



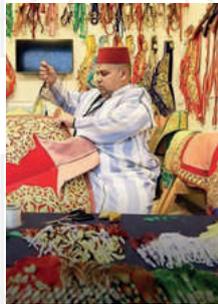
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TANGER - TĒTOUAN - AL HOCEIMA



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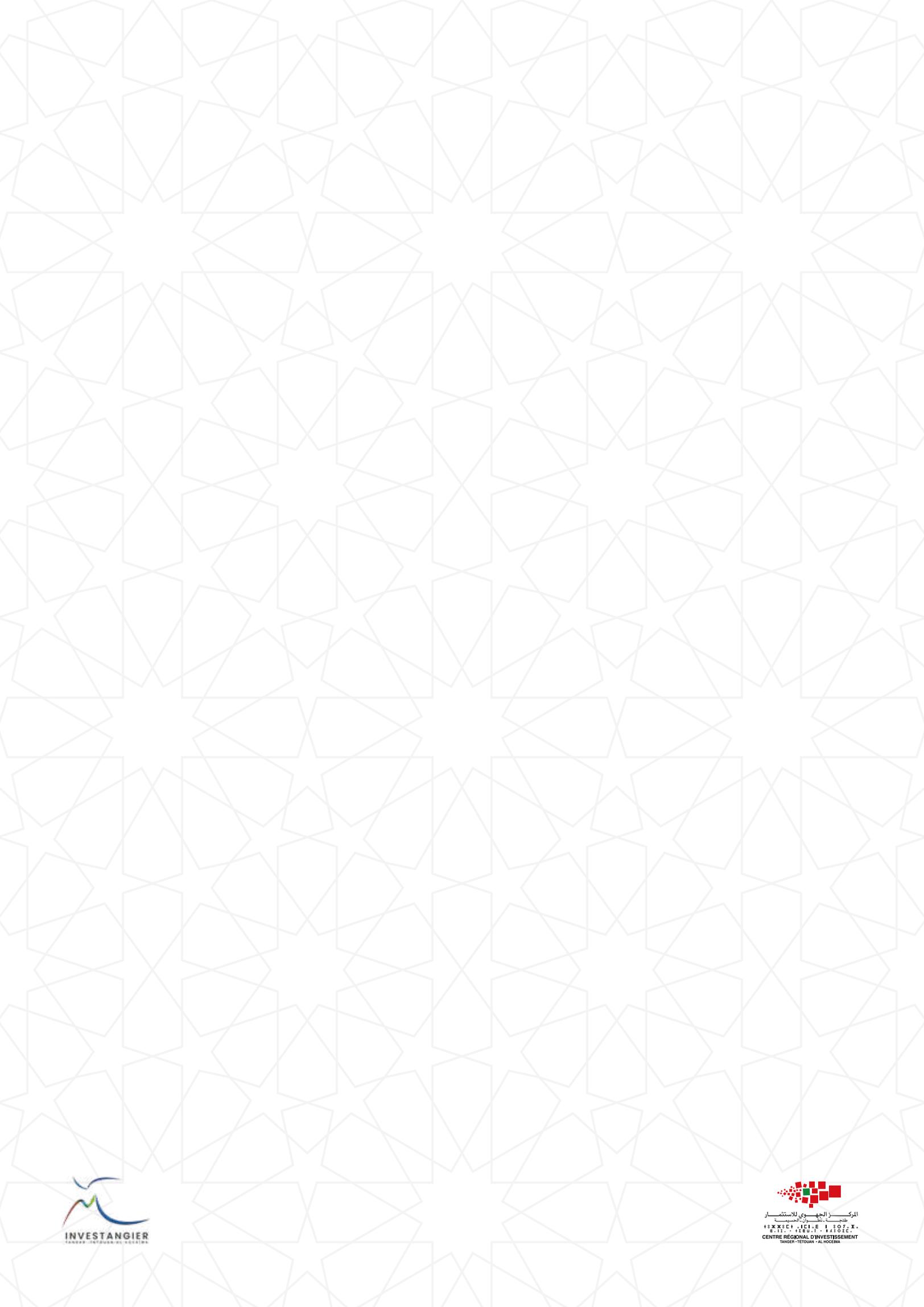


# INVESTORS GUIDE TO TERRITORIAL OPPORTUNITIES



Region

Tangier | Tetouan | Al Hoceima





كَرِهْتَ أَبْلَاةَ الْمَلِكِ مَتَمَّ السَّلَامُ مِنْ نِكْرِهِ إِلَهْ



## Territorial Offer of Opportunities, Investment, and Support

Morocco, with the clairvoyant vision of HIS MAJESTY KING MOHAMMED VI, MAY GOD BLESS HIM, places great emphasis on entrepreneurship as a key lever for social and economic development and an essential factor in creating job opportunities and added value.

It has therefore put in place several mechanisms to support entrepreneurship and investment and actively promotes any support initiatives from the public and private sectors, as well as civil society, that could further contribute to this dynamic.

Accordingly, considering the tremendous potential for business opportunities in all areas of activity in the Tangier-Tetouan-Al Hoceima region and in line with the efforts to enhance the territorial offer and encourage investment, including the release of the first regional guide to financing mechanisms for businesses in February 2022, the CRI of Tangier-Tetouan-Al Hoceima has expanded its support materials and now provides entrepreneurs with a guide titled «Territorial Offer of Opportunities, Investment, and Support»

This collaborative project was realized in partnership with all the actors mentioned herein and with the particular support of the Governors of the Provinces and Prefectures of the region, Tangier Med Zones, the CGEM, the regional management of ANAPEC Tangier - Tetouan - Al Hoceima and the AFEM. It includes a databank of turnkey projects and outlines a map of support actors involved in the entire chain of value of entrepreneurship.

It aims to direct investors towards new investment niches and to facilitate access for project holders to information relating to the support services provided by the specialized bodies in the field, each according to its scope of intervention.

The first edition comprises 50 comprehensive project sheets and 62 support services covering the entire value chain for project holders. These are provided by public and private organizations and are described practically, listing information on: the target, sector in question, eligibility criteria, and contact details.

The CRI also puts at the disposal of investors its new community digital platform of support «Manar Al Moustatmir». This platform serves as a one-stop-shop for all types of support requests from investors. Manar Al Moustatmir is an interactive platform that is designed to provide customized support programs to meet the needs of each investor, supported by the contribution of all partners.

With this new guide, investors and project holders alike will be able to find their feet in the world of entrepreneurship and discover all the necessary tools for the success of their projects.

The CRI will update this guide on a periodic basis, incorporating any new opportunities that emerge and other support initiatives.



**JALAL BENHAYOUN**  
General director of CRI TTA

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Culture and science park  
Seaside resor  
Mini Ski resort in Chekrane  
Guesthouse in the mountain  
Leisure boating and craft rental agency  
Tourist holiday village (Club Biladi)  
Residential tourist complex

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ANAR منار المستثمر  
AL MOUSTATMIR  
Plateforme communautaire d'accompagnement aux investisseurs

# أول منصة رقمية مجتمعية لمواكبة المستثمرين و حاملي المشاريع

1<sup>ÈRE</sup> PLATEFORME DIGITALE COMMUNAUTAIRE  
POUR L'ACCOMPAGNEMENT DES INVESTISSEURS  
ET DES PORTEURS DE PROJETS



[HTTPS://MANARALMOUSTATMIR.MA](https://manaralmoustatmir.ma)



## THE FIRST COMMUNITY PLATFORM OF SUPPORT FOR INVESTORS MANAR AL MOUSTATMIR

As part of its missions related to contributing to the implementation of the State policy on development, incentives, promotion, and attraction of investments at the regional level, as well as comprehensive support for businesses, including micro, small, and medium-sized enterprises (MSMEs), The Regional Investment Center of the Tangier - Tetouan Al Hoceima region expands its service programs for investors and project holders by introducing the first digital community platform for support: «Manar Al Moustatmir»



Being the product of the partnership agreement signed between CRI TTA and PORTNET S.A. in August 2021, the development of this new tool is a response to the expectations of investors and idea holders in terms of guidance and support throughout the value chain and the life cycle of a project. It is intended to be:

**Community-based** : linking all the actors operating in the entrepreneurial and investment ecosystem;

**Transparent** : Tracking the course of the support process;

**Interactive** : Between CRI TTA, supporting partners, and project holders;

**Personalized** : Offering customized support and pre-set programs;

**Informative** : on the support services available as well as on all the support requests submitted by investors in the form of an updated, unified database accessible to all partners

Manar Al Moustatmir enables investors and project holders who need specific support to submit, track and manage their requests digitally.

The platform provides users with both standard and customized support services, which are determined based on the results of an identification and profiling survey conducted by the investment ecosystem during registration. This way, investors and project holders can get in touch directly with the relevant support provider, follow the progress of their project and evaluate the services offered by each partner.

As such, Manar Al Moustatmir reinforces the synergy and complementarity of efforts deployed by the various support and financing organizations, whether public, private, or civil society. Manar Al Moustatmir is a virtual one-stop shop dedicated to the support of project holders and investors.

The platform is available on the link [www.manaralmoustatmir.ma](http://www.manaralmoustatmir.ma) and provides access to our various assistance and support programs for investment and entrepreneurship projects!



To access Manar  
Al Moustatmir



A promotional  
video of the  
platform

# 2

## TERRITORIAL OFFER OF INVESTMENT OPPORTUNITIES



As part of its mission to provide economic incentives and promote the region's investment offers, the Regional Investment Center of Tangier - Tetouan - Al Hoceima has compiled a database of turnkey investment projects, designed to highlight the richness and diversity of the region's sectors and territories.

Accordingly, a strategic diagnosis of the region's economic landscape was made beforehand, adopting a participative and inclusive approach and involving the various players in the region via a regional tour. The aim of which was to identify the region's strengths and opportunities, as well as to highlight the challenges it faces in terms of socio-economic development.

The identification of new investment opportunities involves four main components:

- ◆ Import substitution, by identifying the main products imported by the Kingdom, whether for final consumption or for processing, thereby encouraging local production.
- ◆ Demand, both national and global, so as to place the region's economic activity in high-potential areas and to enable it to meet the various needs identified in the territorial diagnosis.
- ◆ Integration of value chains, by identifying opportunities related to missing links in national value chains. Therefore boosting local integration rates and, at the same time, reinforcing the competitiveness of Moroccan supply and the management of supply chains.
- ◆ Collective reflection, in a collaborative framework with the various local players, to respond to the specific challenges of each region and identify high-potential niche projects based on the strengths of each territory.

As such, the CRI TTA provides investors with a comprehensive database of opportunities for 50 turnkey projects, arranged by sector of activity and territory.

The implementation of these projects will not only strengthen the region's overall offer (serving both national and international markets), but also its appeal in a number of sectors (e.g.: boosting tourist accommodation capacity), in addition to increasing local integration rates by strengthening local value chains, upgrading the skills of the regional workforce, developing cross-sector synergies, etc.

This project's databank will be updated on an ongoing and continuous basis by our teams, so as to offer investors business opportunities more in line with market trends.

# AGRI-FOOD SECTOR



- Industrial flour mill
- Industrial unit for couscous
- Industrial unit for fig processing
- Unit for processing red fruits
- Industrial unit for olive oil
- Biscuit factory
- Industrial unit for sunflower oil

8  
11  
14  
18  
22  
25  
28



# AGRI-FOOD SECTOR

# 710 760 ha Representing 44%

of UAA\*

\*utilized agricultural area

of the regional territory

## A STRATEGIC INDUSTRY IN THE MOROCCAN ECONOMY

# 7,6%

GDP

# +1 700

Businesses

# 25%

Industrial plants

## REGIONAL POSITIONING WITH HIGH POTENTIAL



**Developed and diversified agricultural sector**



**Prominent reputation of certain products, especially in export markets**

Such as olive oil, red fruit, dried fruit, ...



**Appealing territory for investors**

In particular, the Loukkos agropolis in Larache, with a total surface area of 150 ha and a budget of 457 M MAD, generating economic returns estimated at 3.5 billion MAD, with the potential to create 7,500 jobs.



**Existence of a trades and skills center**

With a division dedicated to agriculture and agro-industry aimed at reinforcing the region's human resources with regard to this sector

## REGION WITH REAL POTENTIAL FOR THE DEVELOPMENT OF THE SECTOR

- Developing the regional agri-food offering
- Strengthening the exportable supply of agri-food products
- Consolidating the regional industrial ecosystem
- Integrating the entire sector value chain
- Promoting a range of products targeted at the Organic markets

## THEY PUT THEIR TRUST IN US



# Industrial flour mill



AGRI-FOOD SECTOR



EAZ of Ouezzane

## PROJECT DESCRIPTION

The unit is primarily intended to add value to local cereal production. Despite its large grain production, the province of Ouezzane has no industrial flour mills.

HS Codes\*: 11



## CONTEXT OF THE PROJECT OPPORTUNITY

### General characteristics of the setting

Regional grain production that has potential for valorization. During crop year 2018-19, the province of Ouezzane produced 37.1 thousand tons of durum wheat, 50.8 thousand tons of soft wheat, and 23.7 thousand tons of barley.

- Morocco is Africa's second-largest wheat producer
- There are 12 industrial flour mills in the region, none of which are located in the province of Ouezzane (4 in Tangier, 3 in Tétouan, 3 in Larache and 2 in Al Hoceima).
- There are traditional flour mills and hence a certain degree of local expertise.

### Industry characteristics

- This industry is conditioned by the rising cost of grain as a result of the Ukrainian crisis and rising global freight prices (in 2022, a tonne of wheat will cost 3,400 Dhs, compared with 2,600 Dhs in 2021).
- This industry is subsidized by the State given its importance in terms of supplying the population with food (subsidy program for national soft wheat flour, with an estimated budget of 3.8 billion Dhs).

### Market characteristics

- Flour is a staple product with strong national and international demand.

## PROJECT PROFILE

### Product characteristics

- Low-complexity production process.
- A wide range of flours and semolinas.
- This product must be packaged with care due to its sensitivity to various storage conditions (humidity, etc.).
- A 5-stage production process: Grinding,

sieving, sifting, converting and packaging.

- Certain flours are proofed to reduce their humidity.
- Flour production produces waste in the form of bran, which can be used as livestock feed.

### Product Complexity Index\*\* (PCI)

-1.22



### Requirements

- Land
- Unit construction
- Equipment : Cleaner-separator, destoner, de-awner, dampening screw, fluted roller mills, plansifter, sieve box assembly, aspirators with air circulation through the machine, smooth roller crushers or converters.
- Electrical installation suitable for powering high-power motors.
- Combustion systems for heating and proofing

## FINANCIAL INDICATORS OF THE INVESTMENT

### Potential investment cost

~10 to 20 million MAD for a production of 80T per month

### Potential turnover

~20 to 50 million MAD

## BENEFITS OF THE INVESTMENT

### The main benefits of the investment

#### Exemptions and subsidies

- Flour intended for human consumption is exempt from VAT.
- Subsidy program for national soft wheat flour.
- Support systems provided under the investment charter.

# Industrial flour mill

## Training aid

- «IDMAJ» program / «TAEHIL» program
- The National Flour Milling Federation (FNM) offers continuous training for the entire grain industry.

## Funding\*\*\*

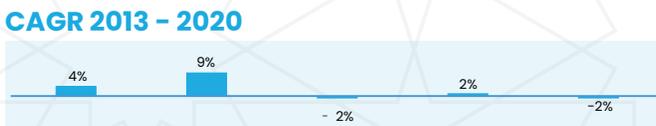
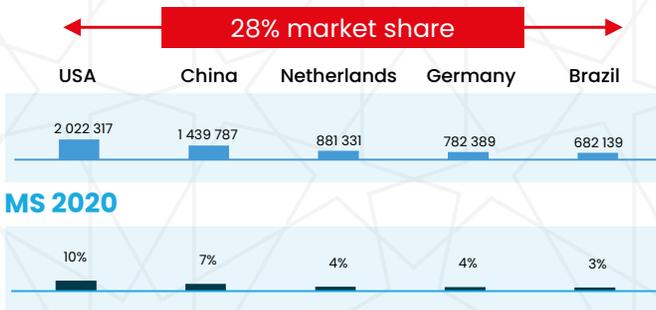
- Programs launched by TAMWILCOM
- Green Invest

## TRADE

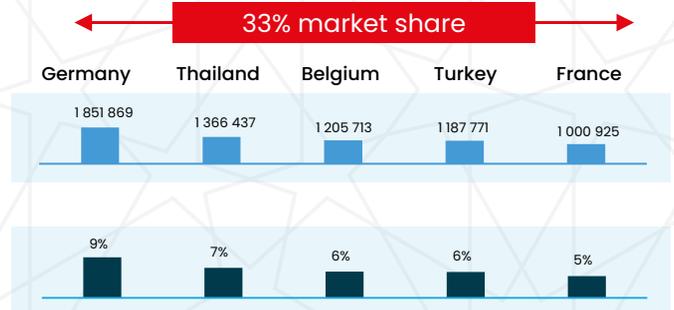
- In 2020, Morocco imported the equivalent of \$19.7 million in milling products and exported the equivalent of \$4 million. The vast majority of national production is directed to the local market.
- Flours are imported to a limited extent by the Kingdom, due to national production capacities. The sector's most imported products are processed grains other than flour (hulled, flattened, flaked, pearled, sliced or crushed, etc.), malt (even roasted) and non-cereal flours and semolinas.
- Existence of an autonomous body to control and coordinate Moroccan agri- food exports: Morocco Foodex.



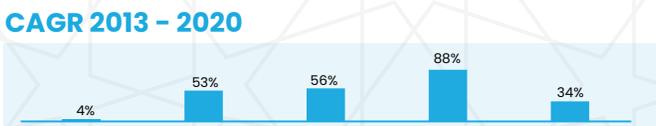
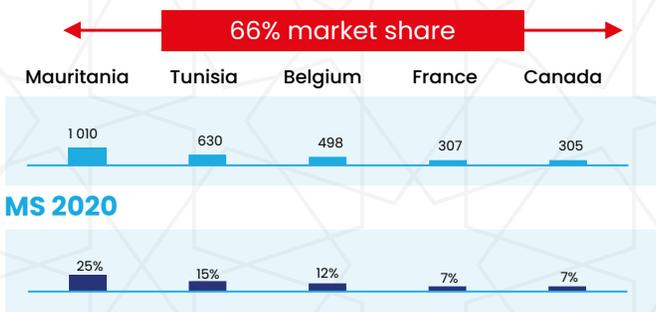
Major importers -World 2020 -Thousands of USD



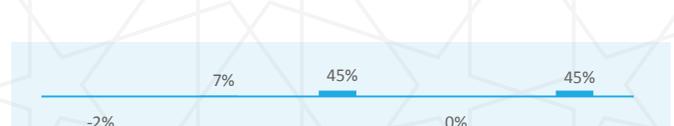
Major exporters -World 2020 -Thousands of USD



Major importers - from Morocco - Thousands of USD



Major exporters -from Morocco -Thousands of USD



# Industrial flour mill

## MAJOR NATIONAL AND INTERNATIONAL COMPETITORS

### Competitors in the territory\*\*\*\*



\*\*\*Non Exhaustif



### International competitors



Germany



Thailand



Belgium

## SWOT MATRIX OF THE INVESTMENT OPPORTUNITY



### Strengths

- Considerable cereal crop capable of providing the necessary inputs for the flour mill.
- Subsidized basic necessities.
- An accessible level of technical expertise.



### Weaknesses

- Dependence on international raw material prices and transport costs. Morocco is a major importer of cereals.
- Production requires compliance with sanitary regulations.
- Packaging requires special attention.



### Opportunities

- Absence of industrial flour mills in the province.
- Strong national and international demand.
- Agricultural aggregation.



### Threats

- Strong national competition.
- Ukrainian crisis impacting international grain costs.



\* The Harmonized Commodity Description and Coding System, or Harmonized System, is an international nomenclature developed by the World Customs Organization to classify products in international trade.

\*\* :The Product Complexity Index (PCI) reflects the diversity and complexity of the expertise required to produce a product. This complexity index is calculated for wheat flours.

\*\*\* For more information on funding mechanisms, consult the CRI Funding Guide.

\*\*\*\* Non-Exhaustive

# Industrial unit for couscous



AGRI-FOOD SECTOR



- Province of Ouezzane
- Province of Larache (Loukkos Agropolis)

## PROJECT DESCRIPTION

The creation of an industrial unit to produce couscous in the province of Ouezzane, as part of a plan to develop the province's grain production.

HS Codes\*:190240



## CONTEXT OF THE PROJECT OPPORTUNITY

### General characteristics of the setting

- Important grain production in the region.
- Production of grain in the province of Ouezzane (64% of cultivated area), with no industrial flour mills, amounted to 37.1 thousand tonnes of durum wheat and 50.8 thousand tonnes of soft wheat in the 2018- 2019 crop year.
- The weak provincial industrial fabric in certain provinces such as Ouezzane could be a potential source of investment opportunities.
- A good national and international reputation for quality agricultural and agro-industrial productions.

### Industry characteristics

- Secondary processing industry (wheat must initially be processed into semolina).
- A dynamic, fast-growing industry.
- A job-creating sector.

### Characteristics of demand and market

The consumption of this product is deeply rooted in Moroccan traditions and has a strong demand at national level.

- The product has a strong international reputation, with growing foreign demand (Moroccan couscous exports in 2020: 41 million dollars).
- Highly competitive domestic market (Dari is market leader on the Moroccan market)

## PROJECT PROFILE

### Product characteristics

- Couscous is the result of the agglomeration of durum wheat semolina and water.
- The semolina comes in a variety of sizes.

- Uses semolina made from soft wheat or durum wheat.
- 6 main production stages: Semolina wetting/mixing, Rolling, Baking, Drying, Cooling and Sorting.Calibrage.

### Product Complexity Index\*\* (PCI)

-1.03



(indice pour code SH 4 1902) \*\*

### Requirements

- Land: The land and the unit's construction
- Inputs : Semolina
- Equipment: fine semolina sifter - dough mixing machine - automatic refrigeration unit, electric control panel, complete belt or rotary dryers, various types of molds, cutting knives, refrigeration cabinet, kneading machine, rolling mill, tray trolley, baking trays, dosing press, conveyor belt, etc.

## FINANCIAL INDICATORS OF THE INVESTMENT

### Potential investment cost

~ 30 to 50 million MAD

### Potential turnover

~ 30 to 100 million MAD

### Gross profit margin

~ 15 à 25 %

# Unité industrielle de fabrication du couscous

## BENEFITS OF THE INVESTMENT

### The main benefits of the investment

#### Subsidies

- Support systems provided under the investment charter.

#### Training aid

- "IDMAJ" program
- "TAEHIL" program

#### Funding\*\*\*

- Programs launched by TAMWILCOM
- "TAHFIZ" program

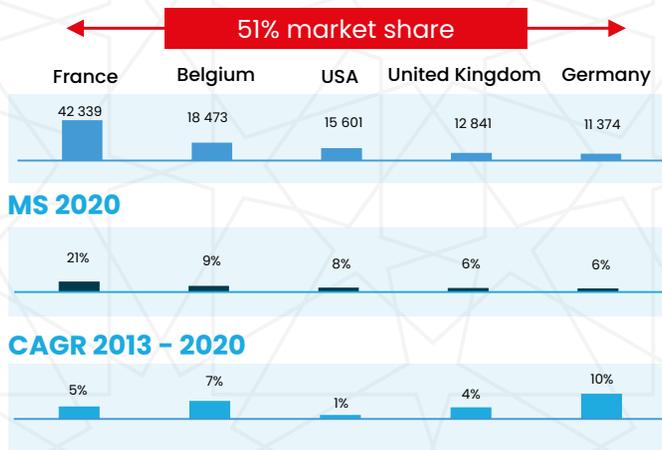
## INTERNATIONAL TRADE

- Moroccan imports of couscous are marginal. International competition on the local market is very low
- The balance of trade for Moroccan couscous exports is expected to be in surplus by more than \$41 million in 2020 and \$51 million in 2021.
- The existence of an autonomous control and coordination of Moroccan exports: Morocco Foodex\*\*\*\*.

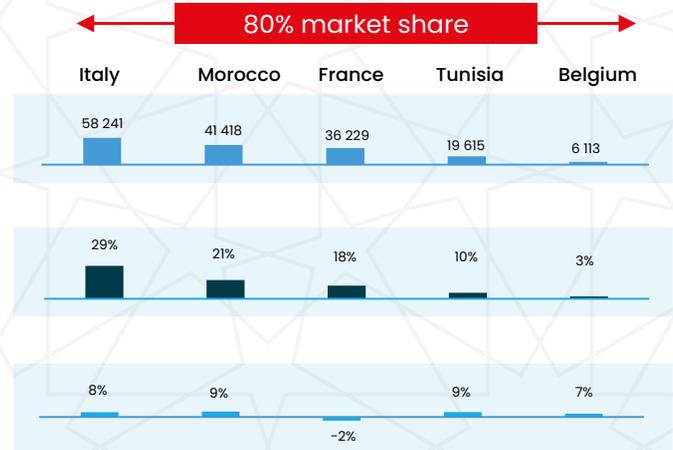
HS Codes\*: 190240



### Major exporters -World 2020 -Thousands of USD



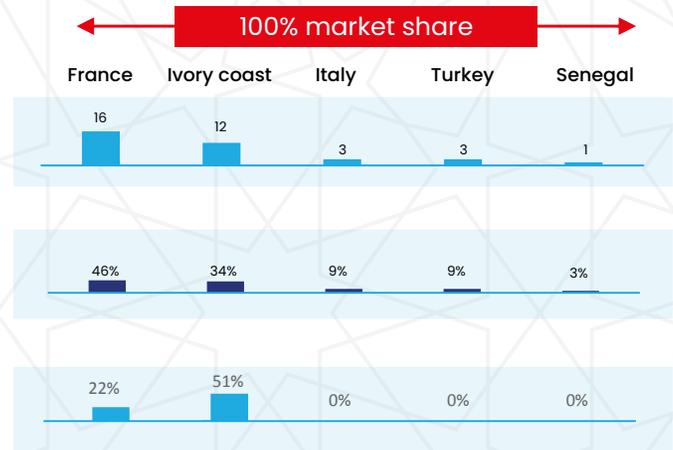
### Major exporters -World 2020 -Thousands of USD



### Major importers - from Morocco - Thousands of USD



### Major exporters -from Morocco -Thousands of USD



\* : The Harmonized Commodity Description and Coding System, or Harmonized System, is an international nomenclature developed by the World Customs Organization to classify products in international trade.

\*\* : The Product Complexity Index (PCI) reflects the diversity and complexity of the expertise required to produce a product.

\*\*\* : For more information on funding mechanisms, consult the CRI Funding Guide.

\*\*\*\* Morocco FOODEX facilitates and accelerates trade and particularly export processes, at the same time ensuring compliance with technical and industrial regulations, and the development of resources and human capital.

# Industrial unit for couscous

## MAJOR COMPETITORS

### Competitors in the territory



### International competitors



## SWOT MATRIX OF THE INVESTMENT OPPORTUNITY

### Strengths

- ✔ High regional production of wheat (basic input for couscous).
- ✔ A strong worldwide reputation for Moroccan couscous and national expertise (2nd largest exporter worldwide)
- ✔ Accessible, low-tech manufacturing process.

### Weaknesses

- ✔ Lack of industrial flour mills in certain provinces such as Ouezzane (semolina being essential for couscous production).
- ✔ Demanding standards in certain international markets

### Opportunities

- ✔ Global couscous consumption is on the rise, and exports show significant potential.
- ✔ Proximity to export hubs (Tanger Med).

### Threats

- ✔ Strong competition from national and international leaders (especially Italy).
- ✔ Morocco's dependence on imported grain (nearly 2.4 billion dollars imported in 2021).

## Industrial unit for fig processing



- Province of Chefchaouen
- Province of Ouazzane
- Province of Tetouan (Tetouan Park)
- Province of Al Hoceima (EAZ of Ait Kamra)

### PROJECT DESCRIPTION

Creation of an industrial processing unit for figs, a flagship product of the Tangier - Tétouan - Al Hoceima region. Cultivated in all the region's provinces over a total area of more than 24,300 ha, the valorization of this fruit presents a real opportunity to be exploited on both the national and international markets.



### CONTEXT OF THE PROJECT OPPORTUNITY

#### General characteristics of the setting

- A regional environment conducive to agriculture, the region boasts one of the highest rainfall rates in Morocco.
- An agricultural sector strongly supported by the State (water saving, acquisition of agricultural and irrigation equipment, etc.), and an existing, functional agricultural aggregation framework.
- High-quality regional infrastructure, especially for transport, and proximity to the Tangier-Med port, which is connected to more than 180 ports worldwide.
- The region's various industrial zones offer numerous advantages to investors. The provinces of Tétouan and Al Hoceima have operational zones, while 2 zones are in the process of becoming operational in the provinces of Chefchaouen and Ouezzane.

#### Industry characteristics

- A regional cultivated area of 24,300 Ha, for a production of nearly 600,000 Quintals and existing expertise, particularly with regards to drying figs.
- The provinces of Ouezzane and Tétouan have the highest yields in terms of production, at 51.4 and 44.7 quintals/ha respectively. Despite lower yields, Chefchaouen province is the leading fig-producing province in the region and second in the country (over 8900 ha of fig trees), after Taounate.

- A very wide range of cultivated varieties, and double cropping (twice a year), enabling a constant and diversified supply.
- One of the region's leading local products.
- Despite being one of the world's leading fig producers, Morocco's export position is weak, and domestic competition is low.

#### Demand and market characteristics

- A global market for fresh and dried figs worth \$767 million in 2021, with strong growth over the past 5 years.
- A global jam market (all fruits) worth over 3.9 billion dollars by 2021. The fig is a fruit that lends itself well to jam-making. This form of valorization presents an opportunity to be seized.

### PROJECT PROFILE

#### Product characteristics

- Fresh figs are rapidly perishable at room temperature, and can be refrigerated for up to a week.
- Drying is one of the main forms of processing practiced in Morocco. All fig varieties are suitable for drying, although white figs, which are richer in sugar and have a thin skin, are more in demand on the market.
- The fig treatment process requires a certain amount of technical skill, given the sensitivity of the product, from the moment it is picked.

## Industrial unit for fig processing

- Certification may be required for certain international markets, such as Europe.

### Requirements

- Land.
- Industrial unit and equipment depending on the type of processing: ovens and/or solar dryers for drying, material and consumables for pre-treatments (such as soaking and sulfitation), sorting and grading station, packaging station and consumables, etc.
- Sanitary authorization from the National Office of Sanitary Safety of Food Products (ONSSA).

## FINANCIAL INDICATORS OF THE INVESTMENT

### Potential investment cost

~ Between 15 and 100 million MAD, depending on production capacity and type of processing

### Potential turnover

~ Between 30 and 150 million MAD

## BENEFITS OF THE INVESTMENT

### The main benefits of the investment

#### Subsidies

- Support systems provided under the investment charter.

#### Funding\*

- Program launched by TAMWILCOM
- Mezzanine PME
- Green Invest

#### Training aid

- « IDMAJ » program
- « TAEHIL » program

«CAPEXPORT», launched by Morocco Foodex, offers support and guidance to small and medium-sized exporters in their various export initiatives.

## ORGANIZATION OF THE FIG INDUSTRY IN MOROCCO

- Existence of an Interprofessional Federation for the Fruit Growing Sector in Morocco (FÉDAM) and a Moroccan Interprofessional Federation for Fruit and Vegetable Production and Export (FIFEL).
- An agricultural aggregation structure has been set up in Morocco, benefiting various types of agri-food companies and farmers (including the fig industry). Agricultural aggregation fosters closer relations between industrialists (aggregators) and producers (aggregates), control of supply chains, higher input quality in line with the specific criteria required by agribusinesses, etc., in return for support from the latter for the benefit of aggregates (farmers) in their cultivation process.

## NATIONAL AND GLOBAL DEMAND

### National demand

- Strong national demand, particularly for fresh and dried figs. The local market absorbs almost all national production.

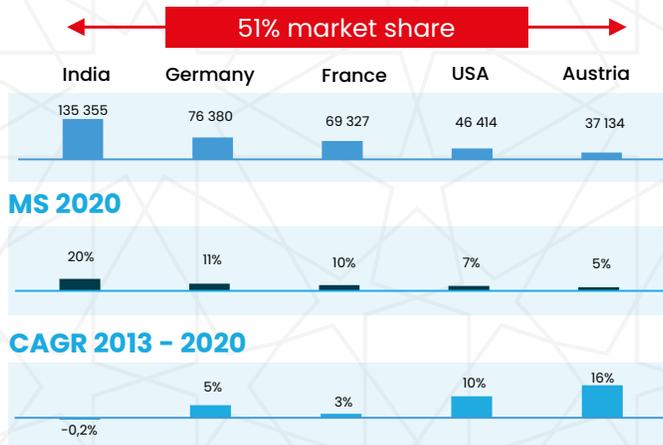
### International trade

- Morocco's international trade in fresh and dried figs, despite being one of the world's leading producers, is very low (as shown in the graphs below). The same export trend can be observed for jams. 63% of international demand for fresh and dried figs is met by Turkish and Afghan products.

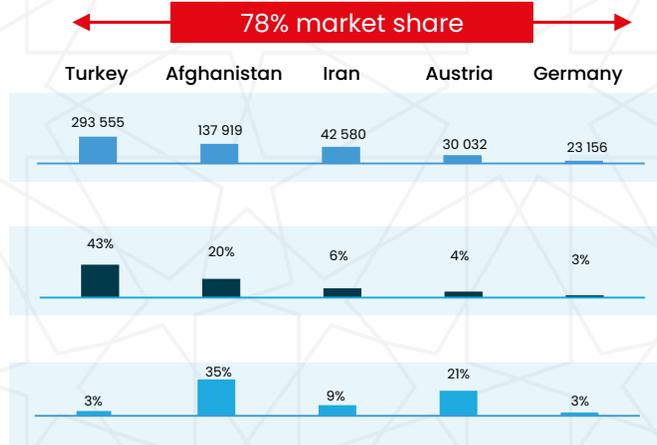
# Industrial unit for fig processing



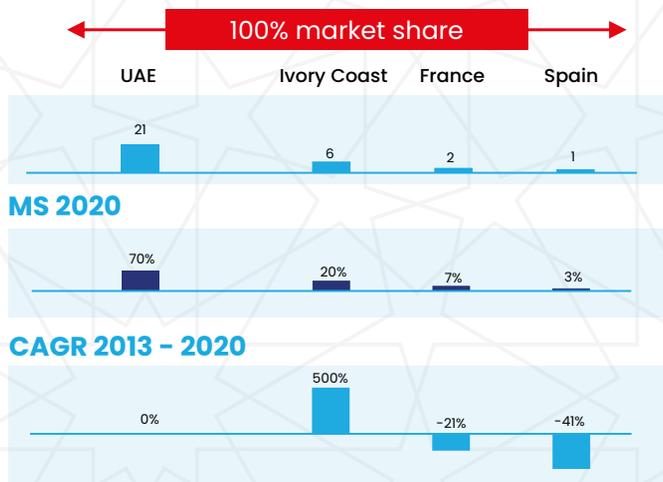
## Major importers -World 2020 -Thousands of USD



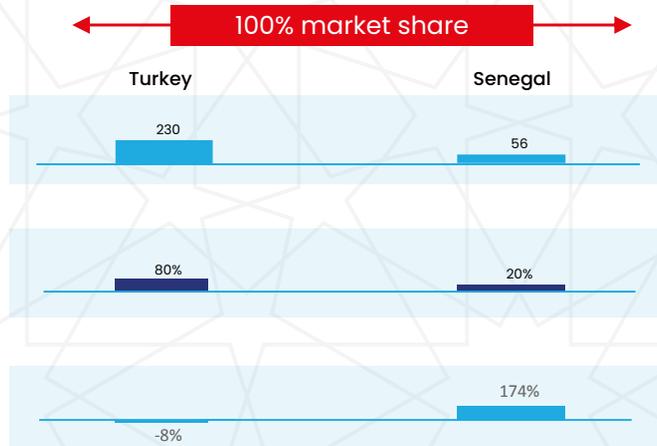
## Major exporters -World 2020 -Thousands of USD



## Major importers - from Morocco - Thousands of USD



## Major exporters -from Morocco - Thousands of USD



## Major international competitors\*\*



Turkey



Afghanistan

\* For more information on funding mechanisms, consult the CRI Funding Guide.

\*\* Depending on the location chosen, investors can also benefit from various advantages (EAZ, IAZ, IZ). In addition, agriculture in Morocco benefits from the various advantages offered by the Generation Green Plan (dedicated offers, including financial support, guidance, insurance and social coverage).

### SWOT MATRIX OF THE INVESTMENT OPPORTUNITY

#### Strengths

- ✓ Favorable regional climate for growing figs and close proximity to producers.
- ✓ Competitive, qualified regional workforce with expertise in fig drying.
- ✓ Accessible valorization process.
- ✓ Favorable geographic position, with close proximity to European markets.
- ✓ High-quality regional transport infrastructure and proximity to the Tangier-Med port (connected to over 180 ports worldwide).

#### Opportunities

- ✓ Growing global market.
- ✓ Weak national and regional competition regarding industrial units.
- ✓ Several industrial zones in operation or under development in provinces with high potential.
- ✓ Established Agricultural Aggregation System.

#### Weaknesses

- ✓ Rapidly perishable product, requiring rapid processing (especially drying).
- ✓ Poor positioning of Moroccan figs on international markets.
- ✓ Demanding clientele, especially export markets (requiring various certifications).

#### Threats

- ✓ Agricultural upstream subject to climate contingencies.

### PROJECT DESCRIPTION

Creation of a processing and/or packaging unit for red fruit, a fast-growing sector in Morocco, particularly in the Tangier-Tetouan- Al Hoceima region, which by 2020 should account for almost 23% of the country's cultivated area. The region's climate, proximity to growers, skilled workforce, quality infrastructure and a host of other advantages confirm the project's merits.



### CONTEXT OF THE PROJECT OPPORTUNITY

#### General characteristics of the setting

- A favorable environment for agriculture: the Loukkos basin covers an area of 256,000 ha and is one of Morocco's most extensively irrigated zones.
- The Loukkos perimeter is home to a large number of red fruit growers, who account for over 80% of national production. This production benefits from high-quality hydro-agricultural development: 3 large dams and almost 40,000 ha of irrigated land.
- A highly government-supported agricultural sector ( water saving, acquisition of agricultural and irrigation equipment, etc.), plus an existing, functional agricultural aggregation structure.
- Top-quality regional infrastructures, and proximity to the Tangier-Med port with the Tangier-Med port, which is connected to more than 180 ports worldwide.
- The Loukkos agropole is being put into operation. which will offer a variety of advantages to agri-food sector (land, taxes, etc.).

#### Industry characteristics

- A sector with high potential for processing (packaging, deep-freezing, transformation, ...), with sales of over 3.7 billion in 2019, and a growth in production of around around 4% between 2014 and 2020.
- A dedicated surface area for the industry growing at an average annual rate of 9% in the Loukkos perimeter between 2015 and 2020.

- Around twenty packaging and freezing and freezing units are present in the Loukkos perimeter.
- Agro-industrial units in the sector characterized by highly-developed technical capacity and managerial expertise, backed by the advantage of multiple certifications (Global Gap, SMETA, etc.).
- Various potential sub-sectors: fresh fruit, frozen fruit, syrups, jams, nectars, etc. Today, the fresh and frozen sub-sectors are predominant in Morocco.

#### Demand and market characteristics

- A regional and national market accounting for almost 10% of production. The remaining 90% goes to export markets.
- Distribution of national export rates: 55% of total strawberry production, 90% of raspberry production and 95% of blueberry production.

### PROJECT PROFILE

#### Product characteristics

- Rapidly perishable products in the fresh fruit sub-sector.
- Various potential sub-sectors: fresh fruit, frozen fruit, syrups, jams, nectars and juice ...
  - Upstream agriculture has to be of the highest quality: the main export markets demand high quality standards (Global Gap, SMETA). Many other certifications exist, such as GRASP, Nurture or BRC. The supply of plans to producers may also be possible.
  - A low and accessible level of technical expertise for products derived from red fruit.

### Requirements

- Land.
- Industrial unit and equipment depending on the type of processing: refrigerated rooms (positive and/or negative), packaging station, centrifuges, sieves, dosing-capping machines, cooking tanks, pasteurizers/autoclaves, various consumables, etc.
- Health authorization from the National Office for Food Safety (ONSSA).

### FINANCIAL INDICATORS OF THE INVESTMENT

#### Potential investment cost

~ 30 to 150 million MAD depending on production capacity

#### Potential turnover

~ 50 to 200 million MAD

#### Gross profit margin

~ 20% to 30%

### BENEFITS OF THE INVESTMENT

#### The main benefits of the investment

##### subsidies

- Support systems provided under the investment charter.

##### Funding\*\*

- Program launched by TAMWILCOM
- Mezzanine PME
- Green Invest

##### Training aid

- « IDMAJ » program
- « TAEHIL » program

\* Depending on the location chosen, investors can also benefit from various advantages (EAZ, IAZ, IZ). In addition, agriculture in Morocco benefits from the various advantages offered by the Generation Green Plan (dedicated offers, including financial support, guidance, insurance and social coverage).

\*\* For more information on funding mechanisms, consult the CRI Funding Guide.

### NATIONAL AND INTERNATIONAL MARKETS\*

#### Organization of Red Fruits in Morocco

- Existence of a Moroccan Interprofessional Federation of Red Fruits INTERPROBERRIES MAROC (IPBM), composed of two organizations:
  - Agricultural production: Moroccan Association of Red Fruit Producers (AMPFR) ;
  - Value-adding: Moroccan Association of Red Fruit Export Packaging Companies (AMCEFR).
- The existence of an autonomous control and coordination of Moroccan exports: Morocco FOODEX.
- An agricultural aggregation structure has been set up in Morocco, benefiting various types of agri-food companies and farmers (including the red fruit sector). Agricultural aggregation fosters closer relations between industrialists (aggregators) and producers (aggregates), control of supply chains, higher input quality in line with the specific criteria required by agribusinesses, etc., in return for support from the latter for the benefit of aggregates (farmers) in their cultivation process.

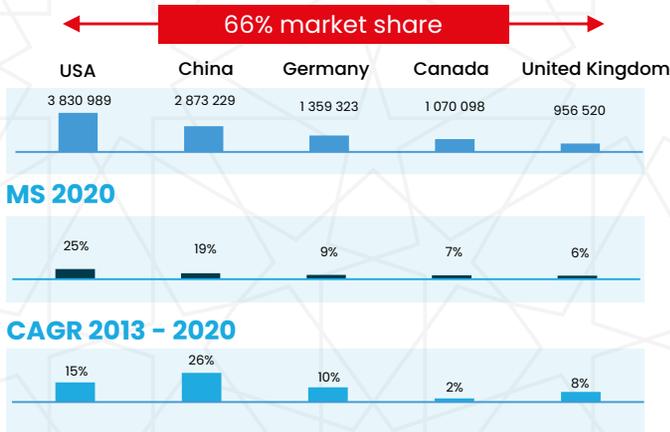
#### International Trade

- Morocco exports almost all its products to European markets, and in particular to Spain and France (the two countries will account for over 83% of exports in 2020). The region's geographical proximity to these two countries is a major advantage. It should also be noted that the American and Chinese markets have considerable potential worth tapping into.

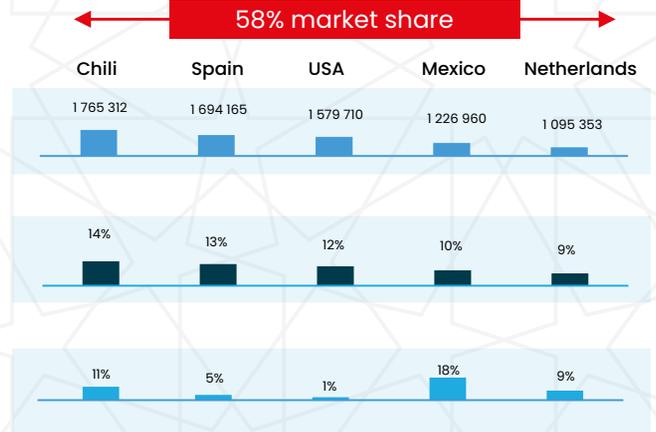
# Unit for processing red fruits



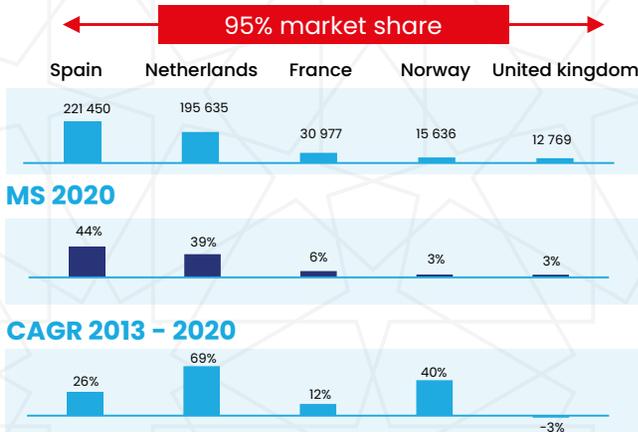
Major importers - World 2020 - Thousands of USD



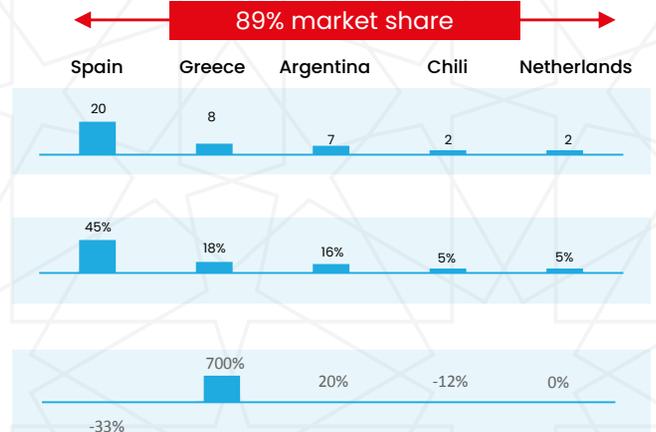
Major exporters - World 2020 - Thousands of USD



Major importers - from Morocco - Thousands of USD



Major exporters - from Morocco - Thousands of USD



## Major competitors

Existing units on the Loukkos perimeter



Potential competitors



\* HS Codes : 080920 - 080921 - 080929 - 081010 - 081020 - 081030 - 081040



### SWOT MATRIX OF THE INVESTMENT OPPORTUNITY

#### Strengths

- ✔ The region's climate is favorable to the cultivation of red fruit, and the increase in cultivated area means proximity to growers.
- ✔ Competitive, qualified regional workforce.
- ✔ An industry with strong export potential.
- ✔ Accessible, low-tech processing, particularly for fresh and frozen products.
- ✔ High-quality regional transport infrastructure and proximity to the Tangier- Med port (connected to over 180 ports worldwide).

#### Opportunities

- ✔ Growing global market.
- ✔ Favorable geographic position, close to European markets.
- ✔ The Loukkos Agropole is being put into operation (various benefits for investors).
- ✔ Established Agricultural Aggregation System.

#### Weaknesses

- ✔ Low mechanizability and fragile inputs (red fruit), requiring careful handling all along the value chain.
- ✔ Demanding clientele, especially export markets (requiring various certifications: Global Gap, SMETA, etc.).
- ✔ Substantial investment (production unit, land, provision of plants to farmers, etc.).

#### Threats

- ✔ Agricultural upstream subject to climate contingencies.
- ✔ Strong national (especially in the fresh and frozen sub-sectors) and international competition

## PROJECT DESCRIPTION

The production and processing of olive oil from the province of Ouezzane. The province is well known for its olive production, and is renowned for its high-quality, healthy and traditional products.

SH CODES\*: 1509 – 1510



## CONTEXT OF THE PROJECT OPPORTUNITY

### General characteristics of the setting

- The province of Ouezzane has a large olive cultivation area.
- The province is dominated by intensive agricultural activity.
- The province does not yet have an industrial zone or business area, (although one is currently under construction). It is essentially host to traditional and mechanized oil mills.
- The existing olive processing units are active in all stages of production, including oil preservation and bottling.

### Industry characteristics

- The industry is the leading activity in the province
- The province's olive-growing area amounts to 64,891 ha with a production of 77,870 T/year.
- There are 70 modern crushing units.
- There are 306 traditional crushing units.

### Market characteristics

- Strong nationwide demand.
- Strong potential in international markets (especially the U.S. market)
- Sharp rise in global demand.

## PROJECT PROFILE

### Product characteristics

- Upstream olive cleaning is crucial to guarantee product quality.
- The oil has a shelf life of 24 months after bottling. It should be stored in a cool, dark place.

- Different types of classification depending on the acidity of the oil (extra virgin, virgin, etc.).
- The labeling of Ouezzane olive oil using the geographical indication «Huile d'Olive Vierge Extra Ouezzane» (Ouezzane Extra Virgin Olive Oil) in 2012 is aimed at enhancing the value of this product and protecting it against usurpation of the brand name.

### Product Complexity Index\*\* (PCI)

-0.91



### Requirements

- Ingredients / inputs : Olives.
- Equipment: machines such as mills, grinders and decanting and centrifuging equipment
- Packaging for bottling, labeling

## FINANCIAL INDICATORS OF THE INVESTMENT

### Potential investment cost

Between 20 and 60 million MAD

### Potential turnover

Between 50 and 100 million MAD

## BENEFITS OF THE INVESTMENT

### The main benefits of the investment

#### Exemptions and subsidies

- Support systems provided under the investment charter.

#### Training aid

- « IDMAJ » program
- « TAEHIL » program

# Industrial unit for olive oil

## Funding\*

- Program launched by TAMWILCOM
- "TAHFIZ" program
- Green Invest

«CAP'EXPORT», launched by Morocco Foodex, offers support and guidance to small and medium-sized exporters in their various export initiatives.

## NATIONAL AND GLOBAL DEMAND

### National demand

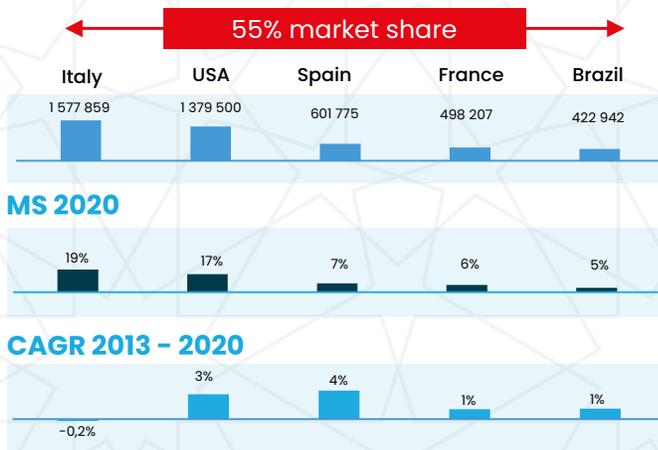
- Production in the province has potential on the national scale, since the product is widely consumed there.

### International trade

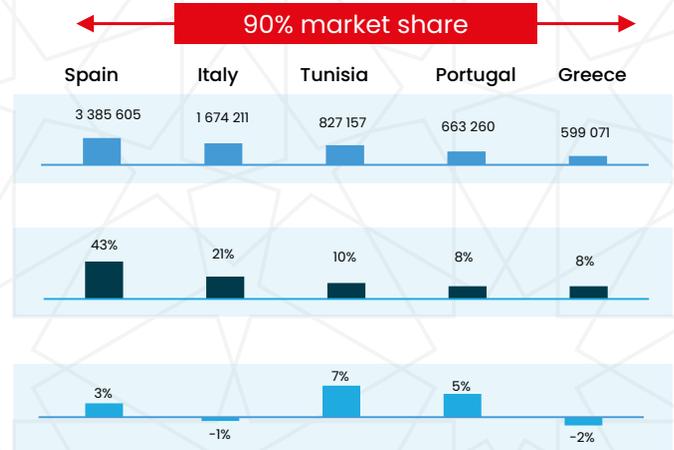
- Growing trade with Tunisia and Spain in 2021.
- Raising the international profile of Moroccan products: for example, Morocco took part in the Bologna olive oil expo in Italy.



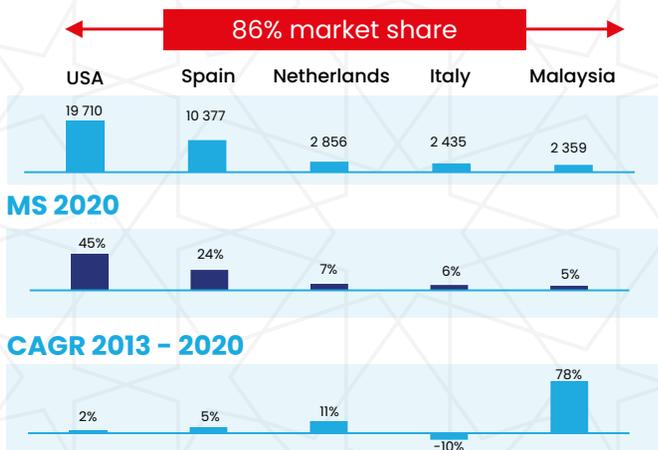
Major importers - World 2020 - Thousands of USD



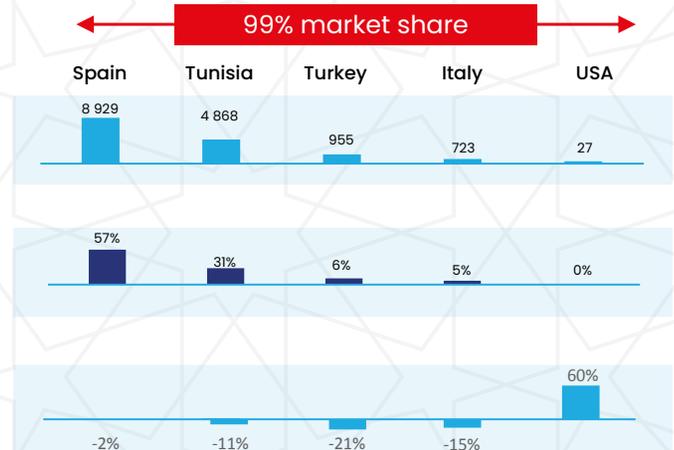
Major exporters - World 2020 - Thousands of USD



Major importers - from Morocco - Thousands of USD



Major exporters - from Morocco - Thousands



## Major competitors (Non-exhaustive)

### Competitors in the territory



### International competitors



## SWOT MATRIX OF THE INVESTMENT OPPORTUNITY

### Strengths

- ✔ Olive farming plays an important role in the province's agricultural activity (almost 23%).
- ✔ Relatively low labor costs
- ✔ Existing expertise: quality olive oil production
- ✔ Reliability and traceability of production.

### Weaknesses

- ✔ Lack of industrial zones in the province.
- ✔ Productivity of plantations in need of improvement.
- ✔ Poor management of waste from oil production units.

### Opportunities

- ✔ Increasing cultivation of olive trees to meet the need for essential inputs (olives).
- ✔ Morocco's strategic geographical position
- ✔ Access to international markets, especially the United States.

### Threats

- ✔ Strong competition from neighboring countries on the international market.
- ✔ Continuous intensification of sanitary standards in all markets

\* : The Harmonized Commodity Description and Coding System, or Harmonized System, is an international nomenclature developed by the World Customs Organization to classify products in international trade.

\*\* : The Product Complexity Index (PCI) reflects the diversity and complexity of the expertise required to produce a product.

\*\*\* For more information on funding mechanisms, consult the CRI Funding Guide.

## Biscuit factory



AGRI-FOOD SECTOR



- Larache province (Loukkos agropolis)
- Tetouan province (Tetouan Park)
- Ouazzane Province

### PROJECT DESCRIPTION

The production of various types of biscuits, capitalizing on the region's wheat and wheat flour production. These products should have a long shelf life and be available in several varieties.

HS\* code: 1905



### CONTEXT OF THE PROJECT OPPORTUNITY

#### General characteristics of the setting

- Geostrategic positioning of the region.
- A competitive regional workforce.
- High-quality regional infrastructure, especially for transport, and proximity to the Tangier-Med port, which is connected to more than 180 ports worldwide.
- The Loukkos agropolis is being put into operation, offering a range of advantages to agri-food manufacturers (land, taxation, etc.).

#### Industry characteristics

- A driving force in the Moroccan economy.
- Around 70 players are present in the market, with two major brands accounting for 62% of market share in 2016: Mondelez (33%) and Excelo (29%).
- An industry that employs over 10,000 people in Morocco.
- A highly competitive sector, both for national and international products (imported products represent a market share of 25%).
- The Tanger Tétouan Al Hoceima (TTA) region has few biscuits production units capable of processing its large grain production (amounting to over 452,000 T in 2019).
- Wide variety of marketing and distribution channels.

#### Demand and market characteristics

- A growing local market.
- Regional and national markets absorb almost 90% of production. The remaining 10% goes to export markets.
- Strong national and international demand: the sector's products must meet consumers' requirements in terms of quality, price and

expectations (in terms of type of consumption). This drives the industry's players to constantly innovate and improve recipes, while keeping price competitiveness in mind.

### PROJECT PROFILE

#### Product characteristics

- A wide range of products: sponge biscuits, boudoirs, cookies, galettes, shortbread, etc.
- Products with a long shelf life.
- Low-tech products in terms of manufacturing.
- Products must be competitively priced.

#### Requirements

- Land.
- Industrial unit and equipment depending on the type of product (cookies, madeleines, wafers, etc.): ovens, dosing or extrusion machines for biscuits, automated systems for completion of the line, etc.
- Raw materials (depending on product) : Flour, sugar, eggs, milk, fat, starch, ...
- Sanitary authorization from the National Office of Sanitary Safety of Food Products (ONSSA).

### FINANCIAL INDICATORS OF THE INVESTMENT

#### Potential investment cost

~ 50 to 100 million MAD depending on production capacity

#### Potential turnover

~ 80 to 200 million MAD

#### Gross profit margin

~ 20% à 30%

# Biscuit factory

## BENEFITS OF THE INVESTMENT

### The main benefits of the investment

#### Subsidies

- Support systems provided under the investment charter.

#### Training aid

- Support systems provided under the investment charter.

#### Funding\*\*

- Program launched by TAMWILCOM
- Mezzanine PME
- Green Invest

## ORGANIZATION OF THE BISCUITS INDUSTRY IN MOROCCO

- The Existence of a Biscuit, Chocolate and Confectionery Association (AB2C)
- The existence of an autonomous control and coordination of Moroccan exports: Morocco Foodex.

## NATIONAL AND GLOBAL DEMAND

### National demand

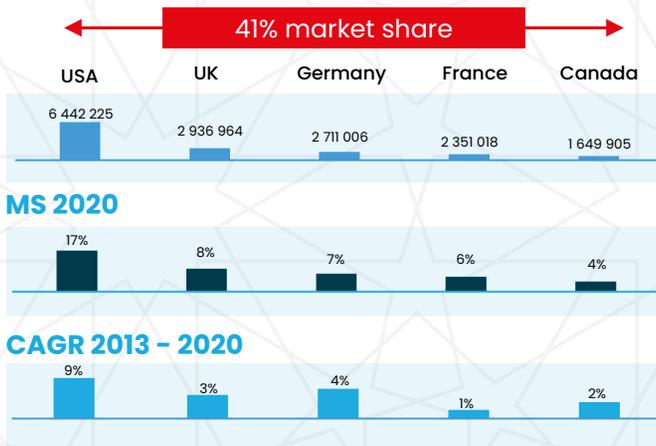
- Strong national demand and a high-potential market that has recovered well since the Covid 19 crisis, with sales up +13% (thanks in particular to a resumption of the attendance system in schools, according to AB2C).

### International trade

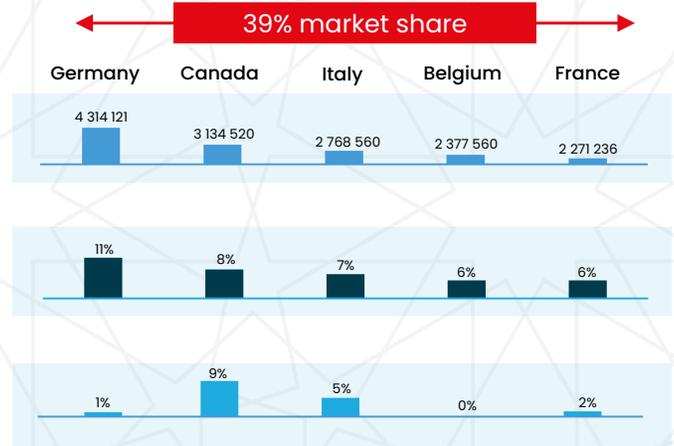
- International trade in the sector's products projected at \$7.8 billion by 2021.
- The major importers of the sector's products are the United States, the United Kingdom, Germany, France and Canada. These 5 countries together accounted for 41% of global imports in 2020.
- Strong international competition in the Moroccan market.
- An African continent with strong potential for Moroccan exports.



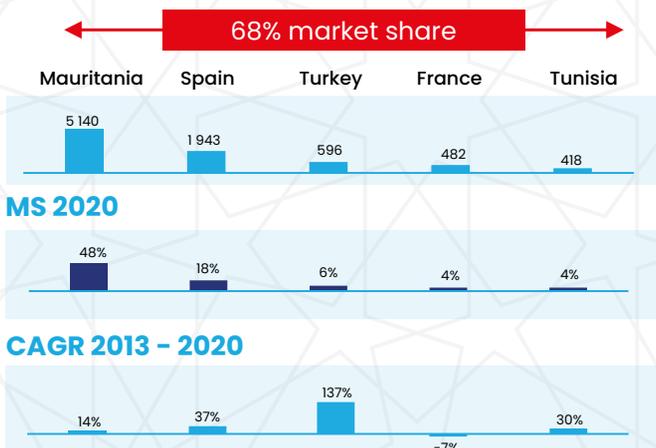
Major importers - World 2020 - Thousands of USD



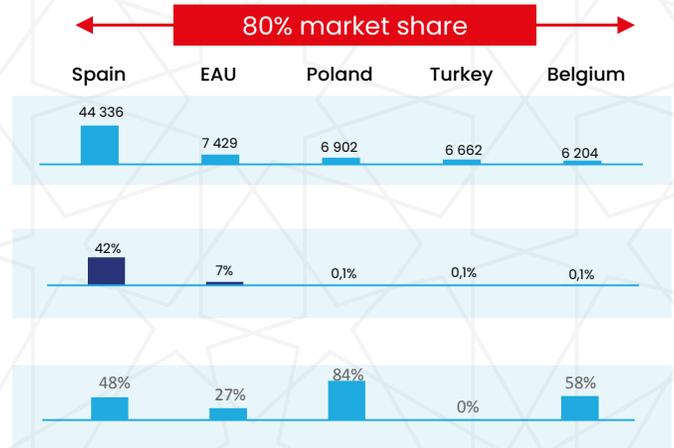
Major exporters - World 2020 - Thousands of USD



Major importers - from Morocco - Thousands USD



Major exporters - from Morocco - Thousands USD



## MAJOR COMPETITORS (Non Exhaustive)

### Competitors in the territory



### International competitors



## SWOT MATRIX OF THE INVESTMENT OPPORTUNITY

### Strengths

- ✔ Competitive, qualified regional workforce.
- ✔ A sector with strong export potential.
- ✔ High-quality regional transport infrastructure and proximity to the Tangier-Med port (connected to over 180 ports worldwide).
- ✔ Low level of product technicality.

### Weaknesses

- ✔ Demanding clientele, particularly for export markets (certifications, etc.).
- ✔ Difficulty maintaining price competitiveness.
- ✔ A highly competitive sector requiring major efforts in terms of innovation and marketing.

### Opportunities

- ✔ Favorable geographic position, in close proximity to European and African markets.
- ✔ Investment-friendly environment
- ✔ Growing global market.
- ✔ Diverse distribution channels.
- ✔ Availability of basic inputs in the region.
- ✔ Well-organized industry at national level.

### Threats

- ✔ Strong international competition in the Moroccan market
- ✔ Strong national competition with two major players taking over 62% of market share.



\* Depending on the location chosen, investors can also benefit from various advantages (EAZ, IAZ, IZ). In addition, agriculture in Morocco benefits from the various advantages offered by the Generation Green Plan (dedicated offers, including financial support, guidance, insurance and social coverage).

\*\* For more information on funding mechanisms, consult the CRI Funding Guide.

## Industrial unit for sunflower oil

 AGRI-FOOD SECTOR

- Ouazzane province
- Larache province (Loukkos agropolis)

### PROJECT DESCRIPTION

Extraction and manufacture of sunflower oil. The region has untapped potential in this sector, and boasts a good reputation for high-quality, healthy, traditional production.



### CONTEXT OF THE PROJECT OPPORTUNITY

#### General characteristics of the setting

- The province of Ouezzane is the leading sunflower producer in the region, with 41% of production covering 50% of the area dedicated to this product.
- Regional geostrategic position close to Europe, which offers significant growth potential.
- High-quality regional infrastructure, especially for transport, and proximity to the Tangier-Med port, which is connected to more than 180 ports worldwide.
- Various industrial zones in the region that offer numerous advantages to investors in the sector.
- A competitive national workforce.
- Established and functional Agricultural Aggregation System.

#### Industry characteristics

- An industry offering a staple food product widely consumed in Morocco and around the world
- A high-potential local market: Morocco is one of the world's top 10 importers of vegetable oils (mainly soybean oil).
- An existing program designed to strengthen the Moroccan potential in this sector: the Maghreb Oléagineux Program, initiated by Terres Univia, the French interprofessional organization for vegetable oils and proteins, and

co-financed by the European Union.

- Production residues, known as oil cakes, can be used as animal feed.

#### Demand and market characteristics

- Highly consumed vegetable oils on the national scale: 77,000 tonnes of rapeseed and sunflower oils and 460,000 tonnes of rapeseed and sunflower oilcake were consumed in Morocco in 2020-2021.
- National consumption of vegetable oils grew by 26% in 10 years.
- Domestic sunflower oil imports amounting to over \$68 million in 2021.

### PROJECT PROFILE

#### Product characteristics

- There are two main types of sunflower oil: classic oils (with a high Omega-6 content) and oleic oils, rich in Omega-9 and more stable for cooking.
- There are two main production stages: pressing and refining.
- Packaging options include 0.5, 1, 2 or 5-liter containers.

## Industrial unit for sunflower oil

### Requirements

- Land
- Industrial unit and equipment depending on the type of processing
- For cleaning seeds: rotary or vibrating sieves
- For pressing: screw presses
- For refining: equipment for degumming, neutralization, decolorization, deodorization, anti-oxidation treatment
- Sanitary authorization from the National Office of Sanitary Safety of Food Products (ONSSA).

### FINANCIAL INDICATORS OF THE INVESTMENT

#### Potential investment cost

~ 20 to 60 million MAD depending on production capacity

#### Potential turnover

~ 50 to 100 million MAD

#### Gross profit margin

~ 15% to 30%

### BENEFITS OF THE INVESTMENT\*

#### The main benefits of the investment

##### Subsidies

- Support systems provided under the investment charter.

##### Training aid

- « IDMAJ » program
- « TAEHIL » program

##### Funding\*\*

- Program launched by TAMWILCOM
- Mezzanine PME
- Green Invest

\* Depending on the location chosen, investors can also benefit from various advantages (EAZ, IAZ, IZ). In addition, agriculture in Morocco benefits from the various advantages offered by the Generation Green Plan (dedicated offers, including financial support, guidance, insurance and social coverage).

\*\* Depending on the location chosen, investors can also benefit from various advantages (EAZ, IAZ, IZ). In addition, agriculture in Morocco benefits from the various advantages offered by the Generation Green Plan (dedicated offers, including financial support, guidance, insurance and social coverage).

### ORGANIZATION OF THE INDUSTRY IN MOROCCO

The existence of the Interprofessional Federation of Oilseeds (FOLEA), whose mission is to organize the sector by federating the efforts of the players involved.

An agricultural aggregation structure has been set up in Morocco, benefiting various types of agri-food companies and farmers (including oilseed production). Agricultural aggregation fosters closer relations between industrialists (aggregators) and producers (aggregates), control of supply chains, higher input quality in line with the specific criteria required by agribusinesses, etc., in return for support from the latter for the benefit of aggregates (farmers) in their cultivation process.

### FOCUS ON THE OLEAGINOUS MAGHREB PROGRAM

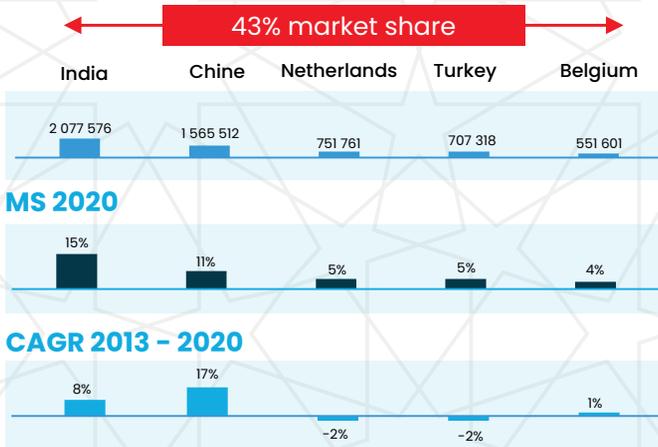
The main aim of this program is to promote the interest of European producers in developing sunflower crops in Morocco and rapeseed crops in Morocco and Tunisia, with the aim of increasing local production and reducing their imports of oilseeds.

In terms of achievements, 130 advisors and 103 service providers have been trained since 2019, and 121 Field Days have been organized for the benefit of over 3,400 farmers. Furthermore, 29 seed varieties (including 14 sunflower and 15 rapeseed) have been presented in 18 demonstration platforms over the past 3 years, showcasing plants' adaptability to the different production basins in Morocco.

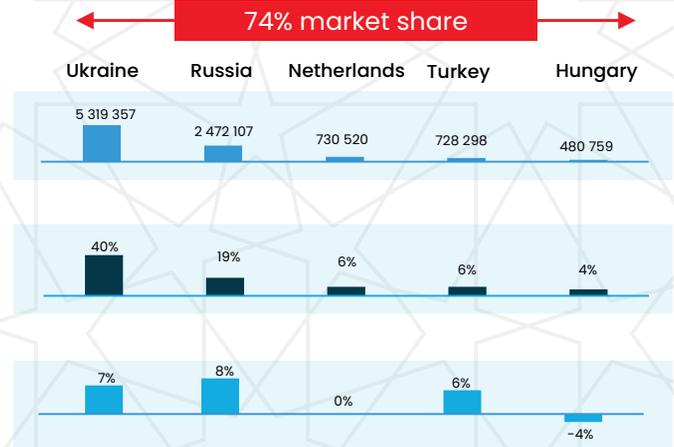
# Industrial unit for sunflower oil



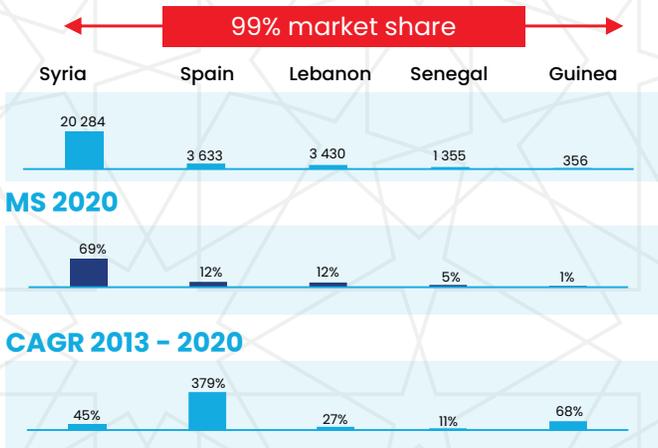
Major importers - World 2020 - Thousands of USD



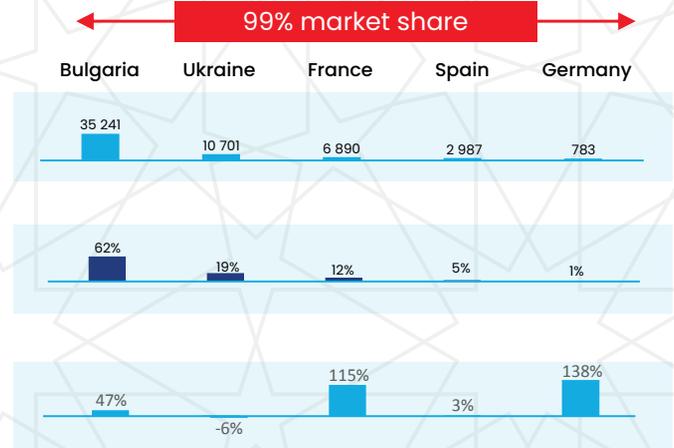
Major exporters - World 2020 - Thousands of USD



Major importers - from Morocco - Thousands USD



Major exporters - from Morocco - Thousands USD



## Major Competitors (Non-exhaustive)

### Competitors in the territory



### Potential competitors



## SWOT MATRIX OF THE INVESTMENT OPPORTUNITY

### Strength

- ✔ Competitive, qualified regional workforce.
- ✔ Accessible processing operations and existing expertise in Morocco
- ✔ High-quality regional transport infrastructure and proximity to the Tangier-Med port (connected to over 180 ports worldwide).
- ✔ Highly consumed product in Morocco and worldwide.
- ✔ Favorable geostrategic positioning of the region.

### Opportunities

- ✔ Strong export potential, particularly to the EU, which is a major consumer of sunflower oil and is geographically close to Morocco.
- ✔ Opportunité de substitution aux importations.
- ✔ Qualified regional producers.
- ✔ An agricultural aggregation structure established in the Kingdom with various programs in place to support the industry (Génération Green, Maghreb Oléagineux, etc.).

### Weaknesses

- ✔ Domestic production of sunflower seeds (basic input) is still underdeveloped, but has been increasing since 2013.
- ✔ Weak position in international markets.
- ✔ Demanding clientele, especially export markets (requiring various certifications).

### Threats

- ✔ National and international competitors with well-developed production facilities in Morocco and with loyal customer bases.
- ✔ Dependence on international prices for raw materials



# AUTOMOTIVE SECTOR



- Cannabis processing unit for the automotive industry **34**
- Industrial unit for shock absorbers **38**
- Industrial unit for filters **41**
- Industrial unit for brake pads **44**
- Electric Bicycle/Motorcycle Project **47**



# AUTOMOTIVE SECTOR

## A FAST-GROWING REGIONAL AUTOMOTIVE ECOSYSTEM



**1st** construction hub in Africa



**+2 Million** units manufactured since 2012



**Thousands** of employees

## NUMEROUS LOCAL ASSETS FOR THE INDUSTRY

- A dense regional ecosystem with international players (manufacturers, equipment suppliers, logistics providers, etc.)
- A skilled regional workforce in related industries at a competitive cost.

**1,400 ha of industrial acceleration zones offering numerous benefits to investors**

## REGIONAL CHARACTERISTICS

National pillar of the automotive ecosystem

600 ha devoted to the automotive industry

35 plants, including 25 for vehicle assembly

The region accounts for 70% of national exports

65% regional integration rate

Well-developed industry-related ecosystems

## THEY PUT THEIR TRUST IN US

• **APTIV** •



**GROUPE RENAULT**



**DENSO**



**GROUPE RENAULT**



**PRETTL** automotive



**Sumitomo**



**SOGEFI** GROUP

**Fujikura**



# Cannabis processing unit for the automotive industry



AUTOMOTIVE SECTOR



- Fahs Anjra province (Tanger Automotive City)
- Tanger-Assilah prefecture (Tanger Tech)

## PROJECT DESCRIPTION

Under the new legal provisions introduced by Law 13-21 on the legal use of cannabis in Morocco, the establishment of a unit to process the region's crops and imported legal products into components for the automotive industry presents a real opportunity and significant potential for marketing and integrating existing value chains, on both national and international markets.



## CONTEXT OF THE PROJECT OPPORTUNITY

### General characteristics of the setting

- Cannabis cultivation authorized in 2 of the region's provinces: Chefchaouen & Al Hoceima.
- Cannabis cultivation on a national scale has been estimated at 50,000 hectares in recent years. Over 400,000 people (nearly 60,000 households) earn their living from cultivating cannabis.
- The legal framework established in Morocco by the provisions of Law 13-21, enacted on July 14, 2021, by Dahir no. 1- 21-59 to address the informal nature of cannabis cultivation. This law covers the legal uses of cannabis (including industrial uses, such as in the automotive industry).
- Ecosystem regulated upstream and downstream (with provisions in force notably for the supply and marketing of foreign seed and seedlings).
- Climat régional favorable à la culture du cannabis et proximité avec les agriculteurs favorisant l'approvisionnement.
- The regional climate is favorable to cannabis cultivation, and proximity to farmers favors supply.
- Hemp fiber, representing 30% of the plant's composition, has been increasingly used in the automotive industry for nearly 10 years, enabling the sector to turn more towards agro-composites in order to comply with environmental regulations and adopt a sustainable development approach.

- High-quality regional transport infrastructures and proximity to marketing hubs (notably the port of Tangier-Med).
- Existence of a reference body for cannabis-related activities: National Agency for the Regulation of Cannabis- Related Activities (ANRAC).

### Industry characteristics

- Presence of car manufacturers (e.g. Renault in Tangier), automotive parts manufacturers and equipment suppliers in the region and the entire country. To date, 8 ecosystems in the sector have been established as part of the 2014-2020 Industrial Acceleration Plan: «Automotive Wiring», «Vehicle Interior & Seating», «Metal Stamping», «Automotive Batteries», «Trucks and Industrial Bodywork», «Engines and Transmission», «Renault Ecosystem», «PSA Ecosystem».
- Growing interest on the part of several automakers in sourcing from Morocco.
- The Renault Tangier plant in the Melloussa industrial free zone manufactured over 400,000 vehicles in 2015, plus a number of operators manufacturing vehicle interiors & seats (products suitable for the incorporation of cannabis fiber, which partially replaces plastic and fiberglass), among them Viza, Sigit, Polydesign, Reydel, etc.

### Demand and market characteristics

- A global legal cannabis market estimated at \$13.8 billion in 2018

# Cannabis processing unit for the automotive industry

- A global legal cannabis market estimated to be worth \$233 billion by 2028, testifying to its considerable potential.
- Export potential (especially to West and Central Africa and Southern Europe)

## PROJECT PROFILE

### Product characteristics

- Integrating hemp into automotive materials primarily enables parts to be made 20 to 25% lighter, while also improving their «recyclability» (parts can be recycled up to 7 times). This significant weight reduction also helps to reduce the vehicle's CO2 emissions. Moreover, the integration of this composite involves little to no additional cost, making it affordable for manufacturers.
- This agro-composite is mainly used for the production of plastic parts that make up the vehicle:
  - Dashboards.
  - Plastic parts on the vehicle's exterior.
  - Engine compartment mechanical components.
  - Door cladding.
  - Wheel arches.
  - Trunk liners
  - ...
- In a context of sustainable development, hemp fiber presents a real opportunity for the automotive sector, enabling it to respond to two crucial challenges it faces: CO2 emissions and vehicle recycling.
- In a context of sustainable development, hemp fiber presents a real opportunity for the automotive sector, enabling it to respond to two crucial challenges it faces: CO2 emissions and vehicle recycling.

### Requirements

- Must be incorporated as a company or other legal entity governed by Moroccan law.
- Must have sufficient, qualified material and human resources to carry out these activities.
- Must have obtained the necessary authorizations to carry out activities regulated under current legislation (ANRAC, etc.) and undertake to comply with the terms and conditions defined in the sales contract (set by regulation).

## FINANCIAL INDICATORS OF THE INVESTMENT

### Potential investment cost

~ 200 and 400 million MAD (for new investors)

### Potential turnover

~ 300 and 500 million MAD

## BENEFITS OF THE INVESTMENT\*

### The main benefits of the investment

#### Subsidies

- Support systems provided under the investment charter.

#### Training aid

- « IDMAJ » program
- « TAEHIL » program

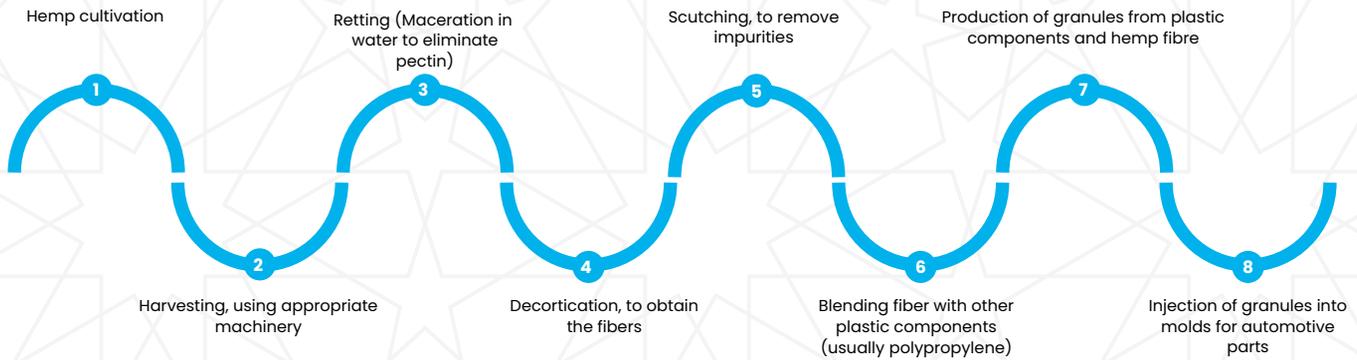
#### Funding\*\*

- Program launched by TAMWILCOM
- « TAHFIZ » program

\* Depending on the location chosen, investors can also benefit from various advantages (EAZ, IAZ, IZ). In addition, agriculture in Morocco benefits from the various advantages offered by the Generation Green Plan (dedicated offers, including financial support, guidance, insurance and social coverage).

\*\* For more information on funding mechanisms, consult the CRI Funding Guide.

# Cannabis processing unit for the automotive industry



## DESCRIPTION OF THE PROJECT OPPORTUNITY

- A project designed to capitalize on the recent legalization of cannabis, which today represents a basic input in the manufacture of various automotive components.
- An application of cannabis to reinforce the industry's eco-responsible and sustainable development dimension, notably through the partial substitution of plastic in the manufacturing of several components and the reduction of vehicle weight.
- An emerging ecosystem of legal uses for cannabis in Morocco.
- Existence of a major automotive industry ecosystem in Morocco and the region.
- An existing national market and an international market with very strong growth potential (particularly the European market, enabling industries based in Morocco to benefit from their proximity to the latter).
- A project opportunity for automotive industries already established in the region, or in the Kingdom, as well as for any potential investor wishing to do business as a legal entity governed by Moroccan law.

## GLOBAL CANNABIS MARKET

Countries that have legalized the use of cannabis products on all continents:

<p><b>Europe</b></p> <p>Cyprus Croatia Denmark Spain Greece Italy</p> <p>Netherlands Poland Portugal Czech Republic Sweden Switzerland</p>	<p><b>Africa</b></p> <p>South Africa - Ghana - Lesotho - Malawi - Zambia - Zimbabwe</p>	<p><b>North America</b></p> <p>Canada - United States (33 states)</p>
	<p><b>Asia</b></p> <p>China - India - Israel - Lebanon - Turkey</p>	<p><b>Latin America</b></p> <p>Chile - Colombia - Honduras - Perú - Uruguay - ...</p>
		<p><b>Oceania</b></p> <p>Australia</p>

- Many car manufacturers have now incorporated cannabis (hemp) into some of their production lines. These include Renault, Peugeot, Citroën, Volvo and Fiat.
- Thanks to its growth prospects and geographical proximity, the European market offers the greatest potential for the export of cannabis-based products. However, although European regulations are in place, national standards for the sector's products remain heterogeneous.
- The North American market does have its limitations. These include the heterogeneity of standards applied in the United States, depending on the different federal states. As for the Canadian market, it is very advanced and not very accessible to foreign exporters.

## THE NATIONAL AGENCY FOR THE REGULATION OF CANNABIS-RELATED ACTIVITIES

Activities relating to the use of cannabis (for medical, pharmaceutical and industrial purposes only) require authorization from the National Agency for the Regulation of Cannabis-Related Activities (ANRAC). ANRAC is responsible for implementing the State's strategy in terms of cultivation and production, processing and manufacturing, and the marketing, import and export of cannabis and related products. ANRAC also monitors legal cannabis at all stages of its value chain (from production to marketing).

**Its main missions can be summarized as follows:**

- Regulation and control of the cannabis industry.
- Development of the cannabis industry and support for investment.
- Support for operators

## SWOT MATRIX OF THE INVESTMENT OPPORTUNITY

### Strengths

- ✔ A newly regulated cannabis sector (Law 13-21).
- ✔ The existence of an organization governing cannabis-related activities (ANRAC).
- ✔ A regional climate favorable to cannabis cultivation (industry input) and proximity to growers.
- ✔ Existing value chain and high national integration rate in the automotive industry
- ✔ Close proximity to the region's automotive assembly plants.
- ✔ High-quality regional transport infrastructure particularly in relation to exportation (Tangier-Med)
- ✔ A wide range of products

### Weaknesses

- ✔ A young and highly regulated ecosystem (in terms of supply, logistics & transport, production and marketing) requiring the adaptation and upgrading of the various players in the ecosystem.
- ✔ Strict standards for marketing cannabis-based products (specific to the Moroccan market and target markets).
- ✔ The need to meet the specific requirements of different vehicle categories (cars, trucks, tractors, etc.)...

### Opportunities

- ✔ High export potential for the Moroccan automotive sector
- ✔ Geographical proximity to European markets with strong potential.
- ✔ Lack of national competitors in this sector
- ✔ Qualified regional cannabis growers.
- ✔ An agricultural aggregation structure established in the Kingdom

### Threats

- ✔ Informal sale and contraband.
- ✔ The international legal and regulatory framework (at country level) is still in development.

# Industrial unit for shock absorbers

 AUTOMOTIVE SECTOR

- Province of Faha Anjra (Tanger Automotive City)
- Prefecture of Tanger-Assilah (Tanger Tech)

## PROJECT DESCRIPTION

A new industrial unit to manufacture shock absorbers for vehicles. These parts are designed to limit shocks caused by variations in the road surfaces. They are an essential part of a vehicle's suspension and handling system.

Code SH\* : 870880



## CONTEXT OF THE PROJECT OPPORTUNITY

### General characteristics of the setting

- Presence of car manufacturers (e.g. Renault in Tangiers), automotive parts manufacturers and equipment suppliers in the region and the entire country.

### Industry characteristics

- Croissance de 6 % du parc automobile d'ici 2025 corrélée à une accentuation de la sensibilisation à la sécurité routière.
- Intérêt croissant de plusieurs constructeurs automobile pour s'approvisionner au Maroc.

### Market characteristics

- Export potential (especially to West and Central Africa and Southern Europe)
- Increased demand due to more stringent safety standards.

## PROJECT PROFILE

### Product characteristics

- Fluid shock absorbers are currently the most widely used.
- Several categories of products are possible, including hydraulic shock absorbers (twin-tube) and hydropneumatic shock absorbers (single-tube).
- An estimated service life of 80,000 km. This may be shorter for long-distance vehicles.

### Product Complexity Index\*\* (PCI)



### Requirements

Inputs : Steel pipes and tubes, pistons, valves, rods, hydraulic fluid, seals, rubber, etc.

## FINANCIAL INDICATORS OF THE INVESTMENT

### Potential investment cost

Between 200 and 400 million MAD

### Potential turnover

Between 300 and 500 million MAD

## BENEFITS OF THE INVESTMENT

### The main benefits of the investment

#### Subsidies

- Support systems provided under the investment charter.

#### Training aid

- « IDMAJ » program
- « TAEHIL » program

#### Funding\*\*\*

- Program launched by TAMWILCOM
- "TAHFIZ" program
- Green Invest

## NATIONAL AND GLOBAL DEMAND

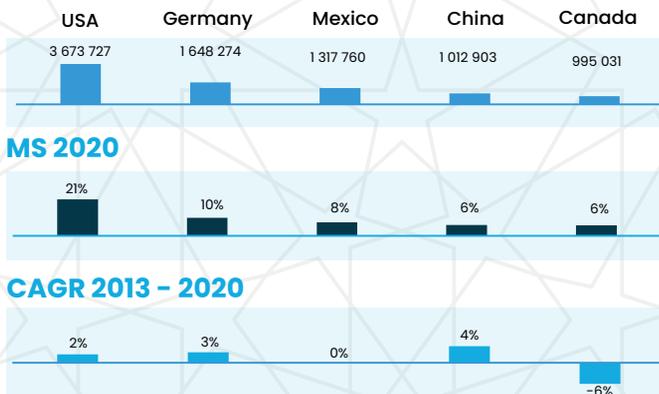
- National demand fueled by the industrial fabric (automakers) and by non-industrial consumption (aftermarket). This demand is growing due to Morocco's increasing appeal to manufacturers and the growing number of vehicles circulating in the country.
- International trade amounted to over \$21 billion in 2021, of which \$404 million was exported to the African market (the top 5 importers being South Africa, Morocco, Egypt, Algeria and Nigeria).

# Industrial unit for shock absorbers



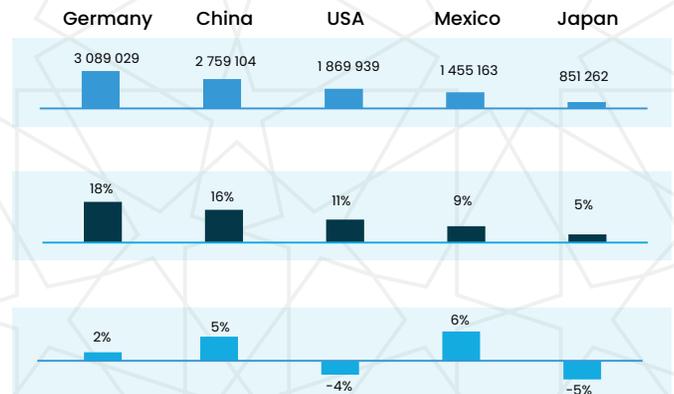
## Major importers - World 2020 - Thousands of USD

50% market share



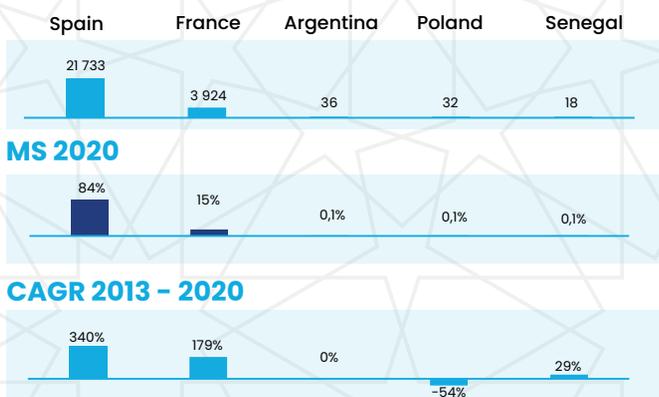
## Major exporters - World 2020 - Thousands of USD

58% market share



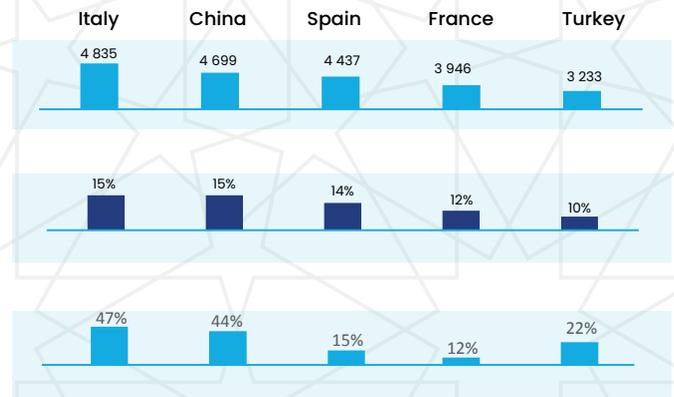
## Major importers - from Morocco - Thousands USD

99% market share



## Major exporters - from Morocco - Thousands USD

66% market share



## Major Competitors (Non Exhaustive)

### Competitors in the territory\*



MAGNETI MARELLI, filiale du groupe FCA  
TANGER AUTOMOTIVE CITY

### International Competitors



Germany



China



USA

\* : The Harmonized Commodity Description and Coding System, or Harmonized System, is an international nomenclature developed by the World Customs Organization to classify products in international trade.

\*\* :The Product Complexity Index (PCI) reflects the diversity and complexity of the expertise required to produce a product. This complexity index is calculated for wheat flours.

\*\*\* : For more information on funding mechanisms, consult the CRI Funding Guide.



## SWOT MATRIX OF THE INVESTMENT OPPORTUNITYz

### Strengths

- ✔ Close proximity to the region's automotive manufacturing and assembly plants.
- ✔ Existing value chain and high national integration rate in the automotive industry
- ✔ High-quality port and road infrastructures to facilitate exports.

### Opportunities

- ✔ Import substitution .
- ✔ Substitution of parts sold on second-hand markets
- ✔ Strong interest from international car manufacturers in sourcing from Morocco.
- ✔ Significant export potential for the Moroccan automotive sector.

### Weaknesses

- ✔ The need to meet the specific requirements of different vehicle categories (cars, trucks, tractors, etc.)
- ✔ Reliability and traceability of parts and inputs required for shock absorber assembly

### Threats

- ✔ Growing international and national competition
- ✔ Increasingly stringent automotive standards



\*\*\*\*The Magneti Marelli plant covers 20,000 m2 and has created 500 direct jobs. It produces shock absorbers for cars and commercial vehicles.

## Industrial unit for automotive filters



Automotive

- Fahs Anjra province (Tanger Automotive City)
- Tanger-assilah prefecture (Tanger Tech)

### DESCRIPTION OF THE PROJECT

A filter manufacturing unit for various types of filter (cabin filter, oil filter, fuel filter, air filter) as part of the industrial value chain in the Moroccan automotive sector, meeting strong demand for new vehicle assembly, but also due to their high substitution rate for used vehicles.

Code SH\*: 842123-842131



### CONTEXT OF THE PROJECT OPPORTUNITY

#### General environmental characteristics

- Geostrategic positioning of the region.
- Existence of several zones in the Tanger region (automotive city,...),
- Particularly dynamic and offering numerous advantages for manufacturers and exporters.
- The Renault Tanger plant is located in the Melloussa industrial acceleration
- Zone.
- Proximity to the port of Tanger-Med, an international trade hub.

#### Characteristics of the sector

- Automotive is a key sector in the TTA region.
- This sector does not require a high level of technical expertise.
- Production unit can be integrated into the regional automotive value chain
- A regional workforce with expertise in the automotive sector (developed sector in the region, existence of training centers, etc.).

#### Market characteristics

- Growth forecasts for the Moroccan automotive sector estimated at 17.5% per year between 2020 and 2025 (source: Fitch rating), offering real opportunities for equipment manufacturers.
- Strong international demand, particularly in European markets, and strong potential in Africa.

### PROJECT FEATURES

#### Product Features

- Filters are essential parts in the value chain of the 1st Moroccan export sector: the automotive sector (more than 25% of the country's exports and an integration rate of nearly 63%).
- 2 typologies of products: air filters, liquid filters (fuel filters, oil filters).
- Technical standards for different countries and vehicles.
- Relatively short life cycle, between 20,000 Km and 40,000 Km, to meet strong local demand. Increasing demand due to stricter safety standards.

#### Complexity index for products



#### Prerequisites

- Inputs: Filter papers, stainless steel, plastic, silicone, polyster,...
- Qualified workforce
- Flexibility of the production line to meet the requirements of different vehicle types.

### FINANCIAL INDICATORS FOR THE INVESTMENT

#### potential investment cost

Between 200 and 400 Million MAD

#### Potential sales

Between 150 and 300 Millions MAD

# Industrial unit for automotive filters

## INVESTMENT BENEFITS

Key investment benefits Exemptions and subsidies.

- Support provided under the investment charter.

### Training assistance

- «IDMAJ» program
- «TAEHIL» program

### Financing\*\*\*

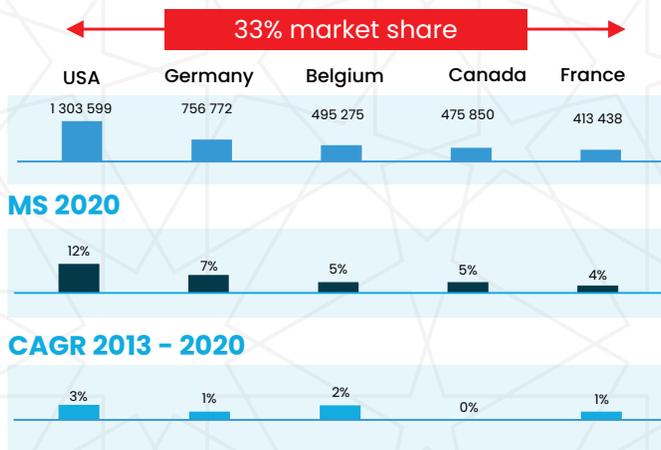
- Program launched by TAMWILCOM
- «TAHFIZ» program
- Green Invest

## NATIONAL AND GLOBAL DEMAND

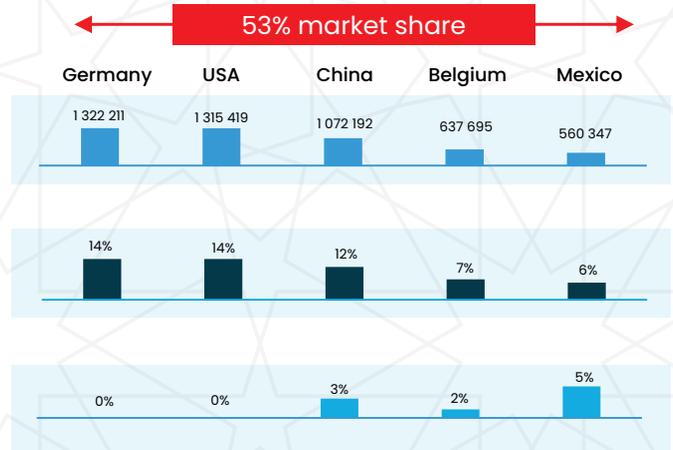
- Domestic demand fueled by the industrial fabric (automakers) and non-industrial consumption (aftermarket). This demand is growing due to Morocco's increasing attractiveness to automakers and the growing number of vehicles on the road in the country.
- World demand will exceed \$12.5 billion by 2021, with Germany, the United States and China the main importers.



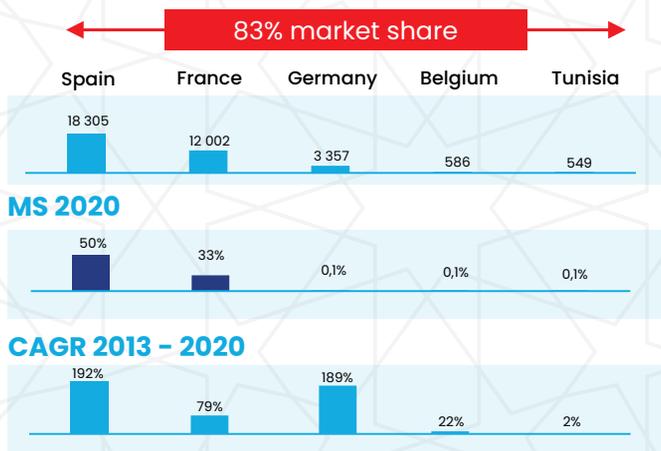
Main importers -World 2020 -Millions USD



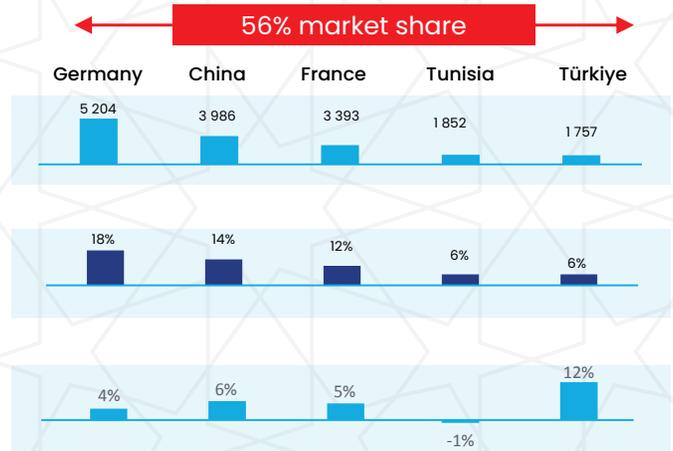
Top exporters -World 2020- USD Millers



Main importers -from Morocco -Millions USD



Top exporters -from Morocco- Thousands USD



\*: The Harmonized Commodity Description and Coding System, or Harmonized System, is an international nomenclature developed by the World Customs Organization to classify internationally traded products.

\*\*\*: Product Complexity Index (ICP) reflects diversity and Sophistication n of the know how required to produce a product

\*\*\*: For more information on funding mechanisms, consult the CRI Financing Guide

## Industrial unit for automotive filters

### MAIN COMPETITORS\*

#### Competitors in the territory



\*Non exhaustif

#### International competitors



### SWOT MATRIX OF INVESTMENT OPPORTUNITY

#### Strengths

- ✔ Indispensable part in the value of the Moroccan automotive sector.
- ✔ Proximity to the assembly plants of the region.
- ✔ Sector financially supported by the Moroccan State.
- ✔ Presence of port and road infrastructure quality facilitating transport at national level and export.
- ✔ Product whose level of technicality is accessible.
- ✔ Regional workforce qualified, trained and Competitive in terms of cost

#### Weaknesses

- ✔ Need to respond to the specificities of different categories of vehicles (cars, weight) heavy, tractors,... )
- ✔ R&D to be strengthened.
- ✔ Access to financing, especially for PME

#### Opportunities

- ✔ Promising context and sector in Continuous development.
- ✔ Strong international demand, particularly towards European markets and strong potential in Africa.
- ✔ Import substitution.

#### Threats

- ✔ Growing international and national competition.
- ✔ Increasingly stringent automotive rigorous standards.

# Brake pad industrial unit



- Province of Fchs Anjra (Tangier-Tetouan-Al Hoceima)
- Prefecture of Tangier-Asilah

## PROJECT OVERVIEW

Brake pad manufacturing unit for various types of vehicles (tourism cars, tractors, etc.), forming part of the industrial supply chain for Morocco's automotive sector and meeting strong demand due to the product's lifespan, which averages between 20,000 and 45,000 km.

HS Codes\* 870830 - 870831- 870839



## CONTEXT OF THE PROJECT OPPORTUNITY

### General features of the environment

- The Tangier-Tetouan-Al Hoceima region have a strong geostrategic position

### General features of the environment

- General characteristics of the environment - geostrategic position.
- The region offers several industrial acceleration zones, which are particularly dynamic and offer numerous advantages for manufacturers and exporters.
- The Renaut Tangier plant in the Melloussa industrial acceleration zone manufactured over 400,000 vehicles in 2015.

### Characteristics of the industry

- The automotive industry is a structuring sector for the TTA region and a driving force in the national economy.

### Market characteristics

- Growth forecasts for the Moroccan automotive sector are estimated at 17.5% per year between 2020 and 2025 (source: Fitch Rating), offering real opportunities for automotive suppliers.
- Strong international demand, particularly in European markets, and strong potential in Africa.

## PROJECT CHARACTERISTICS

### Product characteristic

- Crucial components in the supply chain of Morocco's 1st export industry: (more than 25% of the country's exports and an integration rate of nearly 63%).

- 2 product types: semi-metallic brake pads (proportion of metal > 50%) and organic brake pads composed of fibers (proportion of metal > 25%)
- Three categories of functional requirements: safety, comfort and profitability.
- Different technical standards for various countries and vehicles.
- Relatively short life cycle, between 20,000km and 45,000km, to meet strong local demand..

### Complexity index for products \*\*



### Requirements

- Components/inputs: supporting brake pads, glue, powder coating, interlayer, friction material (may consist of metal, fibers and fillers, solid lubricants, binders, and/or friction enhancers and processing materials).

## INVESTMENT FINANCIAL INDICATORS

### Potential investment cost

Between 200 and 400 Millions MAD

### Potential Sales revenue

Between 300 and 500 Millions MAD

## INVESTMENT BENEFITS

### Main benefits of investment

#### Subsidies

- Support measures under the investment charter

# Brake pad industrial unit

## Training Assistance

- "IDMAJ" program / "TAEHIL" program

## Financing\*\*\*

- Programs launched by "TAMWILCOM"
- "TAHFIZ" program
- Green Invest

## NATIONAL AND GLOBAL DEMAND

- A national demand driven by the industrial fabric (manufacturers) and non-industrial consumption (replacement).

- This demand is growing due to the increasing attractiveness of Morocco for manufacturers and the rising number of vehicles in circulation in the country.

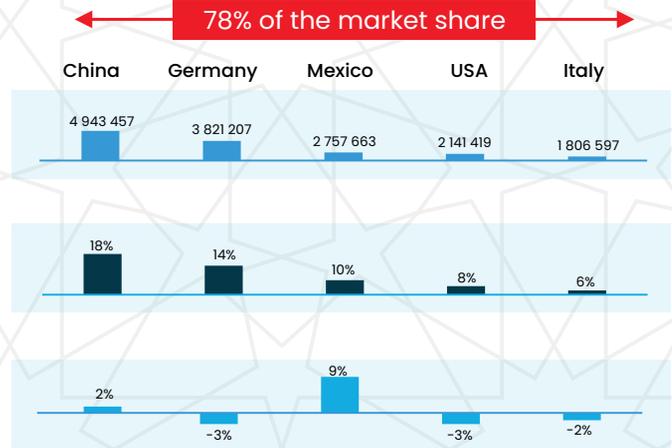
- There is also a strong international demand justified by the significant number of vehicles produced annually worldwide. This demand is also driven by the short product lifecycle (recommended to be replaced by experts every 20,000km to 45,000km traveled by the vehicle). In 2021, it amounted to over 32 billion dollars.



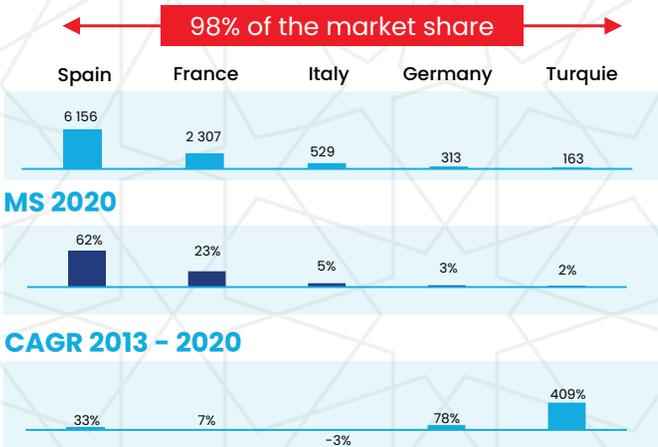
### Top Importers-World 2020- Thousands USD



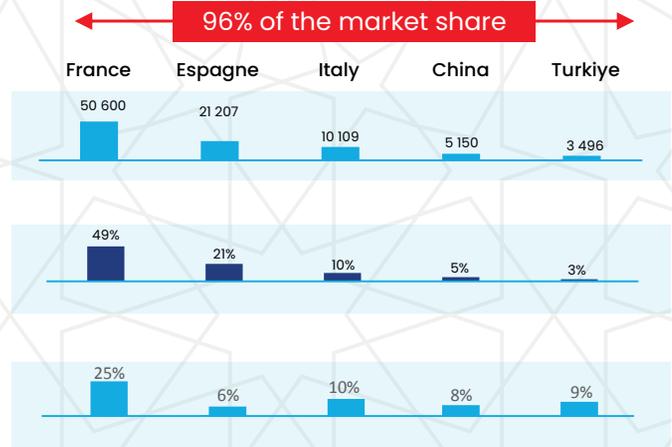
### Top Exporters-World 2020- Thousands USD



### Top Importers-from Morocco- Thousands USD



### Top Exporters-from Morocco- Thousands USD



\* The Harmonized System of designation and codification of goods, or Harmonized System, is an international nomenclature developed by the World Customs Organization to classify products traded at the international level.

\*\* The Product Complexity Index (PCI) reflects the diversity and sophistication of the know-how required to produce a product.

\*\*\* For more information on financing mechanisms, please refer to the CRI Financing Guide.

## MAIN COMPETITORS

Competitors in the territory



International competitors



Germany



China



Mexico

## SWOT FOR INVESTMENT OPPORTUNITY

### Strengths

- Essential parts integrating into the value chain of the first Moroccan export sector and high national industry integration rate in the automotive industry.
- Economic and trade liberalization policy (free trade agreements)
- Sector supported by the Moroccan government (subsidies, assistance...)

### Weaknesses

- Lack of expertise in R&D and design, hindering progress in the value chain.
- Access to financing issues, especially for SMEs.
- Need to cater to the specificities of different vehicle categories (cars, heavy-duty vehicles, tractors, etc.).

### Opportunities

- Favorable and continuously developing environment.
- Import substitution.
- Strong international demand, particularly towards European markets, and high potential in Africa.

### Threats

- Growth of international and national competition.
- Decreased prospects in the European market.
- Repatriation of European production.
- Increasingly stringent regulations.



# Electric bike & Motorcycle Assembly



Automotive



- Province of Fahs Anjra (Tangier Automotive City-TAC)
- Prefecture of Tangier-Asilah (Tangier Free Zone)

## PROJECT OVERVIEW

Economical and environmentally friendly, electric bikes & motorcycles are seen as alternatives to combustion-powered transportation. Setting up an assembly line for two-wheeled electric vehicles represents a major opportunity to diversify the region's offer and take account of global changes in the automotive sector and the reduction of greenhouse gas emissions.



## CONTEXT OF THE PROJECT OPPORTUNITY

### General features of the environment

- The region has a number of particularly dynamic zones offering numerous advantages for manufacturers and exporters.
- Extensive transport infrastructure (roads and airports) and proximity to Europe. Proximity to the port of Tangier-Med favors import/export-oriented trading activities.
- Numerous industries in the region enable local integration and supply of various components: wiring, batteries, brake pads, etc.
- A skilled, competitive regional workforce.
- A proactive policy on sustainable mobility on the part of the Moroccan government: National Development Strategy 2030, Energy Efficiency Strategy 2030, sustainable mobility (in progress), commitment to the Paris Agreement.
- An emerging Moroccan electric vehicle offering: the DUO model from mobilize-the Renault group's electric vehicle brand-will be manufactured in Morocco from 2023.

### Characteristics of the industry

- Products with components from the Electrical-Electronics and Automotive sectors, two flagship sectors for the region and the Kingdom, benefiting from various ecosystems set up under the 2014-2020 Industrial Acceleration Plan (battery ecosystem, IMM ecosystems, etc.).

- Products in the sector requiring infrastructural adaptation: installation of recharging stations, secure/piloted domestic outlets, etc.
- Lack of manpower to service and maintain electric vehicles in Morocco.

### Market characteristics

- Global trends are shifting towards changing transportation habits and decarbonized mobility.
- The market has significant potential due to the rising prices of fossil fuels and the various transformations that different markets will undergo in the future, such as the announcement of the end of new internal combustion engine car sales in Europe by 2035.
- The global electric bicycle market is projected to grow from \$35.69 billion in 2021 to \$92.12 billion in 2028, with an average annual growth rate of 12.6%. Similarly, the electric motorcycle market is expected to experience strong growth, reaching over \$109 billion by 2030.

## PROJECT CHARACTERISTICS

### Usage

- Means of transport for urban use (short trips), longer journeys (travel) or sports.

# Electric bike & Motorcycle Assembly

## Properties

- Electric bikes & motorcycles are equipped with a motor and a battery. Running solely on electricity, they are zero-carbon-emission vehicles, making it possible to meet the various challenges linked to mobility (environmental challenges, noise pollution, etc.).
- Vehicles require recharging at electric charging stations, with charging times ranging from 4 hours to 24 hours, depending on the vehicle type (motorcycle or bicycle), size, and battery type it uses.
- An essential component for this vehicle typology is the battery. The three main competitive factors of this component are its charging time, the distance it can travel on a full charge, and its acceleration performance.
- Different types of batteries exist to date and are commonly used, with life spans ranging from 2 to 10 years depending on the manufacturers:
  - Lithium battery
  - Lithium-ion battery
  - Lithium phosphate battery
  - Ionic lithium phosphate battery
  - Lead-acid battery
  - Nickel-metal hydride battery

## Requirement:

- Land: ground - terrain
- Industrial Unit and Assembly Lines
- Inputs: Batteries, Engines, Mechanical and Body Parts, Electrical Components, Brake Systems, Safety Systems, Wheels...
- Supply Chain Management Study: Studies, Management Software...

## FINANCIAL INDICATORS FOR INVESTMENT

### Potential Investment Cost

Between 100 to 300 Millions MAD

### Potential Revenue

From 100 Millions MAD

### Gross Profit Margin

~ 10% to 25%

## PERKS RELATED TO THE INVESTMENT

### Key advantages of the investment

#### Subsidies

- Support mechanisms provided under the investment charter

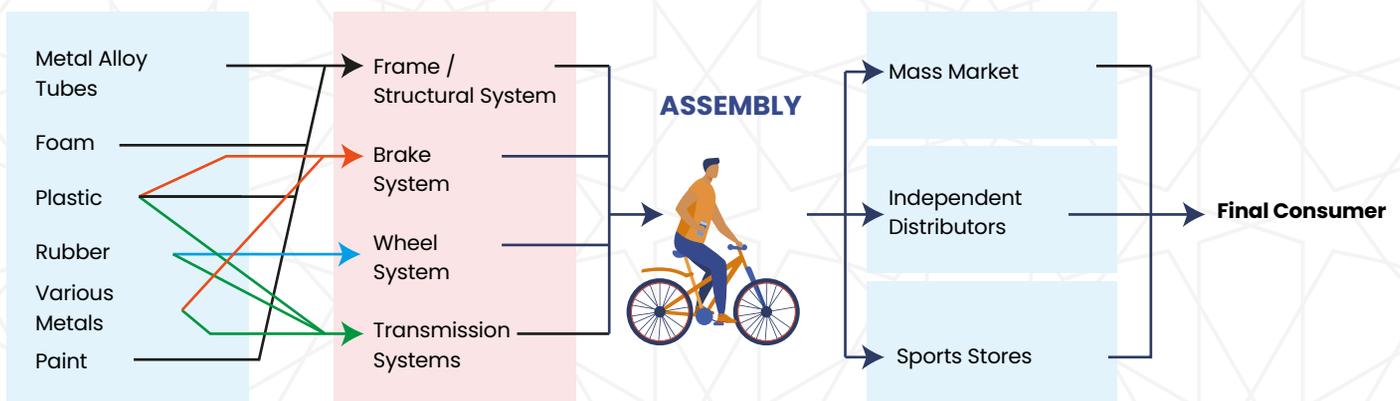
#### Financial incentives

- «IDMA» Program / «TAEHIL» Program

#### Financing\*\*

- Programs launched by TAMWILCOM
- TAHFIZ Program

## SIMPLIFIED ILLUSTRATION OF THE SUPPLY CHAIN FOR ELECTRIC BICYCLE ASSEMBLY



## SWOT for Investment Opportunity:

### Strengths

- ✔ Non-polluting and low-noise vehicles.
- ✔ Vehicles that provide fuel savings.
- ✔ Vehicles requiring less maintenance compared to their thermal counterparts.
- ✔ Robust vehicles, especially in terms of their engines.
- ✔ Assembly activity requires low technical skills.

### Weaknesses

- ✔ High purchase price.
- ✔ Range and charging time.
- ✔ National and global infrastructure is still inadequately adapted (charging stations on road axes, etc.).
- ✔ Deficit in terms of qualified workforce for maintenance and servicing.
- ✔ Still underdeveloped national market for electric vehicles.

### Opportunities

- ✔ Global transition towards mobility aiming to reduce the manufacturing of electric vehicles.
- ✔ A rapidly growing global market.
- ✔ Increasingly popular regulations favoring electric vehicles, such as carbon taxes and authorizations for households to have electric systems for vehicle charging.
- ✔ Qualified regional workforce and high potential for national integration (many components manufactured locally).
- ✔ Quality transport infrastructure and industrial zones offer various advantages.

### Threats

- ✔ Dependence on spare parts suppliers.
- ✔ Instability in the prices of raw materials such as lithium and fluctuations in electricity costs.
- ✔ Growing interest in hybrid vehicles.
- ✔ Fiscal framework instability.

\*Depending on the Chinese location, the investor may also benefit from various advantages (ZAE, ZAI, ZI, etc.).

\*\*For more information on financing mechanisms, please refer to the CRI Financing Guide.

# BUILDINGS AND PUBLIC WORKS



Cannabis processing unit for the construction materials industry.

52



# Buildings and Public Works

THE SECTOR'S STRONG IMPACT ON THE REGIONAL ECONOMY AND EMPLOYMENT DYNAMICS.



## 3 077

Companies operating in the BPW sector and affiliated to CNS.



## 26 418

Employees declared in the BPW sector and affiliated to the CNS.



## +128 200

People employed in the building and public works sector in the region, representing 10.7% of the working population, including 14.7% in urban areas and 5.7% in rural areas.



The building and public works sector ranks the TTA region 2nd nationally, generating 13.4% of national wealth.



A regional cement park including two major cement plants (Lafarge Ciments Tangier and Lafarge Ciments Tétouan) with a processing capacity of 3.4 million tonnes per year.

### THEY TRUST US



## PORCELANOR



# Cannabis processing unit for the BPW industry



Building and public works



- Province of Chefchaouen
- Province of Al Hoceima (ZAE Ait Kamra)
- Province of Ouezzane
- Province of Tetouan (Tetouan Park)

## PROJECT OVERVIEW

As part of the new legal provisions introduced by Law 13-21 on the legal use of Cannabis in Morocco, there is a real opportunity to set up a unit to transform the region's crops and imported legal products into components for the construction industry. Indeed, the natural properties of cannabis are numerous. With the right treatment and processing, the plant can be turned into a variety of building materials, with numerous applications in the sector.



## CONTEXT OF THE PROJECT OPPORTUNITY

### General features of the environment

- Cannabis cultivation is allowed in 2 provinces of the region: Chefchaouen and Al Hoceima.
- The national cultivated area of cannabis has been estimated at 50,000 hectares in recent years.  
Cannabis cultivation serves as a source of income for over 400,000 people (nearly 60,000 households).
- A legal framework has been established in Morocco through the provisions of Law 13-21, enacted on July 14, 2021, by Dahir No. 1-21-59, to address the informal nature of cannabis cultivation. This law regulates the lawful uses of cannabis, including industrial uses.
- The cannabis ecosystem is regulated upstream and downstream, with provisions in place for the supply of foreign plants and seeds and for commercialization. The regional climate is favorable for cannabis cultivation, and its proximity to other agricultural areas facilitates the supply chain.
- The region has a strategic geographical position close to Europe, which offers significant growth potential for cannabis-based products. It benefits from quality regional transportation infrastructure and proximity to commercial platforms, including the port of Tanger-Med.
- There is a designated authority, the National Agency for the Regulation of Cannabis Activities (ANRAC), responsible for overseeing activities related to cannabis.

### Characteristics of the industry

- In 2022, the construction industry is facing several heterogeneous challenges. These include a slowdown in the real estate sector and an increase in raw material prices. However, the industry is expected to have positive financial prospects for 2022, with investments increasing by 6.5% compared to 2021 in areas such as healthcare, road networks, and public infrastructure.

### Market demand characteristics

- Construction materials based on cannabis are gaining increasing popularity, particularly in European markets, due to their various properties.

## PROJECT CHARACTERISTICS

### Product characteristics

- Cannabis, or «hemp» has a variety of applications in the construction sector, including insulation, concrete, coatings, and construction panels.
- With a short cultivation cycle (less than 120 days), low water consumption, and minimal need for chemical inputs, it serves as the foundation for various sustainable materials (in an industry known for its high pollution levels) that are competitive in terms of both quality and price.

### Hemp in Construction Applications Hempcrete

- While not suitable for structural components of a building, hempcrete proves to be highly effective as insulation and can replace certain common materials such as drywall and plaster, which account for over 8% of construction waste.

## Cannabis processing unit for the BPW industry

- Hempcrete walls (non-load-bearing) are composed of hemp blocks created through a formwork process that involves compressing hemp stalks under high pressure to form insulating blocks.

### Hemp Construction Panels

These panels, made from 100% hemp, can replace traditional particle boards and offer a multitude of uses.

### Hemp Plasters

Hemp plasters are effective both indoors and outdoors. They are 100% natural, waterproof, crack-resistant, and provide good fire resistance. Additionally, the binder used possesses antiseptic, antifungal, and antistatic properties.

### Various Other Hemp Applications

Mortar, wool, felt, and more allow for the full range of properties offered by hemp (insulation, sound regulation, protection of wooden elements against moisture, etc.).

### Requirement

- Being established as a company or other legal entity governed by Moroccan law.
- Having the necessary qualified and sufficient material and human resources to carry out these activities.
- Obtaining the required authorizations to conduct regulated activities under the current legislation (ANRAC, etc.) and committing to comply with the terms defined by the sales contract (established by regulatory means).

## FINANCIAL INDICATORS OF THE INVESTMENT

### Financial indicators of the investment

Between 100 and 300 million MAD (for new investors).

### Potential revenue

Between 100 and 400 million MAD.

\*Depending on the chosen location, the investor may also benefit from various advantages (Special Economic Zones, Industrial Zones, Free Zones). Furthermore, cannabis cultivation in Morocco enjoys the various benefits provided by the Generation Green plan (dedicated offerings, including financial support, guidance, insurance, and social coverage).

\*\*For more information on financing mechanisms, please refer to the CRI Financing Guide.

## INVESTMENT-RELATED ADVANTAGES

### Key investment benefits

#### Subsidies

- Support mechanisms provided within the framework of the investment charter.

#### Training assistance

- IDMAJ Program.
- TAEHIL Program.

#### Financing\*\*

- Programs launched by TAMWILCOM.
- TAHFIZ Program.

## PROJECT OPPORTUNITY DESCRIPTION

- Project aiming to capitalize on the recent legalization of cannabis, which now serves as a fundamental input in the production of various construction materials, offering practical advantages in terms of natural properties.
- An emerging ecosystem related to the legal uses of cannabis in Morocco.
- An existing domestic market and a high-potential international market (especially the European market), allowing industries established in Morocco to benefit from proximity. Additionally, cannabis-based construction materials are gaining increasing recognition on the international scale.
- An investment opportunity for existing construction material industries in the region or the entire kingdom, as well as potential investors interested in establishing a legal entity governed by Moroccan law.

## GLOBAL CANNABIS MARKET

Countries that have legalized the use of cannabis-based products span across continents:

<b>Europe</b> Cyprus Croatia Denmark Spain Greece Italy Netherlands Poland Portugal Czech Republic Sweden Switzerland.	<b>Africa</b> South Africa – Ghana – Lesotho – Malawi Zambia – Zimbabwe.	<b>North America</b> Canada – United States (33 states).
	<b>Asia</b> China – India – Israel – Lebanon – Turkey.	<b>Latin America</b> Chile – Colombia – Honduras – Peru Uruguay - ...
		<b>Oceania</b> Australia.

- Due to its growth prospects and geographical proximity, the European market has the largest potential for the export of cannabis-based products. However, despite the existence of European regulations, national standards for the cannabis industry remain diverse.
- The North American market, on the other hand, has certain limitations. This includes the heterogeneity of regulations applied in the United States based on its different federal states. As for the Canadian market, it is highly mature, and accessibility for foreign exporters is limited.

## NATIONAL AGENCY FOR REGULATING CANNABIS ACTIVITIES

The operation of activities related to the use of cannabis (solely for medical, pharmaceutical, and industrial purposes) is subject to the authorization of the National Agency for Regulating Cannabis Activities (ANRAC). It is responsible for implementing the state's strategy regarding the cultivation, transformation, manufacturing, commercialization, import, export of cannabis and its products. ANRAC also ensures the monitoring of lawful cannabis throughout its value chain, from production to commercialization.

**Its main missions can be summarized as follows:**

- Regulation and control of the cannabis industry.
- Development of the industry and support for investments.
- Support and guidance for operators.

## SWOT FOR INVESTMENT OPPORTUNITY

### Strengths

- ✔ The newly regulated cannabis sector under Law 13-21.
- ✔ Existence of an organization governing cannabis activities (ANRAC).
- ✔ Favorable regional climate for cannabis cultivation (industry input) and proximity to producers.
- ✔ Quality regional transportation infrastructure, especially for exports (Tanger Med).
- ✔ Numerous products within this industry with attractive properties.
- ✔ Cannabis-based construction materials industry is less polluting than its «conventional» counterpart.

### Weaknesses

- ✔ An emerging ecosystem and highly regulated ecosystem (in terms of supply, logistics & transportation, production, and commercialization) requiring adaptation and upgrading of various ecosystem actors.
- ✔ Strict compliance with regulations regarding the introduction of cannabis-based products into the market (specific to the Moroccan market and target markets).
- ✔ Products are still relatively niche and not widely adopted.

### Opportunities

- ✔ Construction sector in Morocco with good growth prospects due to the approval of the 2022 finance law.
- ✔ Geographic proximity to European markets.
- ✔ Absence of national competitors in this segment.
- ✔ Qualified regional cannabis growers.
- ✔ Established agricultural aggregation framework within the kingdom.

### Threats:

- ✔ Informal and smuggling activities.
- ✔ Evolving international legal and regulatory framework (across different countries).
- ✔ Unfavorable economic conditions and numerous external challenges facing the sector (both nationally and internationally).

# CHEMICAL PARA-CHEMICAL SECTOR



- Unit for manufacturing cannabis-based dietary supplements **58**
- Cannabis valorization unit for cosmetic purposes **62**
- Unit for manufacturing cannabis-based pharmaceutical products **66**



# CHEMICAL-PARA-CHEMICAL SECTOR



**18,6%**

of businesses in the regional industrial sector



**4,4%**

of jobs in the regional industry



**7,2%**

of regional industrial production generated by the Chemical-Parachemical sector in 2019

## A SECTOR WITH SMIS OPERATING IN MORE THAN ONE SECTOR

Automotive  
Textile  
Cosmetics

Pharmaceuticals  
Paints  
Glass



The sector's potential can be further harnessed by developing the intersectoral synergies offered by the region's industrial fabric.

## THEY PUT THEIR TRUST IN US



## Production unit for CBD-based dietary supplements



CHEMICAL-PARA-CHEMICAL SECTOR



- Chefchaouen province ( EAZ )
- Province of Al Hoceima (Ait Kamra EAZ)
- Province of Tétouan (Tétouan Park)
- Province of Larache (Loukkos Agropolis)

### PROJECT DESCRIPTION

Under the new legal provisions introduced by Law 13-21 on the legal use of cannabis, establishing a production unit for cannabis-based dietary supplements presents an opportunity and significant marketing potential, particularly on the international market. However, this requires specific focus on target markets as well as rigorous compliance with local regulations.



### CONTEXT OF THE PROJECT OPPORTUNITY

#### General characteristics of the setting

- A booming global market: cannabis uses in the food industry are diverse, and many of them are still at the experimental stage.
- A Heterogeneous global regulatory framework: Different countries have legalized cannabis use, and regulations vary from country to country. These regulations have not yet stabilized, and are rapidly changing.
- Cannabis cultivation is authorized in 2 of the region's provinces: Chefchaouen & Al Hoceima.
- Cannabis cultivation on a national scale has been estimated at 50,000 hectares in recent years. Over 400,000 people (nearly 60,000 households) earn their living from cultivating cannabis.
- The legal framework established in Morocco by the provisions of Law 13-21, enacted on July 14, 2021, by Dahir no. 1-21-59 to address the informal nature of cannabis cultivation. This law covers the legal uses of cannabis (including industrial uses, such as in the automotive industry).
- The regional climate is favorable for cannabis cultivation, and proximity to farmers favors supply.
- Regional geostrategic position close to Europe, a market with significant growth potential.
- Existence of a reference body for cannabis-related activities: National Agency for the Regulation of Cannabis-Related Activities (ANRAC).

#### Industry characteristics

The industry's products primarily utilize CBD, a compound with no observable harmful effects on health, particularly in terms of psychotropic effects. Plus, it has a range of beneficial properties, notably for food use. However, a number of areas of controversy are still present.

#### Demand and market characteristics

- Numerous countries all across the globe have legalized the use of cannabis in the pharmaceutical sector, and even in some cases for recreational purposes.
- A global legal cannabis market estimated in 2018 at \$13.8 billion, including \$8.1 billion for the pharmaceutical sector (North America accounts for 95% of this market).
- The global market for legal cannabis is estimated to be worth \$233 billion in 2028, of which \$114 billion will be in the pharmaceutical sector.

### PROJECT PROFILE

#### Product characteristics

- CBD, or Cannabidiol, is a compound with some very interesting health benefits for consumers. Recent studies have highlighted the many health benefits of this compound. In terms of
  - CBD food applications, there are :
    - Dietary supplements.
    - CBD oil, which is the most widespread and widely used form on the market.
    - CBD herbal teas
    - CBD foods (candy, chocolate, cookies, chewing gum)
    - CBD flowers.

## Production unit for CBD-based dietary supplements

- The differentiation between a food product and a dietary supplement can be seen in the fact that dietary supplements are nutrient concentrates (vitamins, minerals, substances with nutritional or physiological purposes, or plants and plant preparations) designed to compensate for deficiencies in a person's regular diet.
- Food supplements come in a variety of galenic forms:
  - Capsules
  - Pastilles
  - Tablets
  - Pills
  - Powder sachets
  - Liquid ampoules
  - Dropper bottles
  - Solutions
  - ...
- Thanks to their natural richness in omegas and vitamins, CBD dietary supplements are becoming increasingly popular. Some studies demonstrate their benefits in combating cardiovascular disease, thanks to their effect on the endocannabinoid system and on CB1 and CB2 receptors. On top of this, Cannabidiol (CBD) helps reduce cholesterol levels in the body and blood. As a dietary supplement, CBD thus has considerable growth potential.
- Numerous tests must be carried out as part of the development and production of cannabis-based products in order to guarantee:
  - Compliance with regulations in force in the UK and international markets (e.g. the EU has a list of substances such as vitamins and minerals authorized for use in food supplements).
  - Absence of harmful effects for human health. Advertising of dietary supplements is also regulated in many countries (e.g.: it is forbidden to state that these products have properties that prevent, treat or cure any disease, or replace a healthy diet).
- Existence of shipping and labeling standards to be respected in the supply and marketing of these products.
- Advertising of dietary supplements is also regulated in many countries (e.g.: it is forbidden to state that these products have properties that prevent, treat or cure any disease, or replace a healthy diet).

### Requirements

- Must be incorporated as a company or other legal entity governed by Moroccan law.
- Must have sufficient, qualified material and human resources to carry out these activities.
- Must have obtained the necessary authorizations to carry out activities regulated under current legislation (ANRAC, etc.) and undertake to comply with the terms and conditions defined in the sales contract (set by regulation).

### FINANCIAL INDICATORS OF THE INVESTMENT

#### Potential investment cost

~ 50 to 200 million MAD

#### Potential turnover

~ 100 to 250 million MAD

#### Gross profit margin

~ 100 to 250 million MAD

### BENEFITS OF THE INVESTMENT

#### The main benefits of the investment

##### Subsidies

- Support systems provided under the investment charter.

##### Training aid

- « IDMAJ » program
- « TAEHIL » program

##### Funding\*\*

- Program launched by TAMWILCOM
- "TAHFIZ" program

### DESCRIPTION OF THE PROJECT OPPORTUNITY

- A project designed to capitalize on the recent legalization of cannabis, which today represents a basic input in the manufacture of various food uses
- An emerging ecosystem of legal uses for cannabis in Morocco.
- An existing national market and an international market with very strong growth potential (particularly the European market, enabling industries based in Morocco to benefit from their proximity to the latter).
- A project opportunity for manufacturers already established in the region, or in the Kingdom, as well as for any potential investor wishing to do business as a legal entity governed by Moroccan law.

## Production unit for CBD-based dietary supplements

### GLOBAL MARKET

Countries that have legalized the use of cannabis products on all continents:

#### Europe

Cyprus  
Croatia  
Denmark  
Spain  
Greece  
Italy  
Netherlands  
Poland  
Portugal  
Czech Republic  
Sweden  
Switzerland

#### Africa

South Africa - Ghana - Lesotho - Malawi -  
Zambia - Zimbabwe

#### Asia

China - India - Israel - Lebanon - Turkey

#### North America

Canada - United States (33 states)

#### Latin America

Chili - Colombia - Honduras - Perú  
Uruguay - ...

#### Oceania

Australia

Thanks to its growth prospects and geographical proximity, the European market offers the greatest potential for the export of cannabis-based products. However, although European regulations are in place, national standards for the sector's products remain heterogeneous.

The North American market does have its limitations. These include the heterogeneity of standards applied in the United States, depending on the different federal states. As for the Canadian market, it is very advanced and not very accessible to foreign exporters.

### THE NATIONAL AGENCY FOR THE REGULATION OF CANNABIS-RELATED ACTIVITIES

Activities relating to the use of cannabis (for medical, pharmaceutical and industrial purposes only) require authorization from the National Agency for the Regulation of Cannabis-Related Activities (ANRAC). ANRAC is responsible for implementing the State's strategy in terms of cultivation and production, processing and manufacturing, and the marketing, import and export of cannabis and related products. ANRAC also monitors legal cannabis at all stages of its value chain (from production to marketing).

**Its main missions can be summarized as follows:**

- Regulation and control of the cannabis industry.
- Development of the cannabis industry and support for investment.
- Support for operators

\* Depending on the location chosen, investors can also benefit from various advantages (EAZ, IAZ, IZ). In addition, agriculture in Morocco benefits from the various advantages offered by the Generation Green Plan (dedicated offers, including financial support, guidance, insurance and social coverage).

\*\* For more information on funding mechanisms, consult the CRI Funding Guide.

## SWOT MATRIX OF THE INVESTMENT OPPORTUNITY

### Strengths

- ✔ A newly regulated cannabis sector (Law 13-21).
- ✔ The existence of an organization governing cannabis-related activities (ANRAC).
- ✔ A regional climate favorable to cannabis cultivation (industry input) and proximity to growers.
- ✔ The «Beldia» variety (cannabis grown in Morocco) also boasts unique properties
- ✔ Absence of national competitors in the sector.
- ✔ High-quality regional transport infrastructure particularly in relation to exportation (Tangier-Med)

### Weaknesses

- ✔ A young and highly regulated ecosystem (in terms of supply, logistics & transport, production and marketing) requiring the adaptation and upgrading of the various players in the ecosystem.
- ✔ Cannabis products still have a negative image.

### Opportunities

- ✔ Geographical proximity to European markets with strong potential.
- ✔ Qualified regional cannabis growers.
- ✔ An agricultural aggregation structure established in the Kingdom.
- ✔ According to the Pharma5 group (one of the Kingdom's leading pharmaceutical firms), Morocco can seize 25% of the international market for therapeutic cannabis and wellness products (cosmetics, dietary supplements) on a «constant legislative basis».

### Threats:

- ✔ The international regulatory framework is heterogeneous and still unstable
- ✔ Informal sale and contraband.



## Cannabis processing unit for cosmetic use



CHEMICAL-PARA-CHEMICAL SECTOR

- Chefchaouen province ( EAZ )
- Province of Al Hoceima (Ait Kamra EAZ)
- Province of Ouezzane
- Province of Tétouan (Tétouan Park)

### PROJECT DESCRIPTION

Under the new legal provisions introduced by Law 13-21 on the legal use of cannabis in Morocco, the establishment of a unit to transform the region's crops and imported legal products into components for the BTP industry presents a real opportunity. Indeed, the natural properties of cannabis are numerous. With the right treatment and processing, the plant can be turned into a variety of building materials, with numerous applications in the sector.



### CONTEXT OF THE PROJECT OPPORTUNITY

#### General characteristics of the setting

- Cannabis cultivation is authorized in 2 of the region's provinces: Chefchaouen & Al Hoceima.
- Cannabis cultivation on a national scale has been estimated at 50,000 hectares in recent years. Over 400,000 people (nearly 60,000 households) earn their living from cultivating cannabis.
- The legal framework established in Morocco by the provisions of Law 13-21, enacted on July 14, 2021, by Dahir no. 1-21-59 to address the informal nature of cannabis cultivation. This law covers the legal uses of cannabis (including industrial uses, such as in the automotive industry).
- Regulated upstream and downstream ecosystem (with provisions in force, in particular, for the supply and marketing of foreign seed and seedlings)
- The regional climate is favorable for cannabis cultivation, and proximity to farmers favors supply.
- Regional geostrategic position close to Europe, a market with significant growth potential.
- The need to introduce new cannabis varieties adapted to regional cultivation in order to make the industry more competitive in terms of supply costs.
- Existence of a reference body for cannabis-related activities: National Agency for the Regulation of Cannabis-Related Activities (ANRAC).

#### Industry characteristics

- The industry's products primarily utilize CBD, a compound with no observable harmful effects on health, particularly in terms of psychotropic effects. Plus, it has a range of beneficial properties, notably for cosmetic uses

#### Demand and market characteristics

- Many countries across the globe have legalized the use of cannabis in the cosmetics sector.
- A global legal cannabis market estimated at \$13.8 billion in 2018
- A global legal cannabis market estimated to be worth \$233 billion by 2028, testifying to its considerable potential.
- An existing market in Morocco: The latest studies reveal that a large number of cannabis-based cosmetics, mainly imported, are already on sale at various distribution outlets in the Kingdom: pharmacies and parapharmacies, various shops, online platforms, etc.

### PROJECT PROFILE

#### Product characteristics

- Cannabidiol (CBD)-based cosmetics mainly exploit the properties of this cannabis-derived compound, renowned for its skin-care and cell-rebuilding benefits, as well as its antioxidant and anti-inflammatory properties.
- CBD oil is one of the main constituents of cannabis-based cosmetics, extracted from the seeds.

- A wide range of products are involved in the cannabis-based cosmetics industry:
  - Balms
  - Make-up
  - creams
  - Skin care serums.
  - Moisturizing body milks.
  - Cleansing products: shower gels, shampoos, etc.
  - ...
- Numerous tests must be carried out as part of the development and production of cannabis-based products in order to guarantee :
  - Compliance with regulations in force in the Kingdom and in international markets
  - Absence of harmful effects on humans: toxicology, analytical tests (heavy metals, pesticides, protein assays, etc.), in vitro studies (skin irritation, Ames test, micronucleus test, etc.), clinical studies, etc.

### Requirements

- Must be incorporated as a company or other legal entity governed by Moroccan law.
- Must have sufficient, qualified material and human resources to carry out these activities.
- Must have obtained the necessary authorizations to carry out activities regulated under current legislation (ANRAC, etc.) and undertake to comply with the terms and conditions defined in the sales contract (set by regulation).

## FINANCIAL INDICATORS OF THE INVESTMENT

### Potential investment cost

~ 50 to 200 million MAD

### Potential turnover

~ 100 to 250 million MAD

### Gross profit margin

~ 20% to 30%

## BENEFITS OF THE INVESTMENT

### The main benefits of the investment

#### Subsidies

- Support systems provided under the investment charter.

#### Training aid

- « IDMAJ » program
- « TAEHIL » program

#### Funding\*\*

- Program launched by TAMWILCOM
- "TAHFIZ" program

## DESCRIPTION OF THE PROJECT OPPORTUNITY

- A project designed to capitalize on the recent legalization of cannabis, which today represents a basic input in the manufacture of various cosmetic products
- An emerging ecosystem of legal uses for cannabis in Morocco.
- An existing national market and an international market with very strong growth potential (particularly the European market, enabling industries based in Morocco to benefit from their proximity to the latter).
- A project opportunity for cosmetic manufacturers already established in the region, or in the Kingdom, as well as for any potential investor wishing to do business as a legal entity governed by Moroccan law.

## GLOBAL CANNABIS MARKET

Countries that have legalized the use of cannabis products on all continents: Page 64 Cannabis processing unit for cosmetic use

## Cannabis processing unit for cosmetic use

### Europe

Cyprus  
Croatia  
Denmark  
Spain  
Greece  
Italy  
Netherlands

Poland  
Portugal  
Czech Republic  
Sweden  
Switzerland

### Africa

South Africa - Ghana - Lesotho - Malawi -  
Zambia - Zimbabwe

### Asia

China - India - Israel - Lebanon - Turkey

### North America

Canada - United States (33 states)

### Latin America

Chili - Colombia - Honduras - Perú -  
Uruguay - ...

### Oceania

Australia

Thanks to its growth prospects and geographical proximity, the European market offers the greatest potential for the export of cannabis-based products. However, although European regulations are in place, national standards for the sector's products remain heterogeneous.

The North American market does have its limitations. These include the heterogeneity of standards applied in the United States, depending on the different federal states. As for the Canadian market, it is very advanced and not very accessible to foreign exporters.

## THE NATIONAL AGENCY FOR THE REGULATION OF CANNABIS-RELATED ACTIVITIES

Activities relating to the use of cannabis (for medical, pharmaceutical and industrial purposes only) require authorization from the National Agency for the Regulation of Cannabis-Related Activities (ANRAC). ANRAC is responsible for implementing the State's strategy in terms of cultivation and production, processing and manufacturing, and the marketing, import and export of cannabis and related products. ANRAC also monitors legal cannabis at all stages of its value chain (from production to marketing).

### Its main missions can be summarized as follows:

- Regulation and control of the cannabis industry.
- Development of the cannabis industry and support for investment.
- Support for operators

\* Depending on the location chosen, investors can also benefit from various advantages (EAZ, IAZ, IZ). In addition, agriculture in Morocco benefits from the various advantages offered by the Generation Green Plan (dedicated offers, including financial support, guidance, insurance and social coverage).

\*\* For more information on funding mechanisms, consult the CRI Funding Guide.

## SWOT MATRIX OF THE INVESTMENT OPPORTUNITY



### Strengths

- ✔ A newly regulated cannabis sector (Law 13-21).
- ✔ The existence of an organization governing cannabis-related activities (ANRAC).
- ✔ A regional climate favorable to cannabis cultivation (industry input) and proximity to growers.
- ✔ Absence of national competitors in the sector.
- ✔ High-quality regional transport infrastructure particularly in relation to exportation (Tangier-Med)
- ✔ A wide range of products

### Weaknesses



- ✔ A young and highly regulated ecosystem (in terms of supply, logistics & transport, production and marketing) requiring the adaptation and upgrading of the various players in the ecosystem.
- ✔ Strict standards for marketing cannabis-based products (specific to the Moroccan market and target markets).
- ✔ The need to plant new cannabis varieties adapted to Moroccan cultivation conditions



### Opportunities

- ✔ A cosmetics sector for cannabis-based products with strong national and international growth prospects.
- ✔ Geographical proximity to European markets with strong potential.
- ✔ Low national competition.
- ✔ Qualified regional cannabis growers.
- ✔ An agricultural aggregation structure established in the Kingdom.



### Threats

- ✔ Informal sale and contraband.
- ✔ The international legal and regulatory framework (at country level) is still in development.



# Cannabis processing unit for pharmaceutical use

 CHEMICAL-PARA-CHEMICAL SECTOR

 Tangier-Assilah Prefecture (Tangier-Tech)

## PROJECT DESCRIPTION

Under the new legal provisions introduced by Law 13-21 on the legal use of cannabis in Morocco, the establishment of a unit to process the region's crops for pharmaceutical use presents a real opportunity and significant marketing potential, particularly on the international market.



## CONTEXT OF THE PROJECT OPPORTUNITY

### General characteristics of the setting

- Cannabis cultivation is authorized in 2 of the region's provinces: Chefchaouen & Al Hoceima.
- Cannabis cultivation on a national scale has been estimated at 50,000 hectares in recent years. Over 400,000 people (nearly 60,000 households) earn their living from cultivating cannabis.
- The legal framework established in Morocco by the provisions of Law 13-21, enacted on July 14, 2021, by Dahir no. 1-21-59 to address the informal nature of cannabis cultivation. This law covers the legal uses of cannabis (including industrial uses).
- The regional climate is favorable for cannabis cultivation, and proximity to farmers favors supply.
- Regional geostrategic position close to Europe, a market with significant growth potential.
- Existence of a reference body for cannabis-related activities: National Agency for the Regulation of Cannabis-Related Activities (ANRAC).

### Industry characteristics

- A high-potential sector: a number of compounds for pharmaceutical use can be extracted from cannabis. Moreover, many studies are still underway at international level to explore the still relatively unknown properties of the plant and its compounds.
- A sector requiring a certain technical knowledge and expertise.
- Several varieties of cannabis now grown in Morocco almost all have a THC content of over 1%, making them, according to current regulations, suitable for medical and pharmaceutical use only.

### Demand and market characteristics

- Numerous countries all across the globe have legalized the use of cannabis in the pharmaceutical sector, and even in some cases for recreational purposes.
- A global legal cannabis market estimated in 2018 at \$13.8 billion, including \$8.1 billion for the pharmaceutical sector (North America accounts for 95% of this market).
- The global market for legal cannabis is estimated to be worth \$233 billion in 2028, of which \$114 billion will be in the pharmaceutical sector.

## PROJECT PROFILE

### Product characteristics

- Numerous cannabis compounds are available for pharmaceutical use following extraction, the main ones being :
  - Tetrahydrocannabinol (THC).
  - Cannabinol (CBN).
  - Cannabidiol (CBD).
- The cannabis plant also contains other compounds: Cannabigerol, Cannabivarin and Cannabicyclol. These, however, are still being studied and researched.
- THC: the only cannabis compound subject to monitoring due to its psychotropic properties.
- Currently exploitable compounds for pharmaceutical purposes that can be extracted from cannabis, as part of treatments for :
  - Degenerative nerve disorders (Alzheimer's, Parkinson's, etc.).
  - Inflammatory and autoimmune diseases, in particular inflammatory bowel diseases such as Crohn's disease.
- A scientific community in countries which have legalized the use of cannabis for therapeutic purposes recognizes the efficacy of cannabis-

## Cannabis processing unit for pharmaceutical use

based treatments for epilepsy and a number of central nervous system disorders, as well as for reducing pain, particularly that associated with cancer and chemotherapy.

- Moroccan regulations (article 6 of law 13-21) authorize the use of cannabis varieties with a THC content of over 1% for therapeutic and medical purposes only.
- Pharmaceutical production requires compliance with strict standards, specific to the target markets and the country of production (Morocco).

### Requirements

- Must be incorporated as a company or other legal entity governed by Moroccan law.
- Must have sufficient, qualified material and human resources to carry out these activities.
- Must have obtained the necessary authorizations to carry out activities regulated under current legislation (ANRAC, etc.) and undertake to comply with the terms and conditions defined in the sales contract (set by regulation).

## GLOBAL CANNABIS MARKET

Countries that have legalized the use of cannabis products on all continents:

<b>Europe</b> Cyprus Croatia Denmark Spain Greece Italy Netherlands Poland Portugal Czech Republic Sweden Switzerland	<b>Africa</b> South Africa - Ghana - Lesotho - Malawi - Zambia - Zimbabwe	<b>North America</b> Canada - United States (33 states)
	<b>Asia</b> China - India - Israel - Lebanon - Turkey	<b>Latin America</b> Chili - Colombia - Honduras - Perú - Uruguay - ...
		<b>Oceania</b> Australia

### Market estimates for pharmaceutical products based on compounds extracted from cannabis by 2028 :

- An annual growth rate of 30% worldwide and 60% in Europe.
- 60% of the world market monopolized by Europe (i.e. nearly 123 billion Euros)
- Thanks to its growth prospects and geographical proximity, the European market offers the greatest potential for the export of cannabis-based pharmaceutical products.
- The North American market does have its limitations. These include the heterogeneity of standards applied in the United States, depending on the different federal states. As for the Canadian market, it is very advanced and not very accessible to foreign exporters.

## BENEFITS OF THE INVESTMENT

### The main benefits of the investment

#### Subsidies

- Support systems provided under the investment charter.

#### Training aid

- « IDMAJ » program
- « TAEHIL » program

#### Funding\*\*

- Program launched by TAMWILCOM
- "TAHFIZ" program

## DESCRIPTION OF THE PROJECT OPPORTUNITY

- A project designed to capitalize on the recent legalization of cannabis, which today represents a basic input in the manufacture of medical and pharmaceutical products
- Cannabis grown in Morocco may only be used for medical or pharmaceutical purposes, according to current regulations, due to its high THC content (>1%).
- A project opportunity mainly concerning the pharmaceutical industries already established in the Kingdom

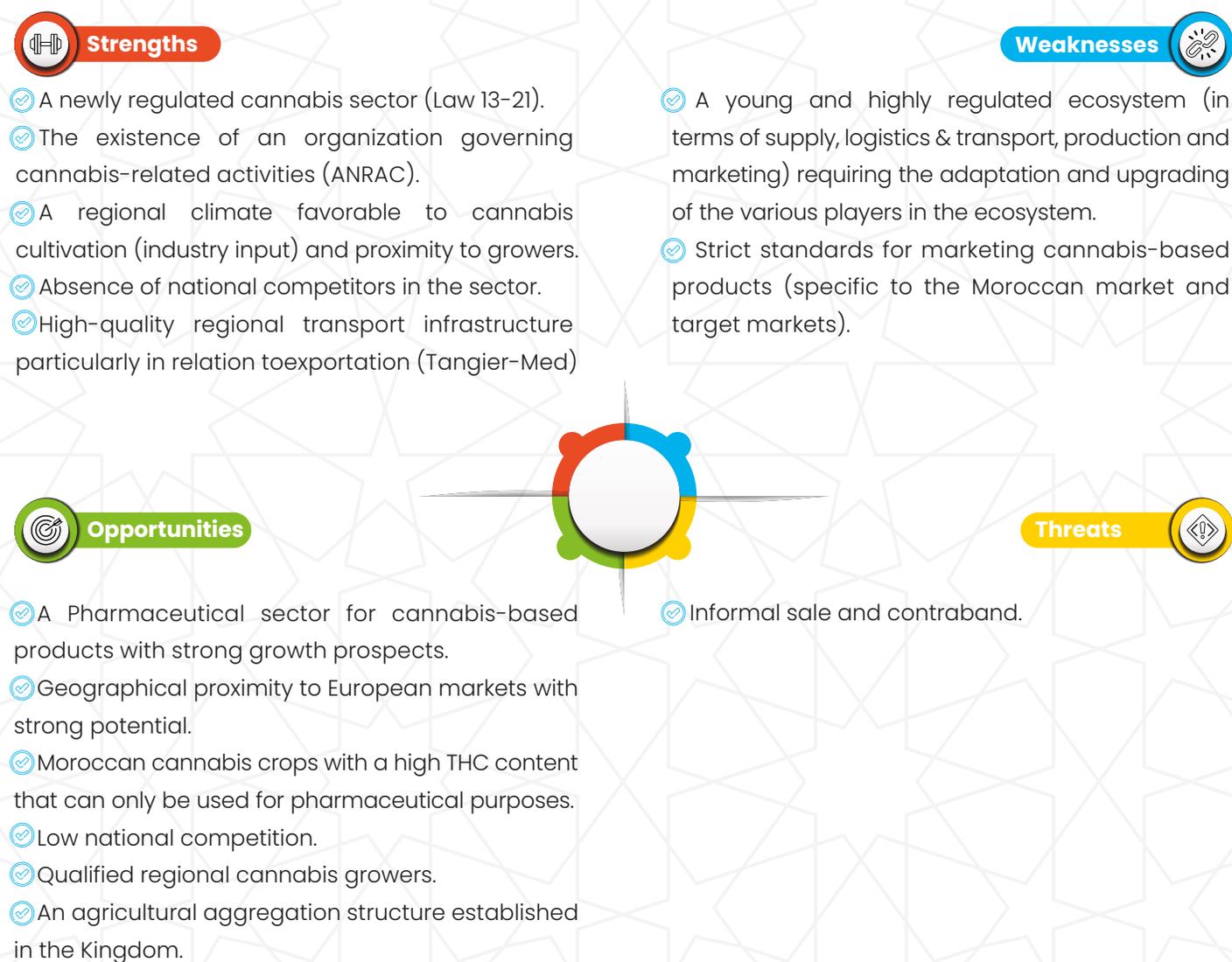
### THE NATIONAL AGENCY FOR THE REGULATION OF CANNABIS-RELATED ACTIVITIES

Activities relating to the use of cannabis (for medical, pharmaceutical and industrial purposes only) require authorization from the National Agency for the Regulation of Cannabis-Related Activities (ANRAC). ANRAC is responsible for implementing the State's strategy in terms of cultivation and production, processing and manufacturing, and the marketing, import and export of cannabis and related products. ANRAC also monitors legal cannabis at all stages of its value chain (from production to marketing).

**Its main missions can be summarized as follows:**

- Regulation and control of the cannabis industry.
- Development of the cannabis industry and support for investment.
- Support for operators

### SWOT MATRIX OF THE INVESTMENT OPPORTUNITY



\* En fonction de la localisation choisie, l'investisseur peut également bénéficier de divers avantages (ZAE, ZAI, ZI). Par ailleurs la culture du cannabis au Maroc bénéficie des divers avantages octroyés par le Plan Génération Green (offres dédiées, incluant en outre le soutien financier, l'accompagnement, l'assurance et la couverture sociale).

\*\* Pour plus d'information sur les mécanismes de financements consulter le Guide de Financement du CRI

# TRADE



Shopping center in Tétouan

71



# Trade

A MAJOR PILLAR OF THE REGIONAL AND NATIONAL ECONOMY, AND A CREATOR OF WEALTH AND JOBS, THE RETAIL SECTOR REPRESENTS 49.86% OF ALL SECTORS OF ACTIVITY IN THE REGION.



**+11 BM DH**

of added value created by the sector at regional level



**5523**

Trading companies affiliated to CNSS



**60 866**

Employees declared to CNSS

### Shopping centers :

Commercial business zone

### Traditional shopping :

Outlet

Supermarkets and department stores, wholesalers, retailers and small shops

THE REGION HAS A NUMBER OF MAJOR ASSETS THAT ENABLE IT TO POSITION ITSELF AS A REGIONAL HUB FOR INTERNATIONAL TRADE.

### The ultimate shopping destination

By setting up and implementing shopping centers and supermarkets and capitalizing on the region's tourism potential

### A determination to keep up with new trends

By identifying new needs linked to changing consumption patterns, the modernization of urban societies and the development of tourism

THEY PUT THEIR TRUST IN US



Carrefour



Atacadão



Socco Alto Mall



Tanger City Mall



Marjane



Investangier



المركز الجهوي للاستثمار  
Centre Régional d'Investissement  
TANGER-TETOUAN-AL BOUHRA

## Shopping center



Tétouan province (Tétouan City)

### PROJECT DESCRIPTION

The Tangier-Tetouan-Al Hoceima region has a strong commercial presence and a substantial flow of national and international tourists. The creation of a commercial center in the city of Tétouan is an asset for the province's tourism and economic dynamism.



### CONTEXT OF THE PROJECT OPPORTUNITY

#### General characteristics of the setting

- The province of Tétouan is home to a population of over 578,000, whose consumer trends are growing thanks to rising purchasing power.
- Significant regional tourism in close synergy with the retail sector.
- The region's shopping centers are still underdeveloped, and are mainly concentrated in the city of Tangier.
- Located around 60 km southeast of Tangier and close to the Strait of Gibraltar, the city of Tetouan is a regional tourism hotspot.
- Extensive transportation infrastructure (road and airport) and proximity to Europe. Proximity to the Tangier-Med port favors import/export-oriented trading activities.
- The province boasts a range of assets that make it a favorite tourist destination: an urban center, proximity to the prefectures of Tangier-Asilah and M&#39;Diq-Fnideq, which have major trade and tourism sectors, ...

#### Characteristics of demand and market

- Strong, highly diversified demand for an underdeveloped local offer.
- Scarce number of modern shopping centers in the city of Tétouan.

### PROJECT PROFILE

#### Product characteristics

- Large-scale project generating substantial direct and indirect employment, a structuring landmark for the urban space
- A space with a minimum surface area of 5,000 m<sup>2</sup> housing a large number of stores designed to accommodate a variety of brands and requiring extensive maintenance: hygiene & cleanliness, security, customer reception, technical building maintenance, etc.
- A commercial space with strong appeal in both winter and summer.
- A site that can accommodate a range of related services: restaurant chains / "Food Court", cinema, banks, children's play areas, etc.

#### Requirements

##### Project design

- Preliminary studies (market studies, financial analysis, administrative authorizations).
- Land identification.
- Identification of businesses, franchises and brands to accommodate.

##### Construction

- Construction materials and building experts (architects, landscapers,

##### Management

- Setting up a management and funding structure
- Communication, marketing and other services.

### FINANCIAL INDICATORS OF THE INVESTMENT

#### Potential investment cost

~ 500 million to 1 billion MAD depending on surface area and number of stores

#### Potential turnover

~ Between 3 and 5 billion MAD

## Shopping center

### Gross profit margin

~ 20% to 30%

### BENEFITS OF THE INVESTMENT\*

#### The main benefits of the investment\*\*

##### Subsidies

- Support systems provided under the investment charter.

### MAJOR COMPETITOR IN THE CITY OF TETOUAN

#### S.C Tetouan Mall

- Café, Terrace 189 m<sup>2</sup> + 256 m<sup>2</sup>
- Parking lot 2.510 m<sup>2</sup>
- Commercial premises + Warehouse 375 m<sup>2</sup> + 395 m<sup>2</sup>
- Stores starting from 13 m<sup>2</sup>
- Jewelry shops 7 m<sup>2</sup>
- Ground floor: 52 stores + commercial premises with warehouse
- Floor 1: 54 Stores + 16 Jewelry Shops
- Floor 2: 44 Shops + Café with Terrace



Considered Tétouan's first «Mall», S.C Tétouan Mall is located in the city's new administrative and residential center.

### PRINCIPAUX CONCURRENTS AU NIVEAU DE LA VILLE DE TANGER (NON-EXHAUSTIVE)



- Area of over 55,000 square meters.
- Over 90 national and international brands.
- Food court with over 15 restaurants and cafés. 3,000 square meters dedicated to leisure activities (Fun Park, bowling, etc.).
- Over 1,000 parking spaces
- Hypermarket: Carrefour, Marjane
- ...



- Surface area of over 30,000 square meters.
- Over 78 selling points
- Center of cinematography with 8 theaters.
- 1,500 square meters of play and leisure space
- 1700 parking spaces.
- Catering area with various brands
- ...

\* Depending on the location chosen, investors can also benefit from various advantages (EAZ, IAZ, IZ).

\*\* For more information on funding mechanisms, consult the CRI Funding Guide.

## SWOT MATRIX OF THE INVESTMENT OPPORTUNITY

### Strengths

- ✔ A diverse range of in-store products to attract different customer groups
- ✔ Business model that can incorporate leisure activities (cinema, terrace café, bowling alley, children's playground, etc.).
- ✔ Strong synergy with the regional tourism sector.

### Opportunities

- ✔ Tetouan's strategic location and large population.
- ✔ Well-developed transport infrastructure and proximity to the port of Tangier-Med for importing operators likely to set up business in the shopping center.
- ✔ Economic activity in the TTA region and the province of Tétouan, leading to significant flow of people.
- ✔ Weak local competition.
- ✔ Plenty of investment benefits.

### Weaknesses

- ✔ Substantial investment
- ✔ Heterogeneous flows of people at different times of the year.
- ✔ Complex, ongoing management (hygiene, safety, maintenance, communication, etc.)

### Threats

- ✔ Direct competition with Spanish shopping centers in the Ceuta and Melilla enclaves and those in the city of Tangiers.
- ✔ E-Commerce development.
- ✔ Sanitary risk



# EDUCATION



- French school
- Training institute for professions in the automobile industry in the new city of Chrafate

76

78



# Education

26% of the region's population is enrolled in some form of education (pre-school, school or higher education) or vocational training.

## SCHOOL YEAR 2022-2023 IN FIGURES

**+ 99 000**

Children in preschool

**+ 125 000**

Students in universities

**+ 800 000**

Students in school

**+ 63 000**

Vocational trainees



### PROFESSIONAL TRAINING

**61 training institutions**

- |                         |                               |
|-------------------------|-------------------------------|
| Automotive              | Offshoring                    |
| Aerospace               | Hotels and tourism            |
| Electronics             | Renewable energy              |
| Logistics and transport | Construction and public works |
| Textile and leather     |                               |



### UNIVERSITY EDUCATION

**19 institutions**

- |                         |                                    |
|-------------------------|------------------------------------|
| Business schools        | International Institute of Tourism |
| Engineering schools     | Institute of Fine Arts             |
| Schools of architecture | School of translation              |
| Faculty of Medicine     |                                    |



**76%**

Diploma training

**87**

Training programs

**24%**

Skills training

**3250**

Teaching slots

**8**

Specific divisions

## THEY PUT THEIR TRUST IN US



ECOLE MAROCAINE DES SCIENCES DE L'INGENIEUR  
Membre de HONORIS UNITED UNIVERSITIES



Collège LaSalle



المركز الجهوي للاستثمار  
عندما نتعاون المميتة  
TANGIER-TÉTOUAN-AL HOCEÏMA  
CENTRE RÉGIONAL D'INVESTISSEMENT  
TANGIER-TÉTOUAN-AL HOCEÏMA

## PROJECT DESCRIPTION

The new city of Chrafate will be home to around 150,000 inhabitants. The development of an educational infrastructure, in particular a French school, presents an opportunity to diversify the educational offer.



## CONTEXT OF THE PROJECT OPPORTUNITY

### General characteristics of the setting

- Chrafate: A new city near Tangier with a population of 150,000
- Half of the population under the age of 30 This city is located 18 km southeast of Tangier and 25 km from Tetouan, right at the crossroads of three major communications routes ("Rabat-Ksar Sghir" freeway passing through the Tangier Med port site, the Tangier- Tetouan highway, and the Tangier-Larache highway).
- The city boasts two 900-hectare industrial zones, including the Renault plant and an industrial acceleration zone dedicated to automotive equipment manufacturers. The opportunity is therefore to diversify the educational offering in the city, which will be home to a large number of executives and senior managers.

### Market characteristics

- No French schools in the area.
- Most of the region's French schools are concentrated in Tangier.
- Extensive national network of French schools (one of the densest).

### Demand characteristics

- Demand for this type of education is high (more than 46,500 students will be enrolled in French schools in 2021, 70% of whom will be Moroccan).
- Foreigners living in Morocco, a large proportion of whom are French speakers, tend to send their children to this type of school.
- Growing purchasing power.

## PROJECT PROFILE

### Service characteristics

- The education system is divided into three main cycles: Primary, Junior High and High School.
- French schools are all approved by the French Ministry of Education and Youth (MENJ), and are part of the French education network abroad, managed by the Agency for French Education Abroad (A.E.F.E.).
- Various possible structures: schools directly managed by the AEFE (EGD), schools belonging to the International School and University Office (O.S.U.I.), schools managed by private partners, schools belonging to the Universal Israelite Alliance (AIU).
- Regular control by MENJS to ensure compliance with certification criteria.
- Granting of scholarships to certain students.

### Requirements

- Must be approved by the French Ministry MENJ.
- Must have Moroccan administrative authorizations.
- Land and infrastructure that meet the standards of the French education system and national regulatory requirements.
- Administrative and teaching staff, miscellaneous personnel, ...
- ...

## FINANCIAL INDICATORS OF THE INVESTMENT

### Potential investment cost

~ 25 to 100 million MAD

### Potential turnover

~ 5 to 15 million MAD

### BENEFITS OF THE INVESTMENT

#### The main benefits of the investment

Support from the AEFE (engineering in the fields of pedagogy, educational and vocational guidance, real estate, management, security and

communication, provision of expertise to project leaders wishing to develop teaching in line with the French educational model, operating, investment, equipment and pedagogical support subsidies, network management and coordination, etc.).

### PROPOSAL FOR LAND

Proposal of land for the construction of a French School in the new town of Chrafate and selection criteria:

- Proximity to the city's main roads to optimize the school's accessibility not only to the city's population, but also to that of Tangier (18 km) and Tetouan (25 km).
- Proximity to industrial zones that will attract a large number of managers.



### FRENCH SCHOOLS IN MOROCCO (non-exhaustive list)

#### Tangier

Adrien Berchet  
Lycée Regnault  
Lycée français international  
Le Détroit

#### Rabat

Albert-Camus  
André Chénier  
Paul-Cézanne  
Pierre-de-Ronsard  
René Descartes  
Antoine de Saint-Exupéry  
André Malraux

#### Marrakesh

Auguste-Renoir  
Groupe scolaire OSUI Jacques  
Victor-Hugo  
Majorelle

#### Casablanca

Georges Bizet  
Claude Bernard  
Théophile Gautier  
Molière  
Ernest Renan  
Lycée Lyautey  
Massignon  
Anatole France

### SWOT MATRIX OF THE INVESTMENT OPPORTUNITY

#### Strengths

- A reputable, high-quality education that meets the standards of the French education system, with the opportunity for students to continue their studies abroad.
- Strong demand for French education among middle- and high-income populations.
- Support at all levels from the MENJ (e.g. major subsidies granted to French schools abroad as part of the management of the Covid 19 crisis).

#### Opportunities

- No French school in the city of Chrafate
- Proximity to several major roads, making the school easily accessible to residents of Chrafate, Tangier and Tétouan.
- Existence of local human resources for various positions (maintenance, security, canteen, etc.)

#### Weaknesses

- Substantial investment cost.
- High annual tuition fees.

#### Threats

- Regional competition: there are other French schools close to Chrafate in the city of Tangier, as well as competition from foreign schools of other countries (Belgian, Spanish, etc.).

# Training institute for professions in the automobile industry in the new city of Chrafate

 EDUCATION

 Fahs Anjra province (Chrafate)

## PROJECT DESCRIPTION

To keep pace with the rapid expansion of the regional automotive ecosystem, the creation of an automotive industry training institute represents a major opportunity to train a skilled workforce in the region.



## CONTEXT OF THE PROJECT OPPORTUNITY

### General characteristics of the setting

- The region boasts several industrial and free trade zones linked to the automotive ecosystem (EAZ Fahs Anjra and Tanger Automotive City, etc.), which are particularly dynamic and host numerous operators in the sector.
- The Renault Tangier plant in the Melloussa industrial free zone, which manufactured more than 400,000 vehicles in 2015 and is experiencing significant growth.
- A competitive regional workforce, capable of meeting the employment needs of the regional and national automotive ecosystem through top quality training.
- Chrafate: A new city near Tangier with a population expected to reach 150,000, half of whom are under 30 years old (an important potential student pool).
- The new city of Chrafate is ideally positioned: it boasts a 280-hectare industrial zone, which includes the Renault assembly plant and 2 TMSA free trade zones dedicated to equipment manufacturers, giving it close proximity to industry operators and encouraging practical training. The city, located 18 km southeast of Tangier and 25 km from Tetouan, is at the crossroads of three major roads (Rabat-Ksar Sghir freeway passing through the Tangier Med port, Tangier-Tetouan highway, Tangier-Larache highway).

### Demand and market characteristics

- Growth projections for the Moroccan automotive sector are estimated at 17.5% per year between 2020 and 2025 (source: Fitch Rating), offering real opportunities for equipment suppliers.
- An estimated 6% growth in the number of cars on the road by 2025, coupled with increased road safety awareness.
- Growing interest on the part of several car manufacturers in sourcing from Morocco,

reflecting the sector's significant regional development prospects and future training needs.

- High demand for expertise and knowledge in the automotive sector, due to its strong potential.

## PROJECT PROFILE

- A training offer designed to cater for the various branches of the automotive ecosystem, and to help train the qualified skills needed to meet the region's and the Kingdom's human resources requirements.
- Various training programs (theoretical and technical) adapted to different categories of students: young graduates and/or people undergoing retraining.

### Requirements

- Land and buildings including classrooms, appropriate IT equipment, study and dining areas, etc. (as well as various administrative authorizations).
- Training programs complying with the standards required by current regulations (including accreditation by the French Ministry of Vocational Training).
- Qualified instructors.
- Potential partnerships with operators in the sector and/or other national and international establishments.

## FINANCIAL INDICATORS OF THE INVESTMENT

### Potential investment cost

- ~ from 15 million MAD

## Training institute for professions in the automobile industry in the new city of Chrafate

### Gross profit margin

- ~ 10% to 25%

### Potential turnover

- Depending on the rate applied to the various training programs

### Training aid

- « IDMAJ » program / « TAEHIL » program

### Funding\*\*

- Program launched by TAMWILCOM
- "TAHFIZ" program

## BENEFITS OF THE INVESTMENT

### The main benefits of the investment

#### Subsidies

- Support systems provided under the investment charter.

## MAIN TRAINING INSTITUTES FOR AUTOMOTIVE INDUSTRY PROFESSIONS IN MOROCCO (NON-EXHAUSTIVE)



Casablanca / Kenitra / Tanger



Casablanca

## SWOT MATRIX OF THE INVESTMENT OPPORTUNITY

### Strengths

- ✔ High-potential regional automotive industry.
- ✔ Significant job opportunities for graduates of the training institution.
- ✔ Structured automotive sector and various potential partner organizations as part of its development

### Weaknesses

- ✔ Training program costs

### Opportunities

- ✔ Proximity to job opportunities (proximity to ecosystem operators).
- ✔ Large potential student pool in the town of Chrafate.
- ✔ Development of the national and regional automotive ecosystem.
- ✔ Existence of investment benefits.

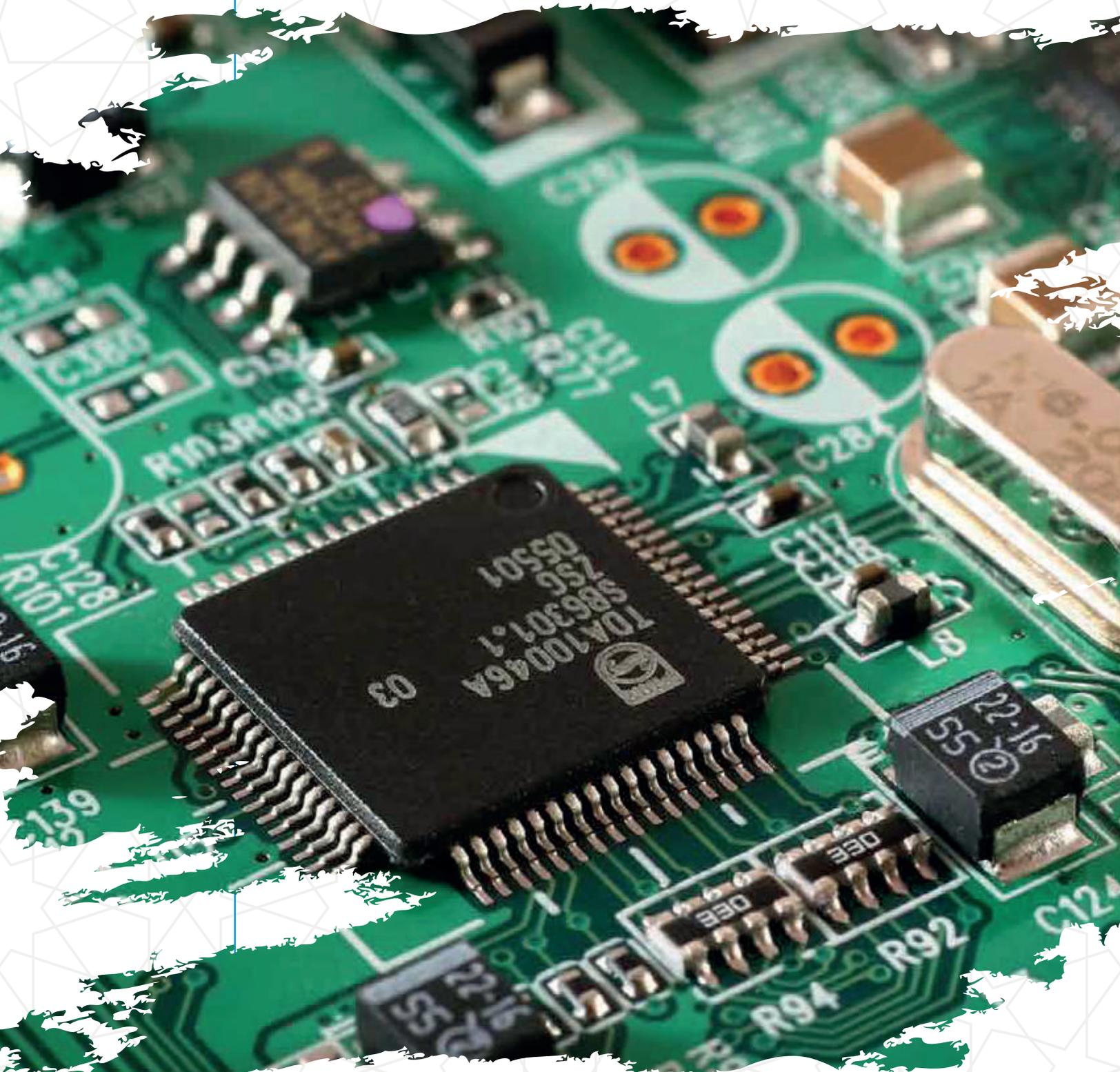
### Threats

- ✔ Competition from existing institutions.
- ✔ External risks: Health crises, ...

\* Depending on the location chosen, investors can also benefit from various advantages (EAZ, IAZ, IZ).

\*\* For more information on funding mechanisms, consult the CRI Funding Guide.

# ELECTRICAL ELECTRONICS



Industrial unit for electrical conductors.

82



# ELECTRICAL-ELECTRONICS

SECTOR WITH HIGH POTENTIAL AT THE REGIONAL LEVEL AND STRONG INTERSECTORAL SYNERGIES



**There are 5 industrial zones dedicated to activities in this sector: Tanger Automotive City, TFZ, Tanger Tech, ZAE Ait Kamra, and Tétouan Park.**

The prefecture of Tanger-Assilah concentrates the majority of operators in the sector (88.5% of regional establishments, 99.9% of the sector's workforce, 99.9% of production, and 99.9% of exports thanks to its proximity to Tanger Med).



**It is the second-largest sector in terms of employment in the region, after textiles, accounting for 21% of the workforce.**

The automotive and aerospace industries, which are experiencing significant growth, are increasingly developing high-value-added products by capitalizing on the electrical-electronic ecosystem of the region, which complements these industries.



**It is the second-largest sector in terms of exports and the third-largest sector in terms of production in the region.**

The electrical-electronics sector is a highpotential industry, capitalizing on its various applications upstream of the aerospace, automotive, and railway industries at the regional level.

They have trusted us



## Industrial Unit for Electrical Conductors

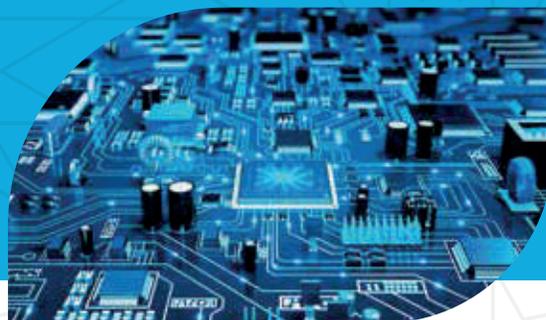
 Electrical-Electronics

- TangerAssilah Prefecture (Tanger Tech/TFZ)
- Fahs Anjra Province (Tanger Automotive City)
- Tétouan Province (Tétouan Park)

### PROJECT DESCRIPTION

Electrical conductors, with or without connection parts, are flagship products both in terms of global imports and exports by Morocco. This correlation between the Moroccan supply and global demand presents a significant opportunity at the regional level for this key sector of the Kingdom.

Code 8544SH



### CONTEXT OF THE PROJECT OPPORTUNITY

#### General Characteristics of the Environment

- The region benefits from quality infrastructure, especially in transportation, and proximity to the Tanger-Med port, which is connected to over 180 ports worldwide.
- There are various industrial zones within the region that offer numerous advantages to investors in the sector.
- There is a skilled and competitive national workforce available.

#### Characteristics of the Sector

- The Electrical-Electronics sector is one of the key sectors in the Kingdom.
- The Electrical sector has benefited from the creation of an ecosystem during the Industrial Acceleration Plan 2014-2020.
- Moroccan companies engaged in the manufacturing of insulated wires and cables (electrical conductors) as well as electrical distribution and control equipment represent 31% of the sector's companies and account for 86% of exports, 79% of investments, 72% of production, and 65% of the value added in the electrical industry.
- The sector offers medium-level technical accessibility for national operators.
- The sector has high potential for integrating value chains of both national and international industries.

#### Characteristics of the demand and market

- There is a strong and growing global demand for electrical conductors. In 2021, global imports of electrical conductors amounted to over \$147 billion.
- The demand for electrical conductors is multisectoral worldwide, as they are used in various industries such as construction, automotive, mechanical industry, and ICT.
- The domestic market also has great potential, especially with the prospects offered by the national strategy in the field of renewable energies.

### PROJECT CHARACTERISTICS

#### Usage

- The main purpose of electrical conductors is to conduct electric current and transport electrical energy to the receivers. They can be either single-core or multi-core.

#### Properties

- The conducting part of the current is called the "core." It should have the lowest possible resistivity (ability to oppose the flow of electric current).
- Flexibility is essential to allow the conductor to adapt to its conduit. There are two main types of cores: flexible or stranded cores made from multiple conducting strands (more expensive but easier to shape), and rigid cores made from a single strand or multiple twisted strands.

## Industrial Unit for Electrical Conductors

- ◆ Insulation is essential. Electrical conductors are therefore equipped with a highly resistive insulating sheath that surrounds the core. This insulating layer serves to isolate the conductors and protect against direct contact and insulation faults."
- ◆ Colour codes are used to identify the purpose of the conductors: phase conductor, neutral conductor, or equipotential protection conductor.
- ◆ A protective sheath can be added to safeguard the cable(s) against temperature, water, impacts, etc.
- ◆ Packaging is done in the form of reels or coils.

### Prerequisites

- ◆ Land: Plot of land
- ◆ Industrial unit and various machines depending on the type of conductor.
- ◆ Inputs depending on the type of conductor: Conductive materials (copper, aluminium, ...), insulating materials (Polyvinyl Chloride, Chemically Cross-Linked Polyethylene, Vulcanized Butyl Rubber, ...), mechanical protection materials (lead, aluminium, steel strapping, ...), ...

## NATIONAL AND GLOBAL DEMAND

Global demand reached \$117 billion in 2020 and exceeded \$147 billion in 2021.

Despite the significant potential of this demand and the importance of the Moroccan supply, it remains relatively concentrated in two main markets, accounting for 73%: Spain and France. Despite its expertise, Morocco still relies on imports for certain types of electrical conductors, indicating a lack of diversification in local production as well as untapped potential in its domestic market by national industries.

## FINANCIAL INDICATORS OF THE INVESTMENT

### Potential investment cost

- ◆ ~100 to 300 million MADt

### Potential revenue

- ◆ ~100 to 200 million MAD

### Gross margin

- ◆ ~10% to 25%

## INVESTMENT BENEFITS

### Key benefits of the investment

#### Subsidies

- ◆ Support programs provided under the investment charter

#### Training support

- ◆ "IDMAJ" Program / "TAEHIL" Programt

#### Financing\*\*

- ◆ Programs launched by TAMWILCOM
- ◆ "TAHFIZ" Program

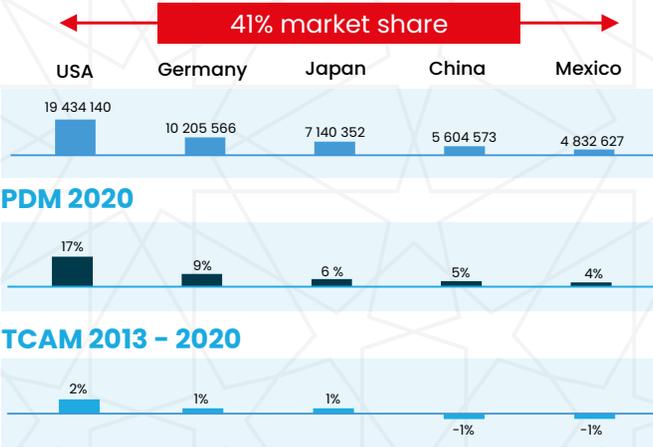
\*Depending on the chosen location, the investor may also benefit from various advantages such as Economic Activity Zones (ZAE), Industrial Free Zones (ZAI), and Industrial Zones (ZI).

\*\*For more information on financing mechanisms, please refer to the Financing Guide provided by the Regional Investment Center (CRI).

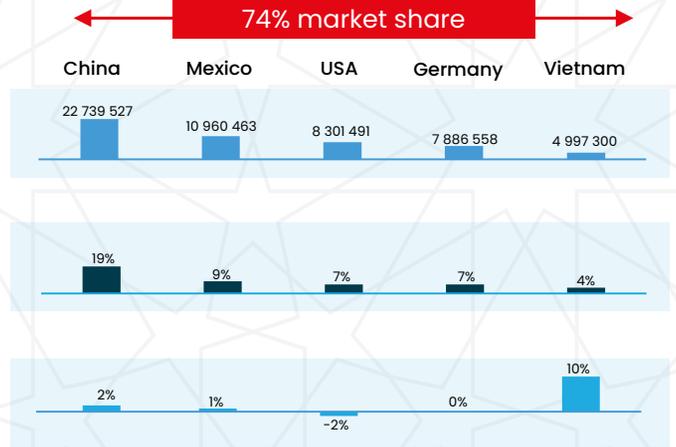
# Industrial unit for electrical conductors



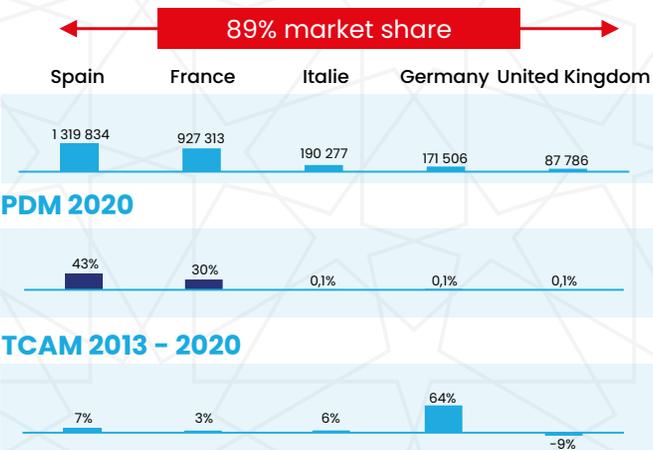
Main importers - Global 2020 - Thousands of USD



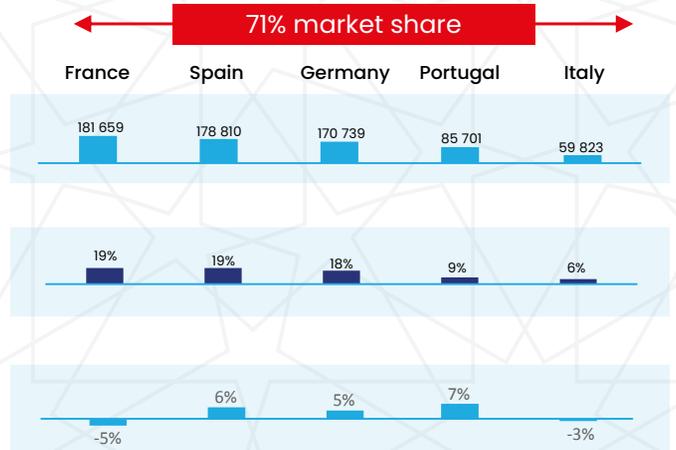
Main exporters - Global 2020 - Thousands of USD



Main importers - from Morocco - Thousands of USD



Main exporters - from Morocco - Thousands of USD



## INDUSTRY ORGANIZATION

There is a Federation of the Electrical and Electronics Sector (FENELEC) that represents and defends the interests of the electrical, electronic, and renewable energy sectors.

FENELEC brings together professionals in the electrical and electronic sector, including:

- The Association of Electrical Equipment Manufacturers (AFEM).
- The Association of Electrical Equipment Installers (AIEM).
- The Association of Electrical Equipment Distributors (ADEM).
- The Association of the Electronics Sector (ASEL).
- The Association of Solar and Wind Industries (AMISOLE).

## MAIN COMPETITORS (NON-EXHAUSTIVE)

### Domestic Competitors



### International Competitors



### MATRICE SWOT DE L'OPPORTUNITÉ D'INVESTISSEMENT



#### Strengths

- ✔ Diversified products.
- ✔ Accessible level of technical expertise.
- ✔ Qualified and competitive regional workforce.
- ✔ Existing industrial ecosystem related to the sector in Morocco and the region.
- ✔ Quality regional transportation infrastructure, particularly for exports (Tanger Med).



#### Weaknesses

- ✔ Products with a high life cycle.
- ✔ Need to comply with quality and safety standards.
- ✔ Dependency on imports, especially for electrical conductors.



#### Opportunities

- ✔ Strong international demand with growth potential.
- ✔ Favorable geographic positioning, close to European and African markets.
- ✔ Products that fit into various national and international value chains (automotive, construction, mechanical industry, etc.).
- ✔ Sector supported by the government, particularly through measures implemented during the Industrial Acceleration Plan 2014-2020.
- ✔ Significant prospects for national and international development.



#### Threats

- ✔ Intense national and international competition.
- ✔ Fluctuations in international prices of raw materials, particularly metals.
- ✔ Exogenous risks: Health crisis, etc.



# ENERGY



Renewable electricity production

88



# ENERGY

WITH A SIGNIFICANT POTENTIAL IN SUSTAINABLE ENERGY RESOURCES, THE REGION IS MAKING EFFORTS IN THE DEVELOPMENT OF RENEWABLE ENERGIES.

The electricity consumption of the region reached 3,326.9 million kWh, accounting for 10.8% of the national sales achieved by ONE (National Electricity Office).

The regional net electricity production reached 2,918 million kWh, representing 7.8% of the net production across the entire national territory.

### 5 wind farms

with a total capacity of 392 MW.

### 3 hydraulic power plants

with a total capacity of 52.6 MW.



### 4 LPG filling center

with a filling capacity of 251,000 m3.

### 3 thermal power plants

with a total capacity of 563 MW.

## They have trusted us



## Renewable electricity production



- Tangier-Assilah Prefecture / Tetouan Province
- Larache Province / Chefchaouen Province
- Ouezzane Province

### DESCRIPTION OF THE PROJECT

The TTA region, connected to the Spanish electricity grid, has a significant potential for wind, solar, and hydro power. Moreover, the National Office of Electricity (ONE) provides various support actions for investors, ranging from site selection to project maintenance and operation, including feasibility and profitability studies.



### CONTEXT OF THE PROJECT OPPORTUNITY

#### General characteristics of the environment

- Significant potential in sustainable energy resources (wind, hydro, thermal).
- Two major existing energy connections at the regional level: the Maghreb Europe Gas Pipeline (currently not in operation due to the termination of the contract by Algeria) and the Morocco-Spain electricity interconnection (facilitated by the Melloussa power station).
- Significant efforts made to combat pollution and protect the environment through investments in renewable energy development.

#### Characteristics of the sector

- Implementation of a national mitigation policy and energy strategy by the Kingdom to reduce energy dependence on oil, harness natural potential (solar, hydro, wind), and meet the growing energy demand through national strategies and development programs.
- Establishment of a specific legal framework for renewable energy through Law 13-09, aimed at developing and adapting the renewable energy sector to future technological advancements and encouraging private initiatives.
- A National Energy Efficiency Strategy by 2030, adopting around 80 measures, which will allow an estimated energy consumption savings of about 20% by 2030:

- Transportation: -24%
- Industry: -22%
- Buildings: -14%
- Public lighting: -13%

- A total biomass potential estimated at 2,914 million MWh/year, allowing for the installation of a total electrical capacity of 112 MW by 2030, presenting investment opportunities valued at 5.53 billion Dh.
- A regional ambition to achieve significant energy savings (Jbel Khalladi Wind Farm Project, Manarat Moutawassit Project to enhance energy efficiency in Al Hoceima, Green Power Morocco Photovoltaic Power Plant Project in Hjar Nhal, establishment of Al Maden company in Al Hoceima as a key player in the solar energy sector, etc.).

#### Market characteristics

- The installed capacity of renewable energy sources has reached 3,950 MW, accounting for approximately 37% of the energy mix (710 MW from solar sources, 1,430 MW from wind sources, and 1,770 MW from hydroelectric sources).
- Renewable energy contributes to approximately 20% of electricity production.
- Regional electricity consumption reached 3,326.9 million kWh in 2018, accounting for 10.8% of the national sales by ONE, with a net production of 2,918.0 million kWh, representing 7.8% of the national net production in the same year.

### PROJECT CHARACTERISTICS

#### Characteristics of the Service

- An independent renewable energy producer relies on the production and direct sale of local renewable energies, thus promoting short supply chains.
- Renewable electricity can be generated from the following energy sources:
  - **Solar Photovoltaic** : through the use of a photovoltaic installation consisting mainly of: Photovoltaic solar panels to convert sunlight into continuous electrical energy. Inverter to transform the continuous electrical energy into alternating electrical energy.
  - **Wind** : from the wind that rotates blades fixed to a rotor installed on top of a vertical mast. The moving generator converts mechanical energy into electrical energy. (The amount of energy produced by a wind turbine depends on the wind speed, the area swept by the blades, and the air density.)
  - **Hydropower** : from the force of water. A turbine converts the hydraulic energy of water into mechanical energy, and an electrical generator produces electricity from it.

Setting up a renewable electricity production unit requires several steps:

- **Project Development** (Conducting preliminary studies and a business plan,
- Identifying suitable land for the desired power plant type, obtaining permits and expert opinions, equipment selection, etc.)
- **Financing** (Estimating the financial indicators of the investment, identifying potential private or public investors, raising funds)
- **Construction of the unit and start of operation**
- **Conversion** (depending on the recommended energy type)
- **Distribution (via an electrical grid)**

**Note** : Regarding renewable energies, their integration into the value chain begins at the stage of converting them into useful energy.

#### Prerequisites

- Authorizations and administrative formalities.
- Land and infrastructure for production, storage, and connection to the grid, etc.
- Multidisciplinary team for site management and maintenance.
- Labels and certifications (including ISO 9001 and 14001).

### FINANCIAL INDICATORS OF THE INVESTMENT

#### Potential investment cost

Photovoltaic park: ~ 370 million MAD for an area of 75 hectares and an annual production of 67 GWh.

Wind farm: ~ 2.5 billion MAD for an annual production of 540 GWh.

### ADVANTAGES RELATED TO THE INVESTMENT

#### Key advantages of the investment

##### Subsidies

- Support mechanisms provided under the investment charter

##### Training support

- IDMAJ program / TAEHIL program.

##### Financing\*\*

- Programs launched by TAMWILCOM
- Green Invest
- Program "TATWIR" green growth
- Program "TAEHIL"

\* Depending on the chosen location, the investor can also benefit from various advantages (ZAE, ZAI, ZI).

\*\* For more information on financing mechanisms, please refer to the CRI Financing Guide.

### FOCUS: SUSTAINABLE ENERGY RESOURCES IN THE TTA REGION

The TTA region has various sources of renewable energy and generates a total capacity of 1008 MW through:

**5 wind farms** with a total capacity of 393 MW (Tanger Melloussa-140MW, Abdelkhalak Torres-50.4MW, Haouma Ksar Sghir-50.6MW, Lafarge Tétouan 32MW, Khalladi on Jbel Sendouq-12MW).

**3 hydroelectric plants** with a total capacity of 52.6 MW (Taurart-25MW, Oued El Makhazine-36MW, Oued Laou-14.1MW).

**3 thermal power plants** with a thermal capacity of 563 MW (Tanger-40MW, Tétouan-139MW, Taddart Combined Cycle-384MW).



The region will commission a 30 MW Solar Photovoltaic Power Plant, developed by Green Power Morocco, in accordance with the Law No. 13- 09 on renewable energies. This power plant is exclusively dedicated to the self-consumption of the delegated company for the distribution of drinking water and electricity, "Amendis-Tanger." It is expected to result in a yearly reduction of 40,000 tons of CO2 emissions.

### FOCUS: ORGANIZATION OF THE RENEWABLE ENERGY SECTOR

The Kingdom has set a target of 20% energy efficiency by 2030 through the National Energy Efficiency Strategy led by the Ministry of Energy

Transition and Sustainable Development. Several stakeholders are involved in achieving these objectives, including:

**The Moroccan Agency for Energy Efficiency (AMEE):** The central institutional actor for energy efficiency, responsible for overseeing energy efficiency programs in various sectors. The Energy Investment Company (SIE): Tasked with implementing various energy efficiency projects and providing project management assistance to public establishments and companies.

**The National Office for Electricity and Drinking Water (ONEE):** The historical player in electricity and drinking water production, transmission, and distribution. It undertakes several actions to strengthen its grid and integrate renewable energy sources.

**The Moroccan Agency for Sustainable Energy (MASEN):** An agency dedicated to solar energy development and playing a significant role in the development, financing, and management of all renewable energy projects.

**The National Electricity Regulatory Authority (ANRE):** Responsible for ensuring the proper functioning of the electricity market through setting rules and electricity network usage tariffs.

**The Research Institute for Solar Energy and Renewable Energies (IRESEN):** Dedicated to supporting research and development in the field of renewable energies.

## MAJOR OPERATORS IN THE RENEWABLE ENERGY SECTOR IN MOROCCO



### Strengths

- Significant potential in sustainable energy resources.
- Increasing cost-effectiveness: R&D efforts have greatly reduced the production costs of renewable electricity.
- More stable and less volatile prices compared to hydrocarbons.
- Several regional efforts in the development of renewable energies.
- Competitive and multidisciplinary regional workforce.
- A structured sector with various partner organizations for its development.
- A global market with high growth potential due to various sustainable development and carbon neutrality goals (SDGs 2030, Paris Agreement, national strategies, etc.).

### Weaknesses

- Dependence on climate variability and weather conditions.
- High investment costs.
- Highly regulated sector.
- Certification requirements for commercialization in certain markets (such as ISO standards, etc.).

### Opportunities

- Availability of various investment incentives (subsidies, exemptions, etc.).
- A sector with high growth potential.
- Sector regulated by Law 13-09.
- Strengthening of sector governance through the establishment of the Moroccan Agency for Energy Efficiency (AMEE).
- Existence of electrical interconnection between Morocco and Europe.

### Threats

- Development of new technologies (such as advanced biomass conversion techniques or electricity storage).
- Intense competition among different actors

# MECHANICAL AND METALLURGICAL INDUSTRIES



- Thermosetting Unit 94
- Container Manufacturing 96
- Wind Turbine and Parts Production Unit 99
- Shipyard for Economical Pleasure Boats 103



# MECHANICAL AND METALLURGICAL INDUSTRIES

The leading industry in the region in 2018, in terms of production (36%) and exports (43%).

## TWO REGIONAL TERRITORIES LEADING IN THE SECTOR

<b>Tangier-Assilah</b>	<b>63%</b> of establishments related to IMM	<b>50%</b> of the workforce in the sector	<b>94,46%</b> of regional production	<b>8,43%</b> of regional exports
<b>Fahs-Anjra</b>	<b>0,4%</b> of establishments related to IMM	<b>47,6%</b> of the workforce in the sector	<b>0,11%</b> of regional production	<b>50,5%</b> of regional exports

## THE IMM ECOSYSTEM WAS CREATED WITH THE AIM OF GENERATING AT THE NATIONAL LEVEL

<b>2,3 billion Dh</b> trade surplus	<b>13 340</b> new jobs	<b>2 billion Dh</b> investment	<b>11 billion Dh</b> additional turnover
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## THE 3 ECOSYSTEMS OF IMM

Valorisation of metal waste in copper and aluminium

Emerging professions

Metalworking

## THEY HAVE TRUSTED US



## PROJECT DESCRIPTION

Establishment of a thermosetting unit operating within the framework of powder coating various parts and products.



## PROJECT OPPORTUNITY CONTEXT

### General characteristics of the environment

- The region has a geostrategic positioning and good transport infrastructure, particularly roadways.
- Mechanical and metallurgical industries are among the key regional industries and are particularly dynamic in the Fahs Anjra Province and the Tanger-Assilah Prefecture. Presence of numerous industrial zones hosting various industries, which are attractive due to their proximity to the Tanger Med port and the various advantages they offer to industries (in terms of land, taxation, etc.).
- The national mechanical and metallurgical sector has benefited from the Industrial Acceleration Plan 2014-2020, which has fostered the development of three ecosystems, providing the thermo-coating service with the opportunity to integrate their value chains: (i) Valorisation of copper and aluminium metal waste; (ii) New professions in "agricultural machinery and bicycles"; (iii) Metalworking sector.
- A growing emphasis on "sustainability" in industrial productions, favouring the use of the thermo-coating process over traditional lacquering.

### Characteristics of the sector

- A service that can integrate into the value chains of various industries, involving the powder coating of various metal surfaces and products.
- The process offers competitive results (quality and coating benefits) and is environmentally friendly (unlike lacquering, which requires the use of chemical solvents).

### Market characteristics

- A significant market for mechanical and metallurgical industries, which are flagship industries in the region, with substantial growth prospects and diversified production. This

market represents a notable opportunity for the establishment of a thermo-coating unit.

- Proximity to the city of Tanger, renowned for its artisanal expertise in ironwork, provides a competitive advantage for artisans in terms of enhancing the quality of their productions through thermo-coating.

## PROJECT CHARACTERISTICS

### Service Characteristics

- Thermo-coating is a technical process that involves spraying powder paint onto a metal surface or part. The powder is then heated to cure and adhere to the surface.

### Thermo-coating Steps

- Surface Preparation: Depending on the surfaces, their purpose, and function, preparation is carried out to achieve optimal thermo-coating. This involves removing galvanization residues, welds, etc., and enhancing the adhesion of the powder paint.
- Powder Coating: Spraying of the powder paint particles, which adhere to the surface through an electrostatic effect.
- Curing: Also known as "polymerization," this step involves passing the powder-coated piece through the thermo-coating oven to harden and fix the paint onto the surface.

### Prerequisites

- Land: Required for establishing the unit.
- Thermo-coating Booth: A ventilated space where the powder paint is sprayed. The ventilation system ensures the extraction of powder residues, preventing their dispersion in the air and allowing for their reuse to avoid waste.
- Thermo-coating Oven: A curing oven that reaches temperatures of over 180°C.

## Thermosetting Unit

- Material and Equipment: Thermosetting spray guns, personal protective equipment for staff (suits, gloves, masks, ...).
- Inputs: Thermosetting powder: powder coating (different types of powder coatings available based on the desired specifications: epoxy paint, polyester paint, hybrid epoxy and polyester paint,

### ADVANTAGES OF THERMO-COATING:

The thermosetting process offers numerous advantages that enhance the quality of the finished product. Coating surfaces through this process allows for:

- Improved resistance to impacts and scratches due to the surface hardness.
- Enhanced resistance to corrosion, UV rays, moisture, etc., depending on the types of powders used.
- Uniform and defect-free coating on metal surfaces, regardless of their shape or size.
- Easy maintenance with warm water or mild detergent, without the need for chemical products such as alcohol or acetone.

Furthermore, the thermosetting process has environmental benefits as it eliminates the use of solvents or other toxic substances. It also ensures the safety of employees as it poses no health risks

### MATRICE SWOT DE L'OPPORTUNITE D'INVESTISSEMENT

#### Strengths

- ✔ A favourable regional environment for integrating a powder coating unit within the value chains of industrial and artisanal production.
- ✔ A simple and efficient process with numerous advantages, allowing for better valorisation of powder-coated products while incorporating an ecological and sustainable dimension.
- ✔ An accessible project that can be scaled according to the investor's resources.

#### Opportunities

- ✔ Development of regional industries, especially SMEs (small and medium-sized enterprises).
- ✔ Availability of industrial zones that facilitate the establishment of the unit, in proximity to industries.
- ✔ The region possesses significant artisanal expertise in ironwork, particularly in the city of Tanger.
- ✔ Existence of numerous national programs for subsidies, financing, and training

#### Weaknesses

- ✔ Demand periodicity.
- ✔ Production capacity that is difficult to adjust and dependent on the dimensions and number of acquired ovens, as well as the available workforce.
- ✔ The need to properly conduct the preparation phase to ensure quality powder coating

#### Threats

- ✔ Potential competition from other painting processes.

### FINANCIAL INDICATORS OF THE INVESTMENT

#### Potential Investment Cost

Starting from 500,000 MAD (excluding land)

#### Potential Revenue

Between 40 MAD and 60 MAD per square meter, depending on the quality of the powder paint used.

Furthermore, the thermo-coating process has an environmental dimension as it does not involve the use of solvents or other toxic products, and it does not pose any health hazards to employees.

### INVESTMENT ADVANTAGES

#### Key advantages of the investment

##### Exemptions and subsidies

- Support programs provided under the investment charter

##### Training support

- IDMAJ Program and TAEHIL Program

##### Financing\*\*

- Mezzanine PME
- Green Invest

## Container Manufacturing Unit



Mechanical and Metallurgical Industries



- Tanger-Assilah Prefecture (TFZ / Tanger Tech)
- Fahs Anjra Province (Fahs Anjra ZAE)
- Tétouan Province (Tétouan Industrial Zone)

### PROJECT DESCRIPTION

Establishment of a container manufacturing unit in the Tanger, Tétouan, Al Hoceima (TTA) region. The project opportunity arises from the proximity to the Tanger –Med port, which has a handling capacity of 9 million TEU containers and experiences a significant flow of goods.



### CONTEXT OF THE PROJECT OPPORTUNITY

#### General Environmental Characteristics

- Proximity to the Tanger Med port, the largest container port in the Mediterranean and Africa, with four container terminals.
- Favorable geostrategic positioning near Africa and Europe, with high-quality transportation infrastructure.
- Existence of a significant regional ecosystem related to the logistics sector, especially maritime logistics.
- Competitive and skilled national workforce in terms of cost.
- Existence of several industrial acceleration zones offering various advantages to investors.

#### Characteristics of the Industry

- An important national ecosystem in the steel and metal processing sector, which is relevant to the project opportunity (Morocco has a steel coil industry that serves as the main input for container manufacturing, as well as significant foundry and metal processing capacities).
- An industry whose growth potential is strongly correlated with international trade.
- Over 95% of the global market share for container manufacturing is dominated by China (100% for refrigerated containers).
- A product essential to international trade and of strategic importance, with the shortage experienced in 2020 due to the COVID-19 crisis significantly impacting international trade

#### Demand and Market Characteristics

- In 2021, a total of 7,173,870 TEU (Twenty-foot Equivalent Unit) containers were handled at the Tanger Med port, representing a 24% growth compared to 2020.
- The global maritime container market is expected to register a growth rate of 4.3% during the period 2021-2026, according to estimates.
- The value of Moroccan goods exports amounted to over 36 billion dollars in 2021.
- The African Continental Free Trade Area agreement, ratified by Morocco, came into effect in 2021.

### CHARACTERISTICS OF THE PROJECT

#### Product Characteristics

- Standardized dimensions: "20-foot" and "40-foot" containers.
- Corner dimensions (including width and height spacing) defined by ISO 668 standards.
- Several criteria to be met: Robustness, watertightness, load-bearing capacity, etc.
- Main inputs: Steel coils (Corten steel being the most common for container manufacturing), steel cross members, wooden frames, etc.
- Various container typologies exist: dry, ventilated, closed-side, tank, refrigerated, bulk containers, etc.

# Container manufacturing unit

## Prerequisites

- To be established as a company or other legal entity governed by Moroccan law.
- Industrial unit.
- Various machines and equipment capable of carrying out different manufacturing steps: unrolling and cutting steel rolls, surface preparation, welding, molding, priming, painting, etc.
- Conducting various conformity tests and quality control to meet the applicable standards, including international standards.

## FINANCIAL INDICATORS OF THE INVESTMENT

### Potential investment cost

~70 to 100 million MAD.

### Gross margin

~150 to 250 million MAD for a production capacity of 6,000 to 10,000 TEUs (Twenty-foot Equivalent Units).

### Gross margin

~ 5% to 10%.

## INVESTMENT ADVANTAGES

### Main investment advantages

#### Subsidies

- Support programs provided within the investment charter.

#### Training assistance

- IDMAJ Program / TAEHIL Program.

#### Financing\*\*

- Programs launched by TAMWILCOM
- TAHFIZ Program.

## PROJECT OPPORTUNITY DESCRIPTION

- This project opportunity is justified by the significant global demand for containers. The production of containers is primarily concentrated in China, which greatly affects container transportation costs and, consequently, the purchase cost.
- The project opportunity consists of establishing a container manufacturing unit in Morocco, which would position itself as a regional hub and, therefore, benefit from a competitive advantage (exporting new containers to Europe and Africa) while strengthening the Kingdom's logistics competitiveness in terms of exports.
- This opportunity is reinforced by the importance of the Moroccan metallurgical ecosystem, which would allow for a near 100% national integration rate.

\*Depending on the chosen location, the investor may also benefit from various incentives (Economic Activity Zones, Investment Zones, Industrial Zones).

\*\* For more information on financing mechanisms, please refer to the CRI Financing Guide.

### A LARGE MAJORITY OF CONTAINERS HAVE STANDARD DIMENSIONS DETERMINED BY THE ISO 668 STANDARD.\*

External Dimensions	Internal Dimensions
Length 20 feet (~6.05 m) or 40 feet (~12.19 m)	Length of 20 feet dry steel (~5.9 m) or 40 feet (~12 m)
Width of 8 feet (~2.4 m)	Width of ~2.33 m
Height of 8.5 feet (~2.6 m)	Height of ~2.38 m
	Door Clearance Height of ~2.30 m

\*Containers with a length of 30 feet are also commonly used. Other dimensions are more common in North America.

### MAIN COMPETITORS



China International Marine Containers (CIMC)



Dong Fang International Containers



CXIC Group

### MATRICE SWOT DE L'OPPORTUNITE D'INVESTISSEMENT

#### Strengths

- ✔ A product with accessible technology suitable for Moroccan expertise.
- ✔ A well-developed Moroccan steel industry ecosystem, allowing for a high level of integration and a skilled workforce.
- ✔ A strategic regional positioning, close to the Tangier-Med port, at the gateway of Europe and Africa.
- ✔ Absence of national competitors and a strong concentration of international competitors in China (over 95% of global container production).
- ✔ An internationally standardized product (although there are different typologies).

#### Weaknesses

- ✔ The existence of standards to comply with (dimensions, robustness, waterproofing, etc.), some of which are set by ISO -668 standards.

#### Opportunities

- ✔ Growth in international trade, strongly correlated with global demand for containers.
- ✔ Growth in Moroccan exports of goods.
- ✔ Low regional competition (in Europe and Africa), allowing for a competitive advantage in transportation costs compared to Chinese productions.

#### Threats

- ✔ International competitors historically positioned in the global market.
- ✔ Dependency of the commerce sector on risks and exogenous factors (e.g., the COVID-19 crisis).
- ✔ Dependency on international raw material prices, especially metal prices.

# Wind Turbine and Components Production Facility

 Mechanical and Metallurgical Industries

 Tanger-Assilah Prefecture (TFZ / Tanger Tech)

## PROJECT DESCRIPTION

The project involves the establishment of a wind turbine and components production facility to develop a local supply that aligns with the reinforcement of renewable energies in the Moroccan energy mix and capitalizes on the significant synergy between this sector and the aerospace industry.



## PROJECT OPPORTUNITY CONTEXT

### General Environmental Characteristics

- Significant national potential in wind energy resources (the development of the wind energy sector represents an opportunity for the commercialization of the unit's products).
- High-quality regional infrastructure, particularly for transportation, and proximity to the Tanger-Med port, which is connected to over 180 ports worldwide.
- Significant national and international measures deployed to combat pollution and protect the environment through investments in renewable energy development, including wind energy (National Energy Efficiency Strategy by 2030, National Energy Strategy by 2030, etc.).
- Morocco ranks 16th in the world in terms of wind energy production and is the second - largest producer in Africa and the Middle East. Wind energy accounts for over 11% of its energy mix.
- An important national ecosystem for steel and metal processing, within which the project opportunity fits.
- Skilled and competitive regional workforce.

### Fleet Characteristics

- Specific legal framework for renewable energy established through Law 13 -09 on renewable energies to develop and adapt the renewable energy sector to future technological advancements while encouraging private initiatives.
- The first wind turbine blade factory in Africa and the Middle East is located in the Tanger Automotive City free zone, covering an area of 37,500 m<sup>2</sup>.

### Demand and Market Characteristics

- Significant potential for market penetration in the domestic market: The Kingdom has deployed mitigation policies and a national energy strategy to reduce dependence on oil, harness natural potential (solar, hydraulic, and wind), and meet the growing energy demand through national strategies and development programs.
- Production aligns with the manufacturing of new wind turbines and wind turbine components (for wind turbine production or maintenance of installed turbines), serving both the domestic and international markets.
- The global wind turbine market was valued at nearly \$100 billion in 2019 and is projected to reach \$134.6 billion by 2023, driven by increased installation capacities in leading countries such as China, the United States, Germany, India, and France.

## PROJECT CHARACTERISTICS

### Product Characteristics

- An aerogenerator is a mechanical device designed to convert wind energy into electricity.
- It operates by utilizing wind to rotate blades attached to a rotor installed at the top of a vertical mast. The rotating generator converts mechanical energy into electrical energy (the amount of energy produced by a wind turbine depends on wind speed, the swept area of the blades, and air density).
- A wind turbine consists of the following main elements:
  - The rotor, which is composed of three blades.
  - The mast, which is typically made up of 3 to 5 steel sections or 15 to 20 concrete rings topped with one or more steel sections.

## Wind turbine production unit and their components

The nacelle that houses several functional elements (generator, gearbox, mechanical braking system, nacelle orientation system, wind measurement tools, and daytime and night -time marking necessary for aviation safety, ...)

### Prerequisites

- Authorizations and administrative formalities.
- Land and equipment for wind turbine production and their components.
- Labels and Certifications (including ISO 9001 and 14001)

## FINANCIAL INDICATORS OF THE INVESTMENT

### Potential investment cos

~ 250 to 500 million MAD depending on production capacity

### Gross margin

~ 20% to 30%

### Potential revenue

~ 50 to 200 million MAD

## INVESTMENT ADVANTAGES

### Key investment advantages:

#### Subsidies

- Support programs provided under the investment charter

#### Training assistance

- "IDMAJ" Program / "TAEHIL" Program

#### Financing\*\*

- Programs launched by TAMWILCOM

#### Green Invest

- Programme « TATWIR » croissance vert
- Programme « TAEHIL »

\*Depending on the chosen location, the investor may also benefit from various advantages (ZAE, ZAI, ZI).

\*\* For more information on financing mechanisms, please refer to the Investment Guide of the CRI (Regional Investment Center).

## FOCUS: WIND ENERGY RESOURCES IN THE TTA REGION

- The kingdom generates 1,430 megawatts (MW) of wind power, accounting for 11% of the total electricity capacity.

- The TTA region has 5 wind farms generating the equivalent of 393 MW:

### Tanger Melloussa- Tanger I (power: 140 MW)

- 165 turbines with a unit power of 850 kW
- Budget of 2,601 million Dhs
- Annual production of 225 GWh

### Abdelkhalak Torres (power: 50.4 MW)

- 83 turbines with a unit power of 600 kW
- Budget of 440 million DHs
- Operational project, commissioned since 2000

### Haouma Ksar Sghir Park (power: 50.6 MW)

- 22 turbines with a unit power of 2.3 MW
- Budget of 800 million DHs
- Operational since 2013, with an annual production of 200 GWh

### Lafarge Tetouan (power: 32 MW)

- Annual production of 77 GWh
- Budget of 496 million DHs
- Operational since 2010

### Khalladi on Jbel Sendouq (power: 120 MW)

- 40 turbines with a unit power of 3 MW
- 1,900 million DHs
- Daily production of 1.07 GWh

## FOCUS: ORGANIZATION OF THE RENEWABLE ENERGY SECTOR

The Kingdom has set a target of 20% energy efficiency by 2030 through the National Energy Efficiency Strategy

## Wind turbine production unit and their components

driven by the Ministry of Energy Transition and Sustainable Development, several stakeholders are involved in achieving these objectives, including:

- **The Moroccan Agency for Energy Efficiency (AMEE):** A central institutional actor for energy efficiency, responsible for managing energy efficiency programs in various sectors.

- **The Energy Investment Company (SIE):** Tasked with executing various energy efficiency projects and providing project management assistance to public institutions and enterprises

- **The National Office of Electricity and Drinking Water (ONEE):** A historic player in electricity and drinking water production, transportation, and distribution. It is undertaking several actions to

strengthen its network and integrate renewable energy sources.

- **The Moroccan Agency for Sustainable Energy (MASEN):** An agency dedicated to solar energy development, playing a significant role in the development, financing, and management of all renewable energy projects.

- **The National Electricity Regulatory Authority (ANRE):** Responsible for ensuring the proper functioning of the electricity market by setting rules and electricity network usage tariffs

- **The Institute for Research in Solar Energy and Renewable Energy (IRESEN):** Devoted to supporting R&D in the field of renewable energies.

### MAJOR COMPETITORS (NOT EXHAUSTIVE)

Main domestic production unit

**SIEMENS Gamesa**  
RENEWABLE ENERGY

Tanger

International competitors.

**SENVION** **ENERCON**  
wind energy solutions ENERGIE FÜR DIE WELT

**Vestas** **NORDEX**  
We've got the power

### SWOT ANALYSIS OF THE INVESTMENT OPPORTUNITY

#### Strengths

- Significant national potential in sustainable energy resources, particularly wind energy.
- High export potential for the sector.
- Strong potential for the manufacturing and technical capabilities of the Industrial and Mechanical Manufacturing (IMM) sector in Morocco.
- Strong synergy with the aerospace sector.
- Production that aligns with the manufacturing of new wind turbines or their parts (which can be used for maintenance and repair of installed wind turbines).
- Competitive and multidisciplinary regional workforce.

#### Opportunities

- Growing global market.
- Numerous national and international initiatives and policies to strengthen wind energy production capacities.
- Favourable geographical positioning, close to European markets.
- High-quality regional transportation infrastructure and proximity to the Tanger-Med port (connected to over 180 ports worldwide).
- Various investment-related incentives and exemptions in the sector.

#### Weaknesses

- Certification requirements for commercialization in certain markets (such as ISO standards, etc.).
- Significant investment required (production unit, land, permits, etc.).
- Dependency on weather conditions for wind energy production.

#### Threats

- Intense international competition.
- Development of competing new technologies (such as biomass conversion techniques, solar energy, etc.).

## PROJECT DESCRIPTION

The project entails the establishment of a naval shipyard for the assembly of economical pleasure boats within the prefecture of Tanger-Assilah.



## PROJECT OPPORTUNITY CONTEXT

### General Characteristics of the Environment

- Developed coastal tourism at the national level.
- Presence of necessary infrastructure for leisure tourism, including various marinas in Moroccan cities.

### Industry Characteristics

- No national competitors in the industry.

### Market Characteristics

- Strong domestic demand.
- Morocco positioning itself as a hub for the naval industry in Africa.
- Market of interest for the government (Horizon 2030 initiative).

## PROJECR CHRACTERISTICS

### Product Characteristics

- Accessibility in terms of assembly expertise.
- Accessibility to a wide audience due to the product's economical nature.
- High added value product.
- Opportunity for import substitution.

### Complexity Index for Products\*\*

-0,02



### Prerequisites

- Land near the sea.
- Components to assemble (engines, etc.).
- Technical expertise of the workforce.

## FINANCILA INDICATORS OF THE INVESTMENT

### Potential Investment Cost

Starting from 10 million MAD (depending on the capacity of the shipyard), excluding land costs

### Potential Revenue

Between 50 and 250 million MAD.

## INVESTMENT-RELATED ADVANTAGES

### Key Investment Advantages

#### Subsidies

- Available under the investment charter

#### Training assistance

- Programs IDMAJ
- Programs TAEHIL.
- Direct support for training.

#### Financing\*\*

- Programs like TAMWILCOM
- Programs "TAHFIZ"
- Green Invest

#### Possibility of investment

- Credit for equipment or R&D studies

## DOMESTIC DEMAND

- Strong potential for domestic demand due to the growing development of tourism, especially coastal tourism, which represents a significant portion of Moroccan tourism. Furthermore, there are no domestic suppliers meeting this demand. Establishing the shipyard presents a significant opportunity for import substitution and potential international market targeting.

## INTERNATIONAL TRADE

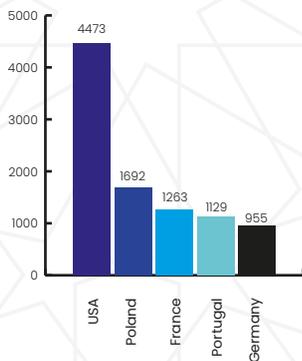
- Long-term opportunities for export development.

# Naval Shipyard for Economical Pleasure Boats

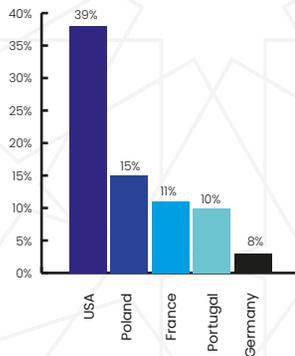
## MAJOR EXPORTERS

According to Morocco's 2020 data (in thousands of USD)

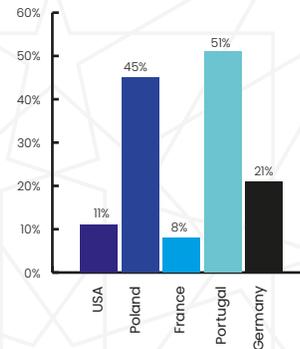
82% market share in 2020



MS 2020



CAGR 2013 - 2020



## MAJOR NATIONAL AND INTERNATIONAL COMPETITORS



**NETHERLANDS**  
Focus Motor Yachts B.V.,  
Hutting Yachts



**ITALY**  
Riva Cappelli



**GERMANY**  
Bavaria Fjord

## SWOT ANALYSIS OF THE INVESTMENT OPPORTUNITY



### Strengths

- ✔ Low domestic competition.
- ✔ Low labour costs.
- ✔ Presence of various boat shows and dealerships.
- ✔ Luxury and high-end positioning.

### Weaknesses

- ✔ High investment costs.
- ✔ Need for skilled labour and assembly tools.
- ✔ Seasonal nature of the industry.



### Opportunities

- ✔ Sector supported by the government's Horizon 2030 initiative.
- ✔ High potential for development due to the country's two coastlines and the increasing number of marinas in coastal cities.



### Threats

- ✔ Strong foreign competition and the emergence of African competition.
- ✔ Dependency on spare parts, especially complex ones like engines.
- ✔ Unskilled labour that requires training.
- ✔ Demanding clientele.
- ✔ Possible submission to new legislation related to the naval industry.

\*Note: The Harmonized System (HS) is an international product classification developed by the World Customs Organization for the purpose of categorizing traded goods.

\*\*Note: The Product Complexity Index (PCI) reflects the diversity and sophistication of the knowledge required to produce a product.

\*\*\*Note: For more information on financing mechanisms, refer to the Investment Financing Guide provided by the CRI (Investment Promotion Agency).

# FISHERIES & SEAFOOD INDUSTRY



- Fish Canning Unit
- Fish Waste to Oil & Fishmeal Processing Unit
- Aquaculture Unit

106

109

113



# FISHERIES & SEAFOOD INDUSTRY

LOCATED AT THE STRAIT OF GIBRALTAR, THE REGION HAS DUAL MARITIME ACCESS, PROVIDING SIGNIFICANT POTENTIAL IN THE MARITIME FISHING SECTOR.

The number of seafood processing units in the Tanger - Tetouan - Al Hoceima region is 42.

More than 50% of these units are located in the city of Tanger.

The development of the seafood processing industry should be done in synergy with the fishing industry, including:

- Better dispersion of activity across the territory.
- Strengthening of port infrastructure and landing points.
- Promotion of investment in Morocco's flagship sectors related to this industry.

## AQUACULTURE ACTIVITY



### Identified Spaces

Total area: 795 ha  
580 ha available  
25 production units.

#### Zone 1: AMSA-KAA SRASS

8 production units covering 20 ha  
Activity: Shellfish farming  
3 production units covering 40 ha  
Activity: Fish farming

#### Zone 2: TARGHA-AL HOCEIMA

5 production units covering 15 ha  
Activity: Shellfish farming  
9 production units covering 25 ha

## FISHERIES

9

Fishing Ports

387 MDH

Added Value of Fisheries

27 880 T

Tons of Fish Catch

981 MDH

Sector Turnover in the Region

## They have trusted us



## Canned Fish Unit



- Province of Tétouan (Tétouan Park Industrial Zone)
- Prefecture of Tangier-Assilah (Assilah Economic Zone)
- Province of Larache (Loukkos Agropole)

### PROJECT DESCRIPTION

The valorisation of regional maritime production presents a significant opportunity for the development of fishing and seafood industries. Morocco has a strong potential for exporting products from this sector.



### PROJECT OPPORTUNITY CONTEXT

#### General environmental characteristics

- The port of M'Diq is the third-largest fishing port on the Mediterranean coast and hosts several seafood-related industries.
- Canned fish, particularly sardines and tuna, are highly consumed in both the domestic and international markets.
- Morocco possesses existing expertise and enjoys strong international reputation.

#### Industry characteristics

- Canned fish is one of Morocco's main exporting industries.
- This sector is part of the value chain of a thriving Moroccan industry, the fishing sector.

### PROJECT CHARACTERISTICS

#### Product characteristics

- High-value added products.
- Long shelf life (suitable for storage).
- Export potential, especially for canned sardines.

#### Product complexity index\*\*

-1,59



#### Prerequisites

- Fish
- Vegetable oils (soybean, sunflower, olive oil, etc.), water and/or tomato sauce
- Other ingredients and food additives
- Packaging

### INVESTMENT ADVANTAGES

#### Key investment advantages

##### Subsidies

- Support measures provided within the investment charter

#### Training assistance

- "IDMAJ" Program / "TAEHIL" Program

#### Financing\*\*\*

- Programs launched by TAMWILCOM
- "TAHFIZ" Program
- "CAP'EXPORT" launched by Morocco Foodex, providing support and guidance to small and medium exporters in their export procedures

### FINANCIAL INDICATORS OF THE INVESTMENT

#### Potential investment cost

Between 10 and 50 million MAD

#### Gross margin

Between 40 and 100 million MAD

### NATIONAL AND GLOBAL DEMAND

- Morocco's supply of canned fish primarily revolves around preparations and canned sardines, sardinellas, sprats, or esprotos (SH 160413), with key customers being France, Spain, and the United States (34% of exports in 2020).
- Morocco is also among the top 10 global exporters of canned fish and the leading African exporter in this sector.
- Furthermore, the international market is relatively concentrated in terms of both supply and demand: 40% of global demand is dominated by 5 countries, and 53% of global supply is generated by another 5 countries.
- Demand in Africa mainly focuses on canned tuna and sardines. Canned sardines have witnessed a significant increase in demand on the African continent (average annual growth rate of 9% between 2016 and 2020), highlighting the substantial potential of this flagship sector in Morocco's African market.

# Canned Fish Unit



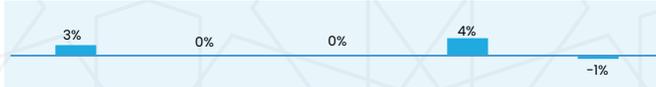
## Main Importers - World 2020 - Thousands of USD



### PDM 2020



### TCAM 2013 - 2020



## Main Exporters - World 2020 - Thousands of USD



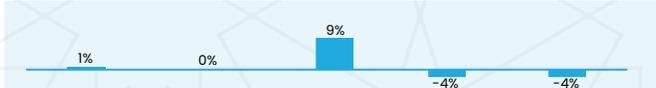
## Main Importers - from Morocco - Thousands of USD



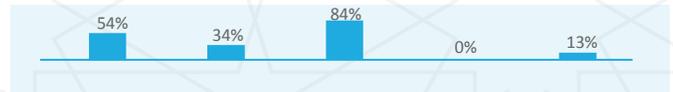
### PDM 2020



### TCAM 2013 - 2020



## Main Exporters - from Morocco - Thousands of USD



## MAIN COMPETITORS (NOT EXHAUSTIVE)

### Domestic Competitors



SILVER FOOD (Joly)



CONSERVIERIE LA GIRONDE (Milo)

### International Competitors



China



Thailand



Ecuador

\*: The Harmonized System (HS) is an international nomenclature developed by the World Customs Organization for classifying traded products at the international level.

\*\* : The Product Complexity Index (PCI) reflects the diversity and sophistication of the knowledge required to produce a product.

\*\*\*: For more information on financing mechanisms, please refer to the CRI Financing Guide.



### SWOT MATRIX OF INVESTMENT OPPORTUNITY

#### Strengths

- ✔ Availability of significant national and regional fish production, particularly sardines.
- ✔ Morocco's expertise and reputation in the canned fish industry.
- ✔ Proximity to demanding markets

#### Opportunities

- ✔ Presence of a loyal consumer segment for canned fish.
- ✔ Strong increase in national and global demand.

#### Weaknesses

- ✔ Lack of a coordinated national marketing strategy to promote Moroccan canned fish products for export.
- ✔ Potential environmental impact of the industry.

#### Threats

- ✔ Intense competition in the international canned fish market.
- ✔ Increasing requirements for quality, sanitary standards, and regulations for seafood products

## Unit for the Transformation of Waste from Seafood Processing Industries into Fish Oil & Meal

 Seafood Industry

- Prefecture of M'Diq-Fnideq
- Province of Tétouan (Tétouan Park Industrial Zone)
- Prefecture of Tangier-Assilah (TFZ / Assilah Economic Zone)
- Province of Larache (Loukkos Agropole)

### PROJECT DESCRIPTION

The development of the fish oil and meal industry represents a significant opportunity for integration into the value chains of regional and national seafood industries. This industry allows for the sustainable utilization of waste generated by seafood processing industries to produce fish meal and oil, which are essential inputs for aquaculture and animal feed (livestock and pets).



### PROJECT OPPORTUNITY CONTEXT

#### General environmental characteristics

- Strategic regional positioning close to Europe, which offers significant market growth potential.
- Quality regional infrastructure, particularly for transportation, and proximity to the Tanger-Med port, which is connected to over 180 ports worldwide.
- Existence of various industrial zones in the region, offering numerous advantages to investors.
- Significant transportation infrastructure (roads, railways, ports, and airports).
- Existing Moroccan expertise and international reputation.

#### Industry characteristics

- An industry that integrates into the value chain of a thriving Moroccan sector, the fishing industry
- The seafood processing sector, which is a major producer of basic inputs for the industry, is experiencing significant growth in the region and is highly developed at the national level.
- The aquaculture sector, a major consumer of fish meal, is at the center of the development of the Moroccan fisheries sector. Currently, nearly

290 aquaculture projects are being established in five Moroccan regions, including Tanger-Tétouan-Al Hoceima.

- Fish oil and meal are also used in animal feed more generally (livestock and poultry sectors, as well as pet food production).

#### Demand and market characteristics

- Significant domestic demand.
- The Moroccan fish meal and oil industry consumes an average of about 260,000 tons of inputs per year (2015–2019), accounting for 88% of total by-products (residues from seafood processing industries). The remaining 12% is often disposed of without valorisation, including the by-products of semi-preserved products (6%), cephalopod freezing (4%), and shrimp peeling (2%).
- Moroccan exports of products from the industry amounted to over \$246 million in 2021.
- Global imports exceeded \$8 billion in 2021, experiencing strong growth, with China accounting for nearly 35% of the imports.

## PROJECT CHARACTERISTICS

### Project Features

- Fish oil and meal are products derived from the same industrial process that aims to separate the solid parts of fishery by-products from the aqueous and oily substances. The transformation chain, consisting of multiple stages, should be optimized throughout with modern tools at each stage to maximize the quality of the product (particularly in terms of protein content in the meal, etc.).

### Basic Inputs of the Industry

- By-products from seafood valorisation industries (utilized waste), with half of them generated in Morocco by the canned fish industry, followed by freezing (40%). The semi-preserved products and shrimp peeling industries produce 6% and 4% of these by-products, respectively. These by-products can take the form of:
  - Rejects of whole fish
  - Heads and viscera
  - Skins and bones
  - Shrimp shells
  - Algae residues

### Key Steps in the Production Chain

- Cooking: Enables the disinfection of inputs and coagulation of proteins. After cooking, a separation of the coagulated phase (proteins) and the liquid phase (water and oil) takes place.
- Pressing: Done separately for the coagulated phase and the liquid phase.
- Oil Extraction: Separation of impurities and isolation of crude oil through decantation and centrifugation. The crude oil is then stored in drums.

- Drying: Removal of water, which contains proteins, using multi-effect evaporators to obtain a concentrate that is mixed with the solid phase. The mixture is then dehydrated using a double-stage dryer.
- Milling: The product obtained from the drying stage is ground into meal and stored in bulk or bags.

### Prerequisites

- Land acquisition.
- Industrial unit and equipment (ovens, centrifuges, mills/grinders, dryers, etc.).
- Sanitary authorization from the National Office for Food Safety (ONSSA).

## FINANCIAL INDICATORS OF THE INVESTMENT

### Potential Revenue

~50 to 70 Million MAD

### Potential Investment Cost

~20 to 40 Million MAD, depending on production capacity

## INVESTMENT ADVANTAGES

### Key investment advantages

- Support programs provided within the framework of the investment charter

### Financing\*

- Programs launched by TAMWILCOM.
- Mezzanine SME.
- Green Invest.

\*For more information on financing mechanisms, please refer to the CRI Financing Guide.

## ORGANIZATION OF THE INDUSTRY IN MOROCCO

The industry has a professional association represented at the National Federation of Fisheries Processing and Valorisation Industries (FENIP).

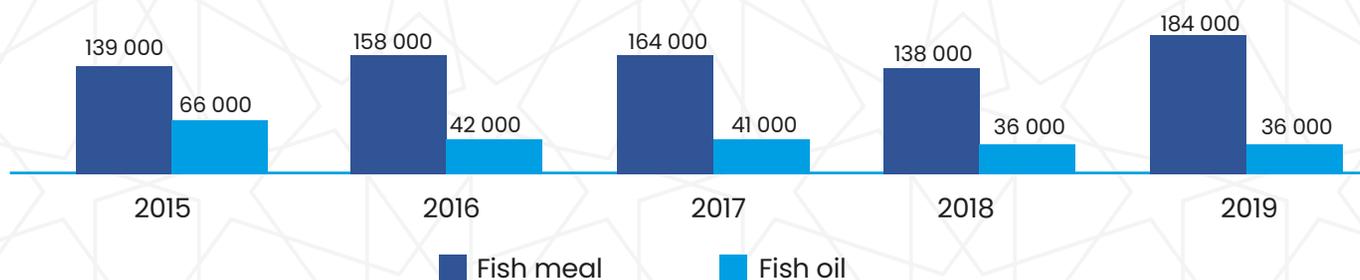
FENIP brings together 7 professional associations that encompass over 300 seafood processing and valorisation companies operating in six sectors of the industry (canned fish, semi-preserved fish, freezing of seafood products, fish meal and oil, aquaculture, agar-agar):

- National Association of Fish Meal and Oil.
- National Association of Seafood Freezing Industries (ANICOM).
- Moroccan Aquaculture Association (AMA).
- National Union of Aqua culturists.
- Industrial Federation of Seafood Products (FIPROMER).
- Moroccan Association of Semi-preserved Fish (AMASCOP).
- National Union of Canned Fish Industries (UNICOP).

## FOCUS: DOMESTIC PRODUCTION OF THE INDUSTRY

The fish meal and oil industry in Morocco consists of 22 units primarily located in Laayoune and Tan Tan. Units are also established in other cities such as Agadir, Safi, and Dakhla for the processing of byproducts from the seafood processing industry.

The average annual national production (2015–2019) amounts to 156,600 tons of meal and 44,000 tons of oil. The majority of this production is intended for export: an average of 132,500 tons of meal and 37,800 tons of fish oil during the period 2015–2019.



## FOCUS: REGIONAL SEAFOOD VALORIZATION INDUSTRY

In 2020, the number of units in the seafood processing industry in the Tanger–Tétouan–Al Hoceïma region reached 42. Over 50% of these units are located in the city of Tanger.

## Unit for the Transformation of Waste from Seafood Processing Industries into Fish Oil & Meal

	Freezing	Shellfish	Shucking	Storage	Fresh	Canned	Semi-preserved	Meal & Oil	Others
Assilah	-	-	-	-	-	-	1	-	-
Larache	2	-	-	-	-	-	4	1	-
Tangier	1	1	6	2	7	-	5	-	2
Tetouan	3	1	1	2	-	2	-	1	-

## SWOT MATRIX OF INVESTMENT OPPORTUNITIES

### Strengths

- Industry with strong national and international potential, with products primarily used for animal feed.
- Availability of significant fisheries production and a crucial national and regional seafood processing industry, ensuring a secure supply.
- Competitive and skilled regional workforce.

### Weaknesses

- Manufacturing process requiring mastery to avoid overcooking, excessive salinity, fat content, etc.
- Product quality dependent on inputs used (especially protein content, which is highest when whole fish is used as inputs).
- Storage process requiring control due to various parameters that can deteriorate the product (contamination, humidity, etc.).
- Industry limited to the utilization of by-products from seafood processing industries

### Opportunities

- High potential for the development of the seafood processing industry in the region.
- Significant increase in domestic and global demand (driven by the growth of livestock, aquaculture, and pet food sectors).
- Quality regional infrastructure and presence of numerous seafood processing industries.
- Proximity to the Port of Tangier-Med.
- Existence of multiple industrial zones and investment advantages.

### Threats

- Health situation (e.g., COVID-19).
- Dependency on by-product supplies: The fishing sector itself is regulated (TAC).
- Increasing demands for quality and standards

# Aquaculture and Industrial Unit for Agar Agar Production



Fishing



- Chefchaouen Province
- Al Hoceima Province
- Larache Province

## PROJECT DESCRIPTION

An algae aquaculture unit, mainly focused on agar agar production, a product with significant potential, especially in international markets. This project will also capitalize on the untapped coastal areas of the region, while creating green jobs.



## PROJECT OPPORTUNITY CONTEXT

### General environmental characteristics

- A strategically located position near Europe and Africa.
- Significant untapped double coastal frontage, particularly in the Chefchaouen Province (approximately 120 km).
- Quality regional infrastructure, particularly for transportation, and proximity to the Port of Tangier-Med, which connects to over 180 ports worldwide and serves as an international trade hub. Skilled and competitive national workforce.

### Industry Characteristics

- A high-potential algaculture sector, especially through the use of marine algae, which have a wide variety of bioactive compounds applicable in numerous industries (agri-food, textile, pharmaceutical, etc.).
- An algaculture industry that can integrate with existing or future aquaculture projects: Numerous studies demonstrate that integrating algae cultivation into fish farms improves water quality and yields
- An environmentally friendly industry aligned with the principles of the green economy.
- A well-organized Moroccan aquaculture sector under the supervision of the National Agency for Aquaculture Development (ANDA).
- A Moroccan 2020-2030 strategy for the fisheries sector, tailored to specific areas and placing aquaculture at the center of the development of the Moroccan fishing industry. Currently, nearly 290 aquaculture projects are being implemented across five Moroccan regions, including Tanger-Tétouan-Al Hoceima, with 59 of them focused on algaculture, highlighting the

significant potential of this sector.

- Opportunities to diversify algae cultivation across different basins.

### Demand and Market Characteristics

- Growing Moroccan algae production, reaching 22,219 tons in 2020, and generating a value of 83.385 million Moroccan dirhams in the same year (compared to 66.131 million dirhams in 2015).
- Moroccan Agar Agar exports exceeding 23 million dollars in 2021, with nearly 50% destined for Japan and the United States.
- Strong national reputation: According to the European Market Observatory for Fisheries and Aquaculture Products (EUMOFA), Moroccan agar agar products are considered the best in the market.

## PROJECT CHARACTERISTICS

### Product Characteristics

- Agar agar is manufactured from various species of algae, which can be harvested naturally or cultivated.
- The process of obtaining powdered agar agar (the final product) involves multiple steps to ensure a 100% natural product: algae harvesting, washing, cooking, bleaching, filtering, gelling, disinfection, dialysis process, dehydration, grinding, quality control, and packaging.
- Agar agar is the most potent natural gelling agent known to date, with noticeable effects starting at a ratio of 0.1%. Its gelling power is considered to be 8 to 10 times higher than that of animal gelatine, making agar agar a plantbased alternative to gelatine.

## Aquaculture and Industrial Unit for Agar Agar Production

- Agar agar is used in various industries (food, textile, pharmaceutical, cosmetics, etc.) as well as in households (cooking, baking). As a food additive, agar agar is identified as "E406."

### Prerequisites

#### Aquaculture Unit

- Land: Ponds (or pools) or photobioreactors.
- Fertilizers for cultivated species: Nitrogen, Phosphorus, Potassium, silica, iron, etc.
- CO2 supply.
- Cultivation equipment for water stirring and agitation and/or air injection, etc.
- Ensuring proper conditions for culture development: water temperature, absence of contamination by other microorganisms, etc.

#### Agar Agar Extraction Unit

- Land: Plot of land.
- Construction of the extraction unit.
- Industrial equipment: Machines for grinding, drying ovens, packaging line, etc.
- Raw materials for carrying out chemical processes for agar agar extraction, etc

## FINANCIAL INDICATORS OF INVESTMENT

### Potential Investment Cost

- ~ Starting from 150 million MADT

### Potential Revenue (Turnover)

- ~ Starting from 80 million MAD

### Gross Margin

- ~ 10% - 15%

## INVESTMENT BENEFITS

### Key investment benefits:

#### Subsidies

- Support programs provided in the investment charter

#### Training support

- Program "IDMAJ" / Program "TAEHIL"

#### Financing\*\*

- Programs launched by TAMWILCOM
- Program "TAHFIZ"

## ORGANIZATION OF THE INDUSTRY

- The aquaculture industry is represented by the National Agency for the Development of Aquaculture (ANDA), which aims to promote the development of national aquaculture, including:
  - Participation in the implementation of the government's aquaculture policy.
  - Proposal of specific action plans in line with the orientations of the national strategy for the fisheries sector and the corresponding regulatory framework.
  - Promotion of aquaculture activities and the development of "related exchanges, both for export and the domestic market.
- Regarding regulations, ANDA has launched an extensive consultation process for the development of a specific legal framework for aquaculture, which is currently governed by several laws, including the decree enacting law No. 1-73-255 on marine fishing regulations. The objective is to provide the aquaculture sector with a modern and specific legal framework, drawing inspiration from international practices in the field and considering the country's potential in aquaculture resources.

# Aquaculture and Industrial Unit for Agar Agar Production

## GLOBAL MARKET

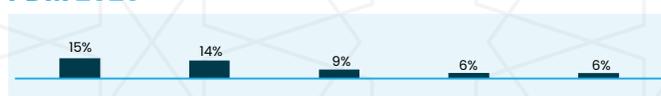
- Global exports of agar agar reached over 260 million dollars in 2021. China has been the largest exporter since 2010, capturing over 30% of the international market share in 2021.
- Morocco is the fourth-largest exporter of agar agar in 2021 (over 23.7 million dollars), with its main customers being Japan (27%) and the United States (23%). Europe is also a high-potential market for Moroccan products.



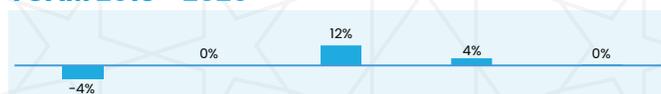
Top importers – World 2020 – Thousands USD



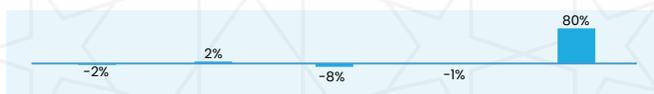
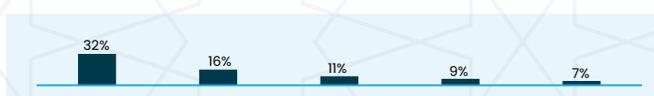
PDM 2020



TCAM 2013 – 2020



Principaux exportateurs – Monde 2020 – Milliers USD



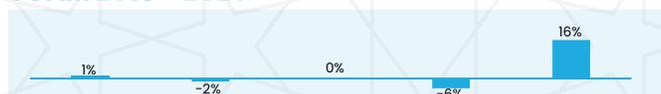
Principaux importateurs – à partir du Maroc – Milliers USD



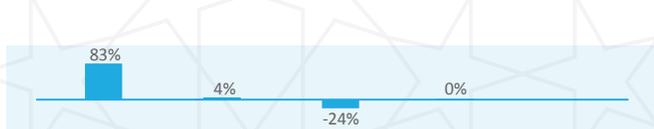
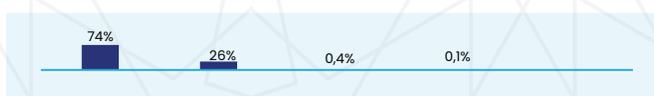
PDM 2020



TCAM 2013 – 2020



Principaux exportateurs – à partir du Maroc – Milliers USD



## MAIN COMPETITORS

### Competitors in the territory

**SEPROC**  
(Société d'Etudes et de Recherches de Produits Chimiques)

**Algenas Maroc**

**SETEXAM**  
(Société d'Etudes et d'Exploitation des Algues et Produits Maritimes)

### International competitors



\*Depending on the chosen location, the investor may also benefit from various advantages (ZAE, ZAI, ZI).

\*\* For more information on financing mechanisms, please refer to the CRI Financing Guide.



## SWOT ANALYSIS OF THE INVESTMENT OPPORTUNITY

### Strengths

- ✔ A product with high-performance gelling properties used in various industries (food, pharmaceutical, cosmetics, etc.).
- ✔ A 100% natural product offering an alternative/substitute to animal-based gelling agents.
- ✔ A simple and non-technical manufacturing process.
- ✔ An organized sector (ANDA for aquaculture) and various sectoral federations for agar agar-consuming industries.

### Weaknesses

- ✔ Existence of numerous substitute products (natural and synthetic).

### Opportunities

- ✔ Favourable geographical positioning, close to European and African markets.
- ✔ Quality regional transportation infrastructure, especially for exports (Tanger Med).
- ✔ Strong reputation of Moroccan agar agar.
- ✔ Sector supported by the government, particularly through measures implemented during the Strategy for the Development and Competitiveness of the Moroccan Fisheries Sector by 2020 and the new 2020-2030 strategy.
- ✔ Strong potential for green job creation (sustainable product).
- ✔ Deterioration of water quality in Asia (particularly in China).

### Threats

- ✔ Strong competition from China, Spain, and Chile.
- ✔ Significant development of the Moroccan aquaculture sector, leading to the emergence of many domestic competitors.
- ✔ Exogenous risks: COVID-19 crisis, international transportation costs, etc.



# LOGISTICS



- Importation of Cannabis Plants and Seeds
- Transportation of Cannabis
- Distribution Company

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# LOGISTICS

## QUALITY REGIONAL INFRASTRUCTURE FACILITATING THE EMERGENCE OF A DEVELOPED AND COMPETITIVE LOGISTICS SECTOR



### 3 Airports

- Tanger Ibn Battouta
- Tétouan Saniat Rmel
- Al Hoceïma Cherif Idrissi



### 15 Ports

Transshipment, International Road Transport (TIR), Passengers, Cruises, and Yachting, including the Tanger Med port complex



### Railway Network

254 km of railway tracks  
12 railway stations  
First high-speed train line in Morocco (200 km connecting Tanger to Casablanca)



### Road Network

Transshipment, International Road Transport (TIR), Passengers, Cruises, and Yachting, including the Tanger Med port complex



### Industrial Zones

21 Economic Activity Zones, Industrial Acceleration Zones, and operational Industrial Zones, including 1 logistics complex (MedHub)  
7 ongoing Industrial Zones under development

## FOCUS: TANGER MED

### 1st Port

The largest container port in the Mediterranean basin and Africa, with global connectivity to over **180 ports in 70 countries**



**9 million** containers



**7 million** passengers



**700 000** International Road Transport (TIR) trucks



**1 million** vehicles per year

Several industrial zones have been developed and deployed in the region: Tanger Free Zone, Med Hub, Tétouan Park, Tétouan Shore, Tanger Automotive City, Tanger Tech, etc. The installation of industrial and logistics acceleration zones in the complex provides operators with advantages that enhance their export competitiveness.

Tanger Med handles 54% of the national tonnage  
86% of national passenger and cruise traffic

## They have trusted us



## Importation of Cannabis Seeds and Plants

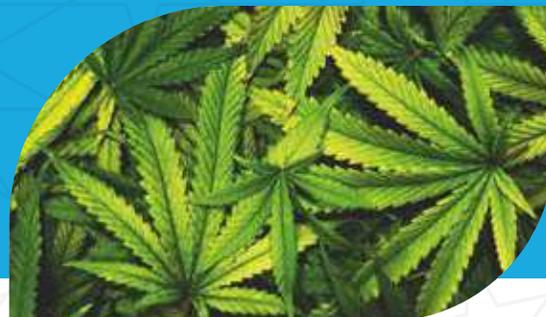


Logistics

- Province of Chefchaouen
- Province of Fahs Anjra (Med Hub)
- Province of Larache (Loukkos Agropole)
- Province of Al Hoceima (Ait Kamra ZAE)

### PROJECT DESCRIPTION

In light of the new legal provisions established by Law 13 -21 on the lawful uses of cannabis, the importation of cannabis seeds presents a significant opportunity to provide different producers with new varieties of cannabis, particularly those with low THC content (<1%).



### PROJECT OPPORTUNITY CONTEXT

#### General characteristics of the environment

- Cannabis cultivation is authorized in 2 provinces of the region: Chefchaouen and Al Hoceima.
- The national cultivated area for cannabis has been estimated at 50,000 hectares in recent years. Cannabis cultivation is a source of income for over 400,000 people (nearly 60,000 households).
- The legal framework in Morocco has been established through the provisions of Law 13 - 21, enacted on July 14, 2021, under Dahir No. 1-21-59 to address the informal nature of cannabis cultivation. This law covers the lawful uses of cannabis, including the importation and transportation of seeds and plants.
- The regional climate is favourable for cannabis cultivation, and proximity to farmers facilitates the supply. The region's strategic geographical position, close to Europe, favours the supply of plants and seeds. The region also has logistics zones offering various advantages for investors.
- Well-developed regional transport infrastructure (such as the Tanger-Med port, roads, airports, etc.) facilitates the distribution of imported products. However, some disparities related to the condition of infrastructure are observed, particularly in the most remote rural communities.
- The National Agency for the Regulation of Cannabis Activities (ANRAC) is the reference organization for cannabis-related activities.

#### Sector characteristics

- The cannabis sector has high potential but is still underdeveloped in terms of cultivated varieties. Imported seeds and plants will supply cannabis producers with inputs to meet the demand of various industries and comply with the regulations in force (especially in terms of THC content): cosmetics, agri-food, textile, paper and cardboard, automotive, and construction.
- There is currently no importer operating in this sector in Morocco, creating an opportunity for market positioning at the national level.
- The cannabis varieties currently cultivated in Morocco have a THC content of over 1% for the majority, making them suitable, according to the regulations in force, only for medical and pharmaceutical uses.

#### Market characteristics

- There is a high potential domestic demand for plants and seeds to support the development of various industries involved in the cannabis sector

### PROJECT CHARACTERISTICS

#### Market characteristics

- Different seed varieties depending on the target crops, including regular or feminized seeds:
  - Graines photo dépendantes.
  - Graines à auto floraison.
- Various existing cannabis species with their own specificities (especially in terms of THC, CBD, CBN content):
  - Sativa.
  - Indica.
  - Ruderalis.

## Importation of Cannabis Seeds and Plants

Diversity of hybrid species produced according to their uses.

### Prerequisites

Regulatory prerequisites:

- Being of Moroccan nationality.
- Having reached the legal age of majority.
- Being constituted in the form of a company or another legal entity governed by Moroccan law.
- Having qualified and sufficient material and human resources to carry out its activities.
- Obtaining the necessary authorizations to carry out regulated activities under the current legislation.
- Complying with the conditions set out in the specifications established by ANRAC (National Agency for the Regulation of Cannabis) and the relevant government authorities.
- Importing seeds and plants certified by ANRAC, in compliance with the current labelling standards.
- Having secure and monitored warehouses to store cannabis seeds and plants.
- Complying with storage and packaging standards for products, as well as technical standards for quality control.
- Selling imported products only to holders of authorizations for cannabis cultivation and production.
- Complying with the standards regarding the transport of cannabis or entrusting the transport to an authorized service provider with the necessary permits.

### FINANCIAL INDICATORS OF THE INVESTMENT

Between 5 and 20 Million MAD.

This cost mainly involves the construction of a secure warehouse for the storage of imported plants and seeds. The warehouse must be monitored and comply with storage standards according to Law 13 -21.

### INVESTMENT ADVANTAGES

#### Training assistance

- "IDMAJ" program
- "TAEHIL" program.

#### Financing\*\*

- Programs launched by TAMWILCOM
- "TAHFIZ" program.

### PROJECT OPPORTUNITY DESCRIPTION

- This project aims to capitalize on the recent legalization of cannabis, which now represents a basic input for the production of various products for medical and pharmaceutical use.
- Currently, the cannabis cultivated in Morocco can only be used for medical or pharmaceutical purposes due to its high THC content (>1%), as per the current regulations.
- The project opportunity consists of establishing an importing company for cannabis plants and seeds to integrate into agricultural and industrial value chains.
- There is an opportunity to import various varieties of cannabis plants and seeds to enrich the local market with diversified inputs (particularly in terms of THC content) to meet the associated demands.

### THE NATIONAL AGENCY FOR THE REGULATION OF CANNABIS ACTIVITIES

The activities related to the uses of cannabis (solely for medical, pharmaceutical, and industrial purposes) are subject to authorization from the National Agency for the Regulation of Cannabis Activities (ANRAC). ANRAC is responsible for implementing the state's strategy for the cultivation, production, processing, manufacturing, commercialization, import, and export of cannabis and its products. ANRAC also ensures the traceability of legal cannabis throughout its value chain (from production to commercialization).

**Its main missions can be summarized as follows:**

- Regulation and control of the cannabis sector
- Development of the cannabis sector and support for investments.
- Accompagnement des opérateurs

## SWOT ANALYSIS OF INVESTMENT OPPORTUNITY

### Strengths

- ✔ A newly regulated sector (Law 13-21).
- ✔ Existence of an organization governing cannabis-related activities (ANRAC).
- ✔ A regional climate favourable to cannabis cultivation (the main input of the industry) and proximity to producers.
- ✔ High-quality regional transportation infrastructure for distribution to all provinces authorized for this type of cultivation, and the existence of logistic zones.
- ✔ An essential product for various industries and legal applications of cannabis (excluding pharmaceuticals): Moroccan crops having THC levels higher than those advocated by regulations (except for the pharmaceutical sector).

### Opportunities

- ✔ An emerging ecosystem due to the recent promulgation of laws related to cannabis legalization.
- ✔ A highly regulated ecosystem (in terms of supply, logistics & transportation, production, and marketing) requiring adaptation and upgrading of various stakeholders.

### Weaknesses

- ✔ Stringent conditions for transporting plants and seeds due to their sensitivity to exposure to different substances, including possible air transport.
- ✔ An ecosystem with strong growth prospects in the Kingdom.
- ✔ Geographical proximity to European markets that have strong potential: an opportunity to be part of the value chain of Moroccan cannabis industry.

### Threats

- ✔ Informal and smuggling activities.
- ✔ A limited market due to current regulations setting conditions for producer eligibility



\*Le transport et le stockage du cannabis et de ses produits se doit de se conformer aux normes réglementaires et aux normes sanitaires en vigueur.

\*\*Pour plus d'information sur les mécanismes de financements consulter le Guide de Financement du CRI

## Transportation of Cannabis

### Logistics

- Province of Chefchaouen
- Province of Al Hoceima (Ait Kamra Economic Zone)
- Province of Larache (Loukkos Agropole)
- Prefecture of Tanger-Assilah (Economic Zones & Industrial Zones)

## PROJECT DESCRIPTION

Under the new legal provisions established by Law 13 -21 concerning the lawful uses of cannabis in Morocco, the establishment of a processing unit for the region's crops and lawfully imported components for the construction industry presents a real opportunity. The natural properties of cannabis are numerous, and through appropriate treatments and transformations, the plant can be converted into various construction materials, which have numerous applications in the sector.



## PROJECT OPPORTUNITY CONTEXT

### General Characteristics of the Environment

- Legal framework established in Morocco through the provisions of Law 13 -21, enacted on July 14, 2021, by Dahir n°1 -21 -59, to address the informal nature of cannabis cultivation. This law focuses on the lawful uses of cannabis, including its transportation.
- Regional climate favourable to cannabis cultivation and proximity to farmers, facilitating the establishment of a regional ecosystem.
- Regional geostrategic positioning close to Europe, facilitating the transportation of cannabis not only at the national level but also internationally.
- Existence of logistic zones in the region offering various advantages for investors.
- Developed regional transportation infrastructure (Tanger -Med port, roads, airports, etc.) facilitating the transportation of products throughout their entire production process (supply, cultivation, processing, marketing). However, some disparities related to the condition of the infrastructure are observed, particularly in the most remote rural communities. Existence of a regulatory agency for cannabis -related activities: the National Agency for Regulating Cannabis - Related Activities (ANRAC).

### Characteristics of the Industry

- Industry with high potential but still underdeveloped in terms of activities. The

presence of an authorized operator for cannabis transportation at the regional level is essential for the establishment of the ecosystem.

- Positioning opportunity for industry operators.

### Market Characteristics

- Moroccan market in the launching phase.
- A small number of operators are currently present in this market.
- Market with high potential for national and international development due to various industrial applications resulting from cannabis processing: pharmaceutical, cosmetic, agri-food, etc.
- Strong regulation of the national market due to the sensitive nature of the product.

## PROJECT CHARACTERISTICS

### Service Characteristics

- The project involves handling the transportation of cannabis in its various forms and throughout the entire process, from the supply phases of basic inputs to the commercialization of the finished product, including the transformation phases.
- Storage and handling dimensions may need to be considered in addition to the transportation aspect.

### Prerequisites

#### Regulatory Requirements

- Being established as a company or other legal entity governed by Moroccan law.
- Having qualified and sufficient material and human resources to carry out these activities.
- Obtaining the approval issued by the Ministry of Transport and Logistics in accordance with the applicable legislation and regulations.

## Transportation of Cannabis

- Adhering to the standards for the transportation of cannabis and its products. According to Article 18 of Law 13-21: "The cannabis products, regardless of their destination, must be transported in sealed packaging or containers in a way that prevents any substitution or mixing of their contents with other products. They must be labelled in accordance with the provisions of Chapter VIII of this law."

- Maintain a register related to the transportation of cannabis and its products, with the specific record-keeping procedures set by regulations.

### Material Requirements:

- Vehicles for transporting cannabis and its products according to the applicable standards.
- Possible storage infrastructure.

## ADVANTAGES RELATED TO THE INVESTMENT

### Key advantages of the investment

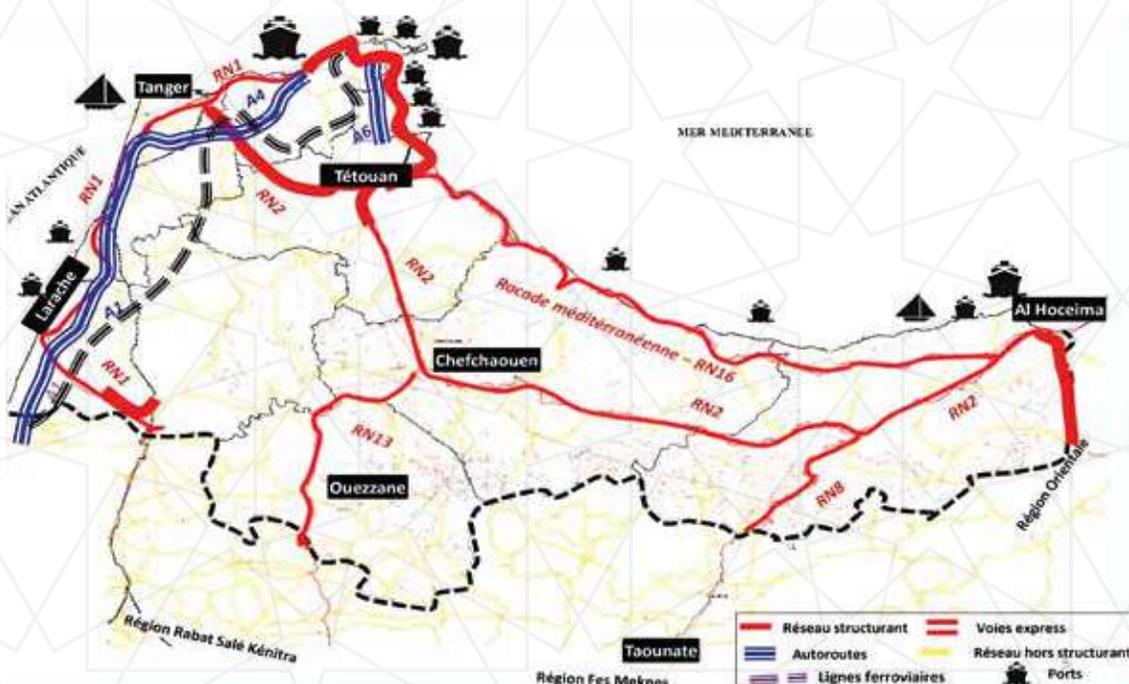
#### Financing\*\*

- Programs launched by TAMWILCOM
- "TAHFIZ" Program

#### Training assistance

- "IDMAJ" Program
- "TAEHIL" Program

## CARTOGRAPHIE DES PRINCIPALES INFRASTRUCTURES LOGISTIQUES RÉGIONALES



## FINANCIAL INDICATORS OF THE INVESTMENT

### Potential investment cost:

Between 2 and 25 Million MAD

## DESCRIPTION OF THE PROJECT OPPORTUNITY

- Project aimed at capitalizing on the recent legalization of cannabis for medical, pharmaceutical, and industrial purposes.
- Various obligations are imposed on different operators in the cannabis industry according to the regulations. This includes operators involved in the transportation of cannabis and its products. The transportation of cannabis and its products is essential for establishing an ecosystem for the industry.
- An opportunity for a project that involves upgrading the transportation activity of an existing entity to meet the required standards for cannabis transport, or the creation of a new entity to integrate into this segment of the industry.

### THE NATIONAL AGENCY FOR REGULATING CANNABIS ACTIVITIES

The exercise of activities related to the use of cannabis (solely for medical, pharmaceutical, and industrial purposes) is subject to authorization by the National Agency for Regulating Cannabis Activities (ANRAC). It is responsible for implementing the state's strategy regarding the cultivation, production, processing and manufacturing, marketing, import, and export of cannabis and its products. ANRAC also ensures the monitoring of legal cannabis at all stages of its value chain (from production to commercialization).

#### Its main missions can be summarized as follows:

- Regulation and control of the cannabis industry.
- Development of the cannabis sector and support for investments.
- Support for operators

### SWOT ANALYSIS OF THE INVESTMENT OPPORTUNITY

#### Strengths

- ✔ A newly regulated sector (Law 13-21).
- ✔ Existence of an organization governing cannabis activities (ANRAC).
- ✔ A regional climate suitable for cannabis cultivation (the main input of the industry) and proximity to producers.
- ✔ Quality regional transportation infrastructure for distribution and transport across provinces authorized for this type of cultivation, as well as the presence of logistics zones.
- ✔ Transportation activity is essential for the functioning of the legal cannabis ecosystem.

#### Opportunities

- ✔ An ecosystem with strong growth prospects at the Kingdom level.
- ✔ Informal and smuggling.
- ✔ Profitability of the transport activity depends on fluctuations in fuel costs.
- ✔ Geographical proximity to European markets with great potential: an opportunity to be part of the value chain of the Moroccan cannabis industry.
- ✔ Transport activity can be oriented towards exports.

\*The transportation and storage of cannabis and its products must comply with current regulatory and sanitary standards.

\*Depending on the project size, the number of vehicles to be acquired, and the possibility of setting up a storage unit.

\*Depending on the chosen location, the investor may also benefit from various advantages (Economic Activity Zones, Industrial Zones, Industrial Parks). Additionally, cannabis cultivation in Morocco benefits from various advantages provided by the Green Generation Plan (dedicated offers, including financial support, assistance, insurance, and social coverage).

\*\*For more information on financing mechanisms, please refer to the Financing Guide provided by the Regional Investment Center (CRI).

#### Weaknesses

- ✔ A nascent ecosystem due to the recent promulgation of laws related to cannabis legalization.
- ✔ A highly regulated ecosystem (in terms of supply, logistics & transport, production, and marketing) requiring adaptation and upgrading of various actors.
- ✔ Rigorous transportation conditions.
- ✔ An ecosystem with strong growth prospects in the Kingdom.
- ✔ Geographic proximity to European markets with high potential, providing an opportunity to participate in the value chain of Moroccan cannabis industries.
- ✔ Transportation activity that can be oriented towards export.

#### Threats

- ✔ Informal and smuggling activities.
- ✔ Dependence of transportation profitability on fluctuations in fuel costs.

## Distribution Company



Logistics

- Fahs Anjra Province (Med Hub)
- Tanger-Assilah Prefecture
- Tetouan Province

### PROJECT DESCRIPTION

Benefiting from the dynamism of its trade, the TTA region has significant advantages for the establishment of a distribution company and a high-quality road, port, and airport network, particularly on its main axes. Furthermore, the region's proximity to Europe and the cities of Ceuta and Mellilla, as well as the presence of free zones (such as Med Hub Logistics), further strengthens this potential.



### PROJECT OPPORTUNITY CONTEXT

#### General characteristics of the environment

- A geostrategic positioning of the TTA region and strong proximity to Europe and the cities of Ceuta and Mellilla.
- Well-developed transportation infrastructure in the region, including a high-quality road, rail, port, and airport network, demonstrating efforts to improve territorial accessibility and enhance the quality of travel and trade.
- Existence of dedicated free zones (notably Med Hub in the Fahs Anjra province) offering various customs and fiscal benefits, reinforcing regional attractiveness.
- Proximity to the Tanger-Med port, the largest container port in the Mediterranean basin, connected to over 180 ports worldwide and more than 70 countries.
- Nearly 7.5% of companies established in the TTA region operate in the transportation sector. The city of Tangier accounts for over 69% of regional transportation companies.
- A high concentration of industries in the region (numerous industrial zones, logistics zones, etc.) presents an opportunity for sector operators.

#### Characteristics of the Industry

- Strong national and regional investment dynamics in infrastructure, particularly maritime, road, and rail, to provide interconnection between ports, airports, and logistics zones.
- Thanks to the positive evolution of Moroccan logistics services, several international operators have established themselves in Morocco, and domestic operators are beginning to position themselves internationally, particularly in the African market.
- A national road network facilitating the flow of goods, excluding phosphate (which is transported by rail), accounts for 85%.
- A New Development Model that aims to make the Kingdom a multisectoral platform anchored in international value chains, proposing a logistics sector reform through the establishment of new governance to promote multimodality and the structuring of logistics flows around logistics zones.
- The Kingdom has developed strategies and sectoral plans aimed at improving transport and logistics services levels, as well as the development of transport infrastructure, such as the Route 2035 Plan, the Morocco Rail 2040 Plan, the National Port Strategy 2030, and the National Logistics Competitiveness Development Strategy 2030.

## Market Characteristics

- A continuously developing sector that generates nearly 45 billion MAD of value added and contributes 5.02% to the national GDP.
- The logistics and transportation sector creates approximately 445,000 jobs, accounting for 4.18% of the active population.

## PROJECT CHARACTERISTICS

### Service Characteristics

- A distribution company ensures regular flows of goods to various regional and national destinations on behalf of national or international clients.
- Its services include regular daily shuttles and optimized distribution of palletized goods by road, rail, sea, or air.

Having a dual function, distribution companies operate in:

- Circular management of goods flows through the distribution network (fleet management, inventory management, etc.),
- Two distribution circuits can be adopted: the short circuit (one intermediary between the supplier and the customer) and/or the long circuit (the existence of multiple intermediaries).
- Several logistics specialties:
  - Batch transport
  - Urban distribution
  - Palletized messaging
  - Logistics services
  - On-demand transport or leasing with or without drivers

## Prerequisites

- Vehicle fleet according to the company's offerings (examples of land vehicles: trucks, trailers, semitrailers, double-decker vehicles, vehicles equipped with onboard cranes, mobile boxes, etc.).
- Equipment for handling hazardous materials (flammable and highly flammable products).
- Vehicle fleet equipped with onboard computers for geolocating all active vehicles.
- Information system to ensure real-time monitoring.
- Warehouses for storage.
- Qualified and trained personnel.
- Administrative formalities.

## FINANCIAL INDICATORS OF THE INVESTMENT

### Potential investment cost

~ Starting from 5 million MAD (depending on the scale of the offering: number of vehicles, number and size of warehouses, etc.)

## INVESTMENT ADVANTAGES

### Key investment advantages:

#### Subsidies

- Support programs provided under the investment charter

#### Training assistance

- "IDMAJ" program / "TAEHIL" program

#### Financing\*\*

- Programs launched by TAMWILCOM
- "TAHFIZ" program

\*Depending on the chosen location, the investor may also benefit from various advantages (Special Economic Zones, Industrial Zones, etc.).

\*\* For more information on financing mechanisms, please refer to the CRI Financing Guide.

### FOCUS: MED HUB

The Free Trade Logistics Zone (FTLZ) of the Tanger Med complex was opened for commercialization in 2008. The zone is managed under the single-window principle and offers investors wishing to establish themselves there a multitude of customs and fiscal benefits.

Med Hub is dedicated to value-added logistics activities such as consolidation, distribution, and supply. It operates in the distribution to other free zones in Morocco as well as the consumption of products in the Moroccan market (preparation, storage, packaging, labelling, assembly, and quality control).

It benefits from its strategic location within the Tanger Med port area and provides operators with direct access to North Africa and Western Europe.



300 hectares including a complete range of warehouses, offices, or developed vacant land

Located in immediate proximity to the port through a single customs zone, the zone dedicated to value-added logistics activities is in the heart of the region's business centres, enabling rapid and efficient distribution to a market of over 1 billion consumers.



### FOCUS: TTA REGION'S INFRASTRUCTURE

The region has 19 operational industrial zones, including 1 dedicated to logistics (Med Hub), 5 zones under development, and 2 planned zones.



Productive activities are mainly developed around the Tanger Med complex, confirming its quality and competitiveness (global connectivity, significant processing capacities, various certifications and recognitions, etc.). Tanger Med is the first container port in Africa and the Mediterranean and contributes strongly to regional and national commercial dynamics.

**1<sup>st</sup>** Import/Export Platform in Morocco

**15** Ports Including the Tanger Med complex

**3** Airports

**254** km of railway lines

Launched in 2009, the Tanger Med Industrial Platform is a global logistics, industrial, and commercial hub.

Located at the Strait of Gibraltar, the platform benefits from connectivity with 186 global ports and hosts 1,100 active companies operating mainly in the automotive, aerospace, electronics, textile, agri-food, and services sectors.



## MAJOR PLAYERS IN THE INDUSTRY ESTABLISHED IN MOROCCO (NOT EXHAUSTIVE)



## SWOT ANALYSIS OF THE INVESTMENT OPPORTUNITY

### Strengths

- ✔ A product with accessible technology for Moroccan know-how.
- ✔ A well-developed Moroccan steel ecosystem, allowing for a close to 100% integration rate and a skilled workforce.
- ✔ A strategic regional positioning, close to the Tanger-Med port, at the gateway to Europe and Africa.
- ✔ Lack of national competitors and a high concentration of international competitors in China (accounting for over 95% of global container production).
- ✔ A standardized product internationally (though there are different typologies).

### Weakness

- ✔ Compliance with standards (dimensions, robustness, waterproofing, etc.), some of which are set by the ISO-668 standard.

### Opportunities

- ✔ Growth in international trade, strongly correlated with global demand for containers.
- ✔ Growth in Moroccan exports of goods.
- ✔ Limited regional competition (in Europe and Africa), allowing for a competitive advantage in transportation costs compared to Chinese productions.

### Threats

- ✔ Development of new technologies (new biomass conversion techniques or electricity storage).
- ✔ Intense competition among different actors.



# HEALTH



Clinic in Al-Hoceima

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# HEALTH

THE TTA REGION BENEFITS FROM A HEALTHCARE INFRASTRUCTURE COMPOSED OF 290 PRIMARY HEALTHCARE FACILITIES IN 2020.

**79** Urban health center

**129** Rural health center

**20** Public hospitals

**62** Rural dispensaries

**1** University hospital (CHU)

**2119**

Hospital bed capacity

**1851**

Number of public and private doctors

**3066**

Number of paramedical staff

The Mohammed VI University Hospital - Tanger aims to make the TTA region a national center of medical excellence and significantly contributes to the challenges in the fields of health, science, knowledge sharing, and socioeconomic development, thanks to the presence of a medical and pharmacy faculty

However, the region still presents opportunities for further development of healthcare infrastructure, particularly in the cities of Ouezzane, Larache, Ksar Kbir, etc., through private sector involvement.

## They have trusted us



**AKDITAL**  
Des soins et des liens



**Clinique Internationale**  
CIM Santé . Tanger



**CLINIQUE ASSALAM**



**مصحة الرازي**  
**CLINIQUE RAZI**

POLYCLINIQUE DES SPÉCIALITÉS  
مصحة وتعددة التخصصات



**مصحة الأنكلوجيا طنجة**  
**CLINIQUE D'ONCOLOGIE TANGER**





### PROJECT CHARACTERISTICS

#### Demand and Market Characteristics

- High consumption of edible oils nationwide: In 2020–2021, 77,000 tons of rapeseed and sunflower oils and 460,000 tons of rapeseed and sunflower cake were consumed in Morocco.
- National consumption of vegetable oils has increased by 26% in 10 years. National imports of sunflower oil amounted to over 68 million dollars in 2021.

#### Service Characteristics

- A clinic is defined as a private healthcare facility that provides diagnostic and medical care services to patients, injured individuals, pregnant women, or those in childbirth during hospitalization for the necessary duration of their health condition and/or provides rehabilitation services.
- Until 2015, only doctors were allowed to own private clinics, but legislation adopted in 2018 abolished this restriction, allowing Moroccan and foreign individuals to establish clinics regardless of their profession.
- The project to open, reopen, or operate a clinic or similar establishment is subject to obtaining a prior administrative authorization issued by the Ministry of Health, following the opinion of the National Council of the Order of Physicians and the conformity opinion of the Secretary General of the Government.
- There are two main types of clinics: monodisciplinary clinics and multidisciplinary clinics (also known as polyclinics).
- Multidisciplinary clinics, which operate 24/7, are required to have resuscitation equipment for at least two beds and emergency equipment with a minimum capacity of 2 beds.
- Various medical disciplines can be covered within the scope of a clinic's operations, including general medicine, immunology, radiology, surgery, neurology, pulmonology, cardiology, dentistry, etc.
- The service is highly regulated.

#### Prerequisites

- An application for the opening, reopening, or operation of a clinic, specifying the location, medical functions, technical modalities of clinic operation, bed capacity, the identity and qualifications of the medical director, as well as those of the associated doctors. This application must be accompanied by the following documents in 4 copies:
  - Architectural plans: site plan, site layout plan, execution plan at a scale of 1/50, section and elevation plans.
  - Execution plans and technical installations: electricity, plumbing, sanitary, air conditioning and ventilation, fire protection, medical fluids, sterilization, kitchen and laundry facilities if applicable, morgue, incineration, and possibly elevators and lifts.
  - Lists of equipment, supplies, medical-technical equipment, technical furniture, and instrumentation.
  - List of permanent medical staff and their qualifications.
  - Any document related to the legal form of the proposed establishment.
  - Internal regulations of the establishment
  - If the clinic is operated by an association, a partnership agreement of the operating doctors endorsed by the National Order of Physicians.
  - Lease or acquisition agreement for the premises of the establishment.
  - Minutes of the general assembly of partners designating the medical director.
  - Credentials of the associated doctors, along with their qualifications, if applicable.
- Prior administrative authorization issued by the Secretary General of the Government, following the opinion of the National Council of the Order of Physicians and the conformity opinion of the Ministry of Health.
- Final authorization for the opening, operation, and management of the establishment, obtained after verifying the clinic's compliance with the presented project.
- Land (land + construction).
- Medical equipment (diagnostic, monitoring, specialized, etc.), medical uniforms, mobility equipment, furniture, miscellaneous supplies, etc.

### FINANCIAL INDICATORS OF THE INVESTMENT

#### Potential cost of the investment

Starting from 5 million MAD (depending on the size, capacity, specialty, quality of medical equipment, etc.)

### ORGANIZATION OF THE INDUSTRY

#### Key investment benefits\*\*

- Exemption from VAT without the right to deduction.

#### Support for training

- TAEHIL / IDMAJ programs

### ORGANISATION DE LA FILIÈRE

Existence of a professional association: the National Association of Private Clinics (ANCP), which represents and defends the interests of private healthcare facilities in Morocco. The ANCP:

- Represents all clinics in the kingdom to the public authorities and professional organizations.
- Defends their material, social, moral, and professional interests to official bodies, partners, and healthcare actors in Morocco and internationally.
- Strengthens friendship and fraternity among the professionals it represents.
- Promotes and encourages scientific research, information, and continuous education.

### SWOT MATRIX OF THE INVESTMENT OPPORTUNITY

#### Strengths

- ✔ An essential and strategic field of activity.
- ✔ A healthcare sector with high potential, especially private healthcare, which complements the public offer.
- ✔ High-quality and customizable medical services. Qualified healthcare personnel.
- ✔ Existence of a social security system that fully or partially reimburses patients' medical expenses.
- ✔ Private healthcare facilities tend to have a good reputation in the healthcare market.

#### Weaknesses

- ✔ Cost of investment.
- ✔ High employee turnover. Competition with public facilities and private doctors.
- ✔ Administrative complexity and prerequisites for obtaining the necessary permits for practicing the activity.
- ✔ Shortage of doctors on a national scale.

#### Opportunities

- ✔ Insufficient regional healthcare supply (bed capacity, number of doctors, etc.).
- ✔ Improvement in the population's living standards and income.
- ✔ Organized sector (ANCP, etc.) and wellregulated sector. Sector encouraged by the government and various regional partners.

#### Threats

- ✔ New public or private entrants.
- ✔ Dependency on imports of medical equipment and supplies.
- ✔ Rapid evolution of medical processes and techniques worldwide.
- ✔ Exogenous risks: inflation, crises, etc.

\*Depending on the chosen location, the investor may also benefit from various incentives (ZAE, ZAI, ZI). Furthermore, agriculture in Morocco enjoys various advantages granted by the Green Generation Plan (dedicated offers, including financial support, assistance, insurance, and social coverage).

\*\* For more information on financing mechanisms, please refer to the CRI Financing Guide.

# BUSINESS SERVICES & OFFSHORING



- Offshoring Center
- Start-up Accelerator

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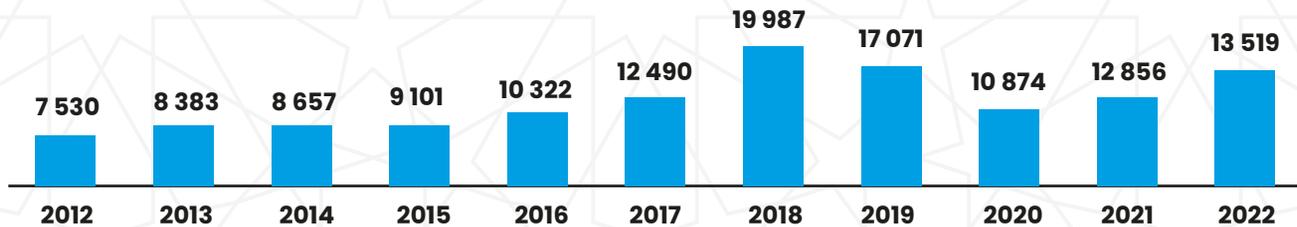
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# BUSINESS SERVICES & OFFSHORING

A REGION WITH STRONG ENTREPRENEURIAL DYNAMISM DESPITE A CRISIS CONTEXT THAT HAS IMPACTED THE GROWTH OF BUSINESSES IN THE TERRITORY

## Regional history of business creation



## STRONG POTENTIAL FOR THE DEVELOPMENT OF THE BUSINESS SERVICES SECTOR

An offshoring sector offering various opportunities, particularly through 5 related ecosystems developed during the Industrial Acceleration Plan 2014-2020

**CRM** (Customer Relationship Management)

**BPO** (Business Process Outsourcing)

**ITO** (Information Technology Outsourcing)

**ESO** (Engineering Service Outsourcing)

**KPO** (Knowledge Process Outsourcing)

### Tétouan Shore, an offshoring park targeting high-value-added professions

Area: 20 hectares

Profile: Outsourcing and services zone

Activities: Offshoring, BPO, ITO, CRM

### Regional training offerings in the offshoring sector

ISMONTIC Tanger

ISMO Tétouan

Center for Trades and Skills

Various qualification programs for engineering professions.

- M'diq-Fnideq Prefecture (Tétouan Shore)
- Tanger-Assilah Prefecture (TFZ)

## PROJECT DESCRIPTION

As a promising sector in Morocco, offshoring is experiencing significant growth. Various opportunities related to the sector enhance the attractiveness of the national territory, particularly in the Tanger-Tétouan-Al Hoceima region, which has various advantages for attracting investors.



## PROJECT OPPORTUNITY CONTEXT

### General characteristics of the environment

- A geostrategic positioning of the region and a strong proximity to Europe.
- Existence of dedicated zones for offshoring activities in the region (such as Tétouan Shore), offering various advantages to investors in terms of land, infrastructure, and support throughout the installation process.
- Locally qualified and trained workforce in various regional training institutions. This multilingual workforce (French, Spanish, English, Arabic) is highly competitive in terms of cost. The region is also home to the "École Supérieure Roi Fahd de la Traduction" in Tangier, which promotes the teaching of Arabic, French, English, Spanish, and German languages. There is a significant technological and network infrastructure presence (including highspeed internet), as well as transportation infrastructure (road, rail, maritime, and airports).

### Sector characteristics

- A promising sector in Morocco, especially in the Tanger-Tétouan-Al Hoceima region. The Kingdom is particularly positioned in nearshore (proximitybased) offshoring. Additionally, Morocco is the world's top destination for Francophone offshore activities.
- Dedicated Moroccan offerings: an attractive incentive framework with a maximum effective income tax rate of 20%, a training ecosystem, diversified real estate offerings, and Integrated Industrial Platforms developed and equipped according to international standards.
- 5 ecosystems established under the Industrial Acceleration Plan: CRM, BPO, IT, ESO, and KPO.

- A structured sector with the presence of various support and assistance organizations:
  - Regional Investment Center (CRI)
  - National Social Security Fund (CNSS)
  - National Agency for Employment and Skills Promotion
  - Office of Vocational Training and Workforce Promotion (OFPPT)
  - Federation of Information Technology, Telecommunications, and Offshoring (Apebi)
  - Moroccan Customer Relationship Association (AMRC)
  - Moroccan Outsourcing Federation (FMO)
  - Digital Development Agency (ADD)
  - Moroccan Agency for Investment and Export Development (AMDIE)

### Market characteristics

- A Moroccan market with over 14 billion MAD in export turnover and a significant job creator (over 78,000 jobs created between 2014 and 2019, totalling 120,000 jobs in 2019).
- CRM sector facing technological and automation challenges.

## PROJECT CHARACTERISTICS

### Service characteristics

- The offshoring sector can be categorized into two main domains, which further divide into six primary activities:
  - Business Process Outsourcing (BPO): This domain includes general administrative activities, customer relationship management activities, and specific business activities.
  - Information Technology Outsourcing (ITO): This domain includes infrastructure management activities and software development activities.

## Offshoring Center

software development and application maintenance activities.

As part of the Industrial Acceleration Plan 2014–2020, 5 sectors of the industry have been organized into ecosystems in Morocco:

- **CRM (Customer Relationship Management):** Customer relationship management activities, including contact center
- **BPO (Business Process Outsourcing):** Outsourcing of company processes / operations.
- **ITO (Information Technology Outsourcing):** Outsourcing of information technology-related roles (application development, infrastructure management, etc.).
- **ESO (Engineering Service Outsourcing):** Outsourcing of engineering, research, and development activities (industrial engineering, etc.).
- **KPO (Knowledge Process Outsourcing):** Outsourcing of strategic activities with a knowledgeintensive and expertise-demanding content (sectoral data analysis, etc.).

### Prerequisites

- Real estate (premises, office spaces).
- IT equipment (computers, hardware, servers, etc.).
- Information systems tailored to the nature of the services provided by the offshore center.
- Qualified and trained personnel for the services provided by the offshore center.
- Office supplies.
- Administrative formalities.

## FINANCIAL INDICATORS OF THE INVESTMENT

### Potential investment cost

~ Starting from 3 million MAD (for new investors and depending on the number of positions and the nature of the activity)

## INVESTMENT ADVANTAGES

### Key investment advantages

#### Subsidies

- Support programs provided under the investment charter

### Training assistance

"IDMAJ" Program / "TAEHIL" Program

### Financing\*\*

- Programs launched by TAMWILCOM
- "TAHFIZ" Program

## FOCUS: TÉTOUAN SHORE

Area: 20 hectares

Profile: Outsourcing and services zone

Activity: Offshoring, BPO, ITO, CRM

Tétouan Shore is an offshoring park targeting highvalue-added professions, benefiting from an advantageous geographical position, particularly for European offshoring, with high-quality infrastructure and offering numerous tax incentives.



Tétouan Shore provides companies with flexible office spaces ranging from 170 to 3,000 square meters and ready-to-use workstations. The platform also facilitates the quick operationalization of activities by providing various networks (water, electricity, telecommunications) and shared services, as well as offering support to companies throughout their installation in collaboration with the Regional Investment Center (CRI), National Social Security Fund (CNSS), Professional Training Office (OFPPT), and National Agency for Employment and Skills (ANPEC) (one-stop shop).

\*Depending on the chosen location, the investor may also benefit from various advantages (ZAE, ZAI, ZI).

\*\* For more information on financing mechanisms, please refer to the CRI Financing Guide.

### FOCUS: REGIONAL TRAINING OFFER IN THE OFFSHORING SECTOR

Regarding the offshoring sector, the TTA region offers a comprehensive training offer to enhance the skills of human resources in the sector. The region has two institutions dedicated to offshoring professions and a multi-sector institution that provides an offshoring hub.

#### ISMONTIC Tanger:

This is the Specialized Institute for Offshoring Professions and New Information and Communication Technologies (Tanger). Established in 2006, the institute has provided training in various offshoring fields to over 1800 individuals in 2022 (professional baccalaureate, specialized technician, qualifying training). The institution has significant pedagogical resources with 33 staff members, including 29 trainers.



#### ISMO Tétouan :

This is the Specialized Institute for Offshoring Professions (Tétouan). Established in 2021, the institute also offers training in various offshoring fields to provide quality professional education. In 2022, the institution welcomed over 800 individuals (professional baccalaureate, specialized technician, qualifying training) trained by 14 staff members, including 12 trainers.



#### Center of Trades and Competences (TTA):

The CMC TTA offers a hub dedicated to digital and offshoring professions, with a training offer divided into 16 sectors and a capacity to accommodate 520 individuals. The offered sectors provide training in digital infrastructure, web development, digital marketing, digital design, as well as specific programs for digital discovery and web or mobile application development.

CMC Région Tanger  
Tétouan Al Hoceima  
Carte de formation

#### Qualifying Training for Engineering Professions:

The TTA region also hosts numerous institutions offering qualifying training for engineering professions, such as ENSA (Tanger, Tétouan, and Al Hoceima), which provides training in telecommunications systems and networks engineering, computer engineering, and data engineering. Tanger also hosts a Faculty of Science and Technology (FST) that offers training in software and computer systems engineering. Several institutions offering engineering programs tailored to the offshoring sector can also be mentioned, such as the Center for Advanced Studies in Engineering and Management (CESIM), the School of New Sciences and Engineering (ENSI) in Tanger, and the School of Higher Commercial and Technical Studies (EHECT), among others.

## MAJOR OPERATORS IN THE SECTOR ESTABLISHED IN MOROCCO (NOT EXHAUSTIVE)



## SWOT MATRIX OF INVESTMENT OPPORTUNITY

### Strengths

- ✔ A thriving sector in Morocco: the top global destination for Francophone offshoring.
- ✔ A competitive and multilingual regional workforce.
- ✔ High-quality telecommunications infrastructure.
- ✔ A well-structured sector with various partner organizations for development and support.
- ✔ National expertise and know-how in several sectors of the industry.
- ✔ Availability of numerous training centers in the region (for engineering and technical professions).
- ✔ Investment scalability based on available capital.

### Weaknesses

- ✔ Significant investment required in terms of training.
- ✔ High turnover of human resources.
- ✔ Need for a robust information system and data protection.

### Opportunities

- ✔ Existence of various investment-related advantages in the sector (subsidies, exemptions, etc.).
- ✔ Dedicated zones for the sector with all the necessary infrastructure in place.
- ✔ A sector with high growth potential.
- ✔ Government policies favorable to the promotion of new technologies.

### Threats

- ✔ Competition at certain segments: numerous local and international operators are established in Morocco.
- ✔ International competition, particularly from other Francophone Maghreb countries such as Tunisia.
- ✔ Currency exchange risk.
- ✔ Technological development and automation of certain processes.
- ✔ Potential increase in wage costs.
- ✔ Data hacking.



## PROJECT CHARACTERISTICS

### Service Characteristics

- Accelerators assist start-ups in exchange for an investment capital and offer acceleration programs that can exceed 6 months to propel start-ups in the growth phase. Their offerings typically include startup programs (for early-stage companies) and transition programs (for more mature start-ups).

### Role of Start-up Accelerators

- Supporting start-ups in finding funding.
- Providing start-ups with a business network and networking opportunities.
- Offering coaching and mentoring sessions with experts throughout the acceleration program to address their business challenges.
- Providing start-ups with diverse teams to better understand and navigate their market.

### Types of Accelerators

- Start-up accelerators can be either generalist or specialized by sector (automotive, fintech, etc.) or theme (mobility, ecology, etc.), depending on their offerings, network, and human resources.

### Key Success Factors

- Start-up accelerators need to be part of a broader local development program. They should not operate as isolated entities but contribute, along with other actors in the entrepreneurial ecosystem, to the promotion of larger territorial strategies.
- Entrepreneurial behaviour and quality management are essential for the success of a start-up accelerator. Additionally, the quality and effectiveness of the networks they can mobilize for their client companies play a crucial role, both in attracting projects and connecting entrepreneurs with the best business, industrial, technical, and institutional partners.

### Prerequisites

- Local/workspace (owned or leased), including reception, offices, meeting rooms, and co-working spaces.
- IT infrastructure (computers, hardware, high-speed internet lines, etc.).
- Coaching and assistance services (legal operations, accounting, banking relationships, etc.). Strategic services (marketing and communication consulting, financial advice, intellectual property, market research, etc.).
- Network of investment funds and partners.
- Qualified personnel (industry/sector experts, coaches, etc.) and an entrepreneurial network.

## FINANCIAL INDICATORS OF THE INVESTMENT

### Potential Investment Cost

~ Starting from 4 million MAD

## INVESTMENT ADVANTAGES

### Key Investment Advantages

- Support programs provided under the investment charter.

### Training assistance

- "IDMAJ" program
- "TAEHIL" program.

### Financing\*\*

- TAMWILCOM programs
- "TAHFIZ" program
- Private company sponsorships, or international funders such as AFD or EU.
- Possibility of equity participation in supported companies.

\*Accelerators that are labelled by TAMWILCOM can endorse applications from their client companies to access funding from the Innov Invest Fund, which has a budget of 500 million MAD and was launched in 2017 for a duration of 5 years. This fund offers three financing lines: Innov Idea, Innov Start, and Innov Risk.

\*\*For more information on financing mechanisms, refer to the CRI Financing Guide.

### FOCUS: POTENTIAL PARTNERS OF STARTUP ACCELERATORS IN MOROCCO (NON EXHAUSTIVE)

The potential partnerships that a start-up accelerator can have with other players in the entrepreneurial ecosystem mainly consist of collaborations with public financing institutions and investors. Indeed, the more an accelerator has key partners facilitating investment, the more attractive it will be to start-ups and SMEs.

#### TAMWILCOM :



TAMWILCOM is a publicly-owned joint-stock company capitalized on its historical experience as the former Central Guarantee Fund (CCG) to contribute to overcoming obstacles to access financing for T/SMEs. TAMWILCOM is a public financial institution governed by banking laws. It is the sole representative of the State in terms of public guarantee for financing. Apart from its guarantee activities, TAMWILCOM works with its partners in the financial sector to meet the needs of Moroccan companies through a range of financing mechanisms tailored to each stage of their life cycle.

#### Maroc Numeric Fund (MNF):



MNF is an institutional fund supported by public and private investors: TAMWILCOM, Attijariwafa Bank, Banque Centrale Populaire, BMCE Bank, and MITC. This fund provides funding for Moroccan technology start-ups in the seed, early growth, and late growth phases, based on their constraints and development horizons.

#### The Business Angels Network in Morocco:



MoBAN is the first network of Moroccan business angels. Its objective is to develop business angel investing in Morocco by interacting with entrepreneurs and other economic actors to support and promote the entrepreneurial ecosystem in Morocco, driven by start-up accelerators and incubators. It also aims to develop partnerships with professional federations internationally, including partners such as GIZ, Ceed Morocco, Espace 15, and MoBAN's bidding.

### KEY ESTABLISHED COMPETITORS IN MOROCCO (NON-EXHAUSTIVE)



## SWOT ANALYSIS OF INVESTMENT OPPORTUNITY

### Strengths

- ✔ Dynamic regional ecosystem favourable to the creation and development of companies operating in numerous sectors.
- ✔ Proximity of regional companies to European and African markets, offering significant growth potential, especially through export markets.
- ✔ High number of companies created annually in the region.
- ✔ Existence of numerous financing programs that the accelerator can support companies with.
- ✔ High-quality regional and national human resources.

### Weaknesses

- ✔ A culture of utilizing start-up accelerators that needs to be further developed through communication and awareness among project owners.
- ✔ Need for qualified human resources with specialized expertise to provide quality support.
- ✔ Requirement of having the TAMWILCOM label to access certain financing options.
- ✔ Costly services for small project owners.

### Opportunities

- ✔ Increasingly complex global economic context.
- ✔ Growing national and international competition, reinforcing the entrepreneurs' need to utilize services offered by start-up accelerators.
- ✔ Existence of numerous potential partners for the start-up accelerator (institutions, companies, business angels, etc.).

### Threats

- ✔ Exogenous risks (Covid-19, commodity prices, etc.) that can significantly impact the performance and growth of companies.
- ✔ Strong competition from other incubators/accelerators established in Morocco.



# TEXTILE AND APPAREL



- Cannabis processing unit for the textile industry **146**
- Industrial yarn unit **149**
- Industrial zipper unit **153**
- Industrial button unit **155**



# TEXTILE / APPAREL

THE TEXTILE SECTOR IN THE TANGER – TÉTOUAN – AL HOCEIMA REGION IS A MAJOR PILLAR OF THE REGIONAL AND NATIONAL ECONOMY AND AN IMPORTANT JOB CREATOR

~600 textile companies  
94% located in the Tanger-Assilah prefecture

Strong focus on exports



+ 55 000 jobs  
+28 billion MAD sector turnover in the region

Spain and France:  
Main customers accounting for 60% of exports

## THE REGION OFFERS MANY ADVANTAGES FOR PROJECT HOLDERS

### Dedicated Industrial Platform

In addition to existing historical zones (TFZ, ZI. Tanger, ZI. Al Majd, ZI. Guzanja, etc.), new Special Economic Zones (ZAE) have been created, offering ready-to-use premises for rent with international standards and norms

### Training Centers and Institutes

- Specialized Institute of Applied Textile Technology
- Textile and Clothing Vocational Training Complex
- Textile Vocational Training Institute

### Operator Support

- Availability of investment incentives
- Simplification and digitalization of customs procedures for the establishment of industrial platforms

## They have trusted us



# Cannabis Transformation Unit for the Textile Industry



Textile



- Province of Tétouan (Tétouan Park)
- Province of Ouezzane
- Province of Al Hoceima (ZAE d'Ait Kamra)
- Tanger-Assilah Prefecture (Tanger Tech / TFZ / ZAE Assilah)

## PROJECT DESCRIPTION

Under the new legal provisions established by Law 13-21 on the lawful uses of cannabis in Morocco, the establishment of a cannabis cultivation transformation unit for textile fibers and apparel products from the region's crops and legally imported sources presents significant potential for marketing and integration into existing value chains in domestic and international markets.



## PROJECT OPPORTUNITY CONTEXT

### General characteristics of the environment

- Cannabis cultivation allowed in two provinces of the region: Chefchaouen and Al Hoceima.
- National cultivated area of cannabis estimated at 50,000 hectares in recent years. Cannabis cultivation is a source of income for over 400,000 people (nearly 60,000 households).
- Legal framework established in Morocco through the provisions of Law 13-21, enacted on July 14, 2021, by Dahir n°1-21-59, to address the informal nature of cannabis cultivation. This law covers its lawful uses, including industrial uses such as the textile industry.
- Regulated ecosystem both upstream and downstream (with provisions in place for the supply of foreign plants and seeds and for commercialization).
- Favorable regional climate for cannabis cultivation and proximity to farmers facilitating the supply chain. Geopolitically strategic regional positioning close to Europe, which offers significant growth potential. Proximity to the Tanger-Med port, a hub for international trade and home to 90% of the region's textile companies.
- Existence of several free trade zones and highly dynamic industrial zones offering numerous advantages for manufacturers and exporters. Many textile manufacturing companies are located within these zones

- Quality regional transportation infrastructure and proximity to marketing platforms (notably the Tanger-Med port).
- Existence of a regulatory agency for cannabis-related activities: the National Agency for Regulating Cannabis Activities (ANRAC).

### Sector characteristics

- A regional textile sector with a strong focus on exports (79% of regional production).
- Over 180 million pieces were manufactured and exported in 2017, demonstrating the opportunity for integration into the regional textile value chain.
- Strengthening the textile upstream sector is a priority of the Industrial Acceleration Plan launched in 2014.

### Demand and market characteristics

- 114 textile companies established in the region.
- The textile sector has been heavily affected by the COVID-19 crisis, particularly in terms of supply chains, providing an opportunity for the establishment of the unit.
- The global textile sector is increasingly incorporating cannabis-based fibers into its productions. Many ready-to-wear brands worldwide integrate this fiber into their products, including Acabada, Ifa, Hemptage, Patte de Loup, Cavage, among others. Furthermore, many automotive manufacturers have now incorporated cannabis (hemp) into certain production lines. This includes Renault, Peugeot, Citroën, Volvo, and Fiat.

## PROJECT CHARACTERISTICS

### Product Characteristics

- Hemp (cannabis) has been used in the textile industry for a long time. Representing the basic input for 75% of global textile in 1850, compared to only 0.5% today, the renewed interest in this plant and recent regulatory developments authorizing its use in various industries present a real opportunity for the textile industry.
- Hemp is an input with advantageous properties:
  - Composed of long and robust fibers, hemp fabric is very soft and highly resistant (2 to 3 times more than cotton, according to estimates).
  - Lightweight fibers that facilitate moisture transfer from the skin to the atmosphere, ideal for hot climates. Fibers that are unlikely to shrink and highly resistant to pilling, repeated washing, and wear.
  - Fabric resistant to mold and other harmful microbes. Great absorbency capacity.
  - Adds a sustainable dimension to the product: low water consumption, requires minimal pesticides and no herbicides during production, considered a carbon-negative raw material (absorbs more carbon than it produces),...
  - All these characteristics of the hemp plant provide the derived textile fibers with significant properties and proven competitiveness compared to other types of fibers used in the industry (cotton, nylon, etc.).
  - Moreover, the increase in global hemp production will positively impact the production costs through economies of scale.
- Hemp fiber is highly advantageous in various sectors, especially in clothing and home textiles. It also offers opportunities to integrate value chains in various industries, such as the automotive industry (seat coverings), for example.

### Prerequisites

- Be established as a company or other legal entity governed by Moroccan law.
- Have qualified and sufficient material and human resources to carry out these activities.
- Obtain the necessary authorizations to carry out regulated activities under the current legislation (ANRAC, etc.) and commit to complying with the modalities defined by the sales contract (as set by regulatory means).

## FINANCIAL INDICATORS OF THE INVESTMENT

### Potential investment cost

~ 100 to 200 million MAD for new investors

### Potential revenue

~ 100 to 300 million MAD

## INVESTMENT ADVANTAGES

### Key investment advantages

#### Subsidies

- Support mechanisms provided under the investment charter

#### Financing\*\*

- Programs launched by TAMWILCOM
- "TAHFIZ" program

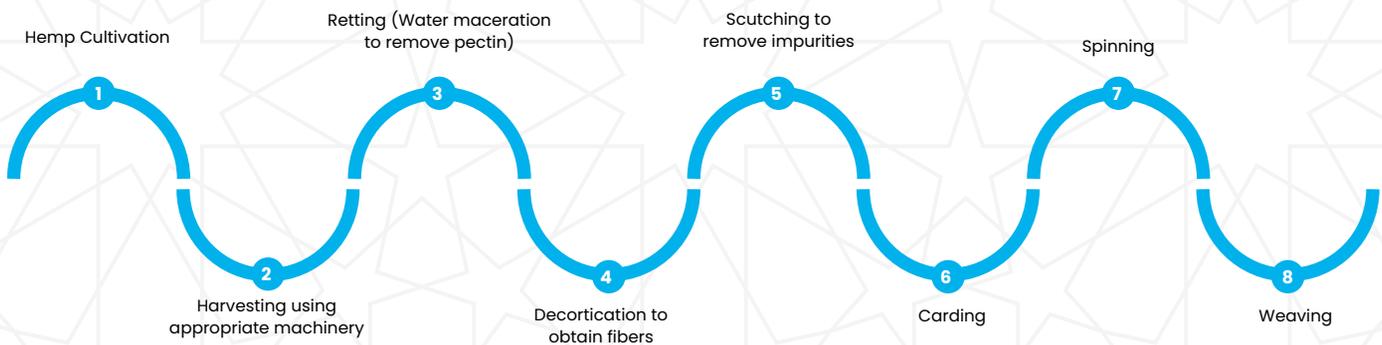
#### Training support

- "IDMAJ" program
- "TAEHIL" program

\*Depending on the chosen location, the investor can also benefit from various advantages (ZAE, ZAI, ZI). Additionally, cannabis cultivation in Morocco benefits from various advantages granted by the Green Generation Plan (dedicated offers, including financial support, assistance, insurance, and social coverage).

\*\* For more information on financing mechanisms, please refer to the CRI Financing Guide.

## UPSTREAM TEXTILE VALUE CHAIN RELATED TO SPINNING



## PROJECT OPPORTUNITY DESCRIPTION

- A project aiming to capitalize on the recent legalization of cannabis, which now serves as a basic input in the production of textile products.
- An emerging ecosystem related to the legal uses of cannabis in Morocco.
- The existence of a significant textile industry ecosystem in Morocco and the region.
- A project opportunity for new project initiators and/or existing textile units, involving the establishment of a cannabis fiber spinning unit.
- Proximity to producers, ensuring a 100% Moroccan supply, leading to increased competitiveness through the substitution of inputs such as cotton.
- An input with various competitive advantages over its counterparts (cotton, nylon, etc.), with low water consumption during cultivation (up to 20 times less than cotton).

## GLOBAL CANNABIS MARKET

Countries that have legalized the use of cannabis-based products distributed across all continents include:

<p><b>Europe</b></p> <p>Cyprus Croatia Denmark Spain Greece Italy Netherlands</p> <p>Poland Portugal Czech Republic Sweden Switzerland</p>	<p><b>Africa</b></p> <p>South Africa - Ghana - Lesotho - Malawi - Zambia - Zimbabwe</p>	<p><b>North America</b></p> <p>Canada - United States (33 States)</p>
	<p><b>Asia</b></p> <p>China - India - Israel - Lebanon - Turkey</p>	<p><b>Latin America</b></p> <p>Chile - Colombia - Honduras - Peru Uruguay- ...</p>
		<p><b>Oceania</b></p> <p>Australia</p>

- Due to its growth prospects and geographical proximity, the European market has the greatest potential for exporting cannabis-based products. However, despite the existence of European regulations, national standards related to the industry's products remain diverse.
- The North American market, on the other hand, has certain limitations, particularly the heterogeneity of standards applied in the United States across different states. As for the Canadian market, it is highly mature and access for foreign exporters is limited.

## THE NATIONAL AGENCY FOR REGULATING CANNABIS ACTIVITIES

The practice of activities related to the use of cannabis (solely for medical, pharmaceutical, and industrial purposes) requires authorization from the National Agency for Regulating Cannabis Activities (ANRAC). It is responsible for implementing the state's strategy regarding the cultivation, production, processing, manufacturing, and commercialization, as well as import and export, of cannabis and its products. ANRAC also oversees the legal cannabis throughout its entire value chain, from production to commercialization.

**Its main missions can be summarized as follows:**

- Regulation and control of the cannabis industry.
- Development of the cannabis sector and support for investments.
- Assistance to operators.

## SWOT ANALYSIS OF THE INVESTMENT OPPORTUNITY

### Strengths

- ✔ A newly regulated cannabis sector (Law 13-21).
- ✔ Existence of an organization governing cannabis activities (ANRAC).
- ✔ A regional climate suitable for cannabis cultivation (a water-efficient industry input) and proximity to producers.
- ✔ Existing value chain at the national level for textile and automotive industries (key industries in the region) and proximity to these industries.
- ✔ Cannabis fiber with various advantages favoring the production of high-quality textile products.
- ✔ Quality regional transportation infrastructure, especially for exports (Tanger Med).

### Weaknesses

- ✔ An emerging and heavily regulated ecosystem (in terms of supply, logistics & transportation, production, and commercialization) requiring adaptation and upgrading of various ecosystem stakeholders.
- ✔ Strict standards to comply with regarding the market release of cannabis-based products (specific to the Moroccan market and target markets).

### Opportunities

- ✔ Significant potential for the Moroccan textile sector in terms of exports.
- ✔ Geographical proximity to European markets with strong potential.
- ✔ No domestic competitors in this segment (products based on hemp fiber).
- ✔ Qualified regional cannabis growers.
- ✔ Establishment of an agricultural aggregation framework in the Kingdom.

### Threats

- ✔ Informal and illicit trade.
- ✔ International legal and regulatory framework (across different countries) still evolving.
- ✔ Reputation of cannabis-based products

## Industrial Spinning Unit



Textile

- Province of Tétouan (Tétouan Park)
- Prefecture of Tanger-Assilah (TFZ / ZAE Assilah / Tanger Tech)
- Province of Ouezzane
- Province of Al Hoceima (ZAE d'Ait Kamra)

### PROJECT DESCRIPTION

Establishment of a unit to strengthen the national value chain in the textile sector, particularly the supply chain heavily dependent on imports



### PROJECT OPPORTUNITY CONTEXT

#### General environmental characteristics

- A geostrategic position of the region.
- Existence of several dynamic free zones and industrial areas offering numerous advantages for industrialists and exporters. Many textile manufacturing companies are located within these zones.
- Proximity to the Tanger-Med port, which is a hub for international trade and hosts 90% of the textile companies in the region.
- Presence of significant transportation infrastructure (road, rail, maritime, and airport).

#### Industry characteristics

- The spinning industry is part of the upstream sector of the textile industry.
- A regional textile sector with a strong export orientation (79% of regional production).
- Over 180 million pieces were manufactured and exported in 2017, demonstrating the opportunity for integrating the regional textile value chain.
- Strengthening the upstream textile sector is a priority under the Industrial Acceleration Plan launched in 2014.

#### Market characteristics

- More than a hundred textile companies are established in the region.
- The sector has been heavily affected by the COVID19 crisis, particularly in terms of supply chains, offering an opportunity for the establishment of the unit.

### PROJECT CHARACTERISTICS

#### Product characteristics

- The product is made from the assembly of fibers (spun yarn) or long filaments (continuous filament) used for the production of textile products (fibers can be natural or synthetic).
- There are several manufacturing methods that affect the appearance, dimensions, and other properties of the yarn, such as strength: twisting, bonding, spinning, assembling, weaving, knitting, etc.
- Various treatments can be applied to the base product, such as dyeing, mercerization, printing, coating, etc.
- Main product categories based on composition: monofilament yarns, multifilament yarns, spun fibers, etc.
- Main product categories based on structure: single yarn, plied yarn, cable yarn, assembled yarn, textured yarn, wrapped yarn.
- Consideration of sustainability factor (sustainable development) in several international markets (as an example, one-third of European consumers).

#### Complexity index for products\*\*



#### Prerequisites

- Components / inputs: cotton, wool, horsehair, flax, hemp, silk, rubber, etc.
- Equipment: various machines and equipment involved in the production and various stages of yarn production.

# Industrial Spinning Unit

## FINANCIAL INDICATORS OF THE INVESTMENT

**Potential investment cost:**  
Between 100 and 200 million MAD

**Commercial margin (Domestic):**  
14%

**Potential turnover :**  
Between 100 and 300 million MAD

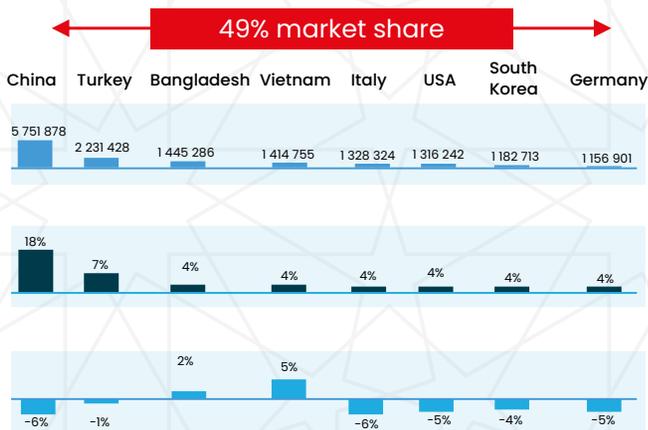
**Industrial margin (Domestic)**  
29,9%

## TRADE EXCHANGES

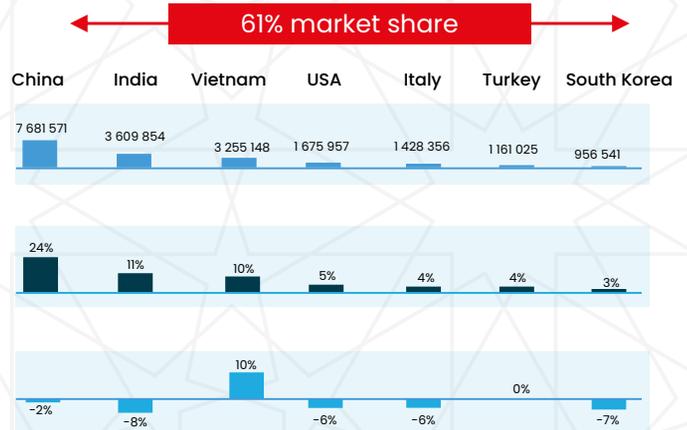
- Morocco is the 65th global supplier with a market share of 0.04%, with a total export of 13.7 million dollars in 2020
- There is strong competition from Asian countries in the industry, particularly China, India, and Vietnam, which account for 45% of global supply. India and China are the main suppliers to Morocco, accounting for 50% of its imports.



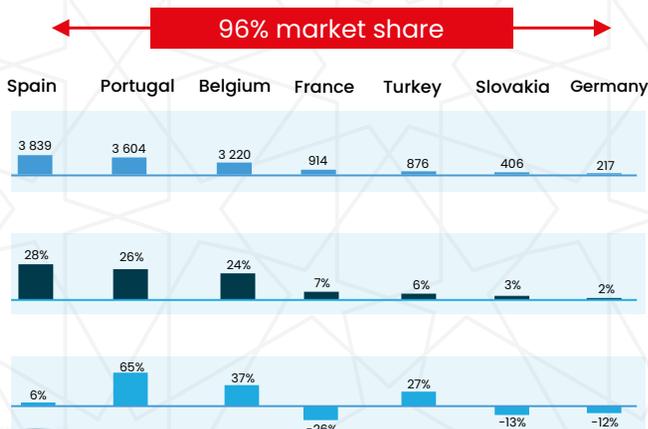
Main importers - World 2020 - Thousands of USD



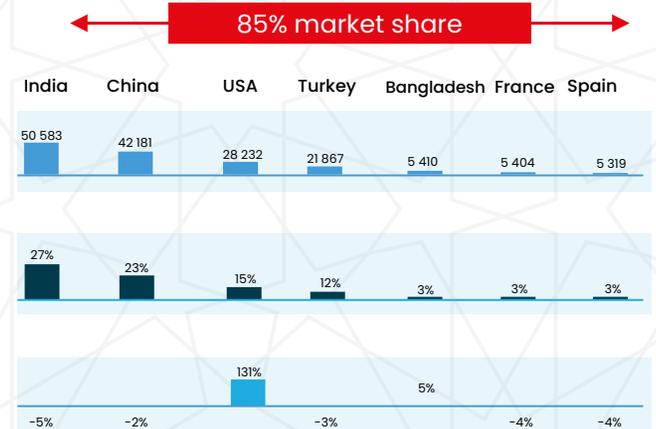
Principaux exportateurs - Monde 2020 - Milliers USD



Principaux importateurs - à partir du Maroc - Milliers USD



Principaux exportateurs - à partir du Maroc - Milliers USD



## MAIN COMPETITORS (NON-EXHAUSTIVE)

### Domestic Competitors



### International Competitors



## SWOT MATRIX OF INVESTMENT OPPORTUNITY

### Strengths

- Regional textile sector with high export potential.
- The spinning industry is part of an ecosystem under the Industrial Acceleration Plan.
- High-quality regional infrastructure for both domestic and international marketing.
- A product with low technical complexity.

### Weaknesses

- Competitive industry (both domestic and international competitors).
- Partially dependent on imported raw materials, particularly cotton.

### Opportunities

- High imports indicating a significant demand for sector supply and the opportunity to create a domestic offering that can substitute imports.
- Significant regional economic fabric (textile industry).
- Cost-competitive regional workforce.
- Availability of various aids and incentives to foster the development of the industry.
- Legalization of activities related to cannabis (potential input for the textile industry)

### Threats

- The sector has been heavily impacted by the COVID-19 crisis, affecting its performance.
- Informal sector issues.

\* : The Harmonized System of Designation and Coding of Goods, or Harmonized System, is an international nomenclature developed by the World Customs Organization to classify traded products at the international level.

\*\* : The Product Complexity Index (PCI) reflects the diversity and sophistication of the know-how required to produce a product.

\*\*\* : For more information on financing mechanisms, refer to the CRI Financing Guide.

# Industrial Zipper Unit



Textile

- Province of Tétouan (Tétouan Park)
- Prefecture of Tanger-Assilah (TFZ / ZAE Assilah / Tanger Tech)
- Province of Al Hoceima (ZAE d'Ait Kamra)

## PROJECT DESCRIPTION

Establishment of a unit to strengthen the national value chain in the textile sector, particularly the supply chain, which heavily relies on imports, including zippers.



## PROJECT OPPORTUNITY CONTEXT

### General characteristics of the environment

- High-quality regional infrastructure, especially for transportation, and proximity to the Tanger-Med port, which is connected to over 180 ports worldwide and serves as a hub for international trade, hosting 90% of the region's textile companies.
- Strategic geographical position near Europe, making it an attractive economic hub that continues to attract numerous national and international investors.
- Existence of various industrial zones in the region, offering numerous advantages to investors in the sector.
- Qualified and competitive domestic workforce.

### Characteristics of the sector

- A regional textile sector with a strong focus on exports (79% of regional production).
- Significant encouragement from the government for the development of the Moroccan textile upstream sector.
- Over 180 million pieces produced and exported in 2017, demonstrating the opportunity for integration into the regional textile value chain.
- Strengthening the Moroccan textile sector is a priority under the Industrial Acceleration Plan launched in 2014.
- Limited domestic supply.

### Characteristics of demand and the market

- Over a hundred textile companies located in the region.

- The sector has been heavily affected by the COVID19 crisis, particularly in terms of supply chains, offering an opportunity for the establishment of the unit.
- The zipper industry is experiencing rapid growth due to the development of the clothing and fashion industry. Its global market share was estimated at USD 15.5 billion in 2020 and is projected to reach USD 24 billion by 2028 according to estimates.

## PROJECT CHARACTERISTICS

### Product characteristics:

- Essential components for various textile products such as garments (shirts, pants, jackets, coats, etc.), home textiles (sofas, etc.), and other textile items (bags, luggage, tents, shoes, etc.). They are mechanical devices that facilitate the quick opening and closing of these products.
  - **Materials**
  - Two main types of materials are used in zipper manufacturing: various metals or plastics (nylon, etc.).
  - **Composition**
  - Zippers consist of:
    - Two strong fabric tapes (ribbons).
    - A serrated zipper on each side, offset to allow interlocking.
    - A shuttle called a "slider" to join the two zippers.
    - A puller for manipulating the slider.
    - Stopper teeth at the ends of the zippers.
  - **Types**
  - Spring zippers (constituting the majority of sales).
  - Types of zippers: Invisible zippers.

## Industrial Zipper Unit

- Reversed coil zippers.
- Metal zippers.
- Molded plastic zippers.
- Open-end zippers.
- Two-way open-end zippers.
- Two-way zippers.

### Competitive factors:

Smooth mechanical operation. Strength, which is the most important performance indicator, influencing product durability and range of use. Eight strength properties can be referenced: chain crosswise strength, slider locking force, unit separation crosswise strength, upper stopper holding force, lower stopper holding force, puller tab pull-off force, and slider extractor pull-off force.

### Prerequisites

- Land for the industrial unit and machinery for zipper production.
- Inputs according to the zipper type: metallic materials (copper, aluminium, etc.), synthetic materials (plastic, polyester), fabric, etc.

## INVESTMENT ADVANTAGES

### Key investment advantages:

#### Subsidies

- Support mechanisms provided under the investment charter

#### Training assistance

- "IDMAJ" program / "TAEHIL" program.

#### Financing\*

- Programs launched by TAMWILCOM
- "TAHFIZ" program.

## FINANCIAL INDICATORS OF INVESTMENT (ESTIMATION)

### Potential investment cost

~ 100 to 200 million MAD.

### Potential revenue

~ 20 to 80 million MAD.

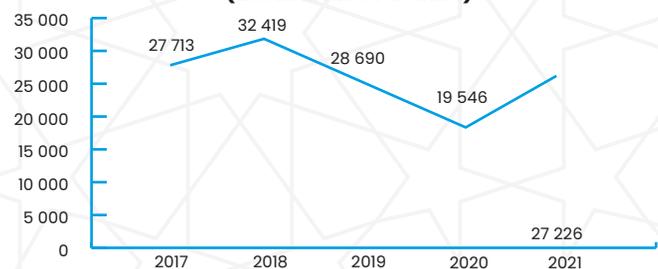
### Gross margin

~10% to 20%.

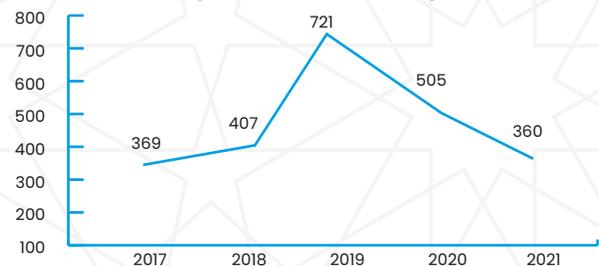
## NATIONAL AND GLOBAL DEMAND

- Global zipper imports amounted to over 3 billion dollars in 2021.
- China has been the largest zipper exporter for the past five years
- The top 10 exporting countries represent approximately 86% of the international zipper trade.
- The Asia-Pacific region accounts for approximately 75% of total zipper exports.

Moroccan zipper imports  
(thousands of dollars)



Moroccan zipper exports  
(thousands of dollars)



- The value of Moroccan zipper imports exceeded 27 million dollars in 2021, mainly from China (41%), Spain (24%), Portugal (8%), and Turkey (6%).
- The significant Moroccan imports highlight the country's substantial demand for upstream textile products and emphasize the opportunity to establish a zipper manufacturing unit as an alternative to imports and to strengthen the local integration rate of the Moroccan textile industry.

\* For more information on financing mechanisms, please refer to the CRI Financing Guide.

## ORGANIZATION OF THE SUPPLY CHAIN

There is a Textile Federation (AMITH) that represents and defends the interests of the textile sector in Morocco. It is the sole association that brings together actors in the textile and apparel sector, including companies involved in all stages of textile production.

The main missions of AMITH include:

- Enhancing skills in companies through the development of training programs.
- Assisting companies in improving productivity and efficiency.
- Developing exports and diversifying the product/market mix.
- Promoting integration and collaboration among stakeholders in the industry.

## MAIN COMPETITORS (NOT EXHAUSTIVE)

The global zipper market is highly competitive, with numerous patents and strict standards evaluated by internationally accredited organizations (ITS, SGS, MTL, TUV, OEKO-TEX, etc.).



## SWOT ANALYSIS OF THE INVESTMENT OPPORTUNITY



### Strengths

- ✔ The zipper industry is part of the textile upstream sector, a flagship industry in the region and the country.
- ✔ Strong potential for integration into national and international textile value chains.
- ✔ Low technological complexity of the product.
- ✔ Availability of raw materials in Morocco.
- ✔ Limited domestic competition.
- ✔ Competitive and skilled regional workforce.
- ✔ Well-organized Moroccan textile sector with the presence of AMITH.



### Opportunities

- ✔ Strong international demand.
- ✔ Favorable geographical positioning near European and African markets.
- ✔ Quality regional transportation infrastructure, especially for exports (Tanger Med).
- ✔ Sector supported by the government, including measures implemented under the Industrial Acceleration Plan 2014-2020.



### Weaknesses

- ✔ Compliance with numerous quality standards to ensure competitiveness.
- ✔ Low-value margins, requiring economies of scale to enhance price competitiveness.
- ✔ Historical international competition with numerous patents.



### Threats

- ✔ Intense international competition, with the Japanese giant YKK dominating nearly half of the zipper market.
- ✔ Exogenous risks: Health crisis, ....

# Industrial Button Manufacturing Unit



Textile

- Province of Tétouan (Tétouan Park)
- Prefecture of Tanger-Assilah (TFZ / ZAE Assilah / Tanger Tech)
- Province of Al Hoceima (ZAE de Ait Kamra)

## PROJECT DESCRIPTION

Establishment of a unit to strengthen the national value chain in the textile sector, particularly the supply chain, which is heavily dependent on imports, including buttons.



## PROJECT OPPORTUNITY CONTEXT

### General environmental characteristics

- Quality regional infrastructure, particularly for transportation, and proximity to the Tanger-Med port, which is connected to over 180 ports worldwide and serves as an international trade hub hosting 90% of textile companies in the region.
- Strategic geographic location near Europe makes it an attractive economic hub that continues to attract numerous domestic and international investors.
- Presence of various industrial zones in the region offering numerous advantages to investors in the sector.
- Qualified and competitive national workforce.

### Sector characteristics

- A regional textile sector strongly oriented towards exports (79% of regional production).
- Moroccan government strongly encourages the development of the textile upstream sector.
- Over 180 million textile pieces manufactured and exported in 2017, demonstrating the opportunity for integration of the regional textile value chain.
- Strengthening the Moroccan textile sector is a priority of the Industrial Acceleration Plan launched in 2014.
- Limited domestic supply unable to meet the growing demand for buttons and support the development of the Moroccan textile sector.

- Button manufacturing industry accessible in terms of technical expertise for investors, with plastic and metal sectors (basic inputs for manufacturing different types of buttons) developed at the national level.

### Demand and market characteristics

- Over a hundred textile companies established in the region.
- The sector has been heavily impacted by the COVID-19 crisis, particularly regarding supply chains, providing an opportunity for the establishment of the unit.
- Strong demand growth since the economic recovery following the COVID-19 crisis: over \$141 million worth of buttons imported in 2021.

## PROJECT CHARACTERISTICS

### Usage

- Buttons are essential components used in the production of textile articles such as shirts, pants, jackets, coats, etc. They can also be used as accessories.

### Materials

- Various materials serve as basic inputs for button manufacturing. These may include:
  - Natural materials: wood, ...
  - Metallic materials: copper, aluminium, zinc alloy, steel, ...
  - Thermoplastic materials: nylon, ABS, acrylic, ...
  - Thermosetting materials: polyester resin, epoxy, ...
  - Other materials: glass, ceramic, ...

## Industrial Button Manufacturing Unit

- Plastic buttons are the most commonly used due to their ease of applying colour and patterns, their resistance to heat and corrosion, and their durability. All of these characteristics also facilitate mass production.
- Other inputs are required during the manufacturing process depending on the type of buttons and materials used, such as dyes and hardening agents.

### Manufacturing process of plastic buttons (polyester)

- Mixing the dyes with polyester to achieve the desired button colour. A chemical catalyst is added during this step to harden the polyester, along with wax for shine.
- Spreading the mixture in a rotating metal cylinder.
- Progressive cooling coupled with the action of the hardening catalyst results in a plastic sheet. Cutting the plastic sheet.
- Passing the sheets on a conveyor belt where they are cut into button-sized blanks using circular cutting dies.
- Curing the blanks through a hot/cold treatment (10 to 24 hours depending on the type of buttons).
- Drilling and shaping the buttons according to the client's specifications using various cutting tools.
- Polishing the buttons in tumbling drums containing water, abrasive material, and a foaming agent for approximately 24 hours.
- Washing and drying the buttons.
- Quality control and packaging.

### Prerequisites

Land for the industrial unit, production line (rotating cylinders, cutting machines, conveyor belt, circular cutting dies, tumbling drums, etc.).

## FINANCIAL INVESTMENT INDICATORS

### Potential investment cost

- ~ 80 to 120 million MAD

### Potential revenue

- ~ 20 to 50 million MAD

### Gross margin

- ~ 10% to 25%

## INVESTMENT ADVANTAGES

### Key investment advantages

#### Subsidies

- Support programs provided under the investment charter.

#### Training assistance

- the "IDMAJ" program / "TAEHIL" program.

#### Financing\*\*

- TAMWILCOM's programs
- "TAHFIZ" program

## NATIONAL AND GLOBAL DEMAND

- Global demand amounted to \$1.37 billion in 2020 and over \$1.76 billion in 2021.
- Despite Morocco's strong textile production, the local supply of button manufacturing industry cannot meet the significant local demand. In fact, in 2021, Morocco ranked as the third-largest global importer of buttons, following Vietnam and Bangladesh, with an import value of over \$141 million.
- 82% of Morocco's button imports come from Spain.

\*Depending on the chosen location, the investor may also benefit from various advantages (Special Economic Zones, Industrial Zones, Free Zones).

\*\* For more information on financing mechanisms, refer to the CRI Financing Guide.

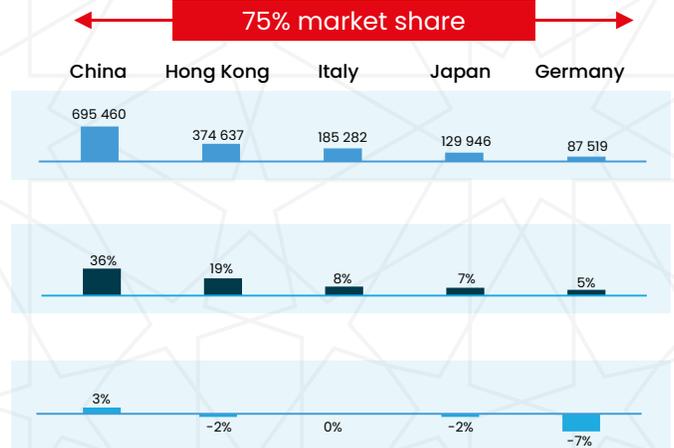
# Industrial Button Manufacturing Unit



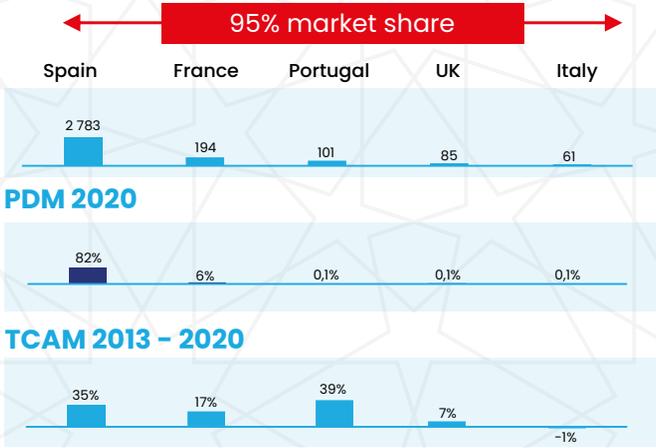
Main Importers - World 2020 - Thousands of USD



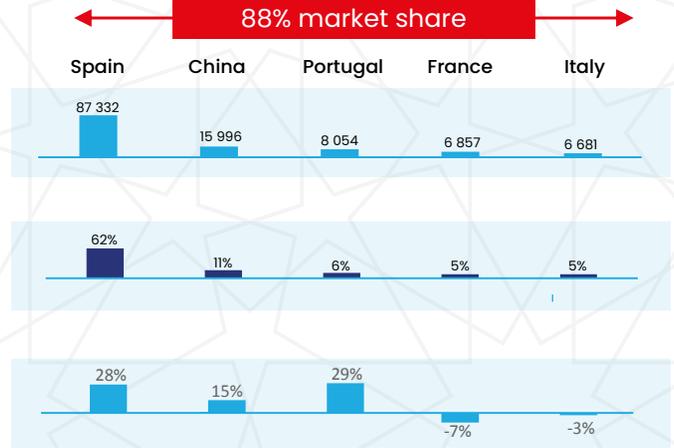
Main Exporters - World 2020 - Thousands of USD



Main Importers - from Morocco - Thousands of USD



Main Exporters - from Morocco - Thousands of USD



## INDUSTRY ORGANIZATION

There is a Textile Federation (AMITH) that represents and defends the interests of the sector. It is the only association that brings together actors in the textile and clothing sector in Morocco, integrating companies involved in the entire textile production process.

The main missions of AMITH are as follows:

- Enhancing skills in companies through the development of training programs (initial and continuous).
- Assisting companies in improving their productivity and efficiency.
- Developing exports and diversifying the product/market mix.
- Promoting integration and collaboration among industry stakeholders.

## KEY COMPETITORS (NOT EXHAUSTIVE)

### Domestic Competitors



Manufacturer of garment supplies



Manufacturer of textile and covered buckles.



Manufacturer of plastic buttons and seller of garment accessories.

### International Competitors



Italy



## SWOT Analysis of Investment Opportunity

### Strengths

- ✔ Part of the textile industry, a key sector in the region and the country.
- ✔ Low technical complexity of the product.
- ✔ Production chain easily adaptable to different customer requirements.
- ✔ Competitive and skilled regional workforce.
- ✔ Well-organized Moroccan textile sector, including the presence of a federation (AMITH).

### Weaknesses

- ✔ High dependence on imports of raw materials.
- ✔ Low profit margins that require economies of scale to enhance price competitiveness.
- ✔ Environmental impact of production units.

### Opportunities

- ✔ Strong international demand.
- ✔ Favorable geographic positioning near European and African markets.
- ✔ High potential for integration into national and export textile value chains.
- ✔ Potential for substituting domestic imports.
- ✔ Quality regional transportation infrastructure, particularly for exports (e.g., Tanger Med).
- ✔ Sector supported by the government, particularly through measures implemented during the 2014-2020 Industrial Acceleration Plan.

### Threats

- ✔ Dependence on international raw material prices.
- ✔ Intense international competition.
- ✔ Exogenous risks, such as health crises, etc.



# TOURISM



● 5-star hotel with convention center	<b>162</b>
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● Tourist holiday village ("Club Biladi")	<b>193</b>
● Residential tourist complex	<b>197</b>



# TOURISM

## A REGION ENDOWED WITH DIVERSE ASSETS FOR THE TOURISM SECTOR



### Accommodation capacity

+320 classified establishments, 32,700 beds (in 2019)



### National and international connectivity

3 international airports Tanger Med Port, Tanger & Al Hoceima Ports, road and highway network, and a high-speed rail line (Africa's first TGV line)



### Proximity to Europe

Geographical and cultural proximity (spoken languages: Spanish, French, and English)



### Strategic location

- Maritime openness:
  - Atlantic coastline
  - Strait of Gibraltar
  - Mediterranean coastline



### Richness and Diversity

Abundant natural landscapes, including the Rif Mountains, natural parks, caves, coves, and bays, as well as a significant cultural and historical heritage with the presence of 7 Medinas

## A REGIONAL POTENTIAL TO POSITION ITSELF IN VARIOUS TARGET CUSTOMER SEGMENTS



- A coastline of 447 km between two shores (Atlantic and Mediterranean coastlines)
- Several beaches with a moderate Mediterranean climate
- 5 marinas and 5 golf courses



- Rich and diverse ecosystem
- Over 200 registered caves in the region
- Numerous notable natural sites



- The region has a diverse historical and cultural heritage, including several classified sites, notably the Medina of Tétouan, which is recognized as a UNESCO World Heritage site



- The region offers a luxurious setting for tourists to experience authentic experiences in various tourism segments: beach, MICE (Meetings, Incentives, Conferences, and Exhibitions), cultural, rural.

## They have trusted us



## PROJECT DESCRIPTION

The hotel industry is booming in Morocco. Synonymous with regional development, the construction of a 5-star hotel in the city of Chrafate, which also includes a Convention Center, is an asset for tourism and the economic vitality of the region.



## PROJECT OPPORTUNITY CONTEXT

### General characteristics of the environment

- A new city near Tangier, located 18 km southeast of Tangier and 25 km from Tetouan, at the crossroads of three communication axes:
  - Rabat-Ksar Sghir highway (Tanger Med Port site)
  - Tanger-Tetouan expressway
  - The road connecting Tetouan to Larache via «Cruce Blanco» It is an important regional transportation infrastructure (road, rail, port, and airport).
- Half of the population is under 30 years old.
- Proximity to numerous industrial zones, favoring the emergence of business tourism that can be boosted by the integration of a convention center.
- Geographical proximity to Europe.

### Market characteristics

- The market share of the hotel industry in Morocco is expected to increase from 1.87 billion dollars from 2021 to 2026.

### Demand characteristics

- Tangier's classified hotels recorded 422,812 overnight stays between January and April 2019, demonstrating the significant demand for accommodation in the region.
- Massive influx of tourists during the summer period in the region and thriving business tourism along the Casablanca-Tangier axis.

## PROJECT CHARACTERISTICS

### Project features

- Classic hotel services complemented by additional services.
- The 5-star hotel includes a Convention Center capable of hosting various types of events. 24-hour reception available.

- The reception staff must have a minimum command of Arabic, French, English, and Spanish.
- The hotel has facilities suitable for people with disabilities.

### Prerequisites

- Significant land area
- Project design: Preliminary studies (market research, financial analysis, licenses, and administrative authorizations).
- Shops and franchises.
- Management and financing structure.
- Construction materials and building specialists (architects, landscapers, masons, etc.).
- Communication, marketing, and other services.

## INVESTMENT FINANCIAL INDICATORS

### Average construction costs of a 5-star hotel

36,000.00 DH / m<sup>2</sup>

### Potential revenue

Between 20 million and 80 million MAD

## INVESTMENT BENEFITS\*

### Financial incentives

- A mechanism for reducing the impact of land costs on investment by subsidizing half of the land cost up to 250 MAD/m<sup>2</sup>
- Financial subsidies are granted at a rate of 5% for tourist projects in urban areas and 10% in rural or suburban areas.

### Tax incentives

- Total exemption from corporate income tax (IS) on foreign currency revenue for a period of 5 years.
- 10% reduction in VAT on operations.
- Exemption from VAT on locally acquired equipment, machinery, and tools for a period of 36 months from the start date of the company's activities.

### NATIONAL REQUEST

#### Key Facts

On March 12, 2020, the 1st Forum of Travel Agencies in the Tanger-Tetouan-Al Hoceima region was held. Travel agencies are an example of partners who can provide greater visibility to the hotel.

- Morocco experienced a record number of tourists in 2019, with 13.11 million visitors, a 5.2% increase compared to the previous year, surpassing the 12 million mark for the first time.
- The majority of tourists come from Spain and France.
- There is a significant potential to be captured in the region due to the existence of the high-speed train line connecting the city of Tanger to Casablanca. This potential applies to both foreign and domestic tourists.

The project envisions a high-end hotel capacity: 4 and 5-star structures account for only 16% of the total hotel units in Tanger but represent nearly 40% of the total beds, indicating the sector's focus on the medium and high-end tourism.

### MAJOR SIMILAR NATIONAL PROJECTS (NOT EXHAUSTIVE)

#### Casablanca



#### Marrakech



#### Tanger



### SWOT MATRIX FOR THE INVESTMENT OPPORTUNITY

#### Strengths

- Regional tourism sector with high potential.
- Diversified target demand segments.
- Qualified regional workforce, especially for tourism-related professions and languages (Arabic, French, English, Spanish).
- Targeting business tourism (regular throughout the year) helps reduce the impact of seasonality in the sector.

#### Weaknesses

- Cost of investment.
- Need to provide a shuttle service between the train station and/or the nearest airport to the hotel to facilitate access.
- Relatively high nightly rates that may be a deterrent for some Moroccan population.
- Hotel and convention center management is costly and requires specific expertise (organization, logistics, events, cleanliness, cuisine, service quality, hygiene, etc.).

#### Opportunities

- Favorable climate for year-round business activity, especially for the convention center due to the region's dynamism (inauguration of projects, etc.).
- Proximity to the city of Tanger, the Casablanca-Tanger axis (high-speed train), and various industrial zones.
- Absence of 5-star hotels in the city and a lack of high-end regional tourist offerings (along with saturation of offerings in the city of Tanger).
- Tanger's economic activity generates significant influx of people.
- Presence of hotel training institutes in Tanger (ISITT\*\*, ITHT Tanger\*\*\*)

#### Threats

- Direct competition from existing hotel chains in the region and indirect competition with numerous other regional establishments.
- Sanitary conditions (such as the Covid-19 cases).
- Dependency on tourist flows and inherent risks in the sector.
- Seasonality that influences demand and types of tourists. For example, flows related to MRE (Moroccan residents abroad) are very significant during the summer period.

\* For more information on financing mechanisms, consult the CRI Financing Guide. Various financing and training assistance programs exist: Programs launched by TAMWILCOM, IDMAJ and TAEHIL programs, etc.

\*\* Higher International Institute of Tourism in Tanger

\*\*\* Hotel and Tourism Technology Institute in Tanger.

## 4 or 5-Star Hotel in Chefchaouen



### PROJECT DESCRIPTION

The hotel sector is booming in Morocco. Synonymous with regional development, the construction of a 4 or 5-star hotel in the city of Chefchaouen would be a significant asset for regional tourism and a great opportunity to capitalize on its rich heritage.



### PROJECT OPPORTUNITY CONTEXT

#### General environmental characteristics

- Chefchaouen is a year-round tourist destination. Its geographical location and rich natural and cultural heritage offer numerous activities for visitors and tourists.
- The city experiences a significant influx of local and foreign tourists throughout the year and has a strong international reputation. It is also listed as a UNESCO Intangible Cultural Heritage site.
- The province of Chefchaouen has a significant natural heritage suitable for mountain and ecological tourism. It is also home to a renowned natural site, «Akchour Waterfalls» and various marked trails.
- The province is also known for its significant cannabis cultivation (legally grown for industrial purposes under the provisions of Law 13-21) as well as its historical and artisanal heritage (Medina, Kasbah, etc.).

#### Demand and market characteristics

- The hotel market share in Morocco is expected to increase from \$1.87 billion in 2021 to 2026.
- There is low competition in the city and province (only one 3-star hotel and one 4-star hotel). Upgrading tourism infrastructure (including accommodation) is essential to meet visitor expectations.

### PROJECT CHARACTERISTICS

#### Project features

- The 4 or 5-star hotel offers all services included in a standard hotel offering (accommodation, dining, leisure, and entertainment).
- 24-hour reception service.

- Staff must have a minimum proficiency in Arabic, French, English, and Spanish. The hotel should have suitable infrastructure that complies with safety and accessibility standards, especially for people with reduced mobility.
- Opportunity to include additional tourism offerings alongside traditional accommodation, such as guided tours of Chefchaouen, hiking, etc.

#### Prerequisites

- Significant land requirement. Project design: Preliminary studies (market research, financial analysis, licenses, and administrative authorizations).
- Training for hotel staff.
- Management and financing structure.
- Construction materials and building specialists (architects, landscapers, masons, etc.).
- Communication, marketing, and other services.

### FINANCIAL INDICATORS OF THE INVESTMENT

#### Potential investment cost

Construction costs for a 5-star hotel: 36,000 MAD / m<sup>2</sup>.

#### Potential revenue

Dependent on the hotel's standing, applied rates, and included packages.

### INVESTMENT ADVANTAGES

#### Key investment advantages\*

#### Financial incentives

- Incentive mechanisms are in place to reduce the impact of land costs on investment by subsidizing half of the land cost up to 250 MAD/m<sup>2</sup>.
- Financial subsidies granted up to 5% for tourist projects in urban areas and 10% in rural

## 4 or 5-Star Hotel in Chefchaouen

### Fiscal Incentives

- Total exemption from corporate income tax (IS) on revenue generated in foreign currency for a period of 5 years.
- 10% reduction in value-added tax (VAT) for operations.
- Exemption from VAT on locally acquired equipment, materials, and tools for a duration of 36 months from the start date of the company's activities.

### Subsidies

- Support mechanisms provided within the framework of the investment charter.

### Investment Stakeholders

- SMIT (Moroccan Tourism Engineering Company) - Investment support and assistance.

## INDUSTRY ORGANIZATION

### National Federation of the Hotel Industry (FNIH)

FNIH defends the interests of its members and serves as a responsible and essential partner for strategic issues in the hotel industry, tourism, and sustainable sector development.

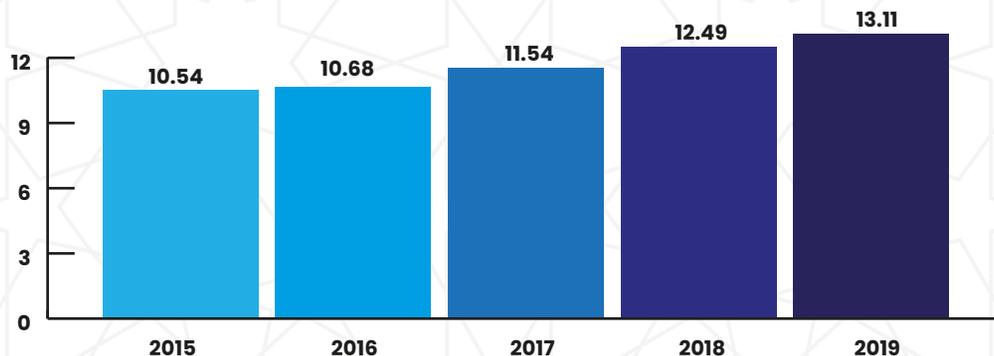
### Regional Association of the Hotel Industry in the TTA Region

The association aims to guide and promote the development of its member's activities. It also examines moral, economic, social, technical, financial, legal, fiscal, customs, and other related matters.



## OVERVIEW OF THE TOURISM SECTOR IN MOROCCO

- In 2019, Morocco witnessed a record number of tourists, with 13.11 million visitors, representing a 5.2% increase compared to the previous year, and surpassing the 12 million mark for the first time.
- The majority of tourists come from Spain and France. However, the province of Chefchaouen, with its strong international reputation, attracts visitors from a more diverse range of nationalities.
- The region has a significant potential to capture due to the presence of the high-speed train line connecting the cities of Tangier and Casablanca. This potential applies to both international and domestic tourists.
- The region experiences a significant tourist influx, with a peak during the summer season.



\*For more information on financing mechanisms, please refer to the CRI Financing Guide.

## 4 or 5-Star Hotel in Chefchaouen

### FOCUS ON PROVINCIAL ACCOMMODATION OFFER

- The accommodation offer in the province is not very diverse. It consists of a total of 73 establishments (across all categories), of which nearly 59% are guesthouses.
- Traditional «hotels» are not very common (a total of 17, including 11 1-star hotels and 5 2- star hotels).
- In 2018, the province of Chefchaouen recorded a total of 74,100 overnight stays, indicating its significant tourism potential that can be further captured through strengthening its accommodation infrastructure and developing new, innovative, and tailored offers for the target clientele.

#### Accommodation establishments in the province of Chefchaouen:

1 star	2 star	3 star	4 star	5 star	Club hotels	Hotel residences	Pensions	Motels	Guesthouses	Lodges	Farm guesthouses	Camping sites	Hostels
11	5	1	1	0	0	2	1	0	43	7	0	0	2

### SWOT MATRIX FOR INVESTMENT OPPORTUNITY

#### Strengths

- ✔ Attractive location (The city of Chefchaouen is also inscribed as a UNESCO World Heritage Site for its intangible cultural heritage).
- ✔ Diverse target market segments.
- ✔ Qualified regional workforce, especially for tourism-related professions and languages (Arabic, French, English, Spanish).
- ✔ Numerous assets for ecotourism and mountain tourism.

#### Weaknesses

- ✔ Investment costs.
- ✔ Need to provide shuttle services between the hotel and/or the nearest train station/airport to facilitate access.
- ✔ Complex and ongoing management requiring certain expertise (organization, logistics, entertainment, cleanliness, cuisine, service quality, hygiene, etc.).
- ✔ Provincial transportation infrastructure needing further reinforcement.
- ✔ Average tourist stay duration not exceeding 1.5 days, requiring improvement, diversification, and innovation in the tourism offerings.

#### Opportunities

- ✔ Regionally strong tourism sector potential.
- ✔ High potential for provincial tourism attractiveness development.
- ✔ Very low provincial competition in terms of this type of establishment.
- ✔ Rich and diverse historical, cultural, and natural heritage.
- ✔ Existence of numerous investment-related advantages.

#### Threats

- ✔ Health circumstances (e.g., Covid-19).
- ✔ Dependence on tourist flows and inherent risks in the sector.
- ✔ Seasonality influencing demand and types of tourists. For example, there is a significant influx of Moroccan diaspora (MRE) during the summer season.

\*Depending on the chosen location, the investor may also benefit from various advantages (Special Economic Zones, Industrial Zones, Industrial Zones).

## PROJECT DESCRIPTION

The hotel industry is booming in Morocco. The construction of a club hotel in the city of Al Hoceima is a valuable asset for tourism and the economic vitality of the region.



## PROJECT OPPORTUNITY CONTEXT

### General environmental characteristics

- The Al Hoceima Province has significant natural and cultural tourist attractions (beaches, mountains, etc.) and enjoys good reputation, especially for its internationally recognized beaches. The city is located on the Moroccan Mediterranean coast and benefits from geographical proximity to Europe.
- There are numerous small islands and rocky islets off the coast.
- The province has good infrastructure (roads, highways, ports, and airport). There are air connections with Spain, France, Belgium, and the Netherlands.
- The provincial tourism sector is thriving.

### Market characteristics

- The market share of the hotel industry in Morocco is expected to increase by \$1.87 billion between 2021 and 2026.
- Tourism is the main driver of development for the city of Al Hoceima and its surrounding areas.
- Massive influx of tourists during the summer season in the region.

## PROJECT CHARACTERISTICS

### Service characteristics

- Isolated or grouped housing units. Classic hotel services supplemented with additional services related to catering, entertainment, and leisure.
- Infrastructure adapted for people with disabilities.
- Hotel configuration and facilities suitable for families and groups of people wishing to stay.

### Prerequisites

- Significant land area.
- Project design: Preliminary studies (market research, financial analysis, administrative authorizations).
- Businesses and franchises.
- Management and financing structure.
- Leisure spaces (swimming pools, sports fields, entertainment, etc.).
- Communication, marketing, and other services.

## INVESTMENT BENEFITS

### Key investment benefits

#### Subsidies

- Support mechanisms provided within the framework of the investment charter.

#### Financing\*

- Programs launched by TAMWILCOM
- «TAHFIZ» Program
- Bank loans granted to tourist accommodation establishments (EHT).

#### Investment stakeholders

- SMIT (Moroccan Tourism Engineering Company) Investment support and assistance.

#### Training assistance

- IDMAJ Program
- TAEHIL Program

## FINANCIAL INDICATORS OF THE INVESTMENT

### Average construction costs for a 5-star hotel

36,000.00 MAD/m<sup>2</sup>

### Potential revenue

Between 10 million and 50 million MAD (depending on the size and star rating of the hotel).

## NATIONAL DEMAND

### Key facts

On March 12, 2020, the 1st Forum of Travel Agencies in the Tanger-Tétouan-Al Hoceima region was held. Travel agencies are an example of partners who can provide more visibility to the club hotel.

### Proposal for the construction of the club hotel

- At Isri Beach, located southeast of Al Hoceima. The immediate proximity to the sea is an important factor of attractiveness, especially during the summer season.
- This criterion is highly sought after by the majority of the target clientele, especially families who are looking for a place that offers a wide range of activities for both children and adults. For example, the hotel can offer water sports workshops, inflatable games in the sea, sailing initiation, etc.



## POTENTIAL COMPETITORS IN AL HOCEIMA

### Mercure Quemado Resort Hotel



- Located by the sea and in the city center.
- Features two swimming pools, a spa, a restaurant, parking, free Wi-Fi, and family rooms.
- Offers evening entertainment.

#### Price for one night:

Approximately 1000 MAD in low season and 1600 MAD in high season.

### Mira Palace Al Hoceima Hotel



- Located 4 minutes from the city center and 3 minutes from the coast.
- Features a swimming pool, a spa, a restaurant, parking, and free Wi-Fi.
- Offers activities for children.

#### Price for one night:

Approximately 900 MAD in low season and 3000 MAD in high season.

### Radisson Blu Resort Al Hoceima



- Located by the sea.
- Features a swimming pool, a spa, a restaurant, parking, free Wi-Fi, and tennis courts.
- Offers babysitting services and activities for children.

#### Price for one night:

Approximately 1300 MAD in low season and 2200 MAD in high season.

\* For more information on funding mechanisms, consult the CRI Funding Guide

## SWOT ANALYSIS OF THE INVESTMENT OPPORTUNITY

### Strengths

- ✔ Province with significant natural and cultural assets.
- ✔ Good transportation infrastructure (roads, railways, ports, and airports).
- ✔ Attractive Moroccan tourism sector. Diversified target demand segments.
- ✔ Skilled regional workforce, particularly in tourism-related professions and languages (Arabic, French, English, Spanish).

### Weaknesses

- ✔ High investment costs.
- ✔ Relatively high entry prices that could be a barrier for a portion of the Moroccan population.
- ✔ Costly hotel management requiring specific expertise (cleanliness, cuisine, service quality, hygiene, etc.).

### Opportunities

- ✔ Favorable climate for year-round business development.
- ✔ Importance of regional tourism, especially during the peak summer season.
- ✔ Existence of a high-speed train line connecting Tangier to Casablanca, attracting local tourism.
- ✔ Limited hotel supply in the city of Al Hoceima compared to its potential and prospects.
- ✔ Proximity to Spain, which is the second-largest source market for tourists to the Kingdom after France.

### Threats

- ✔ Direct competition with existing hotel chains in the region and indirect competition with numerous serviced apartments in the area.
- ✔ Current health situation (e.g., Covid-19 cases).
- ✔ Dependency on tourist flows and inherent risks in the sector.
- ✔ Seasonality influencing demand and types of tourists.

## PROJECT DESCRIPTION

Water parks attract a large clientele every year. The creation of a water park would strengthen regional tourism and the development of the leisure sector in the region.



## PROJECT OPPORTUNITY CONTEXT

### General environmental characteristics

- Proximity to the coastline (Atlantic and Mediterranean).
- Geographical proximity to Europe.
- Favorable climate for water activities.
- Significant transportation infrastructure (road, rail, port, and airport) and accommodation (hotels, etc.): enhanced project accessibility.
- Regional tourism potential to capture.

### Market characteristics

- Presence of a water park in the region, close to the city of Tangier (M'nar Park).
- Qualified workforce in tourism and entertainment.
- Seasonal market: water parks generate the majority of their revenue during the summer season.
- Low regional competition.

### Demand characteristics

- Massive tourist influx during the summer season in the region.
- Growing national and international demand for water parks.

## PROJECT CHARACTERISTICS

### Project features

- Leisure service dedicated to adults and children.
- Park equipped with water play areas: pools, water slides, paddling pools, lazy rivers, artificial beaches, and other water attractions.

- Attractions that are less expensive, less risky, and require less maintenance than theme parks.
- Possibility of creating an artificial surfing or bodyboarding environment, such as a wave pool or a flowrider.
- Traditional seasonality of the activity that can be overcome through innovative and/or niche-targeted offers (surfing, swimming, and aquagym classes, heated pools, etc.) or through less seasonal services (such as integrating a hotel).

### Prerequisites

- Significant land, necessary permits, construction permits.
- Quality energy infrastructure: stable power supply for motorized attractions, backup generators, equipment: attractions.
- Large quantity of water.
- Trained and qualified human resources (technicians, entertainers, administrative staff).
- Communication, marketing...

## FINANCIAL INDICATORS OF THE INVESTMENT

### Potential investment cost

Starting from 700 million MAD.

### Potential revenue

Starting from 50 million MAD.

## INVESTMENT ADVANTAGES

### Principaux avantages de l'investissement\*

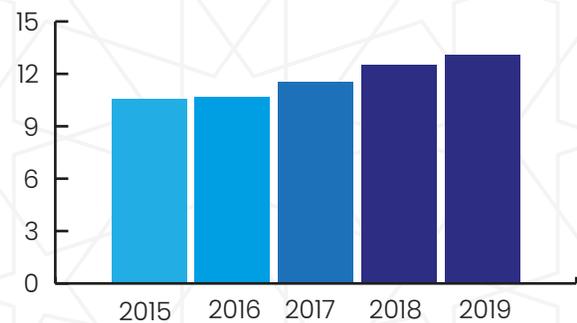
- Existence of tax incentives for investors in the tourism sector (VAT on operations and investment, corporate tax, etc.).

## OVERVIEW OF THE TOURISM SECTOR IN MOROCCO

- In 2019, Morocco experienced a record number of tourists, with 13.11 million visitors, a 5.2% increase compared to the previous year, surpassing the 12 million mark for the first time. The majority of tourists come from Spain and France.

- There is significant potential to capture in the region due to the existence of the high-speed train line connecting the city of Tangier to Casablanca. This potential includes both foreign and domestic tourists.
- The region experiences a significant influx of tourists during the summer season. Establishing a water park would benefit from this trend and capture this potential further.

## EVOLUTION OF TOURIST ARRIVALS (IN MILLIONS)



## SIMILAR PROJECT AT THE REGIONAL LEVEL\*\*



Km 8, Route de Ksar Seghir,  
Cap Malabata, Malabata Tanger

\*The Aquapark activity is seasonal

Mnar Park is located 8 km from the city of Tangier and is one of the highly renowned water parks in the Kingdom. It also offers a wide range of activities beyond water-related ones:

Accommodation (hypoallergenic and soundproof rooms)

- Dining areas
- Pools (outdoor and indoor)
- Aquapark
- Horseback riding excursions
- Buggy excursions
- Paintball
- Game room , Go-kart racing

## SIMILAR PROJECTS AT THE NATIONAL LEVEL\*\*\*

**Marrakech**  
**oasiria**  
 MARRAKECH  
 5 restaurants  
 10 hectares of gardens  
 20 attractions  
 8 pools  
 1 fitness room

**Marrakech**  
**Eden**  
 AQUAPARK  
 20 hectares  
 6 pools  
 1 river  
 1 park  
 1 solarium  
 Hotel

**Marrakech**  
**AQUA**  
 5 hectares  
 17 pools  
 58 water slides  
 4 restaurants  
 1 SPA  
 Accommodation

**Taghazout**  
**Aatlantica Parc**  
 13 hectares  
 Attractions  
 2 camping areas  
 Women's area

**Casablanca**  
**TANARIS**  
 Aquaparc  
 12 attractions  
 1 bowling alley  
 Various dining options

\* For more information on financing mechanisms, consult the Investment Financing Guide from the CRI.  
 \*\* On average in Morocco, entry prices for water parks range from 170 to 450 MAD for adults and 120 to 300 MAD for children. Prices depend on the quality of the park and the composition of the offer (access to attractions, inclusion of meals, etc.).  
 \*\*\* Not exhaustive.

## SWOT ANALYSIS OF THE INVESTMENT OPPORTUNITY

### Strengths

- ✔ Attractive and enjoyable concept.
- ✔ Wide range of possible attractions (pools, water slides, aquariums, shows, etc.).
- ✔ Existence of indoor attractions and services (to overcome the seasonality issue).
- ✔ Concept can be combined with other activities (accommodation, training, etc.).
- ✔ Diversified target demand segments.
- ✔ Qualified regional workforce, especially in tourism-related professions and languages (Arabic, French, English, Spanish).

### Weaknesses

- ✔ Attractions requiring regular maintenance.
- ✔ Numerous management parameters to consider to ensure customer satisfaction (hygiene, safety, dining, accommodation, entertainment, service quality, etc.).

### Opportunities

- ✔ Favorable climate for the development of the activity during the summer season.
- ✔ Offering an original concept to attract a wide clientele.
- ✔ Importance of regional tourism, especially during the peak summer season.
- ✔ Existence of a high-speed train line connecting Tangier to Casablanca, facilitating the capture of local tourism.
- ✔ Limited regional and national competition.
- ✔ Proximity to Spain, which is the second largest tourist market for the Kingdom after France.

### Threats

- ✔ Seasonality of beach and water tourism.
- ✔ High regional rainfall.
- ✔ Health circumstances (such as the Covid-19 pandemic).
- ✔ High water consumption of the activity and environmental impact.



### PROJECT DESCRIPTION

The consumption of leisure activities is increasing in the Tanger-Tétouan-Assilah region. Thus, the creation of a theme park in the new city of Ibn Batouta could revitalize it and boost the regional economy by attracting national and international tourists.



### PROJECT OPPORTUNITY CONTEXT

#### General environmental characteristics

- Region with high tourist potential.
- Geographical proximity to Europe (less than 15 km).
- Significant transportation infrastructure (roads, railways, ports, airports) and accommodation facilities (hotels, etc.).
- Existence of a high-speed train line connecting Tanger to Casablanca.

#### Market characteristics

- Very few theme parks at the regional and national levels.
- National offer is not competitive in terms of quality.

#### Demand characteristics

- Very high demand, especially during school holidays and weekends.
- Increasing purchasing power of nationals and the emergence of a middle class eager for this type of service.

### PROJECT CHARACTERISTICS

#### Project features

- Recreational space.
- Designed around a theme or character.
- Balance between passive attractions, active attractions, and ancillary activities.
- Friendly and family-oriented atmosphere.

#### Prerequisites

- Detailed preliminary study.
- Significant land area, necessary authorizations, building permits.
- Quality energy infrastructure: stable electricity supply, backup generators, etc.
- Equipment: Attractions.
- Trained and qualified human resources (technicians, entertainers, administrative staff, etc.).
- Communication, marketing, and other related services.

### INVESTMENT ADVANTAGES\*

#### Main investment advantages\*\*

- Existence of tax incentives for investors in the tourism sector (VAT on operations and investment, corporate tax, etc.).

### FINANCIAL INDICATORS OF THE INVESTMENT

#### Potential investment cost

Starting from 4 billion MAD.

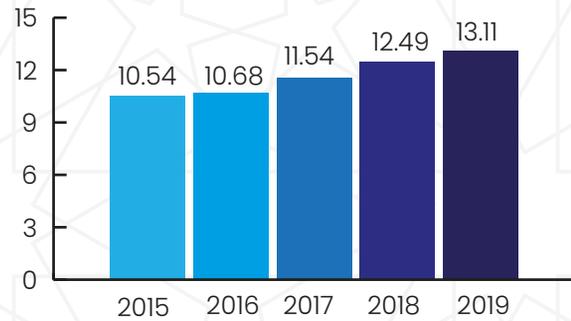
#### Potential revenue

Starting from 200 million MAD.

### OVERVIEW OF THE TOURISM SECTOR IN MOROCCO

- Morocco experienced a record number of tourists in 2019, with 13.11 million visitors, an increase of 5.2% compared to the previous year, surpassing the 12 million mark for the first time.
- The majority of tourists come from Spain and France. There is significant potential to capture in the region due to the existence of the high-speed train line connecting Tanger to Casablanca.
- This potential applies to both foreign and national tourists.
  - The region experiences a significant influx of tourists during the summer season. The establishment of a theme park would benefit from this trend and capture even more of this potential.

## EVOLUTION OF TOURIST ARRIVALS (IN MILLIONS)



## SIMILAR PROJECTS

### Within the territory



Casablanca



Casablanca



Casablanca



Germany



France



United States

\*Non-exhaustive

## SWOT MATRIX OF INVESTMENT OPPORTUNITY

### Strengths

- ✔ Diversified target demand segments.
- ✔ Wide range of possible themes to develop.
- ✔ Concept can be combined with accommodation offerings.
- ✔ Qualified regional workforce, especially in tourism-related professions and languages (Arabic, French, English, Spanish).

### Weaknesses

- ✔ Demanding safety standards for attractions.
- ✔ Attractions requiring regular maintenance, resulting in significant costs.
- ✔ Numerous park management parameters to consider in order to ensure customer satisfaction (hygiene, safety, dining, accommodation, entertainment, service quality, etc.).
- ✔ Segments requiring continuous innovation of attractions to avoid consumer fatigue.

### Opportunities

- ✔ Offering an original concept aimed at attracting a broad customer base.
- ✔ Limited national competition.
- ✔ Existence of a high-speed train line connecting Tangier to Casablanca, facilitating the capture of local tourism.
- ✔ Proximity to Spain, which represents the Kingdom's second largest tourist market after France.

### Threats

- ✔ Risk of accidents.
- ✔ High regional rainfall.
- ✔ Sanitary conditions (e.g., COVID-19).
- ✔ Dependency on tourism flows and inherent risks in the sector (geopolitical, health-related, etc.).

\* Various financing and training assistance programs exist: Programs launched by TAMWILCOM, IDMAJ and TAEHIL Programs, ...

\*\* For more information on financing mechanisms, refer to the CRI Financing Guide.



- Province of Tetouan
- Prefecture of Tanger-Assilah

### PROJECT DESCRIPTION

Science and culture-oriented parks combine education and entertainment. Considered as an original and playful concept, a science and culture park provides the region with an attractive cultural dimension for both children and adults.



### PROJECT OPPORTUNITY CONTEXT

#### General characteristics of the environment

- Geographical proximity to Europe (less than 15 km).
- Significant transportation infrastructure (roads, railways, ports, and airports) and accommodation facilities (hotels, etc.).
- Regional tourism potential to capture.

#### Market characteristics

- Lack of major science and culture parks in the region.
- Low national competition.
- Cultural and technological dimensions gaining increasing importance in the leisure market and consumer aspirations.

#### Demand characteristics

- Massive influx of tourists during the summer season in the region.

### PROJECT CHARACTERISTICS

#### Project features

- Recreational and educational space, providing leisure services for both children and adults.
- Park with defined circuits (steps to immerse oneself in the universe) or open layout.
- Virtual and technological dimension to be considered.
- Qualified personnel required, especially for historical and/or scientific attractions. Possibility of including a zoo (project approved by the Municipal Council of Tanger in February 2022) and/or a museum (archeological, etc.).

#### Prerequisites

- Significant land requirement, necessary permits, and construction permits.
- Quality energy infrastructure: stable electricity supply, backup generators.
- Equipment: Attractions.
- Trained and qualified human resources (technicians, animators, administrative staff), communication, marketing, and other services.

### POTENTIAL INVESTMENT COST

#### Potential investment cost

Starting from 2 billion MAD.

#### Potential revenue

Starting from 150 million MAD.

### INVESTMENT ADVANTAGES\*

#### Key investment advantages\*\*

- Existence of tax incentives for investors in the tourism sector (VAT on operations and investments, corporate income tax, etc.).
- Customs exemptions for equipment imports related to the investment (> 50 million MAD).
- Financial incentives for large-scale tourism projects (5% subsidies in urban areas and 10% in rural areas).
- Financial incentives for accommodation projects.

### OVERVIEW OF THE TOURISM SECTOR IN MOROCCO

- ▶ Morocco experienced a record number of tourists in 2019, with 13.11 million visitors, an increase of 5.2% compared to the previous year, surpassing the 12 million mark for the first time.
- ▶ The majority of tourists come from Spain and France.
- ▶ There is significant potential to capture in the region due to the existence of the high-speed train line connecting the city of Tanger to Casablanca, catering to both foreign and domestic tourists.
- ▶ The region experiences a significant influx of tourists during the summer season.
- ▶ There is a growing national demand that recognizes the importance of education and culture.

### EVOLUTION OF TOURIST ARRIVALS (IN MILLIONS)



### SIMILAR PROJECTS AT THE INTERNATIONAL LEVEL

**PUYDUFOU.**

France  
Historical Theme  
\*Indicative - Non-Exhaustive

**futuroscope**

France,  
Technological, Scientific, and  
Futuristic Themes

### SWOT MATRIX OF INVESTMENT OPPORTUNITY

#### Strengths

- ✔ Diversified demand categories.
- ✔ Attractions often immersive, incorporating state-of-the-art technologies (virtual, etc.).
- ✔ Wide range of possible themes to develop.
- ✔ Qualified regional workforce, especially in tourism-related professions and languages (Arabic, French, English, Spanish).
- ✔ Low risk of accidents.

#### Opportunities

- ✔ Attractive concept, particularly for younger audiences.
- ✔ Innovative concept in the national market.
- ✔ Offering an original concept aimed at attracting a broad customer base.
- ✔ Limited national competition.
- ✔ Increased awareness among parents regarding the importance of education and its integration within playful concepts for young children.
- ✔ Existence of a high-speed train line connecting Tanger to Casablanca, facilitating the capture of local tourism.
- ✔ Proximity to Spain, which represents the Kingdom's second largest tourist market after France.

#### Weaknesses

- ✔ Difficulty integrating educational concepts while maintaining a playful dimension.
- ✔ Attraction typology still relatively unknown at the national level.
- ✔ Segments requiring continuous innovation of attractions to avoid consumer fatigue.

#### Threats

- ✔ Technological advancements that may render attractions obsolete.
- ✔ High regional rainfall.
- ✔ Sanitary conditions (e.g., COVID-19).
- ✔ Dependency on tourism flows and inherent risks in the sector (geopolitical, health-related, etc.).

\* Various financing and training assistance programs exist: Programs launched by TAMWILCOM, IDMAJ and TAEHIL Programs, ...  
\*\* For more information on financing mechanisms, refer to the CRI Financing Guide.

## PROJECT DESCRIPTION

Moroccan beach tourism has experienced growth in recent years thanks to the dynamics of local and foreign tourist arrivals. Like other provinces and prefectures such as M'Diq- Fnideq, Tétouan, or Tanger-Assilah, the province of Chefchaouen has not captured the significant regional beach tourism flow despite its 120 km of coastline. The establishment of a beach resort in the province represents a significant opportunity to enhance its tourism potential.



## CONTEXT OF THE PROJECT OPPORTUNITY

### General characteristics of the environment

- A province with significant tourist potential throughout the year, particularly due to its natural and cultural heritage, offering numerous activities for visitors and tourists.
- Favorable climate for beach tourism.
- A province with a coastline of over 120 km, offering significant potential for underexploited beach tourism due to a lack of dedicated infrastructure.
- The province of Chefchaouen enjoys high international visibility, which can catalyze the potential of establishing a beach resort.
- Regional and provincial geographical positioning in proximity to Europe.
- Significant regional transportation infrastructure (road, rail, port, and airport), with air connections to Spain, France, Belgium, and the Netherlands, attracting a large number of visitors.
- The majority of international tourists visiting the region come from Spain and France. However, the province of Chefchaouen, with strong international visibility, attracts visitors from a more diverse range of nationalities.
- Qualified regional and provincial workforce in tourism-related professions and multilingual (Arabic, French, English, and Spanish).

### Industry characteristics

Beach tourism is a highly promising form of tourism in Morocco:

- The AZUR Plan (2010-2020 vision) identified the growing demand for beach tourism and aimed to build six beach resorts (Mazagan, Saidia, Taghazout, Essaouira, Larache, and the White Beach of Guelmim).
- New tourism projects are under construction in the Kingdom, including:
  - The new beach resort of Aghroud, located 35 km north of Agadir.
  - Dakhla Bay for water sports and adventure enthusiasts.
  - The White Beach of Guelmim, spanning 30 km adorned with desert sand dunes.

### Market characteristics

- The hotel market share in Morocco is expected to increase by \$1.87 billion from 2021 to 2026.
- Tourism is emerging as the primary driver of development in the province of Chefchaouen.
- Massive influx of tourists in the region, especially during the summer season, for beach tourism purposes.
- The occupancy rate of Moroccan hotel establishments reached 80% for coastal destinations during the summer season in 2022.

### PROJECT CHARACTERISTICS

#### Service Characteristics

- Located primarily by the sea, a beach resort is designed to accommodate tourists, especially during the summer season, and offer a comprehensive range of services to visitors.
- Les activités principales sont :
  - Seaside bathing.
  - Thermalism.
  - Balneotherapy.
  - Thalassotherapy.
  - Various entertainment activities.
- Beach resorts are equipped with:
  - Accommodations (hotels, villas, campsites, etc.).
  - Dining venues (restaurants, cafes, grocery stores, etc.).
  - Leisure facilities (beach, swimming pool, golf course, yoga, aquarium, club, etc.).
  - Sports and water activities (surfing, windsurfing, kayaking, cruises, canoeing, etc.).
- There is a traditional seasonality to the activity, which can be overcome by offering innovative and/or niche services (surfing, swimming, aquagym lessons, heated pools, etc.) or by providing less seasonal services (such as integrating a hotel, implementing provincial/regional tour packages, etc.).

### FINANCIAL INDICATORS OF THE INVESTMENT/INVESTISSEMENT

#### Potential Investment Cost

~ Starting from 150 million MAD (depending on the size and infrastructure allocated to the beach resort).

### TOURISM SECTOR ORGANIZATION IN MOROCCO

The tourism sector in Morocco is well-organized due to its importance in the country's economic and social development. The main actors in the sector include:

- Ministry of Tourism, Handicrafts, and Social and Solidarity Economy.
- Moroccan National Tourist Office (ONMT).
- Moroccan Tourism Engineering Company (SMIT).
- National Confederation of Tourism (CNT).
- National Federation of the Hotel Industry (FNIH).
- Regional Association of the Hotel Industry in the Tangier-Tetouan-Al Hoceima region.

#### Potential Revenue (Turnover)

Dependent on the hotel's standing, applied rates, and included services.

### INVESTMENT ADVANTAGES

#### Main investment advantages

- Granting of subsidies to the hotel industry (in the context of tourism recovery and revitalization).
- Various fiscal and financial incentives (subsidies, etc.).
- Support and assistance from the Moroccan Tourism Engineering Company (SMIT).

#### Assistance with training

- «IDMAJ» program and «TAEHIL» program.

#### Financing options\*

- Programs launched by TAMWILCOM
- «TAHFIZ» program
- Bank loans granted to tourist accommodation establishments (EHT).

#### Prerequisites

- Significant land and the establishment of residential, entertainment, and leisure areas.
- Project design: Preparatory studies (market research, financial analysis, administrative permits).
- Construction materials and building specialists (architects, landscapers, masons, etc.).
- Retail stores and franchises.
- Management, financing, development, and planning structure.
- Leisure facilities (pools, sports fields, entertainment, etc.).
- Communication, marketing, and other services.

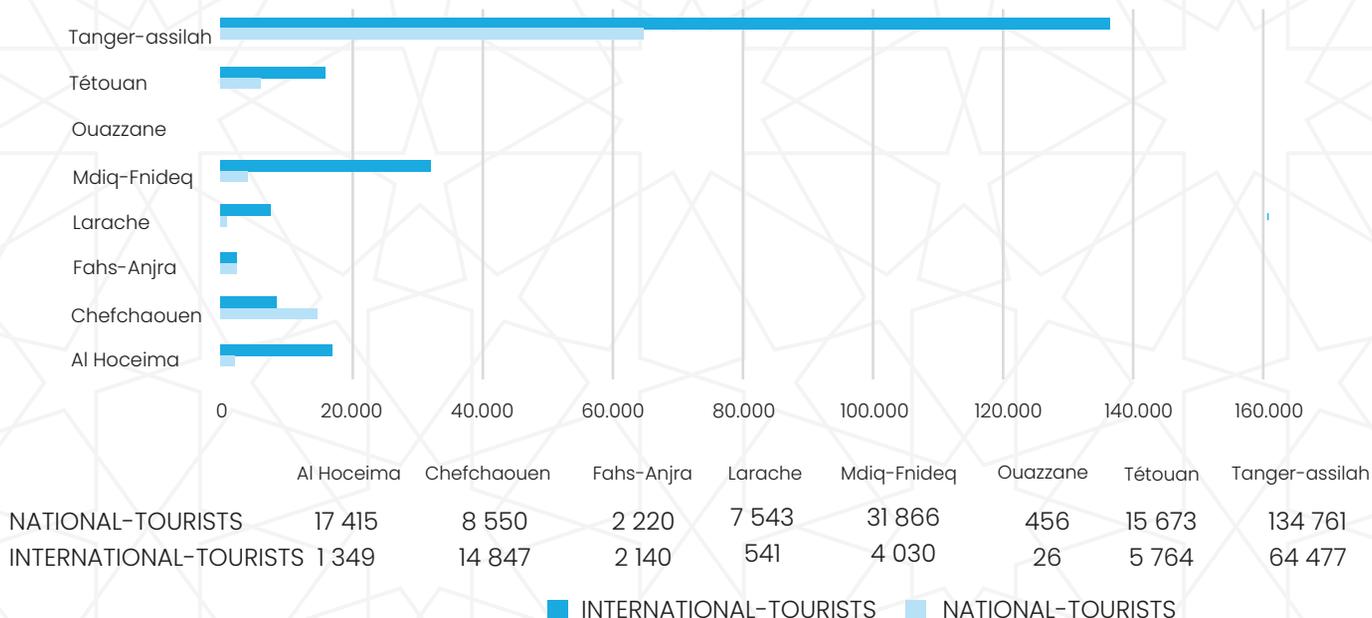
\*For more information on financing mechanisms, refer to the CRI Financing Guide.

## KEY FIGURES OF THE TOURISM SECTOR - TTA REGION

As of 2020, the region has a total of 338 classified establishments with a capacity of 28,285 beds, accounting for 8% and 10% of the national total, respectively. However, this distribution remains uneven among the different provinces and prefectures and is insufficient to fully capture the region's significant tourism potential.

	Beds	Rooms	Establishments
TTA Region	28 285	13 148	338
Al Hoceima	1 960	950	35
Chefchaouen	1 885	895	77
Fahs Anjra	890	380	9
Larache	1 473	590	19
M'diq-Fnideq	5 614	2 603	31
Ouazzane	193	71	7
Tétouan	2 295	1 113	44
Tanger-Assilah	13 975	6 546	116

Characterized by its rich historical and cultural heritage, the region attracts both domestic and international tourists (accounting for nearly 12% of national tourism). The graph and table below illustrate the number of tourists recorded in the classified establishments of the region in 2020.



Being the second industrial hub of Morocco, the region also benefits from significant potential as a business tourism destination, especially after the inauguration of the Tanger-Med port and the high-speed train line connecting the city of Tanger to Rabat and Casablanca.

The Tanger-Med port welcomes nearly 2.7 million passengers each year, of which 10% are foreigners traveling for business or tourism purposes, while 90% are Moroccan residents abroad (MRE) who spend their vacations in their home country.

## MAIN COMPETITORS (NON-EXHAUSTIVE)



## SWOT MATRIX OF THE INVESTMENT OPPORTUNITY

### Strengths

- ✔ A thriving sector in Morocco with significant dynamism.
- ✔ Province with significant natural and cultural assets (The city of Chefchaouen is also listed as UNESCO World Cultural Heritage).
- ✔ Quality transportation infrastructure (roads, railways, ports, and airports).
- ✔ Skilled regional workforce, particularly in tourism-related professions and languages (Arabic, French, English, Spanish).
- ✔ Well-structured sector with various partner organizations for its development.
- ✔ Numerous beaches overlooking the ocean.

### Weaknesses

- ✔ Investment cost.
- ✔ Relatively high average prices for overnight stays, which may hinder a portion of the Moroccan population.
- ✔ Provincial transportation infrastructure needing further reinforcement.
- ✔ Need to provide shuttle services between the train station and/or the nearest airport to the seaside resort to facilitate access.
- ✔ Average tourist stay duration not exceeding 1.5 days in the province, requiring improvement through enhancing, diversifying, and innovating the tourism offerings.

### Opportunities

- ✔ Favorable climate for year-round activity development.
- ✔ Significant potential for regional tourism, especially during the high summer season.
- ✔ Weakness in upscale provincial and regional tourism offerings (as well as saturation of the offerings in the city of Tanger).
- ✔ Existence of a high-speed train line connecting Tanger to Casablanca, facilitating national tourism capture.
- ✔ Proximity to Spain, which represents the second largest tourist-emitting market for the Kingdom after France.
- ✔ Presence of hospitality training institutes in Tanger (ISITT, ITHT Tanger).
- ✔ Numerous investment-related advantages available.

### Threats

- ✔ Direct competition with existing seaside resorts at the national and international levels.
- ✔ Seasonality of beach tourism affecting demand and types of tourists. For example, flows related to Moroccan residents abroad (MRE) are significant during the summer period.
- ✔ Health situation (e.g., the case of Covid-19).
- ✔ Segment dependency on tourist flows and inherent risks in the sector.

\* Depending on the chosen location, the investor may also benefit from various advantages (Special Economic Zones, Investment Zones, Industrial Zones).

## PROJECT DESCRIPTION

The establishment of a mini ski resort in the commune of Charkane aims to diversify the provincial tourism offerings and capitalize on its natural assets through the development of winter tourism.



## PROJECT OPPORTUNITY CONTEXT

### General characteristics of the environment

- Chakrane: A rural commune in the province of Al Hoceima, located in the central Rif mountain range, characterized by a mountainous climate with significant snowfall in winter, suitable for mountain and ecological tourism.
- Good infrastructure in the province (roads, highways, ports, and airport). Air connections exist with Spain, France, Belgium, and the Netherlands.
- The provincial tourism sector is booming and emerging as an important development lever. The province has good international reputation (especially for its beaches).
- The province is also known for its significant cannabis cultivation (legal cultivation for industrial purposes according to the provisions of Law 13-21).
- Competitive and multilingual regional workforce (Arabic, French, English, Spanish).

### Demand and market characteristics

- Seasonal market: The season typically extends for four months, from December to March during the winter period. However, the ski resort can be converted into a mountain lodge during the off-season and capitalize on the natural and rustic environment offered by the commune.
- Very low regional and national competition, offering significant potential for differentiation for the mini ski resort.

- Winter tourism highly appreciated by foreign tourists, especially Europeans: an opportunity to capture a portion of international tourist flows in this segment.
- The hotel market share in Morocco is projected to increase by \$1.87 billion between 2021 and 2026, according to estimates.

## PROJECT CHARACTERISTICS

### Project features

- Leisure services for adults and children: Winter sports (skiing, snowboarding, etc.), mountain hiking, etc.
- Accommodation services in the form of lodges or guest rooms: rooms and/or bungalows, reception service, catering service, entertainment, etc.
- Additional tourist services that can be practiced yearround (tour circuits, hiking, etc.).

### Prerequisites

- Land and buildings.
- Development of ski slopes (with ski lifts) and hiking/climbing trails.
- Qualified staff required (instructors, guides, animators, first aid personnel, etc.).
- Compliance with required safety standards and conducting studies (avalanche risks, etc.).
- Development of an attractive offering tailored to target customers and communication around the project.

## FINANCIAL INDICATORS OF THE INVESTMENT

### Potential investment cost

- ~ Starting from 200 million MAD

### INVESTMENT ADVANTAGES

#### Financial Incentives

- Incentive mechanism implemented to reduce the impact of land costs on investment by subsidizing half of the land cost up to 250 MAD/m<sup>2</sup>.
- Support measures provided within the investment charter framework.

#### Tax Incentives

- Full exemption from corporate income tax (IS) on foreign currency revenues for a period of 5 years.
- 10% reduction on value-added tax (VAT) for operations

- Exemption from VAT on locally acquired equipment, materials, and tools for a period of 36 months from the start date of the company's activities.

#### Grants

- Support measures provided within the investment charter framework.

#### Financing\*\*

- Programs launched by TAMWILCOM
- "TAHFIZ" Program
- Bank loans granted to tourist accommodation establishments (EHT).

#### Investment Actors

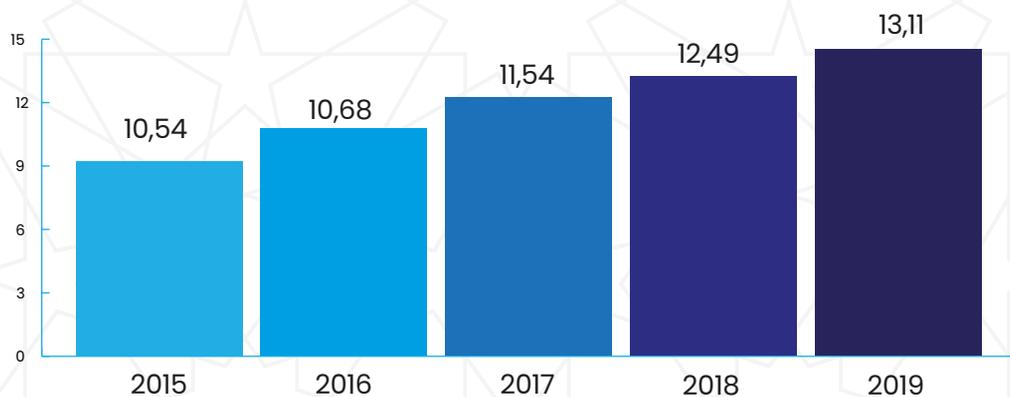
- SMIT (Moroccan Tourism Engineering Company): Investment support and assistance.

#### Training assistance

- "IDMAJ" Program / "TAEHIL" Program.

### OVERVIEW OF THE TOURISM SECTOR IN MOROCCO

- Morocco experienced a record number of tourists in 2019, with 13.11 million visitors, an increase of 5.2% compared to the previous year, surpassing the 12 million mark for the first time.
- The majority of tourists come from Spain and France.
- There is significant potential to be captured in the region thanks to the high-speed train line connecting the cities of Tangier and Casablanca. This applies to both foreign and domestic tourists.



### ORGANIZATION OF THE TOURISM SECTOR IN MOROCCO

The tourism sector in Morocco is well-organized due to its importance in the country's economic and social development. The main actors in the sector include:

- Ministry of Tourism, Handicrafts, and Social and Solidarity Economy.
- Moroccan National Tourist Office (ONMT).
- Moroccan Tourism Engineering Company (SMIT).
- National Confederation of Tourism (CNT).
- National Federation of the Hotel Industry (FNIH).
- Regional Association of the Hotel Industry of the TangierTétouan-Al Hoceima Region.

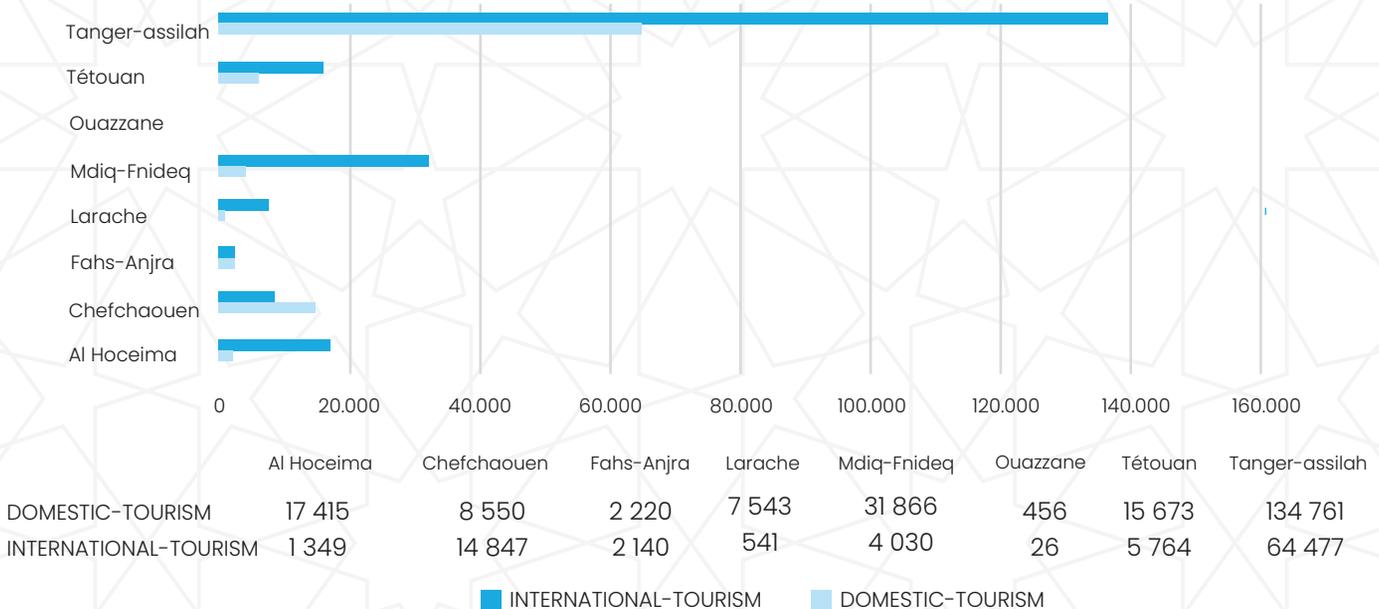
## Mini Ski Resort in Chakrane

### KEY FIGURES OF THE TOURISM SECTOR - TTA REGION

In 2020, the region had a total of 338 classified establishments with a capacity of 28,285 beds, accounting for 8% and 10% of the national park, respectively. However, this distribution remains uneven among the different provinces and prefectures and is insufficient to capture the region's significant tourism potential.

	Beds	Rooms	Establishments
TTA Region	28 285	13 148	338
Al Hoceima	1 960	950	35
Chefchaouen	1 885	895	77
Fahs Anjra	890	380	9
Larache	1 473	590	19
M'diq-Fnideq	5 614	2 603	31
Ouazzane	193	71	7
Tétouan	2 295	1 113	44
Tanger-Assilah	13 975	6 546	116

Characterized by its rich historical and cultural heritage, the region attracts both domestic and international tourists (nearly 12% of national tourism). The chart and table below illustrate the number of tourists recorded in the region's classified establishments in 2020.



As the second industrial hub in Morocco, the region also benefits from significant potential as a business tourism destination, especially after the opening of the TangerMed port and the high-speed train line connecting the city of Tangier to Rabat and Casablanca.

Tanger-Med port receives nearly 2.7 million passengers annually, of which 10% are foreigners traveling for business or tourism purposes, and 90% are MREs (Moroccan Residents Abroad) who spend their vacations in their country of origin.

\* Depending on the chosen location, investors can also benefit from various advantages (ZAE, ZAI, ZI).

\*\* For more information on financing mechanisms, please refer to the CRI Financing Guide.

## Mini Ski Resort in Chakrane

### MAIN COMPETITORS IN MOROCCO (NOT EXHAUSTIVE)

#### Oukaïmden Ski Resort

Location: Marrakech-Safi Region  
Communes near the resort: Oukaïmden  
Altitude of the resort: 2610 m - 3268 m  
Vertical drop: 658 m  
Ski slopes: 10 km  
Lifts: 7

#### Michlifen Ski Resort

Location: Fes-Meknes Region  
Communes near the resort: Ifrane and Azrou  
Altitude of the resort: 1880 m - 2060 m  
Vertical drop: 180 m  
Ski slopes: 1 km  
Lifts: 2

### SWOT MATRIX OF THE INVESTMENT OPPORTUNITY

#### Strengths

- Regional tourism sector with high potential.
- Suitable climate.
- Rich and diverse historical, cultural, and natural heritage.
- Attractive leisure offerings allowing for the diversification of provincial tourism.
- Diversified target demand segments.
- Qualified regional workforce, especially in tourism-related professions and languages (Arabic, French, English, Spanish).
- Numerous assets for ecotourism and mountain tourism.
- Employment opportunities for residents of the Chakrane municipality.
- A structured tourism sector and various partner organizations for its development.

#### Weaknesses

- Investment cost.
- Accident risks.
- Seasonality of the main activity (skiing and winter sports), which can be offset by the development of supplementary offerings.
- The need to provide shuttle services between the train station and/or the nearest airport to the seaside resort to facilitate access.

#### Opportunities

- Low national competition.
- Existence of a high-speed train line connecting Tanger to Casablanca, facilitating domestic tourism.
- Proximity to Spain, which represents the second largest source market for tourists to the Kingdom after France.
- Presence of hotel training institutes in Tanger (ISITT\*\*, IHTT Tanger\*\*\*).
- Existence of numerous investment-related advantages.

#### Threats

- Health situation (e.g., COVID-19).
- Dependence on tourist flows and inherent risks in the sector.
- Strong reputation of main competitors (Oukaïmden and Michlifen).

\*\*International Higher Institute of Tourism in Tanger

\*\*\*Institute of Hotel and Tourism Technology in Tange

## PROJECT DESCRIPTION

The project aims to develop mountain tourism through an authentic accommodation offering, capitalizing on the natural assets of the province and providing a range of activities such as treks, hikes, and climbing.



## PROJECT OPPORTUNITY CONTEXT

### General characteristics of the environment

- Chefchaouen Province boasts a significant natural heritage that is suitable for mountain and ecological tourism. It is home to a renowned natural site, "Akchour Waterfalls," and various marked trails.
- The province is in proximity to Chefchaouen city, a year-round tourist destination known for its geographical position and rich natural and cultural heritage, offering numerous activities to visitors. The city attracts a significant influx of both local and foreign tourists throughout the year and enjoys high international recognition. It is also listed as a UNESCO Intangible Cultural Heritage site.
- The province is also known for its significant cannabis cultivation (legally permitted for industrial purposes under the provisions of Law 13-21) as well as its historical and artisanal heritage (Medina, Kasbah, etc.).

### Demand and market characteristics

- Accommodation in this type of setting is highly appreciated by tourists, both domestic and foreign, especially those seeking a nature retreat in an authentic environment.
- The hotel market share in Morocco is expected to increase by \$1.87 billion from 2021 to 2026.
- There is limited competition in terms of accommodation offerings for tourists in the province. Upgrading tourism infrastructure, including accommodation facilities, is necessary to meet visitor expectations.

## PROJECT CHARACTERISTICS

### Service characteristics

- Mountain lodging offered in the form of a lodge, available throughout the year.
- The lodge can be in the form of a house, chalet, or any other type of dwelling located in the mountains, away from urban areas, providing tenants with a rustic environment and the opportunity to recharge in a high-quality natural setting.
- To preserve the authenticity of this type of accommodation, the capacity should remain limited, and the design should provide comfort while maintaining a rustic atmosphere.
- The lodge should offer basic services (reception, meals, etc.) and can provide additional services to guests beyond accommodation, such as guided mountain walks (on foot or horseback), hiking, sightseeing tours (e.g., visiting Chefchaouen city), and sports activities (climbing, etc.).

### Prerequisites

- Land and lodge construction
- Quality energy infrastructure: stable electricity supply
- Various equipment (furniture, kitchen facilities, etc.)
- Trained and qualified human resources
- Communication, marketing, and other related services

## FINANCIAL INDICATORS OF THE INVESTMENT

### Potential investment cost

~ Starting from 15 million MAD

### INVESTMENT ADVANTAGES

#### Financial incentives

- Financial incentive mechanism to reduce the impact of land costs by subsidizing half of the land cost up to 250 MAD/m<sup>2</sup>.
- Support programs provided within the investment charter.

#### Tax incentives

- Total exemption from corporate income tax (IS) on revenue generated in foreign currency for a period of 5 years.
- 10% reduction on value-added tax (VAT) for operations.
- Exemption from VAT on locally acquired equipment, machinery, and tools for a duration of 36 months from the start of the company's activity.

#### Subsidies

- Support programs provided within the investment charter

#### Investment actors

- Moroccan Society of Tourism Engineering (SMIT): Support for investment and assistance.

#### Financing\*\*

- Programs launched by TAMWILCOM
- "TAHFIZ" program
- Bank loans granted to tourism accommodation establishments (EHT).

#### Training support

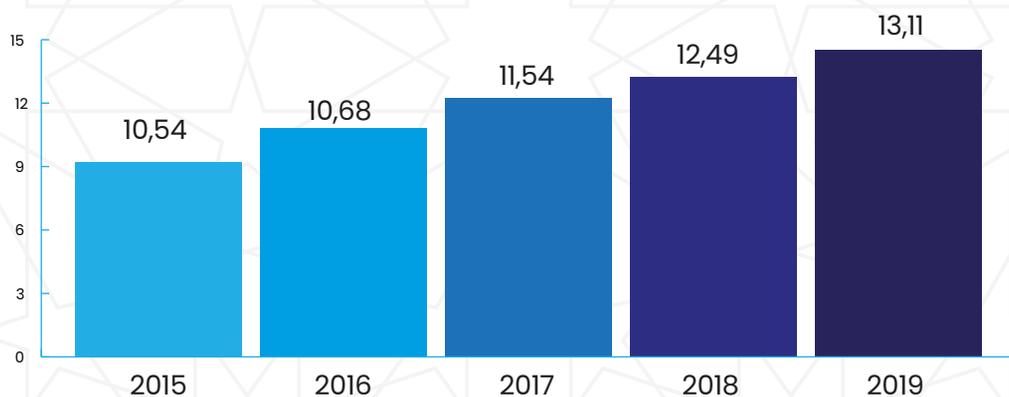
- "IDMAJ" program / "TAEHIL" program.

### OVERVIEW OF THE TOURISM SECTOR IN MOROCCO

Morocco experienced a record number of tourists in 2019, with 13.11 million visitors, representing a 5.2% increase compared to the previous year and surpassing the 12 million mark for the first time.

The majority of tourists come from Spain and France.

There is a significant potential to attract both foreign and domestic tourists to the region due to the existence of the high-speed train line connecting the city of Tangier to Casablanca.



### ORGANIZATION OF THE TOURISM SECTOR IN MOROCCO

The tourism sector in Morocco is well-organized due to its importance in the country's economic and social development. The main actors in the sector include:

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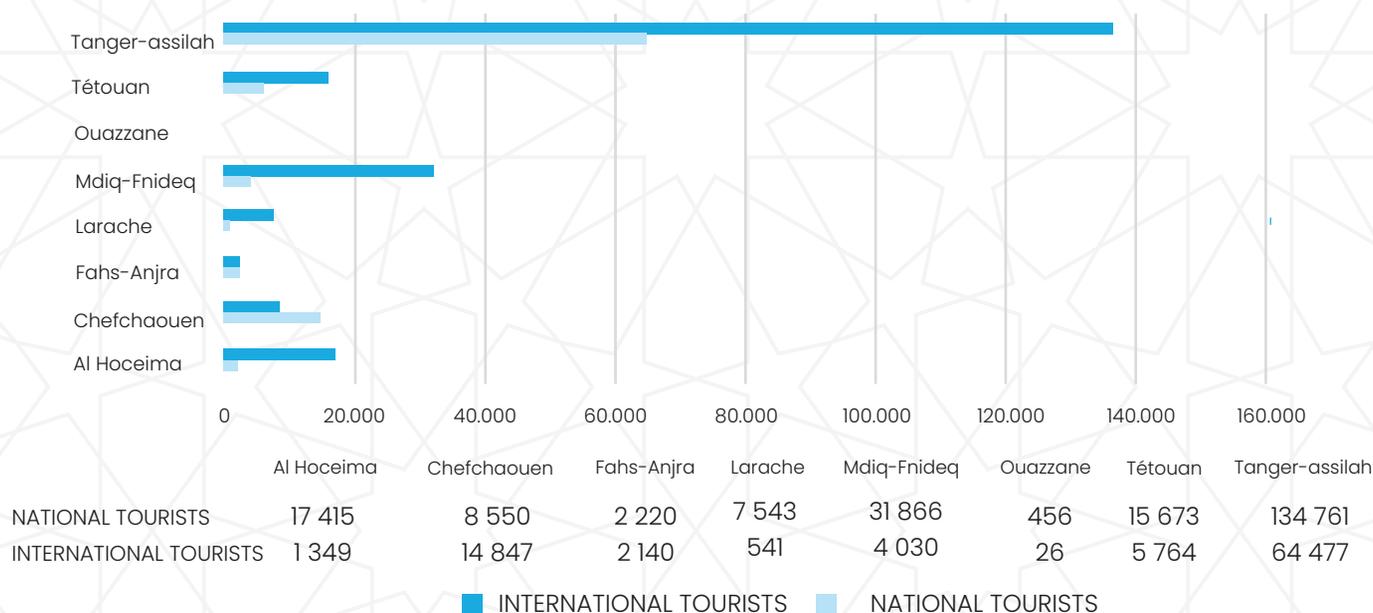
\* Depending on the chosen location, the investor may also benefit from various advantages (ZAE, ZAI, ZI).  
 \*\* For more information on financing mechanisms, please refer to the Investment Guide of the Regional Investment Center (CRI).

### KEY FIGURES OF THE TOURISM SECTOR - TTA REGION

In 2020, the region had a total of 338 classified establishments with a capacity of 28,285 beds, accounting for 8% and 10% of the national park, respectively. However, the distribution of these establishments remains uneven among the different provinces and prefectures and is insufficient to capture

	Beds	Rooms	Establishments
TTA Region	28 285	13 148	338
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Tanger-Assilah	13 975	6 546	116

Characterized by its rich historical and cultural heritage, the region attracts both domestic and international tourists, accounting for nearly 12% of national tourism. The chart and table below illustrate the number of tourists recorded in the region's classified establishments in 2020, broken down by



As the second industrial hub of Morocco, the region also has significant potential as a business tourism destination, especially after the opening of the TangerMed port and the high-speed train line connecting the city of Tanger to Rabat and Casablanca.

The Tanger-Med port welcomes nearly 2.7 million passengers annually, of which 10% are foreigners traveling for business or tourism purposes, and 90% are Moroccan residents abroad (MRE) spending their vacations in their home country.

### FOCUS ON PROVINCIAL ACCOMMODATION OFFERING

The accommodation offering in the province is limited in diversity. It consists of a total of 73 establishments (across all categories), with nearly 59% being guesthouses.

Hotel-type structures are less prevalent (17 in total, including 11 one-star hotels and 5 two-star hotels).

In 2018, the province of Chefchaouen recorded a total of 100,074 overnight stays, reflecting its significant tourism potential that can be further captured through the strengthening of its accommodation infrastructure and the development of new, innovative, and tailored offerings for the target clientele.

### ACCOMMODATION ESTABLISHMENTS IN THE PROVINCE OF CHEFCHAOUEN

1 étoile	2 étoile	3 étoile	4 étoile	5 étoile	Hôtels Club	Résidences hôtelières	Pensions	Motels	Maisons d'hôtes	Gîtes	Fermes d'hôte	Camping	Auberges
11	5	1	1	0	0	2	1	0	43	7	0	0	2

### SWOT MATRIX OF THE INVESTMENT OPPORTUNITY



#### Strengths

- Regional tourism sector with high potential.
- A project with strong potential for differentiation from standard accommodation offerings (hotels, etc.): authenticity, tranquillity, etc.
- Rich and diverse historical, cultural, and natural heritage.
- Qualified regional workforce, especially in tourism-related professions and languages (Arabic, French, English, Spanish).
- Many advantages for ecotourism and mountain tourism.
- Structured tourism sector and various partner organizations for its development.

#### Weaknesses

- Provincial transport infrastructure needing further reinforcement.
- Isolated location: The need to put significant effort into communication to promote the lodge.
- Prices higher than the average, which may be a deterrent.



#### Opportunities

- High potential for the development of provincial tourist attractiveness.
- Low provincial competition: Only 7 lodges are identified in the entire province.
- Presence of hospitality training institutes in Tanger (ISITT, ITHT Tanger).
- Existence of numerous investment-related advantages.
- High influx of tourists to the region throughout the year, with significant peaks in summer.
- Possibility of joining labels

#### Threats

- Sanitary conditions (e.g., COVID-19).
- Dependence on tourist flows and inherent risks in the sector.
- Seasonality influencing demand and the type of tourists.

## PROJECT DESCRIPTION

With significant tourist potential, classified beaches, and the kingdom's largest marina in terms of size, the prefecture of Tangier-Assilah presents a certain tourist appeal. The establishment of a pleasure and boat rental agency represents a significant opportunity for stakeholders in the tourism sector.



## PROJECT OPPORTUNITY CONTEXT

### General characteristics of the environment

- A strategic regional and prefectural geographic position, close to Europe. Additionally, the prefecture of Tangier-Assilah benefits from significant economic dynamism, targeting not only tourists but also the local population.
- Important regional transportation infrastructure (roads, railways, ports, and airports), and existing air connections with Spain, France, Belgium, the Netherlands, as well as a high-speed train line linking Tangier to the cities of Rabat and Casablanca.
- Competitive regional and provincial workforce, skilled in tourism-related occupations and multilingual (Arabic, French, English, and Spanish), as well as numerous tourism training establishments such as the International Higher Institute of Tourism in Tangier.
- Tanja Marina Bay (TMBI) is the kingdom's first urban marina, with a total capacity of over 1,400 berths across two basins.

### Demand and market characteristics

- The occupancy rate of Moroccan hotels during the summer season reached 80% for coastal destinations in 2022.
- A cost-competitive Moroccan market that can compete with international Mediterranean operators (Spanish, French, etc.).
- A highly dynamic regional tourism industry with significant tourist flows, especially during the summer. The prefecture of Tangier-Assilah, particularly the city of Tangier, stands out for its year-round tourism significance.

- Tangier has significant potential for business tourism (high-income clientele).
- Opportunity to develop an offering in partnership with boat owners stationed at the Tangier marina to reduce the capital costs required by the project (particularly the purchase of boats, which can be very expensive).

## PROJECT CHARACTERISTICS

### Project features

- A leisure service centered around pleasure boating with a wide range of target segments (families, boating enthusiasts, youth, etc.).
- Service offerings that can be adapted to middle and high-income classes through various types of offerings and boats.
- Activities feasible throughout the year (except under unfavorable weather conditions).

### Prerequisites

- Detailed preliminary study.
- Equipment: Various types of boats, safety equipment, etc.
- Trained and qualified human resources (salespeople, skippers, maintenance technicians, etc.).
- Communication, marketing, and other related services

## FINANCIAL INDICATORS OF INVESTMENT

### Potential investment cost

- ~ Starting from 20 million Moroccan Dirhams (including boat purchases).

### Potential revenue (turnover)

- ~ Starting from 5 million Moroccan Dirhams.

### INVESTMENT ADVANTAGES

#### Key investment advantages

- Various fiscal and financial incentives (subsidies, etc.).
- SMIT (Moroccan Tourism Engineering Company) for investment support and assistance.

#### Financing\*\*

- Programs launched by TAMWILCOM "TAHFIZ" program
- Bank credits granted to tourist accommodation establishments (EHT).

#### Training assistance

- "IDMAJ" Program / "TAEHIL" Program

### TOURISM SECTOR ORGANIZATION IN MOROCCO

The tourism sector in Morocco is well-organized due to its importance in the country's economic and social development. The main actors in the sector include:

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- National Federation of the Hotel Industry (FNIH).
- Regional Association of the Hotel Industry in the TangierTetouan-Al Hoceima Region.

### FOCUS: TANJA MARINA BAY (TMBI)

Tanja Marina Bay is the kingdom's first marina, with a capacity of 1,400 berths spread across two basins covering a total area of 26 hectares.

#### Basin n°1 :

Area: 15 hectares

Berths: 800

Dimensions: Boats ranging from 7 to 90 meters in length.

#### Basin n°2 :

Area: 11 hectares

Berths: 600

Dimensions: Boats ranging from 7 to 30 meters in length.



The marina has many advantages, including its location at the intersection of the Atlantic Ocean and the Mediterranean Sea. The second basin of the marina is located at the foot of the Tangier medina, enhancing its potential for attracting local tourism. Part of the marina also provides access to the beach, with a significant area of activities (restaurants, cafes, shops, fuel station, etc.).

It is also equipped with a winter storage area and a ship repair zone for pleasure boats of up to 90 meters in length.

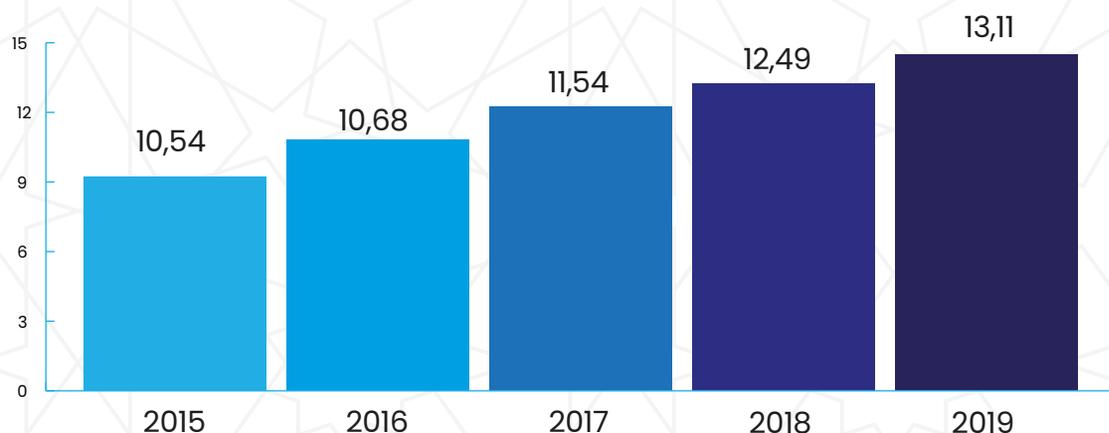
The marina's berths offer various commercialization options (transit, short-term occupancy, annual occupancy, multi-year occupancy, and long-term occupancy of up to 20 years).

\* Depending on the chosen location, the investor may also benefit from various advantages (ZAE, ZAI, ZI).

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### OVERVIEW OF THE TOURISM SECTOR IN MOROCCO

In 2019, Morocco experienced a record number of tourists, with 13.11 million visitors, an increase of 5.2% compared to the previous year, surpassing the 12 million mark for the first time. The majority of tourists come from Spain and France.



### KEY FIGURES OF THE TOURISM SECTOR - TTA REGION

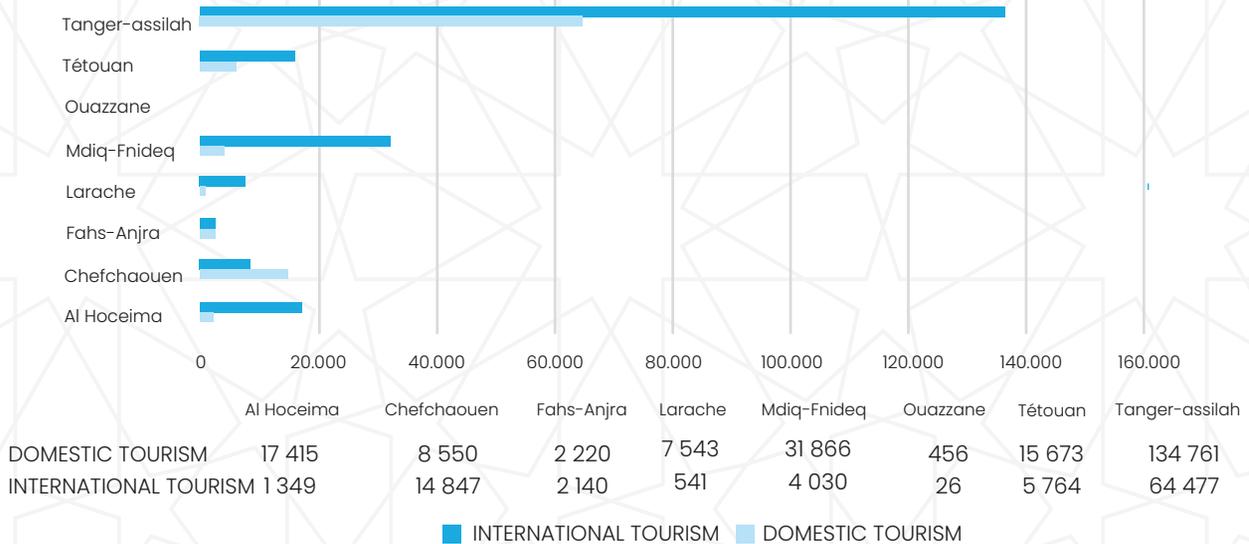
As of 2020, the region has a total of 338 classified establishments with a capacity of 28,285 beds, accounting for 8% and 10% of the national total, respectively. However, the distribution of these establishments is uneven among the different provinces and prefectures, and remains insufficient to capture the region's significant tourism potential.

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Characterized by its rich historical and cultural heritage, the region attracts both domestic and international tourists (accounting for nearly 12% of national tourism).

The chart and table below illustrate the number of tourists recorded in the region's classified establishments in 2020.

## Pleasure and Boat Rental Agency



Being the second industrial hub of Morocco, the region also has significant potential as a business tourism destination, especially after the opening of the TangerMed port and the high-speed train line connecting Tangier to Rabat and Casablanca.

The Tanger-Med port welcomes nearly 2.7 million passengers every year, of which 10% are foreigners traveling for business or tourism purposes, and 90% are Moroccans residing abroad (MRE) who spend their vacations in their home country.

## SWOT ANALYSIS OF THE INVESTMENT OPPORTUNITY

### Strengths

- ✔ Strategic positioning in the city of Tangier and the Tanja Marina Bay marina.
- ✔ Attractive year-round service offering.
- ✔ Accessible rental services in terms of pricing for middle and high-income classes.
- ✔ Diversified demand segments.
- ✔ Qualified regional workforce, especially for tourism-related professions and languages (Arabic, French, English, Spanish).
- ✔ Existence of an ecosystem related to pleasure boats at the marina (fuelling, maintenance, etc.)

### Weaknesses

- ✔ Cost of investment.
- ✔ Expertise required for boat maintenance and safety.
- ✔ Less popularized variety of attractions.
- ✔ Dependency on weather conditions.
- ✔ Risks of accidents at sea.

### Opportunities

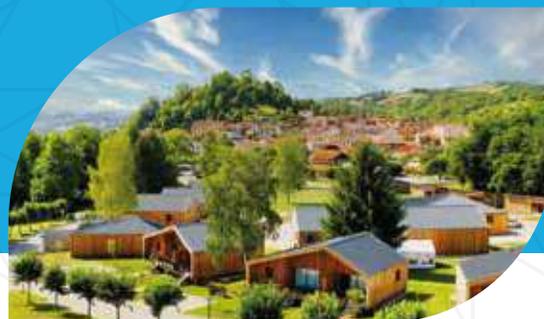
- ✔ Strong local and international tourism potential in the city of Tangier.
- ✔ Quality regional, prefectural, and urban infrastructure (Tangier) with significant potential to attract domestic tourism (transport and accommodation infrastructure, high-speed train line, airport, Tanger-Med port, etc.).
- ✔ Low competition.
- ✔ Existence of various investment-related advantages

### Threats

- ✔ Health-related circumstances (such as the Covid-19 pandemic).
- ✔ Dependency on tourist flows and inherent risks in the sector.
- ✔ Seasonality that influences demand and the type of tourists.

## PROJECT DESCRIPTION

With its significant tourism potential and beaches ranked among the most beautiful in the world, the province of Al Hoceima has untapped tourism potential. The province lacks sufficient and diversified accommodation capacity to capture this potential and showcase its numerous assets for the sector.



## PROJECT OPPORTUNITY CONTEXT

### General characteristics of the environment

- The province of Al Hoceima has significant natural and cultural tourism assets (beaches, mountains, etc.) and enjoys good recognition, particularly for its globally renowned beaches.
- The province has good infrastructure (roads, highways, ports, and an airport). There are air connections with Spain, France, Belgium, and the Netherlands.
- The provincial tourism sector is booming. The region has a quality, competitive, multilingual workforce trained in tourism and hospitality (Arabic, French, English, Spanish).
- The development of local tourism is a key focus of the sector's development (Vision 2020 & Programme Biladi).

### Demand and market characteristics

Massive local and international tourist influx during the summer season in the region.

- The hotel market share in Morocco is estimated to increase by \$1.87 billion between 2021 and 2026.
- A popular trend: Moroccans appreciate "aparthotels," which are more convenient for family trips and more affordable than traditional hotel offerings in terms of pricing.

## PROJECT CHARACTERISTICS

### Project features

- The vacation village requires a significant area and can consist of various types of accommodations: apartments,

chalets/bungalows, camping, etc.

- The vacation village should include dining areas and entertainment activities.
- Pricing should be adapted to the purchasing power of local tourists (e.g., the Imi Ouddar resort located 25 km from Agadir offers prices ranging from 200 to 400 MAD per night for hotel residences and from 300 to 500 MAD per night for bungalows).

### Prerequisites

- Significant land availability, necessary permits, and construction permits.
- Construction materials and building specialists (architects, landscapers, masons, etc.). Quality energy infrastructure: stable electricity supply, backup generators, etc.
- Well-trained and qualified human resources (technicians, entertainers, administrative staff, etc.).
- Communication, marketing, and other related services.

## FINANCIAL INDICATORS OF THE INVESTMENT

### Potential investment cost

~ Starting from 300 million MAD.

### Potential revenue

~ Starting from 30 million MAD.

## INVESTMENT ADVANTAGES

### Financial incentives

- Incentive mechanisms have been put in place to reduce the impact of land costs on investment by subsidizing half of the land cost up to a limit of 250 MAD/m<sup>2</sup>
- Support mechanisms are provided within the investment charter

## Truistical holiday village ("Club Biladi")

### Tax Incentives

- Complete exemption from income tax (IS) on revenue generated in foreign currency for a period of 5 years.
- 10% reduction on value-added tax (VAT) for operations.
- Exemption from VAT on locally acquired equipment, materials, and tools for a period of 36 months from the date of the company's start of activity.

### Subsidies

- Support programs provided within the investment charter.

### Financing\*\*

- Programs launched by TAMWILCOM.
- "TAHFIZ" program  
Bank loans granted to tourist accommodation establishments (EHT).

### Training Assistance

- "IDMAJ" program / "TAEHIL" program

### Investment Actors

- SMIT (Moroccan Tourism Engineering Company) / Investment support and assistance.

## SIMILAR PROJECTS AT THE NATIONAL LEVEL (NON-EXHAUSTIVE)

### Biladi Station in Imi Ouddar:

90.7 hectares, 1,136 hotel residence beds, 1,200 RIPT beds, 2,780 camping beds, several shops, restaurants, and entertainment.

### Biladi Station in Farah Inn Ifrane

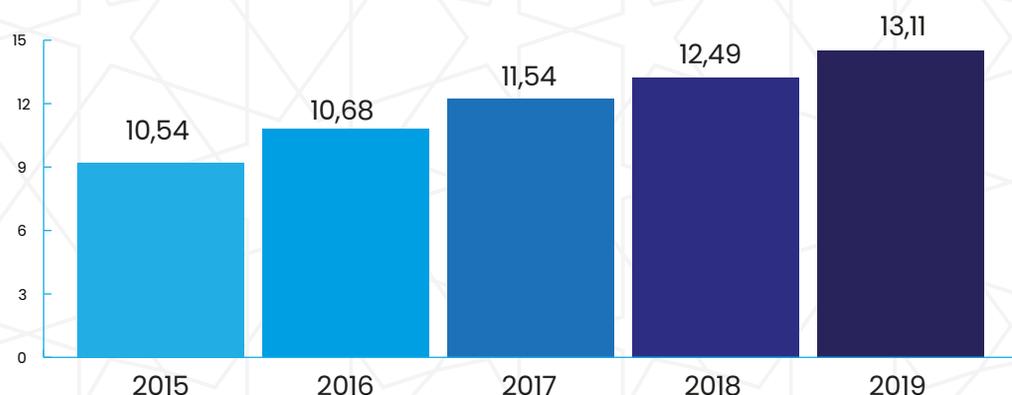
30 hectares, 177 apartments/chalets, hotel and real estate residence, camping caravanning (200 spots), swimming pools, conference hall, ...

## OVERVIEW OF THE TOURISM SECTOR IN MOROCCO

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The majority of tourists come from Spain and France.

There is significant potential to capture in the region due to the existence of the high-speed train line connecting the cities of Tangier and Casablanca. This applies to both foreign and domestic tourists.



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\*\* For more information on financing mechanisms, please refer to the CRI Financing Guide.

## Tourist Vacation Village ("Club Biladi")

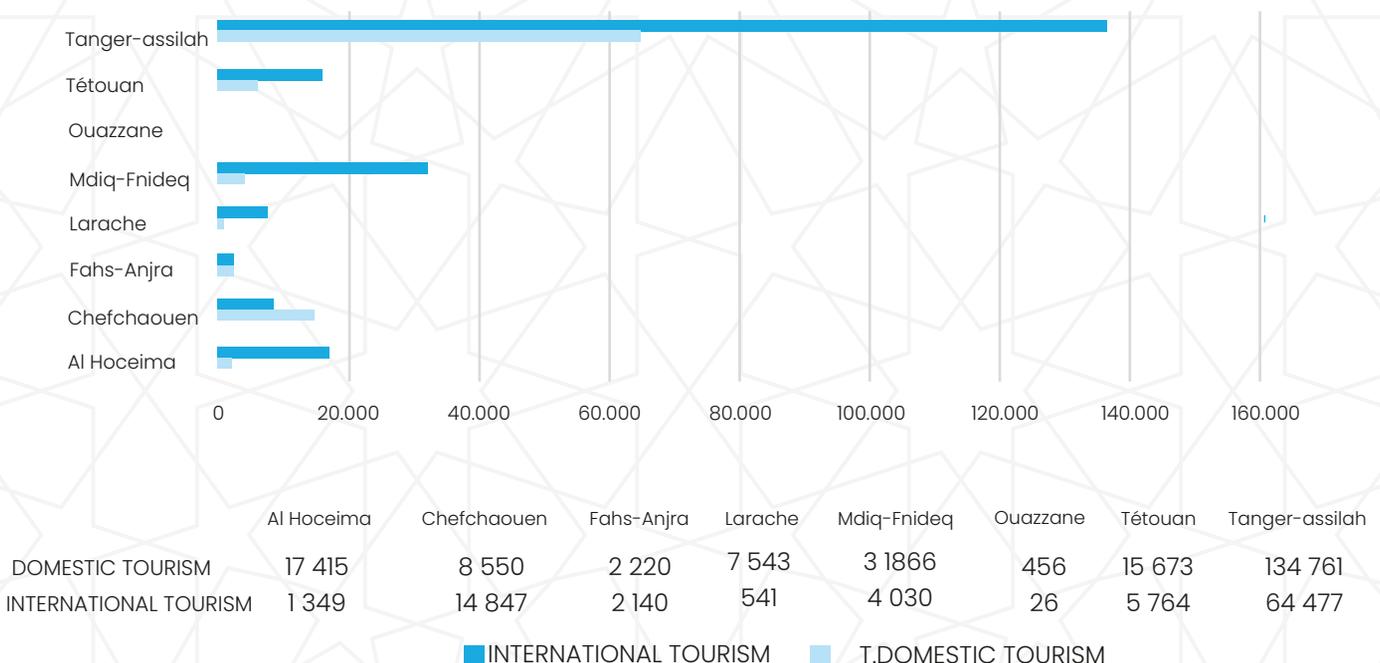
### KEY FIGURES IN THE TOURISM SECTOR - TTA REGION

In 2020, the region had a total of 338 classified establishments with a capacity of 28,285 beds, representing 8% and 10% of the national park, respectively.

	Beds	Rooms	Establishments
TTA Region	28 285	13 148	338
Al Hoceima	1 960	950	35
Chefchaouen	1 885	895	77
Fahs Anjra	890	380	9
Larache	1 473	590	19
M'diq-Fnideq	5 614	2 603	31
Ouazzane	193	71	7
Tétouan	2 295	1 113	44
Tanger-Assilah	13 975	6 546	116

Characterized by its rich historical and cultural heritage, the region attracts both domestic and international tourists (nearly 12% of national tourism). The graph and table below illustrate the number of tourists recorded in the classified establishments of the region in 2020.

Furthermore, the majority of tourism driven by the province of Al Hoceima is currently local tourism, confirming the opportunity of the project.



## Tourist Vacation Village ("Club Biladi")

Being the second industrial hub in Morocco, the region also benefits from significant potential as a business tourism destination, especially after the opening of the Tanger-Med port and the high-speed train line connecting the city of Tangier to Rabat and Casablanca.

The Tanger-Med port welcomes nearly 2.7 million passengers each year, of which 10% are foreigners traveling for business or tourism purposes, and 90% are Moroccan residents abroad (MRE) who spend their vacations in their home country.

### SWOT MATRIX OF INVESTMENT OPPORTUNITY

#### Strengths

- ✔ A province with numerous natural and cultural assets, as well as globally renowned beaches.
- ✔ Provincial tourism strongly focused on local tourists.
- ✔ The Moroccan tourism sector is growing and is one of the key economic sectors in the region.
- ✔ A project offering supported by the Vision 2020 of the sector and the Biladi Program.
- ✔ Qualified regional workforce, especially for tourism-related professions and languages (Arabic, French, English, Spanish).
- ✔ Attractive prices for the local clientele.

#### Weaknesses

- ✔ Availability of land.
- ✔ Investment cost.
- ✔ Provincial transportation infrastructure requiring further strengthening.
- ✔ Several management parameters of the village to be considered to ensure customer satisfaction (hygiene, safety, dining, accommodation, entertainment, service quality, etc.).

#### Opportunities

- ✔ Quality regional, prefectural, and urban (Tangier) infrastructure with significant potential for capturing national tourism (transport and accommodation infrastructure, high-speed train line, airport, Tanger-Med port, etc.).
- ✔ Very low provincial competition regarding this type of projects.
- ✔ Existence of various investment-related advantages

#### Threats

- ✔ Health situation (such as the case of Covid-19).
- ✔ Dependency of the segment on tourist flows and inherent risks in the sector.
- ✔ Seasonality that influences demand and the type of tourists.
- ✔ National competition.

## PROJECT DESCRIPTION

The Tangier-Assilah prefecture has significant natural and cultural tourism potential and global recognition. Increasing the tourism accommodation capacity of the prefecture presents an opportunity, particularly through the development of tourist and residential complexes near the metropolis.



## PROJECT OPPORTUNITY CONTEXT

### General characteristics of the environment

- A strategic regional and prefectural geographical position, close to Europe. Additionally, the Tangier-Assilah Prefecture benefits from significant economic dynamism, targeting not only tourists but also the local population.
- A new city, Ibn Batouta, located 13 km from Tangier and close to Sidi Kacem Beach, the Hercules Caves, and the Houara Golf Club.
- Important regional transportation infrastructure (roads, railways, ports, and airports), and existing air connections with Spain, France, Belgium, the Netherlands, as well as a high-speed train line connecting Tangier to the cities of Rabat and Casablanca.
- A quality regional workforce, competitive, trained in tourism and hospitality professions, and multilingual (Arabic, French, English, Spanish).

### Demand and market characteristics

- An occupancy rate of Moroccan hotels during the summer season reached 80% for coastal destinations in 2022.
- A highly dynamic regional tourism with significant tourist flows, especially in summer. The Tangier-Assilah prefecture, particularly the city of Tangier, stands out for its year-round tourism.
- Significant potential for business tourism in the city of Tangier (high-income clientele).
- The hotel market share in Morocco is expected to increase by \$1.87 billion between 2021 and 2026, according to estimates.

- A popular trend: Moroccans appreciate "aparthotels," which are more convenient for family trips and more affordable than traditional hotel offerings in terms of price.

## PROJECT CHARACTERISTICS

### Project features

- The tourist complex involves the construction of an integrated hotel complex (including diversified accommodation options, dining spaces, shuttle and transportation services, and various related activities such as water sports, etc.).
- Qualified personnel required.

### Prerequisites

- Detailed preliminary study.
- Significant land and various permits.
- Infrastructure (buildings, dining spaces, etc.)
- Communication, marketing, and other related services.

## INVESTMENT FINANCIAL INDICATORS

### Potential investment cost

- ~ Starting from 3 billion MAD.

### Potential revenue

- ~ Starting from 300 million MAD.

## INVESTMENT-RELATED ADVANTAGES

### Key investment advantages

#### Financial incentives

- Incentive mechanisms are in place to reduce the impact of land costs on investment by subsidizing the development

## Tourist and Residential Complex

Half of the land cost up to 250 MAD/m<sup>2</sup>

- Support measures provided under the investment charter

### Tax incentives

- Total exemption from corporate income tax (IS) on foreign currency revenue for a period of 5 years.
- 10% reduction on VAT for operation.
- VAT exemption on locally acquired equipment, machinery, and tools for a duration of 36 months from the start of the company's activity.

### Investment actors

- SMIT (Moroccan Society of Tourism Engineering) > Investment support and assistance.

### Training support

- "IDMAJ" Program / "TAEHIL" Program.

### Financing\*\*

- Programs launched by TAMWILCOM
- "TAHFIZ" Program
- Bank loans granted to tourist accommodation establishments (EHT).

### Subsidies

- Support measures provided under the investment charter.

## SIMILAR PROJECTS AT THE NATIONAL LEVEL

IBEROSTAR FOUNTY BEACH AGADIR.

LA PALMERAIE DE MARRAKECH.

AL HOCEIMA VILLAGE

DAR REDOUANE AGLOU PLAGE RESIDENTIAL AND TOURIST COMPLEX.

KASBAH LAGZIRA RESIDENTIAL AND TOURIST COMPLEX.

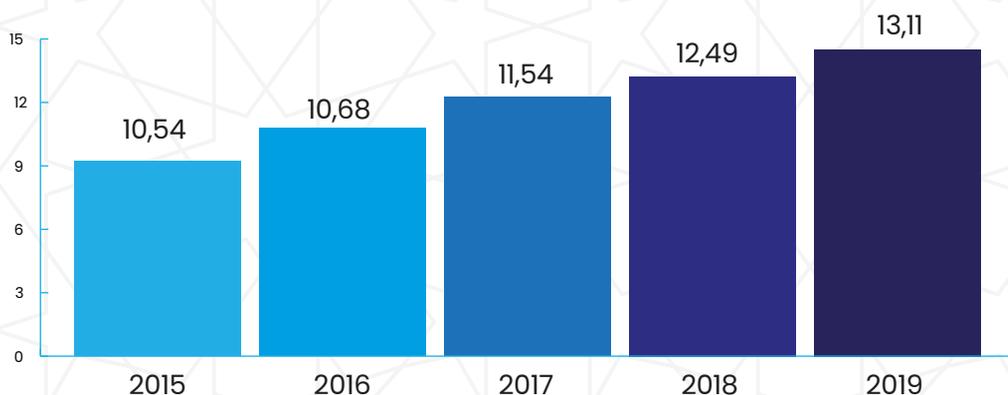
BAB SEBTA RESIDENTIAL COMPLEX, FNIDEQ.

## OVERVIEW OF THE TOURISM SECTOR IN MOROCCO

Morocco experienced a record number of tourists in 2019, with 13.11 million visitors, a 5.2% increase compared to the previous year, surpassing the 12 million mark for the first time.

The majority of tourists come from Spain and France.

There is significant potential to capture in the region due to the existence of the high-speed train line connecting Tangier to Casablanca. This applies to both foreign and domestic tourists.



\* Depending on the chosen location, the investor may also benefit from various advantages (ZAE, ZAI, ZI).

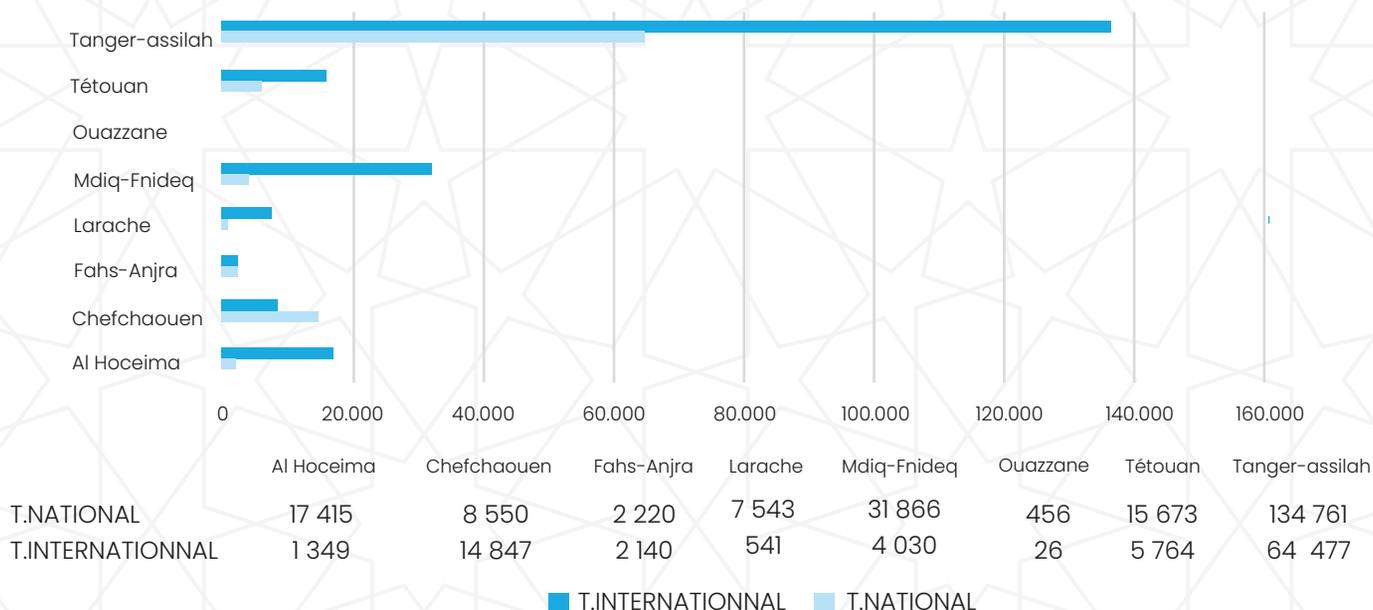
\*\* For more information on financing mechanisms, refer to the CRI Financing Guide.

### KEY FIGURES OF THE TOURISM SECTOR - TTA REGION

In 2020, the region had a total of 338 classified establishments with a capacity of 28,285 beds, representing 8% and 10% of the national park, respectively. However, this distribution remains unequal among the different provinces and prefectures and is insufficient to fully capture the region's significant tourism potential.

	Beds	Rooms	Establishments
<b>TTA Region</b>	<b>28 285</b>	<b>13 148</b>	<b>338</b>
Al Hoceima	1 960	950	35
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Characterized by its rich historical and cultural heritage, the region attracts domestic and international tourists (accounting for nearly 12% of national tourism). The graph and table below illustrate the number of tourists recorded in the classified establishments of the region in 2020.



Being the second industrial hub in Morocco, the region also benefits from significant potential as a business tourism destination, especially after the operation of the Tanger-Med port and the high-speed train line connecting Tanger to Rabat and Casablanca.

Tanger -Med port welcomes nearly 2.7 million passengers every year, of which 10% are foreigners traveling for business or tourism purposes, and 90% are MREs (Moroccan Residents Abroad) who spend their holidays in their home country.

## SWOT Analysis of Investment Opportunity

### Strengths

- ✔ Moroccan tourism sector experiencing growth and being one of the main economic sectors in the region.
- ✔ Tanger-Assilah prefecture leading in terms of receiving national and international tourists among provinces and prefectures in the region.
- ✔ Diversified demand category.
- ✔ Qualified regional workforce, especially in tourism-related professions and languages (Arabic, French, English, Spanish).
- ✔ Above-average prices that could be a hindrance. High congestion in the current accommodation offerings in the prefecture.

### Opportunities

- ✔ High potential for provincial tourist attraction development.
- ✔ Quality regional, prefectural, and urban infrastructure (Tangier) with significant potential to attract domestic tourism (transportation and accommodation infrastructure, high-speed train line, airport, Tanger-Med port, etc.).
- ✔ Presence of hotel training institutes in Tangier (ISITT, ITHT Tangier).
- ✔ Existence of numerous investment-related advantages.
- ✔ High influx of tourists throughout the year in the region, with significant peaks in the summer.

### Weaknesses

- ✔ Investment cost.
- ✔ Numerous project management parameters to consider for ensuring customer satisfaction (hygiene, safety, dining, lodging, entertainment, service quality, etc.).
- ✔ Above-average prices that could be a hindrance.

### Threats

- ✔ Health circumstances (such as the Covid-19 pandemic).
- ✔ Dependency on tourist flows and inherent risks in the sector.
- ✔ Seasonality affecting demand and types of tourists.
- ✔ Strong local competition.

“Once you are **here**, you are **everywhere!**”



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