

Morocco: A Country With a Vision

Investments are accelerating into the competitive and strategically positioned kingdom

By Sally Crail

In 2023, global investment inflows of \$1 billion were pumped into the North African country's thriving export-focused economy, according to the Moroccan Exchange Office.

"Foreign direct investment in Morocco is doing very well, with our industrial sectors representing 30 percent of the FDI we've received," says Mohcine Jazouli, minister in charge of investment. Investors are drawn to the kingdom for numerous reasons. "For example, Morocco sits at the crossroads of Africa, Europe and the Mediterranean, and it's one of the world's most open economies, with over 50 free trade agreements and access to 2.5 billion consumers. Moreover, Morocco is among the few countries that has FTAs with both the European Union and the U.S.," Jazouli reveals. "Additionally, it has first-rate transport and logistics infrastructure, a young, qualified population of 40 million and it's one of very few nations where green energy is cheaper than fossil fuels, thanks to an abundance of sun, wind and land resources."

As Minister of Industry and Trade Ryad Mezzour summarizes: "Morocco is a world-class industrial platform. U.S. companies looking to double their global market share from a competitive production and deployment base will find their El Dorado in Morocco. Many of them are doing just that."

Under the leadership and vision of King Mohammed VI, the kingdom also offers political, macroeconomic and social stability, as well as an administration that is striving to improve Morocco's business environment and accelerate the pace of domestic and international private sector investments.

Jazouli explains: "Our objective is to generate \$55 billion in private investments between 2022 and 2026. To help achieve this, in 2022 the country adopted an extremely incentivizing new national investment charter. It places private investment at the heart of economic development." The charter has established incentives that include subsidies of up to 30 percent of the costs of investments meeting certain criteria. These enticements are working, he discloses: "One year after the charter's initiation, 87 projects had been approved with investments of \$15 billion that aim to create more than 70,000 jobs. This is five times more projects and seven times more jobs than the annual average of the previous government. As well as domestic investors, we have investors from all over the world coming forward to launch projects."

Many investors are targeting fields in which Morocco has emerged as a powerhouse. Mezzour says, "Our most important sector today is the automotive industry, which weighs in at around \$13 billion to \$14 billion in exports;



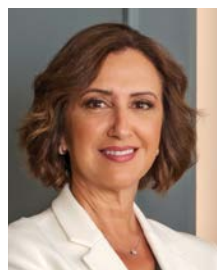
Rabat, Morocco's capital city, is located by the Atlantic Ocean



Mohcine Jazouli
Minister in Charge of Investment



Ryad Mezzour
Minister of Industry and Trade



Fatim-Zahra Ammor
Minister of Tourism

we're in the top three worldwide in certain aeronautic segments; and our competitiveness in fertilizers and phosphate processing far exceeds that of any other country." Among the kingdom's other leading industrial sectors are agribusiness, textiles and electronics, metallurgy, chemicals and pharmaceuticals.

Notably, substantial recent investments have been into what Jazouli describes as "Morocco's new global businesses," which include electric mobility, renewable energy, green hydrogen, battery technologies and decarbonized industries. Mezzour notes: "Some investors have taken advantage of the fact that we can supply ample low-cost green energy to manufacturers. Most of the automotive production complexes in the country now have a net-zero carbon footprint, for example."

Foreign direct investment into the country's promising tourism sector is expanding too, according to Minister of Tourism Fatim-Zahra Ammor. "We received a record-breaking 14.5 million visitors in 2023 and have set our sights on welcoming 26 million tourists by 2030," she says. "There are many investment opportunities to seize. We're focusing on accommodation expansion and renovation, and we're also investing in flagship animation tourism projects across Morocco, including attraction parks, hot-air balloon zones and exhibition centers."

Ammor invites international investors and travelers to discover the kingdom: "Morocco is the most welcoming country you'll ever visit. From busy cities to peaceful beaches and deserts, amazing cultural sites and food, Morocco has it all. Come see for yourself why Morocco is the place to be."

Use the QR code to find out more about the endless possibilities Morocco offers in our full-length special.



The Green Energy Corridor

A pioneer in renewables, Morocco is set to become a production, export and transit hub for clean energies

By Sally Crail

More than 5 gigawatts of solar, wind and hydropower plants contribute about 43 percent of Morocco's electricity generation capacity. "Between 2009 and 2024, we invested roughly \$500 million annually in renewable energy," explains Minister of Energy Transition and Sustainable Development Leila Benali.

The country could generate an estimated 25 terawatts of renewable energy, particularly in solar and wind, and is keen to exploit this to become a production and export hub for clean electricity, hydrogen products and decarbonized industries. To achieve this, "we need to multiply the pace of investments in renewables by three," Benali states. Many global green energy firms have already taken up opportunities in Morocco, reveals Tarik Hamane, CEO of the National Office of Electricity and Drinking Water and former director general of the Moroccan Agency for Sustainable Energy (MASEN), which manages the sector's advance. "MASEN's great track record, the commitment with which the agency and the state carry out projects, the country's support and leadership toward energy transition, the human capital—all this makes Morocco an attractive destination for investors," he says.

MASEN leads development programs for integrated renewable projects. "One of its flagships is the Noor Ouarzazate 580-megawatt complex, which produces solar-generated electricity using a range of technologies, including storage that enables electricity to be produced in the evenings, meeting the needs of around 2 million people. Across the complex, we have seven hours of storage, making it the world's largest storage facility," Hamane comments. Three of the complex's phases combine concentrating solar power technologies with molten-salt storage, while the fourth is based on photovoltaics. Other standout completed projects include Africa's biggest wind farms in Boujdour and Tarfaya. MASEN currently has more than 3,600 MW of solar and wind projects under construction or in development. Highlights in this portfolio include Noor Midelt, a photovoltaic complex with an installed capacity exceeding 1,600 MW that will include the continent's largest battery storage facility. Plans for new wind facilities are well advanced too, adds Hamane: "Upcoming initiatives include the 400-MW Nassim Nord wind farm complex, which we issued a construction and operation tender for in April."

MASEN is also the focal point for investors that want to take advantage of the country's "Morocco Offer," a new program established to attract investments in the green hydrogen value chain. The offer contains targeted incentives, including the state's allocation of 1 million hectares of land to hydrogen projects. "Most international studies rank Morocco within the top five potential producers of green hydrogen, with even greater advantages due to its proximity to the European market, and some believe that Morocco could be producing up to 4 percent of global demand by 2050," he states. "The upcoming Nigeria-Morocco gas pipeline (NMGP) is another element that is a game changer in this area. Having a pipeline that can transport hydrogen between Morocco and Europe will mean that this energy can be exported in an extremely efficient and inexpensive way." The lead agency for Morocco's section of the \$25 billion NMGP development project is the National Office of Hydrocarbons and



The Noor Ouarzazate III complex spreads over 7,500 acres



Leila Benali
Minister of Energy Transition and Sustainable Development



Amina Benkhadra
General Director National Office of Hydrocarbons and Mines



Tarik Hamane
Former Director General, Moroccan Agency for Sustainable Energy Mines (ONHYM)

which is responsible for promoting the country's mining and upstream hydrocarbon potential, as well as international gas transportation. "The ambitious NMGP project spans 13 countries along West Africa's Atlantic coast and three landlocked countries," says ONHYM's general director, Amina Benkhadra. "It will provide reliable and affordable energy for millions of Africans, boost economic development, create jobs and contribute to structuring a regional gas market." Designed to be hydrogen ready, the pipeline will initially distribute natural gas from Nigeria. Just over half of its capacity will be made available to Europe via ONHYM's Maghreb-Europe pipeline that connects Morocco with Spain.

The kingdom is poised to be a key player in green hydrogen "thanks to its renewable energy resources, available land for large solar and wind plants, robust gas export infrastructure, research and development capacities in this field, and its partnership with the European Union," according to Benkhadra. "It's also at the crossroads of the U.S., Europe, Africa and the Middle East; has two electrical interconnections with Spain and additional lines under study with Spain and Portugal; and a developed South-South cooperation with many African countries." As well as exporting hydrogen, Morocco intends to use the fuel to become a platform for decarbonized manufacturing and export. Earlier this year, it unveiled a low-carbon strategy to accelerate that process. "The strategy aims to ensure a transition to a green economy by 2030 through political, institutional, regulatory and financial reforms," she asserts. "Based on the choices Morocco has made and its renewable energy potential, it aims to become the world's most competitive industrial base and among the most innovative and carbon-free bases."

Morocco Gears Up to Host FIFA World Cup 2030

Soccer's premier event is propelling investments in commercial real estate, infrastructure and tourism

By Sally Crail

As Morocco's economy expands, demand for industrial, office, retail and health care space is rising, says Nawfal Bendefa, CEO of Aradei Capital, the nation's largest listed commercial real estate platform that finances, develops and manages assets in those and other classes.

"There are so many opportunities for investment, driven by the country's macro and micro fundamentals," he reveals. "Morocco's currency is stable, interest rates for long-term debt are extremely competitive and the government has implemented high-impact investment incentives. These dynamics are supported by commercial viability and returns on investment."

Aradei Capital's own diverse countrywide portfolio of assets generated revenues of around \$59 million in 2023, up 20 percent over the previous year. The company has quintupled its portfolio size since 2015 and intends to carry on investing to take advantage of a wave of growth that is being propelled by infrastructure spending for Morocco's cohosting of the FIFA World Cup 2030. "We're preparing ourselves in terms of capital, building technical relationships and working with foreign investors that want to capitalize on it, whether that's in food and beverage, health care, tourism, lodging, education or student housing," Bendefa discloses. "Regardless of the sector, Aradei Capital has become a necessary stop for any international company that wants to explore ways to benefit from Moroccan opportunities."

Morocco plans to invest an estimated \$4 billion in infrastructure to support the World Cup, with this mainly being spent on transport systems, restructuring existing stadiums and constructing a vast new 115,000-seat arena in Casablanca. One firm set to contribute to some of these initiatives is Maghreb Steel, which has supplied steel products that have been incorporated into many of the kingdom's most important infrastructure and construction projects over the last 50 years. As the company's chairman, Mohammed Yahya Zniber, explains: "With all the projects that are coming up in the country, there's strong potential for the Moroccan steel industry and for Maghreb Steel particularly, starting with all-steel structure construction. Soccer stadiums, for example, require complex steel structures, and we're one of the few that are in a position to produce those." Maghreb Steel is Morocco's only manufacturer of flat steel, and it is a supplier of choice for a wide range of industries, from infrastructure and construction to household appliances, defense, renewable energy and automotives. The firm generates an annual turnover of around \$500 million from its innovative products that include both items for mass consumption and specialty steels with targeted industrial applications. A significant portion of its revenues come from sales to international clients, Zniber notes: "100 percent of the electricity we use in our manufacturing processes is renewable, which makes a large share of our steel green, and that has opened a lot of doors for us in terms of exports."

The World Cup will bring huge numbers of additional tourists to an ex-



Aradei Capital's portfolio of assets includes popular retail centers extraordinary destination that has already seen visitor arrivals rise 35 percent



Imad Barrakad
CEO
SMIT



Nawfal Bendefa
CEO
Aradei Capital



Mohammed Yahya Zniber
Chairman
Maghreb Steel

since 2019 to reach 14.5 million last year. "The kingdom offers nature, history, culture and gastronomy that all have a distinctive Moroccan touch," enthuses Imad Barrakad, CEO of the Moroccan Agency for Tourism Development (SMIT), which provides guidance, support and tailored opportunities to an increasing number of investors in the sector. "The annual investment growth rate has remained above 8 percent for the last three years. Over 471 new hotels opened between 2021 and 2024, including ones from brands like Radisson, Hilton, Marriott and Hyatt," he says.

The country aims to welcome and satisfy 26 million visitors a year by 2030. "Our ambition is to be at the forefront of the sector in the Mediterranean region. We're not aiming for mass tourism; our focus is on ensuring Morocco remains a picturesque, authentic, sustainable and high-quality destination," asserts Barrakad. To help meet those goals, SMIT is investing more than \$150 million over the next three years to improve the destination's attractiveness for tourists and investors. In terms of accommodation demands, the agency is encouraging investors to develop 40,000 beds in new hotels and 62,000 in existing properties that require major upgrades.

SMIT's main concern, however, is stimulating investment toward establishing unique entertainment and animation experiences around the country. "We're promoting projects that will create crucial turning points for various regions, such as a dinosaur-themed park in Azilal; an exhibition and convention center in Marrakech; a nature, adventure and ecotourism project in Ifrane National Park; the development of Oukaimeden ski resort; an initiative to turn the Draa oasis into a hub for ecotourism; and we have ambitious beachfront resort projects. We invite investors to be part of these groundbreaking initiatives," Barrakad says. "Come to Morocco; the opportunities are here today!"

The Innovative Gateway to Africa

Morocco's status as a front-runner in innovation is buttressed by investments in digitalization

By Sally Crail

Morocco is Africa's third-most innovative economy, according to the Global Innovation Index 2023, and its standing as a location for cutting-edge technologies is rising. "For example, our outsourcing sector is booming," asserts the minister in charge of digital transition, Ghita Mezzour. "More international companies are coming in, and we're producing complex technologies such as artificial intelligence. Our start-up ecosystem is also vibrant, with companies in areas like AI, adtech, agritech and healthtech."

The kingdom's innovative capabilities have been bolstered by substantial government investments into an ongoing digitalization program. "In 2013, Morocco embarked on a multidimensional digital transformation strategy aimed at improving its socioeconomic landscape through enhanced digital services spanning multiple sectors. One significant achievement is that internet penetration has reached 90.7 percent, backed by extensive investments in 4G, LTE and fiber optics," informs Reda Bakkali, CEO of INEOS Cyberforces Group, a leading player in consulting and integration of network, cloud and cybersecurity solutions.

The vision behind INEOS Cyberforces is to support the country's digitalization. He states, "I cofounded INEOS in 2015 and Cyberforces in 2018 in order to set up a reference group for technology integration that assists institutions in their digital transformations by providing customer-centric tailored solutions instead of just hardware." INEOS's expertise concerns storing and transporting data in projects that run from simple solutions to deploying turnkey data centers, while Cyberforces specializes in providing best-of-breed cybersecurity solutions to public and private sector clients that include banks, telecom operators and utilities. "A recent group milestone is our award-winning implementation of the secured network and information technology platform for the World Bank and International Monetary Fund 2023 annual congress," says Bakkali.

The group is a partner of choice for U.S. tech companies like Dell Technologies, Cisco, Fortinet, Palo Alto and Dynatrace. He adds: "We're one of Dell's few Titanium partners in the region and have been designated as its best integrator partner in North Africa this year, a distinction that places us among Africa's top digital service providers." This achievement is founded on the technical expertise of its employees. Here, INEOS Cyberforces benefits from the fact that "Morocco is a breeding ground for talent," he says. Talent quality is one factor behind a growing influx of international tech firms. "Several U.S. companies specializing in digital infrastructure, networks and cybersecurity are setting up operations here, including Oracle, which is launching a cloud initiative," advises Bakkali. "Morocco can be a real gateway to Africa for U.S. multinationals."

The nation is striving to become a continental gateway for health care innovation too. Home to a pharmaceutical industry that produces around



Reda Bakkali
CEO, INEOS
Cyberforces Group



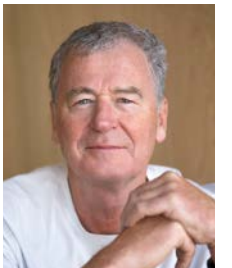
Morocco could become Africa's future biopharmaceutical hub

65 percent of the population's drug needs, mainly in the form of conventional chemical medicines, there is vast potential for the sector to expand, states Marc Funk, CEO of Maroc Biotechnologies (MARBIO): "The African Union has decided that 60 percent of the medicines and vaccines consumed in Africa will have to be manufactured on the continent by 2040. Only 1 percent is at the moment, and Morocco is positioning itself as one of the leaders in meeting this ambition."

Its commitment to achieving that became clear in 2021, when the state partnered with Recipharm, a Swedish specialist in personalized medicines, and three national banks to establish MARBIO, which aspires to be "the benchmark African manufacturer of tomorrow's medicines and vaccines," says Funk. "Morocco has manufacturing know-how that sets it apart from other countries. Following COVID-19, however, it recognized that it didn't have manufacturing know-how for biologicals and vaccines. This is why Recipharm and the Moroccan government set up MARBIO."

Last year, MARBIO finalized the construction of a \$309 million facility that has the capacity to produce up to 150 million doses a year of the continent's vaccine needs and is by far the largest plant of its type in Africa. The state-of-the-art facility is located on a 45-hectare site close to Casablanca. "The vision is to make Morocco a center of excellence in the manufacture, development and distribution of biotechnological medicines and vaccines. MARBIO is the cornerstone of the complex, but we also need to encourage partners, third parties, suppliers and research centers that want to collaborate to set up on the site, with the right incentives, to create this ecosystem," he explains.

Once it starts production, MARBIO's first task will be to demonstrate that it can satisfy Morocco's demand for vaccines. Then it will turn its attention to exports. "We have a strategy of working with international vaccine manufacturers that want to collaborate with us and sell products in Africa," Funk reveals. "We're in active discussions with manufacturers, including U.S. pharmaceutical groups that have visited our site and carried out audits. The site we've created has a continental vocation, which is of major interest to those groups because having a partner in Africa who can manage African production and distribution for them will be very important, bearing in mind there will be a billion more people on the African continent by 2040."



Marc Funk
CEO
MARBIO



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