



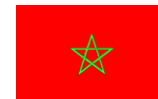
Kingdom of Morocco
Ministry of Industry, Trade
and New Technologies

MOROCCO'S ANNUAL INVESTMENT CONFERENCE

The Kingdom of Morocco's 2009

Economic Review and Investment Opportunities

Mr Ahmed Reda CHAMI, *Minister of Industry, Trade and new Technologies, in charge of Investments*



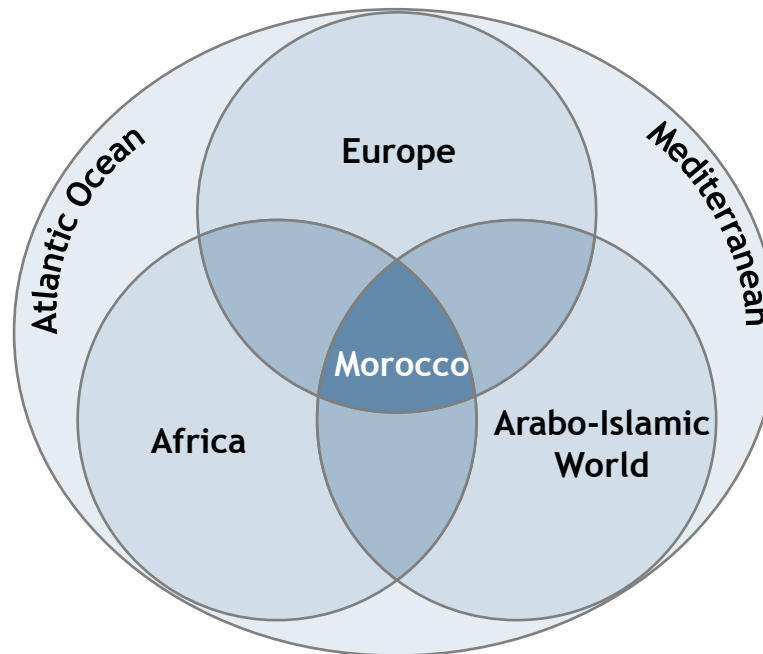
London,
Monday, November 9, 2009

Our location and our culture allow us to build bridges between multiple geographies

A history of multiple cultures

- Islamic values
- Amazigh culture
- Al-Andalous culture
- Tradition of tolerance with Jewish and Christian religious minorities
- Knowledge and affinities with French and Spanish culture

A unique position



A country of values

- Openness to the world
- Tolerance
- Sense of duty
- Hosting sense
- Solidarity
- Spirit of opportunity

AGENDA

1 MOROCCO ON THE MOVE

2 MAIN DEVELOPMENT AREAS

3 WHY INVEST IN MOROCCO?



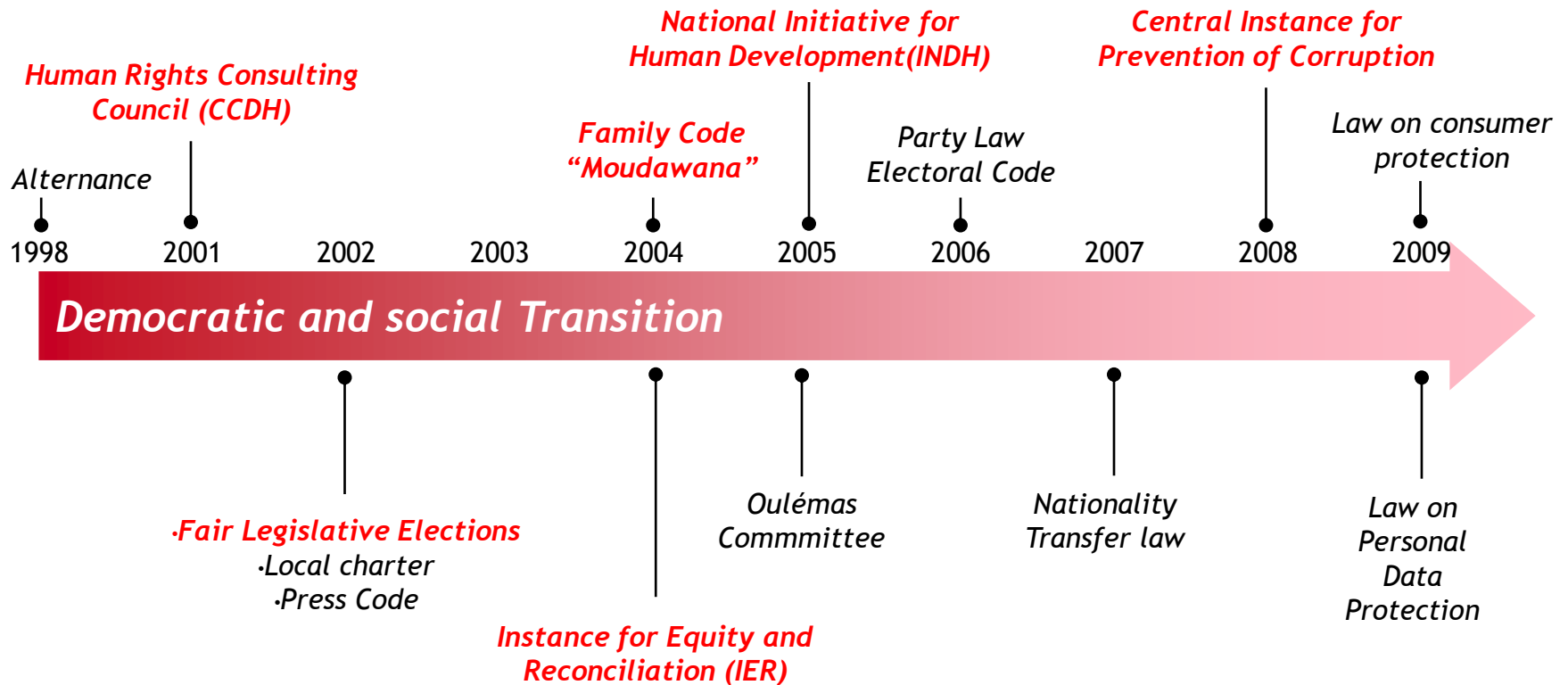
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1. MOROCCO ON THE MOVE

- The second oldest Kingdom in the world (12 centuries)
- A constitutional monarchy, constantly revisited,
- Monarchy = national identity, high level of legitimacy, stability and last recourse in terms of arbitration,
- A young King, very involved in fighting poverty (meeting MDG's goals),
- A coalition government in power, consisting of historic and legitimate parties

- ***In short, effective continuity and institutional stability,***
- ***Probably one of the most legitimate and peaceful institutional architectures...***
- ***...with the appropriate conditions for development***

Morocco has experienced an accelerated process of democratization in a stable political environment - with a special focus on social and human development as fundamental objectives...



...in parallel a clear acceleration of aggressive economic oriented reforms and policies over the last 5 years - Objective: Modern, Productive and Competitive Economy

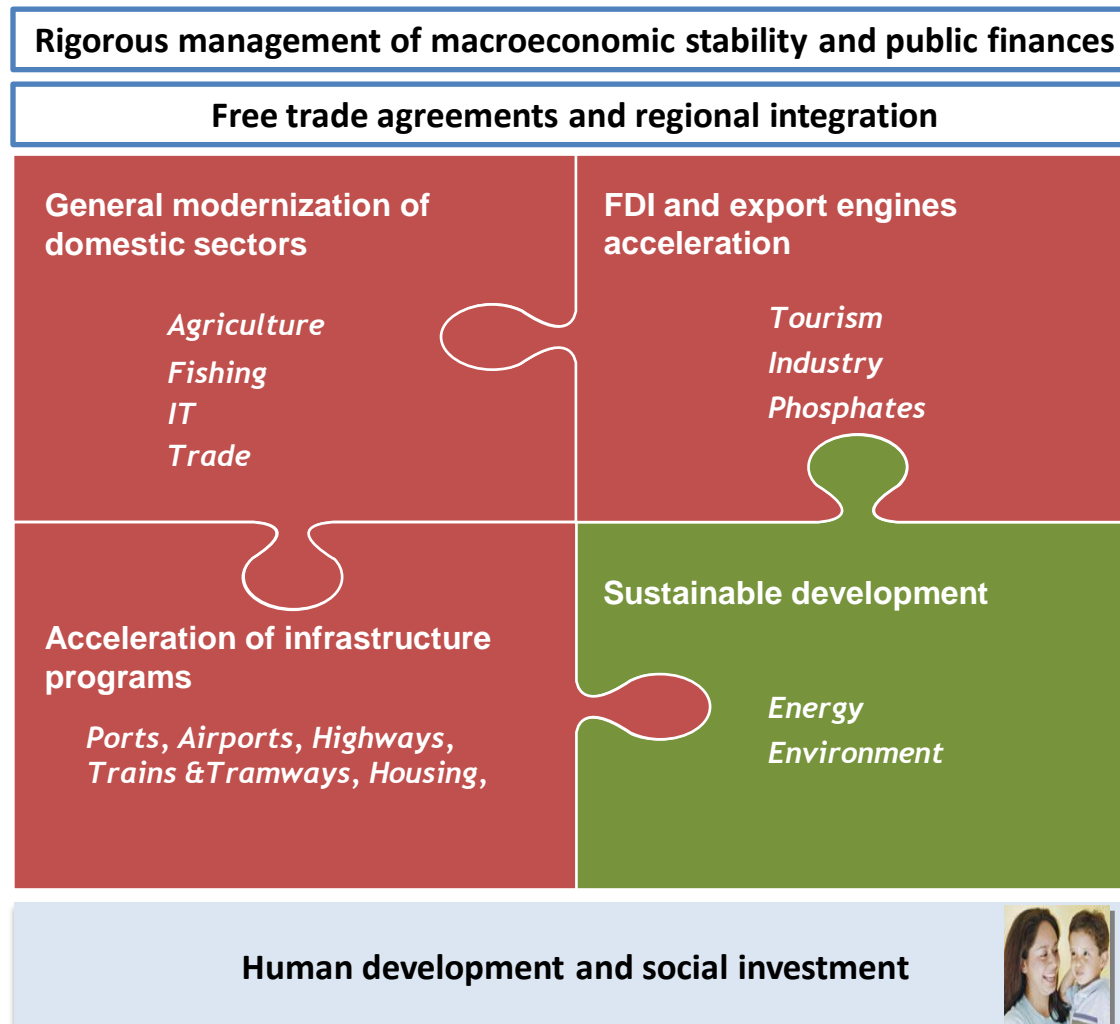
- **New generation of political and economic leaders** committed to enact the required reforms
- **Deep reforms** engaged:
 - **Privatization and liberalization** -> offer new and unlimited opportunities
 - **Judicial and legal system reform** -> protect investors and business environment
 - **Education system reform** -> provide human capital resources
- Major **investment** programs in **infrastructure**
- Voluntarist **sectorial development strategies**
- Advanced status with Europe: **converging toward european norms**
- Free Trade Agreements and customs dismantling -> **Morocco is the only country in the world with EU and US FTAs**



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2. MAIN DEVELOPMENT AREAS

A coherent and balanced development strategy





Morocco Green Plan (€ 13,6 Bln of investments till 2020)

- Two fold objectives:
 - **Economy:** develop a modern and competitive agriculture
 - **Social:** modernise small-scale agriculture and increase revenue of small-scale agricultors (fellahs)

- Various instruments: aggregation, infrastructure development, training, technical support

MAJOR IMPACTS by 2020

| | |
|---|--------------------------|
| Investments | € 13,6 bln |
| Additional work days | ~200 million days |
| Additional GDP | € 5,5 bln |
| Additional export volume of agricultural goods | 3.300.000 T |
| Additional ha for high value-added industries | 700.000 hectares |



« Halieutis » Plan

- A new integrated vision around 3 main themes...
 - **Sustainable exploitation** of resources and promotion of responsible fishing
 - **Development of a performing fishing** methods for an optimal quality in products' treatment
 - **Improvement of competitiveness** in order to conquer new market shares
- ...with various instruments:
 - National fund for **fleet modernization**
 - National Agency for **Aquaculture** Development

MAJOR IMPACTS by 2020

| | |
|---------------------------------|-------------------|
| Additional GDP | € 1,2 bln |
| Additional jobs | ~75.000 |
| Additional export | € 1,3 bln |
| Additional production | ~800.000 T |
| % of global market share | 5,4% |



Major investments and reinforcement (€ 11 billions for 2008-2012)

- **Highways:** over 1.000 km existing highways, 400 km more expected between 2008-2012
- Roads: approx. 15.000 km rural routes, 2.000 km / annum to reach the objective of covering 80% of the population by 2010
- Ports / «**Tanger Med**»: opening a port in Northern Morocco with international standards and a capacity of 3 million containers today and 8 million (total capacity) by 2012
- Airports: international airports (Airport Med V in Casablanca, Marrakech, Tanger, Agadir ...)
- **Railways:** high-speed railway between Tanger and Casablanca
- **Tramways:** Rabat and Casablanca
- Utilities: major investment in water supply / sanitization, new management styles (delegated management)
- **13 new urban centers** and a social housing program(200.000 housing units/year)



Vision 2010 - 10 million tourists (€ 9 Billions of investments till 2010)

- Tourism = traditional area thanks to **Morocco's decisive natural assets** (proximity, climate, history, culture etc.)
- Clear and numbered objectives:
 - ✓ Touristic entries, **the target to be reached is 10 million tourists**
 - ✓ **Hotel capacities, 160.000 beds** will be created
 - ✓ **Receipts: € 48 billion** in currency receipts;
 - ✓ **Employment: 600.000 new jobs** will be created
- **2001: 4.379.990 tourists** → **2008: 7.878.639 tourists**

EXAMPLES OF MAJOR ACHIEVEMENTS

- **Open Sky**
- **First Plan Azur resort « Saidia »** opened in June 2009 (713 ha, 17.000 hotel beds, 13.000 residential beds)
- **Second Plan Azur resort « Mazagan » (Kerzner Group)** opened in October 2009 (504 ha)



The Pact for Industrial Emergence (€ 1,1 Bln of public investments and € 4,5 Bln of private investments till 2015)

Development of Global Activities in Morocco and Construction of Integrated Industrial Parks to accommodate investors

Activities directed towards Foreign Direct Investments



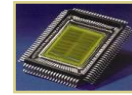
Offshoring



Automotive



Aeronautics
&Space



Electronics

Traditional Activities



Agriculture & Food



Textile &
Leather

Reinforcement of business competitiveness

- Improvement of **SME** competitiveness
- Adequacy between **training** and specific needs of the industry
- Improvement of **business climate**

Establishment of an executive instrument aimed at promoting and developing investment:
the **Moroccan Investment Development Agency (MIDA)**

Morocco, through OCP Group, has a leading position in the phosphates industry

1. Morocco has the **largest phosphate global reserves**: From $\frac{1}{2}$ to $\frac{2}{3}$ of world reserves
2. Morocco is **3rd producer** and **1st exporter** of phosphates under all its forms (Phosphate rock, phosphoric acid, solid fertilizers)

Since 2008, a new policy for fertilizers, based on 4 pilars, has been adopted

1. Additional mining capacity: **4 new mines for an additional capacity of 20 MT/year**
2. **International chemical products hub** with the capacity to accomodate **10 new fertilizer units**
3. **Strategic partnerships and JVs** for phosphore acid and fertilizer factories - FDI estimated at 10 bln Euros
4. Improvement of in-country transportation: **construction of 2 pipelines** and a port terminal dedicated to export



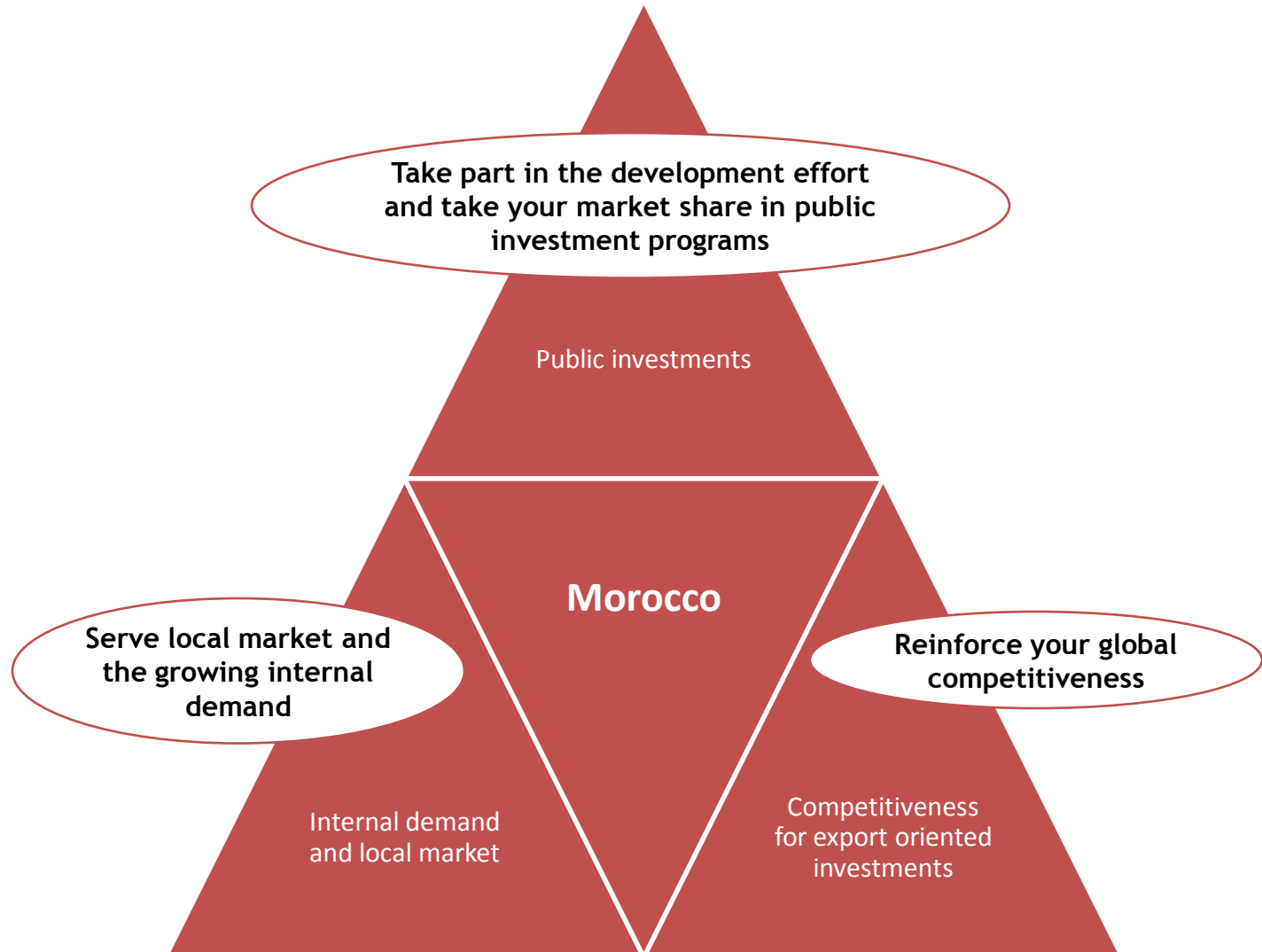
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3. WHY INVEST IN MOROCCO ?

WHY INVEST IN MOROCCO ?

The investors' 3-rational pyramid

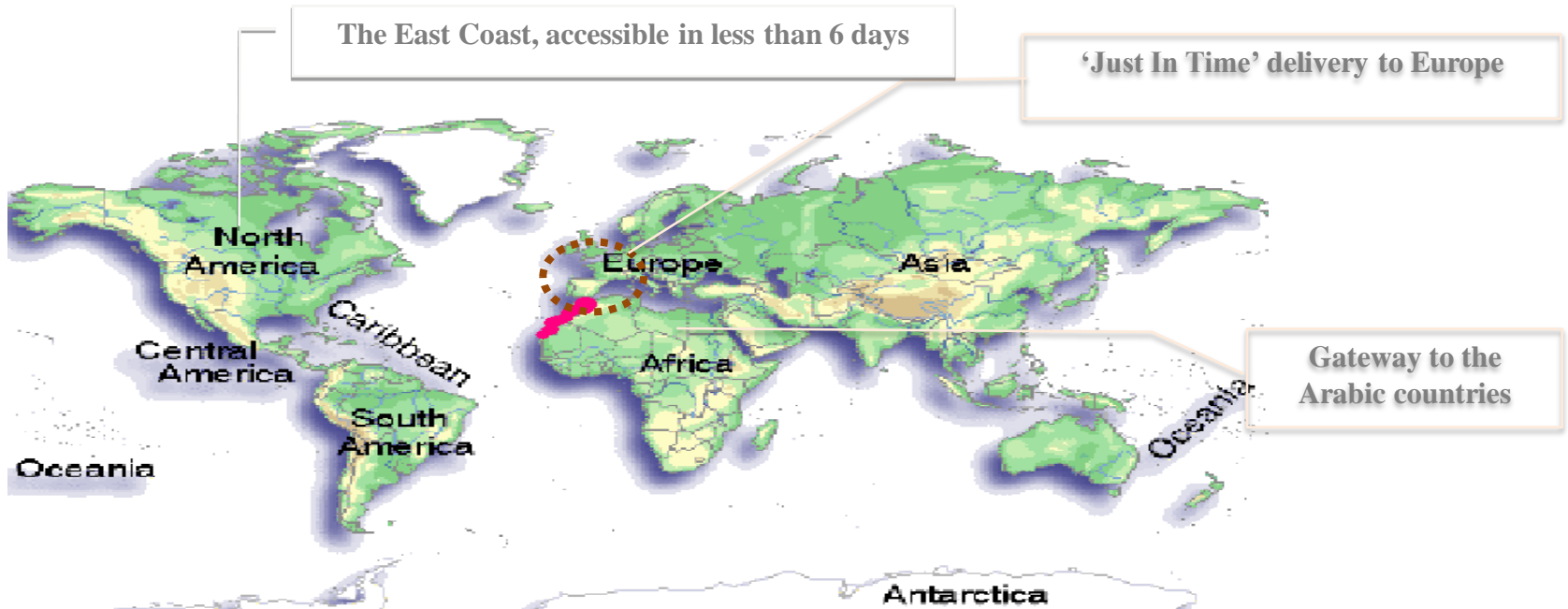
There are 3 main reasons to invest today in Morocco...



WHY INVEST IN MOROCCO ?

Market access

Duty free access to a 1,3 billion consumer market



-
- Agreement with the EU (1996) **Strengthen the traditional market**
 - Agreement with EFTA (1997)
-
- Agadir Agreement (2004) **Expand domestic market**
 - Arab League Agreement (1998) **(automotive)**
-

-
- Turkey (2004) **Euro-Mediterranean Integration / cumulation of origin (textile)**
-

- Agreement US (2005) **Regional characteristic**
-

- WAEMU Agreement (in progress) **Access to the African market**
-

WHY INVEST IN MOROCCO ?

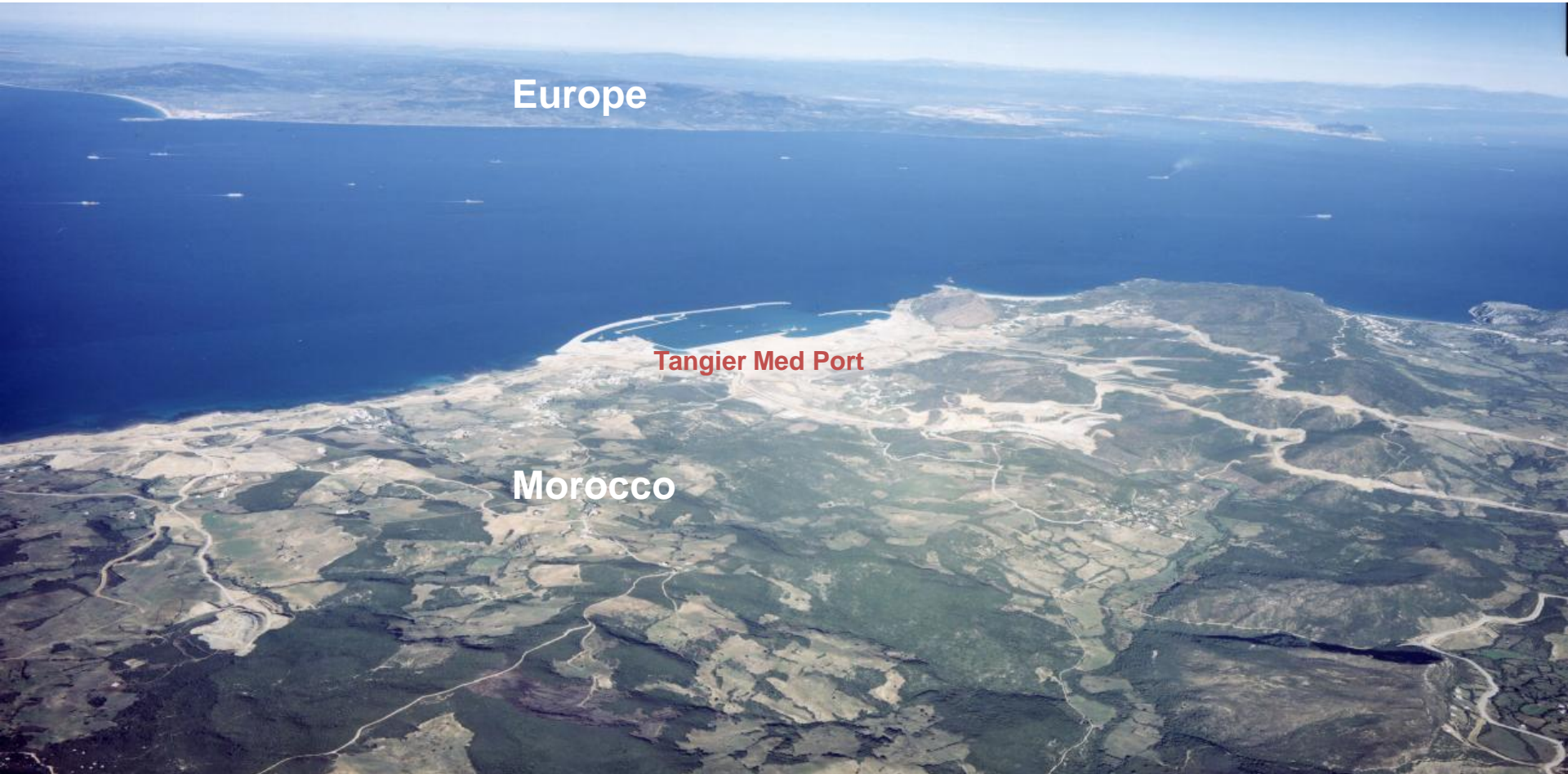
Logistic location

The best delivery platform to Europe



WHY INVEST IN MOROCCO ?

A picture is worth a thousand words...



WHY INVEST IN MOROCCO ?

Morocco Value Proposition

Structural assets

- Logistic proximity (delivery to Spain and Southern France in 24 h)
- Pool of resources at competitive costs
- Quality Port and maritime infrastructure



A targeted and determined strategy

- Dedicated Zones (Real Estate, Administration, Services)
- Targeted Training Plan
- Attractive Sectoral Incentive Plan



Morocco Value Proposition covering 3 parts

Part 1
"World Class"
Infrastructure & Services

Part 2
Competitive
Pool of Resources

Part 3
Sectoral incentive
framework

Part 1 Infrastructure and Services "worldclass"

- **Integrated industrial parks**, either dedicated to a specific sector or generalist
- Diversified and flexible « **ready-for-output** » infrastructure
- Light **administrative** procedures (effective 'one-stop-shop' on the area)
- **Infrastructures and services** able to meet the highest international standards as to quality and costs
- High level **logistics** in the Tangiers Med port area

Part 2 Competitive Pool of Resources

- **A pool of** available and competitive **human resources**
- **National Training Plan tailored to** the specific needs of industry
- Plan **10.000 engineers** / year
- **Specialised training institutes**, set up in cooperation with international training partners
- **Training subsidies** (initial and during the first 3 years in strategic sectors directed towards FDI (Global activities in Morocco)

Part 3 Sectoral incentive framework

- *Massive tax relief for companies* – complete **exemption for the first 5 years**, and **8.75% for the following 20 years in the free zone**
Average Tax Rate: 7% over 25 Years
- Total relief of social charges during 24 months for the 1st employment (max. salary 550 €)
- Financial aid for installation on the main areas

WHY INVEST IN MOROCCO

They trust Morocco

LEONI

YAZAKI

LAFARGE

AXA

LEAR CORPORATION

RENAULT NISSAN

ACCOR

ST

Valeo

PSA PEUGEOT CITROËN

Microsoft

accenture

Pfizer

Atos Origin

Unilever

faurecia

P&G

GE

MATRA
AUTOMOBILE ENGINEERING

pininfarina

Unilever

faurecia

MAERSK

MAERSK

Bayer

BNP PARIBAS

Holcim

TATA

Roche

DELL

SAFRAN

DELPHI
Driving Tomorrow's Technology

Capgemini
CONSULTING. TECHNOLOGY. OUTSOURCING

kerzner

NOVARTIS



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THANK YOU FOR YOUR ATTENTION

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