

Casablanca / Paris, 11 May 2015

## Morocco: The emerging market challenge

- **Growth in the Moroccan economy is being bolstered by domestic demand and has proven resilient**
- **The international and regional context highlights a number of structural weaknesses.**
- **With its diversification into high added value technological industries, such as the automotive and aeronautical sectors, Morocco aims to join the club of new emerging countries soon.**
- **Positioning as a “Hub” for the African market**

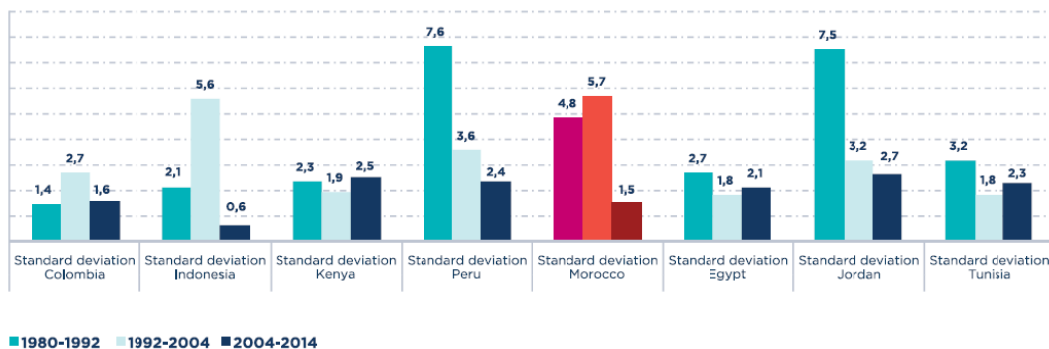
The Moroccan economy demonstrated its resilience during the recent global economic crisis and the “Arab Spring”. In what is an increasingly unstable international environment, Morocco has proven to be highly stable.

Thanks to its unique development model, the country has managed to increase its growth potential, while major emerging economies have slowed.

The challenge Morocco has taken on is not only to promote development within its traditional economic sectors, but also to diversify into higher added value products and services. The country is looking to attract more foreign direct investment (FDI) and to become, once again, a vital hub for trade between the European Union and the African continent, while strengthening its economic relations with the countries of Sub-Saharan Africa. Development along these lines could see Morocco soon joining the club of new emerging economies, as with Colombia and Peru.

This optimism does not however negate a number of persistent weaknesses - in particular the country’s large twin deficits and the high debt levels it has maintained over a number of years.

Analysis of standard deviations  
of growth rates by country and period



### **From traditional agriculture to agribusiness**

Launched in 2008, the “Green Morocco” plan now seems to be up to speed and producing significant results. Beyond simple agricultural production, it is transforming the entire value chain and moving towards the creation of an agro-industry. However, one of the brakes on development is undoubtedly the lack of increased value at the end of the chain. Efforts to develop the food processing sector are taking time and it accounts for just 5% of added value within Morocco’s GDP, compared with agriculture’s 15%.

### **New export sectors**

Morocco has initiated a diversification strategy targeted at developing high added value sectors. Taking advantage of its closeness to Europe’s leading markets, the country has implemented a series of measures aimed at attracting new players from high-potential industries, such as the automotive and aeronautical sectors. The port of Tangier and its Exportation Free Zone, along with the Nouaceur industrial zone on the outskirts of Casablanca, are part of this initiative. The emergence of these new economic sectors raises a number of questions on Morocco’s growth model, its development potential and the challenges facing these sectors.

### **When Morocco exports to the south**

With a potential market of more than 800 million consumers and a constantly growing demand for consumer goods, the countries of Sub-Saharan Africa represent a huge market outlet for Moroccan businesses. Supported by the public sector and the initiatives of a number of major private operators, Morocco is strengthening its economic links with the African continent through FDI and intensifying its network of commercial relationships.

### **MEDIA CONTACTS**

Maria KRELLENSTEIN - T. +33 (0)1 49 02 16 29 [maria.krellenstein@coface.com](mailto:maria.krellenstein@coface.com)  
Justine LANSAC – T. +33 (0)1 49 02 24 48 [justine.lansac@coface.com](mailto:justine.lansac@coface.com)

### **About Coface**

The Coface Group, a worldwide leader in credit insurance, offers companies around the globe solutions to protect them against the risk of financial default of their clients, both on the domestic market and for export. In 2014, the Group, supported by its 4,406 staff, posted a consolidated turnover of €1.441 billion. Present directly or indirectly in 98 countries, it secures transactions of 40,000 companies in more than 200 countries. Each quarter, Coface publishes its assessments of country risk for 160 countries, based on its unique knowledge of companies’ payment behaviour and on the expertise of its 350 underwriters located close to clients and their debtors.

In France, Coface manages export public guarantees on behalf of the French State.

[www.coface.com](http://www.coface.com)

Coface SA. is listed on Euronext Paris – Compartment A  
ISIN: FR0010667147 / Ticker: COFA

