance. Regulations under the FTA state that bribery of any form is outlawed and that U.S. companies enjoy the same rights as Moroccan companies when investing in the country.

Following the entry into force of the FTA, overall bilateral trade increased. In addition to fuel and petrochemicals, major U.S. exports to Morocco include agricultural and aerospace products. With its significant phosphate resources, Morocco's chief exports to the U.S. are phosphates and phosphate derivatives, such as fertilizer. However, textiles, electrical machinery, and olive oil are also important export sectors for Morocco. The U.S. is Morocco's fourth largest trading partner and represents around 5.3 percent of total foreign trade. In comparison Spain and France make up more than 34 percent of Morocco's total foreign trade. China is in the third position.

The FTA also works to uphold labor and environmental standards while not reducing the current ones.

Morocco also has FTAs with United Arab Emirates, Jordan, Tunisia, Egypt, and Turkey and has an advanced status with the EU. These agreements illustrate Morocco's drive to liberalize its business environment by adopting internationally accepted business laws, accounting procedures, and technical norms in order to foster internationalization and economic development.

The EU-Moroccan Association Agreement, which covers industrial goods, entered into force on April 1, 2000 and applies to U.S. companies located in Morocco. The agreement calls for the gradual elimination of tariffs on EU-Moroccan trade in industrial goods over 12 years and provides duty-free access for limited quantities of some agricultural products, especially seafood products, fruits and vegetables. In October 2008, Morocco gained "advanced status," which allows both parties to consider a comprehensive free trade agreement. Negotiations for a Deep and Comprehensive Free Trade Agreement (DCFTA) between the EU and Morocco were launched on 1st March 2013 and are ongoing.

Licensing Requirements for Professional Services

Businesses seeking information on license requirements for key professional services are encouraged to contact the Commercial Service for specific industry information.

Web Resources

[US Morocco Free Trade Agreement Website](#)

[Office of the United States Trade Representative: US Morocco FTA](#)

Investment Climate Statement

Executive Summary

Due to its political stability, solid infrastructure, and strategic location, Morocco is emerging as a regional manufacturing and export base for international companies. Actively encouraging and facilitating foreign investment, particularly in export sectors, through macro-economic policies, trade liberalization, investment incentives, and structural reforms, Morocco's overarching economic development plan seeks to leverage its unique status as a multilingual nation with a tri-regional focus (toward Sub-Saharan Africa, the Middle East, and Europe) to transform the country into a regional hub for shipping, logistics, finance, manufacturing, assembly, and sales. The Government of Morocco has implemented a series of strategies aimed at boosting employment, attracting foreign investment, and raising performance and output in key revenue-earning sectors, such as the automotive and aerospace industries.

An ambitious 2014 strategy set out to create 500,000 new jobs in manufacturing by 2020 by targeting higher levels of FDI and strengthening the linkages between the small business sector and Morocco's industrial leaders. Morocco has also focused on positioning itself as a financial hub for Africa, and offers incentives for firms that locate their regional headquarters in the Casablanca Finance City (CFC), Morocco's flagship financial and business hub launched in 2010 by King Mohammed VI. Despite the significant improvements in its business environment, Morocco continues to face challenges posed by its lack of skilled labor, weak intellectual property rights protection, inefficient government bureaucracy, and a challenging regulatory environment.

Morocco has ratified 68 bilateral investment treaties for the promotion and protection of investments and 60 agreements that aim to eliminate the double taxation of income or gains, including with the United States and most EU nations. Its Investment Charter has put in place a convertibility system for foreign investors and gives investors the freedom to transfer profits. Morocco's Free Trade Agreement (FTA) with the United States entered into force in 2006, immediately eliminating tariffs on more than 95 percent of qualifying consumer and industrial goods. For a limited number of products, tariffs will be phased out through 2024. Since the U.S.-Moroccan FTA came into effect, overall bilateral trade has increased by more than 300 percent, and the United States is now Morocco's third largest trading partner. The U.S. and Moroccan governments work closely to increase trade and investment through high-level consultations, bilateral dialogue, and the annual U.S.-Moroccan Business Development Conference, which provides a platform to strengthen business-to-business ties.

Table 1

Measure	Year	Index/Rank
TI Corruption Perceptions Index	2016	90 of 176
World Bank's Doing Business Report "Ease of Doing Business"	2017	68 of 190
Global Innovation Index	2016	72 of 128
U.S. FDI in partner country (\$M USD, stock positions)	2015	\$304.0
World Bank GNI per capita	2015	\$3,030

Openness to and Restrictions upon Foreign Investment

Policies Towards Foreign Direct Investment

Morocco actively encourages foreign investment and has sought to facilitate it through macro-economic policies, trade liberalization, structural reforms, investments in infrastructure, and incentives for investors. [Law 18-95 of October 1995, constituting the Investment Charter](#), is the principal Moroccan text governing investment and applies to both domestic and foreign investment (direct and portfolio). In 2014, Morocco launched its Industrial Acceleration Plan, a new approach to industrial development based on establishing efficient "eco-systems" that integrate value chains and supplier relationships between large companies and small and medium-sized enterprises (SMEs). The Moroccan Agency for Investment Development (AMDI) is Morocco's primary agency responsible for the development and promotion of investment in Morocco. The Agency's website aggregates relevant information for interested investors and includes investment maps, procedures for creating a business, production costs, applicable laws and regulations, and general business climate information, among other investment services. Further information about Morocco's investment laws and procedures is available on the [Invest in Morocco](#) website.

Moroccan legislation governing FDI applies equally to Moroccan and foreign legal entities, with the exception of certain protected sectors.

When Morocco acceded to the OECD Declaration on International Investment and Multinational Enterprises in November 2009, Morocco guaranteed national treatment of foreign investors (i.e., according like treatment to both foreign and national investors in like circumstances). The only exception to this national treatment of foreign investors is in those sectors closed to foreign investment (as noted below), which was notified upon accession to the Declaration.

Limit on Foreign Control and Right to Private Ownership and Establishment

Foreign and domestic private entities may establish and own business enterprises, barring some sector restrictions. While the U.S. Mission is not aware of any economy-wide limits on foreign ownership, Morocco places a 49 percent cap on foreign investment in air and maritime transport companies and maritime fisheries. Foreigners are prohibited from owning agricultural land, though they can lease it for up to 99 years. The Moroccan government holds a monopoly on phosphate extraction through the 95 percent state-owned Office Cherifien des Phosphates (OCP). Morocco also has a discretionary right to limit all foreign majority stakes

in the capital of large national banks, but does not yet appear to have exercised that right. The Moroccan central bank (Bank Al Maghrib) may use regulatory discretion in issuing authorization for the establishment of domestic and foreign-owned banks. As set forth in the 1995 Investment Charter, there is no requirement for prior approval of FDI, and formalities related to investing in Morocco do not pose a meaningful barrier to investment. The U.S. Mission is not aware of any instances in which investors have been turned away for national security, economic, or other national policy reasons.

Other Investment Policy Reviews

The [World Trade Organization \(WTO\) 2016 Trade Policy Review](#) (TPR) of Morocco found that the trade reforms implemented since the last TPR in 2009 have contributed to the economy's continued vigorous growth by stimulating competition on the domestic markets, encouraging innovation, creating new jobs, and contributing to growth diversification. In February 2015, the European Bank for Reconstruction and Development published [its first country strategy for Morocco](#), which recognized Morocco's notable political reforms since 2013, as well as its good economic performance, despite some volatility. The United Nations Conference on Trade and Development (UNCTAD) analyzed investment conditions and opportunities in Morocco in a 2015 implementation [report](#). The report noted that due to investments directed at higher-value added industries, such as the automotive, aeronautics, and agro-processing sectors, Morocco has generated tangible economic and social benefits. As a result of a continuing reform process driven by the creation of the National Committee on Business Environment (CNEA) and the Moroccan Investment Development Agency (AMDI), the majority of recommendations made in the 2008 Investment Policy Review (IPR) have been implemented.

Business Facilitation

In the World Bank's Doing Business 2017 report, Morocco ranks 68 out of 190 economies worldwide in terms of ease of doing business. In the past five years, Morocco has implemented a number of reforms facilitating business registration such as eliminating the need to file a declaration of business incorporation with the Ministry of Labor, reducing company registration fees, and eliminating minimum capital requirements for limited liability companies. Morocco maintains a business registration website that is accessible through the Regional Investment Center ([CRI-Centre Regional d'Investissement](#)). The business registration process is clear and complete and requires four steps: 1) obtain a "Certificat Negatif" in person or [online](#), which registers the company name at the CRI; 2) pay stamp duty; 3) file documents with CRI to register with the Ministry of Economy and Finance for patent tax, and with the Tribunal of Commerce for social security and taxation, and 4) make a company stamp. The business owner then receives the "patente," the fiscal identification, the commercial registration certificate, legal books, and the social security registration (Caisse National de Securite Sociale registration) approximately one week after filing the documents. The business owner may request to be notified by text message when the file is ready.

Foreign companies may utilize the online business registration mechanism. Except for French companies, which are provided an exemption, foreign companies are required to provide an apostilled Arabic translated copy of its articles of association and an extract of the registry of commerce in its country of origin. Moreover, foreign companies must report the incorporation

of the subsidiary a posteriori to the Foreign Exchange Board (Office National de Change) to facilitate repatriation of funds abroad (such as profits and dividends). According to the World Bank, the process of registering a business in Morocco takes an average of 10 days (significantly less time than the Middle East and North Africa regional average of 20 days). Including all official fees and fees for legal and professional services, registration costs 9.1 percent of Morocco's annual per capita income (less than half the region's average of 25.8 percent). Moreover, Morocco does not require any paid-in minimum capital to be deposited in a bank or with a notary.

Outward Investment

The U.S. Mission is not aware of a formal outward investment promotion agency or any restrictions for domestic investors attempting to invest abroad. However, under the Moroccan investment code, repatriation may only be performed using convertible Moroccan Dirham accounts. Further, Capital controls limit the ability of residents to convert dirham balances into foreign currency or to move funds offshore.

Bilateral Investment Agreement and Taxation Treaties

As of March 2017, Morocco has signed bilateral investment treaties (BITs) with the following 68 countries, of which 49 are in force: Argentina (force), Austria (force), Bahrain (force), Benin, Belgium-Luxembourg Economic Union (force), Bulgaria (force), Burkina Faso (force), Cameroon, Central African Republic, Chad, China (force), Croatia, Czech Republic (force), Denmark, Dominican Republic (force), Egypt (force), El Salvador (force), Equatorial Guinea, Estonia (force), Finland (force), France (force), Gabon (force), Gambia (force), Germany (force), Greece (force), Guinea, Guinea-Bissau, Hungary (force), India (force), Indonesia (force), Iran (force), Iraq, Italy (force), Jordan (force), South Korea (force), Kuwait (force), Lebanon (force), Libya (force), Macedonia (force), Malaysia (force), Mali (force), Mauritania (force), Netherlands (force), Nigeria, Oman (force), Pakistan, Poland (force), Portugal (force), Qatar (force), Romania (force), Russia, Rwanda, Senegal, Serbia, Slovakia, Spain (force), Sudan (force), Sweden (force), Switzerland (force), Syrian Arab Republic (force), Tunisia (force), Turkey (force), Ukraine (force), United Arab Emirates (force), United Kingdom (force), United States of America (force), Vietnam, Yemen. Morocco's three most recent BITs, all signed last year, were with Russia (March), Rwanda (October), and Nigeria (December).

The United States and Morocco signed a BIT on July 22, 1985, but its provisions were subsumed by the investment chapter of the U.S.-Moroccan FTA, which entered into force January 1, 2006, eliminating some tariffs and reducing others on imports from the United States to Morocco. The BIT's dispute settlement provisions remained in effect for 10 years after the effective date of the FTA for certain investments and investment disputes which predate the Agreement. On January 1, 2016, the dispute settlement provisions of the Morocco-U.S. BIT Articles VI and VII were suspended in their entirety.

Morocco has also signed a quadrilateral FTA with Tunisia, Egypt, Lebanon, and Jordan (under the Agadir Agreement), an FTA with Turkey, an FTA with the United Arab Emirates, the Greater Arab Free Trade Area agreement (which eliminates certain tariffs among 15 Middle East and North African countries), and concluded third-round FTA talks with Canada in June 2012 and have since continued negotiations to establish an FTA. The Association Agreement (AA)

between the EU and Morocco came into force in 2000, creating a free trade zone in 2012 that liberalized two-way trade in goods. The EU and Morocco developed the AA further through an agreement on trade in agricultural, agro-food, and fisheries products, and a protocol establishing a bilateral dispute settlement mechanism, all of which entered into force in 2012. In 2008, Morocco was the first country in the region to be granted “advanced status” by the EU, which promotes closer economic integration by reducing non-tariff barriers, liberalizing the trade in services, ensuring the protection of investments, and standardizing regulations in several commercial and economic areas.

The United States signed an [income tax treaty](#) with Morocco in 1977. Morocco also has tax agreements with the following countries: Italy, Germany, Luxembourg, Belgium, Spain, Slovenia, Albania, Saudi Arabia, Estonia, Qatar, Singapore, Serbia, India, Latvia, Lithuania, Ireland, Macedonia, Vietnam, Finland, Croatia, Indonesia, Kuwait, Pakistan, Ukraine, Jordan, Romania, China, Austria, Oman, Syria, Turkey, Malta, Czech Republic, Greece, Malaysia, Lebanon, Bulgaria, Denmark, Switzerland, Netherlands, Bahrain, Libya, the UK and Northern Ireland, Hungary, the UAE, Portugal, South Korea, Russia, Poland, Norway, Canada, Sweden, Cote d’Ivoire, Egypt, Guinea, Gabon, Senegal, Arab Maghreb Union (UMA) countries. Morocco has signed tax agreements that have not been ratified with the following countries: Burkina Faso, Cameroon, Guinea Bissau, Mali, Mauritius, Sao Tome and Principe. Morocco has initialed tax agreements with the following countries: South Africa, Central African Republic, Congo Brazzaville, Ethiopia, Seychelles, Sudan, and Chad. Morocco is currently negotiating tax agreements with the following countries: D.R.C, Ghana, and Equatorial Guinea. Morocco has invited the following countries to establish a tax agreement: Togo, Benin, Kenya, Niger, and Nigeria.

Legal Regime

Transparency of the Regulatory System

Morocco is a constitutional monarchy with an elected parliament and a mixed legal system of civil law based mainly on French law with some influence from Islamic law. Legislative acts are subject to judicial review by the Supreme Court. The Constitutional branch of the Supreme Court has the power to determine the constitutionality of legislation, excluding royal legislation (Dahirs). Legislative power in Morocco is vested in both the government and the two chambers of Parliament, the Chamber of Representatives (Majlis Al-Nuwab) and the Chamber of Councillors (Majlis Al Mustahsareen). The King can also issue royal decrees which have the force of law. The principal sources of commercial legislation in Morocco can be found in the Code of Obligations and Contracts of 1913 and Law No. 15-95 establishing the Commercial Code. The Competition Council and the Central Authority for the Prevention of Corruption have responsibility for improving public governance and advocating for further market liberalization. All levels of regulations exist (local, state, national, supra-national). The most relevant regulations for foreign businesses depend on the sector in question. Ministries develop their own regulations and draft laws, including those related to investment, through their administrative departments and approved by the head of the Ministry. Each regulation and draft law is made available for public comment. Key regulatory actions are published in their entirety in Arabic and sometimes French in the official bulletin on the [website of the General Secretariat of the Government](#). Once published, the law is final. Public

enterprises and establishments can adopt their own specific regulations provided they comply with regulations regarding competition and transparency.

Morocco's regulatory enforcement mechanisms depend on the sector in question, and enforcement is legally reviewable. The National Telecommunications Regulatory Agency (ANRT), for example, created February 1998 under Law No. 24-96, is the public body responsible for the control and regulation of the telecommunications sector. The Agency regulates telecommunication by participating in the development of the legislative and regulatory framework. Morocco does not have specific regulatory impact assessment guidelines, nor are impact assessments required by law. Morocco does not have a specialized government body tasked with reviewing and monitoring regulatory impact assessments conducted by other individual agencies or government bodies.

The World Bank's 2017 Doing Business Report indicates that Morocco implemented reforms aimed at reducing regulatory complexity and strengthening legal institutions. These include simplification of property registration, enhanced electronic systems for paying taxes and the processing of documents for imports, improving online procedures, increasing administrative efficiency, introducing registry credit scores as a value-added service, expanding shareholders' role in company management, and implementing an unemployment insurance plan. In addition, the report indicates that Morocco was among one of the countries to introduce greater requirements for corporate transparency into their laws and regulations to promote detailed disclosure of primary employment, appointments and remuneration of directors, ensure detailed and advance notice of general meetings of shareholders, oblige members of limited liability companies to meet at least once per year and allow shareholders to add items to the meeting agenda. The U.S. Mission is not aware of any informal regulatory processes managed by nongovernmental organizations or private sector associations.

International Regulatory Considerations

European standards are widely referenced in Morocco's regulatory system. In some cases, U.S. standards are also accepted, such as in the automobile industry. Morocco has been a WTO member since January 1995 and reports technical regulations that could affect trade with other member countries to the WTO.

Legal System and Judicial Independence

The Moroccan legal system is based on both civil law (French system) and Islamic law, regulated by the Code of Obligations and Contracts of 1913 as amended, the 1996 Code of Commerce, and Law No. 53-95 on Commercial Courts. These courts also have sole competence to entertain industrial property disputes, as provided for in Law No. 17-97 on the Protection of Industrial Property, irrespective of the legal status of the parties. According to the European Bank for Reconstruction and Development's [2015 Morocco Commercial Law Assessment Report](#), Royal Decree No. 1-97-65 (1997) established commercial court jurisdiction over commercial cases including insolvency. Although this led to some improvement in the handling of commercial disputes, the lack of training for judges on general commercial matters remains a key challenge to effective commercial dispute resolution in the country. In general, litigation procedures are time consuming and resource-intensive, and there is no legal requirement with respect to case publishing. Disputes may be brought before eight

Commercial Courts (located in Rabat, Casablanca, Fes, Tangier, Marrakech, Agadir, Oujda and Meknes), and three Commercial Courts of Appeal (located in Casablanca, Fes and Marrakech). There are other specialist courts such as Administrative Courts, Administrative Courts of Appeal, and Commercial Courts of Appeal. The Constitution provides for an independent judiciary under the Ministry of Justice and Liberties and guarantees conditions for a fair trial. The King heads the Supreme Judicial Council, which has authority to hire, dismiss, and promote judges. Enforcement actions are appealable at the Courts of Appeal (Cours d'appel), which hear appeals against decisions from the Court of First Instance.

Laws and Regulations on Foreign Direct Investment

The principal sources of commercial legislation in Morocco are the 1913 Dahir of Obligations and Contracts, as amended, Law No. 18-95 that established the 1995 Investment Charter, the 1996 Code of Commerce, and Law No. 53-95 on Commercial Courts. These courts have sole competence to hear industrial property disputes, as provided for in Law No. 17-97 on the Protection of Industrial Property, irrespective of the legal status of the parties. Morocco's [CRI or Centre Regional d'Investissement](#) and AMDI (cited above) provide users with various investment related information on key sectors, provides procedural information, open calls for tenders, and resources for business creation.

Competition and Anti-Trust Laws

Restrictive agreements and practices are regulated by the Competition Law. Morocco's Competition Law No. 06-99 on Free Pricing and Competition (June 2000) outlines the authority of the [Competition Council](#) as an independent executive body with investigatory powers. Together with the Central Authority for the Prevention of Corruption, the Competition Council is one of the main actors in charge of improving public governance and advocating for further market liberalization. Law No. 20-13, adopted on August 7, 2014, amended the powers of the competition council to bring them in line with the 2011 constitution. The Competition Council is now charged with: 1) making decisions on anti-competition practices and controlling concentrations, with powers of investigation and sanction, 2) providing opinions in official consultations by government authorities, and 3) publishing reviews and studies on the state of competition. However, the Moroccan government has not yet appointed new members to the Competition Council. The U.S. Mission is not aware of any competition cases that have involved foreign investment.

Expropriation and Compensation

Expropriation may only occur in the context of public interest for public use by a State entity, although in the past private entities that are public service "concessionaires," mixed economy companies, or general interest companies have also been granted expropriation rights. Article 3 of Law No. 7-81 (May 1982) on expropriation, the associated Royal Decree of May 6, 1982, and Decree No. 2-82-328 of April 16, 1983 regulate government authority to expropriate property. The process of expropriation follows two phases. In the administrative phase, the State declares public interest in expropriating specific land, and verifies ownership, titles, and value of the land, as determined by an appraisal. If the State and owner are able to come to agreement on the value, the expropriation is complete. If the owner appeals, the judicial phase begins, whereby the property is taken, a judge oversees the transfer of the property, and

payment compensation is made to the owner based on the judgment. The U.S. Mission is not aware of any recent, confirmed instances of private property being expropriated for other than public purposes, or being expropriated in a manner that is discriminatory or not in accordance with established principles of international law.

Dispute Settlement

ICSID Convention and New York Convention

Morocco is a member of the International Center for Settlement of Investment Disputes (ICSID) and signed its convention in June 1967. Morocco is also party to the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards. Law No. 08-05 provides for enforcement of awards made under these conventions.

Investor-State Dispute Settlement

Morocco is signatory to over 60 bilateral treaties recognizing binding international arbitration of trade disputes, including one with the United States. Law No. 08-05 established a system of conventional arbitration and mediation, while allowing parties to apply the Code of Civil Procedure in their dispute resolution. Foreign investors commonly rely on international arbitration to resolve contractual disputes. Commercial courts recognize and enforce foreign arbitrations awards. In general, investor rights are backed by an impartial procedure for dispute settlement that is transparent. There have been no claims brought by foreign investors under the investment chapter of the U.S.-Morocco Free Trade Agreement since it came into effect in 2006. However, the U.S. Mission is aware of approximately ten cases of business disputes over the past ten years involving U.S. investors. In several of these cases, the investors claimed that the incentives associated with their investments were not fulfilled, or were fulfilled later than originally promised.

Morocco officially recognizes foreign arbitration awards issued against the government. Domestic arbitration awards are also enforceable subject to an enforcement order issued by the President of the Commercial Court, who verifies that no elements of the award violate public order or the defense rights of the parties. As Morocco is a member of the New York Convention, international awards are also enforceable in accordance with the provisions of the convention. Morocco is also a member of the Washington Convention for the International Centre for Settlement of Investment Disputes (ICSID), and as such agrees to enforce and uphold ICSID arbitral awards. The U.S. Mission is not aware of extrajudicial action against foreign investors.

International Commercial Arbitration and Foreign Courts

Morocco has a national commission on Alternative Dispute Resolution (ADR) with a mandate to regulate mediation training centers and develop mediator certification systems. Morocco is currently seeking to position itself as a regional center for arbitration in Africa, but the capacity of local courts remains a limiting factor. The Moroccan government established the Center of Arbitration and Mediation housed in Rabat and the Casablanca International Mediation and Arbitration Center (CIMAC). The U.S. Mission is not aware of any investment disputes involving state owned enterprises (SOEs).

Bankruptcy Regulations

Morocco's bankruptcy law is based on French law. Commercial courts have jurisdiction over all cases related to insolvency, as set forth in Royal Decree No. 1-97-65 (1997). The Commercial Court in the debtor's place of business holds jurisdiction in insolvency cases. The law gives secured debtors priority claim on assets and proceeds over unsecured debtors, who in turn have priority over equity shareholders. Bankruptcy is not criminalized. The Ministry of Justice and Liberties (MOJL) is currently redrafting Livre V, the national insolvency code. The draft law intends to shift the focus of bankruptcy from liquidation and restructuring to prevention and settlement. The World Bank's 2017 Doing Business report ranked Morocco 131 out of 190 economies in "Resolving Insolvency."

Industrial Policies

Investment Incentives

As set out in the Investment Code (Section 2.4), Morocco offers incentives designed to encourage foreign and local investment. Morocco's Investment Charter gives the same benefits to all investors regardless of the industry in which they operate (except agriculture and phosphates, which remains outside the scope of the Charter). Morocco has also set up many free zones to offer companies incentives ranging from tax breaks, subsidies, and reduced customs duties. Additionally, businesses associated with Casablanca Finance City (CFC) receive a variety of incentives, including exemption from corporate taxes for the first five years after receiving CFC status. Afterwards, companies are taxed at a reduced rate of 8.75 percent instead of the standard 17.5 percent tax on export turnovers. Companies with regional headquarters in the CFC pay a reduced rate of 10 percent on profits, versus the average 30 percent standard rate. Employees of CFC-status companies also benefit from reduced personal income tax rates. Other CFC advantages include administrative assistance. CFC-status companies benefit from expedited processing of work permit applications for their foreign employees, which reduces wait times from six months to one week. For details on CFC eligibility, see CFC's [website](#). Lastly, the Moroccan government launched the "investment reform plan" in 2016 to create a favorable environment for the private sector to drive growth. The plan included the adoption of [investment incentives](#) to support the industrial ecosystem, tax and customs advantages to support investors and new investment projects, import duty exemptions and a value added tax (VAT) exemption.

Foreign Trade Zones/Free Ports/Trade Facilitation

The government maintains several "free zones" in which companies enjoy lower tax rates in exchange for an obligation to export at least 85 percent of their production. In some cases, the government provides generous incentives for companies to locate production facilities in the country. The Moroccan government also offers a VAT exemption for investors using and importing equipment goods, materials, and tools needed to achieve investment projects that amount to costs higher than or equal to USD 20 million. This incentive lasts for a period of 36 months from the start of the business.

Performance and Data Localization Requirements

The Moroccan government views foreign investment as an important vehicle for creating local employment, although Moroccan labor law does not specifically require that companies hire Moroccan employees. However, visa issuance for foreign employees is contingent upon a company's inability to find a qualified employee for a specific position, and can only be issued after that company has verified the unavailability of such an employee with the National Agency for the Promotion of Employment and Competency (ANAPEC). If these conditions are met, the Moroccan government allows the hiring of foreign employees, including for senior management. The process for obtaining and renewing visas and work permits can be slow and may take up to six months.

The government does not require the use of domestic content in goods or technologies. The WTO Trade Related Investment Measures' (TRIMs) database does not indicate any reported Moroccan measures that are inconsistent with TRIMs requirements. However, companies have reported that with regards to public procurement, there tends to be a preference for companies utilizing local content or establishing local production facilities. Both performance requirements and investment incentives are uniformly applied to both domestic and foreign investors depending on the size of the investment.

The Moroccan Data Protection Act (Act 09-08) stipulates that data controllers may only transfer data if a foreign nation ensures an adequate level of protection of privacy and fundamental rights and freedoms of individuals with regard to the treatment of their personal data. Morocco's National Data Protection Commission (CNDP) defines the exceptions according to Moroccan law. Local regulation requires the release of source code for certain telecommunications hardware products. However, the U.S. Mission is not aware of any Moroccan government requirement that foreign IT companies should provide surveillance or backdoor access to their source-code or systems.

Protection of Property Rights

Real Property

Morocco permits foreigners to own land, although they are prohibited from owning agricultural land. Morocco maintains two systems for registering land, one formal and one traditional. According to USAID Morocco's country profile, approximately 30 percent of the land is registered in the formal system, and almost all of it is in urban areas. These programs are mainly carried out through the Ministry of Agriculture and Land Conservation. Lack of formal registration in Morocco does not mean that ownership is completely unclear. There are customary documents called moulkiya that are registered with traditional notaries. While not as robust as the formal registration system, the traditional system does provide some level of security of ownership. If land is unoccupied by its owner, it is possible for another occupant to gain ownership. A land occupant may obtain private ownership rights if he or she has held the land openly for at least 10 years.

Morocco's rating for "Registering Property" improved significantly over the past year, with a ranking of 87 out of 190 countries worldwide in the World Bank's Doing Business 2017 report, five places higher than in 2016. According to the 2017 World Bank report, Morocco made

registering property easier by streamlining the property registration process. According to the 2016 International Property Rights Index, Morocco was regionally ranked 9 out of 18 countries in enforcing property rights, maintaining its same index score as previous years. Mortgages and liens exist in Morocco, and banks compete heavily to market specialized mortgage products to Moroccans resident abroad in countries such as France and Belgium.

Intellectual Property Rights

The Ministry of Industry, Trade, Investment, and the Digital Economy oversees the Moroccan Office of Industrial and Commercial Property (OMPIC), which serves as a registry for patents and trademarks in the industrial and commercial sectors. The Ministry of Communications oversees the Moroccan Copyright Office (BMDA), which registers copyrights for literary and artistic works including software, enforces copyright protection, and coordinates with Moroccan and international partners to combat piracy. The Ministry of Communication supported the enactment of new copyright decrees on May 20, 2014, which obligate the police to work on behalf of BMDA to investigate suspected cases of copyright infringement including the illegal selling/production of unlicensed media as well as the pursuit of illegal media use on the radio or television. Additionally, the Ministry of Communication and the BMDA formed a national anti-piracy committee responsible for developing a strategy and a plan for consistent action in combating copyright infringement and counterfeit goods. The National Committee is supported locally by regional committees that mirror the national committee in composition and goal.

In 2016, the Ministry of Communication and World Intellectual Property Organization (WIPO) signed an MOU to expand cooperation to ensure the protection of intellectual property rights in Morocco. The memorandum committed both parties to improving the judicial and operational dimensions of Morocco's copyright enforcement. Following this MOU, in November 2016, BMDA launched WIPOCOS, a database for collective management organizations or societies, developed by WIPO. In spite of these positive changes, the BMDA office's current focus on redefining its legal mandate and relationship with other copyright offices worldwide have appeared to lessen its enforcement capacity. However, the reforms BMDA is undertaking reflect positively on its commitment to protecting artists and companies' copyrights to the utmost extent possible under the law.

Law No. 23-13 on Intellectual Property Rights increased penalties for violation of those rights and better defined civil and criminal jurisdiction and legal remedies. It also sets in motion an accreditation system for patent attorneys in order to better systematize and regulate the practice of patent law. Law No. 34-05, amending and supplementing Law No. 2-00 on Copyright and Related Rights, includes 15 items (Articles 61 to 65) devoted to punitive measures against piracy and other copyright offenses. These range from civil and criminal penalties to the seizure and destruction of seized copies, with fines between USD 500 and USD 10,000, and imprisonment terms from two to six months.

OMPIC enacted a Strategic Plan for 2016-2020 to strengthen the institution's capacity to carry out its core mandate – granting industrial and commercial property titles and enforcing IPR. This new strategic plan focuses on promoting quality, transparency, and a service-oriented organizational culture, while underscoring the important role that IPR protection has in

promoting innovation under Morocco's 2014–2020 Industrial Acceleration Plan. OMPIC also partnered with the Moroccan General Business Confederation (CGEM) to form the [National Committee for Industrial Property and Anti-Counterfeiting](#) (CONPIAC), a bridge between the public and private sectors. CONPIAC has been active in supporting research regarding counterfeiting in Morocco and sponsored public events to raise awareness of the problem. The Casablanca region accounts for 85 percent of national counterfeiting cases. Preliminary studies show that counterfeiting is highest in textiles, followed by leather products, electrical goods, automobile parts, and cosmetics.

Morocco prosecutes some IPR violations. In 2015, the BMDA coordinated raids in Fes, Casablanca, Marrakech, and Rabat, seizing 16,150 pirated compact discs, arresting 14 people, and ultimately prosecuting 4 companies and 5 individuals. Total fines levied in all four areas amounted to USD 18,850.

Morocco is finalizing an agricultural trade agreement with the EU that would require the protection of thousands of European Geographic Indicators. The U.S. government is seeking to clarify how existing U.S. trademarks and products using generic or common names will be treated, as well as conformity with provisions of the U.S.–Morocco Free Trade Agreement.

Morocco is not listed on either USTR's Special 301 report or the notorious markets report. Nevertheless, both software and DVD piracy are issues in Morocco. Moreover, while the intellectual property registration system is increasingly efficient and protection mechanisms are in place to defend these rights, enforcement can be lacking and legal avenues at times constrained due to a lack of familiarity with IPR law. For additional information about IPR treaty obligations and points of contact at government offices, please see [WIPO's country profiles](#).

Financial Sector

Capital Markets and Portfolio Investment

Morocco encourages foreign portfolio investment, and Moroccan legislation applies equally to Moroccan and foreign legal entities and to both domestic and foreign portfolio investment. The Casablanca Stock Exchange (CSE), founded in 1929 and re-launched as a private institution in 1993, is one of the few regional exchanges with no restrictions on foreign participation. Local and foreign investors have identical tax exposure on dividends (10 percent) and pay no capital gains tax. With a market capitalization of USD 59 billion and 75 listed companies (as of March 2017), CSE is the third largest exchange in Africa (after the Johannesburg Stock Exchange and the Egyptian Exchange). The market is currently dominated by institutional investors which act on long-term trends. Short-selling, which would provide liquidity to the market, is not allowed on the CSE at present. The Moroccan government initiated the Futures Market Act (Act 42-12) on October 2015 to define the institutional framework of the futures market in Morocco and the role of the regulatory and supervisory authorities.

In November 2015, the Government of Morocco, the Moroccan financial market supervisory body, and shareholders signed a memorandum of understanding setting out a framework to convert the CSE into a joint stock company with a mandate to manage the cash market.

Through this demutualization, Morocco's top banks, the Caisse de Depot et de Gestion (a State-owned financial institution), independent brokerage firms, insurance companies, and Casablanca Finance City Authority would divide the stock market's share capital. The changes allowed the CSE greater flexibility and access to global markets, and better positioned it as an integrated financial hub for the region. According to the Morgan Stanley Capital International's (MSCI) 2016 Annual Market Classification Review, Morocco remains a "Frontier Market," mainly due to its illiquidity. Morocco has accepted the obligations of IMF Article VIII, sections 2(a), 3, and 4, and its exchange system is free of restrictions on making payments and transfers on current international transactions. Credit is allocated on market terms, and foreign investors are able to obtain credit on the local market. The market in Morocco is shallow and illiquid compared to other emerging and frontier markets, with many large firms controlled by privately owned holding groups.

Money and Banking System

Morocco has a well-developed banking sector in Africa, where penetration is rising rapidly and recent improvements in macroeconomic fundamentals have helped resolve previous liquidity shortages. Morocco has some of Africa's largest banks, and several have become major players on the continent and continue to expand their footprint. The sector has several large, homegrown institutions with international footprints, as well as several subsidiaries of foreign banks. According to the [IMF's 2016 Financial System Stability Assessment on Morocco](#), Moroccan banks comprise about half of the financial system with total assets of 140 percent of GDP – up from 111 percent in 2008. There are 19 banks operating in Morocco as well as six offshore institutions. Among the 19 banks, the top three account for over two-thirds of the bank system assets and deposits. The top six banks comprise 89 percent of the system's assets (including both on and off-balance sheet items). Foreign (mainly of French-origin) financial institutions are majority stakeholders in seven banks and nine finance companies. The financial system also comprises several microcredit associations and financing companies, with combined assets of 10.5 percent of GDP.

The Bank Reform Law of 1993 laid out parameters for banking activities, clarified oversight and control responsibilities, specified legal penalties for violations of banking regulations, and established a deposit guarantee fund. The strength of the banking sector has grown significantly in recent years. Since financial liberalization, credit is allocated freely and the central bank has used indirect methods to control the interest rate and volume of credit. The banking participation rate is approximately 60 percent, with significant opportunities remaining for firms pursuing rural and less affluent segments of the market. At the start of 2017, Bank Al-Maghrib, approved five requests to open Islamic banks in the country. The regulatory approvals concern the three major Moroccan banks Attijariwafa Bank, BMCE of Africa and Banque Centrale Populaire (BCP), and two smaller lenders Credit Agricole (CAM) and Credit Immobilier et Hotelier (CIH). The Moroccan government plans to issue its first ever Islamic bond (sukuk) in the domestic market in the first half of 2017. Morocco's parliament has yet to approve a bill regulating Islamic insurance (takaful).

The incidence of non-performing loans in Morocco has increased in the past five years as a result of the economic slowdown in Europe, with the corporate default rate reaching 15 percent in 2015. The proportion of debt that is overdue fell from 19.4 percent in 2004 to 6 percent in

2008 (an improvement attributed to the loan consolidation process banks undertook) before rising slightly to 7.2 percent in 2015.

Morocco's accounting, legal, and regulatory procedures are transparent and consistent with international norms. Morocco is a member of UNCTAD's international network of [transparent investment procedures](#). The Moroccan central bank (Bank Al Maghrib) is responsible for issuing accounting standards for banks and financial institutions. Circular 56/G/2007 issued by Bank Al Maghrib requires that all entities under its supervision use International Financial Reporting Standards (IFRS) for accounting periods that began January 2008. The Securities Commission is responsible for issuing financial reporting and accounting standards for public companies. Circular No. 06/05 of 2007 reaffirmed the Moroccan Stock Exchange Law (Law No. 52-01), which stipulated that all companies listed on the Casablanca Stock Exchange (CSE), other than banks and similar financial institutions, can choose between IFRS and Moroccan Generally Accepted Accounting Principles (GAAP). In practice, most public companies are using IFRS.

Legal provisions regulating the banking sector include Law No. 76-03 on the Charter of Bank Al-Maghrib, which created an independent board of directors and prohibits the Ministry of Finance and Economy from borrowing from the central bank except in exceptional circumstances. Law No. 34-03 (2006) reinforced the supervisory authority of Bank Al-Maghrib over the activities of credit institutions. Foreign banks and branches are allowed to establish operations in Morocco and are subject to provisions regulating the banking sector. At present, the U.S. Mission is not aware of Morocco losing correspondent banking relationships. Morocco has not signed a Foreign Account Tax Compliance Act (FATCA) inter-governmental agreement with the United States, nor are its banks legally able to comply with FATCA reporting requirements. The Moroccan government is in the process of amending its banking laws to address FATCA requirements.

There are no restrictions on a foreigner's ability to establish a bank account. However, foreigners who wish to establish a bank account are required to open a "convertible" account that must be opened with foreign currency. The account holder may only deposit foreign currency into that account; at no time can they deposit dirhams.

Foreign Exchange and Remittances

Foreign investments financed in foreign currency can be transferred tax-free, without amount or duration limits. This income can be dividends, attendance fees, rental income, benefits, and interest. Capital contributions made in convertible currency, contributions made by debit of forward convertible accounts, and net transfer capital-gains may also be repatriated. For the transfer of dividends, bonuses, or benefit shares, the investor must provide balance sheets and profit and loss statements, annexed documents relating to the fiscal year in which the transfer is requested, as well as the statement of extra-accounting adjustments made in order to obtain the taxable income.

A currency-convertibility regime is available to foreign investors, including Moroccans living abroad, who invest in Morocco. This regime facilitates their investments in Morocco, repatriation of income, and profits on investments. Morocco guarantees full currency convertibility for capital transactions, free transfer of profits, and free repatriation of invested

capital, when such investment is governed by the convertibility arrangement. Generally, the investors must notify the government of the investment transaction, providing the necessary legal and financial documentation. With respect to the cross-border transfer of investment proceeds to foreign investors, the rules vary depending on the type of investment. Investors may import freely without limiting the amount of foreign currency in the form of banknotes, traveler's checks, bank or postal checks, letters of credit, payment cards or any other means of payment denominated in foreign currency. In the case of the importation of currency into banknotes and/or negotiable instruments in bearer form with a value equal to or greater than USD 10,000, the Moroccan foreign exchange regulations obligate investors to subscribe to a currency declaration from the Customs office of entry. The forms used to subscribe to the currency declaration are provided to the requestor by the Customs services at the borders.

Amounts received from abroad must pass through a convertible dirham account which ensures a convertibility regime in favor of foreign investors. This account permits the realization of investment transactions in Morocco and guarantees the transfer of proceeds for the investment, as well as the repatriation of the proceeds and the capital gain from any resale. AMDI recommends that investors open the account in dirhams convertible on arrival in Morocco in order to be able to quickly dispose of the sums necessary for notarial transactions. Morocco has achieved relatively stable macroeconomic and financial conditions under an exchange rate peg, which has helped achieve price stability and insulated the economy from nominal shocks. The peg was adjusted from an 80/20 Euro/Dollar split to a 60/40 split in April 2015 to reflect evolving trade relations. The IMF has advocated for a more flexible exchange rate, which would allow Morocco to respond better to shocks while improving the economy's competitiveness. The Bank Al-Maghrib has indicated that it will gradually move towards a more flexible regime beginning in the second half of 2017.

Remittance Policies

Please refer to the previous section for information applicable to Moroccan remittance policies.

Sovereign Wealth Funds

Ithmar Capital is Morocco's investment fund and financial vehicle with a goal to support the national sectorial strategies. It is based on a Sovereign Wealth Fund model that provides support to international partners wishing to invest in Morocco. Established November 2011 by the Moroccan government and supported by the Hassan II Fund for Economic and Social Development, the fund initially followed the government's long term Vision 2020 strategic plan for tourism. The fund is currently part of the long-term development plan initiated by the government in different economic sectors. Its value of assets amounts to USD 1.8 billion.

State-Owned Enterprises

Moroccan SOEs are overseen by boards of directors (in single-tier boards) or supervisory boards (in dual-tier boards). These bodies are governed by the Financial Control Act and the Limited Liability Companies Act. The Ministry of Economy and Finance's Department of Public Enterprises and Privatization monitors SOE governance. Pursuant to Law No. 69-00, SOE annual accounts are publicly available. Under Law No. 62-99, or the Financial

Jurisdictions Code, the Court of Accounts and the Regional Courts of Accounts audit the management of a number of public enterprises.

As of March 2017, the Moroccan Treasury held a direct share in 212 state-owned enterprises (SOEs) and 44 companies. Several sectors remain under public monopoly, managed either directly by public institutions (rail transport, some postal services, and airport services) or by municipalities (wholesale distribution of fruit and vegetables, fish, slaughterhouses). The Office Cherifien des Phosphates (OCP), a public limited company that is 95 percent held by the Moroccan government, is a world-leading exporter of phosphate and derived products. Morocco has opened several traditional government activities using delegated-management or concession arrangements to private domestic or foreign operators, which are generally subject to tendering procedures. Examples include water and electricity distribution, construction and operation of motorways, and the management of non-hazardous wastes. In some cases, SOEs continue to control the infrastructure while allowing private-sector competition through concessions. The Moroccan government provides a [published list of SOEs](#). SOEs benefit from budgetary transfers from the state treasury for investment expenditures.

The Moroccan National Commission on Corporate Governance was established in 2007. It prepared the first Moroccan Code of Good Corporate Governance Practices in 2008. Based on the OECD Principles of Corporate Governance, it applies to both the private and public sectors. Recognizing the specific features of the SOE sector, the Commission drafted in 2011 a code dedicated to SOEs, drawing on the OECD Guidelines on Corporate Governance of SOEs. The code, which came into effect in 2012, is aimed at enhancing SOEs' overall performance. It requires greater use of standardized public procurement and accounting rules, outside audits, the inclusion of independent directors, board evaluations, greater transparency, and better disclosure. The Moroccan government prioritizes a number of governance-related initiatives including an initiative to help SOEs contribute to the emergence of regional development clusters. The government is also attempting to improve the use of multi-year contracts with major SOEs as a tool to enhance performance and transparency.

Privatization Program

In 1993, the Moroccan government initiated an ambitious program of privatization, which enabled Morocco to channel a large volume of foreign direct investment to key sectors such as telecommunications, energy, agribusiness, financial services, and tourism. When this program ended in August 2011, total revenue from divestment in SOEs and the granting of telecom licenses totaled approximately USD 13 billion. The state still holds significant shares in the main telecommunications companies, banks, and insurance companies, as well as railway and air transport companies.

Responsible Business Conduct

Responsible business conduct (RBC) has gained strength in the broader business community in tandem with Morocco's economic expansion and stability. Businesses are active in RBC programs related to the environment, local communities, employees, and consumers. For example, business association CGEM awards "social labels" to companies based on a systematic analysis of the effects of their RBC activities on local communities. Large

multinationals first started implementing RBC programs in Morocco in the 1990s. The Moroccan government does not have any regulations requiring companies to practice RBC nor gives any preference to such companies. However, companies generally inform Moroccan authorities of their planned RBC involvement. Authorities have supported companies' RBC programs by giving them permission, where necessary, to operate and in some cases by implementing these programs through public-private partnerships. The Moroccan Association of Textile and Apparel Industries awards a "Fibre Citoyenne" label to socially responsible companies. Additionally, Morocco joined the UN Global Compact network in 2006. The Compact provides support to companies that affirm their commitment to social responsibility. In 2016, the Ministry of Employment and Social Affairs launched an annual gender equality prize to highlight Moroccan companies that promote women in the workforce. While there is no legislation mandating specific levels of RBC, foreign firms and some local enterprises follow generally-accepted principles, such as the OECD RBC guidelines for multinational companies. NGOs and Morocco's active civil society are also taking an increasingly active role in monitoring corporations' RBC performance. Morocco does not currently participate in the EITI or the Voluntary Principles on Security and Human Rights. No domestic transparency measures exist that require disclosure of payments made to governments. There have not been any cases of high-profile instances of private sector impact on human rights in the recent past.

Corruption

In the [2016 Corruption Perception Index published by Transparency International](#) (TI), Morocco ranked 90 out of 176 countries. There has been little change in Morocco's ranking over the last 10 years. Government officials have criticized the Index, which reflects public perceptions concerning corruption, for not emphasizing recent anti-corruption efforts. According to the [2016 State Department's Country Report on Human Rights Practices](#), Moroccan law provides criminal penalties for official corruption, but the government does not implement the law effectively.

The Central Commission for the Prevention of Corruption (ICPC) is the agency responsible for combating corruption. In 2015, parliament amended the mandate of the ICPC, expanding its authority to conduct investigations of corruption allegations and solicit mandatory responses from government institutions. In 2010, ICPC set up an [internet portal for civil society and small businesses](#) to identify instances of corruption. In addition to ICPC, MOJL and the government accountability court have jurisdiction over corruption issues. The government reports corruption and other instances of police malfeasance through an internal mechanism. Morocco's anti-corruption efforts include enhancing the transparency of public tenders and implementation of a requirement that senior government officials submit financial disclosure statements at the start and end of their government service, although their family members are not required to make such disclosures. Morocco does not have conflict of interest legislation.

Although the Moroccan government does not require that private companies establish internal codes of conduct, the Moroccan Institute of Directors (IMA) was established in June 2009 with the goal of bringing together individuals, companies, and institutions willing to promote corporate governance and conduct. IMA published the four Moroccan Codes of Good Corporate

Governance Practices. Since 2010, 185 top executives, senior managers, and board members carried out IMA training on corporate governance. Some private companies use internal controls, ethics, and compliance programs to detect and prevent bribery of government officials. Morocco signed the UN Convention against Corruption in 2007 and hosted the States Parties to the Convention's Fourth Session in 2011. However, Morocco does not provide any formal protections to NGOs involved in investigating corruption. Although the U.S. Mission is not aware of cases involving corruption with regard to Customs or taxation issues, there are often unexpected delays in processing.

Resources to Report Corruption

Contact at government agency responsible for combating corruption:

Instance Centrale de Preevention de la Corruption

Avenue Annakhil, Immeuble High Tech, Hall B, 3eme etage, Hay Ryad-Rabat

Tel: +212-5 37 57 86 60

Fax: +212-5 37 71 16 73

Email: contact@icpc.ma

Contact at "watchdog" organization:

[Transparency International National Chapter](#)

24 Boulevard de Khouribga, Casablanca 20250

Tel: +212-22-542 699

Email: transparency@menara.ma

Political and Security Environment

Morocco does not have a history of politically motivated violence or civil disturbance. There has not been any damage to projects and/or installations which has had a continuing impact on the investment environment. Demonstrations occur frequently in Morocco and usually center on political or social issues. They can attract thousands of people in major city centers, but most have been peaceful and orderly.

Labor Policies and Practices

A paradox of the Moroccan labor market is that large numbers of graduates are unable to find jobs commensurate with their education and training, while employers complain of skills shortages and mismatches. Many recent high school and university graduates lack the soft skills to communicate effectively with employers and find jobs commensurate with their education. Industrial skills are not prioritized, and skills that graduates acquire are not transferrable to any real-world working environment, causing gaps between skills supply and demand. Since 2011, the Moroccan government has restructured its employment promotion agency, the National Agency for Promotion of Employment and Skills (ANAPEC), in order to assist new university graduates in preparing for and finding work in the private sector through specialized skills. The Bureau of Professional Training and Job Promotion (OFPPT), Morocco's main public provider for professional training, also launched the Specialized Institute for Aeronautics and Airport Logistics (ISMALA) in Casablanca at the end of 2013 to offer technical training in aeronautical maintenance. According to figures released by Bank al Maghrib,

unemployment in 2016 was 9.6 percent with unemployment among youth aged 15 to 24 reaching 40.8 percent in some urban areas.

As a result of a forward-leaning migration policy, the Moroccan government has regularized over 20,000 sub-Saharan migrants since 2014 and is currently reviewing over 18,000 new applications to regularize a second wave of sub-Saharan migrants. Regularization provides the migrants with legal access to employment, employment services, and education and vocation training. The majority of sub-Saharan migrants who benefitted from the regularization program work in call centers (if their French skills are strong), domestic work, and construction.

According to section VI of the [labor law](#), employers in the commercial, industrial, agricultural, and forestry sectors with ten or more employees must communicate dismissal decision to the employee's union representatives, where applicable, at least one month prior to dismissal. The employer must also provide grounds for dismissal, the number of employees concerned, and the amount of time intended to undertake termination. With regards to severance pay (article 52 of the labor law), the employee bound by an indefinite employment contract is entitled to compensation in case of dismissal after six months of work in the same company regardless of the mode of remuneration and frequency of payment and wages. The labor law differentiates between layoffs for economic reason and firing. In case of serious misconduct, the employee may be dismissed without notice or compensation or payment of damages. The employee must file an application with the National Social Security Funds (CNSS) agency of his or her choice, within a period not exceeding 60 days from the date of loss of employment. During this period, the employee shall be entitled to medical benefits, family allowances, and shall be taken into consideration for pension entitlements. Labor law is applicable in all sectors of employment; there are no specific labor laws to foreign trade zones or other sectors.

Morocco has roughly 20 collective bargaining agreements in the following sectors: Telecommunications, automotive industry, refining industry, road transport, fish canning industry, aircraft cable factory, collection of domestic waste, ceramics, naval construction and repair, paper industry, communication and information, land transport, and banks. The sectoral agreements that exist to date are in the banking, energy, printing, chemicals, ports, and agricultural sectors. According to the [State Department's Country Report on Human Rights Practices](#), the Moroccan constitution grants workers the right to form and join unions, strike, and bargain collectively, with some restrictions (S 396-429 Labor Code Act 1999, No. 65/99). The law prohibits certain categories of government employees, including members of the armed forces, police, and some members of the judiciary, from forming and joining unions and from conducting strikes. The law allows several independent unions to exist but requires 35 percent of the total employee base to be associated with a union for the union to be representative and engage in collective bargaining. The government generally respected freedom of association and the right to collective bargaining. Employers limited the scope of collective bargaining, frequently setting wages unilaterally for the majority of unionized and nonunionized workers. Domestic NGOs reported that employers often used temporary contracts to discourage employees from affiliating with or organizing unions. Legally, unions can negotiate with the government on national-level labor issues.

Labor disputes (S 549–581 Labor Code Act 1999, No. 65/99) are common, and in some cases, they result in employers failing to implement collective bargaining agreements and withholding wages. Trade unions complain that the government sometimes uses Article 288 of the penal code to prosecute workers for striking and to suppress strikes. Labor inspectors are tasked with mediation of labor disputes. On May 31, the major labor unions held a public-sector strike, including local collectivities, and planned a sit-in in front of Parliament to protest pension reform and the failure of the dialogue. In general, strikes are frequent in heavily unionized sectors such as education and government services, and such strikes can lead to disruptions in government services but usually remain peaceful. The Moroccan government passed the Domestic Worker Law and the long-debated pension reform bill in July 2016. The new pension reform legislation is expected to keep Morocco’s largest pension fund, the Caisse Marocaine de Retraites (CMR), solvent until 2028 with an increase in the retirement age from 60 to 63 by 2024 and adjustments in contributions and future allocations.

OPIC and Other Investment Insurance Programs

In August 2013, OPIC provided its consent for a new USD 40 million, eight-year term loan facility with Attijariwafa Bank to support loans to small and medium-sized enterprises (SMEs) in Morocco under a risk-sharing agreement between OPIC and Citi Maghreb. In August 2014, OPIC signed an additional agreement with Attijariwafa and Wells Fargo to provide additional support to SMEs. OPIC has a long history of supporting projects in Morocco and has provided finance or insurance support to 22 deals over the past four decades. Morocco signed an agreement with OPIC in 1961. [The agreement](#) was updated in 1995 and ratified by the Moroccan parliament in June 2004.

Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

	Host Country Statistical source*		USG or international statistical source	
Economic Data	Year	Amount	Year	Amount
Host Country Gross Domestic Product (GDP) (\$B USD)	2014	\$109.3	2015	\$100.6
Foreign Direct Investment	Host Country Statistical source*		USG or international statistical source	
U.S. FDI in partner country (\$M USD, stock positions)	2015	\$306.0	2015	\$304.0
Host country’s FDI in the United States (\$M USD, stock positions)	2014	8.6	N/A	N/A
Total inbound stock of FDI as % host GDP	2014	.008%	N/A	N/A

*Host Country Domestic GDP Source: Bank Al Maghrib, 2014. FDI Host Country Source: Office des Change, Morocco’s Global External Financial Position, 2015. Note: The discrepancy between the host nation and international statistical sources is due to the two sources referring to different periods of time for their stock figures.

Table 3: Sources and Destination of FDI

Direct Investment from/in Counterpart Economy Data					
From Top Five Sources/To Top Five Destinations (US Dollars, Millions)					
Inward Direct Investment			Outward Direct Investment		
Total Inward	\$49,693.2	100%	Total Outward	\$4,697.7	100%
France	\$17,059.6	34%	France	\$617.2	13%
United Arab Emirates	\$9,916.2	20%	Cote d'Ivoire	\$494.7	11%
Spain	\$4,993.8	10%	Mali	\$428.2	9%
U.S.	\$2,669.7	5%	Belgium	\$223.1	5%
Switzerland	\$1,838.2	4%	Benin	\$162.7	3%

"0" reflects amounts rounded to +/- USD 500,000.

Table 4: Sources of Portfolio Investment

Portfolio Investment Assets								
Top Five Partners (Millions, US Dollars)								
Total			Equity Securities			Total Debt Securities		
All Countries	11,050.5	100%	All Countries	3,273.10	100%	All Countries	7,777.30	100%
N/A			N/A			N/A		
N/A			N/A			N/A		
N/A			N/A			N/A		
N/A			N/A			N/A		
N/A			N/A			N/A		

Contact for More Information

Contact Point at U.S. Mission Morocco for Public Inquiries:

Brenda VanHorn

Senior Commercial Officer

U.S. Consulate General, Casablanca

+212 522 64 21 29

Brenda.VanHorn@trade.gov

Trade & Project Financing

To pay for imports of goods and services into Morocco, local importers do not need an authorization from the Foreign Exchange Office Methods of Payment.

Methods of Payment

Foreign Exchange

In accordance with Article VIII of the International Monetary Fund statute dealing with convertibility for the current transactions, and in line with the Moroccan liberalization measures initiated in 1993, the Office Des Changes (ODC) delegated to Moroccan-authorized banks the authority to “freely carry out settlements relating to imports, exports, international transport, insurance and reinsurance, foreign technical assistance, travel, schooling, medical care, savings on income, as well as all the other operations considered as current.”

According to regulations governing foreign exchange, payment of goods imported into Morocco is processed only after the actual entrance of the goods into the country. Buyers are allowed to prepay up to 40 percent of the invoice amount for all goods. Banks are authorized to open letters of credit and/or to accept bills of exchange. The letters of credit must include a special clause that stipulates that the “payment is subject to justification of direct and exclusive shipment of goods to Morocco exceeding an import value of MAD 200,000.” The transport documents justifying the shipment are: the freight bill, airway bill, bill of landing, document of combined means of transportation, or receipt from Post office for mail parcels. Although the Office des Changes (ODC) website mentions 40 percent, the latest Instruction Générale des Opérations de Change (Dec. 2013) sets the new limit at 30 percent (see article 242, updated from the 2012 version that mentions 40 percent), and at 50 percent for companies in specific sectors (aeronautic and spatial).

In 2007, the ODC initiated a liberalization program concerning foreign exchange operations related to different sectors including international trade. Complete prepayment is permitted for import of goods shipped Free on Board (FOB) that are valued up to MAD 100,000 (USD10,300 in June 2015). With respect to capital equipment, and goods within the ATPA “admission temporaire pour perfectionnement actif” (Temporary Admission of Inward Processing) framework complete prepayment is permitted for import of goods shipped Free on Board (FOB) valued up to MAD 200,000 (USD 20,600 in June 2015). It is also possible for the Moroccan bank to ensure full prepayment upon receipt of document showing that the merchandise is in route.

Banks are authorized to issue bank guarantees to secure payments to foreign suppliers. Importers normally give local buyers up to 90-days’ credit.

Guides to Moroccan foreign exchange regulations can be viewed at the [website of the Office de Change](#).

Tax Issue for foreign billing

Bills for professional services rendered outside of Morocco incur a 10 percent withholding tax. It is important to clarify with the Moroccan business partner if the bill is pre or post the 10 percent tax.

Alternate Payment Forms

For smaller payments to American suppliers, many Moroccan businesses now use credit cards, but there are limits on how much money can be spent abroad in one year. If one is doing business regularly in Morocco, it may make sense to open a bank account so that the counterparty can deposit money directly there.

Banking Systems

Among the best-developed banking sectors in Africa is that of Morocco, where penetration is rising rapidly and recent improvements in macroeconomic fundamentals have helped resolve previous liquidity shortages. Morocco's institutions include some of Africa's largest banks, and several have become major players on the continent and continue to expand their footprint.

The sector has a reasonably competitive landscape, with a number of large, homegrown institutions with international footprints, as well as several subsidiaries of foreign banks. There are 19 banks operating in Morocco as well as seven offshore institutions. In addition, there are 34 non-banking financial institutions, including 16 consumer credit specialists, 13 microcredit lenders and six leasing companies in Morocco. The sector is dominated by locally owned banks, which account for 82.3% of industry assets. The Bank Reform law of 1993 laid out parameters for banking activities, clarified oversight and control responsibilities, specified legal penalties for violations of banking regulations and established a deposit guarantee fund. Recently passed banking reform legislation will further liberalize the sector and improve oversight coordination and lines of authority.

Since this financial liberalization, credit is allocated freely and the central bank has used indirect methods to control the interest rate and volume of credit. The banking system is still used by the government to channel domestic savings to finance government debt, and banks are required to hold part of their assets in bonds paying below market interest rates. The strength of the banking sector has grown significantly in recent years, and the private sector's role is more active than in many other African countries. The banking participation rate is approximately 70 percent, with significant opportunities remaining for firms pursuing rural and less affluent segments of the market. Opening a bank account in Morocco is a similar process to the rest of the world. Businesses are supposed to be registered in Morocco in order to open an account.

The Casablanca Stock Exchange is one of the largest and most important in Africa. Privatized in 1996, the CSE is managed by 13 brokerage companies and regulated by an independent oversight commission similar to the SEC.

Foreign Exchange Controls

Morocco maintains a system of foreign exchange controls managed by the Foreign Exchange Office (Office des Changes), but the rules on transfers have been progressively liberalized to the point where the dirham is freely convertible according to the IMF definition for current account transactions. The value of the dirham is tied to a basket of hard currencies weighted 40% to the dollar and 60% to the Euro. Because this basket is still dominated by the euro, variations in the dollar/euro rates are generally reflected in the dirham's dollar value.

Capital transactions require authorization from the Foreign Exchange Office and are routinely granted for business-related transactions. Under the Moroccan investment code, the government guarantees, for foreign investors, repatriation of both invested capital and profits, provided that the initial capital investment was filed and registered.

US Banks & Local Correspondent Banks

Local Correspondent Banks:

- Banque Marocaine du Commerce Extérieur (BMCE)
- Banque Centrale Populaire (BCP)
- Attijariwafa Bank
- Banque Marocaine du Commerce et de l'Industrie (BMCI)
- Crédit du Maroc (CDM)
- Société Générale (SGM)

U.S. Banks with Moroccan Branches:

- Citibank Maghreb (Citi-Group)

Project Financing

The principal multilateral financial institutions such as the World Bank, the IFC, the African Development Bank The Commerce Department's Office of Multilateral Development Bank Operations (MDBO) provides one-stop shopping services to U.S. firms interested in doing business with the MDBs. Its staff can help U.S. companies learn about opportunities and projects financed by the multilateral development banks. For more information on any of these services in the U.S., contact:

Multilateral Development Bank Operations (MDBO)

Tel: (202) 482-3399

Fax: (202) 273-0927

The Commercial Service Liaison Staff

Office of the U.S. Executive Director

The World Bank

1818 H Street NW,

Washington DC 20433

Tel: (202) 458-0118/0120

Fax: (202) 477-2967

The [International Finance Corporation \(IFC\)](#), the private-sector lending arm of the World Bank, has cooperative agreements with Moroccan institutions and can provide services including financing from commercial banks, export credit agencies and other institutions. Contact in Morocco:

Marie Françoise Marie Nelly

Country Manager, [IFC](#)

7 rue Larbi Ben Abdallah,

Souissi, Rabat, Morocco

Tel: +212 537 544 300

Email: nkarhat@worldbank.org

The [Multilateral Investment Guarantee Agency \(MIGA\)](#) is part of the World Bank group. Its purpose is to encourage foreign direct investment in developing countries by providing investors with political risk insurance. Like its counterpart, Overseas Private Investment Corporation (OPIC), MIGA provides insurance to cover the risk of currency transfer, expropriation, war and civil disturbance, and breach of contract by the host government. Morocco is a member of MIGA. Contact:

[Multilateral Investment Guarantee Agency](#)

1818 H Street, NW,

Washington, DC 20433

Guarantees Department: (202) 473-6168

Types of Available Export Financing and Insurance:

1. The U.S. Small Business Administration (SBA) has a number of programs targeted toward helping small and medium-sized companies to develop export markets. In particular, the SBA offers an export working capital guarantee program whereby it will guarantee up to 75 percent of a bank loan to provide working capital or a line of credit to exporters. This enables exporters to offer more favorable payment terms to their Moroccan buyers or provide working capital while export orders are being manufactured.

Contact:

U.S. Small Business Administration

Office of International Trade

409 Third Street, SW,

Washington, DC 20416

Tel. (202) 205-6720

Fax (202) 205-7272

2. The U.S. Export-Import Bank (Ex-Im Bank) promotes the exports through loans, guarantees, and insurance programs, all of which are available in Morocco. Ex-Im Bank can guarantee U.S. commercial bank financing for U.S. exporters. Its export insurance programs provide insurance coverage against the risk of default on foreign receivables. However, a Moroccan guarantee, either from the government or private bank, may also be required. Ex-Im Bank has a small bundling facility (guaranteed credits of USD 10 million) with Credit du Maroc, the Moroccan subsidiary of Credit Lyonnais France. Contact:

Export-Import Bank

811 Vermont Ave., NW,

Washington, DC 20871

Tel: 1-800-565-3946

Regional Manager for North Africa and the Middle East

Tel: (202) 565-3716

Fax: (202) 565-3931

International Lending

Fax: (202) 565-3816

3. The U.S. Trade and Development Agency (USTDA) is an independent U.S. Government agency that promotes U.S. exports for major development projects in middle-income and developing countries. USTDA funds feasibility studies, technical assistance, orientation visits and other project planning services related to major projects. Consulting contracts must be awarded to U.S. companies. U.S. involvement in project planning helps position U.S. suppliers for follow-on contracts when projects are implemented. USTDA is active in Morocco in the energy, telecommunications, , renewable energy, water, waste management, environmental, air, surface and maritime transportation. Contact:

Eliza Chon, Country Manager for Morocco

[U.S. Trade and Development Agency](#)

1000 Wilson Blvd., Suite 1600

Arlington, VA 22209

Tel: (703) 875-4357

Fax: (703) 875-4009

E-mail: echon@ustda.gov

Equity Financing

There is about USD 350 million of capital in Moroccan accounts and billions of USD available in emerging market funds. Most professional investment companies have English speaking fund managers. Many Moroccan investors have spent time in international financial capitals such as London, Paris or New York. They seek to partner with U.S. companies in order to explore possible collaboration.

There is an association of equity investors and investment banks ([AMIC](#)) with members specialized in trans-Atlantic transactions.

Financing Web Resources

Trade Finance Guide: A Quick Reference for U.S. Exporters, published by the International Trade Administration's Industry & Analysis team:

- [Export.gov- Trade Finance Guide](#)
- [Export-Import Bank of the United States](#)
- [Country Limitation Schedule](#)
- [OPIC](#)
- [U.S. Trade and Development Agency](#)
- [SBA's Office of International Trade](#)
- [USDA Commodity Credit Corporation](#)
- [U.S. Agency for International Development](#)
- [African Development Bank](#)

Business Travel

Moroccan business representatives are increasingly interested in exploring business ventures with U.S. companies. Implementation of the FTA has opened new sectors and attracted a large number of U.S. firms to explore the local market. Nevertheless, there are still many subtle cultural differences that must be overcome to succeed in this market.

Business Customs

A primary difference is the business culture. Many of Morocco's leading industrialists and businesspersons were educated in Europe. Morocco is a former French protectorate and many of its business practices are based on the French system. The main language used in business discussions is French. Both public and private procurements are predominantly in French with some exceptions.

Moroccans are increasingly interested in doing business with U.S. firms in part because it makes good business sense to diversify. A growing number of young, talented U.S.-educated entrepreneurs returning to Morocco are contributing to an improved receptivity for U.S. firms and U.S. business culture.

Many aspects of Morocco's rich culture and heritage are absorbed in its business etiquette, and U.S. business representatives should make every effort to understand the subtleties of this important aspect of doing business in Morocco. For example, it is always polite to accept an invitation to drink tea or coffee. It is wise to build trust and friendship in order to build the business. That said, businesses should be wary of agreeing or entering into any "informal" business ventures and should vet all proposals and document all commitments. Verbal agreements, which are common in Morocco, will not hold up in court.

When planning a business trip to Morocco, consult with a U.S. Commercial Service Trade Specialist and the Commercial Section at the [U.S. Consulate General in Casablanca](#), Morocco to receive value-added advice, trade leads, contacts, or matchmaking services.

Businesses are open Monday through Friday and sometimes Saturday morning. Most businesses close for lunch from noon to 2:00 p.m., except during the month of Ramadan, when both private and public sectors work reduced hours (6 hours/day) and they remain open at mid-day but close earlier in the afternoon. Morocco is a predominantly Muslim country. Thus, many local establishments refrain from serving any food at lunch time and alcoholic beverages entirely during the holy month of Ramadan. Please check other religious holidays listed under the Business Travel section.

Travel Advisory

For current travel information, refer to the [US Embassy in Morocco's website](#) or [Country Specific Information for Morocco](#).

[Current Travel Warnings](#)

U.S. Citizens traveling in Morocco may want to register through the [Smart Traveler Enrollment Program](#).

Visa Requirements

In general, a tourist visa, which is valid for a period of three months, is the only type of temporary visa issued for Morocco. U.S. citizens and European Union member countries do not need a visa for entry into Morocco. Entry visas are required for foreign nationals from certain countries, including Egypt, Iran, Sudan and Syria. For visits of more than 90 days, U.S. citizens are required to apply for an extension of stay (providing a reason for the extension) and should do so as far in advance as possible. U.S. citizens who stay in Morocco more than 90 days without receiving an extension will be unable to leave Morocco before appearing in court and facing penalties for the overstay. U.S. citizens who plan to reside in Morocco must obtain a residence permit. A residence permit may be requested and obtained from immigration authorities (Service Etranger) at the central police station of the district of residence.

Moroccan representatives of U.S. companies that require travel to the United States should allow sufficient time for visa issuance. U.S. business visa applicants should go to [the US Embassy in Morocco's website](#).

[State Department Visa Website](#)

[The Consular Section of the U.S. Embassy](#)

Currency

The Moroccan Dirham is the currency of Morocco. The [currency code](#) for Dirhams is MAD. The exchange rate over the previous year has averaged 9.8 percent. It is subdivided into 100 cents. The dirham is issued by the [Bank Al-Maghrib](#), the [central bank of Morocco](#).

Telecommunications/Electric

The telephone system has greatly improved in recent years. The national telecommunications network offers a range of services including cellular, paging, video conferencing, voice mail and Internet. The telecom market is dominated by three firms, Maroc Telecom owned jointly by the state and Etisalat (UAE); Orange, owned by Orange (France); and Inwi, owned by Zain (Kuwait) and Societe Nationale d'Investissement (SNI), a holding company owned by the royal family. Most U.S. phones will be able to roam in Morocco and vice-versa.

Transportation

Morocco's road network is among the best in Africa. Most parts of the country are readily accessible by well-surfaced roads. Casablanca's Mohammed V Airport is the largest airport in Morocco. It offers more than 50 flights a day to the United States, Europe, the Middle East and elsewhere in Africa and hosts more than 8 million passengers per year. The railway network handles passenger service and the freight service of phosphates, fertilizers, chemical products and other minerals. The port of Tangier "Tanger Med", the largest in Africa and ranked 16 worldwide, is connected to 161 ports worldwide and handles a large number of goods imported and/or exported. Morocco's shipping costs are high in comparison to its Mediterranean competitors. There is a frequent ferry service to and from Spain, France and Italy for tourists.

Language

Modern Standard Arabic is the official language, but the local dialect, called Darija, Western Arabic or “Arabe dialectal,” is the vernacular. It differs substantially from Modern Standard Arabic, both in pronunciation and vocabulary.

French is fairly prevalent, especially among the educated classes and the older generations. Generally, business meetings are conducted in French. Meetings with Moroccan government officials are most commonly conducted in French, while some Ministries conduct meetings in Arabic. In the north of Morocco, Spanish is common.

Increasingly, Moroccan business and government officials conduct meetings in English. Nevertheless, it is always a good idea to determine in advance the language to be used during a meeting should it be necessary to hire an interpreter.

Health

Adequate medical care is available in Morocco’s largest cities, particularly in Rabat and Casablanca, although not all facilities meet Western standards. Specialized care or treatment may not be available. Medical facilities are adequate for non-emergency matters, particularly in the urban areas, but most medical staff will have limited or no English-speaking skills. Emergency and specialized care outside the major cities is far below U.S. standards, and in many instances may not be available at all. Travelers planning to drive in the mountains and other remote areas may wish to carry a medical kit for emergencies. In the event of car accidents involving injuries, immediate ambulance service is not usually available. Persons taking medication are advised to bring enough to last during their stay in Morocco. Moroccan customs and health authorities will not release medication sent through the mail.

Useful information is available in the [U.S. Embassy Morocco website](#).

Local Time, Business Hours and Holidays

Morocco is on Greenwich Mean Time (GMT). As of 2013, daylight saving time (DST) is observed in Morocco, advancing to GMT+1 in spring and summer and reverting to GMT (standard time) in fall and winter, with the exception of the holy month of Ramadan, during which clocks revert to standard time (GMT)

The time difference between Morocco and the East Coast is:

- In Standard Time (GMT): 5 hours with the East Coast and 8 with the West Coast
- In Daylight Saving Time (DST): 4 hours with the East Coast and 7 with the West Coast.

Table of holidays observed by U.S. mission in Morocco in 2017

Holidays in 2017:

Date	Day(s)	Holiday	Remarks
January 2	Monday	Observation of New Year’s Day	American
January 11	Wednesday	Presentation of Moroccan Independence Proclamation	Moroccan

January 16	Monday	Martin Luther King's Birthday	American
February 20	Monday	President's Day	American
May 1	Monday	Moroccan Labor Day	Moroccan
May 29	Monday	Memorial Day	American
June 26/27	Monday/Tuesday	Aid Al Fitr (<i>Celebration of End of Ramadan</i>)	Moroccan *
July 4	Tuesday	American Independence Day	American
August 21	Monday	Youth Day (<i>To Celebrate King's Mohammed Vi Birthday</i>)	Moroccan
September 2	Saturday/Sunday	Aid Al Adha (<i>Feast of Abraham's Sacrifice</i>)	Moroccan *
September 4	Monday	American Labor Day	American
September 21	Thursday	First Moharram (<i>Muslims' New Year</i>)	Moroccan *
October 9	Monday	Columbus Day	American
November 10	Friday	Observation of Veteran's Day	American
November 23	Thursday	Thanksgiving Day	American
December 1	Friday/Saturday	Aid Mawlid an Nabbaoui (<i>To Celebrate the Birthday of Prophet Mohammed</i>)	Moroccan *
December 25	Monday	Christmas Day	American

Note: Holidays with (*) are based on the lunar calendar and change every year. Dates shown are those projected for the year 2017. As is the case in most Muslim countries, it may be more difficult to make business appointments and contacts in Morocco during the month of Ramadan, which will start this year in late May. It is also important to keep in mind that many local businesses shut down for a lengthy period during the summer holidays, i.e. July–August.

Temporary Entry of Materials or Personal Belongings

Customs may authorize temporary entry of goods on an individual basis. The limit for temporary entry is six months, renewable for up to two years.

Travel Related Web Resources

[US Mission in Morocco](#)