



Casa África – Business Opportunities

Kingdom of Morocco

The growth of the Moroccan GDP continues the path of deceleration, standing at 2.9% in 2019, but the medium-term economic prospects are positive and a recovery is expected for 2020-2021 of about 3.7% and 3.9% of GDP, although changes can be expected in view of the crisis of the coronavirus. The effects of water stress on the agricultural sector, which employs about half of the population, together with the slow growth of the Eurozone, Morocco's main trading partner, have contributed to this slowdown. However, from 2013 onwards, greater diversification of exports is expected at the global level. The share of the secondary sector in GDP has remained constant at an average of 26.1%, while the share in agriculture has stagnated at about 12.4%, despite Morocco's Green Plan to promote agriculture and link it more to industry. This resilient composition of GDP reflects the low productivity of both the agricultural and industrial sectors. The fiscal deficit stands at 3.6% of GDP by 2019 and is expected to be reduced in the coming years with improved fiscal performance and expenditure control. The current account deficit, which stood at 5.5% in 2018, should gradually fall over the next few years. The projected inflation for 2020-2021 is at 1.0%.

In order to liberalize its economy and adapt to the progressive implementation of the Free Trade Area with the EU, Morocco has made reforms aimed at betting on emerging industrial sectors. Therefore, the main exports of the country since 2014 are located in the automotive sector, followed by agricultural products and food, textiles and pharmaceutical industries, aviation and electronics. The main imported products are energy derivatives, cereals and industrial products. With data from 2017, Spain is the leading supplier country to Morocco, followed by France - both maintaining these positions in relation to customers - and thirdly China. The third customer in this case is Italy, closely followed by the United States. The business opportunities for Spanish companies are diverse, highlighting the sector of automotive equipment and components, capital goods and industrial raw materials, machinery and agricultural equipment. The country's location makes it a strategic centre for foreign companies wishing to establish business in Africa, and public-private partnerships together with the regionalisation policy offer new investment opportunities. Deriving trade controlled by state-owned enterprises to the private sector could promote competitiveness and revitalize labour and capital productivity, while strengthening governance would increase the effectiveness of public activities and reduce inequalities.

The strong dependence on the agricultural sector and therefore on the climate represents an obstacle to the country's growth. Overall, the country presents three major structural challenges: (i) the development of human capital, (ii) the rationalization and optimization of the social protection system, and (iii) the elimination of labour market rigidities. At the present time and in the years to come, efforts to improve the country's macroeconomic conditions continue. Fiscal policy objectives include increasing social expenditure for more inclusive development and more rigorous and prudent debt management.

AEO: <https://www.afdb.org/en/documents/african-economic-outlook-2020>

ICEX: <https://www.icex.es/icex/es/navegacion-principal/todos-nuestros-servicios/informacion-de-mercados/paises/navegacion-principal/exportar-a/sectores-de-oportunidad/index.html?idPais=MA>

MAEC: http://www.exteriores.gob.es/Documents/FichasPais/MARRUECOS_FICHA%20PAIS.pdf