

# **Morocco: Drivers of Economic Growth**

4 December 2010

Jean AbiNader, COO

Moroccan American Center

# Five Key Ingredients

- Government policies
- Infrastructure
- Location/outreach
- Institutions
- Entrepreneurial/human resources

# Government Policies

- King Hassan II recognized that growing population challenged government's ability to generate sufficient economic growth to meet job needs
- Started privatization, higher expenditures on education and infrastructure in the 90s
- Continues under King Mohammed VI with mixed results although large degree of effort and expenditure

# Policies

- Leadership at the top does not necessarily translate into bureaucratic commitment or will
- Having legislation does mean needed enforcement
- Morocco continues to have lower rankings on Transparency International and World Bank “Ease of Doing Business”
- Center for Regional Investment (RICs) are uneven in service delivery
- Need to build pro-investment incentives for smaller projects, <20 million MDH

# Infrastructure

- Flooding in Casablanca in Nov 2010 illustrates scope of need – uneven services across the country
- TMSA, Dakhla ports are the good news, as is the high speed rail, growth in paved roads, continued privatizations, licensing of private colleges and universities, and legal reforms

# Needs

- Judicial reform must include overhaul of commercial laws and provide extensive training for lawyers, judges, court officials, law enforcement officers charged with administration of the law, down to inspectors, analysts, and others who support the legal system

# Location/Outreach

- Geo-strategic position is a huge asset for markets North, South, and East – should not overlook importance of Central/West Africa
- Stability of region depends on economic growth creating jobs
- Morocco cannot be overlooked in assessing Maghreb markets

# Strengths

- Trade agreements, if utilized aggressively, are a major instrument for economic growth
- Morocco also benefits from inclusion in EU energy agreements and transit links

# Institutions

- Pension funds are major players; however, should break down projects into smaller portions to attract local investors and contractors
- Banks are growing stronger and smarter
- Lack of strong R&D capacity is troubling as is need for universities to recalibrate curricula
- Hassan II Foundation helpful in attracting major projects

# Entrepreneurial & Human Resources

- Moroccans have proven their abilities globally.
- Money makes money – need to expand venture capital and private equity capacity and engines to support entrepreneurs without excessive requirements
- As investments increase, Moroccans will play larger role as partners

# Finally

- Thanks to AMPA for its good work and relentless promotion of Morocco
- This presentation are my perspectives and do not necessarily reflect those of MAC
- We are ready to serve and assist companies with specific interests in business/investment in both directions:  
[jabinader@moroccanamericancenter.com](mailto:jabinader@moroccanamericancenter.com)