

# Morocco

## May - 2017

### Executive Summary

This country fact sheet provides key trade, investment and tourism related statistics for Morocco. Specifically, it shows global trade and investment flows including an analysis of top markets and products for Morocco in relation to South Africa and the Western Cape, highlighting the largest and fastest growing products and sub-sectors. It also analyses tourism market in Morocco briefly, highlighting key elements thereof. The key highlights in the Moroccan fact sheet are provided below:

### Trade

- Morocco is a global net exporter of services, consistently showing a trade surplus for the period under review from 2008 to 2013.
- Morocco's top exported services valued at USD6.85bn in 2013 were travel services and top services imported in 2013 were transport services, valued at USD2.95bn.
- Morocco is a global net importer of goods. Top import markets for Morocco in 2016 were Spain (USD6.55bn), France (USD5.52bn) and China (USD3.8bn).
- Top export markets in 2016 were Spain (USD5.34bn), France (USD4.82n) and the United States (USD1.06bn)
- South Africa has been the more dominant trade partner recording consecutive trade surpluses.
- South Africa's trade surplus stood at USD66.3m in 2016 and exports to Morocco, for the period 2012 to 2016, increased by 50.04%
- The Western Cape is a net importer of Moroccan goods.
- Locust beans, seaweeds, and other algae, sugar beet and sugar cane, fruit stones and kernels and other vegetable products were the top products exported to Morocco from the Western Cape in 2016 (USD0.67m)
- The Western Cape's top import product from Morocco in 2016, was frozen fish (USD30.29m).
- Imports from Morocco to the Western Cape has increased for the period 2012 to 2016, by an average of 214.76%

### Investment

- Between January 2003 and June 2016, there were a total of 858 FDI projects recorded into Morocco from global sources. These projects represented a total of USD62.4bn
- Between January 2003 and June 2016 a total of 127 FDI projects were recorded from Morocco to various parts of the world. These projects represent a total capital investment of USD7.8bn.
- Between January 2003 and June 2016 1 FDI project was recorded from South Africa to Morocco. This project represented a total capital investment of USD11m.

### Tourism

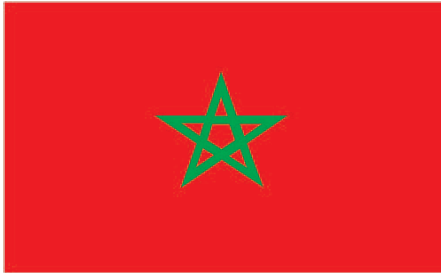
- The Moroccan tourism industry is expected to remain on a positive trajectory in 2017. Increasing penetration from low – cost airlines, the strengthening of the euro and negative security situations in rival destinations is expected to increase arrivals to Morocco.

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## 1. General Information

Morocco is situated in Northern Africa, bordering the North Atlantic Ocean and the Mediterranean Sea, between Algeria and Western Sahara. After its independence from France in 1956, Sultan Mohammed V, the current monarch's grandfather, organized the new state as a constitutional monarchy and in 1957 assumed the title of king. In 2011 King Mohammed VI implemented a reform program in response to the spread of pro-democracy protests in the region that included a new constitution, passed by popular referendum in July 2011. The result being that some new powers were extended to parliament and the prime minister but ultimate authority remains in the hands of the monarch.



Sources: CIA World Factbook, 2017; The Economist, 2017

GENERAL INFORMATION - MOROCCO	
Capital	Rabat
Major Cities (Population) (2015)	Casablanca 3.515 million; Rabat (capital) 1.967 million; Fes 1.172 million; Marrakech 1.134 million; Tangier 982,000
Population (July 2016 est.)	33,655,786
Government type	Parliamentary constitutional monarchy
Head of State	King Mohammed VI (since 30 July 1999)
Head of Government	Prime Minister Abdelillah BENKIRANE (since 29 November 2011)
Literacy rate (2015)	68.5%
Life expectancy (2016 est.)	76.9 years
Ethnic groups	Arab-Berber 99%, other 1%
Religion(s) (2010 est.)	Muslim 99% (official; virtually all Sunni, <0.1% Shia), other 1% (includes Christian, Jewish, and Baha'i); note - Jewish about 6,000
Languages (2011)	Arabic (official), Berber languages (Tamazight (official), Tachelhit, Tarifit), French (often the language of business, government, and diplomacy)
Human Development Index (2015)	0.647

Sources: CIA World Factbook, 2017; World Bank Data, 2016; United Nations Data 2017

## 2. Economic Overview

Morocco has capitalised on its proximity to Europe and relatively low labour costs in building a diverse, open, market – orientated economy. Key sectors of the economy include agriculture, tourism, aerospace, automotive, phosphates, textiles, apparel, and subcomponents. Infrastructure improvements and industrial development strategies are improving Morocco's competitiveness (CIA, The World Factbook, 2017). Key challenges for the country are the high levels of unemployment, poverty and illiteracy, particularly in the rural areas.

In the 1980s, Morocco was a heavily indebted country before applying austerity measures and pro-market reforms, which was overseen by the International Monetary Fund (IMF).

Over the last decade, the Kingdom of Morocco has invested billions of dollars in ports, airports, roads, railways and distribution centres to establish itself as a business hub. Trade agreements with the Gulf, Mediterranean and African nations the United States and the European Union, aims to facilitate trade to and from a variety of countries. Morocco's central economic development plan is to leverage its location along the Strait of Gibraltar between Spain and Africa allowing it to be a regional hub for North, West and Sub Saharan Africa for shipping, logistics, assembly, production and sales.

The commercial capital, Casablanca, is a popular destination for regional headquarters, given its strategic location and its efficient airport. (export.gov, 2017)

After a record cereal production in 2015, Morocco was affected by a severe drought in 2016. Agricultural production which still represents approximately 15% of Morocco's GDP, contracted by approximately 10% and decreased the overall GDP growth to 1.1% in 2016.

Despite large public investment efforts in recent years, non – agricultural growth has remained sluggish – approximately 3% (World Bank, 2017).

Morocco also aims to expand its renewable energy sector, with a view of making renewable more than 50% of installed electricity generation capacity by 2030.

ECONOMIC OUTLOOK SWOT ANALYSIS	
STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>- A low base (GDP per capita is estimated at approx..USD3,000) and strong growth potential in the tourism, renewable energy and export – orientated manufacturing industries, are making the economy an increasingly attractive destination for foreign investment.</li> <li>- The central bank has proven relatively effective at tackling inflation despite the limited monetary policy at its disposal.</li> <li>- Given the deep instability that has spread throughout the Middle East since the Arab Spring, Morocco is projected to be an economic outperformer over the coming five years.</li> </ul>	<ul style="list-style-type: none"> <li>- Dependence on the agricultural sector means growth remains prone to volatile swings in accordance with unpredictable weather patterns.</li> <li>- Reliance on Southern Europe as the main destination for exports provides little cause for optimism given the eurozone's weak medium term growth outlook.</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>- Historic or linguistic ties with southern Europe, the GCC and Western Africa should make the economy an attractive destination for investors.</li> <li>- The banking system remains relatively underdeveloped, which could see financial institutions from more developed economies enter the market over the coming years.</li> <li>- Political will to push ahead with fiscal reform is strong and the budget deficit will narrow significantly over the coming years.</li> </ul>	<ul style="list-style-type: none"> <li>- Slower growth in the Eurozone following Brexit could see Morocco's export industries suffer. The end of food and energy subsidies could lead to inflation spiralling out of control were global oil and food prices to rise significantly.</li> </ul>

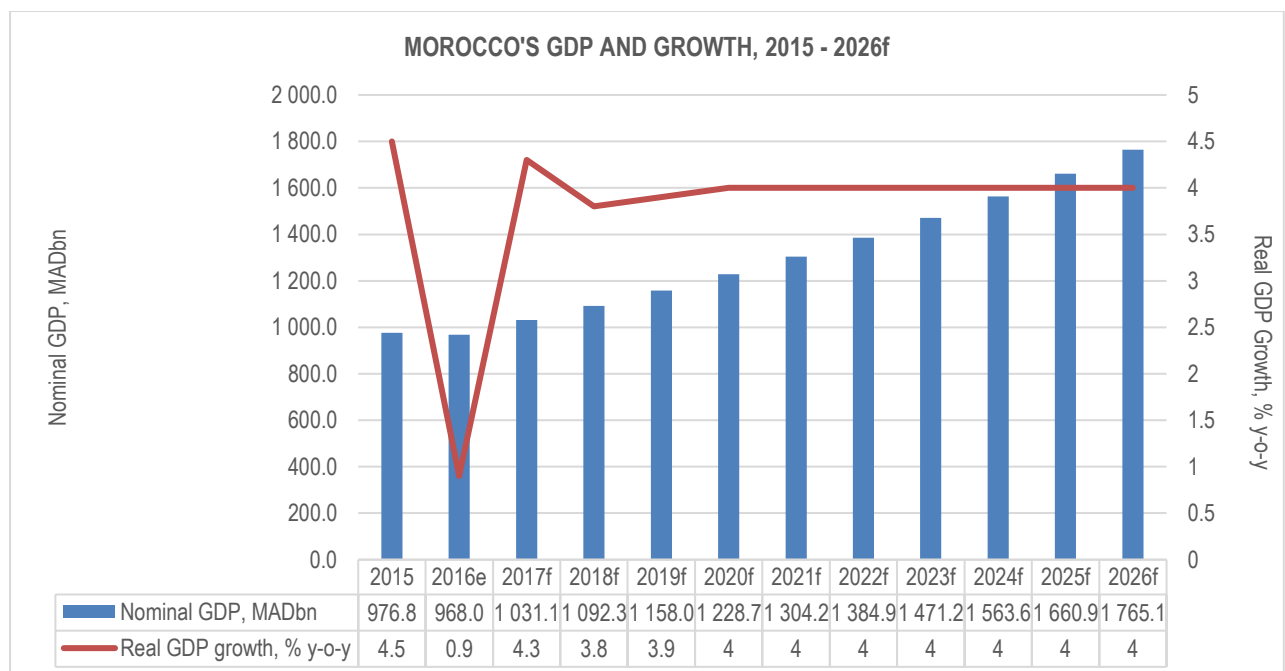
Source: BMI International, 2017

Below are key Moroccan economic indicators:

ECONOMIC INFORMATION	
Currency	Moroccan dirham
GDP (PPP) - 2016 est.	USD282.8bn
GDP real growth - 2016 est.	1.8%
GDP per capita - 2016 est.	USD8,400
Inflation – 2016	1.8%
Central bank prime lending rate - 31 Dec 2016	5.9%
Unemployment rate – 2016 est.	9.9%
Total Exports - 2016 est.	USD18.72bn
Total Imports - 2016 est.	USD33.15bn

Source: CIA World Factbook, 2017

The graph below depicts BMI's view with respect to Morocco's Gross Domestic Product and its growth forecast. According to BMI, final consumption expenditure (composed mainly of households spending – will remain the largest component of Morocco's economy for the next 10 years. Its contribution being approximately 75% of GDP. Associated with this increase in an increase in exports and fixed capital formation, while government spending is expected to decrease.



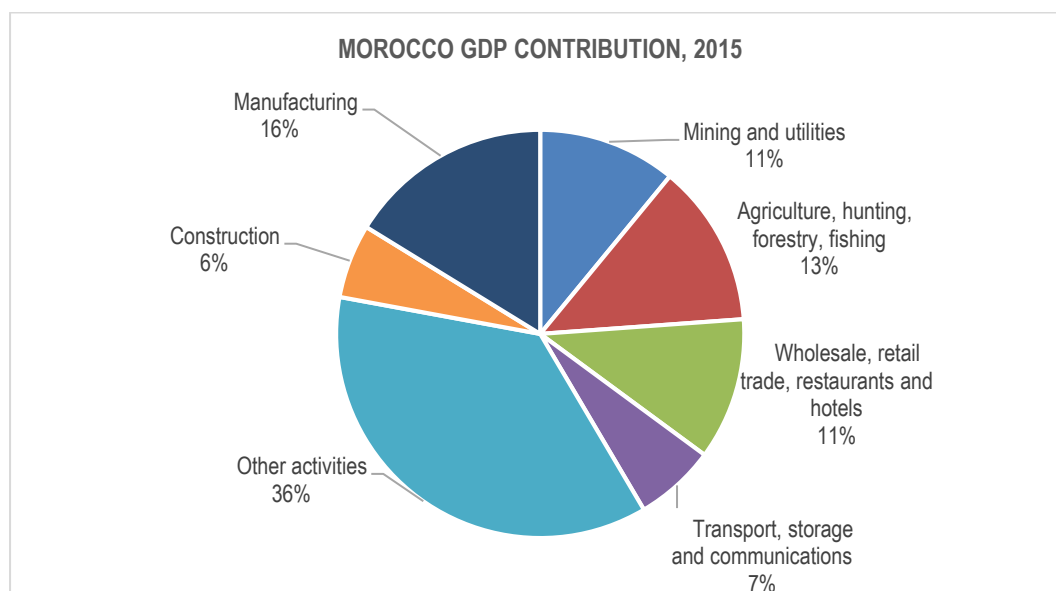
Source: BMI, 2017

Private consumption growth is expected to remain steady for the next few years. Important to note that more than 40% of the Moroccan workforce is employed in the primary sector which is volatile and has correlating risks to incomes earned when the sector does not perform well. According to BMI, government spending will remain subdued over the coming years, as Rabat pushes ahead with contractionary fiscal reforms aimed at reducing the fiscal deficit (BMI, 2017).

Export growth is expected to increase in Morocco for the coming period, as the export sector focuses on higher value products and the Euro zone. The automotive industry is expected to take the lead, supported by a recent investment by PSA Peugeot Citroën investing EUR557m in the kingdom to build a manufacturing plant that is expected to produce 200,000 units p.a. by 2019. (BMI, 2017).

According to BMI, fixed investment spending is expected to increase for the coming period. In particular, the energy, automotive and tourism sectors are set to benefit from public support, already being the sectors that receive the largest share of foreign direct investment (FDI). The government is expected to continue in its efforts of attracting FDI with financial incentives, while Morocco is seen as relatively safer than other countries within MENA (Middle East and East Africa region) (BMI, 2017).

The diagram below depicts Morocco's contribution to Gross Domestic Product in 2015.



Source: UNCTAD, 2017

The Forbes Global 2000 is an annual list of the world's 2000 largest publicly listed corporations. Below is a list of the Moroccan companies featured on the list in 2016.

MOROCCO'S LARGEST PUBLICLY LISTED COMPANIES, 2016					
GLOBAL RANK	COMPANY	SALES (USDbn)	PROFITS (USDbn)	ASSETS (USDbn)	MARKET VALUE (USDbn)
1148	Attijariwafa Bank	3.2	0.461	41.5	7.2
1844	Banque Centrale Populaire	2.1	0.257	33.2	4.1
1980	BMCE Bank	1.8	0.200	28.2	3.8

Source: Forbes Global 2000,

### 3. Doing Business in Morocco

Economies are ranked on their ease of doing business, from 1–190, which is indicative of whether the regulatory environment is conducive to the starting and operation of a local firm. The World Bank Group in its annual *Doing Business* report ranked Morocco 68<sup>th</sup> out of 190 countries monitored in terms of ease of doing business. Morocco's relative strengths in terms of ease of doing business include dealing with construction permits ranked 18<sup>th</sup>, starting a business ranked 40<sup>th</sup> and paying taxes ranked 41<sup>st</sup>.

MOROCCO'S EASE OF DOING BUSINESS	
SELECTED INDICATORS	RANKING OUT OF 190 COUNTRIES, 2017
Starting a Business	40
Dealing with Construction Permits	18
Getting Electricity	57
Registering Property	87
Getting Credit	101
Protecting Minority Investors	87
Paying Taxes	41
Trading across Borders	63
Enforcing Contracts	57
Resolving Insolvency	131
DOING BUSINESS RANKING 2017	<b>68</b>

Source: World Bank Group's Doing Business, 2017 Report

#### 4. Morocco's Sovereign Credit Ratings

"A sovereign credit rating is the credit rating of a country or sovereign entity. Sovereign credit ratings give investors insight into the level of risk associated with investing in a particular country and also include political risks. At the request of the country, a credit rating agency will evaluate the country's economic and political environment to determine a representative credit rating". Source: Investopedia

While a number of credit agencies exist, the three most recognised credit ratings agencies globally are Fitch Ratings, Moody's Investors Services and Standard & Poor's (S&P). Reasons for a country/sovereign to seek a credit rating from one of these three agencies include not only to access funding in international bond markets via the issuance of bonds in external debt markets, but it is a means to attract foreign direct investment. Obtaining a good sovereign credit rating instils confidence in investors seeking to invest in that country, with the credit rating a means for the country to demonstrate financial transparency and credit standing.

Two key rating 'standards' exist, with the highest possible rating category being "AAA" according to S&P, which indicates that the rated country has extremely strong capacity to meet its financial commitments. A wide range of rating categories exists below this, with the categories ranging all the way down to SD (i.e. defaulted), which means the rated country has failed to pay one or more of its financial obligations when it came due.

MOROCCO'S SOVEREIGN CREDIT RATINGS			
CREDIT RATING AGENCY	STANDARD & POORS	MOODY'S INVESTOR SERVICES	FITCH RATINGS
CREDIT RATING	BBB-	Ba1	BBB-
OUTLOOK	Stable	Positive	Stable
DATE OF LAST CHANGE	May 2014	Feb 2017	Oct 2015

Sources: Standard & Poor's; Moody's Investors Services; & Fitch Ratings

A number of alternative measures and rating scales exist to assess risks posed to companies and banks, particularly those pertaining to political and commercial risks when undertaking international commercial transactions. One such company which offers these services is Belgium's Delcredere, the country's official export credit agency and public credit insurer.

The table below shows Delcredere's current risk assessment of Morocco in terms of export transactions and direct investments. Ratings are between 1 and 7, and between A and C, with 7 and C being the maximum risk indicators.

MOROCCO'S RISK ASSESSMENT - DELCREDERE		
EXPORT TRANSACTIONS (Scale 1 – 7)*		
Political Risks	Short Term	2
	Medium-Long term	3
	Special Transactions	2
Commercial Risk	B	
DIRECT INVESTMENTS		
War risk	3	
Risk of expropriation and government action	3	
Transfer risk	3	

Source: Credendo, 2017

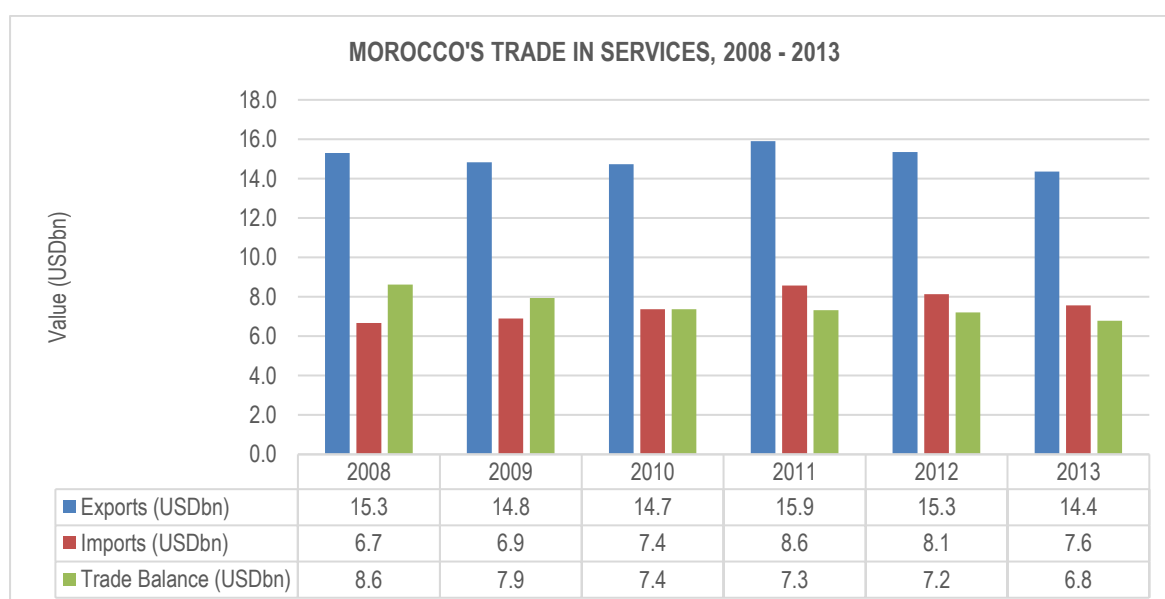
\* Where 1 is associated with the least risk and 7 the most

\*\* Where B is associated with mid risk; A is low risk and C is high risk

## 5. Trade

### 5.1 Morocco's Trade in Services

The graph below shows Morocco's trade in services from 2008 to 2013. Morocco has consistently been a net exporter of services for the period 2008 to 2013.



Source: TradeMap, 2017



The table below shows Morocco's global trade in services in 2013. Travel services were the largest export valued at USD6.85bn followed by transport services valued at USD2.31bn. In third place were manufacturing services on physical inputs owned by others, valued at USD1.24bn.

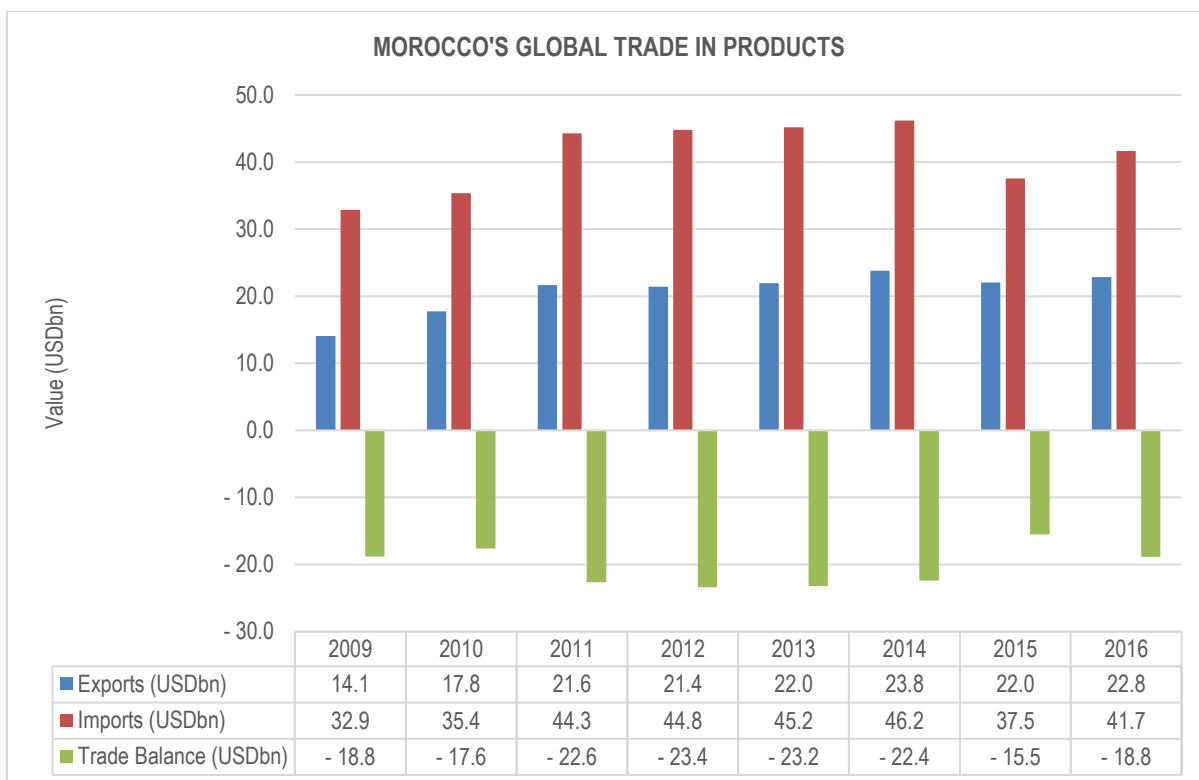
Transport services were the largest import service into Morocco valued at USD2.95bn. Travel services (USD1.32bn) and government goods and services (USD1.15bn) were the second and third largest imports. The export of charges for the use of intellectual property recorded the largest average growth for the period 2009 to 2013 at 280.80%.

TOP 10 SERVICES EXPORTED BY MOROCCO, 2013				TOP 10 SERVICES IMPORTED BY MOROCCO, 2013			
CODE	SERVICE	VALUE 2013 (USDbn)	% GROWTH 2009 - 2013	CODE	SERVICE	VALUE 2013 (USDbn)	% GROWTH 2009 - 2013
4	Travel	6.85	-0.82%	3	Transport	2.95	3.14%
3	Transport	2.31	-0.45%	4	Travel	1.32	4.12%
1	Manufacturing services on physical inputs owned by others	1.24	-5.92%	12	Government goods and services	1.15	4.69%
12	Government goods and services	0.42	-5.73%	5	Construction	0.00	-39.18%
5	Construction	0.04	-4.37%	6	Insurance and pension services	0.22	10.47%
6	Insurance and pension services	0.14	8.08%	7	Financial services	0.06	20.62%
7	Financial services	0.05	5.90%	8	Charges for the use of intellectual property	0.07	56.74%
8	Charges for the use of intellectual property	0.00	280.80%	9	Telecommunications, computer, and information services	0.21	12.75%
9	Telecommunications, computer, and information services	1.14	7.96%	10	Other business services	1.57	0.93%
10	Other business services	2.11	1.28%	11	Personal, cultural, and recreational services	0.02	-7.49%
<b>TOTAL EXPORTS</b>		<b>14.35</b>	<b>-1.16%</b>	<b>TOTAL IMPORTS</b>		<b>7.57</b>	<b>2.88%</b>

Source: TradeMap, 2017

## 5.2. Morocco's Global Trade

For the period 2009 to 2016, Morocco has consistently shown a trade deficit in the trade of goods.



Source: TradeMap, 2017

Spain (USD5.34bn) is the top export market for Morocco, followed closely by France (USD4.82bn) and Italy (USD1.06bn) in third position. For the 5 year period from 2012 to 2016, Turkey has shown the highest average growth at 17.53%. South Africa was Morocco's 44<sup>th</sup> largest export market valued at USD67.1m

TOP 10 DESTINATION MARKETS FOR EXPORTS FROM MOROCCO, 2016				
RANK	COUNTRY	VALUE 2016 (USDbn)	% GROWTH 2012 - 2016	% SHARE IN 2016
1	Spain	5.34	7.00%	23.36%
2	France	4.82	1.36%	21.11%
3	Italy	1.06	3.94%	4.65%
4	United States	0.80	-4.05%	3.48%
5	India	0.76	-11.73%	3.32%
6	Turkey	0.76	17.53%	3.31%
7	United Kingdom	0.67	2.70%	2.93%
8	Germany	0.63	0.99%	2.75%
9	Brazil	0.59	-9.99%	2.59%
10	Netherlands	0.50	-5.03%	2.20%
<b>TOTAL EXPORTS</b>		<b>22.84</b>	<b>1.22%</b>	<b>100.00%</b>

Source: TradeMap, 2017



Spain was ranked as the top source market for Morocco with a 15.72% share of Moroccan imports valued at USD6.55bn. Second with a share of 13.24% was France (USD5.52bn), followed by China (USD3.8bn) in third position with a 9.12% share of all products imported into Morocco in 2016.

South Africa was Morocco's 33<sup>rd</sup> largest import market in 2016 valued at USD185.3m.

TOP 10 SOURCE MARKETS FOR IMPORTS BY MOROCCO, 2016				
RANK	COUNTRY	VALUE 2016 (USDbn)	% GROWTH 2012 - 2016	% SHARE IN 2016
1	Spain	6.55	7.21%	15.72%
2	France	5.52	-1.56%	13.24%
3	China	3.80	6.18%	9.12%
4	United States of America	2.65	-4.46%	6.37%
5	Germany	2.45	4.65%	5.88%
6	Italy	2.26	0.05%	5.43%
7	Turkey	1.85	10.21%	4.44%
8	Portugal	1.23	11.76%	2.94%
9	Russian Federation	1.02	-11.13%	2.45%
10	Saudi Arabia	0.80	-19.74%	1.91%
<b>TOTAL IMPORTS</b>		<b>41.68</b>	<b>-0.68%</b>	<b>100.00%</b>

Source: TradeMap, 2017



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Morocco's top export products in 2016 (shown below) had electrical machinery as the top ranked export product (USD3.74bn), followed by vehicles and accessories (USD3.14bn) in second place. Clothing and accessories, not knitted or crocheted was ranked third in 2016 and valued at USD2.24bn.

Key import products in 2016 were mineral fuels and mineral oils ranked first at USD5.55bn followed by nuclear reactors, machinery and mechanical appliances at USD4.59bn. Vehicles and accessories ranked third, valued at USD4.48bn.

TOP EXPORTS BY MOROCCO, 2016					TOP IMPORTS BY MOROCCO, 2016				
RANK	PRODUCT	VALUE 2016 (USDbn)	SHARE	% GROWTH 2012 - 2016	RANK	PRODUCT	VALUE 2016 (USDbn)	SHARE	% GROWTH 2012 - 2016
1	Electrical machinery	3.74	16.38%	3.98%	1	Mineral fuels and mineral oils	5.55	13.31%	-11.40%
2	Vehicles and accessories	3.14	13.73%	54.82%	2	Nuclear reactors, machinery and mechanical appliances	4.59	11.01%	4.23%
3	Clothing and accessories, not knitted or crocheted	2.24	9.80%	-0.03%	3	Vehicles and accessories	4.48	10.76%	12.07%
4	Fertilisers	2.13	9.34%	-0.84%	4	Electrical machinery and equipment	4.15	9.96%	4.73%

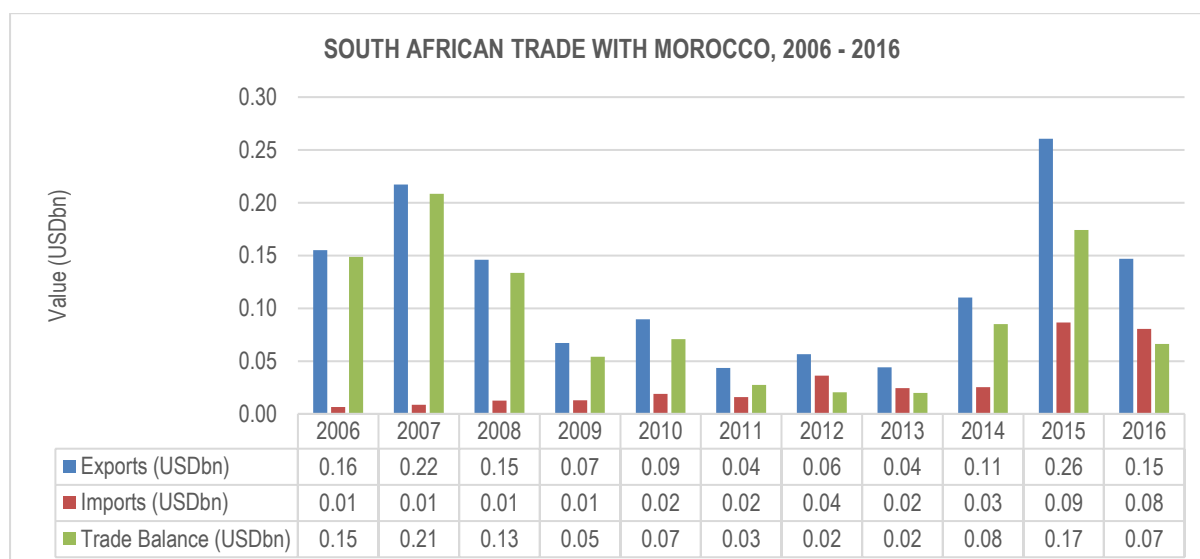
TOP EXPORTS BY MOROCCO, 2016					TOP IMPORTS BY MOROCCO, 2016				
RANK	PRODUCT	VALUE 2016 (USDbn)	SHARE	% GROWTH 2012 - 2016	RANK	PRODUCT	VALUE 2016 (USDbn)	SHARE	% GROWTH 2012 - 2016
5	Fish and crustaceans	1.22	5.35%	6.59%	5	Cereals	1.89	4.53%	2.70%
6	Inorganic chemical compounds	1.16	5.09%	-10.20%	6	Plastics and articles thereof	1.67	4.00%	0.82%
7	Salt; sulphur, stone and plastering material	0.95	4.15%	-9.97%	7	Iron and steel	1.28	3.06%	-3.98%
8	Edible vegetables and certain roots and tubers	0.90	3.93%	4.56%	8	Articles of iron or steel	1.16	2.78%	10.24%
9	Clothing and accessories, knitted or crocheted	0.76	3.33%	-4.10%	9	Aircraft, spacecraft, and parts thereof	0.76	1.82%	14.44%
10	Fruit and nuts	0.74	3.24%	0.52%	10	Man-made staple fibres	0.68	1.63%	3.04%
<b>TOTAL EXPORTS</b>		<b>22.84</b>	<b>100.00%</b>	<b>1.22%</b>	<b>TOTAL IMPORTS</b>		<b>41.68</b>	<b>100.00%</b>	<b>-0.68%</b>

Source: Trademap, 2017

### 5.3. South Africa's Trade with Morocco

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Trade between the two nations has been dominated by South Africa for the past ten years with its exports to Morocco exceeding the import of Moroccan products, thereby making South Africa a net exporter of products to Morocco.



Source: Quantec, 2017

The leading export product to Morocco from South Africa was coal, briquettes, ovoids and similar solid fuels manufactured from coal (USD123.22m) in 2016. Exports of this good accounted for 84% of all South African exports to Morocco. Aluminium plates, sheets and strip was the second largest export (USD4.84m) followed by motor vehicles for the transport of goods (USD4.07m).

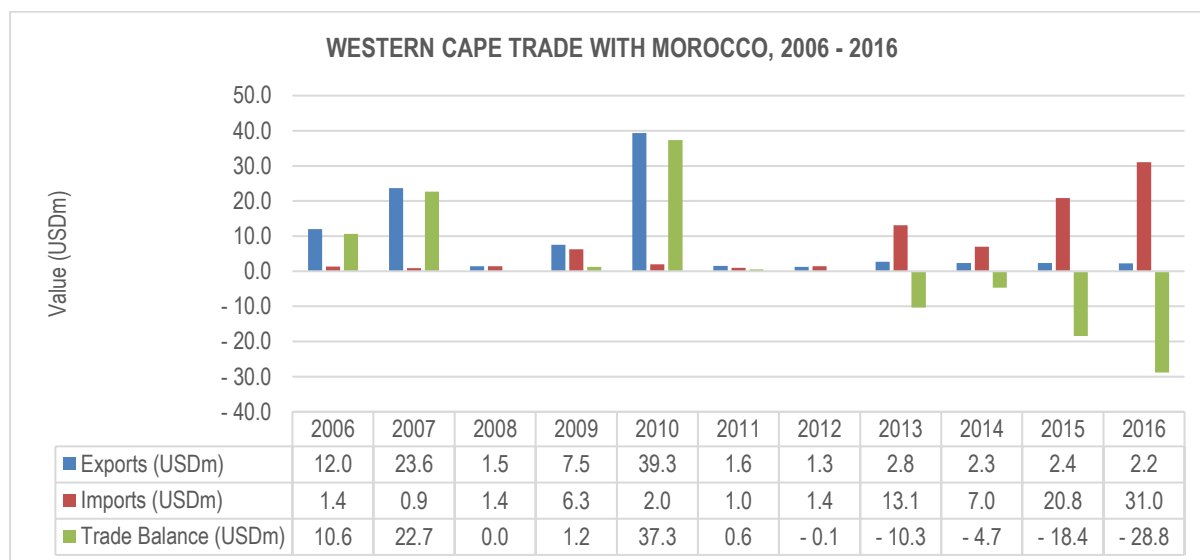
The leading import products into South Africa from Morocco were fertilisers at USD34.39m and accounting for 42.8% of total imports from Morocco in 2016. Frozen fish was in second place (USD30.12m) and accounting for 37.5% of total imports from Morocco in 2016. In third place was insulated wire, cable and other insulated electric conductors valued at USD2.66m.

THE TOP 10 SOUTH AFRICAN EXPORTS TO MOROCCO, 2016					THE TOP 10 SOUTH AFRICAN IMPORTS FROM MOROCCO, 2016				
RANK	PRODUCT (HS4)	VALUE 2016 (USDm)	SHARE	% GROWTH 2012 - 2016	RANK	PRODUCT (HS4)	VALUE 2016 (USDm)	SHARE	% GROWTH 2012 - 2016
1	Coal; briquettes, ovoids etc.	123.22	84.0%	148.75%	1	Fertilisers	34.39	42.8%	-
2	Aluminium plates, sheets and strip, of a thickness exceeding 0,2 mm	4.84	3.3%	-	2	Fish, frozen	30.12	37.5%	553.55%
3	Motor vehicles for the transport of goods	4.07	2.8%	-	3	Insulated wire, cable and other insulated electric conductors	2.66	3.3%	153.54%
4	Parts of aircraft and spacecraft	2.72	1.9%	-	4	Female suits,jackets, dresses,trousers (excl. swimwear)	1.76	2.2%	58.91%
5	Uncoated kraft paper and paperboard, in roll/sheets	1.01	0.7%	-	5	Unwrought zinc	1.32	1.6%	-
6	Taps, cocks, valves etc. for pipes, boiler shells, tanks, vats etc.	0.99	0.7%	-	6	Cheese and curd	1.21	1.5%	-7.93%
7	Articles for the conveyance or packing of stoppers, lids, caps and other closures, of plastics	0.73	0.5%	278.46%	7	Preparations for use on the hair	0.97	1.2%	-
8	Insecticides, rodenticides, fungicides, herbicides etc.	0.71	0.5%	90.59%	8	Female blouses, shirts and shirt-blouses	0.81	1.0%	109.87%
9	Locust beans, seaweeds and other algae, sugar beet and sugar cane, fruit stones and kernels and other vegetable products	0.64	0.4%	32.81%	9	Male suits, jackets, trousers and shorts (excluding swimwear)	0.79	1.0%	20.00%
10	Pumps for liquids	0.53	0.4%	320.15%	10	T-shirts, singlets and other vests, knitted or crocheted	0.47	0.6%	32.66%
<b>TOTAL EXPORTS</b>		<b>146.76</b>	<b>100%</b>	<b>50.04%</b>	<b>TOTAL IMPORTS</b>		<b>80.42</b>	<b>100%</b>	<b>66.36%</b>

Source: Quantec; 2017

#### 5.4. Western Cape's Trade with Morocco

Previous to 2012, the Western Cape experienced trade surpluses in trade with Morocco, as can be seen in the graph shown below. From 2012 to 2016, trade deficits have occurred, and these trade deficits have progressively become larger. The largest trade surplus for the period 2006 to 2016, was in 2010 due to an increased amount of coal, briquettes, ovoids and similar solid fuels manufactured from coal being exported to Morocco in that particular year.



Source: Quantec; 2017

The table below shows the top 10 traded products between the Western Cape and Morocco. Locust beans, seaweeds and other algae, sugar beet and sugar cane, fruit stones and kernels and other vegetable products was the Western Cape's largest export in 2016 and valued at USD0.67m along with insecticides, rodenticides, fungicides, herbicides etc. valued at USD0.65m of the province's exports. These two exports accounted for approximately 60% of all exports to Morocco in 2016.

Frozen fish (USD30.29m) was the largest import from Morocco in 2016 (accounting for 97.62% of total imports from Morocco). Prepared or preserved fish, caviar and caviar substitutes (USD0.17m) was placed second and valued at USD0.17m.

THE TOP 10 WESTERN CAPE EXPORTS TO MOROCCO, 2016					THE TOP 10 WESTERN CAPE IMPORTS FROM MOROCCO, 2016				
RANK	PRODUCT (HS4)	VALUE 2016 (USDm)	SHARE 2016	% GROWTH 2012 - 2016	RANK	PRODUCT (HS4)	VALUE 2016 (USDm)	SHARE 2016	% GROWTH 2012 - 2016
1	Locust beans, seaweeds and other algae, sugar beet and sugar cane, fruit stones and kernels and other vegetable products	0.67	29.98%	15.32%	1	Fish, frozen	30.29	97.62%	517.71%
2	Insecticides, rodenticides, fungicides, herbicides etc.	0.65	28.94%	60.25%	2	Prepared or preserved fish; caviar and caviar substitutes	0.17	0.56%	20.17%

THE TOP 10 WESTERN CAPE EXPORTS TO MOROCCO, 2016					THE TOP 10 WESTERN CAPE IMPORTS FROM MOROCCO, 2016				
RANK	PRODUCT (HS4)	VALUE 2016 (USDm)	SHARE 2016	% GROWTH 2012 - 2016	RANK	PRODUCT (HS4)	VALUE 2016 (USDm)	SHARE 2016	% GROWTH 2012 - 2016
3	Stoppers, caps and lids, capsules for bottles, threaded bungs, bung covers, seals and other packing accessories, of base metal.	0.16	7.31%	-	3	T-shirts, singlets and other vests, knitted or crocheted.	0.17	0.55%	1061.78%
4	Diodes, transistors and similar semiconductor devices etc. crystals.	0.12	5.35%	-	4	Articles of cement, of concrete or of artificial stone, whether or not reinforced.	0.05	0.16%	478.10%
5	Articles for the conveyance or packing of goods, of plastics; stoppers, lids, caps and other closures, of plastics.	0.11	5.13%	-	5	Ginger, saffron, turmeric (curcuma), thyme, bay leaves, curry and other spices.	0.05	0.16%	28.93%
6	Animal or vegetable fertilisers	0.07	3.19%	-	6	Male suits, jackets, trousers, shorts etc. (other than swimwear).	0.04	0.14%	273.15%
7	Transfers (decalcomanias).	0.06	2.56%	-10.14%	7	Jerseys, pullovers, cardigans, waistcoats and similar articles, knitted or crocheted.	0.04	0.13%	170716.62%
8	Machines incorporating a calculating device	0.05	2.41%	-	8	Female suits, jackets, dresses, skirts, trousers, and shorts etc. (other than swimwear).	0.02	0.07%	5.60%

THE TOP 10 WESTERN CAPE EXPORTS TO MOROCCO, 2016					THE TOP 10 WESTERN CAPE IMPORTS FROM MOROCCO, 2016				
RANK	PRODUCT (HS4)	VALUE 2016 (USDm)	SHARE 2016	% GROWTH 2012 - 2016	RANK	PRODUCT (HS4)	VALUE 2016 (USDm)	SHARE 2016	% GROWTH 2012 - 2016
9	Hoopwood; split poles; piles, pickets and stakes of wood, wooden sticks etc.	0.05	2.19%	-	9	Lamps and lighting fittings	0.02	0.06%	129.87%
10	Tubes, pipes and hoses, and fittings of plastics.	0.04	1.75%	-	10	Female blouses, shirts and shirt-blouses.	0.02	0.06%	100.62%
<b>TOTAL EXPORTS</b>		<b>2.24</b>	<b>100.00%</b>	<b>-2.21%</b>	<b>TOTAL IMPORTS</b>		<b>31.02</b>	<b>100.00%</b>	<b>214.76%</b>

Source: Quantec; 2017

## 5.5. Trade regulations, Customs and Standards

### Import Requirements and Documentation

The following documentation is required for all imports and exports:

- A license representing the “physical import or export”.
- A commercial invoice: Pro-forma invoices are provided in most cases. No special invoice form is necessary. The commercial or pro-forma invoice should:
  - Be on the supplier’s letterhead,
  - Fully describe the goods in French,
  - Indicate the HS code when available,
  - Indicate the value of the goods,
  - Indicate the currency for payment (for foreign exchange transfer), and
  - Indicate the address of the buyer
- An “import commitment” which is the authorisation provided by the exchange office for transfer of foreign currencies from Morocco to foreign suppliers.
- A “customs declaration” is provided by the customs office and is required for import and export through a port or airport. For shipments by mail, a simple form filled out at the post office replaces the customs declaration.
- The importer/exporter may attach any documentation, such as technical documentation, that might help the customs office. The authority for Customs in Morocco is the administration of Customs and Indirect Tax.

### Labelling and Marking Requirements

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



## Prohibited and Restricted Imports

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

## 5.6. Trade Agreements

Morocco has a free trade agreements in place with the United States since 2005 and with the European Union since 2004.

In December 2009 Morocco and the EU signed an agreement to liberalise their trade in agri-food and fisheries.

The country is also a part of the Greater Arab Free Trade Area (GAFTA) - an agreement by the Arab League entered into in January 2005, with its aim being the formation of a free trade area.

Morocco has also signed a trade agreement with 21 countries in the São Paulo Round of the Global System of Trade Preferences among Developing Countries (GSTP).

There are no existing trade agreements between South Africa and Morocco.

## 5.7. Tariffs

Tariffs imposed by Morocco on South African exports are listed below.

TARIFFS IMPOSED ON SOUTH AFRICAN IMPORTS BY MOROCCO, 2016					
HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)	HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)	HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)
H01: Live animals	98%	H33: Essential oils, perfumes, cosmetics, toiletries	3%	H65: Headgear and parts thereof	19%
H02: Meat and edible meat offal	138%	H34: Soaps, lubricants, waxes, candles, modelling pastes	16%	H66: Umbrellas, walking-sticks, seat-sticks, whips	5%
H03: Fish, crustaceans, molluscs, aquatic invertebrates	13%	H35: Albuminoids, modified starches, glues, enzymes	15%	H67: Bird skin, feathers, artificial flowers, human hair	3%
H04: Dairy products, eggs, honey, edible animal product	63%	H36: Explosives, pyrotechnics, matches, pyrophorics	5%	H68: Stone, plaster, cement, asbestos, mica, articles	21%
H05: Products of animal origin	3%	H37: Photographic or cinematographic goods	4%	H69: Ceramic products	22%
H06: Live trees, plants, bulbs, roots, cut flowers	9%	H38: Miscellaneous chemical products	5%	H70: Glass and glassware	13%
H07: Edible vegetables and certain roots and tubers	27%	H39: Plastics and articles thereof	8%	H71: Pearls, precious stones, metals, coin	3%
H08: Edible fruit, nuts, peel of citrus fruit, melons	32%	H40: Rubber and articles thereof	19%	H72: Iron and steel	7%
H09: Coffee, tea, mate and spices	12%	H41: Raw hides and skins (other than furskins) and leather	3%	H73: Articles of iron or steel	16%

**TARIFFS IMPOSED ON SOUTH AFRICAN IMPORTS BY MOROCCO, 2016**

<b>HS CODE AND PRODUCT DESCRIPTION</b>	<b>TARIFF (%)</b>	<b>HS CODE AND PRODUCT DESCRIPTION</b>	<b>TARIFF (%)</b>	<b>HS CODE AND PRODUCT DESCRIPTION</b>	<b>TARIFF (%)</b>
H10: Cereals	24%	H42: Articles of leather, animal gut, harness, travel goods	25%	H74: Copper and articles thereof	5%
H11: Milling products, malt, starches, inulin, wheat gluten	40%	H43: Furskins and artificial fur, manufactures thereof	24%	H75: Nickel and articles thereof	5%
H12: Oil seed, oleagic fruits, grain, seed, fruit,	3%	H44: Wood and articles of wood, wood charcoal	12%	H76: Aluminium and articles thereof	12%
H13: Lac, gums, resins, vegetable saps and extracts	3%	H45: Cork and articles of cork	23%	H78: Lead and articles thereof	3%
H14: Vegetable plaiting materials, vegetable products	3%	H46: Manufactures of plaiting material, basketwork, etc.	25%	H79: Zinc and articles thereof	4%
H15: Animal, vegetable fats and oils, cleavage products,	15%	H47: Pulp of wood, fibrous cellulosic material, waste	3%	H80: Tin and articles thereof	9%
H16: Meat, fish and seafood food preparations	39%	H48: Paper & paperboard, articles of pulp, paper and board	16%	H81: Other base metals, cermets, articles thereof	3%
H17: Sugars and sugar confectionery	35%	H49: Printed books, newspapers, pictures	12%	H82: Tools, implements, cutlery, of base metal	6%
H18: Cocoa and cocoa preparations	15%	H50: Silk	3%	H83: Miscellaneous articles of base metal	20%
H19: Cereal, flour, starch, milk preparations and products	16%	H51: Wool, animal hair, horsehair yarn and fabric thereof	5%	H84: Nuclear reactors, boilers, machinery	5%
H20: Vegetable, fruit, nut food preparations	34%	H52: Cotton	6%	H85: Electrical, electronic equipment	7%
H21: Miscellaneous edible preparations	21%	H53: Vegetable textile fibres paper yarn, woven fabric	4%	H86: Railway, tramway locomotives, rolling stock, equipment	3%
H22: Beverages, spirits and vinegar	44%	H54: Manmade filaments	8%	H87: Vehicles other than railway, tramway	12%
H23: Residues, wastes of food industry, animal fodder	4%	H55: Manmade staple fibres	6%	H88: Aircraft, spacecraft, and parts thereof	3%
H24: Tobacco and manufactured tobacco substitutes	24%	H56: Wadding, felt, nonwovens, yarns, twine, cordage	3%	H89: Ships, boats and other floating structures	3%
H25: Salt, sulphur, earth, stone, plaster, lime and cement	1%	H57: Carpets and other textile floor coverings	25%	H90: Optical, photo, technical, medical apparatus	3%

TARIFFS IMPOSED ON SOUTH AFRICAN IMPORTS BY MOROCCO, 2016					
HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)	HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)	HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)
H26: Ores, slag and ash	3%	H58: Special woven or tufted fabric, lace, tapestry	6%	H91: Clocks and watches and parts thereof	3%
H27: Mineral fuels, oils, distillation products,	6%	H59: Impregnated, coated or laminated textile fabric	6%	H92: Musical instruments, parts and accessories	3%
H28: Inorganic chemicals, precious metal compound, isotopes	6%	H60: Knitted or crocheted fabric	10%	H94: Furniture, lighting, signs, prefabricated buildings	22%
H29: Organic chemicals	3%	H61: Articles of apparel, accessories, knit or crochet	25%	H95: Toys, games, sports requisites	3%
H30: Pharmaceutical products	7%	H62: Articles of apparel, accessories, not knit or crochet	23%	H96: Miscellaneous manufactured articles	13%
H31: Fertilizers	3%	H63: Other made textile articles, sets, worn clothing	20%	H97: Works of art, collectors pieces and antiques	3%
H32: Tanning, dyeing extracts, tannins, derivatives, pigments	10%	H64: Footwear, gaiters and the like, parts thereof	21%	H97: Works of art, collectors pieces and antiques	0%

Source: TradeMap, 2017

NOTE: Exporters should not take the HS2 tariff as conclusive and as the actual tariff that will be applied to the exported product. The tariffs indicated above are average tariffs and for products within the category it may be higher or lower than indicated. Where the tariff is zero it can be assumed that there is zero tariff applicable to all products within that HS code. Tariffs are determined according to the importing country's national tariff line from the HS6 level and upwards. Exporters are advised to visit [www.macmap.org](http://www.macmap.org) to determine the exact tariff applicable to the product at HS6

## 5.8. Port to Port

The table below shows the distance and transport times to ports in Morocco.

TRANSIT TIME FROM CAPE TOWN SELECTED TERMINAL PORTS IN MOROCCO, 2016		
TERMINAL	DISTANCE	TRANSIT TIME
Agadir	4702.04 mi (8708.17 km)	22 days (14 knots)
Casablanca	4917.90 mi (9107.95 km)	23 days (14 knots)
Tangier	5071.75 mi (9392.87 km)	23 days (14 knots)
Nador	5237.26 mi (9699.41 km)	24 days (14 knots)
Safi	4793.37 mi (8877.31 km)	22 days (14 knots)
Al Hoceima	5176.65 mi (9587.16 km)	23 days (14 knots)
Assila	4805.46 mi (8899.70 km)	22 days (14 knots)
Boujdour	4366.37 mi (8086.52 km)	21 days (14 knots)

Source: SeaRates, 2017

## 5.9. Western Cape Export Opportunities to Morocco

This section uses the Decision Support Model (DSM) to identify realistic export opportunities for Western Cape firms exporting to Morocco. The DSM results, indicated in the table below, show the top 20 realistic export opportunities (REOs) for Western Cape exports to Morocco.

TOP 20 REALISTIC EXPORT OPPORTUNITIES FOR WESTERN CAPE FIRMS EXPORTING TO MOROCCO			
HS4	HS4 Description	HS6	HS6 Description
HS3808	Insecticides [excluding that containing camphechlor (iso) (toxaphene)]	HS380850	Disinfectants, put up in forms or packings-RS/as preps./arts.
HS0602	Trees, shrubs & bushes, grafted/not, of kinds which bear edible fruit/nuts, incl. their roots	HS060220	Live plants, n.e.s., incl. their roots; mushroom spawn
HS1209	Vegetable seeds, of a kind used for sowing	HS120991	Clover ( <i>Trifolium</i> spp.) seed, of a kind used for sowing
HS3101	Animal/veg. fertilisers, whether or not mixed together/chemically treated; fertilisers produced by the mixing/chem. treatment of animal/veg. prods.	HS310100	Animal/veg. fertilisers, whether or not mixed together/chemically treated; ...
HS4908	Transfers (decalcomanias), vitrifiable	HS490810	Transfers (decalcomanias) other than vitrifiable transfers
HS2833	Sulphates (excl. of 2833.21-2833.27)	HS283329	Alums
HS2712	Paraffin wax cont. by wt. <0.75% of oil	HS271220	Micro-crystalline petroleum wax, slack wax, ozokerite, lignite wax, peat wa ...
HS3923	Sacks & bags (incl. cones), of plastics other than polymers of ethylene	HS392329	Articles for the conveyance/packing of gds., of plastics (excl. of 3923.10- ...
HS4113	Leather furth. prepd. after tanning/crusting, incl. parchment-dressed leather, of animals n.e.s. in 41.13, without wool/hair on, whether or not split, other than leather of 41.14	HS411390	Leather further prepared after tanning or crusting, including parchment-dressed leather, of other animals, without wool or hair on, whether or not split, other than leather of heading 41.14.
HS8409	Parts suit. for use solely/princ. with the engines of 84.07/84.08 (excl. of 8409.10 & 8409.91)	HS840999	Parts suit. for use solely/princ. with spark-ignition int. comb. piston eng ...
HS3814	Organic composite solvents & thinners, n.e.s.; prepd. paint/varnish removers	HS381400	Organic composite solvents & thinners, n.e.s.; prepd. paint/varnish remover ...
HS3402	Organic surface-active agents, whether or not PURS (excl. of 3402.11-3402.13)	HS340219	Anionic surface-active agents, whether or not PURS
HS8418	Freezers of the chest type, not >800 l cap., elec./oth.	HS841830	Combined refrigerator-freezers, fitted with separate ext. doors, elec./oth. ...
HS1211	Plants & parts of plants, incl. seeds & fruits, of a kind used primarily in perfumery/pharmacy/for insecticidal/fungicidal/sim. purps., n.e.s. in Ch.12, fresh/dried, whether or not cut/crushed/powdered	HS121190	Ginseng roots
HS1005	Maize (corn), seed	HS100510	Maize (corn), other than seed
HS7005	Float glass & surface ground/polished glass, non-wired (excl. of 7005.10), in sheets, whether or not having an absorbent...layer but not othw. wkd., coloured... [see complete text #118]	HS700521	Float glass & surface ground/polished glass, in sheets, non-wired, having a ...

TOP 20 REALISTIC EXPORT OPPORTUNITIES FOR WESTERN CAPE FIRMS EXPORTING TO MOROCCO			
HS4	HS4 Description	HS6	HS6 Description
HS2916	Esters of acrylic acid	HS291612	Acrylic acid & its salts
HS8474	Crushing/grinding machines for earth/stone/ores/oth. min. subs., in solid (incl. powder/paste) form	HS847420	Concrete/mortar mixers
HS8207	Rock drilling/earth boring tools other than those with working parts of cermet, incl. parts, for hand tools, whether or not power-operated/for machine tools	HS820719	Dies for drawing/extruding metal, for hand tools, whether or not power-oper ...
HS7316	Anchors, grapnels & parts thereof , of iron/steel	HS731600	Anchors, grapnels & parts thereof , of iron/steel

Source: DSM Trade Advisory, 2017

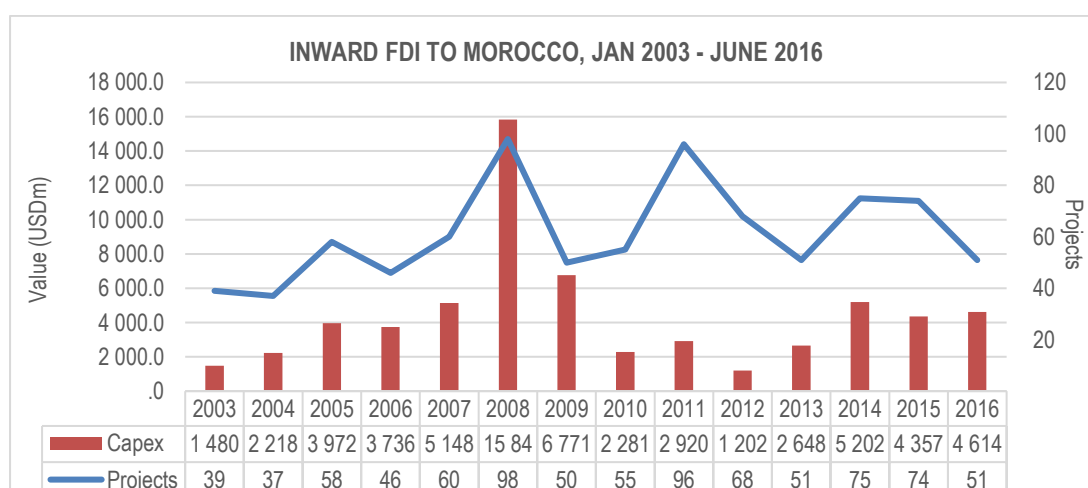
#### Disclaimer re DSM Model Results and Findings

While the Decision Support Model (DSM) can offer varying degrees of input for identifying, prioritising, designing, planning and executing export promotion activities, the results of the DSM are inescapably based on statistical data which are at least two years old. Accordingly, it would be unwise to rest all export promotion decisions upon the DSM results alone, and there is a need to have the realistic export opportunities identified assessed by experts 'in the field' such as panels of exporters, representatives of sector organisations and commercial attaches at diplomatic missions abroad. Diplomatic and political issues also need to be taken into consideration. While the DSM results provide input in the process of concrete export strategy formulation, much more concrete and detailed information is required for designing an appropriate export promotion strategy. This important input should come from market research and further competitive intelligence on given export opportunities. This information should in no way or form be construed as advice as to where an investor should invest or undertake to invest. The model's findings and results are mere indications as to where potential realistic export opportunities (REO's) exist, and it is the responsibility of the user to use these in conjunction with additional competitive intelligence and other relevant market information as outlined above. While Wesgro has taken every effort to ensure that the information in this publication is accurate, we provide said information without representation or warranty whatsoever, whether expressed or implied, and cannot be held responsible for the contents of the publication in any way. © Wesgro, 2017.

## 6. Foreign Direct Investment

### 6.1 Global FDI into Morocco

Between January 2003 and June 2016 a total of 858 FDI projects were recorded. These projects represent a total capital investment of USD62.4bn which is an average investment of USD72.70m per project. During the period, a total of 232,985 jobs were created.



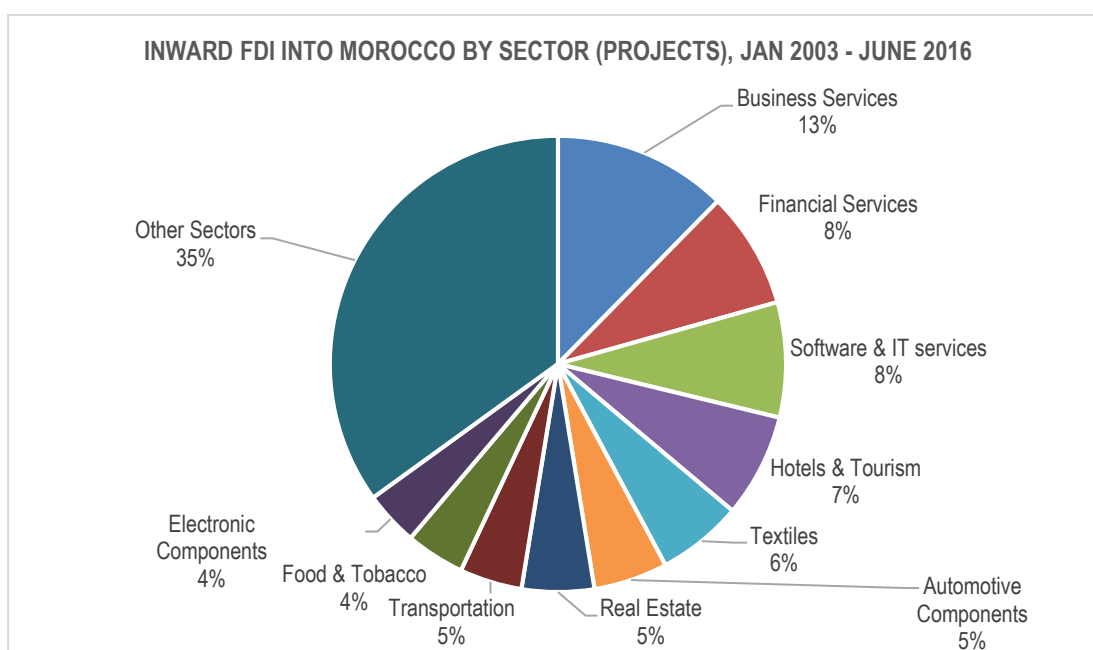
Source: FDI Intelligence, 2017

France was the leading source market for FDI into Morocco, in terms of both capex and projects for the period January 2003 to June 2016 (USD13,343.3m). Second position is held by Spain (USD8,376.4m) and the United States is in third position (USD3,355.8m) as shown in the table below. European countries are the top source markets for investment in Morocco— of the top 10 countries listed below, 7 countries are European.

TOP 10 SOURCE MARKETS FOR FDI INTO MOROCCO JAN 2003 - JUNE 2016						
RANK	COUNTRY	PROJECTS	% PROJECTS	CAPEX (USDm)	% CAPEX	COMPANIES
1	France	256	29.84%	13 343.30	21.38%	197
2	Spain	156	18.18%	8 376.40	13.42%	128
3	United States	109	12.70%	3 355.80	5.38%	82
4	UAE	59	6.88%	13 808.10	22.13%	30
5	UK	36	4.20%	1 308.20	2.10%	31
6	Germany	28	3.26%	600.90	0.96%	27
7	Japan	28	3.26%	1 854.10	2.97%	23
8	Switzerland	28	3.26%	2 222.30	3.56%	22
9	Italy	27	3.15%	2 333.80	3.74%	20
10	Portugal	13	1.52%	657.70	1.05%	11
Other countries		118	13.75%	14 539.60	23.30%	105
<b>TOTAL</b>		<b>858</b>	<b>100.00%</b>	<b>62 400.20</b>	<b>100.00%</b>	<b>676</b>

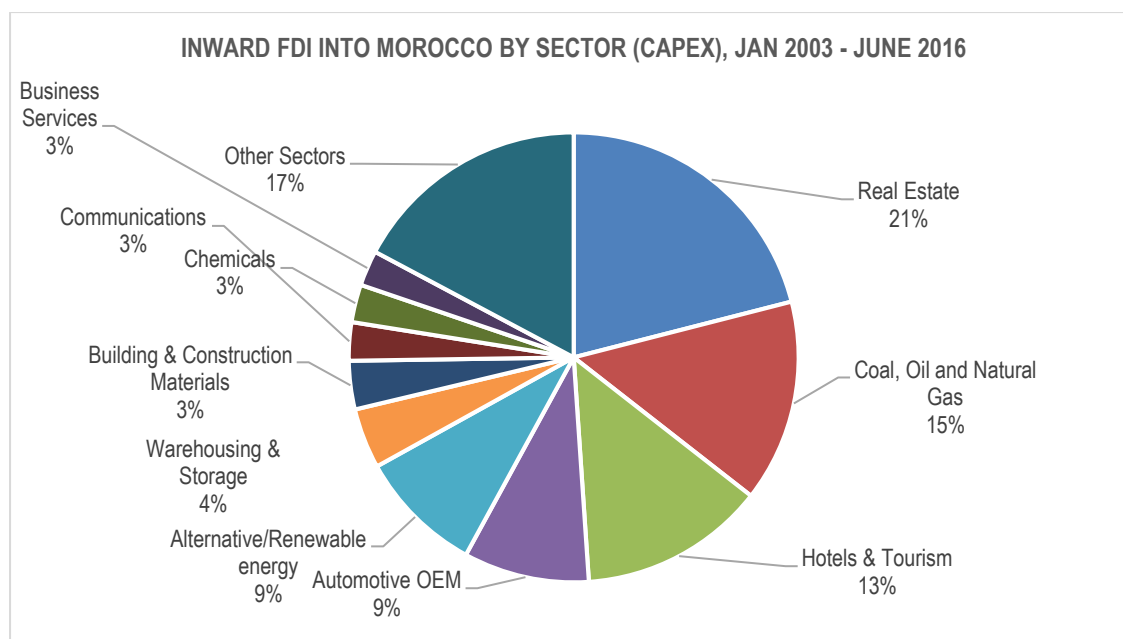
Source: FDI Intelligence, 2017

The two diagrams below depict which sectors in Morocco have been invested in from a projects and capex perspective. The highest number of investments (based on projects), has been in the business services sector (13%) followed by investments in the financial services sector (8%) and the software and IT services sector (8%), both in second position. In third place is the hotels and tourism sector (7%).



Source: FDI Intelligence, 2017

In terms of capital expenditure, the real estate sector was the top sector (21%) followed by the coal, oil and natural gas sector (15%) and the hotels and tourism sector (13%) in second and third place respectively.



Source: FDI Intelligence, 2017

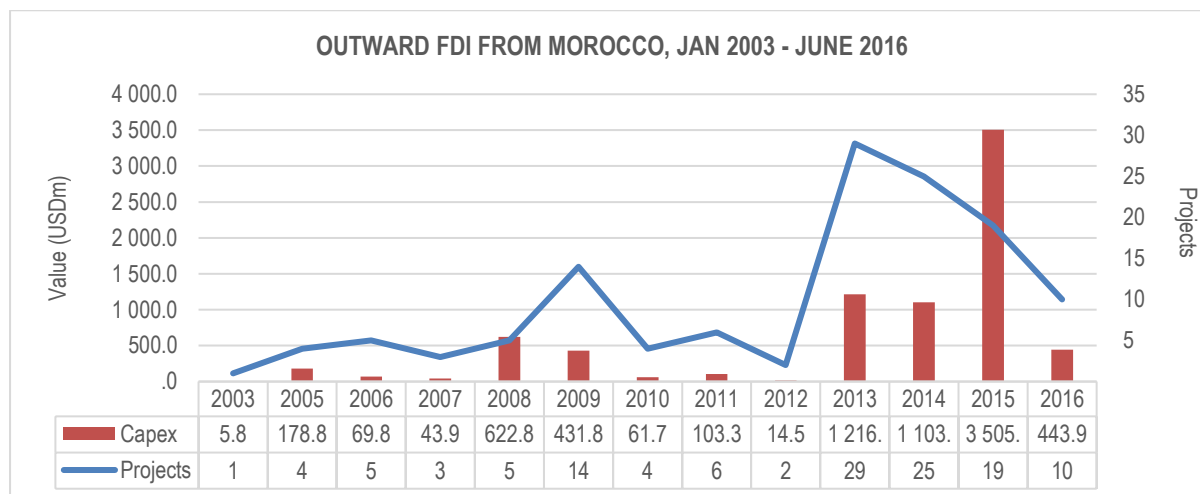
The table below shows the largest companies investing in Morocco.

THE TOP COMPANIES INVESTING IN MOROCCO, JAN 2003 - JUNE 2016					
RANK	INVESTING COMPANY	SOURCE COUNTRY	PRIMARY SECTOR	PROJECTS	CAPEX (USDm)
1	UAE Exchange Centre	United Arab Emirates	Financial Services	22	242.00
2	Marina d'Or	Spain	Real Estate	9	1 024.80
3	Webhelp	France	Business Services	9	55.30
4	Accor	France	Hotels & Tourism	8	537.10
5	Enel Green Power	Italy	Alternative/Renewable energy	6	1 355.50
6	Berggruen Hotels	United States	Hotels & Tourism	5	656.00
7	Emaar Properties	United Arab Emirates	Real Estate	5	1 907.60
8	Pierre et Vacances	France	Hotels & Tourism	5	1 495.40
9	Fadesa	Spain	Real Estate	4	1 301.20
10	M&M Militzer & Munch International Holding Ag	Switzerland	Transportation	4	250.30
Other Companies				781	53 575.00
<b>TOTAL</b>				<b>858</b>	<b>62 400.20</b>

Source: FDI Intelligence, 2017

## 6.2. Global FDI from Morocco

Between January 2003 and June 2016 a total of 127 FDI projects were recorded. These projects represent a total capital investment of USD7.80bn which is an average investment of USD61.40 m per project. During the period, a total of 13,636 jobs were created. (NOTE: the decline shown in 2016 is as a result of FDI being depicted until the 30 June 2016)



Source: FDI Intelligence, 2017

The top destination markets for foreign direct investment from Morocco are shown in the table below. France is the top destination country in terms of projects (24 projects) for the period January 2003 to June 2016. In second position is Spain (15 projects) followed by the Ivory Coast with 14 projects. The Ivory Coast is listed as the top destination country in terms of capital expenditure, valued at USD2,609.6m for the period January 2003 to June 2016.

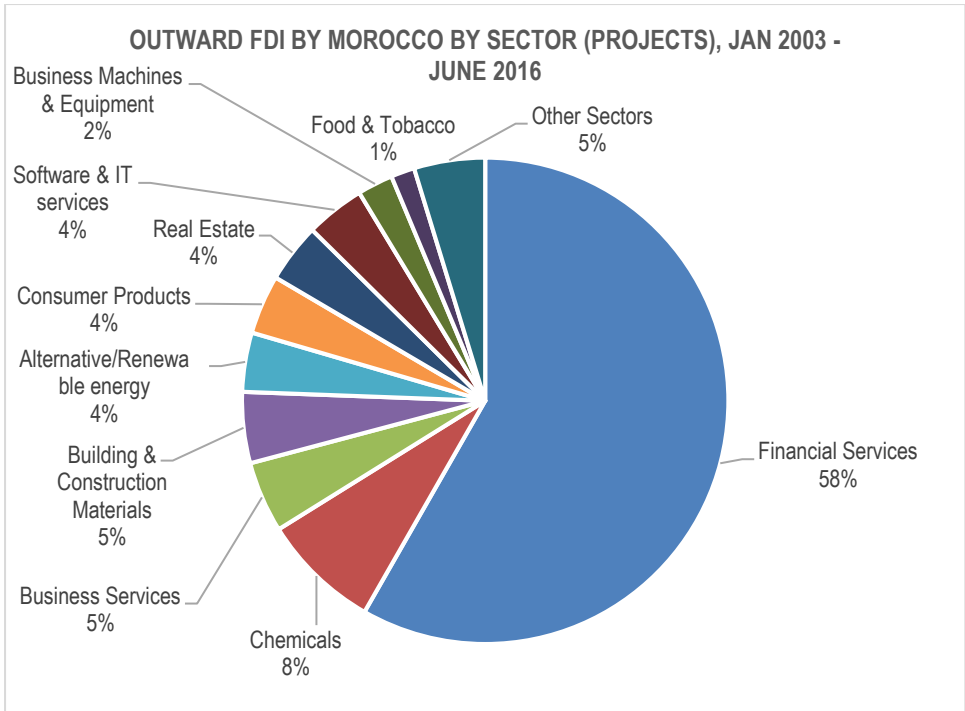
TOP 10 DESTINATION MARKETS FOR FDI FROM MOROCCO JAN 2003 - JUNE 2016						
RANK	COUNTRY	PROJECTS	% PROJECTS	CAPEX (USDm)	% CAPEX	COMPANIES
1	France	24	18.90%	570.00	7.31%	9
2	Spain	15	11.81%	570.00	7.31%	2
3	Cote d'Ivoire (Ivory Coast)	14	11.02%	2 609.60	33.45%	9
4	Algeria	7	5.51%	128.90	1.65%	6
5	Italy	7	5.51%	214.90	2.75%	2
6	Senegal	5	3.94%	56.80	0.73%	5
7	UAE	4	3.15%	42.20	0.54%	4
8	Burkina Faso	3	2.36%	199.20	2.55%	3
9	Cameroon	3	2.36%	989.20	12.68%	2
10	China	3	2.36%	166.30	2.13%	3
Other countries		42	33.07%	2 254.70	28.90%	-
<b>TOTAL</b>		<b>127</b>	<b>100.00%</b>	<b>7 801.80</b>	<b>100.00%</b>	<b>35</b>

Source: FDI Intelligence, 2017

The two diagrams below depict which sectors Morocco has invested in from a projects and capex perspective.

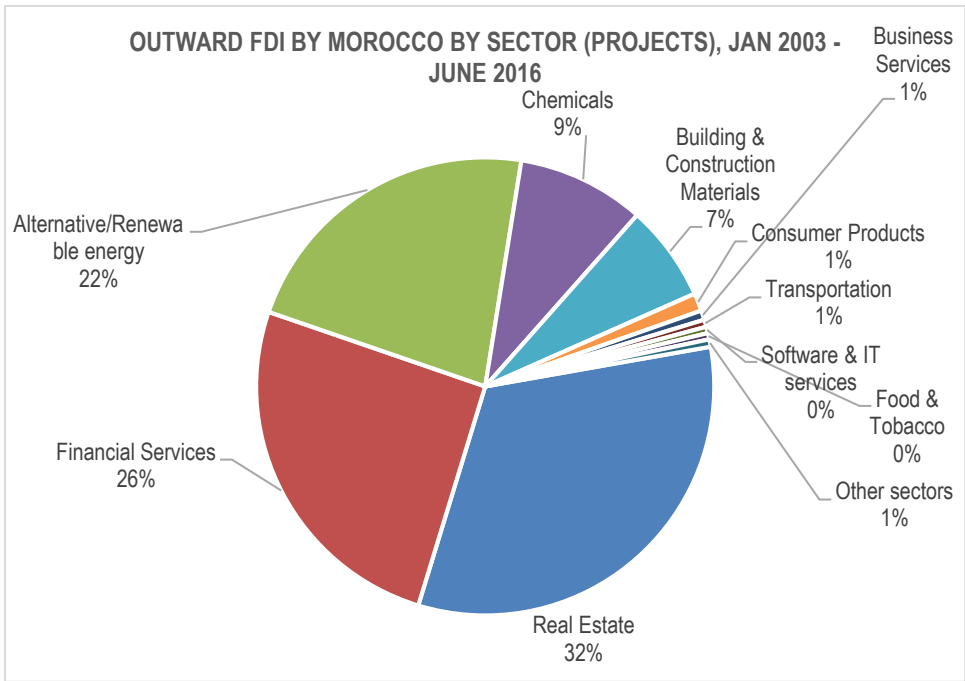
The highest number of foreign direct investments (based on projects), has been in the financial services sector (58%) followed by investments in the chemicals sector (8%) and the business services sector (5%) in second and third place respectively.





Source: FDI Intelligence, 2017

The highest number of foreign direct investment (based on capital expenditure), has been in the real estate sector (32%) followed by investments in the financial services sector (26%) and the alternative/renewable energy sector (22%) in second and third place respectively.



Source: FDI Intelligence, 2017

The table below shows the top companies from Morocco investing globally for the period January 2003 to June 2016.

TOP 10 COMPANIES INVESTING FROM MOROCCO, JAN 2003 - JUNE 2016				
RANK	INVESTING COMPANY	PRIMARY SECTOR	PROJECTS	CAPEX (USDm)
1	BMCE Euroservices	Financial Services	30	919.80
2	Banque Chaabi	Financial Services	14	484.50
3	Office Cherifien des Phosphates (OCP)	Chemicals	10	703.30
4	Attijariwafa Bank	Financial Services	8	194.60
5	Douja Promotion Groupe Addoha	Building & Construction Materials	8	2 896.60
6	Bank of Africa	Financial Services	6	66.00
7	Platinum Power	Alternative/Renewable energy	5	1 736.30
8	Banque Centrale Populaire	Financial Services	4	102.90
9	BMCE Bank	Financial Services	4	134.00
10	Arkeos	Business Machines & Equipment	3	3.20
Other Companies			35	560.60
<b>TOTAL</b>			<b>127</b>	<b>7 801.80</b>

Source: FDI Intelligence, 2017

### 6.3. FDI Relations from Morocco

#### 6.3.1 Foreign Direct Investment from Morocco to South Africa

There is no recorded investment from Morocco to South Africa in FDI Intelligence.

#### 6.3.2 Foreign Direct Investment from South Africa to Morocco

Between January 2003 and June 2016 one FDI project was recorded by South Africa-based firm Phatisa, a private equity, fund management, corporate finance and advisory boutique, servicing a range of sectors in a number of sub-Saharan African countries opened an office in Casablanca, Morocco. This project represented a total capital investment of USD11.00m. During the period, a total of 18 jobs were created.

SOUTH AFRICAN FDI INTO MOROCCO, JAN 2003 - JUNE 2016								
DATE	INVESTING COMPANY	SOURCE CITY	DESTINATION STATE	INDUSTRY SECTOR	SUB-SECTOR	INDUSTRY ACTIVITY	CAPITAL (USDm)	JOBS
Nov-09	Phatisa	Johannesburg	Casablanca	Financial Services	Corporate & investment banking	Business Services	11	18
<b>TOTAL</b>							<b>11.0</b>	<b>18</b>

Source: FDI Intelligence, 2017

#### 6.4. Western Cape Investment Opportunities

WESTERN CAPE INVESTMENT OPPORTUNITIES FOR IVORY COAST COMPANIES, 2017	
<b>Agribusiness Opportunities:</b>	
<ul style="list-style-type: none"> <li>Niche markets such as biltong, herbal tea and ostrich meat are likely to find a burgeoning global audience among health-conscious consumers.</li> <li>The increasing use of genetically modified crops will help to significantly improve yields and output.</li> <li>Corn production would benefit from a decision to lift the ban on the use of the crop for biofuel.</li> <li>Sugar consumption is set to rise and, along with disposable incomes, there will be growth in the fast food and casual dining industries.</li> <li>Development of food supply chain technologies especially in food safety</li> <li>Growing and exporting of cut and dried flowers.</li> <li>Expand domestic fruit juice concentrate production.</li> <li>Extend production of organic products for domestic and export markets.</li> <li>Expand production of honey bush teas to meet growing consumer demand.</li> <li>Expand production and processing of ostrich products</li> <li>Expand production of high quality wines for export and establish boutique cellars.</li> <li>Modernise and expand wine and beverage production facilities.</li> <li>Expand packaging, freezing and canning facilities for export products.</li> <li>Cuniculture (Rabbit farming).</li> <li>Agri tourism</li> <li>Cold storage facilities</li> <li>Multiple opportunities in agribusiness value chain</li> <li>Per capita food consumption is forecast to grow dynamically over our forecast period, opening up expansion opportunities for existing companies.</li> <li>A number of food segments remain underdeveloped and would benefit from further investment.</li> <li>Many industry sub-sectors, such as energy drinks, tea and coffee, are far from saturated and would benefit from further investment.</li> <li>Rising health-consciousness is boosting demand for low-calorie soft drinks.</li> <li>Scope for growth in high-end premium retailing as South Africa gets richer over the long term.</li> </ul>	
<b>ICT Opportunities:</b>	
<ul style="list-style-type: none"> <li>In the personal devices market vendors will be able to tap demand from first-time buyers and in the upgrade/replacement market as the economic environment becomes more supportive.</li> <li>Improvements to network infrastructure an enabler for device sales, as well as wider adoption of cloud services and smart infrastructure.</li> <li>Potential for South Africa to become a cloud services hub in the region due to relative strengths in network connectivity and legal environment. Strong private investment in key industry verticals, including financial services, retail and manufacturing.</li> <li>Vibrant small- and medium-sized business sector will sustain demand for IT products and services.</li> </ul>	
<b>Oil &amp; Gas</b>	
<ul style="list-style-type: none"> <li>Considerable offshore exploration opportunities with major companies involved in upstream activity.</li> <li>Shale gas resources in the Karoo Basin are thought to be among the largest in the world.</li> <li>Coal-bed methane potential in the Karoo, with positive pilot production displaying upside potential.</li> <li>The potential development of the LNG IPP Programme presents notable upside to gas imports.</li> </ul>	

<ul style="list-style-type: none"> <li>• The proposed separation of oil and gas regulation from legislation covering the mining industry could provide greater regulatory clarity.</li> <li>• Considerable offshore exploration opportunities in South Africa</li> <li>• Shale gas resources in Karoo Basin</li> <li>• Services facility: Port development and management;</li> <li>• Onshore and offshore maintenance</li> <li>• Pipeline engineering and construction (both subsea and onshore):</li> <li>• Lack of gas infrastructure: LNG facilities plant required: over reliance on imports and Eskom needed to reduce reliance on diesel due to costs and shift towards gas</li> <li>• Upgrading of refineries required to meet standards</li> <li>• Building a new refinery as future forecast is that the consumption will outstrip production</li> <li>• Storage facilities</li> </ul>
<b>Real Estate Opportunities:</b>
<ul style="list-style-type: none"> <li>• Good retail sales, despite a slowing economy, reveal potential for relevant commercial unit developments, as well as distribution space.</li> <li>• A developing REIT market will attract foreign investment further down the line.</li> <li>• The anticipated rebound in GDP growth indicates potential for the broader commercial real estate market, amid improving demographics</li> <li>• Building of boutique hotels (5 star, 4 star and 3 star) due to growing tourism market</li> </ul>
<b>Electronics Opportunities:</b>
<ul style="list-style-type: none"> <li>• Suppliers of parts and components for wind turbines and photo voltaic</li> <li>• Manufacture of automotive components</li> <li>• Manufacture of electronic components</li> <li>• Manufacture of consumer electronics</li> </ul>

Source: BMI, 2017, SAOGA, 2016, AIU, 2017

## 7. Tourism

According to Business Monitor International (BMI), Morocco's tourism industry will remain on a positive trajectory in 2017. Increasing penetration from low-cost airlines, the strengthening of the euro and negative security situations in rival destinations will increase arrivals. It is felt that the government has not provided adequate incentives for private developers to invest in the Moroccan tourism industry and therefore lags behind in its efforts to develop untapped areas.

The table below shows key strengths, weaknesses, opportunities and threats of the Moroccan tourism industry.

MOROCCO TOURISM SWOT ANALYSIS	
STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>- A fairly stable destination, which was not severely affected as other countries in the region by the Arab Spring and related protests.</li> <li>- Benefits from a stable government and geopolitical outlook.</li> <li>- Morocco offers many different types of tourism, from beach holidays to cultural tourism in locations such as Marrakech.</li> <li>- Good transport connections with Europe through low-cost airlines that are increasing routes and flights.</li> <li>- Gradually improving business environment encouraging foreign investment.</li> </ul>	<ul style="list-style-type: none"> <li>- Key markets still affected by European economic slowdown.</li> <li>-Transport infrastructure needs more development, to attract hoteliers and luxury seeking tourists, particularly in rural areas.</li> <li>- More utilities infrastructure needed, with both water and electricity connections in need of development.</li> <li>- Government unable to implement policies that would provide incentives for investment in the sector.</li> </ul>

OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>- Large growth potential in arrivals and improving occupancy rates supporting growth.</li> <li>- Rise in tourists requires more hotels, across budget and high-end spectrums.</li> <li>- Smaller destinations outside main cities, such as the Atlas mountains, attracting more tourists.</li> <li>- Increasing travel connections, including a greater range of low-cost airline connections.</li> </ul>	<ul style="list-style-type: none"> <li>- Infrastructure and resources such as water could be put under pressure by a rapid increase in tourism numbers and potential overcrowding in hotspots such as Marrakech, especially once the full effects of low-cost flights from Europe kick in.</li> <li>- Threat of terrorist attacks could deter potential visitors.</li> <li>- Border tensions with Algeria restrict tourism to already established destinations.</li> </ul>

Source: BMI, 2017

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