



Doing Business in Morocco: 2012 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 1.9 billion surplus with Morocco in 2011.
- Exports to Morocco totaled USD 2.8 billion, up 47 percent year-on-year, led by fuel oil, agricultural products and aviation equipment.
- In the same year, Moroccan exports to the U.S. rose to USD 997 million, up 45 percent year-on-year, led by fertilizers, sulfur, and semiconductors.
(www.census.gov/foreign-trade/balance/c7140.html)

Morocco's overarching economic development plan is based on leveraging its location, along the Strait of Gibraltar between Spain and Africa, and transforming the country into a regional hub for North, West and Sub Saharan Africa for shipping, logistics, assembly, production and sales. 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. This export strategy is bolstered by the *Casa Finance City Plan*, a plan to make Casablanca a regional financial hub for investors interested in North, West and Sub-Saharan Africa. (Moroccan Financial Board, www.mfboard.com/)

When completed in 2015, Tanger-Med Port (www.tmsa.ma) will be the largest port on the African Continent, managing 8 million roll-on roll-off containers annually. The new deep-water port in Tangier is built to international standards and major international shipping companies, such as Maersk and CFM-CGM, are building shipping capacity to take advantage of expected 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.

Multinationals such as Renault, Veolia, Fruit of the Loom, Kraft, Kohler, DuPont, Lear Automotive, 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.

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)

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.

Morocco has remained stable 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. The consultative Economic and Social Council advises the government and the King and is providing new focus on the social charter. The ruling Party of Justice and Democracy won the November 2011 elections partly on a platform of rooting out corruption and increasing transparency.

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. When combined with a high quality of living, Casablanca is a popular location for regional headquarters.

A growing number of Moroccan businesspeople have developed 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 an annual crop of English-speaking business graduates who aspire to deploy their new knowledge with Anglo-Saxon companies.

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, and specific companies. They promote the development of intellectual property rights and fight counterfeit products. AmCham offers networking functions, educational roundtables, awards programs to stimulate SMEs and minority-owned businesses, market reports, visa facilitation services, an annual golf tournament well attended by government officials, an annual gala ball, and more. AmCham events and publications offer sponsorships and advertising spots for introducing new companies and their products into the Moroccan market. (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 joined this community by establishing 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. In 2010, USTDA funded two Reverse Trade Missions to the U.S. in renewable energy and port development. It has also funded a technical assistance to the Agency for Renewable Energy and Energy Efficiency (ADEREE) for the development of 5MW PV solar plant. In 2011, USTDA identified projects in several sectors including clean energy, water resources, ports management, and multimodal transports.

In 2007, Morocco and the U.S. Millennium Challenge Corporation (MCC) signed a five-year USD 697.5 million *Millennium Challenge Account Compact* to reduce poverty and increase economic growth. The program stimulates economic growth by improving productivity and increasing employment in high-potential sectors, including fruit tree productivity, small-scale fisheries, and handicrafts. Small-business creation and growth are also being supported by investments in financial services and enterprise support. The Compact is currently in year five of implementation, with all Compact activities to be completed by September 2013. It includes the following specific investments:

- Fruit Tree Productivity Project (USD 326.2 million)
- Small-Scale Fisheries Project (USD 125.2 million)
- Artisan and Fes Medina Project (USD 94.3 million)
- Financial Services Project (USD 43.7 million)
- Enterprise Support Project (USD 26.8 million)

Market Challenges

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U.S. exporters face strong and active competition from European trading partners, particularly 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. French businessmen also visit Morocco quite often for leisure.

Almost all business negotiations, written and spoken, are conducted in French and bids for government tenders must be submitted in French. A small and growing movement in the Moroccan business community strives to move away from the colonial past and embrace an Anglo-Saxon business approach. Moroccan-American businessmen and recent university graduates from business programs speak English and can serve as an excellent bridge to doing business.

The greatest 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. A series of anti-corruption laws passed since the new King Mohamed VI came to the throne are designed to improve these problem areas. The FTA also strives to address these issues.

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. It 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 40 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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U.S. exporters can benefit from the opportunities opening up through the FTA and take advantage of Morocco's position as a gateway to Europe, Africa and the Middle East.

Decree 2-06-388 of 5 February 2007 is the most recent law regarding public procurement. This law largely aligns Morocco with international best practice 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 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 \(waste and water management\)](#)
- [Franchising](#)

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

- Wheat, including durum
- Corn, sorghum and corn products
- Feed grains and non-grain feed ingredients (in drought years)
- Crude vegetable oil
- Oilseeds and products (soybean meal)

Moroccan Industry Sector Strategies

With the help of international advisory firms, development agencies and government to government partnerships, Morocco has developed a national economic vision to modernize its economy and capitalize on the sectors where it has comparative advantages. This national vision is supported by comprehensive strategies for each sector, resulting in opportunities for U.S. companies looking to export products and services. Six of the major sector plans are outlined below.

1. Industrial Sector: Plan Emergence

<http://www.emergence.gov.ma/Pages/Emergence.aspx>

Plan Emergence is the 2009-2015 industrial promotion plan. Six sectors in which Morocco has strong competitive advantages are being developed because they can create value-added exports. The long term expectation is to help improve the balance of trade. The following sectors are specifically promoted:

- Automobile industry
- Aerospace
- Electronics
- Offshoring – targeted to companies in France and Spain
- Textiles and leather
- Food industries

2. Tourism Sector: Plan Azure and Vision 2020

<http://www.tourisme.gov.ma/index.htm>

Opportunities for U.S. Companies: Outfitters for hotel facilities, hotel operators, equipment suppliers, construction companies, hotel service providers, architects, tourism advisory firms, travel companies, university medical programs, and event management companies.

Plan Azur, was launched in 2005 to promote the completion of six beach resorts targeting family vacationers. The intention is to create a long term revenue stream, as well as associated jobs, from European tourists who enjoy the sandy beaches and golf courses.

- Saidia Berkane Plage (28,000 beds)
- Blanche Guelmime (26,000 beds)
- Taghazout (25,000 beds)
- Lixus Larache (12,000 beds)
- Mogador Essaouira (8,700 beds)
- Mazagan El Jadida (8,000 beds)

Vision 2020 is the next phase of promoting tourism in Morocco. The goals are to double the number of foreign tourists visiting Morocco and to triple the number of domestic tourists, and to become one of the top 20 tourist destinations in the world. Customs exemptions and value-added tax exemptions on imported equipment and materials necessary for building resorts, and tax benefits and other tax concessions for foreign investors are some of the financial incentives.

Projects build to protect the environment (green/eco/sustainable development) and heritage, as well as high value projects in entertainment and sports, business, medical and luxury tourism are promoted as part of the Vision 2020. Financial incentive programs such as risk sharing funds, bank finance, and private sectors funds are available for investors in Vision 2020.

3. Consumer Goods Sector: Plan Rawaj

http://www.lavieeco.com/pdf/documents_officiels/Programme+Rawaj.pdf

Opportunities for U.S. companies: Consumer products companies, service providers for in store inventory management, checkout equipment, specialist retail advisory firms, advertisers, logistics companies, etc.

The Ministry of Industry, Commerce and New Technologies launched the program in 2008 to enhance the quality, diversity and access to consumer products in Morocco, as well as foster the development of Moroccan companies in the sector.

4. Logistics Sector: Plan Logistique

<http://www.mtpnet.gov.ma>

Opportunities for U.S. Companies: There are opportunities for logistics service providers, equipment manufacturers for the storage and handling, fleet management solution providers, tracking and tracing solution providers, building materials, engineering companies, etc.

Plan Logistique was launched in 2009 to develop a modern integrated logistics network to support sector strategies. The Plan seeks to optimize the flow of goods by developing a network of multi-purpose and multi-modal logistics zones as well, the human capital and competencies to management the network for both domestic and foreign-bound goods. The logistics zones include:

- Container Traffic: Casablanca, Fes, Tangier, Marrakech, Oujda
- Logistics Service Providers: Casablanca (8), Tangier, Rabat, Marrakech, Meknes, Fes, Agadir, Oujda, Kenitra, Khouribga, El Jadida, Dakhla, Laayoune.
- Agricultural Products: Grand Casablanca, Rabat-Salé-Zemmour-Zaer, Tanger-Tétouan, Meknès-Tafilalet, Fès-Boulemane, Marrakech-Tansift-Al Haouz, Sous-Massa-Draa, Oriental, Chaouia-Ouardigha, Doukala-Abda, Taza-Al Hoceima-Taounat, Tadla-Azilal, Laâyoune-Sakia Hamra-Boujdour, Oued Ed Dahhab-Lagouira
- Grains: Grand Casablanca, Fès, Khouribga, Meknès, Marrakech, Tanger, Agadir, Oujda, Settlat, Nador, Safi, Beni Mellal, Taza
- Construction Materials: Grand Casablanca, Tanger-Tétouan, Marrakech, Agadir, Oujda, Rabat, Meknès, Fès, Kénitra, Khouribga, Settlat, Nador, El Jadida, Safi, Beni Mellal, Taza, Laâyoune

5. [Agricultural Sector: Plan Maroc Vert \(Green Morocco\)](#)

http://www.ada.gov.ma/en/Plan_Maroc_Vert/plan-maroc-vert.php

Opportunities for U.S. companies: agro consulting firms, seed distributors, agro-chemicals, post-harvest processing equipment.

The Green Morocco Plan targets the agricultural sector, Morocco's most important export. Agriculture totals 19 percent of the GNP, with 15 percent from agriculture and 4 percent from food processing. The sector has underperformed due to insufficient investment, lack of organization and limited water resources. Plan Maroc Vert seeks to revitalize the sector through a collection of regional agricultural plans over 10 years from 2008 to 2018. These will focus on attracting investments – USD 1.1 billion annually – to increase exports of citrus, olives, fruits and vegetables.

6. [Fishing Sector: Plan Halieutis de la Pêche Maritime](#)

http://www.invest.gov.ma/upload/secteurs/fr_Document_99.pdf

Opportunities for U.S. companies: equipment and parts suppliers, aquaculture service providers, handling and processing equipment, etc.

The Plan focuses on growing current annual revenues of USD1.5 billion to USD 2.5 billion by 2020 through improved ports, equipment and logistics as well as promotion of the industry.

Of particular note is the very substantial underdevelopment of the fish farming business in Morocco despite a very suitable terrain. This currently represents only 0.09 percent of the total fisheries production in Morocco. Comparable numbers in Spain are 22 percent and France 25 percent.

Market Entry Strategy

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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, preferably in French, provides U.S. firms with essential knowledge of key contacts, customs regulations, and niche opportunities.

The U.S. Commercial Service in Morocco provides individualized counseling to determine the best market entry strategy for a given U.S. company/product, and can assist with partner searches, including 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/>

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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. In 2010, the Moroccan holding *Best Financiere* acquired the assets of the German-owned Metro, which has stores in large cities including Casablanca, Rabat, Fes, Tangier and Agadir. The same holding signed a franchise agreement with Carrefour (France).

More traditional European-style supermarkets, such as Marjane and Acima are also present in major cities and provide good markets for western food and household supplies. Moroccan supermarkets Carrefour (previously called Label Vie) Market and Aswak Assalam are also active in major cities. A few DIY (Do It Yourself) hardware stores have opened in Rabat and Casablanca. Bricoma is one such DIY chain.

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)

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 www.Export.gov.

Morocco's 16 Regional Investment Centers 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/exploreeconomies/morocco#starting-a-business>):

Step	Procedure	Time to Complete	Approximate Costs
1	Obtain a "Certificat Négatif", 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	Deposit paid-in capital in a bank and obtain a bank receipt called "attestation de depot"	1 Day	No charge
3	Legalize statutes at Mayor's office known as "La Commune"	1 Day	MAD 20/ page + MAD 10
4	File documents with CRI 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	File a declaration with the economic office of the Préfecture Known as "Service Economique de la Commune"	1 day	No charge
6	Make company stamp	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. Marketing campaigns must be targeted to the clients and where they live. Common forms of marketing are point-of-sale promotions, rotating billboards, direct mail and door-to-door sales. With an adult illiteracy rate of 56 percent, promotion campaigns are 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, 49 percent (World Bank 2010).

Joint Ventures/Licensing

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Companies, both private and para-statal, and 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 OCP and Coca-Cola Export Corp. with North Africa bottling company. There are competent law firms in Morocco able to negotiate these kinds of agreements

Selling to the Government

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In the last five years, Morocco has made significant progress in creating a more transparent tender process. Morocco has worked closely with international organizations included the OECD and government procurement was specifically addressed in the free trade agreement negotiations. For more information please follow the link below to the text of the FTA:
http://www.ustr.gov/sites/default/files/uploads/agreements/fta/morocco/asset_upload_file596_3835.pdf

Each ministry has the authority to issue its own tenders. The announcement of these tenders is published in newspapers and the websites of the issuing organizations and they are also 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, 50/60hz).

According to the Decree 2-06-388 of 5 February 2007 regarding procurement reform, government tenders must be published in French and Arabic on the following web portal:
<http://www.marchespublics.gov.ma/wps/portal>

There are exceptions to this for specific cases:

- Individual purchases under 200,000 MAD
- Pre-Selected bidder contracts for projects which require a very specialized skill
- Military or national security related projects can be exempted too

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 USD 4.3 billion 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.

Morocco is a country with a rapidly modernizing inventory of sales and distribution channels. Very small and traditional shops are located next to modern stores selling the same items. In the urban centers, modern grocery stores are common. However, a 30-minute drive into the country may reveal a village where consumer products are still distributed by a donkey cart. This transformation is being catalyzed by the Plan Rawaj which is explained in Chapter 1. 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 provided to offer a better value proposition to get the customer to buy.

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 100ft² 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.

Selling Factors/Techniques

Relationships and trust are critical elements of success 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 sensitive to these concerns and a reliable long-term partner. 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. A leading U.S. construction equipment company has been very successful in penetrating Morocco by offering full service on their equipment sold in Morocco.

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. 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.

Electronic Commerce

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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. Debit cards have become common but credit cards are just starting to develop. There is a high instance of credit card fraud in Morocco as well. Due to credit card fraud, 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. There are also Moroccan advertising agencies who can offer comprehensive services. Refer to the AmCham website (<http://www.amcham-morocco.com/>) or contact the U.S. Commercial Service for a list of possible partners.

Morocco's literacy rate is 56 percent so almost half the population can only be reached with visual advertising. 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 a local 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 consumers. The number of internet users reached 16 million in 2010, which is roughly half the population. Targeted online marketing can be used to reach a very specific set of sophisticated internet users. More information on advertisement's spending is provided on the following table:

Ad Spending	2009 million USD	2010 million USD	Increase %
TV	209.73	270.90	40
Radio	72.56	84.68	12
Press	149.82	153.54	23
Outdoor	133.31	163.79	24
Cinema	3.17	4.83	1
Internet	n/a	4.58	1
Total	568.60	682.32	20

Source: GAM/Imerium Media

Pricing

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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 still quote in centimes. If a price seems much too expensive, then it may make sense to ask and see if they are quoting in centimes or dirham.

Morocco also operated under a Value Added Tax regime (VAT) in French it is written as a TVA. 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.

Government Subsidies:

In general, the market freely determines prices without government involvement. The exceptions are staple commodities and fuel. U.S. companies that use these or related products as primary inputs into their operations must be aware of the subsidy regime and possible changes in these input prices. The below table illustrates the 2011 subsidy regime. In 2012, the government reduced some of the subsidies.

	2011 Subsidy (USD)	Adjusted Market Price (USD)
Flour (1KG) Retail	0.59	0.67
Flour (1KG) Wholesale	0.24	0.46
Sugar (1KG) Wholesale	0.59	0.84
Unleaded Gasoline	1.20	1.41
Diesel	0.84	1.29
Fuel No 2 (heating oil/ton)	432.71	625.58
Fuel ONE* (electricity/ton)	280.57	625.48
Cooking Gas (12KG bottle)	4.71	11.12

* National Electricity Company

Source: Moroccan Competition Council

Service Tax:

For service providers: all invoices 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.

Sales Service/Customer Support

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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 and are expected to provide 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.

A consumer protection law^o 31-08 passed in 2011 is the latest addition to the legal framework protecting Moroccan consumers. This law aligns Morocco with European standards and provides for legal recourse for damages incurred by producer malpractice or negligence. U.S. firms should work with their local partner to ensure compliance with labeling, expiration dates, tracking and tracing requirements, etc.

Morocco lacks the equivalent of a national Better Business Bureau and consumer feedback is sometimes difficult to acquire. There are a number of consumer protection organizations including the example provided on the link below: <http://cacmaroc.assodev.ma/>

Protecting Your Intellectual Property

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The U.S.-Morocco Free Trade Agreement (FTA) contains strong intellectual property (IP) protection. In December 2004, the Moroccan Parliament passed amendments to its intellectual property legislation bringing it into compliance with its commitments under the World Trade Organization's Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS). 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. Many U.S. companies joined to form their own advocacy group to combat IPR violations. The American Chamber of Commerce in Morocco is active in advocating for this. 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. Canal+, the French satellite subscription service, left Morocco because of the trafficking of pirated de-encryption cards.

Furthermore, the Office of Industrial Commercial Property (Office Marocaine de la Propriété Industrielle et Commerciale, OMPIC) in Casablanca serves as a registry for intellectual property rights (IPR) 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 infringement.

Several general principles are important for effective management of intellectual property rights in Morocco. First, it is important to have an overall strategy to protect IP. Second, one must be aware that IP is protected differently in Morocco than in the U.S. Third, rights must be registered and enforced under local laws. A U.S. trademark and patent registration will not protect anyone in Morocco. There is no “international copyright”. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. Most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

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.

According to the Intellectual Property Rights Index, Morocco continues to demonstrate that the status quo relative to intellectual property rights is stable. The ranking table below indicates that Morocco is in the middle of the ranks both internationally and regionally for the protection of intellectual property:

International Property Rights Index 2012

Overall Score	Global Ranking	Regional Rank
5.2 out of 100	59 of 130	10 of 18

The following link is to the above data relative to intellectual property rights in Morocco and has interpretations on this data:

<http://www.internationalpropertyrightsindex.org/profile?location=morocco>

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
- 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.
- 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.
- 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
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit 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 Hend El Sineity, Senior Commercial Specialist, U.S. Embassy Cairo, Hend.Elsineity@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. This repository lists the tax filings for a large number of Moroccan companies. Through this government sponsored portal, one can find balance sheet and profit and loss (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

U.S. firms, especially those with no previous Morocco experience, should seriously 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

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. As the country's energy supply depends heavily on imports (97 percent), in 2009 the Moroccan government adopted a strategy to accelerate development of renewable resources. The energy plan expects to increase the renewable share of installed capacity in electricity generation to 42 percent by 2020, up from 26 percent in 2008. The table below highlights the dependency of Morocco on foreign energy between 2006 and 2010:

Evolution of Energy Balance in Morocco in Thousands Tons of Oil Equivalent (TOE)*

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Petrol and Natural Gas	66	60	59	49	60
Hydraulic	256	235	238	668	902
Wind	48	70	77	102	171
Total Production	370	365	374	819	1,133
Oil Products	7,713	8,069	9,068	9,106	9,918
Coal	3,878	3,910	3,740	3,475	3,498
Hydraulic	256	235	238	668	902
Natural Gas	479	540	533	586	633
Imported Electricity	527	910	1,108	1,202	1,024
Wind	48	70	77	102	171
Total Consumption	12,901	13,734	14,764	15,139	16,147
% derived from oil products	60	59	61	60	61
% oil dependence	97	97	98	95	93

Source: Moroccan Ministry of Energy, Mining, Water and Environment

Due to the lack of its own hydrocarbons' sources, Morocco is heavily dependent on fuel imports. In 2009, the government launched an energy vision that leverages its proximity to Europe – and an already existing undersea power connection to Spain – and its membership in the Mediterranean Union. The Union's Solar Plan will turn the Southern Mediterranean countries into producers of solar energy and then circulate the produced electricity through the Euro-Mediterranean region. The long-term strategy will allow Morocco to become an exporter of green energy and become a green technology development platform in the MENA (Middle East North Africa) region. The massive investment necessary to accomplish this creates opportunities for U.S. companies.

The chart below shows the growth, by source, of electricity from 2007 – 2010:

Electrical Production in GWh

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Hydraulic	1,318.1	1,359.5	2,952.3	3,630.8
Thermal Production*	5,201.8	5,758.4	4,850.2	6,409.8
Wind Parks	96.7	145.6	233.5	493.2
Total**	6,087.9	6,689.0	7,531.2	10,315.4
JLEC (Coal)	10,016.4	10,022.1	9,771.6	9,847.2
CED (Wind)	182.2	152.6	157.9	165.6
EET (Natural Gas)	2,823.0	2,867.4	2,843.6	2,153.0
Production by Concessions	13,021.6	13,042.1	12,773.1	12,165.8

JLEC: Coal burning power plant of Jorf Lasfar

CED: Abdelkhalak Toress

EET: Electrical Energy Company of Tahddart (Combined Cycle)

* Not geothermal, diverse combustible feedstocks are used

** Differences are due to energy loss from hydraulic pumping systems

Morocco's geography and topography provide abundant renewable energy resources:

- Wind resources at speeds reaching 10m/s, capable of generating as much as 25GW (*Morocco Wind Atlas*, CDER, 2007)
- Solar captivity up to 5.7KWh/m²/day and 3000 hours of sunshine yearly
- Biomass resources can produce more than 950MW

The chart below highlights the planned increases in capacities:

Planned Evolution of Installed Electrical Capacity in Morocco (MW)

	<u>2008 Installed Capacity</u>		<u>2020 Installed Capacity</u>	
Hydrocarbon	24%	1,284	14%	2,041
Coal	34%	1,785	26%	3,791
Combined Cycle Gas	7%	380	11%	1,604
Nuclear			7%	1,021
Hydraulic	33%	1,729	14%	2,041
Wind	2%	114	14%	2,041
Solar Energy			14%	2,041
Installed Capacity		5,292		14,580

Morocco's electric power production is insufficient to meet a demand that has been increasing at an average annual rate of 8 percent for the past five years. In 2010, Morocco had an installed capacity from renewable energy of 2050MW, of which 90 percent was large-scale hydroelectric

plants. Wind farms made up 82, 12 percent thermo-solar plants, 5 percent photovoltaic solar installations and the rest micro-hydroelectric plants and biomass treatment plants. By the end of 2012, the renewable energy installed capacity will increase by 950 MW due to the completion of several projects:

- Tanafnit El Borj hydroelectric - 40MW
- Aïn Beni Mathar thermo-solar plant - 452 MW natural gas combined cycle, 20MW solar
- Tangier wind farm - 140MW
- Tarfaya wind farm, 300MW

Morocco has a well-defined energy strategy for 2009-2020 that aims to improve the security of supply through a more diverse energy mix; increase access to electricity with more competitive pricing, and promote regional integration with Euro-Mediterranean power markets.

These objectives are supported by two new institutions, the Agency for Development of Renewable Energy and Energy Efficiency (ADEREE) and the Moroccan Agency for Solar Energy (MASEN), and by a USD 1 billion Fund for Energy Development. See Web Resources at end of this chapter for details.

Note that L'Office National de l'Electricité (ONE) and the Office National de l'Electricité 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 principal entity in Morocco's electricity sector. It controls transmission and the largest in-country distribution grid. Today, independent power producers (IPPs) are responsible for approximately half of power production in Morocco. Law 13-09 of 2010 governs the current liberalization regime in Morocco. This law enables renewable energy exporting once the local market needs are met. Therefore, IPP developers are the key buyers of equipment. ONEE – Electricity Branch remains the sole buyer of electricity production as well as the entity to which IPP assets are transferred after the end of the concession period.

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.

Specialized engineering services are sourced internationally. U.S. companies are encouraged to respond to requests for proposals regarding consultants for the design of technical specifications of large project tenders. Companies that are involved in design tenders are typically prohibited from bidding for subsequent building and management tenders for that particular project.

Electricity demand in Morocco is expected to grow 8.5 percent to 9 percent annually through 2020, driven by an ambitious rural electrification plan for 100 percent coverage. To increase the renewable share in its power production, Morocco will undertake the following projects:

Public Tenders

1. The Solar Energy Initiative: Launched in 2009, this USD 9 billion initiative includes the installation of 2000 MW in five sites of 10,000 hectares by 2020. The Moroccan Agency for Solar Energy (MASEN) was created in 2010, to manage this initiative. Its mandate is to implement the overall project (design, choice of operators, implementation, and management) and to coordinate and supervise all other activities related to the Solar Energy Initiative.

Following a 2010 prequalification tender for Phase I (150MW of Concentrated Solar Power with parabolic troughs) for Ouarzazate site (500MW), a short list of consortiums was invited to bid on a final international tender in December 2010. The plant delivery is slated for 2015.

In September 2012, MASEN announced the selection of ACWA (Saudi International Company for Water and Power) along with Aries IS and TSK EE (Spain) for the design, finance, construction, operation and maintenance of the plant near the southern city of Ouarzazate. The USD 1 billion contract is to build a 160MW concentrated solar power plant in southern Morocco. The intent is for this plant to be a key exporter of clean energy to Europe. ACWA has priced its offer at MAD 1.62 (USD 0.19) per kilowatt hour. Several funds were granted to finance this project:

- French Agency of Development (Agence Francaise de Developpement)
- African Development bank
- European Investment Bank
- World Bank
- European Commission
- Clean Technology Funds (Le Fonds des Technologies Propres)
- KfW Bankengruppe
- The U.S. Trade and Development Agency (USTDA) is funding a technical assistance grant to MASEN for a CSP plant using tower technology.

Phase II is expected to be tendered in 2013.

2. Wind energy alternative: ONEE – The electricity sector will develop 1000MW of wind energy by 2020 at five additional sites. The first tender for the Taza 150MW site was launched in May 2011. In April 2012, EDF Energie Nouvelles of France and Japan's Mitsui & Co. were selected by the Office Nationale de l'Électricité for the construction of the Taza 150MW wind farm. The project reportedly includes 50 Alstom wind turbines of 3 MW each. The second prequalification tender for 850MW was launched in February 2012. According to [ONEE](#), pre-qualifications results will be announced during the third quarter of 2012, and the main tender will be launched by the end of the year. The EnergiPro program is a set of incentives to encourage private operators to contribute to a total installation of 2GW of wind energy by 2020. The Moroccan Government

encourages private producers of wind power to engage in tri-party agreements with a Moroccan buyer and the Office National d'Electricite. This program also involves heavy manufacturers who produce electricity for their own needs. Several private companies who are major energy consumers have started their own wind farms. For example, Nareva, a subsidiary of Omnium Nord Africain (ONA), the largest private holding in Morocco, is the developer/operator of small scale wind farms. Nareva signed two agreements recently to develop two wind farms with the Moroccan rail authority (ONCF) and the Moroccan Airports Authority (ONDA).

3. Bio-fuel: 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.

USTDA Sponsored Projects:

USTDA is funding a technical assistance grant to ADEERE to develop a 5MW solar photovoltaic (PV) pilot project in Essaouira, Morocco. The grant will establish a baseline for evaluating and replicating solar PV plants of similar scope throughout Morocco. For more details:

http://www.ustda.gov/news/pressreleases/2011/MENAEurope/Morocco/MoroccoADERE_E_012511.asp

- With grants from USTDA, MASEN is conducting technical assistance for the design and development of the CSP Tower phase of the Ouarzazate complex. Once completed, the solar initiative will provide 14 percent of the local power demand. For more information: http://www.ustda.gov/news/pressreleases/2011/MENAEurope/Morocco/MoroccoSolarEnergy_061011.asp
- USTDA granted a feasibility study to the Moroccan National Company for Transportation and Logistics (SNTL) to develop a 1.5 MW solar photovoltaic (PV) rooftop pilot project in Mohammadia, Morocco. The RFP for the selection of a U.S. consultant has been announced. For more information: http://www.ustda.gov/news/pressreleases/2012/MENAEurope/Morocco/MoroccoSNTLSolarPV_032312.asp

Web Resources

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- Moroccan Ministry of Energy, Mining, Water and Environment: www.mem.gov.ma
- Office National de l'Electricité et de l'Eau Potable: 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

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The Moroccan construction industry is estimated to have experienced real growth of around 7.4 percent in 2011. There is a healthy number of infrastructure projects in the pipeline, multilateral financing and a robust economic growth outlook. The research firm Business Monitor International expects a real growth of around 6.5 percent year-on-year for Morocco's construction industry in 2012 and an expected real industry growth to average between 5 percent and 6 percent annually between 2012 and 2016.

The government stepped up its spending on basic infrastructure to MAD 400 billion (USD 46.69 billion) for 2008-2012, up from just MAD 80 billion (USD 9.34 billion) for the previous period. Roads, ports, airports and transmission grids have been among the assets to benefit from the stronger spending.

There are many opportunities for U.S. infrastructure businesses that are looking for long-term growth opportunities. In addition to the infrastructure that has yet to be built, there are opportunities for maintenance, securing, signaling, upgrading and operation of existing infrastructure.

[Energy \(See Chapter 4, Renewable Energy\)](#)

Transport

Morocco is completing the second of a two-phase plan to provide Moroccans with access to basic transportation services and to create a robust platform for economic development. Phase I invested USD 7 billion from 2003-2007 and Phase II invested USD 13 billion from 2008-2012.

Government infrastructure projects, such as highway and road construction, harbour and airport extensions, private tourism projects, construction of new schools and hospitals, low-cost housing and resorts that combine conference facilities, villas and hotels, all contribute to the infrastructure sector growth.

Shipping, Ports and Container Handling

Morocco has completed the construction at Tangier Med I and II ports. These ports are operational and experiencing double-digit container growth as Moroccan firms begin to utilize its modern roll-on/roll-off services, cold storage, warehousing, logistics zones and free trade zones. There is plenty of real estate available for U.S. companies with sector specialties in this area to set up facilities or provide services to existing companies.

Rail and Public Transportation

The demand for transportation services is expected to increase at an annual rate of 7-8 percent. Morocco continues to upgrade its railways system to offer modern trade routes to passengers and goods throughout the country. The National Office for Railways (Office National des Chemins de Fer, ONCF) operates 100 trains per day and estimated that passenger traffic reached 30 million passengers in 2010.

In large cities, municipalities are constructing tramways to meet their daily urban transport requirements and curb the use of cars and buses that pollute the environment. In 2010, Casablanca started an 18-mile tramway line to be operational in 2012. It is expected that other cities will add their own public transport systems in the future.

Building Construction

Urban population is growing 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 has very aggressive plans in the tourism sector to make the country a leading destination. This requires construction of new facilities as well as renovation and equipping of existing facilities in order to meet international standards. For more information on tourism, please see Chapter 1, Tourism Sector: Plan Azure and Vision 2020.

Sub-Sector Best Prospects

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Morocco offers excellent opportunities to U.S. firms in the following construction 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 and grinding machines for earth, stone, ores, etc.
- Concrete/Mortar mixers
- Machines for mixing mineral substances with bitumen
- Escalators and moving walkways
- Motorway and rail signalling and monitoring

Services:

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

Opportunities

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Trade Shows

U.S. firms will find excellent opportunities to provide construction methods, engineer consulting, construction supervision, equipment and solutions that guarantee safety, and improve delivery at a low cost. Moroccan construction companies are interested in partnering with U.S. companies that can bring unique technical expertise and compelling competitive advantage vis a vis the local competition. It is advisable to visit the annual *Salon International du Batiment* construction trade show in Casablanca: <http://www.sib.ma/>

Tourism

Opportunities exist in turnkey projects that meet international standards, including a wide range of luxury hotels and resort facilities. The Moroccan Government also encourages green building. Marchica Med is developing the lagoon of Marchica, located near Nador in the north of Morocco. The Marchica lagoon project is located on 10,000 acres and is estimated to total USD 4.6 billion. The resort uses wind and solar energy and offers 650 residential villas, a 370-room hotel, 2,230 apartments, a golf academy, sports and leisure infrastructure, two marinas and shops. Sea City (Cité des Mers) is built on 37 acres, and includes hotels, 320 villas, 193 apartments and two marinas from 2015-2020. Flamenco Bay (Baie des Flamands) is on 190 acres and includes marinas, a golf course and a resort.

Public Private Partnerships (PPP) and Financing Opportunities

The International Finance Corporation (IFC) signed an agreement with the Ministry of Economy and Finance in early-December 2010 to help it structure a dedicated PPP unit. The IFC wants to help wean its construction and infrastructure industries off public sector demand and ramp up private sector participation. U.S. companies that build, maintain or improve infrastructure and can bring financing through PPP's will have a major advantage over established operators that are unable or unwilling to take on this complexity.

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. Fifty large dams (3 large dams per year) and 1000 small and mid-sized dams are planned by 2030.
6. A north-south transfer pipeline will be built in the Bouregreg, Oum Er Rbia and Tensift basins: 800 million m3 of water per year.
7. Rainwater capture pilot projects will be implemented and could lead to larger-scale deployment similar to what has been done in India and Australia.

Current USTDA Infrastructure 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
3. Moroccan Ports VTMS and Surveillance Study:
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/
- Federation of Builders: <http://www.fnbt.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/>

In 2005, the Moroccan Government identified the aviation industry as having high potential. The industry now has more than 60 companies, of which 70 percent are less than five years old. These companies operate in civil, military and aviation manufacturing. The aviation industry now employs almost 10,000 Moroccans who earn about 15 percent above the country's average monthly wage of roughly USD 320.

Royal Air Maroc (RAM) is the main airline of Morocco and it 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 by 2014. Its headquarters are in Casablanca and its hub is 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 is located in Province of Nouaceur, 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.

ONDA is the operator and administrator of airports in Morocco and it was established in 1999. Since 2004, they have upgraded the facilities of most airports in the country. In addition, they offer VIP services - *Salon Convives de Marque* - to travelers for a yearly fee, regardless of the airline they are flying with.

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 and continuous training and education to the industry of aviation but it is all based on the specific needs of the companies in the Morocco. It has training for operators and technicians, middle management and provides training tailored to a company's needs. The training acquired at IMA ensures that the graduates fulfill the necessary accreditation and certification of international standards and can be employed by international firms that want to setup operations in Morocco

Morocco plays an important regional role in aircraft sales. The bi-annual air show in Marrakech is a must attend event for U.S. companies selling into Africa. The last Air Show took place in April of 2012. For more information: http://www.airshowsreview.com/2012_Marrakech_airshow.htm.

The next Air Show will take place in 2014. For more information:
<http://marrakechairshow.com/en/> and
http://www.airshowsreview.com/airshowdates_2012_international.htm#Dec

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

- 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 and 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 and equipment

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Establishment of a local office or facility

General Aviation Supply and Services was implemented at the Casablanca Free Zone in Nouaceur, near the Casablanca Airport. This area is a designated Industrial Integrated Platforms (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 has 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.

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 million passengers by 2010.

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/>
- U.S.Trade and Development Agency Grant:
http://www.ustda.gov/news/presreleases/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
<http://www.gimas.org/fr/Home.aspx>

Waste Management

The Moroccan Government has developed a 15-year (2008-2023) National Solid Waste Management Plan called Programme National des gestion des Dechets Menagers (PNDM). The Household Waste Management National Program (PNDM) 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 Ministry of Environment in Morocco <http://minenv.gov.ma/PDFs/PNDM.pdf> aims to upgrade the household waste management by 2020. This program was supported by the World Bank through the Development Policy Loan (DPL) for the household waste sector. This sector is regulated by law 28-00 which was passed in 2006. The USD 5 billion program targets include:

- 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
- Privatization of waste management in urban area

This program is divided into three subsequent phases:

- 2008 – 2012 Initialization phase to integrate ongoing projects into priority projects
- 2013 – 2017 Scalability phase
- 2018 – 2020 Validation and implementation of all untreated projects

International companies have been the main players in this sector including:

- Segedema, Sita, Veolia, Le Floque (France)
- Tecmed (Spain)
- GESI and Edgeboro (U.S.)

Water Supply

Water supply in the urban area is quasi-universal while in rural areas, access to potable water reached more than 90 percent in 2010, compared to 14 percent in 1995. The less developed areas face challenges, as only 70 percent of the urban population is connected to sewage systems. It is estimated that urban wastewater will increase from 600 million m³ in 2005, to 900 million m³ in 2020.

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'Electricité 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 m³, 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 exist as alternatives to ONEE – Water Branch. They 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

Waste Water

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 ([Programme National d'Assainissement Liquide et d'Épuration des Eaux Usées](#), NSP) in 2006.

The Program's objective is to:

- Develop and improve wastewater collection and reuse up to 60 percent
- Provide 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:

ONEE – Water Branch also contributes in 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>

Additional water management entities in Morocco 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).

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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 and maintenance contracts
- Technical advisory
- Water efficiency devices
- Solid waste management engineering, consulting and equipment

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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>

USTDA Studies

- National Office of Potable Water GIS System:
http://www.ustda.gov/RFP/200821025A_MOR.pdf
- Morocco: ONEP (Now called ONEE – Water Branch) Industrial Wastewater Treatment (FS)
http://www.ustda.gov/news/pressreleases/2007/MENA/Morocco/MoroccoONEPWastewater_092607.asp

- Morocco: Hydroelectric and Seawater Use Optimization (FS)
<http://www.ustda.gov/businessopps/contractawards.asp>
- Morocco: Water Resource Management (TA)
http://www.ustda.gov/news/pressreleases/2010/MENA/Morocco/MoroccoWaterManagement_060210.asp
- Morocco: Meat Processing Facility Wastewater Treatment (TA)
http://www.ustda.gov/news/pressreleases/2007/MENA/Morocco/MoroccoONEPWastewater_050907.pdf

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.

Upcoming Government Tenders

- 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'Electricite 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, 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, Dominos 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. One of the key pillars of Rawaj is the creation of 12 commercial activity zones (ZACs) 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. American franchise 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).

Moroccan franchisees value the following elements of franchise ownership:

- 47 percent of the Master Franchisees highlighted the security aspect of a franchise. They indicated that in the globalization context, the consumer is sensitive to the brand, as well as to the product itself.
- 30 percent of the franchisees mentioned the importance of the training and managerial support provided by the franchiser along the operation of the franchise.

Market Challenges

There have been successful market entries but also companies that were unable to get market traction. 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.

Legal Issues

In spite of the attractiveness of the franchising activity in Morocco, the sector remains non-regulated. Efforts by numerous trade associations have thus far failed and there is still no specific franchising legislation. Under Moroccan law, a franchise is an agreement by which a "franchiser" provides to an independent third party ("franchisee") *inter alia* its expertise, technical and commercial assistance, methods of doing business, marketing tools for products, goods or services (i.e brand) and training for a predetermined fee. In this regard, such agreement is subject to Moroccan contract law ("Dahir formant Code des obligations et des contrats") and corresponding law, according to the type of entity that has been setup.

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American brands are highly perceived by the Moroccan consumer, especially in the Food service. However, many potential buyers of a franchise are not ready to pay a high franchise fee. They prefer to pay higher royalty rates, as they are determined to make the business profitable. Therefore, proposals of franchises with a moderate franchise fee may receive a larger audience. 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
- House wares and linen retail
- Temporary employment services
- Business building management services
- Entertainment (movie houses, family parks)

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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:* While Casablanca has a high penetration rate of Franchises, the cities of Rabat, Agadir, Tangier, etc. 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 opportunities for new companies to occupy retail space.
- *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 International Franchise Expo - The leading American Franchise Exposition is held every year during the month of March or April at the Walter E. Washington Convention Center in Washington D.C. The expo offers seminars for potential franchisees and franchisors and the opportunity to talk with franchisors directly: <http://www.ifeinfo.com>

On February 2012, the Ministry of Industry, Commerce and New Technologies in Morocco along with the Moroccan Federation of Franchise (Federation Marocaine de la Franchise – FMF) has organized “Mega Franchise & Corporate Expo” in Tanger, Morocco. It aims to develop the creation of companies, jobs and stimulating the exchange of cultures and the importation of foreign expertise. 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
- Federation Marocaine de la Franchise
Mr. Abderrahmane Belghiti
E-mail: fmf@menara.ma

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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 Taoujdade 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

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

www.observatoiredefracanchise.ma

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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. 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 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 strategy for agricultural development called "Green Plan" that aims at encouraging domestic and foreign investment in agriculture as a mean to generate employment, transfer new technologies and achieve a better integration with the world economy. In 2011, the Green Plan strategy helped in increasing the overall agriculture production by 38 percent. Main areas for investment included olives, citrus, grapevines, dairy, and fruit trees. The 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. Morocco's exports of agricultural and food products in 2011 were estimated at about USD 3.38 billion, while its imports were estimated at USD 6.3 billion. In recent years, Morocco's exports to European Union (EU) markets accounted for about two-thirds of its total agricultural and food exports. Moroccan exports of agricultural and food products to the United States are relatively small, and were estimated at USD 200 million in 2011. Morocco's exports to the U.S. consist mostly of olive oil, olives and products, clementine, anchovies, sardines.

U.S. agricultural and food exports to Morocco are mostly bulk commodities. However, 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 and gain access to some new-to-market products. The implementation of the FTA boosted the demand for many U.S. high-value agricultural products, such as, milk powder, butter, cheese, apples, and dried fruits. More detailed information on the FTA provisions can be found at: www.ustr.gov.

U.S. agricultural and food exports to Morocco have soared to their highest levels in the past two years. In 2011, U.S. agricultural and food product exports to Morocco reached USD 932 million, 22 percent higher than exports in 2010. Morocco's demand for U.S. products is expected to grow in the coming year though at slower pace.

Moroccan Agricultural Imports from the United States (USD Thousands)

Product	2010	2011	Jan - August 2011	Jan - August 2012	P/P Change
Bulk Total	261,674	221,051	195,039	80,071	-59
Wheat	101,440	59,901	59,901	11	-100
Coarse Grains	67,578	82,311	73,327	7,271	-90
Cotton	38,415	58,857	42,483	39,971	-6
Soybeans	53,103	18,475	18,048	25,230	40
Rice	45	34	16	6,347	39,569
Other Bulk Commodities	1093	1,473	1,264	1,241	-2
Intermediate Total	426,164	642,513	466,436	361,476	-23
Soybean Oil	197,601	317,708	234,298	155,868	-33
Soybean Meal	164,921	225,225	165,002	143,261	-13
Feeds & Fodders	38,575	67,633	47,291	43,867	-7
Animal Fats	13,024	19,506	11,626	11,160	-4
Planting Seeds	2,314	3,415	3,002	2,503	-17
Vegetable Oils (Ex Soybean)	5,798	3,298	1,153	521	-55
Other Intermediate Products	3,931	5,728	4,064	4,296	6
Consumer Oriented Total	76,644	66,502	51,650	66,279	28
Dairy Products	64,394	55,676	44,095	58,718	33
Tree Nuts	7,824	8,627	6,128	5,139	-16
Processed Fruit & Vegetables	2,384	508	417	970	133
Fresh Fruit	695	196	196	87	-56
Other Consumer Oriented	1347	1495	814	1365	68
Forest Products	1,106	2,065	1,426	2,272	59
Fish Products	40	217	132	412	212
Grand Total	765,628	932,348	714,683	510,509	-29

Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics
P/P: Period/Period

Best Prospects for Morocco are:

- Wheat, including durum
- Corn and sorghum for feeding, and corn products
- Feed grains and non-grain feed ingredients (in drought years)
- Crude vegetable oil
- Oilseeds and products (soybean meal)
- Rice
- Dairy semen
- Milk powder, unsalted butter, whey, cheese for pizza
- Dried fruits and nuts (pistachios, walnuts, non-pitted prunes, raisins, and almonds)
- Apples (red and golden delicious)
- 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 sauces, condiments, canned fruit and vegetables, confectionary and snack foods.

Association contacts:

Pure-bred Dairy Cattle Association
(Association Nationale des Eleveurs de Bovins de Races Pures ,ANEB)
M. Zniber Seddik, President
5, Rue Mohamed Triki, Residence Tissir, Im. B. Apt. 2
Rabat 10050, Morocco
Phone: +(212) 537 23 02 44 Fax: +(212) 537 23 02 62
Email: aneb@menara.ma

Feed and Poultry Federation
(Fédération Interprofessionnelle du Secteur Avicole, FISA)
Khair-Eddine Soussi; President
123, Boulevard Emile Zola
Casablanca 20310, Morocco
Phone: +(212) 522 31 12 49 Fax: +(212) 522 44 22 76
Website: www.fisa.org.ma Email: fisa@iam.net.ma

Cereals and Grains Traders Federation
(Fédération des Négociants de Céréales et Légumineuses, FNCL)
M. Bouchaib El Haddaj
57 Avenue Abdelmoumen, Residence El Hadi
Batiment B4, 1er etage, Casablanca, Morocco
Phone: +(212) 252 47 64 38 or +(212) 247 64 68 Fax: +(212) 252 47 42 07
Email: fncl@wanadoo.net.ma

In country USDA contacts:

Office of Agricultural Affairs, U.S. Embassy Rabat
Sarah Hanson, *Regional Agricultural Attaché*
M. Idriss El Honsali, *Agricultural Specialist*
Phone: +(212) 357 76 59 87 Fax: +(212) 357 76 54 93
Email: AgRabat@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://www.fas.usda.gov/scriptsw/attacherep/default.aspp>

Report	Expected Date
Grain and Feed Annual	March 31 st
FAIRS Export Certificates	October 31 st
Food/Agriculture Import Regulation And Standards (FAIRS)	November 30 th
Citrus Annual	November 30 th
Agricultural Exporter Guide	December 31 st
Selling Food Products to Retail Sector	December 31 st

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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.

Trade Barriers

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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.

These language and cultural differences are subtle but still need to be addressed. French is the dominant business language and business models are often based on traditional French models. Many of Morocco's elite were educated in France and feel at ease with these French models. Moreover, all government tenders are issued in French and bids must be submitted in French, though Arabic remains the official language of the country.

Convincing local oligopolies that liberalized trade and investment policies will benefit them in the medium to long-term by expanding the business pie has been a challenge. Nevertheless, a number of U.S. firms are taking the lead in the tourism and franchising sectors. Other market openings, such as in the banking, insurance and cement sectors will require a shift in mentality. In general, competition is not welcomed because the business pie has been traditionally relatively small though significant new investments are beginning to expand it.

A number of forward-leaning provisions in the FTA require the Government of Morocco to improve business procedures, reduce corruption and improve transparency in government procurements.

Import Requirements and Documentation

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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 occurred "Substantial Transformation" or has a value-added economic

activity performed to it *en route*. The text of the Free Trade Agreement on this 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.

Thus, a Moroccan customs' official must make 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 recent incidents that resulted in a dispute 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 port prior to onward shipping to Morocco. Moroccan customs officials decided that these products were no longer eligible for 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 be interpreted as not subject to treatment under the FTA. Sealed containers from the U.S. *en route* to Morocco that are temporarily stored in designated transshipping zones at international port authorities are not known to be disputed as FTA eligible.

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, "Promotional Use Only (Utilisation promotionnelle uniquement)" and "No Commercial Value (Sans valeur commerciale)."

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/scripts/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

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

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
Tel: +(212) 537 67 65 29 Fax: +(212) 537 77 93 19
Website: 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
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

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

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.

Web Resources

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- http://www.moroccousafta.com/index_ang.htm
- <http://www.export.gov/middleeast>

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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 EU. Morocco has also signed a quadrilateral FTA with Tunisia, Egypt and Jordan, and a bilateral FTA with Turkey. Additionally, it is seeking trade and investment accords with other African, Asian and Latin American countries.

Since January of 2006, when the U.S.-Morocco FTA came into effect, bilateral trade has increased 470 percent. Nonetheless, challenges remain. According to the World Bank's 2009 "Doing Business in Morocco" report, the Morocco's 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 MAD 200 million (USD 26 million) are, in addition, referred to a special ministerial committee chaired by the Prime Minister.

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. Additionally, although 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.

Year	Index	Ranking
2010	TI Corruption Index	85 out of 178
2010	Heritage Economic Freedom	91 out of 179
2011	World Bank Doing Business	97 out of 185
2011	MCC Gov Effectiveness	68th Percentile
2011	MCC Rule of Law	58th Percentile
2011	MCC Control of Corruption	65th Percentile
2011	MCC Fiscal Policy	74th Percentile
2011	MCC Trade Policy	56th Percentile
2011	MCC Regulatory Quality	74th Percentile
2011	MCC Business Start Up	79th Percentile
2011	MCC Land Rights Access	68th Percentile
2011	MCC Natural Resource Mgmt	20th Percentile

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 current exchange-rate regime is a tightly managed float against a euro-dominated basket of currencies. The Moroccan dirham thus tends to move in line with the Euro. It fluctuated between 8 and 9 MAD to the dollar in 2010, with an average exchange rate for the year of 8.42 MAD to the dollar.

Expropriation and Compensation

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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. In most cases, through U.S. advocacy, these minor disputes were resolved with the relevant government agencies.

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. Among King Mohammed VI's six priority areas identified in a major annual address in August 2009 were improving the business environment and the fairness and efficiency of the judicial system. The King's emphasis is well placed, as recent UN and World Bank studies highlight Morocco's shortcomings in this area, indicating that bankruptcy protection and liquidation procedures are inefficient and that the courts are slow and often fail to enforce legal rulings.

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. Legislation extending the scope of arbitration and mediation and giving them added legal standing took effect in July 2007, partly as a result of FTA required reforms. Arbitration, in particular, finds increasing use in Morocco today. Moreover, 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.

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 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. 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 USD 7000 for each Moroccan employee during the first three years of employment. A new version of the investment incentive regime is currently undergoing a governmental review.

U.S. 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.

In 2009 a number of firms including the national port operator (Marsa Maroc) were placed on the short list of companies to be privatized in the future.

Protection of Property Rights

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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 Intellectual Property Rights (IPR) is improving as a result of these provisions, counterfeit DVDs and CDs remain widely available throughout Morocco and weaknesses remain in 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 Foncière."

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 revised 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.

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. The IMF/World Bank's updated Financial System Stability 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 (39 percent of the population has a bank account as of 2009, up from 36 percent in 2007) and in reducing the overall level of non-performing assets (down from 11 percent in 2006 to 6 percent at the end of 2008 and 5.5 percent by the end of 2009).

A 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. Although the Casablanca exchange only saw two Initial Public Offerings (IPOs) during 2010, one of the listings came from Morocco's largest and most important insurance company, CNIA SAADA Assurance, which listed 15 percent of its shares on the exchange in November. Investors predict more listings and similar gains in 2011 as the Bourse focuses on outreach to its African neighbors.

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.

Competition from State Owned Enterprises

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Morocco maintains partial or full state ownership in several sectors, from phosphate mining to transportation. While the leaders of Morocco's state-owned enterprises (SOE) are appointed by the King, most report to a Board of Directors chaired by a Minister or royal or prime ministerial appointee and publish annual reports.

SOEs compete with private firms under the same terms and conditions.

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. 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.

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 throne. A democratic reform process is underway and the country is broadly regarded as politically stable. The U.S. maintains excellent relations with Morocco and has designated Morocco a Major Non-NATO Ally. A series of terrorist bombings in Casablanca in March and April 2007, the first major incidents since the Casablanca bombings of 2003, highlighted the fact that Morocco continues to face a terrorist threat. U.S. facilities were targeted in 2007. In April 2011 terrorists bombed a café frequented by westerners in Marrakesh. Counterterrorism cooperation is excellent. The Moroccan security services aggressively investigate terrorist suspects and have dismantled a number of terrorist cells over the past year.

Demonstrations occur frequently in Morocco and usually center on domestic issues. During periods of heightened tension, large demonstrations may take place in major cities. Although these demonstrations have been peaceful, well organized, and well controlled by the police, there have been isolated incidents of anti-U.S. sentiment. In September 2012, demonstrations took place near the U.S. Consulate in Casablanca, as well as in other cities in Morocco, as part of the wave of demonstrations that occurred throughout the Middle East in response to a YouTube video.

Until 1991, the sparsely settled territory of 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 Morocco, Algeria, and the Polisario remain parties to a dispute over the territory. 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. The U.S. does not recognize Moroccan sovereignty over Western Sahara and supports the UN-led process to resolve the conflict.

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.

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). 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 trans-nationally) 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.

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.

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. 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. 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.

Public sector corruption, including bribery of public officials, remains a major challenge for U.S. firms operating in Morocco. 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. Prime Minister Abdelilah Benkirane has made the fight against corruption one of his key priorities. An anti-corruption agency was set up in 2007 and became operational in January 2009. In 2010, an anti-corruption hotline was introduced under the auspices of the Moroccan employers’ federation, CGEM.

In spite of legislative improvements and a slight rebound over a ranking of 85 in Transparency International’s 2010 corruption index, the 2012 ranking of 80 out of 183 is still well below its 2002 level, when it was 52nd. 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 financing, strengthen controls against money laundering, and conform to international accounting and banking standards. Comprehensive anti-money laundering legislation was passed in 2007, and an independent Financial Intelligence Unit became operational in 2009. The legislation draws largely from recommendations made by the Organization for Economic Cooperation and Development’s (OECD’s) Financial Action Task Force (FATF).

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 . See also 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.
- 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://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 . 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/hrrprt/>.
- 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.-Morocco FTA was signed in June 2004 and came into effect in January 2006, ending tariffs on over 98 percent of the bilateral trade in consumer and industrial goods and subsuming previous bilateral investment agreements. For more details on the U.S.-Morocco FTA please visit www.moroccousafta.com

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. Morocco is also a member of the Kuwait-based Arab Investment Guarantee Organization (OAGI) and the Multilateral Investment Guarantee Agency (MIGA). For more details please see 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 6 percent of the 11.26 million-strong 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% 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.

According to the Moroccan High Planning Commission (HCP), the official national unemployment figure for the second half of 2012 was 8.1 percent compared to 8.5 percent at end of 2011. The minimum wage stands at MAD 12.24 per hour, approximately USD 1.40 per hour.

Foreign-Trade Zones/Free Ports

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The industrial free trade zones (FTZs) and Logistic Zones in Tangier have brought foreign investment and employment to the northern region of Morocco. The companies located in the FTZs may import goods duty free and are exempt from other taxes. 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. There are no official statistics on the stock of foreign investment in Morocco, but new foreign investment peaked at about USD 4.6 billion in 2007, before declining to around USD 3.6 billion in 2008 and USD 2.5 billion in 2009. The following tables are based on balance of payments statistics.

Foreign Direct Investment in Morocco
(USD Millions)

Year	Total FDI	Percent of GDP
1998	384.6	1.1
1999	945.6	2.7
2000	245.8	0.8
2001	2,732.2	8.0
2002	534.2	1.3
2003	2,430.2	4.9
2004	1,070.5	1.9
2005	3,007.6	5.1
2006	2,962.5	4.5
2007	4,629.2	6.2
2008	3,608.1	4.1
2009	2,510.7	2.75

Foreign Direct Investment Inflows by Country of Origin
(USD Millions)

Country	2005	2006	2007	2008	2009
United States	25.5	98.1	188.2	108.1	79.06
France	2234.6	982.5	1740.7	1360.7	928.2
Spain	162.4	817.2	744.9	337.6	208.12
Germany	96.3	106.8	200.8	169.3	98.05
UK	50.9	105.8	314.2	156.7	128.28
Netherlands	29.3	25.8	61.5	24.3	31.29
Benelux	48.0	296.0	160.7	133.9	*122.93
Saudi Arabia	40.8	37.5	77.6	65.9	32.95
Switzerland	85.4	102.9	161.6	214.3	145.46
UAE	81.9	87.9	464.6	608.5	149.22
Kuwait	25.1	115.0	192.1	14.9	373.98
Italy	23.6	38.0	105.4	99.0	73.83
Portugal	6.8	5.7	6.8	5.8	6.58

Others	97.0	143.0	210.0	309.1	281.97
Total	2962.5	4629.1	3608.1	3007.6	2510.7

N.B	2005	2006	2007	2008	2009
Exchange Rate (MAD/USD)	8.88	8.80	8.20	7.75	8.0846
GDP(Billions of USD)	58.90	65.40	75.10	88.88	91.06

*In 2009, Office des Changes began reporting separately on Belgium and Luxembourg.

Foreign Direct Investment Inflows by Sector (USD Millions)

Sector	2005	2006	2007	2008	2009
Industry	308.0	1019.6	404.2	230.2	294.5
Tourism	346.9	889.6	1515.0	732.2	380.86
Real Estate	272.8	467.8	925.7	1180.9	725.1
Banking	5.0	166.3	222.4	639.9	489.86
Insurance	128.9	166.2	2.6	25.9	33.82
Commerce	49.7	118.9	41.9	23.2	19.15
Holding	23.6	16.8	103.4	285.1	24.14
Energy and Mining	42.5	11.4	343.7	202.4	10.48
Transport	36.2	6.4	333.8	22.7	51.39
Public Works	18.0	3.9	64.9	32.6	14.46
Telecommunications	1,725.2	3.1	376.5	29.7	369.83
Agriculture	0.1	2.8	4.0	3.5	1.98
Fishing	0.1	0.0	0.5	2.8	0.1
Studies	0.1	0.0	0.0	0.0	0.0
Other Services	46.9	76.8	275.1	192.7	88.27
Other	3.5	12.8	15.6	4.4	6.79
Total	3007.6	2962.5	4629.1	3608.2	2510.7

Major Foreign Investors

U.S.

Industries Marocaines Modernes
Parent company: Procter and Gamble
Sector: Soaps and toiletries
Number of employees: 600

Coca-Cola Export Corporation
Parent company: The Coca-Cola Export Corp.
Number of employees: 5,000

FRI—McDonald's Morocco
Parent company: McDonald's Corporation
Number of employees: 2,000
-Plan to invest nearly USD 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: 580

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

Kraft Foods
Sector: Food Products
Number of employees: 200

Cargill
Sector: Food production and distribution
Number of employees: 85
-Recently invested USD 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
Parent company: Colony Capital
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 USD 7.5 million over 10 years in Fes project and about USD 100 million over 18 years in Casablanca project

CMCP

Parent company: International Paper
Sector: Packing
Number of employees: 1,500

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
Number of employees: 1,700

Pfizer

Sector: Pharmaceutical
Number of employees: 151

Brinks

Sector: Security
Number of employees: 1500

Other

DHL (German)

Sector: Packing/Transportation
Number of employees: 300

Jorf Lasfar Energy Company

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

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

Altadis Maroc
Parent company: Altadis (Spanish)
Sector: Tobacco
Number of employees: 1,000+

Web Resources

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- Agence Marocaine de Développement des Investissements: www.invest.gov.ma
- AmCham Morocco Trade & Investment Guide: http://www.moroccousafta.com/index_ang.htm

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Chapter 7: Trade and Project Financing

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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 Exterieur (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:

Heather Lanigan, 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
- 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

Current Travel Warnings:

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://travelregistration.state.gov/ibrs/ui/>

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 2012:

January 2	New Year 2012
January 11	Presentation of Moroccan Independence Proclamation
January 16	Martin Luther King Day
February 5/6	Prophet's Birthday (*)
February 20	President's Day
May 1	Moroccan Labor Day
May 28	Memorial Day
July 4	U.S. Independence Day
July 30	Feast of the Throne
August 20	Revolution of the King and the People
August 21	King's Birthday
Aug 20 & 21	Aid Al Fitr (end of Ramadan) (*)
September 3	U.S. Labor Day

October 8	Columbus Day
October 26 & 27	Aid Al Adha (*)
November 12	Veteran's Day
November 15	First of Moharram - Muslim's New Year (*)
November 18	Feast of Independence
November 22	Thanksgiving Day
December 25	Christmas Day

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 2012. 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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Contacts

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U.S. EMBASSY RABAT

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

Judith A. Chammas, 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/>

U.S. Department of Agriculture, Foreign Agriculture Service
Sarah Hanson, Agricultural Attache – North Africa
Tel: +(212) 537 76 22 65 extension 2083
E-mail: Sarah.Hanson@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/>

Jane Kitson, 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

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

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
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
<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

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
<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
<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 Zerktouni
Casablanca, Morocco
Tel: +(212) 522 23 23 24 Fax: +(212) 522 25 81 58
E-mail : contact@marsamaroc.co.ma
<http://www.marsamaroc.co.ma>

National Airline Company
(Royal Air Maroc or RAM)
Mr. Driss Benhima, President
Aéroport 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
<http://www.royalairmaroc.com/>

Bureau of Mining and Oil Exploration Research
(Office Nationale des Hydrocarbures et des Mines or ONHYM)
Mrs. Amina Benkhadra, General Director
34 Avenue Al Fadila, Quartier Industriel, C.Y.M.
B.P. 8030, Rabat, Morocco
Tel: +(212) 537 23 70 00 Fax: +(212) 653 72 81 62
<http://www.onhym.com>

Trade Associations

Association of Moroccan Private Equity and Venture Capital Investors
Mrs. Françoise Giraudon, Déléguée Générale
23, Boulevard Mohamed Abdou, Quartier Palmier
Casablanca, Morocco 20340
Tel: +(212) 522 23 74 85 Fax: +(212) 522 98 07 80
E-mail: 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
Email: afac@fisa.org.ma
<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
Tel: +(212) 522 87 46 12 Fax: +(212) 522 87 57 29
E-mail : apeci@apeci.org.ma
<http://www.apeci.org.ma>

Mining Industry Association
(Fédération de l'Industrie Minière)
Mrs. Amina Benkhadra, President
1 Place de l'Istiqlal
Casablanca, Morocco
Tel: +(212) 522 30 68 98 Fax: +(212) 522 31 99 96
E-mail: fdim@wanadoo.net.ma
<http://www.fdim.ma/>

Association of Moroccan Importers of Agricultural Equipment
(Association Marocaine des Importateurs de Matériel Agricole- AMIMA)
Mr. Chakib Ben El Khadir, President
Zone Industrielle Ouled Salah lot 1711, Bouskoura
Casablanca, Morocco
Tel: +(212) 52240 37 37 Fax: +(212) 522 40 38 38
E-mail: contact@amima.ma
<http://www.amima.ma/index.aspx>

Engineering Association – (FMCI)
(Association Marocaine du Conseil et de l'Ingenierie)
Mr. Benyahia Nouredine, President
5 Rue Idriss Alakbar
Quartier Hassan, Rabat, Morocco
Tel: +(212) 537 70 42 24 Fax: +(212) 537 20 03 47
E-mail: contact@fmci.ma
<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
123, Boulevard Emile Zola
Casablanca, Morocco
Tel: +(212) 522 31 12 49 Fax: +(212) 522 44 22 76
Email: fisamaroc@gmail.com
<http://www.fisamaroc.org.ma/>

Feed Manufacturers Association
(Association des Fabricants d'Aliments Composés or AFAC)
Mr. Nourreddine Karim, President
123, Boulevard Emile Zola
Casablanca, Morocco
Tel: +(212) 522 31 12 49 Fax: +(212) 522-44-22 76
E-mail: 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
Résidence El Hadi, B4 57, Bd. Abdelmoumen
Casablanca, Morocco
Tel: +(212) 522 47 64 38 or +(212) 522 47 64 68 Fax: +(212) 522 47 42 07
Email: 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
Tel: +(212) 537 23 02 44 Fax: +(212) 537 23 02 62
Email : aneb@menara.ma or aneb@aneb.ma
<http://www.aneb.ma/>

Wheat Millers Federation
(Fédération Nationale de la Minoterie or FNM)
Mr. Ahmed Bouaida, President
Angle Ibn Majid Bahar & Brihmi El Idrissi (Ex Girardot/Havre)
Casablanca, Morocco
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Fax: +(212) 522 30 65 51 or +(212) 522 30 59 13 or +(212) 522 30 65 51
Email: fnm@fnm.org.ma
<http://www.fnm.org.ma/>

Office of Trade Events of Casablanca
(Office des Foires et des Expositions de Casablanca or OFEC)
Rue Tiznit, Face à la Mosquée Hassan II
Casablanca 20000, Morocco
Tel +(212) 522 27 32 82 or +(212) 522 27 16 64 or +(212) 522 20 06 54
Fax: +(212) 522 27 49 73 or +(212) 522 26 49 49
Email: foire@ofec.co.ma
<http://www.ofec.co.ma/>

Multilateral Development Banks and Trade Assistance Offices

International Finance Corporation
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<http://www.ifc.org>

World Bank Representation in Morocco
Mrs. Simon Grey, Country Manager
7, Rue Larbi Benabdellah
Rabat, Morocco
Tel: +(212) 537 63 60 50
E-mail: alaoui@worldbank.org
<http://www.worldbank.org.ma>

The European Bank for Reconstruction and Development (EBRD)
Kawtar Moreno, Office Administrator
Lotfi Lebbar, Senior Analyst
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African Development Bank
Mrs. Amani Abou-Zeid, Representative in Morocco
Immeuble "Espaces les Lauriers", 1er Etage
Angle des avenues Annakhil et Mehdi Ben Barka, Hay Riad
BP 592 Rabat Chellah, Rabat, Morocco
Tel: +(212) 537 56 59 37 or +(212) 537 71 38 26 Ext. 6160-6190 Fax: +(212) 537 56 59 35
E-mail: a.abou-zeid@afdb.org
www.afdb.org/fr/countries/north-africa/morocco/

European Investment Bank
Guido Prud'homme , Head of EIB Office in Morocco
Tel: +(212) 537 56 54 60 Fax: +(212) 537 56 53 93
e-mail: g.prudhomme@eib.org
<http://www.afdb.org/en/countries/north-africa/morocco/>

Washington-Based U.S. Government Contacts

U.S. Department Of Commerce

Christian Reed, Regional Director for ANESA
U.S. Commercial Service, Tel: 202-482-4836, Fax: 202-482-5179
Christopher Wilken, Morocco Desk Officer, Market Access and Compliance
Tel: (202) 482-2680 Fax: (202) 482-0878

Craig Elliott, International Trade Specialist, Advocacy Center
Tel: (202) 482-0818 Fax: (202) 482-3508

Commercial Law Development Program
Office of the General Counsel
Marc Tejtzel, Regional Director
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Email: mtejtzel@doc.gov

Trade Promotion Coordinating Committee (TPCC) Trade Information Center

World Bank Liaison Officer
Tel: 1-800-USA-TRADE
Multilateral Development Banks Office
Tel: (202) 458-0120
<http://www.worldbank.org/>

U.S. Department Of State

William Roebuck, Director of Maghreb Affairs
Kate Leonard- Wiehagen, Morocco Desk Officer
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Lorraine Hariton, Special Representative
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Tel: (202) 647-4675 or (202) 647-1625 Fax: (202) 636-4458

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

John Richter, Middle East & North Africa Regional Director
Tel: (202) 565-3911 Fax: (202) 565-3931
<http://www.exim.gov/>

Overseas Private Investment Corporation (OPIC)

Bruce Cameron, North Africa Desk Office
Tel: (202) 336-8799
Tel. Facts Line: (202) 336-8700 Fax: (202) 408-9859
<http://www.opic.gov>

U.S. Trade Development Agency

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

Moroccan Embassy in Washington

Ambassador Bouhlal
Adil Embarch, Economic Officer
1821 Jefferson Place, NW,
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E-Mail: aembarch@embassyofmorocco.us

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

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

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.

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