



## **Doing Business in Morocco: 2014 Country Commercial Guide for U.S. Companies**

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## Chapter 1: Doing Business In Morocco

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### Market Overview

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Trade Statistics:

- The U.S. had a USD 1.5 billion surplus with Morocco in 2013.
- Exports to Morocco totaled USD 2.5 billion, up 14 percent year-on-year, led by fuel oil; agricultural products; and aviation equipment.
- In the same year, Moroccan exports to the U.S. totaled USD 978 million, up 5 percent year-on-year, led by salt, sulfur, earth and stone; fertilizers; and textiles and finished clothing. ([www.census.gov/foreign-trade/balance/c7140.html](http://www.census.gov/foreign-trade/balance/c7140.html))

Over the last decade, the Kingdom of Morocco has invested billions of dollars in ports, airports, roads, railways and distribution centers. It has negotiated trade agreements with Gulf and Mediterranean nations and the European Union. Morocco's overarching economic development plan to leverage its location along the Strait of Gibraltar between Spain and Africa to transform the country into a regional hub for North, West and Sub Saharan Africa for shipping, logistics, assembly, production and sales.

Tanger-Med Port ([www.tmsa.ma](http://www.tmsa.ma)) will manage 8 million roll-on roll-off containers annually and is built to international standards. Major international shipping companies such as Maersk and CFM-CGM are building shipping capacity to take advantage of expected regional growth opportunities. Maersk operates two transshipment services from Newark, Norfolk, Savannah and Houston to Tanger-Med Port via Algeciras & Malaga, Spain. It is projected that Tangier will become an integral port within the greater global supply chain, further enhancing Morocco as a location for logistics, manufacturing and assembly.

There are roughly 130 U.S. firms operating in Morocco. Multinationals such as Renault, Veolia, Fruit of the Loom, Kraft, Kohler, DuPont, Lear, Bombardier as well as smaller companies have established their presence in Morocco in order to export to the European Union. Consumer goods companies such as Procter & Gamble, Unilever and Colgate and pharmaceutical companies such as Pfizer, MSD and Sanofi-Adventis locally manufacture some products and import others for onward distribution to North African nations. Cargill, Danone and European agro-industrial companies have also invested heavily in the country. Chevron, Freeport-McMoRan and other oil companies are also exploring for oil off the coast of Morocco.

The U.S.-Moroccan Free Trade Agreement (FTA), signed in 2006, is the only U.S. FTA with an African nation. The FTA eliminated tariffs on 95 percent of currently traded consumer and industrial goods. Duties on most remaining qualifying products are being phased out by 2015. The FTA provides enhanced protection for U.S. intellectual property, including trademarks and digital copyrights, expanded protection

for patents and product approval information and tough penalties for piracy and counterfeiting. ([www.USTR.gov](http://www.USTR.gov))

Morocco is progressing toward greater modernization and globalization. Commercial courts, streamlined customs services and 16 Regional Investment Centers dedicated solely to facilitating new business ventures are all part of a national strategy to enhance competitiveness. The country also has a comprehensive labor code that protects both employers and employees.

Morocco has remained a pillar of stability in the region since the advent of the Arab Spring. The 2011 constitution laid out a roadmap for political and other reforms that the government has begun to implement, however much work remains to be done. The consultative Economic, Social, and Environment Council advises the government and the King and provides a new focus on the social charter.

The moderate Mediterranean climate on 2,750 miles of coastline and its new infrastructure make Morocco an attractive location for both business and leisure. The commercial capital, Casablanca, boasts an efficient airport with direct flights to many capital cities in Africa and regular flights to the U.S. and Europe. Casablanca is a popular location for regional headquarters.

Moroccan businesspeople are increasingly developing a more international outlook on doing business, opting to expand their opportunities beyond the historically close relations with French business interests. The English-language university, Al Akhawayn, <http://www.aui.ma/en/> produces a growing number of English-speaking business professionals who aspire to deploy their new knowledge with western companies and serve as a bridge to doing business in Morocco.

The local AmCham which has close to 300 members is very active in developing the U.S. - Morocco bilateral commercial relationship. They advocate for industries, policies, specific companies promote the development of intellectual property rights and fight counterfeit products. AmCham offers networking functions, educational roundtables, award programs to stimulate SMEs as well as minority-owned businesses, market reports, visa facilitation services and other networking events. AmCham events and publications offer sponsorships and advertising spots for introducing new companies and their products into the Moroccan market. ([www.amcham-morocco.com](http://www.amcham-morocco.com))

Morocco boasts a small, but robust private equity and venture capital community that is receptive to working with U.S. management teams to provide capital for their growth plans in Morocco. More information can be found at <http://www.amic.org.ma/>. The U.S. asset management company, Brookstone Partners, recently established a presence in Casablanca.

The U.S. Trade and Development Agency (<http://www.ustda.gov/>) continues to make significant contributions to infrastructure development in Morocco. USTDA has identified projects in several sectors including clean energy, water resources, ports management, and multimodal transports to help accelerate project implementation and thereby expedite export opportunities for U.S. firms. In June 2014, USTDA funded a solar photo-voltaic reverse trade mission for Moroccan decision makers meet U.S. firms in California and Colorado.

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U.S. exporters face strong and active competition from European trading partners, particularly Spain and France, due to strong historical ties. French occupation of Morocco from 1911 through independence in 1956 left a strong cultural imprint on the people and the culture. European firms are familiar with all aspects of Moroccan business culture, financing, regulations and standards. Almost all business negotiations, written and spoken, are conducted in French and bids for government tenders must be submitted in French.

The greatest overarching barriers to trade in Morocco are lack of transparency in government procurement procedures and corruption. Although the government is diligently working to improve the business environment, foreign corporations often complain about these challenges. In addition, Morocco has recently become a less attractive market for pharmaceutical manufacturers following a price cutting decree implemented in 2014, and several U.S. firms are deeply concerned. Software piracy is also a great concern for a number of U.S. firms, especially in light of allegations of widespread use of pirated U.S. software even in Moroccan Government ministries.

The legal and banking systems in Morocco differ in many ways from the U.S. systems. The legal system is based on a combination of Spanish, French and Islamic laws, and is sometimes complicated for U.S. companies. International and domestic arbitration are accepted and are often used in business contracts. Morocco has made significant reforms to the banking system including structures and programs for foreign direct investment (FDI), project finance and trade finance.

Restrictions on prepayments of imported orders are often problematic for U.S. exporters who require 100 percent advance payment. Currently, Moroccan companies can prepay only 30 percent of the total shipment in advance of importing it. A Moroccan company can prepay 100 percent only for orders under MAD 200,000 (about USD 23,343). Letters of credit are often used to finance shipments.

## Market Opportunities

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The U.S. Commercial Service has identified the following sectors as best prospects for U.S. firms. (See Chapter 4):

- [Renewable energy](#)
- [Infrastructure projects](#)
- [Aviation \(both civil and defense\)](#)
- [Environmental technologies](#)
- [Franchising](#)
- [Healthcare](#)
- [Safety & Security](#)

The following agricultural products are the Foreign Agriculture Service's best prospects. (See Chapter 4):

### **Best Prospects for Morocco are:**

- Feed: Corn Gluten
- Feed: Distillers Grains (DDGS)
- Crude vegetable oil (Soybean oil)
- Oilseeds and products (soybean grains and meal)
- Milk powder, unsalted butter, whey, cheese for pizza

- Dried fruits and nuts (pistachios, walnuts, non-pitted prunes, raisins, and almonds)
- Confectionary items
- Rice
- Seafood/frozen
- Canned products.

## **Market Entry Strategy**

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Like in most countries, Moroccans base business on trust and mutual respect built over time. U.S. exporters should visit Morocco regularly to develop and strengthen relationships in order to do business successfully. U.S. exporters also need to be patient; all procedures take significantly more time to accomplish than U.S. firms may be accustomed to. Moroccans appreciate close working relationships, so working with a locally based agent or distributor provides U.S. firms with essential knowledge of key contacts, customs regulations, and niche opportunities.

U.S. firms should know that Moroccans do not reply to email communications as quickly as Americans. Moroccans are generally less familiar with email, and they may be hesitant sometimes to make mistakes in written English. Delays should not immediately be interpreted as lack of interest. If delays occur, U.S. firms should consider picking up the phone. U.S. firms should also fully understand the regulatory environment and procedures before jumping into the market to avoid problems. Also, Morocco's American Chamber of Commerce can organize collegial and informal meetings in Casablanca with other Amcham members to gain insight into the evolving market and learn how to best position product sales for the market.

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

<http://www.export.gov/morocco>

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## **Chapter 2: Political and Economic Environment**

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/5431.htm>

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#### **Using an Agent or Distributor**

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

Large-scale stores based on the Costco or Wal-Mart model are developing and can be used for direct distribution of consumer products. More traditional European-style supermarkets, such as Marjane and Acima are present in major cities and provide good markets for western food and household supplies. Moroccan supermarkets Carrefour Market and Aswak Assalam are also active in major cities. A few DIY (Do It Yourself) hardware stores have opened in Rabat and Casablanca such as Bricoma and Mr. Bricolage.

U.S. retailers Payless Shoes, GAP, and American Eagle opened their initial storefronts in the new (2012) Morocco Mall, the largest mall in Africa. ([www.MoroccoMall.net](http://www.MoroccoMall.net))

The U.S. Commercial Service department is located in the U.S. Consulate General in Casablanca and provides advice on how to approach the Moroccan market and assists U.S. exporters in their search for potential partners. U.S. companies may also consult their local U.S. Export Assistance Center. For the address and phone number of the nearest U.S. Export Assistance Center, call 1-800-USA-TRADE (1-800-872-8723) or visit <http://export.gov/usoffices/index.asp>

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

Below are the steps as outlined by the World Bank, "Doing Business in Morocco" guide (<http://www.doingbusiness.org/data/exploreconomies/morocco#starting-a-business>):

Step	Procedure	Time to Complete	Approximate Costs
1	<b>Obtain a "Certificat Négatif"</b> , which registers the company name at the Regional Investment Center "CRI: Centre Regional d'Investissement"	1 Day	MAD 230 (MAD 210 + MAD 20 droits de timbres)
2	<b>Deposit paid-in capital in a bank and obtain a bank receipt</b> called "attestation de depot"	1 Day	No charge
3	<b>Legalize statutes at Mayor's office</b> known as "La Commune"	1 Day	MAD 20/ page + MAD 10
4	<b>File documents with CRI</b> to register with the Ministry of Finance for patent tax	7 Days	1 Percent of capital (at least MAD 1,000) + MAD 200 (registration fee) + MAD 350 (registration at commercial registry) + MAD 150 publication fee (MAD 8-9/ line in business paper, MAD 4/ line official bulletin)
5	<b>File a declaration with the economic office of the Préfecture</b> Known as "Service Economique de la Commune"	1 day	No charge
6	<b>Make company stamp</b>	1 day	MAD 200

Consult these websites for more information on the Regional Investment Centers:

- <http://www.einvest.ma>
- <http://www.maroc.ma/PortailInst/Fr/MenuGauche/Investir+au+Maroc/>
- <http://www.casainvest.ma> (The CRI for the Casablanca region)

## Franchising

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Please see Chapter 4, Best Opportunities

## Direct Marketing

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The Moroccan market is split between the urban wealthy and middle class and the poorer rural communities therefore marketing campaigns must be targeted accordingly. Marketing may include point-of-sale promotions, rotating billboards, direct mail and door-to-door sales. With an adult illiteracy rate of 54 percent, promotion campaigns are often designed around images. Three-dimensional product mock-ups are often used to introduce new products and sustain brand awareness. Marketing services and advertising agencies are increasing their use of direct marketing. Avon and Oriflame (Sweden) are active in door-to-door cosmetic sales. Flyers are often handed out on street corners and stuffed in mailboxes.

There is a new focus on internet and mobile phone promotions. In both of these mediums, it is possible to target consumers directly based on past purchasing habits. This segment will become important due to the growth in the number of young people in Morocco who rely on mobile phones and the internet for entertainment and information. Demographics could become a major factor in marketing as 65 percent of Moroccans are under the age of 25. Morocco has the highest internet penetration in Africa at around 50 percent.

## Joint Ventures/Licensing

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Companies, both private and para-statal as well as wealthy businessmen seek joint venture business opportunities with U.S. partners as a way to modernize Moroccan factories, license new technology, and create employment. Examples of major joint ventures are Jacobs Engineering who has a joint venture with OCP, Morocco's phosphates para-statal, and Coca-Cola Export Corp. Competent law firms exist in Morocco capable of negotiating these kinds of agreements.

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Morocco's public procurement laws largely align Morocco with international best practices in an effort to make tenders transparent and fair. Each ministry and public establishment has its own contracting authority and is able to fund projects within their authorized budget. All government contracts must be tendered through the national public tendering portal managed by the Moroccan treasury (<https://www.marchespublics.gov.ma/pmmp/?lang=fr>).

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

- <http://www.devbusiness.com/>
- <http://www.dgmarket.com/>

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

## **Distribution and Sales Channels**

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Casablanca and Tangier are the primary points of entry for foreign manufactured goods for direct distribution. Ferry services between Morocco, Spain and France allow goods to be imported and exported by truck. The Tanger-Med port with a capacity of 8 million containers is operational and is scheduled for completion by 2015 at which time it will be Africa's largest port. Additional development is planned for passenger and cruise terminals, roads and train interconnections and fuel and coal storage facilities.

Broadly speaking, Morocco has established complete distribution systems with wholesalers and dealers who hold the customer relationship and provide access for a margin. For technical products after service sales support is key to attract customers. For example, there is a very well developed software distribution network supported by IT integrator companies and resellers of multiple types of software products. Pharmaceutical sales are also supported by a well-developed network of pharmacies. For a U.S. exporter it would be relatively easy to identify the major players in these sectors. However other types of products are still distributed through very fragmented market channels. Hardware store items for example are available in stores smaller than 100 ft<sup>2</sup> and in large DIY stores. To sell into these markets a U.S. exporter would have to deal with several key buyers, but work with an intermediary or wholesaler who has access to a broad base of smaller shops.

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

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

1. Local distribution partners expect substantial advertising and promotional support, particularly when introducing a new product or brand name.
2. All promotional material and technical documentation should be in French or Arabic depending on the product.
3. Lack of training is very common in Morocco. Each firm should sufficiently train their local partner because the more knowledgeable the partner is about the products, the more competitive these products will be. U.S. machine and equipment sales must be backed up by strong and credible after sales service and support and spare parts supply.

4. High quality company websites are surprisingly rare. Websites are commonly outdated or inaccurate. A small investment in a high quality online presence dedicated to the Moroccan business can deliver a substantial return by raising the profile of U.S. products over rivals. Making manuals, parts ordering, contact information easily available online will help to increase business success. This should also cut costs and create a competitive advantage.

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E-Commerce is small but growing rapidly in Morocco. Morocco has one of Africa's highest internet penetrations rates and e-commerce is being built on this infrastructure. The first Moroccan E-Commerce convention was held in Casablanca in May 2012. One major hurdle is a lack of online payment systems. There is a high instance of credit card fraud in Morocco and several U.S. companies have blocked the access to Moroccan ISPs. Nonetheless, the e-commerce market environment is improving. Most transactions made online in Morocco still have the payment executed offline. Restrictions on credit card usage make it hard for an international purchase of any volume by a Moroccan credit card. Internet payment systems like PayPal are starting to enter the market. This should allow U.S. exporters to market directly to Moroccan consumers or businesses.

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

## **Trade Promotion and Advertising**

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

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

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

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

In general, the market freely determines prices without government involvement. The exceptions are staple commodities and fuel. For service providers: all bills issued from foreign companies are subject to a 10 percent tax. It is important to clarify with the contracting partner if the negotiated rate is before or after this tax has been imposed.

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

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

### **Protecting Your Intellectual Property**

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The U.S.-Morocco Free Trade Agreement (FTA) contains strong intellectual property protection language and Morocco is in compliance with its commitments under the [World Trade Organization's](http://www.wto.org/english/tratop_e/gproc_e/memobs_e.htm) ([http://www.wto.org/english/tratop\\_e/gproc\\_e/memobs\\_e.htm](http://www.wto.org/english/tratop_e/gproc_e/memobs_e.htm)) Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS). Morocco has a non-discriminatory legal system that is accessible to foreign investors. The Commercial Courts, established in 1998, have begun to mitigate the weakness in commercial proceedings. A system of commercial arbitration was also created in 1998.

Morocco is also a member of the World Intellectual Property Organization (WIPO) and is party to the Bern Copyright, Paris Industrial Property, and Universal Copyright Conventions; the Brussels Satellite Convention; and the Madrid, Nice and Hague Agreements for the Protection of Intellectual Property.

While Moroccan intellectual property laws are generally adequate, enforcement is an issue. Counterfeiting of clothing, luggage and other consumer goods, as well as the illegal copying of computer software, is common. U.S. software firms allege that usage of pirated software is widespread even within Moroccan Government ministries. U.S. companies have created an advocacy group to combat IPR violations, and Amcham in Morocco and the U.S. Embassy frequently advocate for U.S. firms on this issue with the Moroccan Government. Furthermore, the Business Software Alliance has been successful in educating retailers and consumers regarding software piracy. The Moroccan Government is more aggressive when it comes to tackling video piracy, and in

response to complaints, the local music community has also stepped up enforcement efforts on CD and audiotape piracy.

Furthermore, the Office of Industrial Commercial Property (Office Marocaine de la Propriété Industrielle et Commerciale) in Casablanca serves as a registry for intellectual property rights for patents and trademarks in the industrial and commercial sectors. The Moroccan Bureau of Copyrights (Bureau Marocain des Droits d'Auteur) in Rabat registers copyrights for literary and artistic works, including software.

In the FTA, the Moroccan Government also vows to combat “cyber-squatting” and other digitally related IPR violations, see: <http://www.ompic.org.ma>. On October 1, 2011, the governments of Australia, Canada, Japan, Korea, Morocco, New Zealand, Singapore, and the United States signed the Anti-Counterfeiting Trade Agreement (ACTA). This is the most recent agreement for combating intellectual property rights (IPR) infringement.

Several general principles are important for effective management of intellectual property (IP) rights in Morocco. First, it is important to have an overall strategy to protect IP. While U.S. intellectual property should be protected in Morocco based on the FTA, one must be aware that IP is protected differently in Morocco, rights must be registered and enforced in Morocco, in compliance with local laws and procedures.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so one should consider applying for trademark and patent protection even before selling any products or services in the Moroccan market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. Government generally cannot enforce rights for private individuals in Morocco. It is the responsibility of the rights' holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Morocco's law. The U.S. Commercial Service can provide a list of local lawyers upon request.

While the U.S. Government stands ready to assist, there is little that can be done if the rights holders have not taken fundamental steps necessary to securing and enforcing their IP in a timely fashion. Rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. Government advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is advisable to conduct due diligence on potential partners. Contracts must respect the position of the partner and give that partner clear incentives to honor the contract. Good partnership is an important ally in protecting IP rights. U.S. companies should work with a legal counsel familiar with Morocco's laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions. Having a local partner register IP rights on behalf of their U.S. partner is risky because that the partner may list himself as the IP owner and fail to transfer the rights should the partnership end.

It is also recommended that small and medium-size companies understand the importance of working with U.S. trade associations and organizations to support efforts to protect IP and stop counterfeiting including:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

## IP Resources

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information specifically about Morocco, one can refer to World Intellectual Property Organization (WIPO):  
[http://www.wipo.int/directory/en/details.jsp?country\\_id=109](http://www.wipo.int/directory/en/details.jsp?country_id=109)
- For information about patent, trademark, or copyright issues -- including enforcement issues in the U.S. and other countries -- call the STOP! Hotline: **1-866-999-HALT** or register at [www.StopFakes.gov](http://www.StopFakes.gov).
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the U.S. Patent and Trademark Office (USPTO) at: **1-800-786-9199**.
- For more information about registering for copyright protection in the U.S., contact the U.S. Copyright Office at: **1-202-707-5959**.
- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at [www.stopfakes.gov](http://www.stopfakes.gov).
- For U.S. small and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in Brazil, China, Egypt, India, Russia, and . For details and to register, visit: [http://www.abanet.org/intlaw/intlproj/iprprogram\\_consultation.html](http://www.abanet.org/intlaw/intlproj/iprprogram_consultation.html)
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit [www.StopFakes.gov](http://www.StopFakes.gov) . This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products) and allows companies to register for Webinars on protecting IP.

- The U.S. Commerce Department has positioned IP attachés in key markets around the world. For assistance, U.S. Companies are welcome to contact Aisha Y. Salem, Intellectual Property Attaché for the Middle East & North Africa, at [Aisha.Salem@trade.gov](mailto:Aisha.Salem@trade.gov)

## Due Diligence

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Potential U.S. investors in Morocco and exporters of U.S goods and services are strongly encouraged to perform due diligence of potential local agents, partners and customers, particularly when extending credit. There is a central repository of information on Moroccan companies under [www.directinfo.ma](http://www.directinfo.ma). This repository lists the tax filings for a large number of Moroccan companies. Through this government sponsored portal, one can find balance sheet and P&L information. The portal is not comprehensive, but information for most large companies can be found. There are also independent credit ratings for companies which can be contracted to execute a credit evaluation. One such company is:

[http://www.coface.ma/CofacePortal/MA/fr\\_FR/pages/home/Qui\\_sommes\\_nous/coface\\_maghreb](http://www.coface.ma/CofacePortal/MA/fr_FR/pages/home/Qui_sommes_nous/coface_maghreb)

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

For more information, please check the following link:

[http://export.gov/salesandmarketing/eg\\_main\\_018198.asp](http://export.gov/salesandmarketing/eg_main_018198.asp)

## Local Professional Services

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

- The U.S.-Morocco Chamber of Commerce:  
<http://www.amcham-morocco.com>
- The U.S. Commercial Service in Morocco  
<http://export.gov/morocco/contactus/index.asp>

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## **Chapter 4: Leading Sectors for U.S. Export and Investment**

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## Renewable Energy

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Morocco is the only North African country with no known substantial fossil fuel deposits. The Moroccan government adopted a strategy based on an accelerated development of renewable resources. Morocco's electric power production is insufficient to meet a demand that has been increasing at an average annual rate of 8% for the past five years. The energy plan expects to increase the renewable share of installed capacity in electricity generation to 42% by 2020, up from 26% in 2008. In 2012, Morocco had an installed capacity from renewable energy of 2.853 GW, of which 90% was large-scale hydroelectric plants. Of the remainder, 82% was wind parks, 12% thermo-solar plants, 5% photovoltaic solar installations and the rest micro-hydroelectric plants and biomass treatment plants.

### Sub-Sector Best Prospects

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

- Electrical components
- EPC Contracting
- Connections
- Switches
- Fittings
- High, medium and low-voltage applications.
- Technical training for facilities repair and maintenance

### Opportunities

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All power production projects in Morocco are conducted through international tenders for development on a concession basis. U.S. manufacturers of solar/wind/biomass equipment are encouraged to partner with U.S. developers, in order to participate in tenders as joint consortiums. It is also important to have reliable local partners. More information on upcoming tenders can be found at:

<https://www.marchespublics.gov.ma/pmmp/?lang=fr>

Most government originated tenders have local content requirements. Entering into joint ventures with local partners can be an effective way to win contracts.

In order to increase the renewable share in its power production, Morocco will be undertaking the following projects:

Solar: In addition to the 2GW solar plan managed by the Moroccan Agency for Solar Energy (MASEN) to be completed by 2020, Morocco's Office of Electricity and Water launched 3 PV plants in the east of Morocco with capacities ranging between 10 and 25MW. MASEN's solar plan will require \$9 billion in investment and will create a

significant Moroccan solar industry, as well as establish leading R&D infrastructure for Africa.

Wind: While Morocco's wind power potential capacity is estimated at 6,000 MW, the existing installed capacity of Morocco's eight wind farms is limited to 487 MW. Four wind projects under construction are expected to provide an installed capacity of 720 MW by 2015. Six wind farms of a total installed capacity of 1,000MW are in the tendering phase and expected to be implemented by 2020.

Hydro: The current hydroelectric power capacity amounts to 1,770 MW. Among the 580 MW that is under construction, 12 hydroelectric plants will start producing 92 MW in 2016.

Biomass: Biomass has the potential of 950MW based on abundant agricultural resources, including wide areas for livestock breeding (2.6 million cattle, 16.3 million sheep and 5.3 million goats). The Green Morocco Plan to boost agricultural production and new regulations for waste management represents an additional potential of 400MW by the year 2030. In 2002, the U.S. consortium (GESI-Edgeboro-SADAT) won a government tender for the management of the first controlled landfill in Fez. It plans to convert methane gas from the landfill into electricity to power all Fez public lighting.

## Web Resources

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- Moroccan Ministry of Energy, Mining, Water and Environment: [www.mem.gov.ma](http://www.mem.gov.ma)
- Office National de l'Electricité: [www.one.org.ma](http://www.one.org.ma)
- Moroccan Agency for Solar Energy (MASEN): <http://www.masen.org.ma/>
- Agency for the Development of Renewable Energy and Electrical Efficiency (ADEERE): <http://www.aderee.ma/>
- Company for Energy Investments (SIE): <http://www.siem.ma/>

## Infrastructure Projects

## Overview

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Morocco is solidifying its age-old position as a commercial bridge between Europe and West Africa, and modern infrastructure in the form of world-class ports, airports, and rail links are key to realizing this goal. Strategically located along the Strait of Gibraltar, just a seven-hour flight from New York, NY and three hours from Paris, Morocco is seen more and more as a regional hub in North West Africa for transportation and business. Morocco's moderate Mediterranean climate on 2,750 miles (3,500 kilometers (km)) of coastline and its developing infrastructure make it an attractive location for business and leisure. To meet the domestic demand for infrastructure, the Moroccan government

plans to invest, by 2015, more than \$15 billion to upgrade its basic infrastructure. In addition, given Morocco's growing population and the economic importance of agriculture, a plethora of projects are underway in water technologies including wastewater treatment, water distribution and irrigation.

## **Sub-Sector Best Prospects**

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

### Building materials:

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

### Equipment:

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

### Services:

- Architecture and design
- Engineering Consulting
- Infrastructure Maintenance
- Road and Rail bed maintenance
- Signalling
- Construction Supervision

### Transport

**Roads:** Morocco values its high quality network of roads and aims to reach 1,800 km of highways in 2015 (1,416 in 2012), 1,300 km in 2016 of express ways (700 km in 2012) and 2,500 km of country roads by the end of 2014 (11,236 km in 2012). Moreover, improving transportation safety in some areas of Morocco will result in the implementation of tunnels and beltways, especially around the Atlas mountain areas. Currently, les Autoroutes du Maroc, a state owned company, has the monopoly on highway construction and operations. To enhance road expansion, the government is working on the liberalization of highway operations.

**Railway:** Morocco's railway network comprises 2,110 km of track, with 120 rail stations. Future development plans include the completion of the Tanger-Casablanca (370 Km) high-speed rail, to be implemented by 2015, and the studies for the Casablanca-Marrakech high-speed line (230 km). This will require the creation of maintenance centers dedicated to high-speed rail activity. The Office National Des Chemins de Fer (ONCF) is in charge of railway development and the sole railway operator. It intends to modernize rail lines, rail stations, as well as several regional rail networks around large urban centers. ONCF is committed to developing logistic platforms close to its lines.

**Airports:** In order to support the tourism's strategy "2020 Vision", Morocco's Ministry of Transports and the Office National des Aeroports (ONDA - in charge of Airport management and air traffic control) is engaged in a development strategy that aims to:

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

Current ONDA projects include:

1. The extension of Nador airport (40 mil USD)
2. The construction of new terminals at Marrakech airport (\$132 million) and Fes airport (\$58 million)
3. The construction of new airports at Beni-Mellal (\$20 million) and Zagora (15 million)

All projects are to be completed between September 2014 and December 2015. Future airport upgrades will include Essaoura, Oujda, and Al Hoceima.

### Shipping, Ports and Container Handling

Morocco has 15 commercial ports that generated 92.3 million tons in merchandise traffic in 2012. Major developers of ports are Agence National des Port (ANP) and Tanger-Med Special Agency (TMSA). Tanger-Med Port terminals 1 and 2 are operational. It is expected to reach full capacity by 2015 and to operate 8 million containers, 7 million passengers, 700,000 trucks, 2 million vehicles, and 10 million MT of oil products, becoming the largest transshipment port in Africa. After this successful project that transformed the economic conditions of the Tangier region, the government intends to

develop six new fully integrated ports around Morocco (East / North-east/ Kenitra-Casablanca/ Doukkala-Abda/ Souss-Tensift/ South)

### **Building Construction**

Urban population is growing at 4 percent per year. To meet the demand for property, the government began a New Cities program aimed at creating 15 new cities by 2020. Under the program, the government provides land to the public at competitive prices and tax incentives to developers who commit to build 500 low-cost units within five years. The government established three funds that grant loans at advantageous rates to government employees (Fogaloge-Public Fund), to teachers (Mohammed VI/FOGALEF Fund) and to low-income or temporarily employed people (FOGARIM Fund). Two new cities started in 2004, Tamansourt near Marrakesh, and Tamesna, near Rabat, will provide 88,000 and 54,000 units, respectively, for a total investment of USD 7.2 billion. Morocco needs to build approximately 158,500 units annually.

To meet demand in the education sector, the Ministry of Education, under its 2009-2012 Emergency Plan, began to build 4,774 new schools and extend 187 existing schools. To encourage construction of private schools, Morocco established the “Fonds de Promotion de l’Enseignement Privé” (FOPEP) to co-finance the construction of private schools.

### **Tourism**

Morocco is one of the world’s most attractive and well-established tourism destinations. Marrakesh was ranked among the world’s top 25 destinations by Trip Advisor in April 2014. The American Association of Travel Agents will hold its annual conference in Marrakesh in 2015. Morocco is the most stable country in North Africa and is already a well-established tourism destination, especially for Europeans. With on-going and probably long-term unrest in competing tourism markets in North Africa, Morocco is expected to experience higher volume in the short and medium term. However, recent reports indicate that the quality of Moroccan hotels and resorts is slipping. Given the importance of the sector to the Moroccan economy, we expect enhanced tourism construction projects and cultural renovations throughout the country will demand U.S. project management expertise, construction equipment, and building services.

### **Trade Events**

The United States Department of Commerce’s International Trade Administration is organizing an Executive-led infrastructure Business Development Mission to Morocco, Egypt, and Jordan from December 3-11, 2014.

The purpose of the mission is to introduce U.S. firms and trade associations to Morocco, Egypt, and Jordan’s rapidly expanding infrastructure markets and to assist U.S. companies in pursuing export opportunities in these markets. The mission is intended to include representatives from U.S. companies and U.S. trade associations with members that provide infrastructure-related technologies, project managers and implementers, as well as companies with efficient energy equipment and technologies. The mission will visit three countries, Morocco, Egypt and Jordan, where the delegates will receive market briefings and participate in customized meetings with key port officials and prospective partners. Participants may also opt to receive briefings on opportunities and have meetings in the efficient energy infrastructure market in the West Bank for an additional cost. U.S. firms can register at:

[http://export.gov/eac/show\\_detail\\_trade\\_events.asp?EventID=34104&InputType=EVEN T](http://export.gov/eac/show_detail_trade_events.asp?EventID=34104&InputType=EVEN T)

### **Public Tenders**

1. From 2010-2015, the Moroccan government plans to invest more than USD 15 billion to upgrade its basic infrastructure of roads, ports and airports.
2. Morocco recently signed a USD 2.4 billion contract with Alstom (France) for the first phase of a high speed train system connecting Casablanca to Tangier by 2015. Additional segments will be opened for bid in the next two to three years. By 2030, ONCF will issue tenders to connect Tangier to Agadir via Rabat, Casablanca, Marrakech and Essaouira, then Casablanca to Oujda via Meknes and Fez.
3. The African Development Bank (AfDB) is providing a EUR 300 million loan to Morocco to support the investment plans of the national rail company Office National des Chemins de Fer (ONCF). ONCF is investing heavily in Morocco's transport infrastructure with a USD 13 billion planned into 2035. Plans include the construction of almost 2,000km of major rail lines linking the country's largest cities, in addition to urban and high speed rail.
4. Casablanca has plans for 48 miles of rail lines to link Casablanca, its suburbs and a 13-mile metro line. Other large cities, such as Agadir, Fez, Marrakesh and Tangier also plan to build light metro lines and trams.
5. Construction of 50 large dams (3 large dams per year) and 1000 small and mid-sized dams by 2030
6. A North-South transfer pipeline at the Bouregreg, Oum Er Rbia and Tensift basins: 800 million m<sup>3</sup> of water per year
7. Rainwater capture pilot projects which could lead to larger-scale deployment similar to what has been done in India and Australia.

### **Current USTDA Infrastructure Oriented Studies:**

1. National Office of Potable Water Industrial Wastewater Treatment projects  
<http://www.devex.com/en/projects/86854/print>
2. National Office of Potable Water GIS System:  
[http://www.ustda.gov/RFP/200821025A\\_MOR.pdf](http://www.ustda.gov/RFP/200821025A_MOR.pdf)
3. Moroccan Ports VTMS and Surveillance Study  
[http://www.ustda.gov/news/pressreleases/2009/MENA/Morocco/MoroccoVTMS\\_060809.asp](http://www.ustda.gov/news/pressreleases/2009/MENA/Morocco/MoroccoVTMS_060809.asp)

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- Moroccan Tendering Platform:  
<https://www.marchespublics.gov.ma/pmmp/?lang=fr>
- Ministry of Housing: <http://www.mhu.gov.ma>
- National Railway Authority: <http://oncf.ma/>
- National Airport Authority: <http://www.onda.ma/onda/an>
- National Ministry of Equipment and Transport:  
[http://www.mtpnet.gov.ma/MET\\_New/](http://www.mtpnet.gov.ma/MET_New/)
- Federation of Builders: <http://www.fnbtp.ma>, <http://www.fnpi.co.ma/>
- International Building and Public Works Trade Show (Salon international du Bâtiment et des travaux publics), November 21-25, 2012, Casablanca  
<http://www.sib.ma/>

## Aviation (Civil and Defense)

### Overview

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Royal Air Maroc (RAM), the main Moroccan airline, is 96 percent owned by the government. It operates short-haul flights within the country, medium-haul flights to Europe and Africa and long-haul flights across the Atlantic to the U.S. and Canada. It has the largest fleet of 737s in Africa (42) and is scheduled to operate up to four Boeing 787s. Its headquarters is in Casablanca and it has its hub at the Mohammed V International Airport.

Morocco has 24 airports: 15 international, six domestic and three secondary platforms. Half the air traffic goes through Casablanca Mohamed V Airport, followed by Marrakech Menara (24 percent) and Agadir (14 percent). The Mohammed V International Airport is operated by ONDA (National Airports Authority) and it is located in Nouaceur Province, a suburb 30 km south-east of Casablanca. It is the busiest airport in Morocco with almost 7.25 million passengers passing through the airport in 2010.

Established in 1999, ONDA is the operator and administrator of airports in Morocco. Since 2004, they have upgraded the facilities of most airports in the country. In the ONDA 2011-2016 strategy, Morocco will become the North African hub for commercial aviation services. The strategy designates the Casablanca airport to become the service center. The following key measures are to be implemented:

- Training 700 additional engineers by 2016
- Increasing the airport capacity – from 22 million passengers to 42 million and double the airspace use

- Making the airport a major player in regional development by doubling the capacity of freight stations
- Strengthening the role of the airports into regional leaders in Africa by developing the ecosystems of companies that provide aircraft services.

The growth of the aeronautics industry relies on a highly professional and qualified supply chain of local subcontractors who have achieved certifications from international organizations. The newly created Moroccan Aerospace Institute (IMA) offers practical, continuous training and education to the industry of aviation. It is all based on the specific needs of the companies in Morocco.

Morocco plays an important regional role in aircraft sales. The bi-annual Marrakech Air Show is a must for U.S. companies selling into Africa. The last Air show took place in April 2014. The next event will take place in April 2016. For more information: <http://marrakechairshow.com/en/> and email Commercial Specialist Thanae Bennani: [Thanae.bennani@trade.gov](mailto:Thanae.bennani@trade.gov)

### **Sub-Sector Best Prospects**

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

These subsectors are:

- Maintenance for all types of aircraft
- Cabling production for aircrafts (or other commercial vehicles)
- Service providers – VIP lounges, catering
- Parts and Equipment Suppliers for aircraft
- Parts and Equipment suppliers to airport facilities
- Pilot and Crew Training
- Air navigation control systems
- Radio communication systems
- Baggage handling
- Scanning equipment
- Passenger security devices,
- Aviation Consulting services
- Security Systems

### **Opportunities**

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The Casablanca Free Zone in Nouaceur near the Casablanca Airport is a designated Industrial Integrated Platform (P2i) with special support for investors in the aerospace sector. Incentives include a corporate tax break of five years followed by a cap at 8.75 percent during the next 20 years. For example, Bombardier signed an agreement with Midparc Investment S.A., a Moroccan property holding and management company, to purchase land for its new plant in this P2i. Both Bombardier and United Technologies

have invested around USD 200 million in new Moroccan factories. U.S. firm Eaton has started the construction of a USD 12 million plant in 2014 to manufacture aeronautics components and systems.

**Specific Opportunities at Nouaceur Include:**

1. A space “Ready for Output” offers to investors 1200 m2 of well-equipped (electricity, water, compressed air, IT network) modular production space (in units of 200 m2), making it possible to start the production rapidly.
2. A space “Ready for Services” is addressed to service firms related to the aeronautics industry and other innovating sectors. It offers modular offices (of 100, 200 and 300 m2) connected to IT networks and joint-services (conference rooms, copy centers, etc).

**Public Tenders**

All government contracts must be tendered through the national public tendering portal managed by the Moroccan treasury: <https://www.marchespublics.gov.ma/pmmp/?lang=fr>

The Office National des Aeroport’s (National Office of Airports) [website](#) has a list of current Call for aviation related Bids (<http://www.onda.ma/ONDA/Fr/Divers/MenuStructure/Appels+doffress/> )

**Contracting Opportunities:**

1. Renovation of Oujda Airport with a new 20,000 m2 terminal to increase capacity to 2 million passengers and a new air traffic control tower for USD 120 million.
2. The construction of a new Terminal III at Marrakech Menara Airport will require USD 108 million and will double the airport’s current capacity of 4.5 million passengers.

**USTDA Sponsored Opportunities**

A feasibility study grant was provided by USTDA to assist RAM in developing an operations optimization program in support of the establishment of a hub for RAM’s operations at Casablanca’s Mohammed V Airport. For more information, please go to: <https://www.fbo.gov/index?s=opportunity&mode=form&id=b6e27209bb8494f0a987628da2f2f48f&tab=core&tabmode=list&=>

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- ONDA’s development plan: <http://www.onda.ma/ONDA/An/Espaces/EspaceONDA/Major+Projects/>
- USTDA’s grant: [http://www.ustda.gov/news/pressreleases/2009/MENA/Morocco/MoroccoRAM\\_111009.asp](http://www.ustda.gov/news/pressreleases/2009/MENA/Morocco/MoroccoRAM_111009.asp)
- Direction Generale de l’ Aviation Civile <http://www.aviationcivile.gov.ma/def.asp?codelangue=23&po=2>
- GIMAS – Groupement des Industries Marocaines Aeronautiques et Spatiales

## Environmental Technologies

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#### Waste Management

The Moroccan Government developed a 15 year (2008-2023) National Solid Waste Management Plan, called PNDM (Programme National des Gestion des Dechets Menagers) which was developed in cooperation between the ministries of the Interior, Finance, and the Environment. For a summary of the plan:

<http://www.environnement.gov.ma/PDFs/PNDM.pdf>

The program targets include:

- Total Investment of USD 5 billion
- Collection rates of 82 percent (2005), 90 percent by 2015 and 100 percent by 2020
- Creation of 350 controlled dumps
- Closure and rehabilitation of existing illegal dumps
- Organization and development “sorting-recycling-valorization” in order to reach a recycling rate of 20 percent of all the waste generated in 2014, with pilot actions for source sorting
- Privatization of waste management in urban areas

This program is divided into three subsequent phases:

- 2008 – 2012: Initialization phase which allows for the integration of ongoing projects into priority projects
- 2013 – 2017: Scalability phase
- 2018 – 2020: Phase during which all untreated projects would be validated and implemented

International companies including Segedema, Sita, Veolia, Le Floque (France); Tecmed (Spain) and GESI and Edgeboro (U.S.) have been the main players in this sector.

#### Water Supply

Water supply in urban areas is almost universal. It reaches over 90% in rural areas. Morocco has developed several models for water management through the construction of dams, large reservoirs and water transfers. Though not yet fully implemented, Law 10-95 of 1995 allows for the establishment of river basin agencies to protect water resources, measures to promote water use efficiency, better allocation of water resources and protection of water quality through the application of user-pays and polluter-pays principles.

Note that L'Office National de l'Electricité (ONE) and the Office National de l'Electricite et de l'Eau Potable (ONEP) were merged and are now known as L'Office National de l'Electricité et de l'Eau Potable (ONEE). This state owned company is the main operator

in Morocco in the area of water and sanitation. ONEE – Water Branch is responsible for the production of drinking water as it produces 860 million m<sup>3</sup>, which represents 83 percent of the nation's potable water. It is also responsible for quality management and water supply transmission to the local agencies.

Four private operators supply Casablanca, Rabat, Tangier and Tetouan. ONEE – Water Branch's investment plan 2011-2015 includes the reinforcement of existing infrastructure and the upgrade of dams at Fez and Meknes. The investment volume is approximately USD 1.8 billion. A further USD 700 million will aim to increase access to water in rural areas to 95 percent.

For a list of tenders in different regions of the country related to water sanitation and potable water, U.S. companies can consult ONEE – Water Branch's website: [http://achats.onep.org.ma/ao\\_liste.php](http://achats.onep.org.ma/ao_liste.php)

### **Waste Water**

Only 70 percent of the urban population is connected to sewage systems. It is estimated that urban wastewater will increase to 900 million m<sup>3</sup> in 2020. Wastewater is either discharged into the ocean with only physical treatment or is concentrated in regional basins. Only 20 percent of waste water is currently treated (up from 8 percent in 2005). To meet expected demand growth for waste water management, Morocco launched the National Sanitation Program (NSP) in 2006. The program is called the [Programme National d'Assainissement Liquide et d'Épuration des Eaux Usées](#).

The Program's objective is to:

- Develop and improve wastewater collection and reuse to 60 percent
- Provision of sanitation services to 330 municipalities
- Increase the rate of sanitation access to 80 percent in urban areas
- Cover 10 million people in 260 cities and towns by the year 2020, at an estimated cost of USD 5.5 billion.

Several governmental agencies have roles in the Moroccan water sector:

ONEE – Water Branch is the main player and contributes to wastewater collection and treatment and the management of sanitation services. ONEE – Water Branch, which has been assigned since 2000 a global ambitious objective by the Moroccan Government to manage the sanitation service, now, manages sewerage and wastewater treatment, on behalf of the municipalities to which it supplies drinking water in 72 towns. For a list of tenders in different regions of the country related to water sanitation and potable water, U.S. companies can consult ONEE – Water Branch's website: <http://www.onep.ma>

Other than ONEE – Water Branch, major entities include:

- The Ministry of Interior ensures the provision of technical assistance and implementation of infrastructure, control, and application of the drainage policy.
- The Ministry of Agriculture and Maritime Fishing is responsible for policy concerning the reuse of wastewater in agriculture.

- The Secretariat of State in Charge of Water and Environment is responsible for environmental policy.
- Basin Agencies (“Régies”) are located in different regions of Morocco and are in charge of evaluating, planning, and managing water resources at the hydraulic basin level. These agencies have authorization for defining conditions required for using treated wastewater.
- A Commune Rurale (CR) is responsible for planning, organizing and managing public services, including water supply and sanitation, within its jurisdiction. CRs have the option to provide public services directly, or through a Régie, ONEE – Water Branch, a private operator, or a water user association (WUA).

### Sub-Sector Best Prospects

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Plans for improving environment services in Morocco offer a growing market to U.S. suppliers of:

- Water and wastewater equipment
- State-of-the-art technology adapted to new water purification
- State of the art wastewater treatment equipment.
- Water and wastewater treatment projects management
- Rural water distribution technology
- Desalination project equipment
- High-pressure water pumps
- Monitoring equipment
- Demineralization systems
- Water treatment
- Distribution equipment
- Chemicals for water treatment
- Remote control equipment.
- Service contracts
- Maintenance contracts
- Technical advisory
- Water efficiency devices
- Solid waste management equipment
- Solid waste management engineers or consultants

### Opportunities

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#### Internationally Financed Opportunities

The African Development Bank and the World Bank are financing several projects for water supply, sanitation and flood protection. For more information U.S companies can visit the following websites:

- <http://www.afdb.org/en/countries/north-africa/morocco/>

- <http://web.worldbank.org/external/default/main?menuPK=294571&pagePK=141155&piPK=141124&theSitePK=294540>

### **Upcoming ONEE – Water Branch Tenders**

ONEE – Water Branch has ambitious projects to improve urban facilities, improve potable water access in rural areas to 95 percent and waste water treatment:

- Conversion to modern irrigation systems and improvement of existing systems with a potential to save 2.4 billion m3 per year.
- In tourism, developing norms and incentives to use water-efficient devices: pipes, water-closets etc with a potential to save 120 million m3 per year.
- Construction of 50 large (3 large dams per year) and 1000 small and mid-sized dams by 2030
- A North-South transfer at the Bouregreg, Oum Er Rbia and Tensift basins: 800 million m3 per year
- Rainwater capture pilot projects which could lead to larger-scale deployment similar to what has been done in India and Australia.
- Extension of artificial cloud seeding where possible.
- Desalinization of seawater and demineralization of brackish waters: 400 million m3 per year
- Reuse of treated wastewater in golf courses, green spaces and crop irrigation: 300 million m3 per year.
- A National Plan for the Prevention and Fight Against Industrial Pollution.
- Implementation of the National Plan for the Management of Household and Similar Waste.
- A project to de-mineralize brackish waters for reuse in irrigation and drinking water.
- A five-year project to artificially recharge aquifers.

For information on upcoming tenders:

<https://www.marchespublics.gov.ma/pmmp/?lang=fr>

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- L'Office National de l'Electricité et de l'Eau Potable – Branche Eau Potable (ONEE – Water Branch): <http://www.onep.org.ma>

### **Franchising**

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Over 400 franchises operate in the fast food, clothing, office supply, furniture, cosmetics, office cleaning and auto repair sectors. Recent statistics indicate that 55 percent of the franchising activity is dominated by retail franchises and 45 percent is occupied by services. The clothing, food services, home furnishing and shoe retail occupy 45 percent of the market. Franchise holders are attracted to the marketing image and name

recognition of well-known U.S. products and brands such as Hertz, McDonald's, Pizza Hut, Domino's Pizza, KFC, Papa Johns, Haegen Dazs, Burger King, Pinkberry, TGI Friday's, Papa John's, Budget, New Balance, FutureKids, Century21, Starbucks and Midas. The most recent highlight of consumerism in Morocco was the opening of the Morocco Mall in Casablanca. This is Africa's largest shopping center and hosts many familiar brands.

Moroccan macro-economic trends are ideal for developing a franchise network. The country has benefited from a stable GDP growth rate of 3-5 percent over the past decade. Many Moroccans are entering the middle class where convenience and brand awareness become much more important. There is a huge demographic bulge in the 15-25 year old segment, which means a steady future supply of consumers with increasing purchasing power. The distribution of sales points shows a strong concentration in the metropolitan area of Rabat-Casablanca due to its high population density and purchasing power. As other urban centers become wealthier, they too will become attractive for development.

The success of franchising in Morocco stems from an expanding base of young entrepreneurs, many of whom are U.S. educated and have the financial means to develop master franchises. Franchising is also seen as an efficient way to promote small business creation and employment in Morocco. The Moroccan Government specifically promotes franchising in the Plan Rawaj which aims to create 12 commercial activity zones (ZAC) by 2020. These zones will offer an attractive, safe and high quality shopping experience adapted to the needs of the local population. They will be familiar to all American franchises as they are highly similar to a mall or shopping center.

While French franchises have a predominant position in the market, American franchises are a close second and have the lion's share in the food business (McDonald's, Pizza Hut, El Rancho, Domino's, KFC, TGI Friday's, etc., car rental (Budget, Avis, Hertz, Dollar), and education (Futurekids, The Fourth R, Dale Carnegie, Wall Street Institute, Berlitz).

The following four points are main challenges that new market entrants must overcome:

- Trademark protection
- Counterfeiting
- Lack of a financing mode adapted to the specifics of franchising. In fact, although banks prefer to finance a franchise than an independent business, financing usually excludes the franchise fees, which are, most of the time, the bulkiest part of the investment.
- Absence of consulting firms specialized in the franchising activity.
- The sector remains non-regulated and there is still no specific franchising legislation.

### **Sub-Sector Best Prospects**

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

- Fast-Food/Beverages
- Education/training (Languages, Executive training and Higher education)

- Supermarket, Hyper-mart chains
- Housewares and Linen retail
- Temporary employment services
- Business building management services
- Entertainment (movie houses, family parks)

## Opportunities

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There is a strong concentration of international franchisees in the urban center of Casablanca, but secondary markets remain underdeveloped. There are a number of locations in Morocco that have a very low penetration rate of U.S. franchises and offer excellent opportunities:

- *Secondary Metropolitan Centers:* The cities of Rabat, Agadir and Tangier remain very open.
- *Plan Rawaj Commercial Zones:* As highlighted in Chapter 1, there are 12 commercial centers planned to be opened in Morocco. These centers will be specifically zoned for stores and suitable for retail franchises.
- *Morocco Mall:* This is Africa's largest mall and there are opportunities for new companies to occupy available retail spaces.
- *Airport Terminals:* The comprehensive renovation plan for Morocco's airports will create very interesting new opportunities for franchises, specifically for those who operate well in airports.

The Mega Franchise & Corporate Exposition is a great opportunity for advantageous meetings between Franchisors, Franchisees and Master Franchisees, investors looking for business opportunities as well as anyone concerned by this new culture. For more information about future Franchising Trade Shows in Morocco contact:

- Office des Foires et Expositions de Casablanca  
Mr. Aziz Alami Gouraftei  
E-mail: [aziz.alami@gmail.com](mailto:aziz.alami@gmail.com)
- Federation Marocaine de la Franchise  
Mr. Abderrahmane Belghiti  
E-mail: [fmf@menara.ma](mailto:fmf@menara.ma)

## Web Resources

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International Franchise Association (IFA) - Assists franchisees and franchisors with the necessary information to properly set up and manage the franchise. The following list compiled by the IFA includes over 1,200 franchises:

<http://franchise.org/SearchFranchise.aspx>

Fédération Marocaine de la Franchise (FMF) :

Président : Mr Abderrahmane BELGHITI.

Address : Angle rue Ain Taoujdate et rue Ain Ifrane Résidence Kacimi

2 éme étage Appt N° 9 Bourgogne - Casablanca

Tel: + (212) 537 77 05 70 03 or +(212) 522 48 58 10 Fax : +(212) 522 48 58 10  
E-mail: [fmf@menara.ma](mailto:fmf@menara.ma)

Association Marocaine des Commerces en Réseau (AMCR) :  
President: Ms Salwa Akhennouch.  
3 Rue El Messaoudi Angle Bd Al Massira Khadra Maârif , Casablanca.  
Tel : +(212) 522 36 22 88/96/33/41 Fax : +(212) 522 36 22 91  
E-mail : [amcrmaroc@yahoo.com](mailto:amcrmaroc@yahoo.com)  
[www.observatoiredefranchise.ma](http://www.observatoiredefranchise.ma)

Legal firms specializing in Business Transactions and Joint Ventures  
Bennani & Associés LLP  
157 Boulevard d'Anfa  
20 000 Casablanca, Morocco  
Tel : +(212) 522 95 96 02 Fax : +(212) 522 95 96 10

## Healthcare

### Overview

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The state remains the main health care provider with 70% of Moroccan patients going to state-run hospitals. Private clinics are increasing though, and the MOH is considering opening up private clinics to private investment. Morocco has the second-largest pharmaceutical industry in Africa and its 40 pharmaceutical factories produce 70% of the drugs that are consumed domestically. However, it should be noted that in 2013 the Moroccan Government implemented a pharmaceutical price cutting decree which has dramatically worsened the market for pharmaceuticals manufacturers. There are five university hospitals, six military hospitals, and 147 public hospitals with a total bed capacity of 27,325. These hospitals, plus Morocco's 2,698 basic health centers and 360 private clinics, are insufficient to adequately cover all of Morocco's healthcare needs. The medical device market is estimated at \$230 million with \$181 million constituting imports. 15% of Morocco's medical device imports come from the United States, which follows France (19%) and Germany (16%).

### Sub-Sector Best Prospects

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

### Opportunities

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Morocco plans to build 30 new hospitals, including two university hospitals in Agadir and Tangier, and expand mobile hospital and emergency units. The UAE will build the Sheikh Khalifa Hospital in Casablanca (200 beds) and Marrakech Health Care City (160

beds) with state-of-the-art medical technology. This expansion will encourage medical tourism as Sub-Saharan countries consider Morocco as a healthcare center and Europe sees Morocco as a low-cost provider. To stem imported second-hand medical equipment, the MOH will require registration within 12 months of all medical devices and equipment. This will improve the quality of medical equipment in Morocco, expand opportunities for U.S. firms, and offer a better quality of medical care to patients treated in Morocco.

## Web Resources

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- Association of Biomedical Equipments Professionals (APMB) : <http://www.apmb.ma/>
- Ministry of Health : [www.sante.gov.ma](http://www.sante.gov.ma)

## Safety and Security

### Overview

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Morocco has successfully maintained internal security in a region where Arab Spring revolts have resulted in unprecedented instability, and the government's highest priority is protecting its people, economy and political system from terrorist and criminal elements in the wider neighborhood. Morocco's geographic location as a gateway to Europe also requires the protection of borders and checkpoints against illegal immigration, human trafficking and narcotics. Customs and ports agreements with the United States and other countries require Morocco to implement major upgrades at airports, seaports, border crossings, and government buildings.

### Sub-Sector Best Prospects

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- All security and safety equipment and related solutions for seaports, airports, border crossings, security and safety agencies such as the police, and buildings,
- Integrated monitoring and surveillance solutions,
- Luggage screening devices,
- Biometrics,
- Fire prevention and control equipment, alarm equipment for building safety, emergency evacuation systems
- Radio communication systems,
- Inspection equipment for containers, and seaport cargo.

## Opportunities

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The Moroccan market for equipment and services is expected to increase by 20% in the next five years. Local production is nonexistent and therefore imported safety and security products supply nearly 95% of the entire market, which until recently, was dominated by European firms. Morocco's implementation of an ambitious infrastructure development plan that includes ports, airports, hospitals, power plants, and new logistics

platforms increases sales opportunities for U.S. safety and security equipment and expertise. In addition, as Morocco depends on international tourism for economic growth, hotels and various tourism facilities provide constant opportunities for U.S. firms in this sector, and the current Open Skies Agreements with European and U.S. air space require continuous upgrades of safety and security equipment and procedures in airports. Moreover, the U.S. – Morocco strategic dialog, initiated in 2012, has a considerable security component that builds on a long history of U.S. – Morocco security and military cooperation.

As a developing economy, Moroccan governmental budgets may be constrained. There is no single Moroccan government agency that sets security policy, and this may complicate market intelligence gathering for U.S. firms. Gravitation towards Europe, though this trends has been weakening over the years.

## **Web Resources**

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## **Agricultural Sectors**

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The agricultural sector's contribution to Morocco's GDP varies between 13 and 21 percent, thus heavily impacting the economy as a whole. Moroccan agricultural production depends a great deal on rainfall as only 16 percent of total arable land is irrigated. As a result, agricultural output fluctuates heavily from year to year. With its significant contribution to the country's GDP, the agriculture sector largely determines the growth of the whole Moroccan economy. The large fluctuations in output are also reflected in fluctuations in agricultural imports of some commodities such as animal feed, wheat and oilseeds.

The agriculture, fishing and forestry sector employs about 40 percent of the total workforce. Over 40 percent of the population lives in rural areas. Morocco's agriculture can be divided into three major sectors: 1) modern, private, irrigated, highly capitalized, and export oriented farms producing mostly fruit and vegetables; 2) agriculture within reorganized large scale dam-irrigated perimeters producing mostly dairy, sugar crops, seeds, fruits and vegetables mostly for the local market; 3) rain-fed agriculture with more favorable land in the northwest (growing mostly grains, olives, pulses, red meat and dairy) and less favorable land in the south and east (growing mostly grains and non-intensive sheep production). Grains account for over 60 percent of agricultural production, and area planted to wheat has expanded dramatically over the last 20 years with increased government support. The prevalence of small farms, complicated inherited land status, and increasing land prices pose serious challenges to agricultural policy makers. Policy makers struggle with the conflicting underlying principles of economies of scale and the capitalization requirements necessary to modernize the agriculture sector and the desire to alleviate poverty and maintain the social structure of the traditional rural society. In April 2008, the Moroccan Government unveiled a new strategy for agricultural development called "Green Plan" that aims at encouraging domestic and foreign investment in agriculture as a means to generate employment, transfer new technologies and achieve a better integration with the world economy.

Main areas for investment included olives, citrus, grapevines, dairy, and fruit trees. The new strategy also aims at providing leverage for small farmers to consolidate outputs and increase value-added production.

Moroccan agriculture remains mostly traditional with limited applications of production inputs such as fertilizers, pesticides and mechanization. However, many of the export-oriented farms, especially fruits and vegetables, have made a great deal of investment in modern irrigation equipment, new production and marketing technologies that help them meet international standards. Morocco agricultural exports consist mostly of fresh citrus, fruits and vegetables mostly targeted at nearby European markets. In 2013, Morocco's exports of agricultural products were estimated at about US\$ 3.92 billion, while its imports were estimated at US\$ 6.9 billion. In recent years, Morocco's exports to European Union (EU) market accounted for about 60 percent of its total agricultural and food export.

In 2013, U.S. agricultural and food product exports to Morocco totaled US\$ 441 million, which represented about 34 percent decline compared to 2012. U.S. agricultural and food product imports from Morocco for 2013, however, were estimated at US\$ 128.5 million. Morocco's demand for U.S. products is expected to recover in the coming years, though at a slower pace.

U.S. agricultural and food exports to Morocco are mostly bulk and intermediate commodities. Following the implementation of the U.S.-Morocco Free Trade Agreement (FTA) in January 2006, U.S. exporters increased their market shares of many traditional commodities. In addition, the implementation of the FTA boosted the demand for several U.S. high-value agricultural products, such as dairy products, soybean meal, and cotton. More detailed information on the FTA provisions can be found at: <http://www.ustr.gov>

#### Moroccan Agricultural Imports from the United States (USD Thousands)

Product	2009	2010	2011	2012	2013
Bulk Products	213,348	261,674	221,051	115,416	<b>95,089</b>
Coarse Grains (Corn/Sorghum)	123,008	67,578	82,311	7,281	-
Wheat	27,727	101,440	59,901	35	27,716
Cotton	19,335	38,415	58,857	53,119	43,641
Soybeans	42,574	53,103	18,475	43,847	23,732
Intermediate Products	259,946	426,164	642,513	467,880	<b>157,450</b>
Soybean Oil	140,281	197,601	317,708	161,842	21,417
Soybean Meal	76,285	164,921	225,225	217,660	113,924
DDGS/Corn Gluten/Beet Pulp	25,831	38,575	67,633	63,176	17,447
Tallow	7,020	13,024	19,506	12,027	4,662
Consumer Products	31,490	76,644	66,654	83,505	<b>127,996</b>
Dairy Products	21,767	64,394	55,828	70,990	116,675
Tree Nuts	5,603	7,824	8,627	8,585	11,321
Forest Products	958	1,106	2,065	2,664	-

Other products	-	-	-	-	<b>60,439</b>
<b>Grand Total</b>	<b>505,814</b>	<b>765,628</b>	<b>932,500</b>	<b>670,088</b>	<b>440,958</b>

Source: GATS

**Best Prospects for Morocco are:**

- Dairy product (dry milk, cheese, butter)
- Oilseeds and products (soybean oil and meal)
- Soybeans
- Grain and feed (wheat, barley, corn)
- Crude vegetable oil (Soybean oil)
- Dried fruits and nuts (pistachios, walnuts, non-pitted prunes, raisins, and almonds)
- Confectionary items
- Seafood/frozen
- Canned products.

Several consumer-oriented food products offer good opportunity for U.S. suppliers in spite of the high freight cost. These include processed fruit, fruit and vegetable juices, condiment and sauces, prepared food, confectionary and snack foods.

**U.S. Trade Associations:**

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[myoussoufi@menara.ma](mailto:myoussoufi@menara.ma)

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Office of Agricultural Affairs, U.S. Embassy Rabat  
Sarah Hanson, *Agricultural Attaché*  
Khalid Boukantar, Agricultural Specialist  
Phone: +(212) 357 76 59 87 Fax: +(212) 357 76 54 93  
Email: [AgRabat@fas.usda.gov](mailto:AgRabat@fas.usda.gov)

**List of USDA/FAS Commodity Reports and Briefs:**

In addition to the scheduled reports listed on the table below, the Agricultural Attaché regularly reports on special issues (such as significant changes in policy). Public FAS/USDA agricultural and food reports can be found at <http://gain.fas.usda.gov/Pages/Default.aspx>

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## Chapter 5: Trade Regulations, Customs and Standards

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### Import Tariffs

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Under the U.S.-Morocco FTA, tariffs on more than 95 percent of qualifying consumer and industrial goods were immediately eliminated. Remaining tariffs for most qualifying goods will be eliminated over a nine-year period that began on January 1, 2006. For a limited number of products, tariffs will be eliminated over a period of up to 15 years.

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

If an import good is an unfinished product requiring further processing or assembly in Morocco, duties on it may be reduced further. In general, import duties vary from 2.5 to 35 percent for many raw materials and equipment. Imported goods are also subject to a Value Added Tax (VAT), which varies from 0 to 20 percent. In contrast, VAT is not always paid on locally produced goods (e.g., corn) or on some vehicles used for international transportation (e.g., moving vans).

In addition to the 1995 Finance Act, a para-fiscal tax (taxe parafiscale) of 0.25 percent on imports was introduced to finance activities, such as technical inspections for export goods, economic and export promotion, industrial development, and small-scale production. The following are exempt from the "taxe parafiscale": All merchandise imports qualifying for:

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

Non-tariff barriers in Morocco range from language and cultural differences to oligopolies in certain key industrial sectors - such as banking, insurance and cement, and from standards that favor EU brands - to lack of efficient and transparent processes for obtaining government permits, land approvals and other government procurements, often characterized by formal protocols, bureaucracy, and long wait times, particularly when dealing with the public sector.

**Import Requirements and Documentation**

The following documentation is required for all imports and exports:

1. A license representing the “physical import or export”
2. A commercial invoice: Pro-forma invoices are provided in most cases. No special invoice form is necessary. The commercial or pro-forma invoice should:
  - (a) Be on the supplier’s letterhead,
  - (b) Fully describe the goods in French,
  - (c) Indicate the HS code when available,
  - (d) Indicate the value of the goods,
  - (e) Indicate the currency for payment (for foreign exchange transfer),
  - (f) Indicate the address of the buyer.

U.S. exporters should keep in mind that the date format should be (dd/mm/yy).

3. An “import commitment“(engagement d’importation), which is the authorization provided by the exchange office for transfer of foreign currencies from Morocco to foreign suppliers abroad.
4. A “customs declaration” (declaration de douane) is provided by the customs office and is required for import and export through a port or airport. For shipments by mail, a simple form filled out at the post office replaces the “declaration de douane.”
5. The importer/exporter may attach any documentation, such as technical documentation, that might help the customs office. The authority for Customs in Morocco is:  
<http://www.douane.gov.ma/web/guest>

**Ensuring full Access to Benefits of the FTA**

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

**ARTICLE 5.9: TRANSIT AND TRANSSHIPMENT**

For purposes of this Chapter, each Party shall provide that a good shall not be considered to be imported directly from the territory of the other Party if the good

undergoes subsequent production, manufacturing, or any other operation outside the territories of the Parties, other than unloading, reloading, or any other operation necessary to preserve it in good condition or to transport the good to the territory of the other Party.

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

Two examples illustrate problem areas:

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

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

#### **Documentation is important in building a case for FTA treatment:**

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

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

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

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

#### **U.S. Export Controls**

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The Bureau of Industry and Security (BIS) of the U.S. Department of Commerce is responsible for implementing and enforcing the Export Administration Regulations (EAR), which regulate the export and re-export of most commercial items. It often refers to the items that BIS regulates as “dual-use” – items that have both commercial and military or proliferation applications – but purely commercial items without an obvious

military use are also subject to the EAR. For information on Commerce Department export controls click here: <http://www.bis.doc.gov/licensing/exportingbasics.htm>

### **Temporary Entry**

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

### **Labeling and Marking Requirements**

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

The metric measurement is mandatory since Moroccans are not familiar with U.S. measurements and standards and this system is common on both local and imported products. Also, unlike Egypt and other Middle Eastern countries, most Moroccans exclusively use the same numbers (characters) as those used in the U.S. When using the date format (xx/xx/xx), U.S. exporters should keep in mind that the date format should be (dd/mm/yy). The NM 09.000 is the standard required labeling on textile products, and the Agricultural Attaché's office in Rabat has prepared a Food and Agricultural Import Regulations and Standards (FAIRS) report for U.S. exporters detailing agricultural labeling requirements that can be found at:

<http://www.fas.usda.gov/scriptsw/attacherep/default.asp>

### **Prohibited and Restricted Imports**

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

### **Customs Regulations and Contact Information**

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In the last few years, Moroccan customs has endeavored to streamline its processes. In addition to the last customs survey results indicating high levels of client satisfaction, the American Chamber of Commerce reports that the average waiting time has been reduced to just a few hours.

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

Direction Generale des Douanes  
Avenue Annakhil, Centre des Affaires,  
Hay Raid, Rabat, Morocco  
Tel: +(212) 537 57 90 00  
Fax: +(212) 537 71 78 14/15  
E-mail: [adii@douane.gov.ma](mailto:adii@douane.gov.ma)

The customs website (<http://www.douane.gov.ma>) is also a great reference in French for customs-related issues.

## Standards

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## Overview

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The Moroccan Industrial Standardization Office (Service de Normalisation Industrielle Marocaine or “SNIMA”) is the organization responsible for developing standards. As the unique standardization body in Morocco, it not only provides all product norms and standards certification, but it is also the sole provider of management system certification. It is responsible for answering all questions related to the Technical Barriers to Trade Agreement. Furthermore, this office annually creates a list of consumer and industrial products for which it intends to create norms and standards for the following year. This list and details of the process is available on <http://www.snima.ma/> under “Normes en enquête”. The national goal is to increase the number of certified product norms by 15 to 20 percent over each of the next three years. With the total number increasing to 5,000 certified product norms in the next three years, domestic and international trade will be facilitated and product quality will be ensured for the Moroccan consumer. SNIMA’s long-term strategy also focuses on gaining official recognition from the International Accreditation Forum.

## Standards Organizations

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Service de Normalisation Industrielle Marocaine (SNIMA)  
Angle Avenue Kamal Zebdi et Rue Dadi,  
Secteur 21 Hay Riad, Rabat  
Tel: +(212) 537 71 62 14 Fax: +(212) 537 71 17 98  
Email: [snima@mcinet.gov.ma](mailto:snima@mcinet.gov.ma)

The Ministry of Agriculture’s inquiry point on standards:  
The National office for food safety (Office National de Sécurité Sanitaire des Produits Alimentaires -ONSSA)  
Avenue Hadj Ahmed Cherkaoui, Agdal – Rabat  
Tel: +(212) 537 67 65 00 Fax: +(212) 537 68 20 49  
Website: <http://www.onssa.gov.ma>

La Direction des Contrôles et de la Protection des Végétaux  
Contact: Mohamed Belkacimi  
E-mail: [elbelkacemi.mohamed@gmail.com](mailto:elbelkacemi.mohamed@gmail.com)  
Tel: +(212) 537 67 65 29 Fax: +(212) 537 77 93 19  
Website: [http://www.onssa.gov.ma/onssa/fr/dir\\_cont\\_vet.php](http://www.onssa.gov.ma/onssa/fr/dir_cont_vet.php)

La Division de la Réglementation et de la Normalisation  
Contact: Dr. Hamid Lachab  
E-mail: [hamid.lachhab@gmail.com](mailto:hamid.lachhab@gmail.com)  
Tel: +(212) 537 67 65 10 Fax: +(212) 537 68 20 49  
Website: <http://www.onssa.gov.ma/onssa/index.php>

#### NIST Notify U.S. Service:

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. Notify U.S. is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect the company's access to international markets. Register online at <http://www.nist.gov/notifyus/>

### **Conformity Assessment**

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

### **Product Certification**

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The following five government commissions have the sole mandate to certify products:

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

SNIMA conforms to the international guide ISO/IEC 65. Once products conform to this standard, the Ministry of Industry, Commerce and New Technologies will grant the product the right to use the NM label as proof of its quality. All products must also conform to the specifications of the FTA. Please see the link below for more information: [http://www.moroccousafta.com/index\\_ang.htm](http://www.moroccousafta.com/index_ang.htm)

## Accreditation

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The only Moroccan accreditation body is the Ministry of Industry, Commerce and New Technologies. Although accreditation is still voluntary with no accreditation requirements mandatory by technical regulations, there are almost 30 certified labs nationwide. A complete list of these labs can be found at the website <http://www.mcinet.gov.ma> by clicking on “Qualité-Métrieologie-Accréditation,” then “Accréditation” and finally “Liste des laboratoires accrédités.”

## Trade Agreements

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The U.S.-Morocco FTA went into effect in 2006. This agreement was the second FTA with an Arab nation and the first on the continent of Africa. This FTA is comprehensive and provides IPR, labor and environment provisions.

Morocco has also agreed to make its business environment more transparent and welcoming to foreign companies by providing companies with an efficient, legal framework and secure working environment. Both governments have agreed to publish their current trade and investment laws, as well as any proposed legislation in advance. Bribery of any form will be outlawed, whistle-blowers will be granted protection, and U.S. companies will enjoy the same rights as Moroccan companies when investing in the country.

Furthermore, the Moroccan Government has promised to grant U.S. companies the same legal rights that they enjoy in the U.S. system such as effective, impartial legal dispute settlement, including due process protection and transparent public trials. There is also a non-discriminatory clause legally mandating that all U.S. businesses trying to physically invest in Morocco will have equal access to infrastructure such as phone switches and submarine cable landing stations. Trademarks, copyrights, patents and trade secrets will receive the same protection they receive under U.S. law even when they are in digital form. Intellectual Property Rights will also be protected through the enforcement of tough laws banning both piracy and counterfeit products.

This agreement will also work to uphold labor and environmental standards while not reducing the current ones. The full text of the agreement along with a main point summary, a trade guide and list of key contacts can be found at [http://www.moroccousafta.com/index\\_ang.htm](http://www.moroccousafta.com/index_ang.htm)

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

The EU-Moroccan Association Agreement went into effect on April 1, 2000 and is equally valid for all U.S. companies located in Morocco. The agreement calls for the gradual elimination of tariffs on EU-Moroccan trade in industrial goods over 12 years and provides duty-free access for limited quantities to some agricultural products, especially seafood products, fruits and vegetables. In October 2008, Morocco gained “advanced status,” which allows both parties to consider a comprehensive free trade agreement.

- [http://www.moroccousafta.com/index\\_ang.htm](http://www.moroccousafta.com/index_ang.htm)
- <http://www.export.gov/middleeast>

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## Chapter 6: Investment Climate

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### Openness to Foreign Investment

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Morocco actively encourages foreign investment and has sought to facilitate it through macro- economic policies, trade liberalization, and structural reforms. The U.S. Free Trade Agreement (FTA) and the Association Agreement with the EU have led Morocco to reduce its tariffs on imports from the U.S. and the EU. Morocco has also signed a quadrilateral FTA with Tunisia, Egypt and Jordan, a bilateral FTA with Turkey, and concluded third round FTA talks with Canada in June, 2012. Additionally, it is seeking trade and investment accords with other African, Asian and Latin American countries. The Joint Committee established by the FTA held its third meeting in December 2012. At that meeting, the United States and Morocco announced agreement on three new initiatives: a Trade Facilitation Agreement, Joint Principles for International Investment, and Joint Principles for Information and Communication Technology (ICT) Services.

The OECD reviewed Morocco's Investment Policy in 2010. The report stated that the growth of foreign direct investment (FDI) in Morocco reflected the, "significant progress Morocco made in improving investment conditions, especially by enhancing the transparency and predictability of policies and regulations governing investment." The main outcome was the adoption, in the framework of the U.S. –Morocco FTA, of an approach that removes restrictions in all sectors (except for those specified in a negative list.) As a country that adheres to the OECD's Declaration of International Investment, Morocco appointed a National Point of Contact (POC) to promote the Declaration's principles and encourage their use. The Moroccan POC is chaired by the Director General of Morocco's Investment Development Agency (AMDI). Additionally, in Paris on May 2012, Morocco signed the OECD's Convention on Propriety, Integrity, and

Transparency sending a strong message of their willingness to adopt best practices for a more open and transparent economy.

The U.S.-Morocco FTA has led to more than a tripling of bilateral trade and roughly a tripling of both the stock and annual flow of U.S. investment to Morocco. While in the World Bank's 2013 "Doing Business" report, Morocco's overall "Ease of Doing Business" rank dropped four spots from 93 to 97, it made great improvements in "Starting a Business" easier by eliminating the minimum capital requirement for limited liability companies. Morocco did make registering property more costly by increasing property registration fees and its excessive bureaucratic red tape continues to be a major constraint on the competitiveness of the economy and deters investors. To facilitate foreign investment, the government has created a number of Regional Investment Centers (CRI) to minimize and accelerate administrative procedures. Investments in excess of 200 million MAD (\$26 million) are, in addition, referred to a special ministerial committee chaired by the Prime Minister.

Though not a structural barrier to trade, the Office des Change's (OC) prepayment limit of shipments is a defacto impediment. According to the OC's Investment Guide, Moroccan companies can only prepay 40 percent of the total cost of their import shipment as a means to avoid an excessive drain on foreign exchange, leading them to use letters of credit to finance. This may be problematic for U.S. exporters who require 100 percent advance payment to finance their sales or who prefer markets where letters of credit are not needed to do business.

Morocco's 1995 Investment Charter applies to both foreign and Moroccan investors, with foreign exchange provisions favoring foreign investors. Foreign investment is permitted in nearly every sector. The world's largest phosphate producer, Morocco's Office Cherifien des Phosphates (OCP), has signed several joint venture agreements to set up new fertilizer and chemical plants, a move seen by analysts as a step towards liberalizing the phosphate sector. OCP appears to have shelved previous plans for an initial public offering, however.

While foreigners are prohibited from owning agricultural land, the law does allow for long-term leases of up to 99 years and permits agricultural land to be purchased for non-agricultural purposes. Morocco has sought to encourage foreign investment in the agricultural sector by making land available for leasing. Agricultural ventures by French, Spanish and Middle Eastern investors are targeted mostly at citrus and olives, with some small investments in grapes and berries.

During the campaign leading up to the November 2011 elections, the mildly Islamist Justice and Development Party promised to battle corruption and create a truly independent judiciary. Morocco's new 2011 constitution also provides for an independent judiciary and guarantees conditions for a fair trial. In May 2012, Morocco began to review the requirements of judicial reform with the King's appointment of a 40-member High Commission for Comprehensive Judicial Reform. As part of a national dialogue on judicial reform chaired by Justice Minister Mohammed Ramid that is scheduled to complete its work later this year, the High Commission is examining ways to improve the operations of Morocco's overburdened court system. Intended reforms include developing legal and financial regulation that is aligned with international standards to facilitate investment into Morocco. While Morocco's commercial and appeals courts have generally improved the dispute settlement climate, Moroccan and

foreign companies continue to complain about the inefficiency and the lack of transparency in the judicial system

The King chairs the Higher Council of the Judiciary and appoints half its members, providing him with substantial power over the judiciary. Many local observers have concerns that he remains the ultimate arbiter of justice. In May 2012, members of a group of Moroccan judges from the 'Judges Club' signed a petition calling for prosecutors to be allowed to operate independently of the executive branch and for the judicial reform to address corruption in the judiciary and political influence over legal proceedings.

#### *International Rankings/Economic Indicators*

<b>Year</b>	<b>Index</b>	<b>Ranking</b>	<b>Compared to Last Year</b>
2012	TI Corruption Index	88 out of 176	+8 spots
2012	Heritage Economic Freedom	87 out of 179	+6 spots
2013	World Bank Doing Business	97 out of 185	- 4 spots
2013	MCC Gov Effectiveness	69th Percentile	Stayed the same; meets performance standard (MPS)
2013	MCC Rule of Law	69th Percentile	+3 percentiles; MPS
2013	MCC Control of Corruption	72nd Percentile	Stayed the same; MPS
2013	MCC Fiscal Policy	37 <sup>th</sup> Percentile	- 28 percentiles; Does not MPS
2013	MCC Trade Policy	28 <sup>th</sup> Percentile	-32 percentiles; Does not MPS
2013	MCC Regulatory Quality	78 <sup>th</sup> Percentile	- 5 percentiles; MPS
2013	MCC Business Start Up	72 <sup>nd</sup> Percentile	- 6 percentiles; MPS
2013	MCC Land Rights Access	68 <sup>th</sup> Percentile	-9 percentiles; MPS
2013	MCC Natural Resource Protection	31 <sup>st</sup> Percentile	-15 percentiles; Does not MPS
2013	MCC Access to Credit	34 <sup>th</sup> Percentile	Does not MPS
2013	MCC Inflation	97 <sup>th</sup> Percentile	MPS

#### **Conversion and Transfer Policies**

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The Moroccan dirham is convertible for foreign investors for all current-account and selected capital-account transactions. Particularly, capital-account repatriation

transactions are convertible if the original investment is registered with the foreign exchange office. Morocco's foreign exchange law enables expatriate employees to repatriate their entire salaries.

Foreign exchange is readily available through commercial banks for the following activities without prior government approval: Remittances by foreign residents; repatriation of dividends and capital by foreign investors; and payment for foreign technical assistance, royalties and licenses.

The Moroccan exchange rate regime is a conventional peg, based on a basket of currencies consisting of the euro and the US dollar, with weights of 80 and 20 percent respectively, broadly reflecting Morocco's trade flows. The Moroccan dirham thus tends to move in line with the Euro. It fluctuated between 8.3 and 9.1 MAD to the dollar in 2012, with an unofficial average exchange rate for the year of 8.6 MAD to the dollar.

### **Expropriation and Compensation**

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The Moroccan Constitution (Article 15) stipulates that no expropriation can take place except in the cases and forms provided by law. The right to own property is guaranteed, but its extent and use may be restricted by law if the needs of economic and social planning and development require it.

Mission Morocco is not aware of any recent, confirmed instances of private property being expropriated for other than public purposes, or being expropriated in a manner that is discriminatory or not in accordance with established principles of international law.

### **Dispute Settlement**

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In general, investor rights are backed by an impartial procedure for dispute settlement that is transparent. No U.S. companies had investment disputes with the Government of Morocco in 2010 or 2011, but a few new cases emerged in 2012. U.S. advocacy is continuing to try to resolve them with the relevant government agencies.

Among King Mohammed VI's six priority areas identified in a 2012 speech to mark his 13 years on the throne, were improving economic development and ensuring the independence of the judiciary. In late 2009 a National Committee for the Business Environment (CNEA) was created in partnership with the private sector, and it has worked to identify needed reforms and raise awareness of business environment issues nationally and internationally. Recent UN and World Bank studies point to some progress on these issues, though they continue to highlight Morocco's shortcomings in a number of key areas, noting that bankruptcy protection and liquidation procedures are inefficient and that the courts are slow and often fail to enforce legal rulings. To strengthen the justice sector to deliver efficient and transparent services to citizens and businesses, the World Bank approved a \$15.8 million Justice Sector Reform Investment Loan in June 2012.

The principal sources of commercial legislation in Morocco can be found in the Dahir of Obligations and Contracts dated 1913 and amended thereafter, in addition to the Code of Commerce dated 1996. According to the European Bank for Reconstruction and Development's 2012 Morocco Country Assessment Report, the establishment of special commercial courts in 1997 led to some improvement in the handling of commercial

disputes; nevertheless, the lack of training for judges on general commercial matters remains one of the key challenges to effective commercial dispute resolution in the country. In general, litigation procedures are time consuming and resource intensive, and there is no legal requirement with respect to case publishing.

In an effort to promote foreign investment, the Moroccan legislature has adopted laws to protect both foreign investors and their Moroccan counterparts. Morocco is a member of the International Center for the Settlement of Investment Disputes (ICSID) and a party to the 1958 Convention on the Recognition and Enforcement of Foreign Arbitral Awards (with reservations) and the 1965 Convention on the Settlement of Investment Disputes between States and Nationals of Other states. The Law No. 08-05 issued on Thursday, December 6th 2007, constitutes a new system governing the conventional arbitration and mediation. The law provides significant margin for parties to freely adapt the provisions of the Code of Civil Procedure in their dispute, while providing them with a basic framework for situations they would not have expected. It stipulates that one should avoid cases where a procedure could be simultaneously presented before a court and an arbitration tribunal (or mediator) and creates a list of arbitrators with each court of appeal.

Disputes may also be brought before 8 Commercial Courts, (located in Rabat, Casablanca, Fez, Tangier, Marrakech, Agadir, Oujda and Meknes) and three Commercial Courts of Appeal (located in Casablanca, Fez and Marrakech). These are comprised of professional judges and will consider all commercial disputes.

Arbitration finds increasing use in Morocco today. USAID, in collaboration with IFC, assisted the Government in 2008 and 2009 with the establishment of a national commission on Alternative Dispute Resolution (ADR) with a mandate to regulate mediation training centers and develop mediator certification systems. The goal of this program is to increase the use of mediation in the prevention phase of bankruptcy proceedings and in the resolution of business disputes outside of the courts. Although the program remains limited in its implementation, the business community has generally viewed early use of the system in Rabat and Casablanca as favorable. Additionally, under the labor chapter of the Free Trade Agreement, the U.S. Department of Labor has funded commissioners from the U.S. Federal Mediation and Conciliation Service to conduct mediation skills training for Moroccan labor inspectors in 2011 and 2012 and to union leaders and employer representatives in 2012.

## **Performance Requirements and Incentives**

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At present, there are no general foreign investor performance requirements. However, in the event that government incentives are provided, requirements may be imposed, and if so, would be spelled out in the specific investment contract.

Morocco offers incentives designed to encourage foreign and local investors. Morocco's framework law on investment, its "Investment Charter", was enacted in 1995. This charter replaced the nine existing investment codes, and gave the same benefits to all investors regardless of the industry in which they operate (except agriculture which remains outside the scope of the Charter.)

Morocco provides a range of investment incentives including:

- A corporate tax holiday during the first five years of business and a 17.5 percent rate thereafter.
- VAT exemptions: Equipment goods, materials, and tools needed to achieve investment projects involving an amount higher than or equal to 200 million MAD are exempt from VAT on imports, within the framework of an agreement concluded with the State, during a period of 36 months from the start of business.
- Import duty exemptions: Businesses that commit to making an investment of an amount higher than or equal to 200 million MAD are exempt from import duties (applicable to goods, materials, and tools needed for their project and imported directly by the companies) within the framework of an agreement concluded with the State.
- Offshore activities: Offshore companies have exemptions in terms of registration and stamp fees. In the case of “offshoring” facilities, the government has offered telecommunications costs set at 35 percent below the market price and training grants of up to \$7,000 for each Moroccan employee during the first three years of employment.
- Investment Promotion Fund: state participation/funding (not to exceed 5 percent of total investment) in projects that: equal greater than or equal to 200 million MAD; create 250 or more stable jobs; located in one of these provinces: Al Hoceima, Berkane, Boujdour, Chefchaouen, Essmara, Guelmim, Laayoune, Larach, Nador, Oued Ed-Dahab, Oujda-Angad, Tangier-Asilah, Fchs-Bnj-Makada, Tan-Tan, Taounate, Taourirt, Tata, Taza, and Tetouan; contributes to environment protection; and transfers technology.
- Hassan II Fund for Economic and Social Development (FHII) grants financial assistance for investment projects in some industrial sectors for: building or acquiring professional buildings (the Fund can support up to 30 percent of the cost) and for acquiring new equipment goods (the Fund can contribute up to 15 percent of the purchases of new equipment goods). These contributions are limited to 15 percent of the investment and 30 million MAD. Relevant sectors include: manufacturing equipment for the car industry, manufacturing components for electronic assemblies and subassemblies, manufacturing equipment for the aviation industry, manufacturing activities related to nanotechnology, microelectronics, and biotechnology, and aeronautical maintenance and plans dismantling. Total investment must equal or be more than 10 million MAD (excluding duties and taxes). Aviation project investments must equal or be greater than 200 million MAD.

A new version of the investment incentive regime is currently undergoing a governmental review. Additionally, Morocco plans to enact a new mining law this year, overhauling 60 year old rules, in order to attract investors and boost the role of the mining sector in **the** economy. The reforms will not affect phosphates, however, which are the country’s top export earner and a resource monopolized by the state-controlled Office Cherifien des Phosphates (OCP). Legislation to further liberalize energy markets

could also be introduced in the coming year, as could a new law regulating Public Private Partnerships in public services.

American citizens can enter Morocco for a period of three months without a visa. A Moroccan residence permit is required for a period of more than three months.

### **Right to Private Ownership and Establishment**

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Private ownership is permitted in all but a few sectors reserved for the state, such as phosphate mining. Economic analysts, however, speculate that as Morocco's phosphate processing increasingly becomes open to foreign investment, its mining sector may follow suit. Apart from a few exceptions, private entities may freely establish, acquire and dispose of interests in business enterprises.

### **Protection of Property Rights**

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The Moroccan Ministry of Trade and Industry oversees the industrial property office. According to the 2012 International Property Right (IPR) Index, Morocco ranks 59 out of 130 countries in protecting physical and intellectual property rights. The U.S.-Morocco FTA contains strong intellectual property protections, which were incorporated in Moroccan intellectual property legislation in 2006. Pursuant to its FTA obligations, Morocco enacted legislation that increased protection of trademarks, copyrights and patents. While the protection of IPR is improving as a result of these provisions, counterfeit DVDs and CDs remain widely available throughout Morocco and weaknesses remain in the country's mechanisms for detection and sanctioning of internet-based IPR violations. Morocco's Customs Office, Copyright Office (BMDA), and the Office of Industrial and Commercial Property (OMPIC) have initiated campaigns to target Morocco's largest counterfeit manufacturers and importers, with mixed success. Consumer product companies have stated that counterfeiters have become increasingly sophisticated in their production and distribution of counterfeit goods.

Secured interests in property are recognized and enforced through the "Administration de la Conservation Fonciere."

In 2011, Morocco took the significant step of completing its accession to the Budapest treaty on patents and to the WIPO treaties on Copyright and Phonograms. Morocco is also a signatory to the Anti-Counterfeiting Trade Agreement (ACTA), though it has not yet entered into force. The ACTA establishes an international framework that will assist parties in their efforts to effectively combat the infringement of IPR, in particular the proliferation of counterfeiting and piracy, which undermines legitimate trade and the sustainable development of the world economy."

### **Transparency of Regulatory System**

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Despite government efforts to increase the system's transparency, Morocco's administration is opaque and difficult to navigate. Routine permits, especially those required by local government agencies, can be difficult to obtain. Morocco has sought, with some success, to increase the transparency of its public tenders. However, recent moves to decentralize the procurement process have seen only limited implementation pending the government's general "regionalization" plan.

In 2006 a new charter for the central bank created an independent board of directors and prohibited the Ministry of Finance and Economy from borrowing from the central bank except in exceptional circumstances.

Section 166 of the new 2011 constitution outlines the authority of the Competition Council or the "Conseil de la Concurrence" as an independent executive body with investigatory powers. Together with the Central Authority for the Prevention of Corruption, "Instance Central de Prevention de la Corruption," the Competition Council acts as one of the main actors in charge of improving public governance and advocating for further market liberalization.

In the World Economic Forum's Global Competitiveness Report 2012-2013, the surveyed companies cite inefficient government bureaucracy as the most problematic factor for doing business in Morocco, followed by lack of access to finance, and corruption.

## **Efficient Capital Markets and Portfolio Investment**

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Morocco's banking system is one of the most liberalized in North Africa. Nonetheless, it is highly concentrated, with the six largest banks accounting for 85 percent of banking sector assets and access to finance, particularly for small and medium sized enterprises, remains challenging. The IMF/World Bank's updated Financial System Stability 2008 Assessment concluded that the system was "stable, adequately capitalized, profitable and resilient to shocks." It noted the progress Morocco has made in deepening financial intermediation. In its October 2011 assessment, the IMF noted that Morocco would need to mobilize additional resources and continue to strengthen core capital to adequately support credit growth in the future.

Morocco's sovereign rating by Moody's is negative at Ba1, and stands at BBB- and negative by Fitch as well as Standard & Poor's.

A new Moroccan banking law was passed in 2006, strengthening the supervisory power of the central bank and improving risk management practices. Morocco has generally completed adoption of Basel II capital adequacy and risk management guidelines in order to improve financial stability and adopted International Accounting Standards (IAS) intended to enhance transparency.

Credit is allocated on market terms, and foreign investors are able to obtain credit on the local market. There are some cross-shareholding arrangements, but they are not tailored to exclude foreign investment. The Mission has not received any reports of efforts by the private sector or industry to restrict foreign participation in standard-setting organizations. The government has actively sought out the participation of foreign investors for discussions on improving the business climate in Morocco.

Some foreign banks are critical of what they view as a lack of proportional participation in the Moroccan Bankers' Association. However, Moroccan banks are largely in compliance with the Basel I standards and have become almost completely Basel II compliant as required by the Moroccan central bank. Banks are supervised on a consolidated basis and must provide statements audited by certified public accountants. In 2009, ten banks submitted consolidated financial statements based on Basel II standards.

The Casablanca Stock Exchange (CSE), founded in 1929 and re-launched as a private institution in 1993, is one of the few regional exchanges with no restrictions on foreign participation. The market weakened in 2008 and fell further in 2009 when the global credit crisis and its spillover into the real economy dampened foreign investment inflows and demand for exports. The Bourse rebounded sharply in 2010 with the MASI (Moroccan All Shares Index) growing by 21.17 percent.

The Morgan Stanley Capital International's (MSCI) 2012 Annual Market Classification Review announced the addition of MSCI Morocco Index to the list of country indices for potential reclassification to "Frontier Markets" from "Emerging Market" status as part of the 2013 Annual Market Classification Review. The review is tentatively scheduled for July, 2013. The report stated that, "the MSCI Morocco Index is more in line with the size and liquidity requirements of Frontier Markets following a significant decrease in liquidity since 2008, which resulted in a simultaneous decrease in the number of constituents in the MSCI Morocco Index." Currently the MSCI Morocco only has three constituents: ADDOHA, Maroc Telecom, and Attijariwafa Bank.

Analysts note that the market is buoyed by continuing restrictions on the ability of Moroccans to invest abroad. Gradual easing of these limits is widening Moroccan investors' options, however, and recent changes in the Moroccan exchange regime seem aimed at allowing Moroccan financiers to invest more freely into neighboring markets.

The Moroccan government laid out future banking sector reforms in its July 2012 Letter of Intent to the International Monetary Fund (IMF) for the PLL. It reported that the Bank Al-Maghrib (BAM), Morocco's Central Bank, will reform liquidity ratios towards international standards. Starting from 2013, banks will be required to comply with stricter rules on risk diversification. Nonperforming loans (NPLs) of banks have fallen from 6 percent at the end of 2010 to 5.1 percent at the end of May 2012. BAM will maintain its requirements for adequate funding of such loans. In addition, BAM will strengthen its micro-prudential surveillance in the context of the risk-based approach. In parallel, the Ministry of Finance, BAM and other regulators are strengthening their coordination in order to preserve financial stability.

In their First Review under the Two-Year PLL (December 2012), staff from the IMF reported, "The banking sector has proven resilient to the global crisis and remains sound overall." The report also noted that continuing efforts to foster deeper financial access, especially in rural areas, and strengthen intermediation, would help access to credit, particularly for small and medium sized enterprises, and contribute to higher and more inclusive growth.

## **Competition from State Owned Enterprises**

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The public enterprise portfolio comprises 241 state-owned enterprises (SOEs), 42 percent of which operate in productive sectors and 38 percent in the social domain, according to a 2012 report by the OECD. The Treasury has direct equity interest in 44 companies, 43 percent of which operate in the infrastructure sector. Act No. 69-00 on State Financial Control of Public Enterprises, adopted in 2003, defined Moroccan SOEs

for the first time into three categories: (1) state companies are those in which public bodies hold all the equity, (2) public subsidiaries are companies of which public bodies hold more than half the equity, and (3) semi-public companies are companies of which public bodies hold no more than half of the equity.

In 1993 a vast program of privatization was put in place. Between the start of the program to its end in August 2011, total revenue from divestment of SOE shares and the granting of telecom licenses totaled about 107 billion MAD. Privatization has given a boost to Morocco's economy through its ability to attract foreign direct investment. FDI Intelligence elected Morocco as the "African Country of the Future 2011/2012." Privatization revenues, channeled through the Hassan II Fund for Economic and Social Development, have also contributed to the country's development.

Moroccan SOEs are overseen by boards of directors or supervisory boards. These bodies are governed by the Financial Control Act and the Limited Liability Companies Act. The operation of SOE governance organs is monitored by the Ministry of Economy and Finance's Department of Public Enterprises and Privatization. Pursuant to Act No. 69-00, SOE annual accounts are published. Under Act No. 62-99, or the Financial Jurisdictions Code, the Court of Accounts and the Regional Courts of Accounts audit the management of a number of public enterprises. Currently, a number of governance-related initiatives are considered of priority. These include an initiative that aims to help SOEs contribute to the emergence of regional development clusters.

Additionally, the Code of Good Governance Practices for Public Establishments and Enterprises came into effect in March 2012. The code is aimed at enhancing SOE's overall performance, including by requiring increasing use of standardized public procurement and accounting rules, outside audits, the inclusion of independent directors, board evaluations, greater transparency, and better disclosure. The Government is also attempting to improve the use of multi-year contracts with major SOEs as tool to enhance performance and transparency.

## **Corporate Social Responsibility**

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CSR has gained strength in tandem with Morocco's economic expansion and stability. The country's businesses are slowly embracing responsibility for the impact of their activities on the environment, communities, employees and consumers. As an example, the General Federation of Moroccan Businesses (CGEM) has awarded "social labels" to companies based on a systematic analysis of the effects of their activities. The Moroccan Association of Textile and Apparel Industries also awards a "Fibre Citoyenne" label to worthy companies. Additionally, Morocco launched the UN "Global Compact" network in 2006 in Casablanca. The project provides support to companies who affirm their commitment to social responsibility. The major trade unions (CDT, UMT, UGMT, FDT) and CGEM were among its initial members. Maroc Telecom most recently joined in November 2012, demonstrating its commitment to adhere to the Compact's principles in the area of human rights, labor law, environment, and corruption.

While there is no legislation mandating specific levels of CSR, foreign and some local enterprises follow generally accepted principles such as the OECD CSR guidelines for multinational companies. NGOs are also taking an increasingly active role in monitoring

corporations' CSR performance. The Commercial service in Morocco can advise U.S. firms about most effective avenues in CSR in Morocco.

## **Political Violence**

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Morocco is a monarchy with a constitution, government, Parliament and judiciary, in which ultimate power and authority rest with the King. A process of qualified democratic reform is underway, and the country is broadly regarded as politically stable. The U.S. Government maintains excellent relations with Morocco and designated Morocco a Major Non-NATO Ally in 2004. However, a series of terrorist bombings in Casablanca in March 2003, as well as the bombing of the Argana Café in Marrakesh in April 2011, highlight the fact that Morocco continues to face a terrorist threat. U.S. government facilities were targeted in 2007. Counterterrorism cooperation is excellent and the Moroccan Government aggressively investigates terrorist suspects and has dismantled a number of terrorist cells.

Demonstrations occur frequently in Morocco and usually center on domestic issues. Most demonstrations have been peaceful and orderly. There are infrequent reports of anti-American sentiment and isolated instances of violence. Most recently, on September 12, 14, and 16, 2012, protesters held demonstrations in Casablanca in response to the video, *The Innocence of Muslims*, produced in the U.S. The largest turnout of the three demonstrations consisted of 300 protesters who gathered near the U.S. Consulate.

During periods of heightened regional tension, large demonstrations may take place in major cities. Additionally, the “Arab Spring” of 2011 led to the creation of the February 20th Movement in Morocco. This disparate group of protesters has taken to the street in numbers between a few hundred to tens of thousands almost every Sunday from its inception through March 2012. It has since attempted to inspire new popular protests, but attendance is often low. Unions and labor groups organize street marches or protests from time to time to protest working conditions, salary levels, or other social benefit issues.

The sparsely settled Western Sahara was the site of armed conflict between the Moroccan Government and the POLISARIO Front, which demands independence. A cease-fire has been in effect since 1991, but sovereignty over the territory remains disputed. Negotiations to reach a settlement resumed in 2007 under UN auspices, but the dispute hampers development in the territory, as well as economic and political integration in the North Africa region.

## **Corruption**

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Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law.

It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect corruption, including

foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anticorruption laws of both the foreign country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel.

The U.S. Government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies' acts of corruption, including bribery of foreign public officials, by requiring them to uphold their obligations under relevant international conventions. A U. S. firm that believes a competitor is seeking to use bribery of a foreign public official to secure a contract should bring this to the attention of appropriate U.S. agencies, as noted below.

**U.S. Foreign Corrupt Practices Act:** In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which makes it unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to foreign public officials for the purpose of obtaining or retaining business for or with, or directing business to, any person. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. For more detailed information on the FCPA, see the FCPA Lay-Person's Guide at: <http://www.justice.gov/criminal/fraud/>

**Other Instruments:** It is U.S. Government policy to promote good governance, including host country implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Antibribery Convention), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements. This country is party to [add instrument to which this country is party], but generally all countries prohibit the bribery and solicitation of their public officials.

**OECD Antibribery Convention:** The OECD Antibribery Convention entered into force in February 1999. As of December 2009, there are 38 parties to the Convention including the United States (see <http://www.oecd.org/dataoecd/59/13/40272933.pdf>). Major exporters China, India, and Russia are not parties, although the U.S. Government strongly endorses their eventual accession to the Convention. The Convention obligates the Parties to criminalize bribery of foreign public officials in the conduct of international business. The United States meets its international obligations under the OECD Antibribery Convention through the U.S. FCPA. Morocco is not a party to the OECD Convention.

**UN Convention:** The UN Anticorruption Convention entered into force on December 14, 2005, and there are 143 parties to it as of December 2009 (see <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>). The UN Convention is the first global comprehensive international anticorruption agreement. The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption. The UN Convention goes beyond previous anticorruption instruments, covering a broad range of issues ranging from basic forms of corruption

such as bribery and solicitation, embezzlement, trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational business bribery provisions that are functionally similar to those in the OECD Antibribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery. Morocco is a party to the UN Convention.

**OAS Convention:** In 1996, the Member States of the Organization of American States (OAS) adopted the first international anticorruption legal instrument, the Inter-American Convention against Corruption (OAS Convention), which entered into force in March 1997. The OAS Convention, among other things, establishes a set of preventive measures against corruption provides for the criminalization of certain acts of corruption, including transnational bribery and illicit enrichment, and contains a series of provisions to strengthen the cooperation between its States Parties in areas such as mutual legal assistance and technical cooperation. As of December 2009, the OAS Convention has 33 parties (see <http://www.oas.org/juridico/english/Sigs/b-58.html>) Morocco is not a party to the OAS Convention.

**Council of Europe Criminal Law and Civil Law Conventions:** Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and account offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on compensation for damage relating to corrupt acts, whistleblower protection, and validity of contracts, inter alia. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anti-corruption standards. Currently, GRECO comprises 46 member States (45 European countries and the United States). As of December 2009, the Criminal Law Convention has 42 parties and the Civil Law Convention has 34 (see [www.coe.int/greco](http://www.coe.int/greco)). Morocco is not a party to the Council of Europe Conventions.

**Free Trade Agreements:** While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize “active bribery” of public officials (offering bribes to any public official must be made a criminal offense, both domestically and transnationally) as well as domestic “passive bribery” (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website: <http://www.ustr.gov/trade-agreements/free-trade-agreements>. Morocco has an FTA with the United States: Morocco has a free trade agreement (FTA) in place with the United States, the United States-Morocco FTA which came into force in January 2006.

**Local Laws:** U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department’s U.S. and Foreign Commercial Service can provide assistance with navigating the host country’s legal system and obtaining a list of local legal counsel.

**Assistance for U.S. Businesses:** The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues.

For example, the U.S. and Foreign Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company's overarching compliance program when choosing business partners or agents overseas. The U.S. Foreign and Commercial Service can be reached directly through its offices in every major U.S. and foreign city, or through its Website at [www.trade.gov/cs](http://www.trade.gov/cs).

The Departments of Commerce and State provide worldwide support for qualified U.S. companies bidding on foreign government contracts through the Commerce Department's Advocacy Center and State's Office of Commercial and Business Affairs. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel and through the Department of Commerce Trade Compliance Center "Report A Trade Barrier" Website at [tcc.export.gov/Report\\_a\\_Barrier/index.asp](http://tcc.export.gov/Report_a_Barrier/index.asp).

**Guidance on the U.S. FCPA:** The Department of Justice's (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals to request a statement of the Justice Department's present enforcement intentions under the anti-bribery provisions of the FCPA regarding any proposed business conduct. The details of the opinion procedure are available on DOJ's Fraud Section Website at [www.justice.gov/criminal/fraud/fcpa](http://www.justice.gov/criminal/fraud/fcpa). Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general guidance to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information, see the Office of the Chief Counsel for International Counsel, U.S. Department of Commerce, Website, at [http://www.ogc.doc.gov/trans\\_anti\\_bribery.html](http://www.ogc.doc.gov/trans_anti_bribery.html). More general information on the FCPA is available at the Websites listed below.

Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and prohibit their officials from soliciting bribes under domestic laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above.

Corruption has been a subject of political discussion since before independence in 1956. Morocco has a wide body of laws and regulations to combat corruption, but it remains a problem, in part due to the low salaries in the public sector. Parliamentary elections in November 2011 brought to power a coalition led by the mildly Islamist Party of Justice and Democracy, which highlighted anti-corruption during its election campaign, as had other parties in past campaigns. A new government anti-corruption agency was set up in 2007 but became operational only in January 2009. Headed by a respected senior Moroccan official who has been active in anti-corruption efforts since the founding of "Transparency Maroc," a non-governmental organization, the agency was created to "moralize" Moroccan public life and to propose specific steps the government can take to address the issue.

Morocco signed the UN Convention against Corruption in 2007 and hosted the States Parties to the Convention's Fourth Session in 2011. In 2008, a new government anti-corruption agency, the Central Authority for the Prevention of Corruption (ICPC), was set up. Headed by a respected senior Moroccan official who has been active in anti-corruption efforts since the founding of "Transparency Maroc," a non-governmental

organization, the agency was created to "moralize" Moroccan public life and to propose specific steps the government can take to address the issue.

In 2010, the ICPC and its partners, the National Agency for the Promotion of Small and Medium Sized Enterprises (ANPME), the Moroccan business federation (CGEM), and the Ministry of Economic and General Affairs (MAEG) launched, with the support of the German Technical Cooperation (GTZ), the first portal of exposing corruption, [www.stopcorruption.ma](http://www.stopcorruption.ma), which allows for anonymous submissions.

According to the 2012 Corruption Perception Index published by Transparency International, Morocco dropped 8 spots from its 2011 rank to 88th out of 176 countries. Government officials have criticized the Index, which reflects public perceptions concerning corruption, for not emphasizing recent anti-corruption efforts. These include enhancing the transparency of public tenders and implementation of a requirement that senior government officials declare their assets at the start and end of their government service.

Since 2003 Morocco has taken a series of steps to counter terrorist finance, strengthen controls against money laundering, and conform to international accounting and banking standards. Comprehensive anti-money laundering legislation was passed in 2007, drawn largely from recommendations made by the Organization for Economic Cooperation and Development's (OECD's) Financial Action Task Force (FATF). Morocco has created a Working Group on money laundering and counter-terrorism financing to coordinate policy and training across the various agencies of the Moroccan government. An independent Financial Intelligence Unit became operational in 2009. In July 2011 Morocco joined the Egmont group, an informal network of FIUs.

### **Anti-Corruption Resources**

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including a "Lay-Person's Guide to the FCPA" is available at the U.S. Department of Justice's Website at: <http://www.justice.gov/criminal/fraud/fcpa>.
- Information about the OECD Antibribery Convention including links to national implementing legislation and country monitoring reports is available at: [http://www.oecd.org/departement/0,3355,en\\_2649\\_34859\\_1\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/departement/0,3355,en_2649_34859_1_1_1_1_1,00.html) . See also new Antibribery Recommendation and Good Practice Guidance Annex for companies: <http://www.oecd.org/dataoecd/11/40/44176910.pdf>
- General information about anticorruption initiatives, such as the OECD Convention and the FCPA, including translations of the statute into several languages, is available at the Department of Commerce Office of the Chief Counsel for International Commerce Website: [http://www.ogc.doc.gov/trans\\_anti\\_bribery.html](http://www.ogc.doc.gov/trans_anti_bribery.html).
- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in 180

countries and territories around the world. The 2012 CPI is available at: <http://http://www.transparency.org/cpi2012/results> . TI also publishes an annual *Global Corruption Report* which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents and an overview of the latest research findings on anti-corruption diagnostics and tools. See <http://www.transparency.org/publications/gcr> .

- The World Bank Institute publishes Worldwide Governance Indicators (WGI). These indicators assess six dimensions of governance in 212 countries, including Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. See [http://info.worldbank.org/governance/wgi/sc\\_country.asp](http://info.worldbank.org/governance/wgi/sc_country.asp). The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: <http://go.worldbank.org/RQQXYJ6210> .
- The World Economic Forum publishes the *Global Enabling Trade Report*, which presents the rankings of the Enabling Trade Index, and includes an assessment of the transparency of border administration (focused on bribe payments and corruption) and a separate segment on corruption and the regulatory environment. See <http://www.weforum.org/en/initiatives/gcp/GlobalEnablingTradeReport/index.htm>.
- Additional country information related to corruption can be found in the U.S. State Department's annual *Human Rights Report* available at <http://www.state.gov/g/drl/rls/hrrpt/>.
- Global Integrity, a nonprofit organization, publishes its annual *Global Integrity Report*, which provides indicators for 92 countries with respect to governance and anti-corruption. The report highlights the strengths and weaknesses of national level anti-corruption systems. The report is available at: <http://report.globalintegrity.org/>.

## **Bilateral Investment Agreements**

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The U.S. and Morocco signed a BIT on July 22, 1985, but its provisions were subsumed by the investment chapter of the U.S. –Morocco FTA which entered into force of January 1, 2006. The BIT's dispute settlement provisions remain in effect for ten years after the effective date of the FTA for certain investments and investment disputes which predate the Agreement.

Morocco's BIT can be found here:

[http://unctad.org/Sections/dite\\_pcbb/docs/bits\\_morocco.pdf](http://unctad.org/Sections/dite_pcbb/docs/bits_morocco.pdf)

The Investment Chapter of the FTA can be found here:

[http://www.ustr.gov/sites/default/files/uploads/agreements/fta/morocco/asset\\_upload\\_file\\_651\\_3838.pdf](http://www.ustr.gov/sites/default/files/uploads/agreements/fta/morocco/asset_upload_file_651_3838.pdf)

## **OPIC and Other Investment Insurance Programs**

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Morocco's agreement with the Overseas Private Investment Corporation was most recently updated in March 1995. In March 2011, Secretary of State Hillary Clinton announced that OPIC will provide up to 2 billion dollars in financial support to catalyze

private sector investment in the Middle East and North Africa region, including Morocco. Morocco is also a member of the Kuwait-based Arab Investment Guarantee Organization (OAGI) and the Multilateral Investment Guarantee Agency (MIGA).

MIGA's first guarantee in Morocco, totaling \$9.9 million, was issued to Banco Exterior de España, S.A. (BEX), a leading Spanish trade finance bank, for its \$10 million loan to expand the wholesale and retail commercial activity of its majority-owned subsidiary in Morocco, Banco Exterior Maroc, S.A. (BEM).

On March 28, 2012, MIGA issued a guarantee of \$3.5 million to Fons Mediterrània Capital, F.C.R. de Régimen Simplificado of Spain (FMC) covering its investment in JP Industrie, S.A. (JPI) in Morocco. The coverage is for a period of up to five years against the risks of transfer restriction, expropriation, and war and civil disturbance. MIGA also issued a guarantee of €1.9 million (\$2.7 million equivalent) covering an investment by Fons Mediterrània Capital, F.C.R. de Régimen Simplificado of Spain (FMC) in Soroa Pépinières, S.A.R.L. (Soroa) in Morocco. The coverage is for a period of up to five years against the risks of transfer restriction, expropriation, and war and civil disturbance.

For more details please see [www.opic.gov](http://www.opic.gov)

## Labor

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Once strong and politically influential, the Moroccan trade union movement is now fragmented and no longer possesses the political clout it carried 50 years ago when it helped lead the country to independence. Nevertheless, 5 of the more than 25 trade union federations retain the potential to influence political life. Although unions claim high membership rates, Morocco has about 600,000 unionized workers, less than six percent of the 11.26 million workforce.

Moroccan labor law and practice draw from French models. The labor code was reformed in 2004, reducing the maximum workweek from 48 to 44 hours. Labor codes concerning unions and the right to strike do not cover domestic workers. Investors continue to view labor regulations as a significant constraint. They complain that procedures regarding lay-offs remain complicated and onerous, and they impose a significant financial burden on companies. Rules regarding foreign personnel are also vague and can lead to conflicting interpretations and arbitrary decisions.

Morocco has ratified the International Labor Organization (ILO) convention covering the right to organize and bargain collectively, and any group of eight workers can organize. Article 29 of the Constitution gives workers the right to strike, but no detailed law defines it. For a union to engage in collective bargaining it must have at least 35 percent of the enterprise's workforce as registered members. The Ministry of Interior occasionally intervenes, especially if the Government believes strategic interests are threatened. There are mandatory procedures governing the settlement of disputes, though the Government settles them on a case-by-case basis.

The official 2012 national unemployment figure remained essentially stable, at 9 percent compared to 8.9 percent in 2011. Among urban youth 15-24 unemployment rose 1.3 percent reaching 33.5 percent however. In 2011, in response to social pressures, the government raised the minimum wage. The industrial minimum wage now stands at

12.24 MAD per hour, approximately \$1.46, up from a previous wage of 11.70 MAD. Meanwhile, the agricultural minimum wage also rose, reaching 63.39 MAD per day, approximately \$ 7.57.

### Foreign-Trade Zones/Free Ports

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The Tangier Free Zone (TFZ) launched in 1999 and began operations in 2000. 300 hectares of the zone are dedicated to an industrial zone under customs. TFZ is reserved for companies whose business is export oriented. Several advantages are granted to Tangier Free Zone: investors are exempt from any formality once permission is given, it is not subject to any control and activities are exempt from all duties and trade taxes, as well as corporate tax during the first five years. Dividend income from investments distributed by companies located in export processing zones are not subject to withholding tax if they are distributed to non residents and to a rate of 7.5 percent when paid to residents. For the customs, goods entering or leaving the export processing zones for export, as well as those obtained in these areas are exempt from all duties, taxes or surcharges levied on the importation, distribution, consumption, production or export.

Moroccan labor laws still apply, but few, if any, firms are unionized. There is also an offshore banking law covering Tangier.

### Foreign Direct Investment Statistics

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The Moroccan foreign exchange office maintains balance of payments statistics that include annual foreign exchange inflows for private foreign investment. These statistics differentiate between foreign direct investment (purchases of companies or increases in capital), portfolio investment, and short-term financing for current account expenditures, e.g. lending to a subsidiary for purchases of equipment. The following tables are based on balance of payments statistics.

### Foreign Direct Investment Stock in Morocco by Country

(Millions of USD)

Country	2006	2007	2008	2009	2010	2011*
France	982.47	1740.72	1352.00	1640.29	2439.51	993.81
United Arab Emirates	87.91	464.59	604.62	145.67	310.90	519.88
Spain	817.19	744.93	335.40	195.19	225.90	179.77
Switzerland	102.92	161.61	212.90	129.57	182.55	139.20
Kuwait	114.98	192.10	14.81	356.82	137.87	97.27
Belgium	0.00	0.00	0.00	109.01	124.68	140.95
UK	105.83	314.18	155.65	125.06	121.89	137.63
Germany	106.78	200.80	168.17	89.95	77.82	79.05

<b>United States</b>	<b>98.15</b>	<b>188.26</b>	<b>107.41</b>	<b>92.91</b>	<b>75.45</b>	<b>130.98</b>
Sweden	5.19	16.72	11.83	17.09	71.92	55.62
Saudi Arabia	37.49	77.65	65.45	32.75	69.63	185.47
Netherlands	25.83	61.48	24.17	26.39	67.45	66.60
Other Countries	477.78	466.12	532.60	235.46	269.21	253.76
<b>TOTAL</b>	<b>2962.52</b>	<b>4629.15</b>	<b>3585.00</b>	<b>3196.16</b>	<b>4174.80</b>	<b>2979.98</b>
Exchange Rate (MAD/USD)	8.8	8.2	7.8	7.9	8.4	8.6

Source: Office des Changes, [www.oc.gov.ma](http://www.oc.gov.ma), exchange rate conversion based on end of year exchange rate reported by Morocco's Central Bank

\* Preliminary Data

### Foreign Direct Investment Stock in Morocco by Country

(Millions of Moroccan Dirham)

<b>Country</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011*</b>
France	8645.7	14273.9	10545.6	12958.3	20491.9	8546.8
United Arab Emirates	773.6	3809.6	4716	1150.8	2611.6	4471
Saudi Arabia	329.9	636.7	510.5	258.7	584.9	1595
Spain	7191.3	6108.4	2616.1	1542	1897.6	1546
Belgium	0	0	0	861.2	1047.3	1212.2
Switzerland	905.7	1325.2	1660.6	1023.6	1533.4	1197.1
UK	931.3	2576.3	1214.1	988	1023.9	1183.6
<b>United States</b>	<b>863.7</b>	<b>1543.7</b>	<b>837.8</b>	<b>734</b>	<b>633.8</b>	<b>1126.4</b>
Kuwait	1011.8	1575.2	115.5	2818.9	1158.1	836.5
Germany	939.7	1646.6	1311.7	710.6	653.7	679.8
Netherlands	227.3	504.1	188.5	208.5	566.6	572.8
Sweden	45.7	137.1	92.3	135	604.1	478.3
Other Countries	4204.5	3822.2	4154.3	1860.1	2261.4	2182.3
<b>TOTAL</b>	<b>26070.2</b>	<b>37959</b>	<b>27963</b>	<b>25249.7</b>	<b>35068.3</b>	<b>25627.8</b>

Source: Office des Changes, [www.oc.gov.ma](http://www.oc.gov.ma)

\* Preliminary Data

### Private Investment and Loans from the United States

(Millions of USD)

<b>Nature of operation</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011*</b>
Direct Investment	98.1	188.3	108.1	93.4	75.8	131.3
Portfolio Investment	171.6	152.3	518.8	289.8	230.2	151.8
Private loans	0.5	8.0	2.1	0.9	2.9	6.1
<b>TOTAL</b>	<b>270.3</b>	<b>348.5</b>	<b>629.0</b>	<b>384.1</b>	<b>308.9</b>	<b>289.3</b>

Source: Office des Changes, [www.oc.gov.ma](http://www.oc.gov.ma), exchange rate conversion based on end of year exchange rate reported by Morocco's Central Bank

\* Preliminary Data

### Foreign Direct Investment Stock from the U.S. by Sector

(Millions of USD)

<b>Sectors</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011*</b>
Tourism	45.70	58.26	39.96	10.43	10.76	43.57
Industry	3.45	49.52	7.78	24.66	5.30	41.26
Real Estate	18.94	45.59	36.95	22.40	23.86	22.29
Banks	0.56	0	0	6.70	10.87	8.77
Works	0.03	0.61	0	2.62	11.13	2.61
Transports	0.36	0	0	0	0	2.04
Energy/mining	0.36	0	0	0	0	1.62
Trade	12.21	0.84	0.19	6.87	0.59	1.35
Holding	0.44	15.56	14.92	8.08	0.14	0.93
Studies		-		1.0		2.0
Others Services	12.36	8.95	8.12	11.45	12.13	5.85
Miscellaneous	3.7	8.9	0.2	0.2	0.8	0.5

TOTALS	98.15	188.26	108.10	93.38	75.84	131.32
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Source: Office des Changes, [www.oc.gov.ma](http://www.oc.gov.ma), exchange rate conversion based on end of year exchange rate reported by Morocco's Central Bank.

\* Preliminary Data

## Major Foreign Investors

### U.S.

Industries Marocaines Modernes  
Parent company: Procter and Gamble  
Sector: Soaps and toiletries  
Number of employees: 700

Coca-Cola Export Corporation  
Parent company: The Coca-Cola Export Corp.  
Number of employees: 5,000 (including employees of NABC, Coca-Cola's bottling partner)

FRI—McDonald's Morocco  
Parent company: McDonald's Corporation  
Number of employees: 2,000  
-Plan to invest nearly \$60 million over three years beginning in 2011

MATIS Aerospace  
Parent company: Boeing/Royal Air Maroc/Labinal (Joint venture)  
Sector: Aerospace production  
Number of employees: 800

Delphi Automotive (former division of GM)  
Sector: Auto part manufacturer  
Number of employees: 4,890  
-Present in Tanger-Med Free Trade Auto Zone, produces for export only

Dupont  
Sector: Automotive supplier  
Number of employees: 4  
-Working in TangerMed Free Trade Auto Zone, supply three paint colors for Dacia vehicles; plan to expand to 25 employees

Kraft Foods  
Sector: Food products  
Number of employees: 200

Mars North Africa and Levant  
Sector: Food products

Number of employees: 13  
-Invests about \$1.2 million per year

Lear Automotive

Sector: Automotive

Number of employees: 10,000

-Produces for export only; Present in Tanger-Med Free Trade Automotive Zone and Rabat Technopolis and has plans for additional plants in 2013

Cargill

Sector: Food production and distribution

Number of employees: 85

-Recently invested \$17 million in a storage facility at the Casablanca port (Silos du Maroc) in partnership with the local railway company

Minco Aviation Electronics

Sector: Aviation/Hi Tech

Number of employees: 66

-Produces for export only

Kerzner International

Sector: Tourism - Mazagan Beach Resort

Number of employees: 1,300

Colgate Palmolive Maroc

Sector: Pharmaceutical and cosmetic

Number of employees: 122

Ecomed

Parent company: The Consortium Global Environmental Sustainability, Inc. (GESI) and Edgeboro International Inc.

Sector: Waste Management

Number of employees: 70

- Investing about \$7.5 million over 10 years in Fes project and about \$100 million over 18 years in Casablanca project

CMCP

Parent company: International Paper

Sector: Packing

Number of employees: 4,000

Fruit of the Loom

Sector: Textile

Number of employees: 2,300

-Production of high quality t-shirts for export to European market only

Dell Computers

Sector: Computers/Hi Tech

French-language call centers

Number of employees: 2,000

Pfizer  
Sector: Pharmaceutical  
Number of employees: 151

Brinks  
Sector: Security  
Number of employees: 1500

Jacob Delafon (owned by Kohler)  
Sector: Sanitary Products  
Location: Tangier  
Number of employees: 570 employees

Greif Packaging  
Sector: Metal and plastic packaging  
Location: Casablanca  
Number of employees: 260 employees

### **Other**

Jorf Lasfar Energy Company  
Parent company: TACA Energy (operated by CMS Energy)  
Sector: Independent power project  
Number of employees: 317

DHL  
Sector: Packing/Transportation  
Number of employees: 300

Lafarge Betons  
Parent company: Lafarge (France)  
Sector: Concrete  
Number of employees: 160

Holcim (Maroc)  
Parent company: Holcim (Switzerland)  
Sector: Concrete  
Number of employees: 501-1,000

Tecmed Maroc  
Parent company: Grupo ACS (Spain)  
Sector: Waste collection  
Number of employees: N/A

Bymaro S.A.  
Parent company: Bouygues S.A. (France)  
Sector: Construction and civil engineering  
Number of employees: 1,500

Renault Maroc  
Parent company: Renault S.A. (France)

Sector: Motor vehicle assembly  
Number of employees: 285

Alstom Maroc  
Parent company: Alstom (France)  
Sector: Power generation and transport  
Number of employees: N/A

EADS Maroc Aviation  
Parent company: European Aeronautic Defense and Space Company (Europe)  
Sector: Aeronautics and defense  
Number of employees: 251-500

Sanofi-Aventis Maroc  
Parent company: Sanofi-Aventis SA (France)  
Sector: Pharmaceutical manufacturing  
Number of employees: 185

Novartis Pharma Maroc  
Parent company: Novartis International AG (Switzerland)  
Sector: Pharmaceutical  
Number of employees: 180

Nestlé Maroc  
Parent company: Nestlé SA (Switzerland)  
Sector: Consumer packaged goods  
Number of employees: 590

Imperial Tobacco Morocco  
Parent company: Imperial Tobacco (UK)  
Sector: Tobacco  
Number of employees: 1,000+

The Morocco Mall  
Parent Company: Al Jedai Group (Saudi)  
Sector: Retail  
Number of employees: 5,000+

Bombardier Aerospace  
Parent Company: Bombardier (Canadian)  
Sector: Aerospace  
Number of employees : 850 (expected)

## Web Resources

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- Agence Marocaine de Développement des Investissements: [www.invest.gov.ma](http://www.invest.gov.ma)
- AmCham Morocco Trade & Investment Guide: [http://www.moroccousafta.com/index\\_ang.htm](http://www.moroccousafta.com/index_ang.htm)

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## Chapter 7: Trade and Project Financing

- [How Do I Get Paid \(Methods of Payment\)](#)
- [How Does the Banking System Operate](#)
- [Foreign-Exchange Controls](#)
- [U.S. Banks and Local Correspondent Banks](#)
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### How Do I Get Paid (Methods of Payment)

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#### ***Foreign Exchange***

To pay for imports of goods and services into Morocco, local importers do not need an authorization from the Foreign Exchange Office. In accordance with Article VIII of the International Monetary Fund statute dealing with convertibility for the current transactions, and in line with the Moroccan liberalization measures initiated in 1993, the Foreign Exchange Office delegated to Moroccan-authorized banks to “freely carry out settlements relating to imports, exports, international transport, insurance and reinsurance, foreign technical assistance, travel, schooling, medical care, savings on income, as well as all the other operations considered as current.”

According to regulations governing foreign exchange, payment of goods imported into Morocco is processed only after the actual entrance of the goods into the country. Buyers are allowed to prepay up to 40 percent of the invoice amount. Banks are authorized to open letters of credit and/or to accept bills of exchange. The letters of credit must include a special clause that stipulates that the “payment is subject to justification of direct and exclusive shipment of goods to Morocco.” The transport documents justifying the shipment are: the freight bill, airway bill, bill of landing, document of combined means of transportation, or receipt from Post office for mail parcels.

In 2007, the Foreign Exchange Office initiated a liberalization program concerning foreign exchange operations related to different sectors including international trade. Complete prepayment is now allowed for import of goods with a FOB value under MAD 200,000 (USD 23,343 in October 2012). The Foreign Exchange Office regulations also allow for advance payments not exceeding 40 percent of the FOB value of imports of capital equipment.

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

<http://www.oc.gov.ma/portal/fr/content/reglementation-changes/guides>

#### ***Tax Issue for foreign billing***

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

### ***Alternate Payment Forms***

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

## **How does the banking system operate**

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In comparison to the rest of the Arab world and Africa, Morocco continues to modernize its relatively comprehensive banking system, originally modeled after the French one. There are 16 banks in the country plus five government-owned specialized financial institutions, about 30 credit agencies and about 12 leasing companies. The bank reform law of 1993 laid out parameters for banking activities, clarified oversight and control responsibilities, specified legal penalties for violations of banking regulations and established a deposit guarantee fund. Pending banking reform legislation will further liberalize the sector and improve oversight coordination and lines of authority.

Since this financial liberalization, credit is allocated freely and the central bank has used indirect methods to control the interest rate and volume of credit. The banking system is still used by the government to channel domestic savings to finance government debt, and banks are required to hold part of their assets in bonds paying below market interest rates.

Morocco's banking sector is stronger, and the private sector's role is more active, than in many other African countries. The potential in this sector is great, as it is estimated that only 47 percent of the population use banks.

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

Opening a bank account in Morocco is a similar process to the rest of the world. Businesses are supposed to be registered in Morocco in order to open an account.

## **Foreign Exchange Controls**

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

Authority to buy and sell foreign exchange has been delegated to the banking system, which will carry out transactions on presentation of appropriate documentation justifying the transaction such as an invoice to pay for imports. Capital transactions require authorization from the Foreign Exchange Office and are routinely granted for business-related transactions. Under the Moroccan investment code, the government guarantees repatriation of both invested capital and profits, provided that the initial capital investment was filed and registered.

## **U.S. Banks and Local Correspondent Banks**

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Local Correspondent Banks:

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

U.S. Banks with Moroccan Branches:

- Citibank Maghreb (Citi-Group)

## **Project Financing**

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### ***Debt Financing***

The principal multilateral financial institutions such as the World Bank, the IFC, the African Development Bank, and the European Investment Bank all lend to Morocco for infrastructure development.

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

Multilateral Development Bank Operations (MDBO)  
Tel: (202) 482-3399 Fax (202) 273-0927

The Commercial Service Liaison Staff  
Office of the U.S. Executive Director  
The World Bank  
1818 H Street NW,  
Washington DC 20433  
Tel: (202) 458-0118/0120 Fax: (202) 477-2967

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

Joumana Cobain Country Manager, IFC  
7 rue Larbi Ben Abdellah,  
Souissi, Rabat, Morocco  
Tel: +(212) 537 63 24 79 Fax: +(212) 537 63 60 50

For more information on opportunities for U.S. firms go to <http://www.ifc.org>

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

Multilateral Investment Guarantee Agency  
1818 H Street, NW,  
Washington, DC 20433  
Guarantees Department: (202) 473-6168

For more information on opportunities for U.S. firms, click <http://www.miga.org>

Types of Available Export Financing and Insurance:

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

Contact:

U.S. Small Business Administration  
Office of International Trade  
409 Third Street, SW,  
Washington, DC 20416  
Tel. (202) 205-6720 Fax (202) 205-7272

2. The U.S. Export-Import Bank promotes the exports through loans, guarantees, and insurance programs, all of which are available in Morocco. Ex-Im Bank can guarantee U.S. commercial bank financing for U.S. exporters. Its export insurance programs provide insurance coverage against the risk of default on foreign receivables. However, a Moroccan guarantee, either from the government or private bank, may also be required. Ex-Im Bank has a small bundling facility (guaranteed credits of USD 10 million) with Credit du Maroc, the Moroccan subsidiary of Credit Lyonnais France. In 2006, Ex-Im Bank signed an

MOU with Attijariwafa Bank to support increased U.S. exports to Morocco.  
Contact:

Export-Import Bank  
811 Vermont Ave., NW,  
Washington, DC 20871  
Tel: 1-800-565-3946

Regional Manager for North Africa and the Middle East  
Tel: (202) 565-3716  
Fax: (202) 565-3931

International Lending  
Fax: (202) 565-3816

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

Katherine Michaud , Country Manager for Morocco  
Tel: (703) 875-4357 Fax: (703) 875-4009  
<http://www.ustda.gov/>

### ***Equity Financing***

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

There is an association of equity investors and investment banks (AMIC) with members specialized in trans-Atlantic transactions: <http://www.amic.org.ma/>

### **Web Resources**

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- Export-Import Bank of the United States: <http://www.exim.gov>
- Country Limitation Schedule:  
[http://www.exim.gov/tools/country/country\\_limits.html](http://www.exim.gov/tools/country/country_limits.html)

- OPIC: <http://www.opic.gov>
- Trade and Development Agency:  
<http://www.tda.gov/>
- SBA's Office of International Trade:  
<http://www.sba.gov/oit/>
- USDA Commodity Credit Corporation:  
<http://www.fsa.usda.gov/cc/default.htm>
- U.S. Agency for International Development:  
<http://www.usaid.gov>
- African Development Bank:  
<http://www.afdb.org/en/countries/north-africa/morocco/>

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## Chapter 8: Business Travel

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### Business Customs

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

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

Moroccans are increasingly interested in doing business with U.S. firms in part because it makes good business sense to diversify. The value of the Euro compared with the U.S. dollar creates opportunities for U.S. firms to engage in new business dialogue. A growing number of young, talented U.S.-educated entrepreneurs returning to Morocco are contributing to an improved receptivity for U.S. firms and U.S. business culture.

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

When planning a business trip to Morocco, consult with a U.S. Commercial Service Trade Specialist and the Commercial Section at the U.S. Consulate General in Casablanca, Morocco to receive value-added advice, trade leads, contacts, or matchmaking services: <http://export.gov/morocco/>

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

## Travel Advisory

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For current travel information, refer to <http://morocco.usembassy.gov/> or

Country Specific Information for Morocco:

[http://travel.state.gov/travel/cis\\_pa\\_tw/cis/cis\\_975.html](http://travel.state.gov/travel/cis_pa_tw/cis/cis_975.html)

Current Travel Warnings:

[http://travel.state.gov/travel/cis\\_pa\\_tw/tw/tw\\_1764.html](http://travel.state.gov/travel/cis_pa_tw/tw/tw_1764.html)

U.S. Citizens traveling in Morocco may want to register via this website:

<https://step.state.gov/step/>

## Visa Requirements

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

Moroccan representatives of U.S. companies that require travel to the United States should allow sufficient time for visa issuance. U.S. business visa applicants should go to the following link: <http://morocco.usembassy.gov/visas/nonimmigrant-visas.html>

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa/>

The Consular Section of the U.S. Embassy: <http://morocco.usembassy.gov/>

## Telecommunications

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The telephone system has greatly improved in recent years. The national telecommunications network offers a range of services including cellular, paging, video conferencing, voice mail and Internet. Most U.S. phones will be able to roam in Morocco and vice-versa.

## Transportation

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Morocco has made the development of its communication and transportation networks a top priority. Morocco's infrastructure for the distribution of goods and services is good and will continue to improve as the government nears completion on several projects. Morocco's road network is among the best in Africa. Most parts of the country are readily accessible by well-surfaced roads. Most agricultural and manufactured goods move by road. Casablanca's Mohammed V Airport is the largest airport in Morocco. It offers 50 flights a day to the United States, Europe, the Middle East and elsewhere in Africa. The railway network handles passenger service and the freight service of phosphates, fertilizers, chemical products and other minerals. The port of Casablanca, the second largest in Africa, handles 40 percent of all goods imported and/or exported. Morocco's shipping costs are high in comparison to its Mediterranean competitors. There is frequent ferry service to and from Spain, France and Italy for tourists.

## Language

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

French is fairly prevalent, especially among the educated classes and the older generations. In the north of Morocco, Spanish is quite common.

A growing number of young Moroccan entrepreneurs with degrees from U.S. schools conduct business in English; nevertheless, it is always a good idea to determine in advance the language to be used during a meeting should it be necessary to hire an interpreter. Generally, business meetings are conducted in French.

## Health

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**MEDICAL FACILITIES:** Adequate medical care is available in Morocco's largest cities, particularly in Rabat and Casablanca, although not all facilities meet Western standards. Specialized care or treatment may not be available. Medical facilities are adequate for non-emergency matters, particularly in the urban areas, but most medical staff will have limited or no English skills. Emergency and specialized care outside the major cities is far below U.S. standards, and in many instances may not be available at all. Travelers planning to drive in the mountains and other remote areas may wish to carry a medical kit for emergencies. In the event of car accidents involving injuries, immediate ambulance service usually is not available.

Persons taking medication are advised to bring enough to last during their stay in Morocco. Moroccan customs and health authorities will not release medication sent through the mail.

Useful information is available in the U.S. Embassy Morocco website.  
<http://morocco.usembassy.gov/service/professional-services/medical-information.html>

**Local Time, Business Hours, and Holidays**

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Morocco is on Greenwich Mean Time (GMT). The time difference between Morocco and the East Coast is 5 hours and West Coast 8 hours during Standard Time months.

Holidays in 2014:

DATE	DAY(S)	HOLIDAY	REMARKS
January 1	Wednesday	New Year	U.S.
January 13 & 14*	Monday & Tuesday	AID MAWLID AN NABBAOUI <i>(to celebrate the birthday of prophet Mohammed)</i>	Moroccan *
January 20	Monday	MARTIN LUTHER KING'S BIRTHDAY	U.S.
February 17	Monday	PRESIDENT'S DAY	U.S.
May 1	Thursday	MOROCCAN LABOR DAY	Moroccan
May 26	Monday	MEMORIAL DAY	U.S.
July 4	Friday	AMERICAN INDEPENDENCE DAY	U.S.
July 29 & 30*	Tuesday & Wednesday	AID AL FITR <i>(Celebration of end of Ramadan)</i>	Moroccan *
July 30	Wednesday	FEAST OF THE THRONE <i>(to celebrate King's Mohammed VI ascension to the throne)</i>	Moroccan
August 20	Wednesday	THE REVOLUTION OF THE KING AND THE PEOPLE	Moroccan
August 21	Thursday	YOUTH DAY <i>(to celebrate King's Mohammed VI birthday)</i>	Moroccan
September 1	Monday	AMERICAN LABOR DAY	U.S.
October 5 & 6*	Sunday & Monday	AID AL ADHA <i>(Muslims' feast of sacrifice)</i>	Moroccan *
October 13	Monday	COLUMBUS DAY	U.S.
October 26*	Sunday	FIRST MOHARRAM <i>(Muslims' New Year)</i>	Moroccan *
November 11	Tuesday	VETERAN'S DAY	U.S.
November 18	Tuesday	FEAST OF INDEPENDENCE <i>(to celebrate Morocco's independence in 1956)</i>	Moroccan
November 27	Thursday	THANKSGIVING DAY	U.S.
December 25	Thursday	CHRISTMAS DAY	U.S.

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

Note: Holidays with (\*) are based on the lunar calendar and change every year. Dates shown are those projected for the year 2014. As is the case in most Muslim countries, it may be more difficult to make business appointments and contacts in Morocco during the month of Ramadan, which will start this year in early August. It is also important to keep in mind that many local businesses shut down for a lengthy period during the summer holidays, e.g. July-August.

### **Temporary Entry of Materials and Personal Belongings**

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

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<http://morocco.usembassy.gov/>

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## Chapter 9: Contacts, Market Research and Trade Events

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- [Market Research](#)
- [Trade Events](#)

### Contacts

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#### U.S. EMBASSY RABAT

2, Avenue Mohamed El Fassi (formerly Ave de Marrakesh)  
Rabat, Morocco  
Tel: +(212) 537 76 22 65  
<http://morocco.usembassy.gov/>

Matthew Lussenhop, Deputy Chief of Mission  
2, Avenue Mohamed El Fassi (formerly Ave de Marrakesh)  
Rabat, Morocco  
Tel: +(212) 537 76 22 65 Fax: +(212) 537 76 56 61  
<http://morocco.usembassy.gov/>

Sarah Hanson, Agricultural Attaché – North Africa  
U.S. Department of Agriculture, Foreign Agriculture Service  
Tel: +(212) 537 76 22 65 extension 2083  
E-mail: [AgRabat@fas.usda.gov](mailto:AgRabat@fas.usda.gov)  
<http://www.fas.usda.gov/country/Morocco/Morocco.asp>

#### U.S. CONSULATE GENERAL CASABLANCA

Brian W. Shukan, Consul General  
8, Bd. Moulay Youssef  
Casablanca, Morocco  
Tel: +(212) 522 26 45 50  
<http://morocco.usembassy.gov/>

Douglas Wallace, Senior Commercial Officer (Morocco, Algeria and Tunisia)  
U.S. Commercial Service  
8, Bd. Moulay Youssef  
Casablanca, Morocco  
Tel: +(212) 522 26 45 50  
[www.export.gov/morocco](http://www.export.gov/morocco)

#### AMERICAN CHAMBER OF COMMERCE (AmCham)

Mrs. Rabia El-Alama, Managing Director  
67, Boulevard Massira Al Khadra  
Third Floor, Apt. 6  
Casablanca, Morocco  
Tel: +(212) 522 25 07 36 Fax: +(212) 522 25 07 30

Email: [amcham@amcham-morocco.com](mailto:amcham@amcham-morocco.com)

## **MOROCCAN GOVERNMENT AGENCIES**

Ministry of Economy and Finance  
(Ministère de L'Economie et des Finances)  
Mr. Nizar Baraka, Minister  
Rabat - Chellah, Morocco  
Tel: +(212) 537 67 75 01 to 08 Fax: +(212) 537 67 75 26  
<http://www.finances.gov.ma>

Administration du Tourisme  
Dr. Lahcen Haddad, Minister  
Centre d'Affaires - Lot 1 C17, Avenue Ennakhil -Hay Riad  
Rabat - Morocco  
Tel: +(212) 537 57 78 00 or +(212) 537 57 79 00 Fax: +(212) 537 57 79 01  
E-mail : [webmaster@tourisme.gov.ma](mailto:webmaster@tourisme.gov.ma)  
[http://www.tourisme.gov.ma/index\\_en.htm](http://www.tourisme.gov.ma/index_en.htm)

Customs Office  
(Direction Des Douanes et Impôts Indirects)  
Mr. Zouheir Chorfi, Director  
Avenue Annakhil, Centre des Affaires, Hay Riad  
Rabat, Morocco  
Tel: +(212) 537 57 90 01 to 03 Fax: +(212) 537 71 78 14  
E-mail: [adii@douane.msie.gov.ma](mailto:adii@douane.msie.gov.ma)  
<http://www.douane.gov.ma>

Agency for the Promotion and Development of the North - APDN  
(Agence pour la Promotion et Development du Nord)  
Mr. Fouad Brini, Director General  
33, Annakhil Avenue and Mehdi Ben Barka corner - Hay Riad  
Rabat Code Postale 10101 - Morocco  
Tel: +(212) 537 56 59 02/17 Fax: +(212) 537 56 59 08  
<http://www.apdn.ma/>

Department of Statistics  
(Direction des Statistiques)  
Mr. Mohamed Taamouti, Director  
Rue Med Belhassen Elouazzani Haut, B.P 178 Agdal 10001  
Rabat Maroc Tel: +(212) 537 77 32 44/45 Fax: +(212) 537 77 32 17  
[http://www.hcp.ma/Direction-de-la-statistique\\_a716.html](http://www.hcp.ma/Direction-de-la-statistique_a716.html)

Ministry of Industry, Commerce and New Technologies  
(Ministère de l'Industrie, du Commerce, et de la Mise à Niveau de l'Economie)  
Mr. Abdelkader Amara, Minister  
Quartier Administratif, Chellah,  
Rabat, Morocco  
Tel: +(212) 537 76 18 78 Fax: +(212) 537 76 62 65  
<http://www.mcinet.gov.ma>

Investment in Morocco Agency  
Agence Marocaine de Développement des Investissement (AMDI)  
Mr. Ahmed Fassi-Fihri, Director  
32 Rue Honaine, Angle rue Michlifen  
Agdal Rabat, Morocco  
Tel: +(212) 537 22 64 00 Fax: +(212) 537 67 34 17/ 42  
E-mail: [info@invest.gov.ma](mailto:info@invest.gov.ma)  
<http://www.invest.gov.ma/>

Ministry of Agriculture and Fisheries  
(Ministère de l'Agriculture, et de la Pêche Maritime)  
Mr. Aziz Akhannouch, Minister  
Quartier Administratif, Chellah  
Rabat, Morocco  
Tel: +(212) 537 66 53 00 or +(212) 537 66 54 50 or +(212) 537 66 56 00  
<http://www.agriculture.gov.ma/>

National Office of Potable Water and Electricity – Electricity Branch  
(Office National de l' 'Eau Potable et de l'Electricité – Branche Electricite or ONEE –  
Branche Electricite)  
Mr. Ali Fassi Fihri, General Manager  
65 Rue Othman Ben Affane  
Casablanca, Morocco  
Tel: +(212) 522 66 80 80 Fax: +(212) 522 22 00 38  
<http://www.one.org.ma>

National Regulatory Agency for Telecommunications  
(Agence Nationale de Réglementation des Télécommunications or ANRT)  
Mr. Azdine El Mountassir Billah, General Manager  
Centre d'Affaires B.P 2939, Aile Nord  
Hay Riad, Rabat, Morocco  
Tel: +(212) 537 71 84 00 or +(212) 537 71 86 01 Fax: +(212) 537 20 38 62  
<http://www.anrt.net.ma/>

National Telephone Company  
(Maroc Telecom, IAM)  
Mr. Abdeslam Ahizoune, President  
Avenue Annakhil, Hay-Riad  
Rabat, Morocco  
Tel: +(212) 537 71 90 00 Fax: +(212) 537 71 06 00  
<http://www.iam.ma/Pages/index.aspx>

National Office of Electricity and Potable Water – Water Branch  
(Office National de l'Electricite et de l'Eau Potable – Branche Eau Potable, ONEE –  
Branche Eau Potable)  
Mr. Ali Fassi Fihri, General Director  
Station de Traitement: Avenue Mohamed Belhassan El ouazzani  
Chellah, Rabat, Morocco 10002  
Tel: +(212) 537 75 96 00 Fax: +(212) 537 65 06 49  
E-mail : [onepbo@onep.ma](mailto:onepbo@onep.ma)  
<http://www.onep.ma/>

National Office of Phosphates  
(Office Cherifien des Phosphates or OCP)  
Mr. Mustapha Terrab, General Manager  
2-4, Rue Al Abtal, Hay Erraha  
Casablanca, Morocco B.P. 5196  
Tel: +(212) 522 23 00 25 or +(212) 522 23 01 25  
<http://www.ocpgroup.ma/>

Moroccan Ports Authority  
Societe d'Exploitation des Ports (Sodep, also known as Marsa Maroc)  
Mr. Mohamed Abdeljalil, General Manager  
175 Bd. Mohamed Zerkouni  
Casablanca, Morocco  
Tel: +(212) 522 23 23 24 Fax: +(212) 522 25 81 58  
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National Airline Company  
(Royal Air Maroc or RAM)  
Mr. Driss Benhima, President  
Aeroport d'Anfa  
Casablanca, Morocco  
Tel: +(212) 522 91 20 21 or +(212) 522 91 20 22 Fax: +(212) 522 91 20 95  
E-mail: [info@royalairmaroc.co.ma](mailto:info@royalairmaroc.co.ma)  
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Bureau of Mining and Oil Exploration Research  
(Office Nationale des Hydrocarbures et des Mines or ONHYM)  
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<http://www.onhym.com>

### **Trade Associations**

Association of Moroccan Private Equity and Venture Capital Investors  
Mrs. Françoise Giraudon, Déléguée Générale  
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Casablanca, Morocco 20340  
Tel: +(212) 522 23 74 85 Fax: +(212) 522 98 07 80  
E-mail: [info@amic.org.ma](mailto:info@amic.org.ma)  
<http://www.amic.org.ma/>

Confederation of Moroccan Enterprises  
(Confederation Générale des Entreprises du Maroc or CGEM)  
Mrs. Miriem Bensalah Chaqroun, President  
23, Boulevard Mohamed Abdou, Quartier Palmier  
Casablanca, Morocco  
Tel: +(212) 522 99 70 00 Fax: +(212) 522 98 39 71  
<http://www.cgem.ma/>

Moroccan Association of Textiles and Apparel Manufacturers  
(Association Marocaine des industries de textile or AMITH))  
Mr. Mohamed Tazi, General Director  
92 Boulevard Moulay Rachid, Casablanca  
Tel: +(212) 522 94 20 84/ 85 Fax: +(212) 522 94 05 87  
<http://www.textile.ma/amith>

Feed Millers Association (AFAC)  
(Association des Fabricants d'Aliments Composés)  
Mr. Nourreddine Karim, President  
123 Bd Emile Zola  
Casablanca, Morocco  
Tel: +(212) 522 31 12 49 Fax: +(212) 522 44 22 76  
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<http://fisamaroc.org.ma/>

Telecommunications and Computers Association (APEBI)  
(Fédération des Technologies de l'Information, des Télécommunications et de l'Offshoring)  
Mr. Mohamed Lakhlifi, Président  
BUREAU N° 284 Casablanca Technopark  
Casablanca, Morocco  
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E-mail : [apeci@apeci.org.ma](mailto:apeci@apeci.org.ma)  
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Mining Industry Association  
(Fédération de l'Industrie Minière)  
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Association of Moroccan Importers of Agricultural Equipment  
(Association Marocaine des Importateurs de Matériel Agricole- AMIMA)  
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Engineering Association – (FMCI)  
(Association Marocaine du Conseil et de l'Ingenierie)  
Mr. Benyahia Nouredine, President  
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<http://www.fmci.ma/>

### **Specialized Agricultural Trade Associations**

Poultry Feed, Poultry, and Eggs Federation  
(Fédération Interprofessionnelle du Secteur Agricole or FISA)  
Mr. Moulay Youssef Alaoui, President  
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Casablanca, Morocco  
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<http://www.fisamaroc.org.ma/>

Feed Manufacturers Association  
(Association des Fabricants d'Aliments Composés or AFAC)  
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Casablanca, Morocco  
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E-mail: [afac@fisa.org.ma](mailto:afac@fisa.org.ma)  
<http://www.fisa.org.ma>

Grains and Pulses Importers and Traders Association  
(La Fédération Nationale des Négociants en Céréales et Légumineuses or FNCL)  
Mr. Bouchaib El Haddaj, Executive Director  
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Email: [federation@fncl.ma](mailto:federation@fncl.ma)  
<http://www.fncl.ma/>

Purebred Dairy Cattle Association  
(Association Nationale des Eleveurs de Bovins de Races Pures or ANEB)  
Mr. Noureddine Belkadi, Director  
5, Rue Mohamed Triki, Residence Tissir, Imm. B. Apt. 2  
Agdal, Rabat, Morocco 10090  
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Email : [aneb@menara.ma](mailto:aneb@menara.ma) or [aneb@aneb.ma](mailto:aneb@aneb.ma)  
<http://www.aneb.ma/>

Wheat Millers Federation  
(Fédération Nationale de la Minoterie or FNM)  
Mr. Ahmed Bouaida, President  
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### **Multilateral Development Banks and Trade Assistance Offices**

International Finance Corporation  
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World Bank Representation in Morocco  
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### **Trade Promotion Coordinating Committee (TPCC) Trade Information Center**

Will Center, World Bank Liaison Officer  
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Multilateral Development Banks Office  
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<http://www.worldbank.org/>

### **U.S. Department Of State**

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### **U.S. Export Import Bank (Ex-Im)**

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<http://www.exim.gov/>

### **Overseas Private Investment Corporation (OPIC)**

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Tel: (202) 336-8799  
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## **Moroccan Embassy in Washington**

Ambassador Bouhlal  
Nabigha Hajji, Economic Officer  
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### **Market Research**

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To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/mrktresearch/index.asp> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, and is free.

### **Trade Events**

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Please click on the link below for information on upcoming trade events.

- <http://www.export.gov/tradeevents/index.asp>

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## Chapter 10: Guide to Our Services

The President's National Export Initiative aims to double exports over five years by marshaling Federal agencies to **prepare U.S. companies to export successfully, connect them with trade opportunities** and **support them once they do have exporting opportunities.**

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. Government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: [www.export.gov](http://www.export.gov)

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link: (Insert link to Products and Services section of local buyusa.gov website here.)

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRAD(E)**.

**We value your feedback on the format and contents of this report. Please send your comments and recommendations to:** [Market\\_Research\\_Feedback@trade.gov](mailto:Market_Research_Feedback@trade.gov)

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