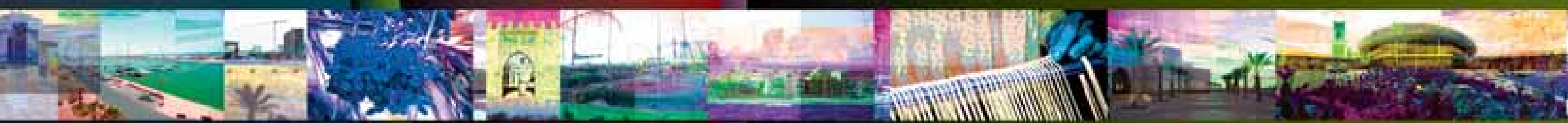
Morocco
Oriental Region



An Investment Guide
to the Oriental Region of Morocco
Opportunities and Conditions
2012

United Nations

UNITED NATIONS

AN INVESTMENT GUIDE TO THE ORIENTAL REGION OF MOROCCO

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UNITED NATIONS
New York and Geneva, 2012

UNCTAD

The United Nations Conference on Trade and Development (UNCTAD) was established in 1964 as a permanent intergovernmental body. Its main goals are to maximize the trade, investment and development opportunities of developing countries, to help them meet the challenges arising from globalization, and to help them integrate into the global economy on an equitable basis. UNCTAD's membership comprises 193 States. Its secretariat is located in Geneva, Switzerland, and forms part of the United Nations Secretariat.

ICC

The International Chamber of Commerce (ICC) is the world business organization. It is the only body that speaks with authority on behalf of enterprises from all sectors in every part of the world, grouping together thousands of members, companies and associations from 130 countries. ICC promotes an open trade and investment system and the market economy in the context of sustainable growth and development. It makes rules that govern the conduct of business across borders. Within a year of the creation of the United Nations it was granted consultative status at the highest level (category A) with the United Nations Economic and Social Council. This is now known as General Category consultative status.

Notes

The term 'country' as used in this study also refers, as appropriate, to territories or areas; the designations employed and the presentation of the material do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. In addition, the designations of country groups are intended solely for statistical or analytical convenience and do not necessarily express a judgement about the stage of development reached by a particular country or area in the development process.

Note

The Kingdom of Morocco adopted a new constitution by referendum on 1 July 2011. As this institutional reform occurred after the publication of 'An Investment Guide to the Oriental Region of Morocco', the changes introduced by the new provisions are not reflected in the text of this publication.

It is therefore necessary to take into account the important institutional changes that the Constitution provides for, among other things, the new distribution of powers, strengthening decentralization, judicial reform, and the recognition of Amazigh as an official language of Morocco alongside Arabic

UNCTAD/DIAE/PCB/2010/10

Three good reasons to invest in the Oriental Region

• A wealth of natural resources

The Oriental Region has considerable and diverse agricultural resources with crop types which vary according to the different provinces and the prevalent climatic conditions. Although some crops are well-adapted to the climatic situation in the southern part of the region (including the cultivation of dates in Figuig), the best conditions are to be found in the north, particularly in the fertile Moulouya basin.

The region is very attractive for domestic and international tourism, because of its wide range of places of interest and different landscapes. Possibilities abound in terms of coastal tourism, particularly at the new Mediterranean resort of Saidia, but also cultural tourism and ecotourism (the Marchica lagoon, and desert oases of Figuig, the heritage of Oujda and the major cities, the Beni Snassen mountains, hot springs, etc.).

The Oriental Region's natural assets also provide opportunities in other sectors: the significant amount of annual sunshine makes the region, especially in the south, particularly well-suited to solar energy production projects, which are currently enjoying a boom. Finally, its mineral-rich sub-soils are proving attractive for mining projects.

• A well-positioned, thriving region

The Oriental Region's geographical location is advantageous for access to foreign markets. The region shares its eastern border with Algeria, making it the Moroccan region closest to the other Maghreb countries, although it is somewhat remote from the most populated and economically active areas in Morocco. Investors could really profit from this location if the land border with Algeria is re-opened. Its Mediterranean coastline and the development of the Port of Nador also make a credible alternative to the port of Tangier for access to European markets and the Mediterranean basin. Furthermore, development of road infrastructure linking the East to the rest of Morocco (particularly to Fez and Tangier) will mean that the region is less isolated in the future.

Moreover, the investors met by the UNCTAD team described a thriving region, with great potential and competitive manpower costs. They welcomed the efforts made by the government to develop infrastructure, with the creation of business parks and new tourism projects. They also praised the security, macroeconomic stability and friendliness of the region. In addition, the Oriental Region is economically close to its diaspora, an essential source of foreign capital, which regional governments are aiming to channel particularly into the productive sectors.

• Proactive public authorities

The Oriental Region is benefiting from Morocco's current boom and the major macroeconomic reforms that have been undertaken at national level since the 1980s. These reforms have helped keep inflation low in spite of higher raw material prices, maintain a current account surplus and increase the flow of foreign direct investment into the country. The region also benefits from Morocco's very open economy, characterized by significant trade with the European Union and many free trade agreements. Finally, central government has implemented an economic development strategy based on support for a number of strategic sectors. These efforts primarily target sectors with high added value (new technologies, renewable energy) and are being implemented in major national investment schemes in business zones and transport and communication infrastructure.

Since the launch of the Royal Initiative for the Development of the Oriental Region in 2003, the regional authorities have been particularly active in improving the region's accessibility with respect to other economic areas in Morocco and internationally. There has been significant ongoing investment in transport infrastructure, including the current construction of a second port at Nador, a new terminal at

Oujda-Angad airport, an extension of the highway between Fez and Oujda and the Mediterranean bypass between Tangier and Saidia. New business centres are also being developed (industrial parks in Oujda and Selouane, the agri-food technology zone in the province of Berkane) and there are large-scale sectoral projects, such as those undertaken in the resort of Saidia or the concentrated solar power plant at Ain Beni Mathar.

The region has also benefited from a significant development of its human capital with the expansion of Mohammed I University and improved vocational training opportunities.

Preface

It is widely acknowledged that foreign direct investment makes an important contribution to growth and development. It tends to bring capital, technology, organisational know-how and access to new markets. It is also more stable and is underpinned by a longer-term commitment to the host country than other types of capital flows.

The current Investment Guide to the Oriental Region of Morocco is the concrete product of a collaborative venture by the United Nations Conference on Trade and Development (UNCTAD) and the International Chamber of Commerce (ICC) The aim is to bring together two types of groups whose interests are complementary: companies seeking new investment opportunities and countries or regions looking for new investors.

This is not always a straightforward exercise, as companies follow their global strategies as much as lured by specific opportunities, whereas countries have economic and social objectives that go beyond attracting foreign investment.

The UNCTAD-ICC Investment Guides are thus properly seen as parts of a long-term process at the heart of which is an ongoing dialogue between investors and governments. The guides themselves are the product of a dialogue, including that occurring among and between the representatives of business and government during the workshops that precede the completion of the guides. It is our hope that the guides will in turn contribute to the dialogue, helping to strengthen and sustain it. We are convinced that in the long run it is this alone that will create conditions increasingly conducive to greater flows of investment, which can impact the development of countries and the well-being of their populations.

Supachai Panitchpakdi
Secretary-General
UNCTAD

Jean-Guy Carrier
Secretary-General
ICC

Acknowledgements

This *Investment Guide to the Oriental Region of Morocco* was produced by UNCTAD's Division on Investment and Enterprise at the request of the Government of Morocco. It is based for the most part on information gathered during a study visit undertaken in March and April 2010 by an UNCTAD team and reflects the situation at that time. The UNCTAD team received full cooperation from the national and regional authorities and other competent bodies. The inputs provided during the study visit by national and international private sector representatives and civil society were also of considerable value. A preliminary version of this guide was discussed with the stakeholders at a workshop held in Oujda in January 2011. The guide has taken on board the comments expressed at this workshop.

This guide was drafted by a project team comprising Ian Richards and Estève Morel, directed and coordinated by Nazha Benabbes Taarji-Aschenbrenner. Mimoun Mehdi contributed to the guide, which also had precious support from Mohamed Mbarki, Taoufiq Boudchiche and Driss Moulay Rchid. The page layout of the guide is designed and typeseted by Nelson Vigneault.

This guide was funded and facilitated by the 'Agency for the promotion and economic and social development of the prefecture and the eastern provinces of the Kingdom' (hereinafter referred to as the Oriental Agency).

Note to the reader

This document is published as part of the UNCTAD-ICC series of investment guides. The publications in this series are intended for the use of foreign investors who are largely unfamiliar with the countries covered. They are thus designed to offer overviews of potential locations for investment, rather than constitute exhaustive works of reference or provide detailed practical instructions. They do, however, offer pointers to sources of further information in the private as well as the public sector.

There are two other features that the reader will find worth noting. One is that they are third-party documents, intended to offer a balanced and objective account of investment conditions. Their principal advantage in drawing the attention of investors to the countries they cover is credibility. The other feature is that both their general structure and some of their specific content are the result of consultations with the private sector.

The executive summary is followed by a brief introductory chapter. Then come the three chapters that account for the bulk of the contents. The "operating environment" chapter describes the general conditions in which investors must operate: macroeconomic conditions, infrastructure, taxation and human resources. "Areas of opportunity" offers a description of areas of potential interest to foreign investors. "The regulatory framework" focuses on regulations governing investment and foreign direct investment in particular.

Appendix 1 provides a list of the multinationals and major Moroccan firms in the region. Appendix 2 gives the contact details of further sources of information including websites and Appendix 3 contains useful contacts for investors. Appendix 4 lists the double taxation agreements and the investment promotion and protection agreements signed by Morocco. Appendix 5 indicates holidays and working hours. Appendix 6 gives the contact details of the region's Wali and provincial governors.

The UNCTAD-ICC Series of Investment Guides

- *An Investment Guide to Ethiopia, 1999; revised edition, new format, 2004*
- *Guide de l’investissement au Mali, 2000*; revised edition, new format, 2004
- *An Investment Guide to Bangladesh, 2000*
- *An Investment Guide to Uganda, 2001*; revised edition, new format, 2004
- *An Investment Guide to Mozambique, 2002*
- *An Investment Guide to Nepal, 2003*
- *An Investment Guide to Cambodia, 2003*
- *Guide de l’investissement en Mauritanie, 2004*
- *An Investment Guide to East Africa, 2005*
- *An Investment Guide to Kenya, 2005*
- *An Investment Guide to Tanzania, 2005*
- *An Investment Guide to Rwanda, 2006*; reprinted in 2008
- *An Investment Guide to Uzbekistan, 2007*
- *An Investment Guide to the Silk Road, 2009*
- *Guide de l’investissement au Bénin, 2010*
- *An Investment Guide to Lao PDR, 2010*
- *Guide de l'investissement au Maroc, 2010*
- *Guide de l'investissement aux Comores, 2011*
- *An Investment Guide to Zambia, 2011*

Abbreviations

ADEREE	National Agency for the Development of Renewable Energy and Energy Efficiency (*Agence nationale de développement des énergies renouvelables et de l'efficacité énergétique*)
TRIPS	Trade-Related Aspects of Intellectual Property Rights
EFTA	European Free Trade Association
AMDI	Moroccan Investment Development Agency *(Agence marocaine de développement des investissements)*
AMIC	Moroccan Private Equity Investors Association *(Association marocaine des investisseurs en capital)*
AMICA	Moroccan Association for Automotive Trade and Industry *(Association marocaine pour l'industrie et le commerce de l'automobile)*
AMITH	Moroccan Association of Textile and Apparel Manufacturers *(Association marocaine des industries du textile et de l'habillement)*
ANP	National Ports Agency *(Agence nationale des ports)*
ANRT	National Agency of Telecommunications Regulation *(Agence nationale de réglementation des télécommunications)*
IPPA	Investment Promotion and Protection Agreements
ADB	African Development Bank
EIB	European Investment Bank
BMCE	Moroccan Bank for Foreign Trade *(Banque marocaine du commerce extérieur)*
BMCI	Moroccan Bank for Trade and Industry *(Banque marocaine pour le commerce et l'industrie)*
BMDA	Moroccan Copyright Office *(Bureau marocain du droit d'auteur)*
BPO	Business Process Outsourcing
BTP	Construction and Public Works *(Bâtiment et travaux publics)*
CCG	Central Guarantee Fund *(Caisse centrale de garantie)*
CCIS	Chamber of Commerce, Industry and Services
CCR	Consultative Commission on Regionalization
CDVM	Council for the Code of Ethics in Securities *(Conseil déontologique des valeurs mobilières)*
CFCIM	French Chamber of Commerce and Industry in Morocco *(Chambre française de commerce et d'industrie du Maroc)*
CFI	Primary Teacher Training Centre *(Centre de formation des instituteurs)*
CGEM	General Confederation of Moroccan Enterprises *(Confédération générale des entreprises du Maroc)*
ICSID	International Centre for Settlement of Investment Disputes
CNDP	National Commission for the supervision and protection of personal data *(Commission nationale de contrôle et de protection des données personnelles)*
UNCITRAL	United Nations Commission on International Trade Law
UNCTAD	United Nations Conference on Trade and Development
COMAR	Oujda Arbitration and Mediation Centre *(Centre d'Oujda pour la médiation et l'arbitrage)*
CONOR	Oriental Canning Factory *(Conserverie de l'Oriental)*
CPGE	Preparatory classes for the "grandes écoles" *(Classe préparatoire aux grandes écoles)*
CPR	Regional Pedagogical Centre *(Centre pédagogique régional)*
CRI	Regional Investment Centre *(Centre régional d'investissement)*
CSP	Concentrating Solar Power plant
EFA *des affaires)*	French Business School *(École française*
TEU	Twenty Foot Equivalent Unit
GEF	Global Environment Facility
FIRO	Investment Fund for the Oriental Region *(Fonds d'investissement de la région de l'Oriental)*
IMF	International Monetary Fund
FODEP	Fund for reducing industrial pollution *(Fonds de dépollution industrielle)*
FOGAM	Upgrading Guarantee Fund *(Fonds de garantie des crédits pour la mise à niveau des entreprises)*
FOMAN	National upgrading Fund *(Fonds national de mise à niveau)*
FORTEX	Restructuring fund for businesses in the textile and clothing sector *(Fonds de restructuration des entreprises du secteur du textile et l'habillement)*
FPCT	Collective Investment Funds by Securitization *(Fonds de placement collectif en titrisation)*
EIG	Economic Interest Grouping
GMT	Greenwich Mean Time
FDI	Foreign Direct Investment
IFRI	International Financial Reporting Interpretations
INDH	National Initiative for Human Development (*Initiative nationale pour le développement humain)*
IR	Income tax *(Impôt sur le revenu)*
IS	Corporate tax *(Impôt sur les sociétés)*
ITO	Information Technology Outsourcing
MAD	Moroccan Dirham
MBA	Master of Business Administration
MENA	Middle East and North Africa
MIGA	Multilateral Investment Guarantee Agency
MRE	Moroccan Resident Abroad *(Marocain résidant à l'étranger)*

MFN	Most Favoured Nation (clause)
OECD	Organisation for Economic Cooperation and Development
OCMRE	Observatory of the Moroccan Community Residing Abroad *(Observatoire de la communauté marocaine résidant à l'étranger)*
OFPPT	Vocational Training and Occupational Promotion Bureau *(Office de la formation professionnelle et de la promotion du travail)*
ILO	International Labour Organisation
WTO	World Trade Organisation
WIPO	World Intellectual Property Organisation
OMPIC	Moroccan Office for Industrial and Commercial Property *(Office marocain de la propriété industrielle et commerciale)*
ONCF	Moroccan National Railways Board *(Office national des chemins de fer)*
ONE	Moroccan National Electricity Board *(Office national de l'électricité)*
ONEP	Moroccan National Drinking Water Board *(Office national de l'eau potable)*
NGO	Non-Governmental Organisation
ONHYM	National Office of Hydrocarbons and Mining *(Office national des hydrocarbures et des mines)*
OPCR	Venture Capital Investment Organisation *(Organisme de placement en capital-risque)*
UCITS	Undertakings for Collective Investment in Transferable Securities
ORMVAM	Moulouya-Berkane Regional Agricultural Development Office *(Office régional de mise en valeur agricole de la Moulouya-Berkane)*
OAU	Organisation of African Unity (became African Union in 2002)
PAIGAM	Support programme for Moroccan guarantee institutions *(Programme d'appui aux institutions de garantie marocaines)*
AMP	Aromatic and medicinal plants
PAR	Regional Agricultural Plan *(Plan agricole régional)*
PDRT	Oriental Region Tourism Development Plan (*Plan de développement régional touristique pour l'Oriental)*
GDP	Gross Domestic Product
SME	Small- and Medium-sized Enterprises
SMI	Small- and Medium-sized Industries
PNEI	National Pact for Industrial Emergence *(Pacte national pour l'émergence industrielle)*
RENOVOTEL	Hotel Renovation Fund *(Fonds de rénovation des unités hôtelières)*
ANI	Actual Net Income
SNI	Simplified Net Income
RTG	Rubber-Tyred Gantry
SA	Public limited company *(Société anonyme)*
SARL	Limited liability company *(Société à responsabilité limitée)*
SCA	Limited partnership with a share capital *(Société en commandite par actions)*
SCS	Limited partnership *(Société en commandite simple)*
SGMB	Société Générale Maroc
IFC	International Financial Corporation
SMAG	Guaranteed Minimum Agricultural Wage *(Salaire minimum agricole garanti)*
SMIG	Guaranteed Minimum Inter-Professional Wage *(Salaire minimum interprofessionnel garanti)*
SNC	Partnership *(Société en nom collectif)*
SODEP	Company for the Management of the ports *(Société d'exploitation des ports)*
PDT	Personal digital television
TTC	Including all taxes *(Toutes taxes comprises)*
VAT	Value Added Tax
AU	African Union
EU	European Union
WAEMU	West African Economic and Monetary Union
AMU	Arab Maghreb Union
UMP	Mohammed I University *(Université Mohammed Premier)*
UfM	Union for the Mediterranean
VNA	Non-Farming Permit *(Vocation non agricole (attestation))*
WCT	WIPO Copyright Treaty
WPPT	WIPO Performances and Phonograms Treaty
US$	United States Dollar

Contents

Executive Summary

Investors are welcome

The Oriental Region benefits from Morocco's openness to investors. The repeal of the *Moroccanisation Act* in 1993 helped to end discrimination against foreign investors and paved the way for liberalization in many sectors. In addition to industrial and commercial businesses, several other sectors are now subject to competition.

Foreign investors enjoy the same rights and incentives as domestic investors and freedom of establishment. For several years, Morocco has complied with the principles of national treatment and most favoured nation (MFN) status, which enshrines the right of equal treatment for Moroccan and foreign investors. Foreign investors also have complete freedom to repatriate profits, dividends and capital. Moreover, in international arbitration, they can choose between an appeal to the International Centre for Settlement of Investment Disputes (ICSID) or an ad hoc tribunal established pursuant to the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL). There is also a centre for mediation and arbitration at the Oujda Chamber of Commerce, Industry and Services (CCIS).

A framework law enacting an Investment Charter came into force in January 1996 laying down the government's objectives to improve the country's investment climate. The aim is to encourage domestic and foreign private investment by providing consistent access to all available benefits and streamlining administrative procedures.

The institutional framework for investors has been much improved. The Regional Investment Centre (CRI) was set up to act as a single point of contact for investors and support them during project implementation. An Investment Commission was also established under the chairmanship of the Prime Minister to rule on potential obstacles to investment projects.

The institutional and legal framework and the continued reform programmes initiated in recent years have significantly increased the appeal of Morocco and its economic regions.

Assets

The Oriental Region is thriving and has gained momentum from the "Royal Initiative for the Development of the Oriental region," which aimed to stimulate investment and employment and encourage the creation of small businesses by young entrepreneurs. The government's continued commitment has facilitated the creation of a regional development centre, the "Eastern Mediterranean Pole" or "MED EST", and the establishment of the Oriental Agency (Agency for the promotion and economic and social development of the prefecture and the provinces of the eastern region of the Kingdom).

The authorities have made significant efforts to open up the region, integrate it into the national economy and make it more easily accessible to investors and tourists. An extensive infrastructure development programme has been implemented for this purpose. The programme includes opening a new terminal at Oujda-Angad airport, less than an hour's flight from Spain, upgrading rail infrastructure, construction of a new port near Nador, the concentrated solar power plant at Ain Beni Mathar, the development of major industrial parks in Oujda, Berkane and Selouane, extension of the highway between Fez and Oujda and the building of a Mediterranean bypass connecting the cities of Tangier and Saidia. The authorities have also focused on developing international tourism in Saidia and in the desert, expanding Mohammed I University to improve education and vocational training opportunities and the development of agricultural infrastructure.

Major domestic investment flows have also accompanied the many public infrastructure development projects. In addition, the diaspora is an essential source of foreign capital, which regional governments are above all aiming to channel into productive sectors.

The UNCTAD team met investors who described the Oriental Region as a strongly developing region with significant growth potential and low-cost manpower. They were also satisfied with government action in terms of transport infrastructure and receiving new businesses in the regions and praised the secure, stable environment.

Opportunities

Given its history, economy and geography, the Oriental Region offers significant economic opportunities.

The Oriental Region is the third agricultural region of Morocco in terms of added value. The climatic conditions which vary from north to south allow for the production of a wide variety of agricultural products. Taourirt olive oil, Berkane clementines and Figuig dates (Aziza) are some of the main names have made the Oriental Region's reputation. Furthermore, the Beni Guil sheep breed, raised in the Oriental Region is renowned for its hardiness and the quality of its meat. The region has various facilities for processing and packaging agricultural products. However, much remains to be done to add value to the agricultural production, which is a priority of the government's strategy. Works began in mid-2010 to build a large-scale agri-food technology zone near Berkane. It will provide investment opportunities in agribusiness, packaging and logistics.

In tourism, the Oriental Region has many natural attractions and landscapes of great diversity, from the Mediterranean coast in the north to semi-desert plateaus in the south, the Moulouya river and the Beni-Snassen mountain range. The region's assets, which have remained largely untapped, are now gradually being developed. However, despite the richness and variety of the region's natural sites, the new and expanding Mediterranean resort of Mediterrania Saïdia is the main tourist destination. Tourism generated by this resort, however, can be utilized to develop discovery packages to other sites in the region, particularly with integrated tourist circuits, including mountaineering, hiking and horseback riding, archaeological tours, spas, rural and cultural tourism, desert tours and ecotourism. In addition, the 25 km long Marchica lagoon, around which seven tourist sites will be developed, is set to become the second major resort of the Oriental region. Ecotourism, also known as green or rural or nature tourism, is experiencing some growth in Morocco. Moroccan travel agencies and tour operators specializing in ecotourism are basing their offer on the country's rich and exceptional natural beauty. Ecotourism is particularly important, both nationally and regionally as it maintains a balance between economy and ecology. This new type of tourism is a reliable, stabilizing factor for the medium- and long-term.

The recent rapid development of the renewable energy sector in Morocco and, more specifically, solar energy in the Oriental Region, is providing attractive investment opportunities. For investors in the clean energy sector, locating in the Oriental Region is particularly promising, given that this sector is a national priority for the government. There is finance available from international programmes and interest from the European Union as part of its energy policy (the electricity grids in Morocco and Spain are connected). The development of future electricity generation capacity through Concentrating Solar Power, together with regional training programmes focused on energy and clean technologies, will significantly strengthen the sector. In addition, the establishment of new renewable energy industries in the region, facilitated by an industrial zone dedicated to clean industries and renewable energy, is expected to attract many SMEs, which will be able to meet the demand for services and related activities of the new industries.

The Oriental Region enjoys competitive input costs compared to other Moroccan regions and proximity to European markets. It is therefore well positioned to capitalize on investments related to off-shoring, such as BPO (business process outsourcing) and ITO (information technology outsourcing). In order to develop this sector, specific infrastructure and a sectoral framework adapted to the needs of businesses and conducive to investment have been put in place in the Oujda Technology Park. The closeness of the Oriental Region to the European time zone facilitates close cooperation between staff located in the region with teams and clients located on the other side of the Mediterranean. One major investor has already been attracted by these factors and has located in Oujda.

Difficulties

Although considerable progress has been made and is ongoing with regard to transport infrastructure, access to the region still needs improvement so that it can more easily take advantage of the economic vitality of Morocco's most active regions of and become an integral part of the country's economic fabric. The regional authorities and the government have set economic integration as a medium-term objective. Unemployment is also an important problem in the Oriental Region.

Despite real economic and social progress, the region still faces the national challenges posed by the reduction of illiteracy, the need for greater access to health care, reforming the judiciary and administration and the gradual transition of business activities from the significant informal sector to the formal sector. Growth in the modern sector and the development of new productive activities are expected to foster ongoing progress in these areas.

Prospects and challenges

The Head of State, central and local government are all playing an active role in the region's development, focusing on infrastructure, human capital and the expansion of a competitive modern private sector.

However, the region still needs to meet a set of interlinked challenges. As in most countries, the region is faced with the downturn in global demand. Moreover, economic growth must also be focussed on the wider objectives of reducing poverty, developing household access to social services, improving public sector efficiency and reducing the vulnerability of the population.

Only radical reforms, accompanied by significant and sustainable economic growth, are likely to do so. This requires strengthening and improving macroeconomic performance, modernising production facilities and the administration, and a constant struggle against poverty and inequality.

Oriental Region data

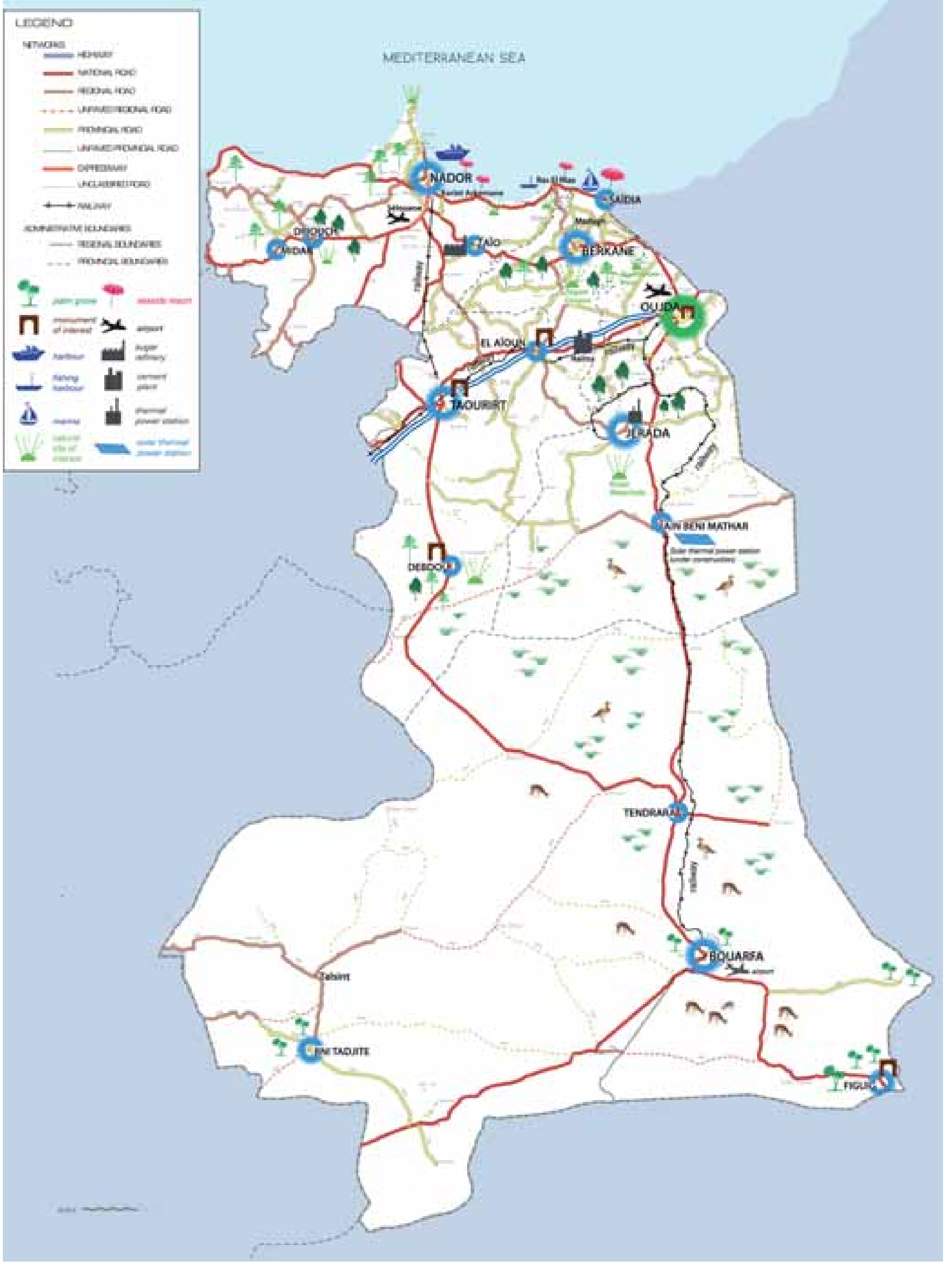
National data

Political system	Democratic, social, constitutional monarchy
Head of State	His Majesty the King, Mohammed VI
Head of government	Prime Minister
Main political parties represented in Parliament	Istiqlal Party / Party of Independence (PI), Authenticity and Modernity Party (PAM), Justice and Development Party (PJD), Popular Movement (MP), National Rally of Independents (RNI), Socialist Union of Popular Forces (USFP), Constitutional Union (UC)
Last legislative elections	September 2007
Currency	Moroccan Dirham (MAD)
Exchange rate	1 US$ = 8.08 MAD (March 2011)
Official language	Arabic
Religions	Islam (99%), State religion Freedom of religion guaranteed by the Constitution
Time zone	GMT (GMT+1: summer time)

Regional data

Official name of the region	Oriental Region, Kingdom of Morocco
Wali of the Oriental Region	Mr Abdelfettah El Houmam
President of the Oriental Regional Council	Mr Ali Elhadi Belhadj (elected in September 2009)
Director General of the Oriental Agency	Mr Mohamed Mbarki
Surface area of the region	82 820 km²
Population of the region	1,918,094 inhabitants (2004).
Population density of the region	23.2 inhabitants/km² (national average = 41.9 inhabitants)
Climatic conditions	Mediterranean climate in the north of the region, more arid and Saharan to the south
Languages spoken	Arabic, Darija (Arabic dialect), Tamazight (Berber), French, Spanish.
Main cities and towns (population)	Oujda (capital): 400,738 inhabitants (2004). Nador: 126,207 inhabitants (2004). Taourirt: 80,024 inhabitants (2004). Berkane: 80,012 inhabitants (2004). Jerada: 43,916 inhabitants (2004). Driouch: 28,545 inhabitants (2004). Bouarfa: 25,947 inhabitants (2004).

Map of the Oriental Region



Source: Oriental Agency (2011)

Introduction

Land and people

The Oriental Region is one of the sixteen administrative regions of the Kingdom of Morocco. It is also one of the seventeen Moroccan wilayas. These are administrative districts which cover the regions (with the exception of the Tangier-Tetouan region, which has two wilayas) and are under the authority of a Wali, appointed by central government. Oujda is the capital of the Oriental Region.

Located in the north-east of Morocco, the Oriental Region shares its south-eastern border with Algeria and to the north has a 200 km Mediterranean coastline, with the main port at Nador. It also borders on the Moroccan regions of Taza-Al Hoceima-Taounate and Fez-Boulmane to the west and Meknes-Tafilalet to the south-west. The enclave of Melilla is located to the north of Nador. The area of the region is 82,820km², which is more than a tenth of the total surface area of Morocco.

The Mediterranean climate in the north of the region, becomes more arid and continental to the south. The Moulouya River runs through part of the region. It takes its source in the Middle Atlas and High Atlas Mountains and flows into the Mediterranean, near the seaside resort of Saidia. The river basin consists of broad plains, surrounded by mountainous regions: the eastern Rif mountains to the west, the Beni-Snassen chain to the east and the Atlas range to the south. The southern region consists mostly of highlands that extend east into Algeria.

The Oriental region has 27 urban and 87 rural municipalities and is divided administratively into six provinces and one prefecture:

- Oujda-Angad Prefecture;
- Nador Province;
- Driouch Province (created in 2009);
- Berkane Province;
- Taourirt Province;
- Jerada Province;
- Figuig Province.

The Oriental Region has a population of about two million (1,920,000 general census of 2004), most of whom live in the large cities of the north. In 2004, the first four subdivisions listed above (including the new Driouch Province) were home 77% of the region's population, yet only accounted for 12% of the region's surface area. Average regional density of 23.2 inhabitants/km² (2004) is therefore significantly lower than the Moroccan average (41.9 inhabitants/km²), and masks significant disparities between, for example, the Prefecture of Oujda-Angad (278.4 inhabitants/km²) and the Province of Figuig (2.3 inhabitants/km²), which is semi-desert.

Arabic is the official language of Morocco. The Moroccan Arabic dialect is used primarily in speech. There is a large Berber population in the Oriental Region, especially in the north where Rifian, the Amazigh Rif dialect is spoken. French still plays an important role throughout the whole country, especially in the cultural and administrative fields. Spanish is also widely spoken in the north of the country and in the Oriental Region. The Moulouya river marked the regional separation between the former Spanish protectorate in the north (where Nador and Melilla are located), and the French protectorate to the south (including Oujda and extending to Figuig).

History and government

The Oriental Region was first established in 1971 as one of seven regions that made up the Kingdom of Morocco, which was later divided into 16 regions in 1997. It is inhabited mainly by people of Berber and Arab origins, and has also been strongly influenced by the French and Spanish during the two protectorates established in the country between 1912 (Treaty of Fez) and 1956, when Morocco became independent. The Spanish protectorate included much of the Rif, so the present Oriental Region covers a territory that was divided between the Spanish north (Nador) and the French south (Oujda).

After independence, the region was affected by disagreements with Algeria over the boundary line between the two countries. The northern part of the border from the Mediterranean along the Oued Kiss up to Teniet Sassi, was drawn in 1845. However, its southern part is in the desert (part of which is in the Oriental region) and was subject to much discussion because of the competing claims of both countries and the vagueness of the line, which was changed several times. The short conflict which erupted between Morocco and Algeria in 1963 (the "Sand War") marked the height of these tensions and ended with a cease-fire in February 1964. An agreement on the demarcation of the border was signed by both countries in 1972, ratified the following year by Algeria and later, by Morocco, in 1992. In 1994, a terrorist attack in Marrakesh re-ignited tensions between the two countries, leading to the closure of the border with Algeria the same year. Despite Morocco's desire to reopen the land border, it still remains closed.

In 1971, Morocco divided into seven economic regions and began a process of regionalization which aimed to reduce administrative centralization inherited in part from the protectorate. Reforms introduced in 1976 marked an important first step in decentralization at the municipal level by giving local elected councils wide-ranging powers that had previously been the responsibility of the state representative. At regional level, two major reforms were undertaken with the 1992 and 1996 Constitutions and the 1997 Municipal Charter. The number of regions was increased to 16 and they were granted the status of local authorities (1992 Constitution) enjoying legal personality and elected regional councils. They thus form the third level of government, after the municipal level and the prefectures/provinces, and are assigned specific competencies and financial independence.

Against this backdrop of increasing recognition for local authorities, Morocco has embarked on a path of advanced regionalization giving the regions significant prerogatives making them quasi-autonomous. In early 2010, the Consultative Commission on regionalization (CCR) was set up for this purpose. It consists of twenty-two individuals with different remits, who are tasked with proposing major reforms along the lines of external models (including European), but which are specifically adapted to the Moroccan system.

Market size and access to neighbouring markets

The Oriental Region has two million inhabitants, mostly concentrated in the northern part of the region. The domestic market, however, includes the other regions of Morocco and the thirty-two million people that make up the Moroccan population. In this respect, the Oriental Region has suffered from its relative remoteness from major Moroccan cities, including the major economic and decision-making centres of Casablanca and Rabat. Transport infrastructure development however, is improving the situation and the forthcoming opening of the motorway linking Fez to Oujda, to be completed in 2011, should greatly facilitate exchanges and the region's connections with the rest of the country.

Although the Oriental region's geographical location in relation to Morocco's major urban centres has long been a hindrance to economic development, it may nevertheless be an advantage vis-à-vis access to neighbouring markets. Its Mediterranean coastline is therefore a key asset for developing economic relations with Spain, France and the other countries bordering the Mediterranean. From this point of view, the development of the port of Nador is encouraging as it should become a credible alternative to the dominant position occupied by the port of Tangier on Morocco's Mediterranean coast. Similarly, the advanced status recently granted by the European Union to Morocco deepens the economic and political cooperation with EU countries and should lead to increased trade with them, which is likely to benefit regions in the north of the country.

The common border with Algeria is also a potential vector for developing trade and the regional economy, although its current closure is a limiting factor. It is still unclear when the border might be reopened, despite the historical, geographical, cultural and family ties that link the two countries.

Morocco is also a signatory to free trade agreements with its major trading partners. Regionally, the *Agadir Agreement*, which was signed in 2004 and came into force in 2006, guarantees the free trade of agricultural and industrial products with Tunisia, Egypt and Jordan. A trade and investment agreement is also being negotiated with the

Economic Community of West African States (ECOWAS). In addition, bilateral free-trade agreements have been signed with several countries, including Turkey and the United States in 2004 (entered into force in 2006).

As part of the Euro-Mediterranean Partnership (Barcelona Process), an Association Agreement to establish an EU-Morocco free trade area in 2012 was signed with the European Union in February 1996 and entered into force in March 2000. Its application has introduced a gradual reduction of industrial tariffs and requires the establishment of a relevant tax system, more favourable conditions for attracting foreign investment and legislation which complies with the standards in the partner countries. In addition, the EU granted Morocco "advanced status" in October 2008, which widens the scope of cooperation under the Association Agreement. A free trade agreement between Morocco and the European Free Trade Association (EFTA) has also been in force since December 1999.

Central and regional authorities' priorities in the Oriental Region

The Oriental Region, which has long lagged behind the more dynamic regions of Morocco's west coast, has been experiencing a boom since 2003, when support for the region became a government priority. The Royal Initiative for the development of the Oriental Region was launched in March 2003 and set broad guidelines for the development of infrastructure and productive capacity. It provides the basis for the main projects undertaken by the government in this part of Morocco.

The Moroccan government's industrial strategy at the national level is essentially based on the National Pact for Industrial Emergence (PNEI) which was established in February 2009 and covers the period 2009-2015. The Emergence Plan II is a framework programme between the government and the private sector that extends the Emergence Strategy launched in late 2005. It aims to strengthen the fabric of Moroccan industry and improve the international competitiveness of industries in which Morocco has competitive advantage and a strong development potential. Six priority sectors were identified in the strategy as "global businesses for Morocco" and as such have significant support measures at national level (tax incentives, infrastructure development, training plans, industrial areas, etc.). The PNEI's chosen sectors are:

- offshoring;
- automotive;
- aeronautics and aerospace;
- electronics;
- textile and leather;
- agri-food.

In the Oriental Region, the articulation of this plan at regional level has resulted in the "Eastern Mediterranean hub" or "Med-Est" project. Government involvement to bring this project to life will focus on the creation and development of three major regional business hubs:

- A major technology park of more than 200 hectares in Oujda, focusing on services (including offshoring) and renewable energy development and hosting training facilities for research and development;

- An agro-industrial park of 100 hectares at Madagh, near Berkane, which should capitalise on the significant farming activity (cereals, citrus, vegetables) in the Moulouya basin and this sector's growth potential;

- A 140 hectare technology park at Selouane to accommodate small- and medium-sized enterprises and to house a logistics platform which will primarily make use of the nearby port of Nador.

In addition to these Med-Est hub is the Nador West-Med project to develop a major port complex in the Bay of Betoya, 30 km west of Nador, as a complement to Tanger-Med. Along with these facilities, an export processing zone (exempt from customs duties and benefiting from tax incentives) has been created on a site of some 5000 hectares, to accommodate the various activities related to the port and export-oriented industries (food, textile, metallurgy, chemistry).

Industry is certainly a top priority for regional development, however tourism and agriculture are also the subject of significant national and regional programmes.

With regard to tourism, government policy priorities have been guided by the "Vision 2010" strategy and given specific form for beach tourism in the 'Plan Azur'. The plan was introduced in 2001, and identified six sites which would attract major investments for the development of new seaside resorts. The Oriental Region is home to one of the Plan Azur sites: Mediterrania Saidia, in the province of Berkane, 60 km north of Oujda and close to the Algerian border. This new resort opened in 2009, is rapidly developing and already has several luxury hotels and luxury residences. It also offers a marina and various sports, cultural and commercial facilities. There are also several developments and tourism projects around the Marchica lagoon, near the city of Nador. In addition to beach resort tourism, many sites have been identified by the Oriental Region Tourism Development Plan (PDRT), which seeks to develop ecotourism and rural tourism.

Since 2008, national government strategy for agriculture has revolved around the Green Morocco Plan, which aims to modernize Moroccan agriculture, by promoting crop intensification, grouping farms together and providing support for training. At the regional level, the plans details regional agricultural projects and objectives for each region. Several projects concern the Oriental Region, including the optimization of irrigation, implementation of training programmes for farmers and the installation of water reservoirs for cattle.

The box below outlines the different plans.

Box 1.1: Moroccan government national plans

As part of its development policy, Morocco is specifically seeking to stimulate non-agricultural sectors, so that overall growth is less weather-dependent. This policy pays special attention to sectors with high added value and the service sectors with high employment potential.

- The "Emergence Programme" provides for a clean industrial strategy to position Morocco in new niche markets. It targets key sectors of industry in which Morocco has a strong comparative advantage. These are offshoring, advanced electronic components, automotive and aeronautics, textiles, agricultural products, seafood and handicrafts.

- The strategy has now been extended to other sectors to include biotechnology, nanotechnology and microelectronics.

- The new information technology and communications sector has annual turnover of more than US$ 4 billion. Its development has been subject to the "Progress Contract 2006-2012" strategy, which aims to double turnover by 2012 and usher the country into the information and knowledge society.

- The "Digital Morocco 2013" programme was launched in late 2009 and will spend over US$ 636 million to develop the digital economy, including improved access to broadband and the computerisation of SMEs.

- The tourism sector, considered one of the drivers of economic and social development, adopted a "Vision 2010" development strategy, which aimed to increase the number of tourists to 10 million in 2010. This strategy focuses on beach tourism with the Plan Azur (planning and development of six resorts). A new Vision 2020 strategy to broaden the tourism development process to new geographical areas and other tourism industries, was launched in late 2010.

- "Vision 2015" for the handicraft sector targets the restructuring of the sector and the emergence and development of a reference network for artisans.

- Morocco has also devised strategies for the agricultural sector including the April 2008 Green Morocco Plan. Its objectives are to improve performance, social development (conversion projects, diversification and intensification) and increase agricultural GDP from US $9.7 billion to US $13.8 billion.

- The "Rawaj 2020 Plan" for trade provides, inter alia, a comprehensive effort to modernize domestic trade: supermarkets, commercial networks, shops and wholesale markets.

- In the energy sector, the 'Solar Morocco Plan' and the 'Wind Power Plan' have been launched to develop the renewable energy sector, which is promising for investors given the proximity to markets needing these resources and the lack of hydrocarbon resources in Morocco.

- The Moroccan solar energy project aims at a production capacity in 2020 that can generate 2,000 MW of electricity from solar energy in five sites. This project will contribute to the reduction of energy dependence and greenhouse gas emissions.

- For fisheries, the *Plan Halieutis*, launched in 2009 as a complement to the Green Morocco Plan, focuses on the sustainable exploitation and efficient management of fisheries resources and improved competitiveness.

- In 2010 Morocco implemented a new logistics strategy, which aims to optimize the flow of goods, to develop the sector's capacity (training, incentives) and strengthen its regulation. The strategy will have a total investment amounting to US$8 billion by 2015 and US$14.8 billion in 2030.

- The National Initiative for Human Development (INDH), launched in 2005, aims to reduce poverty, precarity and social exclusion, through measures to support income-generating activities, capacity building, improving conditions of access to services and basic infrastructure (education, health, religion, roads, water and sanitation, environmental protection) and support for vulnerable people. It also includes a National Observatory for Human Development.

Source: UNCTAD

THE PROVINCES OF THE ORIENTAL REGION

Oujda-Angad Prefecture Surface area: 1,714 km² Population: 477,100 inhabitants	The prefecture has a population approaching 477,100 inhabitants and an area of 1,714km² and is home to Oujda, the regional capital. It is therefore the region's business and administrative centre and has the region's main airport at Angad, the Mohammed I University, the El Farabi hospital and a major industrial network (food, textiles and leather, chemicals and parachemicals, metal-working, mechanical, electrical and electronic engineering). By building the Oujda technology park, the prefecture aims to enhance industrial development by creating an economy based on renewable energy industries, new technologies and research and development. The technology park will work in close cooperation with Mohammed I University to develop clean technology, biotechnology and offshoring sectors.
Nador Province Surface area: 3 263 km² Population: 505 647 inhabitants	Nador Province, which covers 3263 km², is the region's gateway to the Mediterranean and Europe. It is the region's most densely populated province with 505,647 inhabitants. Its port, airport, the proximity to the Spanish enclave of Melilla, but also the large capital inflows from Moroccans living abroad make this province the region's leading commercial and financial centre. The new port of Nador West Med, under development in the rural district of Iazanene, is an important asset that will be able to compete with the port of Tangiers-Med. Selouane Industrial Park is located 12 km from Nador. Covering 72 hectares, it is offering titled and serviced plots (electricity, water, sanitation and waste collection) from 2,000 to 3,000m2. Warehouses and offices will also be built. The aim is to attract SMEs and SMIs in industrial logistics and support services. The partners are MEDZ and the Nador Chamber of Commerce, Industry and Services. It is planned that the park will be expanded later to occupy 142 ha.
Berkane Province Surface area: 1 985 km² Population: 270 328 inhabitants	The province of Berkane covers 1985 km2 and has six rural municipalities and a population of 270,000 inhabitants. The Moulouya-Berkane Regional Agricultural Development Office (ORMVAM) has irrigated part of the land, which is used for agriculture and livestock grazing. Arboriculture, market gardening and cereal cultivation are also important in the Berkane Province. Livestock is raised predominantly for the production of red meat with a high percentage of beef cattle compared the rest of the region. Coastal fishing is for the most part carried out by individual fishermen. The province's agriculture is conducive to food production which is a growth sector and one that is enhancing trade and economic development.
Taourirt Province Surface area: 8 541 km² Population: 206 762 inhabitants	Taourirt's position as a road and rail junction between the eastern part of the region and its seaboard will enable the province to become a major logistics centre. The Fez-Oujda motorway will pass through Taourirt and thus improve access to the west of the region and the rest of the country. Taourirt thus aims to become an important centre for the distribution, collection and transit of goods. In addition, being at a crossroads is beneficial for agricultural activities such as extensive cattle farming. The development potential of this territory is based on synergies between communication networks, business skills and availability of infrastructure which will gradually enable it to develop as a logistics hub.
Jerada Province Surface area: 8 460 km² Population: 105 840 inhabitants	Jerada Province has some 105,000 inhabitants. The climate allows for natural arboriculture in the north and the commercial cultivation of desert plants in the south. These are used for natural pharmaceutical production. Cereal cultivation is the main agricultural activity. Livestock production is also extensive with herds of sheep and goats. With respect to bee-keeping, the northern part of the province is home to a bee renowned for its high productivity. The province is also rich in mineral production. Major regeneration work has been undertaken to promote the energy sector. This includes the construction currently underway at Ain Beni Mathar of the Kingdom's first concentrated solar power plant, with a capacity of 472 MW, which will draw on the region's significant solar potential. The pipeline between Algeria and Europe also runs through the province.

Figuig Province

Surface area:
55 990 km²

Population:
130 000 inhabitants

Figuig Province is located in the extreme south-east of the Kingdom and south of the region and has everything it needs to become a centre for ecotourism based on hiking and exploring oases. The provincial economy is based on two major economic sectors: farming and mining. The province is endowed with various minerals such as manganese, barite, zinc, lead and iron, which has led to the creation of a mining sector.

Agriculture, handicrafts, trade and tourism also complement economic development. The province is served by a good road network; there is a railway line linking Bouarfa to Oujda and an aerodrome has just opened with capacity to receive the latest types of aircraft.

Driouch Province

Superficie :
2 867 km²

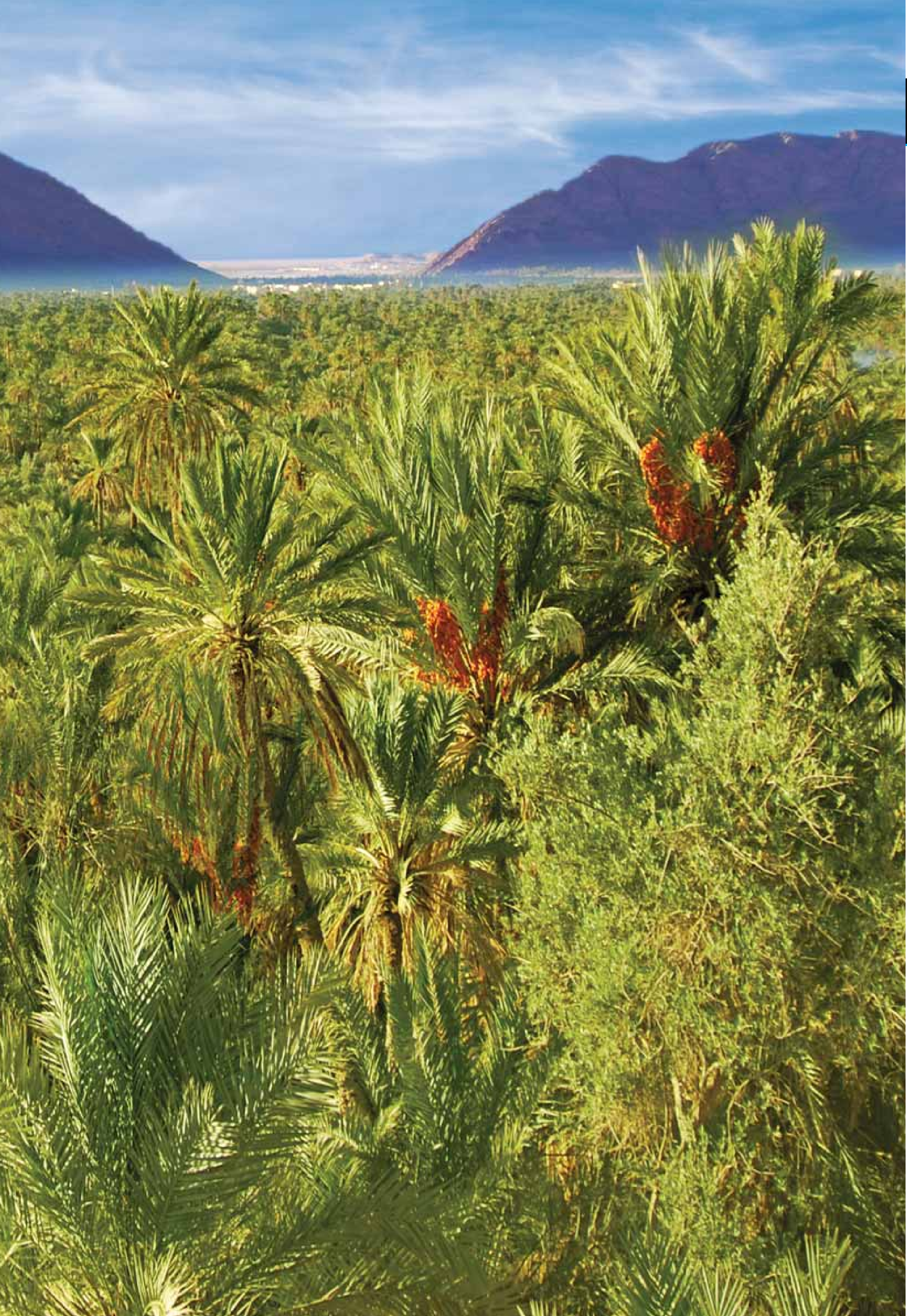
Population:
223 000 inhabitants

Driouch Province was established in 2009 and is located in the Rif region of north-eastern Morocco. Its Mediterranean coastline is more than 70 km long. The provinces major cities are Aknoul, Midar and Driouch. This new province is bounded by Al Hoceima province to the west, by Guercif province to the south and by the provinces of Nador and Berkane to the east.

Agriculture is the main activity carried out in the province, with an agricultural area of 185,613 hectares. The main crops are cereals, legumes and vegetables. The major plains of Nekkour (3000 ha) and Gert (5287 ha) make up the irrigated perimeter. The new province's economic, natural and human potential can be realised by developing the olive oil industry, particularly by giving technical assistance to professional organisations operating in this sector.

TABLE I.1: REGIONAL ADMINISTRATIVE ORGANISATION

Prefecture / province	Number of municipalities			Number of districts
	TOTAL	RURAL	URBAN	(cercles)
Oujda – Angad	11	8	3	2
Berkane	16	10	6	2
Driouch	23	20	3	2
Nador	23	16	7	2
Jerada	14	11	3	2
Taourirt	14	11	3	3
Figuig	13	11	2	2
Total	113	87	27	15



The operating environment

II

Economic environment

This section provides a brief analytical and statistical presentation of the Moroccan economy before looking at the specifics of the Oriental Region in greater detail.

The Moroccan economy

In the mid-1990s, the Kingdom of Morocco embarked on a reform process aimed at stabilizing the macroeconomic framework, improving the business environment, strengthening the competitiveness of the country's productive apparatus and launching ambitious programmes to develop infrastructure and stimulate growth sectors. These reforms resulted in an improvement of some of the country's macroeconomic indicators (see Table II.1).

TABLE II.1: CHANGES IN ECONOMIC GROWTH INDICATORS (2002-2009)

	2002	2003	2004	2005	2006	2007	2008	2009
Real GDP Growth	3.3 %	6.3 %	4.8 %	3.0 %	7.8 %	2.7 %	5.6 %	5,9 %
Real non-agricultural GDP Growth	3.0 %	3.6 %	4.8 %	6.1 %	5.2 %	7.3 %	4.0 %	No Data
Investment Rate (as % of GDP)	25.2 %	25.1 %	26.3 %	27.5 %	28.1 %	31.3 %	33.1 %	No Data
Inflation	6.2 %	4.4 %	3.9 %	3.1%	2.9 %	3.8 %	4.6 %	5,0 %
Unemployment rate	11.6 %	11.9 %	10.8 %	11.0 %	9.7 %	9.5 %	9.6 %	No Data
Total foreign debt (as % of GDP)	44.5 %	36.5 %	29.6 %	27.2 %	27.1 %	27.3 %	23.4 %	No Data
FDI inflows (in millions of US$)	481.30	2314.49	894.78	1653.37	2450.30	2803.48	2487.20	1331.50
Current account (as % of GDP)	3.65 %	3.17 %	1.70 %	1.75 %	2.15 %	-0.16 %	-5.09 %	No Data
Sectors (as % of GDP)								
Primary sector	16.5 %	17.3 %	16.3 %	14.7 %	16.9 %	13.7 %	14.6 %	No Data
Secondary sector	27.3 %	27.9 %	28.5 %	28.2 %	27.2 %	27.3 %	30.3 %	No Data
Tertiary sector	56.1 %	54.8 %	55.2 %	57.1 %	56.0 %	59.0 %	55.0 %	No Data

Source: UNCTAD and World Bank

Despite some ups and downs, economic growth between 2000 and 2009 remained at a fairly high rate, with annual GDP growth of about 4.3%. After peaking at nearly 8% in 2006, its highest level since 1998, and lower performance in 2007, GDP grew by 5.6% and 5.9% respectively in 2008 and 2009. As gross fixed capital formation represents an increasing share of GDP (up to one third in 2008), investment is still one of the most important growth drivers in the country.

This increase in economic activity has proven beneficial in terms of employment. Along with measures to stimulate employment, it has regularly reduced unemployment during the previous decade, bringing it down from 12.5% in 2001 to 9.6% in 2008.

However, growth remains vulnerable to the performance of the agricultural sector. Poor harvests in 2005 and 2007 thus strongly affected economic growth in those years (only 3.0% and 2.7% respectively), despite strong growth in non-agricultural GDP (6.1% and 7.3%). The contribution of non-agricultural sectors to GDP growth, however, is tending to increase, especially driven by strong investment in construction, tourism and transport, and the emergence of high potential sectors such as telecommunications, automotive, electrical, electronics and food processing.

The evolution of non-agricultural productive sectors is also changing the structure of tax revenues in Morocco. Until 2007, general income tax was the second source of tax revenue after VAT. This position has been taken over by corporate tax (about 20% of tax revenues), with income tax now only representing about 18% of tax revenues. The tax structure now resembles those seen in Western economies.

Flows of foreign direct investment (FDI) have also remained positive and remained at more than $2 billion between 2006 and 2008, before declining in 2009 due to the global contraction of investments that accompanied the financial crisis. Moreover, foreign investment inflows are no longer dependent on one-off transactions or privatisation (the share of privatisation in FDI decreased from 72% in 2001 to 7% in 2007), which is in part explained by the successful implementation of new sectoral programmes (Emergence Azur plans, etc.).

Despite economic growth, Morocco has maintained moderate inflation over the past decade, fluctuating between 1% and 3%. More recently, after reaching 3.7% in 2008 following notable price hikes for commodities and the sharp rise in energy prices on world markets, inflation dropped significantly the following year to only 1% in 2009.

Nevertheless, the return of a current account deficit, amounting to 5% of GDP in 2008, and in particular the deteriorating trade balance highlight the need for continued efforts to improve the international competitiveness of Moroccan industry. This would also put Morocco in a position to take full advantage of the many free trade agreements signed by the State since 1995.

In short, the economy has begun its structural transformation and is increasing the relative weight of sectors intensive in skilled manpower. Reforms aimed at liberalisation, the promotion of regional integration, improving the business climate and financial sector development have fostered new growth sectors. Morocco has been resilient to the international financial crisis of 2008 and has a positive economic outlook for the medium term. Continued strong economic growth will depend on the country's ability to complete the macroeconomic reforms to improve the competitiveness of Morocco's productive system, to encourage the transition from traditional activities to the modern economy and to promote the development of priority sectors with high added value.

Box II.1: Oriental Agency *(Agence de l'Oriental)*

The Oriental Agency has been operating officially since May 2006. It was established following the launch of the Royal Initiative for the Development of the Oriental Region in Oujda on March 18, 2003. The Agency's brief is to propose development programmes, provide assistance to local and national actors for the implementation of development programmes, to mobilise the region's prime movers, to seek additional funding in the State budget and to promote the socio-economic potential of the region and its component territories. As a public institution, it is financially independent.

The Agency's mandate is based on the following guidelines of the Royal Initiative:

- opening up to the Euro-Mediterranean region
- improving economic and financial infrastructure;
- improving quality of life
- combating poverty and social exclusion;
- developing skills and competitiveness clusters.

The Oriental Agency intervenes on its own initiative as well as in partnership with the other stakeholders in regional development.

Since its establishment, the Agency has contributed to the modernisation of the regional economy through its support to:

- opening the region to its Euro-Mediterranean environment, by creating the new Med-Est (East Mediterranean) regional hub for industrial development;
- mobilising resources to help develop the region through bilateral and international partnerships (particularly with the various UN agencies, the European Union and the Spanish, Italian, French and German governments) and incorporating the region into the Euro-Mediterranean network;
- improving the quality of life through support for urban renewal projects, environ mental projects and activities to preserve resources and landscapes;
- developing proximity, as part of the National Initiative for Human Development (INDH), to make it a driver for regional economic development;
- creating clusters, with Oujda as a skills centre relying on its University, Nador and its port as maritime industrial centre, Berkane with its irrigated areas as an agro-industrial centre, Saidia as a tourist hub with the Mediterrania-Saidia project, Taourirt as a logistics hub with the new Nador-Taourirt railway and finally Bouarfa and Figuig as centres for ecotourism and the oasis economy.

The Oriental Agency is also acting on social issues across the region by adopting an approach geared to proximity, supporting the establishment of income-generating activities, business start-ups for young people and micro-credit.

It also acts as a regional facilitator to encourage civil society initiatives that contribute to the development and promotion of the region, the enhancement of cultural and artistic heritage and support for training and research.

Source: Oriental Agency *(Agence de l'Oriental)*

The Oriental Region's economy

The Oriental Region, meanwhile, is experiencing strong economic development, thanks in part to measures taken by the government to ensure its full integration into the national economy and strengthen its trade and investment links with the Euro-Mediterranean region.

The regional economy is based on traditional agriculture, farming and coal mining, as well as light industry, fishing and cross-border trade with Algeria. Since the 1960s, however, the region has suffered a succession of shocks, including the successive closure of coal mines, which caused a sharp rise in unemployment, and a series of droughts which resulted in low crop yields. This was the reason behind the significant exodus of the regional population, both to the rest of Morocco and to Europe. At present one third of the Moroccan diaspora comes originally from the Oriental Region.

The problems were further aggravated in 1994, when the border with Algeria was closed. Cross border trade then gave way to increased smuggling and the development of the underground economy. Furthermore, central government took little interest in finding solutions to these problems.

A turning point in the region's development came with the royal speech given at Oujda on 18 March 2003 to launch the Royal Initiative for the Development of the Oriental Region, with the stated objective of stimulating investment and encouraging the creation of small businesses by young entrepreneurs. It also aims to provide the region with the basic facilities necessary to give top priority to major economic projects. Finally, the initiative aims to promote education and training and bring solidarity fully into play.

The "Eastern Mediterranean Hub" is a new regional development initiative providing economic stimulus to the eastern part of the Kingdom, as is the Oriental Agency (Agency for the promotion and economic and social development of the prefecture and the provinces of the eastern region of the Kingdom) established in May 2006 and which is responsible for accompanying and supporting the development programmes.

These efforts have been guided by the desire to open up the region and highlight its potential. They are largely based on upgrading infrastructure (see next section), developing international tourism, improving education (expansion of Mohammed I University) and vocational training and developing agricultural infrastructure.

The Oriental Region now accounts for 6.3% of the national economy. It derives most of its wealth from tourism, agriculture, fisheries, trade and offshoring and should also benefit from future growth in the clean energy sector. Nevertheless, the region is still marked by strong socio-economic disparities.

All these sectors contribute to generating income from exports and attracting investment. For instance, the tourism sector has received significant foreign investment which has been used to build and open three five-star hotels of international standard in Saidia. Similarly US$560 million of foreign capital have been invested in the concentrated solar power plant at Ain Beni Mathar. Major domestic investment flows have also accompanied the many public infrastructure development projects. In addition, the diaspora is an essential source of foreign capital, which regional governments are above all aiming to channel into productive sectors.

Box II.2: Promoting investment from the Moroccan diaspora – the Hassan II Foundation

The government has long been aware of the importance of the three million strong Moroccan diaspora, one third of whom comes from the Oriental Region and 82% live in the European Union. Its idea is to build on the desire of some of the diaspora to return to Morocco for productive investment. It was for this purpose that King Hassan II created the Hassan II Foundation for Moroccans living abroad. It aims to maintain and strengthen links between the Moroccan diaspora and their host countries, particularly by supporting them in all stages of their investment projects.

The Foundation has an Observatory of the Moroccan Community Residing Abroad (OCMRE) and six operational structures: an education division, cultural exchanges, sports and youth, a legal assistance division, a welfare division, an economic development division; a partnership and cooperation centre and a communication centre.

The main purpose of the OCMRE, which was created in partnership with the International Organization for Migration, is to identify, collect and interpret information about the Moroccan diaspora.

The economic development division's role is to support investment projects initiated by members of the diaspora. The division's main objectives are to monitor and assess the national economic environment, to inform potential investors about the various sectors of the economy and help those project promoters who need assistance throughout the investment process from project design to completion. For this purpose, the economic development division conducts research surveys on the economics of migration, organises seminars and conferences, establishes partnerships with public and private organisations, NGOs and national and foreign university research centres and publishes economic documentation tailored to the needs of the diaspora.

Source: Hassan II Foundation

Infrastructure and public services

The government is working to open up the Oriental region to incorporate it more fully into the national economy and improve its accessibility for investors and tourists. An extensive programme of infrastructure development has therefore been implemented. For transport this programme includes the opening of a new terminal at Oujda-Angad Airport, upgrading rail infrastructure, the construction of a new port near Nador, the extension of the highway from Fez to Oujda and the construction of a Mediterranean bypass connecting the cities of Tangier and Saidia. The region's energy capacity is also being developed, with the construction of a concentrated solar power plant at Ain Beni Mathar and the development of major industrial parks in Oujda, Berkane and Selouane.

Airports

The Oriental Region has two main airports. The largest is Oujda-Angad, located 10 km from Oujda. The airport has two runways, one of which is 3000 meters long, allowing it to accommodate all types of aircraft. A 20,000m² terminal has recently been built with a capacity to handle 1.4 million passengers a year. Although Oujda-Angad airport offers direct flights to Amsterdam, Brussels, Marseilles, Paris and Madrid, most passengers will have to stopover in Casablanca with Royal Air Maroc.

Al Aroui airport is located 24 km south of Nador. It has a capacity of 750,000 passengers per year. There are direct flights between Nador and Amsterdam, Barcelona, Brussels, Dusseldorf, Frankfurt, Madrid, Marseille and Reus. There are only seasonal flights to Casablanca. Close to Nador, Melilla airport has four daily direct flights to Madrid as well as flights to Almeria, Malaga, Granada and Valencia.

Finally, the entry into service of Bouarfa Aerodrome can facilitate tourist access to Figuig, which is only an hour's drive from the aerodrome instead of the four hours needed to drive from Oujda-Angad airport.

The rail network

In the Oriental region, Oujda is connected to Casablanca by a 650 km railway line. Another single track line of 280 km runs between Oujda and Bouarfa. The desert train (see the tourism section) runs on the Oujda-Bouarfa stretch of the line. Nador is also connected to the national network by a 117km long branch line. There are plans to connect the new port of Nador West Med (see below) and the new industrial park at Selouane to this line.

The road network

The Oriental region's road network has 3,300 km of tarred roads, stretching from the Mediterranean coast to the Algerian border in the south. Two major projects are underway:

- Work on the 328km long Fez-Oujda motorway should be completed in 2011. Fez is already connected to the 816km long Moroccan motorway network. Furthermore, Oujda could become the gateway to Oran, Algiers and the Tunisian border, if the border with Algeria is reopened, given the proximity to the Algerian motorway network.

- The Mediterranean bypass connecting Tangier and Saidia will reduce travel time between these cities from 11 to 7 hours. Completion of the work is scheduled for 2012.

National development ambitions and the importance of ensuring smooth transportation of goods and people has led to stepping up the motorway building programme in order to complete 1500 km in 2010 and 1800 km by 2015.

[1] Source: Tangier Mediterranean Special Agency (Agence spéciale Tanger Méditerranée (ASTM))

Ports

Commissioned in 1980, the port of Nador (Beni Nsar) is connected with the port of Melilla. The two ports are only separated by a narrow jetty. It has container handling facilities and can accommodate vessels up to 200 meters long. It has five wharves with a total length of 2,227 metres which can berth 15 ships simultaneously. Its total area is 280 hectares, including 140 hectares of water. However, according to the Nador CCIS, the port is not busy. Cargo lines prefer the port of Tangiers. The only regular service is to Almeria in Spain. There is, however, more passenger transport through the port.

This should change with the construction in progress of a new port, located 30 km from Nador. It will be called Nador West Med, and is set to become a major logistics hub. It will have an export processing zone and a storage facility for hydrocarbons before shipment to Europe. The port will be connected directly to the Fez-Oujda motorway and the rail network at Taourirt.

Businesses in the Oriental region also have road and rail access to the new "Tanger-Med" (Tangier-Mediterranean) port. It is one of the largest ports in the Mediterranean basin, with a total capacity of three million twenty-foot equivalent units (TEUs). The port covers a total area of 80 hectares and has two container terminals with a total linear quayside of 1600 meters and drafts of 16m and 18m. These terminals, which can receive and process up to four super post-Panamax vessels, are equipped with 50 wheel cranes (RTGs) and 16 quay gantry cranes. At a height of over 80 meters and a lifting capacity exceeding 50 tonnes, the quay gantry cranes have an average productivity of 25 to 30 movements per hour. By 2015, with the expansion of the Tanger-Med port, the total capacity will be increased to allow the transhipment of eight million containers.

It should be noted that the Moroccan port sector is competitive. It has been open to public and private operators since the entry into force in late 2006 of the new Act No. 15-02 on ports, which established two corporations: the National Ports Agency (ANP) and Society of port operations (SODEP), renamed Marsa Maroc in 2007. Authorising powers are vested in the ANP and commercial operations are managed by Marsa Maroc. The latter may use concessions to delegate port activities of an industrial and commercial and public service nature, as well as terminal operations and cargo handling

Industrial parks

The government recognizes the need to provide good infrastructure to accommodate businesses in the region. To this end, several parks and industrial clusters, often funded through public-private partnerships, are being developed.

The Med Est Industrial Park at Selouane is located 12 km from Nador. Covering 72 hectares, it is offering titled and serviced plots (electricity, water, sanitation and waste collection) from 2,000 to 3,000m2. Warehouses and offices will also be built. The park aims to attract SMEs and SMIs in industrial logistics and support services. The partners are MEDZ and the Nador CCIS. It is planned that the park will be expanded later to occupy 214 ha.

The Oujda Technology Park is a business hub which is being developed at a site near the Oujda-Angad airport and 12 km from Oujda. It will cover 492 ha, of which 220 hectares have been developed. The plots will be titled and serviced (electricity, water, sanitation and waste collection). The objective is to create 25,000 jobs. The technology park will be divided into six zones and will include:

- A Cleantech park dedicated to the manufacturing of equipment for sustainable development, particularly related to renewable energy and energy efficiency and a free trade zone;
- an SME-SMI zone;
- a shopping centre for businesses and major retailers;
- a park dedicated to service activities, including offshoring and tourism services;
- a logistics zone;
- a training campus, to house training schools and educational institutions, research and development centres, technology centres and other training and research bodies.

Covering an area of 130 ha, the Berkane agri-food technology zone is an industrial area dedicated to food which includes sectors for marketing, processing units, logistics, service activities, research and development, agricultural training and food and service activities. The objective is to create 7,000 new jobs.

It should be noted that there are already several industrial zones, namely those at Oujda-Angad, Taourirt and Selouane. However, these zones are for the most part elementary and already saturated.

Telecommunications

The Oriental Region has benefited from the liberalisation of the telecommunications sector, which has allowed Morocco to make significant progress in introducing new information and communication technologies.

Morocco now has a telecommunications infrastructure that meets international standards; it is fully digital, secure and diversified. With a 7,500 km fibre optic network, the existing infrastructure is ideal for leased lines.

Internet access continues to grow as the number of subscribers increases. There is widespread ADSL coverage (84% of subscribers), and 3G internet since its launch in June 2007.

Morocco has three telecom operators (Maroc Télécom, Meditelecom and Wana), which are involved in key industry segments and share some services with other companies. These companies all operate in the Oriental Region. A personal digital television (PDT) service has been available since 2008 and allows users of mobile phones to receive free television programmes from the Moroccan national stations.

The number of mobile telephone users is growing rapidly, from 16 million in 2006 to 20 million in 2007 and 27.8 million in June 2010. The arrival of Wana in the landline telephone market has also done much to boost the sector, particularly in the residential segment. In 2007 the number of customers increased by nearly 90% from 1.2 million customers in 2006 to 2.3 million in 2007, reaching 2.7 million in March 2010.

TABLE II.2: TOTAL CUSTOMER BASE OF THE THREE TELECOM OPERATORS (MARCH 2010)

SEGMENT	NUMBER OF CUSTOMERS
Mobile	27.9 million
Landlines	3.9 million
Internet	1.5 million

Source: UNCTAD using data from the ANRT *(National Agency of Telecommunications Regulation)*

[2] Source: Oujda Chamber of Commerce, Industry and Services Monograph of the Oriental Region, 2009.

Energy

The National Electricity Board (ONE) guarantees public service provision for the generation, transmission and distribution of electricity. It distributes electricity when there is no direct supply by the municipalities (public boards) or concessions. It also has the exclusive management of production for outputs exceeding 50 MW. Since 1994 the ONE has been empowered to conclude agreements, after competitive bidding, with private legal entities, for electricity production.

At national level, electricity distribution is carried out:

- either directly by the ONE, especially in rural areas and some urban areas;
- or by the seven electricity distribution boards, under the supervision of the Ministry of the Interior;
- or on a delegated management basis in some cities.

The Oriental Region uses on average 113 MW of electricity. It has a power production capacity of 100 MW (coal, gas and oil) with 9 MW coming from hydro sources. Since June 2010 this production has been supplemented by 472 MW from the concentrated solar power plant at Ain Beni Mathar (see section on energy in Chapter III), whose production, equivalent to 8.5% domestic consumption, is mainly for export to Europe.

Water

The largest river is the Moulouya, which irrigates the region's great plains (Triffa, Zebra, Bouareg, and Garet). Its mean annual flow is one billion cubic meters. Other sources of water in the region are the Oued Za, Isly, Kiss and Nekor rivers.

In addition to these water resources, the region has two dams: the Mohammed V dam, with a water retention volume of 411 million cubic meters and a basin area of 50,000 sq km, and the Machraa Hammadi dam, with a retention volume of eight million cubic meters and a drainage area of 52,000 km.[2] A third dam is currently under construction at Guenfouda. The objective is to protect the city of Oujda and neighbouring areas against flooding by the river Isly.

The irrigated area is 109,236 hectares. Over 77% of irrigated land is located within the perimeters of Nador and Berkane. In addition, as a water-saving measure, the government subsidises between 80 and 100% of the installation cost of micro-irrigation ("drip" irrigation). Ten thousand hectares used for crop cultivation in the region have already benefited from this scheme.

However, investors should bear in mind that water resources are scarce in the region, particularly in Figuig province. Tourism projects, for example, must take into account the need to maintain sustainable levels of groundwater.

Moreover, the investors surveyed reported significant administrative delays in getting connected to the water supply network.

Health services

The region's hospital provision consists of nine public health facilities (1,578 beds), 18 private institutions (539 beds) and more than 679 pharmacies, five of which are in the private sector. The region also has 161 health centres, of which 108 are rural and 37 maternity units, including 11 in rural areas. The various health facilities in the region employ some 931 physicians, including 467 public doctors, 1885 public paramedics and 653 practitioners in the outpatient network.

Al Farabi Hospital in Oujda has recently undergone a major development and expansion programme, which has involved the creation of a mother-child division, a new emergency unit, a restructuring of surgical services with a block of 13 operating rooms and the expansion of the haemodialysis service. It will house the university hospital associated with Mohamed I University and will thus upgrade the new medical school established in 2008.

Box II.3: Oujda Urba Pole

The "Oujda Urba Pole" project will restructure Oujda's city centre. The works were launched by King Mohammed VI in 2009 and will cost a total of 2.5 billion Dirhams. The project site covers 30 hectares.

The first phase includes the construction of integrated residential accommodation, apartment buildings, offices and shops. It will generate 1,500 jobs and should be completed in 2013.

The second phase involves the construction of a new passenger rail terminal, with completion expected in 2015. This station will be able to handle up to eight million passengers a year. The existing railway station will not be demolished because it has historical value will therefore be preserved as a city monument.

A hub to connect the various passenger transport networks and to facilitate interchanges between them will also be completed in 2015. It will be built next to a major shopping centre and hotel complex with a large 20,000 m² public square open to everyone.

The entire project will rehabilitate the centre of Oujda, by developing a large urban area and bringing new public and private facilities which will enhance the city's attractiveness. This will involve a cluster for tertiary services with offices, hotels and commercial space to be completed in 2017.

The project's final phase will be completed in 2019. It comprises a 16 hectare residential compound, which will be built on the 'gated community' model. This area will provide local facilities and services to meet all residents' needs including administration, shopping, sports and leisure.

Source: Oujda Urba Pole

Quality of life

Because of its geographical remoteness from the rest of Morocco, the region has only recently begun to catch cup with the living standards enjoyed by the rest of the country. In the past, investors could often only hire employees from (or maintaining contact with) the region, partly because of its remoteness and its relative lack of attractiveness. This situation is changing now substantially, especially with the arrival in the Oriental Region of major retail brands (Marjane, Metro, Asswak Essalam, Kitéa Giant, Mobilia and soon Label Vie), the building of petrol stations, the arrival of new upmarket hotels and urban renewal projects in Oujda (see box II.3).

The region also offers a wide variety of landscapes, closeness to the sea, opportunities for sailing, jet skiing and other water sports, golf courses, access to natural food products and better transport links with the rest of the country and Europe.

Nevertheless, difficulties remain. Apart from the university, access to quality education can only be found outside the region, which is why the practice of sending children to boarding schools is widespread. Despite the presence of supermarkets, there are few good quality shops. Finally, cultural activities, for example cinema and theatre, are still limited.

Financial sector

The banking system

Several measures have been gradually introduced in the banking sector, especially with respect to the elimination of credit controls, liberalisation of lending rates, opening a foreign exchange market and financial services' regulation (consumer credit, leasing companies, etc.).

Banking activities are being liberalised in a more robust prudential framework to bring them into line with international standards and to protect the health of the banking sector. Liberalisation has also established the principle of the decompartmentalisation of banking and is introducing the concept of universal banking.

The last reform of 2006 established the independence of the central bank, the Bank Al-Maghrib, from government with respect to monetary policy and clarified its responsibilities for exchange policy and aimed to adhere to the principles set by the Basel Committee.

However, to keep pace with international standards, Moroccan banks have to switch to the advanced Basel II methods. To do this, they must seek to exceed the minimum requirements (including a solvency ratio of 8%). The central bank fixed the Cooke solvency ratio, at 10% for 2008 and 12% for 2009.

The level of non-performing loans on bank balance sheets has decreased significantly. It had stabilized at the end of 2007 to around 5%, excluding state banks, against 20% five years previously. Internationally, this rate is around 2% to 3%.

The volume of loans granted to the economy by the banking sector rose sharply to 72% of GDP in 2007 against some 51% in 2001, reflecting the increase in the weight of the banking sector in financing the country's economy. This ratio is well above the Middle East and North Africa (MENA) average (58%).

As a result, the Moroccan banking sector has seen the emergence in recent years of large internationally-focused conglomerates. Indeed, two of the country's largest private banks, Attijariwafa Bank and BMCE Bank, are expanding by setting up operations in other African countries (Tunisia, Senegal, Mali, etc.).

The Moroccan banking sector has become modern and efficient. There has been a significant trend towards concentration (the three largest banks accounted for 64.4% of total activity in 2006) and there is a strong foreign presence, particularly of French banks (including six offshore banks)).

In addition to minority interests (Santusa Holding of Grupo Santander Corporation Financiera Caja Madrid, and the French Credit Agricole which each hold respectively 14.6%, 3.4% and 1.4% stakes in Attijariwafa Bank), BNP Paribas, Societe Generale, Credit Agricole Indosuez and the Credit Mutuel-CIC, accounted respectively, in late 2006, for 65%, 51.9%, 52.7% and 10% of the capital of the Moroccan Bank for Trade and Industry (BMCI), the Societe Generale Marocaine (SGMB), Credit du Maroc and the Moroccan Bank for Foreign Trade (BMCE).

Box II.4: Financial support for SMEs

Access to credit remains a barrier for SMEs wishing relocate to the Oriental Region. However, there are two types of funds available to SMEs:

1. General guarantee funds such as:
- the CCG Central Guarantee Fund which covers up to 50% of the credit;
- the FOGAM Upgrading Guarantee Fund for businesses;
- the PAIGAM Support programme for Moroccan guarantee institutions, European Guarantee Fund;
- the FOMAN national upgrading fund.

2. The sectoral guarantee funds such as:
- the FODEP Fund for reducing industrial pollution;
- the RENOVOTEL Hotel Renovation Fund;
- the FORTEX restructuring fund for businesses in the textile and clothing sector;
- the Stock Exchange Guarantee Fund;
- the Cultural Industry Guarantee Fund;

Moroccan banks can make a range of bespoke financial options available to investors according to their needs, after examination of a feasibility study. For example:

- Short, medium and long term loans to finance up to 80% of a company's needs whether for setting-up or expansion;
- specific credit lines to finance up to 70% of restructuring needs for SME upgrade programmes;
- lease financing for the rental of equipment and business premises, which can fund up to 100% of acquisition costs of the SME's equipment.

IIt should also be noted that the major banks in the market generally have dedicated services to help investors obtain suitable loans for their projects.

Source: UNCTAD

The insurance industry

The insurance industry has also undergone significant reforms in its legal framework and the gradual liberalisation of prices in some specific branches. These underpin the objectives of developing institutional savings and bringing the industry into line with Morocco's free trade agreements and international standards.

The insurance industry is governed by a legislative and regulatory system that generally meets international standards. The Insurance Code requires that risks in Morocco must be insured by contracts entered into and managed by insurance companies licensed in Morocco. Moreover, the Code regulates bancassurance and has given the banks and Poste Maroc (post office) approval to market personal, assistance and credit insurance.

The Moroccan market is the second largest in Africa after South Africa's, with a turnover in 2008 of over US$2.2 billion (20 billion MAD). Like the banking sector, the insurance industry is concentrated around 16 insurance and reinsurance enterprises, including ten insurance companies, three mutual societies, three assistance companies, one credit insurance company and a public reinsurance company.

As a result of major concentration over the past decade, four insurance companies now account for three quarters of the sector's activity:

- Wafa Assurance;
- RMA Watanya;
- AXA Assurance Maroc;
- CNIA-ESSADA.

Most insurance company activity focuses on compulsory insurance. Car insurance alone thus accounts for more than a third of the market and produces two thirds of the sector's profitability.

The Stock market

Stock sector reform in Morocco has been gradual. It began in 1993 with the modernization of the Casablanca Stock Exchange, the creation of stock-broking firms and undertakings for collective investments in transferable securities (UCITS), and the establishment of a regulatory body, the Council for the Code of Ethics in Securities (CDVM).

Stock market reform continued in 1996 with the computerization of the quotation system, the dematerialization of securities, the creation of a central depository, Maroclear, and the creation of a guarantee fund for customers.

Stock market capitalization has increased significantly in recent years from 24.5% of GDP in 2001 to 97% in 2007 although its value dropped 15% in 2008. The Casablanca Stock Exchange is one of the best-performing financial centres in the MENA region. It is ranked third in Africa after Cairo and Johannesburg. However, the market is highly concentrated given that the top ten listed companies represent over 90% of market capitalization. In comparison, the situation in the emerging countries of Europe is less positive with relatively undeveloped capital markets and average stock market capitalization of approximately 30% of GDP.

Venture capital

The venture capital business is relatively new to Morocco. Nevertheless, it has been experiencing strong growth since 1999 and the market now has more than fifteen private equity investment companies, who are members of the Moroccan Private Equity Investors Association (AMIC).

In 2007, Morocco attracted 18 funds with a total amount of capital raised of US$846 million. It ranks second after Israel as the MEDA Euro-Mediterranean country that has attracted the most capital investment.

Most funds are primarily for investment in established companies which are seeking to expand. The funds are therefore mainly used to develop existing businesses, so purely venture capital activity is fairly negligible.

However, to support investors located in the Oriental Region, the Investment Fund for the Oriental Region (FIRO) was created through a public-private partnership (see Box II.5).

Box II.5: Investment Fund for the Oriental Region (FIRO)

The FIRO was set up in 2007, for a period of 10 years, to provide the investment finance needed for private sector growth in the region, excluding the construction sector. It acts as a venture capital fund.

FIRO has 300 million MAD available and generally invests from 1 to 30 million MAD in a company to acquire between 10% and 35% of its capital. FIRO encourages the companies in which it invests to raise the other half of the financing through loans. To date, 35 million MAD have been invested in three companies, Microchoix, Mon Lait and Midi Peintures.

Recipients must be public limited companies (SA) with national or foreign capital, have transparent governance structures and have published a financial statement audit. The investment period is in principle 6 to 9 years and FIRO usually plays an active role in managing the company. Arrangements for the withdrawal of FIRO must also be provided for.

FIRO is a public-private partnership between the Oriental Region, the Hassan II Fund, the Oriental Agency, the BCP, Attijariwafa Bank, BMCE Bank, the CDG deposit and management fund of Morocco, Credit Agricole and Holmarcom.

Source: UNCTAD

Human resources

The workforce in the Oriental Region is considered inexpensive and has great potential because the population is young. However, according to investors, efforts are still needed in terms of personnel training (see below).

Manpower costs

The cost and quality of the Moroccan workforce are particularly attractive, especially in technology-intensive industries such as aerospace or electronics.

Salaries are negotiated between employer and employee, but depending on the business sector, may not be less than:

- the minimum wage (SMIG): 10.62 MAD/hour (for industry, trade, tourism and liberal professions) (see Table II.3);
- the Guaranteed Minimum Agricultural Wage (SMAG): 55 MAD/day

For non-agricultural businesses, the normal working hours are 2,288 hours/year or 44 hours/week. The annual total number of work hours can be distributed over the year according to the needs of the business provided that normal working time does not exceed 10 hours/day. For agricultural businesses, the normal working hours are 2,496 hours/year.

TABLE II.3: MINIMUM WAGE RATES IN MOROCCO

BUSINESS SECTOR	MINIMUM WAGE AS FROM 1 JANUARY 2009 (in MAD)
Industry, trade, liberal professions, tourism, services.	10,62/hour
Agriculture	55 /day

Source: The Ministry of the Economy and Finance

Labour relations

Labour Relations are governed by the Labour Code which follows the fundamental principles of the International Labour Organization (ILO) of which Morocco has signed seven of the eight fundamental Conventions. The Labour Code prohibits any infringement of freedom or the right to exercise trade union activity within companies as well as discrimination of any kind (race, gender, disability, religion, opinion, etc.).

The Moroccan constitution recognizes the right of employees to form trade unions to defend their occupational interests.

Individual disputes relating to the performance of employment contracts are settled by the courts with original jurisdiction (Courts of First Instance, Social Chamber).

Education and training

The Oriental Region has a number of educational facilities. First and foremost is Mohammed I University (UMP) which has 24,000 students, who are almost exclusively from the region. Founded in 1978, the university has five faculties: humanities; science; law, economics and social sciences; a multidisciplinary faculty in Nador, and a faculty of medicine and pharmacy. There are also four schools, including the Graduate School of Technology, the Oujda National School of Applied Sciences, the National School of Business and Management, and the National School of Applied Sciences in Al Hoceima.

The UMP's strategy is to focus on the sectors targeted by the Plan Emergence, with an open approach to collaboration with the private sector. The University has a business incubator in its centre for entrepreneurship, which encourages spin-offs and offers students four month internships in businesses.

In terms of vocational training, the Vocational Training and Occupational Promotion Bureau (OFPPT) has 25 training institutions in the region, which ran courses in all disciplines for 17,025 trainees in 2010-2011. Emphasis has been placed on information technology, offshoring, services and tourism.

Regarding tourism, the objective is to place 1,555 hotel and tourism students, with a further 100 to 120 students each year from the Saidia Hotel School. The OFPPT also aims to develop training opportunities in offshoring by increasing student numbers by 12% and placing 4,641 students in the building and public works industry. The OFPPT works directly with businesses and can develop appropriate training courses as needed.

In terms of school education, about 350,000 students are enrolled annually in public and private institutions (6.3% of the national cohort). The school enrolment rate of children aged 6 to 11 years is 94%, while it barely reaches 76% for the 12-14 years age group and is only about 47% for the 15 - 17 year olds.

The educational infrastructure consists of 6,372 primary classrooms, 92 colleges and 50 high schools. Some secondary schools have BTS (technical certificate) and CPGE (preparatory classes for the "grandes écoles") classes, but the numbers remain small (96 and 256 students respectively) A Primary Teacher Training Centre (CFI) and a Regional Pedagogical Centre (RPC) are responsible for teacher training.

Cost of inputs

The cost of electricity

Electricity in the Oriental Region is provided by the National Electricity Board (ONE). The business tariff includes a fixed premium for the power supply and a consumption charge based on specific time slots. Table II.4 gives the example of general pricing for average voltage supply.

The cost of water

Water is supplied by ONEP (Moroccan National Drinking Water Board) (see Table II.5).

TABLE II.4: ELECTRICITY PRICING (2011)

Rates are expressed in MAD, including VAT (VAT is 14%)	
Fixed premium per KVA per year	381.40
Consumption charge in MAD / kWh	
Peak hours	1.2265
High-load hours	0.8051
Low-load hours (off-peak)	0.5239

Source: UNCTAD using data from ONE (National Electricity Board), 2011

TABLE II.5: PRICING OF WATER FOR INDUSTRIAL USE (2011)

LOCATIONS	WATER SUPPLY PRICES MAD/m^3 (EXCLUDING VAT)
Oujda	10.13
Nador	5.23

Source: UNCTAD using data from ONEP *(Moroccan National Drinking Water Board)*, March 2011.

The private sector in the Oriental Region

General Confederation of Moroccan Enterprises

Founded in 1947, the General Confederation of Moroccan Enterprises (CGEM) is a private association of Moroccan entrepreneurs. The CGEM represents businesses of all sizes in all sectors (industry, trade and services) countrywide; 95% of its members are small and medium enterprises. It is therefore a key player in dialogue with government and the social partners.

Based in Oujda, the Oriental Regional branch of the CGEM aims to represent, support and assist companies in the region.

Chambers of Commerce, Industry and Services

The Oriental Region has two chambers of commerce, industry and services (CCIS), one in Oujda and the other in Nador. The Oujda CCIS houses the Oujda Arbitration and Mediation Centre (COMAR)

The CCISs represent traders, industry and service providers at local, national and international level. The CCISs are represented in the prefectural and provincial councils of their constituencies and in several local committees whose functions are related to the Chambers' areas of business. At national level, this representation is exercised through the Moroccan Federation of Chambers of Commerce, Industry and Services.

The CCISs give their views to the government in particular with regard to the customs regime, commercial and industrial law and regulation, commercial museums, business schools, taxation and pricing of products, goods and services. The CCIS also have a facilitation, promotion and management role to play as intermediaries who can develop and diversify Morocco's trade relations. The CCIS issue certificates of origin for exported goods, appoint expert commissioners designate customs matters, issue legitimation cards required abroad and sales agents' cards. They also cooperate to create, fund, or maintain facilities, services and projects of common interest. The CCISs also provide commercial arbitration services (see Chapter IV).

French Chamber of Commerce and Industry in Morocco (CFCIM)

The French Chamber of Commerce and Industry in Morocco (CFCIM) brings together entrepreneurs and businesses of the Franco-Moroccan business community and represents their interests in Morocco. It centralises useful information on the regions and sectors, identifies business opportunities and holds business and investment forums. It also assists and advises the investor on formalities and organizes exploratory visits to Morocco, France and other countries.

The CFCIM also has a training function. It manages the French Business School (EFA), which operates in Casablanca and Oujda and provides university pre-degree level training (Baccalaureate + 2 years) and awards a French diploma. The curriculum is supplemented by training certified by the Toulouse Business School to issue degrees and masters in management, the hotel industry, tourism, audit and financial control, logistics and purchasing, communication, and the Tri Executive MBA. It also offers a distance learning course with the Conservatoire National des Arts et Métiers (CNAM) in France.

The CFCIM has 3500 members, of whom 60 are in the Oriental Region.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Areas of opportunity

The economy, history and geography of the Oriental region offer investors a wide variety of investment opportunities. The four priority areas outlined here are: agriculture and food; tourism and recreation; renewable energy and offshoring. An overview of some additional areas of interest followed by a summary table of opportunities by sector and province in the region complete the chapter.

Agriculture and agrifood

The Oriental Region is the third agricultural region of Morocco in terms of value added, which is why the government is keen to attract investment in the agricultural and food sectors. The region's climate varies from north to south. The northern part of the region enjoys a moderate climate and the land is very fertile, especially around the Moulouya basin. These good conditions have enabled the development of diversified crops, including cereals (barley, wheat), vegetables (potatoes, tomatoes, beans, melon) and forage (mainly alfalfa). However, other crops are also widespread such as citrus fruits in Berkane province (oranges and clementines) and olive trees in Taourirt province. There are also large-scale beet crops. The cultivable area is 699,589 hectares, of which 30% is fallow land. The irrigated area is about 109,236 hectares. Over 77% of irrigated land is located in the provinces of Nador and Berkane.

Conversely, the desert climate in the south and the resulting aridity means that other crops are better suited for cultivation there. This is particularly true of date production that has developed in Figuig province. Taourirt olive oil, Berkane clementines and Figuig dates (Aziza) are some of the main names that have put the Oriental region's produce on the map.

The region's livestock is mainly made up of sheep. The Beni Guil sheep breed, raised in the Oriental Region is renowned for its hardiness and quality. There are also herds of goats and cattle in the region, but they are less significant. Nador province is also home to poultry farms and major egg production. In total, there are twenty slaughterhouses in the Oriental Region. However, they do not generally meet international, in particular European, standards, which means that meat export opportunities are currently limited.

The region has various facilities for processing and packaging agricultural products. Oranges and clementines harvested in the Berkane province are exported in part to European countries after local packaging. These exports became possible after the facilities were made to comply with European health standards, as well as some additional requirements imposed by the distribution networks (including the British Retail Consortium for the UK market).

Similarly, oil is produced in the region from Taourirt olives. Some agricultural products are also imported and then processed and packaged in the region. This is the case with spice production, anchovy processing and shrimp shelling, which are performed in the Oriental Region and then the processed products are re-exported.

Aromatic and medicinal plants (AMP) are also an important commercial activity. In the Oriental Region, mugwort (*Artemisia vulgaris*) and rosemary are the two species that dominate the aromatic and medicinal production and give rise to major commercial transactions. The trade in rosemary, which could support the development of cosmetic processing units, generates an activity of about 81,000 working days per year, with a corresponding value of 4.05 million MAD.

Through the three cooperatives based in Figuig, Taourirt and Jerada, the region has managed to build on its expertise in this area to develop the sector and make it a real source of wealth for the people, by implementing new farming methods for rosemary fields and introducing new species of AMP from Asia and the Indian Ocean. Development of the AMP sector is being conducted under the auspices of the High Commissioner for Forestry and the Fight against Desertification.

Modernization of agriculture is a priority for the Moroccan government and as such is subject to a national strategy defined by the Green Morocco Plan. This provides for the implementation of a number of projects, articulated through the Regional Agricultural Plans (RAP), aimed at improving facilities and equipment available to farmers and strengthening the sector's productivity. Particular emphasis is placed on the development and modernization of irrigation methods. To do so, the Moroccan government subsidizes the installation of micro-irrigation ("drip" irrigation) to 100% for holdings under five acres and up to 80% for larger farms, and provides training and support for farmers. Ten thousand hectares used for crop cultivation in the region have already benefited from this scheme.

Improving agricultural production is also central to the government's strategy. To this end, work began in mid-2010 on the construction of a large-scale agri-food technology park near Berkane. Located in the district of Madagh, 12 km from the provincial capital, the 100 ha agri-food technology park will provide facilities for medium and high capacity agro-industrial production units (up to 7,000 m² per plot) and ancillary units. The agri-food technology park will also include logistics and service zones and residential areas. In order to remedy the dispersion of farms in the region, the low value added of production and an essentially local market, the park will host domestic and foreign firms, in an aim to consolidate, transform and develop the region's agricultural production (especially citrus products). By modernizing production and improving product quality, the park aims to increase exports and improve the region's image both in Morocco and abroad.

In addition, an important part of the partnership established in 1999 between the Oriental Region and the French Champagne-Ardenne region is devoted to agriculture. So, as part of this decentralized cooperation between the two regions, different projects are carried out to strengthen the positioning and visibility of agricultural production of the Oriental Region. In particular, support is provided to obtain the international certification of the main agricultural designations of regional origin. Another objective of this cooperation is to fund the development of specific facilities such as the construction of cold storage.

Finally, the Oriental Regional Council is building its institutional capacity and has set up an "Agricultural Resource Centre Observatory" devoted to information-gathering and analysis in order to monitor the sector and provide support for decision-making.

Despite the dominant role of agriculture in the Oriental Region, partly thanks to the fertility of the northern part, production is still largely traditional and aimed at the local market. It is, however, poised to develop with the introduction of larger facilities and processing units. In this respect, the support provided by the government as part of its Emergence and Green Morocco plans will accelerate modernization of production and thus improve the value of agricultural products. Productive investment in this sector is therefore timely, especially in the new Berkane agri-food technology park, which will provide modern infrastructure and easy installation for incoming businesses.

Opportunities for investors include the construction of a manufacturing unit for juice from citrus fruit, the modernisation of olive pressing for oil production, increased storage capacity for agricultural products, the creation of new canneries, the development of vine cultivation and beet for sugar production. In livestock, there are opportunities to build facilities for milk processing, cattle feedlots and modern sheep and poultry abattoirs, which comply with European and international standards. Finally, there is significant scope to develop service provision for agricultural activities to meet the needs of industry, e.g. the installation of irrigation systems.

Attention should also be drawn to the processing of fishery products, which remains underdeveloped. In Oujda and Nador the UNCTAD team noted that there are peeling plants for shrimps, fished mainly in the North Sea and for export to the Netherlands, and in Taourirt a canning plant for anchovies from the Atlantic and the Mediterranean for export to supermarkets in France and Spain.

According to the managers of these plants, the region has two major advantages. The first is the abundance of low cost, mainly female labour, who can do this kind of work. It is paid as piecework. The second is the proximity of markets, particularly in the European Union, which is the world's largest importer of fish and Morocco's biggest customer. This proximity makes for substantial savings in costs for transportation, which is primarily by truck and ferry.

Box III.1: Oriental Canning Factory (CONOR)

The Oriental Canning Factory (CONOR) was established in 1980 at Taourirt and belongs to the El Jabri group, whose headquarters is in Agadir. CONOR specializes in the packaging and canning of anchovies, and produces 1,600 to 1,800 tons which are wholly for export to customers in France.

The raw material comes mainly from Agadir and Mehdia (near Kenitra), oils from Casablanca and packaging (cans and jars) from abroad.

CONOR employs a dozen administrative and technical staff on a permanent basis and some 300 to 350 women as seasonal workers. Labour costs and the Group President's family ties (born in Figuig and grew up in Taourirt) were instrumental in the establishment of this industrial unit and the reason for its continued location in Taourirt province, at a time when competition is forcing factory closures in other provinces.

Source: UNCTAD

Tourism and leisure

The Oriental region has many natural attractions and landscapes of great diversity, from the Mediterranean coast in the north to the semi-desert plateaus of the south, the Moulouya river and the Beni-Snassen mountain range. Long untapped, the region's strengths are gradually being enhanced as part of the tourism strategy undertaken at national and regional levels. However, despite the richness and variety of the region's natural sites, the new and expanding Mediterranean resort of Mediterrania Saïdia is the main tourist destination. Tourism generated by this resort, however, can be harnessed to develop adventure tourism to other areas in the region, particularly using integrated tourist packages.

Thanks to the region's Mediterranean coastline, seaside tourism is a key factor in the government's tourism strategy in the Oriental Region, which is focussing on the development of visitor capacity and infrastructure. The Vision 2010 national tourism strategy, part of the Plan Azur, has two major projects currently underway in the region: the development of the new resort of Mediterrania Saidia, near the Algerian border, and the creation of seven tourist sites around the large lagoon at Marchica, near Nador.

Although still under development, the Mediterrania Saidia resort was inaugurated on 18 June, 2009, to mark the opening of its first two five-star hotels each with more than 1,000 beds (Barceló Hotels and Iberostar) as well as its marina, the third largest in the Mediterranean with 1,400 moorings. The resort's planned capacity is a total of 30,000 beds, including nine four and five star hotels with conference rooms, over 1,000 apartments, numerous villas, three golf courses and a large shopping centre. It will be completed by an amusement park for the local and international market. Mediterrania Saidia will be built on a site covering more than 700 hectares and will represent a total investment of 12 billion Dirhams. However, there are difficulties with the development of the resort and delays are accumulating in the building programme. It is likely to be a few years before most of the planned facilities are completed. The housing and financial crisis has also had a negative impact on house purchases. Finally, some important facilities are not yet fully operational, including the reprocessing of waste water and access to medical services. Despite these difficulties, in 2009 its first year, the resort hosted 37,000 tourists and was fully booked for summer 2010 before the start of the season. The progress of work, together with the expected gradual positioning of the destination by tour operators, especially with Spanish tourists, are expected to increase significantly the number of visitors in the coming seasons.

The 25 km long Marchica lagoon, around which seven tourist sites will be developed, is set to become the second major resort of the Oriental region. It will have a capacity of 100,000 beds and will involve the construction of hotels, residential areas, villas and golf courses as well as the development of parks and natural areas in order to develop tourism and reclaim the shores of the lagoon by highlighting its natural assets and landscape. The seven "tourist cities" identified by the project are the Nador Corniche, the Nador golf course, the Altayoun Peninsula, the Port of Two Seas, the resort of Kariat Arkmane, the City of the Plains and the Lagoon Hotel. Nevertheless, it is likely that it will be a few years before these ambitious projects bear fruit. In addition, sewage from surrounding towns, which was previously discharged into the lagoon, is now to be handled by the newly-built waste-water treatment plant at Bouarg.

Complementing seaside tourism, the region's landscapes, culture and heritage are attractions to be highlighted as part of a strategy to develop ecotourism. The Oriental Region has many protected natural sites. Of the 146 national sites of biological and ecological interest, eleven are in the region. Among the most noteworthy is the mouth of the Moulouya river, given its rich biodiversity and extensive marshes. Its closeness to Saidia is an asset that can be an attraction for tourists staying at the resort. Further west, the Nador lagoon and Gourougou mountain which looms above it, together with the Cape Three Forks headland near Melilla, are the other main sites of the coastal area.

In addition to these natural areas there are many other interesting ecotourism sites in the region. The Beni-Snassen Mountains, south of Berkane, are suitable for mountain tourism and horseback riding. Among their attractions are the gorges of the Zegzel valley, the caves of the Camel and the Pigeon, famous for the archaeological discoveries that were made there(Palaeolithic tools and the burial site of Tafoughalt Man, a putative ancestor of the Berber people). Several websites are devoted to hiking in the region and provide information on opportunities for organized hikes. A guide to hiking in the Oriental Region, produced in part by the Oriental Agency is available. There are also spas in the region, the main ones are at Sidi Shafi near Taourirt, Fezouane and Chouihiya near Berkane, which are attractive assets. In addition, ecotourism packages can highlight the potential for rural tourism in the Oriental Region, for those interested in crafts, music and traditional dance. This is being made possible as more rural accommodation becomes available. The various cultural events held in the region (including the Oujda Rai Festival) provide scope for further development. Finally, tourist circuits to discover the southern desert region, including the Figuig oasis, casbah and palm groves, the desert train journey between Oujda and Bouarfa (four hours), can be appealing to holiday-makers. From this perspective, there is great investment potential in the south of the Oriental Region, especially in terms of accommodation, because of the lack of hotels and tourism infrastructure (restaurants, cafés, travel agencies, etc.).

However, despite its many attractions, the region suffers from a poor image. It is still not listed in international tourist packages and deals, which explains why, with the exception the resort at Saidia, visitors are mainly from the rest of the country or Moroccan expatriates. Accommodation options are still limited, but increasing rapidly as new building work included in the Plan Azur progresses. This development should prompt an increase in demand, which in turn is expected to generate a wider variety of tourist packages and deals. Qualitative improvement is also being made to accommodation capacity as new hotels are built on the coast to overcome the current lack of upscale accommodation. These developments do not yet affect the interior of the region. Furthermore, tourists on organised tours in Morocco rarely visit the Oriental Region, because of its relative remoteness from the most commonly visited Moroccan cities. Finally, despite significant progress (including the widening of the road between Oujda and Saidia), the region's accessibility still needs improvement. The commissioning, expected in 2011, of the Fez-Oujda motorway and the forthcoming completion of the Mediterranean bypass connecting Tangier to Oujda will facilitate access to the region for domestic tourists. In terms of air links, the expansion of Oujda-Angad airport and the opening of the Bouarfa aerodrome should help develop tourist offerings and passenger traffic to the region, especially from Europe (see the section on infrastructure in Chapter II).

As regards training, the Saïdia Hotel School trains 80 to 100 students per year. In addition to these there is training available in private schools and modules offered by the Vocational Training and Occupational Promotion Bureau (OFPPT), which recently opened a centre in Nador to support tourism development around the Marchica lagoon. However, training for tourism sector personnel needs to be extended to cover ecotourism-related sectors (training guides, reception in rural accommodation, etc.), for example through the implementation of the training component of the Vision 2010 and Vision 2020 tourism strategies.

The completion of tourism projects currently underway on the region's Mediterranean coast (particularly the Mediterrania Saidia resort) is expected to significantly develop tourism in the Oriental Region. However, this must be achieved at the same time as greater visibility for these tourist destinations in the offerings of international tour operators. Despite the delays, the government's ongoing involvement in these projects is encouraging and the progress being made is positive. On the other hand, despite the existence of significant potential, efforts should focus more on rural tourism and mountain tourism to take advantage of the very diverse landscapes and environments that are to be found in the region from the coast to the desert. Significant ecotourism investment opportunities are available in the Oriental Region, for which global demand is increasing, so more offerings in this sector could be just as appealing to domestic and foreign tourists as the seaside resorts.

Renewable energy

Electricity production in Morocco is mainly provided by thermal power stations and is largely dependent on fossil fuels, imported for the most part from Algeria. In 2007, only 4% of the power consumed in Morocco was produced domestically. This external dependence is explained by the lack of hydrocarbon resources available in the country. The government has adopted an energy policy focused on the development of renewable energy, in order to gradually increase its energy independence, but also to reduce greenhouse emissions. The strategy, known as the Energy Plan, was launched in July 2008 and aims to strengthen Morocco's position in the renewable energy sector, so the country will be able generate 42% of national electricity by 2020, in equal 14% shares for wind, solar and hydro. Implementation of the plan should also lead to an annual reduction of some 3.7 million tonnes of carbon dioxide emissions in Morocco.

This ambitious programme and the recent creation of the National Agency for the Development of Renewable Energy and Energy Efficiency (ADEREE) are manifestations of the Moroccan government's commitment to renewable energy. From 221 MW in late 2009, national wind energy capacity should reach 1,550 MW in 2012 and 5,500 MW in 2030. The development of solar energy generation should increase the surface area of solar panels from 240,000m² in 2008 to 440,000m² in 2012, reaching three million square meters in 2030. With 3000 sunshine hours per year and an irradiation density of 5.3 kWh / m² / day, Morocco's climate is particularly well-suited to solar power generation.

To this end, a large-scale solar energy plan for Morocco was launched at the Forum for the Future on 2 November, 2009 in Ouarzazate, and transferred to a new institution, the Moroccan Agency for Solar Energy, which is responsible for monitoring its implementation. It focuses mainly on the construction between 2015 and 2019 of concentrating solar power plants (CSP) at five identified sites with a combined surface area of 10,000 hectares. When these plants are commissioned, they will be capable of generating 2 GW by 2020 for a total investment of MAD 70 billion.

Morocco's cooperation with the European Union also provides promising prospects for capacity development in the renewable energy field. The Mediterranean Solar Plan, adopted as part of the Union for the Mediterranean (UPM), calls for increased non-polluting electricity generation capacity in the Mediterranean countries. It aims to strengthen the interconnection between electricity grids, in particular between the Maghreb and Europe, and to promote the export of "clean" power from the partner countries to the EU. This makes it possible to design projects of sufficient scale to ensure their profitability beyond individual national markets.

The export to European countries of electricity produced from renewable energy was further encouraged by the adoption in late 2008 of the 'climate and energy package' in which EU countries pledged to increase the share of clean energy to 20% of total energy consumption (European countries can partly use electricity produced abroad) and a 20% reduction in greenhouse gas emissions by 2020. Energy cooperation between the EU and the Maghreb countries aims to enhance the interconnection of their respective electricity grids, in particular by increasing transfer capabilities between Morocco and Spain, which have the only electrical connection between the two continents, and to foster the emergence of an integrated electricity market between Europe and North Africa. In the longer term, the Desertec project, which provides for the establishment of a large-scale network of solar power plants in the Sahara, to provide a significant part of the European Union's electricity supply, was the subject of a Memorandum of Understanding signed in 2009 by several industrialists and is supported by many of the European and African countries concerned.

The Oriental Region is one of Morocco's pioneering regions in the renewable energy sector and has made the development of solar energy a regional priority. A step has already been taken in the Jerada province with the construction of combined cycle (gas-solar) solar thermal power plant at Ain Beni Mathar, which entered into service in May 2010, and which produces part of the energy (20 MW of 472 MW) from the solar component. The plant was jointly financed by various funds and organisations, including the African Development Bank (ADB), the Global Environment Facility (GEF) and the Moroccan National Electricity Board (ONE) plus private equity from investors including Abengoa, the Spanish industrial group that carried out the construction work.

Furthermore, a site at Ain Beni Mathar, adjacent to the combined cycle power plant, has been chosen for one of the five concentrating solar power plants planned by the Moroccan Solar Plan. Its completion is planned for 2020 with a solar thermal park covering 2,000 hectares and a generation capacity of 400 MW. This new capacity will complement the electricity production from the region's existing power coal-fired plant at Jerada and the two hydroelectric plants (Mohammed Khamis El and Bou Ateg) and will significantly increase the region's share of electricity produced from renewable energy.

To support the growth of solar power in the Oriental Region, the region intends to develop training opportunities in this sector and establish regional renewable energy clusters in partnership with the Mohammed I University in Oujda. The latter has started several training courses focusing on renewable energy (solar thermal, photovoltaic and wind energy) and energy efficiency (energy balance, energy conservation, etc.), including a masters degree, a professional degree and a university technology diploma. Apart from the initial and continuing training of managers and technicians in this sector, the University also aims to provide services to businesses in terms of technological and regulatory intelligence and research & development. Links with business also make it possible to tailor the training programmes to the stated needs of industry and service providers in the clean energy sector.

Finally, the Oujda Technology Park includes an industrial zone devoted to clean industries and renewable energy. This is a 23 hectare site, known as "Kyoto Park", which will host industrialists and equipment manufacturers in the renewable energy, energy efficiency and clean technology sectors. Businesses locating to the park will be involved in several fields, including solar, wind and biomass, water and waste management, construction materials and transportation. In order to promote synergies within the technology park, this industrial zone will be directly linked to the other areas devoted to logistics, tertiary activities, the research laboratories and a training campus. The work, which began in mid-2009, should be completed in 2011.

The recent rapid development of the renewable energy sector in Morocco and, more specifically, solar energy in the Oriental Region, thus provides attractive investment opportunities. For investors in the clean energy sector, locating in the Oriental Region is particularly promising, given that this sector is a national priority for the government, that there is finance available from international programmes and the interest of the European Union as part of its energy policy. The development of future electricity generation capacity through Concentrating Solar Power, together with regional training programmes focused on energy and clean technologies, will significantly strengthen the sector. In addition, the establishment of new renewable energy industries in the region is expected to attract many SMEs, which will be able to meet the demand for services and related activities of the new industries.

Offshoring

The Oriental region, which has both advantageous production input costs compared with other regions of Morocco and logistic proximity to Europe, is particularly attractive for hosting projects to relocate some business activities. The two main types of business particularly suitable for offshoring are BPO (Business Process Outsourcing) and ITO (Information Technology Outsourcing or BPO related to information technology).

Box III.2: SQLI

Established in 1990, SQLI is a service company specializing in internet technologies, innovative practices and new SAP offerings (ERP integrated management software for companies). SQLI has 2,000 employees, with 21 subsidiaries in France, Switzerland, Luxembourg, Belgium, the Netherlands, Spain, Canada and Morocco, where it has three offices located in Casablanca (60 employees), Rabat (60 employees) and Oujda (80 employees). In Oujda, SQLI is currently the largest employer of professional executives.

Although the company originally set up in Rabat, its development in Morocco will focus mainly on its new campus in Oujda, where SQLI is soon increase the number of engineers from the current 80 to 200.

SQLI's development in the region has benefited from partnership with UMP, which provides trained managers. Its activity in Oujda began in 2005 in the University's business incubator in its centre for entrepreneurship. In 2010, the company opened its new campus, set up at a cost of US$3 million and planned to accommodate 500 employees within the University. Despite some initial administrative difficulties regarding internet access and water supply, resolved with the University's assistance, it is now CMMI (Capability Maturity Model Integration) level 3 compliant.

With respect to human resources, SQLI managers point to the cost of local manpower as the region's main advantage. Starting salaries are 7,000 MAD per month, which is 30% less than the rate in Rabat. One problem was, however, to find project leaders and project managers, so the company has had to rely on expatriates and staff from Rabat and Casablanca. SQLI now trains local staff to project leader level. The company also uses its network to form internationally distributed teams.

The group's president, Mr. Yahya El Mir, who hails from the region, wants SQLI to be considered a leading investor and has indicated his willingness to share his experience with potential investors.

Source: UNCTAD

The region has several strengths in this sector. Firstly, skilled human resources are readily available. Since the launch of the partnership between Mohammed I University and offshoring company SQLI (see box), which currently employs 80 engineers and hopes to increase this figure to 500 in the medium term, information technology training has been significantly developed and the region now has a surplus of skilled labour in this field. At the same time, SQLI encourages in-house training to project manager level, which is relatively rare in the market.

Furthermore, offshoring is a central pillar of the National Pact for Industrial Emergence (PNEI), which aims to position Morocco as the industry leader in the Euro-Mediterranean area, particularly with respect to French- and Spanish-language offshoring. Nationally, the PNEI aims to create 70,000 new direct jobs in this sector between 2009 and 2015. For this reason, specific infrastructure tailored to the needs of companies in the sector has been set up in the Oriental Region at the Oujda Technology Park where an area has been specially reserved for it. This is known as Oujda Shore.

Businesses setting up in this integrated industrial hub, will benefit from a state contribution with respect to income tax (IR), in order to reduce the income tax burden, in accordance with Prime Ministerial Circular No. 9/2007. The circular also provides for companies operating in the offshoring sector, whether located at Oujda Shore or elsewhere, to receive a state contribution for training. It should also be noted that the export revenue of these companies is exempt from corporation tax (IS) for a period of five years and thereafter is subject to a rate of 17.5%.

Finally, the Oriental region is located close to Europe (1-3 hours' flight) in a nearby time zone, thus facilitating relationships with clients or teams located on the other side of the Mediterranean

Other areas of interest

Mining potential

The Oriental region is traditionally a mining area, with a varied geological structure and particularly renowned for the concentration of different minerals. The region accounts for 48% of domestic production of lead and 19% of barite. Its subsoil contains a wide variety of deposits and metallic and non-metallic traces, including:

- lead, zinc and calcite at Jbel Boudhar (Figuig);
- manganese at Bouarfa;
- copper at Jbel Klakh (Bouarfa);
- lead and zinc at Jbel Lahwanite;
- barite at Zelmou;
- barite at Sidi Lahsen (Taourirt);
- argentiferous lead at Touissit;
- coal at Jerada;
- iron ore at Nador;
- iron ore at Oued Elhimer;
- bentonite at Aferha (Nador);
- bentonite at Haddou Amar (Nador);
- clay at Guenfouda.

These represent new prospecting opportunities for mining companies. Mining companies exporting from Morocco benefit from the reduced rate of 17.5% corporation tax and a 20% general income tax rate from the year in which the first exports are made. Mining companies which sell their products to companies who export them after further processing are also eligible for the reduced tax rate.

The National Office of Hydrocarbons and Mining *(Office national des hydrocarbures et des mines - ONHYM)* (see box III.3), is responsible for prospecting mines and conducts regular international tenders for exploration to locate and identify promising deposits.

TABLE III.1 MINING ASSETS IN THE REGION PER OPERATOR (AS AT 31/12/2009)

OPERATOR	PROSPECTING LICENCE	PRODUCTION LICENCE	CONCESSION	TOTAL	%
ONHYM	69	19	0	88	20.56
Companies	91	58	28	177	41.36
Individuals	157	6	0	163	38.08
Total	**317**	**83**	**28**	**428**	**100**
%	74.06	19.39	6.55	100	

Source: Oujda Regional Investment Centre

Box III.3: Mining conventions

With the refocusing of its role, ONHYM provides information for private investors on reducing risk. Its mission is to provide investors with verifiable information about the potential of a given region.

The first stage consists in a regional reconnaissance to identify potential areas that may contain a deposit. By careful examination of the samples collected, the Office establishes an accurate assessment of quantities that the deposit holds with a view to its exploitation.

There are two methods of entry into the mining sector. The first is to prospect and then exploit the mineral deposits discovered and the second is to acquire a pre-existing mining concern.

In the first case, any investor wishing to conduct mining surveys should first contact ONHYM, whose database can be consulted in complete confidentiality. Following a confirmation of interest, an exploration agreement is signed with ONHYM to describe the mining concession and establish, inter alia, shares, the management committee and royalties. The ONHYM takes shares in the capital of the joint company which is thus set up. However, two conditions are laid down: ONHYM's share must not exceed 30% and the costs incurred by ONHYM during the preliminary stages must be recognised in the investment.

The joint company then proceeds to carry out the work and assess the results. If the deposit is successfully located and its viability confirmed by a feasibility study, the investor creates an operating company and the mining concern is transferred to it. The ONHYM supports the operator in obtaining all the necessary permits.

In the second case, when a deposit has already been identified, interested investors must participate in an international tender. The successful bidder pays a complete or partial assignment, depending on the negotiations, in addition to the royalties set according to the estimated volumes. The government obviously monitors the operators' activity and its experts meet twice a year with them to ensure compliance with the specifications.

To date, ONHYM, which annually spends between 100 and 120 million MAD on prospecting and promotion, has partially or completely sold some twenty mines, and is currently reselling or promoting more than twenty others.

Source: ONHYM

Shopping centres

Over the past fifteen years, major domestic and foreign retailers, supermarkets and shopping malls have been become established in the Kingdom's main cities. As shown in Tables III.2 and III.3, the Oriental Region has not been left by the wayside with the arrival of Marjane, Metro and Aswak Assalam hypermarkets. The imminent arrival of Carrefour has also been announced.

This trend is in response to strong demand in the region from local consumers and visitors who want better quality consumer products than those available in shops or markets, much of which come from smuggling. They are also looking for a quieter, calmer shopping experience. The same is true for petrol distribution, with a growing number of petrol stations. For these same reasons, the arrival of superstores is highly encouraged and facilitated by the authorities.

Large-scale shopping malls are also arriving in the region, for instance the Morocco Mall in Casablanca, which is inspired by malls in the Middle East and includes leisure and recreation facilities.

The "Medina Center" in Saidia, part of which is already operational, will be completed in 2013 and will occupy an area of 43,000m². It will be able to accommodate between 150 and 160 stores with a mix of services, boutiques and craft shops. The centre will be divided into three zones. The first, 3000 m², will include a supermarket and speciality boutiques, the second will be for seaview promenade walks, and finally the third zone, located just opposite the marina, will be dedicated to restaurants, leisure and service activities and will include craft exhibitions to showcase local heritage.

The shopping mall concept is also being used in Oujda, for which a space is dedicated in the Urba Pole master plan (see box II.3).

TABLE III.2: RETAIL BRANDS AND SUPERMARKETS LOCATED IN THE ORIENTAL REGION

RETAILER	CITY/TOWN	SURFACE AREA	DATE OF ESTABLISHMENT
Marjane	Oujda Saïdia (Medina Mall) Nador	6,500 m² 3,200 m² 6,571 m²	2007 2009 2009
Aswak Assalam	Oujda (Al Boustane)	5,000 m²	2008
Metro	Oujda (Jorf Lakhdar)	7,500 m²	2008

Source: Oujda Regional Investment Centre

TABLE III.3: RETAIL BRANDS AND SUPERMARKETS INTENDING TO LOCATE IN THE ORIENTAL REGION

RETAILER	CITY/TOWN	DATE OF ESTABLISHMENT
Marjane	Oujda (Taza Highway)	2012
Aswak Assalam	Oujda (city centre) Nador (Beni Nsar)	2012 2012
Carrefour	Oujda (Western approach) Nador (Selouane Highway)	2012 2012
Label'Vie	Oujda	2012

Source: Oujda Regional Investment Centre

Logistics

Investors in the region are faced with the problems of the cost and availability of transport. Transport costs to the rest of the country and to Europe are at odds with their relative geographic proximity. However, the opening of the new highway and the Mediterranean bypass, the redevelopment of Oujda airport and railway station, the extension of the railway to Nador and construction of the new Nador West Med port will create new logistics opportunities.

The new highway will enable producers to source raw materials or intermediate products more easily from other regions of Morocco and to ship their production much faster. They will then be able to implement "just in time" production. The new bypass will also allow goods to be transported by truck to the port of Tangier, for onward shipment, rather than by coastal shipping through Nador. The expansion of the airport will increase the frequency of flights, connections and freight capacity for transport between the region, Europe and the world. The Nador West Med project will provide more fuel storage capacity, avoiding the need to resupply ships at other congested Mediterranean ports.

Dedicated units reserved for logistics operators in the industrial areas of the Oujda Technology Park, the Berkane agri-food technology zone and at Selouane will facilitate triage and storing of goods near the main transport routes. The free trade zones of Beni Nsar, Nador West Med, Berkane and Oujda-Angad will enable these activities to be carried out under customs control.

These developments form part of Morocco's 2010 logistics strategy, which aims to optimize the flow of goods, to develop the sector's capacity (training, incentives) and strengthen its regulation. The strategy will have a total investment at national level amounting to US$8 billion by 2015 and US$14.8 billion in 2030.

The combination of new infrastructure, increasing demand from major retailers and new management in several business parks is giving rise to new opportunities for logistics operators. DHL, for example, has already announced its intention to locate in the zone situated next to Oujda-Angad airport. ONCF, the Moroccan National Railways Board is also planning to create a logistics hub for its freight business to the Bni Oukil dry port. Although this sector is dynamic, the authorities fear however that it may be unable to satisfy demand.

The creative industries

The creative industries are now among the most dynamic sectors of world trade. Between 2002 and 2008, they have been growing worldwide at an annual rate of 14%. In Morocco, growth in this sector has been 6.7% per year over the same period. Combining various creative activities (traditional arts and crafts, publishing, music, visual arts and performing arts) with more technology and service intensive businesses (film, television, radio, new media, etc.), the creative sector has a modular and flexible structure with commercial activities ranging from independent and small businesses to some of the largest multinationals. It is therefore a promising sector for Morocco and for the Oriental Region, which is full of opportunities.

Box III.4: What are the creative industries?

The creative industries are a rapidly growing area in the global economy. They create and exploit intellectual property products or provide creative services, usually to other companies. The definition of the concept varies, but generally includes the following: advertising, architecture, crafts, design, fashion and couture, film and video, interactive leisure software, music, performing arts, publishing, software and computer services, radio and television.

The creative industries are among the most promising sectors in terms of growth and job creation and are also vehicles for cultural identity that can stimulate diversity. The economic aspect of creativity is observable insofar as it contributes to entrepreneurship, fosters innovation, increases productivity and promotes economic growth.

UNCTAD considers the creative economy as an evolving concept based on creative assets that can produce an effect on economic growth and development. It can be a source of income, create jobs and generate export earnings while promoting social inclusion, cultural diversity and human development. The creative economy includes economic, cultural and social factors that are related to objectives in technology, intellectual property and tourism. It is a set of activities focused on knowledge, has a development dimension and is a factor of both macro- and micro-economics.

It therefore represents a workable development option, but is one which requires multi-sectoral strategies from government and interdepartmental measures.

Source: UNCTAD

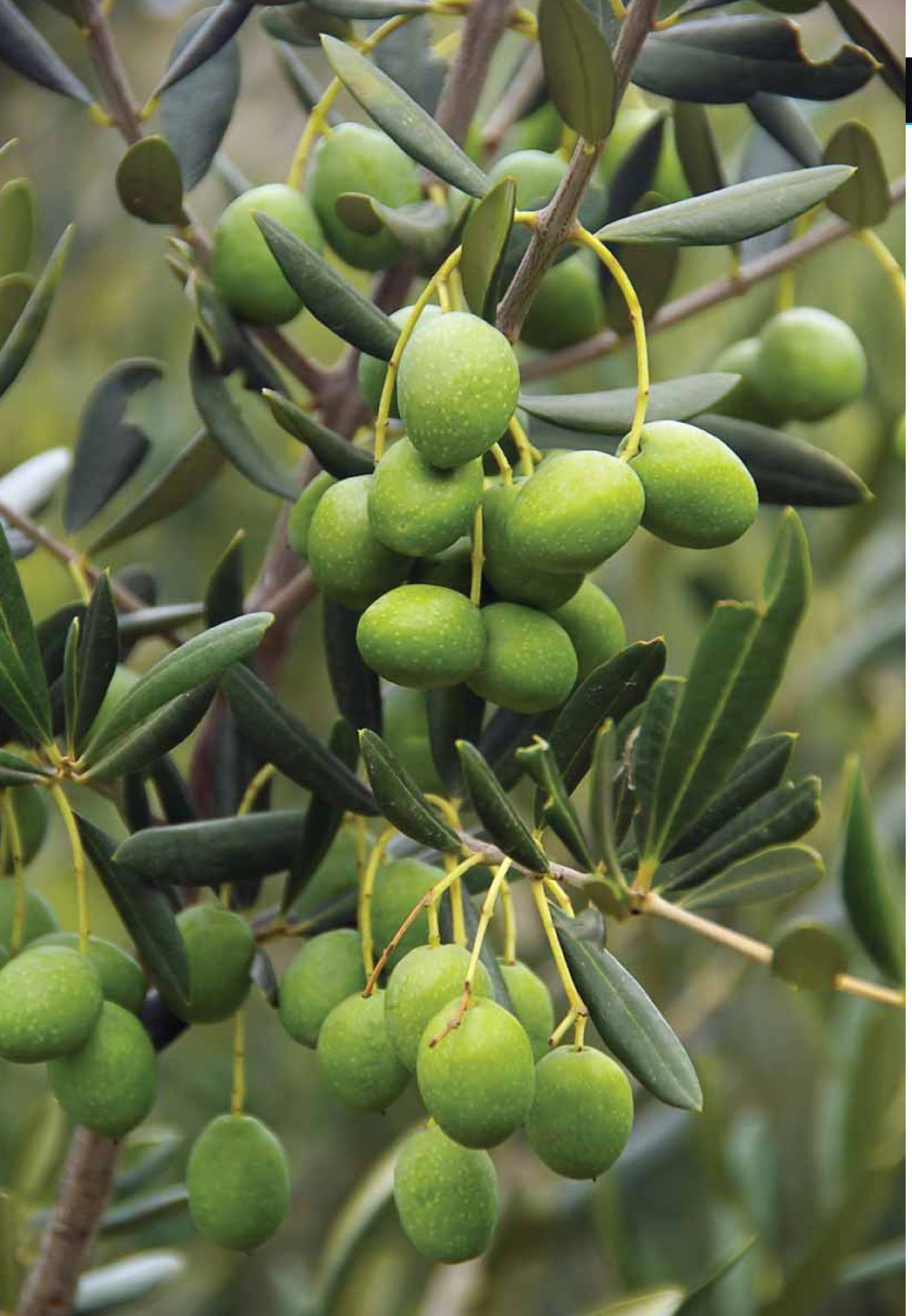
With its diversity of landscapes, from the Mediterranean coast in the north to the desert plateaus of the south, passing along the Moulouya river and over the Beni-Snassen mountains, the region could be described as a natural film studio. It is an ideal setting for location filming. Moreover, the skills, expertise and talent needed in the film industry, are available to investors in this sector at Ouarzazate, where they have ready access to well-trained Moroccan staff.

The region is also noted for its musical tradition and in particular for rai music. A major Raï festival is held every year in Oujda. This could become the heart of a broader music industry including recording studios, corporate event management, equipment suppliers, technicians, concert halls, public relations firms and developers.

The Oriental Region also has a rich craft tradition and is known throughout Morocco for its Oujda gowns, horse saddles, baskets, hemp tagines, camel wool carpets, fantasy rifles and rural pottery. Investment and skills are needed to develop this heritage commercially, both for tourists visiting Saidia and other cities and with resellers in Morocco and worldwide. A programme in this field has already been set up with women from Figuig to make jewellery to be sold in Belgium, France and Switzerland.

OPPORTUNITIES BY SECTOR AND BY PROVINCE

OPPORTUNITIES/SECTORS	PROVINCES OUJDA	NADOR	BERKANE	TAOURIRT	JERADA	FIGUIG/BOUARFA	DRIOUCH
Agriculture and Agrifood:							
• Farming/Citrus			■	■			
• Farming/Olive trees			■	■	■		
• Farming/Palm trees						■	
• Farming/other				■	■	■	■
• Livestock/sheep and camels	■	■	■	■	■	■	■
• Poultry farming	■	■	■	■	■	■	■
• Agrifood			■	■		■	■
• Fisheries/Processing	■	■	■	■			■
Tourism and leisure:							
• Graded hotels			■	■	■	■	
• Tourist residences		■	■	■	■	■	■
• Restaurants	■	■	■	■	■	■	■
• Local produce			■	■		■	
Renewable energy:							
• Solar production					■	■	
• Research & Development – clean technology	■						
Offshoring	■	■					
Mining	■	■	■	■	■	■	■
Shopping malls	■	■	■				■
Logistics	■	■	■	■	■	■	■
Creative industries	■	■	■	■	■	■	■
	OUJDA	NADOR	BERKANE	TAOURIRT	JERADA	FIGUIG/BOUARFA	DRIOUCH



Legal and judicial system

The judiciary

The Constitution of the Kingdom of Morocco establishes the principle of independence of the judiciary from the legislative and executive powers.

The judiciary means all tribunals and courts in the Kingdom. The term "tribunal" means the lower courts such as the tribunal or court of first instance (first degree). The term "court" refers to the second degree courts such as the appeal courts or the Supreme Court. The judiciary comprises the ordinary courts or tribunals, special courts and exceptional courts.

The ordinary courts are:

- Courts dedicated to minor cases in civil and criminal matters (personal and moveable property actions brought against persons residing in the constituency if the amount of these actions does not exceed 1,000 MAD (US$139)). They cannot, however, hear disputes relating to real estate and personal status;
- the tribunals or courts of first instance;
- the appeal courts;
- Supreme Court (Court of Cassation).

The special courts are:
- Administrative tribunals;
- The administrative appeal courts;
- Commercial courts;
- The commercial appeal courts;

The exceptional courts are:
- *The court of military justice*, with jurisdiction to try criminal cases committed by the military and those threatening national security.
- *The High Court*, competent in relation to crimes committed by members of the government.

The legislative

Legislative power is vested in a bicameral national Parliament consisting of the House of Representatives *(Chambre des représentants)* and the House of Councillors *(Chambre des conseillers)*.

The House of Representatives has 325 members elected for five years by direct universal suffrage. The House of Councillors has 270 members elected for nine years by indirect universal suffrage. Three-fifths of them are appointed in each region by an electoral college consisting of representatives of local authorities and two fifths in each region by electoral colleges composed of elected representatives of professional chambers and members elected at the national level.

Parliament sits for two sessions. The Constitution provides for Special sessions at the request of an absolute majority of either House or the government.

The Regional Council, under Article 6 of Law No. 47-96 on Regional Organisation, has its own powers and competencies that are transferred by the State. The Regional Council's role is to use these powers, as the regionalisation process matures, to catalyse the economic, social and cultural development of the region by bringing together the different regional actors to work on joint local projects.

The Oriental Regional Council is increasingly promoting private investment and is itself a partner in a number of infrastructure projects. A strategic development plan for the region is being drafted to define the broad guidelines. The Investment Fund for the Oriental Region (FIRO), which is chaired by the President of the Oriental Regional Council, provides invaluable assistance to businesses. Considerable efforts are being made to nurture a coherent and competitive industrial base. The Plan Med Est, is the regional articulation of the Plan Emergence in the Oriental Region, and includes the Oujda Technology Park, the planned Selouane industrial park, the Berkane agro-industrial park and the Nador intra-port logistics zone, and the establishment of competitiveness and innovation clusters. These are all indicators of the region's commitment to develop and position itself as an emerging region.

Box IV.1: The Oriental Regional Council

As part of the decentralization process started in the Kingdom in 1997, the powers of regional councils – bodies composed of elected representatives of local authorities and professional chambers – have been considerably strengthened and now cover economic, social and cultural fields.

In this context, the Oriental Regional Council has drawn up a strategic development plan for 2020 which aims to:
- enhance the attractiveness of the region for citizens by improving living conditions;
- enhance the attractiveness of the region for businesses by making the Oriental Region competitive;
- open up the region while ensuring the preservation and good use of natural resources.

The development plan is a catalyst for all initiatives by central and local government institutions, civil society and investors.

The Oriental Regional Council's economic development priorities focus on implementing projects in agriculture, tourism and industry but also the upgrading of structural facilities necessary to underpin the productive apparatus and to create an investment-friendly environment.

The Regional Council is thus a key player in developing the Oriental Region's attractiveness. Its teams are fully available to guide and advise investors wishing to participate in the region's sustainable development.

Source: *UNCTAD*

The Executive

The executive power of the country is two-fold. The government forms, after the King, the second branch of the executive. It consists of the Prime Minister, appointed by the King, and ministers. The Prime Minister is responsible both to the King and Parliament. The government meets in two councils: the government council chaired by the Prime Minister and the Cabinet chaired by the King.

The Prime Minister is responsible for the coordination of ministerial activities. He may delegate certain powers to ministers. His regulatory acts are countersigned by the minister responsible for applying them. The Prime Minister also initiates legislation.

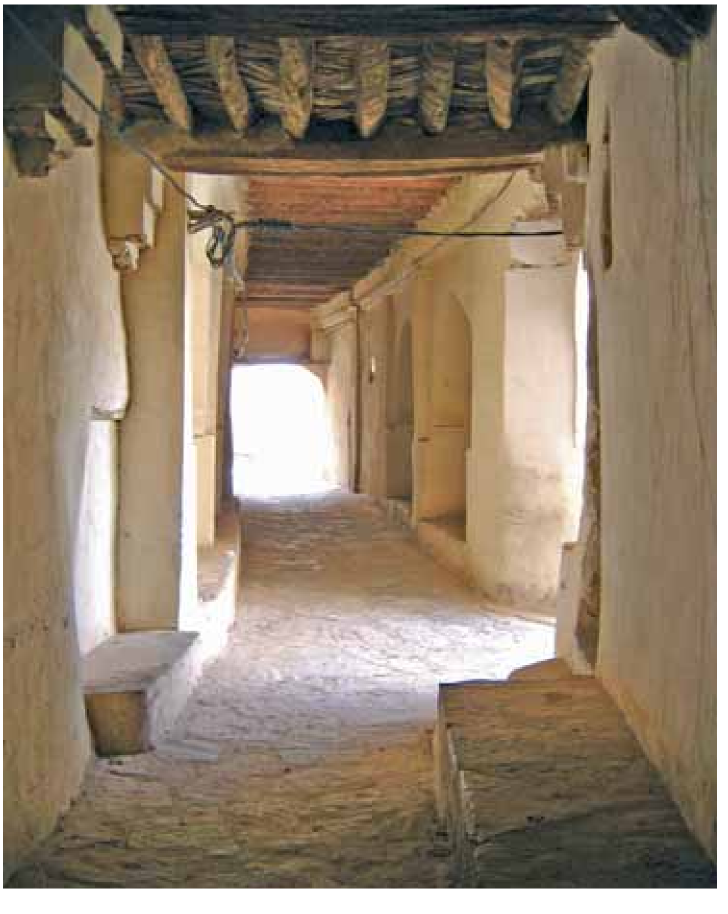
The Executive is represented regionally by the wilaya of the Oriental Region, based in Oujda and headed by the Wali. Governors also represent the executive at provincial level.

Protection of persons and property

Transparency, property protection and non-discrimination between domestic and foreign investors are the investment policy principles which underpin Morocco's efforts to create a favourable investment climate.

The Moroccan Constitution stipulates that any expropriation operation shall be effected in accordance with the customary and treaty-based international law binding the country. In general, three conditions must be met: public interest, non-discrimination and a compensation payment.

The bilateral investment promotion and protection agreements concluded by Morocco with 61 countries (of which 43 have been ratified) comply with international standards in this area. They specify that expropriation must be carried out in the public interest, not be discriminatory and be followed by prompt, adequate and effective compensation.



Institutional framework

Morocco has adopted an attractive legal and tax framework to promote FDI. It is based on two main areas: cost reduction and investment protection. Private property rights are guaranteed by the Constitution and the 1993 repeal of the *Moroccanisation Act* removed most of the discrimination against foreign investors.

The Investment Commission was established in 1998 to resolve potential administrative obstacles to investment projects and approve the agreements and investment contracts requiring a financial contribution from the State.

At national level, the Moroccan Investment Development Agency (AMDI) is responsible for promoting Morocco vis-a-vis international stakeholders. At the regional level the Oriental Agency is responsible for economic promotion. Also at regional level, the Regional Investment Centre (CRI) is responsible for obtaining the necessary permits to set up a business and to assist investors with formalities.

Morocco is a member of most international institutions including the United Nations (and its affiliates), the Arab League, the International Monetary Fund (IMF), World Bank (and the institutions comprising the World Bank Group, including the International Finance Corporation (IFC) and the Multilateral investment Guarantee Agency (MIGA)), the International Centre for Settlement of Investment Disputes (ICSID), the World Trade Organization (WTO), the African Development Bank (ADB), the Islamic Bank and Arab Monetary Fund.

At the regional level, Morocco is a member of the Arab Maghreb Union (AMU), which was founded in 1989 by Morocco, Algeria, Libya, Tunisia and Mauritania, to create an economic union. Morocco withdrew from the Organization of African Unity (OAU) in 1982, and is not a member of the African Union (AU), established in 2002 as a successor to the OAU.

Box IV.2: The Oriental Regional Investment Centre

The Regional Investment Centre (CRI) of the Oriental Region is a public body responsible for assisting domestic and foreign investors. It plays a liaison role and facilitates procedures for creating, locating or expanding businesses in the region. It can intervene with local governments as well as vis-à-vis landowners and other providers of public services (water, electricity, roads, training, etc.).

The CRI works closely with the Moroccan Investment Development Agency (formerly the Directorate of Foreign Investment) located in Rabat to support investors in their dealings with central government (investment projects over US$ 200 million).

As a body promoting economic development in the region, it can also provide insight into the economic situation and give potential investors useful information materials about the Oriental Region. Depending on the sector of activity and nature of the project, the CRI staff can establish the necessary contacts to help businesses find a site, a warehouse or premises and complete the administrative formalities required to get their business started at short notice (less than 24 hours according to the authorities).

Practically, the CRI can:

- welcome potential investors and give them information;
- identify the best sites for location in the region and organize visits;
- establish the necessary contacts with public and private economic agents;
- locate and obtain land at a reasonable price and in a timely manner;
- find premises, factories, warehouses and other facilities;
- review draft contracts and, if the investment exceeds 200 million MAD, prepare draft agreements to be concluded with the State, so that investors can benefit from all the advantages offered by the Moroccan State;
- make contact with all public and private agencies which may be involved in implementing the investment project;
- prepare all administrative documents required for investment projects.

The CRI's head office is in Oujda and it also has an office in Nador
(For contact details: see Appendix 3).

Source: CRI

Entry and Exit

The legal framework for investment in Morocco provides foreign investors with visibility for all matters relating to setting up in the country or leaving it. The country's economic openness has strengthened its spirit of free enterprise. Foreign investment may take the following forms:

- Establishment of companies in accordance with legal and regulatory provisions;
- Acquisition of shares in the capital of an existing company or one being set up;
- Subscription to the capital increase of an existing company;
- Establishment of a subsidiary or a liaison office;
- Acquisition of Moroccan securities;
- Input to current account, in cash or trade receivables;
- Short-term unremunerated financial assistance;
- Foreign currency loans on international financial market conditions;
- Acquisition of real estate or rights of use attached thereto;
- Equity financing of construction work;
- Establishment or acquisition of an individual business;
- Contribution in kind (land, buildings, securities originally financed in foreign currency)

The 1995 *Investment Charter* guarantees the transfer of investment income (profits, dividends and capital) and proceeds from sale or liquidation, without limitation of the amount or duration. Transfer operations or liquidation of investments madeunder the convertibility system are free after payment of taxes applicable in Morocco.

Business Licence

In Morocco, freedom of enterprise is guaranteed by Article 15 of the Constitution.

As part of its effort to encourage private enterprise and in recognition of its commitment to transparency the Moroccan Government has published a list of economic activities that require prior authorization. The list is intended to clarify and standardize procedures for examining applications to exercise a trade, business, craft or service and to be a useful guide for investors.

Similarly, a list of restrictions on FDI has been drawn up according to the model of the Organization for Economic Cooperation and Development (OECD). The list includes the limitations and restrictions on foreign investment, which vary from absolute restrictions, some of which affect both domestic and foreign private operators, to more flexible restrictions (in the form of permits or on fulfilment of specific formalities) which are generally not significant.

In terms of business creation, the establishment of the Regional Investment Centre (CRI), with a business set-up facility in Oujda and an office in Nador, has significantly improved the process in terms of the number of formalities, time and costs. The business set-up facility provided by the CRI enables the investor to complete all the formalities to set up a business in one place.

Applications submitted to the CRI that require special land transactions, such as the granting of state land, the acquisition of coastal land, obtaining a Non-Farming Permit (VNA), or any investment in the agribusiness, tourism, handicrafts, mining, public housing and vocational training sectors, are handled by Regional Investment Committee, chaired by the Wali or his representative. The Committee meets once a month and seeks the advice of the relevant agencies before making its decisions.

Setting up a business in Morocco

The different types of commercial companies recognized in Morocco are:

- **partnership:** (SNC - *société en nom collectif*), a limited partnership (*société en commandite simple* (SCS)) and joint venture (*société en participation*), for which the partners are jointly and severally liable for corporate debts;
- **corporations:** limited company (SA s*ociété anonyme*), limited liability company (*société à responsabilité limitée* (SARL)) and company limited by shares (SCA *société en commandite par actions*);
- **companies subject to specific regulations:** investment companies, purchase or consumer cooperatives, friendly societies.

The table IV.1 outlines the formalities for setting up companies in Morocco.

Work visa

In the case of a first application, visas for foreigners with an employment contract are generally granted for a one year period. Visas can then be renewed for one or two years depending on the request duly justified by the employer.

Employment contracts of foreign workers hired in regulated professions are sent for opinion to the General Secretariat of the Government and, in some cases, to the line ministry.

Resident aliens are allowed to transfer abroad all their savings from income.

TABLE IV.1: FORMALITIES FOR SETTING UP A BUSINESS IN MOROCCO

	STAGES	TYPE OF COMPANY	REQUIREMENT	WHERE?
1	Choice of legal entity			Trustee / law firm
2	Getting a Negative Certificate (protects the company name)	Compulsory for companies; optional for individuals and individual businesses who do not need a business sign	Submission of application form duly filled in. Cost: 170 MAD	CRI
3	Incorporation of the Articles of Association	All companies	Presentation of the legal form, the nature of contributions, the amount and distribution of capital and the company name. • Time-frame: 2 to 3 days • Stamp fees for legalization: 20 MAD per page	Fiduciaire/cabinet
4	Registration and stamps	All companies	Takes place within one month of the act for incorporation, capital increase, prorogation or dissolution of companies or economic interest groups, and all acts amending the contract or the articles of association. • For limited companies (SA), the registration fee is 50 MAD for the draft Articles of Association • For private limited companies (SARL), the amount is equivalent to 0.5% of the share capital in cash • 20 MAD per page and 2 MAD for stamps per legalised signature are required	
5	Appointment of directors	Limited companies	The Ordinary General Meeting or the initial directors listed in the Articles of Association appoint the directors. The Board of Directors then meets to appoint the Chairperson and CEO, as appropriate.	Ordinary General Meeting
6	Locking paid-up capital	Limited companies (SA) and private limited companies (SARL) pending incorporation	Obtaining a certificate from the bank on the basis of funds transferred	Bank
7	Drawing up statements of subscription and payment	Limited companies	The Notary or Trustee drafts the declaration of subscription (on the basis of reports drawn up by a trustee) and payment (based on the deposit certificate from the bank)	Notary or Trustee
8	Registration of capital and Articles of Association	Limited companies (SA), private limited companies (SARL), partnerships (SNC)	Articles of Association, appointment of the directors, subscription form, statement, signed, + Minutes of the annual general meeting for SAs + statement of regularity and conformity • Time-frame: 1 to 2 days • Stamp fees: 20 MAD per page and, where applicable, • 50 MAD per page for the registration of the capital contribution declaration	Regional Tax Office or CRI
9	Publication in the legal gazette and Officia Bulletin	All companies	Filing of acts or documents in duplicate certified by a le representative of the company • Time-frame: 30 days • Cost of the legal notice 3 MAD per line • Legalisation fees 10 MAD • Stamp fees: 1 MAD per copy	Registry of the court where the business register is held
10	Filing of Articles of Association	Limited companies (SA), private limited companies (SARL), partnerships (SNC), limited partnerships (SCS)	Filing of articles by legal representatives of the company or duly designated agent • Filing fees 250 MAD • Registration fees 100 MAD • Notarial tax 3 MAD + 20 MAD stamps per page	Commercial court or CRI of the company's registered office
11	Business Tax Registration	All companies	Written application (free of charge)	Tax Directorate of the company's business register registered office
12	Registration in the trade register	All companies	Application on two official forms with notarized signature, the business tax certificate, the negative certificate, Articles of Association and a photocopy of the passport of each director. The application must be made within three months of setting up the company • Time-frame: 3 months • Legal tax: 150 MAD • Stamp fees: 20 MAD per page 2 MAD per notarized signature	Commercial court or CRI of the company's registered office
13	Publication of a legal notice	Limited companies (SA), private limited companies (SARL)	Publication of certain parts of the Articles of Association and the Minutes of the constituent assembly for SAs	Official Bulletin and gazette (legal notices section)
14	Trademark registration (optional)	All companies	Prior art search and application for certificate of trademark registration with OMPIC	Moroccan Office for Industrial and Commercial Property (OMPIC)

Source: The Oriental Regional Investment Centre

Real estate and building permits

Acts Nos. 12-90 and 25-90 on town planning govern the issue of building permits. A permit is required for all new buildings and any changes to existing buildings.

The permit is generally issued by the President of the local council once the proposed construction has been approved as meeting the provisions of zoning and development plans and health, convenience, traffic, safety and aesthetic requirements. The building permit may be refused if the plot of land concerned is not connected to the sewerage, water supply and electricity networks, if the building is not connected to the general telecommunications network or if hygiene, health and safety standards are not met.

In areas bordering an urban district, building permits are issued by the President of the rural district council concerned in agreement with the President of the said urban district.

The procedure for obtaining a building permit

There are three types of procedure governing building permit applications, which can be for the creation and subdivision of plots and to build housing units. These are:

- a "minor works and seasonal or casual installations" procedure;
- a "small projects" procedure;
- a "large projects" procedure;

For all types of procedure, applications are filed at the town hall of the district authorized to issue the permit. The application is checked and a dated and signed receipt with a registration number is then issued in the applicant's name.

Acquisition, property rights and land ownership

Any foreign person or entity is entitled to acquire ownership of built or un-built immovable property. Agricultural land can be made available to foreigners on a rental basis, or on condition that it is used for non-agricultural investment projects (Non-Farming Permit (VNA) procedure). The Foreign Exchange Office (the authority responsible for monitoring financial flows from abroad into and out of Morocco) must be informed of the transaction by the notary so that funds can be repatriated in case of resale.

Money received from abroad must pass through an account in foreign currency or convertible Dirhams, ensuring convertibility for foreign investors. This type of account facilitates inward investment into Morocco and guarantees the transfer of the proceeds from this investment and repatriation of funds and gains in case of resale.

National banks may grant loans to non-resident aliens in Morocco in local currency (MAD) to finance the acquisition or construction of residences in Morocco, as long as the clients meet the eligibility and solvency criteria.

Buying real estate entails the payment of specific taxes described in Table IV.2.

However, for foreign individuals or companies whose capital is owned in whole or in part by foreign persons, the acquisition of a farm or property for agricultural purposes, which is part of private State property and is located outside urban areas, or is not covered by an approved development plan and is to be used for a non-agricultural economic or social investment project, is subject to obtaining a Non-Farming Permit (VNA). An application for a VNA must be lodged with the Ministry of Agriculture. According to the government applications are processed within one month after filing.

It should be noted that it takes longer to acquire land in Nador province than in other provinces because of its history and the lack of land titles.

Capital

Foreign investment can be made in Morocco in various forms, such as mergers and acquisitions, the location of production facilities, the use of outsourcing and joint ventures.

There are two types of investment: foreign currency investments and investments assimilated to foreign currency investment.

Foreign currency investments are those funded by the sale of foreign currency to commercial banks or the central bank (Bank Al-Maghrib) by debiting a foreign currency account or a foreign account in convertible Dirhams.

Investments assimilated to foreign currency investments include:

- the share of investment financed by the debit of "convertible term accounts" which cannot exceed 50%, the remainder being covered by a contribution in foreign currency;
- current account consolidation, the incorporation of reserves, retained earnings and reserves that have become available;
- consolidation of receivables materialized by the importation of goods or materials for which payment was not made in foreign currency;
- debt consolidation in respect of foreign technical assistance, materialized by patents, licenses, trademarks and know-how.

Termination of investment

Morocco's establishment of the convertibility regime for foreign investments in foreign currency guarantees full freedom to foreign investors, without prior authorization, to invest in Morocco and transfer revenue generated by their investments and the proceeds of liquidation or sale of their investments.

The transfers involve the face value of the investment and any capital gains. Transfers among foreign investors may lead to a settlement directly outside Morocco depending on the means available overseas to the parties concerned.

With regard to closing a business and according to the ranking of the World Bank's report *Doing Business* (2010) and the IFC, this takes an average of 1.8 years compared with the regional average of 3.7 years (1.3 years for OECD countries) (see Table IV.3).

TABLE IV.2: DUTIES AND TAXES ON PROPERTY (2008)

DUTIES AND TAXES	Premises for residential purposes for a period of more than three years or undeveloped land with commitment to build within 7 years	Commercial premises or undeveloped land without a commitment to build
Registration duties	3 %	3 %
Land registration	1 % + 150 MAD for the ownership certificate (US$18.31)	1 %
Miscellaneous fees (stamps):	From 1,500 to 3,000 MAD depending on the case (US$ 183.15 to US$ 366.30)	

Source: UNCTAD based on data from the Finance Act 2008

TABLE IV.3: COST OF CLOSING A BUSINESS (2010)

INDICATOR	MOROCCO	MENA REGION	OECD
Duration (year)	1.8	3.5	1.7
Cost (% income per capita)	18	14.1	8.4
Recovery rate (cents per $US)	35.1	29.9	68.6

Source: Doing Business 2010, World Bank

Ownership and management control

Most sectors are open to foreign investment without limitation of the amount of capital that can be owned by foreigners. However, certain regulated professions are reserved for Moroccan nationals, unless there is a bilateral agreement between Morocco and the country whose nationality the investor holds.

Intellectual property

Morocco has adopted laws to amend and supplement the legal framework for the protection of intellectual property, industrial property and copyright according to the standards of the WTO's agreement on intellectual property rights (TRIPS).

Morocco is a member of the World Intellectual Property Organization (WIPO). It is a signatory to the *Bern Convention for the protection of literary and artistic works and the Paris Convention for the Protection of Industrial Property.*

Industrial Property

It was not until 2000 that Morocco standardized the legal framework governing industrial property in the country. The adoption of Act No. 17-97 of 15 February 2000 put an end to the three different applicable legal regimes inherited from the French and Spanish protectorates (Dahir of 23 June 1916 that protected the French zone and the Act of 20 July 1938 which covered the Spanish zone and the international zone of Tangier). This Act came into force on 18 December 2004, and applies to technical creations: patents, ornamental designs (industrial designs) and distinctive signs (trademarks, corporate names, trade names, appellations of origin and geographical indications).

The emergence of a uniform law, consistent with international standards, has also given rise to the development of concepts such as drug patent protection, compulsory licenses, ex officio licenses, employees' invention schemes, layout designs for integrated circuits, service marks and collective certification marks.

The signing of the free trade agreement with the United States was responsible for changes to the Act in 2006 to make it more efficient and bring it into line with international standards in this field. Among these may be mentioned:

- the possibility to lodge an objection to a trademark registration application with the Moroccan Office for Industrial and Commercial Property (OMPIC);
- the protection of sound marks and olfactory marks;
- electronic trademark registration;
- capacity-building for border measures

At institutional level, the merger of the Industrial Property Office and the Central Trade Register led to the creation of OMPIC, which is responsible for the application of national and international legislation in this area.

Copyright

In terms of copyright and related rights, the Moroccan authorities have conducted a comprehensive review of laws applied in this field. For literary and artistic property issues which were previously governed by the Dahir of 23 July 1970, Act No. 2-00 of 15 February 2000 has introduced changes with respect to the protection of rights against acts of piracy, in accordance with the latest international treaties in this field, including the WIPO copyright Treaty (WCT) and WIPO Performances and Phonograms Treaty (WPPT). The 2006 revision covered the protection of Moroccan folk heritage and the broadening of the remit of the Moroccan Copyright Office (BMDA).

The latter has rights of protection and exploitation in respect of copyright and related rights which empower it to bring actions for violations of the law. Proprietary rights of reproductions and reissues of works in electronic form are now also protected. The duration of proprietary rights' protection for a work has been extended to 70 years from death of an author as against 50 years previously.

All these measures have been taken as part of Morocco's commitment to the TRIPS Agreement and the Free Trade Agreement signed with the United States.

Protection of personal data

Act No. 09-08 on the protection of individuals with regard to personal data processing introduced, for the first time in the Moroccan legal landscape, a set of legal provisions protecting identity, individual and collective rights and freedoms and privacy, against all infringements which may affect them by the use of information technology.

The Act defines, inter alia, and with some precision, the right to access databases containing personal data, to object to particular processes, to request correction of erroneous data or delete outdated data and data for which the processing purpose has been fulfilled. The Act also lays down the conditions for transferring personal data to foreign states by requiring either that these states have a level of data protection considered adequate by the supervisory body that the Act established, namely the National Commission for the supervision and protection of personal data (CNDP), or that the planned transfer is authorised by the CNDP.

Investment protection

The 1995 *Investment Charter* does not refer to a particular standard of treatment. It is intended for domestic and foreign investors alike and does not make explicit reference to national treatment for foreign investors.

ince independence, Morocco has concluded 61 bilateral agreements to protect and promote

investment with countries in the Arab world, Europe, Africa, Asia and America (see Appendix IV).

Most of the Investment Promotion and Protection Agreements (IPPA) concluded by Morocco provide for national treatment and the treatment of most favoured nation for foreign investors. These agreements illustrate Morocco's efforts to promote liberalization and openness vis-à-vis the outside world and provide protection to foreign investment, which is key to its economic and social development.

In particular, these agreements provide for the implementation of the following principles:

- the extension of national treatment (pre-and post-establishment phases) and the application of most favoured nation (MFN) treatment for both investors and their investments;
- protection against investment expropriation: it can only take place on the grounds of public interest and as a result of a court order which must also be taken on a non-discriminatory basis and result in the payment of prompt and adequate compensation;
- the freedom to transfer investments, income from them and compensation for expropriation or losses arising from exceptional circumstances;
- the protection of creditors' rights through the insertion of a provision to suspend transfers in particular in case of the investor's bankruptcy, insolvency or infringement of labour law;
- the investor's right to choose domestic courts or international arbitration for the settlement of disputes between the investor and the host country;
- the option for the investor, in international arbitration, to choose between the International Centre for Settlement of Investment Disputes (ICSID) or an ad hoc tribunal established pursuant to the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL).
- expanding the scope of the agreement which now applies to investments made before or after its entry into force.

Settlement of disputes

The establishment of commercial courts in Morocco represents a step forward in modernizing the country's judicial system. The commercial courts now form part of the country's legal structure to ensure that the environment is safe and reliable for domestic and foreign economic operators and to adapt to economic change.

The commercial courts were created by Act No. 53-95. They have been operating since 1998 and have jurisdiction in disputes relating to the business acts of traders and all commercial disputes with a civil implication.

The reform of the *Code of Civil Procedure* in 2006 extended their jurisdiction to include the enforcement of arbitral awards coupled with exequatur orders, for both domestic and international arbitration.

In cases of international arbitration heard abroad and when the parties agree on the Moroccan enforcement procedure, referral to the President of the Rabat Commercial Court is mandatory.

Morocco tends to favour arbitration as an alternative to the jurisdiction of courts, as illustrated, inter alia, by its adherence to:

- the New York Convention of 10 October 1958 on the Recognition and Enforcement of Foreign Arbitral Awards;
- the Washington Convention of 18 March 1965 establishing the International Centre for Settlement of Investment Disputes between States and Nationals of Other States (ICSID), which entered into force on 14 October 1996.

Similarly, the bilateral promotion and protection of investments concluded by Morocco provide for recourse to ICSID arbitration.

Institutional arbitration

Moroccan law favours arbitration as a means of settling trade disputes. Significantly, the arbitration board was replaced by a private arbitration court, which was set up on 26 February 1998. Other arbitration bodies have been created in the country's chambers of commerce, including the Oujda Arbitration and Mediation Centre (COMAR) in the Oujda CCIS.

It should be noted that Morocco has recently adopted a new law on arbitration (see box IV.3).

Box IV.3: Act No. 08-05 on Arbitration

Arbitration now has a statutory base since the entry into force of Dahir No. 1-07-169 of 30 November 2007 promulgating Act No. 08-05 repealing and replacing Chapter VIII of Title V of the *Code of Civil Procedure*.

The new legal arsenal for arbitration features a series of innovations designed to harmonize Moroccan trade legislation with international principles.

Among the innovations is the broadening of the scope of arbitration to include legal persons under public law. The law states that "the enforcement of arbitral awards relating to these acts, however, remains subject to the exequatur enforcement of the administrative court in whose jurisdiction the award will be executed or the Rabat administrative tribunal, if the arbitral award concerns the whole of the country."

The new law also gives the arbitration tribunal the right to decide, on its own initiative or at the request of either party, on the validity and scope of its powers or the validity of the arbitration agreement. It may also take, at the request of either party, any interim measure it deems necessary within the limits of its mandate.

The law also introduces the inadmissibility of claims in court when the parties are bound by an arbitration agreement. It also strengthens the rights of the defence at the arbitration tribunal. The law further stipulates that the reasons for the arbitral award must be given.

Finally the law added the provision that conventional mediation could be used as alternative method to settle disputes.

Source: Moroccan Investment Development Agency *(AMDI)*

Ad hoc arbitration

Moroccan law distinguishes between a compromise and an arbitration clause. Moroccan practice thus confirms the independent nature of the arbitration agreement made between the parties. This practice is also recognized by the 2006 reform of the *Code of Civil Procedure*, which includes a chapter on international arbitration, mediation and conciliation, and draws on UNCITRAL's model law on international arbitration of 21 June 1985.

Settlement of investment disputes

The *Investment Charter* does not provide for systematic use of arbitration. It is not recognized as part of the non-contractual regime, but is possible with respect to agreements under the contractual regime. The standard contracts also provide for the exclusive jurisdiction of the Rabat administrative tribunal. Morocco still favours international arbitration, with some conventions providing for arbitration in disputes between the administration and the investor.

Prior to submitting the dispute to the administrative tribunal in Rabat or recourse to international arbitration, amicable solutions must be sought both locally and centrally. The CRI can act as an interface to hear the investor's grievances and forward them to the local authority concerned in the dispute. If it is not possible to arrive at an amicable solution, the complaint is considered at the Regional Investment Committee, chaired by the Wali. If, however, no solution is found at the regional level, the investor's complaint is then submitted to the Investment Commission chaired by the Prime Minister.

In the case of a public service concession agreement Act No. 54-04 of 2006 on the delegated management of public services advocates arbitration in disputes arising between the delegating authority and the delegatee company, and between the latter and the consumer.

Capital transfers

The *Investment Charter* guarantees the transfer of investment income (profits, dividends and capital) and proceeds from sale or liquidation, without limitation of the amount or duration.

Foreigners with resident status are entitled to transfer their savings income, including profits, salaries, pensions and fees.

Income transfers in cash can be made by the interested parties via a bank, or the local Treasury or post office *(Poste Maroc / Barid Al-Maghrib)* where the investor's income is usually held.

After payment of any taxes due in Morocco, there are no limits with respect to the time-frame or amounts transferred of income generated by foreign investments. These may include:

- dividends or profit shares paid by Moroccan companies;
- attendance fees;
- the profits of Moroccan subsidiaries of foreign companies;
- rental income;
- interest earned on loans and current accounts, in accordance with the foreign exchange regulations in force.

Taxation

The Moroccan tax system has been gradually reformed by successive annual budget laws that have led to the publication of two important texts: the Tax Code *(Code général des impôts)* and the Act on local taxation *(Loi sur la fiscalité des collectivités locales)*.

These texts aim to establish a simple and coherent tax legislation, with a similar legal structure in terms of assessment and procedures.

The entry into force of the Tax Code was the culmination of the simplification and harmonization process initiated in 1999. The Tax Code's main features are:

- the introduction of a single comprehensive tax framework and the repeal of tax measures made by separate instruments;
- and a new taxation structure which is easier to understand (the number of articles has been cut from 415 to 248).

With regard to local taxation, the measures introduced by the Act came into force on 1 January 2008 and include:

- the simplification of local taxes;
- the consolidation of legislation provided in specific texts;
- the harmonization of local taxation with the Tax Code and other legislation (company law, etc.).

The tax system is currently structured around four main categories of taxes: income tax *(IR – impôt sur le revenu)*, corporate tax *(IS – impôt sur les sociétés)*, value added tax (VAT) and registration duties.

Personal Taxation: Income Tax

Individuals are subject to income tax, which applies to income and profits made by individuals and partnerships. This includes salaries and similar income, professional income, property income and profits, revenues and profits from securities and income from farming.

The 2007 Finance Act rearranged all the income tax bands and their corresponding rates. The maximum tax rate is 38% as shown in Table IV.4.

As part of the tax incentive scheme to encourage investment, lower income tax rates have been introduced (see Table IV.5). Beyond the exemptions, this mainly affects rates ranging from 7.5% to 30%.

TABLE IV.4: SLIDING SCALE FOR PERSONAL INCOME TAX (2010)

TAX BANDS FOR ANNUAL INCOME	RATE
0 MAD – 30,000 MAD	Exempt
30,001 MAD – 50,000 MAD	10 %
50,001 MAD – 60,000 MAD	20 %
60,001 MAD – 80,000 MAD	30 %
80,001 MAD – 180,000 MAD	34 %
Over 180,000 MAD	38 %

Source: UNCTAD based on data provided by the General Tax Directorate, 2010

TABLE IV.5: SPECIFIC INCOME TAX RATES (2008)

RATES	
7.5 %	Dividends and other related share products distributed by firms located in export processing zones and from activities in these zones, when they are paid to residents.
10 %	• Gross income before tax received by foreign companies from stocks or shares. • Net profits from sales of shares and other equity securities and shares or OPCVM mutual funds (undertakings for collective investments in transferable securities (UCITS)) with assets invested at all times up to at least 60% in shares and other equity securities. • Net profits from sales of shares in OPCRs (Venture Capital Investment Organisation *(Organisme de placement en capital-risque)*) with assets invested at all times up to at least 60% and other equity securities.
15 %	Net profits from sales of shares and other equity securities.
17 %	For temporary teachers. This withholding is in discharge of income tax.
18 %	Remuneration paid to salaried employees of banks and foreign holding companies. This withholding is in discharge of income tax.
20 %	• Mining companies exporting or selling their products to companies who export after adding value. • Gains from fixed income investments accruing to individuals who are subject to income tax according to the Actual Net Income *(RNR – Résultat net réel)* or Simplified Net Income *(Résultat net simplifié – RNS)* schemes. This deduction can be added to the income tax amount, and gives a right to restitution. • Profits arising from the sale of bonds and other debt securities, stock or OPCVM mutual fund shares, securities issued by the Fund for Collective Investment in securitization (FPCT) and sales of shares of mutual venture capital (OPCR). de titres d'organismes de placement en capital-risque (OPCR) • Gross profits from foreign movable capital assets. • Profits from movable capital assets.
30 %	• Remuneration paid to personnel not on the employer's permanent payroll. • Fees and remuneration paid to physicians not subject to licensing fees who perform surgical procedures in clinics. • Gains from fixed-income investments paid to individuals not subject to the above-mentioned tax under the Actual Net Income *(RNR – Résultat net réel)* or Simplified Net Income *(Résultat net simplifié – RNS)* schemes. • Gross fees paid to artists individually or in troupes. • Discounts and wages paid to travelling salesmen representing business or industry who do not undertake the business on their own account. • Gains from fixed-income investments paid to individuals, with the exception of those who are subject to income tax under the Actual Net Income (RNR) or Simplified Net Income Schemes. • Gross income from foreign movable capital assets. This withholding is in discharge of income tax.

Source: General Tax Directorate, 2008

Corporate taxation

To reduce the tax burden on companies and encourage foreign legal entities to settle in Morocco, the General Tax Code reduced the corporate tax *(IS – impôt sur les sociétés)* rates, which are now:

- 30% for the normal rate;
- 37% for credit institutions and similar organizations, as well as for insurance and reinsurance companies.

There are also specific more advantageous corporate tax rates (see Table IV.6).

TABLE IV.6: SPECIFIC CORPORATE TAX RATES (2008)

	TAX RATE
8 %	• Of the amount excluding VAT of contracts for non-resident companies awarded construction or assembly contracts and who have opted for the flat tax regime. Payment of corporate tax at this rate is in discharge of tax deducted at source. • The conversion in Dirhams of US$25,000 / year with the discharge option of all other taxes and taxes on profits or income for offshore banks. • The conversion in Dirhams of US$500 / year with the discharge option of all other taxes and taxes on profits or income for foreign investment companies. • **Optional** for foreign companies awarded contracts for construction or assembly projects, operating in Morocco. This rate is calculated on turnover before tax. It is in discharge of the deduction at source on gross revenues received by foreign companies and of tax withheld at source on dividends from stocks, shares and assimilated revenues
8.75 %	Companies that operate in export processing zones, during the 20 consecutive years following the fifth year of full exemption
10 %	**Optional** for banks and foreign holding companies during the first 15 years following the date of obtaining approval, against payment of conversion in Dirhams of US$25,000 per year for offshore banks and US$500 per year for foreign investment companies. This latter option is in full discharge of other taxes on profits or income of these banks and holding companies
17.5%	• Hotel businesses • Mining businesses • Handicraft businesses • Private educational or vocational training establishments • Property developers who build townships, residences and campuses with 250 rooms (instead of 500 previously) • Export businesses • Companies that sell finished products for export to other enterprises in the export zones • Businesses located in the province of Tangier and in some prefectures and provinces as determined by decree. From 1 January 2011, the 17.5% rate applying to these companies will be increased by 2.5 percentage points each year until 31 December 2015 Following a transitional period between 2008 and 2010, export companies, which enjoyed an exceptional rate of 8.75% will be subject to a rate of 17.5% from 1 January 2011.
	TAX DEDUCTED AT SOURCE
20 %	Gains from fixed-income investments. This withholding can be added to the corporate tax amount, and gives a right to restitution.
10 %	• Income from equity, shares and assimilated revenues • Gross income, excluding VAT, received by foreign companies, excluding interest on loans in foreign currency for a period greater than or equal to 10 years, interest on deposits in foreign currency or in convertible Dirhams, loan interest granted to or guaranteed by the State, and interest on foreign currency loans granted by the EIB in the framework of Government-approved projects.
7.5 %	• Dividends and other related share products distributed by firms located in export processing zones and from activities in these zones, when they are paid to residents. This rate is in discharge of corporate tax.

Source: General Tax Directorate, 2008

Value Added Tax

VAT is a tax on value added which applies to transactions made in Morocco and to industrial and commercial import operations (including retailers whose annual turnover is greater than or equal to 2 million MAD, about US$ 244,200), or in the exercise of a profession. Table IV.7 explains the different VAT rates.

TABLE IV.7: SPECIFIC VAT RATES (2008)

	TAX RATE
20 %	• Standard rate
	REDUCED RATES
14 %	• With entitlement to a deduction *(Avec droit à déduction – ADD)*: transportation, electricity, low-cost light commercial vehicles, low-cost mopeds, solar water heaters, etc. • Without entitlement to a deduction *(Sans droit à déduction – SDD)*: services provided by any direct sales agent or broker in respect of contracts made with an insurance company, etc.
10 %	• Provision of accommodation and catering by hotels and residential complexes for tourist purposes • Sales of food or beverages for immediate consumption in restaurants • Catering services provided by service companies to employees in businesses • Bank credit and foreign exchange operations; transactions in stock or OPCVM mutual fund shares • Transactions relating to securities effected by brokerage firms • Transactions by certain professions (lawyers, interpreters, notaries, veterinarians, etc.)
7 %	• Some consumer products (including water, gas and petroleum oils, pharmaceuticals, school supplies) • Low-cost cars and all products and materials used in their manufacture, and services relating to the assembly of these cars

Source: General Tax Directorate, 2008

Registration duties

Registration is a formality applicable to the investor's deeds and agreements. Registration duties are composed of either a fixed amount or proportional charges (see Table IV.8).

These new provisions are enhancing Morocco's international openness and the development of economic exchanges. They are consolidating legislative measures taken in recent years, such as the VAT refund, introduced in March 2008, for non-residents' purchase of goods with a minimum value of 2,000 MAD including tax (approximately US$270) and intended for use abroad.

Two other important measures were taken in 2008 to enhance Morocco's competitiveness:

- reducing the VAT repayment period from four to three months to improve cash flow for businesses;
- allowing companies exporting products and services to benefit from a procurement scheme with VAT suspension for inputs.

The authorities have thus committed to a reduction in the tax burden, by lowering general income tax to 38% in 2010 and establishing a single VAT rate of 18%. This is still in the planning stage and there is not yet a timetable for its introduction.

It should be noted that Morocco has signed 46 double taxation agreements, of which 31 have come into force (see Appendix 4).

TABLE IV.8: SPECIFIC RATES OF REGISTRATION DUTIES (2008)

	PROPORTIONAL DUTIES
1 %	• Sales of bonds in companies or enterprises or municipal or government bonds. • Indemnity bonds for monies, securities and movable objects, secured transactions and payments of like nature. • Post-mortem inventories.
1.5 %	• Deeds relating to inter vivos transfers such as the sale, donation or exchange of real property or interests in land, business assets or goodwill, shares in EIGs, shares or stocks in transparent property companies or companies mainly dealing in real estate. • Shares of real or personal property between co-owners, heirs and co-partners in any capacity whatsoever. Antichresis and pledges of real property. • Deeds on setting up a mortgage or lien on business assets as security for a real or potential claim. • Contracts for works, construction, repairs and maintenance and all other personal property that can be estimated and made between individuals and which contain neither sales nor promise to deliver goods, wares or other personal property. • Formation or increases of capital of companies or economic interest groups carried out unconditionally with new inputs.
3 %	• Acquisition of premises built by persons or entities other than credit institutions and similar bodies. The land on which the aforesaid premises are built, up to a limit of five times the area covered, is also eligible for this rate. • Acquisition, against payment, of bare land or with buildings intended to be demolished and set aside for subdivision or construction of premises for residential, commercial, professional or administrative use. • Auctions, sales, resale, transfers, retrocessions, contracts and all other civil or judicial acts of property transfer, whether free of charge or against payment of property. • Formation or capital increases of companies or economic interest groups carried out unconditionally with new inputs, and (or) by incorporation of reserves or capital gains.
6 %	• Sales, whether free of charge or against payment, of stocks or shares in property companies, as well as companies mainly dealing in real estate. • Transfers inter vivos against payment or gratuitously of real property or actual rights relating to such property, bare ownership or usufruct of goodwill or clientele. • Perpetual leases of real property, ground rent leases for life or with unlimited duration. • Transfers of lease rights or entitlement to an option to lease.
	FIXED DUTY
200 MAD (US$24.42)	• Unconditional terminations described in deeds submitted within the 24 hour registration deadline. • Leases and rentals, assignments of leases and subleases of real property or business assets. • Deeds of prorogation or dissolution of companies or economic interest groups which bear neither liability nor release nor transfer of real or personal property between the partners, EIG members or others and which do not give rise to proportional duty. • Deeds of incorporation without capital of economic interest groups. • Property leases for business premises or residential accommodation and their termination by mutual consent during the lease period. • Contracts for loan agreements made between finance companies and individuals. • Deeds for registering and releasing mortgages or lien on business assets.

Source: General Tax Directorate, 2008

Incentives

Free zones

Morocco's free zones offer investors a unique investment opportunity in a protected environment and free trade with the following benefits:

- exemption of registration duties and stamp duties for construction deeds, deeds of company incorporation or capital increase and land acquisition;
- business tax exemption for 15 years;
- urban tax exemption for 15 years;
- reduction of corporate tax to 0% for the first five years of activity and 8.75% for the next 20 years;
- exemption from participation in national solidarity;
- tax exemption on gains from shares, dividends and assimilated revenues for non-residents;
- reduction of this tax to 7.5% for residents;
- VAT exemption.

Special regime

The legal framework of the special investment regime provides for three types of benefits granted to the investor in investment agreements or contracts to be signed with the State. This conventional regime is defined by the legislation below.

Article 7.I of the Finance Act No. 12/98 as amended and supplemented

Companies that undertake to make an investment greater than or equal to 200 million MAD enjoy exemption of import duty on capital goods, machinery and equipment necessary for their project and which are imported directly by these companies or on their behalf. Exemption is also granted for the components, parts and accessories imported along with the capital goods, machinery and equipment for which they are intended.

This exemption is also applied to capital goods, machinery and equipment manufactured locally or obtained from inputs under the customs processing regime provided for in Articles 163bis to 163decies of the Customs and Excise Code *(Code des douanes et impôts indirects)*.

As part of the agreement with the State, Article 123-22°– b) of the General Tax Code *(Code général des impôts – CGI)*, grants VAT exemption on imports of capital goods, tooling and equipment acquired by a company subject to VAT, for a period of 36 months from the commencement of activity. Exemption is also granted for the components, parts and accessories imported together with the aforesaid capital goods.

Article 92-I-6° of the General Tax Code grants exemption from VAT on investment property acquired by enterprises subject to VAT for a period of 24 months from the commencement of activity.

Article 17 of Framework Law No. 18/95 establishing the Investment Charter

In the context of contracts with the State, enterprises can benefit from a financial contribution from the latter to some expenditure relating to investment programmes of particular importance because of the significant amount of the investment or the number of stable jobs to be created.

The text of the said articles specifies the eligibility criteria for business contracts and the special benefits available (see Table IV.9).

In principle, the benefits can be combined as long as the State's participation does not exceed 5% of the total amount of the investment programme. However, when the investment project is planned in a suburban or rural area or in the case of investment in the spinning, weaving and textile-finishing sector, the State's participation can be up to 10% of the total amount of the investment programme.

TABLE IV.9: ARTICLE 17 OF THE *INVESTMENT CHARTER*

Land	Participation of the State in expenses relating to the acquisition of land necessary for the investment programme up to a limit of 20% of the cost of land.
Infrastructure	Participation of the State in external infrastructure spending needed to achieve the investment programme (including waste-water treatment plants and earthworks), up to a limit of 5% of the total investment amount. However, this rate may reach 10% in the case of investment in the spinning, weaving and textile-finishing sector.
Vocational training	Participation of the State in vocational training expenses included in the investment programme up to a limit of 20% of the cost of this training.
Eligibility	Companies, which meet one or of the following criteria, can benefit from this investment programme: • invest an amount equal to or greater than 200 million MAD (about US$27 million); • create not less than 250 stable jobs; • implement the project in one of the provinces or prefectures under Decree No. 2-98-520 of 30 June 1998; • ensure technology transfer; • contribute to environmental protection.
Other measures	The benefits listed above can be combined as long as the total participation of the State does not exceed 5% of the total amount of the investment programme. When the investment project is planned in a suburban or rural area or in the case of investment in the spinning, weaving and textile-finishing sector, the State's participation can be up to 10% of the total amount of the investment programme.
Investment Programme Amount	The total cost, including taxes, of any operation to create or expand business, including costs for studies, research & development, process refinement, costs of land and internal & external infrastructure, buildings and civil engineering, capital goods, materials and equipment, taxes, interbank interest, working capital, including finance charges. Where applicable, any acquisition or renewal of capital equipment, for the production of goods or services, to promote economic development and create stable jobs.
Technology transfer	Any acquisition or lease of patents, licences or technical processes to contribute to enhanced competitiveness and scientific research.
Environmental protection	Any activities to improve environmental protection, but not taking into account those actions undertaken to eliminate or reduce the detrimental effects of the business itself.
External infrastructure	All equipment, off-site, project support for networks of roads, sanitation, water supply, electricity and telephone. Waste-water treatment plants and earthworks.
Deadlines for completion	Deadlines are set in the investment contract.
Payment of contributions	For services rendered, according to a schedule included in the contract and against production of documents.

Source: Framework Law No. 18-95 of 8 November 1995 *(Investment Charter)*

The Hassan II Fund for Economic and Social Development

The investment promotion mechanism, set up by the Hassan II Fund and the Ministry of Industry for specific industrial sectors provides financial aid for investment projects through the signing of an investment contract between the beneficiary company, the Hassan II Fund and the Ministry of Industry.

THE HASSAN II FUND

1	Eligible sectors	• Manufacture of equipment for the automotive industry; • Manufacture of components for electronic assemblies and subassemblies; • Manufacture of equipment for the aeronautics industry; • Manufacture related to nanotechnology; • Microelectronics and biotechnology.
2.	Beneficiaries	New projects (creation or expansion) submitted by investors with total investment of more than 5 million MAD (about US $700,000) before tax (excluding import duties and taxes), provided that the amount of investment in capital goods is more than 2.5 million MAD (about US$350,000) before tax (excluding import duties and taxes).
3.	Nature of the contribution	Investment projects may receive a financial contribution from the Hassan II Fund representing 30% of the cost of commercial buildings based on a maximum unit cost of 2,000 MAD/m² before tax (US$278/m²) and a maximum value of 10% of the acquisition cost of new capital goods (excluding import duties and taxes). In all cases, the Hassan II Fund's financial contribution to the same project, whether for the construction or acquisition of buildings, for the purchase of capital goods, or even for both at the same time, may not exceed 10% of the total investment or the sum of 20 million MAD (about US$2.8 million). The total investment is defined as the total cost (excluding taxes and import duty) of the purchase of the property, construction or acquisition of commercial buildings and procurement of new capital goods.

Training aid

Support for training consists in direct aid for training new recruits in four sectors: offshoring, automotive, aerospace and electronics. This includes both recruitment training and continuous training. The reimbursement rates for the various job profiles are as follows: (see Table IV.10)

Tax exemptions related to regionalization

Decree No. 98-520 of 30 June 1998 named 20 prefectures and provinces as qualifying for reduced corporate tax (IS) and income tax (IR) rates. In the Oriental region, these are Berkane, Jerada, Nador, Oujda-Angad and Taourirt.

Regardless of their business activity, companies located in these provinces are subject to the following rates for five consecutive years from the date of commencement of operations:

- a reduced rate of corporate tax (IS) at 20% in 2011 and increasing by 2.5 percentage points for each financial year from the period from 1 January 2012 until 31 December 2015;
- a reduced rate of income tax (IR) at 22% on income earned up until 2011 and increasing by 2 percentage points per year from 1 January 2012 until 31 December 2015.

From 1 January 2016, these areas will be subject to the corporate tax (IS) and income tax (IR) rates in force in the other provinces.

TABLE IV.10. TRAINING AID (2011)

SECTOR	LEVEL	RECRUITMENT TRAINING (in MAD)	CONTINUOUS TRAINING (in MAD)
Management	Baccalaureate + 4 years	30,000	30,000
ITO	Engineer	35,000	30,000
	Technician and above	30,000	20,000
BPO	Baccalaureate + 2 years	24,000	16,000
Call centres	Bac et plus	6,000	6,000
Automotive sector	Operator	16,500	5,500
	Technician	33,000	16,500
	Engineer/manager	33,000	33,000
Aeronautics and electronics sectors	Operator	15,000	5,000
	Technician	20,000	10,000
	Middle manager	30,000	10,000
	Engineer/manager	40,000	20,000

Source: Ministry of Industry, 2011

Accounting

In Morocco, the tax year runs from 1 January to 31 December.

Morocco is gradually adopting International Financial Reporting Standards, and its accounting system and accounts structure are based on the French model.

Public companies, listed companies, banks and limited liability companies whose annual turnover exceeds 10 million MAD are obliged to prepare annual summary statements at the year end, on the basis of accounting records and inventory tracked in a journal, ledger and inventory book.

These summary statements, which form an indivisible whole, include:

- the balance sheet;
- the income and expenses account;
- the management account;
- the cash flow statement;
- the statement of additional disclosures.

The accounts of public limited companies must be audited. Audits must be conducted by an auditor, attached to the Order of Accountants and appointed at the company's AGM.

However, companies making a public offering are required to appoint at least two auditors. This also applies to banks and financial companies undertaking operations in credit, investment, insurance, capitalization and savings. For listed companies, public companies, banks and credit institutions, the audit must also be conducted by two auditors.

Other matters of interest

Competition and pricing freedom

Morocco expressed its intention of meeting the requirements of globalization. by adopting Act No. 06-99 on pricing freedom and competition. The Act is based on principles of economic liberalism and is the key instrument of Morocco's competition policy. Moroccan competition law thus codifies universal practices on pricing freedom and the organization of free competition. With the entry into force of this Act, the legislature intended to enshrine the rule of law in the world of business.

Act No. 06-99 on free pricing and competition, promulgated by Dahir No. 1-00-225 of 5 June 2000, became effective on 6 July 2001.
The Act contains provisions on:

- its scope;
- pricing freedom;
- anticompetitive practices;
- merger operations;
- the Competition Council;
- practices that restrict competition;
- investigations and sanctions.

The Act, which defines the rules for the protection of competition, aims to stimulate economic efficiency and improve consumer welfare. It also aims to ensure transparency and fair trading.

A Competition Council was also set up in January 2009. It has twelve members, including representatives from government, trade associations, chambers of commerce and experts and aims to ensure free competition, improve the business climate and protect consumers. It may, inter alia, be consulted by the government, parliamentary committees, consumer groups or jurisdictions confronted with anticompetitive practices. It intervenes for the most part where cartels or mergers may be anticompetitive or in cases of abuse of dominant position. Its powers are limited but should gradually be strengthened.

Competition policy in Morocco is not intended to impose constraints on companies, but aims instead to enable them to do business in open markets, in which operating procedures are not hindered by anti-competitive behaviour from other companies.

Private sector perception

V

This chapter summarizes the results of consultations with the private sector in the Oriental Region of Morocco. They were conducted through meetings with investors, chambers of commerce and consultancy companies.

This summary should be seen as no more than indicative of private-sector opinion in the Oriental Region.

General observations

Investors described the region as rapidly growing and with considerable potential. They anticipate that its level of development will gradually catch up with the other main economic areas in Morocco. Positive comparisons were made with Tangier's economic development over the last thirty years.

Investors welcomed the efforts made by the government to develop infrastructure, with the creation of business parks and new tourism projects. They also praised the region's security, macroeconomic stability and friendliness.

However, they also believe effort still needs to be made to open up the region to reduce the economic and social distances from Morocco's main areas of activity.

Investors noted that, to some extent, the region's advantages in production costs were offset by higher goods transportation costs (but which are necessary because of the small local market), the difficulty of finding sufficient manpower and the reluctance of qualified executives to settle in the region. They note however that the government is taking steps to address these problems and that many relevant projects are underway (see Chapter II). In addition, they felt that by locating in the region now, they could play a part in its general development.

On the political front, some investors hoped that the border with Algeria would be reopened in order to gain direct access to the nearby market and reduce the amount of contraband on the local market.

Specific observations

Human resources

Investors recognized that there was a general lack of know-how in the area. However, they expressed their commitment to train local staff for management roles, given the difficulty in finding staff from other regions of Morocco willing to settle in the Oriental Region despite its increasing attractiveness.

The training programmes provided by the OFPPT (Vocational Training and Occupational Promotion Bureau) are appreciated. Investors reported no difficulties in obtaining work permits for foreign staff.

Infrastructure

The investors were positive about the government's efforts to develop transport infrastructure and appreciated the government's commitment to the region's development. The modernization of the airport, the introduction of new flight connections, and the construction of the new motorway and railway lines were also welcomed. However, the availability and frequency of transport links were still a concern.

Land tenure

Difficulties were reported regarding access to land for industrial purposes. For this reason, the construction of the Oujda and Selouane business parks was welcomed. Their significance has been confirmed by the fact that demand for places outstrips supply. The efforts made by Mohammed I University to support new businesses through the provision of both human resources and facilities were also mentioned. However, the land tenure system in the Nador region and the surrounding area, where there is no land register, is a recurring problem.

Dealings with the administration

Investors appreciate the role of the King and the wilaya in the region's development. However, they noted that when they had to deal with the administration, it was often slow to respond and ineffectual. They also raised the issue of the time needed to set up in the region, especially for internet access, water supply and to obtain a fire & safety permit, all essential to open a factory or offices. Furthermore, it was difficult to obtain the Non-Farming Permit (VNA), needed to use agricultural land for industrial purposes. The relevant authorities indicated that the CRI was making efforts to solve these problems.

Taxation and subsidies

Investors appreciated the corporate tax reductions at national level. However, they regretted the level of certain taxes, such as municipal tax on business signage, which could amount to 100,000 MAD per year. In contrast, agricultural investors appreciated the support provided to them through grants of 60% or more for the installation of "drip" irrigation.

Appendix 1

Multinationals and major Moroccan companies located in the Oriental Region

NAME	BUSINESS	ADDRESS	TELEPHONE	FAX
Atlas Bottling	Manufacture and distribution of beverages	Zone industrielle Algeria Highway Oujda	+212 536 68 89 61 +212 536 68 89 63	+212 536 68 89 64
Atmag	Manufacture of machine tools (tungsten carbides)	Lot n° 31 Industrial Zone B.P. 472 Oujda	+212 536 68 50 01	+212 536 68 15 02
Alamia Electro	Electromechanical and metals industry	Industrial Zone B.P. 529 Oujda	+212 536 70 15 78	+212 536 70 15 77
Brodor	Machine embroidery	Industrial Zone Algeria Highway Oujda	+212 536 68 27 40	+212 536 69 03 65
CONOR Oriental Canning Factory *(Conserverie de l'Oriental)*	Semi-preserves of animal and vegetable products	Industrial Zone B.P. 361 Oujda	+212 536 68 43 43	+212 536 68 25 12
Conserverie Safaa	Vegetable preserves	Rue Melilla Hay Takadoum B.P. 148 Taourirt	+212 536 69 55 35	+212 536 69 55 37
Bled Conserves	Vegetable preserves	1, route Debdou Industrial Zone Taourirt	+212 536 67 94 12	+212 536 67 93 99
Colaimo	Dairy industry	Hay Takaddoum B.P. 3133 Oujda	+212 536 74 11 59 +212 536 74 03 66	+212 536 74 12 87
Holcim	Manufacture and marketing of Portland cements	Km 45, route de Fès (Fez highway) B.P. 44 Oujda	+212 536 70 90 29 +212 536 71 00 37 +212 536 70 87 00 +212 536 70 87 01	+212 536 71 00 70
Euroma Confection	Women's clothing	2, rue Imam Hay Riad Berkane	+212 536 61 27 84	+212 536 61 27 85
Fabre et Cie	Production and marketing of chili peppers	103, rue du 20 Août Berkane	+212 536 61 27 57 +212 536 61 15 44	+212 536 61 05 15
Zelida lead foundry *(Fonderie de plomb de Zelida)*	Processing of lead ores and production of soft lead and silver	Oued El Himer	+212 536 68 22 57 *+212 536 65 44 07*	+212 536 65 44 20
Grands-Moulins d'Oujda (Les)	Industrial flour milling	32, rue Ennour Oujda	+212 536 68 26 11	+212 536 68 20 65
Indeclair	Manufacture of electrical machinery and transformers	Lot no 137 Industrial Zone B.P. 275 Oujda	+212 536 68 19 06 +212 536 68 49 10	+212 536 68 59 26
Sonabétail	Manufacture of compound feed for cattle	Route de Taza (Taza Highway), Lot Essalama B.P. 638 Oujda	+212 536 51 14 92 +212 536 51 15 04	+212 536 51 12 64
SMMO	Flour milling and manufacture of pasta	111, boulevard Mohamed, Derfoufi Oujda	+212 536 68 31 63 +212 536 68 61 62	
Station Kantari	Citrus packing	Km 2, route Saïdia (Saïdia highway),B.P. 515 Berkane	+212 536 61 09 66	+212 536 61 08 58
SPCE (Sté Pâtes et Couscous Ennasr)	Manufacture of pasta and couscous	Industrial Zone B.P. 4086 Oujda-Isly Oujda	+212 536 68 46 40	+212 536 68 50 07

NAME	BUSINESS	ADDRESS	TELEPHONE	FAX
Triffa Conserves	Olive processing	Lot n° 6 Industrial Zone Oujda	+212 536 70 83 09	+212 536 70 86 98
Umapaco	Manufacture of pasta and couscous	Lot n° 3 Industrial Zone Oujda	+212 536 68 95 25 +212 536 68 85 64	+212 536 68 59 41
Mediterranée Food Industrie (M.F.I)	Canning and preserves (olives, apricots, chilli peppers)	8, rue de Casablanca Oujda / Factory: Lot n° 120 Industrial Zone Oujda	+212 536 68 84 48 +212 536 68 84 45	+212 536 68 87 49
Midi Décoration	Production of rendering and paint	Industrial Zone Oujda	+212 536 68 72 83	
Moulins Saada	Industrial flour milling	Industrial Zone B.P. 221 Berkane	+212 536 61 28 47 +212 536 61 29 37	+212 536 61 47 32
Peinture Midi	Production of paint	Industrial Zone B.P. 334 Oujda	+212 536 68 70 17 +212 536 68 70 18	+212 536 68 99 32
KPCD	Poultry abattoir	1108, Industrial Zone Boustanell Oujda	+212 536 71 20 41	+212 536 71 20 42
Station Ennassiri	Citrus packing	Km 2, route de Madagh (Madagh highway) B.P. 673 Berkane	+212 536 23 02 20	+212 536 23 02 17
Mon Lait	Production and distribution of milk and dairy products	175, boulevard Hassan II Berkane / Hay Sidi Slimane Berkane	+212 536 25 67 67	+212 536 25 67 67
Inter Oil	Production of paprika	Km 5, route d'Oujda (Oujda highway) Berkane	+212 536 61 23 06 +212 536 23 02 60 +212 536 23 02 80	+212 536 61 84 02
Interépices	Manufacture of condiments	100, boulevard Prince héritier Sidi Mohamed Berkane	+212 536 61 15 14 +212 536 61 27 57	
Auto Hall	Automobile dealership	351, boulevard d'Ahfir Oujda	+212 536 52 40 20 +212 536 52 40 30	+212 536 52 43 43
Chrimpalida	Shrimp peeling	Lot n°12 Industrial Zone Oujda	+212 536 69 14 77	+212 536 69 14 85
Orien Call	Call centre	Boulevard Mohamed VI Oujda	+212 536 68 89 00	+212 536 68 86 06
Microchoix	Sale of computer equipment and electrical household appliances	Résidence Safaa Boulevard Mohamed V Oujda	+212 536 68 10 76	+212 536 68 10 78
Atlas Orient	4* Hotel	Avenue Driss Al Kbar Place Syrte Oujda	+212 536 71 07 97	+212 536 68 04 77
Al Izdihar Cooperative	Production, preservation and marketing of agricultural produce	Appartement 4 Immeuble Dahmani Avenue Chouhada Berkane	+212 536 61 97 70	+212 536 61 97 66
Houar Entreprise	Public works and quarrying	1, rue Moulay Youssef Oujda	+212 536 51 11 88 +212 536 51 11 89	+212 536 51 12 05
Atlas Terminus	5* Hotel	Boulevard Zerktouni Place de la Gare Oujda	+212 536 71 10 10 +212 536 70 97 00	
Barcelo	5* Hotel	Fadesa New Resort Saïdia	+212 536 63 00 63 +212 536 63 01 00	

NAME	BUSINESS	ADDRESS	TELEPHONE	FAX
Iberostar	5* Hotel	Fadesa New Resort Saïdia	+212 536 63 00 10 +212 536 63 00 09	
Hôtel Be Live Grand Saïdia	5* Hotel	Parcelle H7 Saïdia resort Saïdia	+212 536 63 33 66	
Marjane Holding	Supermarket / Hypermarket	Marjan Supermarket Route Ahfir Oujda	+212 536 52 41 28	
Aswak Assalam	Supermarket / Hypermarket	Lotissement Boustane III Quartier industriel Oujda	+212 536 68 12 96	
Metro Oujda Isly (MakroOujda Isly)	Supermarket / Hypermarket	2, rue Jarf Lakhdar Oujda	+212 536 52 00 27	

Source: Oujda CCIS, 2011

Appendix 2

Information sources

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Trade and Business

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Act No. 21-05 amending and supplementing Act No. 5-96 on partnerships, limited partnerships, limited partnerships by shares, limited liability companies and joint ventures

80

Act No. 17-95 of 30 August 1996 governing public limited companies

Act No. 13-97 of 1999 on economic interest groups (GIE)
Charter of Small and Medium Enterprises

Act 9-88 of 30 December 1992 (Accounting Act)

General Code of Accounting Standards *(Code général de normalisation comptable - CGNC)* comprising the Accounting Standard *(Norme générale comptable - NGC)* and the General Accounting Plan for companies *(Plan comptable général des entreprises – PCGE)*
Act No. 15-89, promulgated on 8 January 1993, regulating the accounting profession

Act No. 06-99 of 5 June 2000 on pricing freedom and competition

International Trade

Act No. 13-89 on foreign trade

Act No. 19-06 on statistical reporting for development of data on foreign trade, balance of payments and Morocco's external financial position

Taxation

Tax Code *(Code général des impôts)*

Dahir No. 1-63-339 of 1963 on the tax regime applicable to the province of Tangier
Companies which locate in areas established by decree No. 98-520 of 30 June 1998

Investment

Framework Law No. 18-95 of 8 November 1995 creating the Investment Charter

Decree No. 2-00-895 of 31 January 2001 amended by Decree No. 2-04-847 of 22 October 2004 issued for the application of Articles 17 and 19 of the Charter

Article 7.1 of the Finance Act 1998-1999

Five framework agreements of the Hassan II Fund for Economic and Social Development

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Prime Ministerial Circular No. 9/2007 of 7 May 2007 on the implementation of offshoring activities in Morocco

Administrative procedures related to investment

Circular No. 2/2006 of 26 June 2006 from the Prime Minister on the National Committee on the simplification of procedures related to investment *(Comité national de simplification des procédures liées à l'investissement – CNPI)*

Financial and insurance sector

Act No. 76-03 of 23 November 2005 concerning the status of Bank Al Maghrib

Act No. 43-05 of 17 April 2007 on combating money laundering

Act No. 34-03 of 14 February 2006 on credit institutions and similar bodies

Act No. 41-05 of 14 February 2006 on Venture Capital Investment Organisations *(Organisme de placement en capital-risque – OPCR)*

Act No. 53-01 of 21 April 2004 amending and supplementing Act No. 1-93-213 of 21 September 1993 on undertakings for collective investments in transferable securities (UCITS)

Act No. 39-05 of 14 February 2006 amending and supplementing Act No. 17-99 of the Insurance and Reinsurance Code

Act No. 1-93-213 relating to undertakings for collective investment in transferable securities (UCITS)

Act No. 41-05 on Venture Capital Investment Organisations *(Organisme de placement en capital-risque – OPCR)*

Act No. 10-98 on Funds for Collective Investment in Securitization *(Fonds de placement collectif en titrisation – FPCT)*

Act No. 58-90 on offshore financial centres

Stock Exchange

Act No. 45-06 of 17 April 2007 amending and supplementing Dahir No. 1-93-211 of 21 September 1993 on the Stock Exchange, as amended and supplemented

Act 46-06 April 17, 2007 amending and supplementing Act No. 26-03 relating to public offerings on the stock market

Exchange rate regime on investment transactions

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Free Zones

Act No. 19-94 on free zones

Delegated management of public services

Act No. 54-05 of 14 February 2006 on the delegated management of public services (Official Bulletin No. 5404 of 16 March 2006)

The Labour Code and its implementing regulations

Act No. 65-99 of 11 September 2003 on the Labour Code (Official Bulletin of 6 May 2004) 19 implementing decrees dated 29 December 2004 (Official Bulletin No. 5280 of 6 January, 2005)

14 orders of the Minister of Employment and Vocational Training, dated 9 February, 2005 (Official Bulletin No. 5300 of 17 March, 2005, general edition in Arabic)

Entry and settlement of foreigners

Act No. 02-03 of 11 November 2003 on the entry and residence of foreigners in Morocco

Contract of employment for foreigners – Supplement

Order of the Minister of Employment and Vocational Training No. 1391-1305 of 25 November 2005 supplementing the model contract of employment of foreigners annexed to the Order of the Minister of Employment and Vocational Training No. 350 -05 9 February, 2005

Intellectual Property

Act No. 31-05 of 14 February 2006 amending and supplementing Act No. 17-97 on the Protection of Industrial Property (Official Bulletin No. 5400 of 2 March 2006)

Decree No. 2-05-1485 of 20 February 2006 amending and supplementing Decree No. 2-00-368 of 7 June 2004 issued for the application of Act No. 17-97 on the Protection of Industrial Property (Official Bulletin No. 5400 of 2 March 2006)

Act No. 34-05 of 14 February 2006 amending and supplementing Act No. 2-00 on Copyright and Related Rights (Official Bulletin No. 5400 of 2 March 2006)

Customs – Suspension of import duty and value added tax on imports of certain products

Decree No. 2-07-84 of 19 January 2007 suspending import duty and value added tax on imports of certain products

Central Authority for Corruption Prevention

Decree No. 2-05-1228 of 13 March 2007 establishing the Central Authority for Corruption Prevention

Government Contracts

Decree No. 2-06-388 of 5 February 2007 laying down the conditions and procedures for the award of government contracts and certain rules relating to their management and supervision

Training and placement – Incentives to businesses

Act No. 39-06 of 17 April 2007 amending and supplementing Dahir No. 1-93-16 of 29 Ramadan 1413 (23 March 1993) establishing incentives for companies organizing courses for the benefit of holders of certain diplomas for their training and placement, as amended and supplemented

Decree No. 2-07-085 of 25 January 2007 amending the provisions of Article 5 of Act No. 1-72-183 of 21 May 1974 establishing the Vocational Training and Occupational Promotion Bureau *(Office de la formation professionnelle et de la promotion du travail - OFPPT)*

Appendix 3

Useful contacts in the region and at national level

Regional institutions

INSTITUTION / BODY	ADDRESS	TELEPHONE	FAX
Oriental Agency *(Agence de l'Oriental)*	12, rue Mekki Bitaouri Souissi-Rabat	+212 537 63 35 80	+212 537 75 30 20
AL Omrane Oujda	7, boulevard Allal Ben Abdellah Oujda	+212 536 68 20 09 +212 536 68 69 24	+212 536 68 69 24
Regional Investment Centre *(Centre régional de l'investissement)*	2, boulevard des Nations Unies Oujda	+212 536 68 28 27	+212 536 69 06 81
	73, boulevard Youssef Ben Tachfine, 1st floor Nador	+212 536 60 51 98	+212 536 60 52 55
Oujda Chamber of Agriculture	Boulevard Allal Ben Abdallah B.P. 580 Oujda	+212 536 68 32 55	+212 536 68 32 55
Oujda Chamber of Handicrafts *(Artisanat)*	22, rue Tafna Oujda	+212 536 68 35 11	+212 536 68 35 11
Oujda Chamber of Commerce, Industry and Services	Hay Al Qods B.P. 413 Oujda	+212 536 50 06 97 +212 536 50 06 98	+212 536 50 06 99
Oriental Regional Council	Oujda	+212 536 68 84 40	+212 536 68 87 70
Regional Tourism Council	2, boulevard des Nations Unies Oujda	+212 536 71 10 44 +212 536 71 10 66	+212 536 68 90 89
Delegation of the Secretariat of State for the Minister of Tourism and Handicrafts with and Handicrafts with responsibility for Handicrafts	Av. Houmane Fetouaki B.P. 376 Oujda	+212 536 68 35 52	+212 536 70 03 00
Provincial Delegation of the Ministry of Health	Oujda	+212 536 68 22 44	+212 536 68 22 44
Regional Delegation of National Education, Higher Education, management training and scientific research	Place 9 Juillet Oujda	+212 536 68 41 43	+212 536 68 41 43
Regional Delegation for Employment and Vocational Training	12, boulevard El Hijaz Oujda	+212 536 68 39 07	+212 536 68 39 07
Regional Delegation for Industry, Trade and New Technologies.	28, avenue Omar Errifi B.P. 729 Oujda	+212 536 68 42 01	+212 536 68 67 90
Oujda Provincial Directorate of Agriculture and Marine Fisheries	Oujda	+212 536 68 31 39 +212 536 68 39 57	+212 536 68 49 02
Regional Directorate of Energy, Mines, Water and the Environment	B.P. 710 Oujda	+212 536 68 34 67	+212 536 68 34 67
Regional Directorate for Infrastructure and Transport	B.P. 752 Oujda	+212 536 51 68 32 +212 536 51 68 35	+212 536 51 68 42
Regional Directorate for Housing, Urban Planning and Spatial Development	B.P. 755 Boulevard Zerktouni Oujda	+212 536 68 29 54	+212 536 68 41 84
Regional Directorate for Culture	Boulevard Zaid Bnou Soltan Al Nahyane Oujda	+212 536 51 42 00	+212 536 51 42 00
Regional Directorate for Tourism and Handicrafts	Place du 16 Août Boulevard Mohamed V Oujda	+212 536 68 56 31	+212 536 68 90 89
Secretariat of State for the Minister of Tourism and Handicrafts with responsibility for Handicrafts	Av. Houmane Fetouaki B.P. 376 Oujda	+212 536 68 35 52	+212 536 70 03 00
Nador Chamber of Agriculture	Quartier administratif (Administrative district) Nador	+212 536 60 67 29	+212 536 60 67 29

INSTITUTION / BODY	ADDRESS	TELEPHONE	FAX
Nador Chamber of Handicrafts	26, rue Ibn Rochd Nador	+212 536 60 57 64	+212 536 60 57 21
Nador Chamber of Commerce, Industry and Services.	Rue Caïd Ahmed Arrif Quartier administratif (Administrative district) B.P. 37 Nador	+212 536 60 35 49	+212 536 33 15 48
Delegation of the Ministry of Culture	Nador	+212 536 33 38 88	+212 536 33 38 88
Provincial Directorate of Agriculture and Marine Fisheries	Nador	+212 536 60 64 13 +212 536 60 64 16	+212 536 33 14 81
Nador Provincial Directorate	Quartier administratif (Administrative district) Boulevard Mohammed VI Nador	+212 536 60 63 20	+212 536 60 63 20
Provincial Directorate for Tourism and Handicrafts	88, boulevard Ibn Rochd Nador	+212 536 33 03 48	+212 536 33 54 52
Maison des Marocains résidant à l'étranger *(House of Moroccan Expatriates)*	5, rue Larache Nador		
Figuig Chamber of Agriculture	B.P. 111 Figuig	+212 536 79 83 13	+212 536 79 83 13
Regional Delegation for Culture	Avenue du Prince Sidi Mohammed Bouarfa Figuig	+212 536 89 93 26	+212 536 89 97 91
Provincial Directorate	B.P. 113 Bouarfa Figuig	+212 536 79 80 35	+212 536 79 84 08
Provincial Directorate of Agriculture and Marine Fisheries	Figuig	+212 536 79 81 65 +212 536 79 80 25	+212 536 79 81 83
FIRO – Investment Fund for the Oriental Region *(Fonds d'investissement de la région de l'Oriental)*	Résidence Pasteur 76, av. Prince Héritier Moulay El Hassan Oujda	+212 536 70 32 20 +212 536 70 82 02	+ 212 536 70 33 22

National Institutions

Government bodies

OFFICE	ADDRESS	TELEPHONE	FAX
Prime Minister	Palais Royal (Royal Palace) Touarga Rabat	+212 538 21 94 00	+212 538 76 86 56 +212 537 76 99 95
Minister of Justice	Place Mamounia B.P. 1015 Rabat	+212 537 73 29 41 to 46	+212 537 72 37 10 +212 537 70 20 47
Minister of the Interior	Quartier administratif (Administrative district) Rabat	+212 537 76 47 18 +212 537 76 42 43 +212 537 76 03 01	+212 537 76 20 56
Minister of Foreign Affairs and Cooperation	Avenue Roosevelt Rabat	+212 537 76 11 23 +212 537 76 15 83 +212 537 76 28 41 to 43	+212 537 76 55 08 +212 537 76 46 79
Minister of the Economy and Finance	Quartier administratif (Administrative district) – Chellah Rabat	+212 537 67 72 00 to 11 +212 537 67 75 01 to 08	+212 537 67 75 27 / 28

OFFICE	ADDRESS	TELEPHONE	FAX
Minister of Infrastructure and Transport	Avenue Mohammed V Quartier administratif (Administrative district) Rabat	+212 537 76 28 11 +212 537 76 50 30 +212 537 76 45 06 +212 537 76 54 73 +212 537 76 06 95	+212 537 76 66 33 +212 537 76 48 25
Minister for Housing, Urban Planning and Spatial Development	Corner of Rue Al Jaouz and Rue Al Joumaïz Hay Riad, secteur 16 Rabat	+212 537 57 70 00	+212 537 57 73 33 +212 537 57 74 44 +212 537 57 72 22
Minister for Tourism and Handicrafts	Business Centre, South Wing, Block 1C 17, avenue Annakhil B.P. 20503 Hay Riad Rabat	+212 537 56 37 29 +212 537 71 69 47 +212 537 71 69 76	+212 537 71 69 23
Minister of Energy, Mines, Water and the Environment	Rue Abou Marouane Essadi, Haut Agdal B.P. 6208 Rabat-Instituts	+212 537 68 84 00	+212 537 68 88 31
Minister of Health	335, boulevard Mohammed V Rabat	+212 537 76 36 03 +212 537 76 02 09 +212 537 76 11 26 +212 537 76 14 03 +212 537 76 36 62 +212 537 76 00 37 +212 537 76 10 25	+212 537 76 38 95 +212 537 76 84 01
Minister of Agriculture and Marine Fisheries	Quartier administratif, (Administrative district), place Abdellah Chefchaouni, B.P. 607 Rabat	+212 537 76 07 07 +212 537 76 05 29	+212 537 76 33 78
Minister of National Education, Higher Education, management training and scientific research	Bab Rouah Rabat	+212 537 68 72 03 +212 537 68 72 07 +212 537 68 72 11 +212 537 73 72 34	+212 537 77 70 29 +212 537 70 27 35
Minister of Employment and Vocational Training	Quartier administratif (Administrative district) – Chellah Rabat	+212 537 76 03 18 +212 537 76 27 63	+212 537 76 81 88
Minister of Industry, Trade and New Technologies	Quartier administratif (Administrative district) – Chellah Rabat	+212 537 76 15 08	+212 537 76 89 33 +212 537 76 62 65
Deputy Minister to the Prime Minister for Economic and General Affairs	Quartier administratif (Administrative district) Agdal Rabat	+212 537 76 48 46 +212 537 68 73 03	+212 537 77 47 76
Deputy Minister to the Prime Minister for Public Sector Modernization	Quartier administratif (Administrative district) Haut Agda, B.P. 1076 Rabat	+212 537 77 08 94	+212 537 77 84 38
Secretary of State to the Minister of Energy, Mines, Water and the Environment, with responsibility for Water and the Environment	Rue Hassan Benchekroun, Agdal Rabat	+212 537 77 87 42 +212 537 77 90 08	+212 537 77 86 96
Secretary of State to the Minister of National Education, Higher Education, management training and scientific research, with responsibility for school education	31, rue Oued Fés Avenue Al Abtal Agdal Rabat	+212 537 77 49 31 +212 537 77 49 34	+212 537 77 05 01
Secretary of State to the Minister for Housing, Urban Planning and Spatial Development, with responsibility for regional development	*Corner of* Rue Al Jaouz *and* Al Joumaïz Hay Riad, secteur 16 Rabat	+212 537 57 71 41 +212 537 57 71 45	+212 537 57 71 42

Other national bodies

INSTITUTION / BODY	ADDRESS	TELEPHONE	FAX
Oriental Agency *(Agence de l'Oriental)*	12, rue Mekki Bitaouri Souissi-Rabat	+212 537 63 35 80	+212 537 75 30 20
AMDI – Moroccan Investment Development Agency (*Agence marocaine de développement développement des investissements)*	32, rue Honaine, *at the junction with* Michlifen Agdal Rabat	+212 537 67 34 20 +212 537 67 34 21	+212 537 67 34 17 +212 537 67 34 42
CGEM – General Confederation of Moroccan Enterprises *(Confédération générale des entreprises du Maroc)*	23, rue Mohammed Abdou Casablanca	+212 522 25 96 96 +212 522 25 96 99	+212 522 25 38 39
FENIP – National Federation of fisheries products and processing industries *(Fédération nationale des industries de transformation et de valorisation des produits de la pêche)*	7, rue el Yamrouk-Longchamps Casablanca	+212 522 36 57 43	+212 522 36 61 54
FIM – Federation of Marine Industries *(Fédération des industries de la mer)*	23, boulevard Mohammed Abdou Quartier Palmiers Casablanca	+212 522 25 26 96 +212 522 25 26 98	+212 522 25 38 39
FNM – National Flour Milling Federation *(Fédération nationale de la minoterie)*	*Junction of* rue Abdou Majed al Bahar *and* rue el Brihmi el Idrissi Casablanca	+212 522 30 18 01	+212 522 30 65 51
FISA – Interprofessional Poultry Federation *(Fédération interprofessionnelle des secteurs avicoles)*	123-125, boulevard Émile Zola Casablanca	+212 522 31 12 49	+212 522 44 22 76
FENAGRI – National Agribusiness Federation *(Fédération nationale de l'agro-industrie)*	B.P. 54 Casablanca	+212 522 58 02 61 +212 522 32 13 79	+212 522 58 02 62
APEFEL – Moroccan Fruit and Vegetable Producer-Exporters Association *(Association marocaine des producteurs exportateurs de fruits et légumes)*	Avenue Moulay Ismail Dar Illig-Imm A5 Bureau 209 Cité Nahda Agadir	+212 528 84 88 64	+212 528 84 88 05
ASPAM – Moroccan Citrus Growers Association *(Association des producteurs d'agrumes au Maroc)*	283, boulevard Zerktouni Casablanca	+212 522 36 39 46	+212 522 36 40 41
AMITH – Moroccan Association of Textile and Apparel Manufacturers *(Association marocaine des industries du textile et de de l'habillement)*	92, boulevard Moulay Rachid Anfa Casablanca	+212 522 94 20 84 to 86	+212 522 94 05 87
AMIP – Moroccan Pharmaceutical Industry Association *(Association marocaine de de l'industrie pharmaceutique)*	Boulevard Abderrahim Bouabid Résidence Amir, *Oasis* Casablanca	+212 522 23 44 45	+212 522 23 40 90
GPM – Moroccan Petroleum Group (Groupement des pétroliers du Maroc)	Rue Imam Mousline Casablanca	+212 522 99 09 50	+212 522 99 17 51
FNIM – Mining Industry Federation *(Fédération de l'industrie minière)*	1, place de l'Istiqlal Casablanca	+212 522 30 68 98	+212 522 31 99 96
BNSTP – National subcontracting and partnership exchange *(Bourse nationale de sous-traitance et de partenariat)*	26, rue d'Avènes Casablanca	+212 522 40 28 42 +212 522 40 28 43	+212 522 40 47 85
FENELEC – National Electricity and Electronics Federation *(Fédération nationale de l'électricité et de l'électronique)*	Résidence Mervet 4, rue de la Bastille Casablanca	+212 522 94 51 29	+212 522 94 96 42
AMIA – Moroccan Automotive Industry Association *(Association marocaine de l'industrie automobile)*	Administrative complex for technical centres Highway BO 50 Sidi Maârouf Casablanca	+212 522 58 00 55 *+212 522 58 00 56*	+212 52258 00 57
AMICA – Moroccan Association for Automotive Trade and Industry (*Association marocaine pour l'industrie et le commerce de l'automobile)*	625, boulevard Mohammed V Casablanca	+212 522 24 28 82	+212 522 24 85 81

INSTITUTION / BODY	ADDRESS	TELEPHONE	FAX
FNT – National Tourism Federation *(Fédération nationale du tourisme)*	23, boulevard Mohammed Abdou Quartier Palmiers Casablanca	+212 522 98 79 20	+212 522 25 38 45
Stockbrokers Professional Association *(Association professionnelle des sociétés de bourse)*	*Junction of* Avenue des FAR *and* rue Mohammed Errachid Casablanca	+212 522 54 23 33 +212 522 54 23 34	+212 522 54 23 36
Associations of Women Entrepreneurs of Morocco *(Associations des femmes chefs d'entreprises du Maroc)*	23, boulevard Mohammed Abdou Quartier Palmiers Casablanca	+212 522 98 51 81 +212 522 25 88 29	+212 522 99 04 92
Moroccan Franchise Federation *(Fédération marocaine de la franchise)*	5, boulevard Abdelatif Ben Kaddour, 3rd floor Casablanca	+212 522 36 06 71 +212 522 36 06 04	+212 522 36 06 21
National Chamber of Notaries *(Chambre nationale de notariat)*	41, rue Jilali Oraibi Casablanca	+212 522 20 98 49	+212 522 20 98 58
Federation of Chambers of Commerce, Industry and Services (FCCIS)	6, rue Erfoud Quartier Hassane Rabat	+212 537 76 70 58 +212 537 76 70 78	+212 537 76 70 76 +212 537 76 78 96

Appendix 4

Lists of double taxation agreements and investment promotion and protection agreements signed by Morocco.

Double taxation agreements			Investment Promotion and Protection Agreements (IPPA)		
COUNTRY	DATE OF SIGNATURE	REMARKS	DATE OF SIGNATURE	ENTRY INTO FORCE	REMARKS
AFRICA					
South Africa		Initialled in Pretoria on 28-02-1998 (awaiting signature)			
Algeria	25-01-1990	Ratified on 28-05-1993			
Benin		Under negotiation	15-06-2004		
Burkina Faso			08-02-2007		
Cameroon			24-01-2007		
Democratic Republic of Congo		Under negotiation			
Côte d'Ivoire	20-07-2006				
Egypt	22-03-1989		14-05-1997		1997 Agreement replaces the 1976
Ethiopia		Under negotiation			
Gabon			21-06-2004	24-07-2009	
Gambia			22-02-2006		
Guinea			02-05-2002		
Equatorial Guinea			05-07-2005		
Libya	26-01-1984		02-11-2000		2000 Agreement replaces the 1984 Agreement
Mali		Under negotiation			
Mauritania			13-06-2000	20-10-2003	
Central African Republic			24-01-2007		
Senegal	01-03-2002	Ratified by Morocco on 21-04-2004		15-11-2006	
Soudan			23-02-1999	04-07-2002	
Chad		Under negotiation	04-12-1997		
Tunisia	28-08-1974		28-01-1994	01-04-1999	
AMERICA					
Argentina		Under negotiation	13-06-1996	19-02-2000	
Brésil		Under negotiation			
Canada	22-12-1975				
United States	01-08-1977		22-07-1985	29-05-1991	
Guatemala					
Mauritius		Under negotiation			
El Salvador			21-04-1999	11-04-2002	
Dominican Republic			23-05-2002		

Double taxation agreements			Investment Promotion and Protection Agreements (IPPA)		
COUNTRY	**DATE OF SIGNATURE**	**REMARKS**	**DATE OF SIGNATURE**	**ENTRY INTO FORCE**	**REMARKS**
ASIE					
Azerbaijan		Under negotiation			
Bangladesh		Under negotiation			
China	27-08-2002	Awaiting ratification by both parties	27-03-1995	27-11-1999	
Korea (Republic of)	27-01-1999		27-01-1999	08-05-2001	
India	30-10-1998		13-02-1999	22-02-2001	
Indonesia			14-03-1997	21-03-2002	
Iran	25-02-2008	Initialled in Tehran in 2005	21-01-2001	31-03-2003	
Iraq			18-07-1990		
Japan		Under negotiation			
Kazakhstan		Under negotiation			
Malaysia			16-04-2002	23-04-2009	
Pakistan	18-05-2006		16-04-2001		Ratification in process
Singapor	09-01-2007				
Thaïland		Under negotiation			
Turkmenistan		Under negotiation			
Turkey	07-04-2004	Pending signature		08-04-1997	30-05-2004
EUROPE					
Germany	07-06-1972		06-08-2001	12-04-2008	
Austria	27-02-2002		02-11-1992	01-07-1995	
Belgium	31-05-2006				
Belgium and Luxembourg			13-04-1999	29-05-2002	
Bulgaria	22-05-1996		22-05-1996	19-02-2000	
Croatia			29-09-2004		
Denmark	08-05-1984		22-05-2003		
Spain	09-06-2000		11-12-1997	13-04-2005	
Estonia			25-09-2009		
Russian Federation	04-09-1997				
Finland	07-04-2006		01-10-2001	06-04-2003	
France	18-08-1989		13-01-1996	30-05-1999	
Greece	28-03-2007		16-02-1994	28-06-2000	
Hungary	12-12-1991		12-12-1991	03-02-2000	
Italy	28-05-1979		18-06-1990	26-04-2000	
Latvia	28-07-2008				
Luxembourg	19-12-1980				
Macedoina, FYROM	11-05-2010				
Norway	05-05-1972				
Netherlands	12-08-1977		23-12-1971	27-07-1978	
Poland	24-10-1994		24-10-1994	03-07-1999	
Portugal	29-09-1997		17-04-2007		

Double taxation agreements			Investment Promotion and Protection Agreements (IPPA)		
COUNTRY	DATE OF SIGNATURE	REMARKS	DATE OF SIGNATURE	ENTRY INTO FORCE	REMARKS
Czech Republic			11-06-2001	30-01-2003	
Romania	11-09-1981		28-01-1994	03-02-2000	
United Kingdom	08-09-1991		30-10-1990	14-02-2002	
Slovakia			14-06-2007		
Sweden	30-03-1961		26-09-1990	16-06-2008	
Switzerland	31-03-1993		17-12-1985	12-04-1991	
Ukraine	13-06-2007		24-12-2001	25-04-2009	
MIDDLE EAST					
Saudi Arabia		Under negotiation			
Bahrain	07-04-2000		07-04-2000	09-04-2001	
United Arab Emirates	09-02-1999		09-02-1999	01-04-2002	
Jordan	16-05-2005		16-06-1998	07-02-2000	
Kuwait			16-02-1999	07-05-2001	
Lebanon	05-06-2002		03-07-1997	04-03-2000	
Qatar	17-03-2006		20-02-1999	20-02-1999	
Oman			08-05-2001	30-03-2003	
Syria	19-06-2005	Under negotiation	23-10-2001	19-03-2003	
Yemen	08-02-2006		24-02-2001		

Source: UNCTAD, based on data from the General Tax Directorate, the Directorate of Investment and BMCE TRADE

Appendix 5

Public holidays and Working Hours

1 January	New Year's Day
National holidays	
11 January	Proclamation of Independence
1 May	Labour Day
30 July	Enthronement
14 August	Oued Ed-Dahab Day
20 August	Revolution of the King and the People
21 August	Youth Day (Birthday of the King)
6 November	Green March
18 November	Independence Day
Religious holidays	
1st Muharram (one day),	
Eid ul-Fitr, Eid Al Adha, Eid al Mawlid Annabaoui (two days)	

WORKING DAYS AND HOURS

	WORKING DAYS	**WORKING HOURS**
Public institutions	Monday to Friday	from 8.30 to 16.30
Private bodies	Monday to Friday or Monday to Saturday morning (in some cases)	from 8.30 to 12.30 and from 14.30 to 18.30 or from 8.30 to 16.30 (in some cases)

Appendix 6

Contact details of the Wali and Governors

Wilaya of the Oriental Region
Boulevard Mohamed V, Oujda
Telephone: +212 536 68 29 01 to 05
Facsimile: +212 536 68 29 58

Nador Province
Boulevard Zerktouni, Nador
Telephone:+212 536 60 60 68 / +212 536 60 26 23
Facsimile: +212 536 60 77 01

Berkane Province
Boulevard Mohamed V, Berkane
Telephone: +212 536 61 39 42 / +212 536 61 48 02 / +212 536 61 88 52
Facsimile: +212 536 61 99 81

Taourirt Province
Centre de Taourirt, Taourirt
Telephone: +212 536 69 95 85 / +212 536 69 93 74 / +212 536 69 96 79
Facsimile: +212 536 69 93 23

Jerada Province
Avenue Hassan II, Jerada
Telephone: +212 536 82 10 04 / +212 536 82 19 80 / +212 536 82 19 90
Facsimile: +212 536 82 19 42

Figuig Province
Avenue Hassan II, Bouarfa
Telephone: +212 536 79 80 71 / +212 536 79 91 95
Facsimile: +212 536 79 80 75

Driouch Province
Province de Driouch, Driouch
Telephone: +212 536 36 60 54 / +212 536 36 60 55
Facsimile: +212 536 36 60 64

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