

IOA — 2019 — ACBR

AFRICA COUNTRY BENCHMARK REPORT



Morocco Profile



A thriving economy based on sea trade with Europe and the Middle East, Morocco turned its export sights southward to African trade partners with the country's re-admission into the African Union.



Image courtesy of Johannes Schwanbeck

MOROCCO

#8

MOROCCO



OVERVIEW ANALYSIS

Morocco has found sufficient economic growth and domestic security under King Mohammed VI to avoid the revolution that toppled North Africa's other non-democratic leaders. The king has agreed to some democratic reforms while retaining ultimate governing power. The pace of change will be determined by the amount of pressure from the Moroccan people. Morocco claims ownership of the neighbouring territory Western Sahara, while the Sahrawi people agitate for independence. Due to strong trade ties with Asia, Europe and South America, none of Morocco's key trading partners are African. Morocco also has strong ties with the Arab and the Western worlds. Morocco's position in ACBR 2019 is unchanged from ACBR 2017, maintaining 8th place.

KEY OPPORTUNITIES

- Long-established international trade links provide multiple markets for exports
- Stability, low inflation and security have proven beneficial for economic growth
- Low-cost labour assists industrial pursuits

KEY CONCERNS

- If the king is insincere about the democratic transference of power, he may face revolution
- Rabat's claim on Western Sahara is opposed internationally
- Tension with Spain is spurred by illegal immigration

COUNTRY HIGHLIGHTS

PREDOMINANT RELIGION



Islam

PREDOMINANT LANGUAGE



Arabic

POPULATION WITHOUT ELECTRICITY



100%
(#1) ▲⁶

LITERACY RATE



68.5%
(#30) ▼¹

PRIMARY ELECTRICITY SOURCE



Coal

IMPORT/EXPORT



Machinery/
Clothing

EXTERNAL DEBT



US\$ 45.720 billion
(#4) ▬

ACTIVE CONFLICT



No

LAND SIZE



446,550 km²
(#25)

INTERNET PENETRATION



58.3%
(#1) ▲¹

14.8%



AGRICULTURE

29.2%



INDUSTRY

56%



SERVICES

25.8%



0-14

17%



15-24

42.3%



22-54

14.9%



55+



Term:
30/07/1999 - present
N/A



Political Party:
N/A



Recent Electoral Information:
N/A
N/A
N/A
N/A



King
Mohammed VI

CONTRIBUTIONS TO GDP BY SECTOR

POPULATION AGE BREAKDOWN

NATIONAL GOVERNANCE

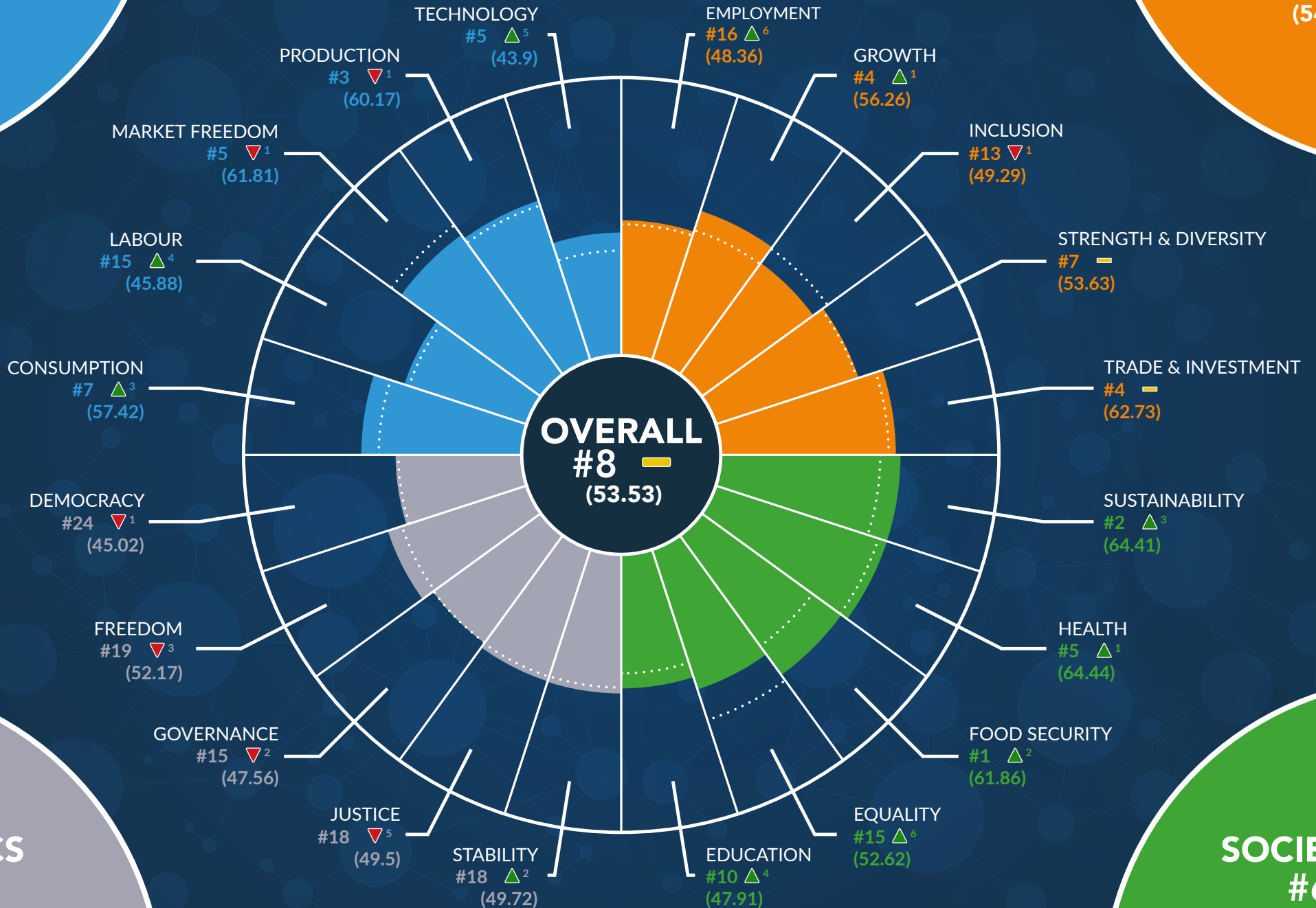
BUSINESS

#6
(53.84)

MOROCCO PERFORMANCE OVERVIEW

ECONOMICS

#6
(54.47)



POLITICS

#18
(48.8)

SOCIETY

#6
(57.03)

▲ Increase from 2017

▼ Decrease from 2017

▬ No change

..... 2017 Score

MOROCCO BUSINESS ANALYSIS

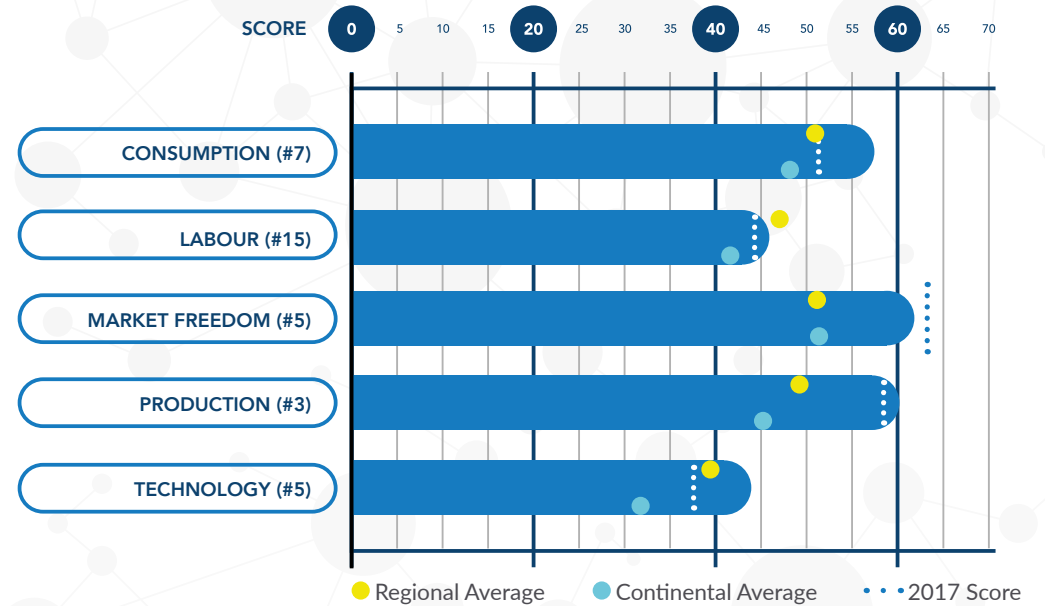


BUSINESS OVERVIEW

Tourism is robust as Morocco successfully markets their attractions and cultures. Low labour costs assist industrial and agricultural sector growth. A relatively small 15% of Moroccans are impoverished, resulting in a good consumer base. In an investment zone stretching from the Strait of Gibraltar south along the north Atlantic coast to the border with Western Sahara, five seaports and eleven international airports have made Morocco a regional trading hub. Because Rabat has an open skies agreement with the Europe daily. As a trade partner, Morocco has enjoyed an 'advanced status' with the EU since 2008. That Rabat allows easy repatriation of foreign investors' profits earned in the country is one reason for the well-earned status.

In 2018, Africa acquired their first high-speed railway when a Tangier-to-Casablanca bullet train reduced travel time from five hours and 10 minutes to two hours and 10 minutes. Morocco's rail transportation master plan calls for 1,500 km of new lines to be built by 2035, carrying 8 million passengers per year. Major European car manufacturers, like Germany's BMW and France's Peugeot-Citroën and Renault, are building or expanding their manufacturing plants in Morocco. The agricultural sector produces citrus, grains, grapes, livestock and olives. Mining is active in phosphate extraction and processing. As all sectors of the business community do well, Morocco gained one position in the Business quadrant, rising to 6th place.

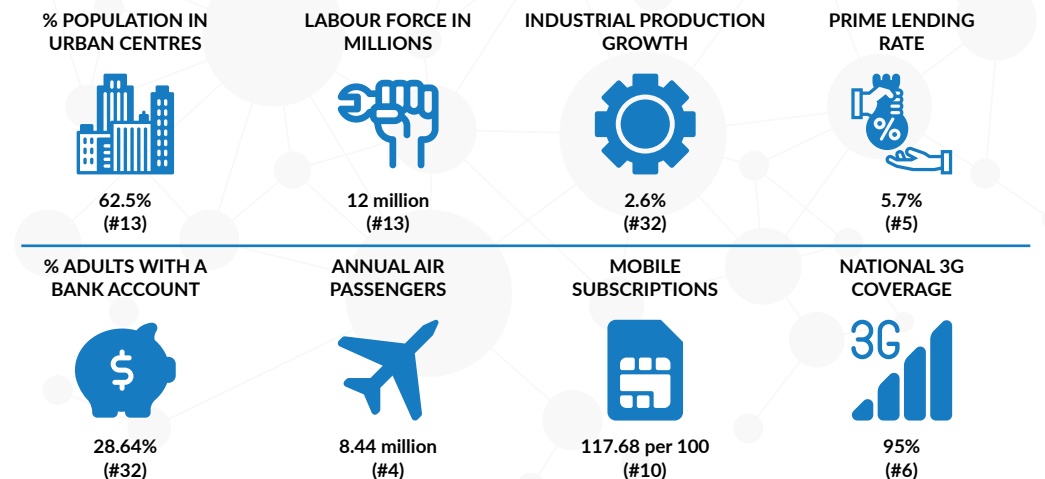
BUSINESS SCORES & RANKINGS



BUSINESS DATA COMMENTARY

<p>Morocco data availability 100%</p>	<p>REGIONAL AVERAGE 87.69%</p>	<p>AFRICAN AVERAGE 77.78%</p>	<p>CONTINENTAL RANK #1</p>
	<p>Along with 9 other countries, Morocco is one of the few to attain a perfect business data availability score of 100%, thus being one of the few countries with a continental ranking of 1st. This compares favourably with both the regional average for Northern Africa, currently at 87.69%, as well as the continental average of 77.78%. As of present, international financial institutions such as the World Bank serve as prime sources of Moroccan business data.</p>		

BUSINESS STATISTICS



MOROCCO ECONOMIC ANALYSIS



ECONOMIC OVERVIEW

Morocco's GDP growth has been sluggish, falling from 4% in 2017 to 2.9% in 2018 and is projected to reach only 3.2% in 2020. The country has no oil deposits and imports all of their petroleum. In a controversial move, Rabat has sold oil exploration rights to a Spanish company for Western Sahara's offshore areas. The world's largest concentrated solar power plant, the Ouarzazate Solar Power Station now generates 580 MW of electricity. The US\$ 9 billion project has the potential to power one million homes.

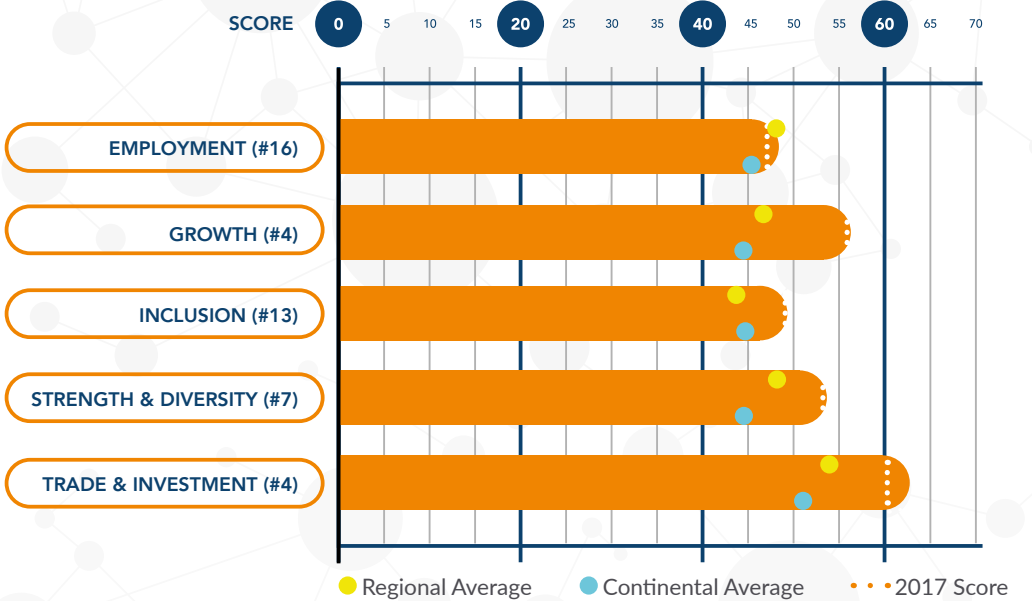
Morocco enjoys trade advantages with their inclusion in the EU's European Neighbourhood Policy that seeks closer ties with the EU's closest neighbouring countries. Exports are led by finished

automobiles, citrus and fruits, fertilizer made from phosphates and textiles. While export of phosphates still earns more foreign exchange than the tourism industry, government is following a 2010 investment plan to boost tourism. The number of tourists visiting the country grew 10% in 2018, and due to marketing efforts in the Far East, the number of Chinese tourists rose from 43,000 in 2016 to 120,000 in 2018. Government's goal is to make Morocco one of the world's top 20 tourist destinations by 2020, when visitor numbers are projected to reach 20 million. With all economic indicators performing well, Morocco was able to rise from 7th place in the previous period of review one rank in the Economics quadrant of ACBR 2019, to 6th place.

ECONOMIC DATA COMMENTARY

<p>Morocco data availability 100%</p>	<p>REGIONAL AVERAGE 88.38%</p>	<p>AFRICAN AVERAGE 77.78%</p>	<p>CONTINENTAL RANK #1</p>
	<p>As with the previous quadrant, Morocco has managed to attain a score of 100% for economic data availability, thus ranking 1st continentally along with 5 other countries. This too compares rather favourably with the respective regional and continental averages of 88.38% and 77.78%, thereby reinforcing the extensiveness and reliability of existing coverage. In addition to international financial institutions, Morocco has an open data portal sponsored by the African Development Bank.</p>		

ECONOMIC SCORES & RANKINGS



ECONOMIC STATISTICS

<p>GDP PER CAPITA</p> <p>US\$ 8,600 (#13)</p>	<p>UNEMPLOYMENT RATE</p> <p>9.3% (#35)</p>	<p>TRADE BLOC MEMBERSHIP</p> <p>AMU</p>	<p>INFLATION RATE</p> <p>0.9% (#6)</p>
<p>GDP AT PPP</p> <p>US\$ 298.6 billion (#5)</p>	<p>CURRENCY AND GOLD RESERVES</p> <p>US\$ 22.97 billion (#6)</p>	<p>FDI NET INFLOWS</p> <p>US\$ 2,645 million (#6)</p>	<p>BUDGET SURPLUS (+) OR DEFICIT (-)</p> <p>-3.7% (#22)</p>

MOROCCO POLITICAL ANALYSIS



POLITICAL OVERVIEW

King Mohammed is one of Africa's two remaining absolute monarchs. Popular demands for democracy during the 2011 Arab Spring were appeased by some governance reforms made in that year. Pressure continues for a constitutional monarchy. King Mohammed personally led successful diplomatic efforts to gain Morocco's re-admission into the African Union (AU) in 2017, overcoming the AU's long-standing policy opposing Morocco's control of Western Sahara. The United Nations considers the Polisario Front, representing the Sahrawi people of Western Sahara, as the legitimate authority to create a sovereign Sahrawi state. Morocco claims ownership and has named the territory 'West Morocco'. No country has recognised Morocco's claim on Western Sahara. Despite strong links

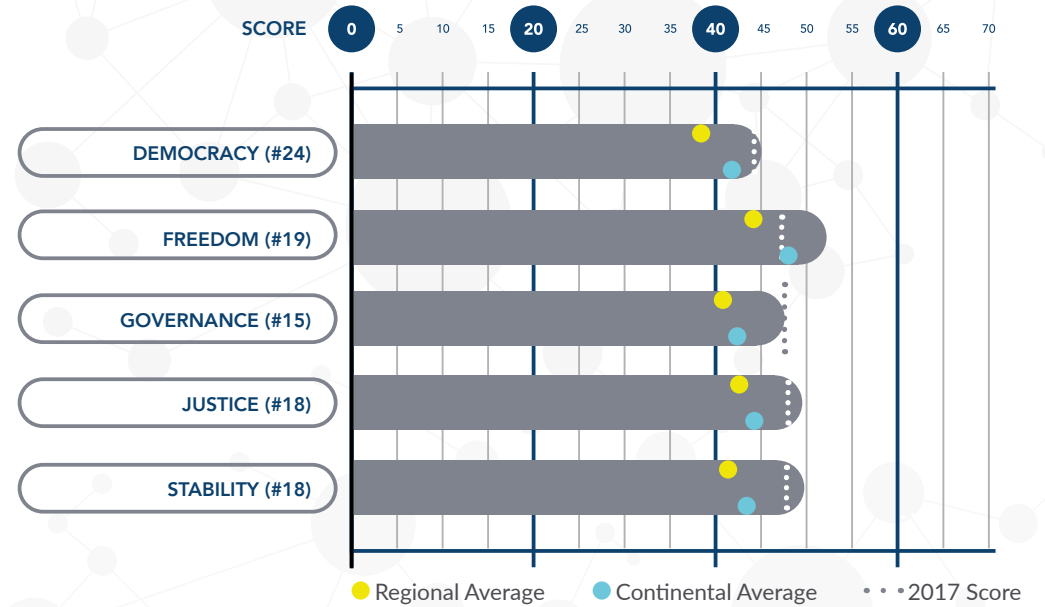
with Europe, Spain in particular, and good relations with the US, the Western Sahara question will remain Rabat's danger spot until the territory's status is determined to the satisfaction of the Saharawi people and the international community.

Morocco is an authoritarian state where the king is also the head of the military. Government has withheld some freedoms from the Moroccan people, such as a free media. Anti-monarchy activists in Rabat have been subject to harassment, with two anti-torture activists in prison, serving long terms for denouncing government's use of torture. Because Morocco's democratic development has not kept pace with its economic growth, the country fell two positions in the ACBR 2019 Politics quadrant, to 18th place.

POLITICAL DATA COMMENTARY

<p>Morocco data availability 100%</p>	<p>REGIONAL AVERAGE 92.34%</p>	<p>AFRICAN AVERAGE 82.86%</p>	<p>CONTINENTAL RANK #1</p>
	<p>Maintaining continuity with previous quadrants, Morocco has once again scored a perfect 100% for political data availability, thus ranking 1st continentally along with 6 other countries. This too exceeds the respective regional and continental averages of 92.34% and 82.86%. Despite holding regular multiparty elections and having achieved a formal transfer of power to the elected legislature in 2011, civil liberty and political transparency continue to be strained by the residual powers of King Mohammed VI.</p>		

POLITICAL SCORES & RANKINGS



POLITICAL STATISTICS

<p>NUMBER OF POLITICAL PARTIES</p> <p>33 (#2)</p>	<p>MILITARY EXP AS % OF GDP</p> <p>3.2% (#5)</p>	<p>REFUGEE INFLOW</p> <p>N/A (#N/A)</p>	<p>NUMBER OF RIGHTS</p> <p>53 (#26)</p>
<p>DATE OF INDEPENDENCE</p> <p>03/02/1956</p>	<p>NET OFFICIAL DEVELOPMENT ASSISTANCE</p> <p>US\$ 1,992 million (#7)</p>	<p>WOMEN IN PARLIAMENT</p> <p>20.5% (#26)</p>	<p>CAPITAL PUNISHMENT</p> <p>Special Cases</p>

MOROCCO SOCIETAL ANALYSIS



SOCIETAL OVERVIEW

Moroccan cities are characterised by good infrastructure, cultural attractions, historic and modern architecture, beautiful beaches and good public transportation and healthcare. The latter has contributed to Moroccans living 77.3 years on average. Because Moroccans are living longer, the overall population numbers do not reflect the decline in the fertility rate. From an average of five children in the 1980s, Moroccan women give birth to 2.2 children on average today. Nearly two-thirds of Moroccans live along the densely populated Atlantic coast, and 98% have access to clean drinking water. Only 65% of rural dwellers in the desert interior have clean drinking water. Despite the country's well-performing economy, only 69% of Moroccans can read and write. The gender

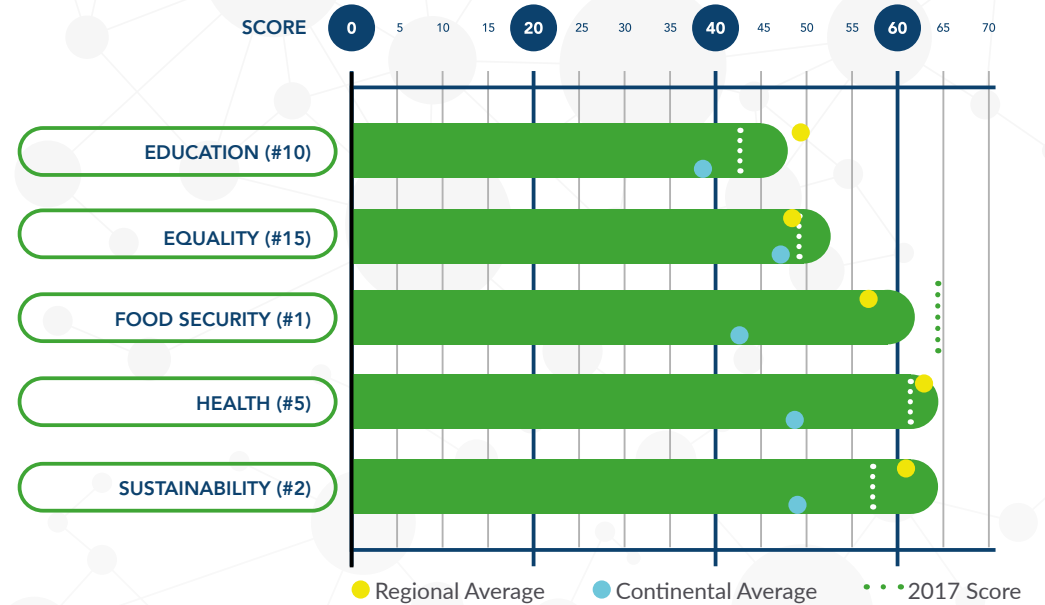
disparity for this ability is wide: 70% of men are literate versus only 59% of women.

Arabs and Berbers comprise 99% of the population. With one million Moroccans living in France, 700,000 in Spain and 365,000 in the Netherlands, the sizable Moroccan diaspora has agitated European right-wing nationalists. However, their remittances sent back to Morocco are important contributions to their families' incomes. Ironically, African migrant workers in Morocco experience the same discrimination and racism as Moroccans in Europe. The relative good health and social services enjoyed by the Moroccan people allowed their country to firm its position in the top 10 of nations in the Society quadrant of ACBR 2019. Morocco climbed one position, to 6th place.

SOCIETAL DATA COMMENTARY

<p>Morocco data availability 100%</p>	<p>REGIONAL AVERAGE 84.08%</p>	<p>AFRICAN AVERAGE 75.28%</p>	<p>CONTINENTAL RANK #1</p>
	<p>As with the previous quadrants, Morocco once again scores a perfect 100% for societal data availability, thus ranking 1st continentally along with 5 other countries. Needless to say, this too far exceeds the respective regional and continental averages of 84.08% and 75.28%. Despite its relatively high performance, Morocco remains subject to various development challenges, including vulnerability to reduced growth and unequal service provision and infrastructural development.</p>		

SOCIETAL SCORES & RANKINGS



SOCIETAL STATISTICS

<p>POPULATION SIZE AND GROWTH RATE</p> <p>33,986,655 at 0.97% p.a (#11)</p>	<p>LIFE EXPECTANCY</p> <p>77.1 years (#1)</p>	<p>HIV PREVALENCE</p> <p>0.1% (#46)</p>	<p>SEXUALITY TOLERANCE</p> <p>Illegal</p>
<p>ACCESS TO DRINKING WATER</p> <p>85.4% (#16)</p>	<p>HEALTH EXPENDITURE (% OF GDP)</p> <p>5.53% (#26)</p>	<p>PRIMARY EXPENDITURE (% OF EDU. TOTAL)</p> <p>N/A (#N/A)</p>	<p>SOCIAL MEDIA PENETRATION</p> <p>40% (#6)</p>

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