

U.S. Country Commercial Guides



Morocco
2019

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Doing Business in Morocco

Market Overview

Morocco is a country of approximately 35 million people located on the north-west coast of Africa. Slightly larger than the state of California, its 2018 Gross Domestic Product (GDP) was \$111.4 billion, which grew approximately 3.3 % over 2017. The 2019 state budget is based around anticipated GDP growth of 3.2 %. The United States had a trade surplus with Morocco in 2018 of approximately \$1.3 billion. Goods exported to Morocco from the United States in 2018 totaled \$2.9 billion. In 2018, Moroccan exports to the United States totaled \$1.5 billion, up 20 % (<https://www.census.gov/foreign-trade/balance/c7140.html>).

The U.S.-Morocco Free Trade Agreement (FTA), signed in 2006, eliminated tariffs on 95 % of currently traded consumer and industrial goods. Duties on most qualifying products were phased out by 2016. The FTA stipulates enhanced protection for U.S. intellectual property, including trademarks and digital copyrights, expanded protection for patents and product approval information, as well as tough penalties for piracy and counterfeiting.

Moroccan businesses have historically strong ties to firms in France, Spain, and other European countries, but are increasingly developing a more international business outlook, creating potential opportunities for U.S. firms. There is growing recognition within the Government of Morocco (GOM) of the importance of English language training, and an increasing number of Moroccan business and government interlocutors speak English, in addition to French and Arabic.

There are roughly 150 U.S. firms operating in Morocco, including multinationals, as well as smaller companies. Consumer goods and pharmaceutical companies manufacture some products locally and import others for onward distribution. The aerospace sector has attracted U.S. investment, concentrated in the Casablanca Midparc economic zone. Agro-industrial companies have also invested heavily in the country. Oil and gas companies hold exploration concessions in Morocco and offshore, while other energy companies are pursuing new opportunities in renewables and liquified natural gas (LNG). The local American Chamber of Commerce has close to 300 members (about half are Moroccan firms who do business with U.S. firms) and is active in developing the U.S. - Morocco commercial relationship.

Market Challenges

The greatest barriers to doing business in Morocco are a lack of transparency in government procurement, slow bureaucratic decision-making and procedures, and restrictions on pre-payments for imports prior to delivery. Companies often complain about delays in receiving government payments.

The legal and banking systems in Morocco differ in many ways from U.S. systems. The legal system is based on a combination of French, Spanish, and Islamic laws, and can be complex for U.S. companies to navigate. International and domestic arbitration are accepted and used in business contracts. Morocco has made significant reforms to the banking system in previous years, including structures and programs for foreign direct investment (FDI), project finance, and trade finance. However, significant delays in procurement implementation and payments can still occur.

Restrictions on prepayments of imported orders are often problematic for U.S. exporters who require 100% advance payment. Currently, Moroccan companies can prepay up to 30 % of the total shipment in advance of importation and letters of credit are often used to finance shipments. A Moroccan company can prepay 100% only for orders under MAD 100,000 (approximately \$ 10,500). Payments from Moroccan government-owned companies can be slow and are often burdened by heavy bureaucracy.

Market Opportunities

The U.S. Commercial Service has identified the following sectors as the best prospects for U.S. firms:

- Aerospace
- Automotive
- Energy
- Construction and Infrastructure projects
- Transportation
- Healthcare
- Safety & Security
- ICT
- Defense

The Foreign Agriculture Service has identified the following products as the best prospects for U.S. firms:

- Wheat
- Feed grains (corn and DDGS)
- Soybeans, soybean meal, and soybean oil
- Pulses
- Live animals and genetics
- Beef
- Poultry
- Prepared dairy products
- Dried fruit and nuts
- Beer and alcoholic beverages
- Sweeteners and confectionary

Market Entry Strategy

Close working relationships are often critical to concluding deals in Morocco. Like other markets in the MENA region, Moroccans base business on trust and mutual respect built over time. U.S. exporters should strongly consider travel to the country to develop and strengthen relationships. In addition, working with a locally based agent or distributor typically enables U.S. firms to develop essential knowledge of key contacts, customs regulations, and niche opportunities and sustain relationships with partners and distributors. U.S. firms should also fully understand the regulatory environment and procedures before entering the market to avoid unexpected hurdles.

Business practices in Morocco differ from those in the United States. For example, bureaucratic red-tape consumes more time than in the United States, often requiring multiple copies of documents, with official stamps and signatures. Moroccans have rapidly adapted to mobile technology and often reply to text messages, internet messaging or phone calls quicker than email.

The U.S. Commercial Service in Morocco can provide individualized counseling to determine the best market entry strategy for a given U.S. company or product, and can assist with partner searches for joint ventures, 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.

The U.S. Commercial Service office 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 please visit <http://export.gov/usoffices/index.asp>

Political Environment

For detailed information on Morocco's political environment, please consult the Department of State's [Country Background Notes](#).

Selling U.S. Products & Services

Using an Agent to Sell U.S. Products and Services

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 inbound warehousing. Local agents and distributors can assist U.S. firms with local know-how and customs. Some U.S. firms supply Morocco indirectly through regional distribution centers in Europe which are advantageous in terms of language and shipping. However, the high number of distribution levels makes competitive pricing difficult.

Establishing an Office

Morocco's sixteen Regional Investment Centers (CRI) are the government's "one stop shops" for the entire registration process. The CRIs are required to provide a registration certificate within one week of receiving a completed application, which includes a passport or other form of ID (or a copy of an ID document if the applicant is not personally present) and payment of the registration fee. If the approved 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 CRI.

The link to the "World Bank "Doing Business in Morocco" guide" to opening a business is below <http://www.doingbusiness.org/data/exploreeconomies/morocco/>

Consult these websites for additional information on the CRI:

- <http://www.invest.gov.ma/?lang=en>
- <http://www.maroc.ma/en#>
- <http://www.casainvest.ma> (the CRI for the Casablanca region)

Franchising

Overview

Over four hundred American franchises operate in the fast food, clothing, office supply, furniture, cosmetics, office cleaning, and auto repair sectors. Master franchise holders are attracted to the marketing image and name recognition of well-known U.S. products and brands. In recent years, several malls have opened in Morocco including the Morocco Mall in Casablanca, which is North Africa's largest.

Over the past decade, Morocco has enjoyed stable annual GDP growth rates of 3 to 5%. Moroccans, joining the middle class in increasing numbers, desire convenience and demonstrate keen brand awareness. Franchise outlets are concentrated in metropolitan Rabat and Casablanca due to higher population density and purchasing power. Other urban centers with franchises include Tangier, Tetouan, Marrakech, Agadir, Fez, and Meknes.

Franchising in Morocco is appealing to 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.

Challenges:

- Weak trademark protection.
- Counterfeit products within the market (especially in apparel).
- Limited financing options; while banks are often comfortable with financing franchises, financing typically excludes franchise fees.
- Lack of a well-defined franchising regulatory framework.
- Dense regulatory system for leasing store space.

Opportunities:

The sectors of interests to Moroccan franchisees are:

- Restaurant/beverages
- Apparel
- Education/training (languages, executive training and higher education)
- Supermarket, hyper-market chains
- Housewares and linen retail
- Temporary employment services
- Business building management services
- Entertainment (movie theaters, theme parks)

Web Resources

Moroccan Association of Franchises (Association Marocaine des Commerces en Réseau, AMCR):

www.observatoiredefranchise.ma

For more information about future Franchising Trade Shows in Morocco or information on legal firms specializing in Business Transactions and Joint Ventures, contact the U.S. Commercial Service at Office.Casablanca@trade.gov.

Direct Marketing

The Moroccan market is split between the urban wealthy and middle class and the poorer rural communities; therefore, marketing campaigns must be targeted accordingly. Marketing may include point-of-sale promotions, rotating billboards, direct mail, and door-to-door sales. With an adult literacy rate of 68.5%, and knowledge of Arabic and French varying widely, promotion campaigns are often image-focused. 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. Flyers are often distributed directly to consumers in public spaces.

There is a strong 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 increasingly 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. Young adults aged 15-29 make up almost 26% of the total population. Morocco has the second highest per capita internet penetration in Africa at around 58%.

Joint Ventures/Licensing

Companies, both private and state-owned, as well as wealthy investors, seek joint venture business opportunities with U.S. partners as a way to modernize Moroccan factories, license new technology, and create employment. Competent law firms exist in Morocco capable of negotiating joint-venture agreements. See the 'Investment Climate Statement' chapter for more information on investing in Morocco.

Selling to the Government

Many governments finance public works projects through borrowing from the Multilateral Development Banks. Please refer to "Project Financing" Section in "Trade and Project Financing" for more information.

Morocco's public procurement laws largely align with international standards in an effort to make tenders transparent and fair; however, transparency remains a significant concern. Each ministry and public establishment have contracting authority and can fund projects within their authorized budget limits. Most

government contracts must be tendered through the national public tendering portal managed by the [Moroccan treasury \(https://www.marchespublics.gov.ma/pmmp/\)](https://www.marchespublics.gov.ma/pmmp/).

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

Distribution & Sales Channels

Casablanca and Tangier are the primary ports of entry for foreign manufactured goods for direct distribution. Ferry services between Morocco and Spain allow goods to be imported and exported by truck. The TangerMed port on Morocco's Mediterranean coast, which will have a throughput capacity of fifteen million containers annually when the most recent expansion is completed, is the largest port in North Africa.

Morocco has an established distribution system with wholesalers and dealers. For technical products, after-service sales support is key to attracting customers.

For example, there is a well-developed software distribution network supported by IT integrator companies and resellers of multiple types of software products. Pharmaceutical sales are also supported by a well-developed network of pharmacies. For a U.S. exporter, it would be relatively easy to identify the major players in these sectors. However, other types of products are still distributed through very fragmented market channels. Hardware store items, for example, are available in stores smaller than 100 square feet and in large chain stores. Selling into these markets requires dealing with several key buyers or working with an intermediary or wholesaler who has access to a broad base of smaller shops.

Express Delivery

Reliable courier services are available in Morocco through both international and local express delivery services. Moroccan Customs officials check all parcels and a duty or tax fee may apply depending on the value and the nature of the merchandise. International shippers such as DHL, FedEx, and UPS are established in the larger urban areas.

Selling Factors & Techniques

As in most markets, relationships are key to success in Morocco. Business relationships are built over time and strengthened with cultural awareness and sensitivity. 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 regarding perceived barriers including language difficulties for service, access to parts, metric/standard measurement, and electrical adaptability, among others.

Local distribution partners expect substantial advertising and promotional support, particularly when introducing a new product or brand name. Promotional material and technical documentation should include French or Arabic translations. U.S. firms should sufficiently train their local partner. 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 in-country after-sales service, support and spare parts supply.

A small investment in a high-quality online presence dedicated to Moroccan business can deliver a substantial return by raising the profile of U.S. products over rivals. Making manuals, parts ordering, and contact information easily available online will help increase business success.

E-commerce

E-commerce is a small but growing industry in Morocco. Morocco has Africa's second highest internet penetration rate. One major hurdle, however, is a lack of online payment systems. Restrictions on outbound hard currency cash flows also limit international purchases. According to the Global Findex Data, only 1.6% of the population in Morocco made an online purchase in 2017. There is a high instance of credit card fraud in Morocco and several U.S. companies have blocked access to Moroccan Internet Service Providers (ISPs). Internet payment systems such as PayPal are available. Google and Bain & Company predict that online sales in the MENA region are to grow by 28% every year through 2022, which would result in an increase in revenues from \$8.3 billion in 2017 to \$28.5 billion.

Trade Promotion & Advertising

U.S. advertising firms have offices in Morocco and provide services. Moroccan advertising agencies offer comprehensive services. Visual advertising is key due to low literacy rates. Food, hygiene, and beverages are the most common products advertised on television. Multinational producers of consumer goods are among the biggest advertisers. Newspapers and periodicals provide advertising space, but verification of subscriptions and circulation is difficult. Radio advertising sales are considered a relatively inexpensive form of communication. The amount and importance of billboard advertising has increased dramatically in the last few years.

French is the language of the educated elite and Darija, the local Moroccan Arabic dialect, is the language of the broad consumer base, making it important to choose advertising languages carefully. Companies increasingly turn to the internet and mobile phone messaging as a means of reaching consumers.

Pricing

The Moroccan currency is the Moroccan dirham, which is divided into 100 centimes. Common abbreviations for the dirham are MAD, DH, and Dhs. Most prices are quoted in dirhams although some businesspeople occasionally include centimes.

Morocco operates under a Value Added Tax regime (TVA in French) with different TVA rates for different products, and some businesses 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. The market determines prices without government involvement with exceptions for staple commodities like flour, sugar, and butane gas which remain subsidized. For service providers, all invoices issued by foreign companies are subject to a 10% tax. It is important to clarify with the contracting partner if negotiated rates are before or after this tax has been added.

Sales Service/Customer Support

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

U.S. companies should supply their resellers with sales and product documentation in French or Arabic, as well as training in brand management and customer support services. Product packaging, warranties and guarantees, as well as user and product care instructions should be in French or Arabic, depending on the end-user market. This information is critical when marketing high-tech or consumer goods that are targeted by counterfeiters. Consult with your agent or distributor regarding the choice of language.

Protecting Intellectual Property

In any foreign market companies should consider several general principles for effective protection of their intellectual property. For background, please link to our article on [Protecting Intellectual Property](#) and [Stopfakes.gov](#) for more resources.

U.S. Intellectual Property Attaché for Middle East and Africa

Name: Pete C. Mehravari

Address: U.S. Embassy Kuwait, Plot No.14 Block 6 Masjed Al-Aqsa Street, Kuwait City, Kuwait

Telephone: +965 2259-1455

E-mail: peter.mehravari@trade.gov

Due Diligence

Potential U.S. investors in Morocco and U.S. exporters of goods and services should perform due diligence on 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 government-maintained repository lists the tax filings, balance sheets, and profit and loss information for a large number of Moroccan companies. The portal is not comprehensive, but information for most large companies can be found. There are also independent credit ratings companies that can be contracted to execute a credit evaluation.

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

For more information, please check the following link, or contact us at Office.Casablanca@trade.gov :
http://export.gov/salesandmarketing/eg_main_018198.asp.

Local Professional Services

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. Commercial Service in Morocco](#)
- [The American Chamber of Commerce in Morocco](#)

Principal Business Associations

The below mentioned business associations accept U.S. companies' membership:

[Chamber of Commerce, Industry, and Services of Casablanca](#)

(Chambre de Commerce, d'Industrie et de Services de Casablanca, CCIS)

[Association of Moroccan Private Equity and Venture Capital Investors](#)

(Association Marocaine des Investisseurs en Capital, AMIC)

[General Confederation of Moroccan Enterprises](#)

(Confederation Générale des Entreprises du Maroc, CGEM)

[Moroccan Association of Textile Industries](#)

(Association Marocaine des Industries de Textile, AMITH)

[Feed Millers Association](#)

(Association des Fabricants d'Aliments Composés, AFAC)

[Federation of Information Technologies, Telecommunications, and Offshoring](#)

(Fédération des Technologies de l'Information, des Télécommunications et de l'Offshoring, APEBI)

[Mining Industry Federation](#)

(Fédération de l'Industrie Minière, FDIM)

[Association of Moroccan Importers of Agricultural Equipment](#)

(Association Marocaine des Importateurs de Matériel Agricole, AMIMA)

[Moroccan Federation of Consulting and Engineering](#)

(Fédération Marocaine du Conseil et de l'Ingénierie, FMCI)

Specialized Agricultural Trade Associations:

[Poultry Feed, Poultry, and Eggs Federation](#)

(Fédération Interprofessionnelle du Secteur Agricole, FISA)

[Grains and Pulses Importers and Traders Federation](#)

(Fédération Nationale des Négociants en Céréales et Légumineuses, FNCL)

[Purebred Dairy Cattle Association](#)

(Association Nationale des Eleveurs de Bovins de Races Pures, ANEB)

Wheat Millers Federation

(Fédération Nationale de la Minoterie, FNM)

Mr. Chakib Laalej, President

Angle Ibn Majid Bahar & Brihmi El Idrissi (Ex Girardot/Havre)

Casablanca, Morocco

<http://www.fnm.org.ma/content/default.aspx>

Tel: +(212) 522 30 18 01 or +(212) 522 30 11 58 or +(212) 522 30 18 01

Fax: +(212) 522 30 65 51 or +(212) 522 30 59 13 or +(212) 522 30 65 51

Office of Trade Events of Casablanca

(Office des Foires et des Expositions de Casablanca, 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

Limitations on Selling US Products and Services

All Moroccan citizens can own and sell U.S. products and services in the manufacturing or services sectors. No particular limitations apply.

Web Resources

Chamber of Commerce Industry and Services of Casablanca

(Chambre de Commerce, d'Industrie et de Services de Casablanca, CCIS)

<http://www.casablanca.cci.ma/>

Mr. Yassir Adil, President

98, Boulevard Mohammed V

Casablanca, Morocco

Tel: +(212) 522 26.44.38 - 26.43.27

E-mail: Department of International Relations: Ms. Laila Raji lailaraji@ccisc.gov.ma

Moroccan Agency for the Development of Investments and Exports
(Agence Marocaine de Développement des Investissement et de l'Export, AMDIE)
<http://www.invest.gov.ma/>

Customs Administration
(Administration Des Douanes et Impôts Indirects)
<http://www.douane.gov.ma>

Agency for the Promotion and Development of the North
(Agence pour la Promotion et Development du Nord, APDN)
<http://www.apdn.ma/>

Ministry of Industry, Trade, Investment, and Digital Economy
(Ministère de l'Industrie, du Commerce, de l'Investissement et de l'Economie Numérique, MCINET)
<http://www.mcinet.gov.ma>

Company for Ports Development and Operation
Société d'Exploitation des Ports (SODEP, also known as Marsa Maroc)
<http://www.marsamaroc.co.ma>

National Ports Authority
(Autorité Nationale de Ports, ANP)
<http://www.anp.org.ma/Pages/Home.aspx>

Leading Sectors for US Exports & Investments

The following sectors will be highlighted in this section:

- Energy
- Agricultural Sectors
- Infrastructure
- Aerospace
- Healthcare
- Safety and Security
- Telecommunication

Energy

Overview

Morocco imports approximately 90% of its energy needs, according to the Moroccan Ministry of Energy. The total primary energy consumption has increased by about 5 % per year since 2004. Per the state-owned power utility ONEE, Morocco's electricity production derives from coal (31%), hydroelectricity (22%), fuel oil (25%), natural gas (10%), wind (10%) and solar (2 %).

The national strategic objective is to improve security of supply by reducing dependence on energy imports, including increasing use of renewable sources for electricity production. By 2020, renewable energy is planned to account for 42% of installed electrical generation capacity, or 6,000 megawatts (MW). By 2030, renewable energy sources are planned to provide 52% of the total installed capacity.

Leading Sub-Sectors

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

- Electrical components
- Engineering, Procurement, and Construction (EPC) Contracting
- Generators
- Solar water heaters
- Batteries/ Chargers
- Concentrated solar power (CSP)
- Photovoltaic (PV)
- Connections
- Micro Hydraulic Centrals
- Switches
- Fittings
- High, medium and low-voltage applications.
- Technical training for facilities repair and maintenance

Opportunities

Solar Energy: Morocco has an average solar potential of 5 kilowatt hours (kWh) per square meter per day, though this varies geographically. The Moroccan Agency for Sustainable Energy (MASEN) plans for the installed capacity of both CSP and PV to be at least 2,000 MW by 2020.

Wind Energy: Morocco has a technical wind potential of slightly less than 5,000 terawatt hours (TWh) per year, with potential useful capacity of 25,000 MW, according to the Moroccan Agency for Energy Efficiency (AMEE).

Energy Efficiency: Morocco's energy efficiency strategy was revised with targets to improve energy efficiency by 20% by 2030 and develop action plans in the sectors of transportation, construction, industry, agriculture and public lighting. AMEE has finalized a contract with the state to focus on the industrial, construction, technology, building, transportation infrastructure, and public and domestic lighting sectors.

Fossil fuels: Imported fossil fuels: oil, gas and coal, currently provide for 97 percent of Morocco's energy needs, according to the World Bank. The country's national office for managing hydrocarbon resources, "l'Office Nationale des Hydrocarbures et des Mines" (OHNYM), offers attractive operating and investment terms to oil and gas exploration and production companies. For more information about exploration activities please visit <http://www.onhym.com/en/exploration-activity.html>

By end of 2019, Morocco is expected to tender a \$4.5 billion gas-to-power project, allowing Morocco to import seven billion cubic meters of LNG by 2025. Works will include four new combined-cycle gas turbine power plants, each with a capacity of 600 MW, an LNG import terminal and onshore regasification unit at the Port of Jorf Lasfar on the Atlantic coast, as well as pipelines connecting the terminal to the Maghreb-Europe pipeline in the north of the country. Many U.S. companies have shown interest in both the construction and the gas supply sides of the project.

Web Resources

- [Moroccan Ministry of Energy, Mining, and Sustainable Development:](#)
- [National Office of Electricity and Water \(ONEE\)](#)
- [National Federation of Electricity and Renewable Rnergies \(FENELEC\):](#)
- [Research Institute for Solar Energy and New Energies \(IRESEN\):](#)
- [Solar Cluster](#)
- [Moroccan Agency for Solar Energy \(MASEN\) E-Tenders](#)
- [Moroccan Agency for Energy Efficiency \(AMEE\)](#)
- [Company for Energy Investments \(SIE\)](#)

Agricultural Sector

Overview

Agriculture contributes to around 15% of Morocco's GDP and largely determines the growth level of the economy as agricultural output is highly variable from year-to-year. The agriculture, fishing, and forestry sector employs about 45% of the total workforce.

Morocco's agriculture is divided into three major sectors:

1. Modern, private, irrigated, highly capitalized, and export-oriented farms producing mostly fruit and vegetables
2. Agriculture within reorganized large scale dam-irrigated perimeters producing mostly dairy, sugar crops, seeds, fruits and vegetables primarily for the local market
3. Rain-fed agriculture with more favorable land in the northwest (growing mostly grains, olives, pulses, red meat and dairy) and less favorable land in the south and east (growing mostly grains and non-intensive sheep production).

Moroccan agricultural methods remain mostly traditional with limited applications of production inputs such as fertilizers, pesticides and mechanization. Grains account for over 60% of agricultural production, and the area planted for wheat has expanded due to increased government support. The prevalence of small farms, complicated inherited land status, and increasing land prices pose serious challenges to agricultural policy makers. Policy makers struggle with the conflicting underlying principles of economies of scale and the capitalization requirements necessary to modernize the agriculture sector and the desire to alleviate poverty and maintain the social structure of the traditional rural society.

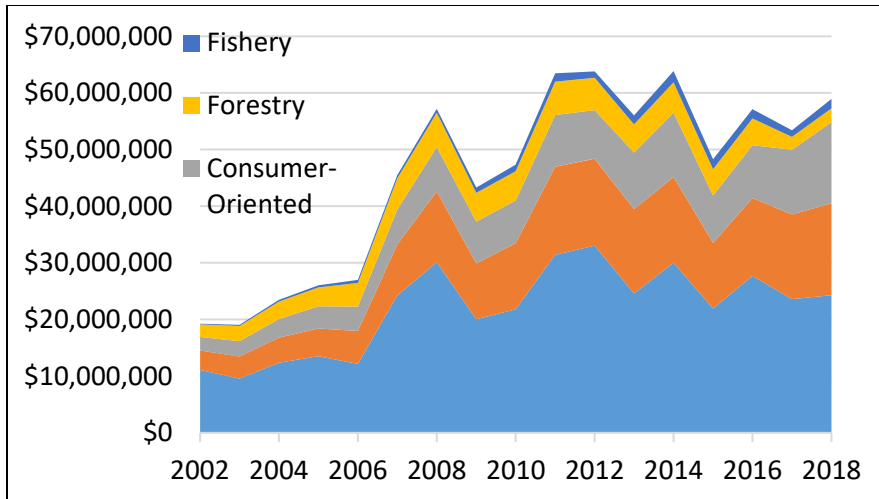
In April 2008, the Ministry of Agriculture, Rural Development and Maritime Fishing launched the Green Morocco Plan (Plan Maroc Vert, PMV) setting out the agriculture development strategy through 2020. It has two pillars:

1. The accelerated development of modern and competitive agriculture, vital for the national economy, through the realization of thousands of new projects, with a focus on high-value agriculture.
2. Support to small-holder agriculture through the implementation or professionalization of 545 projects of small farms in difficult rural areas, thereby promoting greater productivity, greater recovery of production and sustainability of farm income. This second pillar also seeks to convert cereal crops to higher-value alternatives and as well as value-added processing.

Trade

Morocco is a net importer of agricultural and related products, which generally consist of imports of bulk commodities and exports of high-value, consumer-oriented products. The European Union is Morocco's primary trading partner, accounting for about 60% of Morocco's agricultural exports.

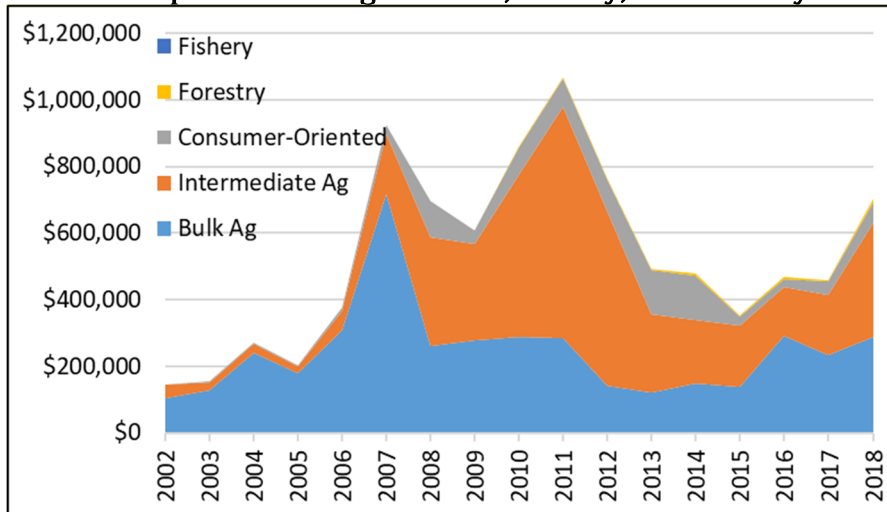
Morocco Imports of Global Agricultural, Fishery, and Forestry Products



Source: Global Trade Atlas

While the United States is a net exporter of agricultural and related products to Morocco, U.S. competitiveness has waned vis-à-vis increased competition from the European Union and Black Sea countries in recent years. U.S. exports of bulk agricultural commodities (e.g. wheat) are also particularly impacted by the volatile nature of Morocco's agricultural production from one year to the next.

Morocco Imports of U.S. Agricultural, Fishery, and Forestry Products



Source: Global Trade Atlas

The U.S.-Morocco FTA provisions have been fully implemented for all agricultural products except:

- Live animals
- Animal products (e.g., meat, poultry, dairy, eggs, honey, and fishery)
- Barley and products, corn products, and rice products
- Jams, confectionary, and chocolate
- Peas and lentils
- Almonds

More information may be found at:

- <https://ustr.gov/trade-agreements/free-trade-agreements/morocco-fta/final-text>
- <https://www.export.gov/FTA-Tariff-Tool>

Best Prospects for Morocco:

- Wheat
- Feed grains (corn and DDGS)
- Soybeans, soybean meal, and soybean oil
- Pulses
- Live animals* and genetics
- Beef
- Poultry
- Dairy Products
- Dried fruit and nuts

* *Pending successful conclusion to outstanding health certificate negotiations*

Web Resources

U.S. Trade Associations:

- U.S. Wheat Associates
 - Web: www.uswheat.org
 - Email: melhachi@uswheat.org
- U.S. Soybean Export Council
 - Web: <http://ussec.org/>
 - Email: kbenabdeljelil@yahoo.fr
- U.S. Grains Council
 - Web: <http://www.grains.org/>
 - Email: aitboulahsen@gmail.com (poultry sector)
 - Email: myoussoufi@hotmail.com (livestock sector)

In-country USDA contacts:

Office of Agricultural Affairs, U.S. Embassy Rabat

Phone: (212) 357 76 59 87

Web: http://morocco.usembassy.gov/offices_department/usda.html

Email: AgRabat@fas.usda.gov

List of USDA/FAS Commodity Reports and Briefs:

The Office of Agricultural Affairs publishes reports available at <http://gain.fas.usda.gov/pages/default.aspx>, including, for example:

- Exporter Guide
- Retail Foods
- Food Service - Hotel Restaurant Institutional
- Food Processing Ingredients
- Food and Agricultural Import Regulations and Standards - Narrative
- Food and Agricultural Import Regulations and Standards - Certification
- Agricultural Biotechnology Annual
- Grain and Feed
- Citrus

Infrastructure

Overview

Modern infrastructure development, such as ports, airports, and rail links, is a top government priority. To meet the growing domestic demand, the Moroccan government invested more than \$15 billion from 2010 to 2015 in upgrading its basic infrastructure.

Leading Sub-Sectors

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

- Construction engineering
- Equipment
- Services

Opportunities

Roads: Morocco has one of the best road systems on the continent. Over the past 20 years, the government has built approximately 1,100 miles of modern roads, connecting most major cities via toll expressways. The Moroccan Ministry of Equipment, Transport, Logistics, and Water aims to build an additional 2,100 miles of expressway and 1,300 miles of highway by 2030, at an expected cost of \$9.6 billion.

Railway: Morocco's railway network includes 800 miles of track, with 120 stations serving passengers as well as freight. The Tanger-Casablanca 225-mile high-speed rail line was inaugurated in 2019 and a 140-mile extension of the line to Marrakesh is being planned. This will require the creation of maintenance centers dedicated to high-speed rail activity.

Freight rail, managed by the National Office of Railroads (ONCF), focuses on transporting agricultural produce and products, automotive products, energy inputs (coal, fuel and petroleum), construction materials, and chemicals. Freight activity (excluding phosphates) totaled \$50.6 million in 2016.

Morocco's 2040 Rail Strategy ("Plan Rail Maroc 2040") is a long-term overall strategy for the development of the national rail network and its various components by 2040. \$37.5 billion will be allocated to the budget for the projects that include:

- Maintenance or improvement projects to boost the resilience of the existing network and improve the performance of services to provide sustainable solutions to resolve current problematic bottlenecks (saturated supply, improved times, electrification, safety, maintenance...);
- Extension projects for conventional rail lines (maximum speed 100 mph) to cities across the country that are currently not connected to the rail network, while taking into account the economic feasibility of a rail line and territorial inclusion;
- Extension projects of the high-speed rail network, linking transport hubs with speeds of between 220 and 320 km/h to ensure greater network efficiency.

The city of Casablanca will complete two new tram lines by 2022, together with two rapid bus transit routes. The investments required to implement the four projects are estimated at \$1.6 billion. Line T3 will be 14 kilometres in length while T4 will be 13 kilometres long. Rabat's tramway system connects multiple points in Rabat and the neighboring town of Salé and is set to undergo a \$560 million extension that will add nearly 14 miles to the current network by 2022. Other large cities, such as Agadir, Fez, Marrakesh, and Tangier also plan to build tramway/light rail lines.

Airports: Many airport projects are underway. For more information please refer to the Aerospace section.

Shipping, Ports and Container Handling: Morocco has 27 commercial ports that handle 92.3 million tons annually in merchandise traffic. The government's 2030 port strategy intends to dedicate nearly \$7.5 billion

to upgrade and expand the 27 ports along the country's Atlantic and Mediterranean coasts in building, expansion and upgrade work.

Tourism Infrastructure: The Ministry of Tourism's Vision 2020 program aims to double the size of Morocco's tourism industry in terms of number of visitors, foreign exchange earnings, and accommodation capacity, with plans for an additional 200,000 beds. American hotels like Hilton, Marriott, and others underway have opened in key tourist cities throughout Morocco. Vision 2020 is comprised of six specific programs: Plan Azur 2020 (for coastal development), Legacy & Heritage, Eco & Sustainable Development, Animation, Leisure & Sports, and Domestic Tourism and other niche applications with high added value.

Web Resources

- [Moroccan Tendering Platform](#)
- [National Railway Authority](#)
- [National Airport Authority](#)
- [National Ministry of Equipment and Transport, Logistics and Water: \(Projects\)](#).
- [Federation of Builders](#)
- [Ministry of Tourism](#)

Aerospace

Overview

The growing Moroccan aerospace sector has diverse opportunities including supply inputs, finished aircraft, maintenance, and airport infrastructure. The growth of the Moroccan aeronautics parts industry relies on a qualified supply chain of local subcontractors who have obtained certifications from international organizations.

Morocco has 24 commercial airports, all operated by the National Airports Office (Office National des Aeroports, ONDA). Royal Air Maroc (RAM), the majority state-owned flag carrier, operates short-haul flights within the country, medium-haul flights to Europe and Africa, and transatlantic long-haul flights to the United States, Canada, and Brazil. It has the largest fleet of Boeings 737s in Africa (42), and operates five Boeing 787s. In 2018, Royal Air Maroc placed an order for four more Boeing 787s and four more Boeing 737s.

The bi-annual Marrakech Air Show is a recommended event for U.S. companies selling to Africa. The upcoming edition will take place in 2020. For more information, email Office.Casablanca@trade.gov

Leading Sub-Sectors

- Maintenance for all types of aircraft
- Inputs for cabling production of aircrafts (or other commercial vehicles)
- Service providers
- Technical training
- Parts and equipment suppliers for aircraft
- Parts and equipment suppliers for airport facilities
- Pilot and crew training
- Air navigation control systems
- Radio communication systems
- Baggage handling
- Scanning equipment
- Passenger security devices
- Aviation consulting services
- Security systems

Opportunities

Morocco's Ministry of Tourism, Air Transport, Handicrafts, and Social Economy, and ONDA are pursuing a development strategy to:

- 1) Strengthen the status of the Casablanca airport as an international connection hub for Central and West Africa;
- 2) Develop Marrakech Menara Airport as a European hub; and
- 3) Sustain the development of airport infrastructure through airport extensions, modernizations, and new construction projects.

Recent and upcoming ONDA projects include:

- 1) The expansion of the Rabat-Salé airport, with a targeted completion date of 2024;
- 2) The expansion of Nador International Airport (\$31 million), with a targeted completion date of 2021;
- 3) A \$520 million new, second airport in Marrakech with an annual capacity of ten million passengers, to complement Menara Airport and meet projected overall passenger demand of 14 million by 2030;

- 4) Future airport upgrades in Essaouira, Oujda, and Al Hoceima; and
- 5) Goal to reach 50 million passengers by 2030. This entails an investment of \$1.7 billion for 2018-2023.

Web Resources

- [ONDA's Development Plan](#)
- [Grouping of Moroccan Aeronautic and Space Industries](#) (Groupement des Industries Marocaines Aéronautiques et Spatiales, GIMAS)
- [The national public tendering portal](#), managed by the Moroccan Treasury.

Healthcare

Overview

The state is the primary healthcare provider, with 70% of the population using government-funded health facilities. There are five university hospital centers, in Rabat, Casablanca, Fez, Oujda and Marrakech. In addition, there are 148 public hospitals. Six new health centers are under construction, and another 28 are being rehabilitated and upgraded. The private sector healthcare market includes more than 360 private clinics, and 11,848 physicians in Morocco.

The government spends around 5% of GDP on the healthcare sector, about \$1.7 billion in 2018. There is also a separate healthcare system dedicated solely to the military, which includes six military hospitals in the largest cities, such as Casablanca, Rabat, Meknes, and Marrakech.

Leading Sub-Sectors

In May 2017, the Ministry of Health introduced the Health Sector Strategy 2017-21, a plan to prioritize certain health goals to raise the rate and quality of coverage in Morocco. Leading subsectors include:

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

Opportunities

Hospital Infrastructure

Morocco plans to build 30 new hospitals, including five university hospitals (with a total capacity of 3,200 beds) in Tangier (recently inaugurated), Agadir, Rabat, Laâyoune and Beni Mellal, and expand mobile hospital and emergency units. In March 2015, the Sheikh Khalifa Bin Zayed Al Nahyan Hospital opened in Casablanca. This private hospital has a total capacity of 205 beds and employs 130 doctors and 740 nursing staff. The hospital houses 46 consulting rooms, 85 diagnosis and treatment rooms and eight operating rooms. The Sheikh Khalifa Hospital plans to open a second multidisciplinary hospital in late 2019 or early 2020 in Bouskoura, a suburb of Casablanca with a total capacity of 260 beds over three floors.

Medical Equipment

The medical device market is estimated at \$236 million with \$181 million in imports in 2017. Medical device imports supply approximately 90% of the market. The Moroccan government is planning to develop emergency and mobile hospital units, for which multiple tenders are likely in the future. Importing or selling of second-hand or refurbished medical devices and equipment is now forbidden, per a February 2017 law.

Cancer Treatment

The Lalla Salma Foundation for the Prevention and Treatment of Cancer was founded in 2005. This non-governmental organization has improved the quality of cancer management and access to cancer care for Moroccan patients. Morocco has 23 cancer centers to treat over 40,000 new cases annually. Eleven of the centers are public, with private centers located in Casablanca, Rabat, Marrakech, Agadir, Fez, Oujda, and Al Hoceima.

Web Resources

- Association of Biomedical Equipment Professionals (APMB) : <http://www.apmb.ma/>

- Lalla Salma Foundation the Prevention and Treatment of Cancers:
<http://www.contrelecancer.ma/en/>
- Ministry of Health: www.sante.gov.ma

Safety and Security

Overview

The government places the utmost priority on protecting its people, economy and political system from terrorist and criminal elements. Morocco's geographic location at the crossroads of Europe, Africa, and the Middle East exposes it to transnational threats, including illegal immigration and the trafficking of humans and narcotics. Under its customs and port security agreements with the United States and other countries, Morocco has committed to implementing major upgrades and maintain strict security standards at its airports, seaports, and border crossings. It provides similar security protections to certain government facilities.

Leading Sub-Sectors

- Security and safety equipment and related solutions for seaports, airports, border crossings, buildings, and security and safety agencies, such as the police;
- Integrated monitoring and surveillance solutions;
- Bomb detection and anti-terrorism;
- Luggage screening devices;
- Biometrics;
- Access control and alarm systems;
- Terminal operating systems;
- X-ray and scanning equipment;
- Fire prevention and control equipment, alarm equipment for building safety, emergency evacuation systems;
- Radio communication systems;
- Inspection equipment for containers, and seaport cargo;
- Cybersecurity and IT security solutions;
- Opportunities.

1. **Military**

The Moroccan military consists of 195,800 active personnel, plus an additional 200,000 reserves. The Army accounts for 88% of the total armed forces which includes not only the Army, Navy, and Air Force but also the Royal Gendarmerie (24,000) and Royal Guard (6,000).

The Moroccan army has contracted from the United States for 222 main battle tanks, including state-of-the-art Abrams tanks, delivery was completed in 2018. Furthermore, Morocco signed a contract in 2019 to be provided with technical support for their Abrams tanks. The Royal Moroccan Air Force flies F-16 fighters, C-130 transport aircraft, and CH-47D helicopters, among other U.S.-origin equipment, while the Royal Moroccan Navy operates modern frigates equipped with U.S.-origin digital communications.

The Moroccan defense budget is expected to grow to \$3.9 billion by 2022. Primary sources for the Moroccan military are the United States, France, and Spain. Morocco's military expenditures totaled about \$48 billion between 2005 and 2015. Over the last decade, Morocco has strengthened its navy and equipped its army with

sophisticated vehicles. In addition, Morocco purchased this year 25 new F-16 aircraft while launching an overhaul for its current fleet for a total budget of \$4.8 billion, as well as requested 24 new Apache attack helicopters at \$1.5 Billion. Other significant purchases include 162 new M1A1 tanks at \$.75B, 300 TOW missile launchers with 1800 missiles at \$180 Million, and significant interest in purchasing High Mobility Artillery Rocket System (HIMARS), PATRIOT Air Defense systems, and G550 reconnaissance aircraft. Morocco is the largest U.S. weapons buyer in Africa.

2. **Police**

The General Directorate for National Security (DGSN) is Morocco's national police force and reports to the Ministry of Interior. The DGSN is comprised of four sections: the Urban Corps, the Judiciary Police, the Mobile Intervention Companies, and the Internal Security Service.

DGSN is preparing to launch a next generation National Electronic Identity Card, which will introduce new physical and digital security features.

3. **Civilian**

Public Sector: The National Airports Office (Office National des Aeroports, ONDA) is responsible for all aspects of airport security and purchasing related to its projects. ONDA intends to invest \$27 million in airport safety and security equipment and air traffic, in addition to billions of dollars of infrastructure upgrades. The airport of Casablanca recently expanded its terminal one at the cost of \$16 million. Thanks to this expansion the airport increased its passenger capacity to 14 million per year.

Moroccan sea ports handle more than 95% of Morocco's foreign trade, with Casablanca and TangerMed being the largest. The National Ports Agency (Agence Nationale des Ports, ANP) supervises the 27 ports, all but one of which are operated by the semi-public Company for Ports Development and Operation (Société d'Exploitation des Ports, SODEP, also called Marsa Maroc). TangerMed is under the authority of the TangerMed Port Authority (TMPA).

Private: The market for private security equipment and services is expected to increase by 20% in the next three years. The security services market (manned, electronic, cash in transit, etc.) is dominated by a small number of international firms. However, the last two years have seen the proliferation of local Moroccan private security firms competing mostly in manned security services. Opportunities for sales of security and safety products also exist with large Moroccan firms and major banks, telecoms, and other industrial companies.

Web Resources

Moroccan government safety and security institutions are not accessible via internet.

Telecommunications

Overview

Morocco is one of the most mature telecommunications markets in Africa. The kingdom is developing its telecom systems and investing extensively in hardware and networking infrastructure. In its 2018 report about the mobile economy in the MENA region, the Global System for Mobile Communications Association (GSMA) has indicated that Morocco will not get the fifth generation of mobile technology until 2022. Market growth will be driven primarily by large, government-led projects including new e-government initiatives (e.g. the government's digitalization initiative "Maroc Numerique 2020", smart cities projects, renewable energy projects, and transportation upgrades and expansions), as well as investments in telecommunications and banking and financing.

Leading Sub-Sectors

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

- Host Services
- Very Small Aperture Terminal (VSAT)
- Virtualization technologies
- Cloud computing
- Big Data
- Broadband Connection
- Software as a Service (SaaS)
- Communication technologies

Opportunities

Mobile phones: Morocco's mobile phone user penetration rate is above 100%. The number of subscribers has grown by roughly 3% per year. It is believed that the use of prepaid sim cards on multiple networks gives the appearance of singular customers being multiple subscribers.

Internet: The connection rate of households to the Internet was 62% in 2018, versus 58% in 2016. The number of Internet users was estimated at 22.5 million users. The main internet connections are via DSL, Cable, and Fiber Optic.

Telecommunications market: Three operators share the telecoms market: Maroc Telecom (42.25%), Orange Maroc (29.64%) and Inwi (28.11%). The total income of these telecommunications companies represents more than 75% of total industry revenue.

Web Resources

National Agency of Regulation of Telecommunications (ANRT) www.anrt.ma

Customs, Regulations & Standards

Trade Barriers

EU standards for products are favored, and excessive formal protocols and bureaucracy can lead to long wait times for product launches and openings. The lack of efficient and transparent processes for obtaining government permits, land approvals, and procurements create further barriers when dealing with the public sector.

Import Tariffs

Under the U.S.-Morocco FTA, most tariffs on qualifying consumer and industrial goods were immediately eliminated. For a very limited number of products, tariffs will be phased out over a period of up to 18 years, through 2024. To obtain information about tariffs on individual U.S.-origin products exported to Morocco consult the FTA tariff tool:

- <http://www.export.gov/FTA/ftatarifftool/TariffSearch.aspx>

The FTA also establishes market 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 the imported good is an unfinished product requiring further processing or assembly in Morocco, duties on it may be reduced further. Import duties on the limited number of products facing tariff phase-outs over the period of 18 years vary from 2.5 to 35%. Imported goods are also subject to a Value Added Tax (TVA), which varies from 0 to 20%. In contrast, TVA is not always paid on locally produced goods (e.g. corn) or on some vehicles used for international transportation (e.g. moving vans).

A para-fiscal tax of 25% on imports applies to finance activities, such as technical inspections for export goods, economic and export promotion, industrial development, and small-scale production. All merchandise imports qualifying for special customs procedures or concessions granted in the context of officially approved investment programs, legislative provisions or special regulations, and preferential status under trade agreements between Morocco and other countries are exempt from the para-fiscal tax.

Import Requirements & Documentation

The following documentation is required for all imports and exports:

- A license representing the “physical import or export.”
- A commercial invoice: Pro-forma invoices are provided in most cases. No special invoice form is necessary. The commercial or pro-forma invoice should:
 - Be on the supplier’s letterhead
 - Fully describe the goods in French
 - Indicate the HS code when available
 - Indicate the value of the goods
 - Indicate the currency for payment (for foreign exchange transfer), and
 - Indicate the address of the buyer
 - Use the date format (dd/mm/yyyy)
- An “import commitment” (engagement d’importation), which is the authorization provided by the Foreign Exchange Office for transfer of foreign currencies from Morocco to foreign suppliers abroad.

- A “customs declaration” (declaration de douane) is provided by the Customs Administration 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.”
- The importer/exporter may attach any documentation, such as technical documentation, that might assist the Customs Administration. The authority for Customs in Morocco is the Administration of Customs and Indirect Tax: <http://www.douane.gov.ma/web/guest>.

Ensuring Full Access to Benefits of the Free Trade Agreement

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

ARTICLE 5.9: TRANSIT AND TRANSSHIPMENT

“For purposes of this Chapter, each Party shall provide that a good shall not be considered to be imported directly from the territory of the other Party if the good undergoes subsequent production, manufacturing, or any other operation outside the territories of the Parties, other than unloading, reloading, or any other operation necessary to preserve it in good condition or to transport the good to the territory of the other Party.”

A Moroccan customs official determines entry into Morocco based on shipping manifests, invoices, receipts etc. to decide on the customs treatment of cargo.

Two examples illustrate problem areas:

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

Additional problems could appear when goods are staged or warehoused for onward shipment in the expectation of future business. Intermediate warehousing or staging might disqualify goods from FTA treatment. Sealed containers from the U.S. in transit to Morocco that are temporarily stored in designated transshipping zones at international port authorities are generally not in question.

The documents for goods transshipped through a third country port that may be requested include:

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

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, “utilization promotionnelle uniquement” (Promotional Use Only) and “sans valeur commerciale” (No Commercial Value).

Labeling/Marking Requirements

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.

Metric measurement is mandatory. Morocco uses the same numerals (0123456789) as those used in the United States. The date format should be (dd/mm/yyyy). 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 using the format above. The Foreign Agriculture Service has prepared a Food and Agricultural Import Regulations and Standards (FAIRS) report for U.S. exporters detailing agricultural labeling requirements that can be found at:

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

The NM 09.000 is the standard required labeling on textile products.

U.S. Export Controls

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. The EAR often refers to the items that BIS regulates as “dual-use” items, which have both commercial and potential military applications. However, some purely commercial items without an obvious military use are also subject to the EAR. More information on Commerce Department export controls is available at <http://www.bis.doc.gov/licensing/exportingbasics.htm>.

A consolidated and searchable database of eleven export screening lists of the Departments of Commerce, State, and Treasury to facilitate electronic screens of potential parties to regulated transactions is available at <https://www.export.gov/csl-search>.

Temporary Entry

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

Prohibited & Restricted Imports

Import restrictions apply to a limited number of products, including firearms, explosives, used clothing, used tires, pornography, and rugs similar to those produced in Morocco.

Customs Regulations

For information on import duties for specific products, U.S. exporters should contact the Moroccan Customs website <http://www.douane.gov.ma/web/guest>.

Standards

Overview

IMANOR (Institut Marocain de Normalisation) is the national standards body of Morocco and is responsible for standardization in Morocco. IMANOR was created in 2010, replacing SNIMA, a part of the Ministry of Industry. Its mission is to:

- Produce Moroccan standards
- Certify compliance with standards and normative references
- Publish and disseminate standards and related products and information
- Train on standards and implementation techniques, and
- Represent Morocco in international and regional standardization organizations

[IMANOR](#) standard and the Ministry of Industry, Trade, Investment, and the Digital Economy 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 U.S-Morocco Free Trade Agreement.

The National Office for Food Safety (Office National de Sécurité Sanitaire des Produits Alimentaires, ONSSA) is the Ministry of Agriculture's inquiry point on standards:

- Main Website: <http://www.onssa.gov.ma>
- Direction for the Control and Protection of Vegetables (Direction des Contrôles et de la Protection des Végétaux): http://www.onssa.gov.ma/onssa/fr/dir_cont_vet.php
- Division of Regulation and Normalization (Division de la Réglementation et de la Normalisation): <http://www.onssa.gov.ma/onssa/index.php>

Testing, Inspection and Certification

The main national testing organization is the Laboratory for Public Tests and Studies (Laboratoire Public d'Essais et d'Etudes, 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.

The following five government commissions have the mandate to certify standards conformity:

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).

The only Moroccan accreditation body is the Ministry of Industry, Trade, Investment, and the Digital Economy. 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 <http://www.mcinet.gov.ma/~mcinetgov/fr/content/accreditation>.

Publication of Technical Regulations

IMANOR is responsible for the production of Moroccan standards, the certification of compliance with standards and normative references, the publication and dissemination of standards and related products and

information, and training on standards and implementation techniques. IMANOR represents Morocco in international and regional standardization organizations.

Members of the World Trade Organization (WTO) have committed, under the Agreement on Technical Barriers to Trade (TBT Agreement), to notify the WTO of proposed technical regulations and conformity assessment procedures that could affect trade. “Notify U.S.” (www.nist.gov/notifyus) is a free, web-based e-mail registration service that captures and makes available for review and comment key information on draft regulations and conformity assessment procedures. Users receive customized e-mail alerts when new notifications are added by selected country(ies) and industry sector(s) of interest and can also request full texts of regulations. This service and its associated web site are managed and operated by the USA WTO TBT Inquiry Point housed within the National Institute of Standards and Technology (NIST), part of the U.S. Department of Commerce

Trade Agreements

Morocco’s Free Trade Agreement (FTA) with the United States entered into force in 2006. This agreement is the only U.S. FTA on the continent of Africa. The U.S. - Morocco FTA is comprehensive and includes chapters detailing commitment on intellectual property rights, labor, and environmental protection.

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

The FTA also works to uphold labor and environmental standards. The full text of the agreement can be viewed here:

<http://ustr.gov/trade-agreements/free-trade-agreements/morocco-fta/final-text>.

Morocco also has FTAs with Egypt, Jordan, Tunisia, Turkey, and the United Arab Emirates (UAE) and has advanced trade status with the European Union.

The EU-Morocco Association Agreement, which covers industrial goods, entered into force on March 1, 2000, and applies to U.S. companies located in Morocco. The agreement called for the gradual elimination of tariffs on EU-Moroccan trade in industrial goods over 12 years and provides duty-free access for limited quantities of 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. Negotiations for a Deep and Comprehensive Free Trade Agreement (DCFTA) between the European Union and Morocco were launched March 1, 2013, and are ongoing.

Morocco has also begun FTA negotiations with Canada and several West African states. The Moroccan government council adopted a bill ratifying the agreement to establish the African Continental Free Trade Area (CFTA) on February 22, 2019. The agreement aims to facilitate integration between African markets. Morocco formally applied to join the Economic Community of West African States (ECOWAS) on February 24, 2017. In November 2017 Morocco began negotiations with the South American trading bloc Mercosur to establish a free trade area.

Licensing Requirements for Professional Services

Businesses seeking information on license requirements for key professional services are encouraged to contact the U.S. Commercial Service for specific industry information at Office.Casablanca@trade.gov.

Web Resources

[US Morocco Free Trade Agreement Website](#)

[Office of the United States Trade Representative: US Morocco FTA](#)

Investment Climate Statement

Please find the investment climate statement by consulting this Department of State's URL

<https://state.gov/reports/2019-investment-climate-statements/morocco>

Trade & Project Financing

To pay for imports of goods and services into Morocco, local importers do not need an authorization from the Foreign Exchange Office (Office des Changes).

Methods of Payment

Foreign Exchange

In accordance with Article VIII of the International Monetary Fund statute dealing with convertibility for current transactions, and in line with the Moroccan liberalization measures initiated in 1993, the Foreign Exchange Office delegated to authorized Moroccan banks the power 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 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 30% of the invoice amount for all goods. Although the Foreign Exchange Office website mentions 40%, the latest General Instructions for Foreign Exchange Operations issued in December 2013, revised the new limit to 30%, with a limit of 50% for companies in specific sectors (aeronautics and space). 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 “payment is subject to justification of direct and exclusive shipment of goods to Morocco exceeding an import value of MAD 200,000 (\$21,000).” The transport documents justifying the shipment are: a freight bill, airway bill, bill of lading, document of combined means of transportation, or receipt from Post office for mail parcels.

Prepayment is permitted for the import of goods shipped Free on Board (FOB) valued up to MAD 100,000 (\$10,500). With respect to capital equipment, and goods temporarily admitted for active refinement (admission temporaire pour perfectionnement actif, ATPA), complete prepayment is permitted for import of goods shipped Free on Board (FOB) valued up to MAD 200,000 (\$21,000). It is also possible for the Moroccan bank to ensure full prepayment upon receipt of a document showing that the merchandise is in transit.

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

The regulatory authority with oversight over foreign exchange transactions is the Foreign Exchange Office. Guides to Moroccan foreign exchange regulations can be viewed at its website at <https://www.oc.gov.ma/en/regulation>.

Tax Issue for foreign billing

Invoices for professional services rendered outside of Morocco incur a 10% withholding tax. It is important to clarify with the Moroccan business partner if the bill does or does not include the 10% tax.

Alternate Payment Forms

For smaller payments to U.S. 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 make direct deposits.

Banking Systems

Morocco continues to modernize its banking system, originally modeled after the French system. Morocco's banks are some of Africa's largest, and several have become important on the continent and continue to expand their footprint.

The sector has a reasonably competitive landscape, with a number of homegrown financial institutions with international footprints, as well as several subsidiaries of foreign banks. According to the 2017 Annual Report on Banking Supervision published on July 2018 by the Central Bank (Bank Al Maghrib), the sector includes 19 traditional banks, five participatory banks (Umnia Bank, Bank Assafa, BTI Bank, Bank Al Yousr, Al Akhdar Bank), 32 financing firms, 13 microcredit lenders, seven offshore banks and nine money transfer firms. The sector is dominated by locally owned banks, which account for 82.3% of industry assets. Credit is allocated freely and the central bank uses indirect methods to control the interest rate and volume of credit.

The banking participation rate is approximately 60%, with opportunities for firms pursuing rural and less affluent segments of the market. Businesses must be registered in Morocco in order to open an account.

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.

Foreign Exchange Controls

Morocco maintains a system of foreign exchange controls managed by the Foreign Exchange Office (Office des Changes). The Moroccan dirham trades within a 2.5% band of a reference rate currently weighted 60% to the euro and 40% to the U.S. dollar. Because this reference rate is more heavily weighted to the euro, variations in the dollar-euro rate are generally reflected in the dollar-dirham rate.

The authority to buy and sell foreign exchange has been delegated to the banking system. Banks and financial institutions will carry out transactions upon presentation of appropriate documentation, 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 for foreign investors the repatriation of both invested capital and profits, provided that the initial capital investment was filed and registered appropriately.

U.S. Banks & Local Correspondent Banks

Local correspondent banks:

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

U.S. Banks with Moroccan Branches:

- Citibank Maghreb (Citigroup)

Project Financing

The principal multilateral financial institutions such as the World Bank (including the International Finance Corporation, IFC), the African Development Bank, and the European Investment Bank, the European Bank for Reconstruction and Development (EBRD) all lend to Morocco for infrastructure development.

Multilateral Development Banks

The U.S. Commercial Service maintains offices in each of the main Multilateral Development Banks, including the European Bank for Reconstruction and Development, the African Development Bank, and the World Bank. These institutions lend billions of dollars in developing countries for projects aimed at accelerating economic growth and social development by reducing poverty and inequality, improving health and education, and advancing infrastructure development. The Commercial Liaison Offices help American businesses learn how to get involved in bank-funded projects, and advocate on behalf of American bidders.

Web Resources

- Commercial Liaison Office to the European Bank for Reconstruction and Development <http://export.gov/ebrd>
- Commercial Liaison Office to the African Development Bank <http://www.export.gov/afdb>
- Commercial Liaison Office to the World Bank <http://export.gov/worldbank>

Business Travel

Business Customs

Many of Morocco's leading business executives are European-educated. 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. A growing number of U.S.-educated entrepreneurs returning to Morocco are contributing to an improved receptivity for U.S. firms and U.S. business culture.

Hospitality is an important cultural norm. U.S. business representatives are advised to politely accept invitations such as drinking tea or coffee. It is wise to build trust and friendship in order to advance business goals. Nevertheless, be wary of agreeing or entering into any "informal" business ventures, vet all proposals and document all commitments. Verbal agreements, which are common in Morocco, will not hold up in court.

The work week is 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 both private and public sectors work reduced hours (six hours/day). They remain open at mid-day but close earlier in the afternoon. Morocco is a predominantly Muslim country. During Ramadan, many local establishments refrain from serving any food during daylight hours and from serving any alcoholic beverages entirely (with limited exceptions for foreigners).

Travel Advisory

- For current travel information, and the department of State's Travel Advisory system refer to <https://travel.state.gov/content/travel/en/traveladvisories/traveladvisories/morocco-travel-advisory.html>
- U.S. Citizens traveling in Morocco are encouraged to register via the Department of State's Smart Traveler Enrollment Program (STEP) at <https://step.state.gov/step/>.

Visa Requirements

U.S. citizens and citizens of 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, Syria, and others. 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.

Currency

The Moroccan Dirham is the currency of Morocco. The [currency code](#) is MAD. It is subdivided into 100 centimes. The dirham is issued by Bank Al-Maghrib, the central bank of Morocco.

Telecommunications/Electronics

The national telecommunications network offers a range of services including cellular, paging, video conferencing, voice mail and Internet. The telecom market is dominated by three firms: Maroc Telecom, owned jointly by the state and Etisalat (UAE); Orange, owned by Orange (France); and Inwi, owned jointly by Zain

(Kuwait) and Al Mada, a holding company owned by the Moroccan royal family. Most U.S. phones will be able to roam in Morocco.

Transportation

Morocco's road network is among the most developed in Africa. Most parts of the country are readily accessible by well-surfaced roads. Casablanca's Mohammed V Airport is the largest airport in Morocco and one of the largest on the continent. It offers hundreds of direct, daily flights to the United States, Europe, the Middle East, and elsewhere in Africa, and receives more than eight million passengers per year. A reliable passenger rail system connects the major cities. In November of 2018, Morocco launched Africa's first high speed train. Known as the LGV, it connects the economic hubs of Tangier and Casablanca in two hours and ten minutes at a top speed of 320 kph (199 mph). A frequent ferry service runs to and from certain ports in Spain, France and Italy.

Language

Modern Standard Arabic is the official language, but the local dialect, called Darija, is the spoken vernacular. It differs substantially from Modern Standard Arabic, both in pronunciation and vocabulary. There is also a substantial Berber-speaking minority; however, this is generally not a language of business.

French is prevalent, especially in urban areas and among the educated. Generally, business meetings are conducted in French. Meetings with Moroccan government officials are most commonly conducted in French, while some ministries conduct meetings in Arabic. In the north of Morocco, Spanish is commonly spoken.

Moroccan entrepreneurs with degrees from the United States and other English-speaking countries may conduct business in English. As Morocco has a growing tourism sector, English is becoming increasingly common, particularly in the hospitality industry. 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.

Health

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 widely 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 is not usually 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 at the U.S. Embassy Morocco website:

<https://ma.usembassy.gov/u-s-citizen-services/local-resources-of-u-s-citizens/doctors/>

Local Time, Business Hours and Holidays

Morocco is on Greenwich Mean Time (GMT)+1, which is Eastern Standard Time (EST)+6 hours. Between 2008 and 2018, Morocco was on GMT and observed daylight savings time, advancing to GMT+1 from late March to late October. A government decree in late October 2018 kept Morocco on GMT+1, and the country did not change back to GMT.

NOTE that **for the month of Ramadan only**, Morocco usually reverts to GMT. Double-check timing of flights and meetings scheduled during this time frame.

Holidays observed by the U.S. Embassy and Consulate (local and U.S.) can be found here:

<https://ma.usembassy.gov/holiday-calendar/>

Note: Many religious holidays are based on the lunar calendar, change every year, and are only fully confirmed the eve of the holiday. Dates shown are those projected for the year.

Temporary Entry of Materials or Personal Belongings

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.

Travel Related Web Resources

<https://ma.usembassy.gov/>

<https://travel.state.gov/content/travel.html>