



UN Tourism

TOURISM DOING BUSINESS
INVESTING IN

MOROCCO



*Tourism Engineering
and Investment*
SMIT MOROCCO





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Tourism Doing Business – Investing in Morocco

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TOURISM DOING BUSINESS INVESTING IN MOROCCO

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**His Majesty King
Mohammed VI**



“...As a matter of fact, foreign investment in those sectors would boost state efforts, not just by creating jobs, but also by promoting quality training, attracting expertise and showcasing successful experiences.

Thirdly, the challenge of accelerating economic development and enhancing institutional efficiency: the aim is to build a strong, competitive economy by continuing to incentivize private entrepreneurship, in addition to launching new programs for productive investment and creating more jobs.”



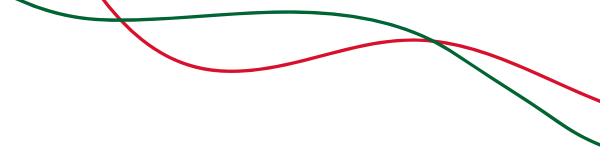
His Majesty King Mohammed VI



Mrs. Fatim-Zahra Ammor

**MINISTER OF TOURISM, HANDICRAFTS AND
SOCIAL AND SOLIDARITY ECONOMY**





The Kingdom of Morocco, with its rich cultural heritage, diverse landscapes, warm hospitality, and inherent potential, offers myriad opportunities, making it a premium destination for investments in the tourism industry.

Morocco has positioned itself as a robust and innovative player in the continental region, continuously enhancing its business offerings to meet the diverse needs of potential investors, especially in the tourism sector.

The Moroccan tourism industry has consistently displayed resilience in the face of challenges and crises, showing its ability to adapt and recover quickly. This resilience highlights its stability and attracts investors looking for long-term opportunities.

Moreover, the government of Morocco supports the tourism sector through a new strategic roadmap for 2023-2026, aiming to attract 17.5 million tourists and generate MAD 120 billion in foreign exchange earnings by 2026.

Considerable progress in the tourism sector has been made under the leadership of His Majesty King Mohammed VI, may God bless him, currently placing Morocco among the most attractive countries for international tourism investors. Additionally, it is noteworthy that Morocco will host one of the major global events, the FIFA 2030 World Cup. This event presents an undeniable opportunity to attract significant Foreign Direct Investment (FDI) into the tourism industry. The improvements in infrastructure and heightened visibility brought about by the World Cup will undoubtedly fuel the sector's growth and create new investment opportunities.

We invite you to discover the exceptional advantages that Morocco offers and to join us in elevating our tourism industry to new heights.

Mrs. Fatim-Zahra Ammor

Minister of Tourism, Handicrafts and Social and Solidarity Economy



Mr. Karim Zidane

**MINISTER DELEGATE TO THE HEAD OF GOVERNMENT
IN CHARGE OF INVESTMENT, CONVERGENCE AND
EVALUATION OF PUBLIC POLICIES**

The Kingdom of Morocco's political stability, its competitive edge, the openness of its economy and its forward thinking investment policies collectively positions the country as a privileged destination for both national and international investors. Key pillars highlighting Morocco's status as a regional hub and an attractive investment destination include its stable political environment, guided by a royal long-term vision, its top-tier infrastructure, and its ongoing efforts to enhance the business environment.

Furthermore, Morocco has undertaken significant initiatives to modernize its legal and regulatory framework, streamline administrative procedures through digitization, and reinforce access to finance. These efforts include the implementation of various financial mechanisms, such as the activation of the Mohammed VI Investment Fund, aimed at bolstering the investment process.

Additionally, Morocco has made substantial investments in building ecosystems within strategic sectors like manufacturing, energy, and tourism. These efforts not only bolster the capacity for private investment but also exemplify our dedication to fostering sustainable growth and creating employment opportunities.

Furthermore, in addition to these assets, Morocco provides a plethora of incentives designed to attract and support investors. Under the visionary guidance of His Majesty King Mohammed VI, may God Assist Him, the Moroccan government has adopted a groundbreaking new

Investment Charter. This comprehensive framework offers various schemes and instruments aimed at supporting investment, enhancing the business climate, and ensuring unified governance.

The upcoming organization of the 2030 FIFA World Cup in Morocco on the other hand, presents a significant opportunity to attract foreign direct investment to our country. The extensive preparations for this important event, which include the development of cutting-edge stadiums, upgraded transportation systems, and tourism projects, will solidify Morocco's position as a catalyst for investment across various sectors.

Our engagement persists in continuing the implementation of strategic reforms aimed at unlocking the full potential of private investment, thereby facilitating the business process in Morocco.

An essential aim of this tourism investment guide is to illuminate the vast potential for investment in this vital sector. I strongly encourage all tourism investors to explore the numerous opportunities that Morocco has to offer. With Morocco's momentum on the rise, we urge all investors to seize this opportune moment and contribute to the nation's thriving economy.

Now is the time to invest in Morocco's promising future.

Mr. Karim Zidane

Minister Delegate to the Head of Government in Charge of Investment,
Convergence and Evaluation of Public Policies



Mr. Imad Barrakad

**CHIEF EXECUTIVE OFFICER,
MOROCCAN AGENCY FOR TOURISM DEVELOPMENT
(SMIT)**

We are immensely proud to present this investment guide for the tourism sector, created in partnership with the UN Tourism. This document reflects our unwavering commitment to the development of tourism in Morocco and highlights exceptional investment opportunities within this dynamic sector of the Kingdom.

The Moroccan Agency for Tourism Development [SMIT] is the dedicated entity for tourism investment in Morocco.

SMIT acts as a growth catalyst by implementing innovative strategies and coordinating efforts among private investors, international operators, public institutions, and regional stakeholders. Our main mission is to transform Morocco's tourism potential into tangible realities.

Under the leadership of His Majesty the King Mohammed VI, God Bless Him, Morocco's tourism sector is currently experiencing unprecedented growth, attracting interest from both investors and numerous international hotel brands. Promising indicators include significant annual increases in hotel capacity, sustained levels of Foreign Direct Investment [FDI] in tourism despite a difficult post-pandemic context.

The Moroccan government regards tourism as a sector of strategic importance, and has recently launched numerous programs to support it, such as the new tourism roadmap and the new Investment Charter. The roadmap aims to position Morocco among the top global destinations, enhance tourism's contribution to the national economy, and employment opportunities creation. The Investment Charter provides specific and tailored advantages for tourism investors,

including premiums, land subsidies, and tax reliefs. These measures increased private investments and led to the emergence of new destinations like Taghazout or Azilal or Saidia and the strengthening of destinations like Fès, Rabat, Casablanca, Tangier, Ouarzazate or Marrakech.

Tourism engineering, SMIT's core expertise, is crucial for planning and guiding tourism investments. We help disadvantaged areas to change its face into attractive destinations through secure and profitable opportunities as we provide effective support to investors.

Our expertise spans various asset categories, from large beach resorts to small mountain lodges, and includes leisure infrastructures and cultural attractions. We collaborate with a diverse range of investors, including major private equity funds, sovereign wealth funds, small and medium-sized enterprises [SMEs] and development finance institutions, ensuring inclusive and balanced growth across the tourism sector value chain.

The dedicated men and women of SMIT are central to our success, working on the ground to materialize this vision. While the achievements are significant already, we are looking toward exceeding the greater ambitions set by His Majesty the King for our country.

This guide aims to foster international emulation and highlight Morocco's remarkable tourism sector advancements. We hope it will serve as a valuable reference for investors interested in the Moroccan tourism sector.

Happy reading!

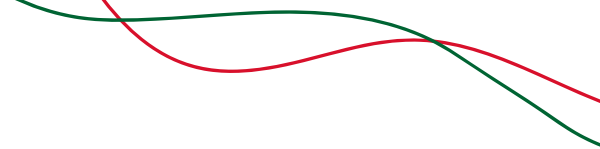
Mr. Imad Barrakad

Chief Executive Officer, Moroccan Agency for Tourism Development [SMIT]



Zurab Pololikashvili

SECRETARY-GENERAL, UN TOURISM



As part of our growing collection of 'Tourism Doing Business' reports, UN Tourism presents this comprehensive analysis, developed in collaboration with the Ministry of Tourism, Handicrafts, and Social and Solidarity Economy and the Moroccan Tourism Development Agency [SMIT]. As with the rest of the series, it aims to highlight the investment opportunities to be found across the diverse tourism sector of the Kingdom of Morocco.

Over the past decade, the Moroccan economy has recorded an average growth rate of 2.5%, one of the strongest in all of Africa. Echoing similar global economic success stories, the Kingdom has implemented prudent fiscal and monetary policies, building on the foundations provided by a stable political environment. Hand-in-hand with this have come strategic initiatives to diversify the economy away from conventional sectors, such as agriculture, towards dynamic industries, with tourism at the forefront.

According to UN Tourism, the broader tourism value chain has significantly bolstered the nation's exports, playing a pivotal role in the country's GDP, Morocco epitomizes the interconnectedness of being an inviting business environment, a thriving tourism sector, and sustainable, growth-oriented development.

This report details the diverse investment opportunities ingrained in Morocco's tourism sector. Positioned as an alluring prospect for investors, Morocco boasts a strategic location, modern infrastructure, and a government deeply committed to fostering foreign direct investment. This favourable business environment has played a pivotal role in propelling Morocco's growth and development in recent years.

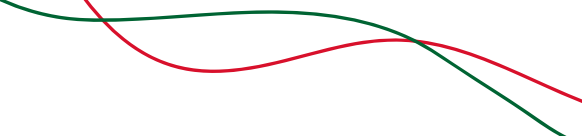
I am confident that this publication will serve as a compass for potential investors navigating Morocco's dynamic tourism landscape. In the spirit of collaboration, we express our gratitude to all stakeholders who have contributed to its development. We are optimistic that the alliances forged will chart a course toward a future where Morocco stands not only as a premier tourist destination but also as a global exemplar of sustainable tourism and investment.

Zurab Pololikashvili
Secretary-General, UN Tourism



Natalia Bayona

EXECUTIVE DIRECTOR, UN TOURISM



As the Executive Director at UN Tourism, I am thrilled to present this comprehensive report, delving into the captivating investment opportunities and the dynamic tourism sector in the Kingdom of Morocco. This document intricately captures Morocco's unique position as a key player in the world of investments, with a particular focus on its vibrant tourism industry.

Morocco's economic landscape over the past decade has been characterized by stable growth and diversification into sophisticated industries such as automotive, aeronautics, and tourism. Its well-established infrastructure, coupled with rich cultural and natural heritage, positions Morocco as an enticing destination for both investors and visitors.

Services built the most significant pillar of Morocco's economy. Moreover, tourism provides substantially to the country's total services output, with inbound tourism expenditure accounting to around 7% - 8% of Morocco's GDP every year, solidifying tourism as one of the most critical economic activities in the country.

With an average annual growth rate of 2.5% over the last decade, Morocco has emerged as the fifth-largest country in Africa by GDP. Our report emphasizes the pivotal role of tourism in Morocco's economic performance, grounding it in resilient fiscal and monetary policies, a

stable political and socio-economic environment, and deliberate efforts to boost the tourism sector.

In addition, from 2007 to 2023, the tourism sector has been a prime recipient of Foreign Direct Investment (FDI), showcasing its importance by accounting for 9.1% of total FDI shares and securing its position as the third-largest receiver of FDI over the past 16 years.

Indeed, this report not only captures the allure of Morocco as an investment destination but also provides a detailed understanding of the technical underpinnings that make Morocco a strategic and competitive player in the global economic landscape. Morocco aims to position itself as a leader in the transition towards a green economy, with an ambitious plan for renewable energy, making significant investments in the sector as outlined in The Moroccan tourism new roadmap 2023 - 2026.

I invite the global investment community and stakeholders to explore the comprehensive insights presented in this report, as Morocco continues to stand as a beacon of opportunity and sustainable prosperity where partnership and sustainable growth are not just aspirational goals but tangible realities meticulously crafted and ardently pursued.

Natalia Bayona
Executive Director, UN Tourism



Elcia Grandcourt

**DIRECTOR REGIONAL DEPARTMENT FOR AFRICA,
UN TOURISM**

The Kingdom of Morocco, a land abundant with a tapestry of cultural heritage and diverse natural landscapes, stands as a beacon of distinction among the global tourism destinations. Its array of unique attractions and multifaceted assets positions Morocco as an eminent contender in the international tourism landscape.

The significance of the tourism sector is deeply woven into Morocco's national agenda, underscoring its pivotal role as a cornerstone of the nation's economic strategy. Harnessing the immense potential of the tourism sector, Morocco aims to foster sustainable growth while enhancing its contribution to the national GDP. Considered one of the most competitive countries in Africa, The Kingdom achieves this status primarily due to its political stability, steadily growing economy, and public support provided to investors.

Amid the evolving global landscape, shaped by the pandemic, Morocco emerges as a resilient example, showcasing its tourism sector's adaptability and positioning itself as one of the best performing destinations worldwide that has been able to even exceed pre-pandemic levels in terms of international tourist arrivals in 2023. The nation has adeptly navigated new challenges by diversifying its tourism offerings and carving new market niches both within and beyond the African continent.

The tourism, heralded as one of the fastest-growing socio-economic sectors, remains a driving force behind economic expansion, employment generation, and business prospects globally. Embracing this trajectory, Morocco has gradually instituted incentives, tax-relief measures, funding mechanisms, and policy frameworks aimed at

attracting Foreign Direct Investments [FDIs]. For European businesses, Morocco is one of the gateways to Africa - an excellent entry market to serve both North and West Africa, and even the entire continent.

In this vein, the creation of the Morocco Investment Guidelines in Tourism aims to present a spectrum of investment opportunities to foreign investors. This guidebook showcases the intrinsic value of Morocco through a curated portfolio of prospective tourism investment projects. By the same token, the hosting of a flagship event such as the FIFA World Cup 2030 with Portugal and Spain will contribute to increase the country's appeal to foreign investors by also amplifying international exposure and global visibility with long-term positive effects for Morocco's tourism growth.

This publication is the result of a synergistic collaboration between UN Tourism, the Ministry of Tourism, Handicrafts and Social and Solidarity Economy of the Kingdom of Morocco, and Moroccan Tourism Development Agency [SMIT]. Together, our concerted efforts aim to furnish a comprehensive and informative tool to catalyze mutually beneficial public and private partnerships among key stakeholders in the tourism domain.

The Morocco Investment Guidelines in Tourism serve as a mechanism to unlock new opportunities, amplify Morocco's competitive advantages, and enhance its visibility. It is poised to facilitate sustainable tourism development in Morocco, aligning with UN Tourism Agenda for Africa - Tourism for Inclusive Growth.

Elcia Grandcourt
Director Regional Department for Africa, UN Tourism

Introduction

Tourism Doing Business, investing in Morocco highlights the stable economic growth of the country over the past decade. Its well-developed infrastructure and geographical location alongside its rich cultural and natural endowment has made the country an attractive destination for tourism investors and visitors.

The report outlines the excellent economic performance of Morocco, which has been based on prudent fiscal and sound monetary policies, stable political and socio-economic environment and strategic efforts towards diversifying its economy. Despite fluctuations, the Moroccan economy has grown, on average, 2.5% annually during the last ten years and became one of the largest economies in Africa. The first chapter summarizes the success of the 2021 New Development Model that aimed at achieving a more prosperous, skilled and sustainable Morocco and showcase the aim of the Moroccan Tourism new roadmap 2023 - 2026. It also shows the contribution of sectors to the Moroccan economy, standing out the service sector and manufacturing. It is worth noting that Tourism draws its strengths from the advances made by Morocco in other sectors such as Automotive, Textile, Agri-food, Pharmaceuticals, and Aeronautics.

Regarding foreign direct investment (FDI), the report analyzes the relevance of economic reforms and incentives to attract foreign direct investment, particularly towards high-value sectors, which position Morocco among countries with the highest FDI inflows in Africa. Figures show FDI inflows volatility over the last 15 years, a sharp decrease during the pandemic period and a slow recovery afterwards. The main sectors receiving the largest shares of FDI inflows are real state, industry, and tourism. Figures of FDI inflows by sector are provided as well as details on the leading countries investing in Morocco, among which France, the United Arab Emirates and The United States of America stand out.

Chapter 3 describes the main reasons to invest in tourism in Morocco, highlighting its strategic geographical location and certain conditions such as the development of top-class trade and transport infrastructure, which contributed to its reputation as a strategic and competitive exporting hub in the region. Second, the country has a rich cultural and natural heritage that offers visitors a wealth of natural wonders and unique cultural landmarks. This report also describes the measures adopted by Morocco to enhance the competitiveness of the tourism sector, opening invaluable investment opportunities, fostering diversification of tourism offerings and quality improvement in tourism products and services. Finally, this chapter shows how Morocco has become a leader in the transition towards a greener economy in Africa.

Moreover, information regarding investment incentives schemes is provided. It includes a summary of the legal framework concerning investment in Morocco and the main investment support schemes. This report offers an overview of the Moroccan tax regime and develops on general tax incentives for FDI.

Finally, this report describes the competitive landscape of Morocco, highlighting that it has been distinguished as one of the most stable and dynamic economies in Africa due to a combination of solid monetary and fiscal policies, strategic investments in infrastructure, and diversification of its economy. Information on competitive conditions has been considered, including the country's position in certain rankings such as the Doing Business, and Travel and Tourism Index. There is a section about the tourism cluster that includes figures about tourism arrivals by country, employment in the sector, and tourism offer in terms of accommodation and restaurants. There is also a summary of **a portfolio of tourism investment opportunities**.

THE MAIN REASONS TO INVEST IN TOURISM MOROCCO:

1



TOURISM AT THE HEART OF THE MOROCCAN ECONOMIC GROWTH

Morocco has a significant potential of tourism resources that is not sufficiently exploited and offers a variety of investment opportunities. With its diverse landscapes, ranging from the Sahara Desert to the Atlas Mountains and the Atlantic Coast, Morocco offers a wealth of natural wonders to explore for creating new investments. It has more than **3,500 km of coastline and 11 national parks**. The country is also home to numerous **historic cities, including Fez, Marrakesh, and Rabat**. Each city with its unique cultural landmarks such as impressive mosques, palaces, and fortresses. The medinas, or historic walled cities, are particularly significant, providing a glimpse into the country's past with their amazing architecture, vibrant markets and narrow winding streets.

Morocco has created an increasingly attractive destination for investment with a set of incentive schemes, which reflects the growth of foreign tourism investments directed towards high added -value projects. In fact, Morocco is **ranked as the leader in tourism greenfield FDI among the members of the UN Tourism Regional Commission for Africa**.

In order to encourage private investment, Morocco adopted a new investment charter in 2023 to stimulate economic growth and strengthen its international attractiveness. This new charter aims to support tourism investment by offering a financial support up to 30% of the capital expenditure [CAPEX] in addition to facilitating the act of investing, mainly through the simplification of the administrative procedures and the facilitation of access to land.

Regarding its importance to the Moroccan economy, **the tourism sector has benefited from a new roadmap 2023-2026** with an offensive and an ambitious plan to strengthen airline's connectivity, a marketing and promotion plan focused on digitalization and partnerships with tour operators, strengthening human capital through training programs to upgrade skills of professional resources, support for the development of the entertainment industry and the implementation of locomotive projects. Furthermore, the aim is also to improve the attractiveness of thematic sectors and the promotion of tourism assets to enhance the enchantment for the different destinations. **A public budget of more than USD 610 million was assigned to implement this new roadmap.**

2



GEOGRAPHICAL STRATEGIC LOCATION AND WORLD-CLASS INFRASTRUCTURE

Morocco is located 14km from Europe, which has facilitated the access to an international market of over **1 billion consumers**. It has also developed top-class trade and transport infrastructure exemplified by the Tangiers Med Port, with its 184 connections to 77 countries. All these contributed to its reputation as a strategic and competitive exporting hub in the region. There are **19 international airports and 43 ports** as well as very well-connected railroad and highways networks that connects more than 70% of the country's population.

3



A STRONG CHOICE OF COMMERCIAL OPENNESS

More than 79 bilateral investment agreements guaranteeing foreign investors the same protection as national ones. A convertibility regime for foreign direct investments in foreign currencies with free transfer of capital and tax advantages. The modern legal and regulatory framework implemented by Morocco, created a particularly attractive environment for investors: more than, **50 non double taxation and investment protection agreements**, no restrictions on capital, free repatriation of profits and capital for non-residents.

4



A STRONG REFORM FOR THE SOCIAL AND FOR THE HEALTH SECTOR

Morocco has adopted a policy to strengthen the pillars of the social state by generalizing social protection.

Also, Morocco has placed the health sector at the centre of its government policy, with a firm commitment in favour of a global reform aimed at transforming the health system so that it matches with the significant progress made by the Kingdom. The global reform of the health system consists on the generalisation of medical coverage to all Moroccans, strengthening the professionals of health sector in order to reach the levels recommended by the WHO, mobilization of additional resources to modernize health facilities and digitalize the sector.

5



A STABLE COUNTRY BOTH POLITICALLY AND ECONOMICALLY

The Kingdom of Morocco is a stable country both politically and economically thanks to the Royal Vision of His Majesty the King Mohamed VI, who leads to continuous drive for openness and democracy, aiming to release energy and confidence to accelerate the march towards progress and prosperity.

Morocco has **committed to diversify its economy focusing on Tourism and high-value industries** such as Automotive, Textile, Agri-food, Pharmaceuticals, and Aeronautics. This said, the tertiary sector of Morocco has grown as the largest sector in the economy with Tourism encompassing one of the most significant service activities. Inbound tourism expenditure alone contributed above 8% to Morocco's gross domestic product (GDP) from 2010 to 2019. In addition, a highly qualified labor with specialized training and geographic proximity to Europe have also supported the growth Morocco's industry. **The country has successfully positioned itself as a leading tourism destination in Africa.**

6



A DEDICATED TOOL FOR TOURISM INVESTMENT

Considering the importance of investment development for the growth of the tourism sector, the Moroccan state created a specific agency for Tourism Development-SMIT dedicated to supporting investment in the tourism sector in order to develop and enhance the tourism product in Morocco. Operating as a public government entity, **SMIT extends its support to worldwide investors by offering tailored tourism opportunities and providing comprehensive guidance all over the investment process.**

SMIT offers comprehensive support, from project conceptualization and pre-studies to creating robust business plans and facilitating suitable land acquisitions. It also fosters partnerships through its match-making initiatives.

7



MOROCCO, AMONG THE GREENEST AND LOWEST CARBON EMISSIONS PLATFORMS IN THE WORLD

Morocco positions itself as a leader in the energy transition to become one of the greenest and lowest carbon emitters in the world. **Morocco has accelerated its renewable energy plan and aims to reach a 52% energy mix by 2030 including, solar, wind, and hydro energies.**



OVERVIEW OF MOROCCO

Morocco, located in North Africa, has a population of over **37 million inhabitants** and is expected to grow to 43 million by 2050. Strategically located, **connecting Africa and Europe.**

A diversified economy with a strategic and competitive exporting hub

Morocco offers world-class infrastructure for international trade and has been diversifying its economy towards more sophisticated industries such as automotive, aeronautics, pharmaceuticals and services. It became a leading car manufacturer in Africa.

<i>GDP growth, 2025:</i>	4.0% [projected]
<i>GDP, 2023:</i>	USD 144.0 billion
<i>Population, 2023:</i>	37.5 million
<i>FDI Inward Flow, 2007 - 2023:</i>	USD 60 billion
<i>Foreign Tourists, 2023:</i>	14.5 million
<i>Ease of Doing Business rank [1-190]:</i>	53
<i>Global Competitiveness Index rank [1-141]:</i>	74

Source: International Monetary Fund [2024], World Economic Outlook Database, April 2024 Edition, FMI, Washington, D.C., available online: <https://www.imf.org/en/Publications/WEO/weo-database/2024/April> [24-05-2024]; World Bank [2024], Economic Monitor, unlocking the potential of the private sector to spur growth and job creation, available online: <https://documents1.worldbank.org/curated/en/099826007162422517/pdf/IDU12f69bf581e7fa144061b0cf15dc97f2b2bbd.pdf> ; World Economic Forum [2022], Global Competitiveness Index;





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Abbreviations

A.D. = Anno Domini

AfCFTA = African Continental Free Trade Area

AMDIE = Moroccan Investment and Export Development Agency

AMDL = Moroccan Agency For Logistics Development

ANRT = National Telecommunications Regulatory Agency

CFC = Casablanca Finance City

CFCA = Casablanca Finance City Authority

C.G.I = General Tax Code

CIT = Corporate Income Tax

CRI = Regional Investment Centers

DCFTA = Deep and Comprehensive Free Trade Agreement

ECOWAS = Economic Community of West African States

EU = European Union

EY = Ernst & Young

FDI = Foreign Direct Investment

FL 2023 = Finance Law 2023

FTAs = Free Trade Agreements

GDP = Gross Domestic Product

GFCI = Global Financial Centers Index

GW = Gigawatts

HCP = Haut-Commissariat au Plan (Higher Planning Commission)

HVDC = High-Voltage Direct Current

IAZ = Industrial Acceleration Zones

ICSID = International Centre for Settlement of Investment Disputes

IMF = International Monetary Fund

MAD = Moroccan Dirham

MASEN = Moroccan Agency for Sustainable Energy

MENA = Middle East and North Africa

MIGA = Multilateral Investment Guarantee Agency

MW = Megawatts

OC = Office des Changes (Foreign Exchange Office)

ONDA = Moroccan National Airports Office

ONEE = Morocco's National Office of Electricity

ONMT = Moroccan National Tourism Office

PAI = Industrial Acceleration Plan

PIT = Personal Income Tax

PWC = PricewaterhouseCoopers

RIPT = Real Estate Residences for Tourism Promotion
SEZs = Special Economic Zones
SGG = General Secretariat of the Government
SMEs = Small and Medium-sized Enterprises
SMIT = Moroccan Tourism Development Agency
TMZ = Tangier Med Zones
T&T = Travel & Tourism
TTDI = Travel and Tourism Development Index
UAE = The United Arab Emirates
UK = United Kingdom
UNCTAD = United Nations Conference on Trade and Development
UNESCO = United Nations Educational, Scientific and Cultural Organization
UN Tourism = World Tourism Organization
USD = American Dollar
VAT = Value Added Tax
WEF = World Economic Forum
WHT = Withholding Tax
WHO = World Health Organization
WTO = World Trade Organization

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01

ECONOMIC OUTLOOK

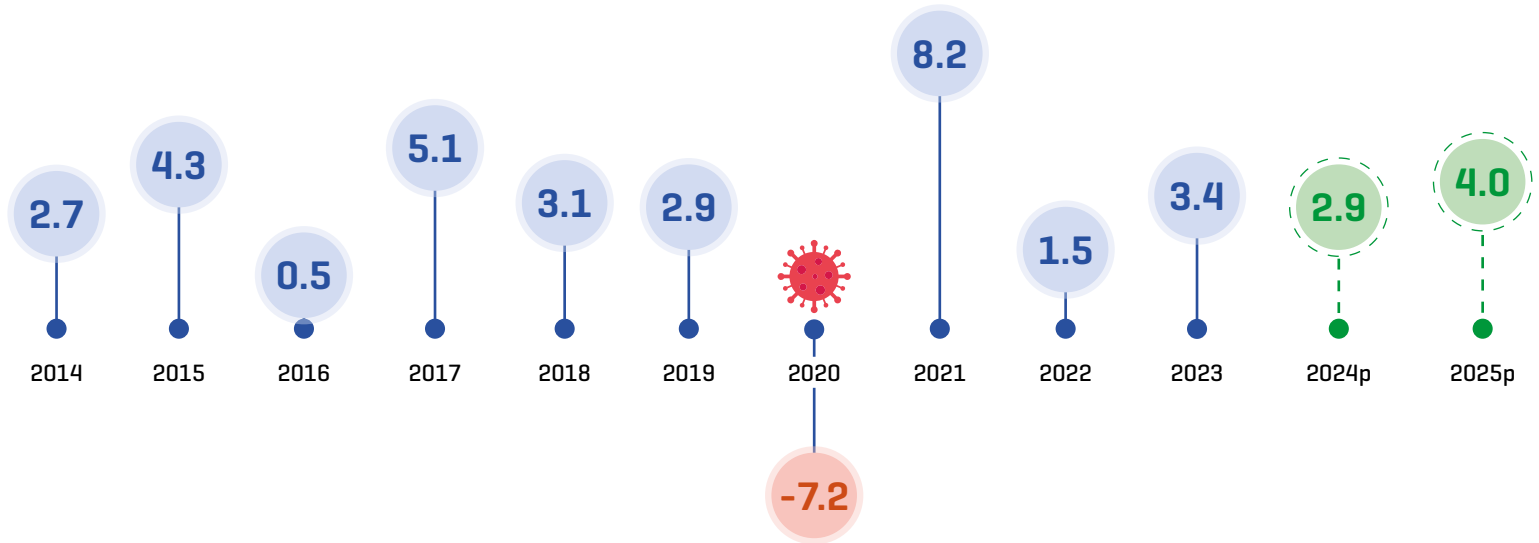
1.1. Economic growth

Morocco's economy has demonstrated a relatively stable growth over the past decade and has grown to become the fifth largest African economy measured by its gross domestic product (GDP).¹ Being faced with a challenging international and regional environment, the Kingdom has proven its resilience with a GDP that has almost tripled in 20 years. Indeed, Morocco's economic growth has been supported by a combination of fiscal policies, investment in infrastructure, diversification of the economy, and a strong tourism sector. The Government has strategically made efforts to diversify its economy and attract foreign direct investment beyond traditional sectors like agriculture and implemented policies to encourage the growth of its secondary and tertiary sectors. In addition, the country has been heavily investing in infrastructure and improving the country's logistics and transportation capabilities while having signed several trade agreements, including with the European Union and the United States of America. This has facilitated and increased the Kingdom's access to global markets. Concurrently, Morocco benefited from a stable socio-economic and political environment thanks to a solid monetary policy, maintaining an average inflation rate at 2.2% over the last 10 years.²

Despite the severe economic shock of the health crisis, Morocco managed to exceed growth expectation. Indeed, while several experts forecasted a GDP growth of around 5.0%³ Morocco made a strong comeback, growing by 8.2% in 2021⁴, enabling the Kingdom to recover most of the output and job losses caused by the pandemic. The rebound was supported by a strong output performance of the primary sector with an exceptional cereal crop after two consecutive years of drought as well as supportive macroeconomic policies and a ambitious vaccination campaign.⁵

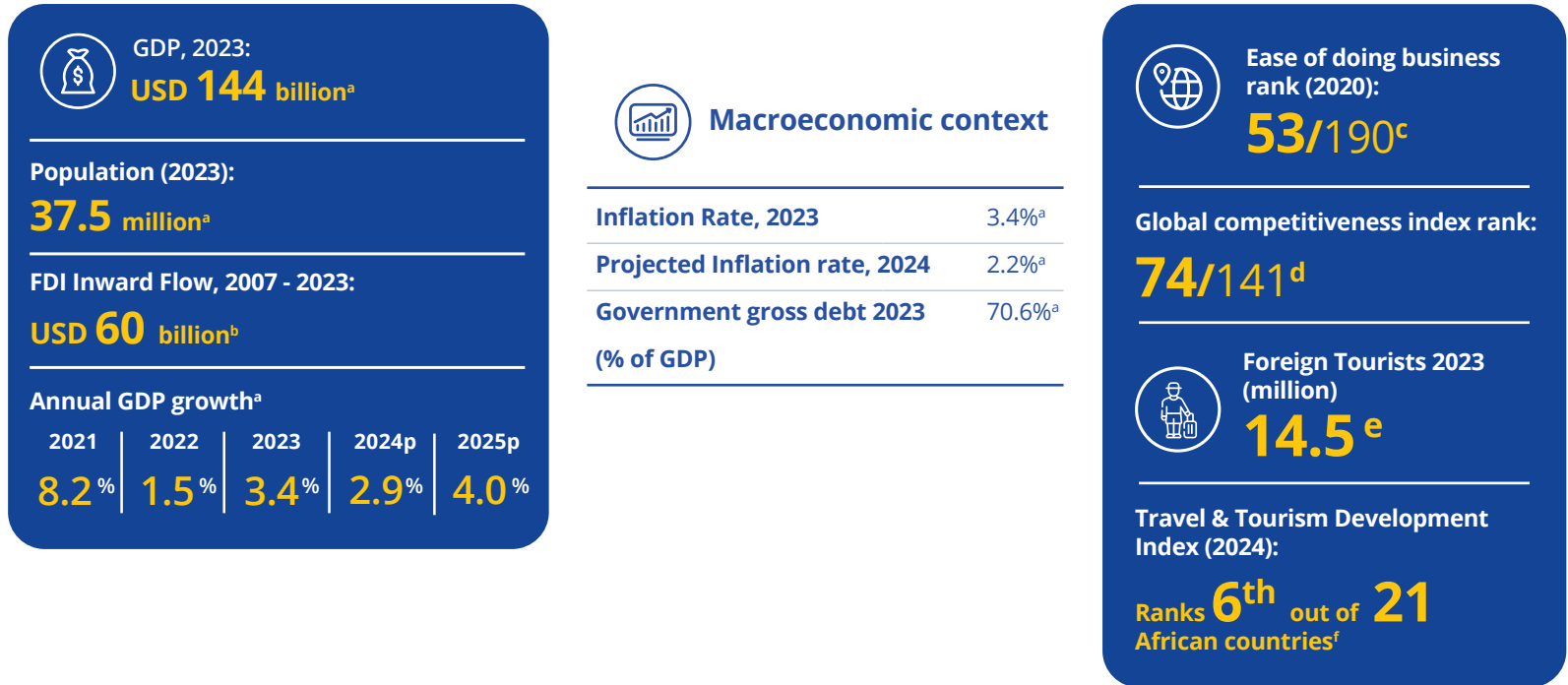
On a longer horizon, over the last 10 years, average GDP growth in Morocco was about 2.5%. According to the World Bank, projections are positive for the country, with expected growth of 2.9% in 2024 and 4.0% in 2025. Continued prudent macroeconomic policies and a recovery in agricultural output remain key to Morocco's resilience over time.⁶

Figure 1.1 Morocco – gross domestic product (GDP) growth, 2014-2025p
[annual %]



Source: International Monetary Fund [2024a], World Economic Outlook Database, April 2024 Edition, FMI, Washington, D.C., available online: <https://www.imf.org/en/Publications/WEO/weo-database/2024/April> [29-04-2024]; World Bank [2024], Economic Monitor, unlocking the potential of the private sector to spur growth and job creation, available online: <https://documents1.worldbank.org/curated/en/099826007162422517/pdf/IDU12f69bf581e7fa144061b0cf15dc97f2b2bbd.pdf> [08.10.2024]

Figure 1.2 Morocco – macroeconomic competitive context



Sources:

- a) World Bank [2024], Economic Monitor, unlocking the potential of the private sector to spur growth and job creation, available online: <https://documents1.worldbank.org/curated/en/099826007162422517/pdf/IDU12f69bf581e7fa144061b0cf15dc97f2b2bbd.pdf> [08.10.2024]
- b) Offices des Changes, available online: <https://www.oc.gov.ma/fr/etudes-et-statistiques/series-statistiques>
- c) The World Bank Group, Doing Business 2020: Comparing Business Regulation in 190 Economies, The World Bank Group, Washington D.C., online available at: <https://archive.doingbusiness.org/en/reports/global-reports/doing-business-reports> [23-03-2023].
- d) Schwab, K. [2019], Global Competitiveness Report 2019, World Economic Forum, Geneva, online available at: <https://www.weforum.org/reports/global-competitiveness-report-2019/> [23-03-2023].
- e) Ministry of Tourism, Crafts and the Social and Solidarity Economy
- f) World Economic Forum [2024], Travel & Tourism Development Index 2024, available online: https://www3.weforum.org/docs/WEF_Travel_and_Tourism_Development_Index_2024.pdf



1.2. Macroeconomic context

The Moroccan Kingdom has pursued several efforts to diversify its economy, with a particular focus towards manufacture and the service sector. Concurrently, the country has created a variety of incentives and policies in order to attract foreign direct investment and has become an important manufacturing hub in the region. This includes but is not limited to the establishment of special economic zones [SEZs] across the country, the creation of Moroccan Investment and Export Agency [AMDIE], as well as the launch of the Industrial Acceleration Plan [PAI] 2014-2020 with the goal of increasing industry's share to the GDP and make industry a major lever of growth.⁷

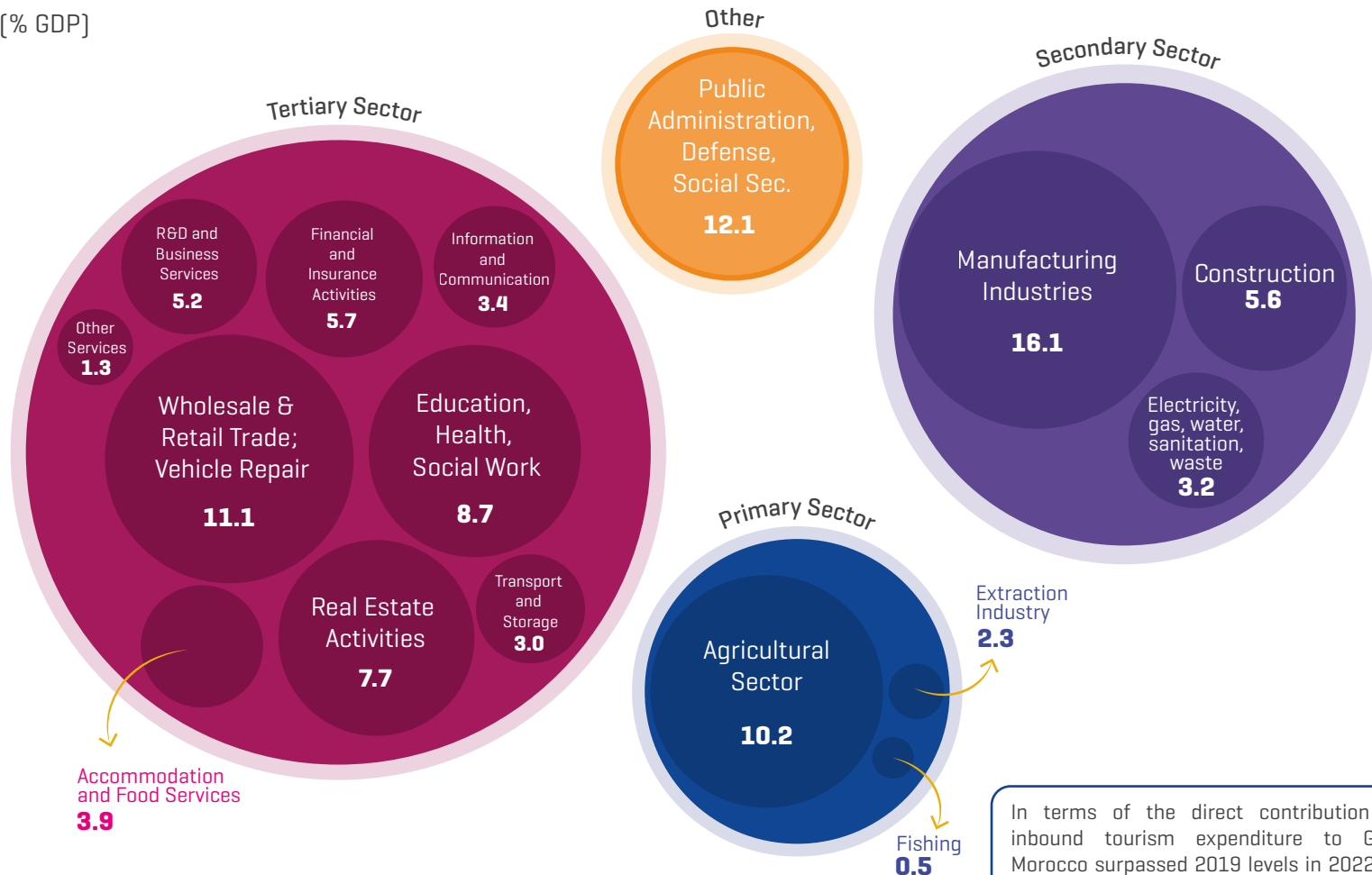
On the other hand, the service sector is the biggest contributor to Morocco's GDP today. Morocco has proven particularly ambitious to position the country as a leading tourism destination and increase the

tourism sectors contribution to the national economy. Firstly, through objectives defined by the National Tourism Strategy 2010-2020 and after the COVID-19 pandemic, which severely affected the tourism sector, Morocco's Minister of Tourism announced its clear intentions to develop a new national tourism strategy to be implemented from 2022 to 2026.⁸ With an allocated funding of USD 610 million [MAD 6.1 billion] the roadmap aims to attract 17.5 million tourists by 2026, MAD 120 billion in tourism receipts and create 200,000 jobs.⁹

The efforts are yielding significant results, with the accommodation and food services sector experiencing a remarkable growth of 22.1% in 2023 compared to 2022.

Figure 1.3: Morocco - sectorial contributions to GDP, 2023

(% GDP)

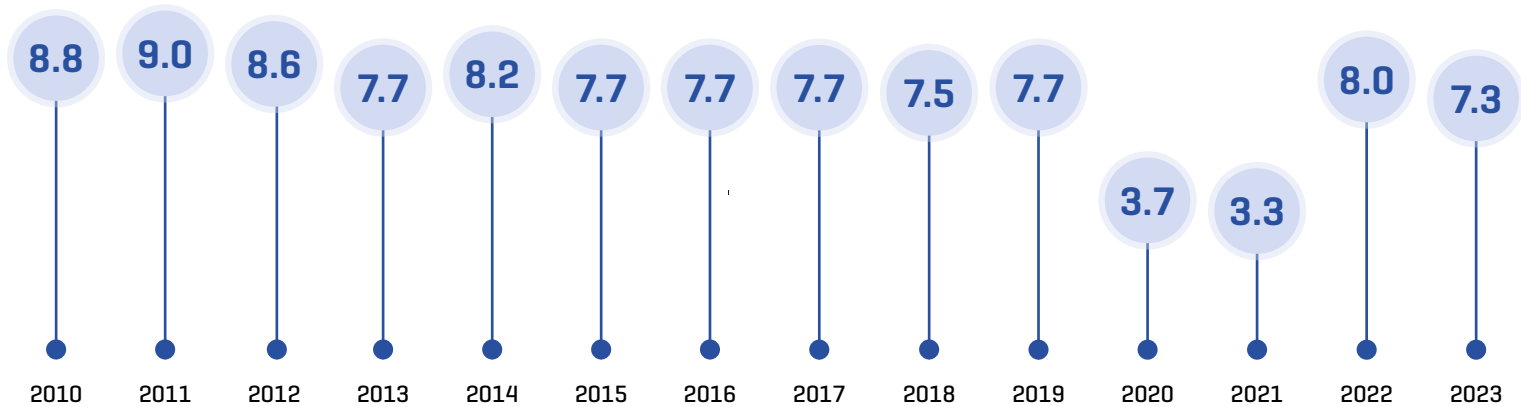


Source: Haut Commissariat au Plan [2024], National Accounts, The national economic situation for 2023, available online: https://www.hcp.ma/Actualite-Comptes_nationaux_r339.html?start=5&show=&order=

In terms of the direct contribution of inbound tourism expenditure to GDP, Morocco surpassed 2019 levels in 2022. In 2023, inbound tourism revenue surged to USD 10.5 billion, representing approximately 7.3% of GDP.

Figure 1.4: Morocco – contribution of inbound tourism expenditure to GDP, 2010-2023

[% GDP]



Source: The Ministry of Tourism, Crafts and the Social and Solidarity Economy, online available at: <https://mtaess.gov.ma/fr/tourisme/chiffres-cles/>.

According to data from the Ministry of Tourism, Handicrafts and the Social and Solidarity Economy, inbound tourism expenditure on average accounted for 8.1% of Morocco’s GDP for almost a decade, making tourism one of the most important economic activities of the country. However, as highlighted above, the COVID-19 pandemic harshly affected the global tourism value chain with Morocco’s tourism sector not being spared. Indeed, with inbound tourism arrivals in the country falling from 13.1 million in 2019 to 2.8 million in 2020 and 3.7

million in 2021, the share of inbound tourism expenditure to GDP fell from 7.7% in 2019 to 3.7% in 2020 and further down to 3.3% in 2021. However, as visualized in Figure 1.4, tourism has shown an outstanding recovery as inbound tourism expenditure’s contribution to GDP increased to 8.0% in 2022 and 7.3% in 2023 a year were the country received 14.5 million tourists with a record breaking in tourism profits surpassing 2019 levels by 12%.¹⁰





02

INVESTMENT OUTLOOK

2.1. Foreign direct investment (FDI) flows in Morocco

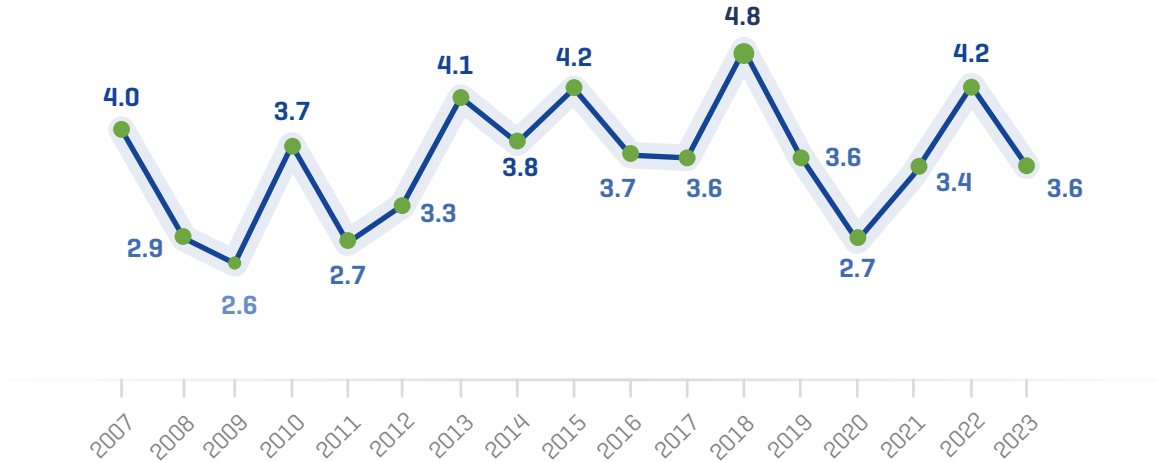
Globally, foreign direct investment (FDI) flows decreased by 2% in 2023, reaching USD 1.33 trillion. This decline was primarily due to escalating trade and geopolitical tensions amidst a slowdown in the global economy.¹¹

In 2023, the Africa region (as defined by the UN Tourism Regional Commission for Africa) experienced FDI inflows of USD 42.8 billion.¹² This figure surpasses the region's 20-year average and is just slightly below the 10-year averages of approximately USD 39.2 billion and USD 42.9 billion per year, respectively.¹³ The data for 2023 indicate resilience, with notable growth in greenfield projects announced and significant mega projects in Mauritania, South Africa, and Morocco.¹⁴

In 2023, Morocco was ranked as the 2nd most attractive African country for investors according to the latest foreign direct investment confidence index 2023 from Kearney.¹⁵ This performance was achieved thanks to its governance, its economic reforms, its legal and regulatory framework, its business opportunities and the motivations and attractiveness for investors put in place by successive Moroccan governments.

Figure 2.1 Morocco – total foreign direct investment (FDI) inflows, 2007-2023

[USD billion]

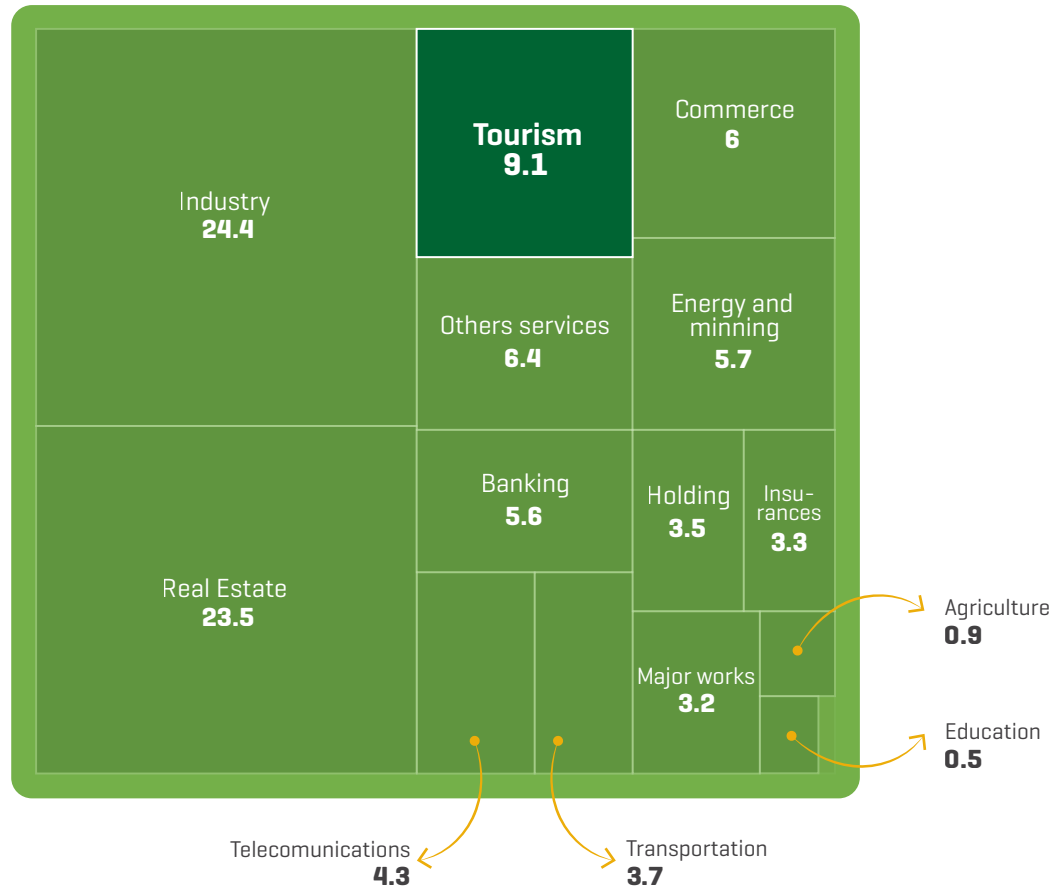


Note: USD = 9.6 MAD

Source: Office des Changes, provided by SMIT, available online: <https://www.oc.gov.ma/fr/etudes-et-statistiques/series-statistiques> [14.10.2024]

Morocco's FDI inflows are spread across various sectors, with some sectors experiencing significant growth in recent years. Over the period from 2007 to 2023, industry, real state and tourism sector received in total the largest share in FDI, accounting for 24.4%, 23.5%, and 9.1% of total FDI. Indeed, tourism positioned itself as the third largest receiver of FDI throughout the past 16 years.¹⁶

Figure 2.2 Total foreign direct investment (FDI) inflows by sector, 2007-2023
 [% of total FDI inflows]



Source: Office des Changes [2024], Statistical series, Foreign Investment in Morocco by sectors, available online: <https://www.oc.gov.ma/fr/etudes-et-statistiques/series-statistiques> [24-05-2024]

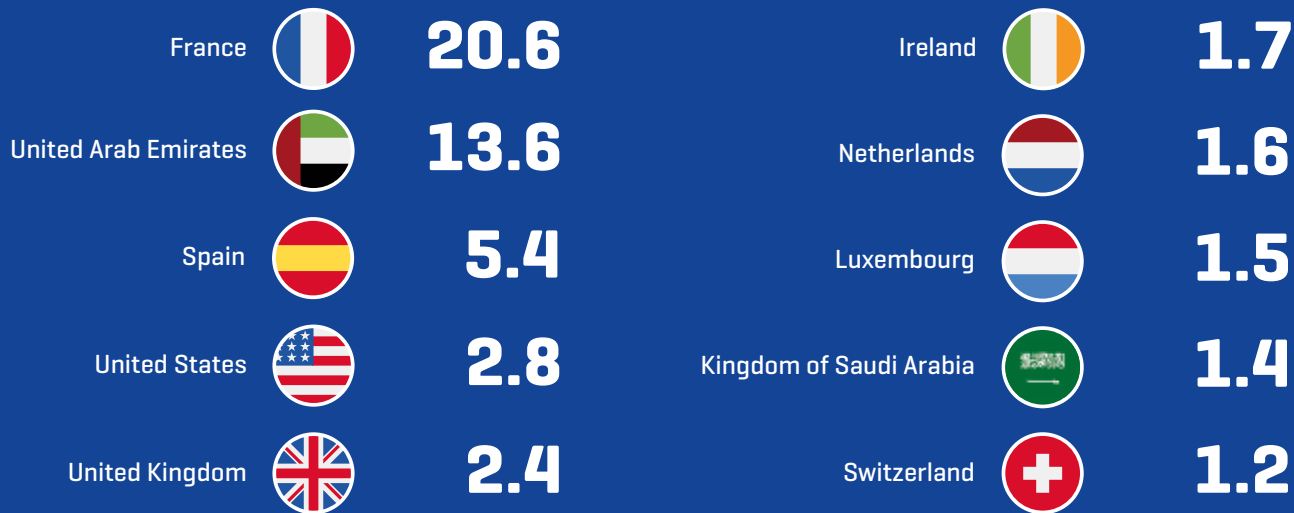
Data from OC reveals an overall positive trend of FDI inflows in the industry sector from 2007 to 2023, peaking in 2013 at USD 1.5 billion [MAD 15.3 billion] with a trough at USD 211 million [MAD 1.8 billion] in 2008. Moreover, the highest FDI inflows into the real estate sector between 2007 and 2023 were recorded in 2016, with USD 1.1 billion [MAD 11.2 billion]. Furthermore, the tourism sector also fluctuated during this period according to the OC statistics. Tourism FDI inflows

surged to USD 1.2 billion [MAD 12.4 billion] in 2007 and hit their lowest point of USD 73.0 million [MAD 736.6 million] in 2017. While there was a considerable decline of 58% in 2020, with total tourism FDI inflows amounting to USD 104 million [MAD 997 million], the sector displayed a resilient comeback, averaging USD 241 million per year between 2021 and 2023, in line with the pre-pandemic levels.¹⁷



Figure 2.3 Leading countries investing in Morocco, stock in 2023

[USD billion]



Note: Exchange Rate: average of each year

Source: Office des Changes (2024), Statistical series, available online: <https://www.oc.gov.ma/fr/etudes-et-statistiques/series-statistiques> [24-05-2024]

According to the Office des Changes, the majority of FDI stocks in Morocco are held by France [USD 20.6 billion], The United Arab Emirates [USD 13.6 billion], and Spain [USD 5.4 billion]¹⁸. Also, according to the consolidated data from 2014 to 2023 by Morocco's Office des Change, the largest investor countries during the last eight years in the Kingdom are France, the United Arab Emirates, The United States of America, The United Kingdom, Spain, and Ireland. In 2023,

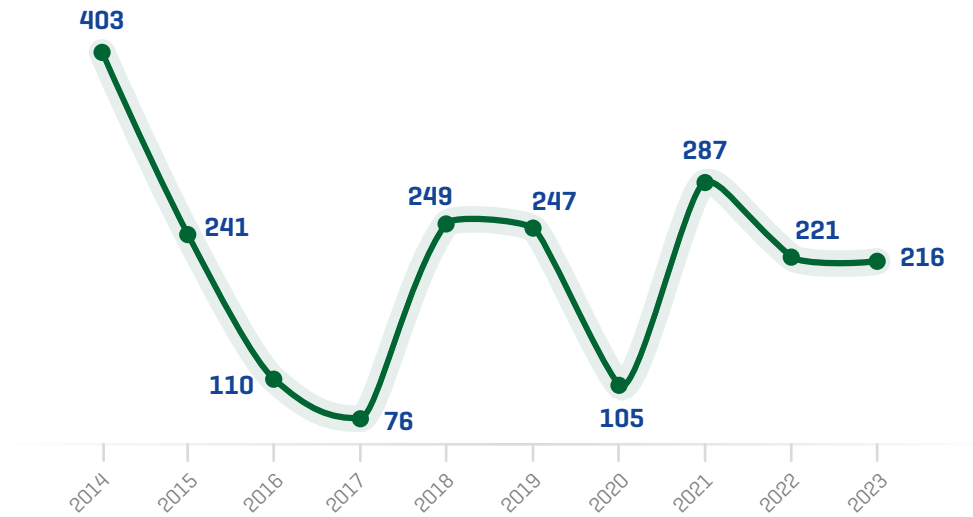
France had invested USD 1.1 billion [MAD 11.3 billion], The United Arab Emirates USD 339.4 million [MAD 3.4 billion], The United Kingdom USD 258.7 million [MAD 2.6 billion], and Spain USD 254.8 million [MAD 2.6 billion].¹⁹

2.2. Tourism Investments in Morocco

Tourism is the third largest recipient sector of FDI in Morocco, illustrating the attractiveness and prospect of the sector. Figures from Morocco's OC show that on average 9.1% of FDI inflows was invested directly in Morocco's tourism sector per year since 2007. Nevertheless, the tourism sector was among the most affected sectors in Morocco from the COVID-19 health crisis and the share of total FDI inflow into tourism equally fell drastically to 3.8% in 2020. On average, data from Morocco's OC indicated that FDI flows into tourism have fluctuated between 2007 and 2023, recording an average annual tourism FDI inflow of USD 355.2 million [MAD 3.1 billion].²⁰

The impact of COVID-19 was strongly felt within the sector, as FDI flows were reduced by 58%, from USD 247.2 million [MAD 2.4 billion] to USD 104.8 million [MAD 997 million], from 2019 to 2020. However, FDI flows recovered in 2021 strongly, increasing 167.5% from 2020 and an increase of 12.2% on 2019, illustrating the resilience and attractive nature of the Moroccan tourism sector. Indeed, the recovery of Morocco's tourism FDI strongly outperformed FDI inflows into other sectors. In comparison FDI inflows into industry and transport which were similarly negatively affected, only recovered slightly in 2021, with FDI inflows remaining well below the pre-pandemic performance. Nevertheless, more work is to be done to attract FDI into the country's tourism sector. Most recent data from Morocco's OC indicates that FDI inflows into tourism amounted to USD 220.6 million [MAD 2.3 billion] in 2022 and USD 216.2 million [MAD 2.2 billion] in 2023, still below the last 16-year average.²¹

Figure 2.4 Morocco – foreign direct investment (FDI) inflows into tourism, 2014-2023
 [USD million]



Note: Exchange Rate: average of every year

Source: Office des Changes (2024), Statistical series, Foreign Investment in Morocco by sectors, available online: <https://www.oc.gov.ma/fr/etudes-et-statistiques/series-statistiques> [24-05-2024].

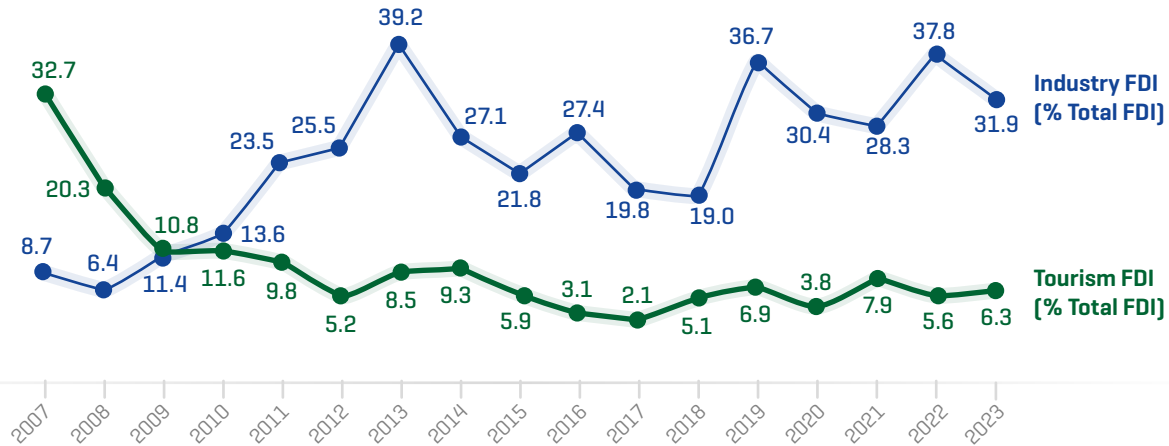
Data supplied by Morocco's OC from 2007 to 2023 shows that the contribution of tourism FDI to total FDI has slightly decreased. In contrast, other sectors such as industries have experienced a proportional increase in their weight to total FDI comparing the years 2007 and 2023 . However, the Government has shown clear efforts towards strengthening Morocco's tourism sector and figures as of 2017 show an upward trend in tourism FDI inflows. Overall, this indicates, among others, that FDI inflows increased proportionately

more into other sectors as Morocco's economy diversifies and that more efforts are to be done to keep the attractive investment prospect of Morocco's tourism sector.

Other recent programs include the newly announced tourism roadmap for 2023 until 2026 aiming to attract 17.5 million tourists by 2026, among other key objectives.

Figure 2.5 Share of total FDI inflows to tourism, 2007-2023

[% of total FDI inflows]



Source: Office des Changes [2024], Statistical series, Foreign Investment in Morocco by sectors, available online: <https://www.oc.gov.ma/fr/etudes-et-statistiques/series-statistiques> [24-05-2024].



2.3 Greenfield FDI Tourism Investments

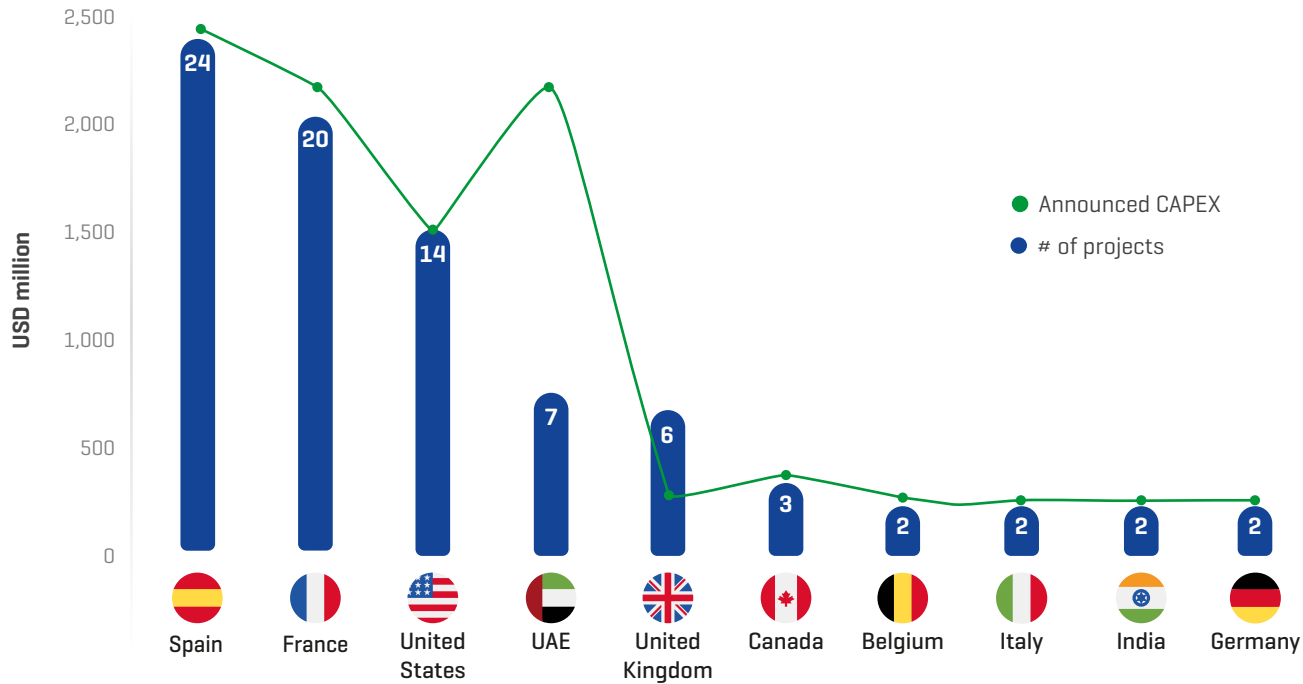
Consistent with the aforementioned trends, Morocco has emerged as a significant destination for Foreign Direct Investment (FDI) in the tourism sector within the Africa region, as defined by the UN Tourism Regional Commission for Africa. Despite the global tourism industry still grappling with the impacts of COVID-19 and struggling to return to pre-pandemic levels, the region experienced a remarkable 219% increase in tourism capital investment in 2023. The number of announced tourism FDI projects surged to 15, representing a 400% increase compared to 2020.²³

According to fDi Intelligence from the Financial Times, Morocco attracted greenfield FDI commitments totaling USD 1.9 billion in the tourism sector between 2018 and 2024. With 19 projects announced in the tourism cluster, Morocco leads the region, accounting for 22% of the announced capital expenditure (CAPEX). This positions Morocco ahead of other prominent African destinations such as South Africa, Tanzania, and Tunisia.²⁴

Morocco's success in attracting FDI has led to the emergence of several major foreign-owned companies operating in the country which have contributed significantly to the country's economic growth. The fDi Markets data reveals that foreign companies investing in Morocco's hotels and tourism and leisure and entertainment sectors have been mainly businesses from Spain, France, the United States of America, the United Arab Emirates, and the United Kingdom. Between January 2003 and 2024, corporations of these five countries have shown the highest number of announced tourism related FDI projects, with 24, 20, 14, 7 and 6 projects respectively. Observing the total capital investment announced from investors in these countries, this list slightly changes, Spain is still leading with an accumulated investment size of USD 2.2 billion, followed by France and the United Arab Emirates with announced capital investments of USD 2.0 billion and the United States of America with USD 1.5 billion.²⁵

Figure 2.6 Morocco – announced greenfield tourism FDI by top 10 source country, 2003-2024

[By number of projects and capital investment in USD million]



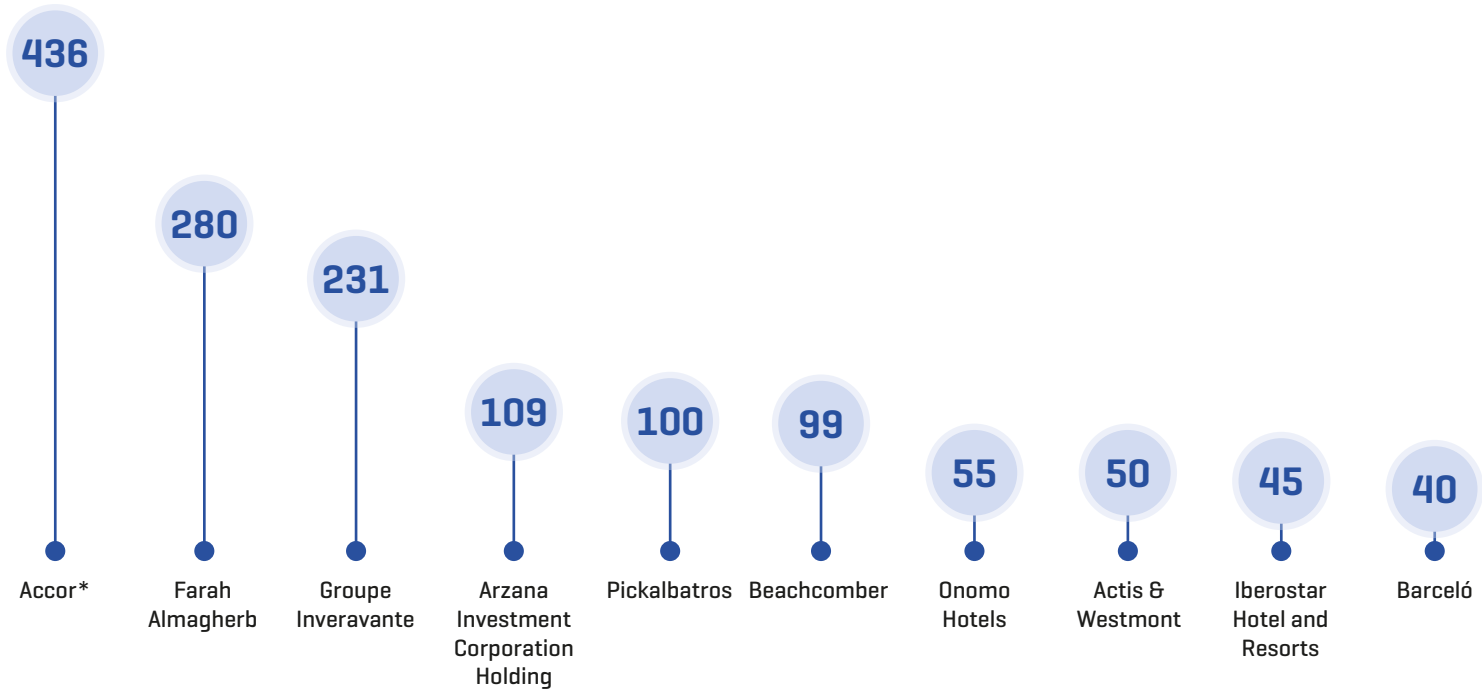
Source: fDi Markets by the Financial Times

Most of these investments have been directed towards tourism projects in urban-centric areas, such as Marrakesh with 26 projects, Casablanca with 18, Rabat with 9, Tangier with 8, and Agadir with 7. Nevertheless, although fewer investment projects have been made in non- traditional cities that might become new potential niches for investors which are a good parameter to consider incentives and efforts on investment promotion to attract and facilitate capital formation in those new potential areas.²⁶

According to Figure 2.7, there have been five main investors, identified by SMIT, who have been investing in Morocco’s tourism sector for the past 10 years. In parallel with the above trend, the largest investor in Morocco’s tourism sector has been the French multinational hospitality company Accor.²⁷

Figure 2.7: Morocco – foreign direct investment by top 10 investment companies, 2010-2022

[USD million]



* Accor has invested through Société RISMA, in which the group is a shareholder.
Source: Moroccan Agency for Tourism Development [SMIT]

Accor, the single largest hospitality company in Europe and the sixth largest worldwide, has continued to grow its footprint into the Kingdom, expanding its investment portfolio in the development of the Fairmont Tazi Palace Tangier in partnership with Katara Hospitality in 2022²⁸, the group's most recent investment into Morocco's tourism sector since 2011²⁹. The 133-room luxury hotel, operated by the Qatari Katara Hospitality, boasts multiple restaurants and bars, a Fairmont Spa, and modern conference and banquet spaces³⁰. Accor has invested in Morocco through the Moroccan society RISMA, in which the group is a shareholder.

Another significant hotel group who has recently announced further developments within Morocco's tourism value chain is the Spain-based hotel group Barceló. In September 2022, building upon their previous investments, Barceló group, who currently operate six hotels in major Moroccan cities: Casablanca, Fez, Marrakech, Agadir, and Tangier, announced an investment of USD 46 million in a Memorandum of Understanding in cooperation with Morocco's Ministry of Tourism and Ministry of Investment to launch multiple new hotels across the Kingdom.³¹ The group has announced its objective to revitalize and upgrade several hotels to enhance the quality of the Tangier-Assila area's hospitality sector, representing a huge boost for the sector and its unique gravitas to attract foreign investments.³²

In addition, one of the world's largest hospitality companies, Hilton, has recently signed an agreement to launch its lifestyle brand, Canopy by Hilton, in Tangier, Morocco, with the unveiling of Canopy by Hilton Tangier Bay in 2026, comprising 110 guest rooms and suites that are uniquely designed to reflect the city's diverse neighbourhoods and cultural landmarks. Alongside this, the company currently operates six hotels in Morocco, with an additional six properties under development.³³ Also, Atlantic Coast Hospitality, a subsidiary of Abu Dhabi-based real estate development firm Q Holding, is expected to announce the opening of the Four Seasons Hotel Rabat at Kasr Al Bahr in Rabat, Morocco in 2024³⁴. The Four Seasons brand's entry into the capital city, expanding its success in Marrakech and Casablanca, is another promising development for country's tourism sector as it continues to recover from the pandemic.

Overall, the Moroccan government has shown unwavering support for its tourism sector, with a focus on sustainable tourism and initiatives to attract more foreign direct investment. As such, the sector in Morocco is well-positioned for a rebound in the post-pandemic world and offers exciting investment opportunities for foreign investors.





03

VALUE PROPOSITION

3.1. Why invest in tourism in Morocco

Morocco has become an increasingly attractive destination for FDI in recent years, thanks to its many assets as well as significant efforts of the government to improve its business climate and create various incentives for attracting foreign investors. It has also earned a reputation as a strategic and competitive exporting hub in the region, offering low production costs, skilled workforce and global access to strategic markets. Indeed, at the crossroads of major international exchange routes and situated 14 km from Europe, Morocco presents a strategic geographical location in addition to privileged access to an international market of over 2.5 billion consumers through several Free Trade Agreements [FTAs]. Morocco's top-class trade and transport infrastructure, exemplified by the Tangiers Med Port with its 184 connections to 77 countries and 9 million container capacity, makes it an ideal choice for businesses looking to expand globally. Furthermore, in regard to tourism, the country proves strong

commitment to not only recover its tourism sector post-COVID-19 with its 2023-2026 roadmap but also transform the tourism sector and establish itself as one of the world's leading tourist destinations. Indeed, tourism is one of the priority sectors of the Moroccan Kingdom and benefits from a public strategy that aims to stimulate private investments, innovation, and digitalization within the Moroccan tourism sector and specifically through the support of SMEs in the tourism value chain. Lastly, Morocco positions itself as a leader in the transition towards a green economy with an ambitious plan for renewable energy and making significant investments in the sector as laid out by The New Development Model 2021. By 2030, the country aims to reach a 52% energy mix through solar, wind, and hydro energies, with renewable energies already representing 40% of total installed power in 2023.³⁵

01

Expansive and significant development in infrastructure



Morocco has made significant investments towards infrastructure development. Measures include the expansion of ports, highways and railway roads to support the growth of its industries and facilitate international trade as well as significant improvements in the internet penetration rate per household across the Kingdom. Morocco's investments in its infrastructure have positioned the country as an attractive destination for FDI and created one of the best road systems on the continent. In July 2020, the country's Ministry of Equipment, Transport, Logistics and Water announced an annual infrastructure budget of USD 4.2 billion throughout the coming decade.³⁶

Table 3.1: Summary of key infrastructure achievements in Morocco



Transportation Infrastructure

1st high speed train in Africa
2,110^{km} of railroads
1,800^{km} of highways
19 international airports
43 Ports^a

The country has heavily invested in upgrading its transportation network, making it more efficient and reliable for both goods and people.

According to Moroccan Agency for Tourism Development (SMIT), Morocco’s road network multiplied by 12 in 15 years, connecting 70% of the country’s population. Morocco is also home to the 1st

high speed train on the African continent that encompasses 323km connecting Casablanca and Tangier.

In addition, Morocco’s 2040 Rail Strategy [Plan Rail Maroc 2040] is a long-term roadmap for the development of the national rail network which includes the extension and maintenance of its rail lines^b



Telecommunications Infrastructure

83% Internet penetration rate per household in 2020
29.8 million internet subscribers

Morocco has a well-developed telecommunications infrastructure with a high penetration rate of mobile phones and internet access.

Indeed, the internet penetration rate per household between 2010 and 2020 has more than doubled. According to the National Telecommunications Regulatory Agency [ANRT] the number of

internet subscribers amounted to 29.8 million, recording an annual increased of more than 17% and bringing the internet penetration rate per household to nearly 83%.^c



Industrial Infrastructure

119 Industrial Zones

7 Special Economic Zones

Morocco has developed several industrial and free trade zones, which offer a number of incentives and tax exemptions for investors. As a result of consequent efforts towards growing its industries, Morocco has established itself as an important manufacturing hub on the African continent close to Europe.^a



Tourism Infrastructure

289,000 beds

With tourism as a strategic sector for Morocco's economy, the country has heavily invested in its tourism infrastructure with the expansion of its accommodation capacity and the improvement of its transportation infrastructure.

In 2023, hotel establishments had a total capacity of 289,000 beds. This shows that the accommodation capacity between 2012 and 2023 grew by 110,000 beds, recording more than 60% increase in a decade.^d

The Moroccan government has also undertaken a series of measures to improve its airport infrastructure and plan to develop it further.

Certainly, the Board of Directors of the Moroccan National Airports Office (ONDA) recently approved a budget of USD 475.5 million (MAD 4.8 billion) for 2023 to develop Morocco's airports or improve their efficiency. The 2023 budget records an increase of 6.1% compared to the budget from the previous year.^e



Energy Infrastructure

40% of total installed power in 2023 was produced by renewable energies

52% of total electricity production from renewable energy by 2030^f

Morocco has been working towards diversifying its energy mix and increase the share of renewable energy in order to support the country's transition towards a more green economy.

The Ministry of Energy, Mines, and Environment recently submitted an amendment proposal to Law 13-09 on Renewable Energy and

Law 16-08 with the primary objective to enhance the regulatory and legislative framework of renewable energy projects by the private sector while ensuring the stability and sustainability of the national electricity system.^g

Sources:

- a)** Morocco Now [2022], Why Morocco?, Moroccan Investment and Export Agency, online available at: www.morocconow.com/wp-content/uploads/2021/11/PitchGeneraliste.pdf [23-03-2023].
- b)** Moroccan Ministry of Equipment, Transport, Logistics and Water [2014], Plan Rail Maroc 2040 «PMR 2040 », AMDL, online available at: www.mtpnet.gov.ma/ferroviaire/Actualites/Pages/Actualites.aspx?IdNews=317 [23-03-2023].
- c)** L'Agence Nationale de Réglementation des Télécommunications [2021], OBSERVATOIRE DES ABONNEMENTS A INTERNET AU MAROC: Situation à fin septembre 2021, ANRT
- d)** Provided by the Moroccan Tourism Development Agency (SMIT).
- e)** Minister of Transport and Logistics [2023], Sous le signe de la reprise et de la performance, tenue du Conseil d'administration de l'ONDA – Session du 10 mars 2023 – , Minister of Transport and Logistics [online], available at : www.transport.gov.ma/aerien/Actualites/Pages/Actualites.aspx?IdNews=3841 [23-03-2023].
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- g)** International Trade Administration U.S. Department of Commerce [2022], Morocco – Country Commercial Guide, ITA, Washington D.C., online available at: www.trade.gov/country-commercial-guides/morocco-energy [23-03-2023].

02

Home to a rich cultural and natural heritage



Morocco has a rich cultural and natural heritage placed in warm Mediterranean climate. Its diverse landscapes, ranging from the Sahara Desert to the Atlas Mountains and the Atlantic Coast, offer visitors a wealth of natural wonders to explore. The country is also home to numerous historic cities, including Fez, Marrakesh, and Rabat, each with its unique cultural landmarks such as impressive mosques, palaces, and fortresses. The medinas, or historic walled cities, are particularly significant, providing a glimpse into the country's past with their intricate architecture, vibrant markets, and narrow winding streets. Additionally, Morocco's diverse population has contributed to its diverse cultural heritage, with traditions and customs that vary across the country. From its cuisine, music, and clothing to its vibrant festivals and ceremonies, Morocco is home to a unique blend of history, culture, and natural beauty.

+3,500 km Coastline **11** National Parks³⁷

9 Cultural UNESCO World Heritage Sites

Table 3.2 The nine world heritage assets of the Kingdom of Morocco

Archaeological Site of Volubilis

The Roman fortified municipium situated, covering 42 hectares, is a significant example of Roman urbanization and cultural blending at the Roman Empire's frontiers. It's rich in archaeological and epigraphic evidence, showcasing various civilizations spanning from prehistory to the Islamic era. It is home to various artistic materials such as mosaics, marble, bronze statuary, and inscriptions, making it one of North Africa's richest sites from this period.

Historic City of Meknes

The city was founded in 1061 A.D. by the Almoravids as a military stronghold and was later expanded and fortified by the Sultan Moulay Ismail in the 17th century. The city's urban layout and architecture reflect the fusion of Islamic and European styles, and is a testament to the power and grandeur of the Moroccan sultanate during the 17th century.



Ksar of Ait-Ben-Haddou

The ksar, a group of earthen buildings surrounded by high walls, is a traditional pre-Saharan habitat and a striking example of traditional earthen architecture, which has been used for centuries in this region of Morocco. The buildings are constructed of a mixture of clay and straw, which gives them their distinctive reddish-brown color.

Medina of Essaouira

A late-18th-century fortified town built using contemporary European military architecture principles. It has been a prominent international trading seaport connecting Morocco and the world since its establishment.



Medina of Fez

Founded in the 9th century, Fez reached its height in the 13th-14th centuries under the Marinids, when it replaced Marrakesh as the capital of the kingdom. The principal monuments consist of madrasas, fondouks, palaces, residences, mosques and fountains that date from this period. Fez has retained its status as the country's cultural and spiritual centre.

Medina of Marrakesh

Marrakesh was once a significant center of politics, economy, and culture, spanning from North Africa to Andalusia. It has impressive monuments dating back to that time, such as Koutoubiya Mosque, Kasbah, battlements, doors, and gardens. Later architectural jewels include Bandiâ Palace, Ben Youssef Madrasa, Saadian Tombs, and Jamaâ El Fna Square.





Medina of Tétouan

Tétouan played a crucial role in the Islamic era, serving as the main link between Morocco and Andalusia since the 8th century. Following the Reconquest, the town was reconstructed by Andalusian exiles, which is evident in its art and architecture that reveal clear Andalusian influence. Despite its small size, Tétouan's medina remains the most intact and least affected by external influences.

Portuguese City of Mazagan

Represents one of the early settlements of the Portuguese explorers in West Africa on the route to India and creates an outstanding example of the interchange of influences between European and Moroccan cultures. The city is particularly known for its well-preserved Portuguese Cisterns, which are underground water reservoirs from the 16th century.



Rabat, Modern Capital and Historic City

The new town is one of the largest and most ambitious modern urban projects built in Africa in the 20th century and probably the most complete. The city integrates modern town planning and architecture with the ancient city's historic and cultural elements, creating a unique architectural and decorative style that reflects contemporary Morocco's identity within the Maghreb context.

Source: World Tourism Organization (2023), based on United Nations Educational, Scientific and Cultural Organization (UNESCO).

03

Tourism builds a priority sector to Morocco



Morocco has been investing heavily in its tourism sector, with a vision to position itself as a leading destination in the global tourism market by putting sustainable development at the heart of the strategy. The country has implemented a range of measures aimed at enhancing the quality and diversity of its tourism offer, while also improving infrastructure and increasing capacity to accommodate growing demand. Morocco has set ambitious goals for its tourism sector through its Vision 2020 and the recently launched Roadmap for Tourism 2023-2026. Both plans aim to enhance the quality and diversity of Morocco's tourism offer, improve infrastructure, and increase the country's competitiveness in the global tourism market. In addition, the importance of developing a skilled workforce and improving the competitiveness of Morocco's tourism sector through innovation and digitalization is strongly encouraged.

As part of its **Vision 2020** plan, launched in 2010, Morocco has set ambitious targets for the tourism sector, including the construction of new hotels and resorts, the development of new tourism products and services, and the expansion of its international air transport network. The plan also aimed to diversify tourism offerings beyond traditional destinations like Marrakech and Casablanca, by promoting lesser-known regions and attractions throughout the country. To achieve these goals, Morocco has taken a multi-pronged approach that involves significant investment in infrastructure, such as the construction of new airports and highways, and the modernization of existing facilities. Additionally, the country has implemented a range of policies aimed at encouraging private investment in the tourism sector, including tax incentives and streamlined business regulations.³⁸ The efforts have borne fruit, with Morocco's tourism sector experiencing significant growth in recent years, with a record-breaking 12.9 million visitors in 2019.³⁹

In 2022, the Moroccan government launched the **Roadmap for Tourism 2023-2026**, which builds on the successes of the Vision 2020 plan and sets new targets for the tourism sector. The initiation of the Roadmap for Tourism 2023-2026, following the COVID-19 pandemic, highlights Morocco's commitment to developing a sustainable and competitive tourism sector and

reposition tourism as key sector in the national economy. Aiming to transform the tourism sector and position itself as a leading player in the global tourism market, Morocco will focus on enhancing the quality and quantity of its tourism offerings, improving infrastructure (including transportation and accommodation), promoting sustainable tourism practices, encouraging private investment in the sector and attracting 17.5 million tourists by 2026, generating MAD 120 billion in foreign exchange earnings, and creating 80,000 direct and 120,000 indirect jobs. The new tourism roadmap also aims to improve its destination's attractiveness through strengthening its airline connectivity and tourism product's offer through a competitive investment charter with incentives of up to 30% of cash back.⁴⁰ The efforts are starting to yield results, as evidenced by Morocco receiving 14.5 million international tourists in 2023⁴¹. According to the most recent data, the number of international tourists in the first seven months of 2024 increased by 33% compared to the same period in 2023.⁴²

The country's commitment to improving infrastructure, diversifying tourism offerings, and creating an attractive investment climate have

all contributed to the sector's success. According to a report by the Organization for Economic Cooperation and Development (OECD), Morocco's tourism sector has made significant progress in recent years, thanks to the Vision for the tourism sector. The report notes that Morocco has diversified its tourism offerings and improved the quality of its tourism products and services. With the newly introduced Tourism Roadmap, Morocco will not only stimulate the post-pandemic recovery of its tourism sector but also transform the sector as a key pillar to its economic growth.⁴³

The new orientations to boost the tourism sector came with an approach focused on the tourism experience, moving from a logic of building destinations to a logic of building sectors!

Thus, priority thematic tourism sectors have been identified to build the offer, namely: Ocean Waves sectors for water sports, Nature Trekking and Hiking for green tourism, City Break for short urban stays, Beach & Sun for the offer beach, Desert & Oasis Adventure for desert getaways, Business tourism for professional events, Cultural tours for immersive experiences and internal tourism.



Table 3.3 Morocco – 9 thematic tourism fields and 5 prioritized transversal fields

**Fields -
International
Tourism**

Ocean Waves



Nature, Trekking and Hiking



City Break



Beach & Sun



Desert & Oasis Adventure



Cultural Tours



Business Tourism



**Fields -
Domestic
Tourism**

Sea Side



Nature & Discovery



Transversal Fields for the promotion and preservation of intangible heritage

Gastronomy and Local Products



Alternative Accommodation
(Responsible and Authentic)



Festivals and Museums



Handicraft and Expertise



Sustainable Development

04

Premium and strategic location and trading hub in Africa



The Kingdom of Morocco, located in a strategically advantageous position between the Atlantic Ocean and the Mediterranean Sea, serves as a crucial conduit for trade both within and beyond the African continent and is located just 14 km from Europe.⁴⁴ At present, Morocco has preferential trade agreements with a total of 62 countries⁴⁵, alongside multiple Free Trade Agreements [FTAs] that enable it to tap into a market of over 90 countries and 2.5 billion potential consumers.⁴⁶ Overall, Morocco is establishing itself as a vital hub for international trade and manufacturing, facilitated by its geographic location, extensive infrastructure and various industrial zones.

On March 1, 2000, the EU-Morocco Association Agreement pertaining to industrial goods came into force. Furthermore, in October 2008, Morocco achieved "advanced status," which allowed for explorations of a comprehensive free trade agreement by both parties. Continuing with this positive momentum, the EU and Morocco have had ongoing negotiations for a Deep and Comprehensive Free Trade Agreement [DCFTA] since 2013. In 2019, the Moroccan government ratified the African Continental Free Trade Area [AfCFTA] agreement which created a single market for goods and services across 54 African countries and is seen as critical for growth and job creation in Africa. In addition, Morocco has started negotiations for FTAs with Canada and West African states, has applied to join the Economic Community of West African States [ECOWAS] and has begun negotiations with Mercosur for a free trade area, but has yet to secure entry to either trade bloc.⁴⁷

Morocco boasts an extensive transportation infrastructure, including 27 commercial ports, which are recorded to have handled 192.1 million tons in 2021, a railway network spanning 2,110 km with 15 stations for freight,⁴⁸ a 1,800 km highway roads with plans to expand 3,000 km into highways by 2030, as well as a total of 24 commercial airports.⁴⁹ Further, in July 2020, it was announced that Morocco's Ministry of Equipment, Transport, Logistics, and Water declared plans to allocate a yearly budget of USD 4.2 billion for infrastructure developments in the following ten years demonstrating the Kingdom's ambitious growth plans.⁵⁰

The Kingdom's strategic location is leveraged by the deep-water Tanger Med Port on the Strait of Gibraltar 40 km from Tangier which launched in 2002 and opened in 2007. The port was expanded via Tanger Med 2 which was inaugurated in 2019, making Tanger Med the largest port in Africa and the Mediterranean, able to rival Algeciras in

Spain, as well as the 1st transshipment platform in the Mediterranean and Africa. The port has 184 connections with 71 countries and has a capacity to treat 9 million containers per annum.⁵¹



Figure 3.1 Overview of Morocco's Free Trade Agreements

EAFT (European Assoc. for Free Trade)

[Iceland, Liechtenstein, Norway Switzerland]



FTA with United Kingdom of Great Britain and Northern Ireland



FTA with the United States of America



African Continental Free Trade Area (AfCFTA)



FTA with the UAE



FTA with the European Union



FTA with Turkey



FTAs with Jordan , Tunisia, Egypt



Greater Arab Free Trade Agreement (GAFTA)

Saudi Arabia, Bahrain, Egypt, United Arab Emirates, Iraq, Jordan, Kuwait, Lebanon, Libya, Palestine, Qatar, Sudan, Sultanate of Oman, Syria, Tunisia, Yemen



Source: Morocco Now [2023].

05

African leader in the transition towards a greener economy



Morocco is recognised as a leader in the transition towards a greener economy in Africa due to its efforts in the development and implementation of renewable energy projects, policies, and initiations. For example, according to the McKinsey Report on Africa's green manufacturing crossroads [2021], 960 MW of renewable energy sources had been developed in just four years [2015 to 2019] in Morocco, reaching a total installed renewable capacity of 3,865 MW by the end of 2019.⁵² In addition, Morocco's Ministry of Energy Transition and Sustainable Development introduced a comprehensive plan in August 2021 that gradually incorporates natural gas into both the industrial and domestic sectors of the country, while simultaneously advancing its development to meet the electricity generation requirements.⁵³

Moreover, Morocco is establishing a favourable regulatory environment for the key shift to a hydrogen-driven greener economy, forming a National Hydrogen Commission in July 2020 to develop a roadmap for this new energy source, and is seeking to consolidate its sustainability-driven infrastructure to support the worldwide shift to renewable energy development while prioritising economic growth with a focus on longer-term sustainability initiatives.⁵⁴ Morocco's leadership in green hydrogen production is evident in a recent study called "Economic Opportunities of Power-to-X in Morocco",⁵⁵ which positioned the country to capture up to 4% of the global market for green molecules. Similarly highlighted by McKinsey, "green hydrogen production is key to Morocco's strategy for a new zero future and the country is taking concrete action to achieve progress."⁵⁶ Consequently, the GreenH2 Maroc innovation hub was established in 2021 to spearhead research and development activities in this domain.⁵⁷

Also, the Moroccan Government has launched the 'Morocco Hydrogen Offer' for the development of the green hydrogen sector. This is a concrete and motivating initiative that covers the entire value chain of the industry. It also addresses the needs of investors, with the goal of positioning the Kingdom as a leading and competitive player in this sector.

By 2030, Morocco endeavours to procure 52% of its electricity from renewable energy sources in its energy mix.⁵⁸ Indeed, this ambitious vision is supported by Morocco's strong potential in producing renewable energy with its abundance of natural light. The flagship venture consists of the Noor Ouarzazate IV solar plant, the world's biggest thermo-solar energy complex, along with the largest wind power plant in Africa, boasting a capacity of 300 MW, sufficient to cater to the energy needs of 1.5 million homes. Renewable energy projects are supported through the Moroccan Agency for Sustainable Energy [MASEN]'s institutional framework providing a comprehensive platform for private project developers that integrates permitting, land acquisition, and financing facets, while also ensuring state protection for the investment.⁵⁹

Despite efforts to increase domestic production, the Kingdom of Morocco still relies on imports to fulfil 90% of its energy needs. As of 2021, the country's energy mix consists of 92.4% fossil fuels and only 7.6% low-carbon sources. However, there has been progress in shifting towards renewable energy. In fact, the share of fossil fuels in the country's electricity generation has decreased from 89.2% in 2011 to 80.2% in 2021.⁶⁰ Also, in 2021 Morocco's National Office of Electricity [ONEE] reported that 37.1% of its electricity production came from coal, 17.7% from natural gas, 16.1% from hydroelectricity, 13.4% from wind, 7.6% from solar and 7.7% from fuel oil.⁶¹





3.2. Investment incentives overview

Morocco, situated at the intersection of Europe and Sub-Saharan Africa, aims to establish itself as a regional business hub. With its advantageous geographic location, stable political environment, and robust infrastructure supported by competitive labor costs, the Kingdom is developing into an important center for manufacturing, tourism and exports, attracting international companies. Over the past years, Morocco has focused on encouraging foreign investments through a number of structural reforms towards creating a more favorable business environment supported by solid macroeconomic policies, trade liberalization and agreements as well as investment incentives. Various incentives to promote FDI include tax exceptions, customs duties, and investment grants.⁶²

The New Development Model, launched in spring 2021, outlines most of the Government's strategies to not only enhance employment opportunities, promote FDI, increase productivity and output in key sectors, but also enable its country's green transition with renewable energy sources providing over half of its energy mix by 2030. To support the latter, the Moroccan Agency for Sustainable Energy [MASEN] offers a 'one stop shop' for private developers and renewable energy projects and assists among other activities, in land acquisition, financing aspects and securing a state guarantee for the investments.⁶³

Morocco has ratified 72 investment treaties for the promotion and protection of investments. These include the International Centre for Settlement of Investment Disputes (ICSID), the Multilateral Investment Guarantee Agency (MIGA) and the Inter-Arab Investment Guarantee Organization, which all concern the guarantee and protection of investments. In addition, the Kingdom has 62 economic agreements, including with most EU nations and the United States of America, that aim to eliminate a double taxation of income. According to the US Department of State, Morocco is the only African country with a Free Trade Agreement (FTA) with the United States of America, avoiding tariffs on more than 95% of distinct goods.

In addition to tax exemptions that are granted under common law, specific advantages are provided to investors upon fulfillment of required criteria. These incentives include exemptions from customs duties [Article 7.I of the Finance Law 12-98] and Value Added Tax (VAT), as well as subsidies for investments in specific industrial sectors through the Industrial Development and Investment Fund or for the development of new technologies through the Hassan II Fund for Economic and Social Development.⁶⁴ **There are no ownership restrictions or requirements for foreign investors, whether for new investments or the acquisition of domestic companies or land in urban areas.**



Table 3.4 Morocco – main laws concerning investments**Law n° 03-22**

Adopted in December 2022, forms the **Investment Charter** and sets the objectives for the promotion and development of investments to establish Morocco as a international hub for investments and business opportunities.

Applies to both foreign and domestic investments, except for investments in agriculture which is subject to sectoral legislation.

The Charter concerns both the investment support system itself and measures to strengthen the attractiveness of the Kingdom in terms of investment promotion and facilitation.

The Charter highlights the main mechanisms to support projects that meet defined criteria, develop investments in prioritized sectors of activity, and reduce disparities between the country's provinces in terms of FDI attraction.

Includes the adoption of the national charter of administrative reconcentration, the reform of regional investment centers and the creation of unified regional investment commissions, the simplification of procedures and administrative formalities and the creation of the Mohammed VI Fund for investments.

Chapter 1 - General provisions

Chapter 2 - Investment support schemes

Chapter 3 - Parallel measures to support investment

Chapter 4 - Guarantee for investors

Chapter 5 - Investment governance

Chapter 6 - Settlement of disputes

Chapter 7 - Miscellaneous and transitional provisions

New Law under adaptation in the parliament 22.24.

Concerns the reform of **Regional Investment Centers (CRI)** and creating the unified regional investment commissions. The reform is based on 1) Restructuring CRIs, 2) Creating a unified regional commission of investment and simplification of procedures, 3) Simplification of the procedures for processing investment files.

CRIs are established as public establishments with legal nature and financial autonomy, governed by the provisions of Law n 47-18 and subject to State supervision. The Centers are responsible, each within its territorial jurisdiction, for contributing to the implementation of the State's policy in terms of development, encouragement, promotion and attraction of investments at the regional level and overall support for enterprises, particularly micro, small and medium-sized enterprises.^b

Law n° 47-06

Corresponds to the taxation of the local communities.

Finance Law 50-22 - Article 164 - 1° - P



Exemption from custom duties

Finance Law 50-22 - Article 164 - 1°-P provides exemption from custom duties for companies which carry out an investment program equal or greater to MAD 50 million^c.

Bill N°76.20 – Mohammed VI Fund for Investments



The bill was presented in November 2020 by the Minister of Economy, Finance and Administration Reform and concerns a bill of USD 1.5 million [MAD 15 billion]. The fund aims to finance major investment projects and support them at a local and national level as well as to provide capital support to small and medium-sized enterprises [SMEs] through sector-oriented funds.

The funds will also contributed capital of large public and private enterprises that operate in priority sectors through various financial instruments.^d

General Tax Code – 123-22°-b



Exemption from VAT

Tourism investors benefit from VAT exemption for capital goods, materials and tools acquired locally for a period of 36 months from the date of the start of the company's activity. For companies carrying out the construction of their investment projects, the period of 36 months begins to run from the date of obtaining the building authorization.

For companies making an investment of MAD 50 million and having signed an investment agreement with the State, the aforementioned exemption period begins to run, either from the date of signature of the said investment agreement, or from the date of issuance of the building authorization.^e

Source:

- a) United Nations Conference on Trade and Development [2022], Framework Law No. 03-22 on Investment Charter, UNCTAD Investment Policy Hub, online available at: <https://investmentpolicy.unctad.org/investment-laws/laws/363/morocco-morocco-investment-charter-2022> [23-03-2023].
- b) Royaume du Maroc Ministère de l'Intérieur [2019], Loi 47-18, Centre Régional d'Investissement Fès – Meknès, online available at : <https://fesmeknesinvest.ma/loi-47-18/> [23-03-2023].
- c) World Trade Organization [2015], Trade Policy Review: Kingdom of Morocco, WTO, online available at: www.wto.org/english/tratop_e/tpr_e/tp429_e.htm [23-03-2023].
- d) Ministry of Economy and Finance [2020], Government Council adopts bill establishing "Mohammed VI Fund for investment": 26/11/2020, Ministry of Economy and Finance, online available at: www.finances.gov.ma/en/Pages/detail-actualite.aspx?fiche=5222 [23-03-2023].
- e) Article 92-I-6° of the General Tax Code [CGI]: general tax code

In general, each region of Morocco has the authority to develop its own investment promotion campaign. Here, the **Regional Investment Centres** (CRIs), act as one-stop shop for investors within each its territorial jurisdiction and is responsible for promoting and attracting investments at the regional level.⁶⁵ Indeed, the aforementioned is a result of the country's continuous efforts in the recent years towards the "Advanced Regionalization Process" [La Régionalisation Avancée] which involves decentralizing administrative activities to the regional levels across its 12 regions. In addition, the country has several institutions in place that are in charge of investment promotion in the country under the supervision of the Ministry of Investment, such as the Moroccan **Investment and Export Development Agency** (AMDIE) and the **Moroccan Agency for Tourism Development** (SMIT). The AMDIE is in charge of promoting and sustaining national and international investments as well as the export of good and services. SMIT is the state body that is primarily in charge of promoting tourism investments and is supervised by the Ministry of Tourism, Handicrafts and Social and Solidarity Economy that oversees the implements the national strategies and policies regarding tourism. SMIT is organized into two main segments. The first being **product development** which involves the management of incentive tools for tourism investment, subvention for tourism development programs, development of land bases owned by SMIT for the creation of new tourist areas, and participation within companies during the development of strategic tourism projects. The second angle of SMIT concerns the **promotion of the tourism development segment** that involves seeking financing for the development of the tourism product, conducting studies to improve the attractiveness of destinations, negotiating and prospecting with public and private investors and monitoring of investments. Indeed, SMIT builds a crucial institution as tourism has been among the largest recipients of FDI inflows since over a decade and builds a strategic and crucial sector for driving Morocco's economic growth and social development.

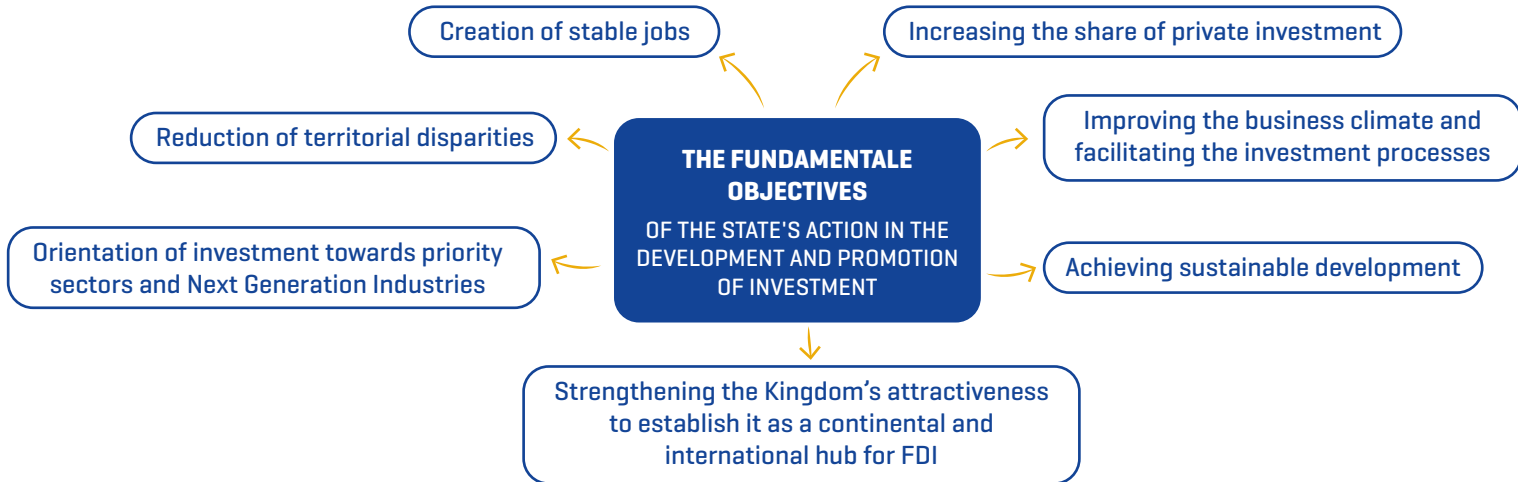


3.2.1 Investment Charter: A transparent and clear framework to encourage investment

Morocco has taken substantial steps to sustain and encourage foreign and local investments with the investment reform plan, launched in 2016, being a prominent change towards creating a favorable environment for the private sector and drive growth.⁶⁶ Recently, the Government also adopted an Investment Charter with the aim to make Morocco a hub for FDI, reduce disparities between regions in regards to investment attraction, encourage investment towards priority sectors, promote exports and internationalization of domestic enterprises and improve the business environment and facilitate the

investment process.⁶⁷ In more detail, as stated by the charter itself, the primary objective of the Investment Charter is to optimize the impact of investment, with a particular focus on **creating long-lasting employment opportunities, fostering equitable development across regions, prioritizing sectors with high growth potential for the national economy, and promoting sustainable development.** Hence, the charter sets the foundational nine objectives and directions of Morocco, defines the investment support schemes, and actively supports reform initiatives aimed at facilitating investment.⁶⁸

Table 3.5 The objectives of the Investment Charter for the tourism sector



Source: The Investment Charter: A transparent and clear framework to encourage investment by the Ministry of Investment, Convergence and Evaluation of Public Policies and Moroccan Investment and Export Development Agency [AMDIE].

Figure 3.2 Summary of Morocco’s investment support schemes

The total grant can reach up to 30% of the eligible investment amount and is subject to two criteria:

- Either exclusively based on the number of jobs created, which must be greater than 150 jobs, without any requirement for a threshold for the investment amount.
- Or jointly on the basis of the amount of the investment [≥ 50 million MAD] and the number of stable jobs to be created [at least 50].

Grants Incentives

Common Incentives Incentive for the Creation of Stable Jobs	
1. Creation of Stable Jobs	
Ratio of Stable Jobs* 1 and $\leq 1,5$	5%
Ratio of Stable Jobs $> 1,5$ and ≤ 3	7%
Ratio of Stable Jobs > 3	10%
Other Incentives	
2. Gender Ratio Incentives**	3%
3. Incentives for Sustainable Investment Projects	3%

***Permanent Jobs Ratio:** number of stable jobs created divided by total investment in million **MAD**.

****Gender Ratio:** the result of dividing the women’s salaries by total salary mass

Territorial - based incentive

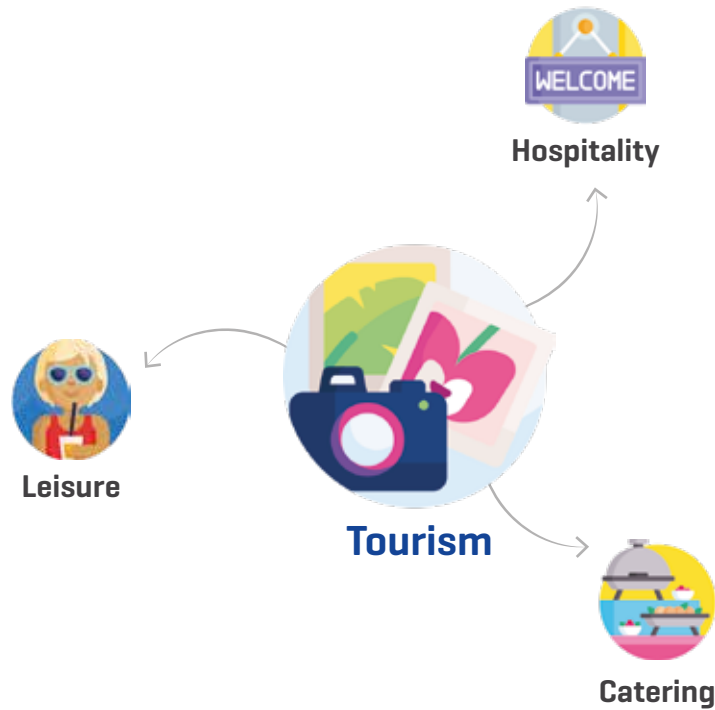
Category A	
REGION	CITY
TANGER-TÉTOUAN-AL HOCEIMA	TÉTOUAN
	LARACHE
	M'DIQ
	OUAZZANE
L'ORIENTAL	CHEFCHAOUEN
	NADOR
	BERKANE
	SÉFROU
FÈS-MEKNÈS	BOULMANE
	TAZA
	FES
	MEKNÈS
RABAT-SALÉ-KÉNITRA	EL HAJEB
	IFRANE
	KHEMISSSET
	SIDI KACEM
BÉNI MELLAL-KHÉNIFRA	SALÉ
	BENI MELLAL
	KHENIFRA
	KHOURIBGA
CASABLANCA-SETTAT	FKIH BEN SALAH
	SIDI BENNOUR
	SAFI
	YOUSSOUFIA
MARRAKECH-SAFI	EL HAOUZ
	EL KELĀĀ DES SRAGHNA
	ESSAOUIRA
	RHAMNA
DRAA-TAFILALET	CHICHAOUA
	OUARZAZATE
SOUSS-MASSA	TAROUDANT
	CHTOUKA AIT BAHA
LAÂYOUNE-SAKIA EL HAMRA	INEZGANE AIT MELLOUL
	LAAYOUNE
DAKHLA-OUED ED-DAHAB	OUED ED-DAHAB

10%

Category B	
REGION	CITY
TANGER-TÉTOUAN-AL HOCEIMA	AL HOCEIMA
L'ORIENTAL	TAOURIRT
	DRIOUECH
	JERADA
	GUERCIF
FÈS-MEKNÈS	OIJDA ANGAD
	FIGUIG
BÉNI MELLAL-KHÉNIFRA	MOULAY YACOB
	TAOUNATE
DRAA-TAFILALET	AZILAL
	ERRACHIDIA
	MIDELT
	TINGHIR
SOUSS-MASSA	ZAGORA
	TATA
GUELMIM-OUED NOUN	TIZNIT
	SIDI IFNI
	ASSA-ZAG
	GUELMIM
LAÂYOUNE-SAKIA EL HAMRA	TANTAN
	BOUJDOUR
DAKHLA-OUED ED-DAHAB	TARFAYA
	ES-SMARA
	AOUSSERD

15%

Sectoral premium of the tourism sector: 5%



Source: The Investment Charter: A transparent and clear framework to encourage investment by the Ministry of Investment, Convergence and Evaluation of Public Policies and Moroccan Investment and Export Development Agency (AMDIE).

Complementary to the above, the framework of the Investment Charter builds on three main pillars, with an overall focus to establish transparency, coherency, and structure. The below table [Table 3.6] summarizes these three pillars and its components.

Table 3.6 Key pillars of the Investment Charter for the tourism sector

Pillar 1		The Investment Support Mechanisms	
A The main investment support mechanism	Eligibility criteria	B A specific support mechanism dedicated to strategic projects	Eligibility criteria
	<ul style="list-style-type: none"> Total Investment of the project \geq MAD 50 million + Create 50 permanent jobs or Create \geq 150 permanent jobs 		<p>Projects with an investment amount of at least MAD 2 billion and meets one of the following criteria:</p> <ul style="list-style-type: none"> Have a significant impact on the number of direct or indirect jobs to be created. Have a significant impact on the tourism economy. Contributing to the economic influence of Morocco and its positioning at the international level.
			C A specific mechanism dedicated to very small, small and medium-sized enterprises

Pillar 2

Improving the Business Environment

The Investment Charter sets out **7 priority areas** for improving the business climate:

- Streamlining procedures and decentralizing administrative functions.
- Access to land.
- Strengthening logistical competitiveness.
- Access to Green Energy.
- Customized training opportunities.
- R&D activities promotion and access to cutting-edge technologies.
- Diversifying funding sources.

The new 2023-2026 Roadmap is based on **4 major pillars**:

- Making it easier to invest and do business.
- Improving competitiveness.
- Promoting entrepreneurship and innovation.
- Strengthening ethics, integrity, and preventing corruption.

Pillar 3

A Unified and Territorialized Investment Governance



Ministry of Investment,
Convergence and Evaluation of
Public Policies
<https://www.micepp.gov.ma>

A ministry dedicated to investments,
reporting to the Head of Government.



Moroccan Investment and Export
Development Agency (AMDIE)
<https://amdie.gov.ma/>

Supports the implementation of the New
Investment Charter. It approves
investment agreements between the State
and investors and grants strategic status
to investments.



Regional Investment
Centers (RIC)

The Regional Investment Centers are a
one-stop shop for investors. They oversee
the implementation of all investment
projects carried out in the Kingdom.

Source: The Investment Charter: A transparent and clear framework to encourage investment by the Ministry of Investment, Convergence and Evaluation of Public Policies and Moroccan Investment and Export Development Agency (AMDIE).



3.3. Tax regimes overview

The Moroccan government has implemented significant measures to simplify and modernize its tax system by **enhancing the clarity, efficiency, transparency, fairness, and competitiveness of the tax system**. The Moroccan tax system comprises two main categories of taxes: the national taxes governed by the **General Tax Code (CGI)** and the local taxation governed by **Law No. 47-06** on the taxation of local authorities. The CGI is the legal basis that is binding to all and encompasses various regulations pertaining the assessment and collection

of Personal Income Tax (PIT), Corporate Tax (CIT), Value Added Tax (VAT), and registration and stamp fees. The General Tax Administration manages these four state taxes and is also responsible for managing three local taxes on behalf of local authorities (business tax, tax on dwellings and tax on communal services).⁶⁹ In addition, current legislation on tax incentives includes tax exemptions for certain sectors under common law to encourage investment and promote particular industries.

Table 3.7 Morocco - overview main taxes

Value Added Tax (VAT)

20%
14% for transport, butter and electricity^a

A reduced rate of 10% applies to, among others, petroleum products; banking transactions; **hotel operations; restaurant operations;** solar water heaters and photovoltaic panels.^a

Indeed, a reduced VAT rate of 10% is applicable to accommodation, catering and restaurant operations as well as rental of buildings used as hotels or holiday villages and similar establishments used for tourist purposes. In addition, transport is subject to a reduced VAT of 14%.^b

The zero-rated supplies include (but are not limited to):

- Exported goods and services.
- Certain agricultural equipment supplied under prescribed circumstances.
- Investment goods recorded as fixed assets in the company accounting and acquired during the first 24 months following the beginning of activity
- Goods and services rendered to companies established in free trade zones (FTZs).^a
- Activities related to hydrocarbon exploration, etc.
- Travel agencies and tourist transport agencies are subject to a CIT of 20%.^b

Corporate Income Tax (CIT)

The Finance Law 2023 affects the applicable CIT rates by introducing a phased reform of CIT rates over a period of four years to unify tax rates as of 2026. [See table 3.9]

- Non-resident companies can, under certain conditions, choose an alternative tax at the rate of 8% of the amount of their contract, whatever the taxable income is.
- CFC and IAZ are exempt from CIT for the first 5 consecutive years after being granted the status.
- **Hotel companies and management companies of real estate residences for tourist promotion and tourist entertainment establishments,** are exempt from CIT during the first 5 years following their first export transaction and taxed at the reduced rate of 20%, applied to the portion whose net profit is greater than MAD 1 million and less than MAD 100 million.^a

Personal Income Tax (PIT)

38%

The scale consists of progressive rates ranging from 0 to 38% applicable to annual income brackets ranging from MAD 30,001 to more than MAD 180,000 with an exempt threshold of MAD 0 to MAD 30,000.

Withholding Tax (WHT) for non-residents

Dividends: 13.5%

Interest: 10%

Royalties: 10%

Headline Corporate Capital Gains Tax

Subject to normal CIT rate

Headline Individual Capital Gains Tax

20%^a

Source:

a) PricewaterhouseCoopers (2023), Worldwide Tax Summaries: Morocco, PWC, online available at: <https://taxsummaries.pwc.com/morocco> [23-03-2023].

b) Provided by the Moroccan Agency for Tourism Development (SMIT).

c) Dahir 1-07-195 du 19 kaada 1428 (30 novembre 2007) portant promulgation de la loi n° 47-06 relative à la fiscalité des collectivités locales (2007), rabat eregulations, online available at : <https://rabat.eregulations.org/media/Loi%2047-06%20relative%20aux%20collectivités%20locales.pdf> [23-03-2023].

Table 3.8 Morocco - additional taxes specific to the tourism sector

Business Tax (Taxe Professionnelle)

For hotel establishments, the rental value (RP) used as a basis for calculating business tax is determined by applying to the cost price of the buildings, equipment, tools, fixtures and fittings of each establishment, coefficients set according to the overall cost of the tangible elements of the establishment in question, whether it is operated by its owner or by the lessee:

- 2% when RP is < 3 MAD
- 1.5% when RP is between 3 and 6 MAD
- 1.25% when RP is between 6 and 12 MAD
- 1% when RP > 12 MAD

For restaurants, the business tax rates are 10%, 20% and 30% respectively for fixed-price restaurants, menu restaurants with less than 15 people and restaurants with 15 people or more.

Travel agencies and tourist transport agencies are subject to business tax at a rate of 20%.^a

Registration Fees

4% for the acquisition of constructed premises by individuals or legal entities

5% for the acquisition of bare land

Deeds concerning the acquisition of bare land or land containing buildings intended for demolition and reserved for the construction of hotel establishments are exempt from registration duties. This exemption is subject to the purchaser's undertaking to build the hotel establishment within a maximum period of six years from the date of acquisition of the bare land.^b

Tourist Tax

Tourist Tax: MAD 2-30 per person according to the category of the establishment

According to Article 70 of Law n° 47-06 the tourist tax is levied in tourist accommodation establishments belonging to legal or natural persons and is added to the price of the room. The tax is due per person and per night and differs according to the rates fixed for the various categories of tourist accommodation establishments.

Children under the age of 18 years are exempted from the tourist tax.^c

Tourism Promotion Tax (TPT)

Between MAD 1 - MAD 15

The TPT, which is intended to finance tourism promotion, is charged to the customer per person and per night, according to a scale that varies from 1 MAD to 15 MAD depending on the category of establishment.^b

Tax on Alcoholic Beverages

2% - 10%

The tax on drinks is based on receipts, excluding VAT, resulting from the sale of drinks for consumption on the premises and varies from 2% to 10% of receipts.

In addition The license tax is due by establishments that consume alcoholic or flavoured drinks.^b

Air Ticket Tax

**MAD 100 for economy class
MAD 500 for business and first class**

The air tax will be charged for tickets on international flights.^b

The sector is also subject to the general tax system, including:

Investment phase

- Land conservation taxes
- Fire department tax
- Tax on subdivision operations
- Tax on construction operations
- Special tax on vehicles [luxury tax]
- Customs duties
- VAT on investment

Operating phase

- Tax on professional income and salaries
- Municipal service tax

On option and based on individual case by case basis, individuals in the sector executing a professional activity [excluding the hotel trade] whose annual sales does not exceed MAD 500,000, for commercial, industrial and craft activities, and MAD 200,000 for service providers, benefit from the advantages of the auto-entrepreneur scheme and are thus subject to income tax by applying the rates of 0.5% and 1% respectively to the annual sales received.^b

Source:

a) PricewaterhouseCoopers [2023], Worldwide Tax Summaries: Morocco, PWC, online available at: <https://taxsummaries.pwc.com/morocco> [23-03-2023].

b) Provided by the Moroccan Agency for Tourism Development [SMIT].

c) Dahir 1-07-195 du 19 kaada 1428 [30 novembre 2007] portant promulgation de la loi n° 47-06 relative à la fiscalité des collectivités locales [2007], rabat eregulations, online available at : <https://rabat.eregulations.org/media/Loi%2047-06%20relative%20aux%20collectivités%20locales.pdf> [23-03-2023].

In 2023, finance law introduced a more simplified tax rate system. Key tax measures include a phased reform of CIT rates over a period of four years in order to unify tax rates as of 2026. The new rates rates figure in table 3.9.

Finance law 2023 also introduced an investment incentive for companies incorporated as of 1 January 2023 and who invest at least USD 148,580 [MAD 1.5 million] over a period of five years. The investment will have to consist of tangible assets that must be kept for at least 10 years. These companies under the agreement with the Moroccan Government, will be subject to a tax rate capped at 20% for fiscal years from 1 January 2023 to 31 December 2026.

Table 3.9 Summary of the Corporate Income Tax (CIT) defined by FL 2023 and others measures

The progressive implementation of the new tax rates of CIT is carried out accordingly:

	Net tax income [MAD]	2023	2024	2025	2026
Standard corporate income tax rate	300,000 and below	12.5%	15%	17.5%	20%
	300,000 - 1,000,000 [inclusive]	20%	20%	20%	20%
	1,000,000 - 100,000,000	28.25%	25.5%	22.75%	20%
	100,000,000 and above	32%	33%	34%	35%
Accomodation	1,000,000 - 100,000,000	20%	20%	20%	20%
	100,000,000 and above	24%	28%	31%	35%
Industrial companies	100,000 - 100,000,000 [inclusive]	24.5%	23%	21.5%	20%
Financial companies (including insurance and reinsurance companies)		37.75%	38.5%	39.25%	40%
Casablanca Finance City (CFC) and Industrial Acceleration Zones (IAZ) regimes		16.25%	17.5%	18.75%	20%
Introduction of a unified minimum contribution of 0.25% applicable to all companies regardless of the declared current income					
Extension of 70% deduction on net capital gain from the sale of fixed assets (excluding land and buildings)					
Personal Income Tax					
Employees at their first recruitment are subject to the exemption of PIT for 36 months.					
PIT exemption for employees of newly created companies capped at a gross monthly salary of MAD 10,000, granted for a period of 24 months, within the limit of 10 employees recruited under a permanent contract.					

Source: Ernst and Young (2023), Morocco enacts Finance Law 2023: A review of key tax measures, EY, online available at: <https://globaltaxnews.ey.com/news/2023-5102-morocco-enacts-finance-law-2023-a-review-of-key-tax-measures> [23-03-2023].





04

COMPETITIVE OUTLOOK

4.1. Attractiveness and positioning of Morocco

Morocco has distinguished itself as one of the most stable and dynamic economies in Africa, with a stable economic performance in recent years. Despite a challenging international and regional environment, the Kingdom has demonstrated its resilience to become the fifth largest African economy in terms of GDP. This is largely due to a combination of solid monetary and fiscal policies, strategic investments in infrastructure, and diversification of the economy. Moreover, Morocco has made significant efforts to expand its economy beyond traditional sectors such as agriculture by implementing policies that encourage the growth of the secondary and tertiary sectors. Concurrently, the country's infrastructure has been modernized and logistics and transport capacities have been improved, facilitating access to global markets and trade. Morocco's stable socio-economic and political environment, combined with sound monetary policies, has helped keep inflation rates low, making the country an

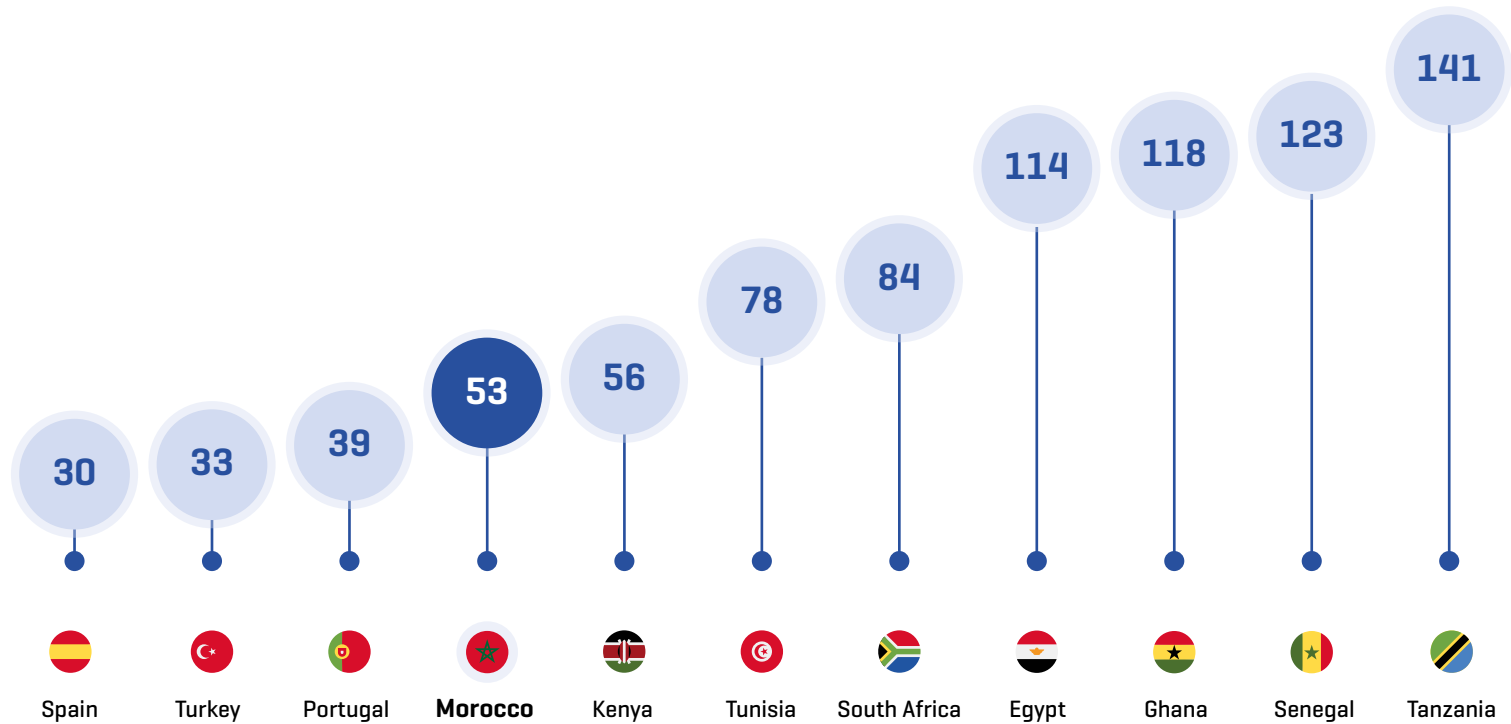
outlier in the region. Overall, Morocco's development and economic performance are impressive and set the country apart as one of the leading economies in Africa.

To benchmark Morocco's business environment against other countries in North Africa and around the Mediterranean, our analysis is strongly supported by the World Bank Doing Business Report. According to the report's most recent ranking in 2020, Morocco ranks 53rd compared to 190 countries across the globe for doing business. Taking a regional perspective, Figure 4.1 illustrates that Morocco surpasses other African countries in terms of the favorable business environment. To this end, the Kingdom performs best in the parameters of Dealing with Construction Permits (16th) and Paying Taxes (24th) but shows the lowest performance in Getting Credit (119th) and Registering Property (81st). However, in contrast to the 2019 report, Morocco has implemented reforms that have enhanced its performance in six out of the ten indicators. Consequently, conducting business in Morocco has become more convenient compared to the previous year.⁷⁰ Moreover, observing Morocco's business climate over the last decade, the country has moved from 76th to 53rd place since 2010. This increase is due to reforms towards reducing the costs of creating a business and accelerating the time to create a business (12 days to 9 days), among others. During the same period, Morocco's ranking on Enforcing Contracts has also risen from 108th position to 60th place thanks to the implementation of an automated system.



Figure 4.1 Morocco's ranking on the Ease of Doing Business Index, 2020

[Rank 1-190]

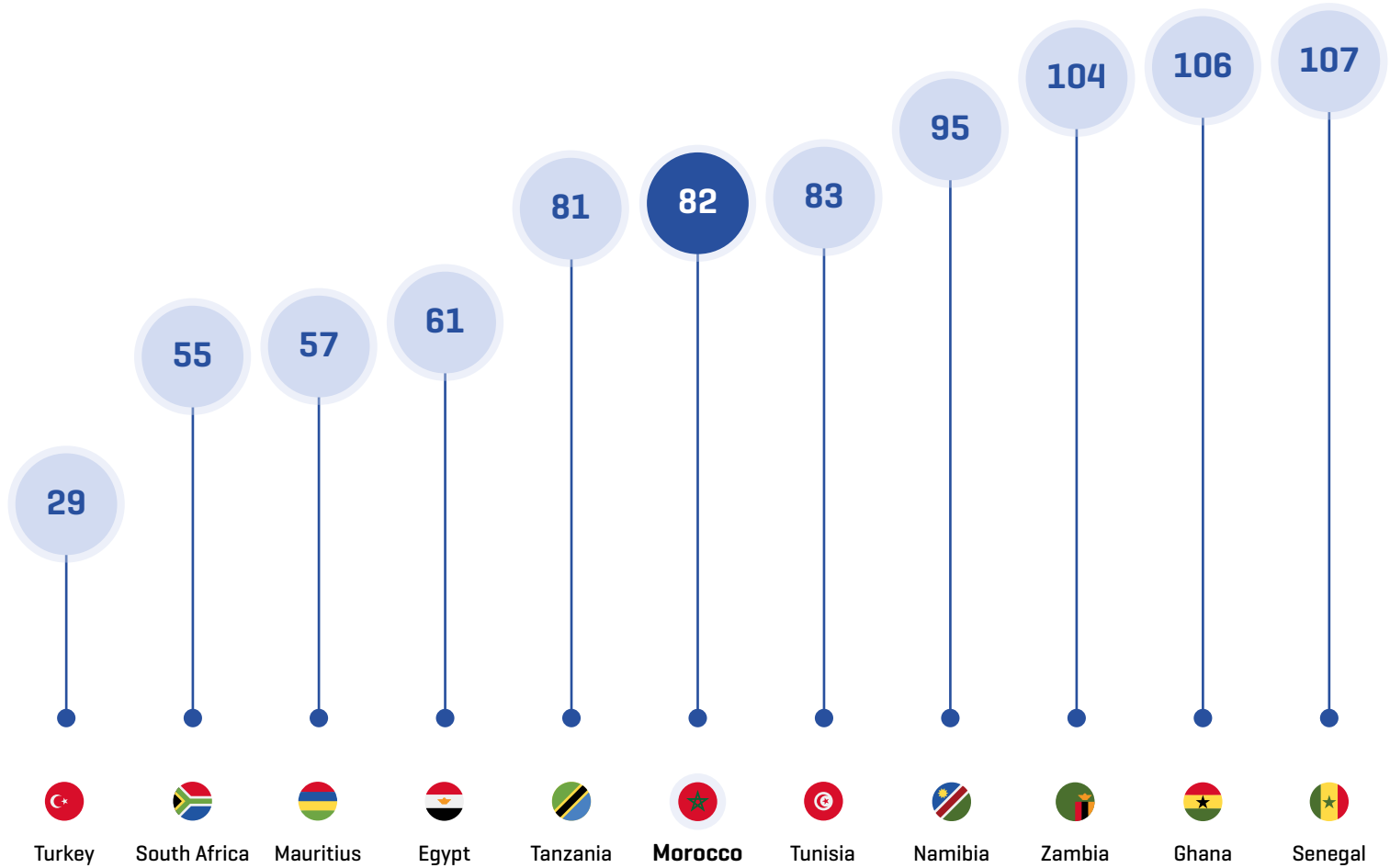


Source: World Tourism Organization [2023], based on The World Bank Group, Doing Business 2020: Comparing Business Regulation in 190 Economies, The World Bank Group, Washington D.C. [online], available at: <https://archive.doingbusiness.org/en/reports/global-reports/doing-business-reports>



The World Economic Forum's Travel and Tourism Development Index (TTDI) serves as the ultimate benchmark for evaluating the tourism sector performance of Morocco in comparison to other countries. The TTDI evaluates a range of factors and policies that foster the sustainable and resilient growth of the Travel & Tourism (T&T) sector. This, in turn, plays a pivotal role in driving the overall development of the country. The scoring of a country is based on 17 pillars and 102 individual indicators, which are organized into five primary themes. These themes include 'Enabling Environment', 'Travel and Tourism Policy and Enabling Conditions', 'Infrastructure', 'Travel and Tourism Demand Drivers', and 'Travel and Tourism Sustainability'.⁷¹

Figure 4.2 Morocco's ranking on the Travel and Tourism Development Index, 2024



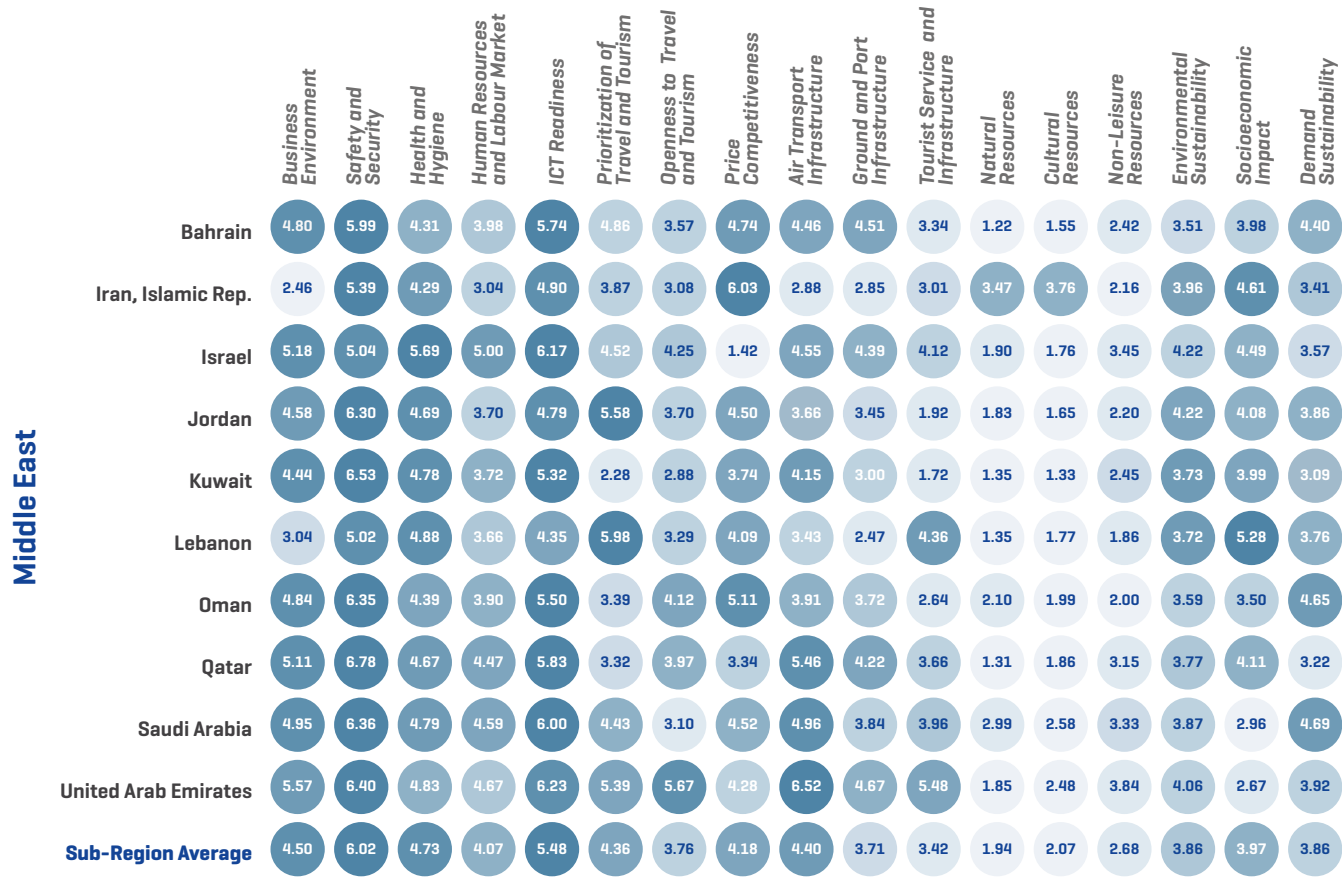
Source: World Economic Forum (2024), Travel & Tourism Development Index 2024; WEF, Geneva, online available at: <https://www.weforum.org/publications/travel-tourism-development-index-2024/> [21-05-2024].

Figure 4.3 compares the T&T sector of Morocco against the T&T sectors across 14 other countries, where Morocco notably holds the median rank. Additionally, on a global level, Morocco ranks 82nd out of 119 countries in the latest TTDI, placing in the top six countries on the African continent. Morocco excels in the pillar of 'Cultural resources' (ranked 29th), reflecting the government's proactive approach in promoting and investing in aligning tourism to the Moroccan culture and history, which has also been reflected in the previous chapters. Further, Morocco excels in various areas, such as its Non-Leisure

Activity attractiveness (ranked 40th), openness to travel and tourism (ranked 50th), Safety and security (ranked 56th). Conversely, the areas where Morocco ranks the lowest are Human resources and labor market (ranked 115th) and Socioeconomic impact (ranked 117th) out of 119 countries. Nonetheless, Morocco is taking action to advance in both of these areas.⁷²



Figure 4.3 Middle East and North Africa score heat map for the Travel and Tourism Development Index, 2024
 [1-7 best]



Continue →

North Africa

	Business Environment	Safety and Security	Health and Hygiene	Human Resources and Labour Market	ICT Readiness	Prioritization of Travel and Tourism	Openness to Travel and Tourism	Price Competitiveness	Air Transport Infrastructure	Ground and Port Infrastructure	Tourist Service and Infrastructure	Natural Resources	Cultural Resources	Non-Leisure Resources	Environmental Sustainability	Socioeconomic Impact	Demand Sustainability
Algeria	3.24	5.58	4.35	3.03	4.41	3.69	2.49	6.03	2.66	2.80	2.61	2.47	2.20	1.94	3.42	4.47	2.82
Egypt	3.88	5.37	3.95	3.43	4.45	5.87	3.09	6.11	4.58	3.85	2.76	3.11	3.18	2.39	4.07	2.27	4.90
Morocco	4.15	5.75	3.71	3.10	4.41	4.38	4.19	4.84	3.65	3.33	2.31	2.20	2.75	2.90	4.00	2.69	3.49
Tunisia	3.43	5.17	4.41	3.38	4.28	5.60	3.43	5.94	2.95	2.69	2.69	2.02	1.83	2.64	3.97	3.45	3.35
Sub-Region Average	3.68	5.47	4.11	3.23	4.39	4.88	3.30	5.73	3.46	3.17	2.59	2.45	2.49	2.47	3.86	3.22	3.64
Region Average	4.26	5.86	4.55	3.83	5.17	4.51	4.62	3.63	4.13	3.56	3.18	2.08	2.19	2.62	3.86	3.80	3.75

Source: World Economic Forum (2024), Travel & Tourism Development Index 2024; WEF, Geneva, online available at: <https://www.weforum.org/publications/travel-tourism-development-index-2024/> [21-05-2024].



4.2. Morocco's Tourism cluster

The Kingdom of Morocco offers a diverse tapestry of natural wonders, vibrant culture, and warm hospitality. With its diverse landscapes encompassing coastal regions, the majestic Atlas Mountains, and the golden Sahara Desert, the country presents a captivating array of experiences and climates and boasts a rich history, showcased in its ancient cities, bustling souks, and magnificent architectural wonders. From the vibrant blue streets of Chefchaouen to the bustling medinas of Marrakech and Fez, Morocco's cities are vibrant and showcase the country's cultural heritage and artistic traditions. Indeed, Morocco offers a wealth of experiences for travelers with its enticing blend of ancient traditions and modern allure. These opportunities encompass

discovering the imperial cities, wandering through the vibrant streets of Marrakech or immersing oneself in the serene coastal towns of Essaouira and Agadir. Additionally, visitors can savor the aromatic delights of Moroccan cuisine or embark on thrilling Sahara Desert expeditions. That said, Morocco's tourism sector has also become a cornerstone of the country's economy and notable endeavors to expand and enrich its tourism offerings have already yielded positive results.

Figure 4.4 Morocco's tourism cluster overview, 2023

International tourism



International tourist arrivals¹
14.5 million

Share of international arrivals tourist from Europe
64%

Share of international tourist arrivals from France²
18%



Share of international tourist arrivals who travel for holiday and leisure³
43%



Share of international tourist arrivals who travel for professional purpose³
7%



Average length of stay [days]³
3



Overnight stays in classified tourist accommodations [nights]¹
25.6 million

Tourism services offer



Employed by the Tourism Sector⁴
364,000



Accommodation establishments
4,714

Rooms in accommodation establishments
289,000



Travel Agencies⁵
1,354



International Airports **19**

Railroad [Km] **2,110**

Highways [Km] **1,800**



National Parks **11**

UNESCO Cultural Monuments **9**

Source: Ministry of Tourism, Handicraft and Social and Solidarity Economy, the Moroccan Agency for Tourism Development (SMIT), and Morocco Now online available at: www.morocconow.com.

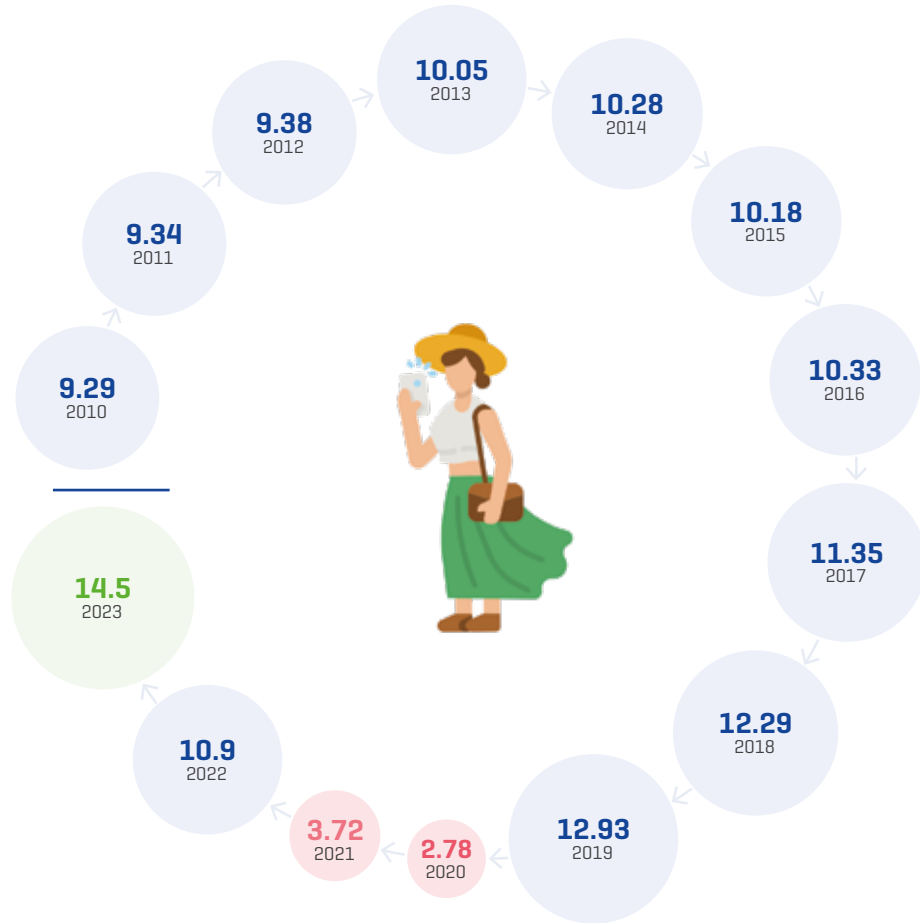
Data from UN Tourism reveals that the tourism sector in Morocco demonstrated a strong growth since 2012, with a CAGR on international tourist arrivals of around 4.6% per year from 2012 to 2019. The pre-pandemic year of 2019 recorded an all-time high of 12.9 million international tourist arrivals up from 9.3 million in 2012 with international tourism receipts growing at a CAGR of 2.9% over the same period.⁷³ Morocco's strategic initiatives to foster and bolster its tourism sector are yielding fruitful outcomes. The sector has not only displayed remarkable growth but also ranks among the most appealing FDI activities in the country and contributes more than 7% to the nation's GDP.

After an impressive tourism year for Morocco, the COVID-19 pandemic emerged and severely affected travel and tourism activities around the world. As a result, in 2020 international tourist arrivals and international tourist receipts fell by over 78.0% [12.9 million to 2.8 million] and 53.7% [USD 8.2 billion to USD 3.8 billion], respectively, compared to the previous year. Despite this drawback, the sector had a strong comeback in 2023. To this end, international tourist receipts increased by 200% from 2021, even demonstrating a stronger performance than in 2019 [+32.9%]. Further, international tourist arrivals grew by 33.3%, reaching a total of 14.5 million tourists in 2023, demonstrating the resilience of the sector [Figure 4.5].⁷⁴



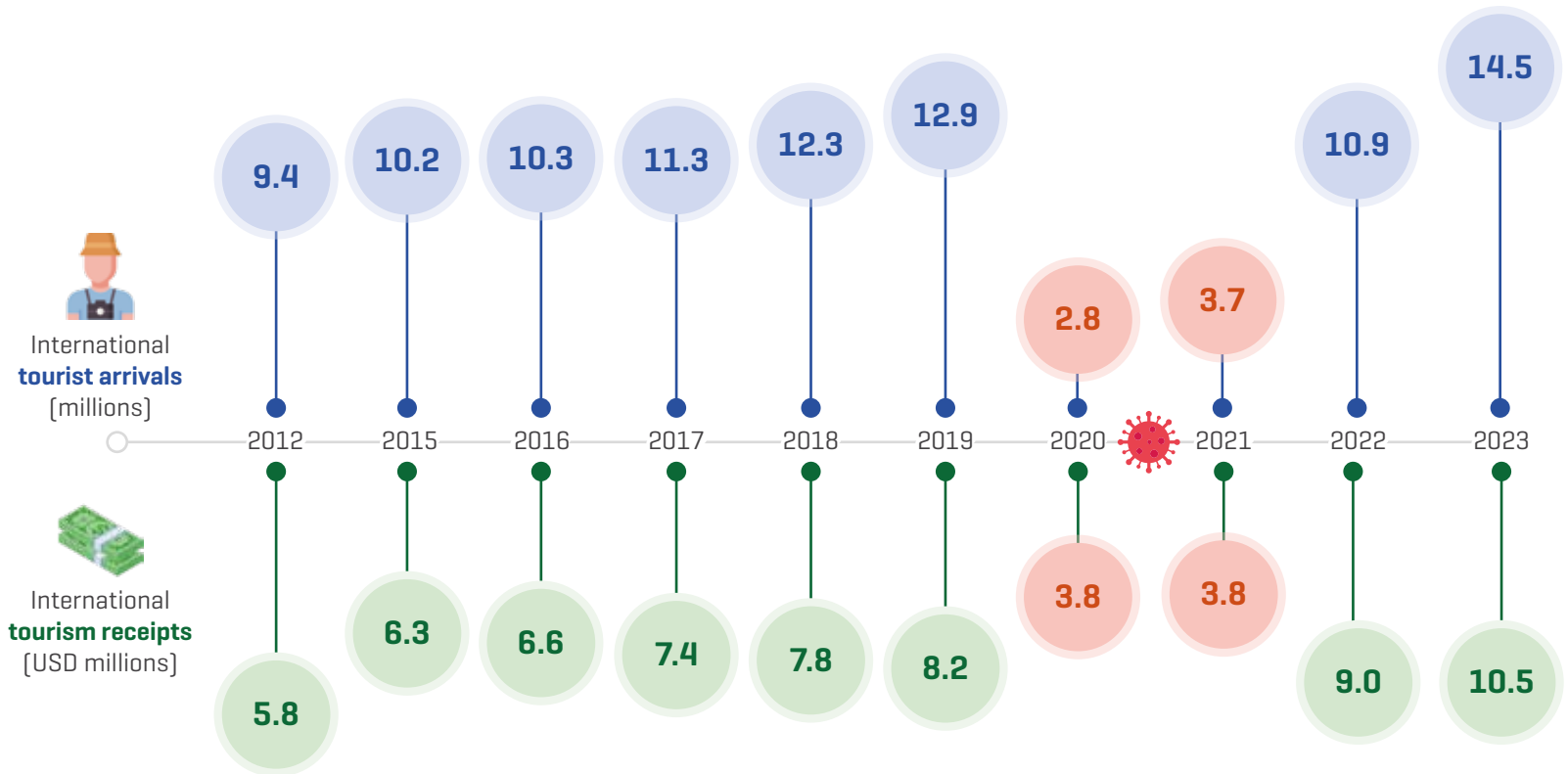
Figure 4.5 International tourist arrivals (overnight visitors)

[million]

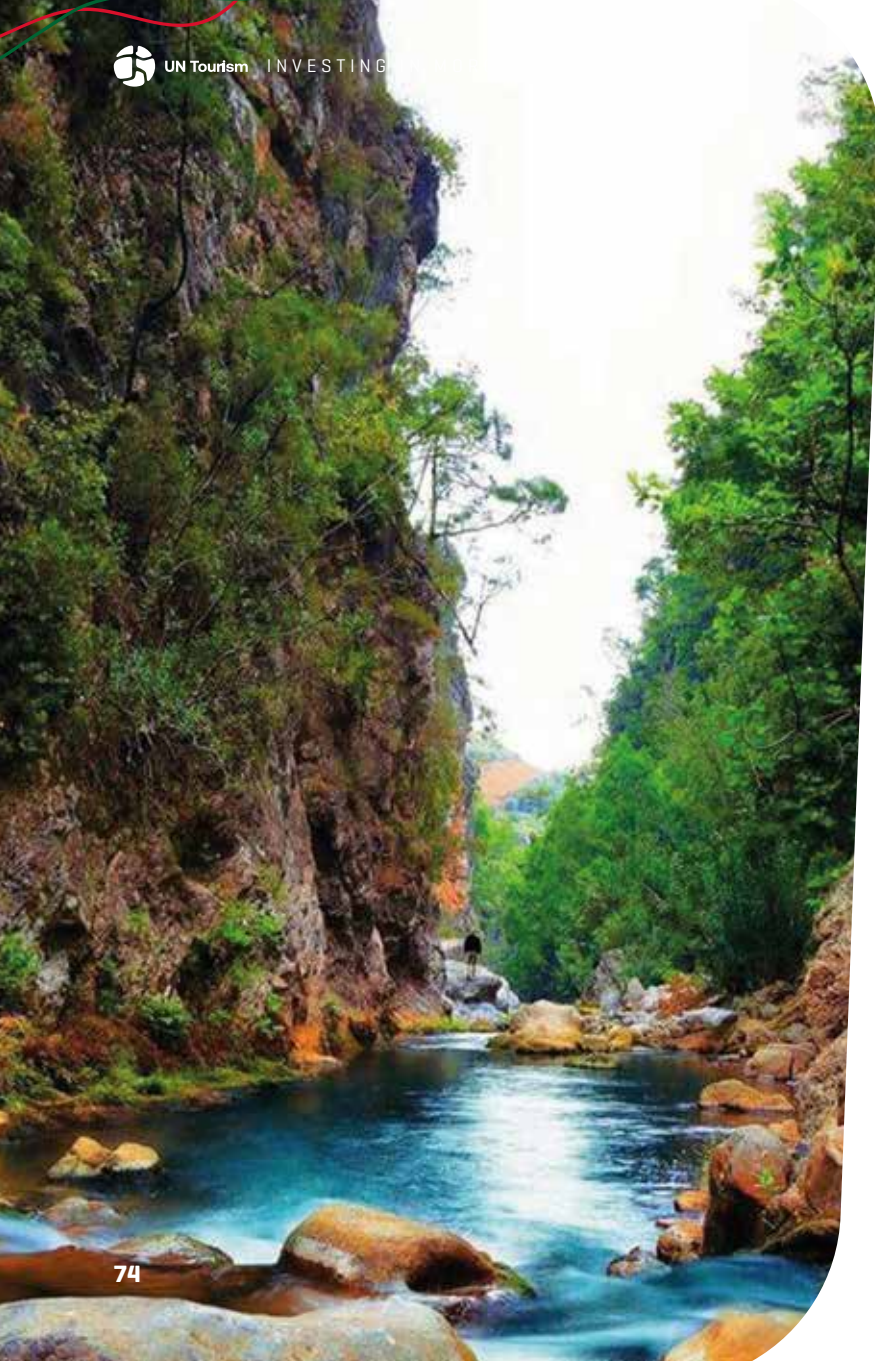


Source: Ministry of Tourism, Handicraft and Social and Solidarity Economy

Figure 4.6 International tourist arrivals (million) and receipts (USD billion), 2012 and 2015-2023

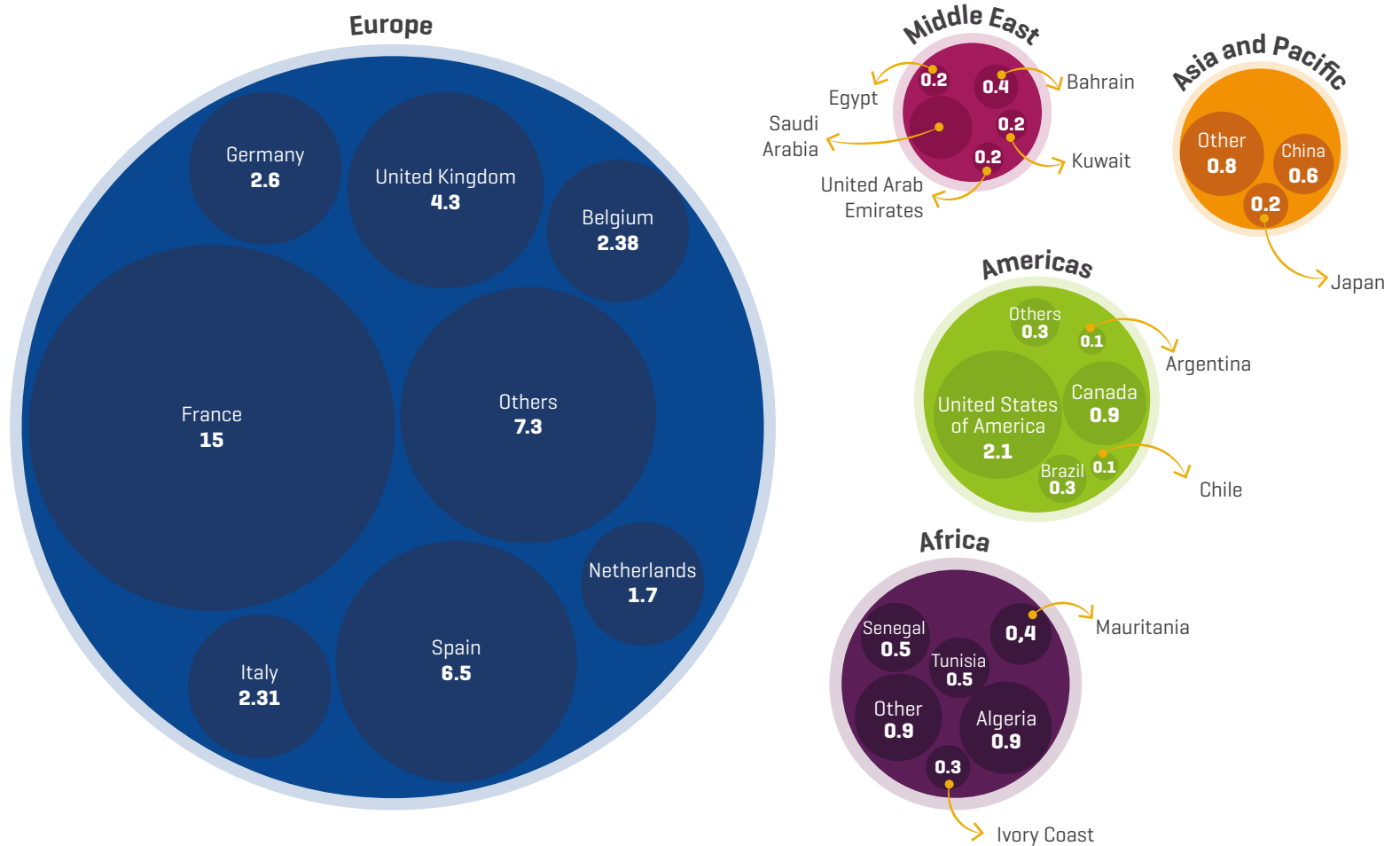


Source: Ministry of Tourism, Handicraft and Social and Solidarity Economy



In light of the enduring impacts of the pandemic on the tourism industry, Morocco initiated a tourism strategic roadmap for the period of 2023-2026. This comprehensive plan, backed by a budget of MAD 6.1 billion (around USD 610 million), was launched in March 2023, aiming to revitalize and revamp Morocco's tourism sector to position it as a premier global tourist destination. The roadmap emphasizes enhancing the customer experience and embracing digital transformation as key focal points. One component focuses on diversifying Morocco's tourism products to create new and unique experiences for international visitors while encouraging SMEs in the sector. This will require investments in tourism infrastructure. In addition, the roadmap targets to strengthen human resource development in the tourism sector through creating better quality training opportunities and career prospects for young people.⁷⁵

Figure 4.7 Morocco – Share of international tourist arrivals (overnight visitors) by region and selected countries, 2014-2023
 [% total arrivals]



Note: this information excludes Moroccans residing abroad
Source: Ministry of Tourism, Handicraft and Social and Solidarity Economy

Figure 4.7 visualizes the share of the main international tourists by country who visited Morocco between 2014 and 2023 inclusive. Europeans are the largest demographic of international tourist, accounting for 41.9% of total tourists visiting each year. In other words, two of five tourists were European with French natives dominating as a nationality, accounting for 15% of international tourist traveling to Morocco. Spanish tourists are the second largest demographic of international tourists in Morocco accounting with 6.5%, followed by the United Kingdom and Germany, accounting for a share of 4.3% and 2.6% of tourists respectively. On the other hand, the Americas takes the second largest region of tourist in Morocco, with the United States of America leading with a share of 2.1%. This said, the UN Tourism accumulated data addresses that 49.2% of total international tourists non disclose in the national statistics. Hence keeping the latter in mind, the specific weights by region may be judged with caution.⁷⁶

Data from 2019 by SMIT recorded shares that a total of 364,000 people were directly and permanently employed by the tourism sector in Morocco. Given that the succeeding years have been affected by the COVID-19 health crisis, it is highly likely that this figure has been significantly affected. Nevertheless, according to the new national tourism strategy which will be implemented from 2022 to 2026 the government stives to create 200,000 additional jobs in the tourism sector, more specifically 80,000 direct jobs and 120,000 indirect jobs.⁷⁷ In 2019, most people in the sector were employed by hotel and accommodation services [104,000], followed by food & beverage services which include restaurants and bars [117,000].

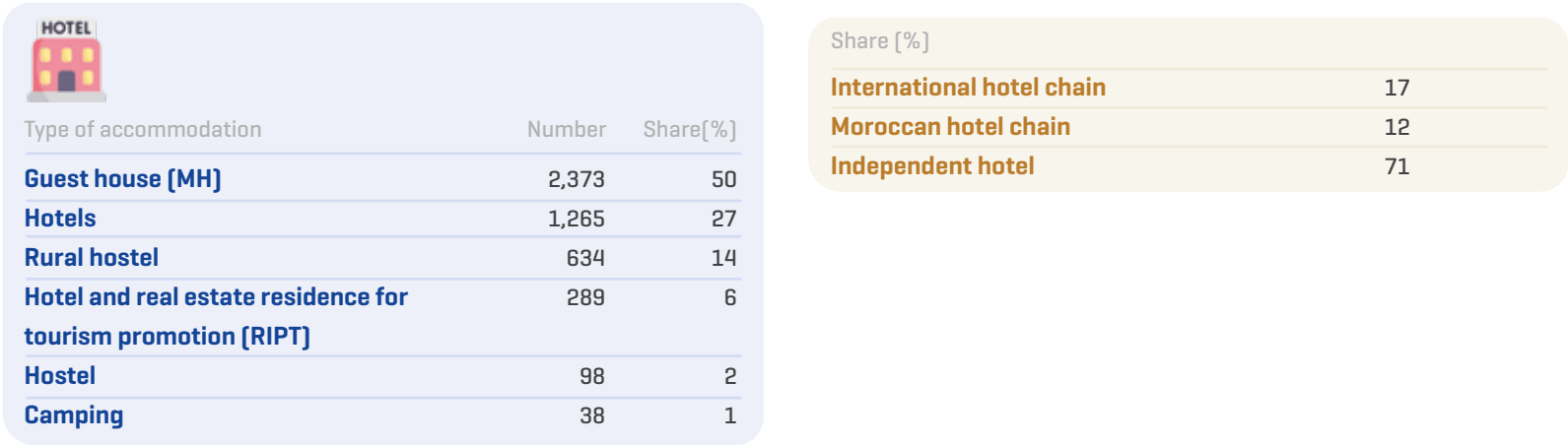


Figure 4.8 Employment distribution of Morocco's tourism sector by activity, 2019



Source: Moroccan Agency for Tourism Development (SMIT)[figures from the survey on employment in the tourism sector for the year 2019]

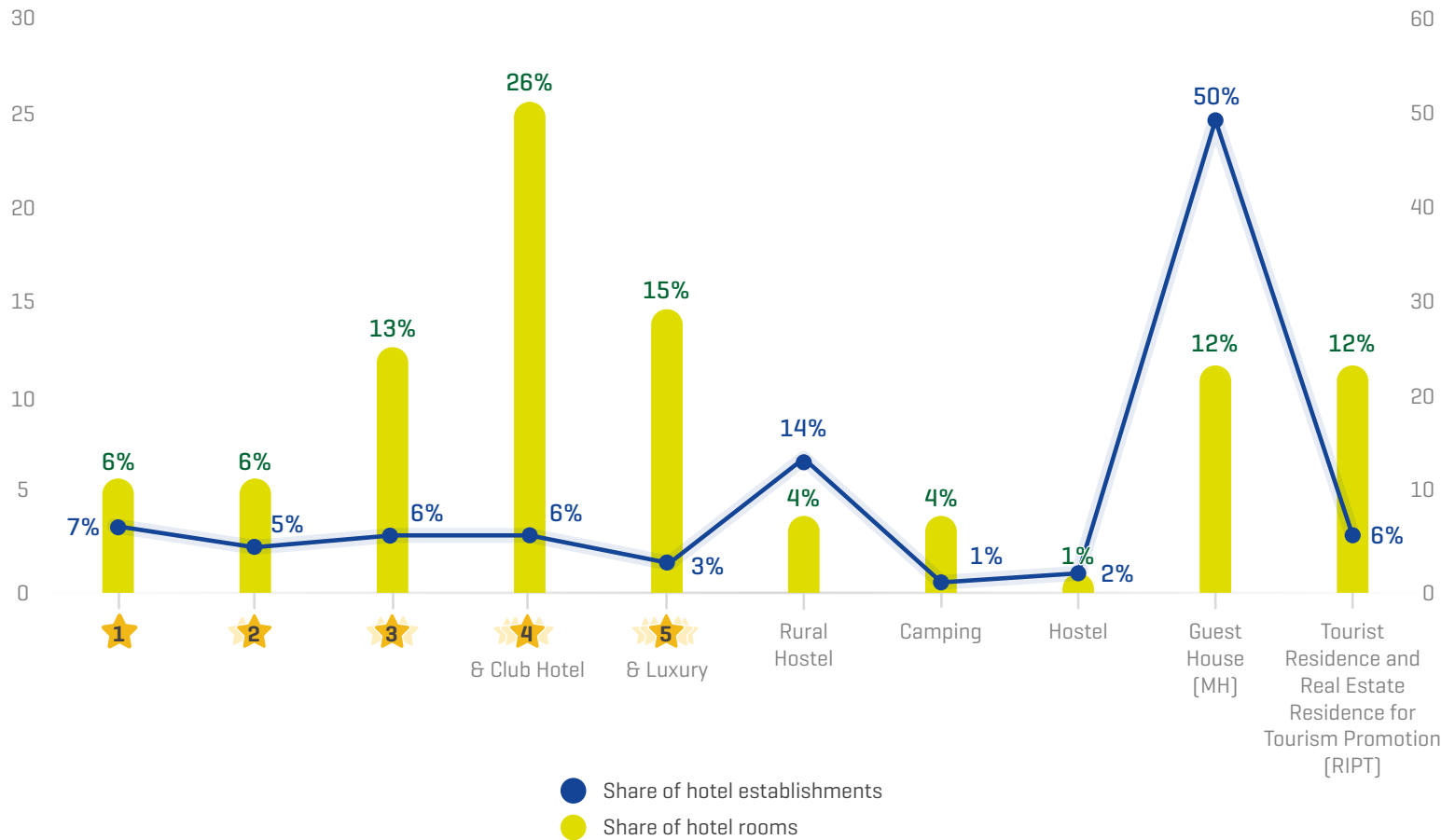
Figure 4.9 Morocco’s accommodation offer, 2023



Source: Moroccan Agency for Tourism Development (SMIT).

Morocco offers a diverse range of accommodation options to cater to the varying preferences and budgets of travelers. Whether you seek opulence and indulgence at luxurious resorts and boutique hotels or a more authentic and budget-friendly experience at a traditional riad or guesthouse, there is something for everyone in Morocco. According to the latest data from SMIT, Morocco has over 4,714 accommodation establishments available of which 1,265 are hotels, ranging from one to five-star category. Four- and five-star hotels represent more than 34% of all hotel units available in the country, accommodating those tourists who wish for upscale and high-quality tourist experiences. In addition, Figure 4.11 highlights that four- and five-star hotels report one of the highest average occupancy rates with 57% and 65% in 2023 respectively. This emphasizes how Morocco is establishing itself as a popular luxury tourism destination for high end consumers.

Figure 4.10 Morocco – share of hotel categories by number of establishments and rooms, 2023

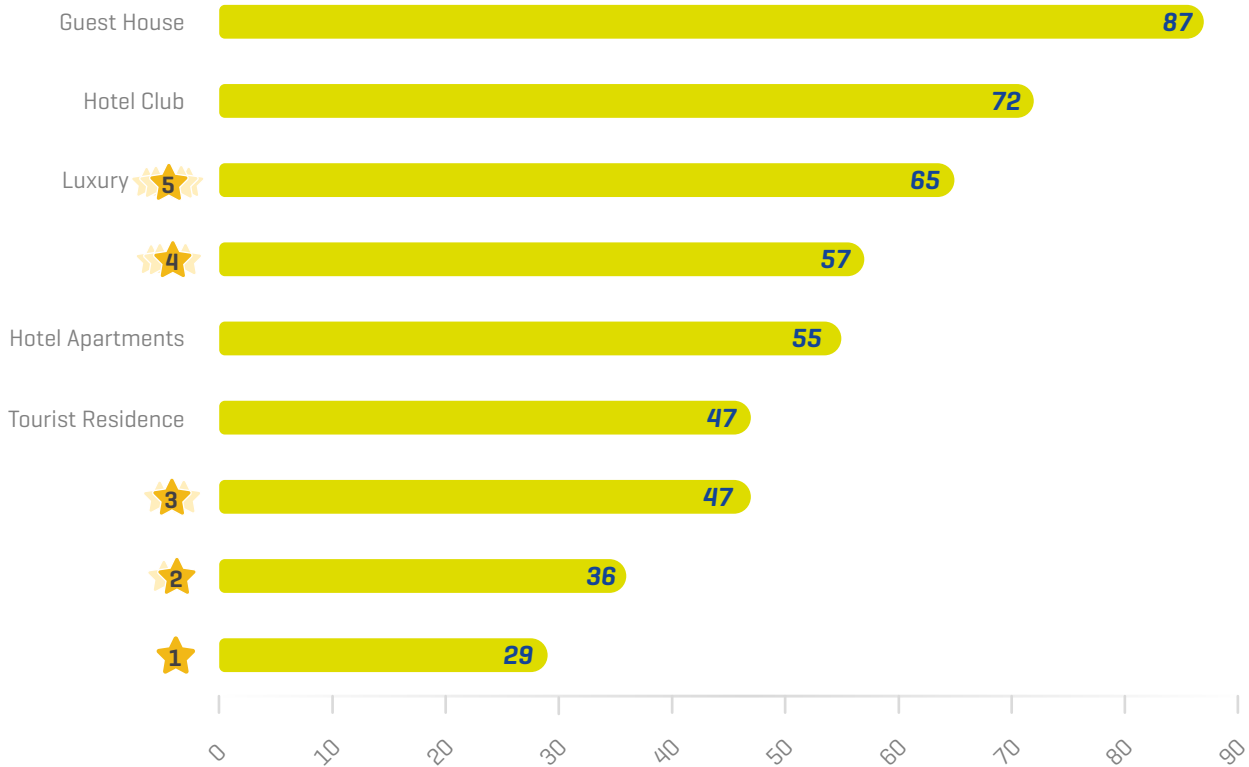


Source: Moroccan Agency for Tourism Development [SMIT].

Nevertheless, guest houses by far account for the largest share in accommodation offer, accounting for a country-wide share of 50% of all accommodation establishments available. This large offer of guest houses as well as hostels, pensions, and bread and breakfasts, contributes to the 74% of accommodation units that are independently run, while 17% are owned by international chains and 12% by Moroccan brands.⁷⁸

Figure 4.11 Occupation rate by category of accommodation, 2023

[%]



Source: Moroccan Agency for Tourism Development (SMIT).

Figure 4.12 Morocco's food and beverage offer, 2023



Share of restaurant establishments [%]	Region
38.9	Marrakesh-Safi
17.8	Casablanca-Settat
13.2	Rabat-Salé-Kénitra
9.6	Souss Massa
8.9	Tangier-Tetouan-Al Hoceima

Share of restaurants [%]	Type of food
25.1	Moroccan
3.7	French
3.7	Italian
3.2	European
1.9	Mediterranean

Source: Moroccan Agency for Tourism Development [SMIT].

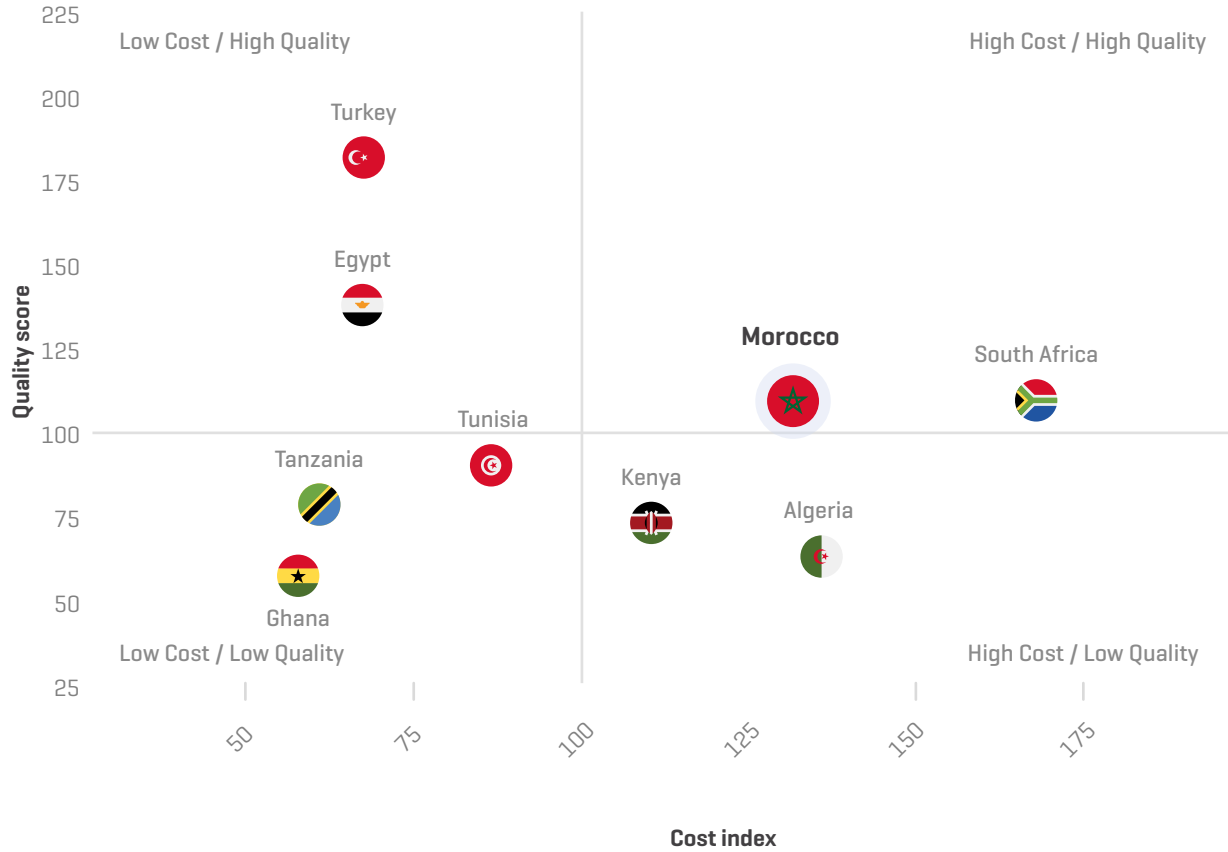


Figure 4.12 shows the restaurant offer available in Morocco as of 2023. The Kingdom boasts a considerable presence of culinary establishments, with the Marrakech-Safi region leading with an impressive 38.9% share. Additionally, the Casablanca-Settat region holds a substantial 17.8% share, while the Rabat-Salé-Kénitra region follows closely behind at 13.2%. A similar pattern emerges when examining the distribution of travel agencies across the regions. However, it is the Casablanca-Settat region which claims the lion's share at 25.8%, demonstrating its prominence in the travel sector. Further, the Marrakech-Safi region claims 20.2%, while the Rabat-Salé-Kénitra region accounts for 14.0% of the regional share of travel agencies. Moreover, the SMIT data shows that Moroccan food is the most common type of cuisine amounting to 25.1% of restaurant share. Followed jointly by French and Italian cuisine totally 3.7% respectively. These trends shed light on the significant concentration of dining options and travel agencies in key regions of Morocco, with the Marrakech-Safi, Casablanca-Settat, and Rabat-Salé-Kénitra regions emerging as prominent players in the country's culinary and travel landscapes.⁷⁹

In order to gauge the success of Morocco's thriving tourism sector, we have employed the fDi Benchmark provided by the Financial Times. This tool effectively compares the hotel industries of various countries using a model consisting of two primary aspects: Quality and Cost. The hotel sector of each country is scaled on these indexes and given a score. This score gives a coherent benchmark and approximate summary of the tourism sector through a fundamental tourism activity. For this benchmark we will be comparing 9 countries in Africa and around the Mediterranean as shown in Figure 4.13. Overall, Morocco ranks third in Quality and seventh in Costs which gives the Kingdom a total rank of six out of nine [6/9] on the Cost to Quality matrix. South Africa, Kenya and Algeria rank overall below Morocco.



Figure 4.13: Attractiveness benchmark of Morocco's accommodation sector



Source: fDi Benchmark by the Financial Times [Database], online available at: <https://app.fdibenchmark.com/new/index.cfm?fuseaction=login.login> [23-03-2023].

In terms of the Quality index, Morocco's hotel sector is 10% above the study average. The Quality score is determined by five main indicators: Industry Cluster, General Business Environment, Living Environment, Infrastructure & Accessibility, and Labour Availability & Quality.

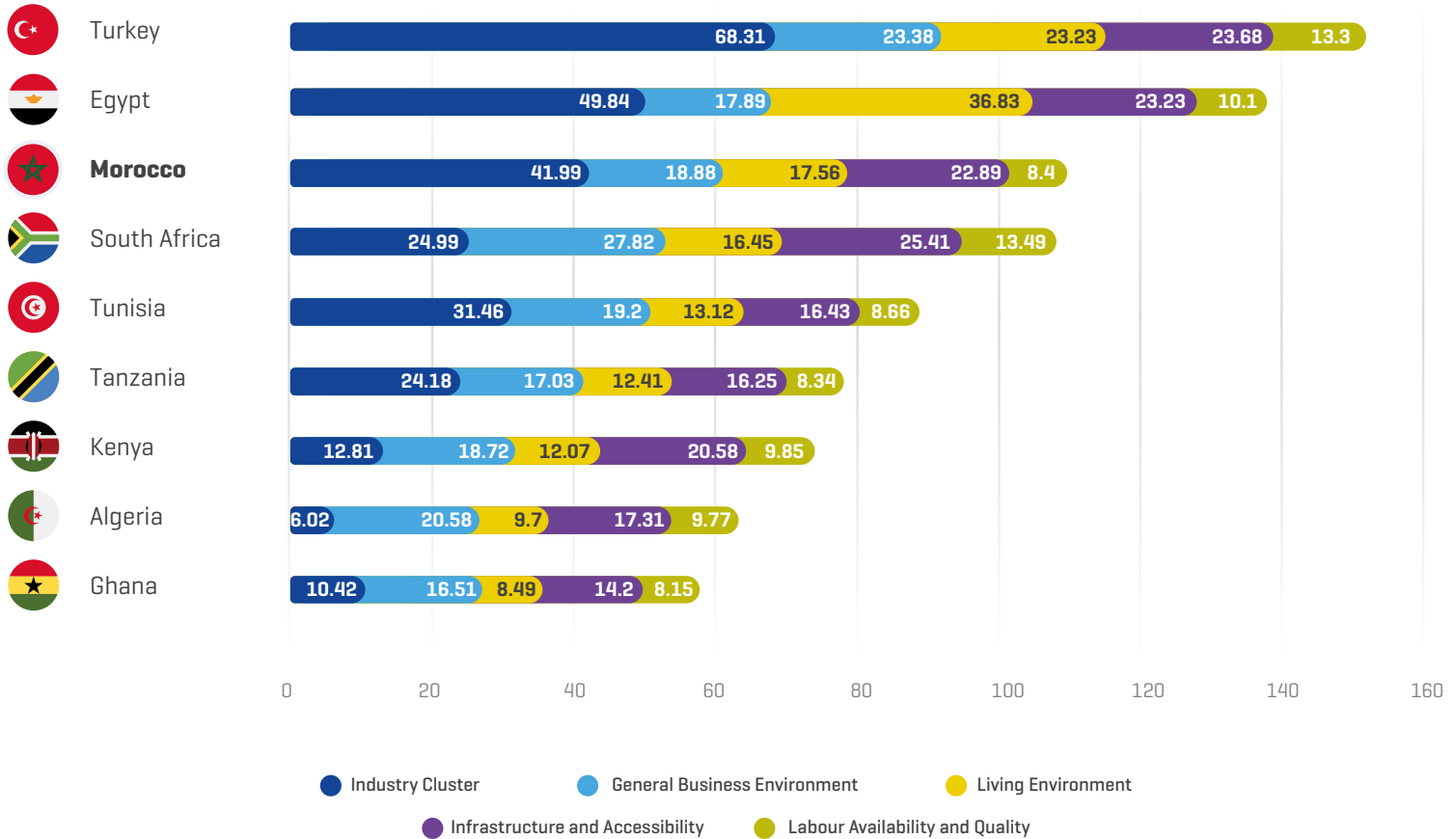
Morocco excels in the Industry Cluster indicator [ranked 3rd out of 9], which evaluates the competitiveness, track record, size, and specialization of the country's hotel sector. Notably, Morocco ranks first and second among its eight peers in company specialization in hotels and tourism [with 29.8 companies per 100,000 population] and track record, respectively.

Additionally, Morocco performs well in Infrastructure & Accessibility [ranked 4th out of 9], achieving second place in access to major overseas markets [efficiency of air transport and seaport services] and quality of utilities [electricity supply and power transmission and distribution].

On the Cost index, which assesses annual labor costs, Morocco's accommodation services are 32% more expensive than the study average.⁸⁰



Figure 4.14: Morocco – accommodation sector quality benchmark



Source: fDi Benchmark by the Financial Times [Database], online available at: <https://app.fdibenchmark.com/new/index.cfm?fuseaction=login.login> [23-03-2023].





05

TOURISM INVESTMENT OPPORTUNITIES

There are multiple tourism investment models available in Morocco. It is possible to invest in shares of public companies listed on the Casablanca Stock Exchange with openness to investment and tourism operations. It is also possible to invest in minority or majority stakes in holding companies that have centers in tourism investment and operations, such as acquiring existing hotel and resort assets while continuing operations or developing new tourism projects in emerging and distinguished destinations.

Also, as part of the new tourism roadmap, it is planned to stimulate private investment, mainly in entertainment [small and large] and in hospitality by creating of new hotel capacities to support the growth of tourism demand for tourism destinations/sectors.

This said, the SMIT has provided a list of investment opportunities in tourism projects in Morocco. These opportunities are listed in the following project catalogue.

Table 5.1 Portfolio of tourism investment projects in Morocco

1. Investment opportunities in hotel accommodation



Opportunity to create hotel beds in the host cities of the 2030 FIFA World Cup:
Casablanca, Rabat, Fez and Tangier






- 📍 **Casablanca - Settat**
7.000 hotel beds
- 📍 **Rabat-Salé-Kenitra**
14.000 hotel beds
- 📍 **Fez - Meknès**
14.000 hotel beds
- 📍 **Tangier**
8.000 hotel beds



Opportunity to create 7.000 hotel beds in the Casablanca -Settat region by 2030

Around **6.000 beds** to be created for 5*, 4* and 3* categories

	#Units	% of overall capacity	
 2.000 beds	10 u	33%	Opportunity to create 10 units of 5* and 5* luxury hotels with a total capacity of 2,000 beds [33% of total capacity to be created].
 3.000 beds	20 u	50%	Opportunity to create 20 units of 4* hotels with a total capacity of 3,000 beds [50% of total capacity to be created].
 1.000 beds	10 u	17%	Opportunity to create 10 units of 3* hotels with a total capacity of 1,000 beds [17% of total capacity to be created].

10 5* and 5* Luxury Hotels

 **2.000 additional beds**



Located close to the city's MICE infrastructure, these hotels will support the city's vocation as a hub for business tourism, and offer top-of-the-range services tailored to travelers' needs.

18 4* hotels

 **2.400 additional beds**



4* hotels offer a versatile opportunity, meeting the needs of both business travelers and tourists looking for a rewarding city break.

8 3* hotels

 **500 additional beds**



By meeting the demand of travelers wishing to explore Casablanca without compromising their budget, the 3* hotels will help to diversify the city's accommodation offer and promote its attractiveness.


2. Investment opportunities

Hotel accommodation in Benslimane - grand stade perimeter

4

Hotel 4 stars

 **400 beds**

 Land requirement : **2 Ha**



Located in the immediate vicinity of the stadium, the hotel would offer top-quality accommodation for soccer fans, participants in sporting events and visitors to the region.




Grand Stade

3

Hotel 3 stars

 **300 beds**

 Land requirement : **1,5 Ha**



Located close to the theme park, this themed hotel offers a comfortable and affordable stay, ideal for families with children and travelers wishing to take full advantage of the park's attractions.




Theme Park

3

Hotel 3 stars

 **200 beds**

 Land requirement : **1 Ha**



This hotel would be an ideal solution for travelers wishing to combine shopping and relaxation by offering affordable accommodation close to the outlet.




Outlet

4

Hotel 4 stars

 **200 beds**

 Land requirement : **1 Ha**



The hotel will offer mid-range accommodation for guests seeking tranquillity and rejuvenation. Integrated into its surroundings, the hotel will offer yoga retreats with a full program of activities.






Wellness Village

3. Opportunity to create 14,000 hotel beds in the Fez - Meknès region by 2030



Around **10.000 beds** to be created for 5*, 4* and 3* categories









		#Units	% of overall capacity	
	4.000 beds	20 u	40%	Opportunity to create 20 units of 5* hotels with a total capacity of 4,000 beds [40% of total capacity to be created].
	4.000 beds	25 u	40%	Opportunity to create 25 units of 4* hotels with a total capacity of 4,000 beds [40% of total capacity to be created].
	2.000 beds	20 u	20%	Opportunity to create 20 units of 3* hotels with a total capacity of 2,000 beds [20% of total capacity to be created].

4. Opportunity to create 14.000 hotel beds in the Rabat Salé Kenitra region by 2030



Around **10.000 beds** to be created for 5*, 4* and 3* categories






	#Units	% of overall capacity	
  4.000 beds	20 u	40%	Opportunity to create 20 units of 5* hotels with a total capacity of 4,000 beds [40% of total capacity to be created].
  4.000 beds	25 u	40%	Opportunity to create 25 units of 4* hotels with a total capacity of 4,000 beds [40% of total capacity to be created].
  2.000 beds	20 u	20%	Opportunity to create 20 units of 3* hotels with a total capacity of 2,000 beds [20% of total capacity to be created].

5. Opportunity to create 8.000 hotel beds in the Tangier-Tétouan Al Hoceima region by 2030



Around **6.000 beds** to be created for 5*, 4* and 3* categories



		#Units	% of overall capacity	
	2.400 beds	12 u	40%	Opportunity to create 12 units of 5* hotels with a total capacity of 2,400 beds [40% of total capacity to be created].
	2.400 beds	16 u	40%	Opportunity to create 16 units of 4* hotels with a total capacity of 2,400 beds [40% of total capacity to be created].
	1.200 beds	12 u	20%	Opportunity to create 12 units of 3* hotels with a total capacity of 1,200 beds [20% of total capacity to be created].

6. Leisure Resort of Marrakesh

Location

Marrakesh-Safi region

Concept and Project Information

Development of a leisure park that will strengthen the leisure offer and diversity of Morocco's destination.

Proposed program:

Four themed parks that create a leisure and entertainment cluster for all audiences with a diverse offering of accommodation, retail and catering.

Status

Looking for investors

Investment Options

- Investment ticket: **USD 300 million**
- Land: 200 ha



7. Family Amusement Park in Casablanca

Location

Casablanca

Concept and Project Information

Introducing a groundbreaking amusement park with an innovative concept focused on the future and new technologies. The park's theme revolves around technology, science, anticipation, and playfulness, combining sensory experiences, image projections, and various attractions and rides.

Status

Looking for investors

Investment Options

- Investment ticket: **USD 40 million**
- Land: 45 ha

8. Dino Park

Concept and Project Information

Creation of a Discovery Park around the theme of dinosaurs.

The proposed program is structured around three areas of animation:

- The valley of the dinosaurs with sculptures of dinosaurs builds the heart of the visit
- The LuDino Park is the leisure area of the park
- The Atlas Village is a miniature representation of the territory and the Geopark

Status

Looking for investors

Investment Options

- Investment ticket: **USD 10 million**
[contribution of the public sector: **USD 5 million**]
- Land: 5ha



9. Institute of the Mediterranean World

Location

Tangier

Concept and Project Information

Creation of a major complex with striking architecture, highlighting the riches and particularities of the Mediterranean and its reflections on local Tangier culture: music, gastronomy, traditions, costumes, adornments, etc. [Tétouan proposal by the Region]

Program proposed:

- Museum space dedicated to the Mediterranean
- Auditorium with annual artistic and cultural programming: musical evenings, shows, cinema cycles, etc.
- Mediterranean gastronomy restaurant with a panoramic terrace
- Leisure and commercial complex [outlet village, cinema, play areas, mall, indoor leisure, etc.]
- Mediterranean garden presenting different plant areas around the with cafe areas and outdoor shows.

Status

Looking for investors for private component

Investment Options

- Investment ticket: **USD 20 million**

10. Convention and Exhibition Centre in Marrakesh

Location

Marrakesh-Safi region

Concept and Project Information

Development of a Congress and Exhibition Center to Position the City of Marrakech in the MICE Segment.

Program proposed:

Creation of a conference and exhibition park with a flexible architectural design, adaptable to host various types of events. A modern and accessible convention centre with varied functionalities

Investment Options

Investment ticket of **USD 100 million**

11. Convention and Festivals Center

Location

Casablanca

Concept and Project Information

Development of a large-scale Congress center with technical facilities and infrastructure capable of hosting congresses, festivals where conferences, conventions and cultural, artistic or professional events can be scheduled.

Program proposed:

- Auditorium/amphitheater with approximately 10,000 seats
- Modular meeting rooms
- Exhibition area
- Restaurant areas, cafeterias, etc.
- Supporting facilities and services [reception hall, car parks, etc.]

Status

Looking for investors

Investment Options

Investment Amount: **USD 200 million**

12. Integrated Ifrane National Park Development Project

Location

Ifrane

Concept and Project Information

Development of new ecotourism activities in the Ifrane National Park, improving the attractiveness of this ecosystem. The program proposed involves eight tourism clusters focusing on a theme of rejuvenation, with the aim of improving the tourist experience in the Ifrane region in order to attract new segments of the national and international tourist clientele, while maintaining the preservation of natural species as a guideline.

The main fauna and flora resources will be promoted through a range of leisure and accommodation activities to be introduced in the Ifrane National Park.

The main new products include :

- **Ecotourism accommodation:** Bubble domes, tree houses, Montan 'Igloo, floating cottages, stone cottages, etc.
- **Activities:** Sports activities, relaxation activities, fun activities, catering, events, etc.
- **Tourist enhancement:** development of the banks of rivers, lakes and waterfalls, installation of urban furniture and equipment.

Status

Looking for investors for private component

Investment Options

Development of the parc: Investment of **USD 74.3 million** (with USD 64.5 million from the public sector)

Private Investment options:

Environmentally friendly tourist accommodation - Nature village - Nature leisure - Leisure sports



13. Toubkal National Park Integrated Development Project

Location

Marrakesh-Safi region

Concept and Project Information

Toubkal National Park is an innovative and diversified ecotourism product.

Program proposed:

- Upgrading sites with high tourist numbers.
- A varied range of accommodation (top and mid-range)
- A wide range of activities for all types of clientele throughout the year.
- A well thought-out and responsible spatial distribution of the tourist offer.

Status

Public investment to be launched

Looking for investors for private component

Investment Options

Development of the parc: investment ticket of **USD 90 million**
(with USD 75 million from the public sector)

Investment Options:

Environmentally friendly tourist accommodation - Nature village -
Nature leisure - Leisure sports



14. Integrated Development Project of the Souss Massa National Park

Location

Agadir Region

Concept and Project Information

Development of a tourist offer in the Souss Massa National Park (PNSM), through the creation of a new range of activities and accommodation based on three main areas of development:

- Creation of entertainment and leisure facilities in line with the criteria of sustainable development.
- Developing the natural assets and potential of the PNSM.
- Creating a nature-oriented accommodation offer that is both different and complementary to the one in Agadir.

Program:

Development of an expedition to the heart of the PNSM "The Blue Safari" as a tourist circuit of nearly 80 km, accessible by 4x4 vehicle or tourist car. The tour will include a number of stop-off points (animal reserves, birdwatching spots, the mouth of Oued Massa, villages, beaches, etc.), with the opportunity to be accommodated on site in 3 and 4-star hotels.

Status

Public investment to be launched
Looking for investors for private component

Investment Options

Planning and development of the parc: investment ticket of **USD 150 million** (with USD 20 million from the public sector)

Investment Options

Environmentally friendly tourist accommodation - Nature village - Nature leisure - Leisure sports

15. Green Station of Oukaimenden

Location

Marrakesh-Safi region

Concept and Project Information

A leisure and mountain resort with sports and leisure activities operating all year round.

Status

Public investment in progress
Looking for investors for private component

Investment Options

Investment ticket : **USD 2 to 5 million**

Environmentally friendly tourist accommodation - Nature village - Nature leisure - Leisure sports



16. Integrated Green Station “Nature” in Khenifra-Oum Rabia

Location

Khenifra

Concept and Project Information

This project will be developed and operated in accordance with sustainable development criteria.

- Environmentally friendly tourist accommodation;
- A rich and diversified entertainment offer perfectly integrated into nature;
- Tourist circuits allowing the networking of regional / territorial attractions;
- Reception and information structures for the interpretation of tangible and intangible heritage;
- Activities to highlight local products and local know-how

Status

Looking for investors for private component

Investment Options

Investment ticket of **USD 15 million**

17. Aghroud Station

Location

Aghroud

Concept and Project Information

Development of a seaside resort in the site of Aghroud

The site located in the north of Agadir, enjoys an excellent beachfront and a sandy beach of 2.5 km.

The site also includes a preserved natural site with a forest dominated by argan trees and cedars.

The Aghroud resort lies 30km northwest of the coast of Agadir on an area of 594 ha and is surrounded in the north by the High Atlas and in the west by the Atlantic Ocean.

The Aghroud resort offers several plots ranging from 6 ha to 44 ha in surface area.

Accommodation facilities include resort hotels, club hotels, and holiday villages.

Entertainment facilities include an amusement park, animal park, 18-hole executive golf course and sports park.

Status

In progress.

Investment Options

Hotel units:

- Investment ticket: **USD 20 million**

Average hotel area: 3 ha

Animation units (themed parks)

- Investment ticket: **USD 5- 10 million**



18. Saidia Station

Location

Saida, Berkane Region

Concept and Project Information

Offer a family-oriented beachfront golf resort.

Saidia, home to a beautiful fine sand bay, is also frequently referred to the Moroccan Blue Pearl on the Mediterranean Sea.

The Saidia resort, spreads over an area of 696 ha, facing a coastal strip with 6 km of beach and offers nearly 31,059 beds [17,714 hotel beds and 13,345 residential beds].

The additional offer will include, a convention, healthcare, educational and sports center.

Status

In progress

The resort currently includes 5,600 beds that are in operation.

Investment Options

1- 4* and 5* hotel units

- Average investment ticket: **USD 40 – 50 million**
- Average hotel area: 6 – 10 ha

Residential hotel units

- Average investment ticket: **USD 10 million**

Average hotel area: 2- 4 ha





06

CONCLUSION

Morocco has shown a strong resilience in the last years. In fact, lot of efforts were made by the Moroccan government to be among the best destinations of FDI and tourists' arrivals in Africa. This has been achieved thanks to the country's stable economic growth, sound reforms to diversify its economy towards more sophisticated sectors, and a world-class infrastructure. The country strategic geographic location contributed to its reputation as a competitive exporting hub in the region and a gateway to a huge market. Furthermore, its reach cultural and natural endowment contributed to make the country an attractive destination for tourists worldwide.

Its diversified economy with fast growing high-value industries such as automotive, aeronautics and tourism, alongside sound incentives schemes, have enabled a favorable environment for attracting FDI into the country. The tourism sector stands out as one of the main receivers of FDI and it is because of several key factors. For instance, the advanced incentive schemes and a comprehensive legal framework aimed at fostering the competitiveness of the tourism sector as well as the thriving tourism cluster.

The Moroccan tourism new roadmap 2023-2026 aims to stimulate the rate of investment growth in accommodation, entertainment and

tourism services. More than USD 610 million of investment are to be committed over the period 2023-2026 and to further strengthen the sector's place by ranking it at the heart of national priorities. Quantified objectives have been defined with 17.5 million tourists in 2026 and 26 million by 2030, through sustained growth in jobs and revenues.

This new strategy has the objective to highlight the tourism experience as a central element of its new approach to respond to new trends observed among international travelers and to provide a perfect and unique tourism experience.

As an engineering tool at the state service, the Moroccan Agency for Tourism Development (SMIT) puts all the ingredients of success at its disposal to design new investments opportunities and to support their development, with an emphasis of enriching the tourism experience.

Institutional relations UN Tourism – Morocco

117th UN Tourism Executive Council, 24 November 2022, Marrakesh, Morocco





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UN Tourism, a specialized agency of the United Nations, is the leading international organization with a central and decisive role in the promotion and development of responsible, sustainable and universally accessible tourism. It provides a global forum for tourism policy issues and a useful source of tourism expertise. It is composed of 159 countries, 6 Associate Members, 2 permanent observers and more than 500 Affiliate Members.



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