

EMPLOYMENT BY SECTOR

SOURCE: SOCIÉTÉ GÉNÉRALE



- 43.6% Services
- 34.7% Agriculture
- 21.7% Industry

VALUE ADDED (% OF GDP) 2018

SOURCE: SOCIÉTÉ GÉNÉRALE



- 49.5% Services
- 25.9% Industry
- 12.3% Agriculture

VALUE ADDED (ANNUAL % CHANGE)

SOURCE: SOCIÉTÉ GÉNÉRALE

| | |
|-------------|-----|
| Industry | 3 |
| Agriculture | 2.7 |
| Services | 2.7 |



An aerial picture of Tangier Automotive City

Image: ian wald



Industry

ECONOMIC WORKHORSE

In 2014, Morocco launched its Industrial Acceleration Plan to map out the arc of the sector through 2020. Now in the final year of the plan, we have the unique opportunity to evaluate its implementation and look toward the future. The World Bank's 2020 Morocco Overview notes that the contraction of agriculture in recent years, largely due to drought, has been offset by industrial growth. Along similar lines, our interviewees frequently mentioned industry as a strategic sector. More specifically, 66% identify industry as economically imperative, while agriculture is a far-from-close second at 34%.

Within the industrial sector, the automotive, aerospace, and textile segments stand out. Mohamed Lahlou, President of the Board of the Higher School of Textile and Clothing Industries (ESITH), highlighted the importance of the textile sector as a segment that creates jobs and boosts exports. In an interview with TBY, he noted, "Textiles and clothing has always represented a particular importance in terms of employment and exports, with more than 180,000 jobs and USD3.8 billion in exports." Furthermore, during COVID-19, ESITH's team of experienced engineers and technicians optimized mask production to align Morocco's industrial capacity with the current heightened demand for personal protective equipment.

In the aerospace segment, the Moroccan Aerospace Industries Association (GIMAS) is working

on a two-pronged approach to promote technological development and a full ecosystem that includes multinationals, SMEs, and everyone in between. Morocco's aerospace and broader industrial sector have historically had strong ties to Europe, but GIMAS is expanding its collaboration more globally. This international perspective aligns with a desire to spread awareness about Morocco's value-added capacities as well as its shift into high-tech industrial segments.

Addressing the former, an important factor for industrial segment growth is export opportunity and a favorable regulatory environment for exports. Because Morocco itself is a rather small market, large-scale manufacturing capacity is justified by international market access. While Morocco has made significant progress through the Industrial Acceleration Plan, the COVID-19 pandemic might make this more difficult in the short term. Because many other countries' knee-jerk reactions have been to prioritize local production, the general trend toward globalization might see a short-term dip. Despite current conditions, Morocco's many FTAs will provide a good base moving forward.

And to expand on the latter, this shift toward more sophisticated products and services will call for developing the necessary human resource capacities. On both sides, industrial and education stakeholders are keen to work together in this regard. ✖

INTERVIEW



Khaldoun Bouacida
MANAGING DIRECTOR,
COUNTRY CLUSTER HEAD FOR
NORTHWEST AFRICA,
BASF

THE RIGHT *expertise*

BASF Morocco is active in numerous key segments, including agriculture, water treatment, chemicals, and automotive paints.

BIO

Khaldoun Bouacida has an MS in mechanical engineering from Universitaet Kaiserslautern, Germany, and an MS in industrial engineering from École des Mines, Nancy. He has worked with BASF since 2008 as area sales manager and sales and industry manager based out of Istanbul and head of strategy and market development and head of sales for the UAE platform based out of the UAE. Prior to his time in BASF, he worked in a variety of management, engineering, and consulting positions in Tunisia and France. He is fluent in Arabic, French, English, and German, in addition to basic skills in Turkish, Italian, and Spanish.

What is the main role of BASF in the Moroccan economy?

BASF provides raw materials and solutions for the industrial value chain here, so it truly creates value in Morocco and beyond. We provide the ingredients for local producers in Morocco and create value in terms of products, jobs creation, and innovation. This is the big differentiator in what BASF does in Morocco that others perhaps do not. We are not B2C; we are B2B. We work with most of the big players and medium-sized companies in Morocco. We call the mid-sized local companies our local champions. We also bring in know-how and the right sustainable solutions for growth. BASF's aim is not to sell products, but to sell the right products so that our customers can grow and differentiate themselves from the competition. We seek to give our customers an edge with the most up-to-date materials and solutions. We want to create value in the country. Our KPIs reflect this—we want to sell things that match our customers' needs and add value. We also help producers in Morocco expand their business geographically into places like South Africa and Gabon. We even produce in Morocco and export to sub-Saharan Africa. We also provide our customers with technical training and hold regular symposiums. BASF's agricultural division goes into the field with a caravan and shows farmers new technologies, helps them identify and combat diseases, and teaches them to increase their yields in a smart and responsible way. Our aim is not to flood the market with products, but to help the customer grow in a sustainable way. BASF builds long-term relationships.

Who are BASF's main partners?

They are in many sectors. Our partners are large players and the local champions in the paint sector and in the shampoo and detergent manufacturing segments. We also serve companies using coatings and most of the local Moroccan brands manufacturing shoes and mattresses. We look at what these customers want, and if we do not have a ready-made solution, we customize a solution for them.

BASF signed an exclusive agreement with PSA Maroc regarding e-coating and a brand-new production line. Can you tell us more about this tender?

“Our aim is not to flood the market with products, but to help the customer grow in a sustainable way.”

The strategy is to work hand in hand with our global key accounts, and PSA is a key account for BASF worldwide. Whenever PSA invests in a country, we work to help it because PSA knows our products, so there is no disruption to its production lines. There are companies that want to invest in Morocco because BASF is here, and we can provide them with technical and warehousing services and technical expertise. Companies also feel comfortable when they see other multinationals already established here.

What AI and digital technologies and solutions is BASF using in Morocco?

In Morocco, most of the digital trends we are following are related to agribusiness. We are fairly advanced in screening fields, identifying diseases at an early stage, and using the right solutions at the right time. This includes monitoring diseases and their spread and the application of treatments. This is extremely helpful because agriculture is a major pillar of Morocco's economy. We also have to be careful with the responsible use of any solutions. In terms of digital technology, we also have online platforms where customers can order, pay, and arrange for delivery of products directly with us.

Would you expand on BASF's internal mobility program for its employees?

Our job positions are open to anyone worldwide. If one has the right skills and competencies, they have the opportunity to apply. We have people in Germany, South Africa, France, and the UAE. BASF is a multinational. In our country cluster, we have people from Algeria, Brazil, and China. Our HR structure is mobile and based on skills and competencies. Diversity is a driver; it brings a great deal of new vision and ideas with it. ✖



Hamid Benbrahim El Andaloussi
FOUNDER &
HONORARY CHAIRMAN,
MOROCCAN AEROSPACE
INDUSTRIES ASSOCIATION
(GIMAS)



Aref Hassani
MANAGING DIRECTOR,
MIDPARC CASABLANCA
FREE ZONE

AERONAUTICS

To further boost its local aeronautics sector, Morocco must increase its local add value and attract greater technological research.

Can you provide a general overview of the local aerospace sector?

HAMID BENBRAHIM EL ANDALOUSSI 2020 represents the 20th anniversary of the emergence of the aerospace industry cluster in Morocco. Today, there are 140 companies, and the 2020 objective is 20,000 jobs, USD2 billion of export turnover, 40% of local added value, and 40% of women in our teams. Today, the Moroccan aerospace base is recognized as the most competitive at the door of Europe, the second-largest aerospace market in the world. Morocco has attracted major players, and today, we are moving into Phase II of aeronautics. This phase is characterized by attracting new and more complicated ecosystems such as the engine, composite materials, embedded electronics, 3D printing, fiber optics, and others. Phase II is about going faster, further, and higher: going faster is about attracting new companies; going further is about attracting companies beyond the field of aeronautics, namely defense, on-board, electronics, energy, composite materials, medical, and engineering; and going higher implies more added

value and becoming a hub for technological research.

What were the needs behind the creation of Midparc?

AREF HASSANI Midparc was created in the framework of the industrial development strategy at that time to find specific sectors where Morocco could add value. Midparc shareholders set up a specific business model that was different from the other free industrial parks in Morocco. We are proud of Bombardier, which is currently being sold to Spirit, because it is one of the main industrial companies here and is doubling the size of its factory. We also have the affiliate company of Airbus, Stelia, with more than 600 people, after three years of operations in Midparc. It makes part of the fuselage of the A320 and A350. We also have Hexcel, a US company that is the leader in the composite. There is also Thales, which specializes in metal 3D printing. There are many important SMEs working on specific products with complex technologies like AD Industries, Técalemit, E2IP and Le Piston Français.

What is your opinion of Moroccan talent?

HBEA One of key concerns is creating more links with universities to be able to provide the talents that we need, namely young people with engineering education, the ability to use simulation systems, can speak English, and have the right skills. For our Aerospace Phase II, we will focus more on talents and highly skilled individuals. Through the Institut des Métiers de l'Aéronautique (IMA), we train our engineers and give them the skills and the values they need. It is important that we teach these young people ethics and integrity, how to innovate, quality, responsibility, professionalism, delivery on time, and customer orientation.

AH Today, our partners are satisfied with the talent and local human resources. All our partners are proud because of two elements: first, they have a low turnover so they can rely on their people for a long period of time. The turnover rate is less than 4%, which is fairly low for this type of industrial activity. Second is the fast learning curve, compared to other locations in the world. With these two factors, the majority of companies can grow rapidly and thus think about new expansions in advance.

What will make Morocco preferable to other countries?

HBEA What makes Morocco different is its capacity to provide talent and solutions for SMEs, as they have technology and markets, but they need to be more competitive. How can they be competitive? There are two solutions: innovation and talent. Here, they can find the talent they need, which is why we built IMA Casablanca, with the high-value aerospace cluster just across the road.

Where is digital technology headed, and how important is it for the aerospace industry?

AH Aerospace activities did not exist in Morocco 10 years ago, and today there are more than 140 companies nationally. Each year, we have new complex products manufactured in Morocco. Almost 80% of these companies are in Casablanca, and the majority is around the airport. We know what the needs will be 10, 20, and 25 years ahead. With the government, we have set up all the rules to succeed. ✕

FOCUS

Industrial Acceleration Plan 2014-2020

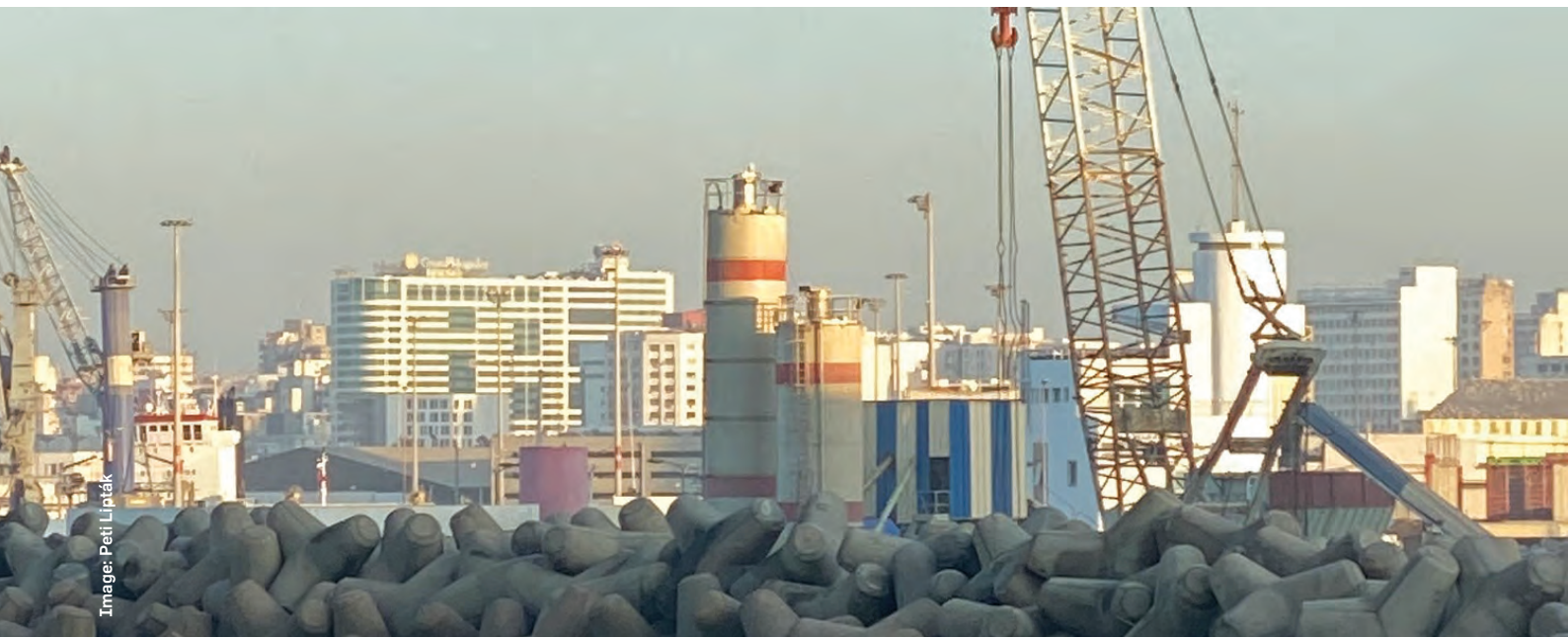


Image: Peti Lipták

SIGNING A NEW CONTRACT

While the work of the 2014-2020 Industrial Acceleration Plan is far from over, it has driven the industrial sector's development and led to a new relationship between the state and the private sector.

WHILE MANY OF ITS NEIGHBORS have experienced a rocky path in the aftermath of the Arab Spring, Morocco has dealt with its political and economic reckoning relatively well. This, in part, is due to the government's willingness to enact reforms and policies, both prior and post, to deal with unemployment, private-sector growth, and inequality. Part of the government's bid toward this goal was the Industrial Acceleration Plan 2014-2020 (PAI). Built off the National Pact for Industrial Emergence 2009-2014 (PNEI), PAI's major goals were to raise the industrial sector's contribution from 14% of GDP to 23% and create 500,000 jobs by 2020. Under the plan's umbrella was an Industrial Development Fund, which set aside USD2.18 billion to consolidate and modernize the country's industrial fabric. However, results have been mixed insofar as the long-term effects have not yet materialized. While industrial GDP grew from USD21.6 billion in 2009 to USD29.3 billion in 2018, the country's global competitiveness index has stagnated, according to African Development Bank numbers. According to Morocco's High Commission for Planning (HPC), higher productivity levels remain strictly in the realm of large companies, which make up only 11% of all companies in the sector. Furthermore, imports remain at 30% of GDP, compared to 17% of GDP for exports in 2016. This may be further impacted by the global slowdown prompted by COVID-19.

However, there has been consistent improvement since 2010 in certain sub-sectors, specifically automotive, aeronautic, electronics, and textile/apparel. The automotive sector has been especially prolific in attracting FDI into the country, which, in general, has increased by 28.6% between 2017 and 2018. French car manufacturer Groupe PSA has invested in an engine and vehicle plant in Kenitra, with an initial capacity of 100,000, which Groupe PSA hopes to double in 2020. Most importantly, the plant will look to use Moroccan suppliers, starting with an initial local integration rate of 60% and eventually increasing to 80%. Indeed, key to growing industrial sectoral capacity in the country is not just FDI but rather the creation of local companies to fill

in gaps in manufacturing supply chains. It is for this reason the electronics sub-sector is another important part of the industrial strategy, which has also seen leaps and bounds, thanks in part to increased production in the automotive industry. Unfortunately, like the automotive sector, the electronic sector is strongly export-oriented, meaning it is likely to be affected in the aftermath of COVID-19.

Still, revenue/profit isn't everything. The relative success of both sub-sectors in previous years has contributed to another major plan milestone: job creation. According to Morocco's Ministry of Trade and Industry, the automotive sector contributed 116,611 jobs between 2014 and 2018. Furthermore, according to the ministry's numbers, 405,496 jobs overall were created in the industry during the same time period. However, unemployment still continues to be a persistent problem for the country, with the rate hovering around 10%, according to the latest figures by the HPC, specifically in regard to youths.

Perhaps a more lasting consequence of the policy is the opportunity it offers the government to restructure state-society relations. Indeed, as stated by Tina Hahn Georgeta and Vidican Auktor in a paper about Morocco's industrial policy, "The challenge for governments in the policymaking process is to take better into consideration the problems, needs, and wishes of different kinds of private enterprises as well as employees, while at the same time remaining independent of the attempt of individual entrepreneurs or lobby groups to capture government decisions." By seeing this policy as a way to strengthen relationships between the private and public sectors and to ensure more dialogue between those who run the economy and the state, Morocco can avoid the pitfalls that many countries in MENA faced post-Arab Spring. In other terms, this policy can help to establish effective coordination mechanisms such as sectoral councils, public-private partnerships, or competitiveness councils, all which can help and work together with the government to bring about the greater structural change desired in Morocco's overall economy. ✕

here TO STAY

A leading global innovative player for a sustainable and smart mobility, Alstom has contributed to several emblematic railway projects in Morocco.



Nourddine Rhalmi
CEO,
ALSTOM MOROCCO

What were Alstom's main operations and achievements in 2019?

In 2019, we were proud to take part in the entry into commercial service of two major railway projects. The first was the inauguration of the iconic high-speed train line linking Casablanca to Tangiers. We have been working on this project for years, and we are proud of the high quality of this project, conducted together with our customer the Moroccan National Railways Office (ONCF). In January 2019, Casablanca also celebrated the entry of the city's second tramway line into commercial service. In the frame of this project, we were in charge of delivering the rolling stock, testing, and commissioning.

What did Alstom provide for the high-speed train project?

In 2010, ONCF selected Alstom to supply up to 12 Avelia Euroduplex. Avelia Euroduplex is a service-proven train that integrates all the latest developments in terms of connectivity, accessibility, and safety. After the shipment of the 12 trains, we have been in charge of train testing and commissioning.

What are your main domestic operations currently?

Present in Morocco since nearly a century, Alstom has contributed to several emblematic railway projects here. In the field of urban mobility, Alstom delivered the first Citadis trams to the cities of Rabat and Casablanca. In the field of mainline, Alstom supplied 20 Alstom Prima II electrical locomotives in 2011, and it successfully delivered the first of 30 Prima M4 Electrical to ONCF in 2019. In the field of maintenance, Alstom has been ensuring the maintenance of 47 ONCF locomotives since 2015. Alstom also has an industrial plant in Fes called Alstom Cabliance. In this site, we produce cable bundles and electrical switch boxes for rail applications that are supplied to our rolling stock plants and mounted on trains exported around the world.

What innovative efforts are being made in Morocco?

Alstom is a leading global innovative player for a sustainable and smart mobility. In this regard, we are developing an innovation ecosystem around our activities with the aim of nurturing and growing new green technologies in our solutions. In Morocco, we have always been committed to delivering our most innovative solutions based on our customers' expectations and requests. In addition, our industrial site in Fes was certified ISO 14001 in early 2019.

When will zero-emission trains arrive in Morocco?

Alstom is not leading or initiating the orders but is committed to providing best-in-class mobility solutions to its customer.

What is Alstom's goal in Morocco for in 2020?

In Morocco, there have been a few projects announced that we are considering as main opportunities in 2020: EMU, Signaling, Casa 3, and four tramway lines. With its local railway expertise—98% local staffed, with a few experts coming from France—and a full range of proven and competitive transport solutions, Alstom aspires to continue its partnership and contribute to railway development in Morocco.

What CSR activities are you pursuing in different areas of Morocco?

We have signed a partnership with the Mohammed VI Foundation for the environment within the framework of the COP22 that took place in Marrakesh in 2016. This partnership concerned the promotion of environmental awareness sessions at public primary schools in Tangier and a school in the neighborhood of Fes. Around 3,000 students were reached. Recently, we launched a new CSR project in Fes around entrepreneurship. Participants will learn how to formulate a commercial idea and business plan and develop their idea up to realization. ✖

Participated in LGV and Casa Transport Line 2 projects, inaugurated by the King this year

Doubling of production capacity in Fes

98% of workforce in Morocco is local

L'avenir n'est pas le reflet de nos rêves, mais de nos actions.

Nos innovations aident les villes à utiliser moins d'énergie, à rendre l'air plus propre et à faire du transport électrique une réalité. C'est pourquoi chez BASF, nous voyons l'avenir avec optimisme.

Pour plus d'informations, consultez wecreatechemistry.com



■ BASF

We create chemistry

level PLAYING FIELD

Though Morocco is well recognized as a key player in the fast fashion supply chain, AMITH is advocating to further improve market access conditions for local exports.

Fatima-Zohra Alaoui
GENERAL MANAGER,
MOROCCAN ASSOCIATION OF TEXTILE AND
APPAREL INDUSTRIES (AMITH)



Can you tell us about Morocco's textile industry?

The textile and apparel (T&A) industry plays a key role in Morocco's economy. Aside from being the top industrial employer in the country accounting for around 180,000 jobs, it is one of the few sectors that employs a large number of women and young people. Contributing to 15% of Morocco's industrial GDP, it also plays a leading role in the trade balance, representing 25% of the country's exports. One of its major competitive advantages lies in its proximity to Europe and therefore its ability to react immediately to new trends to be delivered in short lead times and in flexible quantities. Inditex is one of the biggest clients of the Moroccan T&A industry, accounting for a significant part of the sector's employment and exports.

How has the competitiveness of the sector evolved since 2014?

In 2015, the T&A sector adopted an innovative and ambitious strategy, resulting from a strong, effective and unprecedented public-private partnership. This strategy is part of the 2015-2020 Industrial Acceleration Plan and was built around targeted, clear, conscious, and aligned choices between the state and the profession. It aims to make the Moroccan textile sector a leading player on the continental scale and around the Mediterranean. The combination of a conducive international environment and the ambitious national strategy has given the sector a new impulse that is not limited to exports, but also to investment and employment. Four years after the implementation of the national T&A strategy, the sector has created 70,000

jobs and generated more than EUR800 million in additional exports.

How was 2019 for the textile sector?

After recording an average annual growth rate of 5% since 2012, exports of Moroccan textile and garments to Europe stagnated in 2019, which can be explained by the less preferable market access conditions granted by the EU to Moroccan exports in comparison with countries such as Turkey and some Asian and African nations, which enjoy duty-free access to European markets.

What can the government do to improve relations with the EU?

We have been trying, for almost a decade now, to get more favorable access conditions to EU markets. Indeed, countries from Asia or Turkey can export garments to the EU without paying duties regardless of the origin of the fabric used to manufacture them, while Moroccan garments pay duties on their FOB prices if the fabrics used originate from outside the Pan Euromed region. This means that duty is paid not only on the imported fabric, but also on the added value generated locally in Morocco, which is unfair. Fully aware that any change in the rules of origins with the EU has to be decided at the political level, members of the Moroccan government have showed their support for our position and have started talks with European officials to help turn the tide in our favor and level the competitive playing field.

What sustainability initiatives are you implementing?

Morocco embarked on a sustainability path several years ago when we made

our first 100% Made in Morocco 100% sustainable denim collection. The industry made several investments in equipment allowing for a more sustainable way of production, and factories are increasingly considering renewable energy alternatives to reduce their energy bills. In addition, projects are being launched to establish a recycling ecosystem in the T&A industry to close the loop, reduce the impact of our production on the environment, and offer brands and retailers sustainable production alternatives.

What are your goals for 2020?

Earlier this year, I could have responded with all confidence. Unfortunately, with the COVID-19 pandemic inflicting on our industry worldwide what could be qualified as the worst blow in its history, our goal today for the remainder of 2020 is first damage control. Then, depending on how things evolve with the pandemic in Morocco and the rest of the world, we'll adjust. The Moroccan T&A will be there when COVID-19 is defeated to stand by its international partners and relaunch our industry together. ✖

BIO

Fatima-Zohra Alaoui is the General manager of AMITH. Prior to that, she worked in the field of strategic consultancy, in banking and in business intelligence. She holds a PhD in economics from Lancaster University in the UK.

VOICES FROM THE SECTOR



Mohamed Amine Lahlou
PRESIDENT,
ELIDE FIRE MOROCCO

What makes Elide Fire unique?

It is an environmentally friendly product that can save lives without anyone being present. It is an extremely innovative product. No one has ever been able to extinguish a fire with a conventional extinguisher. With conventional extinguishers, you are told you have to come within 1.6m of the fire. It is almost impossible for people without protection to come that close. The fire ball, however, can be thrown from 10-15m away without any problem. Even if no one is there, it will explode and extinguish the fire instantly. The big advantage is that it is passive prevention without an obligation to be there. One might be sleeping or out of the house; once there is a fire, the ball is activated and extinguishes the fire instantly.

Who are your key partners in Morocco?

We have OCP, which is extremely important in Morocco, as well as Agentis, one of the largest hospital builders in Africa. It equips and builds hospitals in Africa. We also have Petromin, an oil tanker, and we are in the final stages of completion with many companies such as BMCE, Société Générale, and Spab, which is in concrete. We are present in all fields. We also work for SCIF, which builds wagons and all the ONCF railways. Our goal is to equip as many companies and homes as possible to make everyone safer.



Ibrahim Slaoui
PRESIDENT,
MAFODER

What role does innovation play in the development of your business?

We do a great deal of product development because bringing in new products with better performance to the market is necessary to remain the leader. We regularly introduce products that meet ISO standards and actually solve problems for end users. We entered the prefabricated concrete business because the construction of underground networks, under the manhole covers we manufacture, was of poor quality. Instead of pouring concrete on site to build the manholes, they would be prefabricated in a factory. This was a revolution since we brought a standardized solution for an equipment that could be installed on construction sites with efficiency, ease, and a proven quality. It helped us strengthen our position in the market because we were combining our services into a more integrated approach and solution. In terms of urban furniture, we did the shelters for the Casablanca tram, which was a big project for us. We transferred our know-how of foundry and concrete to this new business line thanks to our experience in material shaping. For the replacement market in Morocco, the market for steel castings is extremely fragmented. Most of the time, when a customer brings in a new replacement part to manufacture, we have to take the measurements and create the drawings and then cast, machine, heat treat, validate, and test the parts. To better serve our customers, we have developed rapid prototyping techniques in order to reduce time to market.

Mohamed Benamour
CEO,
BENSON SHOES

How would describe the current business climate?

It has been the hardest experience so far, and I have had to completely change the direction of our business. When my father created the company in 1963, we were making only military boots and had only one customer, the army. We later diversified into safety shoes and became number one in Morocco for 10 years by working with heavy industries (OCP was one of them). After that, Morocco signed free trade agreements, and it became harder to sell such shoes, as there was competition from China and other countries. This was the second difficult period, so we underwent a second diversification. When selling such high-quality shoes, you need the best suppliers, techniques, and machines. Without a good product, you can forget about everything else.

How can you improve your overall situation?

We have a solid base and have franchises in Belgium and Tokyo and are starting to create a nice small story. We also have franchises in Ivory Coast and Algeria, so we do have all the ingredients required to grow. However, establishing a brand also requires stores and partners, and retail is not my business. More than funding, we need partners who know how to deal with local partners. We know some markets extremely well, for example Germany, which we have been in for a long time; however, for other markets we have no experience other than what we see and hear.



Mohammed Azzeddine Abaakil
CEO,
SADET

How do you stay innovative in this rapidly changing environment?

What we sell in innovation are new constructive methods that people have not used before. For traditional houses, we started with the use of prefabricated products. We have started to make beams and frames completely in concrete, although this is still based on R&D, both in product quality. For each project, we do research to find the best construction method. We build each project with this objective in mind.

What is your opinion of the current state of industry today?

The sector has grown considerably. Apart from us, who are the precursors, many companies have launched into prefabrication, namely manufacturers and SMEs. However, the development of prefabrication is currently hampered by three issues in Morocco, and it is up to the public authorities to settle the question on a legal level. The first problem is the tax on cement, which makes it extremely expensive. The second point is that the state has not put an end to the informal sector, which represents around 40% of the market. According to the Ministry of Housing, nearly 50% of individually constructed dwellings measuring less than 250sqm are exempt from VAT. The third point is the control office; in Morocco, there are perhaps three times more control offices than in France. As a rule, the control offices in Morocco take around 15% of the cost of building something, which is also a handicap. The sector has a future, if the Ministry of Industry manages to put an end to these elements.

Victor Elbaz
DIRECTOR,
CENTRALE AUTOMOBILE
CHERIFIENNE (CAC)

Could you give us a brief introduction to the company?

CAC is a family business that we started more than 50 years ago in 1950. We are one of the oldest importers of motor cars in the world and have developed our activities in that through three generations of the family. We have gone through several periods and truly started our real automobile business in 1990, when the market opened up completely and became a free market. We are competitive in all our brands since there are no taxes on European cars. It is an extremely competitive market with all the brands, and there is a level of business that is extremely sophisticated.

Where do you position yourselves in the market?

We lead the premier market. With Volkswagen, for example, we are selling more Touareg than Polo because we are not competitive with the Polo. However, we are extremely competitive in the Touareg market. Approximately 50% of our revenue comes from Volkswagen, 25-30% from Audi, 15% from Skoda, and the remaining 5% from Porsche and Bentley, which are extremely sophisticated markets. I can see a shift toward more expensive cars, whereby in the past people only used to buy used and old cars, though they tend to buy better cars. We sell more Touareg from Volkswagen than Polo because they cannot beat the small car markets from Renault and Peugeot. We cannot cut prices that much.

Faouzi Belgharbia
GENERAL DIRECTOR,
ATLAS COPCO MOROCCO



What aspects of the Moroccan market appeal to you?

Atlas Copco is renowned around the world as a manufacturer of compressors. We manufacture stationary and mobile compressors. We supply compressed air solutions to all the sectors. In Morocco, we mainly supply compressed air solutions to the automotive, aeronautics, food processing, pharmaceutical, oil and gas, and manufacturing sectors. OCP Morocco is one of our largest clients. Other main clients include Danone, Renault, Peugeot, and Siemens. We supply Siemens with equipment for its windmill blade factory in Tangier and many of the aeronautic subcontractors such as LaFarge. Our plan is to further push our eco-friendly equipment and develop our value proposition in terms of energy consumption and efficiency.

Do you have any R&D operations in Morocco?

We are strong in R&D as innovation is one of the most important activities in the group. We believe that we should always be on the top of the innovative scale. We do not manufacture anything in Morocco; we import our equipment. One of our main factories is in Belgium. A few years ago, we created a new group for mining equipment for underground and surface mining production. This led to the creation of a new legal entity in Morocco called Epiroc. The main factory from which we import our equipment is in Antwerp, Belgium, but we also import from our factories in China, Brazil, and India.



Fernando Bernabé García
MANAGING DIRECTOR,
VOLVO MAROC

What have been your main achievements in Morocco?

Volvo Maroc is a Moroccan company owned by AB Volvo Group, a Swedish company that manufactures trucks, buses, engines for industrial applications, and construction equipment in a number of international markets. In Morocco, Volvo mostly deals with trucks and buses. Private partners we cooperate with handle the rest of the activities. From Morocco, we also handle the entire North African region. Our main markets in the region are Morocco and Tunisia.

How would you evaluate the transport sector in Morocco? What other sectors here are important for Volvo?

Historically, the construction segment has been quite solid, but in the last three to five years, we have started to see a decline in this area. International transport is growing quite steadily. In the past, it was mostly related to fruit, vegetables, and fish. Now, we are also witnessing an increase in automotive and textile sectors. Notably, Renault and PSA are committed to a high level of local integration, which means there is a need to develop a strong components industry locally. In Morocco, Volvo leads heavy duty market sales. The image and awareness of our brand is strong here, and our customers are fully satisfied. On the one hand, this makes us extremely proud, though at the same time, it means we have to continue improving the quality of our service to maintain our position in the market. This will only be the case if we succeed in keeping customers even more satisfied than they are today.

WORLD CLASS SOLUTIONS WITH AFRICAN DNA



SERVICES

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- Master planning & Architecture
- Design & Engineering
- Digital innovation
- Program / Project management
- Procurement and contracting
- Construction management
- Asset Management

1700
EMPLOYEES

100+
ACTIVE PROJECTS

Jesa is the largest engineering firm in Morocco, the world leader in the phosphate industry and an African leader in various sectors covering industry, infrastructure, urban development and consulting.

With a strong presence in Africa, JESA is engaged in very complex projects and provides a holistic service offering across asset life cycle, devoting special attention to cost optimization, quality excellence and uncompromising safety standards.



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ahead of THE PACK

DOLIDOL is keen to diversify its markets and businesses and invest in other projects to remain the market leader.



Jalil Skali
GENERAL DIRECTOR,
DOLIDOL

Can you give us an overview of the company?

We are a family company, established almost 50 years ago. We used to be focused only on industrial activity, but we are now involved in several activities divided by separate groups. One is Groupe Palmeraie Développement, which is involved in real estate, hotels, leisure, golf, and the like. It is different from the second group, Palmeraie Industry and Services, which has four separate activities: industry, for which I am responsible; mining; education; and agriculture. Industry represents the largest part of the group, and we continue to develop it in Morocco. One of our strategies is to look into other countries, and our other strategy for Morocco is to invest in new activities. This is why we started our automotive business here, which has been operating for seven years. We supply Renault and Peugeot Morocco with filaments and some foam pieces. We started a JV with a Spanish group called Jobelsa Automotive to produce covers for cars solely for export. As a company, we are far surpassing the growth of Morocco, which stood at 2.4% in 2019, and we are almost at double digits. We have had double-digit growth for the past two years, and for the last seven years growth has been over 6%. We have a strategy to focus not only on our core business, but to also start new businesses. We just started a new factory here, a recycling project where we transform plastic bottles to fibers.

Can tell us more about your activities in the agriculture sector?

It is a new sector for us. I am not managing it. An investor acquired some shares and invested USD20 million in the company. In our case, we received almost USD30 million from the UK. With agriculture, we are mostly involved in fruit, such as strawberries, raspberries, and blueberries, for export, mainly to Europe. This is a segment that we have received investment in. We

are also developing a Moroccan type of date.

How have technology and innovation affected your operations in Morocco?

We have tried to imagine how AI could affect our business. In the future, it will replace everything. When we compare ourselves to European companies, we are at the same levels. We signed a license with Sealy, which is the worldwide market leader, to be the licensee in Morocco and the region. It is working in the same way we are doing here. Technology will not have a big effect on the business in the near future. Perhaps beyond that, people are considering putting sensors in mattress to analyze how people sleep through the night. We have made some technological advancements in distribution. We started with a website about four years ago. There is still a small turnover, but the next generation will only buy their mattresses and furniture online. In terms of production, for a Moroccan sofa, for example, we are able to deliver an order for a customized sofa in the same day if the order is made before 10 a.m. This has been enabled by technology.

How would you evaluate the Moroccan resource pool in terms of R&D?

We have more than 2,000 employees. For us, R&D is a strong part of our strategy. We have succeeded in the past because we invest in R&D. We have a big showroom to display our new products to our customers and distributors. We entered into a soft partnership with Dow, one of the biggest chemical companies in the world. We signed a partnership to have its service center and R&D department here. In 2018, we introduced in Africa the first mattress that repels mosquitoes, and we obtained a trademark. These developments are important to the country and continent, which is why we continue to invest in R&D. ✖

***Supplying
Renault and
Peugeot***

***JV with Jobelsa
Automotive***

***More than 2,000
employees***