



U.S. Department of State FY 2001 Country Commercial Guide: Morocco

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This Country Commercial Guide (CCG) presents a comprehensive look at Morocco's commercial environment using economic, political and market analysis. The CCGs were established by recommendation of the Trade Promotion Coordinating Committee (TPCC), a multi-agency task force, to consolidate various reporting documents prepared for the U.S. business community. Country Commercial Guides are prepared annually at U.S. embassies through the combined efforts of several U.S. government agencies.

CHAPTER I: EXECUTIVE SUMMARY

One year into his reign, King Mohammed VI has demonstrated the energy and determination to reform Morocco's economy and to deepen its democratic structures. King Mohammed's extensive travel throughout the country has earned him tremendous respect among his people. The King has taken a number of bold steps in his first year on the throne, including replacing the powerful Minister of Interior Driss Basri in November 1999 with Ahmed Midaoui, a Ministry of Interior veteran with a reputation as a reformer. The King has also established a Royal Commission on Investment to improve Morocco's competitiveness in attracting foreign investment.

Relatively strong macroeconomic indicators coupled with stubborn structural problems characterize the Moroccan economy. Morocco's inflation levels are on par with industrialized countries, and foreign currency reserves provide approximately six months of import coverage. Despite these strong macroeconomic figures, however, economic growth has been anemic in Morocco over the last decade, partially as a result of dependence on agricultural and the recurrence of drought. Two consecutive years of worsening drought have led the economy to shrink by 0.7 percent in 1999, with growth predictions in 2000 of only 0.7 percent. Unemployment in Morocco is high, with urban unemployment in excess of 22 percent.

The government headed by Abderrahmane Youssoufi has made progress in reforming Morocco's economy. Under Youssoufi's government, important steps have been taken to make the public tender process more transparent, update Morocco's intellectual property rights legislation, develop a specialized commercial court system, and aggressively liberalize the telecommunications market. The government has embraced a USAID-funded Investor Roadmap process to identify and resolve common barriers to foreign and domestic investment.

Despite the broad progress made by the government on economic reform, there is frequent criticism that the government is not moving quickly enough on reform. The

government bureaucracy is extensive and considered top heavy with 43 ministers, many of whom have conflicting or overlapping portfolios.

In order to increase the attractiveness of Morocco and the rest of the Maghreb as a destination for U.S. business, the United States, Morocco, Algeria, and Tunisia have formed the U.S.-North Africa Economic Partnership. The goal of the partnership is to encourage structural reforms and regional economic integration in the hope of unlocking a market of global importance. The Morocco-EU Association Agreement, which went into effect in March 2000, will accelerate Morocco's integration into Europe.

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

(1) Telecommunications/Information Technology, (2) Electric Power Systems, (3) Environmental Technologies, (4) Water and Waste Water Treatment and (5) Tourism (hotel/resort construction, infrastructure, management and services). At the top of the Foreign Agricultural Service's best prospects list are (1) wheat, including durum, (2) feed grains and (3) crude vegetable oil.

An international call for bids in the partial privatization of the telephone company, Maroc Telecom, is expected in fall 2000. Other privatization projects lined up are a strategic stake in the flag carrier, Royal Air Maroc and the sale of the largest bank, Banque Populaire. U.S. Companies are involved in tenders for aircraft (a \$1 billion + Royal Air Maroc fleet renewal); the National Office of Electricity's (ONE) tender for a 450 MW combined cycle power plant at Tahaddart; ONE's tender for a 200 MW Wind Park; Electricity, Water and Wastewater Distribution in Tangier and Tetouan; Controlled Landfill in Fes (these last two through the Ministry of Interior) and a Driver's License and Vehicle Registration tender through the Ministry of Transport.

The second GSM mobile phone license was inaugurated in April, 2000. Meditel, the Spanish Telefonica-led consortium with Portuguese and Moroccan partners, gained 220,000 subscribers in their first quarter. The new license has received unexpectedly stiff competition from the existing license held by the Moroccan state-owned telephone company, Maroc Telecom, all a good sign of opportunities for growth in this sector as well as a very receptive market. Internet cafes abound in Casablanca, and the telecom infrastructure is reliable and dependable compared to other countries in the region.

FY 2001 should see the launch, after many years of waiting, of a tender for solid waste management in Casablanca, covering collection, transfer and treatment of waste from Morocco's largest city. Improvement in waste treatment, pollution control (air and water) as well as alternative energy projects will illustrate the benefits that technology can bring to improve quality of life.

Morocco offers significant investment opportunities, particularly as a packaging and assembly base because of its strategic location for exporting into North and Francophone Africa, Europe and the Middle East. Significant incentives exist for import of capital

equipment and raw materials for re-export. The tourism sector is underdeveloped in contrast to the potential offered by Morocco's coastline, deserts, mountains and historic cities. Opportunities exist in this sector for architectural and engineering services, infrastructure development (water, wastewater, telecommunications), franchising, hotel and restaurant management and services. The severity of the drought in 2000 has highlighted the need for more efficient and innovative ways in which water can be used and distributed both in rural areas and agribusiness.

King Mohammed VI's successful state visit to the U.S. in June, 2000 was a high point in the bilateral relationship and demonstrated that the U.S.' relationship with its first friendship treaty partner is strong and durable. Hopefully more U.S. companies will pursue active leads and prospects in Morocco and the Maghreb region to put more American products, services and equipment into the hands of consumers, clients and users – further strengthening the solid bonds between the two countries.

Country commercial guides are available for U.S. exporters via the World Wide Web at www.usatrade.gov. U.S. exporters seeking general export information/assistance and country-specific commercial information should contact the U.S. Department of Commerce, Trade Information Center by phone at 1-800-USA-TRAD (E) (1-800-872-8723).

CHAPTER II: ECONOMIC TRENDS AND OUTLOOK

Major Trends and Outlook:

Morocco boasts the world's largest phosphate reserves, a diverse agricultural sector, rich fisheries, a sizeable and growing tourist industry, a growing manufacturing sector (especially clothing), and a dynamic, deregulated telecommunications sector. There is a considerable inflow of funds from Moroccans working abroad. The illegal production and export of cannabis also plays a role in the Moroccan economy, particularly in the north. Most of Morocco's trade is with Europe, with France alone accounting for about a quarter of Morocco's imports and a third of its exports.

Principal Growth Sectors:

Agriculture: Agriculture accounts for between 15 and 20 percent of GDP (depending on the harvest) and employs about 40 percent of the workforce. Morocco is a net exporter of fruits and vegetables, and a net importer of cereals. Over 90 percent of agriculture is rain-fed.

Agricultural output has been dampened significantly by insufficient rainfall over the past two years. Fall cereal (wheat and barley) production dropped by over 70 percent compared to the five-year average. This is expected to impact heavily on the growth of the economy because agriculture continues to account for over 15 percent of the total GDP. Also, the insufficient rainfall has resulted in poor pasture conditions that are forcing the government to take several drought relief measures including larger imports of feed.

Fishing: The fishing industry is a key sector of the Moroccan economy, employing about 300,000 people directly and indirectly, and accounting for over \$600 million in export earnings. Morocco did renew its fisheries agreement with the European Union (EU), which expired on November 30, 1999. The relatively undercapitalized Moroccan fishing fleet has difficulty competing with the highly industrialized European fleet. Working to better manage its fish resources, the GOM has been imposing periodic fishing bans on various types of fish and regions.

Industry: Industrial output rose 2.8 percent in 1999, and is expected to continue to expand by over three percent per year in 2000. Electricity generation is rising as new thermal generating capacity comes on line and hydroelectric production continues at high levels.

World market conditions will determine developments for Morocco's export industries, notably phosphate derivatives, processed agricultural products and clothing. Much of the clothing production is done under contract with European companies that provide the inputs and receive the finished garments.

Mining: Morocco has the world's largest phosphate reserves. The export of phosphates and its derivatives (phosphoric acid and fertilizer) account for about 18.5 percent of Moroccan exports. The export earnings of phosphate and phosphate derivatives reached \$1.4 billion in 1999, the same level recorded in 1997.

Morocco's other mineral resources include copper, fluorine, lead, barite, iron, and anthracite. Globally, Morocco is a significant producer and exporter of industrial minerals. It is also a significant regional producer of base metals, primarily for Europe.

Telecommunications: The Moroccan government has decided to open up the entire telecommunications sector to competition by 2002. This year state-owned Maroc Telecom saw its monopoly on voice transmission end with the introduction of competing mobile service by the Spanish-Portuguese consortium Meditel (Meditel paid \$1.1 billion in 1999 for the license to provide this service). Morocco has recently awarded four VSAT licenses to provide data transmission. Over the next two years, Morocco will award licenses for closed-loop networks, international service, as well as additional mobile phone licenses. State-owned Maroc Telecom is slated for partial privatization over the course of 2000.

Government Role in the Economy:

The Moroccan government has gradually reduced its role in the economy over the last decade. In particular, it ceased direct credit and foreign exchange allocation, reduced trade barriers, restrained government spending, and embarked on an extensive privatization program, including the telecom sector and concessions in energy and utilities.

Monetary policy: With the inflation rate averaging less than three percent in the 1990's, monetary growth has remained steady in recent years. Foreign exchange reserves have been rebuilt since dipping during the drought of the middle part of the decade. They now stand at about \$6 billion, covering almost six months of imports. Broad money grew by about 10.2 percent in 1999.

Fiscal policy: The Moroccan government has made a concerted effort to reduce its budget deficit in recent years, averaging under three percent. The deficit fell to 2.3% of GDP in FY 1998-99 and is slated to remain below 3% of GDP in FY 1999-2000.

Foreign Exchange Regulations: The Moroccan Dirham is convertible for all current transactions (as defined by the IMF's Article VIII) as well as for some capital transactions, notably capital repatriation by foreign investors. Foreign exchange is available through the commercial banks on presentation of appropriate documents. Foreign firms have complained about the complexity of remaining restrictions on foreign exchange. Private Moroccan resident individuals face several foreign exchange restrictions, notably against internationally accepted credit cards.

The Central Bank maintains an exchange rate peg for the Dirham against a basket of currencies of its principal trading partners. The rate against the basket has been fixed since a nine- percent devaluation in May 1990, with changes in the rates of individual currencies reflecting changes in cross rates. Some economists feel the Dirham is overvalued against European currencies, but the government argues consistently against devaluation.

Foreign Trade: Morocco has gradually reduced barriers to trade over the last decade, although the level of protection remains high. The maximum tariff rate is 35 percent, except for a few agricultural products for which quantitative restrictions were replaced by tariffs of up to 290 percent, in line with Morocco's World Trade Organization commitments. In addition to tariffs, there is an import surtax of up to 15 percent on most goods.

Privatization: Morocco launched a privatization program in 1992 and since then 58 out of 114 state enterprises have been sold, raising \$1.7 billion. On March 31, 1999 parliament approved an amendment to the privatization law which pared to 28 the remaining enterprises to be sold off, mainly reflecting legal and financial problems in the others. The law also provides a legal framework for other state-owned enterprises to be privatized in the future. Among the entities to be privatized are six sugar plants, nine hotels, three banks (Banque Centrale Populaire, Banque Nationale pour le Development Economique, Credit Immobilier et Hotelier) and the state fertilizer company Fertima. The Ministry of Privatization is preparing for the sale of a strategic stake in the telephone operator Maroc Telecom. The competition is slated to take place during 2000. There are also plans to privatize a share of the national carrier, Royal Air Maroc, through a combination of international tender and placement on the stock market, as well as the privatization of the state-run tobacco marketing company.

European Union Trade Preference: Morocco's Association Agreement with the European Union went into effect on March 1, 2000. The agreement calls for the gradual elimination of tariffs on Morocco-EU trade in industrial goods over the next 12 years. Agricultural products (including Morocco's most important agricultural exports like citrus and tomatoes) are not covered by the agreement. Morocco already enjoys free access to the EU for virtually all non-agricultural products under a 1976 agreement. Thus the major effect of the agreement will be to phase out Moroccan tariffs for EU manufactured goods. The free trade provisions of this agreement do not apply to the exchange of agricultural products between Morocco and the EU.

Trade and Investment Framework Agreement (TIFA): The 1995 TIFA between the United States and Morocco provides that both parties will take appropriate measures to encourage and facilitate trade in goods and services, and to establish favorable conditions for the long-term development of bilateral trade and investment. Working groups of U.S. and Moroccan officials and private sector representatives have been established to address, on a regular basis, specific measures to achieve these objectives. For example, talks to date have covered reduction of tariffs on certain U.S. products, streamlining of customs and bureaucratic procedures, and specific problems faced by U.S. firms in Morocco. An OPIC agreement, signed in 1961, and updated in 1995, was ratified by the Moroccan parliament in June 1999.

Balance of Payments Situation:

Morocco runs a chronic merchandise trade deficit, which is generally offset by receipts from tourism, workers remittances and foreign investment. In 1999 imports increased by 7.4 percent while exports increased by 5.4 percent. Exports are only 68.2 percent as large as imports. Foreign investment increased by 240 percent in 1999 as result of the successful sale of a second mobile phone license. In 1999 tourism receipts increased by 14.7 percent while worker remittances fell 1.6 percent.

Merchandise Trade: The trade deficit remained steady in 1999 at 36.5 billion Dirhams. Citrus fruit and phosphates and its derivatives led export growth. Imports of crude oil increased by 65.4 percent in dirham terms, reflecting the increases in world oil prices. Food imports are expected to increase in 2000 due a second successive year of drought.

Tourism: The number of tourists in Morocco increased by 18 percent in 1999, to 2.35 million visitors, and tourism receipts increased by 14.7 percent. The tourism sector has shown strong growth over the past few years, especially in Marrakech and Agadir. The land border with Algeria – formerly the largest single source of foreign tourists – remains closed.

Workers' remittances: Remittances fell in 1999 by 1.6 percent to \$1.94 billion. Remittances have fallen four of the last five years. Moroccan economists expect remittances to trend downward in the future if the European economies (where over 1

million Moroccans live) remain slack, and as ties between the overseas Moroccans and their homeland weaken.

Foreign investment: Foreign investment inflows tripled in 1999, almost 50 percent higher than the previous record set in 1997. The level was reached thanks to the sale of a second mobile phone license for \$1.1 billion to the Spanish/Portuguese firm Meditel.

Foreign debt: Morocco's foreign debt burden has declined steadily in recent years. Morocco last rescheduled its Paris Club debt in 1992. The French and Spanish governments, and since early 1999 the Italian government, have engaged in debt-equity swaps with Morocco, and Morocco is seeking the cooperation of other lenders. Morocco's current debt service ratio of approximately 20.0 percent of exports of goods and non-factor services appears sustainable. External public debt fell to \$17.5 billion in 1999.

Infrastructure Situation:

Morocco is making the development of its communications and transportation networks a top priority. With many improvements already achieved and several projects underway in these two sectors, Morocco's infrastructure for the distribution of goods and services is good.

Roads and Highways: Morocco's 60,000 km road network is among the best in Africa. Most parts of the country are readily accessible by well-surfaced roads. Most agricultural and manufactured goods move by road. With the completion of a toll-highway linking Fez and Rabat, Morocco now boasts 466 kilometers of highways linking the coastal cities of Casablanca, Rabat and Assilah, and the inland cities of Fez and Meknes. However, the slow progress of the highway between Casablanca and Marrakech is a frustration to residents, tourists and distributors, and the road between Casablanca and Jorf Lasfar, passing through the resort town of El Jadida has been the scene of frequent traffic accidents involving fatalities. Traffic in Casablanca continues to be clogged due to insufficient signaling, absence of pedestrian overpasses and lack of parking and traffic enforcement.

Airports: There are eleven major airports in the country. The largest international airport "Mohammed V", located 35 km south of Casablanca, offers about fifty regular flights per day to Europe, the United States, Canada, the Middle East and several African cities. Merchandise can be transported to and from the airport by truck or by train. The Moroccan Airport Authority "Office National Des Aeroports" (ONDA) launched in 1993 an ambitious program to modernize the infrastructure of all national airports. All airports have modern equipment to increase traffic security and safety, and to improve the airspace radio coverage. Runways are being extended to receive large planes and training is provided to airport technical agents.

Air transportation: Royal Air Maroc, Morocco's national airline, has a well-developed route structure, particularly to Europe and the Middle East/Gulf as noted above. The carrier has modernized its middle and short-haul fleet with the purchase of new generation Boeing 737s, and has augmented service to France and Egypt by leasing two additional 737-800s. RAM launched a tender for a fleet renewal to replace its middle/short haul and long haul aircraft. RAM has announced plans to enter a code share agreement with Delta Airlines to go into effect in October 2000. Regional Airlines competes with RAM on certain domestic routes as well as to Lisbon and Malaga. Regional recently ordered five Brazilian-manufactured Embraer Regional Jets 135 & 145 for the expansion of its fleet. The jets are equipped with U.S. state of the art avionics from Honeywell. The engines are from Allison Rolls Royce out of Cincinnati and the cabin design is manufactured by C&D, a California firm.

The Rail Network: The rail company, the "Office National des Chemins de Fer"(ONCF), plays an important role in the Moroccan economy. It employs 13,820 people and operates on some 2,000 km of track. ONCF handles the transportation of phosphates, fertilizers, chemical products and other minerals. Ambitious plans are scheduled to modernize and extend the network.

Shipping Network: The National Port Authority, "Office d'Exploitation des Ports" (ODEP) is the managing body. The port infrastructure handles 98% of the country's foreign trade. Morocco's twenty-four ports posted a record of 52.9 million tons in 1999, an increase of 9% compared to 1998. The port of Casablanca, the second largest in Africa handled 37% of goods imported and/or exported. Morocco's shipping costs are high in comparison to its Mediterranean competitors. There is frequent ferry service to and from Spain and France for tourists.

Telecommunications: The telephone system has greatly improved in the last five years. The national telecommunications network offers a range of services including cellular, paging, video conferencing, voice mail and Internet. Total telephone lines reached close to 1,455,853 at the end of 1999, still low on a per capita basis. In July 1999, a second GSM license was awarded. The competition with the existing license (held by state-owned Maroc Telecom) brought about intense marketing and promotion. As a result, the existing Maroc Telecom increased its subscribers from 173,000 in 1998 to over 1,000,000 by summer, 2000; the second license holder, Meditel, gained close to a quarter million subscribers in its first three months. Licenses were also awarded during 1999-2000 for GMPCS and VSAT.

CHAPTER III: POLITICAL ENVIRONMENT

Nature of the Political Relationship with the United States:

Morocco's bilateral ties with the United States date back to 1787 when the Sultan of Morocco and the fledgling American republic signed a treaty of peace and friendship and established diplomatic relations (placing Morocco among the first nations to recognize the independence of the United States). Since the end of French protectorate in 1956, Rabat and Washington have enjoyed close ties. Morocco's early activism in the search for peace in the Middle East, and in other peacekeeping activities, have made the Kingdom a valuable partner on the international stage. King Hassan II, who reigned from 1961-1999, enjoyed a warm relationship with a succession of American presidents. Soon after he came to power, the new King, Mohammed VI expressed appreciation for the presence of the President and Mrs. Clinton at his father's funeral, as well as for continuing American "solidarity and support." The close relationship between the first family and the king Mohamed VI was further strengthened during the king's state visit in June.

Major Political Issues Affecting the Business Climate:

Among the major political issues that could affect the business climate is the yet unresolved Western Sahara dispute. An armed national liberation force, the Polisario, based in Algeria, clashed with Moroccan troops in the region prior to an UN-brokered cease-fire in 1989. A UN peacekeeping presence remains in the region preparing for an UN-brokered permanent settlement through a United Nations Security Council-sponsored referendum. Civil unrest and religious violence, which continue to plague Morocco's eastern neighbor Algeria, have not spread to Morocco. Islamic extremism has not gained widespread support in Morocco, although social strains caused by increasing economic disparities are leading to growth in the Islamic movement. Cannabis production in northern Morocco is a major source of regional income and is a concern to Morocco's European neighbors, but has not destabilized the region.

Brief Synopsis of the Political System:

Morocco is a monarchy, which was led by King Hassan II for 38 years until his son, Mohamed VI, assumed the throne following King Hassan's death July 23, 1999. In September 1996, a constitutional referendum divided the Parliament into two chambers. In the new bicameral parliament, elected in November 1997, the Lower House was directly elected, while the upper house is made up of representatives elected by professional and trade organizations, labor councils, communal councils and chambers of commerce. King Hassan II selected Abderrahmane Youssoufi as Prime Minister, who then chose most of the remaining cabinet members.

Morocco is divided into provinces, prefectures and regions, all of which are administered by non-elected officials from the Ministry of Interior. Cities and rural communes elect communal councils headed by presidents chosen by the council members. Several of Morocco's larger municipal councils elect a President of the Urban Commune, a sort of mayor. These urban communes were recently granted greater budget authority by the Moroccan Parliament. Most local authority, however, remains in the hands of the non-elected officials of the Ministry of Interior.

CHAPTER IV: MARKETING U.S. PRODUCTS AND SERVICES

Distribution and Sales Channels:

The primary point of entry for foreign manufactured goods for direct distribution to the public, wholesalers, distributors, or retailers is Casablanca. However, ferry service between Morocco and Spain and France does allow for goods to be imported and exported by truck over land and water.

Information on Typical Product Pricing Structures:

The average sales margin for wholesalers varies from 5% to 10 %, for retailers it is 25% depending on the product. For luxury products it is 30% and for high turnover products such as food products, it is 15%.

Use of Agents/Distributors; Finding a Partner:

Foreign manufacturers and exporters are represented in the market either through their own branch offices or through authorized agents/distributors. Distributors customarily provide technical support to end-users and often have contractual arrangements with their principals under which the local importers provide in-bond warehousing.

Agents/distributors are often necessary to assist the U.S. firm with documentation in the French language. Some U.S. firms supply Morocco directly through regional distribution centers in Europe. Although this helps in terms of language and shipping, often the products go through so many more distribution channels that the item ceases to be competitive in the Moroccan market. As always, volume is the key. Large-scale stores based on the "Costco" model are a relatively new phenomenon, and a good source for direct distribution of consumer products. The German-owned "Makro" stores are in Casablanca, Rabat, and Fes and in Agadir. The Foreign Commercial Service at the American Consulate in Casablanca provides for a fee, two products to help identify agents, distributors and/or potential partners. The Agent/Distributor Search (ADS) is initiated through a district office of the Department of Commerce. FCS in Morocco operates a Gold Key Service providing a U.S. businessperson one-on-one meetings with a series of potential partners, agents or distributors. For the address and phone number of the nearest Department of Commerce domestic office, call 1-800-USA-TRADE (1-800-872-8723). Contact FCS Morocco directly for the Gold Key Service by fax at 011-2122-22-02-59 at least one month in advance.

Franchising:

Morocco is open to franchising, and the first franchise was a Pizza Hut established in 1992. Close to 30 foreign franchises are now successfully operating in the sectors of fast food, clothing, furniture, cosmetics, office cleaning and auto repair. Franchise holders are attracted to the marketing image and financial security of well-known American products and brands such as McDonald's, Pizza Hut, Dominos Pizza, Dunkin Donuts, Subway, Dairy Queen, and Midas. The success of franchising stems from an expanding base of young entrepreneurs who have the financial means at their disposition to develop a

master franchise. Their challenge is to be able to sell individual franchises to an expanding middle class with more disposable income.

1. Direct Marketing

Marketing services and advertising agencies are increasingly focusing on direct marketing in response to saturation in the traditional media. Common forms in Morocco are point-of-sale promotions, games, moving billboards, direct mail and door-to-door. Avon and Oriflame are active in door-to-door cosmetic sales.

2. Joint Ventures/Licensing

Moroccans are increasingly interested in joint venture business opportunities with American partners as a way to modernize their factories or license a technology. Beginning in the 60's, the manufacturing of U.S. products has typically started through joint ventures or acquisition of a local Moroccan firm. The best examples are Goodyear Tire, Interlame du Maroc (Gillette), Coca Cola Export Corp., Industries Marocaines Modernes (Procter & Gamble), Colgate Palmolive Maroc, Clark Gum, CPC Maghreb, Crown Cork Corp., Fruit of the Loom, Jacob Delafon (Kohler), Johnson & Johnson, Pfizer, Simmons Maroc and Steelcase Strafor Maroc. The specter of head-to-head competition with EU counterparts because of the Association agreement has made Moroccan manufacturers especially keen to improve their production quality and efficiency, and they are interested in American partners. For interested American firms, Morocco provides a good geographic location for exporting to the EU.

3. Steps to Establishing an Office:

- Registration Procedures:

- Stock companies must file their articles of association, signed by all shareholders, with the local trade registration office (Registre Local du Commerce). An announcement of the company's formation is then published in a newspaper of legal announcements. The company must subsequently file with the registration office of the local court a registration request and declaration containing information on the company's activities, its address, the names of managers and directors and the amount of paid-in capital. These documents should be filed in Arabic, but the courts also accept French. A company may not begin business operations until it obtains a registration number, and the process takes about six weeks after filing required documents.

- Limited Liability Companies must first register their signed articles of association with the trade register and then file the articles with the registration office of the local court. After the articles of association are filed at the local court, announcement of the formation is published in a newspaper of legal announcements. The limited company then files with the trade register a request for a company registration number.

It is recommended to use an accounting or law firm to prepare the registration documents because of the language requirements and bureaucratic red tape.

It is possible for a foreign investor to establish a wholly-owned company in Morocco without the need for a local partner.

Selling Factors/Techniques:

Most local distributors of imported merchandise expect their suppliers to provide them with substantial advertising and promotional support, particularly when introducing a new product or brand name. All sales promotional material and technical documentation should be in French. Clear and simple French-language operating instructions, plus, where possible, illustrations help the consumers, not to mention the sales force. U.S. firms often need to train local staff, provide full documentation of products in French, supply spare parts in adequate supplies and cooperate in advertising and marketing. Direct mail is becoming very popular.

Advertising and Trade Promotion:

There are several Moroccan advertising agencies, mainly operating on a small scale, reflecting the undeveloped state of the industry. McCann Erickson has an office in Morocco and recently a joint operation of Leo Burnett and Darcey Masius Benton & Bowles was established, promising improved resources for new product launches in Morocco.

Television has overtaken the print media as the most prevalent vehicle for advertising, generating more than 70% of advertising returns. Food, hygiene and beverages are the most common products advertised on television, with multinationals such as Procter & Gamble and Coca-Cola among the biggest advertisers. Newspapers and periodicals continue to provide advertising space for a variety of products and services, but verification of subscriptions and circulation is difficult. More and more small and medium-sized companies are turning to the Internet as a means of reaching consumers. The number of subscribers is increasing rapidly (40,000 subscribers and about 200 cyber cafes in Morocco). Many companies have established web pages, finding this a very economical way to reach a wide range of consumers.

Pricing Product:

Commodity prices are freely determined by the market without government involvement with the exception of staple commodities such as gasoline, vegetable oil, sugar and subsidized flour. On October 5, 1998, Morocco implemented a new tariff system for major staple commodities - grains, oilseeds and products, and sugar. The new system computes duties in a way that avoids wide fluctuations. This has resulted in more stable local prices of the imported commodities, but also significantly higher duties on the low priced imports.

Sales Service/Customer Support:

As has been stated previously, it is important that the U.S. firm supply their local distributor with customer and internal manuals and documentation in French. Training in

the U.S. or in Morocco by U.S. headquarters representatives of management, sales and service personnel is important and can do much to support the relationship and build product loyalty. After-sales service and product guarantees are extremely important, as are simple maintenance and care instructions for the consumer. As products improve in quality and customers become increasingly price conscious, emphasis on simple care and maintenance are critical techniques in illustrating the longevity of products properly cared for.

Selling to the Government:

Selling to the GOM is handled principally through government tenders and on rare occasions through mutual agreement or private contract. In the latter case, the government applies directly to firms, which have been traditional suppliers through their representatives in Morocco. Tenders are published in newspapers and announcements are sent to Embassies. Each Ministry issues its own tenders. Deadlines range from 30 to 90 days. The bidding documents are published in French and replies must be in French using French or European standards (i.e. metric, 50/60 hertz). FCS Morocco transmits notice of GOM tenders likely to be of interest to U.S. companies to the U.S. Department of Commerce for listing in the Commerce Business Daily through the Economic Bulletin Board (EBB). Interested U.S. firms can access this information on our website at www.usatrade.gov.

In December 1998, the Government Council approved a decree overhauling the public procurement system, so as to enhance transparency, accountability and competitiveness in procurement. In particular, the decree mandates public bid-opening sessions, substantially narrows the scope of restricted bidding or sole-sourcing, extends the period of bid submissions, and provides for mandatory special controls and audits for contracts valued at over \$500,000. The decree entered into effect in summer 1999, and has reinforced the trend away from direct negotiation and toward open tenders in public procurement.

Protecting your Product from IPR Infringement:

Morocco has a relatively complete regulatory and legislative system for the protection of intellectual property. Strong enforcement, however, is lacking. Morocco is in compliance with its WTO TRIPS obligations. Morocco is a member of the World Intellectual Property Organization (WIPO) and is a party to the Bern Copyright, Paris Industrial Property, Universal Copyright, and Brussels Satellite Conventions. Morocco is also a signatory to the Madrid, Nice, and Hague agreements for the protection of intellectual property.

Software piracy continues to be a problem, with businesses, computer resellers, and government agencies frequently installing a single licensed product on multiple computers in violation of the licensing agreement. The Moroccan government is more aggressive when it comes to tackling video piracy, and the local music community has also stepped up enforcement efforts on CD and audiotape piracy in response to

complaints. Counterfeiting of clothing, luggage, and other consumer goods is not uncommon though primarily for the domestic market rather than for export.

The Office of Industrial Commercial Property (Office marocaine de la propriete industrielle et commercial) in Casablanca serves as a registry for intellectual property rights for patents and trademarks in the industrial and commercial sectors. The Moroccan Bureau of Copyrights (Bureau marocain de droit d'auteur) in Rabat registers copyrights for literary and artistic works, including software.

Need for a Local Attorney:

Although no American law firms have a practice in Morocco, there are a number of English, French and German firms as well as Moroccan firms with strong international expertise. New-to-market U.S. firms are strongly advised to obtain the services of a law firm or the legal department of one of the multinational accounting or consulting firms. A complete list of recognized Moroccan law firms is available through the U.S. Commercial Service at the U.S. Embassy in Rabat or the Consulate General in Casablanca.

The government has made judicial reform a top priority within its overall program. To strengthen the ability of the judicial system to handle business-related cases, six new commercial courts and three commercial courts of appeal have been established. In order to ensure the effective operation of the new commercial court network, the government has also begun work on a legal guide for commercial court judges. A Casablanca Commercial Arbitration Center (CCAC) has been established as a pilot vehicle. Although the CCAC is a non-governmental body, the government wishes to support its activities and the broad concept of recourse to commercial arbitration; it has therefore completed an action plan and timetable for the preparation and adoption of a consolidated Commercial Arbitration Code that would bring together the numerous provisions relating to arbitration that are currently scattered in Moroccan laws.

Performing due diligence/checking bona fides of banks/agents/customers:

All potential investors in Morocco, exporters of goods, and service providers are strongly recommended to perform due diligence on, and check the "bona fides" of their Moroccan agents, partners and customers (when extending credit). American firms, especially those with no previous Moroccan experience, should seriously consider the U.S. Department of Commerce "International Company Profile" (ICP) service prior to signing any agreements with new partners. Initiated usually through a U.S. Department of Commerce District Office and for a fee, a U.S. exporter can obtain information on the reputation, reliability and financial status of a potential partner in a confidential report, along with a recommendation from commercial officers at the U.S. Embassy as to the suitability of the company as a trading partner. For the address and phone number of the nearest Department of Commerce domestic office, call 1-800-USA-TRADE, or visit our website at www.usatrade.gov.

CHAPTER V: LEADING SECTORS FOR U.S. EXPORTS AND INVESTMENT

(All figures are in USD millions)

Best Prospects for Non-agricultural Goods and Services

1. Tel telecommunications equipment
2. Elp electrical power systems
3. Pol environmental equipment & services
4. Wre water resources equipment
5. Tra tourism

1. Telecommunications Equipment (TEL)

In the last three years, Morocco has made great strides in liberalizing its Telecommunications sector. The restructuring of the Ministry of Posts and Telecommunications created an independent regulatory body, ANRT, and an operator, Maroc Telecom, formerly known as Itissalat Al Maghrib. The Economist Intelligence Unit ranked Morocco as having the most autonomous telecommunications regulator in all of Africa and the Middle East. It was ranked as having the second best overall regulatory structure in Middle East and Africa, behind only Israel. The Government of Morocco (GOM) will introduce competition into all telecommunications services by January 1, 2002. Progress has been made in infrastructure development as well, with connected lines increasing from 827,000 in 1993 to 1,455,853 at the end of 1999. Still there is much room for expansion and growth, especially in the rural areas, if Morocco wants to reduce the gap with EU countries and with other emerging nations that are far ahead in opening their markets to free competition.

Cellular subscriptions have increased dramatically with the inauguration of a second GSM license in April 2000. The Spanish Telefonica-led consortium, Meditel, gained almost a quarter million subscribers in its first three months of service. The government-owned existing license, Maroc Telecom, improved its marketing and promotional activities to very effectively meet the new competition, increasing subscribers to over a million as of summer, 2000.

During the last year, Morocco granted GMPCS Licenses and a Moroccan subsidiary of U.S. ORBCOMM installed an earth station in Morocco to serve as the Maghreb-West Europe link in the ORBCOMM global GMPCS network. Four VSAT licenses were awarded Maroc Telecom has installed a VSAT system for internal non-commercial use. The privatization of the operator, Maroc Telecom, is scheduled for fall 2000. A tender for rural telephony has been delayed repeatedly – a matter of concern for the companies bidding as well as the population who eagerly await improved communication and access to information.

(In \$million)	1998	1999	2000(e)
A. Total Market Size	812	974(e)	1,040
B. Total Local Production	16	20(e)	27
C. Total Exports	0	0	0
D. Total Imports	796	1,042	1,013
E. Imports from the U.S.	159	80.9	200

The above statistics are unofficial estimates.

(Sources: Maroc Telecom, Trade Association of Telecom Companies in Morocco, Moroccan Foreign Trade Statistics, National Telecom Regulatory Agency (ANRT).

2. Electrical Power Systems (ELP):

The recent surge of industrial growth in Morocco has created opportunities for U.S. firms in the electric power generation sector. In order to satisfy the growing demand for electricity, the National Office of Electricity (ONE) has established an ambitious program for the period 1999-2010, with the goal of reaching a generating capacity of 7067 MW by the end of 2010. Rural electrification will also increase the demand not only for power generation equipment, but also for renewable energy to extend the national grid.

Since 1997, the National Office of Electricity has launched a number of projects for new power plants. Tahaddart is a 470 MW-combined cycle independent power plant (IPP) to be built in the northern part of Morocco near Tangiers to benefit from the natural gas pipeline from Algiers to Spain. GE is bidding in the tender against Siemens and ABB. The choice of the combined cycle technology will allow lower investment cost, better output, more respect for the environment and contribution to the diversification of power sources. In mid-1999, ONE launched a tender for the construction of a 450 MW energy transfer pumping station at Afourer, in the south of Morocco. In October 1999, ONE launched a pre-qualification tender for a 200 MW wind park to be implemented through an IPP contract. The project will consist of the creation of three wind parks: (1) 65 MW at Sendouk; (2) 75 MW at site of Dhar Sadane both in the north of Tangier; and (3) 60 MW in the south at Tarfaya. Three U.S. firms are present among the eight consortia that have been pre-qualified for this project: SeaWest, Enron, and AES. Sometime in 2000 or early 2001, ONE is planning to launch a 180 MW thermo-solar project in the northern part of Morocco, near Oujda, using natural gas and solar energy.

Several factors will influence changes in the market in the next ten years. Rural electrification will increase demand for power generation equipment. This growth is expected to reach 30% over the next three-year period (2000-2003) as the country is provided with electricity. Moroccan statistics estimate that about 40,000 villages exist with 50 homes each, amounting to more than 12 million rural inhabitants. Eighty percent (80%) of these remote areas do not have access to electricity, compared to 15% in Algeria and 20% in Tunisia.

ONE is planning to supply 1.5 million homes (9 million inhabitants) at a pace of 100,000 homes a year by the year 2012. "PERG" (Programme d'Electrification Rurale Global), the rural electrification program, plays a vital role in the economic and social development of Morocco, not only by providing electricity but also by creating jobs. During 1999 alone, ONE provided electricity to 1,650 villages and 154,000 homes. Despite this significant increase in power production investment, demand for electricity has grown fast and is expected to continue.

(in \$million)	1998	1999	2000(e)
A. Total Market Size	166	188	372
B. Total Local Production	0	0	0
C. Total Exports	0	0	0
D. Total Imports	166	188	372
E. Imports from the U.S.	42	75	115

The above statistics are unofficial estimates.
(Sources: National Office of Electricity)

3. Environmental Equipment & Services (POL):

Morocco's rapid urbanization and population growth continue to contribute to the critical condition of the country's environment. Modern industry with no enforced anti-polluting regulations generates toxic pollution. Rapid urbanization has increased the problems of household waste disposal and vehicular air pollution. Municipal wastewater collection as well as solid waste disposal and treatment are also key sectors. Morocco is much in need of education and models for recycling, conservation and efficiency to encourage the population to be more responsible. Industrial controls, waste treatment and efficient equipment can actually decrease production costs while reducing environmental emissions.

The Moroccan government has allocated a budget of \$67 million for the environment sector for the period 1999-2003. This is not a large amount, but hopefully education and regulation will contribute to government efforts to fight pollution and protect natural resources. Much of the pressure will rest on municipalities who are in charge of waste treatment and vehicular and industrial pollution monitoring. A key task will be getting the private sector to pay its share of the cost and responsibility for protecting the environment, another benefit of responsible foreign direct investment. Within days of taking over the Jorf Lasfar power plant, CMS initiated water treatment procedures, which eliminated coal ash from being dumped directly in the ocean, the previous practice.

The Casablanca Urban Commune is planning to issue before the end of 2000, an international tender inviting foreign operators to bid on the Casablanca solid waste management project. The project's scope will be the collection, transfer and treatment of the waste, and involves a thorough overhaul of the present system, which relies on a

landfill that is greatly in need of upgrading. With over 4 million people, a humid climate and 3,000 tons of garbage per day, Casablanca faces a real challenge in implementing a system that can efficiently manage the waste without overburdening the low-income consumer base. The U.S. Trade and Development Agency (USTDA) provided a feasibility study grant to the Urban Community of Fez to develop an appropriate solid waste management system for the Fez metropolitan area. An American consortium, composed of Edgeboro and Sadat Associates, have been pre-qualified among other European operators for the implementation of the Fez controlled landfill project for which the final award concession is imminent.

USAID in Morocco is assisting the Ministry of Environment by conducting feasibility studies in water treatment and reuse in small to medium-sized communities in the Agadir area; water pollution controls in tanneries in Fez; and soil erosion control in the Oued Laou watershed, near Tetouan. USAID is also helping to create a river basin agency for the Souss-Massa. The long-term objective is to protect the water resources in the region for agriculture, tourism, industry and municipal uses through integrated waste management.

U.S. environmental technologies companies are competitive and powerful internationally, although in Morocco U.S. firms have lost to European competitors, with the Danish and Germans particularly strong, and the Spanish in good geographic position for the supply of heavy equipment. Nevertheless, American innovative technology, particularly in waste treatment, pollution abatement and clean up should find receptive end-users in Morocco.

(in \$million)	1998	1999	2000(e)
A.Total Market Size	197	223(e)	238
B.Total Local Production	0	0	0
C.Total Exports	0	0	0
D.Total Imports	197	91.4	238
E.Imports from the U.S.	35	11.6	48

The above statistics are unofficial estimates.

(Sources: (1) Ministry of Environment; (2) L.P.E.E. Pollution Control National Laboratory)

4. Water Resources Equipment (WRE):

The National Office of Potable Water (ONEP) produces about 80% of the potable water for the entire country. The utilities companies, called "Regies," provide 12%; the private sector provides 5% and the Communes 3%. In big cities, the management of water distribution networks remains under the control of the Communes. The sewage services are actually provided by the "Regies" for large cities, except for Casablanca, which is

provided by the French firm “Lydec”, and Rabat by the Portuguese firm “Redal” under concession terms. During 2000 another concession will be awarded for the water (in addition to electricity and waste water) distribution rights in the northern urban communities of Tangier and Tetouan (Enron/Azurix and CMS Energy are leading consortia bidding on this concession). Further concessions are foreseen in Agadir, Fes, Meknes, El Jadida, Marrakech and Safi.

The National Office of Potable Water (ONEP) is now investing in the sewage sector and several communes have decided to sign a co-share management convention with ONEP for sewage services. The service, expected to be effective sometime during 2000, will be in parallel with ONEP’s primary activity, which is potable water distribution. It concerns 18 small and medium cities for a total population of 0.2 million inhabitants (2% of the urban population).

With Morocco’s long coastline, desalination research is a primary focus. Faced with the fact that 32% of the rural population is not being properly served, providing safe drinking water to the countryside is also a priority for ONEP. The investment program in potable water aims at expanding the access to potable water in all cities by increasing the rate of connections to the existing network to reach 96% by 2010. For the rural areas, the goal is to satisfy at least 80% of the rural population by 2010, both for water distribution and sewage services. The remaining 20% of the rural population will still get water by traditional ways (wheels and natural sources).

The five-year plan for 2000-2004 includes a program to improve sewage in 24 large cities, 50 medium cities and 85 small centers. This program envisages the creation of autonomous sewage systems in both urban and rural areas and will consist of collecting the urban effluents in the areas not connected to the existing sewage network. Wastewater treatment plants and water purification equipment will be needed to process the urban effluents for cities located along the coast.

For potable water, the five year plan for 2000-2004 plans an annual investment of about \$250 million. ONEP will receive \$150 million for projects and \$100 million for water distribution. In addition, the government is allocating a budget of \$1.5 billion to improve potable water in rural areas through the year 2010. The principal financial partners for rural projects are the communes (50% contribution); government agencies (45%) and users for the remaining 5%. This investment is four times greater than what has been allocated for the rural program “PAGER” (Programme d’Approvisionnement Groupe en Eau Potable du Monde Rural) in recent years. For sewage, the demand in investment is estimated at \$6.5 billion by the year 2015.

Water treatment projects, rural water distribution technology and desalination should be of interest to U.S. firms. Principal financial partners to ONEP are the Kuwaiti Fund, EU, European Investment Bank, Japan’s OECF, the French AFD and the World Bank. The US Trade and Development Agency (USTDA) contributed to the funding of a feasibility

study for innovative desalination technology in an ONEP pilot project south of Agadir. USAID is active in Morocco in a variety of water management projects, mainly in the south.

(In \$million)	1998	1999	2000 (e)
A. Total Market Size	258	288	1,883
B. Total Local Production	30	35	150
C. Total Exports	0	0	0
D. Total Imports	228	253	1,733
E. Imports from the U.S.* 1.7	1.8	2	200

The above statistics are unofficial estimates.

(Sources: National Office of Potable Water (ONEP), Ministry of Equipment (Direction de l'Hydraulique)

* Total market size reflects what the Government of Morocco is planning to invest in water resources projects including equipment and services. Engineering services by foreign firms represent at least 40% of the market. Figures for U.S. imports should increase in the future mainly for engineering services and should present interest by U.S. firms in the water sector result in contracts. Participation by local firms consists mainly of civil engineering works and production of some pipes.

5. Tourism (TRA):

During 1999, Morocco's tourism sector generated \$1.88 billion in receipts, a strong increase of 14% over 1998, placing it as the second most important sector for growth in Morocco. This growth trend is a result of changes the Moroccan Government is implementing to support the tourism industry and, the range of attractive travel options available to visitors to Morocco.

Morocco's natural resources are attractive to many types of travelers. Its 3,500 kilometer coastline appeals to those seeking sand and sea; its palaces, museums and diverse culture provide options for the more inquisitive traveler; and its deserts and mountains cater to the more adventurous traveler who wants to trek, bicycle, ski and participate in other outdoor activities. In the fall of 2000, accessibility to Morocco will be improved when Delta Airlines launches its code share with Royal Air Moroc to provide planned connections from Chicago, Los Angeles, San Francisco, Washington, D.C., Boston and Orlando, Florida.

Sustaining the growth in the tourism sector is of high priority to the Moroccan Government as it affects growth in the general economy and supports many other sectors. The State 2000-2004 Development Plan forecasts an increase in the number of tourists to 4 million by the year 2004 (1.5 million over 1999 which totaled 2.5 million visitors).

The budget allocated to achieve this goal is estimated at \$86 million which includes \$4.5 million to modernize their tourism training infrastructure to meet international standards. (The Professional Training and Work Promotion Office (OFPPT) recently signed a 2-year contract with the Educational Institute of the American Hotel Management Association to collaborate on training programs.)

Other measures include \$6.65 million for feasibility studies for new sites with the aim of adding 30,000 new beds to bring the total number of beds to 121,000 in 2004. The plan also calls for the development of three seaside projects (Saidia/Ras El Ma, Khmiss Sahel, and Taghazout); expansion of regional tourism, cultural activities, golf, and sports clubs; and modernizing the sector with new technologies (internet, information centers).

The 1999 restructuring of the fiscal regulations allow non-resident investors to transfer their revenue, price of disposition of business (including increment value), and dividends after tax, without limits on duration or on amounts. Firms that commit to invest \$50 million or above can benefit from the exemption from paying customs duties and value added tax on imports, including imports of goods and equipment needed for their projects. The exemption is also applicable to spare parts and accessories imported at the same time. These incentives are granted to companies that have signed agreements with the Moroccan government.

American architectural, engineering and resort development firms, hotel management and information services providers, and infrastructure support services will find many excellent opportunities in Morocco's tourism sector.

	1998	1999	2000 (estimated)
Number (#) of Visitors	2 M	2.5 M	3 M
Tourist Receipts (in US Dollars)	1.678M	1.875M	2M
Investments (in US Dollars)	500M	700M	900M

The above statistics are unofficial estimates.
(Source: The Ministry of Tourism, Morocco)

Best Prospects for Agricultural Products:

Bulk agricultural products from the U.S. are expected to continue to dominate U.S. agricultural exports to Morocco. The short grain crop this year is likely to result in higher imports of wheat, barley, and other animal feeds. Imports of pulses are also expected to be high this year to fulfill the local demand especially during the fasting month of Ramadan. There is also a demand for dairy products (skim milk powder and unsalted butter) to fulfill the increasing local demand.

Best prospects are:

- Wheat, including durum

- Feed grains (including corn, sorghum, and barley)
- Crude vegetable oil
- Oilseeds
- Soybean meal
- Purebred pregnant breeding heifers
- Milk powder and unsalted butter
- Pulses (lentils, garbanzos, and green split peas)
- Dried fruit and nuts (prune, raisins, and almonds).

Moroccan high value product importers have expressed a keen interest in developing long term relations with U.S. exporters. Several consumer oriented food products offer good opportunities for U.S. suppliers in spite of the high freight cost. These include canned fruit and vegetables, dried fruit (prunes, raisins, apricots) and nuts, confectionery. The small local apple production during the past two years forced Morocco to start importing apples (Red Delicious and Golden).

Production Supply and Distribution

Commodity: Total Wheat, (1,000 metric tons)

	1998	1999	2000
Total Market Size	5,800	5,850	5,950
Total Local Production	4,378	2,154	1,600
Total Exports	.	.	.
Total Imports	2,735	2,900	3,200
Total Imports from US	227	350	700

Commodity: Soybean Oil, (1,000 metric tons)

	1998	1999	2000
Total Market Size	245	250	250
Total Local Production	35	44	47
Total Exports	.	.	.
Total Imports	190	190	190
Total Imports from US	50	60	60

Commodity: Soybean Meal, (1,000 metric tons)

	1998	1999	2000
Total Market Size	232	280	300
Total Local Production	160	200	215
Total Exports	.	.	.
Total Imports	70	80	85
Total Imports from US	40	40	40

Commodity: Corn, (1,000 metric tons)

	1998	1999	2000
Total Market Size	850	880	850
Total Local Production	200	137	120
Total Exports	.	.	.
Total Imports	683	750	720
Total Imports from US	497	500	500

Significant Investment Opportunities:

The Government of the United States acknowledges the contribution that outward foreign direct investment can make to the U.S. economy. U.S. foreign direct investment is increasingly viewed as a complement to or even a necessary component of trade. Nearly sixty percent of total U.S. exports originate with American firms who have investments abroad. Recognizing the benefits that U.S. outward investment brings to the U.S. economy, the government of the United States undertakes initiatives, such as Overseas Private Investment Corporation (OPIC) programs, bilateral investment treaty negotiations, and business facilitation programs, that support U.S. investors.

Morocco launched a privatization program in 1992 and since then 58 out of 114 state enterprises have been sold, raising \$1.7 billion. On March 31, 1999 parliament approved an amendment to the privatization law which pared to 28 the remaining enterprises to be sold off, mainly reflecting legal and financial problems in the others. Among the entities to be privatized include six sugar plants, nine hotels, three banks (Banque Centrale Populaire, Banque Nationale pour le Development Economique, Credit Immobilier et Hotelier) and the state fertilizer company Fertima. J.P. Morgan has been selected for the sale of a strategic stake in the telephone operator, Maroc Telecom. Paribas and Merrill Lynch will be co-leaders with J.P. Morgan for the Initial Public Offering (IPO) of Maroc Telecom. The competition is slated to take place during 2000. There are also plans to partially privatize the national carrier, Royal Air Maroc, through a combination of a sale of a strategic stake and an IPO.

The U.S. was the second largest foreign investor in Morocco in 1997 and 1998. This has mainly been attributed to the \$1.2 billion Jorf Lasfar Independent Power Project in which Michigan's CMS Energy is partnered with ABB. In 1999 US ranked the six largest foreign investor in Morocco behind Portugal, France, Netherlands, Spain and Germany. Significant investment opportunities exist for U.S. firms in the energy sector, as well as concessions for utility distribution and solid waste management. The tourism industry offers a strong potential for U.S. investors in the sub-sectors of hotel and restaurant construction and management, hotel and restaurant management and information services, water and waste water treatment, resort and athletic facilities development, eco-tourism, historic preservation and theme parks.

The special \$700 million fund decreed by the late King Hassan II through the windfall from the Telefonica-led consortium's \$1.1 billion license fee for the second GSM operation is dedicated to infrastructure improvement, especially in Morocco's rural communities. Significant investment opportunities exist for U.S. firms in the housing, renewable energy and water treatment sectors through this fund, and for equipment suppliers in road construction and telecommunications.

CHAPTER VI: TRADE REGULATIONS, CUSTOMS, AND STANDARDS

Trade Barriers:

Arbitrary changes in custom regulations, often meant to protect local production, have been cited as a serious problem by importers of U.S. products. The government has undertaken serious efforts to limit contraband, a significant competitor to U.S. products legally imported and to goods produced in Morocco by U.S. firms. Foreign companies have complained of irregularities in government procurement procedures.

Customs Regulations:

The stimulus to a competitive business environment provided by a liberalized trade regime can be offset by cumbersome customs administration and procedures that impose costs and delays on firms currently involved in international trade and defer others potentially interested in entering the trade area. The government has therefore adopted a reform program to modernize customs administration. Work is underway to increase the use of computerization to manage critical information, such as the movement of goods, processing the declarations, assessment of tariffs in an integrated fashion, and payment of obligations. In parallel, it is streamlining the regime for temporary admissions, which allows exporters to import inputs free of duty. The reform program also calls for upgrading staff skills through on-the-job training and short-term courses. Progress has been documented by American Chamber of Commerce members who say that the waiting time has been cut from 1-2 weeks to 3-4 days and sometimes even 48 hours.

Tariff Rates and Import taxes:

The maximum tariff rate of 35% applies to most goods, although the range is 2.5% to 300% (on some agricultural commodities) with an additional import tax of 15 %. Imports are also subject to a Value Added Tax (VAT), varying from zero to 20%. VAT is not always paid on locally produced goods (e.g. corn). Food products are subject to an average of 80 percent cumulated duties and taxes. This makes the price of imported consumer oriented food products prohibitive for the average Moroccan consumer. Morocco's Association Agreement with the EU went into force March 1, 2000. This agreement calls for dismantling custom tariffs on industrial goods over a period of twelve years. For machinery and equipment, tariffs have already been eliminated. For raw materials, spare parts and products not manufactured locally, tariffs will be reduced by 25% per year over the next four years. For imported goods that are manufactured locally, there will be a three-year grace period until 2003 followed by a 10% reduction in tariffs each year over the next 10 years.

Customs Valuation:

The customs authorities will not give a binding ruling on customs classification in advance. An informal advisory opinion may be obtained from the Director General des Douanes (customs office), Avenue Hassan II, Rabat, Morocco, tele: (212-7) 26-90-01; fax: (212-7) 73-09-39; e-mail: addi@douane.msie.gov.ma.

Export Controls:

There are no specific controls. Goods that are temporarily exported from Morocco for further processing abroad are only taxed on the value added outside of Morocco.

Import/Export Documentation:

A commercial invoice is required. No special invoice form is necessary, nor is a consular visa or consular certification required. The commercial invoice should fully describe the goods in French. Certification as to country of origin is required. Payments are made through bank-to-bank irrevocable letters of credit. Pro-forma invoices must be provided in most cases. Invoices, which should be on company letterhead, are required for both import licenses and foreign exchange transfers. "To order" bills are acceptable as bills of lading. When sending promotional material, and especially promotional videos, it is important to clearly state, in French, "Promotional use only", "No Commercial Value."

Temporary Goods Entry Requirements:

Goods imported under a temporary entry provision must be approved by decree of the Finance Ministry. Customs may authorize entry of goods on an individual basis. The limit for temporary entry is 6 months, renewable for up to one year.

Labeling 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.

Food labels can be in French or Arabic and must show country of origin. There is, however, a requirement for both local and imported canned foods and beverages to print the date of production and the expiration date.

The metric measurement is mandatory. Moroccans are not familiar with U.S. measurements and standards such as ounces, pounds, cups, servings, etc. Metric measurements are common on both local and imported products. Also, unlike in Egypt and other Middle Eastern countries, most Moroccans use exclusively the same numbers (characters) as those used in the U.S. Also, when using the date format (xx/xx/xx), U.S. exporters should keep in mind that unlike in the U.S., the date format should be (dd/mm/yy). The Agricultural Attaché's office in Rabat has prepared a Food and Agricultural Import Regulations and Standards (FAIRS) report for U.S. exporters.

Prohibited Imports:

Import restrictions apply only to firearms, explosives, used clothing and used tires.

Warranty and non-warranty repairs:

Usually in Morocco a one-year warranty is given to end-users for products or equipment purchased.

Export Controls:

In general, Morocco does not require authorization from the Exchange Office for the export of goods. However, certain restrictions apply to the following:

- Goods exported on consignment to be sold on commission: fruits, vegetables, flowers and handicraft goods are exceptions and do not require authorization for export.
- Goods exported by individuals not registered with the Trade Registration authority.
- Goods valued at more than \$300 that are not exported for sale.
- Samples valued at more than \$1,000 that are exported without payment.
- Exports whose payment period exceeds 150 days.

The following goods require export licenses from the Ministry of Foreign Trade:

- Antique articles older than 100 years
- Archeological, ethnographical, historical and paleontological products, and specimens of anatomy, botany, mineralogy and zoology.
- Charcoal and flour made from cereals, except for ground rice.

Standards:

The Government does not require locally registered firms to apply ISO 9000 usage. However most multinational firms operating in Morocco currently use the ISO, primarily as a marketing tool.

Except for few bulk commodities, most Moroccan importers are not familiar with the USDA and US industry commodity grading systems and standards.

Free Trade Zones/Warehouses:

Foreign investors and businesses are operating in the Free Zone established in Tangier. Companies operating in the Free Zone have the right of 100 percent duty-free imports and exemption from most taxes for export production. Warehouse storage allows storage of goods in public or private warehouses controlled by the Customs Administration.

Membership in Free Trade Agreements:

In an effort to broaden the geographic scope of its exports, Morocco has signed free trade arrangements with members of the Maghreb Arab Union (UMA). However, for all practical purposes, the UMA is dormant and regional economic integration has stalled. A free trade arrangement has also been established with Saudi Arabia. Import tax (PFI) and TVA are applied in these agreements.

Since 1976, Moroccan industrial products have been exported to the EU duty-free and without quantitative restrictions. Several agricultural or agri-business products are subject to quotas or seasonal restrictions. Tariff reductions went into effect in March 2000 with the result that tariffs will be phased out completely on EU industrial goods, and substantially on raw materials by 2012

Customs Contact Information:

For more information on import duties for specific products, U.S. exporters should contact the Director General des Douanes (customs office), Avenue Hassan II, Rabat, Morocco, tele: (212-7) 26-90-01; fax: (212-7) 73-09-39; e-mail: addi@douane.msie.gov.ma.

CHAPTER VII: INVESTMENT CLIMATE

Openness to Foreign Investment:

The Moroccan government actively encourages foreign investment and has made a number of regulatory changes designed to improve the investment climate in recent years. Morocco welcomes foreign participation in its privatization program, and does not pre-screen or select foreign investment projects.

The October 1995 investment code applies equally to foreign and Moroccan investors, with the exception of foreign exchange provisions, which favor foreign investors. The Ministry of Economy and Finance has created an investment promotion office and the Moroccan government, in compliance with the investment code, is studying measures to reduce the paperwork associated with investment.

The investment code also codifies the existing foreign exchange regulations providing essentially free repatriation of foreign exchange related to foreign investment. The code does not apply to agriculture. Foreign investment is now permitted in all sectors except agricultural land. Other sectors such as phosphate mining and tobacco marketing are reserved for the state and are closed to foreign and domestic investment, although the government is considering plans to offer a concession on tobacco marketing.

Conversion and Transfer Policies:

The Moroccan Dirham is convertible for all current transactions and for some capital transactions, notably capital repatriation by foreign investors if the original investment is registered with the foreign exchange office. Foreign exchange regulations now allow expatriate employees to repatriate 100% of their salaries.

Foreign exchange is routinely available through the commercial banks on presentation of documents for the repatriation of dividends and capital by foreign investors, for remittances by foreign residents, and for payments for foreign technical assistance, royalties and licenses. No prior government approval is required.

The Central Bank sets the exchange rate for the dirham against a basket of currencies of its principal trading partners. The rate against the basket has been steady since nine-percent devaluation in May 1990, with changes in the rates of individual currencies reflecting changes in cross rates. According to IMF and World Bank reports, the dirham has appreciated in real terms by 18 percent since 1990.

In early 1996 the government promulgated regulations aimed at allowing the creation of an interbank market for foreign exchange, including foreign exchange futures contracts.

In general, Moroccans cannot obtain foreign exchange for investments abroad and the government does not offer incentives to invest in other developing countries. In recent years, however, several large Moroccan companies, notably the holding company ONA, the phosphate mining company OCP, and BMCE bank have made large investments abroad. According to Moroccan balance of payments statistics, Moroccan investment abroad has averaged around \$20 - \$30 million over the last few years.

Expropriation and Compensation:

There have been no significant expropriations in Morocco since the early 1970s. The Embassy is not aware of any recent instances of private property being expropriated for other than public purposes, or being expropriated in a manner that is discriminatory or not in accordance with established principles of international law.

Dispute Settlement:

The Embassy is not aware of any U.S. companies currently involved in investment disputes with the Moroccan government.

Minor disputes are generally resolved with the relevant government agency. Disputes can be taken to the courts, although this rarely occurs due to inadequacies in the Moroccan judicial system. There is a consensus among Moroccan business leaders that the recent establishment of a network of commercial courts has improved commercial law operations. There are now six commercial courts and three appeals courts located in the six largest cities. Two additional commercial courts are expected to be operational by the end of 2000. Morocco is a member of the International Center for the Settlement of Investment Disputes (ICSID) and a party to the 1958 Convention on the Recognition and Enforcement of Foreign Arbitral Awards (with reservations) and the 1965 Convention on the Settlement of Investment Disputes Between States and Nationals of Other States.

Performance Requirements/Incentives:

There are no foreign investor performance requirements or requirements regarding local value added, local equity, substitution of imports or employment of Moroccan workers. Incentives for foreign investors have been created under the Free Trade Zone laws.

American citizens may enter Morocco for a period of three months without a visa. A residence permit is required to remain in Morocco for more than three months. Resident foreigners who wish to travel outside the country and return to Morocco must apply for a return visa that is valid for one year. Some expatriate business people have complained of procedural delays in the issuance of return visas.

Right to Private Ownership and Establishment:

Private ownership is permitted in all but a few sectors that are specifically reserved for the state including phosphate mining. Apart from these few exceptions, private entities may freely establish, acquire, and dispose of interests in business enterprises.

Morocco's privatization program allows the government to divest itself of state-owned entities. A May 1999 law allows the government to sell fourteen companies and six hotels via tender, direct negotiation or the stock exchange. Other state-owned enterprises can also opt for privatization using the same legal framework outlined in the May 1999 law. In the last seven years, the government sold 35 firms and 23 hotels, raising more than \$1.7 billion. The government welcomes foreign participation in the privatization program.

Protection of Property Rights:

Morocco has a non-discriminatory legal system that is accessible to foreign investors. However, many judges are not trained in commercial law. The commercial courts, established in 1998, have begun to mitigate the weakness in commercial proceedings. A system of commercial arbitration was also created in April 1998.

Secured interests in property are recognized and enforced through the "Administration de la Conservation Fonciere." The GOM has recently passed a law permitting the development of a secondary mortgage market.

Morocco has a relatively complete regulatory and legislative system for the protection of intellectual property. It is a member of the World Intellectual Property Organization (WIPO) and is a party to the Bern Copyright, Paris Industrial Property, and Universal Copyright Conventions; the Brussels Satellite Convention; and the Madrid, Nice, and Hague Agreements for the Protection of Intellectual Property.

While Moroccan laws are generally adequate, enforcement is sometimes lacking. Counterfeiting of clothing, luggage, and other consumer goods, as well as the illegal copying of computer software, is common.

Transparency of the Regulatory System:

Morocco's economic reform program has included improvements in the regulatory environment. In particular, the liberalization of the foreign exchange allocation system, the import regime, and the financial sector have reduced the government's role in the economy. Deficiencies remain in other areas, however, such as the labor law, which limits firms' ability to dismiss workers.

Even in areas where the regulations are favorable on paper, there are often problems in practice. Government procedures are not always transparent, efficient or quick. Routine permits, especially those required by local governments, can be difficult to obtain.

Efficient Capital Markets and Portfolio Investment:

The Moroccan government has adopted a number of measures to liberalize the banking system in recent years. While these reforms have introduced some additional competition in the banking sector, in practice, banks do not compete on deposit and lending rates.

Credit is allocated on market terms, and foreign investors are able to get credit on the local market. There are some cross-shareholding arrangements, but they are not tailored to exclude foreign investment. The Embassy has not heard of any efforts by the private sector or industry to restrict foreign participation in standard setting organizations or to restrict foreign participation in domestic enterprises. On the contrary, the government has actively sought out the participation of foreign investors for discussions on improving the business climate in Morocco.

Moroccan banks are generally sound, reflecting in part the limited competition within the sector, or from other financial institutions, e.g. a corporate bond market. Moroccan banks are largely in compliance with the Basle standards. Banks are supervised on a consolidated basis and must provide statements audited by certified public accountants.

The Casablanca stock exchange was privatized in 1996. It initially experienced significant growth, but throughout 2000 stock prices have stagnated and volume has remained low.

Political Violence:

The last instance of mass political violence was rioting in Fez in December 1990, when a number of installations were destroyed. Although similar incidents may reoccur, Morocco remains generally insulated from the unfavorable political developments affecting other countries in the region.

Corruption:

Morocco has a rather broad body of laws, regulations and even a special court to combat corruption. Nevertheless, corruption exists and U.S. companies have at times identified it as an obstacle to doing business in Morocco.

Since coming to power in early 1998, the government of Prime Minister Youssoufi has made strengthening transparency and the rule of law a high priority. It has initiated cooperation with Moroccan civil society and business organizations as well as with the World Bank and foreign donors on measures to fight corruption more effectively.

Offering and accepting bribes are illegal in Morocco. Punishments range from fines to jail sentences. Bribes to a foreign official are not tax deductible. In 2000, there has been an increase in cases referred to the Special Court of Justice, a court specializing in cases of corruption, influence peddling, embezzlement, and racketeering. The court is currently reviewing cases involving the Caisse Nationale du Credit Agricole (a state-owned bank specializing in agricultural loans) and the professional association of wheat millers.

Bilateral Investment Agreements:

A bilateral investment treaty between the United States and Morocco took effect on May 29, 1991. The treaty stipulates that U.S. investors will be accorded status no less favorable than any other nationality; expropriation claims shall be handled promptly; and disputes may be referred to international arbitration. Morocco has similar agreements with 29 countries.

OPIC and other Investment Insurance Programs:

Morocco has had an Overseas Private Investment Corporation (OPIC) agreement since 1961, which was most recently updated in March 1995. Similar agreements are in effect with the agencies of France, Sweden, the United Kingdom, and Switzerland. Morocco is also a member of the Multilateral Investment Guarantee Agency (MIGA) and the Kuwait-based Arab Investment Guarantee Organization (OAGI).

Labor:

Once strong and politically influential, the Moroccan trade union movement is now fragmented and no longer possesses the political clout it carried 45 years ago when it helped lead the country to independence. Nevertheless, three of the 17 trade union federations retain the potential to influence political life. Although unions would claim a

higher membership, Morocco has about 450,000 unionized workers, or about five percent of the workforce.

Moroccan labor law and practice are derived from relatively progressive laws of the French Protectorate period intended for French colonial workers, not native Moroccans. The laws added since independence (now the bulk of labor legislation in effect) have continued to draw from progressive French models. The right to organize trade unions, political parties, commercial councils, and professional organizations is contained in Morocco's constitution. Despite constitutional protection, unions complain regularly that employers have suspended or dismissed their members for trade union activity with little risk of penalty.

Morocco has ratified the ILO convention covering the right to organize and bargain collectively, and any group of eight workers can organize. Article 14 of the Constitution gives workers the right to strike, but no detailed law exists to define it. The Ministry of Interior often intervenes, especially if the government believes strategic interests are threatened. There are mandatory procedures governing the settlement of disputes, though the government settles them on a case-by-case basis. Ministry of Labor delegates serves as investigators and mediators in such cases and find their resources over-taxed. Increasingly, Moroccan labor disputes have gone to court, as government mediators are unable to bring labor and management to an accord. Labor law makes firing workers for cause cumbersome. Workers dismissed for cause still receive an indemnity based on years of service.

In the informal economy, the law is less well observed and often ignored entirely. The state of the economy, with widespread youth unemployment and underemployment of all age groups hinders protection of the organization and collective bargaining processes. Replacements for workers are always available, and the government aims to put people to work wherever possible.

Women make up a growing segment of the Moroccan urban workforce. In the mid-1990's women comprised about 25 percent of this category, with wages for women generally lower than men and unemployment higher. The official national unemployment figure is about 14 percent; outside observers believe it to be considerably higher. The unemployment rate for urban youth is believed to be at least 30 percent; for university graduates, unemployment hovers in the range of 25 percent.

Most workers in the industrial sector of the economy, except for those employed in garment assembly, earn more than the minimum wage (currently 1800 dirhams/month, approximately \$180). In addition, workers are customarily paid between 13 and 16 months' salary for each calendar year. Occupational health and safety standards are rudimentary. Labor inspectors endeavor to monitor working conditions and accidents, but lack sufficient resources and authority.

The cornerstone of social welfare programs in Morocco is the National Social Security Fund (CNSS), established in 1961. The CNSS provides payments for disability, survivors' and old age pensions, and benefits for sickness, maternity leave and death. It also covers occupational diseases or accidents not covered by workers' compensation. The CNSS provides social benefits to more than 800,000 workers throughout the private sector. Government workers have their own pension and insurance systems.

Foreign Trade Zones/Free Ports:

There is a free trade zone in Tangier in northwestern Morocco. The zone is open to both Moroccan and foreign companies. The companies located in the zone may import goods duty free and are exempt from other taxes. Moroccan labor laws apply to the zone, but few, if any, firms are unionized.

There is also an offshore banking law covering Tangier. Three banks were established under the offshore banking law, although two have ceased operations.

Major Foreign Investors

U.S.

Goodyear Maroc

Parent company: Goodyear
Sector: tire production
Number of employees: 600

Industries Marocaines Modernes

Parent company: Procter and Gamble
Sector: soaps and toiletries
Number of employees: 500

Jorf Lasfar Energy Company

Parent company: CMS Energy
Sector: independent power project
\$1.2 billion joint venture with ABB

Coca-Cola Export Corporation

Parent company: The Coca-Cola Export Corporation
Number of employees: 45

J.R.A. Morocco S.A.

Parent company: Jordache Enterprises Inc.
Sector: manufacture of jeans
Number of employees: 1000

Delphi Automotive (former Division of GM)

Sector: auto part manufacturer

Number of employees: 1500

Other

S.G.S. Thomson

Parent company: S.G.S. Thomson (France)

Sector: electronic components and semiconductor manufacturing

Number of employees: 1,600

Pechiney - MMA

Parent company: Pechiney (France)

Sector: aluminum cookware manufacturing

Number of employees: 1,280

Bymaro S.A.

Parent company: Bouygues S.A. (France)

Sector: civil engineering

Number of employees: 1,000

Renault Maroc

Parent company: Renault S.A. (France)

Sector: motor vehicle assembly

Number of employees: 800

C.G.E. Maroc

Parent company: C.G.E. (France)

Sector: electric cable and transformer manufacturing

Number of employees: 675

Polymedic

Parent company: Hoechst AG (Germany)

Sector pharmaceutical manufacturing

Number of employees: 350

CHAPTER VIII: TRADE AND PROJECT FINANCING

Banking System:

Morocco continues to develop its relatively comprehensive banking system, originally modeled after the French system. There are 16 banks in the country plus five government

owned specialized financial institutions, about 30 credit agencies and about 12 leasing companies. The bank reform law of 1993 laid out parameters of banking activities, clarified oversight and control responsibilities, specified legal penalties for violations of banking regulations and established a depositors guarantee fund.

Until 1991, credit and money supply was controlled directly by the old French-style "encadrement system" allocating sectoral lending to banks based on historical patterns. Since financial liberalization, credit is to be allocated freely, and the central bank has used indirect methods to control the interest rate and volume of credit. The banking system is still used by the government to channel domestic savings to finance government debt, and the banks are required to hold a part of their assets in bonds paying below market interest rates.

Morocco's banking sector is stronger, and the private sector's role is more active, than in many African countries. Privatization of the three banks mentioned earlier -- BNDE, BCP and CIH -- will help in restructuring the sector. The potential in this sector is great, as it is estimated that only 15% of the population use a bank. Moroccan banks are anxious to work with Exim and IFC, and also offer financing to foreigners (although interest rates tend to be high).

The Casablanca Stock Exchange is the third largest in Africa, after Johannesburg and Cairo. Privatized in 1996, the CSE is managed by 13 brokerage companies and regulated by an independent oversight commission similar to the SEC. The insurance sector is attractive to foreign insurance companies, as again, the potential is quite large because of the undeveloped market. However, a draft law would prohibit foreign firms from owning a majority of an insurance company.

Foreign Exchange Controls Affecting Trading:

Morocco maintains a system of foreign exchange controls managed by the Office de Changes, but the rules on transfers have been progressively liberalized to the point where the dirham is freely convertible according to the IMF definition for current account transactions. The value of the dirham is tied to a basket of hard currencies weighted according to Morocco's foreign trade. Because this basket is dominated by European currencies, variations in the dollar/franc or dollar/deutsche mark rates are generally reflected in the dirham's dollar value.

Authority to buy and sell foreign exchange has been delegated to the banking system, which will carry out transactions on presentation of appropriate documentation justifying the transaction such as an invoice to pay for imports. Capital transactions require authorization from the Office de Changes, and are routinely granted for business-related transactions. Under the Moroccan investment code, the government guarantees repatriation of both invested capital and profits, provided that the initial capital investment was filed and registered.

Advance payments to foreign exporters are forbidden under the current regulations.

General Availability of Financing:

Local financing is available for Moroccan investors and importers, but real interest rates are high by American standards. Moroccan banks generally require a high line of collateral.

How to Finance Exports/Methods of Payment:

Most Moroccan imports are paid for by irrevocable confirmed letters of credit issued by local banks through U.S. banks. Domestic end-users are normally given up to 90-day credit by importers.

Types of Available Export Financing and Insurance:

The following U.S. Government agencies provide financial consulting services to exporters through the Trade Promoting Coordinating Committee (TPCC); a Washington based group that includes the Commerce Department, Ex-Im Bank, Small Business Administration, Overseas Private Investment Corporation, and the Trade Development Agency. Before proceeding with any international transaction, it is advisable to contact your local USDOC District Office for counseling and further information about the market.

The International Finance Assistance Section (which can be found under that topic heading on the NTDB) provides not only information on specific assistance available from USG financing agencies such as the U.S. Ex-Im Bank and OPIC, but also information on the Multilateral Development Banks.

1. The U.S. Small Business Administration (SBA) has a number of programs targeted toward helping small and medium-sized companies to develop export markets. In particular, SBA offers an export working capital guarantee program whereby SBA will guarantee up to 75% of a bank loan to provide working capital or a line of credit to exporters. This, in turn, can enable exporters to offer more favorable payment terms to their Moroccan buyers or provide working capital while export orders are being manufactured. Contact: U.S. Small Business Administration, 409 Third Street, SW, Washington, DC 20416, Office of International Trade, tel. (202) 205-6720, fax (202) 205-7272, or call 1-800-USA-TRADE for the location of your nearest U.S. Export Assistance Center.

2. The U.S. Export-Import Bank (EXIM) promotes the export of U.S. goods and services through a variety of loan, guarantee, and insurance programs, all of which are

available for transactions in Morocco. EXIM can guarantee U.S. commercial bank financing for U.S. exporters. Its export insurance programs provide insurance coverage against the risk of default on foreign receivables. However, a Moroccan guarantee, either from the government or from a private bank, may also be required. Ex-Im Bank established three years ago a small bundling facility (a line of guaranteed credits of USD 10.0 million) with Credit du Maroc, the Moroccan subsidiary of Credit Lyonnais France. Although other Moroccan banks have expressed some interest in this program, they have not overcome the reluctance of Moroccan importers to take on the foreign exchange risk of borrowing in dollars. Contact: Export-Import Bank of the United States, 811 Vermont Ave., NW, Washington, DC 20871; 1-800-565-EXIM (3946); Talaat Rahman, Desk Officer for North Africa, Tel: (202) 565-3911; Fax: (202) 565-3931; International Lending fax: (202) 565-3816, or call 1-800-USA-TRADE for the location of your nearest U.S. Export Assistance Center.

3. The U.S. Trade and Development Agency (TDA) is an independent U.S. government agency which promotes U.S. exports for major development projects in middle-income and developing countries. TDA funds feasibility studies, technical assistance, orientation visits and other project planning services related to major projects. Consulting contracts funded by TDA grants must be awarded to U.S. companies. U.S. involvement in project planning helps position potential U.S. suppliers to take advantage of follow-on contracts when these projects are implemented. TDA has been very active in Morocco in the energy, telecommunications, railway, chemicals, environmental, port and airport development industries. FCS Morocco works closely with TDA and with Moroccan and U.S. firms to identify potential projects. Contact: U.S. Trade and Development Agency, Henry Steingass, Regional Director for Middle East and North Africa, Room 309 SA-16, Washington, D.C. 20523-1602; Tel: (703) 875-4357; Fax: (703) 875-4009

4. The Overseas Private Investment Corporation (OPIC) is a self-sustaining, U.S. government agency that encourages U.S. businesses to invest in developing countries and emerging market economies. OPIC's key programs are loan guarantees, direct loans, and investment insurance against foreign political risk. Contact: Abed Tarbush, Investment Development Manager, Overseas Private Investment Corporation (OPIC); Tel: (202) 336-8799/ (202) 336- 8700; Fax: (202) 408-9859; 1100 New York Avenue, N.W. Washington, D.C. 20527

4. The USDA Credit Guarantee Programs: USD 75 million (GSM-102/3) is made available to Morocco to purchase various agricultural commodities from the US. The GSM-103 line, originally offered to the government, has been made available to Moroccan private sector importers through the Credit Agricole Bank for fiscal year 1999. The list of eligible commodities has been extended to cover, in addition to wheat and feed grains, other commodities such as livestock, cotton, vegetable oil, oilseeds, and planting seeds. The private importers can benefit from up to 6 months financing and the local government supports the exchange risk and the guarantee fee

for using GSM. The private sector GSM-102 line provides \$10 million for wheat, pulses, planting seeds, livestock, cotton, and dairy products. For more information about this program, please contact the office of the Agricultural Attached in Rabat at (212-7) 765987 Fax: (212-7) 765493

Availability of Project Financing

The principal multilateral financial institutions such as the World Bank, the IFC, the African Development bank, and the European Investment Bank all lend to Morocco for infrastructure development.

The Commerce Department's office of Multilateral Development Bank Operations (MDBO) provides one-stop shopping services to U.S. firms interested in doing business with the MDBs. Its staff can help U.S. companies get a share of major contracts financed by the multilateral development banks. For more information on any of these services in the U.S., contact MDBO at (202) 482-3399 or fax (202) 273-0927 or the Commercial Service Liaison Staff, Office of the U.S. Executive Director, the World Bank, 1818 H Street NW, Washington DC 20433, USA. Tel: (202) 458-0118/0120, Fax: (202) 477-2967.

1. International Finance Corporation (IFC), private-sector lending arm of the World bank, has cooperative agreements with Moroccan institutions and can provide services including financing from commercial banks, export credit agencies and other institutions. Contact in Morocco, Andre Laude, Country Manager, IFC, 30 Avenue des F.A.R., Casablanca. Tel: 212 2 48-46-86; Fax 212 2 48-46-90.
2. The Multilateral Investment Guarantee Agency (MIGA) is part of the World Bank group. Its purpose is to encourage foreign direct investment in developing countries by providing investors with political risk insurance. Like its counterpart OPIC, MIGA provides insurance to cover the risk of currency transfer, expropriation, war, and civil disturbance, and breach of contract by the host government. Morocco is a member of MIGA. Contact: Multilateral Investment Guarantee Agency, 1818 H Street, NW, Washington, DC 20433, Guarantees Dept. Tel: (202) 473-6168.

Types of projects receiving financing support

Infrastructure

The World Bank has granted Morocco two loans worth \$106 million to upgrade its telecommunications and fishing sectors.

Agriculture

Pilot Fisheries Development: The objectives of this project are to test and implement options to enhance value-added and competitiveness of the fisheries sector and promote

exports, while encouraging rural employment in the coastal areas. 5.0 million (IBRD). Consulting services to be determined.

-Ministry of Marine Fisheries, Office National des Peches, 66 Avenue Moulay Youssef, Rabat, Morocco. Tel. (212-7) 77-05-48; fax: (212-7) 77-10-61.

Environment

Protected Areas Management: The overall project objectives are to establish a system of protected areas in Morocco and promote sustainable conservation management with the participation of the local population in the ecosystems of the project areas. US\$10.1 (IBRD). Short-term consultants will be required in the areas of protected areas management/park management and social assessment.

- Administration des Eaux et Forets et de la Conservation des Sols, Ministry of Agriculture, Cite Administrative, Rabat, Morocco. Tel: (212-7) 76-44-46, Contact: Dr. Abderrahmane Hanan, Directeur General de l' Administration.

Population, Health and Nutrition

Health Management: The project will support the development and implementation of new financing mechanisms, mainly health insurance; support hospital management reforms; and improve the quality of services provided through priority rehabilitation of health infrastructure, training of relevant personnel and maintenance programs. \$66.0 million (IBRD). Consulting services to be determined.

-Ministry of Health, 335 Avenue Mohammed V, BP 812m Mechanar, Rabat, Morocco, Tel: (212-7) 76-16-75, Fax: (212-7) 76-38-95.

Structural Adjustment

Telecommunications, Post and Information Technology Structural Adjustment: The loan will support Treasury reforms in the telecommunications, postal and information technology sectors. \$100.0 million (IBRD). Consultants will be required.

- Agence Nationale de Reglementation des Telecommunications, 2, Rue Al Khalil, Rabat 10000, Morocco, Tel: (212-7) 20-38-69; fax: (212-7) 20-73-73, Contact: Mr. Mostafa Terrab, General Manager;

- Ittissalat Al Maghrib (IAM), fax: (212-7) 71-33-00, contact: Mr. Abdesslam Ahizoune;

- Ministry of Post and Information Technology, fax: (212-7) 70-56-41, Contact: Mr. Larbi Ajjoul, Secretary of State.

Policy Reform Support:

This is a quick-disbursing adjustment operation which will support institutional and policy reforms, including macroeconomic and budgetary policy framework, public sector reform, covering budgetary institutions, civil service reform and judicial reform, private sector development, covering public enterprise reform and privatization, the business environment, access to finance and private provision of infrastructure, and access to finance; and human and social development, covering poverty reduction and basic social and infrastructure services. \$250 million (IBRD). No consultants are required.

- Ministere des Affaires Generales du Gouvernement, Rabat, Morocco, Tel: (212-7) 77-20-66, fax: (212-7) 77-47-76, Contact: Mr. Monkid Mestassi, Directeur des Relations Economiques Internationales.

List of Moroccan Banks With Correspondent U.S. Banking Arrangements:

Banque Marocaine du Commerce Exterieur

Bank America

Bank of New York

Bankers Trust

Chase Manhattan Bank

Citibank

Banque Centrale Populaire

American Express

Arab Banking Corporation

Bank of New York

Bank America Bank

Citibank

Chase Manhattan Bank

Banque Marocaine pour le Commerce et l'Industrie

Bank of New York

Banque Commerciale du Maroc

American Express

Arab-American Bank of New York

Bank of New York

Chase Manhattan Bank

Citibank

First National Bank of Chicago

National Bank for Cooperatives

State Street Bank & Trust Company

Bank America Bank

Citibank-Maghreb

Citibank

Credit du Maroc

American Express Bank

Bank of New York

Chase Manhattan Bank

Citibank

Bank America Bank

Societe Generale Marocaine des Banques
Chase Manhattan Bank
Citibank

WAFABANK
American Express Bank
Bank America Bank
Bank of New York
Chase Manhattan Bank
Citibank
First Union
National Bank for Cooperatives (Cobank)

CHAPTER IX: BUSINESS TRAVEL

U.S. business travelers are encouraged to obtain a copy of the “Key Officers of Foreign Service Posts; “Guide for Business Representatives” available for sale from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402; Tel: (202) 512-1800, Fax: (202) 512-2250. Business travelers to Morocco seeking appointments with U.S. Embassy Morocco officials should contact the Commercial Section in advance. The Commercial Section can be reached by telephone at (212) (2) 26-45-50 or by fax at (212) (2) 22-02-59.

Business Customs

Moroccan business customs reflect a mix of Arab and Mediterranean influences, rather than African. Rarely are there breakfast meetings, lunches tend to be late and long, but business meetings are most commonly held in offices, rather than over meals. Moroccan hospitality is world-renowned, and business contacts enjoy entertaining in their lovely homes. Business attire is similar to warmer climates in the U.S. It is often a good idea to reconfirm appointments in advance. While U.S. businesspeople are encouraged to arrive at appointments on time, one should not be surprised at encountering delays, and it’s wise to schedule meetings recognizing that some could start, or run, late. A growing number of young Moroccan entrepreneurs with degrees from American schools conduct business in English, but it is always a good idea to determine in advance the language to be used during the meeting, should it be necessary to hire an interpreter. Moroccan women are becoming more involved in business activities, although not on a large scale. There is no difficulty, however, for foreign women doing business, or representing U.S. companies, in Morocco. Businesses are open Monday through Friday and sometimes Saturday morning. Most businesses close for lunch from noon to 2:00 p.m., except during the period from June 15 to September 15 and during the month of Ramadan, when they remain open at mid-day but close earlier in the afternoon. Morocco is a Muslim

country. Consumption of alcohol during the fasting month of Ramadan is prohibited for Muslims only.

Travel Advisory and Visas

U.S. citizens and member countries of the European Union do not need a visa for entry into Morocco. Entry visas are required for foreign nationals from certain countries, including Egypt, Iran, Sudan and Syria. In general, a tourist visa, which is valid for a period of three months, is the only type of temporary visa issued for Morocco.

Holidays:

December 27/28, 2000	Aid El Fitr (*)
January 1	New Year
January 11	Presentation of Independence Proclamation
March 4/5	Aid El Adha (*)
April 1	Moslem New Year (*)
April 25/26	Moroccan Labor Day
May 23	Moroccan National Day
June 2/3	Prophet's Birthday (*)
July 30	Feast of the Throne
August 14	Oued Eddahab Allegiance
August 20	Revolution of the King and the People
August 21	King's Birthday
November 6	Green March Day
November 18	Moroccan Independence Day

Note: Holidays with (*) are based on the lunar calendar and change every year. Dates shown are those projected for the year 2001. As is the case in most Muslim countries, it may be more difficult to make business appointments and contacts in Morocco during the month of Ramadan, which will start this year in early December.

Time: Morocco is on Greenwich Mean Time (GMT). The country does not observe Daylight Saving Time. Time difference between Morocco and the East Coast is 5 hours and West Coast 8 hours during Standard Time months.

Currency: The Moroccan currency unit is the Dirham, abbreviated as DH. There are 100 centimes to each dirham. Bank notes are denominated in 200, 100, 50, 20 and 10 dirhams. The average exchange rate to USDollar is 10 DH.

Weights and Measures: The metric system is used in Morocco

Electrical Standards: Electric power in Morocco is 50 cycle, one and three phase, with nominal voltage in the largest cities at 220 volts.

Business Structure: There are several Moroccan laws that govern all companies operating in Morocco, including the Code of Commerce that provides rules for businesses. Companies in Morocco may take the form of stock companies or limited liability companies. These forms are separate legal entities in which shareholder liability is limited to paid-in capital.

CHAPTER X: ECONOMIC AND TRADE STATISTICS

Appendix A: Country Data

Population	28.2 million
Population Growth Rate	1.7%
Religion	Islam, Judaism (less than 1%)
Government System	Constitutional Monarchy. King Mohamed VI
Languages	Arabic (official), French (business), Berber dialects, Spanish (in north)
Location	On the northwest corner of Africa, less than 10 miles across the Straits of Gibraltar from Spain.
Area	280,000 square miles, about the size of Oregon and Washington combined
Coastline	2,120 miles; Mediterranean Sea and Atlantic Ocean
Climate	Mild Mediterranean in North; Rabat/Casablanca Similar to San Diego; Marrakech, dry desert Similar to Phoenix or Palm Springs.
Work Week	Monday – Friday, 8:30 a.m.-12:30 p.m. and 2:30-6:30 p.m.

Appendix B: Domestic Economy

	1998	1999	2000 (est.)
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Gross Domestic Product (USD mil)	36,141	35,024	35,407
Real GDP growth (percent change)	6.3	(0.7)	0.7
GDP per capita (\$)	1,301	1,240	1,233
Government Spending (percent GDP)*	33.4	33.0	36.9
Inflation (Dec/Dec CPI pct chg)	2.7	0.7	2.5
Unemployment (Urban, percent)	19.1	22.4	23.0
For-Ex reserves (yr. end, USD mil)	4,482	6,030	5,960
Average rate Dh/\$	9.6	9.8	10.0
Foreign debt (USD billions)	20.0	17.5	17.0
Debt service ratio (as pct of exports)	23.8	22.9	20.0

Sources

1998 and 1999: Moroccan government data

2000: Moroccan government and Embassy projections.

* Fiscal year basis (July 1 – June 31)

Appendix C: Trade

USD Millions, except where noted.

Exports rose 5.4% in dollar terms in 1999, following slow growth of 2.3% in 1998. Export growth in 2000 is likely to be affected by the appreciation of the dirham vis-à-vis the Euro, as the European Union accounts for approximately 65% of total Moroccan exports. The ratification of the EU-Morocco Association Agreement has placed increased emphasis on the upgrading of the export-oriented industrial sector through the liberalization of trade.

	1998	1999
Total Country Exports	7,147	7,376
Total Country Imports	8,431	10,279
U.S. Exports	644	706
U.S. Imports	197	252

Source: Moroccan government data.

Appendix D. Investment Statistics

Foreign Direct Investment Statistics

The Moroccan foreign exchange office maintains balance of payments statistics that include annual foreign exchange inflows for private foreign investment. These statistics differentiate between foreign direct investment (purchases of companies or increases in capital), portfolio investment, and short-term financing for current account expenditures (e.g. lending to a subsidiary for purchases of equipment). There are no statistics on the stock of foreign investment in Morocco. However, foreign direct investment totaled

approximately \$5.4 billion from 1967-1999. The following tables are based on the balance of payments statistics.

Foreign direct investment in Morocco
(\$ millions)

Year	Total FDI	% of GDP
1994	213.6	0.7%
1995	211.1	0.7%
1996	235.0	0.7%
1997	800.9	2.5%
1998	384.6	1.0%
1999	945.6	3.0%

Total Foreign Investment Inflows* by Country of Origin
(\$ millions)

Includes Portfolio Investment

Country	1996	1997	1998	1999
United States	35.3	351.2	66.8	112.8
France	111.2	137.7	162.4	383.3
Spain	18.8	50.1	48.8	211.6
Germany	7.3	61.8	3.7	186.0
Japan	2.4	81.0	--	--
United Kingdom	96.4	32.2	20.6	21.4
South Korea	--	29.4	37.2	--
Netherlands	24.0	25.7	27.2	346.4
Libya	17.3	24.3	8.4	--
Benelux	17.7	8.5	--	12.9
Saudi Arabia	19.8	7.9	8.5	10.9
Switzerland	8.3	7.9	29.1	30.0

U.A.E.	1.4	3.9	6.2	--
Bahrain	1.7	--	--	--
Ireland	1.4	--	8.5	--
Portugal	73.8	--	12.9	518.1
Others	12.8	17.9	5.8	50.7
Total	504.2	1,258.9	565.8	1886.0

* Includes portfolio investment and short-term financing for current account expenditures.

N.B.

Exchange rate (Dh/\$)	8.7	9.8	9.6	9.8
GDP (\$ billions)	36.8	33.6	36.1	35.1

Private Foreign Investment Inflows* by Sector
(\$ millions)

Sector	1996	1997	1998	1999
Industry	187.2	160.2	213.1	387.3
Fishing	0.7	0.6	4.5	0.4
Tourism	5.3	48.4	17.4	31.0
Services	8.3	26.1	24.6	36.4
Transport	2.6	1.6	0.9	3.5
Public Works	12.7	22.0	2.9	13.4
Banking	129.3	214.5	120.7	220.6
Real Estate	46.0	32.7	55.5	48.6
Telecommunications	1.6	2.6	1.6	1042.1
Other	110.1	749.4	124.9	103.2
Total	504.2	1258.9	565.8	1886.0

* Includes portfolio investment and short-term financing for current account expenditures.

N.B.

Exchange rate (Dh/\$)	8.7	9.8	9.6	9.8
GDP (\$ billions)	36.8	33.6	36.1	35.1

CHAPTER XI: U.S. AND COUNTRY CONTACTS

Appendix E: U.S. and Country Contacts

U.S. Embassy Trade Related Contacts

AMERICAN CONSULATE GENERAL CASABLANCA

Kathleen Kriger, Commercial Counselor

The U.S. Commercial Service

8, Bd. Moulay Youssef

Casablanca, Morocco

Tel: (212) (2) 26-45-50

Fax: (212) (2) 22-02-59

Email: Kathy.Krigger@mail.doc.gov

AMERICAN EMBASSY RABAT

Richard Johnson, Economic Counselor

Peter Haas, Economic Officer

Merritt Chesley, Agricultural Attaché

James Bednar, Director USAID

Address: 2, Avenue de Marrakech

Rabat, Morocco

Tel: (212) (7) 76-22-65

Fax: (212) (7) 76-56-61

American Chamber and/or Bilateral Business Councils

AMERICAN CHAMBER OF COMMERCE

Contact: Simon O'Rourke, Executive Director

Hyatt Regency Hotel

Place Mohammed V

Casablanca, Morocco

Tel: (212) (2) 29-30-28

Fax: (212) (2) 48-15-97

U.S.- MOROCCO COUNCIL ON TRADE & INVESTMENT

Contact: Julianne Furman, Director
5 Bd. Abdellatif Benkadour, 4eme etage
Casablanca, Morocco
Tel: (212) (2) 39-04-12
Fax: (212) (2) 39-04-06

U.S.-MOROCCO COUNCIL ON TRADE & INVESTMENT

Lester Pollak, President and CEO
Abdou Bensouda, Managing Director
Rockefeller Plaza, Suite 800,8th floor
New York, N.Y. 10020
Tel: (212) 218-5750
Fax: (212) 218-5751

Country Government Offices Relating to Key Sectors**Ministere des Affaires Generales du Government
(Ministry of Government Affairs)**

Contact: Youssef Tazi Mezalek
Chef du Cabinet du Ministre
Palais Royal
Rabat, Morocco
Tel: 212 07 77 17 16
Fax: 212 07 77 47 76

**Ministere Du Tourisme
(Ministry of Tourism)**

Contact: Jawad Ziyat
Directeur des Amenagements et des Investissements Touristiques
Quartier Administratif
Rabat, Morocco
Tel: 212 07 77 06 35
Fax: 212 07 77 06 26

**Direction Des Douanes et Impots Indirects
(Customs Office)**

Contact: Abderrazak El Mossadaq, Director
Avenue Hassan II (ex rue Essafi)
Rabat, Morocco
Tel: (212) (7) 26-90-01
Fax: (212) (7) 73-09-85
E-mail: adii@douane.msie.gov.ma

Agence du Nord
(Government Agency in charge of the North Region)
Contact: Hassan Amrani
Managing Director
22, Av. Omar Ibn El Khattab Agdal
Rabat, Morocco
Tel: 212 07 77 60 13
Fax: 212 07 77 60 46

Direction De Statistique
(Department of Statistics)
Contact: Touafiq Cherkaoui, Director
Rue Mohamed Bel Hassan El Ouazzani
Haut Agdal-Rabat, Morocco
Tel: (212) (7) 77-36-06
Fax: (212) (7) 77-32-17
E-mail: webmaster@statistic.gov.ma

Ministere de L'economie et des Finances
(Ministry of Economy and Finance)
Contact: Fath Allah Oualalou, Minister
Contact: Mohamed Chafiki, Chief de Cabinet (Tel:07 76 11 13/Fax:07 76 50 68)
Ancien Quartier Administratif
Rabat, Morocco
Tel: (212) (7) 76-06-61
Fax: (212) (7) 76-40-81

Direction des Investissements Exterieurs
(Foreign Investment Office)
Contact: Hassan Bernoussi, Director
32 Rue Honain, Angle rue Michlifen
Agdal-Rabat, Morocco
Tel: (212) (7) 67-33-75
Fax: (212) (7) 67-34-17/42
E-mail: info@invest-in-morocco.gov.ma

Ministere de L'industrie, du Commerce et de L'artisanat
(Ministry of Industry, Trade and Handicraft)
Contact: Alami Tazi, Minister
Quartier des Ministeres
Avenue Mohamed V
Rabat-Chellah, Morocco
Tel: (212) (7) 76-18-78

Fax: (212) (7) 76-62-65

Web: www.mcinet.gov.ma

Direction du Commerce Exterieur
(Foreign Trade Office)

Contact: Jamal El Jamali, Director

63 Avenue Moulay Youssef

Rabat, Morocco

Tel: (212) (7) 70-33-63

Fax: (212) (7) 73-51-43

Email: sayehk@ncnet.gov.ma

Ministere de la Privatisation

(Ministry of Privatization)

Contact: Rachid Fillali, Minister

Contact: Youssef Fehri Fassi, Advisor to the Minister

(Tel: 07 68 96 88/ Fax: 07 67 58 98)

47, Ave. Ibn Sina - Agdal

Rabat, Morocco

Tel: (212) (7) 67-32-92

Fax: (212) (7) 67-32-99

Email: yfassi@minpriv.gov.ma

Office National de l'Electricite (ONE)

(National Office of Electricity)

Contact: Driss Benhima, General Manager

65 Rue Othman Ben Affane

Casablanca, Morocco

Tel: (212) (2) 66-80-80

Fax: (212) (2) 22-00-38

Agence Nationale de Reglementation des Telecommunications (ANRT)

(National Regulatory Agency for Telecommunications)

Contact: Mustafa Terrab, General Manager

Centre d'affaires B.P 2939

Aile Nord

Hay Riad, Rabat

Tel: (212-7) 71-84-00 / 71-73-12

Fax: (212-7) 71-64-89

Web: www.anrt.net.ma

Maroc Telecom (IAM)

(National Telephone Company)

Contact: Abdeslam Ahizoune, President General Manager

Avenue Annakhil, Hay-Riad
Rabat, Morocco
Tel: (212) (7) 71-41-41
Fax: (212) (7) 71-48-61
E-Mail: alam@iamdg.net.ma

Office National de l'Eau Potable (ONEP)
(National Office of Potable Water)
Contact: Lahoucine Tijani, General Manager
6 Bis Rue Patrice Lumumba
Rabat-Chellah, Morocco
Tel: (212) (7) 72-65-15
Fax: (212) (7) 72-67-07

Office Cherifien des Phosphates (OCP)
(National Office of Phosphates)
Contact: Mohamed Berrada, General Manager
Bd. de la Grande Ceinture
Route d'El Jadida
Casablanca, Morocco
Tel: (212) (2) 23-06-35
Fax: (212) (2) 25-09-99

Office d'Exploitation des Ports (ODEP)
(Moroccan Ports Authority)
Contact: Mohamed Halab, General Manager
175 Bd. Mohamed Zerktouni
Casablanca, Morocco
Tel: (212) (2) 23-23-24
Fax: (212) (2) 25-81-58

Royal Air Maroc
(National Airline Company)
Contact: Mohamed Hassad, President
Aéroport d'Anfa
Casablanca, Morocco
Tel: (212) (2) 91-20-21/91-20-22
Fax: (212) (2) 91-20-95

Bureau de Recherches et de Participation Minières
(Bureau of Mining and oil Exploration Research)
Contact: Amina Benkhadra, Managing Director
5, Bd. Moulay Hassan B.p 99

Rabat, Morocco
Tel: 212 07 70 96 19
Fax: 212 07 70 34 33
Email: benkhadra@acdim.net.ma

Country Trade Associations

Confederation Generale des Entreprises du Maroc (CGEM)
(Moroccan Employers Association)
Contact: Hassan Chami, President
Angle Avenue des FAR et rue Mohamed Errachid
Casablanca, Morocco
Tel: (212) (2) 25-26-96
Fax: (212) (2) 25-38-39
E-mail: cgem@mail.cbi.net.ma

A.F.A.C.
(Feed Millers Association)
Contact: Ibrahim Assimi; President
123 Bd Imile Zola
Casablanca, Morocco
Tel: (212) (2) 31-12-49/44-22-76
Fax: (212) (2) 44-22-76

APEBI
(Telecommunications and Computers Association)
Contact: Khalid El Hariryi, President
17, rue Najib Mahfoud. Quartier Gauthier.
Casablanca, Morocco
Tel: (212) (2) 27-47-57
Fax: (212) (2) 27-47-28

Federation de l'Industrie Miniere
(Mining Industry Association)
Contact: Abdelaziz Abarro, President
1 Place de l'Istiqlal
Casablanca, Morocco
Tel: (212) (2) 30-68-98
Fax: (212) (2) 31-99-96

Association des Marchands et Importateurs de Materiel Agricole
(Association of Moroccan Importers of Agricultural Equipment)
Contact: Abdellatif Ouazzani, President

C/o Comicom
9 Bd. d'Oujda
Casablanca, Morocco
Tel: (212) (2) 30-22-11
Fax: (212) (2) 30-60-82

Association Marocaine du Conseil et de l'Ingenierie
(Engineering Association)
Contact: Rachid Balafrej, President
10 Avenue Alaouine, Imm. ONEP
Rabat, Morocco
Tel: (212) (7) 70-42-24
Fax: (212) (7) 20-03-47
E-mail: fmciass@maghrebnet.net.ma

Office des Foires et Expositions de Casablanca
(Trade shows and Exhibitions Office)
Contact: Ahmed Ouzzani, General Manager
11, Rue Boukraa (ex Jules Mauran)
Casablanca, Morocco
Tel: (212) (2) 27-15-45 / 27-16-64 / 27-15-32
Fax: (212) (2) 26-49-49
Email: foire@ofec.co.ma
Web: <http://www.ofec.co.ma>

Specialized Agricultural Trade Associations

Federation Interprofessionnelle du Secteur Avicole (FISA)
(Poultry Feed, Poultry, and Eggs Federation)
Moulay Youssef Alaoui; President
123, Boulevard Emile Zola
Casablanca, Morocco
Phone: (212-2) 31-12-49
Fax: (212-2) 44-22-76

Lesieur
(Vegetable Oil Refiner, Oilseed Crusher)
Driss Taki; CEO
1, Rue Caporal Corbi
Casablanca, Morocco
Phone: (212-2) 35-46-36/35-43-27/35-43-27
Fax: (212-2) 35-77-54/35-40-97

Association Nationale des Cereales et Legumineuses(ANCL)
(Grain Importers Association)
Bennani, Azzedine; President
C/o COPRAGRI km 6,3, Boulevard My Ismail, Ain Sebaa
Casablanca, Morocco
Phone: (212-2) 35-31-41
Fax: (212-2) 35-08-69

Federation Nationale de la Minoterie (FNM)
(Wheat Millers Federation)
Haj Ahmed Berdai; President
Angle Ibn Majid Bahar & Brihmi El Idrissi (Ex Girardot/Havre)
Casablanca, Morocco
Phone: (212-2) 301801/301158
Fax: (212-2) 306551/305913

Association Nationale des Eleveurs de Bovins de Races Pures (ANEB)
(Purebred Dairy Cattle Association)
Jamal Skiti; Directeur
23, Bd Moulay Slimane Casablanca, Morocco
Phone: (212-2) 63-90-01
Fax: (212-2) 40-61-31

Country Market Research Firms

SEMMA
Contact: Mr. Pierrick Gautier, Director
18, Rue Ibn Sina
Casablanca, Morocco
Tel: (212-2) 39-60-30
Fax: (212-2) 39-60-33

AMER
Contact: Mme Fatiha Batal, Manager
Immeuble El Ouahda, Entrée A No.126
Bd. Lahcen ou Idder
Casablanca, Morocco
Tel: (212-2) 44-92-53/54
Fax: (212-2) 44-19-17

CREARGIE
Contact: Ms. Dominique Schwartz, General Manager
34 Rue de la Convention
Residence El Alami, quartier Racine

Casablanca, Morocco
Tel: (212-2) 94-98-42/46
Fax: (212-2) 94-98-41

Country Commercial Banks

Banque Centrale Populaire
Contact: Daoudi Houcine, Director Int'l Affairs
101 Bd. Mohammed Zerktouni
Casablanca, Morocco
Tel: (212) (2) 46-91-67
Fax: (212) (2) 29-34-54

Banque Commerciale du Maroc
Contact: Mohamed Cherkani, Head of Int'l Department
2 Bd. Moulay Youssef
Casablanca, Morocco
Tel: (212) (2) 47-64-39
Fax: (212) (2) 29-41-23

Banque Marocaine du Commerce Exterieur
Contact: Mohamed Bennani, Head of Int'l Department
140 Avenue Hassan II
Casablanca, Morocco
Tel: (212) (2) 20-04-20
Fax: (212) (2) 22-05-23
E-mail: mohamedbennani1@hotmail.com

Banque Marocaine pour le Commerce et l'Industrie
Contact: Mustapha Faris, President
26 Place Nations Unies
Casablanca, Morocco
Tel: (212) (2) 46-11-59
Fax: (212) (2) 22-46-04

Citibank-Maghreb
Contact: Eric Stoclet, Managing Director
52 Avenue Hassan II
Casablanca, Morocco
Tel: (212) (2) 22-41-68
Fax: (212) (2) 20-57-23
E-mail: eric.stoclet@citicorp.com

Credit Agricole (CNCA)

Daoudi, Tahar; Head of International Division
28, Rue Abou Farris El Marini
Rabat, Morocco
Phone: (212-7) 208231/208220/208221
Fax: (212-7) 208267

Credit du Maroc
Contact: Jamal Lemridi, Director Int'l Affairs
48-58 Bd. Mohammed V
Casablanca, Morocco
Tel: (212) (2) 47-78-00
Fax: (212) (2) 47-78-07/01

Societe Generale Marocaine de Banques
Contact: Omar Skalli, General Manager
55 Bd. Abdelmoumen
Casablanca, Morocco
Tel: (212) (2) 20-02-83
Fax: (212) (2) 20-09-61

WAFABANK
Contact: Ahmed Layine, Head of Int'l Department
163 Avenue Hassan II
Casablanca, Morocco
Tel: (212) (2) 54-54-54
Fax: (212) (2) 47-03-98

ABN-AMRO BANK
Contact: Mohamed Haitami, Senior VP
47, Rue Allal Ben Abdallah, 4th floor
Casablanca, Morocco
Tel: (212) (2) 49-73-05
Fax: (212) (2) 20-91-45

Casablanca Finance Group
Contact: Adil Douiri, CEO
5/7 Rue Ibnou Toufail (Angle Bd. Zerktouni)
Casablanca, Morocco
Tel: (212) (2) 25 50 50
Fax: (212) (2) 98 39 89
Email: a.douiri@cfgmorocco.com

Casablanca Stock Exchange
Contact: Fathia Bennis

Avenue de l' Armee Royale
Casablanca, Morocco
Tel: 212 2 45 26 26
Fax: 212 2 45 26 25
Email: bennis@casablanca-bourse.com

Multilateral Development Bank Offices in Country
and Trade Assistance Offices in the U.S.

World Bank Representation
Contact: Olivier Godron, Representative
7, Rue Larbi Benabdellah
Rabat, Morocco
Tel: (212) (7) 63-60-50
Fax: (212) (7) 63-60-51

Washington-Based USG Country Contacts

U.S. Department Of Commerce
Kevin Brennan, Regional Director
OIO/ANESA, US&FCS
U.S. Department of Commerce, Washington, D.C.
Tel: (202) 482-4836; Fax: (202) 482-5179

Tom Parker, Director, Office of the Near East
Cherie Loustaunau, Morocco Desk Officer
U.S. Department of Commerce, Washington, D.C.
Tel: (202) 482-1860; Fax: (202) 482-0878

Multilateral Development Banks Office
U.S. Department of Commerce
Tel: (202) 482-3399; Fax: (202) 482-5179

TPCC Trade Information Center in Washington
Tel: 1-800-USA-TRADE

U.S. Department Of State
Morocco Desk Officer: Nels Nordquist, NEA/ENA Washington, D.C.
Tel: (202) 647-4675; Fax: (202) 736-4458

Office of the Coordinator for Business Affairs
Tel: 202-746-1625; Fax: 202-647-3953

U.S. Department of Agriculture, Foreign Agriculture Service
Trade Assistance and Promotion Office:
Director Grain & Feed Division, Robert Riemenshneider, Washington, D.C.
Tel: (202) 720-6219; Fax: (202) 720-0340

U.S. Export Import Bank (Ex-Im)
North Africa Desk Officer, Talaat Rahman
Tel: (202) 565-3911; Fax: (202) 565-3931

Overseas Private Investment Corporation (OPIC)
North Africa Desk Office, Abed Tarbush
Tel/(Info Line): (202) 336-8799
Tel/(Facts Line): (202) 336-8700
Fax: (202) 408-9859
WEB: <http://www.opic.gov>
Email: info@opic.gov

U.S. Trade Development Agency
Henry Steingass, Regional Director Africa/Middle East
Cybill Sigler, Country Director
Tel: (703) 875-4357; Fax: (703) 875-4009

Moroccan Embassy in Washington
1601 21 Street, NW
Washington, D.C. 20009-1002
Tel: (202) 462-7979
Fax: (202) 265-0161
Contact: Ambassador Abdallah El Maaroufi

CHAPTER XII: MARKET RESEARCH AND TRADE EVENTS

Appendix F: Market Research

Market Research to be completed in 2000

- Power Generation and Renewable Energies
- Environmental Technologies

- Waste Water Treatment

Market Research to be completed in 2001

- Construction and Building
- Food Processing and Packaging Equipment
- Tourism Services
- Oil and Gas Exploration Services
- Information and Internet Services

List of USDA/FAS Commodity Reports and Briefs:

In addition to the scheduled reports listed on the table below, AgAtt regularly reports on special issues (such as significant changes in policy).

Report	Due Date
Oilseeds and Products (Soybean/Rapeseed)	February 1
Grain and Feed (Wheat and Barley)	March 6
Trade Policy Monitoring Report	March 15
Sugar	April 10
Food/Agriculture Import Regulation and Standards (FAIRS)	July 31
Promotion Opportunities	September 15
Seafood Report (Squid)	September 30
AgExporters Guide	September 30
Citrus	November 1

Appendix G: Trade Event Schedule

Food and Agricultural Shows

Agrimaroc 2000 -Casablanca (Agriculture Show)

Date: 21- 24 September 2000

Contact: Mrs. Belmrah Fouzia

Office des Foires et des Expositions de Casablanca (OFEC)

11, Rue Boukraa (Ex-Jules Maurant)

Casablanca, Morocco

Phone: (212-2) 201157/271545 Fax:(212-2) 264949 / 274973

Email: foire@ofec.co.ma Page Web: [http:// www.ofec.co.ma](http://www.ofec.co.ma)

SAAM - Casablanca (Food and Agriculture Show)

Date March 2001

Venue: Espace Toro

Mr. Laraki Nasser

Boulevard Sidi Mohamed Ben Abdellah

Casablanca

Phone: (212-2) 900245/940247

Fax: (212-2) 940222

USDA will have a booth at this show to display samples and info on U.S. Food products.

U.S. Exporters/Organizations interested in this show should contact AgAttache:

AgRabat@fas.usda.gov

Dawajine Show (Poultry and Feed Show)

June 2001

Federation Interprofessionnelle du Secteur Avicole (FISA)

Mr. Alaoui Youssef, President

123, Boulevard Emile Zola

Casablanca, Morocco

Phone: (212-2) 311249/542488/542489

Fax:(212-2) 442276

USDA will have a booth at this show to display samples and info on U.S. Agricultural commodities. U.S. Exporters/Organizations interested in this show should contact

AgAttache: AgRabat@fas.usda.gov