Executive Summary

Despite global economic uncertainty and slowed capital inflows into North Africa following the regional upheaval linked to the Arab Spring, the Moroccan government is making great strides in attracting foreign direct investment (FDI) to the country. Morocco’s overarching economic development plan is based on leveraging its location, along the Strait of Gibraltar between Spain and Africa, to transform the country into a regional hub for North, West, and Sub-Saharan Africa for shipping, logistics, finance, assembly, and sales.

The Government of Morocco has implemented a series of sector strategies aimed at raising performance and output in key revenue-earning sectors, boosting employment, and attracting foreign investment. Notably, its National Plan for Industrial Development set the groundwork for large-scale global investments, such as those by France’s Renault in Tangier and Canada’s Bombardier in Casablanca. The strategy focused on developing export-oriented economic sectors (aeronaautics, automotive, offshoring, and electronics). The manufacturing sector created 75,000 jobs in the past ten years and the new 2014 industrial strategy aims to accelerate this effort by creating 500,000 new jobs in manufacturing by 2020.

Casablanca Finance City (CFC), Morocco’s flagship project launched in 2010 by King Mohammed VI, is aimed at developing a state-of-the-art financial center and business hub in Casablanca. The platform is a comprehensive business ecosystem that gives international financial institutions, professional services firms, and regional headquarters access to African markets and preferential benefits. Due to its political stability and strategic location, Morocco is rapidly becoming a regional manufacturing and export base for international companies.

Morocco actively encourages foreign investment and has sought to facilitate it through macroeconomic policies, trade liberalization, and structural reforms. Morocco has ratified 62 bilateral agreements for the promotion and protection of investments and 51 double taxation avoidance agreements. Its Investment Charter has put in place a convertibility system for foreign investors and gives investors the freedom to transfer profits.

Morocco’s Free Trade Agreement (FTA) with the United States entered into force in 2006. Since then, overall trade between the two countries has increased by more than 300 percent. The U.S. has a long standing and close bilateral relationship with Morocco. This cooperation has been reinvigorated with the U.S.-Morocco Strategic Dialogue and the Business Development Conferences.

While Morocco has improved its World Bank “Doing Business” rank by ten points from the previous year, many challenges remain. Multinational companies cite Morocco’s security and stability as positive factors influencing their interest in Morocco, and stress the country’s appeal as a base for regional activities. However, they also express concern over the lack of skilled labor, weak intellectual property rights protection, and the lack of regulatory transparency. These
issues could affect a company’s willingness to increase investment in Morocco. Nevertheless, foreign companies still find Morocco profitable and envision maintaining their presence.

1. Openness To, and Restrictions Upon, Foreign Investment

**Attitude towards FDI**

Morocco is positioning itself as a platform for Africa. The U.S. Mission is increasingly seeing multinational companies leverage Morocco’s geographical position by setting up their regional headquarters in the country.

Morocco actively encourages foreign investment and has sought to facilitate it through macro-economic policies, trade liberalization, and structural reforms. Under the U.S.-Morocco Free Trade Agreement (FTA) and the Association Agreement with the EU, Morocco has reduced its tariffs on imports from the U.S. and the EU. Morocco has also signed a quadrilateral FTA with Tunisia, Egypt and Jordan (under the Agadir Declaration), an FTA with Turkey, and concluded third round FTA talks with Canada in June, 2012. In 2008, Morocco was the first country in the region to be granted “advanced status” with the EU. In January 2014, Morocco concluded third round talks with the EU on a Deep and Comprehensive FTA. This will be the first such agreement between the EU and a North African country.

Additionally, Morocco is seeking trade and investment accords with other African, Asian and Latin American countries.

The U.S.-Morocco FTA is a comprehensive agreement that supports the economic and political reforms that are underway in Morocco. It provides for improved bilateral commercial opportunities by reducing and eliminating trade barriers. Its entry into force in 2006 has facilitated a significant increase in U.S.-Moroccan trade and investment.

In September 2012, the U.S. and Morocco launched a Strategic Dialogue, a framework to deepen bilateral cooperation on strategic issues and mutual priorities. The U.S.-Morocco Business Development Conference (BDC) provides a platform to strengthen business-to-business ties, further capitalize on the U.S.-Morocco FTA, promote increased investment, and encourage regional economic integration. The second U.S.-Morocco BDC took place in Morocco in March 2014 and attracted the participation of over 50 U.S.-based companies.

The Joint Committee established by the U.S.-Morocco FTA held its third meeting in December 2012. At that meeting, the United States and Morocco announced an agreement on two new initiatives: the Joint Principles for International Investment and the Joint Principles for Information and Communication Technology (ICT) Services. Morocco became the first Middle East and North Africa partner to endorse both principles, sending a strong signal to domestic and international investors that Morocco embraces an open, 21st century approach to investment and growth.

A bilateral trade facilitation agreement was signed during King Mohammed VI’s visit to Washington, DC in November 2013.

Morocco’s ranking in the World Bank’s 2014 Doing Business report out of 189 countries:
Morocco is ranked 87 out of 189 economies in the 2014 Doing Business report. This rank is a ten-position improvement over last year, due mainly to positive reforms related to starting a business, registering property, and tax administration. The business climate is still weak in areas of investor protection and the credit market. And while improvements have been made in property registration, Morocco still lags behind in the region due to the time and cost of registration.

Other Investment Policy Reviews
UNCTAD’s 2008 Investment Policy Review of Morocco can be found here (French): http://unctad.org/en/Docs/iteipc200616_fr.pdf. The Investment Policy Review noted that Morocco had the potential to attract increased FDI inflows and FDI of a high quality in order to meet the development objective of the “Plan Emergence” of moving into high value added activities.

The WTO’s 2009 Trade Policy Review (TPR) of Morocco can be found here: http://www.wto.org/english/tratop_e/tpr_e/tp317_e.htm. The review found that the macroeconomic and structural reforms, including trade reforms, pursued by Morocco since the previous TPR (2003) have contributed to the growth diversification and positive overall performance of its economy.

The OECD’s 2010 Investment Policy Review of Morocco can be found here: http://www.oecd.org/daf/inv/internationalinvestmentagreements/morocco-investmentpolicyreview-oecd.htm. The review found that Morocco has adopted a series of laws and amendments needed to improve the local investment climate. Progress has been made in improving transparency and business access to information, and in reducing the time and cost of administrative procedures.

Laws/Regulations of FDI
Law 18-95 of October 1995, constituting the Investment Charter, (http://www.usa-morocco.org/Charte.htm) is the principal Moroccan text concerning investment and applies to both domestic and foreign investment.

The Foreign Exchange Office’s Circular 1589 of September 1992 instituted a convertibility regime that allows foreign investors to conduct their investment operations in Morocco freely. The 1995 Charter guarantees free transfer of funds (Article 16) and gives foreign investors the
freedom to transfer profits and capital for persons who make investments in foreign currency (Article 15).

Morocco accepted Article VIII of the Articles of Agreement of the International Monetary Fund in January 1993.

**Sector Strategies**

On April 2, 2014, the Moroccan Minister of Industry, Trade, Investment, and the Digital Economy, unveiled an ambitious seven-year industrial growth and acceleration plan. It allocates $2.5 billion for programs to increase manufacturing’s share from 14 to 23 percent of the economy and to create 500,000 new jobs by 2020. The plan targets manufacturing-sector challenges including underdeveloped small and medium-sized enterprises (SMEs), weak youth employability, unbalanced growth, and integrated industrial platforms (P2Is aka industrial parks). The Minister’s industrial plan seeks to promote exports and use increased foreign investment to boost knowledge sharing and technology transfer. At the same time, it aims to protect local industries against ‘unfair’ competition and reduce import dependency. Overall, the new plan contains many positive aspects such as a) creating links between large enterprises and SMEs; b) formalizing the informal sector; c) addressing skills mismatch; d) creating new industrial parks and improving existing facilities; e) improving coordination among export promotion agencies; f) encouraging FDI; and g) looking more towards sub-Saharan Africa for growth, in particular by leveraging CFC.

The Moroccan government established the CFC in December 2010 to position Casablanca as a financial hub for Francophone Africa. The CFC exclusively targets financial institutions (investment banks, asset management firms, private equity firms, and insurance companies), multinational regional headquarters, and professional services firms (consulting, law, audit, and credit rating agencies).

Morocco’s 2009 National Plan for Industrial Development set the groundwork for large-scale global investments, such as those by France’s Renault in Tangier and Canada’s Bombardier in Casablanca. The strategy focused on developing export-oriented economic sectors in which Morocco had a comparative advantage, including four that had attracted significant FDI – automobile, aeronautics, electronics, and offshoring – and three that were largely financed by domestic investment – leather, food processing, and textiles. The plan also developed Morocco’s P2Is that offered investors land for new or expanding businesses, special tax breaks, transport connections, and services such as security, telecommunications, and recruitment support. In the past ten years, the manufacturing sector created 75,000 jobs.

More information on this strategy can be found here: [http://www.emergence.gov.ma/en/Pacte/Pages/LePacte.aspx](http://www.emergence.gov.ma/en/Pacte/Pages/LePacte.aspx).

By 2020, Morocco plans to have invested $18.95 billion in its Energy Strategy to decrease energy dependence, preserve the environment, and generate 50,000 jobs. Its goal is to have 42 percent of its total electrical power produced by renewable energy (solar, wind, and hydraulic). With a goal to make solar energy 14 percent of total electric capacity, Morocco aims to increase solar electric production capacity to 2000 MW by 2020 principally using two technologies:
concentrated solar power and photovoltaic. It plans to increase installed wind-generated electrical capacity from 280 MW in 2010 to 2000 MW by 2020, reducing CO2 emissions by 5.6 million tons per year.

Morocco has 15 commercial ports that generated 92.3 million tons in merchandise traffic in 2012. Morocco has two port management agencies, the National Port Agency (ANP) and Tanger-Med Special Agency (TMSA). TMSA manages Tanger Med, the largest port by volume in Morocco. Tanger-Med Port terminals 1 and 2 are operational. It is expected to process 8 million containers, 7 million passengers, 700,000 trucks, 2 million vehicles, and 10 million MT of oil products by 2015. Once fully operational, it will be the largest transshipment port in Africa.

Morocco has implemented other sector strategies including the Green Morocco Plan (to revive Morocco’s agriculture sector), Digital Morocco 2013 Plan (to position Morocco as a dynamic emerging country in information technology), Halieutis Plan (to improve the competitiveness of Morocco’s fishing industry), Logistics Strategy (to improve logistic services and transportation infrastructure), National Strategy for the Craft Industry (to promote production and sales of handicrafts), and Tourism Vision 2020 strategy (to double the number of foreign tourists and triple the number of national domestic travelers).

To support the tourism strategy, Morocco’s Ministry of Equipment and Transport and the National Airports Office, which manages Airports and air traffic control, are implementing a development strategy. It aims to promote the Casablanca airport as an international hub for traffic to Central and West Africa, and develop Marrakech airport as a hub for African traffic toward Europe. It also seeks to improve Morocco’s airport infrastructure through airport extension, modernization, and new construction.

**Limits on Foreign Control**

According to the OECD 2010 Investment Policy Review, Morocco places limits on foreign investment in air and maritime transport companies and maritime fisheries. Although foreigners are prohibited from owning and cultivating agricultural land, they can purchase it for non-agricultural purposes. Morocco has sought to encourage foreign investment in the agricultural sector by making land available to foreigners through leases of up to 99 years. French, Spanish and Middle Eastern investment in the sector centers mostly on citrus and olives, with smaller investment in grapes and berries.


**Privatization Program**

In 1993, an ambitious program of privatization was initiated. When it ended in August 2011, total revenue from divestment in state-owned enterprise (SOE) and the granting of telecom licenses totaled about 107 billion dirhams (approximately $13 billion). Privatization has attracted FDI, giving a boost to Morocco’s economy.
While the 2010 budget law envisioned 4 billion dirhams ($490 million) in privatization revenues, actual sales totaled only 35 million dirhams ($4 million). Sales of government-owned companies picked up in 2011, with 5.3 billion dirhams raised by selling a twenty-percent stake in Banque Populaire to its regional affiliates. (The government still holds 18 percent interest in the bank.) Financial institutions still controlled by the government include Credit Agricole Maroc, investment bank Caisse de Depot et de Gestion Capital, and the Al Barid Bank, which is a division of Morocco’s postal service.

**Competition Law**


**TABLE 1: Morocco’s Ranking on Various Indices**

<table>
<thead>
<tr>
<th>Measure</th>
<th>Year</th>
<th>Rank or value</th>
<th>Website Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>TI Corruption Perceptions Index</td>
<td>2013</td>
<td>(91 of 177)</td>
<td><a href="http://cpi.transparency.org/cpi2013/results/">http://cpi.transparency.org/cpi2013/results/</a></td>
</tr>
<tr>
<td>Heritage Foundation’s Economic Freedom index</td>
<td>2013</td>
<td>(103 of 177)</td>
<td><a href="http://www.heritage.org/index/ranking">http://www.heritage.org/index/ranking</a></td>
</tr>
</tbody>
</table>
TABLE 1B: Millennium Challenge Corporation* Scorecard for Morocco:

<table>
<thead>
<tr>
<th>Year</th>
<th>Index</th>
<th>Ranking</th>
<th>Meets Performance Standards</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>MCC Gov Effectiveness</td>
<td>77th Percentile</td>
<td>Yes</td>
</tr>
<tr>
<td>2014</td>
<td>MCC Rule of Law</td>
<td>69th Percentile</td>
<td>Yes</td>
</tr>
<tr>
<td>2014</td>
<td>MCC Control of Corruption</td>
<td>62nd Percentile</td>
<td>Yes</td>
</tr>
<tr>
<td>2014</td>
<td>MCC Fiscal Policy</td>
<td>23rd Percentile</td>
<td>No</td>
</tr>
<tr>
<td>2014</td>
<td>MCC Trade Policy</td>
<td>17th Percentile</td>
<td>No</td>
</tr>
<tr>
<td>2014</td>
<td>MCC Regulatory Quality</td>
<td>77th Percentile</td>
<td>Yes</td>
</tr>
<tr>
<td>2014</td>
<td>MCC Business Start Up</td>
<td>77th Percentile</td>
<td>Yes</td>
</tr>
<tr>
<td>2014</td>
<td>MCC Land Rights Access</td>
<td>41st Percentile</td>
<td>No</td>
</tr>
<tr>
<td>2014</td>
<td>MCC Natural Resource Protection</td>
<td>27th Percentile</td>
<td>No</td>
</tr>
<tr>
<td>2014</td>
<td>MCC Access to Credit</td>
<td>31st Percentile</td>
<td>No</td>
</tr>
<tr>
<td>2014</td>
<td>MCC Inflation</td>
<td>88th Percentile</td>
<td>Yes</td>
</tr>
<tr>
<td>2014</td>
<td>MCC Gender in the Economy</td>
<td>41st Percentile</td>
<td>No</td>
</tr>
</tbody>
</table>


2. Conversion and Transfer Policies

*Foreign Exchange*
Morocco has achieved relatively stable macroeconomic and financial conditions under an exchange rate peg. The peg (to an 80 percent euro/20 percent U.S. dollar basket) has helped achieve price stability and insulate the economy from nominal shocks. However, according to the International Monetary Fund (IMF), growth has been relatively volatile. The IMF advocates a more flexible exchange rate, which would allow Morocco to respond better to shocks and support competitiveness as the economy opens up and becomes more vulnerable to external shocks.

On November 16, 2011, the legislature enacted the Moroccan Office of Exchange (OC) Circular. The Circular permits local banks to open accounts in dirham and foreign currency for corporate and individual clients. Moroccan or foreign non-residents may import foreign currencies or negotiable instruments in Morocco up to a maximum value of 100,000 dirhams ($12,300), provided it is declared with Customs. The Circular also regulates the importation of goods into Morocco, stipulating that locally established entities may import goods without prior authorization from the OC provided that an import license has been provided by Customs.

The Circular’s general rule on foreign investment is that the foreign investor must notify the OC of his/her investment within six months of the transaction. With respect to the cross-border
transfer of investment proceeds to foreign investors, the rules vary depending on the type of investment.

Morocco guarantees full currency convertibility for capital transactions, free transfer of profits, and free repatriation of invested capital.


More information on Morocco’s foreign exchange regulation can be found here: [http://www.moroccobusinessnews.com/Invest_Morocco/Foreign_Exchange_Regulation.asp].

3. Expropriation and Compensation

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

U.S. 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.

4. Dispute Settlement

Legal System, Specialized Courts, Judicial Independence, Judgments of Foreign Courts

The principal sources of commercial legislation in Morocco are the 1913 Dahir of Obligations and Contracts, as amended, and the 1996 Code of Commerce.

According to the European Bank for Reconstruction and Development’s 2012 Morocco Country Assessment Report ([http://www.ebrd.com/downloads/sector/legal/morocco.pdf]), the establishment of special commercial courts in 1997 led to some improvement in the handling of commercial disputes. Nevertheless, the lack of training for judges on general commercial matters remains one of the key challenges to effective commercial dispute resolution in the country. In general, litigation procedures are time consuming and resource-intensive, and there is no legal requirement with respect to case publishing.

Law No. 53-95 establishes Morocco’s Commercial Courts. A Moroccan WTO submission states: “This law gives these courts exclusive jurisdiction to hear trade disputes. These courts also have sole competence to entertain industrial property disputes, as provided for in Law No. 17-97 on the Protection of Industrial Property, irrespective of the nature of the parties.”

Arbitration is increasingly used in Morocco. The U.S. Agency for International Development (USAID) and the International Finance Corporation (IFC) assisted Morocco in 2008 and 2009 to establish 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 was 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 remained limited in its implementation, the business community generally viewed early use of the system in Rabat and Casablanca as favorable.

**Bankruptcy**
Commercial Courts have jurisdiction over all cases related to insolvency. The Ministry of Justice and Liberties (MOJL) is currently reviewing bankruptcy legislation. Sources indicate that it would like to implement a bankruptcy system similar to U.S. Chapter 11.


According to the study, the absence of a regulatory body and of competency requirements for insolvency administrators and liquidators are major impediments to the effective functioning of the insolvency system.


**Investment Disputes**
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.

In general, investor rights are backed by an impartial procedure for dispute settlement that is transparent. No U.S. company had investment disputes with the Government of Morocco in 2010 or 2011. Several new cases emerged in 2012, which are the subject of continuing U.S. advocacy with the relevant Moroccan government agencies.

**International Arbitration**
Foreign companies have cited their ability to choose arbitration outside Morocco (in the case of litigation) as a strong benefit for doing business in the country.

Law No. 08-05 established a system of conventional arbitration and mediation, while allowing parties to apply the Code of Civil Procedure in their dispute resolution. Disputes may be brought before eight Commercial Courts, (located in Rabat, Casablanca, Fez, Tangier, Marrakech, Agadir, Oujda and Meknes) and three Commercial Courts of Appeal (located in Casablanca, Fez and Marrakech). These are comprised of professional judges and will consider all commercial disputes.

**ICSID Convention and New York Convention**
Morocco is party to the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (entry into force: June 1967) and to the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards.
5. Performance Requirements and Investment Incentives

**WTO/TRIMS**
The WTO Trade Related Investment Measures’ (TRIMs) database does not reveal any reported Moroccan measures to be inconsistent with TRIMs requirements. However, many measures, regarding public procurement for example, reportedly show preferences to companies utilizing local content or establishing local production facilities. The government also maintains several “free zones” in which companies enjoy lower tax rates and relaxed labor laws in exchange for an obligation to export at least 85 percent of their product. In some cases, the government provides generous incentives for companies to locate production facilities in the country but stipulates other requirements in return.

**Investment Incentives**
Morocco offers incentives designed to encourage foreign and local investment. Morocco’s Investment Charter gives the same benefits to all investors regardless of the industry in which they operate (except agriculture which remains outside the scope of the Charter.)

Morocco provides a range of investment incentives including:

- A corporate tax holiday during the first five years of business and a 17.5 percent rate thereafter.
- VAT exemptions: Equipment goods, materials, and tools needed to achieve investment projects involving an amount higher than or equal to 200 million dirhams (around $24 million) are exempt from VAT on imports, within the framework of an agreement concluded with the state, during a period of 36 months from the start of business.
- Import duty exemptions: Businesses that commit to making an investment of an amount higher than or equal to 200 million dirhams are exempt from import duties (applicable to goods, materials, and tools needed for their project and imported directly by the companies) within the framework of an agreement concluded with the state.

Morocco created six integrated industrial zones within the region of Tangier, each dedicated to a different sector of the economy, including car manufacturing and aeronautics. Morocco has set up many free zones to offer companies incentives ranging from tax breaks, subsidies, and reduced customs duties. One of this strategy’s biggest successes is the opening of a new facility for French car manufacturer Renault in 2012 in Tanger Automotive City.

Financial institutions and professional services firms that have CFC status are exempt from corporate taxes for the first five years after receiving CFC status. Afterwards, companies will be taxed a reduced rate of 8.75 percent instead of the standard 17.5 percent tax on export turnovers. Companies with regional headquarters in the CFC pay a reduced ten percent rate on profits, versus the average 30 percent standard rate. Employees of CFC-status companies also benefit from reduced personal income tax rates.

Other CFC advantages include administrative assistance. CFC-status companies are exempt from having to produce an official certificate from the National Agency of Employment Promotion
and Competences, certifying that no other local candidate can fill the position offered to the foreign employee. In addition, CFC-status companies benefit from a simplified procedure for obtaining work permits for their foreign employees, cutting wait times from six months to one week. Additionally, foreign exchange regulations are eased for CFC status companies whereby certain transfers may be carried out freely without needing approval for each transaction, as is generally required.

More details on investment incentives:  

6. Right to Private Ownership and Establishment

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.

7. Protection of Property Rights

Real Property

The World Bank’s 2014 Doing Business Report ranked Morocco 156 out of 188 countries in 2014 (up 10 positions from 2013) on “Registering Property.” Some of the report’s findings on registering property in Morocco are below:

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Morocco</th>
<th>Middle East &amp; North Africa</th>
<th>OECD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procedures (number)</td>
<td>8</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Time (days)</td>
<td>60</td>
<td>33.0</td>
<td>24.1</td>
</tr>
<tr>
<td>Cost (% of property value)</td>
<td>5.9</td>
<td>5.9</td>
<td>4.4</td>
</tr>
</tbody>
</table>

Information on the procedures to register property:  

USAID’s report on Morocco’s Property Rights:  
http://usaidlandtenure.net/sites/default/files/country-profiles/full-reports/USAID_Land_Tenure_Morocco_Profile.pdf. According to the report, land and natural resource issues facing Morocco include: (1) lack of comprehensive policies governing land, water, forests and mineral resources; (2) underdeveloped legal frameworks and limited, ambiguous formal laws governing land and other natural resources; (3) a limited rural land market; (4) limited water; (5) undeveloped programs for participatory forest management; and (6) slow progress on women’s rights of access to and control over land and natural resources.

Intellectual Property Rights

According to the 2013 International Property Rights (IPR) Index, Morocco ranks 64 out of 130 countries in protecting physical and intellectual property rights. In December 2004, the Moroccan Parliament passed amendments to its intellectual property legislation bringing it into
compliance with its commitments under the WTO TRIPS Agreement. Morocco has been a member of the World Intellectual Property Organization (WIPO) since 1971. It is party to the Berne 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.

In 2011, Morocco took the significant step of completing its accession to the Budapest treaty on patents and to the WIPO treaties on Copyright and Phonograms. In addition, it signed the Beijing Treaty on Audiovisual Performances in 2012. Morocco is also a signatory to the Anti-Counterfeiting Trade Agreement (ACTA), though it has not yet entered into force. The ACTA establishes an international framework that will assist parties in their efforts to effectively combat the infringement of IPR, in particular the proliferation of counterfeiting and piracy, which undermines legitimate trade and the sustainable development of the world economy.

Morocco is working with the U.S. to fulfill its commitments under the U.S.-Morocco FTA. The FTA contains strong intellectual property protections, which were incorporated in Moroccan intellectual property legislation in 2006. However, like neighboring countries, copyright protection remains problematic and counterfeit goods are widely available.

The Ministry of Industry, Trade, Investment, and the Digital Economy oversees the Moroccan Office of Industrial and Commercial Property (OMPIC). Based in Casablanca, it serves as a registry for intellectual property rights for patents and trademarks in the industrial and commercial sectors. In 2012, Morocco granted 993 patents, including 867 to non-residents, registered 11,323 trademarks, including 5,312 to non-residents, and recorded 422 industrial designs, including 363 to non-residents. The Ministry of Communications oversees the Moroccan Copyright Office (BMDA) in Rabat. It registers copyrights for literary and artistic works, including software.

Morocco has a non-discriminatory legal system that is accessible to foreign business. While criminal and civil courts can hear IPR-related cases, Commercial Courts, particularly those in the Casablanca region, are becoming adept at adjudicating patent, trademark, and copyright cases. Between 2008 and 2011, the largest commercial courts in Tangier, Oujda, Agadir, and Casablanca heard 595 cases related to counterfeiting. Casablanca courts hear approximately 85 percent of counterfeiting cases in Morocco. From filing until judgment, the average case takes 18 months.

Moroccan Customs, BMDA, and OMPIC have initiated campaigns to target Morocco's largest counterfeit manufacturers and importers. To support these ends, OMPIC partnered with the Moroccan General Business Confederation (CGEM) to form the National Committee for Industrial Property and Anti-Counterfeiting (CONPIAC), a bridge between the public and private sectors. CONPIAC has been active in supporting research regarding counterfeiting in Morocco and sponsored public events to raise awareness of the problem.

CONPIAC estimates that counterfeiting in Morocco results in a loss for the economy of between 6 billion dirhams ($734 million) and 12 billion dirhams ($1.47 billion) or 0.7 percent to 1.3 percent of gross domestic product (GDP). Preliminary studies show that counterfeiting is highest
in textiles, followed by leather products, electrical goods, automobile parts, and cosmetics. A 2013 CONPIAC study estimated that the government loses 1 billion dirhams ($122 million) in tax revenue annually and that the economy loses 30,000 jobs due to counterfeiting.

Regarding software piracy, the U.S.-Morocco FTA obligates the government of Morocco to “issue appropriate laws, orders, regulations, or administrative or executive decrees mandating that its agencies use computer software only as authorized by the right holder,” and specifies that “these measures shall actively regulate the acquisition and management of software for government use.” The software industry has tried to work with the Moroccan government to meet this obligation. However, it reports continuing a lack of progress in the private and public sector. Public tenders of hardware contain no provision for the legal acquisition of software. Government IT managers copy software illegally, often claiming they lack the budget to buy legal software. The estimated level of piracy in the public sector in Morocco is 80 percent, well above the estimated 66 percent piracy level for the rest of the country (and still far above the regional or global average piracy rate).

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO’s country profiles at http://www.wipo.int/directory/en/.

Embassy point of contact: Douglas Wallace, U.S. Consulate, Casablanca
Douglas.Wallace@trade.gov

**Resources for Rights Holders:**
The American Chamber of Commerce (AmCham) in Morocco can provide a list of lawyers: http://www.amcham.ma/

8. **Transparency of the Regulatory System**

Despite government efforts to increase transparency, Morocco's administration is opaque and difficult to navigate. The lack of transparency in the government’s regulatory system is frequently cited by multinational companies as a challenge to doing business in the country. Routine permits, especially those required by local government agencies, can be difficult to obtain and regulations that can alter the market are often changed without proper consultation or notification. Notably, multinational pharmaceutical companies express their concern over the lack of a clear regulatory framework governing the health care industry and policy changes that may inhibit investment in the market.

As noted above, the Competition Council and the Central Authority for the Prevention of Corruption have responsibility for improving public governance and advocating for further market liberalization.

9. Efficient Capital Markets and Portfolio Investment

Money and Banking System
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. With a market capitalization of $55 billion and 76 listed companies, it is the third largest exchange in Africa, after South Africa and Egypt. The market is currently dominated by institutional investors which act on long-term trends. Short-selling, which would enable investors to profit from the downward trend, is not allowed on the CSE at present.

The market in Morocco is shallow and illiquid compared to other emerging and frontier markets, with many large firms controlled by privately owned holding groups. The Morgan Stanley Capital International’s (MSCI) 2012 Annual Market Classification Review announced in June 2012 Morocco’s reclassification to “Frontier Markets” from “Emerging Market” status, mainly due to its illiquidity. The report stated that, “the MSCI Morocco Index is more in line with the size and liquidity requirements of Frontier Markets following a significant decrease in liquidity since 2008, which resulted in a simultaneous decrease in the number of constituents in the MSCI Morocco Index.”

The 1993 Law on the CSE has changed little over the years, and efforts are ongoing to further liberalize the management of the CSE and to empower the market regulator.

Morocco's banking system is one of the most liberalized in North Africa. Nonetheless, it is highly concentrated, with the six largest banks accounting for 85 percent of banking sector assets and access to finance, particularly for small and medium sized enterprises, remains challenging.

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 U.S. 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.

In the 2013-2014 World Economic Forum’s Global Competitiveness Report (http://reports.weforum.org/the-global-competitiveness-report-2013-2014/) Morocco dropped from 70th to 77th place out of 148 countries. In the report’s eighth pillar, “Financial Market Development” Morocco received a score of 4.6 (down from 4.8 a year before) for “availability of financial services” (where 1 = not at all; 7 = provides a wide variety). Morocco received a 2.8 (down from 3.2 a year before) for “ease of access to loans” (where 1 = difficult; 7 = easy). Morocco improved its score from a year before from 5.3 to 5.7 for “soundness of banks” (where 1 = insolvent and may require bailout; 7 = generally healthy with sound balance sheet). Morocco was ranked 41 out of 148 countries on soundness of banks.

Several international financial institutions (IFIs) and major regional and bilateral organizations continue to be active in Morocco. In August, 2012 the IMF approved a $6.2 billion precautionary and liquidity line (PLL) as a buffer against fluctuations in oil prices and potential fallout from the
downturn in Europe. According to the IMF survey, “the liquidity line provides Morocco with a useful insurance policy for meeting immediate financing needs should these risks materialize. It aims to strengthen investors’ confidence and facilitate international market access by signaling that Morocco’s current policies are sound, and that the authorities have adequate resources to draw upon if needed. The PLL is precautionary, and Morocco has said that it does not intend to draw on it in the absence of exogenous shocks.”

According to the IMF’s Third Review under the PLL Arrangement, “Morocco’s macroeconomic performance improved in 2013, supported by strong policy commitment and implementation, as well as the insurance provided by the PLL. Important measures taken by the authorities helped reduce fiscal and external vulnerabilities and strengthen the economy’s resilience.” The review can be found here: [http://www.imf.org/external/pubs/ft/scr/2014/cr1465.pdf](http://www.imf.org/external/pubs/ft/scr/2014/cr1465.pdf)

Among the main legal reform projects for the banking sector is the creation of a new provision that will enable banks to specialize in offering Islamic products. These new banks, called participatory banks, will be supervised by the Sharia Financial Committee to ensure the products are sharia-compliant.

On April 24, 2014 the Ministry of Economy and Finance (MoEF) released a draft law allowing for the creation of Islamic insurance companies, known as solidarity insurance, based on Sharia rules. Minister of Economy and Finance Mohamed Boussaid indicated that interest in Islamic insurance is growing steadily and will occupy a more prominent place within the international financial system. The draft law highlights the need for contracts to precisely stipulate the form of financial compensation of the insurance company, the amount of this compensation, how surpluses are distributed between participants, and the insurance company’s financial investment policy. The law also forbids the Islamic insurance company from providing any other conventional insurance services.

A new chapter called “macro-prudential supervision” is also being added to the current banking Law 34-03 to create a new governmental supervisory body (the Supervisory and Coordination Committee of Systemic Risks) to analyze the risks of the financial market.

10. Competition from State-Owned Enterprises

Reform of the state-owned enterprise sector in Morocco has undergone three distinct phases: 1) structural reforms in the 1980s; 2) modernization of their environment in the 1990s; and 3) the liberalization of numerous industries in the 2000s.

distinct categories: (1) state companies are those in which public bodies hold all the equity, (2) public subsidiaries are companies of which public bodies hold more than half the equity, and (3) semi-public companies are companies of which public bodies hold less than half of the equity.

Forty-nine percent of SOE firms are affiliated with three public holding companies (Caisse de Depot et de Gestion, OCP SA, and Banque Centrale Populaire); 119 are local or regional in scope; 53 have subsidiaries or affiliates abroad; and 11 are publicly traded.

Several sectors remain under public monopoly, managed either directly by public institutions (phosphate production, rail transport, some postal services, acceptance of savings through the national savings bank, airport services) or by the municipalities (wholesale distribution of fruit and vegetables, fish, slaughterhouses). Several activities that were traditionally run by the government are now open to private domestic or foreign operators, under the delegated management or concession arrangements generally subject to tendering procedures. This is the case, for example, with water and electricity distribution, construction and operation of motorways, and the management of non-hazardous wastes.

**OECD Guidelines on Corporate Governance of SOEs**

The Moroccan National Commission on Corporate Governance was established in 2007. It prepared the first Moroccan Code of Good Corporate Governance Practices in 2008. Based on the OECD Principles of Corporate Governance, it applies to both the private and public sectors. Recognizing the specific features of the SOE sector, the Commission drafted in 2011 a code dedicated to state-owned enterprises, drawing on the OECD Guidelines on Corporate Governance of SOEs. The code, which came into effect in 2012, is aimed at enhancing SOE’s overall performance. It requires greater use of standardized public procurement and accounting rules, outside audits, the inclusion of independent directors, board evaluations, greater transparency, and better disclosure.

Moroccan SOEs are overseen by boards of directors or supervisory boards. These bodies are governed by the Financial Control Act and the Limited Liability Companies Act. The MoEF’s Department of Public Enterprises and Privatization monitors SOE governance. Pursuant to Act No. 69-00, SOE annual accounts are published. Under Act No. 62-99, or the Financial Jurisdictions Code, the Court of Accounts and the Regional Courts of Accounts audit the management of a number of public enterprises.

Currently, a number of governance-related initiatives are a priority. These include an initiative that aims to help SOEs contribute to the emergence of regional development clusters. The government is also attempting to improve the use of multi-year contracts with major SOEs as tool to enhance performance and transparency.

**11. Corporate Social Responsibility (CSR)**

**OECD Guidelines for Multinational Enterprises**

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. Morocco’s national contact point is the Moroccan Investment Agency (www.invest.gov.ma).

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

AmCham in Morocco has five committees, including one that promotes good corporate citizenship and social responsibility. The Director General of Dell is currently the Chairperson of this committee, which focuses on recognizing excellence in CSR of AmCham members. The committee also develops public-private sector partnerships and implements programs that have an educational, philanthropic, and/or socially responsible nature within the broader context of U.S.-Morocco economic relations.

12. Political Violence

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

Demonstrations occur frequently in Morocco and usually center on domestic issues. Most demonstrations have been peaceful and orderly. There are infrequent reports of anti-American sentiment and isolated instances of violence. In September 2012, protesters held demonstrations in Casablanca in response to the video, The Innocence of Muslims, produced in the U.S. The largest turnout of the two demonstrations consisted of 200 - 300 protesters who gathered near the U.S. Consulate.

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

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

13. Corruption

According to the 2013 State Department’s Country Report on Human Rights Practices, Moroccan law provides criminal penalties for official corruption, but the government does not implement the law effectively. Officials often engage in corrupt practices with impunity. Corruption is a serious problem in the executive branch, including police, as well as the legislative and judicial branches of government. There have been reports of government corruption and several notable prosecutions. In July 2013 courts sentenced the director general of the National Airports Office to five years in prison for embezzlement of public funds. Observers generally consider corruption a serious problem, particularly among magistrates. In 2013, courts sentenced magistrates from Kenitra, Taza, Meknes, and Inezgane to prison terms for corruption. The King, who has made statements calling for judicial system reform since 2009, acknowledged the judiciary’s lack of independence and susceptibility to influence. Many members of the well-entrenched and conservative judicial community are loath to adopt new procedures.

The Central Commission for the Prevention of Corruption (ICPC) is the agency responsible for combating corruption but lacks authority to require responses from government institutions. In 2010 ICPC set up an internet portal for civil society and small businesses to identify instances of corruption: www.stopcorruption.ma. ICPC also publishes quarterly reports covering specific cases of corruption and the outcome of any subsequent prosecution. ICPC acknowledges that the anticorruption situation has not improved significantly and that governmental policy continues to lack a strategic dimension and effective commitment.

In addition to ICPC, MOJL and the government accountability court have jurisdiction over corruption issues but have pursued no high-profile cases. The inspector general of MOJL investigated 107 ethics complaints against judges in 2012, which resulted in the referral of three judges to the Supreme Judicial Council for disciplinary measures. Observers have noted that there is widespread corruption in the police force. The government claims to investigate corruption and other instances of police malfeasance through an internal mechanism. Authorities did not provide official information on the results of the investigations.

See more at: http://www.state.gov/j/drl/rls/hrrp/humanrightsreport/index.htm#wrapper

In the 2013 Corruption Perception Index published by Transparency International (TI) http://www.libertadciudadana.org/archivos/ipc2013/2013_CPIBrochure_EN.pdf, Morocco dropped 3 spots from its 2012 rank of 88 to 91 out of 177 countries. Government officials have criticized the Index, which reflects public perceptions concerning corruption, for not emphasizing recent anti-corruption efforts. These include enhancing the transparency of public
tenders and implementation of a requirement that senior government officials declare their assets at the start and end of their government service.

The latest TI report on Morocco:

*Transparency International National Chapter:*
Mr. Abdessamad Saddouq
transparency@menara.ma
+212-522-542-699
http://www.transparencymaroc.ma/index.php

**UN Anticorruption Convention**
Morocco signed the UN Convention against Corruption in 2007 and hosted the States Parties to the Convention’s Fourth Session in 2011.

Morocco has published its anti-corruption measures here:

14. Bilateral Investment Agreements (BITs)

Morocco has BITs with the following countries:

Argentina   Egypt   Lebanon   Slovakia
Austria     El Salvador   Libyan Arab   Spain
Bahrain     Equatorial Guinea   Jamahiriya   Sudan
Belgium     Finland   Luxembourg   Sweden
Benin       France   Malaysia   Syrian Arab
Cameroon    Gabon   Mauritania   Republic
Central African Republic   Germany   Netherlands   Tunisia
Egypt       Greece   Oman   Turkey
Chad        Hungary   Pakistan   Ukraine
China       India   Poland   United Arab
Croatia     Indonesia   Portugal   Emirates
Czech Republic Iran   Qatar   United Kingdom
Denmark     Italy   Republic of Korea
Dominican Republic   Jordan   Romania   America
                    Kuwait   Senegal   Yemen

Morocco’s BITs: http://unctad.org/Sections/dite_pcbb/docs/bits_morocco.pdf

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

**Bilateral Taxation Treaties**


**15. OPIC and Other Investment Insurance Programs**

Morocco signed an agreement with OPIC in 1961. The agreement was updated in 1995 and ratified by the Moroccan parliament in June 2004. The agreement can be found here: http://www.opic.gov/sites/default/files/docs/africa/Morocco-1995.pdf

In August 2013, OPIC provided its consent for a new $40 million, eight-year term loan facility with Attijariwafa Bank to support loans to small and medium-sized enterprises (SMEs) in Morocco under a risk sharing agreement between OPIC and Citi Maghreb. OPIC has a long history of supporting projects in Morocco and has provided finance or insurance support to 22 deals over the past four decades. This recent agreement between Citi Maghreb and OPIC is OPIC’s first risk-sharing agreement for the banking sector in Morocco.

**16. Labor**

Morocco is in a paradoxical situation: large numbers of graduates are unable to find jobs commensurate with their education and training, while employers complain of skills shortages and mismatches. According to some U.S. companies in Morocco, qualified labor is not only rare, it is also expensive, with wages equivalent to those in France.

In 2012 the World Bank described the problem of youth unemployment in Morocco as “very serious.” Youth (aged 15 to 29) make up about 30 percent of Morocco’s total population and 44 percent of the working age population (aged 15 to 64). According to a June 2012 World Bank report, Moroccan youth are largely excluded from the sustained economic growth the country has experienced in the last decade.


The national unemployment rate for the first trimester of 2014 was 10.2 percent (up from 9.4 percent from the same period last year) with urban unemployment reaching 14.6 percent compared to 5.1 percent rural unemployment. Overall, 20.2 percent of youth aged 15-24 were unemployed (36.7 percent urban youth unemployed versus 9.9 percent rural youth unemployed) and 17.5 percent of university graduates were unemployed. Nearly 20 percent of graduates in urban areas were unemployed. Unemployment rates are disproportionately higher for graduates from universities, secondary schools, and vocational training institutions that have open enrollment.
Lowering youth unemployment is a government priority since high youth unemployment has historically resulted in serious social and political tensions. Moreover, without a trained workforce capable of increasing productivity, Morocco cannot generate sufficient prosperity through private-sector growth.

USAID is launching a $38 million project to address this challenge and enhance the employability of young Moroccans. The project will help university and vocational students’ transition from school to work by building stronger links between education institutions and the private sector.

According to the State Department’s Country Report on Human Rights Practices (http://www.state.gov/j/drl/rls/hrrpt/humanrightsreport/index.htm#wrapper), the Moroccan constitution grants workers the right to form and join unions, strike, and bargain collectively, with some restrictions (S 396-429 Labor Code Act 1999, No. 65/99). The law prohibits certain categories of government employees, including members of the armed forces, police, and some members of the judiciary, from forming and joining unions and from conducting strikes. The labor code does not cover domestic workers.

The law concerning strikes requires compulsory arbitration of disputes, prohibits sit-ins, calls for a ten-day notice of a strike, and allows for the hiring of replacement workers. The government may intervene in strikes. The government generally respects freedom of association and the right to collective bargaining. Labor disputes (S 549-581 Labor Code Act 1999, No. 65/99) are common and in some cases result in employers failing to implement collective bargaining agreements and withholding wages. Trade unions complain that the government at times uses Article 288 of the penal code to prosecute workers for striking and to suppress strikes.

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

Investors continue to view labor regulations as a significant constraint. They complain that procedures regarding lay-offs remain complicated and onerous, imposing a significant financial burden on companies. Rules regarding foreign personnel are also vague and can lead to conflicting interpretations and arbitrary decisions.

Morocco’s labor code prohibits all forms of forced or compulsory labor. Penalties for forced labor include a fine for the first offense and jail term of up to three months for subsequent offences. The minimum age for employment in all sectors is 15 (S 143 Labor Code Act 1999, No. 65/99). The law prohibits any employee from working more than 10 hours per day except under specific circumstances.
Morocco’s minimum wage for the industrial sector (SMIG) was recently renegotiated and will increase by ten percent to 13.46 dh/hour (or $1.66/hour) by July 2015. While the minimum wage will increase consumer purchasing power, many in the business community fear a loss of competitiveness. According to Morocco’s business association CGEM, minimum wage has increased annually between 2001 and 2012 by 9.7 percent while inflation has increased by 1.7 percent. In exchange for the increase in minimum wage, CGEM has asked for the government to update its regulation on strikes and the Labor Code.

Morocco has ratified the following International Labor Organization (ILO) conventions: Forced Labor Convention (1957); Right to Organize and Collective Bargaining (1957); Equal Remuneration (1979); Abolition of Forced labor (1966); Discrimination-Employment and Occupation (1963); Minimum Age (2000); and the Worst Forms of Child Labor Convention (2001). Morocco has yet to ratify the Freedom of Association and Protection of the Right to Organize Convention.


17. Foreign Trade Zones/Free Ports

Instituted by Law 19-94 (Dahir No. 1-95-1 dated January 26, 1995), export processing zones are identified areas of the customs territory where industrial and commercial export activities are exempted from customs regulations, foreign trade and exchange control. Each zone is created and defined by a decree which stipulates the nature and activities of the companies that can operate in the zone.

Free zones in Morocco include: Nouaceur Free Zone in Casablanca; Tanger Free Zone; Tanger Automotive City; Tetouan Shore; Oujda Free Zone; and the Atlantic Free Zone.


Morocco’s National Pact for Industrial Emergence aims to attract investment in aeronautics, automobile, offshoring, electronics, textile and leather, and the food industry.

18. Foreign Direct Investment and Foreign Portfolio Investment Statistics

<table>
<thead>
<tr>
<th>TABLE 2: Key Macroeconomic data, U.S. FDI in host country/economy</th>
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<tbody>
<tr>
<td><strong>Host Country Statistical source</strong></td>
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<tr>
<td><strong>Economic Data</strong></td>
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<tr>
<td>Local Source: <a href="http://www.bkam.ma/">http://www.bkam.ma/</a></td>
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<tr>
<th>Foreign Direct Investment</th>
<th>Host Country</th>
<th>USG or international statistical source</th>
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</thead>
<tbody>
<tr>
<td>1. $217.72</td>
<td>$613</td>
<td></td>
</tr>
<tr>
<td>2. $1,900</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. $600</td>
<td></td>
<td></td>
</tr>
<tr>
<td>USG Source: Bureau of Economic Analysis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Morocco’s government statistical source provides information on FDI flows*</td>
<td><a href="http://www.oc.gov.ma/portal/">http://www.oc.gov.ma/portal/</a></td>
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<tr>
<th>Total inbound stock of FDI as % host GDP</th>
<th>(2012)</th>
<th>(2011)</th>
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<tbody>
<tr>
<td>1. 3.8%</td>
<td>22%</td>
<td></td>
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<tr>
<td>2. 49.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>International Source: The IMF’s Coordinated Direct Investment Survey reported that total FDI stock* to Morocco in 2011 were estimated at $21 billion:</td>
<td><a href="http://cdis.imf.org/">http://cdis.imf.org/</a></td>
<td></td>
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<tr>
<td>1. Morocco’s government reported that total FDI flows* to Morocco in 2012 were estimated at $3.7 billion:</td>
<td><a href="http://www.oc.gov.ma/portal/">http://www.oc.gov.ma/portal/</a></td>
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<tr>
<td>2. Morocco’s Ministry of the Economy and Finance reported that total FDI stock to Morocco in 2012 was $47 billion</td>
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</tbody>
</table>
*Official statistics from the host country on FDI stock are unavailable.

**TABLE 3: Sources and Destination of FDI**

<table>
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<tr>
<th>Inward Direct Investment</th>
<th>From Top Five Sources (US Dollars, Millions) End of 2011</th>
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<tbody>
<tr>
<td>Total Inward investment</td>
<td>21,059</td>
</tr>
<tr>
<td>France</td>
<td>15,580</td>
</tr>
<tr>
<td>Sweden</td>
<td>1,203</td>
</tr>
<tr>
<td>Spain</td>
<td>1,109</td>
</tr>
<tr>
<td>Kuwait</td>
<td>607</td>
</tr>
<tr>
<td>Switzerland</td>
<td>535</td>
</tr>
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Source: [http://cdis.imf.org](http://cdis.imf.org)

19. **Contact Point at Post for Public Inquiries:**

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Douglas.Wallace@trade.gov