

MOROCCO COUNTRY DAY



INVESTMENT & BUSINESS OPPORTUNITIES IN MOROCCO



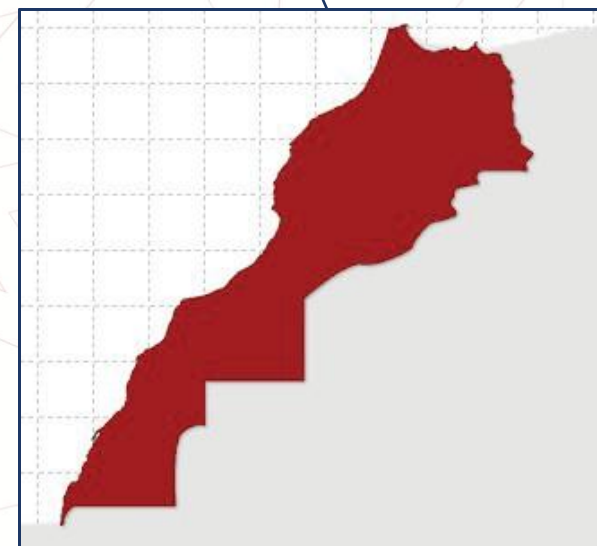
الوكالة المغربية لتنمية الاستثمارات و الصادرات
MOROCCAN INVESTMENT AND EXPORT
DEVELOPMENT AGENCY

Istanbul, April 2nd 2019

MOROCCO: BUSINESS CLIMATE

MOROCCO OVERVIEW

Capital	Rabat						
Institutional System	Democratic and social Constitutional Monarchy						
Area	710 850 km ²						
N° of inhabitants	35.4 millions						
Time Zone	GMT (GMT+1 in summer)						
Languages	Arabic and Amazigh (official) French. Spanish. English						
GDP 2017	110 Billion USD						
GDP per capita 2017	3 125* USD						
Growth 2017	+4.1%						
GDP Distribution (2017)	<table border="0"> <tr> <td>Primary Sector</td> <td>14%</td> </tr> <tr> <td>Secondary Sector</td> <td>29.5%</td> </tr> <tr> <td>Tertiary Sector</td> <td>56.5%</td> </tr> </table>	Primary Sector	14%	Secondary Sector	29.5%	Tertiary Sector	56.5%
Primary Sector	14%						
Secondary Sector	29.5%						
Tertiary Sector	56.5%						
Inflation Rate 2017	0.7%						



STRONG MACROECONOMIC DRIVERS

Average
2012-2016

3.2%

1.5%

9.4%

Average
2012-2017

7.6%

2017

4.1%

0.7%

10.2%

2017

12%



GDP Growth



Inflation rate



Unemployment rate



FDI inflow
growth

Morocco has shown resilience to the crisis, posted growth driven by internal demand and public investment, and controlled inflation

A BUSINESS ENVIRONMENT CONDUCIVE TO INVESTMENT

NO RESTRICTIONS ON CAPITAL FOR NON-RESIDENTS

MORE THAN 100 NON DOUBLE TAXATION AND INVESTMENT PROTECTION AGREEMENTS

FREE REPATRIATION OF PROFIT AND CAPITAL FOR NON-RESIDENTS

Control Risks

Low security risk



Morocco



USA



Sweden



UK



Portugal



Spain

Medium security risk



South Africa



Romania



Tunisia



Turkey



Mexico



Brazil

High security risk



Algeria



Mauritania



Egypt



Mali



Nigeria



Venezuela

MOST ATTRACTIVE AFRICAN COUNTRY FOR FOREIGN INVESTORS



World Bank Ease of Doing Business 2010-2018

	Africa Rank 2018	Global Rank 2018	vs. 2010
Morocco	3	69	+59
China	-	78	+11
South Africa	5	82	-48
Tunisia	7	88	-19
India	-	100	+33
Brazil	-	125	+4

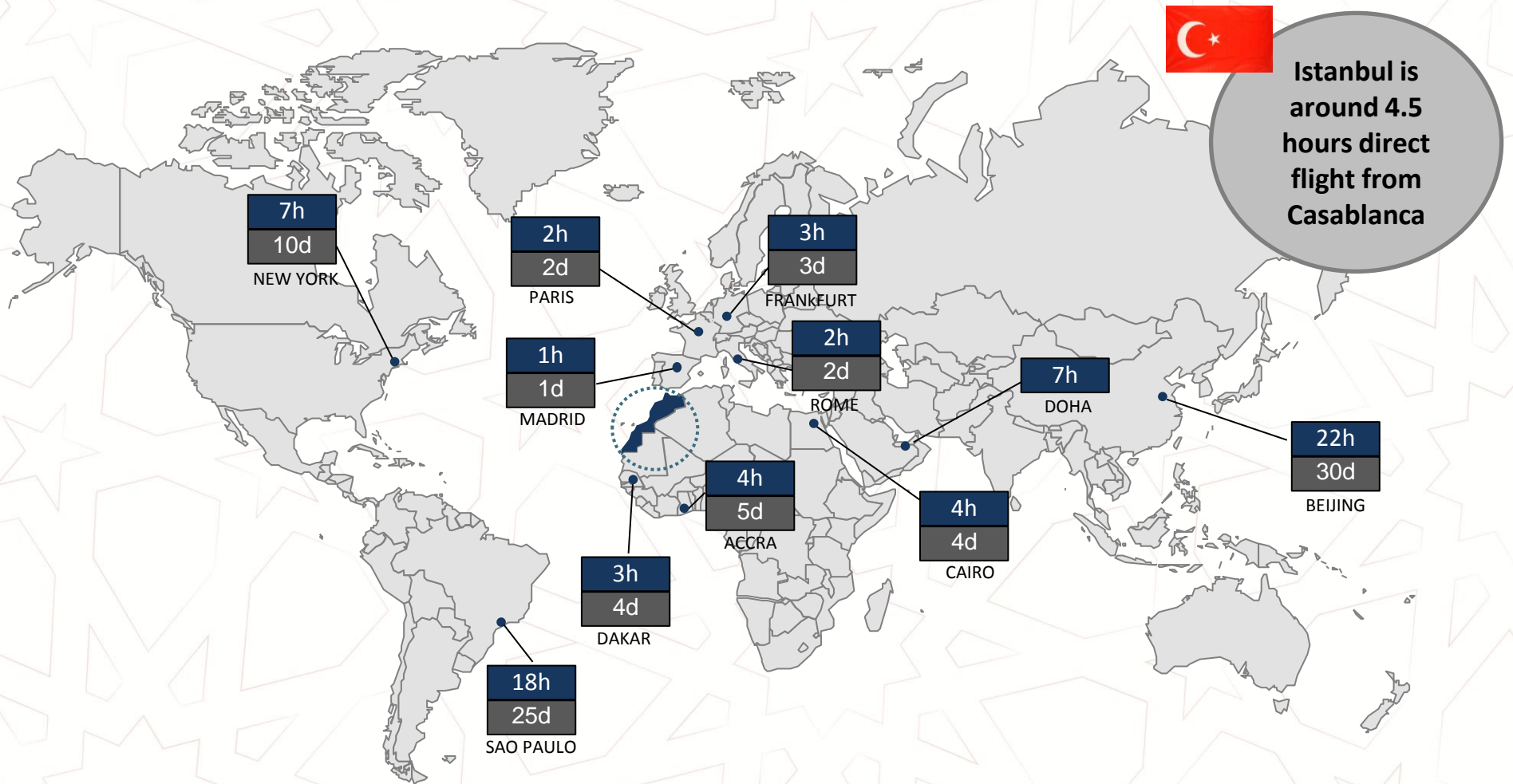


1st Most attractive African
country for foreign investors



1st Most attractive
economy for investments in
Africa

GEOSTRATEGIC LOCATION AT THE CROSSROADS OF THE CONTINENTS



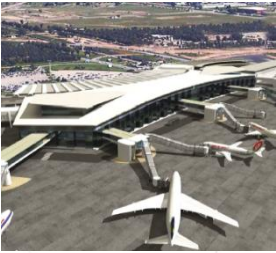
Flight duration
 Sea/land route

Due to its political stability, solid infrastructure, and strategic location, Morocco is rapidly becoming a regional manufacturing and export base for international companies.

A STATE OF THE ART INFRASTRUCTURE

Airports

16 international airports
Casablanca #1 hub between Europe and Africa



Ports

2 shorelines: Mediterranean and Atlantic
38 ports among which 13 dedicated to foreign trade.



Tramways

Rabat and Casablanca
1 Billion EUR investment



Highways

Network multiplied par 12 in 15 years
Connecting 70% of the population



Trains

1st high-speed train (Tangier-Casablanca)
1.8 Billion EUR investment

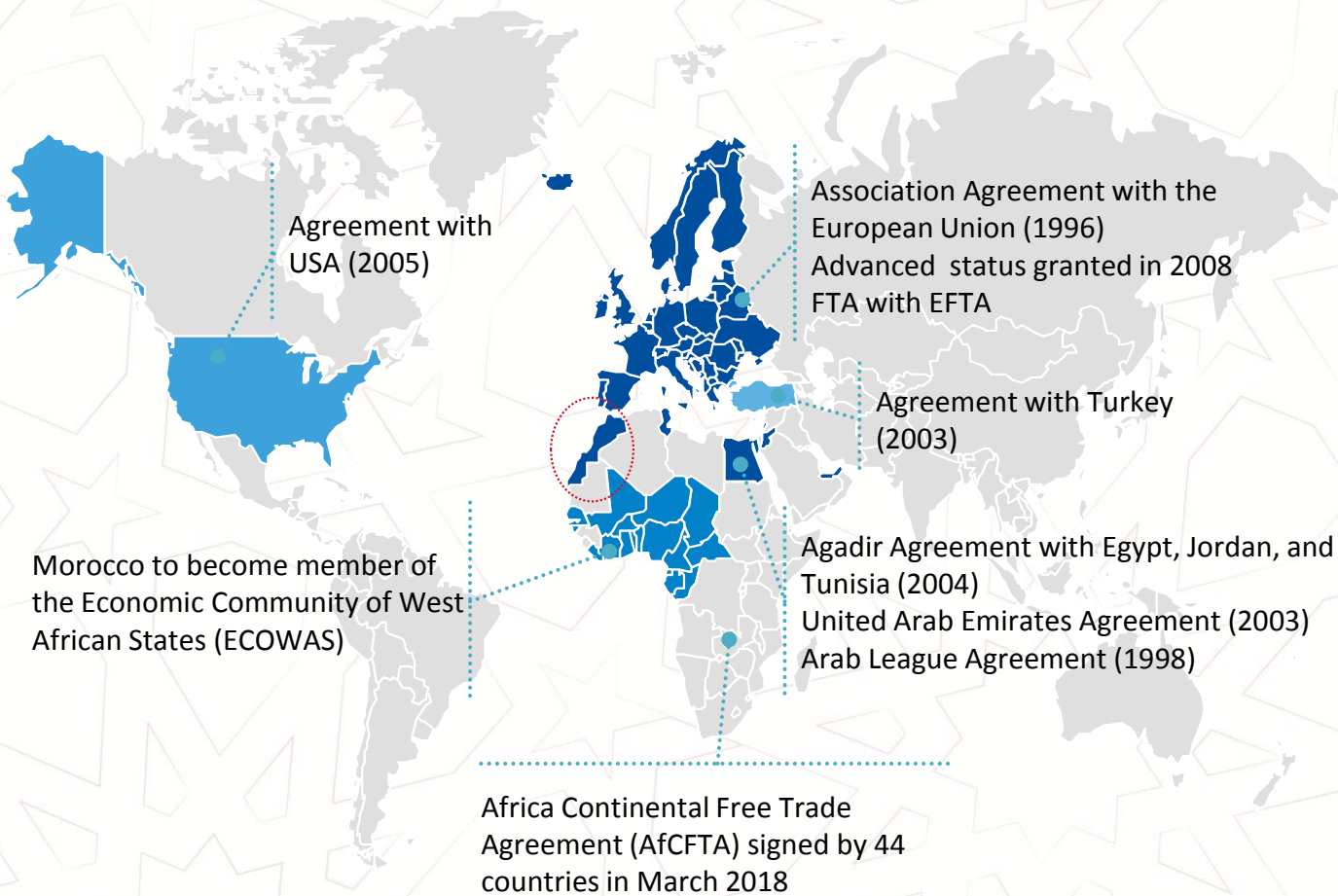


TANGIER MED PORT

- 1st Free Zone on the African Continent (Financial Times 2016)
- 5th largest port of the Mediterranean sea
 - . Ideal platform to serve Mediterranean and Western African countries
 - . Connections to 186 international ports in 77 countries
 - . Capacity of 8,2 million containers in 2017
 - . Target : Top 15 worldwide
- Index of liner shipping connectivity in Morocco : ranks 16th on the liner shipping connectivity index (# 1 in Africa)



UNIQUE SET OF FREE TRADE AGREEMENTS GIVING ACCESS TO 1.3 BILLION CONSUMERS



Free Trade Agreements with 55 countries (#1 in Africa)

Only African country having a FTA with the US

In order to foster investment in Morocco, Moroccan Government implemented key administrative, fiscal, real estate incentives along with several trade agreements

MOROCCO : KEY SECTORS AND INVESTMENT OPPORTUNITIES

AMBITIOUS SECTORAL STRATEGIES

INDUSTRY : PERFORMANT CLUSTERS STRATEGY 2020



- Industrial GDP to reach 23% of global GDP
- Creation of 500 000 jobs
- Creation of Industrial Development
- Fund: \$2 Bn
- Allocation of 1 000 hectares of land for rent
- Balance of trade balance

TOURISM : 2020 VISION



- 20 million tourists in 2020
- 200 000 new beds
- Tourism GDP: from US\$6 billion in 2010 to US\$17 billion in 2020

ENERGY : MOROCCAN SOLAR PLAN 2020



- Renewable energy > 42% of national production by 2020 (52% in 2030)
- By 2020: 2 000 MW of solar power + 2 000 MW of wind power

AGRICULTURE : GREEN MOROCCO PLAN 2020



- To modernize the agricultural sector
- US\$10 billion in additional GDP from agriculture
- US\$15 billion in public and private investments

LOGISTICS: BY 2030



- To improve the country's logistical competitiveness
- To reduce logistical costs from 20% to 15% of GDP,
- An integrated national network of 70 multi-flow logistical zones

DIGITAL: Plan 2020



- Reduce significantly the digital divide
- Encourage IT use by SMEs
- Achieve 50 % of administrative procedures online

INDUSTRIAL ACCELERATION PLAN 2014-2020 : CREATE THE MOMENTUM FOR THE INDUSTRIALIZATION OF MOROCCO

Succeed in boosting
our industrialization...

...through the development
of competitive clusters

500 000

Jobs created in the industry, half of them through foreign investments

JOB
CREATION

- . Cornerstone of the IAP
- . Competitive clusters as a key to modernize and integrate each industry

INDUSTRIAL
CLUSTER
STRATEGY

+9pts

Raise the share of industry in the GDP To 23%

ADDED
VALUE

- . Industrial fund : 20 Billion MAD
- . Land : 1000 hectares
- . Dedicated financial products
- . Coordinated training programs
- .

SUPPORTIVE
MEASURES

0

Rebalance our trade accounts by promoting exports and substituting local sourcing to imports

TRADE
BALANCE

- . Rebalance trade
- . Include informal economy
- . Increase vertical integration MNC/SMB

TRADE
BALANCE
AND INCLUSIVE
DEVELOPMENT

INDUSTRIAL ACCELERATION PLAN : 14 PERFORMANCE CONTRACTS ALREADY SIGNED



Automotive



Aerospace



Textile



Pharmaceuticals



Offshoring



Leather



Chemicals



Heavy Trucks



Mechanical and
Metalworking industries



Building Material



Naval



Plastics processing



Agrifood



Phosphate Industries

AUTOMOTIVE INDUSTRY IN MOROCCO



THE DEVELOPMENT OF AUTOMOTIVE SECTOR, A STRATEGIC CHOICE

1ST
EXPORTING
SECTOR IN
MOROCCO

700.000
INSTALLED PRODUCTION
CAPACITY OF VEHICLES

1ST
PRODUCER OF
VEHICLES IN
AFRICA

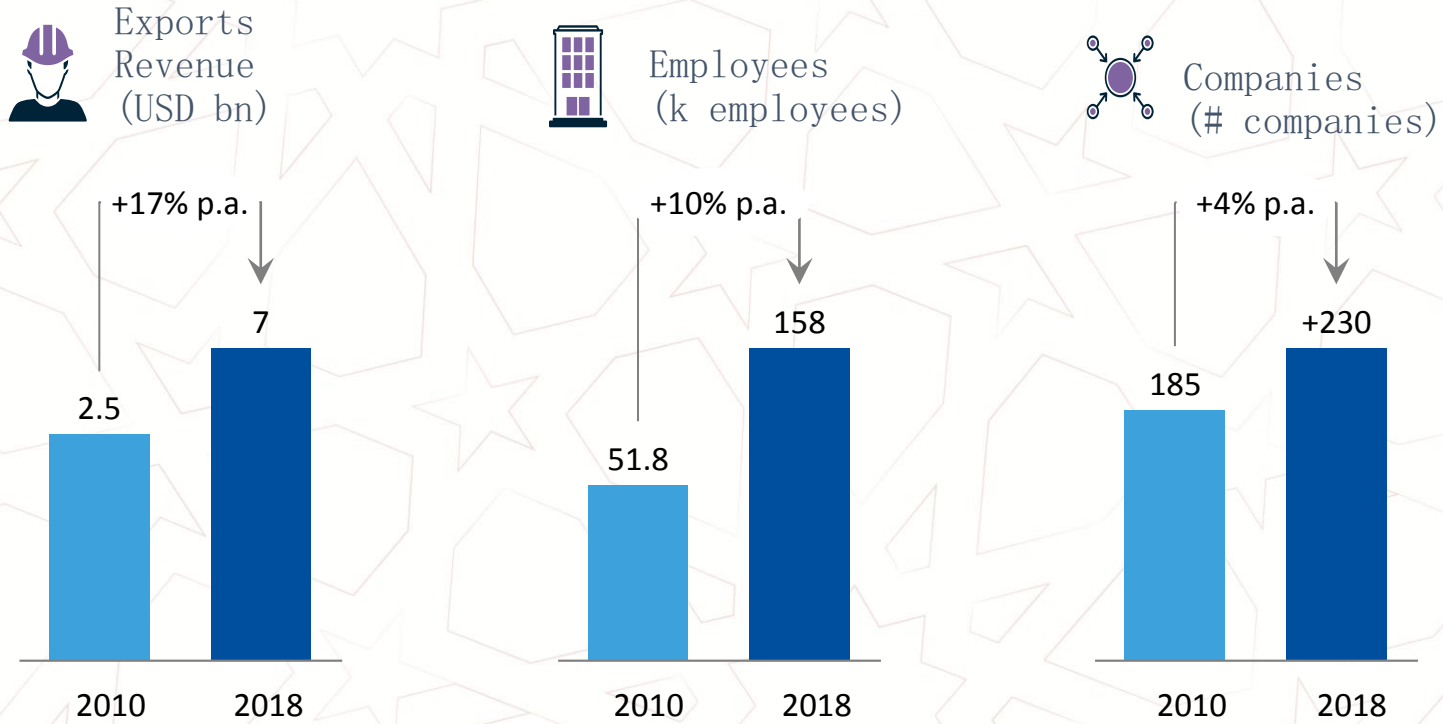
+3
BILLION EUR
OF SOURCING

3
AUTOMOTIVE OEMs

+200
AUTOMOTIVE
SUPPLIERS

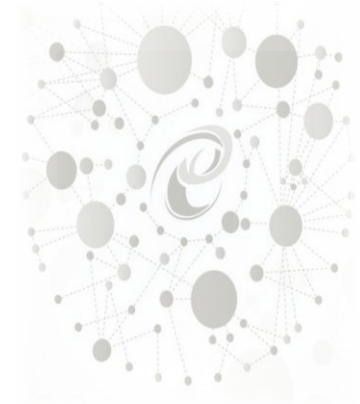
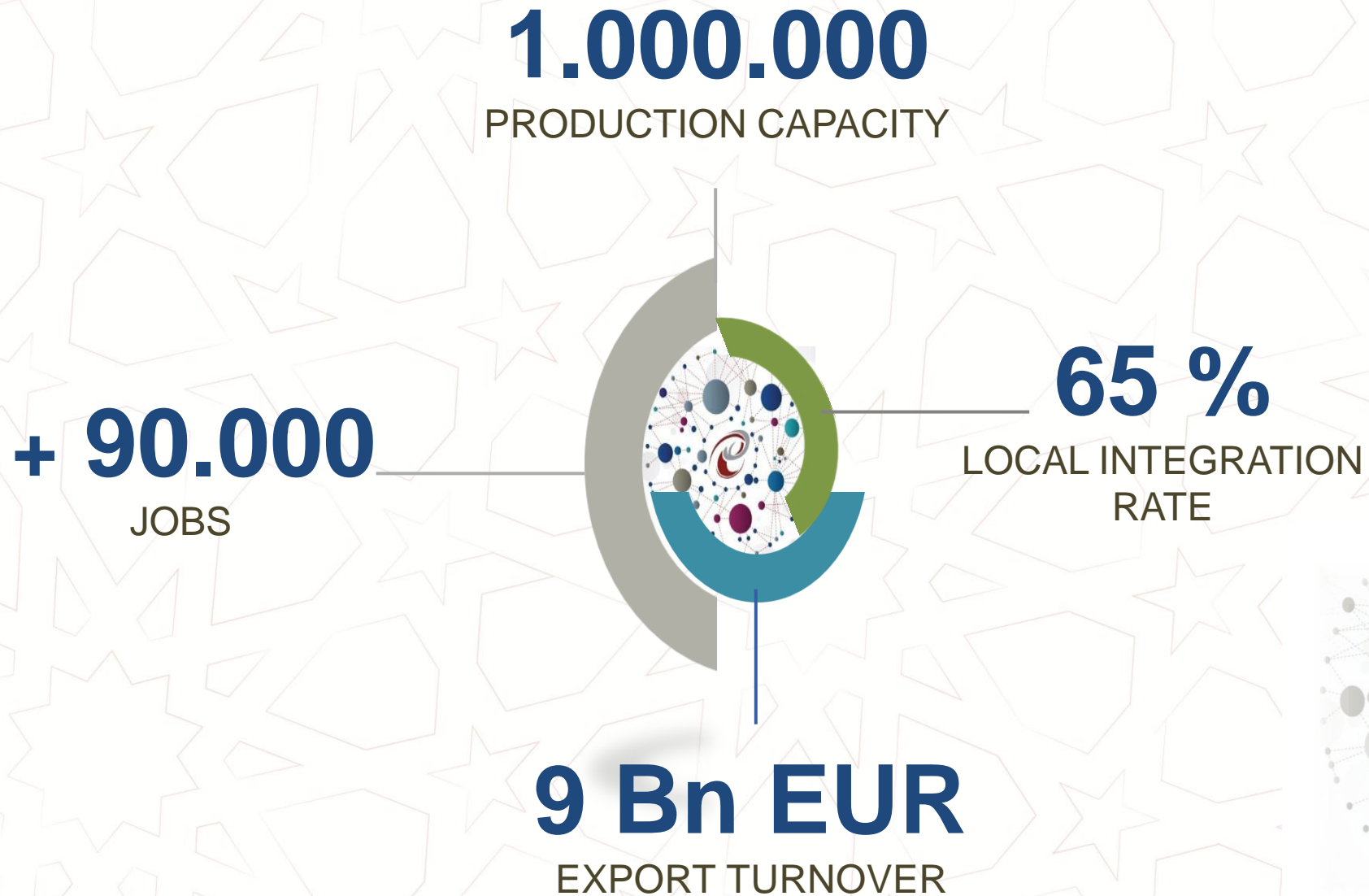


MOROCCO BOOMING AUTOMOTIVE INDUSTRY

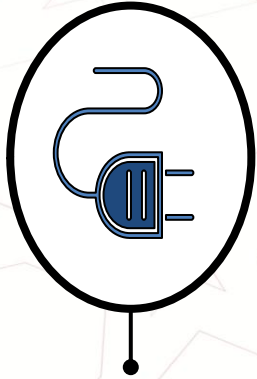


Morocco has emerged as a world class platform for the automotive industry in 20 years

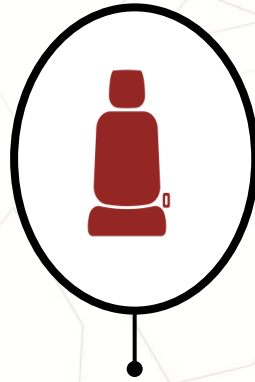
IAP OBJECTIVES FOR THE AUTOMOTIVE SECTOR (2014-2020)



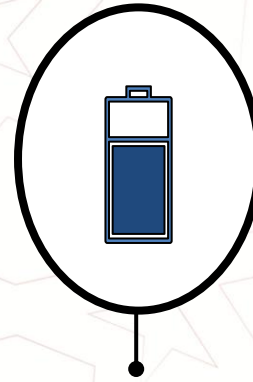
8 AUTOMOTIVE ECOSYSTEMS COVERING THE VALUE CHAIN



Automotive wiring



Vehicle interior and seats



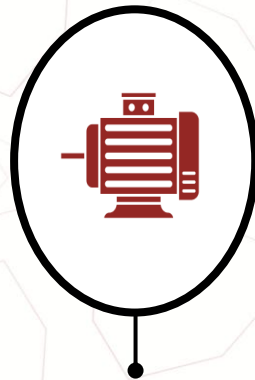
Automotive batteries



Renault



Heavy goods vehicles and industrial bodywork



Motors and transmission



Metal stamping



PSA

THEY TRUSTED MOROCCO

3 OEMs



RENAULT



PSA GROUPE



Others in negotiations



More than 200 automotive suppliers



RENAULT'S SUCCESS STORY IN MOROCCO: LEADER ON THE DOMESTIC MARKET

- Launch of Tangier plant, **largest** automotive manufacturing plant in Africa
- Creation of a dedicated **Training Institute** (IFMIA)

2012



- **42%** domestic market share in Morocco
- **1,000,000th** vehicle produced
- 60 cars / hour
- Vehicles exported to 70 countries

2017

2023



- **EUR 2 b** revenue per year
- 450,000 vehicles a year
- Total invest. EUR 868m
- 65% of local integration
- **50,000** direct jobs

GROUPE RENAULT

Fabrice Cambolive
VP Renault – Nissan Africa,
Middle East & India



Renault in Morocco achieved a market share & production record. It shows that our vehicles are appreciated in Morocco but also in export markets, and especially in Europe as quality products.

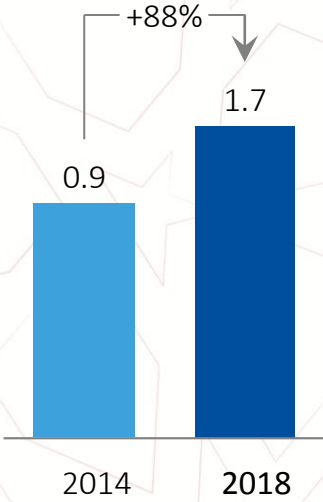
1. BMI Research Group's Autos Production Risk/Reward Index 2. Société Marocaine de Constructions Automobiles, a Moroccan car manufacturer founded in 1959
Sources : Company's website, Moroccan Ministry of Industry, Investment, Trade and Digital Economy

AEROSPACE INDUSTRY IN MOROCCO

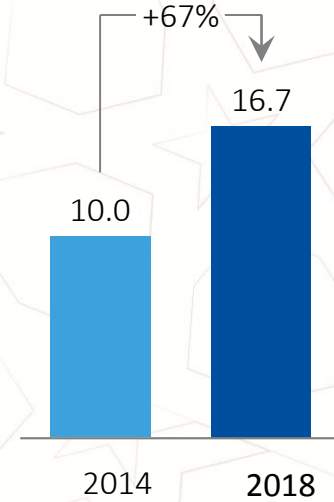


MOROCCO'S AEROSPACE INDUSTRY SPREADS ITS WINGS

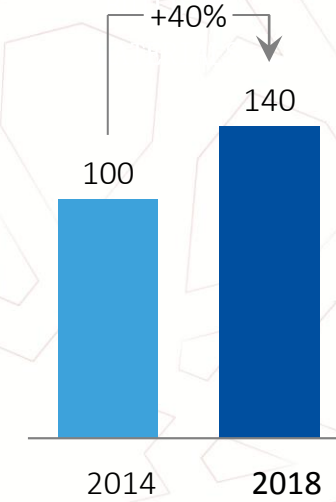
 Sales
(USD bn)



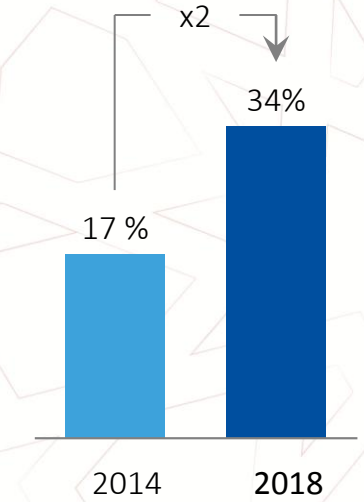
 Employees
(k employees)



 Companies
(# companies)



 Integration
(% local integration)



Morocco has emerged as a world class platform for the aerospace industry in 15 years

A 20-YEARS JOURNEY TO BUILD A LEADING AEROSPACE INDUSTRY

Number of companies (non-exhaustive)



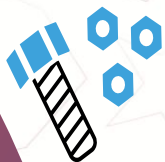
4 AEROSPACE ECOSYSTEMS



Engineering + 3,400 job creations
+ \$ 0.1 Bn additional sales



EWIS + 4,900 job creations
+ \$ 0.3 Bn additional sales



Assembly + 8,700 job creations
+ \$ 1.0 Bn additional sales



MRO + 6,000 job creations
+ \$ 0.2 Bn additional sales

+ 23 000
additional jobs
+ \$ 1.6 Bn
additional sales

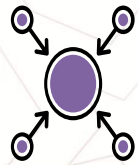
Ambitious
targets
by 2020

BOEING SUCCESSFUL SOURCING ECOSYSTEM IN MOROCCO



Long-term relationship between Morocco and Boeing

- 2001: joint-venture with Safran in Casablanca
- 2016: launch of Boeing sourcing ecosystem



Convergence

Between operational and quality requirement of Boeing and Morocco unique subcontractors ecosystem

120 suppliers



\$1bn economic impact¹



8,700 jobs²



0 offset³



Ray Conner
President of Boeing Commercial Airplanes



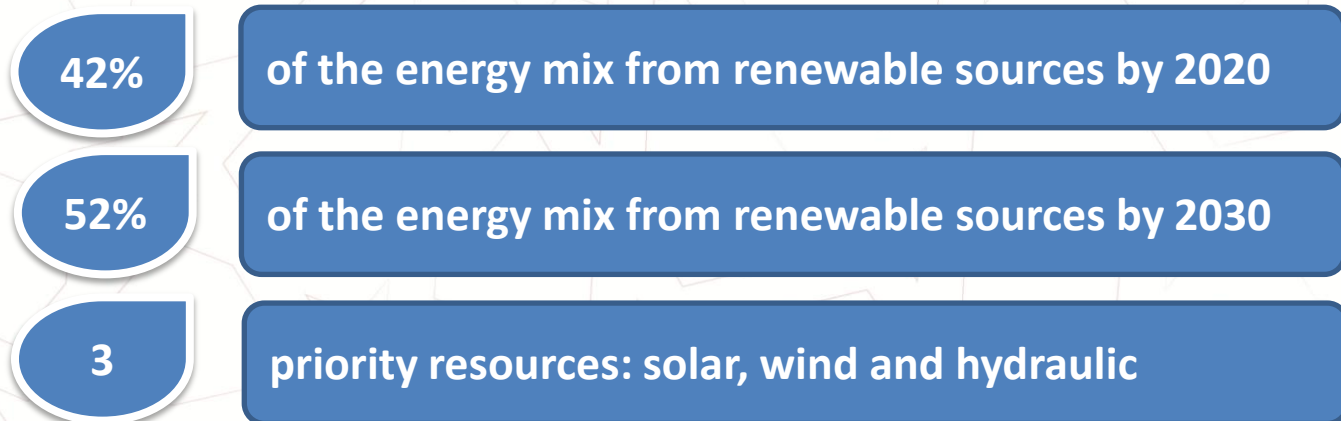
We have witnessed the unique opportunities that Morocco offers to aerospace subcontractors to reduce their cost while producing high quality aerospace products

1. Yearly expected exports, in-country direct and indirect revenues 2. Expected number of direct jobs created 3. No replacement of existing industries
Sources: Institutional sites, AMDIE

RENEWABLE ENERGY IN MOROCCO



Morocco has launched a very large integrated program of **electricity generation from renewable energies** aiming to reach:



One of the largest projects in the world, aiming for a total capacity of **6000 MW* by 2020**, through the construction of:

- ➔ Five **solar** power plants (installed capacity of 2000 MW)
- ➔ New **wind** farms (installed capacity of 2000 MW)
- ➔ New **hydropower** production units (min. installed capacity of 2000 MW)

**including private projects*



FOCUS: SOLAR POWER PLANTS DEVELOPED BY MASEN

The Moroccan program of solar energy "NOOR" is part of the energy strategy drawn in accordance with the High Guidelines of the Sovereign.

4 sites

2000 MW
min.
capacity in
2020

Multiple
technologies



CSP with
parabolic
troughs

160 MW
3 hrs storage

CSP with
parabolic
troughs

200 MW
> 7 hrs storage

CSP with
power tower

150 MW
> 7 hrs storage

Photovoltaic (PV)

Noor Ouarzazate IV: 72
MW
Noor Laayoune: 85 MW
Noor Boujdour: 20 MW

Hybrid (CSP & PV)

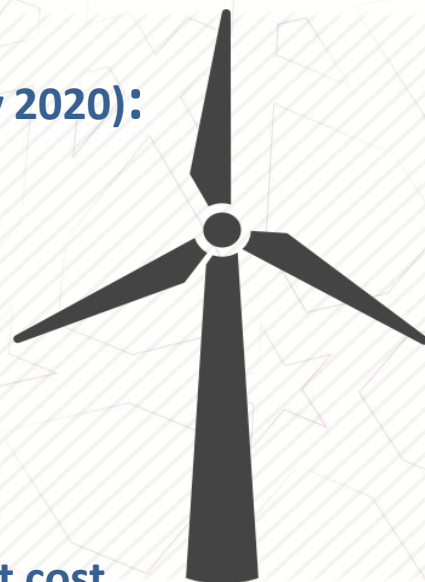
150 to 190 MW
for each plant

FOCUS: 850 MW INTEGRATED WIND PROJECT

Wind capacity (by 2020): **2 000 MW**
Operational capacity: **890 MW**

5 sites (commissioned by 2020):

- ✓ Midelt (180 MW)
- ✓ Boujdour (100 MW)
- ✓ Jbel Hdid (200 MW)
- ✓ Tiskrad (300 MW)
- ✓ Tanger 2 (70 MW)



Biggest onshore project in Africa

300 MW capacity

1.1 Bn USD total project cost

Developers : Nareva Holding (Morocco) + Enel Green Power (Italy)

Constructor: Siemens Wind Power (Germany)

>65% Industrial Integration

1 blades production plant (1st & unique in MENA & Africa)

- 85% export, 15% local
- 13 Ha
- 600 blades/year
- 600 direct jobs



MOROCCO: A BRIDGE TO AFRICA

AFRICAN ECONOMIC POTENTIALITIES



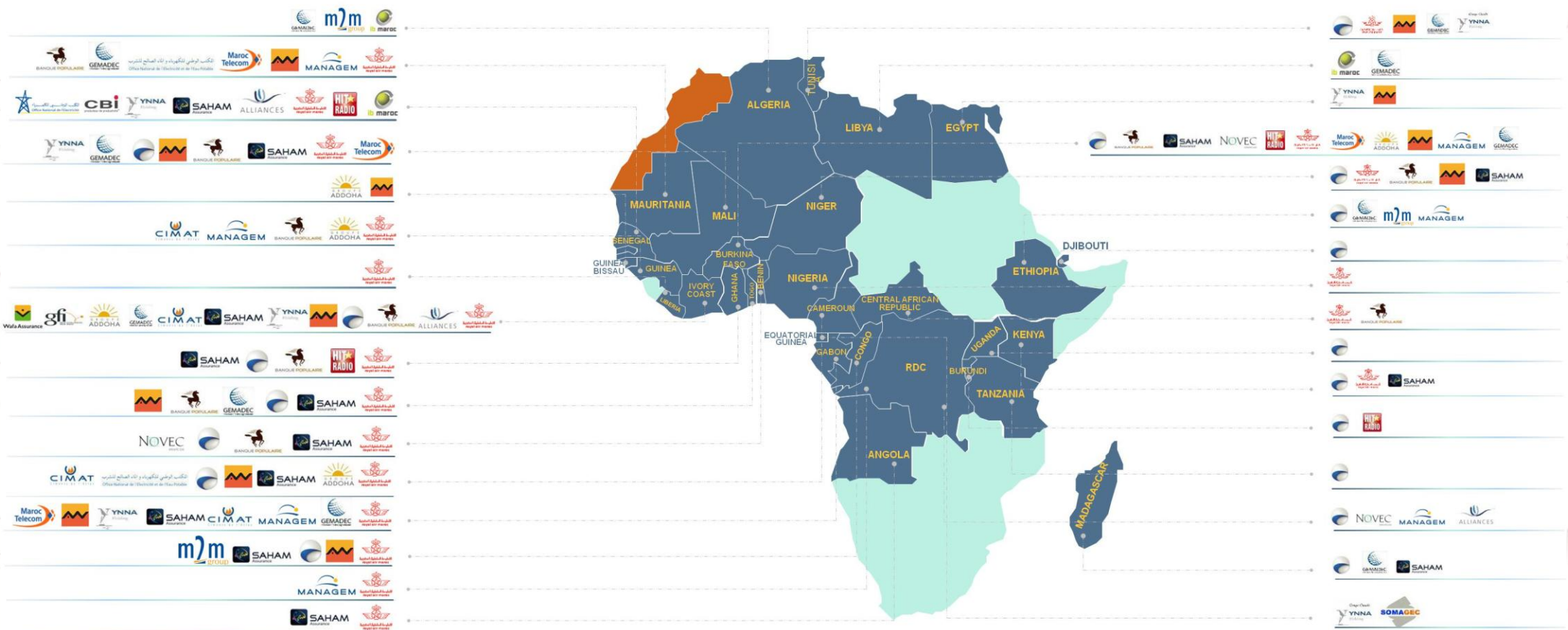
- **By 2050**, Africa's economy would be close to **10 times bigger** than it is today.
- **Six of the world's ten** fastest-growing economies in the world over the last decade were in Africa. It is expected to be **seven** by **2020**.
- There is a rise of a consumer society, which increases demand, boosts local **production** and amplifies **middle class**.

The true size of Africa embraces China, the US, India, Eastern Europe and the most important Western European countries

MOROCCO

2ND INVESTOR IN AFRICA & 1ST INVESTOR IN SUB-SAHARAN COUNTRIES

ICT & MEDIA	MINES & ENERGIE	BANKS	INSURANCE	TELECOMMUNICATION	BTP	PHARMACEUTICAL	AIRLINE COMPANY



THANK YOUR FOR YOUR ATTENTION

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