



Morocco's Annual
Investment
Conference 2009

Opportunities for Growth and Progress

Intervention of

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Minister of Foreign Affairs
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Mansion House

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Honourable Lord Mayor of the city of London, Mister Alderman Ian Luder,
Mister Minister of State for Trade, Investment and Small Businesses,
Lord Davies of Abersoch,
Your Highness the Ambassador of His Majesty the King, Lalla Jomala Alaoui
Ministers, Excellencies,
Ladies and Gentlemen,

I am very happy to be here in London today, to take part in this important Conference which **confirms Morocco's strong determination to strengthen its relations with the United Kingdom.**

Already, our **political and strategic dialogue with the UK** has deepened positively, over the past years.

The strong presence of both Government representatives and the private sector clearly illustrates our will to also deepen and reinforce our economic ties with the UK in all types of fields.

For Morocco, the UK represents a **longstanding historic partner for centuries.**

The UK **continues to be an important partner for Morocco. But today, we seek to go even further.**

However, before I continue, **I would first like to clarify an important point.** I am sometimes told that there are certain countries that we privilege more than others.

Today, I have the opportunity to state, loud and clear, that Morocco works in full transparency, without any favoritism for one partner over another.

I am also sometimes told that Morocco's economy **lacks a certain transparency and visibility.** Perhaps this may seem the case from behind London smog.

I would like to share with you certain aspects of present day Morocco which completely overturn this notion.

Ladies and Gentlemen,

The Kingdom of Morocco has been engaged, over the past decade, in the **pursuit of a deep and global internal reform process**. This very wide-ranging process includes all facets of society – from the political, to the economic, social, and cultural – and concerns all social strata.

Conducted under the leadership of His Majesty King Mohammed VI, its overall goal is to **establish a modern, open and democratic society**.

To this effect, many **courageous and remarkable reforms and actions** have been **achieved and appreciated to their true value by the international community**.

Allow me to underline, in particular, **Morocco's political stability**, reflected both at the level of its political institutions and by the wide and active participation of civil society actors in public life and decision-making.

This **dynamic** - based on active commitment, inclusive approach and ongoing projects - are what define today's vibrant **"Moving Morocco"**.

As such, Morocco's dynamic economy continues to grow through the **structuring of its primary, secondary and tertiary sectors** which are *each* being modernized, diversified and made more competitive.

Therefore, Morocco's economy is **not uniform**, offering just one product or a few sectors, but provides a very wide array of opportunities within a large variety of sectors.

Efforts in this area concern:

(i) On a political level:

Morocco has actively worked to reinforce the Rule of Law and:

- speed up the modernization of public administration;
- the reform of the justice system;
- the promotion of public liberties; *and*
- the fight against corruption – especially through the creation of a *Central Body for the Prevention of Corruption*.

(ii) On an economic level:

- Morocco has undertaken important and ambitious projects aiming to develop key infrastructure and superstructure networks.

Allow me to give you an idea of the significant achievements obtained in this area.

During the current five year Government mandate (for the years two-thousand-eight to two-thousand-twelve), government funds invested in the transport sector amounted to eleven billion Euros.

This amount is four times more than what was invested between the nineteen-ninety-eight to two-thousand-two mandate.

Regarding Highway networks:

- Towards the end of the nineteen-nineties, forty kilometers of highway roads was built per year.

- Since two-thousand-six, we build around one-hundred-sixty kilometers per year.

- In two-thousand-ten we plan to build two hundred kilometers of highway roads and in two-thousand-eleven, three-hundred-twenty kilometers more.

As for ports:

- Some years ago, Morocco's global capacity for the management of maritime traffic was of seven hundred thousand ship containers.

- Since the launch of the first part of the key strategic port of TangerMED, we now accommodate three and a half million containers.

- In the next few years, Morocco will more than double its capacities when the extension of TangerMED and the construction of the port of Nador West will be completed.

In the area of railway networks:

- Morocco is modernizing its current railway network by actively pursuing a strategic development plan for high speed trains because it is quick, clean, collective and a major mode of transport for people and products.

- Work will begin in two-thousand-ten for the first phase: Tangier - Casablanca.

Concerning airports:

- Today, Morocco has eighteen international airports which have **significantly boosted flows** for both tourist and business visitors, supported also by the **Open Sky Agreement with the EU**.

- In addition, Morocco's telecom industry has rapidly grown, **especially the mobile phone sector**, and has largely met international standards in this area.

-Finally, the housing sector has also progressed significantly based on a **structured strategy** focusing on **three main areas**:

- upgrading urban infrastructures;
- building new cities; and
- the ambitious plan for "*Towns without Shantytowns*".

Ladies and Gentlemen,

Alongside these major infrastructure achievements, Morocco has launched a wide variety of targeted sectoral plans aiming to ensure that the key sectors of Morocco's economy continue to **grow and diversify based on ambitious, pragmatic and deliberate long term strategies**.

As it was just mentioned by Her Highness Ambassador Lalla Joumala Alaoui, these plans concern the sectors of: **tourism, industry, agriculture, fisheries, handicraft, domestic trade, new information technologies and recently, solar energy**.

This ambitious Solar plan, announced just last week, will develop solar energy plants as a **clean, renewable source of energy** that can **meet both national electricity demands and also, provide for European demands** through existing interconnected electricity networks with Spain.

All these sectoral plans are implemented based on **precise objectives, adequate funding and controlled programs** offering **real opportunities** for our British partners.

Morocco has also been firmly committed to the improvement of its business climate.

Significant efforts have been made through:

- the adoption of a charter promoting investments and small and medium businesses,
- a new code regulating competition and liberalizing prices,
- intellectual and industrial property codes,
- reforming rules of public tender procurements to promote greater transparency; and
- the establishment of industrial zones and duty free zones.

All these efforts are **supported and accompanied by a dynamic and well-structured banking sector** that is one of the most effective in the developing world.

(iii) On a social level:

The Kingdom of Morocco has undertaken a grassroots strategy aiming to fight poverty, rapidly curb our social deficits and promote human development by placing it at the center of our policies.

These objectives are being implemented through:

- **Action-oriented plans based on local governance, such as the National Initiative for Human Development**
- **Investing in people through an ambitious education reform program;**
- **Courageous legal reforms that have rehabilitated women's rights, such as the Family Code and the Nationality Code.**
- **Also, promoting women's empowerment (Three thousand four hundred and six women were elected at the communal elections earlier this year); and**
- **To promote, among youth, a higher awareness of their civic duties.**

We have also focused on **ensuring access to basic needs and services for all citizens**.

Not even ten years ago, **less than half of Morocco's population had access to electricity and running water.**

Today, we have **almost reached full coverage in this area.**

Ladies and Gentlemen,

This **important internal dynamic** of domestic reforms, policies and efforts is **supported, in parallel, by greater openness and diversification of our international cooperation** to further integrate Morocco's economy into the global economy.

These **two dimensions, internal and external**, are closely linked and grow by feeding each other.

To this end, my country's **economic openness has been reinforced by the conclusion of many international investment agreements**, of which **sixty one bilateral agreements** on the promotion and protection of investments, as well as **double taxation agreements** based on OECD and United Nations models.

Morocco has also recently **adhered to the Investment Committee of the OECD**.

Morocco also concluded **many free trade agreements with major partners** such as the European Union, the United States, the European Free Trade Association, some Arab countries and Turkey. It **makes Morocco one of the world's most important free trade network areas**.

The **main strategic objective** of these various bilateral and regional agreements is **to transform Morocco into an attractive platform for foreign investments**, thus creating a local added value whose **competitive products would then be exported through the wide network of free trade agreements**.

All these factors **demonstrate that Morocco is not just a potential market of more than thirty million consumers supported by important public investment programs**.

It is also a **truly global hub and a gateway for exporting, free of duties, towards several important markets around the world**.

Ladies and Gentlemen,

Through these internal and external policies, the Government seeks to firmly engage Morocco's economy on a **path of highly sustained growth** based on a **proactive approach** and also, **openness to the global economy making it a land of more and more business opportunities.**

Impressive results have already been obtained.

Firstly, allow me to underline the strong consolidation of Morocco's macroeconomic framework.

As mentioned before, Morocco has succeeded in maintaining **controlled public deficit, global debt and inflation rates and a balance of payments equilibrium**, while preserving a context of **regular economic growth and decreased unemployment rates.**

Morocco has also known an **important increase in Foreign Direct Investments.**

In addition, our major national companies, who are represented today among us, have **developed, over the last years, a strong presence outside of Morocco, especially in sub-Saharan Africa**, where they have significantly invested in many different sectors.

All of these combined achievements and Morocco's strong economic performance are reflected by a **clearly improved image of Morocco's economy** among international financial institutions, as well as with ranking agencies.

Ladies and Gentlemen,

Concerning transparency issues, as I have mentioned before, **important efforts have been made in order to improve Morocco's business climate.**

Our aim has been to **ensure that our business climate is as similar as possible to what can be found within the EU.**

To this extent, the Association Agreement concluded with the EU and more importantly, **the Advanced Status agreement** signed last year have brought Morocco and the EU closer together.

Morocco is, indeed, **the EU's first neighborhood partner country to benefit from this Advanced Status with the 27 member States.**

This reflects Morocco's significant progress and to the success of its strategic options with regard to a strong attachment to the European Economic area.

In this context, Morocco has been progressively working on the convergence of its legislations, regulations and norms with those of the EU internal market. These efforts pave the way for an even more promising future, especially for UK - Morocco relations.

Distinguished Guests,

We are not here today to tell you that all is perfect in Morocco. There are still things to be done, and we will do them.

In particular, as His Majesty the King recently underlined, significant efforts need to be made in the areas of justice, good practices, and simplified procedures.

But we are here to convince you that Morocco is advancing surely, developing profoundly and modernizing irreversibly.

The many important and diverse strategic projects underway offer great potential for a deeper and more strategic economic cooperation with your country.

Our common challenge is now to bring our respective interests together and define mutual goals for the future of our economic partnership which benefits from our total commitment both within the Government and - as I am sure you will hear from our economic operators - within the private sector as well.

My colleagues from the Government will surely give you greater insight on all the issues.

However, before I give back the floor, allow me to extend my very sincere and warm thanks to all those that have taken the time to be here today and listen to what we have to say. Your presence here is a first and promising step towards greater things yet to come between Morocco and the UK.

I therefore wish all of you full success in your proceedings which I hope will lead to fruitful contacts and to the identification of concrete investment projects to the mutual benefit of both our countries.

Thank you for your attention.