

MOROCCO 2020/21

# the business year



الوكالة المغربية لتنمية الاستثمارات و المبادرات  
MOROCCAN INVESTMENT AND EXPORT  
DEVELOPMENT AGENCY

16

## DIPLOMACY

Morocco has become a key actor in Africa under King Mohammed VI

45

## ENERGY & GREEN ECONOMY

Morocco plans to boost its total renewable energy share to 42% by 2021 and 52% by 2030

76

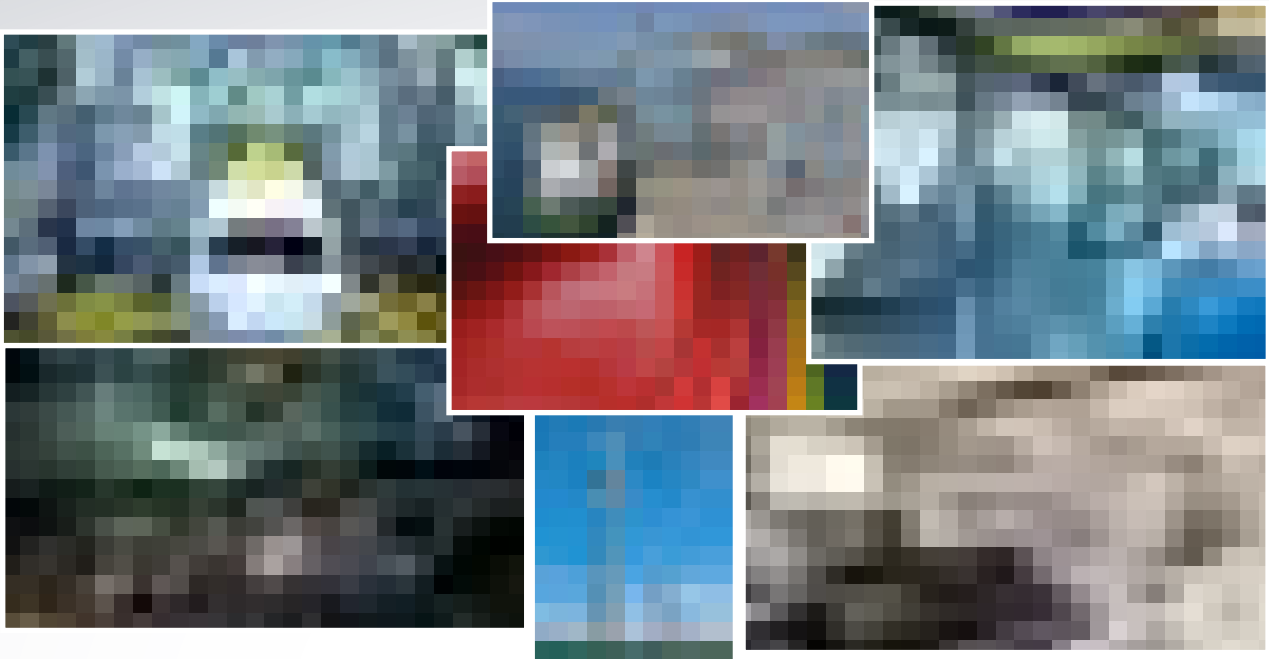
## TRANSPORT

Morocco's Al Boraq high-speed train sets a special precedent for the African continent

107

## TOURISM

Morocco's unique heritage has made tourism a fundamental pillar of the economy



**Morocco's Investment and Export agency is in charge of promoting national and foreign investment as well as exports of goods and services. The agency is committed to supporting all economic actors throughout their entire life cycle.**

---

**AMDIE is here to :**

- Follow up on you throughout your entire project, from preparation to financing and execution;
- Help you identify the best partners in Morocco and assist you during the deal-making process;
- Facilitate your access to international markets and help you sign export contracts with local players;
- Help you identify the best opportunities abroad and provide you with support during the entire investment process regardless of your country of origin.

# MOROCCO NOW

INVESTMENT AND EXPORT



**2<sup>nd</sup> Foreign Direct Investment destination in Africa**  
*Ernst & Young Survey, 2019*



**3<sup>rd</sup> Worldwide in The Climate Change Performance Index, 2020**



**1<sup>st</sup> Financial center in Africa**  
*Global Financial Centres Index, 2020*



**2<sup>nd</sup> Country Where to invest in Africa**  
*2020 Rand Merchant Bank*



**22<sup>nd</sup> Country worldwide in liner/shipping connectivity**  
*UNCTAD, 2019*



**3<sup>rd</sup> Best country for Doing Business in the MENA Region and 53<sup>th</sup> Worldwide, 2020**



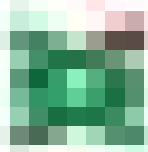
**1<sup>st</sup> Country in Africa for Travel Tourism Competitiveness**  
*Index WEF 2019*



**1<sup>st</sup> Country in Africa for infrastructure quality**  
*WEF, 2019*



الوكالة المغربية لتنمية الاستثمارات و الصادرات  
MOROCCAN INVESTMENT AND EXPORT  
DEVELOPMENT AGENCY



UNIVERSITY OF  
SOUTH ALABAMA

COLLEGE OF HEALTH SERVICES



UNIVERSITY OF SOUTH ALABAMA

COLLEGE OF HEALTH SERVICES



# THE BUSINESS YEAR: MOROCCO 2020/21

**T**he *Business Year: Morocco 2020* is a portrait of the Moroccan economy as seen through the eyes of its economic decision makers.

Research for this publication was carried out in a dynamic economic and political context, including a government reshuffle in October 2019, the conclusion of the First Industrial Acceleration plan, the new foundations for the 2020 Finance Bill, and the onset of the COVID-19 pandemic.

On top of the conclusion of the First Industrial Acceleration plan, which ran from 2014-2020, a number of other programs was also concluded, namely Plan Halieutis 2009-2020 for fisheries, Vision 2020 for tourism, and the Green Morocco Plan, launched in 2008 for the agriculture sector.

And it seems the programs were not in vain. In 2019, there was an increase in the contribution of non-agricultural sectors to GDP, which made it possible to compensate for the fall in agricultural production. It was also a year of reflection and debate regarding the future path of economic development following a royal call for the elaboration of a new model of development that seeks out new formulas to

stimulate growth.

Our research was also carried out in an unstable global economic context, marked by low growth and uncertainty. In the middle of the current COVID-19 pandemic, markets have plummeted, and, despite Morocco's political and economic stability, these events have had a significant impact, leading to a substantial decrease in numbers in the tourism sector and the local community's purchasing power.

As 2020 rolls on, emergency support for the economy has given way to plans, first addressed by the King during an address to parliament in October 2019, to create a more robust ecosystem for entrepreneurs and SMEs.

In partnership with the Moroccan Trade and Investment agency, and with the collaboration of the American Chamber of Commerce, we conducted over 80 interviews for this first edition. From Casablanca to Rabat, our team was able to sit down with a host of top players to take the pulse of the local economy.

The aim of *The Business Year: Morocco 2020* is to provide a platform for the country's decision makers at a time of global uncertainty and act as a guide for investors looking seriously at the North African economy. ✖

#### Regional Director

Carlos Martinez

#### Country Manager

Myriem Dahlab

#### Country Editors

Daniel Marti Waris, Peti Liptak

#### Assistant Country Manager

Houda Mordjane

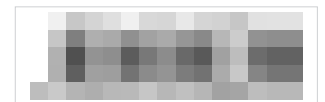
#### Project Assistants

Edwige Ndjoli, Rim El Adnani

#### Editorial & Visual Design

Business Media Yayıncılık

ve Tic. Ltd. Şti.



ISBN 978-1-912498-64-2

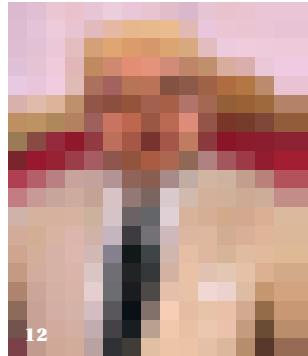
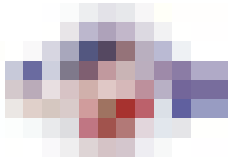
[www.thebusinessyear.com](http://www.thebusinessyear.com)

# the business year

In partnership with:



الوكالة المغربية للاستثمار والتصدير  
MOROCCAN INVESTMENT AND EXPORT  
DEVELOPMENT AGENCY



**3** From the editor's desk

**7** Executive summary

**9** Timeline

## **10** DIPLOMACY

**11** A new dawn • Chapter summary

**12** His Majesty Mohammed VI, King of Morocco • Inside Perspective

**15** The unknown price of integration  
• Focus: ECOWAS

**16** The face of modern Africa  
• Focus: Becoming a continental leader

**17** Emma Wade-Smith, Her Majesty's Trade Commissioner for Africa, UK Department for International Trade (DIT)  
• Guest speaker

## **18** ECONOMY

**19** Leveraging opportunities  
• Chapter summary

**20** Mohamed Benchaâboun, Minister of Economy, Finance, and Administrative Reform • Interview

**21** Hicham Boudraa, Acting General Manager, Moroccan Investment and Export Development Agency (AMDIE) • Interview

**23** Mehdi Tazi, General Vice-President, General Confederation of Moroccan Companies (CGEM)  
• Interview

**24** A free pass • Focus: Continental free trade

**25** Leila Farah Mokaddem, Country Manager & Resident Representative in Morocco, African Development Bank • Interview

**27** Rabia El Alama, Managing Director, American Chamber of Commerce in Morocco (AmCham Morocco) • Interview



## **28** FINANCE

**29** A new frontier • Chapter summary

**30** Hicham Safir, CEO, Asma Invest  
• Interview

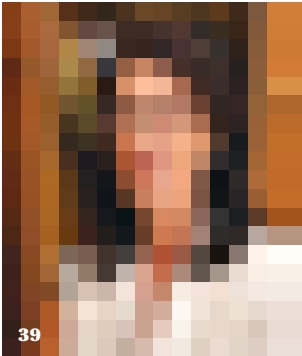
**31** Rachid Outariatte, President, Professional Association of Brokerage Firms (APSB) & CEO, CDG Capital Bourse • Interview

**32** Abdessamad Issami, CEO, Umnia Bank • Interview

**33** Breaking down the budget  
• Focus: PLF2020

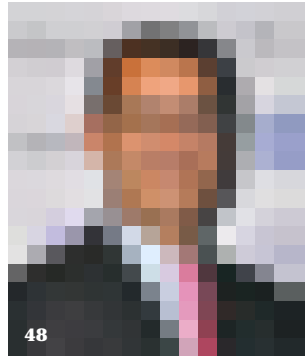
**34** Abdeslam Ababou, Chairman, Red Med Finance (RMF) • Interview

**35** Voices from the sector



## 36 ENERGY & GREEN ECONOMY

- 37** A green desert • Chapter summary
- 39** Amina Benkhadra, General Director, The National Office of Hydrocarbons and Mines (ONHYM) • Interview
- 40** Saïd Mouline, CEO, Moroccan Agency for Energy Efficiency (AMEE) • Interview
- 41** Solar superpower • Focus: Taking the lead in renewables
- 43** Voices from the sector
- 44** Jaime Real de Asúa, President, Elecnor • Interview
- 45** Mix it up! • Focus: The future of Morocco's energy mix

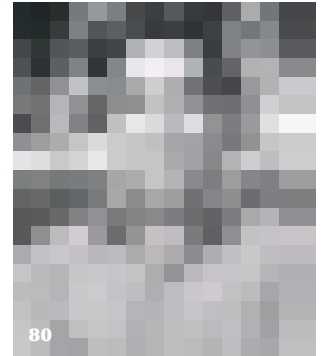


## 46 INDUSTRY

- 47** Economic workhorse • Chapter summary
- 48** Khaldoun Bouacida, Managing Director, Country Cluster Head for NorthWest Africa, BASF • Interview
- 49** Aeronautics • B2B
- 50** Signing a new contract • Focus: Industrial Acceleration Plan 2014-2020
- 51** Nourddine Rhalmi, CEO, Alstom Morocco • Interview
- 53** Fatima-Zohra Alaoui, General Manager, Moroccan Association of Textile and Apparel Industries (AMITH) • Interview
- 54** Voices from the sector
- 57** Jalil Skali, General Director, DOLIDOL • Interview

## 58 ICT & MEDIA

- 59** At the forefront • Chapter summary
  - 60** Amine Zarouk, President, Moroccan Federation of Information Technologies, Telecommunications, and Offshoring (APEBI) • Interview
  - 61** Abdeslam Alaoui Smaili, CEO, HPS Morocco • Interview
  - 63** Necessary and sufficient • Focus: Roadmap to digitalization
  - 64** Saloua Karkri-Belkeziz, General Director, GFI • Interview
  - 65** Fatime Zohra Outaghani, CEO, PR Media • Interview
  - 66** Media players • B2B
  - 67** Noureddine Gnaou, General Manager, Soremor Holding • Interview
  - 69** IT players • B2B
- ## 70 TRANSPORT & LOGISTICS
- 71** Location, location, location • Chapter summary
  - 72** Mohamed Ifrah, General Director, DHL Express Morocco • Interview
  - 73** Airlines • B2B
  - 75** Antoine de Mirbeck, Managing Partner, IPSEN Logistics • Interview
  - 76** Connecting a new kind of kingdom • Focus: High-speed train



## 78 CONSTRUCTION & REAL ESTATE

- 79** More in line • Chapter summary
- 80** Mohamed Ait Benzaiter, General Manager, Ménara Holding • Interview
- 81** Issam El Jilani, General Manager, Chantiers Marocains Modernes (CMM) • Interview
- 82** The sky is the limit • Focus: Megaprojects
- 85** Tarik El Harraqui, General Manager, CBRE Morocco • Interview
- 86** Voices from the sector
- 87** The REIT response • Focus: REITs



92

## 88 AGRICULTURE, FISHERIES & FOOD

**89** Upstream integration • Chapter summary

**90** Jean Christophe Queyroux, General Manager, Marjane Hypermarkets • Interview

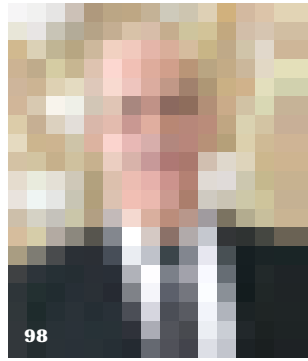
**91** Riad Laissaoui, CEO, Retail Holding • Interview

**92** Hassan Sentissi, President, National Federation of Industries of Transformation and Valorization of Fishery Products (FENIP) • Interview

**93** Moulay Abdelkader Alaoui, Managing Director, Manafid Al Houboub & President, National Flour Mill Federation (Fnm) • Interview

**94** Voices from the sector

**95** From the ground up • Focus: Green Morocco Plan



98

## 96 EDUCATION

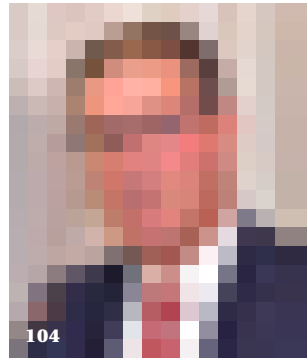
**97** Double-edged sword • Chapter summary

**98** Prof. Mostapha Bousmina, President, Euromed University of Fes • Interview

**99** ESITH • B2B

**100** Voices from the sector

**101** Educating the masses • Focus: Reshaping society through education



104

## 102 TOURISM

**103** Rethinking tourism • Chapter summary

**104** Othman Cherif Alami, President, Atlas Voyages • Interview

**105** Habib El Fassi, Managing Director, Visit Morocco • Interview

**107** Championing sustainable development • Focus: Sustainable tourism

**108** Mehdi Zaanoun, General Manager, Four Seasons Hotel Casablanca • Interview

**109** Amr Kallini, General Manager, Mövenpick Hotel Casablanca • Interview

**110** History, preserved • Photo essay: Moroccan medinas

Read more at [thebusinessyear.com/Morocco](https://thebusinessyear.com/Morocco)

The Business Year is published by The Business Year International, Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Islands. Printed by Uniprint Basım San. Tic. A.Ş., Ömerli Mah. Hadımköy - İstanbul Cad. No:159 Hadımköy Arnavutköy 34555 İstanbul/Türkiye. The Business Year is a registered trademark of The Business Year International. Copyright The Business Year International Inc. 2020. All rights reserved. No part of this publication may be reproduced, stored in a retrievable system, or transmitted in any form or by any means, electronic, mechanical, photocopied, recorded, or otherwise without prior permission of The Business Year International Inc. The Business Year International Inc. has made every effort to ensure that the content of this publication is accurate at the time of printing. The Business Year International Inc. makes no warranty, representation, or undertaking, whether expressed or implied, nor does it assume any legal liability, direct or indirect, or responsibility for the accuracy, completeness, or usefulness of any information contained in this publication. The paper used in the production of this publication comes from well-managed sources.

Image: Roland Nyari

# POSITIVE TIDINGS

*Morocco* is growing in significance as a regional economy, well positioned as a gateway to Africa and as a stepping stone to Europe. COVID-19-related challenges aside, there is much to be optimistic about.

Recent large-scale reform plans have put Morocco on the right trajectory for progress, but a rapidly digitalizing world, accelerated by COVID-19, will test the Kingdom's ability to adapt and uphold its resiliency thus far.

## TIME FOR AN UPGRADE

Morocco is hopeful that reclaiming its MSCI emerging market status, after being downgraded to frontier status in 2013, will open up new opportunities to an expanded pool of investors. And to revamp its equities market and build a more diverse investor base, Casablanca Stock Exchange, looking to boost the number of listed companies, enacted its Elite Program in 2016. A partnership with the London Stock Exchange, the program aimed to facilitate IPOs by 2020. Although COVID-19 has put somewhat of a damper on these efforts, the longer-term outlook looks positive. Elsewhere, Morocco recently welcomed a new player to its Islamic banking scene in the form of Umnia Bank. While Fitch noted in 2019 that progress in Islamic finance has been limited of late, a new sharia-compliant players that is focusing on digital services could act as a portent for things to come.

## GREEN PROGRESS

A fact recognized by the World Economic Forum (WEF) and the stakeholders we interviewed, Morocco has made incredible progress toward sustainable energy over the last year. This is due, in large part, to the increased political will and investment in renewables. WEF's Energy Transition Index 2020, which was published in mid-May and benchmarks 115 national energy systems, put Morocco at the top for the MENA and African regions. What's more, the 2019 Climate Change Performance Index ranked Morocco second globally.

There is incredible potential for renewable energies, namely solar, hydro, and wind power, to play a more pronounced role in the country's energy matrix should such frameworks come about. The northwest African powerhouse aims to reach 52% renewables in its national energy matrix by 2030. A decade away, and Morocco currently sources 42% of its energy from renewables.

## MANUFACTURING HUB

Thanks in part to its strategic location as both a gateway to Africa

and close to Europe, Morocco is developing strongly as a manufacturing hub. In 2014, Morocco launched its Industrial Acceleration Plan to map out the arc of the sector through 2020. Now in the final year of the plan, we have the unique opportunity to evaluate its implementation and look toward the future.

Within the industrial sector, the automotive, aerospace, and textile segments stand out. Mohamed Lahlou, President of the Board of the Higher School of Textile and Clothing Industries (ESITH), highlighted the importance of the textile sector as a segment that creates jobs and boosts exports. He noted in an exclusive interview with TBY, “Textiles and clothing has always represented a particular importance in terms of employment and exports, with more than 180,000 jobs and USD3.8 billion in exports.”

**DIGITAL FUTURE**

COVID-19 has heralded a new digital era, accelerating trends toward remote working and learning and putting the cloud at the forefront of every business owner. For Morocco, digitalization has been a key priority for the government since 2009, when the first strategic plan laid out key e-government objective to reach by 2013. Maroc Numeric 2013 was launched as part of a royal initiative to establish the country as a continental tech hub.

Progress in recent years has been noticeable. Today, applications for identity documents and passports are fully digitized, and the payment of bills and processes for establishing a business can be done online. Morocco ranks among the top-10 countries in the world in the Universal Postal Union’s ranking of countries that have succeeded in achieving true digitalization.

And with the latest strategic plan, Maroc Numeric 2020, coming to an end, stakeholders are first evaluating impact thus far and the current reality of digital transformation to more effectively draft the next plan, which is certain to be shaped by COVID-19.

**LEARNING TO LEARN**

Morocco has invested heavily in education in recent years, with mixed results. Before the COVID-19 pandemic, inequality in education was a critical problem, and the onset of distance learning has only further highlighted the challenges that exist in poorer, more rural regions that often lack reliable ICT infrastructure.

Despite the challenges wrought by a rapid shift to online education, there are many bright spots in Morocco’s education sector. Some noteworthy trends are higher education’s proactive and enthusiastic approach to partnering with industry, as well as supporting SMEs, entrepreneurship, and women’s empowerment. ✖

**GDP PER CAPITA (2019)**

SOURCE: THE WORLD BANK

USD3,204

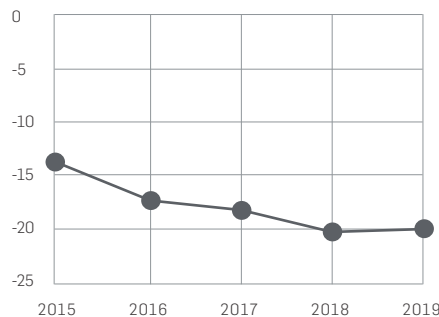
**INFLATION (2019)**

SOURCE: STATISTA

-0.05%

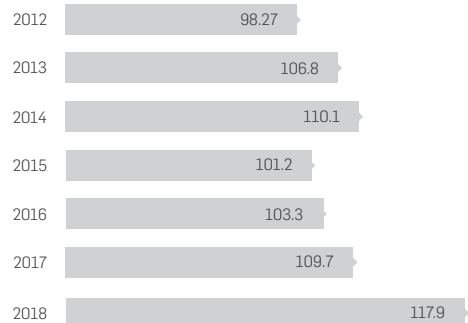
**TRADE BALANCE (USD BLN)**

SOURCE: FOCUS ECONOMICS



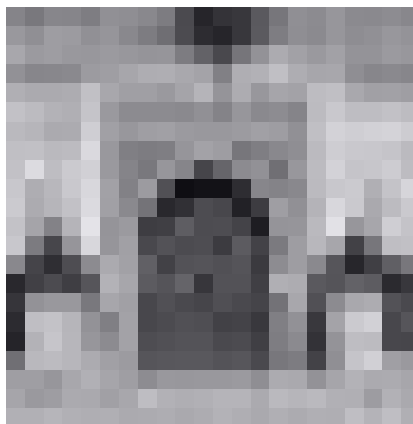
**GDP (CURRENT PRICES, USD BLN)**

SOURCE: THE WORLD BANK



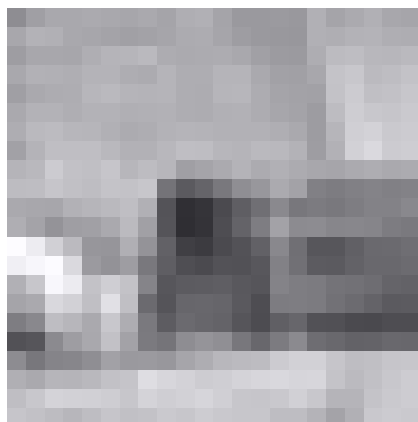
## JULY 30, 2019

**King Mohammed VI** celebrates Throne Day, marking 20 years since his ascension to the throne.



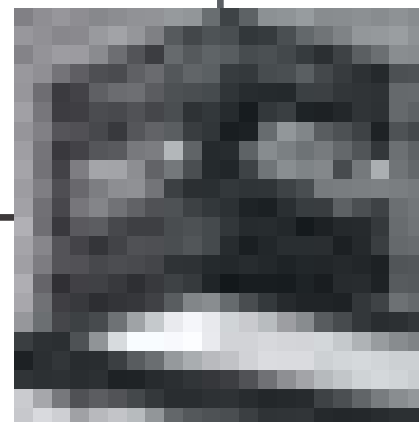
## AUGUST 2019

**Maroc Telecom** signs a USD1-billion investment deal with the Moroccan government.



## OCTOBER 2019

Morocco rises to **53rd spot out of 190 countries** on The World Bank's annual Doing Business 2020 review.



## NOVEMBER 2019

**Ivanka Trump**, daughter and advisor of the president of the United States, visits Morocco to promote the US initiative in favor of the economic emancipation of women.



## DECEMBER 2019

The **14th France-Morocco** high-level meeting is held in Paris under the co-chairmanship of former French Prime Minister Édouard Philippe and Saâd Dine El Otmani, Head of the Government of the Kingdom of Morocco.

## MARCH 13, 2020

After the WHO's labeling of the COVID-19 outbreak as a pandemic, **the Kingdom of Morocco moves to suspend all air and sea passenger travel** between France and Morocco until further notice.

## NOVEMBER 2020

The Spanish Institute for Foreign Trade reports that the number of **Iberian agricultural firms registered in Morocco has reached 37**, highlighting a trend of Spanish farmers moving to the country to take advantage of cheap land and labor.

## AUGUST 21, 2020

Morocco begins to reinforce **lockdown restrictions** in certain areas and cities as COVID-19 cases begin to spike.

## JUNE 2020

King Mohammed VI undergoes **successful surgery in Rabat** for a heart rhythm disorder.

A photograph of the Parliament building in Rabat, Morocco, featuring a large flagpole with the Moroccan flag in the foreground and a modern building with a glass facade in the background.

## The Building of the Parliament in Rabat

### POPULATION

SOURCE: HCP, WORLD BANK

2014	<b>33.8 MILLION</b>
2018	<b>36.03 MILLION</b>
2050e	<b>43.6 MILLION</b>
Average annual growth until 2050:	<b>270K</b>

### LANGUAGES SPOKEN

SOURCE: TRADE PORTAL, GRAPHIC MAPS, TBY RESEARCH

Arabic (Darija)	<b>60%</b>
Tamazight	<b>30-40%</b>
French	<b>33%</b>
Spanish	<b>21%</b>
English	<b>14%</b>

### TOP TRADE PARTNERS (2018)

SOURCE: WITS

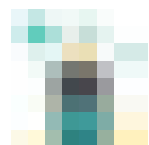
#### TOP EXPORT PARTNERS

Spain
France
US
Italy
India

#### TOP IMPORT PARTNERS

Spain
France
China
US
Italy





# Diplomacy

## A NEW DAWN

**A** geographic link between Europe and Africa, the Kingdom of Morocco is very much interested in maintaining good international relations, both economic and diplomatic. In many cases, these interests overlap and lead to fruitful relations, particularly with Europe.

Morocco's European ties go beyond historic and linguistic links with France or its proximity to Spain. Emma Wade-Smith, Her Majesty's Trade Commissioner for Africa in the UK's department for International Trade, sat down with TBY for a virtual interview a few months into the pandemic. She emphasized the need for further alignment between the UK and Africa in light of the global health crisis, with increased interest on the part of British companies in finding new trade markets and investment opportunities. Wade-Smith added that for the UK, Morocco is one of the most dynamic African markets; it is the sixth-largest economy on the continent and one of the easiest for doing business. The World Bank's Doing Business 2020 report highlights Morocco as one of the 42 countries that saw significant progress across at least three criteria. Notably, some of those criteria in which Morocco improved include dealing with construction permits, getting electricity, protecting minority investors, paying taxes, trading across borders, and enforcing contracts, all good news as far as the UK is concerned.

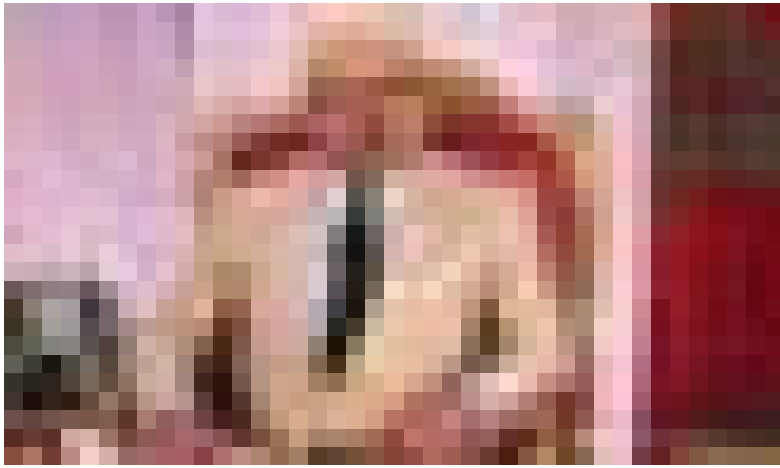
Morocco has spent several decades building

strong ties not only across the Mediterranean but also the Atlantic. Much like the UK, the US is keen on opportunities in Africa, especially Morocco, as it is seen as a gateway for many American companies. A formal FTA with the US was established in 2004, with bilateral trade accounting to USD450 million at that time. 15 years on, this figure has skyrocketed to USD4 billion.

The only area where relations remain strained is with Algeria. Despite Morocco's attempts at diplomacy and reconciliation, the dispute over the Western Sahara continues to be intertwined with Moroccan and Algerian tensions, and progress has been stunted by Morocco's comparative advantage in terms of economic diversification. One bright spot is Air Algérie, Algeria's national airline, and its noted increase in the number of passengers between Casablanca and Algiers. This is part of a broader strategy to fill the demand for more inter-African routes.

This trend toward more cooperation within Africa is exemplified by Morocco's readmission into the African Union (AU) in 2017 after leaving more than three decades ago. Though reconciliation efforts surrounding the Western Sahara disputed territory have stalled, Morocco's contributions to the AU amidst the COVID-19 crisis shows potential for the country to take a more proactive role in regional and continental collaboration, particularly within the Sahel and the Economic Community of West African States. ✖

## INSIDE PERSPECTIVE



# PEOPLE

## *first*

Parliament must focus on building a country that is committed to progress and development and that responds to the concerns and aspirations of all its citizens.

His Majesty Mohammed VI  
KING OF MOROCCO

Praise be to God, prayer and salvation to the Prophet, His family, and His companions. Distinguished members of Parliament, we are pleased to preside over the opening of the fourth year of the present legislature. It is, for us, the opportunity to meet you again, you the elected representatives of the nation. Because it intervenes in the middle of the current parliamentary mandate, this legislative year must be stamped with a sense of responsibility and seriousness. It also has the particularity of being some time away from the election period, which is generally punctuated by tensions. It is up to you, therefore, to seize this favorable conjuncture to best fulfill the mission entrusted to you by the citizens. Your duty is also to act in a spirit of constructive emulation in order to serve their interests and defend national causes. You must also approach this legislative year with a view to the new stage, which we outlined in the last King's speech. If our concern has been to define the essential challenges as well as the major economic and developmental challenges of this stage, the responsibility of the political class, more specifically that of the government, parliament, and political parties, is to create the conditions needed for its completion.

Ladies and gentlemen, distinguished members of Parliament, the new stage, which begins now, requires unanimous involvement, based on redoubled confidence, a firm will to work in a spirit of collaboration and unity, and vigilant mobilization. It must also be characterized by the concern to transcend unproductive quarrels and stop any loss of time and energy. Its top priorities are to implement reforms and follow up on decisions and project execution. This is the mission of the executive and the legislative branches. This is also the responsibility of the private sector, particularly when it comes to funding—not to mention the important role dedicated civil society organizations should play. In fact, it is incumbent upon the government to develop rigorous plans on the basis of which decisions and projects of national, regional, or local significance can be carefully conceived, meticulously carried out, and monitored over the long term.

Since the administrative apparatus is put at its disposal, the government should tap all the means available to it, especially statistical data and inspection and control mechanisms, in order to guarantee the efficient implementation of decisions, making sure stakehold-

ers work with one another in a transparent and harmonious manner. In this regard, there can be no shirking of responsibility, especially if the principle of public accountability is strictly enforced. As far as Parliament is concerned, the Constitution has given it broad powers in the field of legislation, oversight of the government, and assessment of public policy.

As members of Parliament, you are responsible for the quality of the laws passed to implement projects and decisions on the ground, making sure they are attuned to the pulse of society, fulfill citizens' aspirations, and address their concerns. It is also your responsibility to monitor government action concerning all matters relating to the management of public affairs and scrupulously ensure they are in line with the real concerns of citizens.

No matter how appropriate the decisions are, and regardless of the quality of the projects planned, implementation will always hinge on the availability of resources. This is why I have always insisted on the need for sound preparation of programs and projects, especially matters relating to funding and to the settlement of real estate issues. Government efforts alone will not suffice in this regard. This means the private sector should be involved in the development process. We are referring in particular to the banking and financial sector, which constitutes the keystone of any development strategy. Implementing projects and decisions and ensuring their follow up goes beyond just signing contracts and agreements. These operations also involve a moral contract, drawing from reason as much as conscience.

This is a matter of shared responsibility for all the stakeholders concerned. Each party is duty-bound to fulfill its obligations and honor its commitments. Such a contract does not involve government institutions and elected officials alone. The private sector—especially financial institutions and the banking sector—is also concerned. Morocco, God be praised, has a banking sector combining robustness, dynamism, and professionalism, all of which contribute to the resilience and development of the national economy. In addition, Morocco's financial system is subject to strict regulatory controls undertaken by independent and competent national institutions. This enhances trust in our banking sector and reinforces its credibility,

### BIO

His Majesty King Mohammed VI, the son of the late King HM Hassan II, was born in Rabat in 1963 and was crowned King of Morocco on July 30, 1999. He acquired a BA in 1985, his first certificate of high studies in political sciences in 1987, and a second certificate in public law in 1988, the last two with honors. In order to complete his training, and to practice the principles and rules of law, the Late King Hassan II sent him to Brussels in 1988 to work with Jacques Delors, president of the Commission of the European Economic Communities, for a few months. His Highness has also taken part in many international and regional conferences and has authored a book and many articles on Euro-Maghreb cooperation. He received a doctorate in law with distinction from the University of Nice-Antipolis in France and an honoris causa doctorate from the University of George Washington. He is fluent in Arabic, French, Spanish, and English.

both domestically and abroad. Its level of development has enabled it to invest in a number of foreign countries, especially in Africa; however, certain categories of the population still have a negative perception of the banking sector, considering banks are only interested in instant, guaranteed profit. This representation is evidenced, for instance, by the difficulty young entrepreneurs have in obtaining loans and by the limited financial support provided to graduates and for the creation of SMEs. I am fully aware that it is difficult to change certain mindsets within the banking sector. In this regard, I have already stressed the need to change mentalities within the civil service and put an end to behavior that impedes development and investment. We, therefore, urge the national banking sector to show greater commitment and be more effectively involved in the country's development dynamic. This effort must focus especially on financing investment projects and supporting productive activities that create jobs and generate income.

In this respect, and in addition to the financial support banks give to large businesses and companies, we call on them to fulfill their crucial role in promoting development. To achieve it, they must in particular simplify and facilitate access to loans by being more open to self-employment projects and by financing the creation of SMEs. To this end, we ask the government and Bank Al-Maghrib to coordinate with the Professional Group of Moroccan Banks in order to develop a special program to provide financial support to young graduates and fund small self-employment projects. Given their positive impact on a number of families and on society as a whole, it is worth drawing inspiration from the fruitful experiences carried out by organizations that finance projects developed by young people, thereby facilitating their integration into social and professional life. Our wish is that this plan, the different phases of which I will be monitoring with the government and the parties concerned, revolves around the following:

First, enable as many young, qualified project holders as possible, from various social backgrounds, to obtain bank loans in order to launch their projects, and provide assistance to make the plan as successful as possible. Second, give financial support to export-oriented SMEs, especially those trading with Africa, and

enable them to benefit from the value added offered by the national economy. Third, facilitate public access to banking services and to opportunities for professional and economic integration, particularly for people involved in the informal sector.

Needless to say, economic activity hinges mostly on the development of banking services. In this regard, I applaud the results achieved in this area over the past two decades, given that the number of citizens who opened a bank account has increased three-fold. Banks are expected to keep up efforts and invest in modern technology and innovative financial services to increase the number of Moroccans with access to financing and banking services, thereby serving the interests of banks as well as those of citizens in a balanced and equitable way and contributing to development.

However, this plan will not achieve its goals without the effective involvement of citizens, who should shoulder their responsibilities and honor their loan terms and conditions. Likewise, financial regulatory and control institutions and mechanisms should monitor the various operations involved and make sure there is a balanced, trust-based relationship between finance institutions and borrowers. I shall highlight the social responsibility of financial institutions and the need for them to contribute to constructive initiatives, whether they concern social or humanitarian issues, the preservation of the environment, or the promotion of sustainable development.

Building a country that is committed to progress and development and that responds to the concerns and aspirations of the citizens requires all stakeholders to take concerted action. From this forum, I call on the legislative institution you represent as well as on the executive branch and the private sector—especially the banking sector—to be actively involved in this national development endeavor and ensure the success of the new phase we are embarking upon.

Be, may God keep you, up to this task that requires a keen sense of responsibility and commitment and put the nation's best interests above all other considerations for the prosperity of the country and the good of its people.

\* Speech given in the Houses of the Parliament, October 11, 2019

The Moroccan flag flies at Jemaa el-Fnaa square



# THE UNKNOWN PRICE OF INTEGRATION

Though persistent in its efforts to join the Economic Community of West African States since 2017, Morocco has yet to convince the rest of the bloc's 15 members that its membership will benefit them as much as it does Rabat.

**THE ECONOMIC COMMUNITY OF WEST AFRICAN STATES (ECOWAS)** was founded during a pivotal year for West Africa, 1975, coinciding with the end of centuries of Portuguese and Spanish rule along the continent's western littoral. Of the 15 member organizations, whose official languages are English, French, and Portuguese, Cabo Verde, which joined the bloc in 1977, was emerging from over five centuries of colonial rule, while Guinea-Bissau had only been independent for a year. The rest of its members, including its largest, Nigeria, had only been independent for a decade and a half.

Created to promote economic integration among its members, whose population now exceeds 350 million, making it the fourth-most populous economic bloc in the world after China, India, and the EU, ECOWAS has also participated in peacekeeping missions across the region, including Ivory Coast in 2003, Liberia in 2003, Guinea-Bissau in 2012, Mali in 2013, and The Gambia in 2017.

Though its dream of allowing complete freedom of movement has fallen short of EU-like standards, it does offer 90-day visa-free travel for all participating nations. Furthermore, it has also been crucial to allowing Benin, Burkina Faso, Guinea-Bissau, Ivory Coast, Mali, Niger, Senegal, and Togo to all use the West African CFA franc, a currency pegged to the euro that is also guaranteed by the French treasury.

With all this taken in mind, it is little surprise that Morocco is keen to join the flourishing organization in one of the fastest-growing regions on earth, both economically and demographically. Since launching its application for membership in early 2017, Morocco has been keen to leverage its privileged position as a conduit to Europe and North America to play a more comprehensive economic and diplomatic role within West Africa. Already enjoying free trade deals with the US and EU, the kingdom is uniquely well-placed to leverage

its privileged position—economically, culturally, politically, and geographically—to become the world's gateway into West Africa.

Unfortunately, it is precisely for these reasons that a number of ECOWAS' most important members, chief among them Nigeria, are wary of its entry. As Mansur Ahmed, president of the Manufacturers Association of Nigeria, told the FT in 2019, Morocco could easily become a Trojan horse for American and European companies entering the market, dumping products, and giving Moroccan middlemen a significant advantage over other members. "What is Morocco going to bring to the table," he asked reporters, and "what will be the benefits to the members of the community, particularly [Nigeria]?"

With a common tariff program applicable to all member states, it is unclear how Morocco's free trade deals with the US and EU would be affected by potential membership. One solution is to give ECOWAS member nations unreciprocated tariff-free access to the Moroccan market.

Other fears abound that Morocco will not adhere to the body's general rules on everything from tariffs to free movement of people. A far more developed country than the rest of ECOWAS, would it be willing to adopt the West African CFA franc? Moreover, how can it square the fact that many of ECOWAS' members, including Nigeria, recognize the Polisario Front's claims to Western Sahara, a former Spanish colony (1884-1976) that Morocco annexed after the death of Franco, sovereignty over which the local Sahrawi people have been fiercely fighting for nearly 50 years?

That Morocco left the Union du Maghreb Arabe (UMA) in 2017 only bolstered its appetite for integration with West Africa. But it still has a ways to go before it convinces the region of its peaceful, treaty-abiding intentions. ✘

**FOCUS**

Becoming a continental leader

# THE FACE OF MODERN AFRICA

A major regional player on many fronts, Morocco has become an indispensable actor in Africa under King Mohammed VI, who has placed business expansion and diplomacy across Africa at the center of the government's development strategy.

**AFTER LEAVING THE AFRICAN UNION (AU) IN 1984** over territorial disputes, Morocco expanded its external focus on Europe and ceded influence on pan-African affairs to other regional powers such as Nigeria, Egypt, and South Africa. But that, and much else, has been changing under the leadership of King Mohammed VI, who marked 20 years in power in 2019.

As one of the five-largest African economies, Morocco made rounds globally before the turn of the 21st century to sign FTAs with the EU in 1995 and then with four European Free Trade Association countries in 1997. And under King Mohammed VI, the country has continued to tick boxes in terms of trade liberalization, becoming the first African country to sign an FTA with the US in 2004 and then re-joining the AU in 2017. In addition to all that, Morocco's application to join the Economic Community of West African States (ECOWAS) was accepted in principle in 2017.

King Mohammed VI has expanded the multilateral scope of his diplomatic action and strengthened Morocco's involvement in the African continent. His vision has been supported by significant investments in African by Moroccan banks, which operate in more than 25 African countries, as well as investments by commodities, construction, energy, and telecom companies; a strategy to promote Casablanca as a regional transport and logistics hub; and a stronger partnership with Nigeria, another key regional player, on the basis of religious diplomacy and a mega gas pipeline project.

From the start, King Mohammed VI expressed his intentions to make Morocco a key player in shaping the Africa of the future. Soon after Morocco rejoined the AU, he said in an address, "Africa is the future. And the future starts today."

Over the years, he has made well over 50 visits to African countries, signing more than 1,000 agreements across a broad range of sectors and filling a regional vacuum. And the government has backed up its plans with hard cash. Not only is Morocco the second-largest investor in Africa, its government has encouraged the private sector to invest in sub-Saharan Africa to an extent that 90% of the total FDI went to the region between 2010 and 2018, according to a report by the *Financial Times*. Ethiopia and Ivory Coast were the prime destinations for Moroccan investment.

Morocco's role in regional and global affairs has grown in impor-

tance mainly because of strong policies on the domestic front. The government has steered significant resources toward key economic sectors and increased productivity. Sectors such as aerospace, electronics, automotive, and renewable energy have benefited from substantial public resources and a host of incentives to attract FDI. In doing so, Morocco's Doing Business environment has also improved, moving up nine places in the 2019 Doing Business ranking to 60th out of 190 countries, and up 129 in 2009, reflecting years of sustained reforms.

Under King Mohammed VI, the government has rolled out mega infrastructure projects such as the USD2.2-billion Concentrated Solar Power tower, Africa's only high-speed rail network, and the continent's largest port complex, making Morocco a role model for African countries hungry for development projects. Notably, the new Tangier Med port is currently capable of handling 9 million TEUs per year, three times more than Port Said in Egypt, the next largest in Africa. Through investment in infrastructure, the government aims to leverage Morocco's geographic and cultural links with sub-Saharan Africa, the Middle East, and Europe to make it a regional business and export hub.

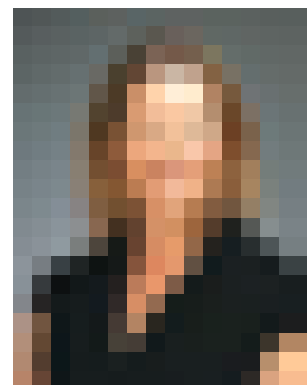
Another sector that is worth writing home about is automotive, which has spearheaded the emergence of value-added exports over the past decade. Between 2009 and 2018, automobile shipments grew at an average of 39%, from USD224 million to USD3.9 billion. The sector as a whole is the largest export category and accounted for USD6.9 billion in 2018. Investments by major car brands such as Renault, Yazaki, Sews, and PSA Peugeot Citroen have transformed Morocco into the most dynamic automobile manufacturing market in the MENA region.

According to the IMF, investment opportunities in Morocco will continue to be supported by solid underlying fundamentals. Real GDP growth will accelerate from an average of 3.1% between 2014 and 2018 to 3.8% until 2023, outpacing average growth rate of 2.7% in the MENA region over the same period. Undoubtedly, a stable and strong Morocco is key to Africa's economic growth, and as evident from the past, only through domestic success can Morocco pursue more initiatives across the continent and further intra-African integration. ✖

# a friend INDEED

Though trade between the UK and Morocco over the last year stood at about GBP2.5 billion, there is still enormous potential for both countries to do more together given the ambitions of Morocco.

Emma Wade-Smith  
HER MAJESTY'S TRADE COMMISSIONER FOR AFRICA,  
UK DEPARTMENT FOR INTERNATIONAL TRADE (DIT)



**How do you see UK debt relief and humanitarian aid efforts developing in Africa as a result of the COVID-19 situation?**

The UK is a large donor into Africa, and in the last few years, we have seen much closer coordination across the UK government's various arms, where we essentially seek to gain the maximum impact from working collectively. In the context of COVID-19, such an alignment is more essential than ever, and we are seeing that not just within the UK government's aid efforts but also across all DFIs and even the private-sector investment community as well. In the UK, as part of the immediate response to the pandemic, we have taken a look across our entire programming work in Africa and ensured that as much of that is directed at providing the help and support that governments across Africa need to help them respond to the pandemic and put in place the building blocks for a strong recovery. People are talking about rebuilding better and building back greener and sustainably and inclusively. That is essentially the focus for us, which is really making sure that every pound and penny counts to help Africa's governments and people recover from the pandemic.

**What is the significance of UK-Morocco relations, and in what areas do you envisage great cooperation?**

Morocco is one of the most dynamic markets in Africa, the sixth-largest economy on the continent, and one of the easiest countries to do business with. If I look across my network, Morocco is one

of those markets where the UK has not been as present and visible as it could be. One of the things we have done recently is set up a joint trade and investment task force designed to look at the common and complementary commercial interests. I see real opportunities here, not least because our export credit agency UK Export Finance has a market risk appetite for Morocco for up to GBP3 billion, and it is currently not entirely untapped. In terms of other opportunities, we have Casablanca Finance City, a truly energetic organization. Agriculture is also a real sector of opportunity, though unfortunately COVID-19 prevented us from being the country of honor at Morocco's SIAM agricultural exhibition in April. I am hopeful we will be able to roll that over to next year and be able to demonstrate the opportunities in the agri space. Renewables is also a real sector of opportunity in Morocco, as is education. At the UK African Investment Summit, we signed an MoU to support UK education provision in Morocco. We created the first British school there and see huge potential for doing more in that education space, including edtech. Morocco is a truly vibrant economy, and there is so much more that I want us to be doing there.

**What is your strategy to boost the confidence of investors and UK companies that want to enter Africa?**

According to traditional investors such as Unilever and Diageo that have operations on the ground, times are tough, as they are around the world, but everyone

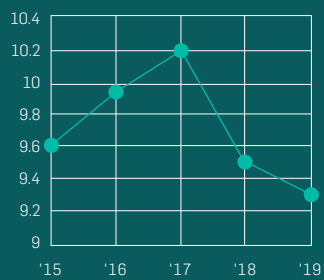
is committed to Africa and committed to doing the right thing in terms of helping in that response phase and being part of the recovery phase. The way that we see UK investments across Africa really plays into what the strengths will be for that recovery phase. We are seeing people coming to terms with the new reality. We are seeing and hearing from companies that are interested in the opportunities that will emerge in Africa, whether that is in terms of mergers and acquisitions, business restructuring, or companies that were previously vibrant and dynamic but are perhaps just cash strapped and looking for investment. We will see a return of some of that investment that has flooded particularly out of sub-Saharan Africa in the last few months. ✖

#### BIO

Emma Wade-Smith was announced as Her Majesty's Trade Commissioner (HMTC) for Africa in 2018. She has lived and worked in South Africa since 2016, following her appointment as the UK's Trade Director for Southern Africa. She created and subsequently led DIT's pan-African regional trade team since 2017. She has also worked on international trade at the UK's department for business, innovation, and skills. Prior to working on trade and investment, she had a distinguished career as a British diplomat spanning more than two decades.

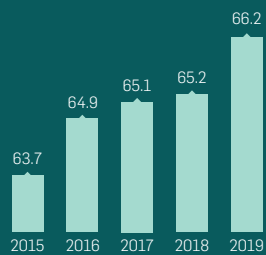
## UNEMPLOYMENT (AS A %)

SOURCE: FOCUS ECONOMICS



## PUBLIC DEBT (AS A % OF GDP)

SOURCE: FOCUS ECONOMICS



## EXPORTS (USD BN)

SOURCE: FOCUS ECONOMICS

2015	<b>18.6</b>
2016	<b>19.1</b>
2017	<b>21.5</b>
2018	<b>24.6</b>
2019	<b>24.7</b>

Office buildings in  
the Maarif district  
of Casablanca





## Economy

# LEVERAGING OPPORTUNITIES

Recent large-scale reform plans have put Morocco on the right trajectory for progress, but a rapidly digitalizing world, accelerated by COVID-19, will test the Kingdom's ability to adapt and uphold its resiliency thus far. Many priorities, such as shifting to high-tech industrial sectors and integrating innovative technologies in the agriculture sector, are now imperative should the country want to take on a bigger role on the regional and global stages. And many, including the US and the UK, have high hopes for the northwest African nation because of its diverse links to several regions, developing regulatory environment, growth potential, and human capital.

The country's Industrial Acceleration Plan and Green Morocco Plan have set a solid foundation on which to build, and, even if they have not fully met their ambitions, many economic stakeholders view them as a testament of Morocco's political will to progress. Minister of Economy and Finance Mohamed Benchaâboun notes considerable investment in infrastructure and improvement in the business environment, particularly for SMEs. Notably, the African Development Bank has been quite instrumental in developing energy, health, and industrial infrastructure.

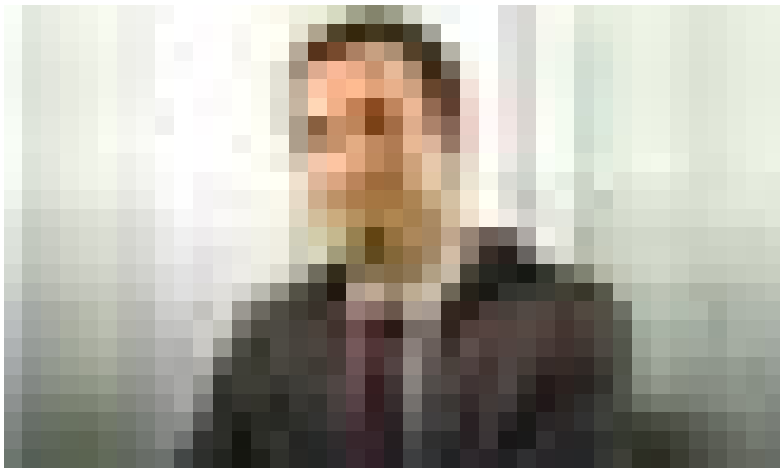
The abovementioned plans will be enhanced by increased investment in innovation and entrepreneurship. After less than two years of operation, SEAF's Morocco Growth Fund has deployed 35%

of its capital for investment into five companies and has two additional investments in the pipeline, most of which are in high-tech sectors including fintech, agritech, and cybersecurity. The purpose of the fund is to demonstrate and grow Morocco's innovation pipeline to spur further economic growth, development, and diversification. The fund's senior managing director Merem Zairi is optimistic about the pandemic's catalytic effect in terms of digitalization and innovation.

Though this long-term optimism for innovation is encouraging, the immediate implications of the global health crisis cannot be missed. The General Confederation of Moroccan Companies surveyed over 1,800 companies and reported significant negative impacts on employment and revenues. Fortunately, government measures, including from the central bank, have been helpful, and short-term, COVID-19-related reforms to address lack of liquidity and payment delays could have further longstanding net benefits.

Other important considerations for ongoing economic development are the rural-urban divide and the gap in women's labor force participation. Many improvements, initiatives, and programs are geared toward facilitating access to services and opportunities in rural areas. In addition to this, a notable portion of our interviewees mentioned women's economic empowerment as an important lever for advancement. ✖

## INTERVIEW



Automotive sector went from producing

**10k**

units in 2004 to 402,000 in 2018

FDI reached

**USD 5.1**

billion in 2018 (4.3% of national GDP)

#### BIO

Morocco's Minister of Economy, Finance, and Administrative Reform, Mohamed Benchaâboun, was previously Minister of Economy and Finance. Between 2008 and 2018, he was chairman and CEO of Banque Centrale Populaire (BCP), and from 2003-2008 he was director general of the National Telecommunications Regulatory Agency. He is a member of the Economic, Social and Environmental Council and of the Councils of the Mohammed V Foundation for Solidarity and the Mohammed VI Foundation for the Protection of the Environment.

**What achievements are you most proud of since being appointed minister?**

Under the leadership of His Majesty King Mohammed VI, Morocco has strongly boosted its reform process by launching large-scale projects accelerating the process of structural transformation of our economy and achieving strong and more inclusive growth, thus speeding up our country's economic emergence. In the macroeconomic field, we are exploring alternative solutions to reconcile consolidating macroeconomic stability with social and infrastructure needs. We intend to involve the private sector to a greater extent in the construction of infrastructure through PPPs to enhance the effectiveness of public investment and to better target social expenditure. Regarding reform, our actions will be directed toward those able to concretely improve the business environment, in particular SMEs, and thereby promote investment, employment, and inclusiveness. In 2019, we resolved the problem of the VAT credit, which was weighing heavily on companies' cash flows. We are now committed to reimbursing any credit accumulated over the year and simplifying the VAT system to reinforce its neutrality. A second problem addressed concerns the extension of payment periods, and we have set up an observatory of payment periods and created an electronic platform dedicated to processing complaints from suppliers of public establishments and companies. Regarding access to financing for businesses, and more particularly for SMEs and micro enterprises, we recently launched an integrated business support and financing program focused on three major axes: the financing of entrepreneurship, the coordination of actions in support for entrepreneurship at the regional level; and financial inclusion in rural areas. We have also adopted a National Financial Inclusion Strategy to integrate into the financial system, in addition to the rural populations targeted by the funding support program, populations who have difficulty accessing financial services.

**Despite global turmoil, Morocco's economic growth remains constant. What are its key drivers?**

Despite global market outlooks and a recurring drought for several years, GDP growth has averaged nearly 4% since 2008. This performance is the result

## EYE *on the prize*

The ministry aims to enact reforms that will significantly improve the business environment, thereby promoting greater investment, employment, and inclusiveness.

Mohamed Benchaâboun  
MINISTER OF ECONOMY, FINANCE, AND ADMINISTRATIVE REFORM

of the increased diversification of our productive base through integrated sectorial policies. For example, the Green Morocco plan has made our agriculture less dependent on the vagaries of the climate by developing new, high value-added sectors. Meanwhile, the Industrial Acceleration plan has encouraged the emergence of new export sectors with higher technological content, notably in the automotive, offshore, aeronautics, and electronics sectors. As such, automotive production reached 402,000 units in 2018, as compared to 10,000 vehicles in 2004, with a local integration level of more than 50% and a market share of nearly 40% at the level of the African continent. And in order to reduce our energy dependency, we have made significant progress in renewable energy programs, raising the share of renewable energy to around 34% of installed electrical power, with a 2030 target of 52%.

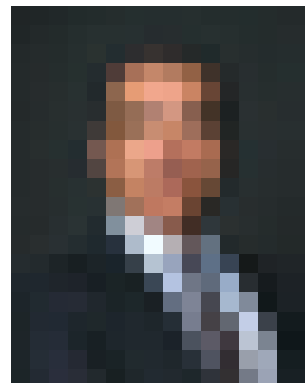
**Reducing debt and public spending and balancing the deficit are among the objectives of the new finance bill. How will the government ensure the achievement of these objectives?**

The maintenance of macroeconomic balances is the subject of continuous efforts to control expenditure, improve the yield of tax revenues, and mobilize non-tax revenues. Thus, within the framework of the 2020 budget bill, we will pursue these efforts through rationalization of public expenditure; improving the efficiency of investment expenditure; increasing the mobilization of tax and customs revenues; improving the governance and transparency of public institutions and companies; and introducing new financing mechanisms to reduce the treasury's debt. Simultaneously, the government has committed itself to pursuing structural reforms to strengthen its productive base, making it possible to control the budget deficit and sustain growth, thereby reducing recourse to debt. These reforms will focus on a tax reform, implement provisions of an organic budget law and strengthen the correlation between performance and evaluation and accountability principles, implement a new approach to the management of public investment projects, ensure that investment projects are chosen on the basis of their social and economic impact, and look into the pension system. ✖

# opportunities ABOUND

By supporting Moroccan companies to diversify, adapt, and open up new business lines, AMDIE strives to encourage growth opportunities for local businesses.

Hicham Boudraa  
ACTING GENERAL MANAGER,  
MOROCCAN INVESTMENT AND EXPORT  
DEVELOPMENT AGENCY (AMDIE)



## What makes Morocco a good destination for investment?

Morocco's political and economic stability is the number-one reason why investors choose it over other countries. The Kingdom is a constitutional monarchy, which gives us stability and a clear short- and long-term vision. All the necessary short-term strategies are in place, including sectorial and ministerial strategies, to oversee the yearly performance of programs and initiatives. Then, there are long-term strategies guaranteed by the monarchy. For example, it is not possible for a new government to make changes to the tax regime easily. This guarantees stability to investors. This stability has wide-ranging effects on the overall economy, including macroeconomic indicators and the exchange rate. Furthermore, Morocco has state-of-the-art infrastructure, a key geographical location, and FTAs that give access to more than 1.3 billion consumers in 56 countries. We also recently signed agreements with several African countries, and in 2019 we ratified the establishment of the new African Free Trade Zone (AFTZ). In addition, Moroccan offers highly skilled and talented human resources.

## What are the main opportunities for Moroccan exporters?

There are opportunities to be found in any crisis so we must be ready to seize and track them anytime and anywhere. The consequences of COVID-19 have resulted in a global reshaping of value chains all over the world, in particular in the Mediterranean. This is particularly the case for the EU, which might start reviewing some of its positions and economic alliances on the international stage. The EU could consider reestablishing its existing model of the automotive or even aeronautics in other sectors of activity. Here too, Morocco continues to claim a number of advantages for European operators. Despite high-

er production costs than in other Asian countries, the kingdom offers unbeatable geographic proximity and logistical efficiency. In addition, thanks to its extensive network of free trade agreements (direct access to more than 1.3 billion consumers in 56 countries), Morocco presents itself as a re-export platform to several other countries and continents. In addition, the government offers technical and financial support as well as tax exemptions for the set-up of foreign investors, not to mention its highly specialized and equipped industrial acceleration zones. Another main point is recommending and identifying together the tools, which will combine foreign investment in Morocco, national investment, and the development of the Made in Morocco export. Furthermore, this pandemic could undoubtedly offer one of the main cross-border collaboration beneficiaries for Morocco: accelerating the major global process of nearshoring.

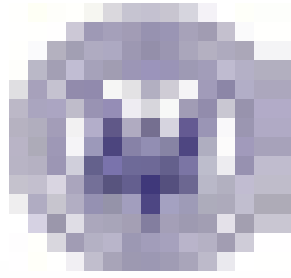
## How is AMDIE helping SMEs?

In the current economic crisis, AMDIE is accelerating its efforts to support Moroccan companies in their search for new niches for growth and international business performance. We are recommending and promoting diversification, adaptation, and opening up to new business lines, as well as focusing on export added value. These new strategies can be a successfully leverage to remain productive and competitive in these harsh times. Our goal is to create the groundwork for growth opportunities for Moroccan businesses. If these capacities are acquired and implemented by SMEs, it could help to capture new deals and lower the risk of a potential shutdown. In June 2020, the Ministry of Industry, Trade, Green and Digital Economy launched a set of full support tools and programs dedicated to the Moroccan industrial SMEs. The objective is to give a strong boost to their growth and com-

petitiveness. The current support programs Istitmar and Mowakaba were reconfigured into two new programs with more attractive loan rates and simplified access and payment conditions. In addition, two new programs have been implemented, Tatwir and Nawat. Tatwir provides tailor-made support including both investment assistance and technical advisory services, for the benefit of industrial small businesses investing in growth sectors, while Nawat provides support in terms of consulting, expertise, and technical assistance for both very small businesses and self-entrepreneurs and project leaders, whose investments do not exceed MAD3 million. ✖

## BIO

Hicham Boudraa has been the Acting General Manager of AMDIE since 2015. He had integrated Invest in Morocco in 2011 as CFO in charge of all the support activities of the agency. With over 20 years of experience in public and private institutions, he began his career as a management controller in the textile industry. He then joined GlaxoSmithKline (Pharmaceuticals) as a financial controller and a member of the executive committee. He also occupied the position of CFO as well as member of the executive committee at the National Office of Tourisme for almost six years. Boudraa is an Alakhawayn alumnus. He is a holder of an MBA degree with a major in finance and a minor in management. He obtained the CFC ISCAE certificate in accounting and financial audit in 2003.



# AMERICAN CHAMBER OF COMMERCE IN MOROCCO

(AMCHAM MOROCCO)

## Bridging the Atlantic in the Pursuit of Mutual Prosperity

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

### SERVICES

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

### PUBLICATIONS

- Membership Directory
- Morocco Trade & Investment Guide

### COMMITTEES

- Corporate Social Responsibility
- Business Concerns
- Trade and Investment

### WHO CAN JOIN

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

### NETWORKS

AmCham network includes:

#### AmCham MENA



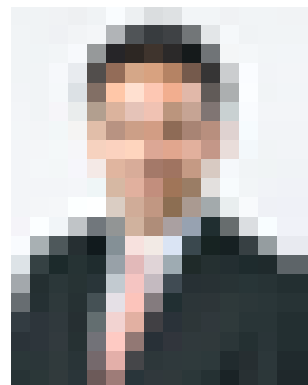
#### U.S.-Africa Business Center



# tough CHOICES

As a confederation of entrepreneurs, CGEM's goal is to save as many companies and as much employment as possible during the pandemic.

Mehdi Tazi  
GENERAL VICE-PRESIDENT,  
GENERAL CONFEDERATION OF  
MOROCCAN COMPANIES (CGEM)



**What has been the impact of COVID-19 on your operations and decision-making, and how is the confederation reacting to the socio-economic impact of the pandemic?**

The confederation is heavily involved in all of the discussions with the government. During this crisis, we have been in greater contact with the different entities so that we can bring our point of view on the decisions that have been made. There are three main impacts from the crisis: sanitary, social, and economic. We are involved in the social and economic sides through an entity that was created with ministers, parts of the government, the government body of banks, and CGEM. This is where decisions are being made on the social and economic sides. From that perspective, we are heavily involved; it is almost a full-time job on that front. That is our impact. Many measures to help the private sector and its workers, as well as those in the formal economy, have emerged from this. That is where we are acting the most in this crisis.

**CGEM conducted an investigation of the economic repercussions of the pandemic and surveyed 1,820 companies on their expectations of payment periods post COVID-19. What did the results reveal?**

**“Morocco has done a fantastic job in showing that it has a strong industry in the aeronautics and automotive sectors.”**

The results show that the crisis is deep and impacting everyone in all sectors. Another thing we learned is that about one-third of people are not working. That is a massive number. The third message we got from the survey is that nearly all companies are in a difficult situation; out of 33 sectors, 28 sectors are declaring a fall in revenue of more than 25%. The second part of the study allowed us to test how the private sector has accepted our measures in our government body between the government, CGEM, and the banks. In total, two-thirds of the companies have used the measures, while roughly half of the companies have used all of the measures. This means the measures that have been taken have been extremely helpful for the sector. The last thing the study showed was that payment delays have increased by more than 60 days as a result of the crisis. That's a huge problem worldwide, and it suggests that the economy will contract everywhere around the world. If people cannot pay, companies will go bankrupt.

**Which sectors have been most affected?**

Getting back to normal is extremely important. Today, industry is a strong sector for Morocco because it is starting with a relocation and redistribution of demand and offerings. Everything will no longer be made in China anymore, and we anticipate more industry spreading out to different countries. There will be opportunities everywhere. Morocco has done a fantastic job in showing that it has a strong industry in the aeronautics and automotive sectors. We are strong not only in textiles and clothing, but also in others. The pharmaceutical industry, for example, has potential. We have a base and are close to and friendly

with Europe. Most likely, we have a role to play as an alternative to the European market in terms of supplying industrial products. I would not bet on tourism in the short term, however.

**What are your priorities and goals for the year ahead?**

As a confederation of entrepreneurs, our goal is to save as many companies and as much employment as possible. We need to protect our supply. That means protecting our people and our companies. At the same time, we need to be realistic and understand that we cannot stay at home forever. We need to keep in mind other safety measures that can be taken in this situation. ✕

#### BIO

Mehdi Tazi graduated from the engineering and management school Télécom Paris Sud and received an MBA from the European Institute of Business Administration (INSEAD). He began his professional career with KPMG Consulting France and later joined Saham Group as development director. He later assumed several positions in different companies, including managing director of Isaaf Mondial Assistance, CEO of Saham Assurance, and CEO of GA Angola Seguros. He was also a board member of several companies. He was recognized as one of 25 young African leaders by the Jeune Afrique Group in 2013, among the top 50 disruptors in 2020, and amongst the top 10 economic leaders of the continent by the prestigious Choiseul Institute for three consecutive years from 2014 to 2016.



## FOCUS

Continental free trade

Image: Peti Lipták

# A FREE PASS

With the AfCFTA, Africa could become the world's biggest, single free trade zone, creating trade diversification opportunities for Morocco and other African states.

**THE AFRICAN CONTINENTAL FREE TRADE AGREEMENT (AfCFTA)**, which is planned to come into effect by July 2021 (notwithstanding any COVID-19-related delays), will allow for greater economic prosperity for the whole of Africa. And as Morocco's place as a strong, continental player becomes more cemented, Morocco will be sure to benefit from the AfCFTA.

The agreement commits countries to removing tariffs on 90% of goods and addresses other non-tariff barriers. It will turn the continent into the largest free trade area in the world, creating a single market with a total GDP of over USD3 trillion. The agreement's long-term goals include increasing intra-African exchanges by 60% by 2022, though this remains to be seen with lockdown measures still in place in a number of African countries due to COVID-19. The AfCFTA will also open the door to other initiatives key to taking advantage of open trade borders, including the Protocol on Free Movement of Persons, Right to Residence and Right to Establishment, and the Single African Air Transport Market (SAATM).

As things currently stand, Africa's contribution to international trade does not exceed 2%. Indeed, according to Morocco's Minister of Industry, Trade and Investment, and the Digital Economy Moulay Hafid Elalamy, intra-African trade does not even exceed 16% of the total volume of trade that the continent does with the rest of the world. From 2015-2017, African trade reached only USD760 billion, compared to USD4.11 trillion done in trade with the EU. There are currently over 100 land borders between African countries, and many exporters experience difficulty shipping goods between African countries by sea thanks to security concerns and infrastructure issues.

According to Elalamy, the continent's development necessitates the opening and integration of African markets, because "it is the best way to create shared growth, decent employment, and economic opportunities for all social levels." Not only that, but according to Mohcine Jazouli, Morocco's delegated minister in charge of African cooperation, the coming of the AfCFTA will also improve the position of the continent globally.

According to UNCTAD, even AfCFTA's transitional phases will generate USD16 billion. Furthermore, according to studies done by the Economic Commission for Africa (ECA), the agreement will increase the value of intra-African exports. By simply removing tariffs, it is projected that intra-African trade value will increase between 15-25% in 2040. Elalamy has estimated that the lifting of both tariff and non-tariff barriers could generate gains of around USD3.6 billion across the continent, thanks to an increase in productivity and a rise in value chains. Part of the reason for this is that intra-African trade is made up of more manufactured and processed goods: in other words, high value-added products, as opposed to low-value added products that are usually sold to larger, international firms to be refined or processed. Thus, the AfCFTA could be a driver of economic diversification on the whole, especially for those countries that rely on rents from extractive industries to make revenue.

More importantly, it will also allow countries to break into new markets and force product diversification in markets by destination and type. This is important for countries like Morocco, which are more economically diverse countries that are in need of new markets in which to sell their products and drive further diversification and sophistication of high value-added products. Agricultural production could be a great potential area, as many African countries spend a great deal on food imports and subsidies. It is estimated the agreement would increase trade in this area by 20-30%, another trade area in which Morocco has strength. But for the AfCFTA to do all the good it has promised to do, effort must be directed toward the development of complementary markets between African regions, according to Elalamy. In addition, African businesses must be strengthened, and partnership projects should allow for an upmarket of export products, he continued. Countries' industrialization policies must be adapted to creating a "Made in Africa" brand, thus constituting an integrated African market. With the Moroccan government council's ratification of the agreement in 2019, much remains to be done both in Morocco and on the continent as a whole to get the ball rolling. ✖

# TBY ANALYTICS MOROCCO 2020/21

**78 interviews** were analyzed for *The Business Year: Morocco 2020/21* Analytics.

Though many interviews were conducted before the global COVID-19 outbreak, many of the insights hold true, and many impacts reinforce topics discussed, such as innovation and digitalization. This is a breakdown of the questions we posed.

## BUSINESS CONFIDENCE INDEX

How confident are you about the outlook for business in Morocco this year (1-5)?

**3.72**  
AVERAGE  
RATING

### SECTORS TO WATCH



FINANCE

**3.5**



GREEN ECONOMY

**3.6**



INDUSTRY

**3.5**



IT &  
COMMUNICATIONS

**4**



TRANSPORT

**3.8**



REAL ESTATE &  
CONSTRUCTION

**3.6**



FOOD RETAIL

**4.1**



HEALTH &  
EDUCATION

**3.6**



TOURISM

**3.2**

## ADVANTAGES & CHALLENGES

What are the advantages and challenges of doing business in Morocco?

### ADVANTAGES

- Geographic positioning
- Conducive regulatory environment
- Young, talented population
- Shift to high-tech sectors and diversification of economic base
- Potential in renewable energies
- Vibrancy of economy and growth potential
- Political and economic stability
- Quality and investment in infrastructure
- Ability to meet international standards

### CHALLENGES

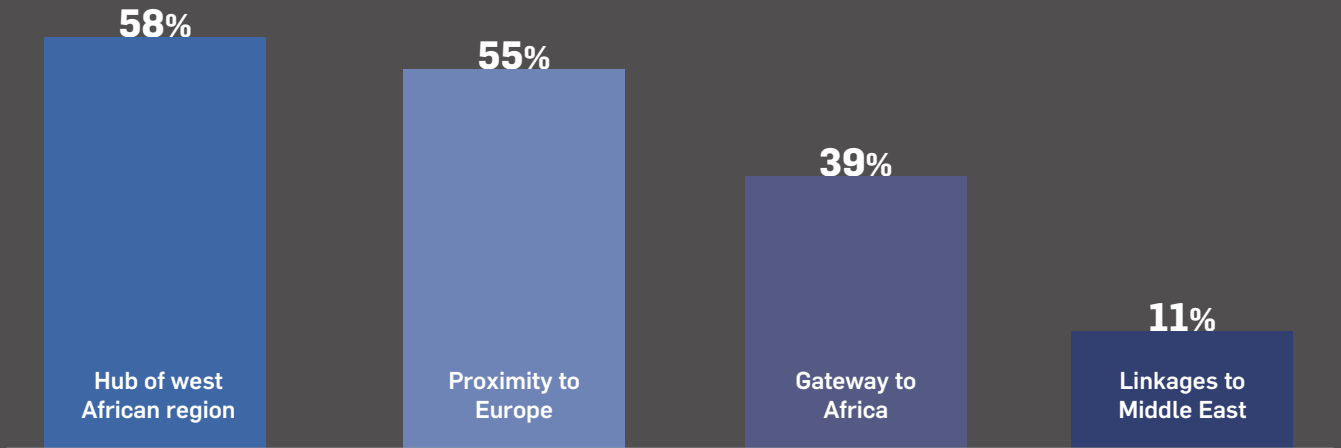
- Difficult business landscape & increased competition
- Payment delays
- Slow progress of digitalization
- Ineffective policies for local capacity development
- Uncertainty, largely regarding COVID-19
- Lack of entrepreneurial, language, and soft skills
- Lack of liquidity
- Access to healthcare and education
- Effects of decentralizing energy trends
- Informal economy



A few interviewees noted **cultural conservatism as a challenge**, but **10% of all interviewees** mentioned a focus on **women's empowerment and increasing women's participation in the workforce**.

## GEOGRAPHIC POSITIONING & INTRA-AFRICAN TIES

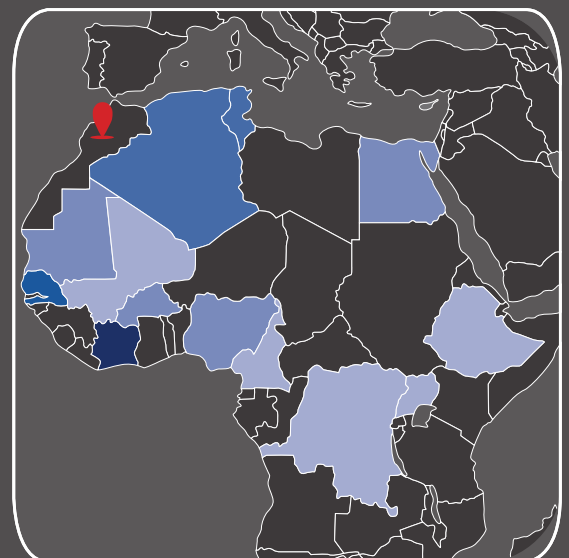
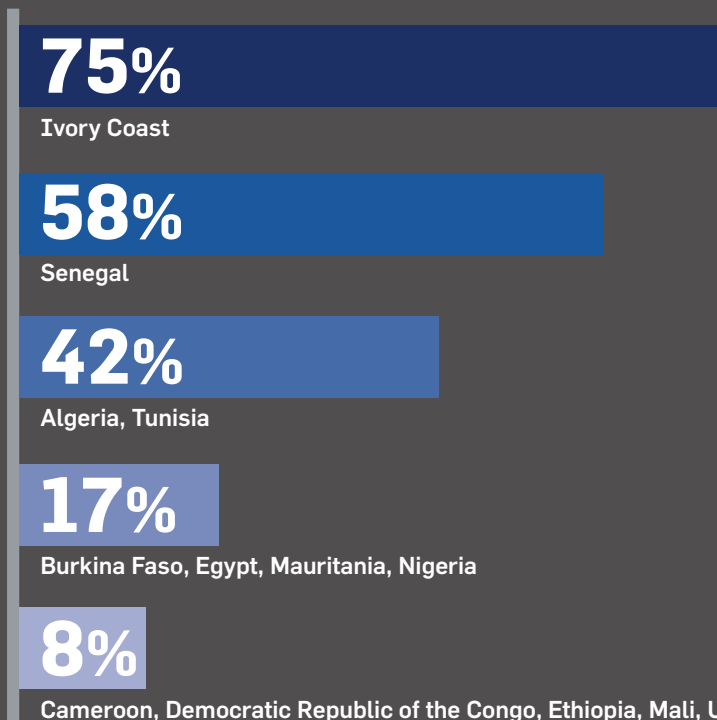
**52%** of interviewees mentioned **Morocco's geographic positioning as a strategic advantage**. Taking a deeper dive, we parse out what exactly economic stakeholders love about the country's location, including the distinction between Morocco as a hub for the West African region and a gateway to the entire continent.



“The main goal for us is to continue to be the advocate for US companies established in Morocco that invested over USD2 billion and created approximately 10,000 jobs. We will promote Morocco as the best gateway to Africa for US companies willing to expand and access new markets and opportunities.”

Rabia El Alama,  
**MANAGING DIRECTOR,**  
**AMERICAN CHAMBER OF COMMERCE IN MOROCCO**

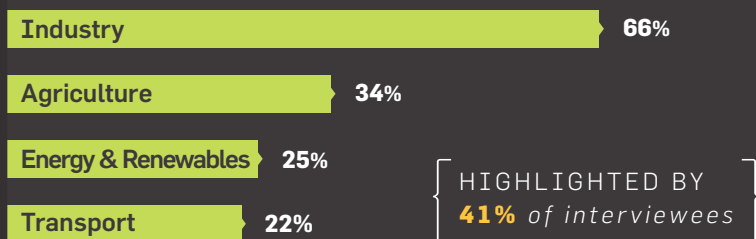
Though not specific to Morocco, **14%** of all interviewees also mentioned **Africa's potential** as an advantage. Combined with Morocco's status as a regional hub, many are engaged in intra-African activities. The following countries were most often identified:





## INDUSTRIAL ACCELERATION

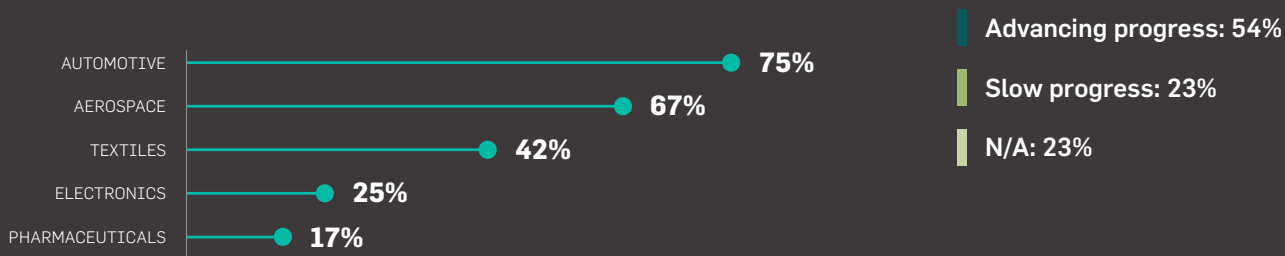
The following are the sectors most often identified as strategic.



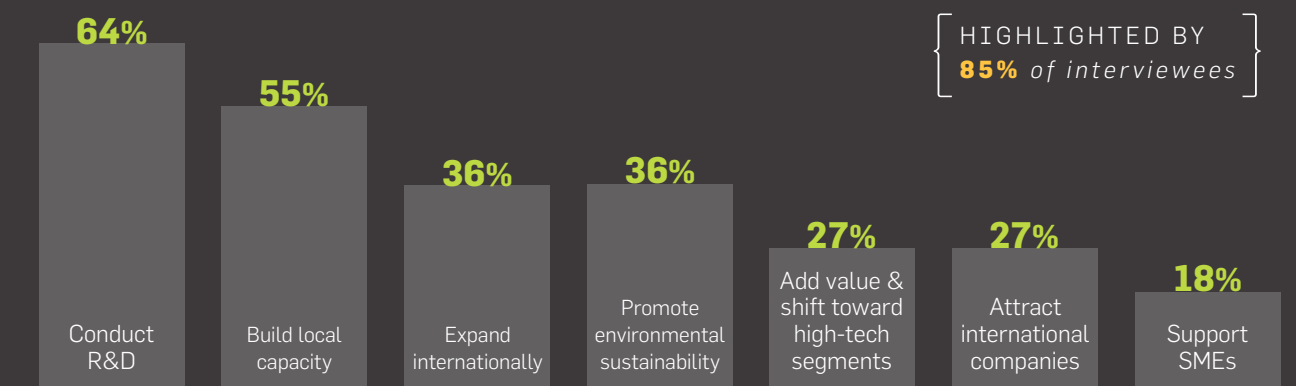
Evaluation of progress concerning digital acceleration and innovation varied within the sector.



Of those who identified the importance of the industrial sector, 57% emphasized certain segments with potential.



Key priorities for industrial sector stakeholders include:

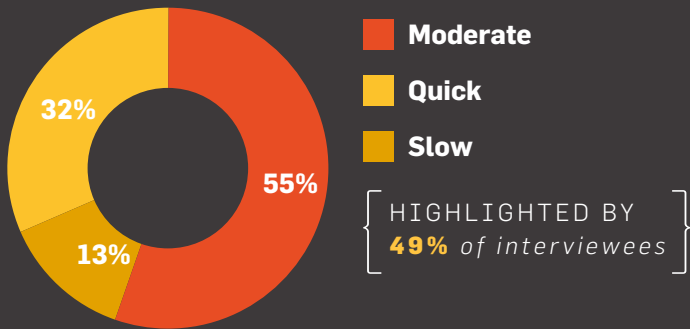


Many in the industrial and education sectors supported increased collaboration to better match schooling and training with industry needs and to develop innovative capabilities. Interviewees working to boost cross-sector collaboration:



## DIGITALIZATION

How do you perceive Morocco's pace of digitalization?



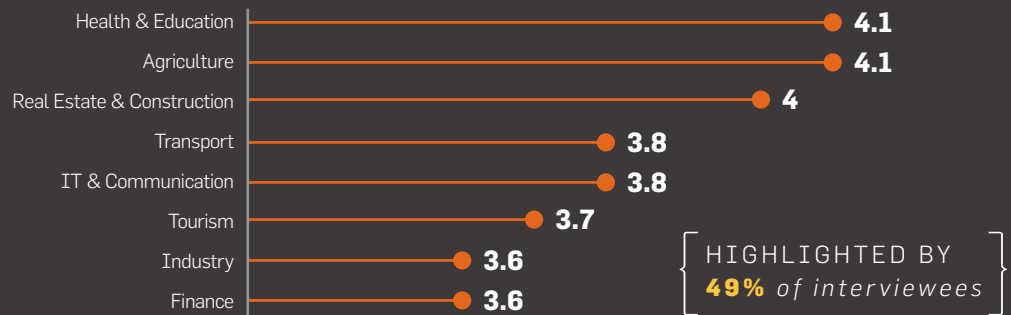
“IPSEN is extremely well digitalized in terms of its level of IT and computer usage. We have our own system for transporting, accounting, and customer service. All of these are linked to our server and the cloud, and we can all communicate easily with all our offices.”

Antoine De Mirbeck,  
MANAGING PARTNER,  
IPSEN LOGISTICS

We looked at how confident interviewees are in the potential for digitalization to advance Morocco's economy and how active they are in implementing digitalization strategies. Both criteria were considered in assigning scores on a scale of 1-5.



noted COVID-19's catalytic role in advancing digitalization efforts

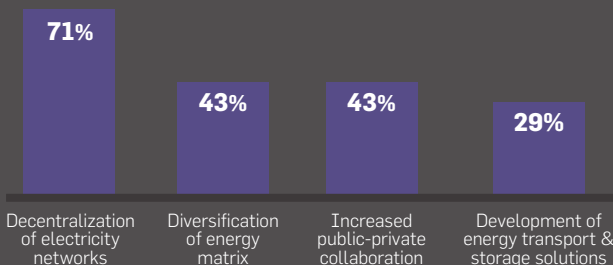


## ENVIRONMENTAL SUSTAINABILITY & ENERGY

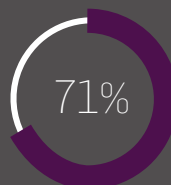
In what ways are you committed to environmental sustainability?



Our energy and green economy interviews had more detailed assessments of the trends related to energy.



Though only **10%** are active in bringing about legislative updates, **57%** observe increased political will to update regulatory frameworks, which is especially important for the decentralization of electricity networks.



expressed the need for more conducive legislation as it relates to medium- to low-voltage grids and decentralized networks.

# development GOALS

Leila Farah Mokaddem  
COUNTRY MANAGER & RESIDENT  
REPRESENTATIVE IN MOROCCO,  
AFRICAN DEVELOPMENT BANK

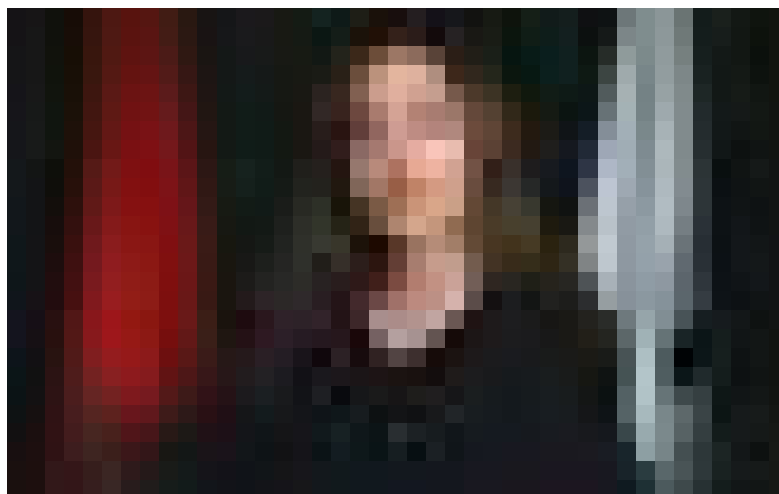
The African Development Bank is focused on more inclusive development in Morocco, including strengthening the education and health systems, improving access to basic social infrastructure, and opening up rural areas.

**What have been the main achievements of the bank in Morocco?**

Since the end of 2019, we have conducted an assessment of the bank's operations in the country over the 2008-2018 period. The purpose of this exercise was to bring transparency within the framework of the Paris Declaration on Aid Effectiveness. Some of the results of this review include: 3.5 million people, more than half of them women, having improved access to clean water and sanitation; 8.5 million people, including more than 4 million women, benefiting from improved health services; nearly 7 million people were connected to the electricity grid; and 16 million people gained better access to transport infrastructure. As far as our strategy is concerned, the priority is to accelerate the pace of achieving the "High 5" priorities that contribute to the implementation of more than 90% of the 2030 SDGs. Our objective is clear: to have an impact, increasingly significant, for the benefit of our beneficiaries. In doing so, we are using a new generation of instruments such as results-based financing, deployed in Morocco since the end of 2018. Finally, our vision will be articulated on the basis of a more inclusive development approach, with social and territorial inclinations. An integrated development approach to support the attractiveness of the territories, the modernization of infrastructures, the industrial acceleration of the country, and the improvement of its logistic competitiveness. At the same time, our support will focus on human development by strengthening the education and health systems, improving access to basic social infrastructure, and opening up rural areas.

**What main operations are in progress?**

Development is a process with many prerequisites, including support for private-sector development, coupled with a dynamic of industrialization and strengthening of logistics competitiveness with an inclusive development approach that prioritizes two axes: the development of human capital and the attractiveness of the territories. For a development trajectory to tend toward emergence, it must be sustainable, accompanied in particular by a committed energy transition. These are some of the areas in



which we have been working alongside the country since the bank's creation. As part of this approach, we approved four new operations at the end of 2019. First, we will finance, to the tune of EUR245 million, a program to develop electricity transmission networks and rural electrification to improve the safety and efficiency of electricity supply. It will also promote the development of renewable energy sources by ensuring the integration of additional electricity production, which will be generated by solar and wind energy sources, currently under development. More than 16,000 households in 720 villages will be connected to the electricity grid. To reinforce the inclusive nature of our action, we have invested in strengthening and expanding social protection in Morocco by providing more than USD200 million by extending social coverage to people with disabilities, vulnerable children, and women. The goal is to increase the rate of compulsory health insurance coverage from 62% of the population in 2018 to more than 80% in 2023. The program will make it possible to build a regional hospital in Guelmim and a specialty hospital in Ouarzazate, each with a capacity of 140 beds. It also provides for the creation of 144 units specializing in the care of people with special needs and the upgrading of the infrastructure and equipment of 100 dispensaries in rural areas. These units will be equipped with telemedicine equipment for rapid and remote patient care. Two other new projects are designed to strengthen the inclusive dimension of our action. The first involves USD220 million to fund the program to support the industrial competitiveness of the regions by equipping territories with new industrial infrastructure in order to strengthen the regions' contribution to the national process of industrial acceleration. The second project, totaling EUR100 million, will benefit the Municipal Equipment Fund in order to set up new industrial activities and improve the quality of public services in rural areas. ✖

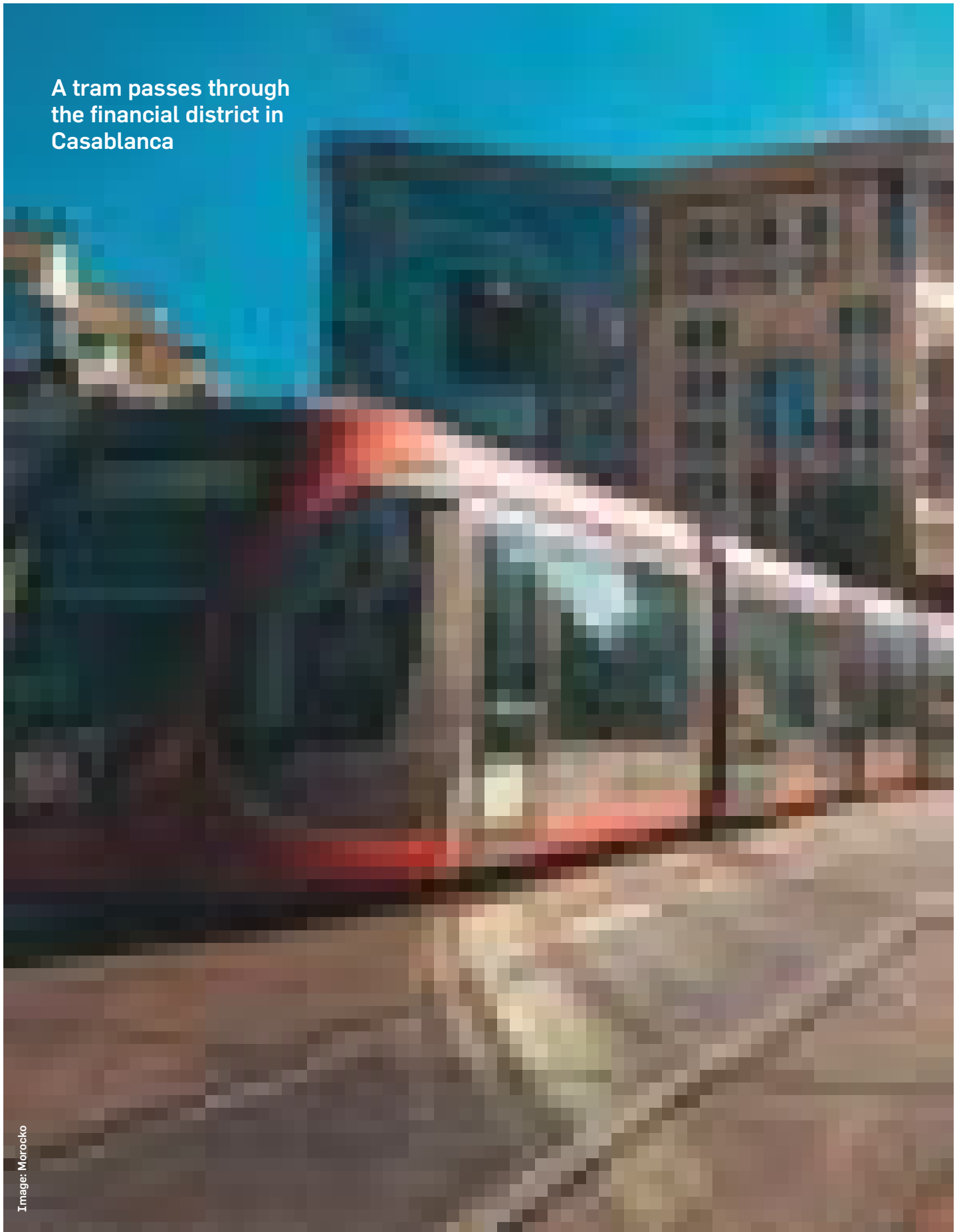
**From 2008-18:**

- **3.5 million** people have had improved access to clean water and sanitation
- **8.5 million** people have benefited from improved health services
- **7 million** people were connected to the electricity grid
- **16 million** people gained better access to transport infrastructure
- **Commitment of USD11 billion** in Morocco since bank's creation

**BIO**

Leila Farah Mokaddem is the Country Manager and Resident Representative in Morocco at the African Development Bank. Earlier in her career, she was the director of export policies and strategies at the Ministry of Economy of the Tunisian Republic, later working for the IMF before joining her current institution. She holds a master's degree in international trade from the Higher Institute of Management in Tunis.

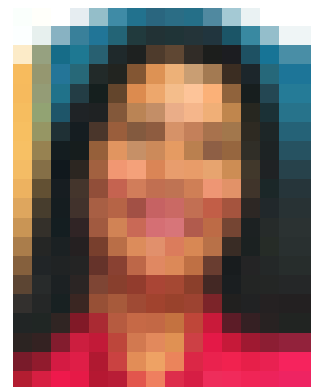
A tram passes through  
the financial district in  
Casablanca



# signs of INTEREST

AmCham Morocco seeks to be the advocate for American companies established in Morocco and for Morocco as the best gateway to Africa for American companies.

Rabia El Alama  
MANAGING DIRECTOR,  
AMERICAN CHAMBER OF COMMERCE  
IN MOROCCO (AMCHAM MOROCCO)



**What have been the main achievements of AmCham Morocco in the last few years?**

A group of CEOs of American and Moroccan companies who had a common goal to develop and bolster US-Morocco business relations created AmCham Morocco in 1966. At the time, there were no formal FTAs, though one of the achievements today for us is the US-Morocco FTA signed and implemented in 2006, which has increased bilateral trade from USD450 million in 2005 to approximately USD4 billion today. The US-Morocco FTA along with other FTAs signed with Europe and African countries and the massive reforms undertaken by the Kingdom have resulted in an increase in the visibility of Morocco, making it more attractive to investors from around the globe.

**What factors attract investment to Morocco?**

Foreign investors are mostly looking for stable economies, competitive costs of production, proximity to new markets, and high ROI. The good news for Morocco is that the CEOs of American companies and investors established in the free zone of Tangiers like Lear Automotive or Polydesign all express their satisfaction with choosing Morocco as a platform for production and export to proximity markets. Moreover, their manufacturing facilities have excellent KPIs when compared to competing facilities in Europe. We have the same positive assessment from investors in the Midparc in Casablanca or the ones in the Kénitra Free Zone. We really should pay tribute to the kingdom of Morocco for its commitment to upgrading its infrastructure and building world-class facilities such as

Tangier Med port.

**What is the biggest challenge in doing business here?**

Morocco has improved its ranking in doing business published by the World Bank year after year, but a lot remains to be done to cut down on bureaucracy and simplify the roadmap for investors. Today, one can literally set up a business in 48 hours. They can acquire the company name, tax number, and so on either directly through the regional investment centers (CRI) or through local CPAs, pay their taxes online, access the customs' agency and port services online, and pay utilities online; however, investors still complain about bureaucracy and lack of coordination between agencies. The investor wants to see clear and consistent procedures in writing, which should be the same whether one is in El Jadida or Beni Mellal. To achieve this, Morocco should: accelerate and improve e-government services; publish in writing all procedures and requirements; reduce the load of paperwork to save time and money; digitalize payments to avoid cash circulation; and make sure we have inter-agencies coordination and synchronization.

**What events are you planning for 2020?**

Most of our events are planned based on the need and feedback from our members. We also plan events that tackle key challenges identified by the Moroccan government. In 2020, we are planning a forum on Water and Sustainability to discuss innovative water solutions and technologies. Later, we will host a roundtable on social responsibility to

showcase American companies' practices in the field and create the awareness about giving back to local communities. We have also planned an employability roundtable to discuss future jobs and skills for young graduates seeking employment. We also work on gender and female advancement.

**What are your main goals and objectives for the coming year?**

The main goal for us is to continue to be the advocate for American companies established in Morocco who invested over USD2 billion and created approximately 100,000 jobs. We will promote Morocco as the best gateway to Africa for American companies willing to expand and access new markets and opportunities. We will also continue to strengthen our partnership with the Moroccan government and help in any way we can to improve the business environment and make Morocco the best place to invest and live in for this generation and generations to come. ✖

#### BIO

Rabia El Alama has over 20 years of experience in US-Morocco business relations, international trade, negotiation, mediation, mentoring, project management, entrepreneurship, and counseling in management and strategy. She has played a key role in explaining the FTA to Moroccan and American entrepreneurs. She received her master's in international trade and a bachelor of science in finance from the Institut Supérieur du Commerce et d'Administration des Entreprises (ISCAE) in Casablanca, Morocco.

The Bank of Morocco building  
pictured in Rabat

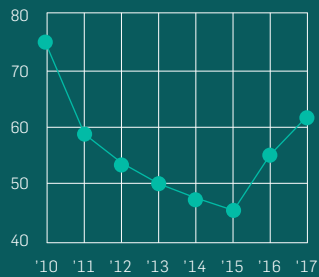
**MARKET  
CAPITALIZATION:  
LISTED DOMESTIC  
COMPANIES (USD BLN)**

SOURCE: WORLD BANK

2010	69.15
2011	60.08
2012	52.48
2013	53.83
2014	52.75
2015	45.93
2016	57.58
2017	67.05

**MARKET  
CAPITALIZATION:  
LISTED DOMESTIC  
COMPANIES % OF GDP**

SOURCE: THE WORLD BANK



**NUMBER OF LISTED  
COMPANIES**

SOURCE: WORLD BANK

2006	63
2007	73
2008	77
2009	76
2010	73
2011	75
2012	76
2013	75
2014	74
2015	74
2016	74
2017	73





# Finance

## A NEW FRONTIER

**I**n terms of capital markets and investment, Morocco is often seen as a place for larger institutional investors. Asma Invest, a joint venture between two kingdoms, Saudi Arabia and Morocco, is looking to diversify its portfolio and become a majority stakeholder in its current projects. Even amidst the pandemic, Asma Invest became a new investor in SEAF's Morocco Growth Fund.

Moreover, Morocco is hopeful that reclaiming its MSCI emerging market status, after being downgraded to frontier status in 2013, will open up new opportunities to an expanded pool of investors. To revamp its equities market and build a more diverse investor base, the Casablanca Stock Exchange, looking to boost the number of listed companies, enacted its ELITE Program in 2016. A partnership with the London Stock Exchange, the program aimed to facilitate IPOs by 2020. Though the pandemic likely impacted this expected timeline, we spoke to several members of Morocco's ELITE Program, who had many positive things to say, including the initiative's success in helping members become market ready and its ability to grow program membership.

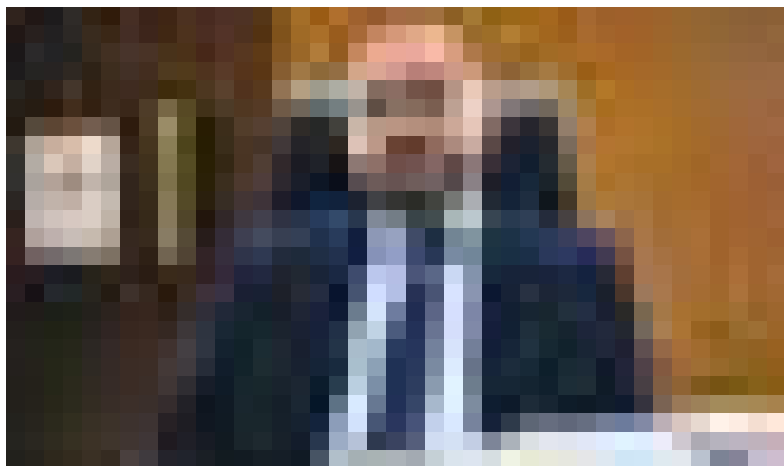
Morocco has been eyeing Islamic finance as another means of strengthening the sector, though a 2019 Fitch Ratings report notes progress has

been limited. Funding and public awareness are the two main challenges. The country's links to the Middle East as well as its strong position within Africa are two hopeful factors to balance out the challenges. Islamic banking, officially known as participatory banking in Morocco, insinuates a key goal: increasing financial inclusion. Meanwhile, low insurance penetration rates indicate solid growth potential for the takaful segment.

And perhaps there is no better peek into Morocco's future of Islamic finance than Umnia Bank. A relatively new entrant to Morocco's banking and investment sector, Umnia Bank is the country's first participatory bank and is very much intent on advancing digitalization of Morocco's financial services sector. The company has suspended development of more physical branches but is focusing on digitalizing its services in Morocco, particularly in light of the COVID-19 pandemic. Rapid adoption of digital adoption could prove to be a key differentiator in a market saturated with 24 banking institutions—19 conventional and five participatory.

To further encourage digitalization of banking institutions, the World Bank approved a USD500-million loan for digital inclusion reforms, which comes after criticism of banks not doing enough to support businesses during the height of COVID-19. ✖

## INTERVIEW



## SHARING *expertise*

Asma Invest does not seek to become the largest real estate operator, but one of the best in terms of quality.

Hicham Safir  
CEO,  
ASMA INVEST

**Moroccan housing market is going through a correction, not a crisis**

**Asma Invest to focus on middle-income segment and SMEs**

### BIO

Hicham Safir has been CEO of Asma Invest, a USD200-million investment JV between the Saudi and the Moroccan governments, since 2015. He spent more than 15 years in investment banks in the UK and the UAE. He also served as chief investment officer at Ithmar, Morocco's sovereign wealth fund, between 2012 and 2015. He is a mathematics and IT engineer (France's grande école), holds an Msc in finance from Imperial College in London, and is a certified director from INSEAD, France.

**There has been a major change in Asma Invest's business plan since its establishment in 1992. Would you elaborate on the changes since 2015?**

The major change since 2015 was an important capital increase of MAD1.2 billion (USD122.8 million) from its shareholders. We have almost tripled our capital. We are proud that our shareholders, the governments of Morocco and Saudi Arabia, still see us as an investment tool and a means to better connect the two countries. We are continuing our strategy of being a majority holder—if not a 100% owner—of our businesses. We are still in the process of exiting our minority shareholdings. The idea is to completely move into projects that we operate and diversify the sectors we operate in. Today, real estate accounts for around 50% of our portfolio and agriculture 15-20%. We want to not only continue growing in real estate and agriculture, including agri-business, but also open up to other sectors to achieve a mixed portfolio, ideally with real estate investments comprising 30%-35% and agriculture/agri-business around 25%. We are trying to move into the education and health sectors and are screening opportunities. We are also trying to move further into the industrial sector and industrial zones where we already have a presence. We are currently shareholders in two industrial companies well known in Morocco: Sapino, which prepares industrial zones, and Tanger Med Zones (TMZ), a subsidiary of the Port of Tangier.

**What added value does Asma Invest bring as an investor-operator, and what makes you stand out from other operators in the real estate sector in particular?**

We have a talented pool of people here, and we are raising them up to be the best team in Morocco. We do not plan to become the largest real estate operator, but one of the best in terms of quality and targeting the middle-income segment in Morocco. We might also offer our expertise to third-party investors either inside or outside of Morocco. We have been approached by investors because we have ex-

cellent projects in Casablanca Finance City, where we are the biggest real estate operator so far. We also serve as a co-investment vehicle: we create projects, package them, and find investors to join us for these projects. This means we can do two or three projects with the same amount of money we would need to do one project on our own. It is also good for those investors, because Asma Invest knows the market, from investing to operating. The biggest project we are currently working on is a MAD1-billion (USD100 million) project in Casablanca. For this, we opened up 40% of the capital to investors from outside Morocco.

**Can you elaborate on about Asma Invest's approach to sustainability?**

I received a certificate from MIT on strategies for sustainable business. Sustainability is dear to Asma Invest, and I wanted to put it into practice, especially in real estate. Building sustainable housing can cost the same as normal housing. We are having serious discussions internally about how to operate in a more sustainable way. Something we already do is build properties that are energy saving in terms of heating and cooling. For example, we use thermal and acoustic insulation, which is more energy efficient and reduces utility bills. We are thinking about solar energy use and many other environmentally sound practices that we can adopt.

**What key areas will Asma Invest be focusing on in 2020?**

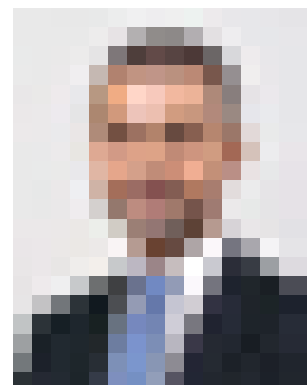
In 2020, we are putting greater effort into agriculture and agri-business where we want to grow more. In the real estate sector, we are diversifying into other cities, rather than just operating in Casablanca. We have been successful in Casablanca, so the idea is to replicate this business model in other Moroccan cities. We are trying to leverage our know-how while finding financial leverage from outside, such as from banks and investors. ✖



# move with THE TIMES

In light of several structural changes to Morocco's capital markets, including greater professionalism and better standards on an international level, CDG Capital Bourse has adapted accordingly and emerged more successful.

Rachid Outariatte  
PRESIDENT,  
PROFESSIONAL ASSOCIATION OF BROKERAGE FIRMS (APSB)  
& CEO, CDG CAPITAL BOURSE



**As president of APSB, what are your thoughts on the lack of liquidity that brokerage firms are facing and its impact on the capital market?**

For traders and the market, which is a healthy one, it is important that the stock prices, with significant trades, reflect the economic reality of the companies and therefore the market. Our exchange market is dominated by institutional owners, which is a positive thing, as institutional investors have a long-term outlook. Institutional buys, however, tend to establish solid and lasting trends. On the other hand, they play an increasing role in cross-sectional variation in stock market illiquidity. Insurance companies, for example, invest almost 50% of their assets in the equity market, which is more than the international standards (less than 10%). In recent decades in Morocco, there has been rapid growth in institutional ownership of common stocks and an increasing presence of institutional traders in stock market that reduced the free float, meaning less shares for sale, which has implications for the liquidity, prices, and valuation of Moroccan equity markets. Another factor is that MSCI downgraded Morocco from emerging market to frontier market for a single reason, namely liquidity. Morocco went from being a market exposed to billion-dollar investments on the radar of major international institutions to the frontier index, a market where there are not as many assets as in emerging markets, even if the Moroccan allocation is higher. It is necessary to implement, or rather amend, the law on securities borrowing and lending. Since there are new laws in the pipeline, we want to include in the first law on lending and borrow-

ing securities the different investors that were excluded from the original law text. A new pool mode that allows anonymity of transactions, which is important too, was also introduced.

**You have been the head of CDG Capital Bourse for almost 12 years. What have been the major achievements?**

Many structural changes (new rules, greater professionalism, and better standards on an international level) have occurred in the stock exchange sector in general, and the APSB, as a stakeholder, took part of this new dynamic. For example, the watchdog became more independent, strong, and efficient, and the stock exchange demutualized, modernized its information system, and set up a new ambitious strategy. Maroclear (Central Depository of Securities) has issued several updates of its information system with new standards and new rules, so we had very challenging years. As for CDG Capital Bourse, these 12 years have been particularly intense since we adopted new strategies aimed at improving our staff expertise and customers experience to stay on top of market trends. We launched the best online stock exchange platform for retail and digitalized our order management system (OMS) that enables us to process client orders from end to end for institutional. We have also developed and implemented an accreditation procedure to ensure that every professional in the field has the appropriate skills and knowledge to practice. This is an important measure for our market because it guarantees that our clients, both local and foreigners, interact with qualified professionals.

**How did APSB and the stock exchange manage the COVID-19 crisis?**

The market and operators have demonstrated strong resilience and a great capacity for adaptation and innovation. Indeed, stockbroking firms were able to reorganize themselves rapidly into teleworking and adopt measures to protect their employees and customers. Thanks to the mobilization and collaboration of the various partners, the Moroccan Capital Markets Authority, the Casablanca Stock Market, and Maroclear, the market operated normally, and clients were able to carry out their operations in the best conditions. During this period, volumes experienced a significant increase with a notable increase in volatility. This is due to the uncertainty about the impact of COVID-19 on firms and the economy. ✖

#### BIO

Rachid Outariatte is the President of APSB & CEO of CDG Capital Bourse. He is also a certificate independent director of the Moroccan Institute of Directors. Outariatte holds an executive MBA from the National School of Bridges and Roads and a DEES in banking and finance from the Conservatory of Arts and Trades (Paris). He graduated from the Higher Institute of Business Administration (ISCAE). He previously held several management positions in Société Générale Group Morocco including director of the private management sector, member of the management board of Sogécapital Gestion, and director of the Front de Sogécapital Bourse.

## INTERVIEW



Abdessamad Issami  
CEO,  
UMNIA BANK

## PLAYING *a key role*

With a new version of its application that meets 95% of its customers' needs, Umnia Bank has allowed its clients to bank safely from home without having to go to a branch.

### BIO

Abdessamad Issami is currently CEO of Umnia Bank. Previously, he was deputy general manager of CDG Capital, manager of the investment bank division of BCP Bank, and general manager of Upline Securities. He was also a board member of the Casablanca Stock Exchange. During his experience within the investment banking industry, Issami closed M&A, JV, privatization, and private and public offerings transactions. He holds an MBA from École Nationale des Ponts et Chaussées Paris, is a Certified Financial Analyst HEC Paris, and is an industrial engineer from Ecole Mohammadia d'Ingénieurs Rabat.

### How was the Moroccan participatory environment built up?

We deployed our services progressively, as the Moroccan Central Shariah Board approved contracts. We first deployed mortgage financing contracts, then equipment for individuals or industries (cars), an investment mandate that allows participation banks to finance themselves with the Moroccan banking system or institutional investors, and, finally, a contract of investment deposits, which is the savings product for individuals and institutional investors. The Moroccan participatory environment was built gradually by responding to the financing needs of individuals and economic agents primarily on tangible goods, then through the establishment of a mechanism for financing the banking system, and finally investment deposits in 2019. During this period, there was support at the fiscal level because the finance law of 2016 established fiscal neutrality between the participatory and conventional systems. The finance laws of 2018 and 2019 each brought a number of tax measures that accompanied the establishment of products of participatory banks. 2019 was a rich year because it resulted in, among other things, the completion of this fiscal project as well as the issue of sukuk by the state in 2018.

### Liquidity is a major challenge in the banking sector. Does it also affect participatory banking?

Indeed, one of the main challenges facing the participatory sector in Morocco is that the level of financing far exceeds the deposits collected by participation banks. There are five participative banks and three windows, so there are eight operators in Morocco. The five banks are all subsidiaries of large Moroccan banks, and the three participative windows depend on French banks operating in the Moroccan market. At the end of 2019, the entire participative environment collected the equivalent of MAD3 billion in deposits and approximately MAD335 million in investment accounts. In comparison to financing, with MAD9 billion in resources, there is a huge gap. This

gap is financed mainly by Wakalat Al Istitmar, provided by the head banks of the participative banks. This is the main challenge. We started talks with the central bank in order to put in place other mechanisms to allow participation banks to fill this liquidity gap.

### How has COVID-19 affected your short-term strategy?

We had to ensure the health of our employees and our customers, as well as the continuity of service. We deployed different forms of work: teleworking for some central functions and rotations for the branch network employees. Thankfully, there were no issues for these first two weeks. We also encouraged our clients to use mainly digital means through mobile and internet banking. With regard to liquidity management, the central bank took a number of measures to support the banks, in particular the introduction of unconventional refinancing mechanisms by the central bank for the benefit of banks. The central bank had already lowered the key interest rate from 2.25% to 2%, and it took all the necessary steps to ensure satisfactory liquidity in the banking system. There was also implementation by the government at the level of the guarantee fund of a certain number of accompanying measures for banks in terms of guarantees.

### What role has digitalization played in your operations?

Earlier this year, we launched a new version of our application that meets 95% of our customers' needs. They can consult their balance, make transfers, pay their water and electricity bills and taxes, and so on. All these elements are there to manage this exceptional situation so people do not need to go out. We have even accompanied the national solidarity effort by setting up automatic transfers to the national fund of COVID-19, a fund set up by the King that helps all the vulnerable agents following this pandemic. The fund was set up in April in just two weeks. All these allow our clients to bank safely from home without having to go to a branch. ✖

# BREAKING DOWN THE BUDGET

Though estimates of total growth are likely to take a beating this year, Morocco's 2020 budget allotted additional funds for health and education, an expanded public sector, and sizably larger military spending.

**THE GOVERNMENT AND MINISTRY OF FINANCE** are doing everything in their power to make Morocco more attractive to investment, especially by enacting a set of budgetary policies that will see increased investments in health and education and public spending, even if also slightly reducing subsidies for basic items such as butane gas, sugar, and flour to MAD14.6 billion (USD1.46 billion) over the next year. That said, it is also honing its focus on boosting lower and middle class purchasing power, to which end it allotted USD2.6 billion in its 2020 budget.

The largest allocations of all were made to health and education, which will collectively receive USD9.1 billion in 2020, long-term investments needed to create and sustain a middle-class capable of perpetuating itself. This includes USD170 million for the RAMEC medical assistance scheme, in addition to a new Mandatory Disease Insurance (AMO) for students and USD350 million to strengthen social support and schooling for vulnerable groups, especially in rural areas.

The government also allocated nearly USD1.8 billion to reduce social and spatial disparities in terms of access to basic social services, health, and education. This last dispersal will overlap with Phase III of the National Initiative for Human Development (INDH), the King's long-term plan to boost the country's middle class, which has allocated USD2.2 billion for 2020 for a new series of income generating and employment initiatives.

In order to achieve the above, the government has budgeted hiring an additional 23,000 civil servants in 2020, 4,000 of which will serve in the healthcare sector and 16,000 in national education. How will it pay for the above? Assuming a cereals harvest of 7 million tons and an oil price of USD67 per barrel, the government originally calcu-

lated the economy would grow by 3.7% in 2020. Though this is now highly unlikely, it is also undertaking a number of privatization measures that are expected to generate USD300 million and a series of innovative financing methods that should generate another USD1.2 billion.

What are these? For starters, the government is revisiting its successful 2014 amnesty of getting Moroccans with offshore wealth to repatriate their capital, a policy that saw USD2.7 billion returned to Morocco that year alone. As a more immediate policy, it is also raising taxes on beer by 11% and wine by 14%.

Granted, with oil trading at below USD30/barrel in early 2020 thanks to both COVID-10 and the Russia-Saudi price war, the government's estimated 3.7% growth is unlikely. But this is why long-term investments in sectors critical to middle-class growth are all-the-more important. In addition to boosting the number of civil servants by 23,000, the government is also enacting wage hikes of 6% for public sector workers, well above the country's 2% inflation rate.

With total public investment of USD19.8 billion in 2020, a major increase of 44% on 2018, the government must continue to show it is serious about making the right fiscal decisions. So far, the international community believes it is, with Morocco's Doing Business ranking rising from 128th place to 60th between 2010 and 2019 alone.

The military budget is also set to balloon in 2020, surging by nearly a third from USD3.52 billion in 2018 to USD4.54 billion in 2020. This will include the creation of 5,000 new jobs, boosting total payroll in the sector from USD2.43 billion to USD3.32 billion. What's more, the 2020 budget also envisioned a whopping USD1 billion in equipment expenditure for the military, signaling that affronts to Morocco's sovereignty should be the least of her worries in the coming year. ✖

## INTERVIEW



Abdeslam Ababou  
CEO,  
RED MED FINANCE (RMF)

## A BRIGHTER *future*

By focusing heavily on financing, RMF seeks to help create an environment that will give Moroccans the opportunity to develop their projects and skills for the good of society.

### BIO

Abdeslam Ababou is the CEO of Red Med Finance and Red Med Asset Management. He has 30 years of experience in advisory financing services and has led several consulting missions, capital development, and restructuring transactions. He founded Red Med Finance in 2004 and Red Med Asset Management in 2011. Between 2000 and 2003, he was co-founder and CEO of Advisory & Finance Group and president & co-founder of Advisory Asset Management. He began his career at Bank Paribas in Paris and then London. He holds an engineering degree from ENSEEIHT France and is also a board member of several companies.

### What does RMF specialize in?

Red Med Group is an independent investment bank specializing in corporate finance and asset management established in Morocco in 2004. RMF provides a wide range of advisory and financial services to governments, major international and local companies, as well as SMEs. RMF's core business includes mergers and acquisitions transactions, financing through conventional products and capital market (IPOs, bonds issues, and so on), privatizations, and strategy consulting. In that context, RMF has developed a sharp expertise in key industries such as education, health, telecommunications, renewable energies, natural resources, agribusiness, retail, pharmaceutical, banking, insurance, and others. Red Med Asset Management (RMAM) has more than USD600 million under management through a range of eight UCITS funds (monetary, bond, equity, diversified, and dedicated funds).

### Can you tell us more about your clients?

Regarding the asset management activity, we work with major institutional Moroccan investors including private and public pension funds, insurance companies, banks, as well as SMEs and individuals. In 2019, RMAM was selected through a tender offer launched by one of the largest pension funds in Morocco to manage a dedicated UCITS aligned with its risk/return profile. With respect to the corporate finance activity, RMF and its employees have contributed to the realization of some of the most important transactions in Morocco catering to both international and national companies. RMF has also advised SMEs on successfully moving up to new levels in terms of size and governance. RMF's services are based on tailored and innovative solutions to capture sustainable value for its clients, regardless of the size of the transaction.

### Do you have any partnerships to assist with SME financing?

SMEs, which are keystones to the development of the economy, are involved in different activities pertaining to health, education, trade, agriculture, crafts, tourism, and so on. However, they face difficulties in accessing adequate financing due to the constraints of the

banking system, the limited offers of alternative financing, and the lack of resources available to them. The various public and private actors are fully aware of the economic and social importance of a strong and sustainable development for SMEs. In this context and in consultation with various public and private partners, RMF's main priority for the coming years is to strongly contribute to this project by providing effective support to SMEs in order to get competitive access to sources of financing combined with the adequate governance.

### What will happen in the finance sector in the coming years in terms of digitalization?

In the last few years, digital technologies have disrupted the financial sector all over the world. Technology innovation is enabling the digital deployment of traditional financial services (payments, bank transfers, and so on) and second-wave services (money transfer and blockchain). Digital technologies in the financial sector in Morocco are still at an early stage of development but growing fast. According to Bank Al-Maghrib, more than one-third of Moroccans do not have access to a bank account. A lack of access to such basic financial services hampers entrepreneurship and holds back economic growth. In the coming years, we will see the emergence of Moroccan fintechs that will unleash the potential of Moroccan digital startups, promote financial inclusion, and help the country reach its development objectives.

### What is your vision for 2020?

Morocco is a country with not only great potential but also great challenges. Efforts must be made to develop the country not only through its natural resources and economy, but also through its people. My ambition is to contribute to an environment that will give young people every opportunity to develop their projects for their own good and for the good of the society. We need to attract all those talented young people and give them the tools to develop their skills. My goal for Red Med is to play a role in this direction. We will focus heavily on financing, which we have highlighted as an objective for 2020, and will assist SMEs and young people to gain access to competitive financing. ✖



Hazim Sebbata  
CEO,  
CASH PLUS

#### What is the role of Cash Plus in the Moroccan economy?

We started with one service, namely international money transfer. Our initial goal was to connect citizens to the Moroccan diaspora through our partner Western Union. Proximity and speed are our greatest strengths. Over the years, we have been able to better understand Moroccans' habits regarding financial services and grasp their real needs, while taking into account the specificities of the local context. Today, with a wide payment point network, our main goal is to make a strong contribution to financial inclusion by offering innovative payment solutions that are tailor-made and affordable.

#### How is digitalization changing the way you do business?

Our business was strictly related to cash; the physical presence of an agency and a customer service manager is more reassuring than a mobile application. However, this does not keep us from offering the same services online, while providing awareness and assistance to the end customer. A full digital switchover is done gradually and starts with guiding the Moroccan customer through this transition.



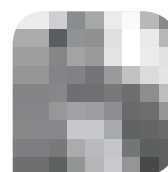
Joerg Weber  
CEO,  
ALLIANZ MAROC

#### What was the strategic reason behind the decision to start operations in Morocco?

For the last five to six years, Allianz has been increasingly interested in Africa as an opportunity, and Morocco is the second-biggest market in Africa. We wanted to get a stronger foothold in Africa in the sense of a strategic option. The logic of investing significant management attention and paying significant acquisition premiums must come from a growth logic that says: if Africa in 20 years from now is what Asia has been over the last 20 years, then we would be sorry if we were not there in the early stages.

#### What sets Allianz apart from all the other market players?

Allianz is a European insurer with a worldwide network, global experience, and access to all kinds of competencies that we can bring in, be it the competencies of the people, access to capital, strong financial ratings, digital assets, or processes that local competitors do not have access to or only have access to a lower degree. There is still a long way between that and bringing it there to the local market, though in principle there is nothing that someone in the Moroccan market has that does not exist anywhere within Allianz.



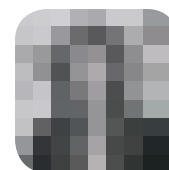
Rachid Maataoui  
CEO,  
FINANCITÉ

#### Is the current economic development model sustainable?

The Moroccan economy has reached a stage that clearly justifies calling economic development into question. A commission has been set up with the aim of rethinking Morocco's development model. If we take a close look at what is happening in Morocco and where growth is coming from, the only answer is SMEs. It is the only sector that stands out today in terms of job generation and economic growth.

#### What other steps can the government take to uplift the economy?

Morocco does not have to go through all the phases that other countries have gone through. The fact that countries such as India and Brazil have been able to cross over to the other side despite having a poor structure shows that Morocco has great potential. The economy will not be able to grow if we remain on basic and classic patterns of reflection and strategy; we have to think out of the box. We have to move toward technology and digitalization. A case in point is that of HPS, a Moroccan innovative payments solutions and services company that has managed to become a multinational company. We should study HPS and formulate a strategy to support start-ups, technology, and innovation in order to build Morocco's future.



Meriem Zairi  
SENIOR MANAGING  
DIRECTOR,  
SEAF MOROCCO  
GROWTH FUND

#### How would you describe your first two years operating in Morocco?

After 18 months of operation, we are pleased to announce excellent KPIs and indicators, especially in terms of investments, where we were able to deploy more than 35% of our investable capital in five companies in less than 18 months. These companies were active in healthcare, fintech, and agritech. We are able to close two additional investments as we speak, one in cybersecurity and the other in fintech. We were able to increase the size of our fund by 35% and attract interesting institutional investors, namely Caisse Marocaine des Retraites and Asma Invest.

#### How has COVID-19 impacted your operations in Morocco?

On a macro level, it was a great opportunity for companies and the government to speed up their digital transformation. Another impact at the macro level was the importance of innovation. We launched an interesting initiative called Solidalite where we shed light on new projects by start-ups and innovation companies that help the government and its citizens to manage this crisis and overcome the associated challenges. On a micro level for us as an investment fund, our portfolio of companies has been affected in different ways, and we had to manage our portfolio to make sure they would survive the crisis and identify where we could support them. On top of this, we help them find opportunities to be seized.



## Leading Developer, Owner and Operator

Power (Including Renewable Energy) and Desalinated Water



30.2

GW of Power



5.3

Million m<sup>3</sup>/day of Desalinated Water



23%

Portfolio in Renewable Energy

**Reliably delivering power and desalinated water at low cost**

KSA • UAE • China • Egypt • Indonesia • Jordan • Morocco • Oman • South Africa • Turkey • Vietnam

[www.acwapower.com](http://www.acwapower.com)



# Energy & Green Economy

## A GREEN DESERT

**M**orocco has made incredible progress toward sustainable energy over the last year, a fact recognized by the World Economic Forum (WEF) and the stakeholders we interviewed. This is due, in large part, to the increased political will and investment in renewables. WEF's Energy Transition Index 2020, which was published in mid-May and benchmarks 115 national energy systems, put Morocco at the top for the MENA and African regions. What's more, the 2019 Climate Change Performance Index ranked Morocco second globally.

As noted by WEF, robust frameworks are necessary to advance energy transitions and safeguard against shocks, such as COVID-19. Many interviewees in this sector were positive about the country's ability to develop such legislation. For Morocco, these frameworks need to be centered around incentivizing medium- to low-voltage, decentralized networks. Globally, energy systems are becoming increasingly decentralized, and Morocco is no exception.

There is incredible potential for renewable energies, namely solar, hydro, and wind power, to play a more pronounced role in the country's energy matrix should such frameworks come about. The northwest African powerhouse aims to reach 52% renewables in its national energy matrix by 2030. 10 years away from 2030, Morocco is also 10% away from its target, currently producing

42% of its energy from renewables. However, it is important to note that Morocco's industrial ambitions are intensifying local energy demands. Another challenge in implementing renewables is the intermittent nature of their power generation, making energy storage more important—or at least more in need of innovation—than conventional hydrocarbon sources.

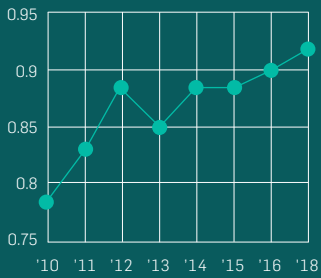
The World Economic Forum is also concerned the COVID-19 pandemic will slow energy transition progress. But in Morocco, many were keen to point out the need for energy independence, especially in light of the viral outbreak.

The country's political and financial investment in a sustainable energy sector has the potential to make Morocco a regional hub in this regard. A June 2020 report from the African Development Bank Group (AfDB) highlights the continent's energy infrastructure deficit as an obstacle, costing 2-4% of Africa's GDP annually. Morocco launched its solar power program in 2009, and AfDB expects the Noor Ouarzazate complex to play a catalytic role for the rest of Africa, where over two-thirds of the population still lack reliable access to electricity. Seeing as Morocco and the Gambia are the only two countries in the world on track to curb emissions at levels urged by the Paris Agreement, it seems Morocco and Africa may very well lead the way into a greener future. ✖

Owing to its sunny climate, solar panels are becoming an increasingly common sight in Morocco

### ELECTRICITY CONSUMPTION (MWh/CAPITA)

SOURCE: IEA



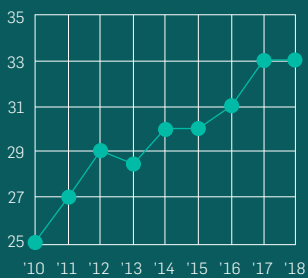
### ANNUAL CO2 EMISSIONS (MT)

SOURCE: IEA

2010	46.4
2011	50.75
2012	52.24
2013	51.52
2014	53.52
2015	55.37
2016	55.3
2017	58.15
2018	58.89

### TOTAL ELECTRICITY CONSUMPTION (TWh)

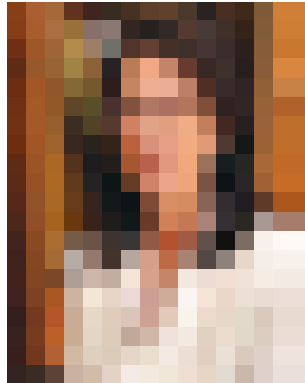
SOURCE: IEA





# high POTENTIAL

ONHYM is engaged in an energy transition for Morocco where renewable energies will be positioned more in the mix.



Amina Benkhadra  
GENERAL DIRECTOR,  
THE NATIONAL OFFICE OF  
HYDROCARBONS AND MINES  
(ONHYM)

## What new trends are you working on?

We have developed an energy strategy in which renewable energies take a prominent place, thanks to the strategic vision of His Majesty King Mohammed VI. Our 2020 goal aims for 42% of our electrical capacity to come from solar, wind, and hydraulic sources; the objective by 2030 is 52%. As a public organization representing the interests of the Kingdom of Morocco, ONHYM also has the mission to search for all the energy potentials of subsoil and geothermal energy. For several years now, we have done evaluation studies for geothermal on the whole country, and we have identified two large areas: Morocco's northeast and south. In the northeast, detailed studies have been carried out to identify the most favorable zones for geothermal energy. We have done a survey of all the potential pockets in the area that will undergo more refined work, since further drilling is necessary to precisely measure some parameters.

## Why is geothermal energy efficient for the country?

As a renewable energy source, geothermal energy is an underground source that does not emit CO<sub>2</sub>, making it sustainable as an energy source. There are countries in northern Europe like Finland that produce almost 70% of their electricity from geothermal sources. We are looking into all the potential sources. It is an ongoing process, and we will see results later as we go deeper into the data. We need more drilling to measure the gradients in some areas in detail, and we will move forward gradually to make sure this energy can find a place if the results are convincing.

**ONHYM signed six petroleum agreements with international companies in 2019. What investment opportunities is the country offering to these international investors?** ONHYM's mission is to attract the maximum number of international companies, majors, juniors, and independents to support exploration, which is one of our main missions, alongside

promotion. Most of the investments in the field of hydrocarbon exploration in Morocco are made by partners. Looking at investment figures, more than 96% is financed by foreign investors every year. These numbers are due to multiple reasons. One is that Morocco has favorable geology in sedimentary basins, but these have not been sufficiently explored despite the efforts made. Second is our hydrocarbons code, which is considered one of the most attractive in the world. We grant favorable conditions to those investing in exploration, including exemptions from customs duties and from VAT on important equipment and exemption of corporate tax up to 10 years from the date of production. In the event of discovery, the partner owns 75%. A third point is our global macroeconomic framework in terms of political security and geographical positioning. We wish to use our favorable position to increase our regional integration.

## What will be the role of ONHYM in the future if there is a shift toward more renewable sources of energy?

The goal for 2030 is 52% of the installed capacity to be from renewable sources. The country's energy strategy has four fundamentals: the country's supply security; energy availability at the best price; regional integration; and sustainable development and environmental protection. In order to have energy security, we need a diversified electricity mix where all sources have their place. We are engaged in an energy transition where renewable energies will be positioned more in our mix. Today, more than 80% of the global energy sources are thermal, namely coal, oil, and gas. The rest is split between nuclear and renewable energy. In 2040, 74% of this mix will still be thermal energy. Looking at the fossil fuels portfolio, coal and oil will fall, but gas will increase as it is considered clean energy. Therefore, despite the green revolution, thermal energies are still predominant but with a stronger emphasis on gas. ✖

## 2030 goal:

# 52%

of electrical capacity to come from solar, wind, and hydraulic sources

## BIO

Amina Benkhadra is the General Director of ONHYM. Her career started in 1982 at the Mines Research and Participation Office (BRPM), where she held several positions of responsibility. In 1994, she was appointed director of mines at the Ministry of Energy, Mines, Water, and Environment and secretary of state in charge of mining sector development. She became director of BRPM in 1998 and subsequently general director of the National Office of Oil Research and Exploitation. In 2007, she was appointed Minister of Energy, Mines, Water, and Environment. She graduated in civil engineering and mining from École des Mines de Nancy and holds a doctorate in engineering sciences and mining technologies from École des Mines de Paris. She also holds a double degree in management from Columbia University.

## INTERVIEW



## INCREASED *efforts*

By promoting energy-efficient solutions and raising awareness of efficient energy in rural areas, AMEE is pushing Morocco's energy transition forward.

### BIO

Saïd Mouline is an engineer specialist in the energy and environmental space. He is a graduate of Grenoble Institute of Technology, France, and University of Pennsylvania in the US. He was previously president of the energy, climate, and green economy commission at the General Confederation of the Moroccan Companies (CGEM). He was advisor to the president of OCP and head of public private partnerships at COP 22 committee. He was also president of the Mediterranean Association of National Agencies for Energy Management (MEDENER).

Saïd Mouline  
CEO,  
MOROCCAN AGENCY FOR ENERGY  
EFFICIENCY (AMEE)

**What are your main operations in Morocco?** Morocco's energy transition, which relies on renewable energies and energy efficiency, demand long-term policies. The case of Morocco is interesting in this perspective: being the source of only 0.15% of the world emissions, the energy transition represents a political will of the highest level of the state and emerged not during the COP 22, but in 2009. Priority was given to renewable energies and energy efficiency, through two dedicated agencies, AMEE and the Moroccan Agency for Sustainable Energy (MASEN), in charge developing the largest projects around renewables. Both must go hand in hand. It is essential that a voluntarist policy in energy efficiency be developed in all sectors: electricity production, industry, urban planning, construction, transport, agriculture, and so on. Energy efficiency establishes itself as a key lever by being the most effective strategic approach so that countries meet their commitments to reduce greenhouse gases rapidly and at a lower cost. In 2020, the industrial, agricultural, and public construction sectors were the main targets of AMEE. We could make quicker progress if green financing was available. Even if renewable energies are easily financed today, energy efficiency requires more financial support.

**If people install solar panels on roofs, can they sell electricity back to the grid?**

One can only produce electricity for personal use. Today, there are public projects for utilities, and MASEN is launching tenders and buying all the electricity produced from promoters. However, there is also a law allowing individuals to produce their own renewable energy and even sell it to another industry, though only on high tension. Low and mid tension is being debated. We have many completely private projects selling to other private companies. Steel, mining, and railway companies are purchasing electricity from private wind projects. We are pushing for legislation on small projects and for public buildings at the highest level of the state. All public buildings such as AMEE should be an example by using a solar roof where possible and reducing their energy bills.

**“All public buildings such as AMEE should be an example by using a solar roof where possible and reducing their energy bills.”**

**What are the biggest challenges to reach 15% energy efficiency by 2030?**

In some cases, it will be easy, and in others it will be difficult. We are pushing to have national financial support for energy efficiency because we can help all farmers be more efficient. In industry, we also need more financing, though it is great that local banks have loans dedicated to energy efficiency. We also need water treatment stations for residential uses and biogas as energy, with the water being used for irrigation. There is a nexus between water, electricity, and energy. There is a program for all 12 regions in the country that we are discussing with mayors to have this energy efficiency reflected. They receive projects from hotels, industry, hospitals, and so on. We can check if the projects have an energy-efficient approach. We will also monitor energy efficiency and by law track the consumption of all big consumers in industry. We have a program to monitor and label all imports and to establish minimum energy performance standards.

**Can you tell us more about your energy-efficiency workshops in rural areas and how this will be implemented nationally?**

Heightening awareness and capacity building are keys. We are raising the awareness of farmers in all regions. We train young people how to install and maintain solar pumps. We have a training center in Marrakesh called Green Platform that helps capacity building in different sectors linked to energy efficiency for Morocco and all of Africa. AMEE has 20 agreements with different agencies on the continent. The approach is to have young people who are locally trained doing the installation and maintenance of thousands of small projects. This is how we can create jobs by providing energy to millions of people. ✖

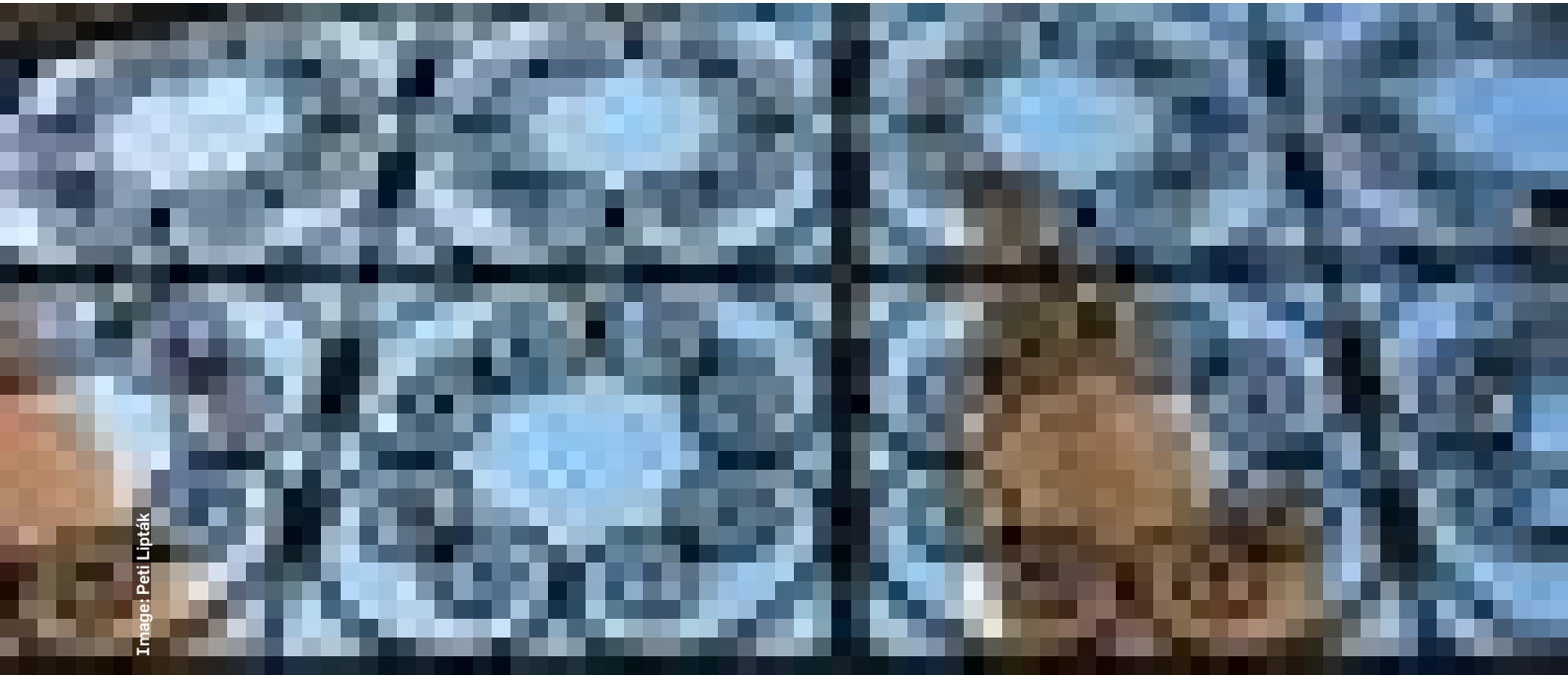


Image: Peti Liptak

## SOLAR SUPERPOWER

Morocco's ambitious renewable energy targets are being met with colossal megaprojects as the country is elevated to a leading position in Africa's clean energy drive.

**SINCE THE UNVEILING OF A NEW NATIONAL ENERGY STRATEGY** in 2009, Morocco has pursued some of the world's most ambitious energy targets. The backbone of this strategy is the country's ultimate goal of having 42% of its power from renewable sources by 2020. In addition, Morocco also has the broader aim to secure its energy supply, therefore reducing its dependence on energy imports. At its core, this will enable greater control of the cost of energy services, while also allowing for more attentive conservation of the environment by reducing greenhouse gases.

A few years ago, imported fossil fuels provided around 97% of Morocco's energy needs, according to the World Bank. Moreover, it is also worth noting that electricity demand has also doubled since 2010. Accordingly, the response of the government has been to pursue policies that favor the diversification of the energy mix and prioritize renewables.

Overall, Morocco has made remarkable strides to meet its energy targets. This is perhaps best evidenced by the large-scale megaprojects that have come online in recent years, most notably the Noor Solar Complex, which at present is the world's largest solar plant. Located in the southern city of Ouarzazate, the more-than-6,000-acre facility is an impressive display of Morocco's renewable energy ambitions. The statistics behind this megaproject are fairly extraordinary; it has an overall capacity of 580MW, which

is enough electricity to power a city twice the size of Marrakesh. Furthermore, the curved mirrors reflect rays to the top of a 243-m tower, which houses molten salt that is melted to create energy. The tower, which is the tallest on the African continent, can generate 500 degrees Celsius of heat. What is unique about this is that unlike conventional solar panels that deliver energy directly to the grid, the curved mirrors concentrate radiation to heat tubes of fluid, which are pumped to a power unit. The unit can hold the energy for use at a later time—specifically at night, when demand is higher.

The overall significance of a project of this magnitude is that it shields Morocco from the volatility of import costs. By harnessing energy from its abundant sunshine on such a mammoth scale, the country is now regarded as a regional leader in the exploitation of renewable energy sources. In the longer term, there is also the potential for Morocco to export its excess power to Europe, in what is called "green energy exporting."

In a continent with a rapidly urbanizing population, changing demographics, and an increasing appetite for energy, Morocco's is an example for the rest of Africa to follow. Perhaps most notably, the Noor solar plant means Morocco is actually on track to meet its renewable energy targets; at present, already 35% of Morocco's entire energy comes from renewable sources. ✘



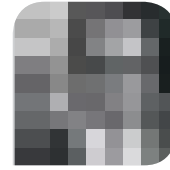


Sébastien Robert  
CEO,  
VOLTALIA MAROC

**What are the goals for the group in Morocco in the medium term?**

Founded in 2015, Voltalia Maroc support the group's ambitions in line with the national energy strategy. We should be able to start the construction of two projects in 2021 developed and authorized by the Minister of Energy: one wind project based in Laâyoune with an incredible capacity factor and one hydraulic project in the region of Beni Mellal. We have developed additional projects, some already authorized, which could be launched depending on the evolution of the high-tension market customers in the coming years. We also provide services for turnkey solar projects (construction and operation) addressed at large private industries in Morocco. We also provide our services with our subsidiary HELEXIA for industrial auto-consumption projects, including financing and globally energy management system. We are confident about the huge investment potential in Morocco and look forward to seeing the new regulation come to fruition.

Jean Pierre M. Boutroy  
CO-FOUNDER &  
COUNSELOR TO THE CHAIRMAN,  
ATLANTIS CENTER



**Can you give us an overview of Atlantis Center's operations and its achievements over the years?**

We started organizing the African Security Forum, the most visible part of our activity, five years ago. Our think tank is for specialists and talent from around the world. This is not visible to most people, which is why we have the forum, where we have many people from the public and private sectors. With the African Security Forum, we discuss all the topics around security in Africa. We have sessions on immigration, money laundering, cyberactivity, terrorism, and radicalization. The main problems are certainly migration and the issues with borders. Education is also extremely important.

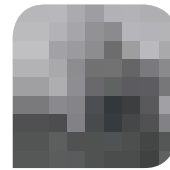


Omar Belamamoun  
FORMER CHAIRMAN & CEO,  
PLATINUM POWER

**What have been the highlights for Platinum Power in Morocco?**

Platinum Power is a pan-African developer of renewable energy projects. We started by developing the first hydropower projects in the country. In the first few years, we focused on the hydro technology, and the first concessions we received in 2013 were the first ever allocated to the private sector. We have six hydro projects in Morocco that are fully permitted from the government and the different agencies. We have also initiated the development of two wind projects in Morocco, and development is still ongoing. A few years ago, 20% of Morocco's power was imported from Spain, and in 2018 the country started exporting to Spain. Morocco brought more capacity into the grid; in 2009-10, it had 6,000MW of installed capacity, and it is now above 12,000MW. Our country will become an important exporter of power to Europe.

Damien Granjon  
MANAGING DIRECTOR,  
QAIR



**What brought Qair to Morocco?**

The Quadran group changed its name to Qair, though we remain independent producers of renewable electricity. We became interested in Morocco after the government introduced a new policy for renewable energy projects, Law 13-09, in 2010. Qair Maroc realized the opportunity on offer and entered Morocco, first for wind power and then for solar power at the beginning of 2015. Today, we are still waiting to connect our first wind farm to the national HV grid. We have invested more than EUR7 million but have yet to operate our plants. However, we are still here because we believe in Morocco's renewable energy potential. Morocco has the potential to reach the ambitious goals for 2020 and 2030. There are several big projects being developed in Morocco, so the ecosystem is growing.



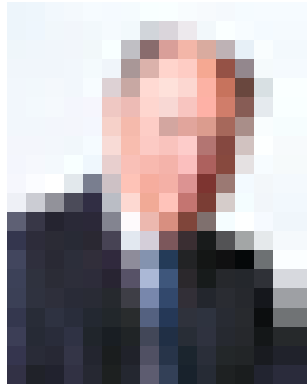
Alykhan Kassam  
GM NORTH AFRICA &  
VP AFRICA,  
JOHN COCKERILL  
SERVICES

**How is John Cockerill advancing innovation in Morocco?**

John Cockerill is always on the lookout for innovative solutions across its portfolio, the most recent of which is in energy, where we invested in green hydrogen solutions. There is a market for hydrogen in Morocco. The regional office in Casablanca is the link between our headquarters and related technology and local players. One of our main focuses is creating as much local value as we can and participating in as many international projects additionally to the local ones. That also requires going for technological ventures. We are currently engaged in an R&D project with MASEN to look into new technological solutions in CSP, energy storage, and steam generators. As a designer and manufacturer of these products, it is an opportunity to better understand the technical behaviors of future solutions while increasing the local added value and reducing the offshore share sourced from overseas.

## INTERVIEW

# ABOVE *and beyond*



Elecnor plays a crucial role in developing energy sources, whether in terms of transmitting power, developing non-conventional renewable energy, or ensuring efficient energy use in installations.

Jaime Real de Asúa  
PRESIDENT,  
ELECTNOR

## 55%

turnover from  
international markets

## EUR74.3

million in profit in 2018

**Elecnor was founded in 1958. How has the company developed since then?**

Elecnor has transformed significantly over the years, venturing into sectors such as energy infrastructure, renewable energy, and new technologies. The company has also expanded its international presence over the years and is listed on the Spanish stock market. In 2018, Spain made up approximately 45% of our turnover, with the rest coming from international markets. At this time, we have a presence in 55 countries, while the order book also shows the relevance of international business for us. In 1H2019, 78% of orders came from non-domestic markets, meaning the backlog of our international portfolio was more than EUR1.7 billion in this period.

**In 2018, you reported almost EUR74.3 million in net profits. What is your strategy to grow further?**

We have two areas that complement and strengthen each other. First, Elecnor has evolved into a world leader with the capacity and determination to develop, create, and operate energy infrastructures, as well as becoming a leading provider of specialized industrial engineering services. We have a strong culture of service that serves to build strong, trusting relationships with our long-term customers. The second part is our concession business in the renewable and transmission lines sectors. Our first subsidiary was launched in Venezuela in the 1960s. We lead international expansion and have decades of experience in America and Africa. As a result, we have a deep knowledge and experience of the countries we work in. Elecnor will keep opening new markets, always driven by prudence. In this sense, it is crucial to analyze all the details of a potential new market, as well as study the competitive environment and evaluate our strengths over competitors. In keeping with this strategy, profits have registered increases of around 4% per year for the last three years. Thus, net profit was EUR68.5 million in 2016, EUR71.2 million in 2017, and EUR74.3 million in 2018. In the first six months of 2019, net profits increased by 5% on the same period YoY.

**Do you work with local partners in countries such as Brazil, Chile, and Mexico?**

Consolidating and positioning the company in these markets has taken many years of work, and involved collaborating with and learning from local private- and public-sector partners. We enter a country alone or by forming temporary unions. Depending on the potential of the country, and whether there are real possibilities of long-term success, we establish a branch or a subsidiary. The three countries that you mentioned are an example of this. We have been working there consistently for several decades. Thanks to our solid 35-year history in the country, Brazil is the second-most important market for Elecnor after Spain. Notable projects include the wind farm in Rio Grande do Sul, one of the largest in the southern hemisphere, and building more than 8,000km of power transmission lines. Elecnor first began operations in Chile in the 1980s. By 1994, we had already overcome a great challenge: building two hydroelectric power plants on the River Duqueco. Elecnor now plays a crucial role in energy development in the country, in terms of transmitting power, developing non-conventional renewable energy, and ensuring efficient energy use in installations. Mexico is also a key market for us and is the result of an extensive 25-year history in the country, evidenced by remarkable projects such as the construction of 65 electrical substations with a total of 7,000MVA of installed power, in addition to the laying of 1,100km of transmission lines and 255km of optical fiber, without forgetting our EPCs in combined cycle plants.

**How much is the company focusing on Latin America?**

The Latin American market was our first international one, but Elecnor is a global company, and we are present in all five continents. In the Americas, we are also working in countries as competitive as the US and Canada, while we also have a stable presence in Africa, particularly in key markets such as Cameroon, Angola, and Ghana. We also work in Middle Eastern countries such as Oman and Jordan. Australia is as an interesting market where we have also undertaken some ambitious wind and solar projects. I would also like to highlight the international expansion we have achieved in Europe, where we have won unique projects in the UK, Italy, Portugal, and Norway over large local companies. ✖

### BIO

Jaime Real de Asúa is the non-executive president of the board of directors of Elecnor and its executive committee. From 2009-2017, when he was appointed as non-executive president, he was vice president of the Elecnor board of directors. Within the Elecnor group, he also held the position of director of the subsidiary of Elecnor Enerfin and Celeo Concesiones e Inversiones. He was also secretary and director in Cantiles XXL. Previously, he held executive positions at Portland Valderribas and Carbocem, both of FCC. Also, he was director and chairman of the Appointments and Remuneration Committee of Viscofan and director of Tasdey. He was also a member of the Advisory Board of BBVA in the Northern Zone. He has a degree in industrial engineering, specialized in industrial organization, from the Higher Technical School of Industrial Engineers (ETSII) of Bilbao.





Image: Peti Lipták

## MIX IT UP!

Morocco's ambitious plan to boost its total renewable energy share to 42% by 2021 and 52% by 2030 will depend on its ability to exploit its promising solar and wind capacity.

**WITH 32% OF MOROCCO'S TOTAL ENERGY MIX** coming from renewables, the country is already more than twice as sustainable as the global average renewable mix of 13.5%, according to the International Energy Agency. But global standards are not much to go by, and less to live and thrive on, which is why Morocco is pushing forward with King Mohammed VI's ambitious target of extending the country's clean energy output to 42% of total production by 2021 and an impressive 52% by 2030. How will it do so?

First: by boosting investment in renewables research, improving its strategic international partnerships, and boosting the industrialization of key renewable energies. The bulk of these, of course, will come from solar. In addition to committing to boosting the country's solar output by 2,000MW by 2021, the Moroccan Agency for Renewable Energy (MASEN) announced in January the deployment of an additional 1,000MW of solar projects, part of which will stem from boosting output at the country's landmark Noor solar field in Drâa-Tafilalet, already the world's largest concentrated solar power plant.

To achieve the above, the government put out a tender in January for a series of nine solar projects that would extend from Boujdour in the country's deep southwest on the Atlantic Ocean to the town of Guercif in the far northeast, some 1,800km away. With each site along the way generating between 5 and 20 MW, the total boost to the kingdom's renewable mix would be roughly 400MW. Once the first phase of Noor comes online, Noor Midelt I, a combination of photovoltaic solar energy and concentrated solar energy, the USD800-million project should produce 800MW of renewable energy for the kingdom.

In addition to being strategically well placed at the entry to both the Mediterranean and the African continent, not to mention the

confluence of the Atlantic with the Mediterranean, Morocco is enormously well-poised to help provide renewable energy to Europe by way of its connection to Spain's electrical grid through two separate 400kV/700MW lines. This means that once the country meets its own ambitious targets, it will rapidly and seamlessly be able to provide large amounts of clean energy to Europe.

According to MASEN's estimate, the country has total wind potential of 25,000MW, 6,000MW of which is realizable by 2030. And with 3,000 hours of sunshine per year, it also has the capacity to provide 5KWh/sqm/per day. And that's hardly all. The agency also estimates the country has 200 sites capable of hydraulic generation, in addition to important stores of biomass. To capitalize on the latter, the country's Solar Energy and New Energy Research Institute (IRESEN) is also launching a biogas and biomass research center in Fes.

With 75% of urban waste and 85% of rural consisting of organic matter, the potential to convert Morocco's biomass into renewable energy is huge. In addition to reducing Morocco's CO<sub>2</sub> output by nearly 8 million tons, according to the Ministry of Energy, converting the country's biomass would also provide an additional 10,000 jobs, IRESEN estimates.

By increasing wind energy from 280MW in 2010 to 2,000MW by 2020, as MASEN intends, and total solar and hydraulic capacity each to the same amount, Morocco expects to invest USD19 billion in renewables in 2020 alone, a process also expected to create some 50,000 jobs. With the right legislative framework and increasingly diverse international partnerships, including but far from limited to France EDF Renewables and the UAE's MASDAR, Morocco has the necessary inputs to achieve the king's ambitious targets. Whether they are sufficient will soon be seen. ✖

## EMPLOYMENT BY SECTOR

SOURCE: SOCIÉTÉ GÉNÉRALE



- 43.6% Services
- 34.7% Agriculture
- 21.7% Industry

## VALUE ADDED (% OF GDP) 2018

SOURCE: SOCIÉTÉ GÉNÉRALE



- 49.5% Services
- 25.9% Industry
- 12.3% Agriculture

## VALUE ADDED (ANNUAL % CHANGE)

SOURCE: SOCIÉTÉ GÉNÉRALE

Industry	3
Agriculture	2.7
Services	2.7

An aerial picture  
of Tangier  
Automotive City





## Industry

# ECONOMIC WORKHORSE

**I**n 2014, Morocco launched its Industrial Acceleration Plan to map out the arc of the sector through 2020. Now in the final year of the plan, we have the unique opportunity to evaluate its implementation and look toward the future. The World Bank's 2020 Morocco Overview notes that the contraction of agriculture in recent years, largely due to drought, has been offset by industrial growth. Along similar lines, our interviewees frequently mentioned industry as a strategic sector. More specifically, 66% identify industry as economically imperative, while agriculture is a far-from-close second at 34%.

Within the industrial sector, the automotive, aerospace, and textile segments stand out. Mohamed Lahlou, President of the Board of the Higher School of Textile and Clothing Industries (ESITH), highlighted the importance of the textile sector as a segment that creates jobs and boosts exports. In an interview with TBY, he noted, "Textiles and clothing has always represented a particular importance in terms of employment and exports, with more than 180,000 jobs and USD3.8 billion in exports." Furthermore, during COVID-19, ESITH's team of experienced engineers and technicians optimized mask production to align Morocco's industrial capacity with the current heightened demand for personal protective equipment.

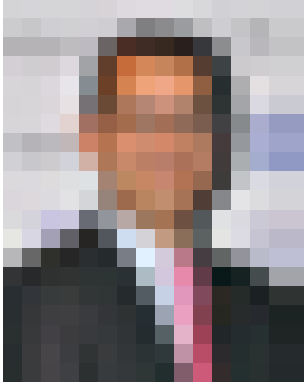
In the aerospace segment, the Moroccan Aerospace Industries Association (GIMAS) is working

on a two-pronged approach to promote technological development and a full ecosystem that includes multinationals, SMEs, and everyone in between. Morocco's aerospace and broader industrial sector have historically had strong ties to Europe, but GIMAS is expanding its collaboration more globally. This international perspective aligns with a desire to spread awareness about Morocco's value-added capacities as well as its shift into high-tech industrial segments.

Addressing the former, an important factor for industrial segment growth is export opportunity and a favorable regulatory environment for exports. Because Morocco itself is a rather small market, large-scale manufacturing capacity is justified by international market access. While Morocco has made significant progress through the Industrial Acceleration Plan, the COVID-19 pandemic might make this more difficult in the short term. Because many other countries' knee-jerk reactions have been to prioritize local production, the general trend toward globalization might see a short-term dip. Despite current conditions, Morocco's many FTAs will provide a good base moving forward.

And to expand on the latter, this shift toward more sophisticated products and services will call for developing the necessary human resource capacities. On both sides, industrial and education stakeholders are keen to work together in this regard. ✖

## INTERVIEW



**Khaldoun Bouacida**  
MANAGING DIRECTOR,  
COUNTRY CLUSTER HEAD FOR  
NORTHWEST AFRICA,  
BASF

## THE RIGHT *expertise*

BASF Morocco is active in numerous key segments, including agriculture, water treatment, chemicals, and automotive paints.

### BIO

Khaldoun Bouacida has an MS in mechanical engineering from Universitaet Kaiserslautern, Germany, and an MS in industrial engineering from École des Mines, Nancy. He has worked with BASF since 2008 as area sales manager and sales and industry manager based out of Istanbul and head of strategy and market development and head of sales for the UAE platform based out of the UAE. Prior to his time in BASF, he worked in a variety of management, engineering, and consulting positions in Tunisia and France. He is fluent in Arabic, French, English, and German, in addition to basic skills in Turkish, Italian, and Spanish.

**What is the main role of BASF in the Moroccan economy?**

BASF provides raw materials and solutions for the industrial value chain here, so it truly creates value in Morocco and beyond. We provide the ingredients for local producers in Morocco and create value in terms of products, jobs creation, and innovation. This is the big differentiator in what BASF does in Morocco that others perhaps do not. We are not B2C; we are B2B. We work with most of the big players and medium-sized companies in Morocco. We call the mid-sized local companies our local champions. We also bring in know-how and the right sustainable solutions for growth. BASF's aim is not to sell products, but to sell the right products so that our customers can grow and differentiate themselves from the competition. We seek to give our customers an edge with the most up-to-date materials and solutions. We want to create value in the country. Our KPIs reflect this—we want to sell things that match our customers' needs and add value. We also help producers in Morocco expand their business geographically into places like South Africa and Gabon. We even produce in Morocco and export to sub-Saharan Africa. We also provide our customers with technical training and hold regular symposiums. BASF's agricultural division goes into the field with a caravan and shows farmers new technologies, helps them identify and combat diseases, and teaches them to increase their yields in a smart and responsible way. Our aim is not to flood the market with products, but to help the customer grow in a sustainable way. BASF builds long-term relationships.

**Who are BASF's main partners?**

They are in many sectors. Our partners are large players and the local champions in the paint sector and in the shampoo and detergent manufacturing segments. We also serve companies using coatings and most of the local Moroccan brands manufacturing shoes and mattresses. We look at what these customers want, and if we do not have a ready-made solution, we customize a solution for them.

**BASF signed an exclusive agreement with PSA Maroc regarding e-coating and a brand-new production line. Can you tell us more about this tender?**

**“Our aim is not to flood the market with products, but to help the customer grow in a sustainable way.”**

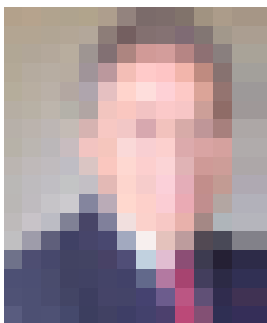
The strategy is to work hand in hand with our global key accounts, and PSA is a key account for BASF worldwide. Whenever PSA invests in a country, we work to help it because PSA knows our products, so there is no disruption to its production lines. There are companies that want to invest in Morocco because BASF is here, and we can provide them with technical and warehousing services and technical expertise. Companies also feel comfortable when they see other multinationals already established here.

**What AI and digital technologies and solutions is BASF using in Morocco?**

In Morocco, most of the digital trends we are following are related to agribusiness. We are fairly advanced in screening fields, identifying diseases at an early stage, and using the right solutions at the right time. This includes monitoring diseases and their spread and the application of treatments. This is extremely helpful because agriculture is a major pillar of Morocco's economy. We also have to be careful with the responsible use of any solutions. In terms of digital technology, we also have online platforms where customers can order, pay, and arrange for delivery of products directly with us.

**Would you expand on BASF's internal mobility program for its employees?**

Our job positions are open to anyone worldwide. If one has the right skills and competencies, they have the opportunity to apply. We have people in Germany, South Africa, France, and the UAE. BASF is a multinational. In our country cluster, we have people from Algeria, Brazil, and China. Our HR structure is mobile and based on skills and competencies. Diversity is a driver; it brings a great deal of new vision and ideas with it. ✖



Hamid Benbrahim El Andaloussi  
FOUNDER &  
HONORARY CHAIRMAN,  
MOROCCAN AEROSPACE  
INDUSTRIES ASSOCIATION  
(GIMAS)



Aref Hassani  
MANAGING DIRECTOR,  
MIDPARC CASABLANCA  
FREE ZONE

## AERONAUTICS

To further boost its local aeronautics sector, Morocco must increase its local add value and attract greater technological research.

Can you provide a general overview of the local aerospace sector?

**HAMID BENBRAHIM EL ANDALOUSSI** 2020 represents the 20th anniversary of the emergence of the aerospace industry cluster in Morocco. Today, there are 140 companies, and the 2020 objective is 20,000 jobs, USD2 billion of export turnover, 40% of local added value, and 40% of women in our teams. Today, the Moroccan aerospace base is recognized as the most competitive at the door of Europe, the second-largest aerospace market in the world. Morocco has attracted major players, and today, we are moving into Phase II of aeronautics. This phase is characterized by attracting new and more complicated ecosystems such as the engine, composite materials, embedded electronics, 3D printing, fiber optics, and others. Phase II is about going faster, further, and higher: going faster is about attracting new companies; going further is about attracting companies beyond the field of aeronautics, namely defense, on-board, electronics, energy, composite materials, medical, and engineering; and going higher implies more added

value and becoming a hub for technological research.

What were the needs behind the creation of Midparc?

**AREF HASSANI** Midparc was created in the framework of the industrial development strategy at that time to find specific sectors where Morocco could add value. Midparc shareholders set up a specific business model that was different from the other free industrial parks in Morocco. We are proud of Bombardier, which is currently being sold to Spirit, because it is one of the main industrial companies here and is doubling the size of its factory. We also have the affiliate company of Airbus, Stelia, with more than 600 people, after three years of operations in Midparc. It makes part of the fuselage of the A320 and A350. We also have Hexcel, a US company that is the leader in the composite. There is also Thales, which specializes in metal 3D printing. There are many important SMEs working on specific products with complex technologies like AD Industries, Técalemit, E2IP and Le Piston Français.

What is your opinion of Moroccan talent?

**HBEA** One of key concerns is creating more links with universities to be able to provide the talents that we need, namely young people with engineering education, the ability to use simulation systems, can speak English, and have the right skills. For our Aerospace Phase II, we will focus more on talents and highly skilled individuals. Through the Institut des Métiers de l'Aéronautique (IMA), we train our engineers and give them the skills and the values they need. It is important that we teach these young people ethics and integrity, how to innovate, quality, responsibility, professionalism, delivery on time, and customer orientation.

**AH** Today, our partners are satisfied with the talent and local human resources. All our partners are proud because of two elements: first, they have a low turnover so they can rely on their people for a long period of time. The turnover rate is less than 4%, which is fairly low for this type of industrial activity. Second is the fast learning curve, compared to other locations in the world. With these two factors, the majority of companies can grow rapidly and thus think about new expansions in advance.

What will make Morocco preferable to other countries?

**HBEA** What makes Morocco different is its capacity to provide talent and solutions for SMEs, as they have technology and markets, but they need to be more competitive. How can they be competitive? There are two solutions: innovation and talent. Here, they can find the talent they need, which is why we built IMA Casablanca, with the high-value aerospace cluster just across the road.

Where is digital technology headed, and how important is it for the aerospace industry?

**AH** Aerospace activities did not exist in Morocco 10 years ago, and today there are more than 140 companies nationally. Each year, we have new complex products manufactured in Morocco. Almost 80% of these companies are in Casablanca, and the majority is around the airport. We know what the needs will be 10, 20, and 25 years ahead. With the government, we have set up all the rules to succeed. ✖

**FOCUS**

Industrial Acceleration Plan 2014-2020

Image: Peti Lipták

# SIGNING A NEW CONTRACT

While the work of the 2014-2020 Industrial Acceleration Plan is far from over, it has driven the industrial sector's development and led to a new relationship between the state and the private sector.

**WHILE MANY OF ITS NEIGHBORS** have experienced a rocky path in the aftermath of the Arab Spring, Morocco has dealt with its political and economic reckoning relatively well. This, in part, is due to the government's willingness to enact reforms and policies, both prior and post, to deal with unemployment, private-sector growth, and inequality. Part of the government's bid toward this goal was the Industrial Acceleration Plan 2014-2020 (PAI). Built off the National Pact for Industrial Emergence 2009-2014 (PNEI), PAI's major goals were to raise the industrial sector's contribution from 14% of GDP to 23% and create 500,000 jobs by 2020. Under the plan's umbrella was an Industrial Development Fund, which set aside USD2.18 billion to consolidate and modernize the country's industrial fabric. However, results have been mixed insofar as the long-term effects have not yet materialized. While industrial GDP grew from USD21.6 billion in 2009 to USD29.3 billion in 2018, the country's global competitiveness index has stagnated, according to African Development Bank numbers. According to Morocco's High Commission for Planning (HPC), higher productivity levels remain strictly in the realm of large companies, which make up only 11% of all companies in the sector. Furthermore, imports remain at 30% of GDP, compared to 17% of GDP for exports in 2016. This may be further impacted by the global slowdown prompted by COVID-19.

However, there has been consistent improvement since 2010 in certain sub-sectors, specifically automotive, aeronautic, electronics, and textile/apparel. The automotive sector has been especially prolific in attracting FDI into the country, which, in general, has increased by 28.6% between 2017 and 2018. French car manufacturer Groupe PSA has invested in an engine and vehicle plant in Kenitra, with an initial capacity of 100,000, which Groupe PSA hopes to double in 2020. Most importantly, the plant will look to use Moroccan suppliers, starting with an initial local integration rate of 60% and eventually increasing to 80%. Indeed, key to growing industrial sectoral capacity in the country is not just FDI but rather the creation of local companies to fill

in gaps in manufacturing supply chains. It is for this reason the electronics sub-sector is another important part of the industrial strategy, which has also seen leaps and bounds, thanks in part to increased production in the automotive industry. Unfortunately, like the automotive sector, the electronic sector is strongly export-oriented, meaning it is likely to be affected in the aftermath of COVID-19.

Still, revenue/profit isn't everything. The relative success of both sub-sectors in previous years has contributed to another major plan milestone: job creation. According to Morocco's Ministry of Trade and Industry, the automotive sector contributed 116,611 jobs between 2014 and 2018. Furthermore, according to the ministry's numbers, 405,496 jobs overall were created in the industry during the same time period. However, unemployment still continues to be a persistent problem for the country, with the rate hovering around 10%, according to the latest figures by the HPC, specifically in regard to youths.

Perhaps a more lasting consequence of the policy is the opportunity it offers the government to restructure state-society relations. Indeed, as stated by Tina Hahn Georgeta and Vidican Auktor in a paper about Morocco's industrial policy, "The challenge for governments in the policymaking process is to take better into consideration the problems, needs, and wishes of different kinds of private enterprises as well as employees, while at the same time remaining independent of the attempt of individual entrepreneurs or lobby groups to capture government decisions." By seeing this policy as a way to strengthen relationships between the private and public sectors and to ensure more dialogue between those who run the economy and the state, Morocco can avoid the pitfalls that many countries in MENA faced post-Arab Spring. In other terms, this policy can help to establish effective coordination mechanisms such as sectoral councils, public-private partnerships, or competitiveness councils, all which can help and work together with the government to bring about the greater structural change desired in Morocco's overall economy. ✘

# here TO STAY

A leading global innovative player for a sustainable and smart mobility, Alstom has contributed to several emblematic railway projects in Morocco.



Nourddine Rhalmi  
CEO,  
ALSTOM MOROCCO

#### What were Alstom's main operations and achievements in 2019?

In 2019, we were proud to take part in the entry into commercial service of two major railway projects. The first was the inauguration of the iconic high-speed train line linking Casablanca to Tangiers. We have been working on this project for years, and we are proud of the high quality of this project, conducted together with our customer the Moroccan National Railways Office (ONCF). In January 2019, Casablanca also celebrated the entry of the city's second tramway line into commercial service. In the frame of this project, we were in charge of delivering the rolling stock, testing, and commissioning.

#### What did Alstom provide for the high-speed train project?

In 2010, ONCF selected Alstom to supply up to 12 Avelia Euroduplex. Avelia Euroduplex is a service-proven train that integrates all the latest developments in terms of connectivity, accessibility, and safety. After the shipment of the 12 trains, we have been in charge of train testing and commissioning.

#### What are your main domestic operations currently?

Present in Morocco since nearly a century, Alstom has contributed to several emblematic railway projects here. In the field of urban mobility, Alstom delivered the first Citadis trams to the cities of Rabat and Casablanca. In the field of mainline, Alstom supplied 20 Alstom Prima II electrical locomotives in 2011, and it successfully delivered the first of 30 Prima M4 Electrical to ONCF in 2019. In the field of maintenance, Alstom has been ensuring the maintenance of 47 ONCF locomotives since 2015. Alstom also has an industrial plant in Fes called Alstom Cabliance. In this site, we produce cable bundles and electrical switch boxes for rail applications that are supplied to our rolling stock plants and mounted on trains exported around the world.

#### What innovative efforts are being made in Morocco?

Alstom is a leading global innovative player for a sustainable and smart mobility. In this regard, we are developing an innovation ecosystem around our activities with the aim of nurturing and growing new green technologies in our solutions. In Morocco, we have always been committed to delivering our most innovative solutions based on our customers' expectations and requests. In addition, our industrial site in Fes was certified ISO 14001 in early 2019.

#### When will zero-emission trains arrive in Morocco?

Alstom is not leading or initiating the orders but is committed to providing best-in-class mobility solutions to its customer.

#### What is Alstom's goal in Morocco for in 2020?

In Morocco, there have been a few projects announced that we are considering as main opportunities in 2020: EMU, Signaling, Casa 3, and four tramway lines. With its local railway expertise—98% local staffed, with a few experts coming from France—and a full range of proven and competitive transport solutions, Alstom aspires to continue its partnership and contribute to railway development in Morocco.

#### What CSR activities are you pursuing in different areas of Morocco?

We have signed a partnership with the Mohammed VI Foundation for the environment within the framework of the COP22 that took place in Marrakesh in 2016. This partnership concerned the promotion of environmental awareness sessions at public primary schools in Tangier and a school in the neighborhood of Fes. Around 3,000 students were reached. Recently, we launched a new CSR project in Fes around entrepreneurship. Participants will learn how to formulate a commercial idea and business plan and develop their idea up to realization. ✖

---

***Participated in LGV and Casa Transport Line 2 projects, inaugurated by the King this year***

---

***Doubling of production capacity in Fes***

---

***98% of workforce in Morocco is local***

# L'avenir n'est pas le reflet de nos rêves, mais de nos actions.

Nos innovations aident les villes à utiliser moins d'énergie, à rendre l'air plus propre et à faire du transport électrique une réalité. C'est pourquoi chez BASF, nous voyons l'avenir avec optimisme.

Pour plus d'informations, consultez [wecreatechemistry.com](http://wecreatechemistry.com)

 **BASF**

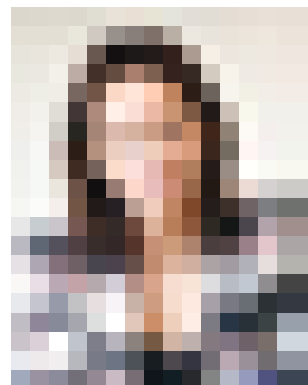
We create chemistry



# level PLAYING FIELD

Though Morocco is well recognized as a key player in the fast fashion supply chain, AMITH is advocating to further improve market access conditions for local exports.

Fatima-Zohra Alaoui  
GENERAL MANAGER,  
MOROCCAN ASSOCIATION OF TEXTILE AND  
APPAREL INDUSTRIES (AMITH)



## Can you tell us about Morocco's textile industry?

The textile and apparel (T&A) industry plays a key role in Morocco's economy. Aside from being the top industrial employer in the country accounting for around 180,000 jobs, it is one of the few sectors that employs a large number of women and young people. Contributing to 15% of Morocco's industrial GDP, it also plays a leading role in the trade balance, representing 25% of the country's exports. One of its major competitive advantages lies in its proximity to Europe and therefore its ability to react immediately to new trends to be delivered in short lead times and in flexible quantities. Inditex is one of the biggest clients of the Moroccan T&A industry, accounting for a significant part of the sector's employment and exports.

## How has the competitiveness of the sector evolved since 2014?

In 2015, the T&A sector adopted an innovative and ambitious strategy, resulting from a strong, effective and unprecedented public-private partnership. This strategy is part of the 2015-2020 Industrial Acceleration Plan and was built around targeted, clear, conscious, and aligned choices between the state and the profession. It aims to make the Moroccan textile sector a leading player on the continental scale and around the Mediterranean. The combination of a conducive international environment and the ambitious national strategy has given the sector a new impulse that is not limited to exports, but also to investment and employment. Four years after the implementation of the national T&A strategy, the sector has created 70,000

jobs and generated more than EUR800 million in additional exports.

## How was 2019 for the textile sector?

After recording an average annual growth rate of 5% since 2012, exports of Moroccan textile and garments to Europe stagnated in 2019, which can be explained by the less preferable market access conditions granted by the EU to Moroccan exports in comparison with countries such as Turkey and some Asian and African nations, which enjoy duty-free access to European markets.

## What can the government do to improve relations with the EU?

We have been trying, for almost a decade now, to get more favorable access conditions to EU markets. Indeed, countries from Asia or Turkey can export garments to the EU without paying duties regardless of the origin of the fabric used to manufacture them, while Moroccan garments pay duties on their FOB prices if the fabrics used originate from outside the Pan Euromed region. This means that duty is paid not only on the imported fabric, but also on the added value generated locally in Morocco, which is unfair. Fully aware that any change in the rules of origins with the EU has to be decided at the political level, members of the Moroccan government have showed their support for our position and have started talks with European officials to help turn the tide in our favor and level the competitive playing field.

## What sustainability initiatives are you implementing?

Morocco embarked on a sustainability path several years ago when we made

our first 100% Made in Morocco 100% sustainable denim collection. The industry made several investments in equipment allowing for a more sustainable way of production, and factories are increasingly considering renewable energy alternatives to reduce their energy bills. In addition, projects are being launched to establish a recycling ecosystem in the T&A industry to close the loop, reduce the impact of our production on the environment, and offer brands and retailers sustainable production alternatives.

## What are your goals for 2020?

Earlier this year, I could have responded with all confidence. Unfortunately, with the COVID-19 pandemic inflicting on our industry worldwide what could be qualified as the worst blow in its history, our goal today for the remainder of 2020 is first damage control. Then, depending on how things evolve with the pandemic in Morocco and the rest of the world, we'll adjust. The Moroccan T&A will be there when COVID-19 is defeated to stand by its international partners and relaunch our industry together. ✖

## BIO

Fatima-Zohra Alaoui is the General manager of AMITH. Prior to that, she worked in the field of strategic consultancy, in banking and in business intelligence. She holds a PhD in economics from Lancaster University in the UK.

## VOICES FROM THE SECTOR



Mohamed Amine Lahlou  
PRESIDENT,  
ELIDE FIRE MOROCCO

**What makes Elide Fire unique?**

It is an environmentally friendly product that can save lives without anyone being present. It is an extremely innovative product. No one has ever been able to extinguish a fire with a conventional extinguisher. With conventional extinguishers, you are told you have to come within 1.6m of the fire. It is almost impossible for people without protection to come that close. The fire ball, however, can be thrown from 10-15m away without any problem. Even if no one is there, it will explode and extinguish the fire instantly. The big advantage is that it is passive prevention without an obligation to be there. One might be sleeping or out of the house; once there is a fire, the ball is activated and extinguishes the fire instantly.

**Who are your key partners in Morocco?**

We have OCP, which is extremely important in Morocco, as well as Agentis, one of the largest hospital builders in Africa. It equips and builds hospitals in Africa. We also have Petromin, an oil tanker, and we are in the final stages of completion with many companies such as BMCE, Société Générale, and Spab, which is in concrete. We are present in all fields. We also work for SCIF, which builds wagons and all the ONCF railways. Our goal is to equip as many companies and homes as possible to make everyone safer.



Ibrahim Slaoui  
PRESIDENT,  
MAFODER

**What role does innovation play in the development of your business?**

We do a great deal of product development because bringing in new products with better performance to the market is necessary to remain the leader. We regularly introduce products that meet ISO standards and actually solve problems for end users. We entered the prefabricated concrete business because the construction of underground networks, under the manhole covers we manufacture, was of poor quality. Instead of pouring concrete on site to build the manholes, they would be prefabricated in a factory. This was a revolution since we brought a standardized solution for an equipment that could be installed on construction sites with efficiency, ease, and a proven quality. It helped us strengthen our position in the market because we were combining our services into a more integrated approach and solution. In terms of urban furniture, we did the shelters for the Casablanca tram, which was a big project for us. We transferred our know-how of foundry and concrete to this new business line thanks to our experience in material shaping. For the replacement market in Morocco, the market for steel castings is extremely fragmented. Most of the time, when a customer brings in a new replacement part to manufacture, we have to take the measurements and create the drawings and then cast, machine, heat treat, validate, and test the parts. To better serve our customers, we have developed rapid prototyping techniques in order to reduce time to market.

Mohamed Benamour  
CEO,  
BENSON SHOES

**How would describe the current business climate?**

It has been the hardest experience so far, and I have had to completely change the direction of our business. When my father created the company in 1963, we were making only military boots and had only one customer, the army. We later diversified into safety shoes and became number one in Morocco for 10 years by working with heavy industries (OCP was one of them). After that, Morocco signed free trade agreements, and it became harder to sell such shoes, as there was competition from China and other countries. This was the second difficult period, so we underwent a second diversification. When selling such high-quality shoes, you need the best suppliers, techniques, and machines. Without a good product, you can forget about everything else.

**How can you improve your overall situation?**

We have a solid base and have franchises in Belgium and Tokyo and are starting to create a nice small story. We also have franchises in Ivory Coast and Algeria, so we do have all the ingredients required to grow. However, establishing a brand also requires stores and partners, and retail is not my business. More than funding, we need partners who know how to deal with local partners. We know some markets extremely well, for example Germany, which we have been in for a long time; however, for other markets we have no experience other than what we see and hear.



Mohammed Azzeddine Abaakil  
CEO,  
SADET

**How do you stay innovative in this rapidly changing environment?**

What we sell in innovation are new constructive methods that people have not used before. For traditional houses, we started with the use of prefabricated products. We have started to make beams and frames completely in concrete, although this is still based on R&D, both in product quality. For each project, we do research to find the best construction method. We build each project with this objective in mind.

**What is your opinion of the current state of industry today?**

The sector has grown considerably. Apart from us, who are the precursors, many companies have launched into prefabrication, namely manufacturers and SMEs. However, the development of prefabrication is currently hampered by three issues in Morocco, and it is up to the public authorities to settle the question on a legal level. The first problem is the tax on cement, which makes it extremely expensive. The second point is that the state has not put an end to the informal sector, which represents around 40% of the market. According to the Ministry of Housing, nearly 50% of individually constructed dwellings measuring less than 250sqm are exempt from VAT. The third point is the control office; in Morocco, there are perhaps three times more control offices than in France. As a rule, the control offices in Morocco take around 15% of the cost of building something, which is also a handicap. The sector has a future, if the Ministry of Industry manages to put an end to these elements.



Victor Elbaz  
DIRECTOR,  
CENTRALE AUTOMOBILE  
CHERIFIENNE (CAC)

**Could you give us a brief introduction to the company?**

CAC is a family business that we started more than 50 years ago in 1950. We are one of the oldest importers of motor cars in the world and have developed our activities in that through three generations of the family. We have gone through several periods and truly started our real automobile business in 1990, when the market opened up completely and became a free market. We are competitive in all our brands since there are no taxes on European cars. It is an extremely competitive market with all the brands, and there is a level of business that is extremely sophisticated.

**Where do you position yourselves in the market?**

We lead the premier market. With Volkswagen, for example, we are selling more Touareg than Polo because we are not competitive with the Polo. However, we are extremely competitive in the Touareg market. Approximately 50% of our revenue comes from Volkswagen, 25-30% from Audi, 15% from Skoda, and the remaining 5% from Porsche and Bentley, which are extremely sophisticated markets. I can see a shift toward more expensive cars, whereby in the past people only used to buy used and old cars, though they tend to buy better cars. We sell more Touareg from Volkswagen than Polo because they cannot beat the small car markets from Renault and Peugeot. We cannot cut prices that much.

Faouzi Belgharbia  
GENERAL DIRECTOR,  
ATLAS COPCO MOROCCO

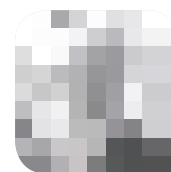


**What aspects of the Moroccan market appeal to you?**

Atlas Copco is renowned around the world as a manufacturer of compressors. We manufacture stationary and mobile compressors. We supply compressed air solutions to all the sectors. In Morocco, we mainly supply compressed air solutions to the automotive, aeronautics, food processing, pharmaceutical, oil and gas, and manufacturing sectors. OCP Morocco is one of our largest clients. Other main clients include Danone, Renault, Peugeot, and Siemens. We supply Siemens with equipment for its windmill blade factory in Tangier and many of the aeronautic subcontractors such as LaFarge. Our plan is to further push our eco-friendly equipment and develop our value proposition in terms of energy consumption and efficiency.

**Do you have any R&D operations in Morocco?**

We are strong in R&D as innovation is one of the most important activities in the group. We believe that we should always be on the top of the innovative scale. We do not manufacture anything in Morocco; we import our equipment. One of our main factories is in Belgium. A few years ago, we created a new group for mining equipment for underground and surface mining production. This led to the creation of a new legal entity in Morocco called Epiroc. The main factory from which we import our equipment is in Antwerp, Belgium, but we also import from our factories in China, Brazil, and India.



Fernando Bernabé García  
MANAGING DIRECTOR,  
VOLVO MAROC

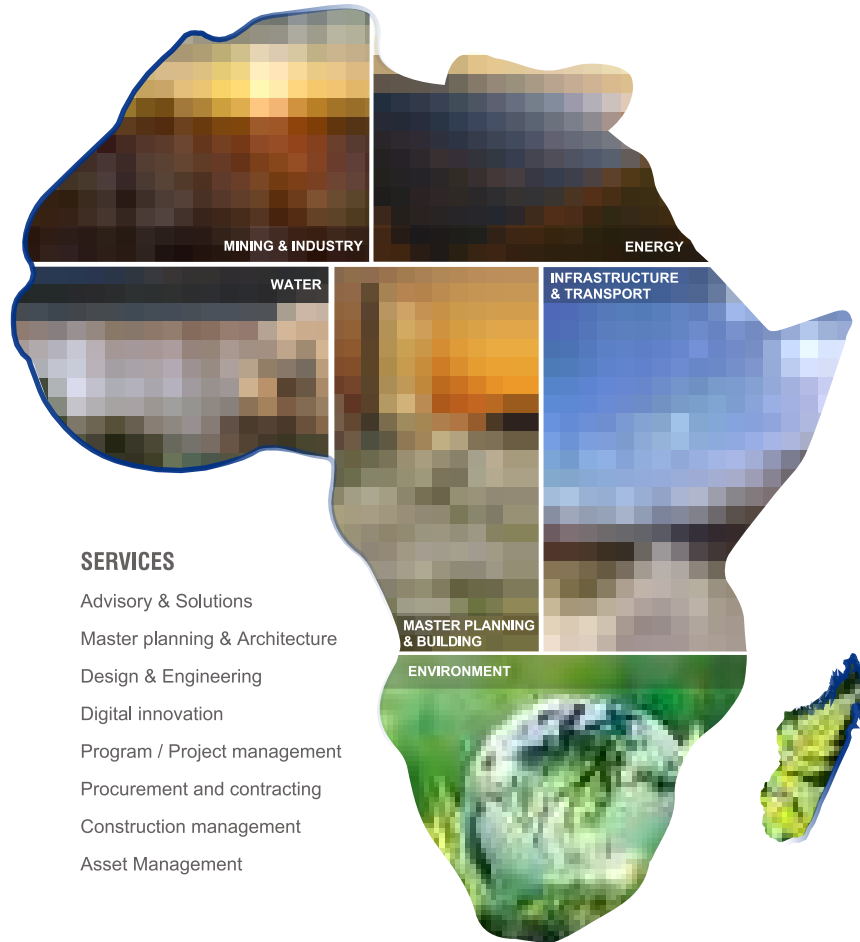
**What have been your main achievements in Morocco?**

Volvo Maroc is a Moroccan company owned by AB Volvo Group, a Swedish company that manufactures trucks, buses, engines for industrial applications, and construction equipment in a number of international markets. In Morocco, Volvo mostly deals with trucks and buses. Private partners we cooperate with handle the rest of the activities. From Morocco, we also handle the entire North African region. Our main markets in the region are Morocco and Tunisia.

**How would you evaluate the transport sector in Morocco? What other sectors here are important for Volvo?**

Historically, the construction segment has been quite solid, but in the last three to five years, we have started to see a decline in this area. International transport is growing quite steadily. In the past, it was mostly related to fruit, vegetables, and fish. Now, we are also witnessing an increase in automotive and textile sectors. Notably, Renault and PSA are committed to a high level of local integration, which means there is a need to develop a strong components industry locally. In Morocco, Volvo leads heavy duty market sales. The image and awareness of our brand is strong here, and our customers are fully satisfied. On the one hand, this makes us extremely proud, though at the same time, it means we have to continue improving the quality of our service to maintain our position in the market. This will only be the case if we succeed in keeping customers even more satisfied than they are today.

# WORLD CLASS SOLUTIONS WITH AFRICAN DNA



## SERVICES

- Advisory & Solutions
- Master planning & Architecture
- Design & Engineering
- Digital innovation
- Program / Project management
- Procurement and contracting
- Construction management
- Asset Management

**1700**  
EMPLOYEES

**100+**  
ACTIVE PROJECTS

Jesa is the largest engineering firm in Morocco, the world leader in the phosphate industry and an African leader in various sectors covering industry, infrastructure, urban development and consulting.

With a strong presence in Africa, JESA is engaged in very complex projects and provides a holistic service offering across asset life cycle, devoting special attention to cost optimization, quality excellence and uncompromising safety standards.



### HEAD OFFICE

CASABLANCA – MOROCCO  
info@jesagroup.com  
+212 22 87 70 00

### JESA WEST AFRICA

ABIDJAN – COTE D'IVOIRE  
Abidjan@Jesagroup.com

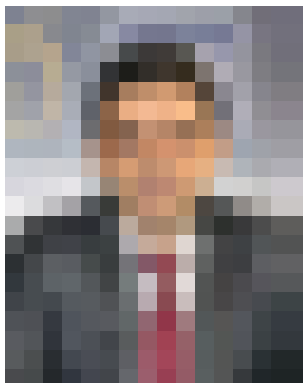
### JESA EAST AFRICA

ADDIS ABABA – ETHIOPIA  
Addisababa@Jesagroup.com

[www.jesagroup.com](http://www.jesagroup.com)

# ahead of THE PACK

DOLIDOL is keen to diversify its markets and businesses and invest in other projects to remain the market leader.



Jalil Skali  
GENERAL DIRECTOR,  
DOLIDOL

#### Can you give us an overview of the company?

We are a family company, established almost 50 years ago. We used to be focused only on industrial activity, but we are now involved in several activities divided by separate groups. One is Groupe Palmeraie Développement, which is involved in real estate, hotels, leisure, golf, and the like. It is different from the second group, Palmeraie Industry and Services, which has four separate activities: industry, for which I am responsible; mining; education; and agriculture. Industry represents the largest part of the group, and we continue to develop it in Morocco. One of our strategies is to look into other countries, and our other strategy for Morocco is to invest in new activities. This is why we started our automotive business here, which has been operating for seven years. We supply Renault and Peugeot Morocco with filaments and some foam pieces. We started a JV with a Spanish group called Jobelsa Automotive to produce covers for cars solely for export. As a company, we are far surpassing the growth of Morocco, which stood at 2.4% in 2019, and we are almost at double digits. We have had double-digit growth for the past two years, and for the last seven years growth has been over 6%. We have a strategy to focus not only on our core business, but to also start new businesses. We just started a new factory here, a recycling project where we transform plastic bottles to fibers.

#### Can tell us more about your activities in the agriculture sector?

It is a new sector for us. I am not managing it. An investor acquired some shares and invested USD20 million in the company. In our case, we received almost USD30 million from the UK. With agriculture, we are mostly involved in fruit, such as strawberries, raspberries, and blueberries, for export, mainly to Europe. This is a segment that we have received investment in. We

are also developing a Moroccan type of date.

#### How have technology and innovation affected your operations in Morocco?

We have tried to imagine how AI could affect our business. In the future, it will replace everything. When we compare ourselves to European companies, we are at the same levels. We signed a license with Sealy, which is the worldwide market leader, to be the licensee in Morocco and the region. It is working in the same way we are doing here. Technology will not have a big effect on the business in the near future. Perhaps beyond that, people are considering putting sensors in mattress to analyze how people sleep through the night. We have made some technological advancements in distribution. We started with a website about four years ago. There is still a small turnover, but the next generation will only buy their mattresses and furniture online. In terms of production, for a Moroccan sofa, for example, we are able to deliver an order for a customized sofa in the same day if the order is made before 10 a.m. This has been enabled by technology.

#### How would you evaluate the Moroccan resource pool in terms of R&D?

We have more than 2,000 employees. For us, R&D is a strong part of our strategy. We have succeeded in the past because we invest in R&D. We have a big showroom to display our new products to our customers and distributors. We entered into a soft partnership with Dow, one of the biggest chemical companies in the world. We signed a partnership to have its service center and R&D department here. In 2018, we introduced in Africa the first mattress that repels mosquitoes, and we obtained a trademark. These developments are important to the country and continent, which is why we continue to invest in R&D. ✖

---

***Supplying  
Renault and  
Peugeot***

---

***JV with Jobelsa  
Automotive***

---

***More than 2,000  
employees***

4G towers  
disguised as  
palm trees

## INTERNET USERS

SOURCE: DATAREPORTAL

	Users (mln)	Penetration	Mobile connections (mln)
Jan. 2017	20.21	58%	43.31
Jan. 2018	22.6	63%	-
Jan. 2019	22.57	62%	43.76
Jan. 2020	25.32	69%	43.35

## MOBILE CONNECTIVITY INDEX SCORES, 2019

SOURCE: GSMA

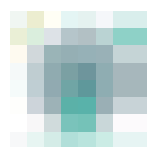
	Of a maximum of 100
Overall country index score	59.9
Infrastructure	66.3
Affordability	56.3
Consumer readiness	55.6
Content and services	62

## SHARE OF WEB TRAFFIC BY DEVICE (JAN. 2020)

SOURCE: DATAREPORTAL



- 47.8% Mobile phones
- 43.7% Laptops/desktops
- 8.6% Tablets
- 0.02% Other



## ICT & Media

# AT THE FOREFRONT

**D**igitalization has remained a key priority for the government since 2009, when the first strategic plan laid out key e-government objective to reach by 2013. Accordingly, Maroc Numeric 2013 was launched as part of a royal initiative to establish the country as a continental tech hub.

Progress in recent years has been noticeable. Today, applications for identity documents and passports are fully digitalized, and the payment of bills and processes for establishing a business can be done online. Morocco ranks among the top-10 countries in the world in the Universal Postal Union's ranking of countries that have succeeded in achieving true digitalization. Such achievements have significantly contributed to Morocco's recent leap to 53rd globally in the World Bank's Doing Business 2020 report.

Industry leaders we spoke to similarly concurred that Morocco leads the African continent and that the country is a prominent African leader in ICT and digitalization. With the latest strategic plan, Maroc Numeric 2020, coming to an end, stakeholders are evaluating the impact thus far and the current reality of digital transformation to more effectively draft the next plan. The conclusion is clear; Morocco has yet to achieve its ambitious objectives. There is also room for improvement in e-government services. Among the main challenges that hamper growth are a visible

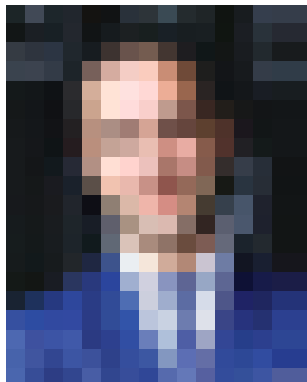
lack of an integrated vision for digital transformation in the country. And as technological innovation accelerates, flexibility and agility remain critical.

Consequently, in January 2019, the head of government entrusted the Digital Development Agency (ADD) with the task of drafting the main guidelines for the 2020-2025 digital strategy. Upgrading public services, improving the productivity and competitiveness of the national economy, and reducing social inequalities are at the core of the new digital plan.

Decision makers in the sector agree on the need to create strong local ecosystems of developers and innovators that enable constant innovation. This will ensure that new technologies are tailored to the economic needs of every city's local ecosystem. Several of our interviewees discussed their increased focus on digitalization and innovation—an emphasis that materialized in the form of creating subsidiaries centered on innovation. Many of these subsidiaries are equally focused on building local capacities through supporting SMEs and addressing the ICT skills gap.

Within the communications sector specifically, traditional media remains powerful. Television channels such as 2M—which has a share of 35% on average per day—reach 10-15 million Moroccans daily, while the written press and radio stations also retain their importance. ✘

## INTERVIEW



## VISIONARY *growth*

APEBI's successful initiative, Hackcovid, resulted in dozens of technological solutions to help the country during the pandemic.

Amine Zarouk  
PRESIDENT,  
MOROCCAN FEDERATION OF  
INFORMATION TECHNOLOGIES,  
TELECOMMUNICATIONS, AND  
OFFSHORING (APEBI)

**Can you give us an overview of APEBI?**

APEBI represents digital, telecommunications, and innovative companies. We connect this community to the largest players in the market, which together represent more than 80% of the turnover in the sector. Since the beginning, we defined five pillars for our mandate: digitally transforming all sectors of the economy; gathering data; nurturing a close relationship with neighboring countries; promoting digital ways of doing business; and sustainability.

**How has the COVID-19 pandemic changed the way of doing business in Morocco?**

Every revolution arises after a great crisis. Now is the time for the digital revolution. Before the pandemic, we realized that certain groups in the country were hesitant when it came to digital transformation, e-commerce, e-governance, and so on. Digitalization was rarely framed as a priority for the country. The pandemic has shaken the foundations of our system, forcing us to adopt approaches and ways of doing businesses previously unthinkable. For a long time, we have mainly been discussing how to digitalize, and now that we are forced to do it, we are discovering that digitalization represents not only a comfort, but also a tool to ensure the physical and psychological wellbeing of the world's population and the global economy.

**From your experience at APEBI, what solutions can digitalization offer to the current situation?**

During the outbreak of the pandemic, we sought ways to use technology as a means to inform the public and limit the spread of the virus. We turned to a start-up that works on AI and big data. In three days, we developed a prototype with abundant information based on trends in the worst-affected countries to help the Ministry of Interior anticipate the different phases and introduce the right measures. At that point, we realized Morocco was ripe with skills and potential to develop other similar initiatives. We launched a nationwide call for projects, Hackcovid, targeting any start-up, student, or individual with an idea to assist the country

during the outbreak. Within 48 hours, we received 150 digital projects, of which we selected about 30 in fields such as security, food safety, health, and economic competitiveness. Successful examples are the COVID-19 tracker, mobile payment solutions, chatbots that can answer questions about COVID-19 in Darija (a Moroccan dialect) or French, a solution that will connect all the grocery stores in the neighborhoods to transmit aid, and a social network for the healthcare industry that allows information to be conveyed in real time. Our role has been to mobilize a large number of computer specialists and coders to bring these ideas to life, and to create connections with private or public partners. We are now looking to launch Hackcovid Africa with about six Northern and Western African countries. Morocco is among the first countries to be affected by the pandemic on the continent, so it is important we share any progress we have made. Equally important, Hackcovid Africa will support our ongoing project for the creation of an African confederation of technology to mutualize our common problems and share our progress.

**What is your vision for the Fez Smart Factory project, which you are launching as the director of Alten Maroc?**

We launched competitions at several universities to find innovative start-ups that could nurture Moroccan competences and respond to the future needs of the market. In this context, we landed on Fes, which could be Morocco's Silicon Valley and also happens to be the birthplace of Alten Maroc. We wanted to create an Industry 4.0 pole to boost the digital and creative industries in Fes and bring the market closer. Within the framework of the CGEM, we brought together the digital commission, the digital economy commission, the start-ups commission, the employability commission, and the VSE-SME commission, to create a technology park. Besides being a space for the incubation of start-ups, this is primarily an integrated zone where suppliers and customers share the same space and where jobs and opportunities are created. ✖

**BIO**

The holder of a master's degree in distributed information systems from Paris-Est Créteil University, Amine Zarouk is also the co-founder and general manager of Alten Delivery Center Maroc, the Moroccan subsidiary of the world leader in engineering and consulting in technology.

# digital DISRUPTOR

With a presence in more than eight countries in Africa and a portfolio of services that covers the entire value chain, HPS is revolutionizing the digital space one step at a time.



Abdeslam Alaoui Smaili  
CEO,  
HPS MOROCCO

## How would you evaluate the fintech sector in Morocco?

In Morocco, we are fortunate to have financial regulations that have helped payments advance. Only after the payments industry developed did regulators step in. This allowed innovation to enter the market. The central bank and financial regulators in Morocco have been extremely forward thinking. For example, the PIN system for ATMs had no legal framework until a few years ago, which meant legal disputes were difficult to settle; however, the country chose to let legal structures develop naturally rather than forcing implementation in a way that might not have served the industry as a whole. This allowed the system to figure out the areas most in need of oversight in an organic way. In terms of fintech, the impact of the internet has only had a significant influence on Morocco in the last six to seven years. We have been lacking in terms of infrastructure, incubators, and other necessary aspects that are needed to support a fintech ecosystem. There is now a process for supporting public and private initiatives. The next question is how we can develop this space.

## Who are your main partners in Morocco?

We partner with banks, though we also work with new actors, namely payment system providers (PSP). Today, PSPs are the real players in the payment landscape. At present, telecoms firms are the main competitors of banks. Our customers include banks, PSPs, and telecoms firms. We also have special customers such as the highway authority in Morocco. In total, we have around 15-20 clients.

## What are the main sources of revenue for your company?

Our technology covers the entire value chain. Either we provide the software and train the company and they pay us for maintenance, or we cover every area of the process on our own. It is the same distinction between using Microsoft Word on your desktop or using Windows 365 on the cloud. We have also shifted to the cloud. This

is what we call the software-as-a-service (SAAS) model. We advise customers to move toward the SAAS model because it allows them to experience innovative solutions without large CAPEX expenditures.

## Do you still allocate 10% of your revenue to R&D?

We are proud to say we allocate 16% of our revenue to R&D. We want to create a culture of innovation. This 16% goes into making our products better and improving every aspect of our business.

## Can you tell us more about token payments?

We have been in the tokenization business for the past five or six years. We work with numerous partners across the world, including a major contactless player in Japan. Our work outside Japan has predominantly been on the Android platform. There is a huge market in Morocco for mobile payments, but less so for tokenization because fewer people own advanced phones. We are developing an e-wallet that is not registered to a physical card, but rather an account. This system will challenge the cash-based economy and promote financial inclusion. If we are able to increase the number of transactions on our platform, there will be tangible changes to our economy and society. Additionally, electronic payments ensure easier tax collection, which explains why the government has announced a three-year tax holiday for those who enroll in electronic payment systems.

## Can you elaborate on the potential in Africa?

We provide payment services for eight nations in West Africa with the same central bank, the Central Bank of West African States. We are also heavily present in South Africa, so much so that we have an HPS South Africa subsidiary. Business-wise, Africa represents more than one-third of our global revenue. Africa is not in the midst of a digital transformation, but a digital birth. We are creating this environment from the ground up, and, therefore, we are not facing the same hurdles that we saw in other more advanced payments marketplaces. ✖

---

**16% of revenue  
allocated to R&D**

---

**Tokenization  
will reach the  
unbanked**

---

**Africa represents  
more than one-  
third of global  
revenue**

## BIO

Abdeslam Alaoui Smaili is the CEO of HPS and has overall responsibility for all of HPS' activities. With more than 25 years of experience in the industry, he co-founded two IT services companies before becoming one of the founding members of HPS in 1995. He has been involved in countless implementations of payment systems in various countries and has helped clients design and launch new and innovative payment instruments and implement challenging transformation programs across multiple countries, currencies and languages.



monochrome, creative. self-restraint of the artist. Characteristic of M. is the rejection subjectivity, representation, illusionism. Rejecting the classic receptions



INFLUENCE



DATA



CREATIVITY



GROWTH

0101110101101000111001110100



**Notre ambition est de devenir le partenaire créatif indispensable à nos clients pour les accompagner dans leur propre transformation.**

Nous souhaitons mettre à profit la puissance de feu créative de nos réseaux à travers des plateformes qui relient de bout en bout la vision du consommateur, la connaissance de la marque et les idées créatives, boostées par les données et la technologie.

**PRMEDIA  
D1SOCIAL** +

**Vous souhaitez en savoir plus ?  
Échangeons ensemble !**

**+212 522 77 75 95**  
Info@prmediacom.com  
Contact@d1-social.com

# NECESSARY AND SUFFICIENT

Morocco's Digital Development Agency has unveiled an ambitious plan to accelerate the country's digitalization efforts over the next five years. But what does it consist of, and how can it be achieved?

**THE DIFFERENCE BETWEEN A LUXURY KNOWLEDGE GOOD** and a necessary innovation is narrowing by the day: those companies and, more importantly, countries that realize the paucity of this distinction will live to fight another day. Those that can't, or won't, will perish. Digital transformation, Morocco's leadership knows, is one such example, a fact that was heavily stressed at the December 2019 meeting of the Digital Development Agency (ADD).

Laying out the guidelines for the country's digital development through 2025, the agency, under the aegis of the Ministry of Industry, Investment, Commerce, and Digital Economy (MIICEN), will be in charge of directing Morocco's 4.0 industrial revolution, expanding and implementing digital education training programs, boosting digital research and development, encouraging social entrepreneurship, and ensuring that the country enjoys responsible and durable digital inclusion.

Including the public and private sectors and civil society groups in this participative approach, in December Prime Minister Saâd Dine El Otmani stressed how important this digital leap is to attract foreign investment, creating remunerative and sustainable employment and modernizing public services. It is also crucial, he said, to reducing public expenditure, bridging the digital divide that has come to mirror so many other social, economic, and geographical disparities in Morocco, boosting transparency, and fighting corruption.

How will ADD accomplish these widespread goals? First, by launching the country's first Digital Factory in Rabat as a digital incubator to not only spur the creation of smarter digital solutions, but give young start-ups a place to test their ideas and provide the broader digital market with a "digital crossroads" where they can improve their services, experiment with recent innovations, and run novel ideas by other industry players new and old.

In step with these initiatives, ADD is also launching a Digital Academy to help professionally retrain 3,000 young people with the skills needed to succeed in the digital economy, an initiative it is

hoping will create an avalanche effect in both innovation and jobs created.

In order to learn more about the progress of the kingdom's digitalization effects, TBY sat down with Zaidi Fouad, the General Director of Barid Media. Among other things, Fouad stressed the importance of having the right regulative infrastructure in place. Crucially, in 2008 Morocco passed legislation equating physical with digital information, a legal innovation that helped Barid become the first operator to use digital and electronic signatures, for example.

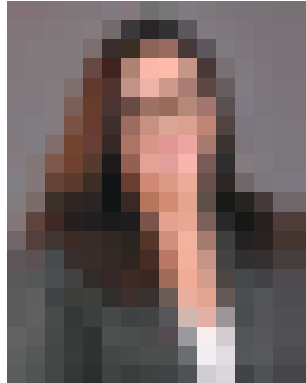
This legal precedent will also be crucial to creating a platform that enables citizens and companies to access digital government services. To be sure, he stresses, a cultural evolution of sorts is also needed to train individuals and companies to do so; many of the latter shy away from digitalization because of unfamiliarity, or worse, mistrust. Hence the two-fold importance of training and hiring young people in this process, who are by nature quicker learners and more culturally malleable, and launching programs to convince the public of the importance of digital, Fouad told TBY.

Yet, the country's hard work is already paying off. Ranked among the top-10 countries in the world by the Universal Postal Union for its digitalization rates, Morocco has also launched a successful electronic tender system and is working with local municipal authorities across the country to digitalize all its services. One such example is Watiqa, an online application that allows Moroccan citizens to access public services from anywhere in the world.

More than 115,000 entrepreneurs have also signed up for Barid's end-to-end digital platform for entrepreneurs, a collaborative database that can be accessed by banks, the tax department, the post office, and entrepreneurs and allows businesspeople of every stripe, especially in the informal sector, to access an "entrepreneur card" through which they can declare their taxes. As with so many other aspects of digitalization, Fouad rightly says, "This is a perfect example of how it accelerates a country's development." ✖

## INTERVIEW

# PARTNER *of choice*



Already present in 15 African countries, GFI is further expanding its footprint on the continent through acquisitions, with the end goal of helping Africa use the latest technologies and innovations to get ahead of the curve.

Saloua Karkri-Belkeziz  
GENERAL DIRECTOR,  
GFI

Founded in

# 1987

Initial capital of

# EUR 5k

# 300

national customers

**Can you give us a short introduction to GFI?**

I founded a company in 1987 to sell software solutions in Morocco. Before, companies used to sell hardware and customers developed their own applications. I started the company with a small capital of EUR5,000 and developed it until 2003, when the GFI group became interested in the Moroccan market. Fast forward to January 2019, when I got involved in GFI's operations and was appointed president of GFI Africa. GFI is present in many countries, including 15 in Africa. We are growing through acquisitions. We recently bought companies in Ivory Coast, Tunisia, and Cameroon. At present, we are looking to acquire some companies in Senegal.

**Who are the key partners for GFI in Morocco?**

In Morocco, we serve more than 300 active customers with maintenance contracts. These include private customers, large industries, multinational firms, and public-sector entities. We help them evolve their IT systems.

**What kind of digital opportunities does the company see in Africa?**

Africa remains the least developed continent in the world unfortunately, but this trend can be reversed with new technologies. Thanks to digitalization, countries such as Rwanda have completely transformed themselves. Kenya is another such example. Africa is perfectly positioned to use the latest technologies and innovations and get ahead of the curve—we are not obliged to go step by step. Our ambitions reflect the desire of our African subsidiaries to remain in the top class of companies considered to be export champions. We give the best of ourselves to consolidate this position and to establish ourselves as a true partner of customer information systems in all

countries in Africa. The trust GFI has in its employees is a key element of its approach to the market, because the companies that trust us have to first deal with teams: men and women trained and certified in the latest technological advances. We are, therefore, able to advise our clients, who invest in a long-term relationship with GFI. We are consolidating our positions in Africa and developing our activity by helping companies benefit from our know-how.

**What is your opinion of Moroccan human talent and gender equality?**

I would say that there is a difference between what is possible and what is being done in Morocco. Women enjoy equal rights in Morocco. The labor law has been upgraded to ensure equal pay, equal treatment, and so on. Moreover, the nationality law was amended to give women the ability to pass citizenship to their children. Women in Morocco, unlike in other regional countries, do not need permission to work, open an account, or establish a business. In terms of access to education, a great effort has been made. As a result, the enrollment rate of girls is as high as that of boys. It is lower particularly in rural and underprivileged areas because there is a lack of infrastructure. Overall, there is a lack of implementation. Unfortunately, the difference becomes more tangible in the professional world because we have not yet created an environment that allows women to reconcile their personal and professional lives. A national strategy is needed to increase the female participation rate in the workforce. At present, it is around 21-22%, while for men it is between 70 and 75%. According to a World Bank study, higher female participation can help Morocco boost its growth rates by up to 2%. ✖

## BIO

Saloua Karkri-Belkeziz has been the President of GFI Africa since 2019. Previously, she was CEO of GFI Morocco from 2003 until end-2018. She is the founding and honorary president of the Association of Women Entrepreneurs of Morocco, as well as president of the Federation of Information Technologies and Offshoring. As an entrepreneur with decades of invaluable experience, she is also member of the board of directors of the General Confederation of Enterprises in Morocco. In 2000, she was decorated with the Royal Wissam El Arch by the King.

# do better, DO MORE

Fatime Zohra Outaghani  
CEO,  
PR MEDIA

A Moroccan influence consultancy firm with a North African geographic footprint, PR Media's reach covers the entire continent and beyond.

**PR Media started its operations 16 years ago. What have been its main successes?**

PR Media was established in 2004 and became a pioneer in the public relations sector in Morocco and more broadly North Africa. We quickly understood that we had to rely on experts and dedicated services to bring their voices to a variety of audiences such as the media, consumers, influencers, and so on. We have seen some great successes. The first was our expansion into Morocco, Algeria, and Tunisia. We have been affiliated with the American giant H+K Strategies since 2005, which gives us the benefit of a network of key expertise throughout Africa, both French and English-speaking. Our growth is also embodied in our human resources, namely the 50 or so consultants who make up the agency's strike force. Our third success concerns the diversity of our sectors of intervention. We cover a wide spectrum from energy to entertainment, food processing, cybersecurity, sports, luxury goods, real estate, wellness, transport, consumer goods, and more.

**You are an established player in the communications field. How did PR Media reach this point?**

This is the result of the recognition of our customers. We have been working with some companies since our creation, which is quite rare in our industry. Our ability to listen and adapt is fundamental. We have successfully taken every turn in the transformations that have affected markets since the early 2000s: the mobile revolution, the internet revolution, the digital revolution, and so on. We have evolved by being proactive, accompanying changes, and even showing pedagogy toward our customers, who are not always informed and aware of new uses. A few years ago, we created a subsidiary entirely dedicated to digital and the management of e-influencers and digital communities.

**How do you differentiate yourselves from other agencies?**

We are a leading agency because our expertise is recognized, and our clients' interests are our top priority. We develop relevant and effective strategies for them, often going beyond what they expect and with concrete, measurable results in line with their objectives. This is our corporate culture: always do better, always do more. Our support and our ability to guide are strong differentiators.



**How do you make sure you remain up to date in such a fast-paced world?**

PR Media has a strategic monitoring department that regularly updates its working standards, tools, and methods. This allows us to stay one step ahead of the transformations that will impact our activities. More broadly, we have reviewed our organizational model by abandoning the traditional silo-based operation and moving from a vertical to a horizontal structure.

**What is your assessment of AI, big data, and automation?**

We conduct regular research to better understand the expectations of journalists, influencers, consumers, and citizens in general. We rely on advanced analytical tools with which we can better identify the major themes of conversations on social networks as well as the tone. The predictive data offered by AI can be used to target content that will have the greatest impact. We also use platforms that help us monitor media and predict the impact of news on our clients' image.

**Can you tell us about your international expansion?**

PR Media is a Moroccan agency, with a North African geographic footprint and a reach that covers the entire continent and beyond. With our affiliation with H+K Strategies, we can operate in all territories, relying on teams that have a perfect understanding of the country where they are located. We are a local but also a global agency, with the conviction that digital technology is changing the notion of borders.

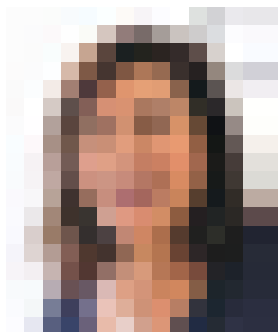
**What is your target for 2020?**

We have successfully evolved from a PR agency to an influence consultancy firm. In 2020, this trend will continue with the in-house development of new services and skills based on the possibilities offered by recent technological developments. ✖

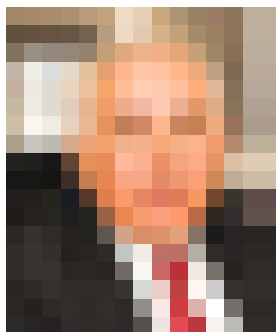
*From pioneer  
PR agency  
to influence  
consultancy firm*

#### BIO

After a successful career in sales and marketing, Fatime Zohra Outaghani founded PR Media in Casablanca in 2004. The agency is now a major consulting firm for companies and organizations in Morocco and across Africa. Multi-award-winning, PR MEDIA is ranked the most successful Moroccan agency in the SABER Awards Africa, the equivalent of the Oscars in the public relations sector.



**Monique El Grichi**  
GENERAL MANAGER,  
MOSAÏK COMMUNICATION



**Zaidi Fouad**  
GENERAL DIRECTOR,  
BARID MEDIA

## MEDIA PLAYERS

On the back of close cooperation with public authorities, Mosaïk Communication and Barid Media have helped Morocco reach the top-10 list of countries that have succeeded in achieving true digitalization.

**How do you evaluate the PR and communications sector in Morocco?**

**MONIQUE EL GRICHI** Ours is a dynamic sector, and despite a recession linked to the global crisis, it remains dynamic and quite structured. Indeed, we are much closer to a Western European model. We have many national and international clients such as Bank of Africa, Salafin, and Orange. The sector is rapidly changing due to digital communication; our clients ask themselves many questions about how to do business in today's market, and we accompany them in their digital transformation. The future of the sector is digital, yes, but the traditional media remains powerful. For example, the TV channel 2M reaches 10 to 15 million Moroccans daily.

**How is Morocco's digital transformation progressing?**

**ZAIDI FOUAD** We cannot digitalize our processes without having the proper regulations in place. In 2008, Morocco introduced Law 53.05 to ensure the same legislations for both digital and physical information. We used this law to become the first operator for digital and electronic signatures. On the back of this, we can create a mini digital platform to enable

all citizens and companies to use digital government services. We need to train citizens and companies to go digital and also acquire their trust. The government has to launch programs and initiatives to explain to society how digitalization is a positive thing. We also need to hire young people because they have the ability to quickly adapt to digital systems.

**Who are Mosaïk's key stakeholders?**

**MEG** For 25 years now, we have been supporting all the major strategic sectors that are advancing Morocco and Africa in general. Today, we have the opportunity to accompany one of the leaders in terms of banking, Bank of Africa. In the transport sector, we accompany CTM, the Moroccan leader in land transport. We also accompany Royal Air Maroc, which has a true hub strategy. Today, Casablanca has become one of the most important African hubs and an African leader, and Royal Air Maroc has integrated with the One World association.

**How do you make sure that your services are up to date?**

**ZF** We are connected to many technology operators such as Big Blue, IBM, HP, Amazon, and Google. We use our part-

nerships with big players around the world to provide technology services to our customers in the public and private sectors.

**Does Mosaïk Communication also collaborate with institutional bodies?**

**MEG** The Mohammed VI Museum and Casa Tramway are two of many projects where we work hand in hand with the government. There is a real awareness among decision-makers that culture is an extremely important element today and a lever of development. In its broadest sense, culture is a tool for fostering open-mindedness and creative expression. The Rabat Biennale welcomes hundreds of thousands of visitors, and we help lay the foundations of the cultural industry.

**How do you envision Morocco's digital future?**

**ZF** Morocco ranks among the top-10 countries in the Universal Postal Union's ranking of countries that have succeeded in achieving true digitalization. Morocco has also managed to launch electronic tenders. We are working with the local authorities to digitalize all services. For example, the Watiqa application that we have developed allows any Moroccan to access public services from anywhere in the world. Moreover, we have an end-to-end digital platform for entrepreneurs. So far, 115,000 entrepreneurs have signed up. There are still things we need to do to accelerate the country's digital transformation because it all comes down to infrastructure. We have three telecoms operators and optical fiber connections in the majority of cities, but there are still many areas that are not well served. We need to overcome such challenges so that Morocco can progress faster.

**What are your goals for 2020?**

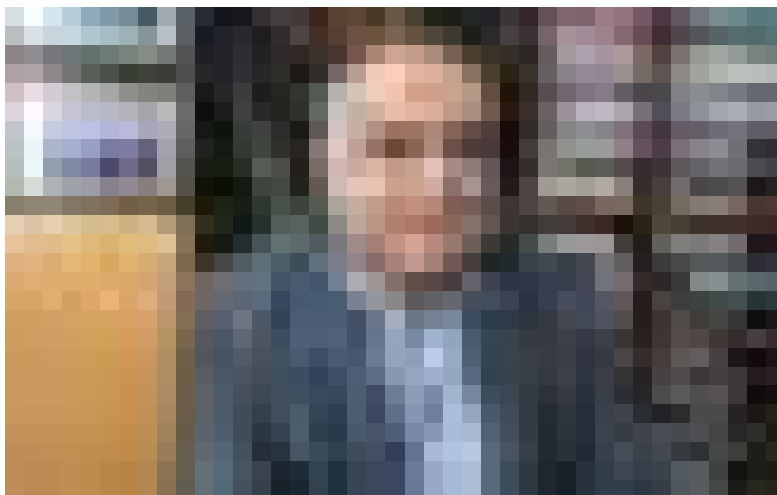
**MEG** Morocco today needs 5-6% growth in order to create jobs and wealth. His Majesty set up this commission, but beyond the commission, which mobilizes an entire country around a high-quality committee, we need to bring all the stakeholders on board. We need to make sure we have a new model for economic development.

**ZF** Our main goal in the next three years is to double our turnover. Our vision is to be the first company in the BPO sector to go fully digital. We also plan to expand into Africa, in particular French-speaking countries in West Africa. ✖

# know-how FOR SALE

Noureddine Gnaou  
GENERAL MANAGER,  
SOREMAR HOLDING

Soremar Holding has overcome several hurdles in the recent past to arrive at a stage where it is better prepared than ever before to go public and fulfill its vision for the African continent.



**You were part of London Stock Exchange's ELITE Program. Why did you participate in this program, and how do you evaluate your experience?**

The ELITE program was introduced around the time we decided to enter the stock exchange. Morocco then signed an agreement with the London Stock Exchange to join the ELITE program, and we benefited from a one-year training at the Casablanca Stock Exchange. We have made significant progress, even if there has been a bit of delay recently because of the tax controls. We have passed all the controls and we have done the ELITE training; therefore, we are better prepared today than we were yesterday.

**Where do you stand today in terms of your IPO?**

Over the last two years, it has been slightly delayed because there have been a number of tax audits. The tax authorities needed money so it taxed companies, meaning 2020's results will not be as good as expected. When you want to go public, you have to look at the last three years; however, we will get there, in spite of our delay.

**Your company has dominated the market of vessel monitoring systems (VMS). What has allowed Soremar to become a market leader?**

It does not happen overnight. It is 36 years of hard work and seriousness. We are in a maritime niche so we shine because this sector is like a club. Being a part of this family is not only an honor, but something we must live up to.

**Your services rely heavily on technology. How have digitalization and AI impacted your value proposition?**

Today, any ship owner can know where his boat is—he can see it and he can communicate with it by satellite or message. This is a plus. When I

started, we sold our know-how: there were four or five components to change in a radar for which we would bring the parts and install them. Today, for the same broken radar, you look quickly and see if the card has to be changed. If you have the part, you put it in, and the commander signs off. If you don't have it, you pass it along. Previously, machines were indefinitely repairable; today, they are disposable. No one has a choice. We go with the flow, we adapt, and we work. There is an important human element that has disappeared as a consequence of technological advancements.

**What is Soremar's vision in the medium and long term?**

Our first objective is to go public. Second, we are planning a development in Morocco, whereby our 17th agency will open this year. We must always keep moving forward. There is also the African vision.

**In financial terms, how do you evaluate 2019?**

Our turnover in 2019 grew 6% YoY, but it was a difficult year financially. For the investors, it is a matter of trust. As soon as this trust is affected, everything stops. There has to be a plan, a vision, and a schedule and one can enact it by pushing the sector to go along with you. According to official figures, 8,400 companies shutdown in Morocco in 2018. In 2019, that number increased by 5%.

**How have payment delays impacted operations in the sector?**

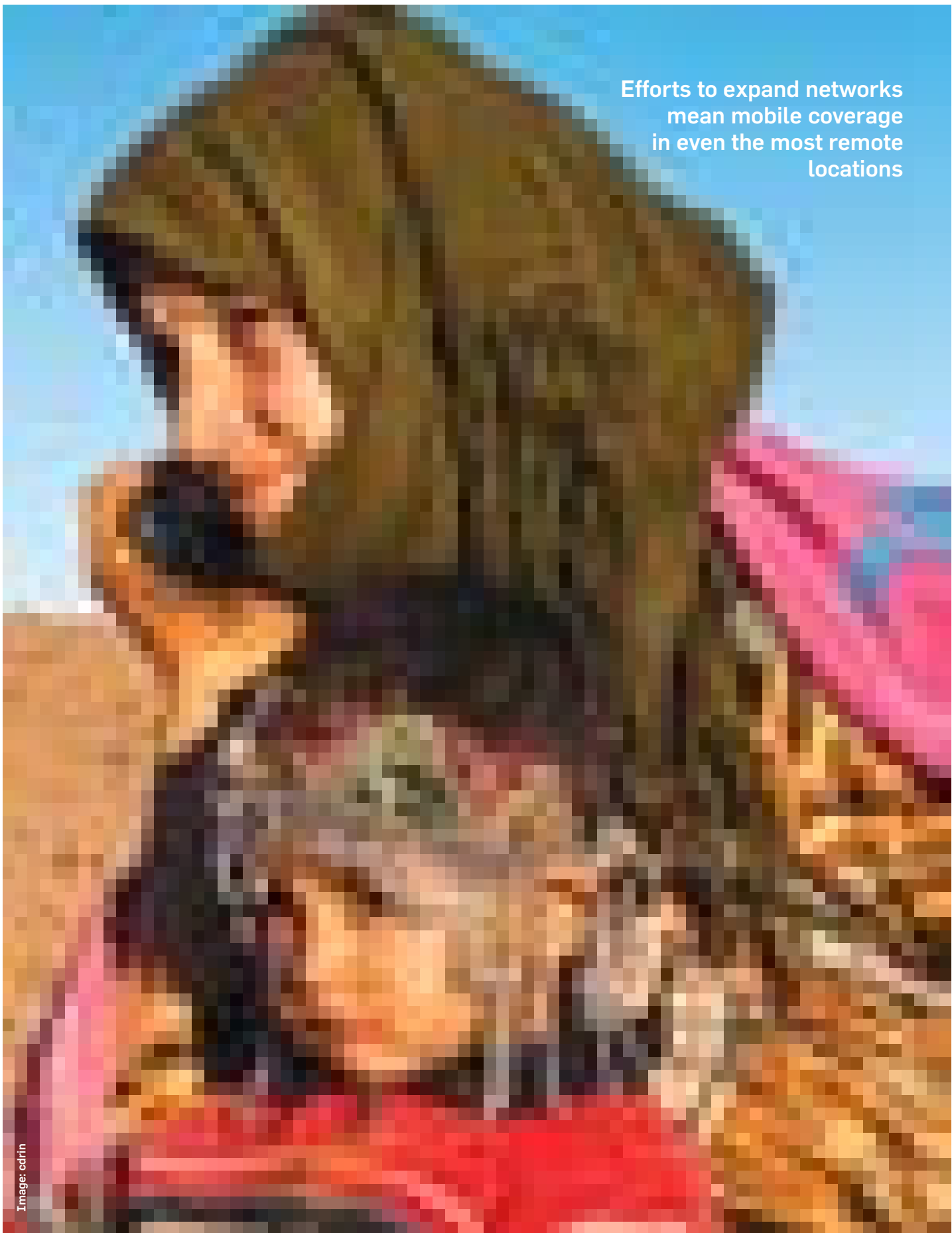
Currently, everybody is cautious; before selling equipment to a customer, you must check if he is solvent or not. Even the banks have started using ratings. This means companies with bad ratings will have a hard time surviving. ✘

## 6%

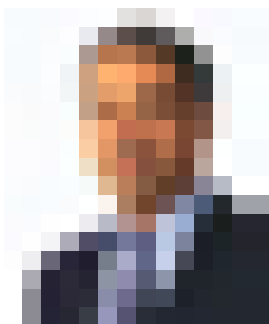
turnover growth in 2019



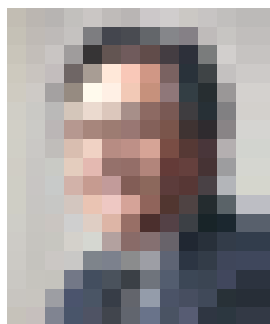
Efforts to expand networks  
mean mobile coverage  
in even the most remote  
locations







Mohamed Benboubker  
MANAGING DIRECTOR  
& CO-FOUNDER,  
MOBIBLANC



Rabii Touhami  
CEO,  
GEMADEC

## IT PLAYERS

Although present at different stages of the IT value chain, both Mobiblanc and GEMADEC are ready to play leading roles in Morocco's digital transformation journey.

**What are the main needs of your clients today, and how does your company add value?**

**MOHAMED BENBOUBKER** Every company is talking about digital transformation. Everyone wants to transform themselves, but they do not know where to start. Few companies are able to design, develop, produce, and launch something in the digital business, such as smart cities. But what do people think of smart digital services? Everyone talks about public services but are citizens aware that there are public services for his or her happiness? This is where we come in. We say let's stop talking about strategy and let's start acting. We are on the pragmatic side of things.

**How would you evaluate the impact of the ELITE program on your business?**

**RABII TOUHAMI** It was positive. We are a small business with institutional shareholders at the corporate level, which means that we have a corporate governance structure that far exceeds our size. The ELITE program made us operate as though we were listed on the stock exchange. We will also settle in Casablanca Finance City by the end of 2020. Today, there are no borders digitally speaking, so we also have to conform to internation-

al standards. ELITE allowed us to reach these standards in terms of governance, management, and processes. Notably, we are among the few companies in Morocco that have a Capability Maturity Model Integration (CMMI) certification.

**What is your evaluation of the efforts being made to digitalize Morocco?**

**MB** The problem is that we want to import ready-made projects created by major international players. We have to be braver. What we have proposed is a local ecosystem. We need project managers at a client's site and continuous innovation. We need empiricism. We need to learn how to do things frugally. As we learn, we will figure out how to adapt things to our financial capacity. We need to develop an ecosystems of developers, innovators, local business models, mobile payment applications, and so on. From there, we will create innovations adapted to the economic needs of Morocco. As a result, we will be able to create our own innovations.

**RT** On the digitalization side, there has been much progress in recent years. Today, we can apply for an identity document or a passport through an online portal. Soon, people will be able to go

to the post office and ask for help in accessing government digital services or ordering a product online to be delivered by mail. This will help break down the barriers among the population that is unwilling to embrace digitalization. Overall, Morocco has made great progress. Now, we must guide people because there is always resistance to change.

**What is the start-up ecosystem in Morocco like?**

**MB** The market must identify and qualify good start-ups from bad ones. I am in a network called Réseau Maroc Entreprendre, where we mentor start-ups. Some 87% of our start-ups are successful because we manage them in a realistic and pragmatic way. Even though access to capital is difficult, it does not mean we will stop innovating. We need training, education, risk-taking, soft skills, financial market, and mentors. If we know the rules of the game, we know what to do to create Moroccan technology companies like Hightech Payment Systems (HPS).

**How can one remain innovative in a market that is constantly evolving?**

**RT** We have been in business for more than 40 years. Today, we still question ourselves every day, as we have to try to come up with new ideas and solutions. We have set up GEMADEC Innovation, an incubator for start-ups. It allows us to attract a certain number of start-ups with interesting positions, know-how, and skills. It is vital that we can take advantage of it, as this gives us more agility. I had an engineer who was going to leave because he wanted to start his own project; instead of increasing his salary to keep him, I invested in his idea and made it a part of our ecosystem. We have to change every day, or else we will be left behind.

**What are your goals for 2020?**

**MB** We have created a second company called Ackordéon. Its idea is to sell talent instead of services. 2020 will be about creating centers of competence for my major clients.

**RT** We have a project called Biometry to Africa, whose objective is to bring our biometric know-how to all countries in West and Central Africa. This will become a major activity for GEMADEC in the near future. ✖

## FREIGHT TRAFFIC AT PORTS (MLN TONS)

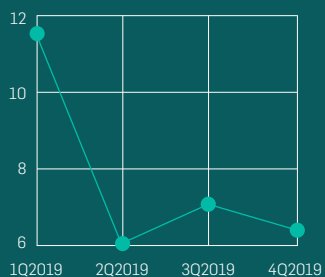
SOURCE: HIGHER PLANNING COMMISSION IN MOROCCO

Imports	2015	2016	2017
Casablanca	<b>496</b>	<b>776</b>	<b>504</b>
Jorf Lasfar	<b>396</b>	<b>385</b>	<b>77</b>
Safi	<b>1,420</b>	<b>1,458</b>	<b>1,458</b>
Tanger Med	<b>265</b>	<b>365</b>	<b>417</b>
Beni Ansar	<b>436</b>	<b>369</b>	<b>102</b>

Exports	2015	2016	2017
Casablanca	<b>127</b>	<b>139</b>	<b>117</b>
Jorf Lasfar	<b>34</b>	-	-
Safi	<b>2,412</b>	<b>2,771</b>	<b>2,633</b>
Tanger Med	<b>234</b>	<b>280</b>	<b>331</b>
Beni Ansar	<b>45</b>	<b>33</b>	<b>69</b>

## COMMERCIAL AIR TRAFFIC (MLN)

SOURCE: MOROCCAN AIRPORTS AUTHORITY (ONDA)

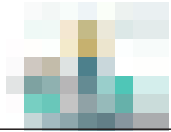


## VEHICLE REGISTRATION BY ORIGIN, 2017

SOURCE: HIGHER PLANNING COMMISSION IN MOROCCO

	Locally produced	Imported
Passenger cars	<b>26,521</b>	<b>107,094</b>
Motorcycles	<b>28,937</b>	<b>29,452</b>
Commercial vehicles	<b>7,079</b>	<b>41,408</b>

A plane on the tarmac at Fes Sais International Airport



# Transport & Logistics

## LOCATION, LOCATION, LOCATION

**I**t is a clichéd phrase often associated with the real estate sector, but Morocco's location holds immense significance for its transport and logistics sectors. Among the key advantages for transport especially is the country's proximity to Europe and the well-established logistics linkages with this neighborhood to the north. This geostrategic positioning will become even more important as opportunities open up in Morocco's south, and activities in sub-Saharan Africa pick up.

Looking at air travel, North African national airlines, including Royal Air Maroc and Air Algérie, are capitalizing on European linkages, ramping up operations and standards to join international alliances and using this as a springboard for further expansion. Also, opportunities within the continent are ripe for both airlines, with Morocco's open-skies policy leading the way for others in the region to follow suit. Flights between Morocco and Algeria are also a strategic niche for Air Algérie.

This strategy focused on Europe and Africa in the short term has been further solidified by the COVID-19 outbreak, which has impacted flights to Asia and the Middle East. This orientation toward Europe has also helped Morocco conform to international standards, particularly relating to vehicle admission standards, as highlighted in our interview with Volvo.

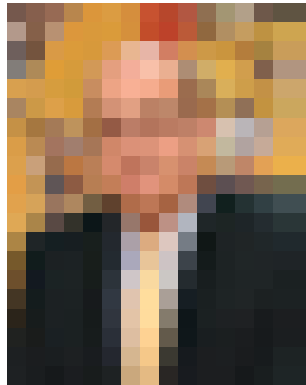
Royal Air Maroc is focused on making Casablanca a global air connectivity hub, but logistics and land-based service providers are more focused on Tangier, as noted in our conversations with DHL and IPSEN. Mohamed Ifrah, General Director of DHL Express Maroc, noted: "Tangier is becoming the fastest-growing area in Morocco. As a logistics company, we have to follow and listen to the voices of both businesses and customers and invest where the need is in order to be very close to our customer and provide the best solutions. Today, we are the only express logistics company with a warehouse in Tangier."

As companies and governments look to maintain access to clients and consumers particularly during the pandemic, ensuring continual supply chain logistics and enhancing last-mile delivery services with the rise of e-commerce will be crucial. IPSEN has seen an increase in logistics demand, especially last-mile delivery services, since the outbreak of COVID-19. The company has even brought on more staff and found creative solutions that work in the local market.

As companies in the transport sector and Morocco overall look to further digitalize, perhaps the most important challenge that needs to be addressed is the lack of coordination amongst stakeholders and the need for greater formalization of the market. ✘

# DELIVERING *excellence*

Mohamed Ifrah  
GENERAL DIRECTOR,  
DHL EXPRESS MOROCCO




---

**First global  
express transport  
company in  
Morocco**

---

**Recognized as  
top employer in  
Morocco 2019**

---

**What is the strategy behind your facility expansion in Tangier?**

Tangier is becoming the fastest-growing area in Morocco. As a logistics company, we have to follow and listen to the voices of both businesses and customers and provide the best solutions. Today, we are the only express logistics company with a warehouse at Tangier airport.

**What are the most important sources of revenue for DHL here?**

In Morocco, B2B is still the dominant contributor to our revenue at more than 80%. Our different offers suit the market's needs and our customers' portfolios are rich and varied—wherever we can have additional revenue we will operate and offer our services. We serve the automotive, aeronautic, banking and financial, textiles, handy-crafts, and logistics sectors. We are here to answer to market needs whether it is B2B or B2C. We have invested in many cities and regions from north to south and we are happy to offer our services at 20 service points and express centers.

**Will e-commerce grow further in Morocco?**

Over the last few years, e-commerce in Morocco on both the import and export sides has grown. As a compliant company, we are working hand-in-hand with the local authorities to ease the flow of inbound e-commerce shipments. The world today is more oriented toward digitalization, and e-commerce is seen as the digital market for today and the future. With the recent upgrade of hard currency allowance, we can expect inbound e-commerce shipments to increase further. Another encouraging sign is the increase in the number of new start-ups. We are ready to serve and support this growing business by giving advice based on our global experience. During the lockdown, we worked hand-in-hand with our customers and are proud to participate in their growth. We have seen many clients shift to e-commerce, which has helped them not only survive during the lockdown but also sustain a healthy growth for the future. As a logistics company, we have to listen to the market, and for the time being B2C is one of the fastest-growing markets in the world.

As the first international express transport company to enter Morocco, DHL has a tried-and-tested recipe for success: take care of its employees, focus on great quality, and listen to the needs of customers.

**How will the digital revolution change the market in Morocco?**

Our daily challenge is to make our customers' lives better and easier by giving them the ability to manage and access information immediately. Digital revolution is giving—and will continue to give—a positive push to the market. The parallel side of digitalization is robotics, and DHL has three innovation centers around the world. The last one opened in the US in 2020. We aim to provide our customers with the newest technology available, delivering excellence in a digital world.

**What measures did you take to win the best employer award?**

It is definitely a challenge to be top employer for three years in a row. It is even more challenging to sustain this recognition and improve our employees' lives. We are looking for excellence through different programs and will continuously work every year, month, week, and day to make sure today is better than yesterday. Our workforce is our main differentiator; it gives us the power to deliver the best quality to our customers.

**What have been your efforts regarding sustainability?**

So far, we have helped needy students under the Go Teach program, we delivered IT materials to NGOs during the lockdown, and we refurbished a public school. Under the Go Help program, we engage in no less than 20 activities every year. Being a part of DPDHL makes us all an engaged company in green practices. We participated in the Formula-e Marrakesh, where we worked closely with a local NGO to clean the environment.

**What are your goals for 2020?**

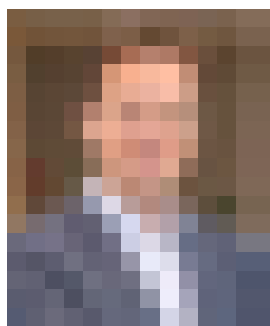
The main goal in 2020 is to ensure the safety of our employees, shipments, premises, and customers. We will continue to take care of our employees, focus on great quality, listen to our customers, and make sure we are their first choice whenever they think about logistics. In Morocco, we will continue to invest in people and infrastructure. ✖

## BIO

Mohamed Ifrah joined DHL Express Morocco in 1995 and was appointed Country Manager Morocco, Tunisia, and Mauritania in 2018. Ifrah holds a master's degree in controlling from ISCAE Casablanca and a bachelor's in business administration. His background in express business gives him an overall understanding of how to improve customer satisfaction and be acknowledged as employer and provider of choice.



Sofiane Bouchouchi  
REGIONAL MANAGER,  
AIR ALGÉRIE



Hans van de Velde  
MANAGING DIRECTOR,  
TUI FLY MOROCCO

## AIRLINES

A booming tourism industry has made Morocco a battleground for airlines. In such a scenario, Air Algérie and TUI fly Morocco have done an incredible job finding the right strategy to tap into their niche markets.

**What can you tell us about your operations in Morocco?**

**SOFIANE BOUCHOUCHI** Air Algérie has been operating flights to Morocco since the 1960s. We started flying to Morocco in order to help families on both sides of the border visit each other. This also helps preserve the ancestral links between the peoples of the two countries. Apart from our mission, just like every other airline, our goal is to improve our turnover. Air Algérie experienced a passenger growth rate of around 10% per year over the past two years, and we hope to reach 2019 numbers by the end of 2021.

**HANS VAN DE VELDE** With 70,000 employees, TUI Group is the largest travel company in Western Europe. We are a vertically integrated business. Morocco is a special country for TUI, not only because it is one of the main destinations in our portfolio, but also because it is the only destination where we have an airline. The other five airlines are all located in Western Europe, and they enable us to run relatively small outfits, like the one in Morocco. Consolidation and partnerships are key in aviation. Thanks to travel agents and tour operators selling our packages and seats in Morocco, our market share in Agadir is now 40%. Tourism is of the utmost importance for several other destinations in Morocco, including Fes and Marrakesh,

where TUI plays an important role.

**How do you see the future of the aeronautic world?**

**SB** The aviation world as a whole is going through uncertain times. A good number of companies will not recover from this pandemic. Meanwhile, aircraft construction is being suffocated by the cancellation of orders, which means some companies are under threat, not to mention other players such as airport managers, air navigation, and partner and annex structures. We must not forget that the aviation world is directly influenced by the environment in which it operates: conflict, climate change, the price of oil, and now COVID-19. This situation has caused a crisis of confidence, which leads us to believe recovery might take several years. It will only be possible once confidence has been restored.

**What makes TUI fly stand out in Morocco?**

**HVDV** Since we are part of a major touristic group, we barely cancel any flights. It is in our DNA to always keep operations running, as our customers are often booking accommodations and transfers in addition to flights. Second, TUI played a vital role in personalizing the flight experience. For example, a passenger can choose to pay for an in-flight meal. In

short, we allow passengers to pay for luggage and meals separately. I am surprised that it is still seen as a low-value product. The majority of customers are not willing to pay for an all-inclusive flight. They prefer to tailor their flight to meet their needs. For them, our product is a high-value product.

**What are your plans post COVID-19?**

**SB** It is difficult to answer this question because development and restructuring plans are decided by our board. Nevertheless, the company will have to review its costs and, above all, control its expenses. In addition, its operating network will have to be reviewed as a whole. In addition to the extension of the current network, the company will be able to focus on Africa, which remains a continent with great potential.

**What are some of the key challenges for the sector?**

**HVDV** I do not know of many markets where a large number of airlines are competing to gain market share. In Morocco, this environment cannot last forever. While infrastructure development is going strong in some regions, such as Taghazout in the south, some potential areas are being underutilized. Moving forward, Morocco should also focus on outgoing tourism. This will also reinforce Morocco as a destination.

**What role will digitalization play in the near future?**

**SB** Automation and digitalization will be key to optimize the various functions of an air transport company. This will differentiate the winners from the losers. In recent years, Air Algérie has been investing in updating various areas, but now it will have to make it a priority to strengthen its position regionally and globally.

**What role does sustainability play in your business model?**

**HVDV** TUI group is carrying out tests to become even more environment-friendly, for example, by separating waste on board and by doing away with all unnecessary plastic items. We have several initiatives in Morocco. We are part of the Pikala Project. We offer guided bike tours to help develop cycling tourism in Marrakesh. We also have another project in Agadir to tackle challenges related to education and the environment. ✖



Sunset at the Port of Casablanca



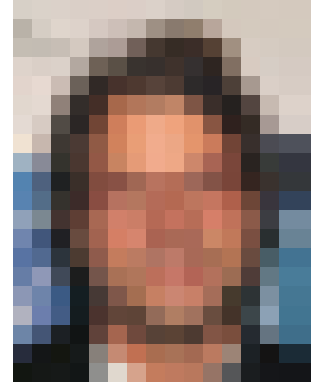
Image: ESE Professional



# one-stop SHOP

IPSEN Logistics' strategy for a post-COVID-19 world is to focus on areas where there is less competition and where it can provide the most added value.

Antoine de Mirbeck  
MANAGING PARTNER,  
IPSEN LOGISTICS



## How would you describe the evolution of IPSEN Logistics?

In the beginning, we were extremely specialized in conventional sea freight and cargo, as well as project cargo. Over the years, we have grown to 15 people, and now we have reached a setup of 120 people. We have developed many services, and much of that is in supply chain. We have our own logistics warehouse as well. Some 12 years ago, we shifted our focus to logistics with an investment of EUR10 million. We are also a customs broker via our subsidiary Ipsen Group Transit. Now, we are heavily involved in the entire supply chain. We transport either by sea, air, or land. We have consolidation hubs in Europe for pickup, storage, and transport. We can transport to Morocco on a weekly basis from any of our hubs in Gelsenkirchen, Stuttgart, Milan, Lyon, Paris, Madrid, Barcelona, or Marseilles. We also have our own bonded warehouse in Casablanca with a customs officer on site. The focus is on transporting, clearing, storing, and distribution. We have our own trucks for local distribution and logistics. When you talk about the supply chain, we are actually a one-stop shop.

## What has your strategy been since the COVID-19 outbreak?

We had to take some drastic measures to cope with it. We mapped all of our facilities and offices and trained our people to enforce social distancing and use PPE equipment. At present, 80% of our office staff is working from home. In the warehouse, things are more complicated, but since we could not take any risks, we started rotating staff on a three-shift ba-

sis. We have seen a drop of about 35% in volume and activity. The positive sign is that logistics is still booming.

## How would you describe the digitalization of IPSEN?

We have our own system for transporting, accounting, and customer service. All these are linked to our server and the cloud. We do not have any digital applications that all our employees use, though it is something we will work on down the line. Morocco has been pushing hard for digitalization, especially when it comes to the customs authorities. Notably, Morocco is a full year ahead of its digitalization plan. We had to do weekly training sessions with the customs authorities to ensure a smooth adoption of the new system.

## How would you evaluate the logistics sector in Morocco?

One problem we are facing is the cost of real estate. The Logistics Development Association of Morocco (AMDL) is currently in the process of identifying several zones and asking us if we are interested in some land there. AMDL is a major part of our future plans because it will provide us land at an affordable cost.

## What are your goals for the year ahead?

In Morocco, there is a great deal of competition. There are perhaps 2,000 freight forwarding competitors in Casablanca alone. There are 800 competitors in customs clearance, 300 in logistics, and possibly 1,000 when it comes to local tracking and distribution. For many years, and still to date, the informal market has been hurting us. It does not pay any VAT,

social security, or retirement benefits. Hopefully, the sector will become more formalized. We see it happening with the Association of Freight Forwarding of Morocco (AFFM). We have to focus on those fields where there is less competition and where we can provide the best added value. On a daily basis, we are investing in IT, maintenance, space, our people, and everything else for our customers. This is our focus for the next five years. We want to grow every day, increase our margins, buy better, get more trucks, and have a bigger space. The focus with AMDL is to sell our current warehouse so that we can build a bigger warehouse in a dedicated area. Our vision is to concentrate all our activities in the same area. ✖

## BIO

Antoine de Mirbeck is the managing partner and founder of Ipsen Logistics in Morocco. He spent his first 18 years in western Africa in different countries. He studied management and entrepreneurship in Paris and received his degree from Institut Supérieur du Commerce. After his graduation, he invested in, innovated, and set up several companies. He has worked in the supply chain industry and has extensive experience in management.



**FOCUS**

High-speed train

# CONNECTING

## A NEW KIND OF KINGDOM

Morocco's Al Boraq high-speed train, which opened in November 2018 and already connects Tangier to Casablanca, sets a special precedent for the African continent.

**FIRST LAUNCHED IN NOVEMBER 2018**, the Al Boraq high-speed train, named for the mythical creature that transported Prophet Mohammed from Mecca to Jerusalem, is not merely the crown jewel of North African rail transport, but of the entire African continent. The fastest train in Africa, Al Boraq travels at speeds of up to 320km/hour, connecting two of the country's most important cities, Tangier and Rabat, in merely 2 hours and 10 minutes.

Far more than a vanity project, or even national showcase for what Morocco is capable of, it is also a public utility, transporting more than 3 million people in 2019 alone, more than 8,000 passengers per day, enough to cover its operating costs. At 68% occupancy in its first year, it also has room to grow, especially given its near-perfect track record of 97% punctuality.

Completed ahead of schedule, the launching of Al Boraq was also the occasion to modernize the rest of the country's rail infrastructure. For example, the capital city's Rabat-Agdal Train Station, Africa's largest, and possibly the most beautiful, was also completed just in time for the opening of Africa's first high-speed train. Designed by Meheli Youssef, the station was completed between 2010 and 2017 with the help of 3,000 local businesses and 18,000 workers mobilized by the Office Nationale des Chemins de Fer (ONCF).

A French-built USD2-billion project, Al Boraq starts at the country's northern tip of Tangier, near the Strait of Gibraltar, and extends 320km south to Casablanca, Morocco's commercial capital and largest city with some 3.6 million people, with stops in Kenitra and Rabat, the capital, along the way.

Rabat is hardly the only site to receive a new flagship station; in

2019, Parisian architecture firm Silvio d'Ascia Architecture unveiled a stunning new central station in Kenitra. A 13,500-sqm structure whose long and graceful white façade conjures up a reinterpreted moucharabieh of medieval Arab architecture, a type of projecting oriel window enclosed with carved wood latticework, encompassing the entire city.

Though Al Boraq is a flagship project whose aesthetics can appear to outpace its utility, the station at Kenitra not only offers the city's half a million residents a graceful new point de rencontre with a large open, palm tree-lined courtyard, but also serves as an important nexus between the city's historic quarters to the north and the newer, planned neighborhoods to the south, which house a new hospital and university. An important focus for businesses and services, the station also helps links the newer and older quarters of the city together without needing to ever hop on a train.

To be sure, Al Boraq's current operational length of 320km is but a fraction of the 1,500km its architects plan to extend it to. When completed, Al Boraq will also whisk passengers to Marrakesh in the southern interior, the ancient capital of the Berber empire, before reaching the southern Atlantic port of Agadir.

As part of the country's broader 2040 railway strategy, Al Boraq will be key to helping increase Moroccans' access to rail travel from 51% of the country's 36 million people to 87% by 2040, in addition to doubling the number of cities connected from 23 to 43 and the number of ports from six to 12, not to mention increasing access to another 14 international airports, up from just one today, Casablanca. ✖

AL BORAQ IS A FLAGSHIP PROJECT FOR MOROCCO AND IS FAST BECOMING AN INTEGRAL PART OF THE TRANSPORTATION SECTOR IN THE COUNTRY

**ORIGIN OF AL BORAQ**

A mythical creature that transported Prophet Mohammed from Mecca to Jerusalem

**ROUTE**

Tangier to Rabat

**TRAVEL TIME**

2 hours 10 minutes

**TOTAL LENGTH**

323km

**TOP SPEED**

320km/h  
(fastest in Africa)

PASSENGERS  
IN 2019  
**3 million**

PASSENGERS  
PER DAY  
**8,000**

OCCUPANCY  
RATE IN 2019  
**68%**

PUNCTUALITY  
**97%**

FIRST LAUNCHED  
**November  
2018**

CONSTRUCTION TIME  
**2010-2017**

NUMBER OF  
BUSINESSES INVOLVED  
IN CONSTRUCTION  
**3,000**

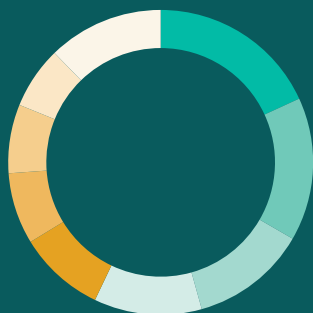
COST  
**USD2 billion**

NUMBER OF WORKERS  
INVOLVED IN CONSTRUCTION  
**18,000**

PLANNED TOTAL LENGTH  
**1,500km**

## NUMBER OF BUILDING PERMITS BY REGION, 2017

SOURCE: HIGHER PLANNING COMMISSION IN MOROCCO



- **18%** Rabat-Salé-Kénitra
- **15%** Fes-Meknes
- **12%** Oriental
- **12%** Casablanca-Settat
- **9%** Tangier-Tetouan-Al Hoceima
- **8%** Beni Mellal-Khenifra
- **7%** Souss-Massa
- **7%** Marrakesh-Safi
- **12%** Other

## FLOOR AREA BY CONSTRUCTION CATEGORY, 2017

SOURCE: HIGHER PLANNING COMMISSION IN MOROCCO

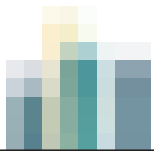
Moroccan-type dwellings	<b>47%</b>
Buildings	<b>30%</b>
Commercial and industrial buildings	<b>12%</b>
Administrative buildings	<b>5%</b>
Villas	<b>5%</b>
Other	<b>1%</b>

## VALUE BY CONSTRUCTION CATEGORY, 2017 ('000 MAD)

SOURCE: HIGHER PLANNING COMMISSION IN MOROCCO

Moroccan-type dwellings	<b>12,337,905</b>
Buildings	<b>9,582,169</b>
Commercial and industrial buildings	<b>4,723,836</b>
Administrative buildings	<b>2,250,095</b>
Villas	<b>1,696,791</b>
Other	<b>337,511</b>

A construction site in Casablanca



# Construction & Real Estate

## MORE IN LINE

**T**he construction and real estate sectors are quite literally and metaphorically the foundation of an economy. Unfortunately for Morocco, the real estate market has been plagued by mismatched policies and incentives. Fortunately, in recent months, both before and in light of COVID-19, the government has been much more proactive in better aligning its objectives. Several of our interviewees noted Morocco's continuously enhanced capabilities to match international standards as well as the conducive legislative environment for improvement in the sector.

Perhaps one of the most important mechanisms in this regard was the introduction of real estate investment trusts (REITs) in Morocco. JLL, a global leader in real estate services, is fairly optimistic about REITs as a means of boosting the sector and attracting FDI into Morocco.

Residential real estate has been the segment most influenced by unaligned frameworks and supply-demand gaps. And within the residential segment, middle-income options are the most lacking. However, many interviewees and other sector leaders are more optimistic about office, retail, and industrial real estate. Along those lines, mixed-use developments are gradually gaining traction, though it is important that the

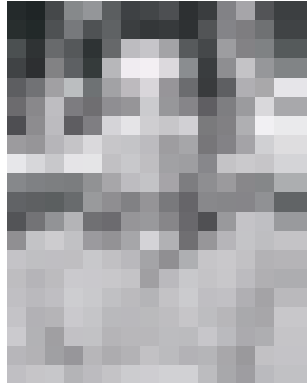
residential offerings in these developments are priced appropriately.

To ease COVID-19-related burdens on stakeholders across the real estate sector, the Economic Monitoring Committee, which is establishing sectoral recovery plans to support the rebound of the economy, has extended its Damane Ozygene guarantee program to cover businesses operating in the real estate sector. The program covers three months of operating expenses for companies and is largely intended for SMEs, though larger companies may qualify on a case-by-case basis.

Recovery should also include better data collection about the market. One of the main challenges expressed during our discussions with business leaders was the lack of accurate data, along with delays in payments on the construction and development side of things. But forced innovation and digitalization will hopefully lead to a more transparent and efficient sector. Such digitalization should be accompanied by an online, one-stop shop for real estate investors.

Part of recovery may also include looking beyond the country's borders. During several of our interviews, leaders mentioned the varied opportunities in the region and across the continent and plan to act accordingly. ✖

# ALL-ROUND *innovation*



As the largest construction holding in Morocco in terms of capacity, presence, and turnover, Ménara Holding's vision is to constantly innovate and reposition itself in the regional market with integrated solutions.

Mohamed Ait Benzaiter  
GENERAL MANAGER,  
MÉNARA HOLDING

---

## **Targeting Ménara Préfa's IPO and expansion into sub-Saharan Africa**

---

## **Ménara Préfa represents 70% of business**

---

### BIO

Mohamed Ait Benzaiter is the General Manager of Ménara Holding. With a PhD in management sciences from Pascal Paoli University CORSE France and 20 years of experience, he is also former president of the CGEM Regional Social Relations and Employment Commission, president of the regional Labels and CSR CGEM commission, and former president of the Association of Managers of Employment and Training. In addition, he is a member of the Institute of Moroccan Social Auditors (IMAS), an active member of the ESSEC France university association, and a member of the Marrakech Network for Young Entrepreneurs.

**Ménara Holding recently established operations in Ivory Coast. What is the group's strategy regarding Africa?**

We had a strategic expansion plan at the national level that was based on a five-year plan focused on basic trade. We decided to continue our expansion on an international level to prepare ourselves for this sub-Saharan adventure. In 2019, we decided to create two branches in Ivory Coast as part of our expansion plan. We have also confirmed our presence in Morocco as a model to follow in the construction industry, particularly in prefabricated, ready-mixed concrete, transport, and other activities, which allow us to have a strong business model. The idea is to adapt this model to seize more opportunities at the sub-Saharan level, starting with Ivory Coast, which will be Ménara's hub. Our ambition is to be present in Ivory Coast through our core business, which is the installation of prefabricated factories and all things quarrying. Sub-Saharan Africa and Africa in general is an economic market that has a great orientation at the international level, so there are opportunities.

**How do you evaluate the outcome of the group's 2016-20 strategic vision?**

The balance sheet in general is positive. We are currently the national benchmark in terms of capacity, presence, and turnover. Several structuring investment projects that are part of the vision have achieved 90% of their objectives. The loss of our founder had an impact at the beginning, but we were able to preserve continuity and put in place a succession plan that was worked out well in advance, thanks to the clear-sightedness of the president. Currently, we are in the process of consolidating this plan by 2020, as there is another road to travel throughout the year. Generally, despite the construction sector's poor growth, the group has been able to achieve growth. This is important because the ecosystem of construction and building since 2016 has been stagnant, particularly in Marrakesh. We have grown over 25%

during this time.

**What are the group's main objectives for the next five years?**

Our objectives lie on two main axes: a possible IPO of the group's main branch, Ménara Préfa; and an operational presence in sub-Saharan Africa. In addition, our ambition is to be present in other regions in Morocco. With this 2021-2025 vision, if we want to maintain our position as leaders, it is vital that we always innovate and reposition ourselves in the market through an integrated solution. We aim to not only focus on product innovation, but also on service, quality, digital, human, and financial aspects.

**What is your evaluation of the building and public works sector in Morocco?**

Unfortunately, in the construction sector, there are some risks. Some work is being done at the moment, but it remains among the sectors that are under-supervised. There is also the informal sector, which brings in unfair competition. Investing in CSR and innovation is still a huge cost for the group, and not all operators have the same spirit. But I remain optimistic because there are projects in the Agadir region that are open, and there is a willingness to structure and develop this sector. We are working with other companies in the sector that have the same objectives and the same orientation in terms of fair competition and development, because it is through these values that Morocco can climb the ladder and evolve.

**Ménara Préfa represents 70% of the group. Are you looking into more diversification?**

At present, we will stay the way we are. Ménara Préfa is the locomotive; it is the flagship company of the group and, in terms of strategic evolution, we are integrating all innovation into Ménara Préfa. There is another pole we are developing in real estate, but, for the moment, Ménara Préfa will remain the engine. ✖

# clear GOALS

Issam El Jilani  
GENERAL MANAGER,  
CHANTIERS MAROCAINS MODERNES  
(CMM)

CMM's strategy moving forward is to maintain its growth rate in Morocco and explore other countries in Africa, a region that represents up to 20% of its total turnover.

**You were recently included on the Casablanca Stock Exchange's ELITE program. What pushed your company to be a part of it?**

It is a choice that was made by the stock exchange. The program takes place over two years; the first year is about training the managers and the second is about focusing on a specific subject, such as strategy or governance. This, of course, depends on the type of company. We are in our first year and have undergone the technical training part. Once we have successfully completed the second phase, we look forward to exploring the different types of financing options that the stock exchange will present to us.

**How has your experience so far been?**

We have completed the first module, which we found really interesting. Notably, there was a set of companies that are about the same size as us. What is important is the exchange between all the managers. Overall, our experience was great; the framework, supervision, and training were all of the highest standards.

**Do you have plans to expand into more markets?**

At present, we are operating in five African countries. We have a real development strategy for the future of Africa. Since Morocco is our country of origin, we are present here and are developing our local activities and presence. One of our main targets is the health sector. We have carried out a few projects, including the first oncology center in Mauritania, Ivory Coast, and Burkina Faso, an emergency hospital in Mauritania, and a clinic in Abidjan. Recently, we had a turnkey contract including medical equipment for a hospital in Burkina Faso. It has been a fruitful experience so far, and we plan to develop it further. Africa represents between 15 and 20% of our total turnover. There are more opportunities in Africa than Morocco because the competition in Morocco is getting tough. With this in mind, we are targeting the African market for expansion. That said, we intend to continue our expansion in Morocco. Our turnover from the Moroccan market grows 20% every year on average.



**What makes Morocco such a competitive market?**

Morocco has developed significantly over the last 20 years. There are a few national companies that have become leaders, even international leaders. There was a time when Moroccan companies were not capable of building highways or dams, but at present they can handle any kind of project.

**What has been the impact of digitalization on your business?**

Digitalization has had an enormous impact on our business. CMM is leveraging digitalization to develop our internal programs and keep them up to date.

**What impact has payment delays had on your operations?**

Payment delays are a national nuisance. A company that is not paid on time cannot be expected to invest. We have found our way around this challenge because of our healthy cash flow, allowing us to continue to honor our commitments to suppliers and collaborators. Almost 80% of the dividends remain within the company. On a national level, the government is working with all stakeholders and relevant authorities to fight this problem. The laws were always there, but they were never enforced. Fortunately, the government is now applying penalties in the event of late payments.

**How do you train your workforce?**

We train our employees about new methods and techniques. For the technical team, we mainly hire fresh graduates and give them on-the-job training. One project manager can train two to three technicians at a time.

**What are your strategic objectives for 2020?**

Our primary goal is to maintain our growth and explore other countries in Africa. We have a number of projects in the pipeline. We also participate in calls for tenders. For example, we took part in an Afri Santé exhibition in Ivory Coast. ✖

**10-20%**  
growth in the last four years

Built first oncology centers in Mauritania, Ivory Coast, and Burkina Faso

**BIO**  
Issam El Jilani is the General Manager of CMM. He earned a diploma in civil engineering from the Mohammadia Rabat School in 1998, before moving on to gain a higher diploma in project management from EHTP in 2012. He then worked as an engineer at ENBACHA and later became director of works at AUXITEC - Grand Stade de Tanger. He co-founded CMM in 2006 and established its first branch in Africa in 2010.

**FOCUS**

## Megaprojects

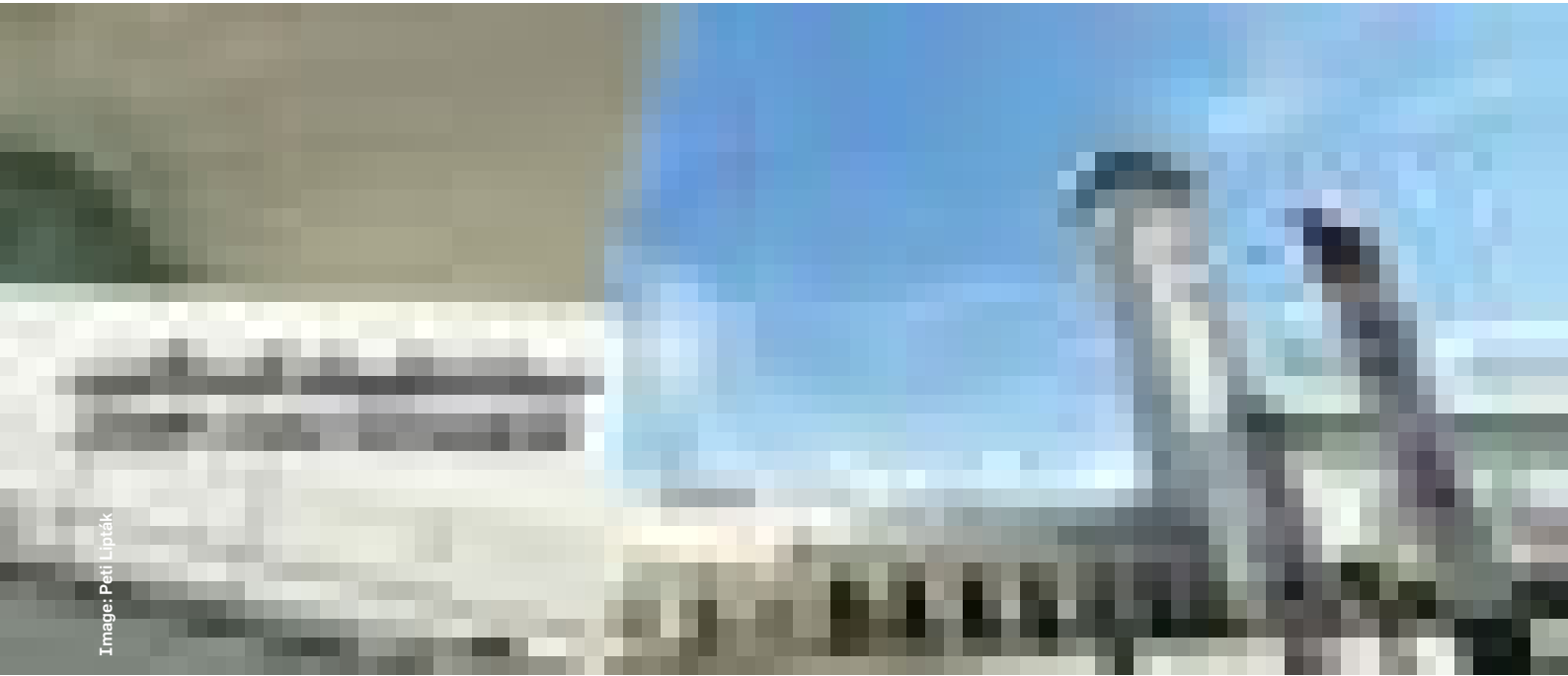


Image: Pesti Uptæk

## THE SKY IS THE LIMIT

A large portfolio of megaprojects focused on transport and energy production and transmission are ensuring a steady flow of investment opportunities and a positive outlook for Morocco's construction industry for years to come.

**AS AFRICA'S FIFTH-LARGEST ECONOMY**, with a GDP per capita of over USD3,000, Morocco is no economic minnow. Over the past 32 years, megaprojects and initiatives such as the Tangier-Casablanca High-Speed Rail Line, the Casablanca Marina, the Noor-Ouarzazate complex, Tanger Med, the Mahdiyya Renewable Energy City, the Moroccan Rural Electrification Program, and the National Initiative for Human Development have transformed Morocco's urban centers and rural areas alike.

Modern infrastructure development has been central to this transformation. And while the economy has somewhat slowed down in recent years, the construction industry continues to experience a period of boom, supported by national infrastructure plans. In fact, Moroccan construction companies have maintained steady growth in the face of several local and international issues. The government invested more than USD15 billion in infrastructure between 2010 and 2015, and as of mid-2018, there were more than 200 active construction projects with a combined value of USD49.8 billion.

When it comes to transport, it is no secret that Morocco has one of the best road networks in the region. Over the past few decades, the government has built more than 2,000km of modern roads and connected almost all the major cities via expressways. The Ministry of Equipment, Transport, Logistics, and Water aims to build an additional 3,400km of roads and 2,100km of highways by 2030 at an expected cost of USD9.6 billion.

Investments of even higher scale are being directed to the railway network. The USD2.4-billion Tangier-Casablanca high-speed line was inaugurated in 2019, and a 225-km extension to Marrakesh is currently in the works. Overall, under the 2040 Rail Strategy, Morocco will allocate USD37.5 billion to improvement projects, extension projects for conventional rail lines, extension projects for the high-speed rail network, and new public transportation system in Casablanca, Rabat, Agadir, Fes, Marrakesh, and Tangier.

Overall, growth in the construction sector has been supported by the government's new PPP regulation, which continues to attract FDI in energy and transport infrastructure projects. The new PPP policy has affected the sector both in terms of consumption and the volume of projects involving international engineering and construction firms. According to Fitch forecasts, the value of the construction industry is expected to increase between 2018 and 2022 on the back of programs such as Rabat City of Light, Tangier-Metropolis, Moroccan Capital of Culture, the urban development Plan of Greater Casablanca, the Meknes-Errachida highway, and the Mahdiyya Renewable Energy City.

Although investment opportunities are spread across numerous sectors, the portfolio of energy projects is one of the largest in terms of value, totaling USD6.4 billion. This is in line with the government's plan to diversify its energy production capabilities and generate 52% of installed capacity from renewable resources. So far, the plan has



had significant success thanks to the 580-MW Noor-Ouarzazate solar complex, which saves 760,000 tons of CO2 emissions. Once fully complete, it will be the world's second-largest solar plant after Solar Star in California.

The main reason why Morocco has been able to successfully build modern infrastructure is a solid regulatory climate, which boosts investor confidence. In terms of governance and procedures, Morocco outperforms emerging markets as well as its fellow African nations. Notably, the country ranks third regionally for the speed of construction in Fitch's infrastructure Risk/Reward Index.

This plays a significant role in attracting international companies such as Alstom, Bouygues, and Abengoa. The latter was chosen by

the Moroccan National Electricity and Drinking water Office (ONEE) in July 2019 to construct the world's largest sea water desalination plant, work for which will commence in 2021. The plant is expected to produce 450,000cbm of desalinated water per day and irrigate 15,000ha of rural land.

Morocco's construction industry is expected to be valued at USD18 billion in 2021, according to Timetric's Construction Intelligence Center (CIC). And while the government should be commended for the way it has attracted investment and carried out modern infrastructure projects, it should not start patting itself on the back until all Moroccans have access to the kind of transport, education, and healthcare available in major cities. ✖



- ◆ CMM is a professional building construction company, especially hospitals and clinics.
- ◆ CMM is committed to building long-term relationships based on integrity, performance, value and client satisfaction.
- ◆ We will continue to meet the needs of our clients with our quality services delivered by the most qualified people.

📍 Apartment 2, Building 1, Sector 1, Subdivision 24 hectar,  
Boulevard My Ali Cherif, Témara - Morocco

☎ +212 5 37 61 43 11

☎ +212 5 37 60 39 47

✉ chantiers\_modernes@yahoo.fr

🌐 cmm.net.ma





# قطب البناء و الأشغال العمومية PÔLE DE CONSTRUCTION ET TRAVAUX PUBLICS



مجاجرو و  
transport ménara  
نقل منارة



منارة بريفا  
ménara préfa



منارة حلول إيكولوجية  
ménara eco-solutions

منتوجات | منارة بريفا  
Produits | ménara préfa



منارة رفيتيوم  
ménara revetium

منتوجات | منارة بريفا  
Produits | ménara préfa

## Pôle BTP :

Depuis sa création, Ménara Holding s'est développée pour élargir ses domaines d'activités qui s'articulent autour de six pôles : BTP, Aménagement urbain, Transport & Logistique, Promotion immobilière et pôle Divers.

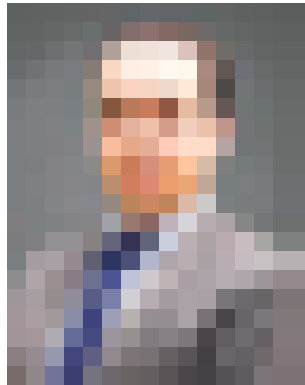
Le pôle BTP constitué de : Carrières & Transport Ménara, Ménara Préfa, Ménara Eco-solutions et Ménara Revetium, s'inscrit dans une stratégie de complémentarité et d'intégration pour offrir une solution globale et personnalisée pour répondre aux différents besoins des clients.

## Nos Certificats, Prix et Labels



# quality OVER QUANTITY

CBRE Morocco's current strategy is to consolidate its position and strengthen Casablanca's role as the hub of North and West Africa.



Tarik El Harraqui  
GENERAL MANAGER,  
CBRE MOROCCO

#### When did CBRE enter the Moroccan market?

CBRE is the global leader in real estate services, with 480 offices worldwide. The goal behind the company's expansion into Morocco in 2005 was to strengthen its large geographic coverage and support global corporate clients in their investment strategy. CBRE started by offering its core services, such as valuation, advisory, and transaction, but it soon introduced other complementary services such as property and project management.

#### What is CBRE's main strategy in Morocco?

We are focused on quality over quantity, as the revenue of CBRE Morocco is limited compared to its global revenue. In terms of valuation, we observe the rules of the Royal Institute of Chartered Surveys, and for every report and valuation we undertake the same processes one would find in the UK or elsewhere in Europe. Sometimes, this is not required by local regulation, but we do it because we follow international valuation standards.

#### Are you expanding in other regional countries?

Our current strategy is to consolidate our position in Morocco by focusing on the quality of our services and standards. Our standards and service quality are key to everything. The second step is growth, as Casablanca is currently the hub of North and West Africa. Our goal is to continue to increase our exposure in other regional markets.

#### Is Morocco attractive for international investors interested in real estate?

International investors looking to expand in an emerging market will look mainly at offices and retail. The property yields of these markets need to be attractive enough to compensate for the investment risk. Over the past few years, we have seen a fall in property yields in Europe, North America, and Asia. Therefore, investors are starting to look at emerging markets, searching for better returns. When looking for investment-grade countries in Africa, they will only find five or six,

with Morocco being in the top two. When you buy a prime fully let office building in Casablanca, you can get a yield of 8-8.5%. In Western Europe, the highest office yields are around 4.25% which is normal given the expected return and risk in emerging countries. Morocco offers an incredible opportunity to international investors. They just need to the assistance of professional advisors with strong local knowledge. Morocco has promulgated the legal framework for real estate investment trusts (OPCI). This new regulated investment vehicle will help increase market liquidity and attract capital flow from institutional investors and individuals.

#### How has the residential real estate market evolved since CBRE's arrival in Morocco?

Before 2008, we had boom years with multiple projects and strong sales. Then, we faced the global economic turmoil of 2008, which had an indirect impact on the real estate sector. In fact, demand for high-grade properties, mainly in Marrakesh and Tangier, declined. This was not necessarily a bad thing as it helped the market mature. As a result, only professionally structured players are able to compete. Therefore, this was not a crisis as such, but a restructuring of the sector. At present, we are facing the challenges of oversupply in some residential areas and strong competition among developers.

#### What could be done to increase attractiveness for international investors?

Numerous adjustments such as tax incentives and the easing of dividend repatriation were made over the past year to ease the route of international investors to Morocco. We still need to ease the experience for investors by having a clear path to investment, where they can access consolidated and up-to-date market-related data. For example, in the absence of data on office transactions in Casablanca, we had to gather market information to consolidate market data. These are the initiatives we have been taking to facilitate access to market knowledge. ✕

---

***Largest real estate advisory firm in the world***

---

***Ranked top construction and real estate services company by Fortune 500***

---

***Main entrance for international investors interested in Morocco***

#### BIO

Tarik El Harraqui is the General Manager of CBRE Morocco and in charge of the company's operations in North and West Africa. He is responsible for valuation, consulting, investment, sales, property management, and project management. His experience includes exposure in different types of asset classes, such as residential, offices, hotels, large-scale developments, urban mixed-use, tourism resorts, and PPPs. He is also a member of the Royal Institute of Chartered Surveyors.

## VOICES FROM THE SECTOR



Driss El Rhazi  
CEO,  
SOGEA MAROC

#### How have your Morocco operations evolved?

Since its creation in 1931, SOGEA Maroc has contributed to the economic development of Morocco through the construction of several infrastructure projects. With almost a century-old history, SOGEA has not only been able to solidify its position as a leader in its core business of hydraulics, but has also diversified in the fields of industrial civil engineering, structures, and building construction. We have managed operations such as the Renault plant in Tangier, the high-speed railway stations of Tangier and Kenitra, and the renovation of the historical building of Société Générale Maroc in Casablanca. Now, we continue our construction development line with large projects, such as the Palais Tazi Hotel in Tangier, the Royal Mansour in Casablanca, the Mohammed VI University of Benguerir, and Le Carrousel in Rabat. This multi-business strategy has enabled us to achieve an average growth of 10% per year over the last five years, to reach a turnover of approximately MAD1 billion with more than 2,100 employees.

#### What are SOGEA MAROC's efforts in terms of sustainability?

Our environmental policy is based on adopting eco-responsible behavior through the implementation of environmental analysis for each site in order to better control our environmental impact. We have implemented actions to improve our environmental footprint by calculating our carbon footprint, monitoring our consumption, increasing waste-sorting and recovery on construction sites, and managing hazardous waste in compliance with Moroccan regulations. Our objective is to reduce our carbon footprint by 15% by 2022.



Selma Belkhatat  
MANAGING DIRECTOR,  
AMS

#### Can you give us an overview of your operations in Morocco?

We do general real estate and consultancy on mixed-use projects. We also manage operations for mixed-use properties. The hardest part of management is retail due to its complexities. While we think about the end user, our customer is the tenant. They have their own constraints and expectations. There is a shift in mindset there as well. Today, tenants want services and amenities with their rent. Increasingly, retail operators require a flexible lease with conditions indexed at turnover. The role of the landlord is shifting. This is now a global trend.

#### What is your added value in Morocco?

We are a firm specializing in the whole value chain for real estate investments. We can work with investors from early stages of land acquisition or on best land use. Be it a hotel, a school, or a shopping center, we can valorize the various components and work on synergies. We also help customers who come to us with a project to steer it in the right direction, management- and concept-wise. We are asset managers who diversified our business because we saw that to manage an asset, it must be properly let to the right tenants. It must be rightly conceived and relevant to the market. We are a subsidiary of a French and Emirati company called Shopping Centre Company (SSC).

#### Do you have any plans for expansion?

We are expanding into the Ivory Coast, Senegal, Nigeria, and Egypt. We started with mixed-use high developments and have now moved into different low-end segments.

Image: Peti Liptak

## THE REIT RESPONSE

The introduction of the real estate investment trust (REIT) in Morocco's real estate landscape is a significant move in opening up Morocco's commercial real estate sector to institutional investors. Will it bring the transparency the market so desperately needs?

**FOR A RISING CORNER OF THE REAL ESTATE SECTOR** that was not exactly welcomed with open arms in France, it should be somewhat less of a surprise if people do not immediately take to the introduction of REITs (or OPCI in French) in Morocco. Yet, for this novel investment tool, which functions as a kind of mutual fund for investors to pool their capital to own, operate, or finance income-generating real estate, the initial signs have been positive. In the decade since they were introduced in France, their assets have grown 15-fold.

Much of this success is due to their unique tax status. Whereas REITs, which possess a market cap of USD1.2 trillion on the NYSE alone, are required to pay out at least 90% of their income as shareholder dividends to unitholders (i.e. investors) in the US, OPCIs pay out 85% of earnings to unit holders in France (and presumably in Morocco too). As a result of paying out to a large number of smaller unit holders, they are exempt from corporate taxes.

They also operate according to highly transparent regulations. With their assets evaluated twice a year by two independent auditors who must specifically state their reasons if they fail to reach the same number, REITs are so highly regulated that their transparency engenders a large degree of investor confidence from players large and small. This, in turn, makes them easier assets to buy and sell, which in turn generates more economic activity, the argument goes.

But much of this type of asset also depends on a country's real

estate laws. In France, for example, where it is difficult to evict tenants for non-payment, the country's legal code limits how far the REIT market can grow. Contrast this with the UK, on the other hand, where landlords have the right to evict tenants after a single missed payment. As such, Moroccan legislators will have their hands full deciding the extent to which they must protect investors and tenants.

REITs must also be composed of actively rent-generating properties and cannot invest in non-real estate assets of any kind (be they machinery, furniture, or automobiles, for example). Nor, for that matter, can they hold assets for sale or profit from the sale of buildings. Instead, they are designed to generate a steady income stream for investors, but as such offer little in the way of capital appreciation. They are also restricted from owning or operating hotels.

Taken as a whole, then, one of the chief benefits of REITs is their governance structure. As an investment tool only introduced in the 1960s in the US and the 2000s in France, REITs have become an important tool for both retirement savers and retirees and those looking to simply diversify their portfolio with high dividends that have the potential for moderate, long-term capital appreciation. As a tool for bringing transparency to the market, and the trickle-down confidence this inspires across an entire sector, they are also welcome. If properly regulated and executed, Morocco's difficult real estate market should benefit significantly in the coming five to 10 years from their timely introduction later this year. ✖

Fertile agricultural land  
pictured in Atlas Valley

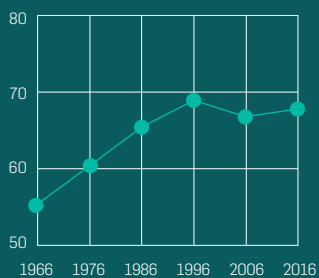
### AGRICULTURE SECTOR VALUE ADDED AS A PERCENTAGE OF GDP

SOURCE: THEGLOBALECONOMY.COM

2010	12.94
2011	13.12
2012	12.33
2013	13.39
2014	11.66
2015	12.63
2016	12
2017	12.36
2018	12.26
2019	11.38

### AGRICULTURAL LAND (%)

SOURCE: THEGLOBALECONOMY.COM





# Agriculture, Fisheries & Food

## UPSTREAM INTEGRATION

According to the World Bank, Morocco's economic momentum slowed in recent years, largely due to instability in the agricultural sector. This would suggest challenges and hindrances to implementing the Green Morocco Plan, launched in 2008 with the aims of doubling agriculture's share of GDP, creating 1.5 million jobs, increasing the incomes of roughly 3 million people, and increasing export values from MAD8 million to MAD44 million over the course of 10-15 years. In October 2019, the World Bank predicted a 2.1% contraction in agricultural output, mainly attributed to Morocco's vulnerability to drought and limited irrigation capacities.

However, the expectation for 2020, before the pandemic, was much more optimistic at 4.8% growth. And things have seen significant improvement over the last decade. Agriculture's export value grew 97% from 2010-2019, reaching MAD57.7 million in 2019, as reported by the country's export agency Foodex.

Despite surpassing the MAD44-million target of the Green Morocco Plan, there is also great potential for agribusiness exports and linking agribusiness with manufacturing. Most of our interviewees for our inaugural coverage of Morocco were clustered in the food retail space, and they all see opportunities for growth, both in exports and in backward integration up the supply chain, though overall sentiment about Morocco's progress in agricultural capabilities is fairly mixed.

Brahim Laroui, General Director of Société des

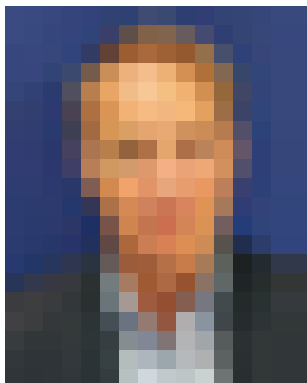
Boissons du Maroc, told TBY the Green Morocco Plan was more successful in developing local agricultural capacities, though this has yet to translate into exports, at the same time highlighting the significant potential for Morocco's agricultural exports. Additionally, Marjane is investing in upstream vertical integration to be closer and more directly linked to agriculture.

Another key opportunity is the digitalization of food retail. Prior to and because of COVID-19, retailers and food delivery services are linking up to find new opportunities in the current environment with a focus on digital solutions rather than brick-and-mortar points of sale. Glovo observed increased consumption through digital methods before the pandemic and is looking to expand into different urban centers.

Jumia, a prominent e-commerce platform for restaurant and grocery delivery, also sees significant opportunity to more broadly enter the logistics space in Africa—a geography largely unprepared for the logistics demands posed by e-commerce. As a result of COVID-19, Jumia is experiencing growth in terms of the types of goods offered on its platform, online payments, and vendors looking to utilize the platform. One of those vendors is Retail Holding through its Carrefour subsidiary. The success of food retailers and food delivery services is aided by the increased urbanization and ongoing socioeconomic development of the country. ✖



# FRESHER *than fresh*



Marjane's growth trajectory is intertwined with Morocco's urbanization. While the company mainly serves the upper and middle classes, its goal is to have a positive impact on all levels of society.

Jean Christophe Queyroux  
GENERAL MANAGER,  
MARJANE HYPERMARKETS

---

**Moroccan consumers' focus shifting toward quality**

---

**Controls entire supply chain to ensure best standards**

---

**Focus on fresh products in 2020**

#### BIO

Jean Christophe Queyroux is the General Manager of Marjane Hypermarkets. He joined Marjane as general manager of the hypermarket division in 2017. Prior to that, he was general manager of Pyrenees, a retail company in Andorra. He has held various executive responsibilities for Carrefour in different countries in Europe. He began his career with Procter & Gamble in France and Switzerland. He has a degree in finance from the Kedge Business school of Bordeaux.

**Can you give us an overview of the company?**

We operate in the retail space under three banners. Additionally, we have a real estate business, taking our number of main divisions to four. The first division is called Marjane, under which we have 40 hypermarkets in Morocco. The second is supermarkets, called Marjane Market, and we have 42 in the country. The final division is electronic supplies, which has 28 Electroplanet home appliance stores. Regarding our real estate business, we are number one in retail. We have shopping malls, commercial parks, and hypermarkets and markets. Our business began with one hypermarket called Marjane at the end of the 1980s. Between 2002 and 2007, Marjane had a venture with French retailer Auchan. The Moroccan shareholder purchased the shares of Auchan, and it is now 100% owned by Moroccan shareholders. We had a major change in our business around 2014, when we decided to get rid of our alcohol business. It was a huge decision for us because it represented around 25% of our net margin. We have been recovering for the past few years, though now we are doing well.

**What are your future expansion plans?**

We are growing with the level of urbanization across the country. We follow the trend of the country, and though we have a focus on high and middle classes, we remain strong in democratizing products for all, especially in the non-food business.

**How have the spending patterns of Moroccans changed, considering that GDP is growing but purchasing power remains largely the same?**

If Moroccan society can be broken into five tiers, tiers A and B represent around 60% of our sales. Meanwhile, A, B, and C account for around 85-90%. The big challenge is making sure these macroeconomic changes translate into micro changes. This means we need to ensure develop-

ment positively impacts all levels of society. The various tiers of society are facing new costs and challenges, and we have to make sure each tier is able to develop and grow. People in lower tiers are focused on spending more on things like education. This means they are consuming cheaper food items. On the other hand, the upper tiers are consuming high-quality food items. We see strong growth in these areas. We have made huge changes in terms of the quality of the goods we offer, thanks to a focus on added value. People of all social tiers recognize and appreciate this value. Moroccans are now looking for quality in their food much more than before, when they were more focused on price. Starting from 2017, we have seen our brand equity increase significantly. We are far ahead of our closest competitor.

**What is your approach to organic food?**

We are talking about health and wellness a great deal. Healthy and organic food is essential. Organic food has huge demand, but we have to be careful of those offering organic products that are not actually organic. There are many other ways of looking at healthy food. We decided to focus on areas like freshness across our product lines. We have developed a method for controlling the entire supply chain of our products to ensure they are of the highest quality. We are also focused on natural production techniques that require fewer chemicals. Under the Sélection Marjane banner, we offer a range of healthy fresh products thanks to strong partnerships with local producers and farmers.

**What are your goals for 2020?**

We want to continue with the strategy we developed in 2017. We want to focus more on fresh products, which means sourcing quality products from all over the world. We are doing market research all over the world, including local high-quality products. ✖

# true DEDICATION

Retail Holding's battle plan against COVID-19 entails several sanitary measures in line with international standards and working hand in hand with the local authorities.



Riad Laissaoui  
CEO,  
RETAIL HOLDING

**What have been some of your short-term strategies to tackle COVID-19, and how has it impacted your operations?**

I do not manage the operational side of the subsidiaries. I manage the corporate part and the shareholders. Overall, COVID-19 has had two significant impacts. First, it has impacted some developing parts such as Virgin and Kiabi, which are not dedicated to food distribution. We are developing Virgin for cultural products, Kiabi for textiles, and Burger King for fast food. Like many companies in the world, we experienced a complete halt of all activity. On the other hand, our food distribution line embodied by Carrefour is experiencing the opposite; we are facing a customer rush. In the last 10 days, our turnover has been about 25-30% superior compared to the same period in 2019 despite the restrictions and obstacles in the supply chain.

**Are you confident about the smooth running of the organization?**

Today, all development projects are at a standstill. Our first axis is about food distribution and Carrefour, the second has to do with all other subsidiaries that are at a standstill, and the third is about our development projects. Overall, for the first axis, we are trying to overcome three major difficulties: sanitary hardships, HR, and supply chain. We are a franchise of a large international group, and this entails maintaining international standards. This is most important for supermarket employees, especially cashiers and specialty workers handling fresh products. We have taken several sanitary measures in line with international standards and protocols. On the HR side, we are facing psychological difficulties, time management, transport

issues, confinement, mail delays, surveillance, and so on. These are fairly complicated, though we seek to work hand in hand with the local authorities in each city. We must not forget that we serve the public interest. The local and national authorities grant us many privileges and support us in keeping our stores running. In terms of supply chain, we have enough stock to last several months, though not for all products. We are experiencing significant difficulties in terms of local production and imports.

**In terms of human resources, are you working at full capacity?**

Carrefour is operating at full capacity. We are even trying to bring in additional resources from the group. We do so on a case-by-case basis depending on the challenges faced by each store.

**How is the group embracing digitalization?**

We have two strategic projects underway across the group: a CSR project and a digitalization project. Each subsidiary is now working with its parent company to maximize the digitalization of loyalty products, internet access, sales, and so on. Each city has its area of competence that defines its overall strategic project.

**What is the strategy of the group for 2021?**

2020 started really well for all of the subsidiaries, including Burger King, Virgin, Kiabi, and Carrefour. Most likely, Carrefour will have a good year. For the others, we also expect a positive year. If COVID-19 lasts longer, we will have to revise our accounts and estimate our losses. Carrefour is supporting the national effort with a MAD50-million contribution to the Moroccan COVID-19 fund. ✖

---

**Carrefour YoY turnover about 25-30% higher**

---

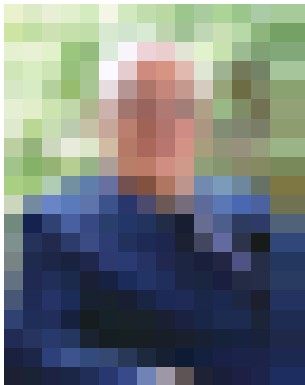
**Carrefour contributed MAD50m to Moroccan COVID-19 relief fund**

---

#### BIO

Riad Laissaoui has been the CEO of Retail Holding since 2015. Before his appointment as CEO, he was deputy CEO of Groupe Label 'Vie for eight years and CFO for six years. He started his career at PwC, where he was in charge of managing multiple corporate audits as well as organizational and managerial consulting contracts in Morocco and abroad. Laissaoui administers several companies owned by Best Financière and is a regular lecturer at some of the top public and private academic institutions in the country.

## INTERVIEW



## A SIGN OF *success*

FENIP works tirelessly to raise awareness of the quality and diversity of local seafood and strengthen Morocco's competitive position in the international fishery market.

### BIO

Hassan Sentissi is the chairman of several companies including Radi Kolding, Copelit, Novadeira Maroc, Pescaibu, SMP Tarpon, Pescarif, SAP Nassim, SAP Jawhara, Badr El Bahr, Damsa, and Tissir Port. He is President of FENIP, ASMEX, ANAFAP, and AFIEX, a member of the board of IFFO, and President of the Russian-Morocco Business Council.

Hassan Sentissi  
PRESIDENT,  
NATIONAL FEDERATION OF INDUSTRIES OF  
TRANSFORMATION AND VALORIZATION OF  
FISHERY PRODUCTS (FENIP)

**How has FENIP evolved since its creation in 1996, and what have been its main areas of intervention?**

FENIP is a sectoral professional organization that represents the transformation of the sector and valuation of seafood products in Morocco. Its main goals are to represent and defend the interests of its members; study specific measures to develop industries for the processing of fishery products and improve the conditions of production, distribution and sale of products; and provide its members with any assistance likely to promote and develop their activities. FENIP's efforts aim to increase awareness of the quality and diversity of the Moroccan product and strengthen the country's competitive position in the international market. The seafood processing industries sector comprises seven branches of activity, six of which are represented in professional organizations that are members of FENIP: the semi-canned fish industry represented by AMASCOP; the fish meal and oil industry represented by ANAFAP; on land freezing of seafood represented by ANICOM; the packaging and export of fresh fish represented by APROMER; all the seafood processing industries in Agadir represented by FIPROMER (the regional branch of FENIP); the canned fish industry represented by UNICOP; and the seaweed processing industry (AGAR AGAR), an associate member.

**How has the outbreak of COVID-19 affected the fish industry in Morocco?**

In the context of the pandemic and similar to other sectors of the national economy, the local fishing industries sector has faced a disruption in international supply and demand. Many seafood processing units found themselves in a situation of virtual inactivity. In addition, the few production units still operational have put in place preventive measures in order to minimize the risks of contagion. All these measures have had a strong impact on productivity. Thanks to the measures to support the productive sector advocated by His Majesty the King, we are now witnessing a gradual recovery of the fishing industry sector.

**What have been FENIP's main initiatives and areas of work due to COVID-19 to protect the interests of its members?**

From the start of the health crisis, FENIP shared with the Economic Watch Committee set up by His Majesty the King recommendations from our members for measures for the sector. A team was also set up to remain attentive to the needs of professionals. FENIP and its member associations insisted on resuming coastal fishing and ensured compliance with the necessary health measures. In addition, FENIP closely monitors developments in the seafood sector nationally and internationally in the context of COVID-19 and regularly informs its members. The federation has appointed a representative from among its members in each province where value-added fishery activities are present. These representatives are the single point of contact for local authorities and the team set up to fight the pandemic. Their role is to provide accurate information relating to the measures taken by the establishments, ensure the functioning of their various departments, and facilitate communication with companies.

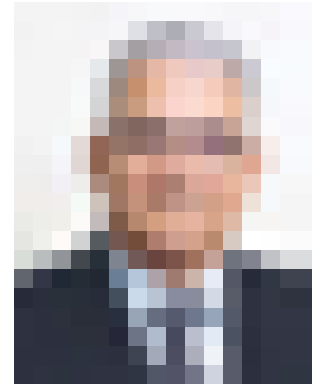
**In 2019, local fish consumption exceeded 12kg per person annually, and there were estimates that by the end of 2020, Morocco could exceed the government target of 16kg. Is this still a doable target?**

If the national consumption of fish per capita is still low in Morocco, it is mainly because of the unavailability of an appropriate cold chain to allow the transport and storage of fresh fish in different regions of Morocco. The Halieutis Plan makes it possible in part to remedy this problem through the creation of fish markets in the main cities of the country; however, this is far from sufficient to make fish accessible everywhere in the country. Also, it is important to promote the national consumption of processed seafood products, in particular authentic Moroccan sardines *Sardina pilchardus* Walbaum. Thanks to its remarkable nutritional properties, *Sardina pilchardus* is an excellent source of protein and Omega 3 recommended to prevent cardiovascular disease. ✖

# restructuring TO WIN

Manafid Al Houboub is working with the government on a strategy to streamline the agricultural sector and redeploy resources, with the end goal of benefiting low-income families.

Moulay Abdelkader Alaoui  
MANAGING DIRECTOR,  
MANAFID AL HOUBOUB & PRESIDENT,  
NATIONAL FLOUR MILL FEDERATION (FNM)



## Could you give us an overview of FNM and Manafid Al Houboub?

I have an industrial unit that makes flours from tender wheat. I also chair the FNM, which comprises about 160 units of soft wheat, hard wheat, and barley. The flour milling sector has been suffering from production overcapacity for more than a decade. This leads to unfair and blind competition between the different operators. Each follows their own strategy, and this has repercussions on prices and margins. Within the federation, we are working with the government on a strategy to restructure the sector and redeploy resources. In 1988, there were about 60 millers, whereas today there are more than 138 soft wheat millers. Today, we are calling for the subsidy system to be redeployed by means of direct aid to the marginalized, so that transparency and competitiveness can thrive. We are working hard to restructure the entire sector, from seed production to processing and secondary processing. We are currently in the process of putting in place a strategic plan for global supply. With COVID-19, the weaknesses in the system became clear. With two consecutive years of drought in 2019 and 2020, we were dependent on imports of common wheat, hard wheat, barley, and corn from Europe, Russia, the US, and others. Then, there was a problem with congestion at some ports, and all this caused problems and created a sense of frustration and panic. Fortunately, we made all the arrangements given our

geographical location and were able to catch up quickly. We must now work on a global approach with an agreement on when we will suspend imports and work on national production. This will help us use our port facilities more intelligently, optimize the cost of transport between ports and the various units, buy when world prices are at their lowest, and no longer be subject to the hazards of the world market and the vagaries of the climate. We are now on the cusp of a major change in the entire sector in Morocco that would integrate all the components of this value chain. All this sums up what is happening in our sector and gives an idea of how we see the future in 2021 and 2022.

## In December 2019, the government announced it would spend MAD14 billion on subsidies for wheat, cooking gas, and sugar. How will this plan change with COVID-19?

A COVID-19 fund was created and financed by the state with the participation of all social components, so the subsidies on products that are typically subsidized will continue. In terms of gas subsidies, everyone benefits, from farmers who use gas bottles to industrialists who use butane. The state cannot continue to subsidize populations who are in comfortable situations to the detriment of poorer ones. We want this aid to be direct and the market price to reflect the real price. Today, a 13-kg gas canister is MAD40 while the actual price is MAD120, so the difference could very

well go to the people in difficult situations. The same applies to sugar, as it is used by those who produce soft drinks, bakeries, and restaurants. The state cannot continue to subsidize everyone.

## What are your priorities for 2021?

The priority is to restart activity, as COVID-19 has put a large number of industrialists to the test. The state has taken many measures, like loans with interest rates less than 3.5%. 2021 will be a difficult year, so we should expect a restart in 2022. The priorities will be to ensure social peace, employment, and restarting activity in a flexible, smooth, and trouble-free manner. ✖

## BIO

Moulay Abdelkader Alaoui is the Managing Director of Manafid Al Houboub. He is also director general of the National Union of Moroccan Agricultural Cooperatives (UNCAM), president of FNM, and vice-president of the Interprofessional Federation of Cereal Activities (FIAC). He graduated as an engineer in food industries from Agronomic and Veterinary Institute Hassan II and acquired a master's degree in entrepreneurship and SME development from Nancy II University. Alaoui also holds a diploma in quality management from ENSA Agadir Ibn Zohr University.

## VOICES FROM THE SECTOR



**Karim Debbar**  
GENERAL DIRECTOR,  
GLOVO MAROC

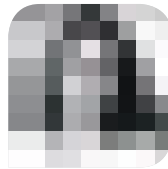
**After a little over a year in Morocco, would you say that you are on track with your original vision?**

When we launched ourselves in the market, we perceived a clear market-product fit for Glovo. Moroccans were used to consuming through technology as evidenced by the ride-sharing apps in Morocco and the boom of e-commerce. And so, we thought it was the perfect moment to launch a delivery app like Glovo into the market. So far, the product and service have been welcomed by users across the board. We cater to different user segments, and all are pleased with the product for different reasons. I am satisfied with the level of growth we have been able to achieve in such a short amount of time.

**What accomplishments are you most proud of over the past year and a half?**

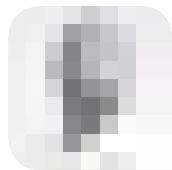
We are creating more than 1,000 economic opportunities for the unemployed in urban areas. This allows us to make a much larger impact. Another highlight is the general level of satisfaction and appreciation that people have for our service. Seeing how Glovo has been integrated into daily lives is something I really appreciate. It shows we are on the right track.

**Fassi Daoudi**  
GENERAL MANAGER,  
SODEXO MAROC



**How would you describe the evolution of Sodexo Maroc?**

In the past 20 years, Sodexo Maroc has become the major player in Morocco. We obtained three certifications for our catering and facility management activities: ISO 9001, ISO 22000, and OHSAS 18001. It demonstrates how we have placed quality at the heart of our performance throughout our history. Our mission is to provide support to our clients through our catering and facility management services, allowing their employees to benefit from the best working conditions. We have partnered with some of the major players that contribute to the development of our country. Even during the pandemic, we worked hard to preserve the social bonds that a work environment requires. The “Rise with Sodexo” program was specifically prepared to ensure a secure environment, allowing our client’s employees to return safely to their workplaces. As such, our group has even launched a medical council made up of various experts to support the development of new protocols and standards. In the last 20 years, we have also championed our vision for gender diversity, particularly in managerial teams. For us, this is not only a driver of performance, but also a lever for social transformation.



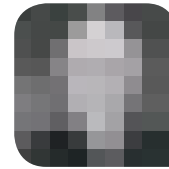
**Larbi Alaoui Belrhiti**  
CEO,  
JUMIA MAROC

**How has the company evolved since its creation in 2012?**

Jumia is the leading e-commerce platform in Africa. It is present in 11 countries, namely Nigeria, Egypt, Kenya, Morocco, Tunisia, Algeria, Ivory Coast, Senegal, Ghana, Uganda, and South Africa. Jumia is built around a marketplace, Jumia Logistics, and JumiaPay. The marketplace helps millions of consumers and thousands of sellers to connect and transact. Our marketplace includes on-demand services, which are mainly restaurant deliveries and supermarket groceries. Jumia Logistics enables the delivery of millions of packages through our network of local partners, and JumiaPay facilitates online transactions. E-commerce is also creating new opportunities for SMEs to grow and job opportunities for a new generation to thrive. At present, we have more than 110,000 vendors who can connect with millions of customers through Jumia.

**How has COVID-19 affected your daily operations?**

With the confinement, habits of Moroccan customers have started to change. They have become more interested in essential goods and grocery shopping. Customers are also worried about supermarkets being exposed to the virus. Therefore, they have started to use digital platforms. We have partnered with big supermarket chains to provide a wider assortment of goods. We also provide support to charities that want to deliver certain goods.



**Chemsedine Sidi Baba**  
CHAIRMAN OF THE  
BOARD OF DIRECTORS,  
HAF MOROCCO

**HAF was established in 2000. What are its main achievements and its operations here in Morocco?**

HAF’s main operation is fruit tree nurseries, which we offer to local communities for free so they can earn extra income. We have planted about 3 million trees to date, including apple, nut, and olive trees. In addition, HAF helps build schools and solar pumping stations. An important aspect of our work is the empowerment of women. At present, our work is funded by donations from a number of partners. Currently, 80% of our donations come from the US and the other 20% from Morocco. We need to create more revenue streams in order to do bigger jobs in Morocco.

**How are you encouraging the young population to work in the agricultural sector?**

If we want them to stay in their local areas, we need to create revenue opportunities for them. For example, we have been promoting irrigation schemes that are more technologically advanced. By creating this revenue stream, we have enabled people to stay in their locality.

**Would you tell us about the work HAF does to help schools?**

We help to renovate schools that are in bad shape. We also build restrooms for schools that do not have them, and we help students acquire books and other materials.



Image: Peti Lipták

## FROM THE GROUND UP

The Green Morocco Plan has proven highly successfully in terms of restructuring and modernizing the agricultural sector and providing economic opportunities to the youth and women.

**TO THIS DAY, AGRICULTURE REMAINS THE CORNERSTONE** of Morocco's national development policy for more reasons than one. The sector not only contributes 19% to GDP, divided between agriculture (15%) and agro-industry (4%), but also generates over 10% of exports and employs 4 million people, including 85% of the rural population. Although more than 60% urban, the country still employs close to half of the national workforce in agriculture.

Thanks to the introduction of much-needed policies and frameworks and their successful implementation over the last two decades, Morocco has achieved self-sufficiency in many products and become the world's number-one exporter of argan oil, capers, and white beans, third-largest exporter of olives, and fourth of tomatoes. Hands down, the single-biggest differentiator in this regard is the Green Morocco Plan (PMV).

Launched in April 2008 by King Mohammed VI, PMV was designed to transform a protected agricultural sector into one that is more open to foreign markets, emphasize value addition and value creation to benefit producers of all sizes, and reduce Morocco's vulnerability to climate change. In doing so, PMV aimed to double the value added by the agriculture sector, generate 1.5 million jobs, and halve poverty in rural areas by 2020.

PMV is founded on two pillars. While the first pillar targets commercial farmers and the development of modern agriculture through the completion of thousands of projects with a special focus on high-value agriculture, the second targets small farmers through the implementation of 545 projects in rural areas. The second pillar also seeks to convert cereal crops into higher-value alternatives and invest in value-added processing.

So far, the government's implementation of PMV has been nothing short of exceptional. Apart from providing financial and organizational support to link farmers to markets, the government has improved irrigation management, modernized domestic markets, introduced fiscal and incentive policies, and mobilized agricultural land. Equally important, the government has used PMV to

target women in rural areas, enabling them to improve their socio-economic status.

As of January 2019, more than USD10 billion had been invested in the agriculture industry under PMV, 60% of which came from the private sector and 40% from the public sector. As a result, agricultural output grew by 60%, jumping from MAD79 billion in 2008 to MAD125 billion in 2018, and agricultural exports quadrupled in the same period, from MAD8 billion to MAD33 billion. And in 2019, exports of agri-food products crossed the 3-million mark for the first time, posting a growth of 97% since 2010. Behind the scenes, this meant better economic opportunities for hundreds and thousands of youth and women.

Morocco is the world's 22nd-most water-stressed country, so no national agricultural sector strategy would have been complete without a plan for a robust irrigation system. To that end, the National Program of Water Economy in Irrigation (PNEEI) was made part of the PMV. It aimed to reduce water stress, considered the main factor limiting the improvement of agricultural productivity.

Between 2008 and 2017, the PNEEI program converted 40,000ha on average from surface and sprinkler irrigation to localized irrigation. And although the strategy's development witnessed a period of stagnation in 2018, by the beginning of 2019, the total area equipped with localized irrigation had exceeded the strategy's goal of 550,000ha.

With 2020 entering its second half, PMV will soon run its course. And such has been the success of the plan that in February 2020 the government decided to build on its achievements and introduce a new development strategy for the agricultural sector, dubbed Green Generation 2020-2030, with a focus on creating a rural middle class, building human capital, and, above all, ensuring the sustainable management of natural resources. After all, Morocco has no choice but to preserve its ecosystems if it wishes to achieve sustainable and inclusive growth across all economic sectors and territories. ✘

Al Quaraouiyinein University in Fes was  
founded in 859 AD

## LITERACY RATE (AS A %)

SOURCE: THEGLOBALECONOMY.COM







## Education

# DOUBLE-EDGED SWORD

**T**he pen might be mightier than the sword, but education in Morocco can be somewhat of a double-edged scimitar. Education is often considered a key investment for any country's national development, and in Morocco before the COVID-19 pandemic, there was some concern about the inequality in education and health opportunities negatively impacting economic growth and societal advancement. Leading up to the viral outbreak, increased use of technology and digitalization was a tool to enhance and facilitate access to such opportunities.

Yet, the acceleration of this digitalization has exaggerated the divide, which mostly coincides with urban and rural areas. This paradox is largely due to limited ICT infrastructure and students' access to devices to connect to the internet. The United Nations Development Programme and the Ministry of National Education, Vocational Training, Higher Education, and Scientific Research partnered to address these issues. Other entities like Euro-Mediterranean University of Fes (UEMF) and Huawei also stepped in through efforts of their own, though the leaders across the education space, from kindergarten through higher ed, are aware this is merely the first step to address entrenched, multi-faceted inequalities.

Despite the challenges wrought by a rapid shift to online education, there are many bright spots in Morocco's education sector. Some noteworthy trends are higher education's proactive

and enthusiastic approach to partnering with industry, as well as supporting SMEs, entrepreneurship, and women's empowerment.

The country's innovative model for collaboration with industry is the Higher School of Textile and Clothing Industries (ESITH), which places unique emphasis on strengthening local companies' capacities to face international competition, R&D, and engineer training. Mohamed Lahlou, President of ESITH, told TBY his outlook for the future as Morocco emerges from the current crisis: "We will ensure that our expertise and know-how remain at the cutting edge of progress by enriching our network of partnerships on a national and international scale, taking care to implement the disciplines of the future and acquiring equipment and tools that will allow the school to remain a locomotive for the textiles, clothing, and other industrial and service sectors. The transformation of the industrial sectors requires more seasoned, agile, curious, and reactive skills."

UEMF, meanwhile, is focused on SMEs, promoting an entrepreneurial ecosystem through an on-campus incubator. Idoine Maroc, a human resource consultancy, notes that encouraging entrepreneurship and SMEs, in similar fashion to Tunisia, will stem the brain drain, pointing to a growing consensus within the education and human talent development areas that SMEs will be a critical component for economic progress. ✖

## INTERVIEW



Prof. Mostapha Bousmina  
PRESIDENT,  
EUROMED UNIVERSITY OF FES

## A BEACON *light*

Apart from doing its utmost best to take care of its staff and students during COVID-19, Euromed University of Fes is strongly committed to several technological projects that are of help to wider society.

### How did the university adapt to COVID-19?

When COVID-19 emerged, Morocco quickly took strong and proactive actions to manage an unprecedented crisis, under the direct supervision and leadership of His Majesty the King. Euromed took various measures and actions for our students and society. First, we implemented close to 100% distance learning for all our programmes. Notably, with help from the EU, we provided new computers and 4G internet sticks with one-year subscriptions to 530 students from rural areas and low-income families. We also acted to take care of our foreign students. We sterilize the dormitories, hand out PPE equipment, and provide packed lunches, drinks, and other items. We also offer psychological counseling when needed. As for society, our staff has voluntarily donated part of or entire one-month salaries to the national fund for the management of COVID-19. Second, we have produced thousands of protective visors and donated them to hospitals and regional administrations. We have also developed washable, sterilizable, and reusable plastic masks with homemade filters that comply with international medical requirements. The masks are manufactured by our 3D printing facilities. We have developed a new respirator valve and a new air-flow meter in our university in collaboration with doctors from Rabat. We have also developed an application for tracking COVID-19. Our university has been extremely active during this period of containment and confinement. We are doing our best to take care of our staff and students, and we are strongly committed to technological projects that are of help to society.

### UEMF offers a wide range of programmes. Which ones are the most popular?

In September 2019, we opened a new engineering school, the first of its kind in Europe and Africa: a five-year engineering school completely dedicated to AI. We have concluded several agreements with various universities from the two shores

of the Mediterranean. Presently, we have nine entities, three faculties, three engineering schools (mechanical engineering, civil engineering, IT engineering, biomedical, and AI engineering), a school of architecture, a school of business, and an institute of law and political sciences. In September, we will open a faculty of pharmacy. UEMF offers world-class bachelor's, master's, and PhD programmes.

### UEMF has several partnerships with foreign universities. What is your strategy in this regard?

Our strategy is to act as a platform that bridges, from educational and cultural viewpoints, the two realms of the Mediterranean. We have strong collaborations and partnerships with universities and research institutions from across the world. For example, we were expecting to receive some students from Stanford University in 2020 but unfortunately, this had to be postponed due to COVID-19.

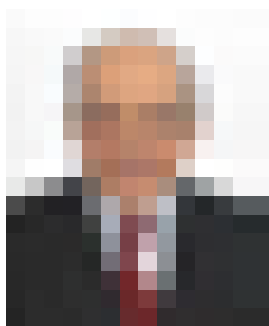
### Can you tell us about your eco-campus?

From the beginning, the campus sought to be an eco-campus that got the labeling from COP22. We have included several sustainable technologies, with the objective to be energy sufficient, consume minimal water, and go solar. Some of the technologies we use are highly insulating materials, photovoltaic and thermal solar devices, and water recycling systems. The design of the buildings was inspired by the ancestral know-how of the city of Fes.

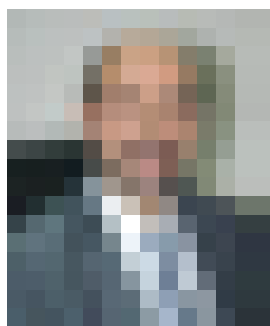
### How would you rate the Moroccan educational sector?

In the last five years, we have witnessed an important expansion, with a wide choice of universities including public universities, not-for-profit universities, and private universities. The number of students has also tripled. This brings various challenges, such as ensuring a true digital transition in universities. Second, we have to design career-oriented programmes as well as proactive programmes. It is also of high importance to revise the 01-00 law governing the higher education system. To comply with international standards, Moroccan universities should also open more to the diaspora and international students. Finally, a true assurance quality system should be implemented in universities with a top-down and bottom-up assessment and evaluation. ✖

**“With help from the EU, we provided new computers and 4G internet sticks with one-year subscriptions to 530 students from rural areas and low-income families.”**



**Mohamed Lahlou**  
PRESIDENT OF THE BOARD,  
HIGHER SCHOOL OF TEXTILE  
AND CLOTHING INDUSTRIES  
(ESITH)



**Abderrahmane Farhate**  
GENERAL MANAGER,  
HIGHER SCHOOL OF TEXTILE  
AND CLOTHING INDUSTRIES  
(ESITH)

## ESITH

What started as a school to train students in line with the needs of the job market has become an institution ahead of its peers. With cutting-edge and transversal training, ESITH has branched out into new domains, such as two crisis units to help Morocco fight COVID-19.

**What have been the main milestones of ESITH in the last 24 years?**

**MOHAMED LAHLOU** From the beginning, the school's function was different compared to other conventional engineering schools that were more rigid and less reactive. The school is organized around three cycles of engineering training, specialized master's, and professional licenses. 2007 represented an extremely significant milestone due to the creation of an R&D department composed of two laboratories: research laboratory on textile materials (REMTEX) and a center of excellence in logistics (CELOG). Since its creation, this department has established solid relationships with various Moroccan, European, and Canadian research centers. For a better immersion into the world of research, in collaboration with ENSAIT France, we started an international ITMC conference on technical and intelligent textiles and mass customization. In 2019, we organized the seventh edition of this biannual conference in Marrakesh. In addition, there have been four editions in Casablanca and one each in Ghent, Belgium, and Roubaix, France. This conference was so successful that three new partners—Ghent University, Shinshu University in Japan, and CTT Group in Canada—joined

the two founders to form a solid consortium that will allow the conference to grow internationally. The next editions will be held in Canada in 2021 and Japan in 2023.

**What is the goal of ESITH?**

**ABDERRAHMANE FARHATE** The School of Industry, Textiles, and Clothing was established in 1996 with an innovative model. ESITH was created as a PPP, but it is a public school that awards public diplomas. At the time, it was the only higher educational institutions that was created as a PPP. It is an association between the Moroccan government and the Moroccan Association of Textile, Clothing, Industries (AMITH). The idea was to establish a school in collaboration with the private sector to train students in line with the needs of the job market. After 23 years, ESITH continues to serve its purpose. Since 2002, the ESITH, Engineering Training School, by setting up cutting-edge and transversal training, has been able to open up to other sectors of industrial activity and service. For example, ESITH was the first engineering school in Morocco to train engineers in international logistics. Today, more than 90% of our graduates secure a job in less than six months.

**How did ESITH adapt its operations to COVID-19, and what is your main focus during this crisis?**

**ML** ESITH had to face two major concerns: the continuity of student training and supporting industrialists in their retraining to manufacture protective masks and gowns. In terms of initial training, our response was extremely reactive. We set up two crisis units, one to manage the operation of human resources, administration, and school infrastructure and another entirely dedicated to ensuring educational continuity through distance learning. This upheaval in the pedagogical approach is so significant that it will open up new hybrid training methods post COVID-19. In terms of support for companies, ESITH has been extremely responsive. LEC, its laboratory, actively participated in the work of developing the standards and technical specifications of masks with the Ministry of Industry (IMANOR). We provided manufacturers with educational capsules to explain the technical characteristics of the materials and methods of manufacturing barrier masks according to IMANOR standards. At the same time, ESITH developed and shared innovative methods to optimize the production of masks. Our R&D department was also mobilized to create new tissue functionalization processes to meet the most stringent requirements of barrier masks. In addition, we have launched three free online training cycles to improve the management skills of companies and hospitals to better cope with this crisis.

**How do you keep up with the latest international developments?**

**AF** Industrialists are part of the school's management bodies. At ESITH, we help companies with ongoing training and technical assistance. Due to this, we are constantly aware of what is happening in the textile sector and in the different industrial and service sectors at a global level. For example, at present, the textile industry is shifting to lean industry. Globally, the focus is on waste recycling, sustainable development, circular economy, automation, and Industry 4.0. In line with this, we have invested in equipment, automation, and intelligent workshop layouts. We have to recover procurement waste and adopt better organizational industrial models. We have to adapt not only our equipment, but also the way we organize our workshops. In my opinion, it is time for the school to move toward Industry 4.0 technologies, such as AI and big data. ✖

Sâad Benkirane  
GENERAL MANAGER,  
IDOINE

**What are some of the consequences of digitalization?**

When we talk about digital, it encompasses digital marketing. But it also involves the management of social networks, because reputations in today's world are made and unmade on social networks. The first people who can ruin the image of a company are its stakeholders, because when a stakeholder is not satisfied, they often express it through social networks. To this end, we see companies increasingly using activities such as team building and internal events to communicate with their employees. We work with companies doing excellent internal work, but they are not aware that their actions define their brand to their customers, suppliers, and the market.

**What do businesses struggle with in Morocco?**

Companies undergoing restructuring often need to retain their high-performance employees and strengthen their agility in the face of a highly mobile market. Many companies are fighting against informal competition, which is dangerous. Many companies have honest managers who want to be fairer and more civic-minded, but they are faced with a market that is not fair and therefore find themselves at a crossroads. The second challenge is that there is a conflict between publicly stated values and the behavior of leaders. In a market where there is great uncertainty, everything that is strategic in the long term starts lose meaning because all it takes is a customs rule or a powerful competitor to destroy a company.



Hicham Belbachir  
CEO,  
TARGET AUTONOMY

**What do you understand by "drivers," and how do they influence people's decisions in the workforce?**

Being a driver is an injunction given to us by our parents. This becomes a background program, that is to say, an unconscious one. We have five drivers: be perfect, be strong, be pleasing, be quick, and make the effort. When subjected to stress, we activate these drivers. There are several levels in the execution, and the drivers will get stronger as the level of stress increases. We all have one or two dominant drivers as a means of response, and the key is to be aware of them. Something as simple as being aware of your shortcomings can fundamentally change your life.

**When do you know when you are under stress and when you are not?**

There are several ways to identify when we are under stress. Stress comes mainly from fear, the fear of not being up to the task, but stress is useful because it allows people to understand their limits and overcome them.

**What kind of tools do you offer?**

We offer several coaching tools for collaborators, teams, and managers. For each category of people, we have specific tools, including a professional coach who has been properly trained to accompany them. I was a member of the International Coach Federation, whose goal is to get coaching recognized as a profession. That speaks to me a lot because even coaches need a professional and legal framework so that the client feels reassured.

# EDUCATING THE MASSES

Morocco's education sector has long been its Pandora's box.

**EDUCATION HAS LONG BEEN A SORE SPOT** for the Moroccan government, with much money spent with little to no payoff. While government reform over the past decade has increased school attendance, especially in regard to female students, there is still much work to be done for the system to produce a more equally educated society.

With only 50% of Moroccan children aged 4-5 attending preschool in 2017, children usually begin compulsory education at seven and have 12 years of combined primary and secondary schooling. While previously students took a national test to enter universities, students now rely on grades in the final year of secondary school to guarantee their entrance. In primary and secondary public schools, the language taught is formal Arabic, while at university level all courses are generally taught in French, leaving those who may not be fluent in either language behind. Meanwhile, private schools are taught in Arabic, French, English, and Spanish.

As in many countries, private schools in Morocco often have a leg up on public schools, especially in terms of university attendees and graduates. And while it would be easy to simply point to the disparities between private and public schools as the cause for Morocco's education problem, many private schools face the same problem as their public counterparts: lack of competence, crisis of qualified personnel, and lack of pedagogical material. According to the OECD, differences between public and private school performance in students is more the result of a student's socioeconomic standing and the degree of autonomy granted to schools in terms of decision-making and management.

One major area of concern is school dropouts. A 2019 article from Morocco World News quotes World Bank Magreb Country Director Marie Françoise Marie-Nelly as saying only 53% of middle school students continue onto high school, while less than 15% of first-grade students are likely to graduate from high school. These low numbers may partly be explained by the school environment. According to a 2018 OECD PISA report, 44% of students reported being bullied multiple times per month, compared to the OECD average of 23%. Children who experience bullying have a much greater like-

lihood of dropping out and skipping school, another area in which Morocco suffers. According to the same report, 44% of students reported skipping at least one day of school. The quality of education or lack thereof is evident in the 2018 PISA results, with Moroccan students averaging scores of 359, 358, and 377 in the reading, math, and science sections, respectively. The OECD average is 487, 489, and 489, respectively.

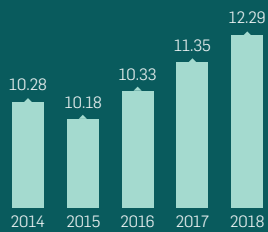
What makes Morocco's education problem an enigma is that the sector receives a good amount of government funds: 25.6% of the 2019 state budget was spent on the education sector. A large part of the bill was due to public wages and pensions, which took up 49% of the public wage bill in 2016. However, the government has tried to reduce these costs by hiring "contracted" teachers through regional institutions called Regional Academies for Education and Training (AREFs). While this new system offers more local employment in rural areas, it does not provide the same security as a public-sector job. Contracted teachers reported feeling worried about regional bodies' long-term financial viability and low pensions, and 2019 saw them hold month-long protests seeking more beneficial contracts.

Still, it is not all doom and gloom for the sector. Thanks to rigorous government initiatives, the number of students enrolled in primary school education has increased enormously, numbered at 4.322 million, according to UNESCO 2018 statistics. Meanwhile, the number of those enrolled in tertiary education grew from 877,404 in 2015 to 1.056 million in 2018. Currently, the number of children enrolled in early childhood education development programs stands at 6,032, a number that will hopefully increase with the World Bank's USD500-million program to support Morocco's 2015-2030 Education Reform. The World Bank program seeks to increase the quality of early childhood education and support teaching practices in primary and secondary education, while increasing accountability through the education supply chain, a step in the right direction. OECD cites more efficient and transparency in resource and financial management, greater involvement of civil society, and monitoring school performance as key to increasing a country's education quality. ✖

Casablanca is a bustling metropolis popular with tourists looking for a taste of both modern and historic Morocco

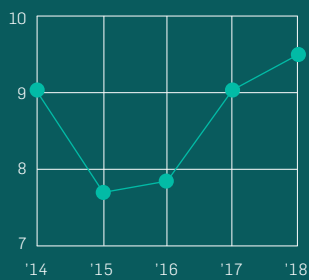
### INTERNATIONAL OVERNIGHT ARRIVALS (MLN)

SOURCE: VALUSTRAT



### INTERNATIONAL TOURISM RECEIPTS (USD BLN)

SOURCE: OECD



### NIGHTS IN ACCOMMODATION (INTERNATIONAL)

SOURCE: OECD

2014	132,000
2015	125,609
2016	128,757
2017	132,585
2018	147,790



# Tourism

## RETHINKING TOURISM

**T**ourism is one of the main engines of growth of the Moroccan economy and continues to be one of the priority sectors for the public administration. The direct contribution of tourism to GDP is estimated at 11%, according to data from the National Tourism Office. Today, there are more than 750,000 employees in this sector, according to the World Tourism Organization (UNWTO).

Morocco's natural attractions and its proximity to Europe provide the Kingdom with an important competitive edge. With more than 3,500km of beaches—on both the Mediterranean and Atlantic coasts—and beautiful landscapes, Morocco has consistently been recognized as a top African tourism destination. In numbers, Morocco received 13 million arrivals in 2019, a 5.2% YoY increase. Tourist revenues from non-residents totaled MAD80 million. Marrakesh remains the most prominent destination, receiving 60% of total arrivals. Agadir places second with 20% and Casablanca, Morocco's financial hub, rounds out the top three with 10%. While tourism figures continue to rise, operators from the sector agree on the need to develop a strategy that shares the spotlight with other regions including Fes, Rabat, Tangier, the Mediterranean coast, and southern Morocco.

Development of the sector follows the country's Vision 2020, created in 2010 with the goal of doubling the size of the tourism sector and placing Morocco among the top-20 global tourist destinations. Through an integrated spatial planning policy, the government strives for an even distribution of the benefits of tourism and the socioeconomic development of all regions of the Kingdom.

Despite its positive outlook, the tourism sector has yet to achieve the goals set by the 2020 Vision; the aim to receive 20 million tourists in 2020 are far from reality, even more so in view of the current COVID-19 outbreak that has paralyzed international travel across the globe.

The tourism authorities are currently reorganizing the strategy of the sector to look for new ways to attract investment, with an important effort directed toward the development of eight tourist regions and the coastal tourist complexes.

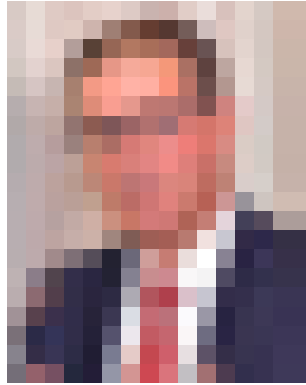
Dynamizing outbound tourism by facilitating visa procedures, creating a strategy that strengthens the image and increases awareness of cities other than Marrakesh and Agadir, and enhancing investment in education and healthcare are some of the measures suggested by decision makers in the private sector that will lay the foundation toward sustainable growth. ✖



## INTERVIEW

# AUTHENTICITY *for the win*

Atlas Voyages has a three-pronged plan for the success of Morocco's tourism industry: authentic experiences, sustainable tourism, and digitalization.



Othman Cherif Alami  
PRESIDENT,  
ATLAS VOYAGES

Tourism directly  
employs more than

**750k**

**What were the main outcomes of the Tourism Marketing Days event?**

In Morocco, the tourism industry plays a crucial role, as it is a key sector. According to the United Nations World Tourism Organization (UNWTO), more than 750,000 people are employed in the tourism industry. The Moroccan Tourism Marketing Days aimed to share the vision of the Moroccan National Tourist Office (ONMT) and industry leaders. The event was an opportunity to share our strategies concerning countries where we should consolidate our presence, such as the UK, Germany, France, Spain, and Italy. We also identified future potential markets in China and North America. In January 2020, we launched our first direct flight from Casablanca to Beijing. In North America, we have direct flights to Miami, Washington D.C., New York, Montreal, and Boston. In the meantime, we must consolidate our core market with new flights to Morocco. Thanks to a decision made by the Moroccan government in 2008 with Europe, all European airlines can land in Morocco without authorization, and the same goes for Royal Air Maroc in Europe. Morocco has 3,500km of beaches along the Mediterranean and Atlantic coasts. We also have beautiful landscapes, welcoming people, an outstanding desert, and amazing hospitality. In 2019, we reached 13 million tourists and USD8 billion in revenue. Moving forward, we should further promote the cities of Fes, Rabat, Tangier, the Mediterranean coast, and the south. The Tourism Marketing Days focused on domestic tourism as well, which accounts for more than 30% of occupancy in official hotels. Digitalization and human capital are two other key points we discussed.

**“If we can preserve the authenticity of our country and keep the right attitude, we will be able to provide a genuine experience, which will always be in demand.”**

**What are the challenges preventing Morocco from reaching its full tourism potential?**

We need to increase our foreign-language skills, service quality, and hospitality. Furthermore, we need to adapt our attitudes to clients coming from the global village. We also spoke about quality, domestic tourism, MICE events, golf, and even cinema, as many movies are filmed here. Robert Redford earlier came to Marrakesh, and he showed his appreciation on Twitter. That digital attention is worth more than publicity on CNN. We also have to ensure sustainable development to promote inclusive tourism.

**What has been the impact of digitalization on your company?**

B2B has been fantastic, while B2C has been more challenging. We are working on solutions to fix this, like our new application, where clients can find more than 400,000 hotels and flights. We have around 15 engineers working 24/7 to help us with this. B2B is a machine-to-machine business, and in 2020, we will be connected to one of the biggest providers of travel services in the world, located in China. It took six months for the engineers to connect the two systems. All the clients of this Chinese platform will be able to look at our products online and book instantly. Machine-to-machine connection, which is the third revolution of tourism, will have a positive impact on the industry.

**What does Morocco need to do to ensure the tourism sector is sustainable?**

If we can preserve the authenticity of our country and keep the right attitude, we will be able to provide a genuine experience, which will always be in demand. We must not forget the inclusive economy, and we must keep in mind that everyone has to have a slice of the cake. To this end, we need the government, regional authorities, and key decision makers to work together to facilitate stores, museums, and activities that can generate an income for all participants of the economy. We also have to work on a digital marketing approach. We must build a strong digital presence that covers the entire value chain. We need to invest more in human talent. If we can ensure that our people are trained and educated, growth and development will follow. ✖

# off the BEATEN PATH

From its outset, Visit Morocco has shown Morocco's authenticity to business clients from the world in a tailor-made manner.



Habib El Fassi  
MANAGING DIRECTOR,  
VISIT MOROCCO

**There has been a shift in demand in the tourism sector. How would you define this shift?**

Indeed, this shift has taken place both in the business and the leisure segment, but more so in leisure. The shift in demand is mainly related to digitalization. From our side, our position has always been to show our clients "Morocco through our eyes" in a tailor-made manner. We are always opening up new authentic and interactive experiences to encourage people to understand our country, rather than going on a strictly touristic path. We have observed this shift in demand, and we have found it to be positive because it better emphasizes our real value as experts of the destination. When we do our sales calls in the different markets we target, we show this expertise. We explain there is much more to see behind a medina or a mosque. Even in the last few years, despite the slowdown in the country, there was great growth. Between 2017 and 2019, we experienced double-digit growth.

**What services weigh more in terms of revenue?**

MICE and business travel represent 70% of our business, but leisure is growing. We are opening the leisure part, and the line between business and leisure is less clear now. When you organize a congress, some people will ask for extensions to make it into a vacation. People really appreciate our approach because it is different than just selling a typical packaged product. We make people interact with the country, and people are taken to lesser known places that are more authentic. Sometimes, we create something new for the MICE segment and then adapt it to our high-end leisure groups and individuals or vice versa.

**What is your average client's profile?**

We are a B2B company; we rarely work with individuals directly. Most of our clients come from our business partners and our representative agents. Our local business is more B2B, so we

work with corporations to manage their accounts.

**Do you consider authenticity as the path to a sustainable tourism sector?**

Yes, authenticity is the key for a sustainable sector, and that is trending. It is obviously more difficult and challenging to create an authentic experience. We have a double mission. First, it is our duty to promote this authenticity and look for it across the country. To be more inclusive, sometimes we go into the desert and contact remote communities that live without access to electricity. Second, we need to do it in a way that does not spoil the experience nor the communities that we are interacting with. That is why we mostly focus on high-end clients who are willing to pay for something more authentic in a way that will bring value to the country and local communities.

**One of the challenges of the country is to sell this added value. What is your view on this?**

Our market is global, and currently destinations are in competition with each other. Morocco must establish a unique selling proposition that will differentiate it from other destinations. It is important to show that Morocco is diverse. For example, we have one of the best windsurfing spots in the world. Marrakesh is the most touristic city in Morocco, and it still has so many hidden gems. Overall, in order to sell our entire offerings, we need the adequate infrastructure around it.

**What are your goals for 2020?**

Historically, we have had mostly a business travel focus, since we work with many corporations. Now, we are focusing more on bringing tourists to Morocco, so it will be a similar strategy for 2020. We are present in the US, Mexico, most of Europe, the Middle East, Russia, and other regions through our partners. Now, we are trying to develop more and find out more about these markets. ✖

---

***Experienced double-digit growth between 2017 and 2019***

---

***Present in the US, Mexico, Europe, the Middle East, and Russia***

---

**BIO**

Habib El Fassi has been Managing Director of Visit Morocco Travel & Events since 2013. A telecoms engineer by training, he began his professional life in strategy and marketing consultancy. After completing an MBA at INSEAD, he joined Inditex Moroccan franchisee as country manager. He embarked on modernizing and making Moroccan cuisine accessible to all and joined Visit Morocco Travel & Events. He has developed original, authentic, and exclusive customer experiences, making Visit Morocco Travel & Events a benchmark in the MICE segment and high-end leisure customers.



[The text in this section is extremely blurry and illegible. It appears to be several lines of text, possibly a caption or a short paragraph, but the characters are not discernible.]

# CHAMPIONING SUSTAINABLE DEVELOPMENT

Morocco's unique landscapes and cultural heritage have made tourism a fundamental pillar of the economy. The goal now is to preserve cultural identities, protect the environment, and uplift local communities so the country can successfully surf the wave of sustainable development.

**MOROCCO'S UNIQUE GEOGRAPHIC LOCATION** at the intersection of Europe and Africa and bordered by the waters of the Mediterranean has resulted in a tourism boom over the past decades. Not only does the country offer a vast variety of landscapes, ranging from beaches and mountains to deserts and jungles, it also presents tourists with an opportunity to discover two millennia of history and vestiges of several great civilizations and dynasties that succeeded one another.

In 2019, the sector accounted for almost one-fifth of GDP and employed more than 2 million people, or 20% of the total workforce. All this happened as Morocco received a record 13 million tourists, up 5.2% YoY.

But as the number of tourists travelling to Morocco skyrockets, COVID-19-related challenges aside, many are considering ways to make their trips sustainable. Fully aware of this trend, the government has been guiding growth in the sector toward the path of sustainable development.

Home to six national parks and reserves, 200 species of birds, and 105 species of mammals, including many endangered ones, Morocco is working on preserving its diversity via a real commitment to environmental principles by the government. King Mohammed VI launched the Moroccan Responsible Tourism Charter in 2016 and signaled his determination to make Morocco a sustainable tourism leader that protects its environment and cultural heritage. The end goal is to ensure that tourism goes beyond the beach resorts of the past to benefit natural and cultural attractions across the country.

While Marrakesh and Agadir continue to host the majority of tourists, the Ministry of Tourism is consequently seeking ways to develop alternative tourism sites. At the national level, destination stewardship planning is underway with multiple stakeholders, including NGOs, the private sector, government, and local communities, to promote sustainable tourism.

The Taghazout seaside resort is a prime example of this. In 2H2018, a EUR10-million agreement was signed between the

French Development Agency (AFD) and the Company for the Development and Promotion of the Taghazout Resort (SAPST), which is responsible for planning and developing 4.5km of the region's coastline, to strengthen the integration of neighboring communities into the bustling tourism industry, protect the environment, and preserve local culture. In total, AFD is working on more than 40 projects in Morocco with the aim of extending the range of sustainable services, open up rural areas, and make the country more resilient to climate change.

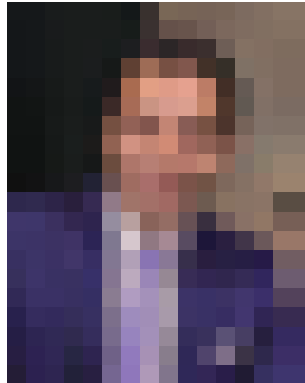
Elsewhere, in Moqrisset, a town located in a mountainous region that is home to 44 tribes and only 10,000 people, an inn called Djebli Club has become a place where the new and old worlds meet. Practicing a form of collaborative tourism where people pay in knowledge rather than in cash, every resident of Djebli Club, depending on their area of expertise, is required to devote two to three hours per day to workshops or trainings for the local community.

The rise of sustainable tourism in Morocco is also reflected in the growing reputation of Green Key, an internationally recognized environmental label that is awarded to accommodation establishments that comply with a set of eco-friendly criteria. With 44 Green Keys, Morocco is among the top-10 countries with the highest number of awards. Staying at a Green Key establishment in Morocco is unique. Not only do establishments do their best to enrich customer experience and ensure their stay is aligned with ecotourism principles, each property has its own way of recycling waste and lowering the use of energy and water. All the properties in Morocco also work with guests, suppliers, and staff to create the changes necessary to promote and uphold the Green Key Label.

The government has certainly multiplied its efforts and collaboration with different stakeholders to further advance sustainable tourism and sustainability in general. And such has been the country's performance that it did not surprise many when Morocco was ranked the second-most sustainable country in the world by the 2019 Climate Change Performance Index. ✖

# room for GROWTH

As one of the only hotels in Casablanca with a prime ocean-front location, Four Seasons Hotel is helping Casablanca capture a larger share of the leisure market.



Mehdi Zaanoun  
GENERAL MANAGER,  
FOUR SEASONS HOTEL  
CASABLANCA

## *Majority of leisure guests from US, Canada, and China*

### What have been the main achievements of Four Seasons Hotel Casablanca over the last four years?

Opening and establishing the first luxury hotel in the city has definitely been the key achievement for us over these last few years. More importantly, our unique oceanfront location has also allowed us to tap into the leisure segment, which has always been overlooked in Casablanca. The city has become a major gateway for Africa and Europe, attracting tourists from around the world as well as being an economic hub for business. Previously, leisure travelers preferred to visit cities like Marrakesh and Fes over Casablanca due to the absence of a luxury hotel. We used this as an opportunity to capture a larger share of the leisure market. We have received positive feedback from our corporate clients, the majority of whom are international, as well as local companies that choose our property over other hotels because of the Four Seasons service.

### How would you evaluate the state of tourism in Casablanca?

Casablanca has great potential as a tourism hub. The government realizes this and is upgrading the airport and looking to attract airlines from around the world. Morocco is well connected to Europe, the Americas, the GCC, and Asia, especially China, which has recently become a strategic market for us because of the visa-free program launched by the two countries. As of June 2019, Morocco received 8 million visitors, marking an 8% increase YoY. Marrakesh and Agadir are driving the growth, but other cities are also improving their offerings. The leisure sector in Morocco is strong, and this has helped both the country and cities like Casablanca unlock the full potential of the tourism sector.

### Can you tell us about your average client profile?

We have two major categories of guests: leisure and business. The majority of our leisure guests come from the US, Canada, and China. The GCC is our third-biggest market, mainly Saudi Arabia, the UAE, and Bahrain. Our business travelers are primarily from Europe, specifically France. The hotel is equipped with all the necessary facilities to cater to all kinds of guests throughout the year.

### What is Four Seasons' added value?

Our location, service, and our unique F&B offerings are our main differentiators. Moreover, the design of the hotel also stands out. We are one of the few hotels in the city with a prime oceanfront location. Both leisure guests and locals enjoy our services and facilities, whether having lunch at our signature restaurant Bleu, afternoon tea in our lobby Mint, or a luxurious treatment at our spa. We have an extraordinary location just a few minutes from the city center, which allows both our leisure and business guests to disconnect from the rest of the world and relax in our garden oasis.

### What are your goals for the future?

We continue to look at expanding our footprint in the leisure segment in key markets such as North America, the GCC, Europe, and China, as well as other emerging markets in Latin America, capitalizing on new airlifts from these markets. We will continue to invest in marketing to grow in other markets by participating in trade shows to showcase our unique offerings. An increase in hotel offerings in the city and a revitalized airport will attract more tourists in the future. The government is undertaking a number of ambitious initiatives, which will bring new opportunities in the future. ✖

#### BIO

Mehdi Zaanoun joined Four Seasons Hotel Casablanca as General Manager in 2018. He has a degree from École Hôtelière de Lausanne. Zaanoun's hospitality experience began at the Four Seasons Hotel George V in Paris, followed by a 14-year career that saw him advance in management through food and beverage with various international hotel groups in France and the Middle East.



## PUTTING THE *customer first*

Located in close proximity to the business district, the old medina, and famous markets, Mövenpick Hotel Casablanca has something for everyone.

### BIO

Amr Kallini has been the General Manager of Mövenpick Hotel Casablanca since 2014. Prior to this, he was general manager of Mövenpick Hotel Cairo between 2007 and 2014. Throughout his career, he has acquired more than 25 years of international experience, including stints with other renowned international companies such as Starwood and Hilton. Kallini has a bachelor's in business administration from the University of Maryland and a master's in business administration from Boston University.

Amr Kallini  
GENERAL MANAGER,  
MÖVENPICK HOTEL CASABLANCA

**What is your assessment of the tourism sector and of the hotel industry in Morocco?**

The tourism sector in Morocco is under development. We have Marrakesh, a destination that has been chosen among the top-10 destinations worldwide. There are also new areas such as Taghazout and Dakhla, which are gaining momentum quickly. As for hotels, there are plenty of new properties being constructed in Rabat, Casablanca, Marrakesh, and Tangier.

**How did 2019 compare to the year before, and what has changed in terms of trends?**

The first five months of 2019 were good for Marrakesh, Agadir, and Rabat, but it slowed down toward the third quarter. On the other hand, Casablanca had a slow start in 2019. Growth has declined mainly due to new openings and bad performance of other sectors, such as real estate and agriculture.

**What are the biggest challenges in the sector that Mövenpick Hotel Casablanca has successfully overcome to maintain its position within the hotel industry?**

The biggest challenge is to continuously update the property to meet the demanding requirements of customers and keep in close contact with guests to understand their needs.

**Serving both business and leisure travelers, how do you position Mövenpick Hotel within the hospitality market?**

Mövenpick Casablanca is oriented toward business travelers during weekdays, with a daily presence of local seminars. Over weekends and during the summer, we host the leisure segment in addition to several airline crews as well.

**What are your unique offerings? How can people utilize your premises for business or special events?**

Mövenpick Casablanca has a unique location, centrally located between the

**“The biggest challenge is to continuously update the property to meet the demanding requirements of customers and keep in close contact with guests to understand their needs.”**

headquarters of major banks and next to the head office of major multinational organizations. Apart from an amazing sky bar rooftop with a pool, Mövenpick Casablanca offers a central location that is in close proximity to famous markets and cafes.

**How are increasing innovations in technology affecting the hospitality industry and your operations?**

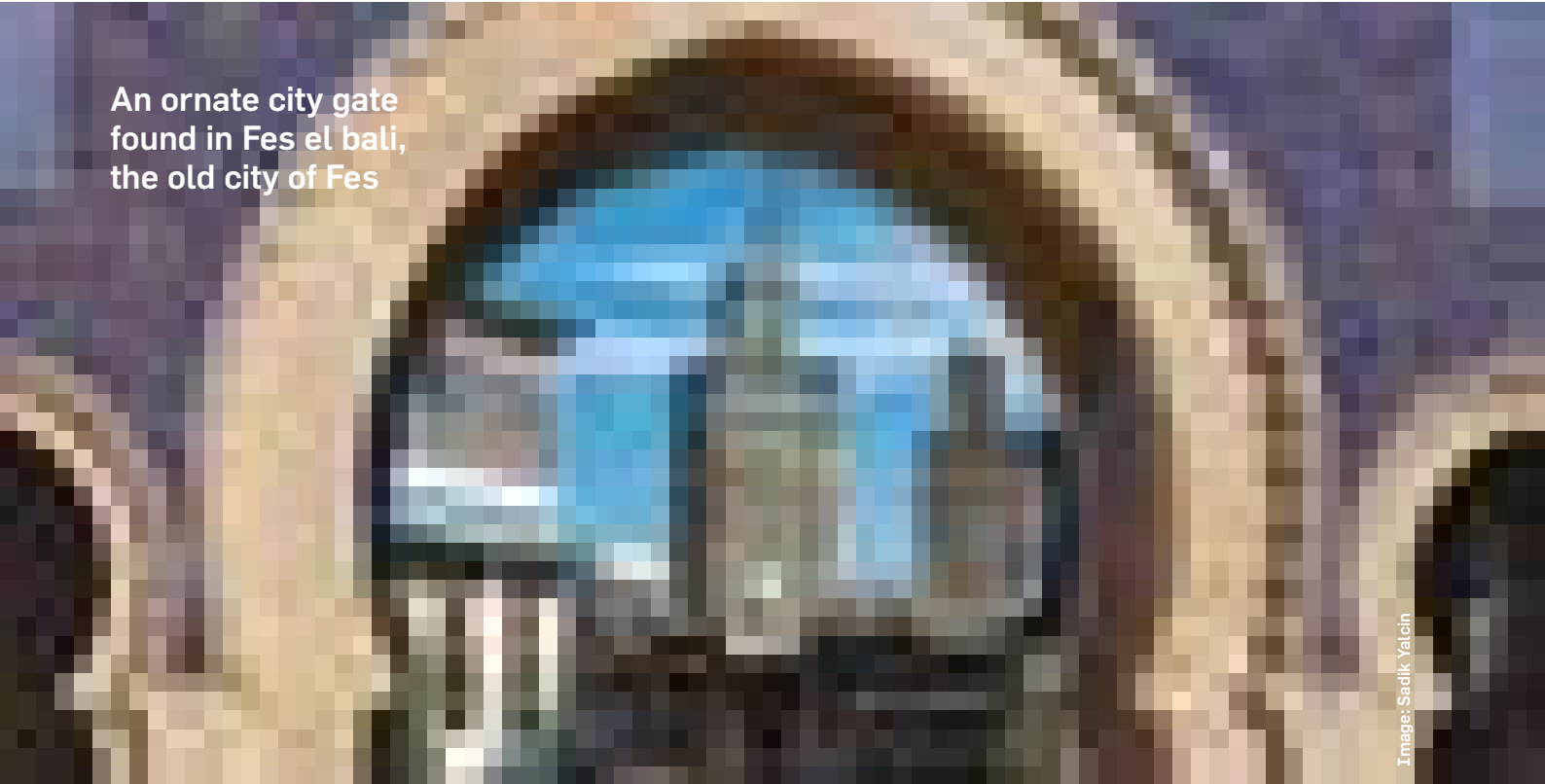
We have succeeded in acquiring the latest technology in Wi-Fi and internet-enabled TV. At present, we are working on putting an iPad in each room. Guests will be able to use the iPad to order room service, control the room's lights, and operate the TV.

**What is your outlook for the future?**

With new openings in Morocco, and especially in Casablanca, we expect the competition to be furious. Moving forward, all hotels will need to concentrate on updating their infrastructure and improving guest satisfaction rates to retain their loyalty. ✖

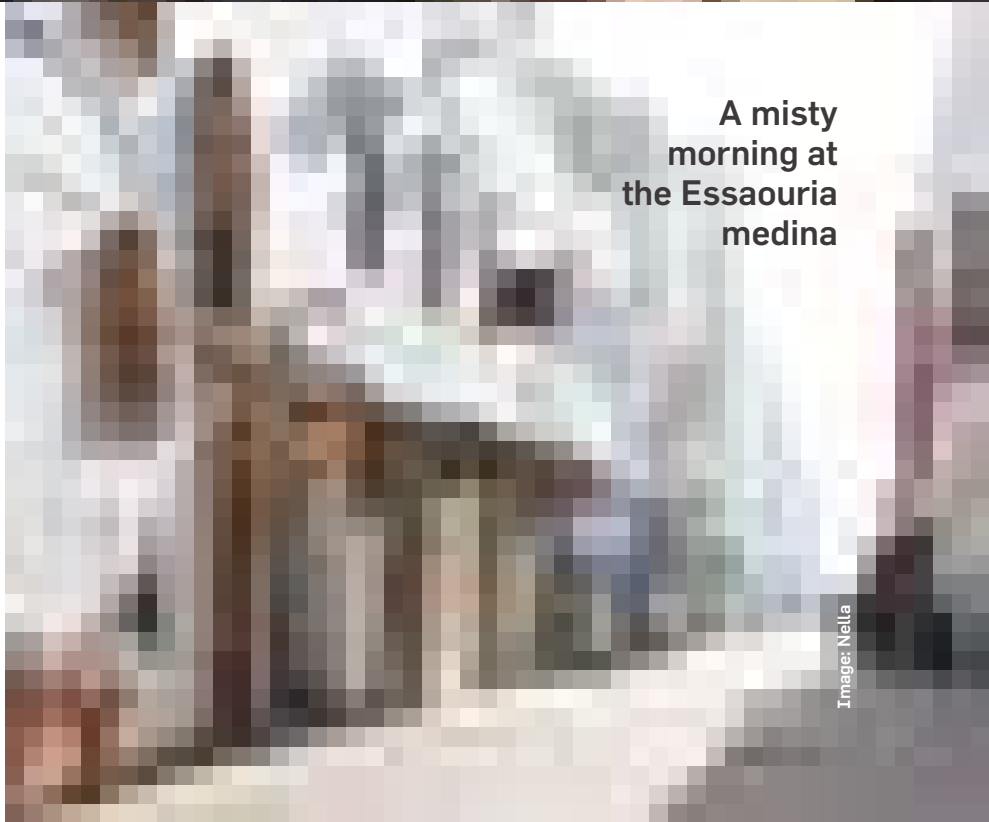
# HISTORY, PRESERVED

Morocco has its fair share of tourists, and the majority rarely leave without experiencing a historic medina.



An ornate city gate found in Fes el bali, the old city of Fes

Image: Sadik Yalcin



A misty morning at the Essaouria medina

Image: Nella

**MOROCCO HAS LONG ATTRACTED** the attention of adventurous travelers, who are drawn to its unique blend of Arab and Berber culture and the many historic towns and cities that dot its landscape.

And at the heart of many of Morocco's most iconic cities lies a medina, meaning "town" or "city" in modern Arabic, but generally referring to the old, walled city still existing as a vestige to a time long past.





Image: Kenneth Dedeu

The colorful streets of the Meknes medina

Built at a time before the advent of motorized transport, Morocco's medinas feature narrow streets, sometimes as little as a meter wide, making them highly dense urban hubs, but also strong magnets for visitors, drawn by their many alluring features, including souks, mosques, and colorful architecture.

One of Morocco's most impressive medinas lies in Marrakesh, one of the four imperial cities of Morocco. And within the medina, tourists throng to El-Badi Palace and Koutoubia mosque. Rivalling it is the medina at the heart of Fes, another imperial city and former capital. This medina is recognized as one of the oldest, best preserved, and largest medieval areas in Europe and Africa, dating back to the 9th century. Visitors often speak of the sharp contrast of stepping out of the medina and into the modern city of Fes.



Image: Balate Dorin

A panoramic view of the Marrakesh medina



Image: themajestic

Striking blue walls in the Chefchaouen medina

Other medinas that shouldn't be missed include those at Meknes, often called the Versailles of Morocco, Essaouria, which enjoys views of the Atlantic ocean, Rabat, the current capital of Morocco with a medina that, until the early 1900s, represented the entirety of the city, Casablanca, immortalized in film but with a medina that transports visitors back to the 18th century, Tangier, possibly home to one of the most visited medinas in the country due to the city's proximity to Europe, and many more.

As Morocco continues to modernize, its medinas will continue to represent the historic traditions of this ancient land. And with the government keen to maintain a well-rounded economy, the medinas continue to form a key aspect of the country's tourism promotion efforts, showcasing the best of Morocco from centuries past.

Tangier, just a short hop across the water from Gibraltar, is popular with European tourists





# IMPORTING & EXPORTING HAS NEVER BEEN SO EASY..... PLANE SIMPLE

For more information, contact us at **05 22 97 2020**  
or visit our website **[www.dhl-ma.com](http://www.dhl-ma.com)**






الوكالة المغربية لتنمية الاستثمارات و الصادرات  
MOROCCAN INVESTMENT AND EXPORT DEVELOPMENT AGENCY


“Your Key Partner to Invest in Morocco  
and Export to the World”



**INVEST . EXPORT . PROMOTE**

 /company/amdie-agency

 /c/amdie

 @amdie\_agency

 /amdie.agency

 www.amdie.gov.ma