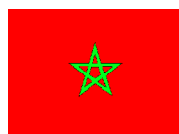




Morocco

**Facing the global economic crisis
For faster growth and more widely shared prosperity**



M. Nizar BARAKA
Minister of Economic and General Affairs



I - Morocco : economy advantages

II - The global economic crisis impacts

III - Our strategy to mitigate the crisis effects

IV - A new governance style



I - Morocco : economy advantages

A strong and diversified growth

Stable macroeconomic framework

Strong and healthy financial system

A more open economy and a more attractive economy

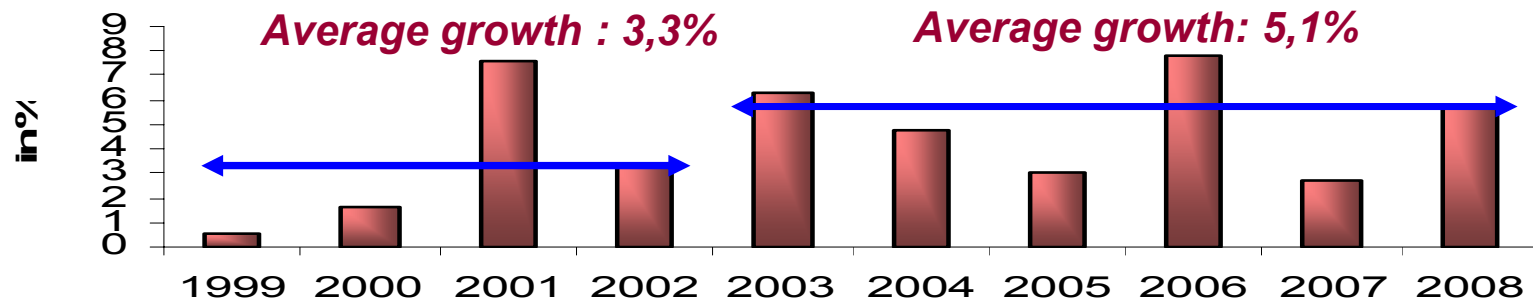
A decreasing unemployment rate

An Improving level of life

A strong and diversified growth

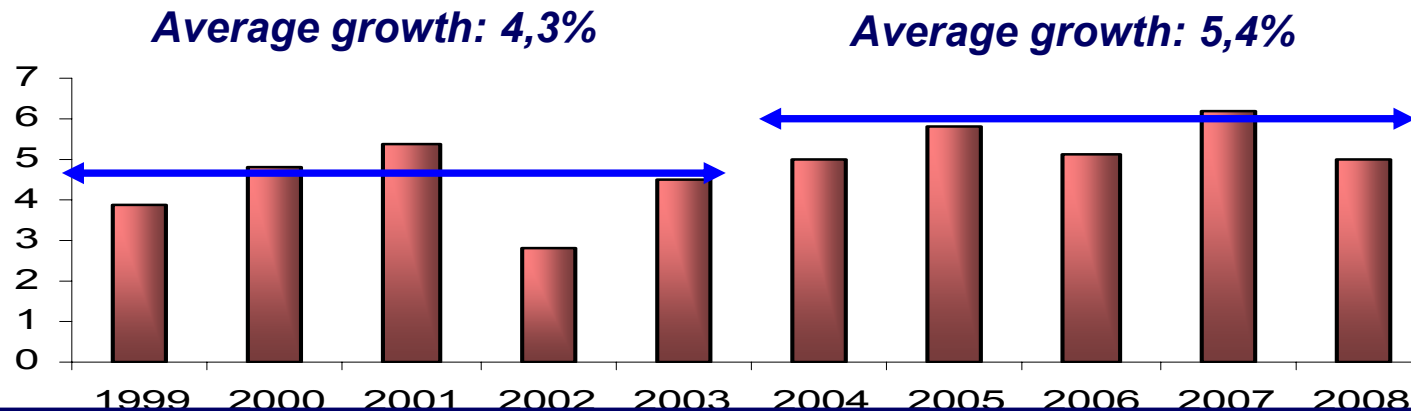
Global GDP

An increasing average growth



GDP

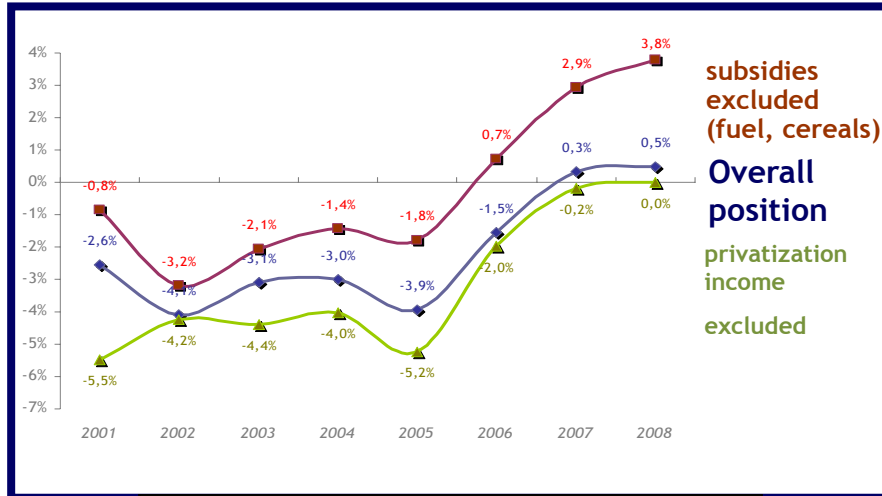
An increasing Non agricultural growth



Stable macroeconomic framework

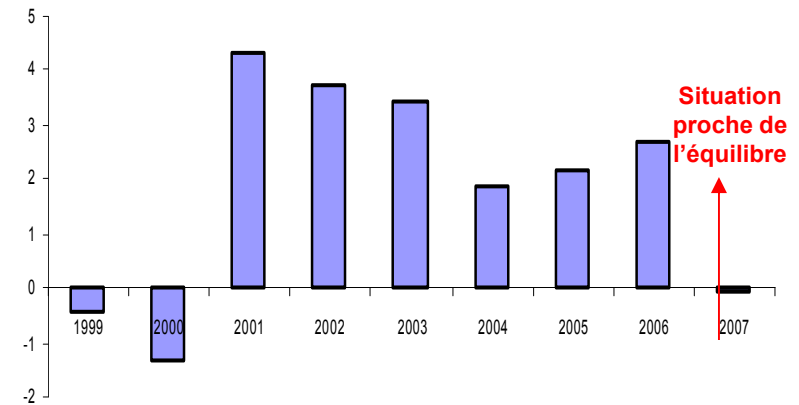
% GDP

A balanced budget



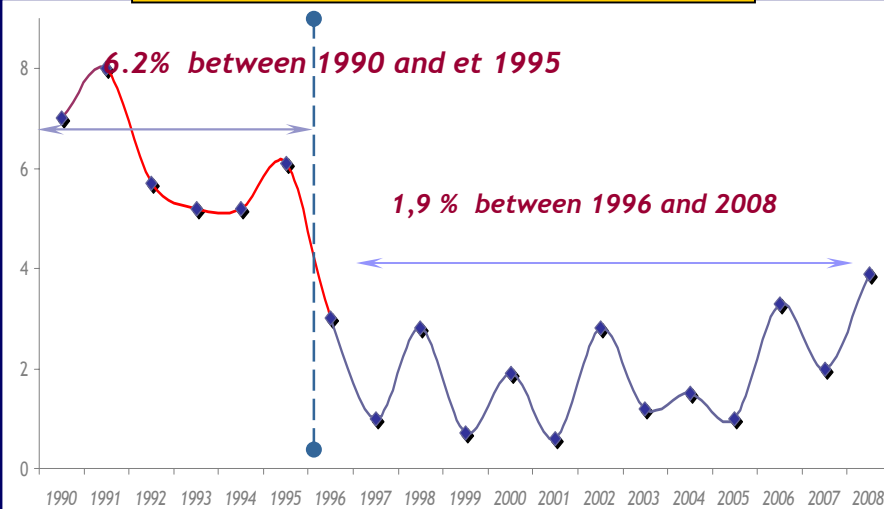
Current account surplus between 2001 and 2007

% GDP



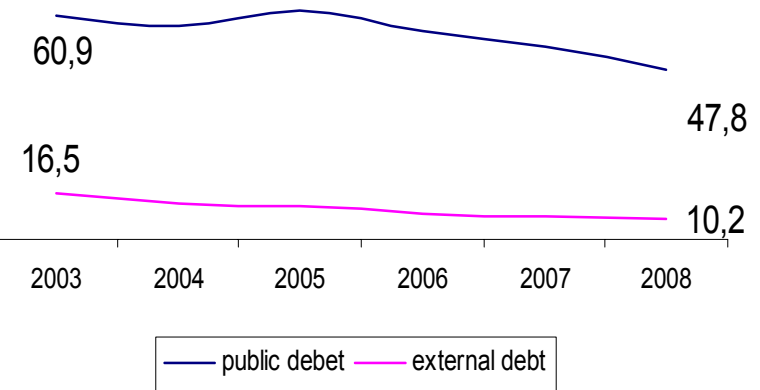
In %

A mastered inflation



A decrease in public and external debt

% GDP



Strong and healthy financial system

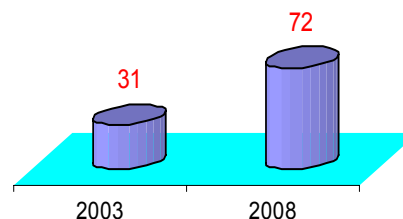
A solid financial sector supporting development

Banking sector

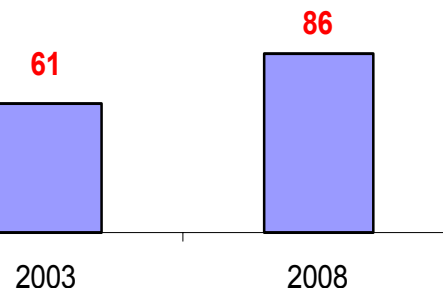
Deposits

Volumes in Billions USD

Average growth: 19%

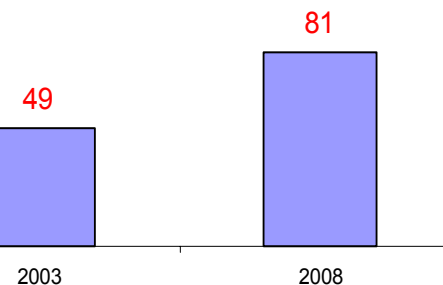
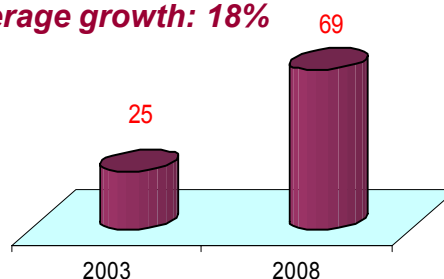


In % of GDP



Loans

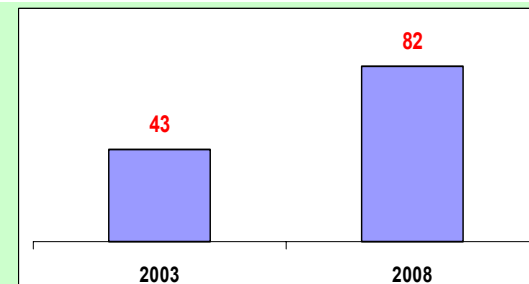
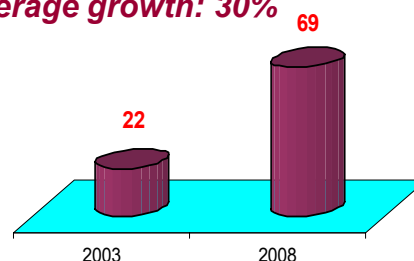
Average growth: 18%



Capital markets

Market capitalization

Average growth: 30%

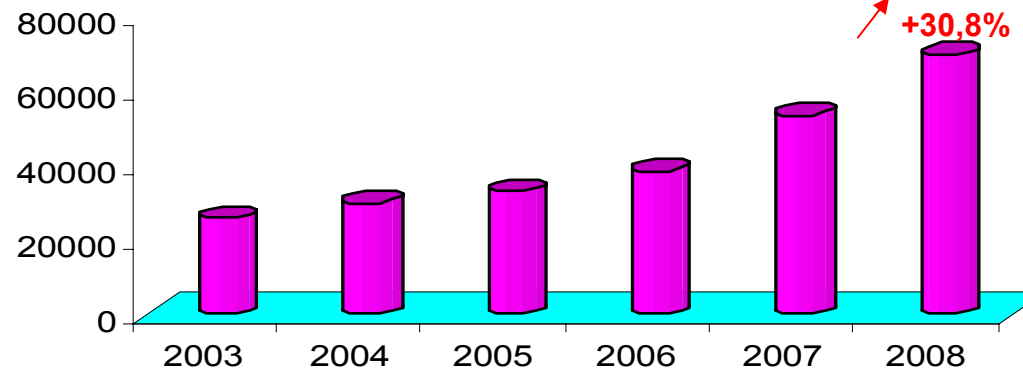


Strong and healthy financial system

A solid financial sector supporting development

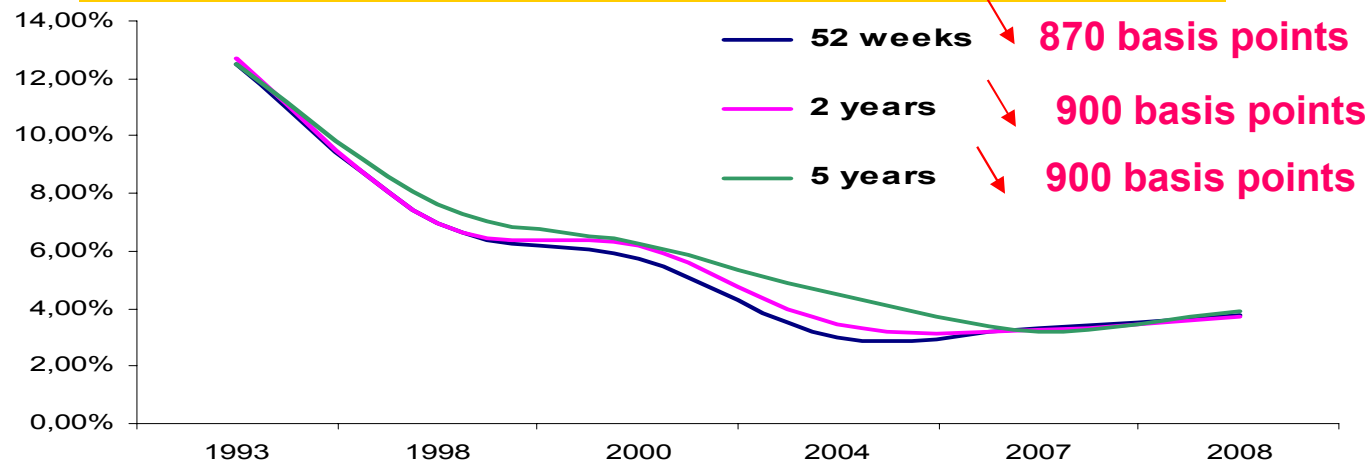
An increasing credits extended to economy

In billions
USD



In %

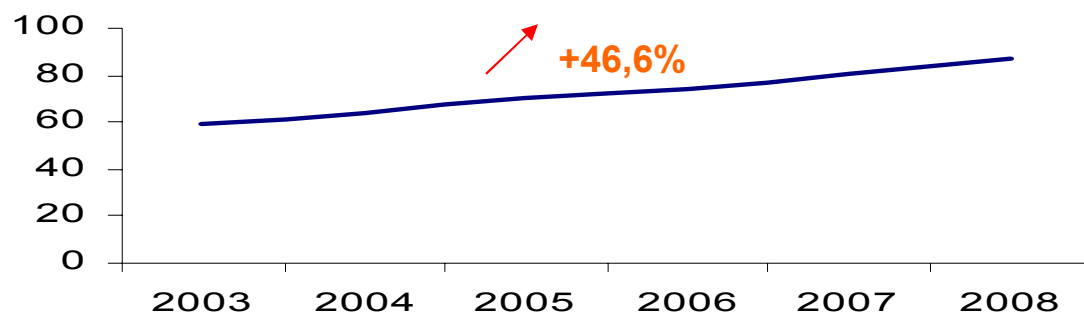
A continued decline in *interest rates*



A more open economy and a more attractive economy

An increasing opening rate of the economy

In %

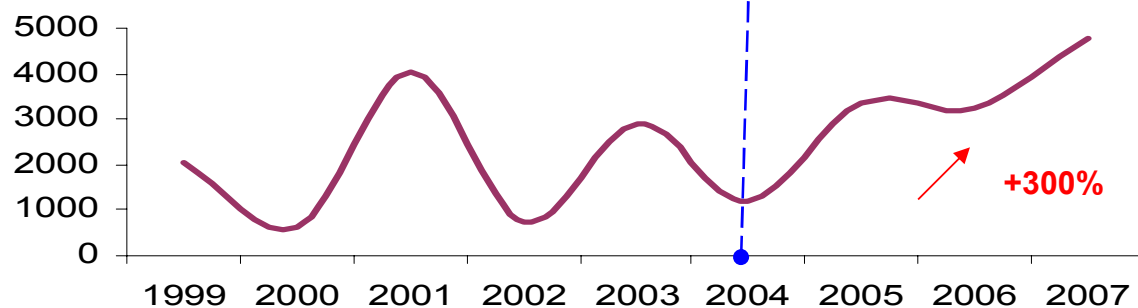


Commitment to Free Trade and Regional Integration



In Millions
USD

Positive evolution of Foreign Direct Investments



A more attractive economy

MULTIPLE FDI PROJECTS COMING ON STREAM IN MOROCCO

■ Automotive



■ Offshoring - BPO



■ Aeronautics



■ Electronics



■ Textile



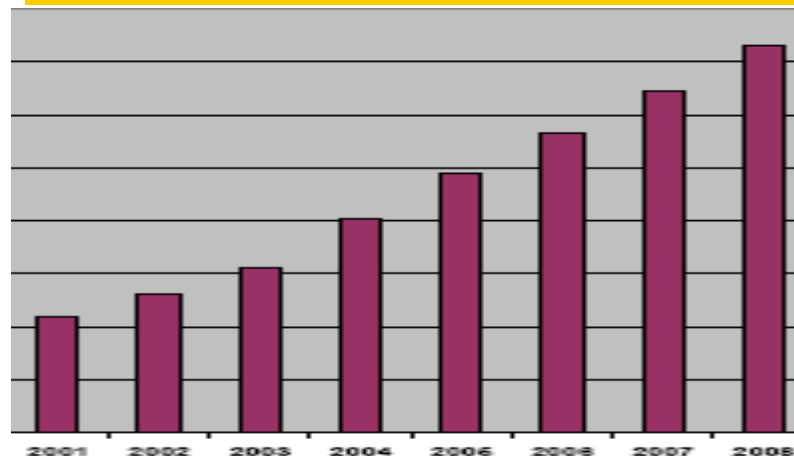
Attractivity is a reality

■ Food Industry



An increasing number of franchisees

Clothing, 26%
catering , 7%
Furniture, 7%
Shoes, 5%

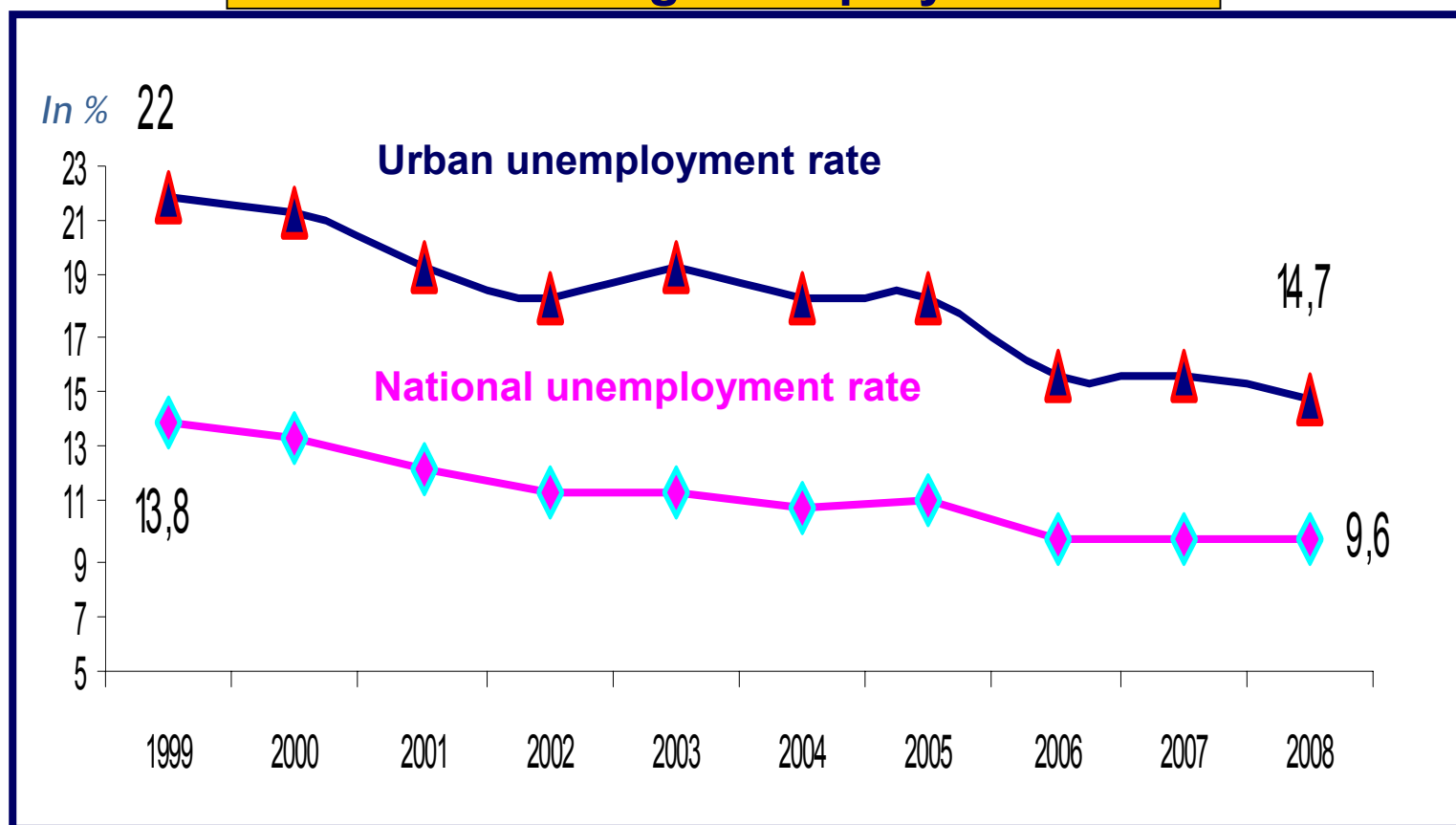


+470 franchisees since 2002

+40 franchisees en 2008

A proactive employment policy

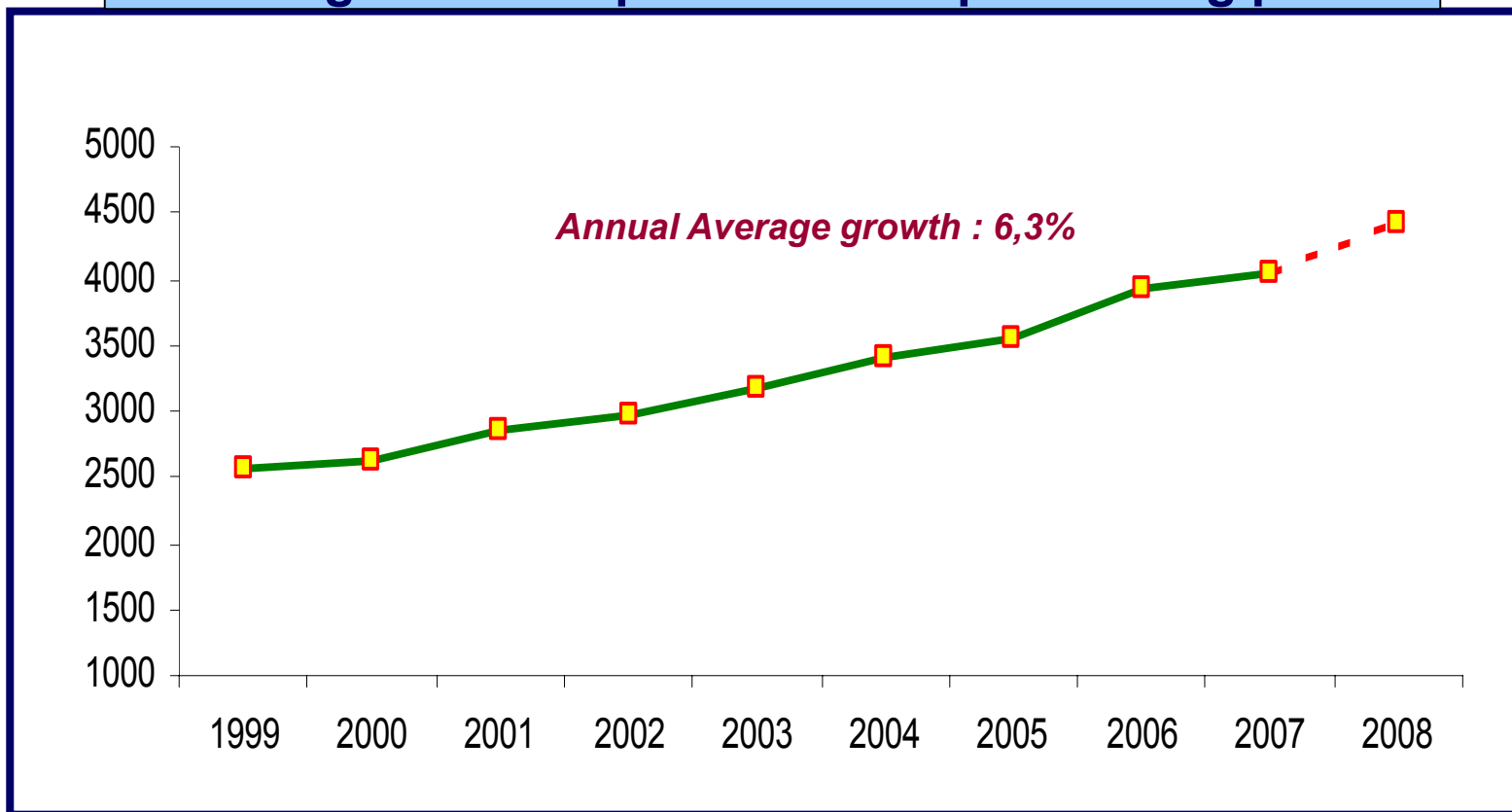
A decreasing unemployment rate



An Improving level of life

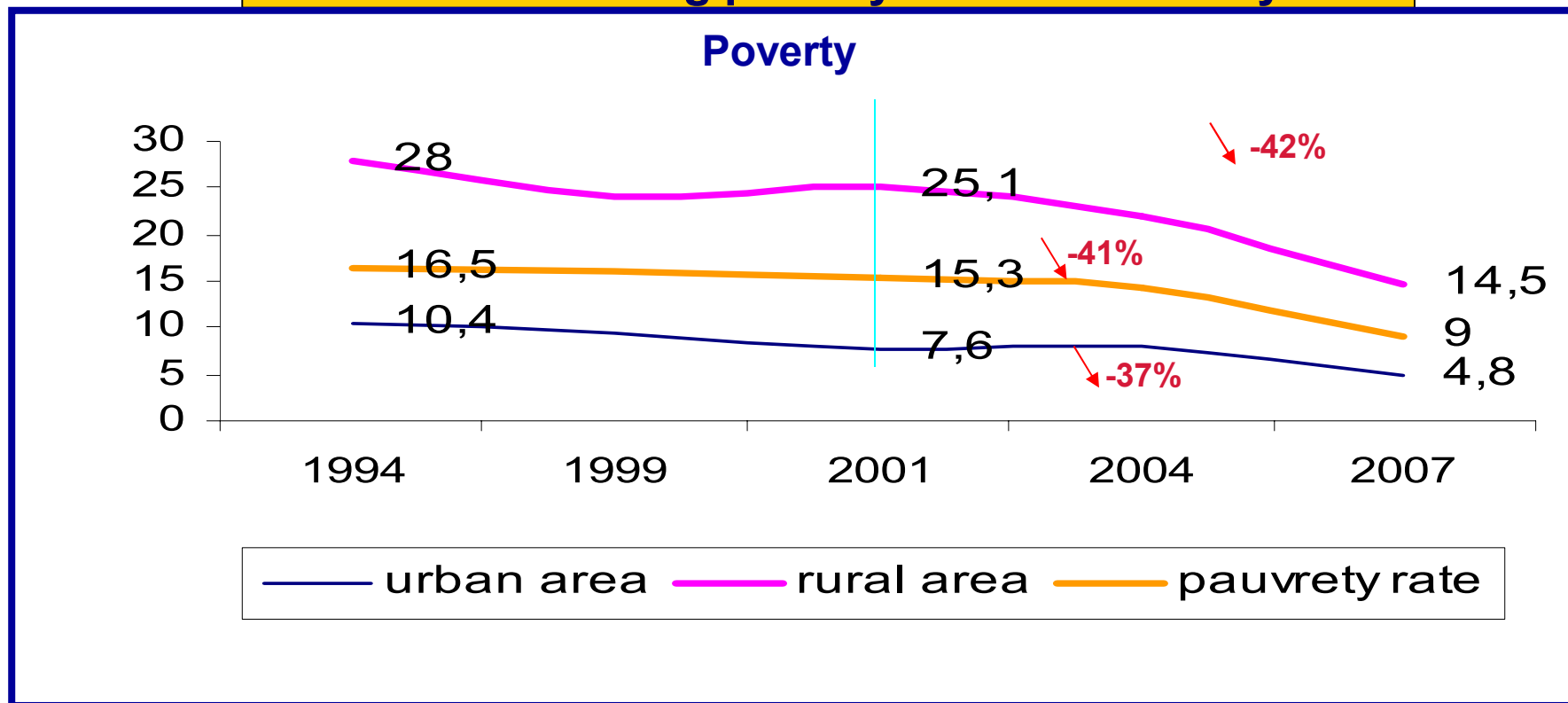
GDP per capita (purchasing power parity)

A significant improvement of purchasing power



Improvement of level life

Decreasing poverty and vulnerability





II -The global economic crisis impacts

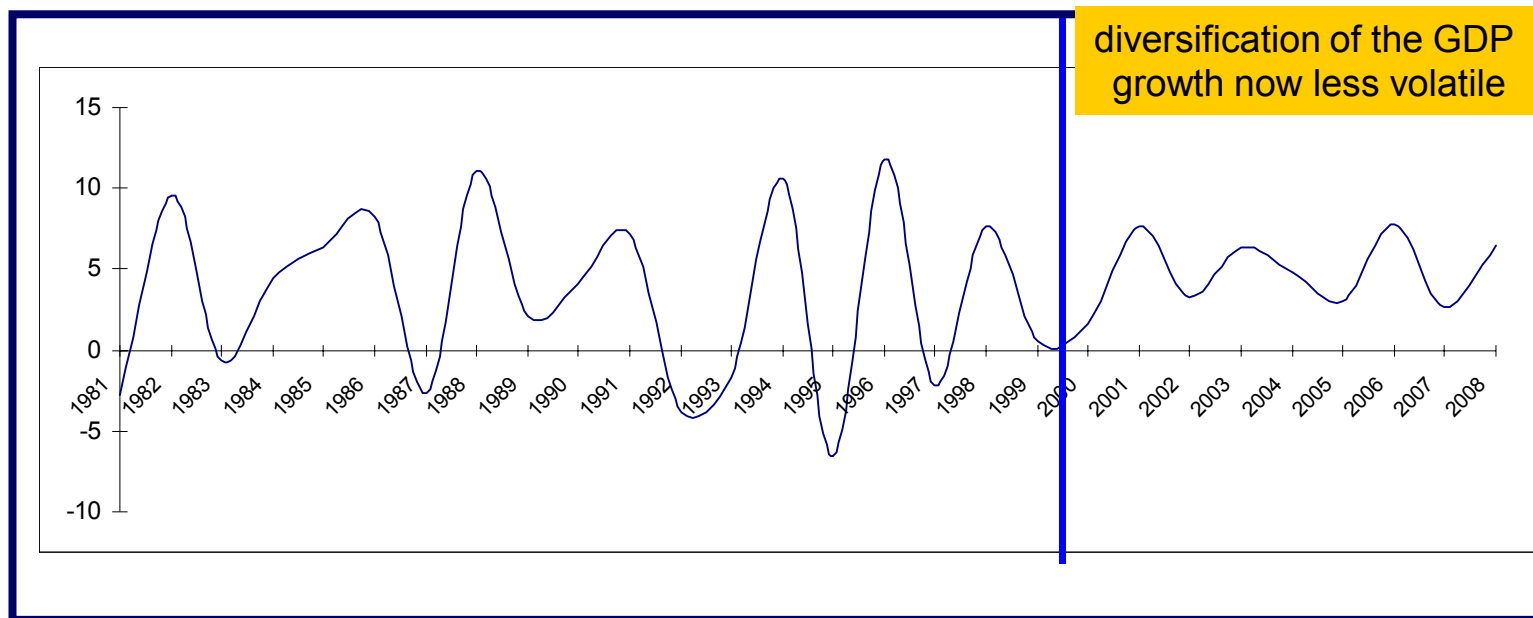
1 - A more resilient economy toward exogenous chocks

2 - The spreading channels of the crisis

3 - Global economic crisis : the challenges

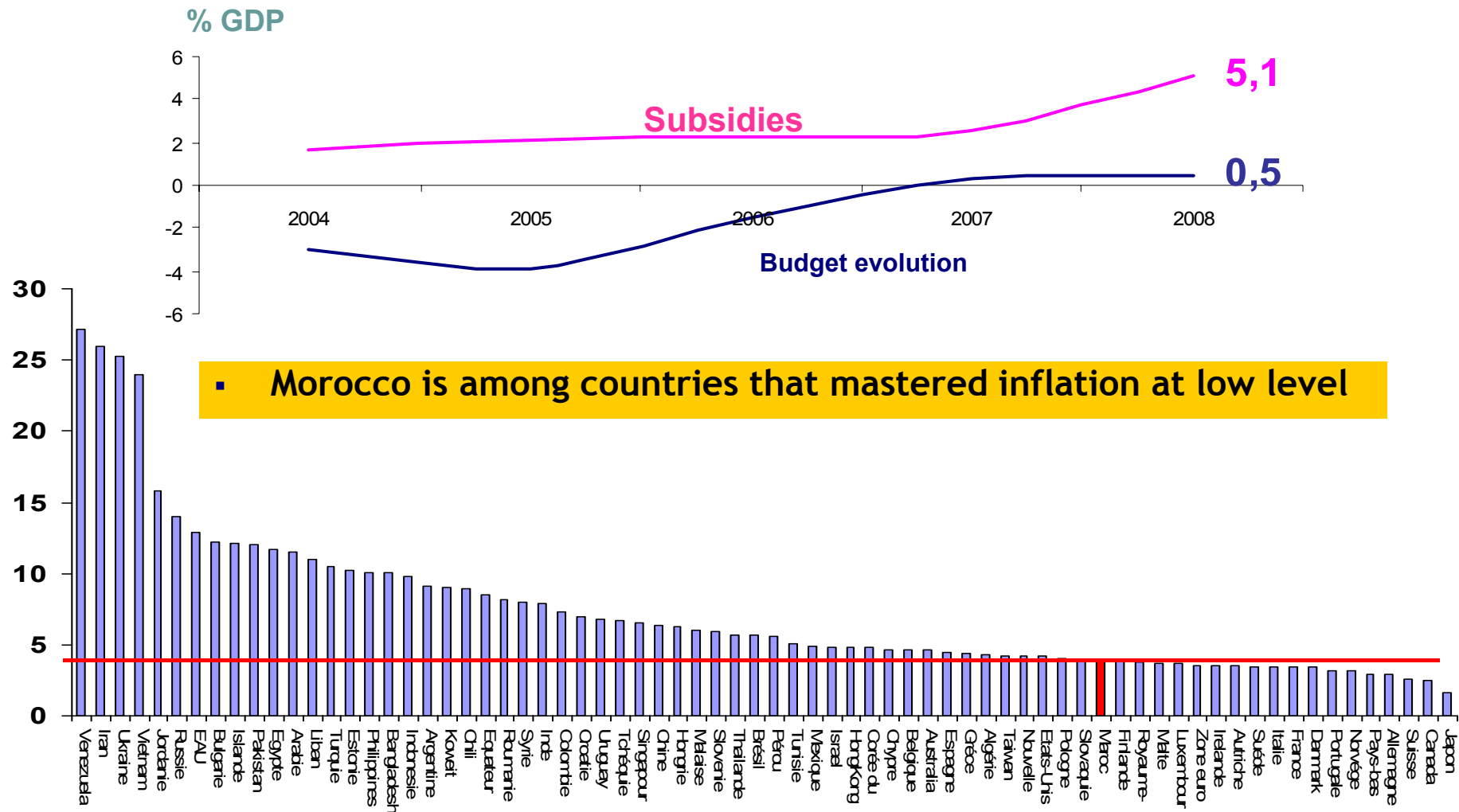
1-A more resilient economy toward exogenous shocks

- Toward regular shocks associated with rainfall volatility



1-A more resilient economy toward exogenous chocks

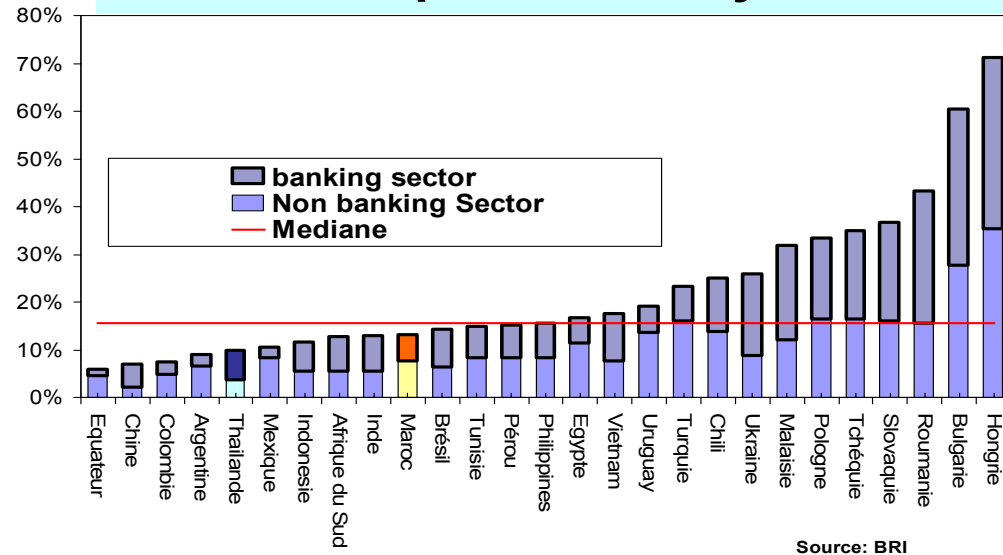
- Toward energy and food crisis: Budgetary capacity to fund subsidies



1-A more resilient economy toward exogenous chocks

- Toward Financial crisis: A sound financial system

Morocco depends weakly resources currencies



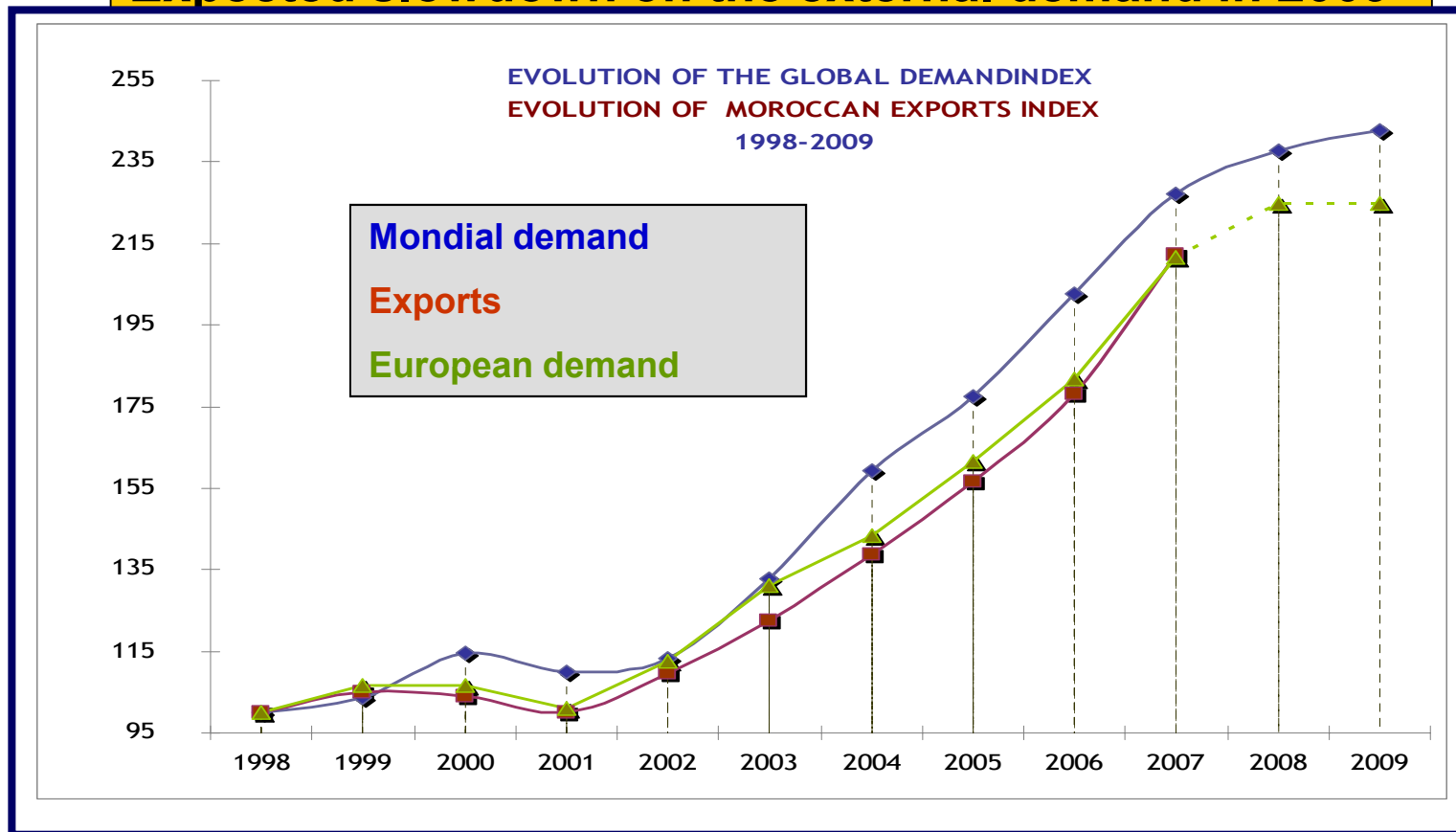
External liabilities of banks represent 1.2% of their resources.

The commitments in foreign currencies of enterprises represent just 3.3% of loans.

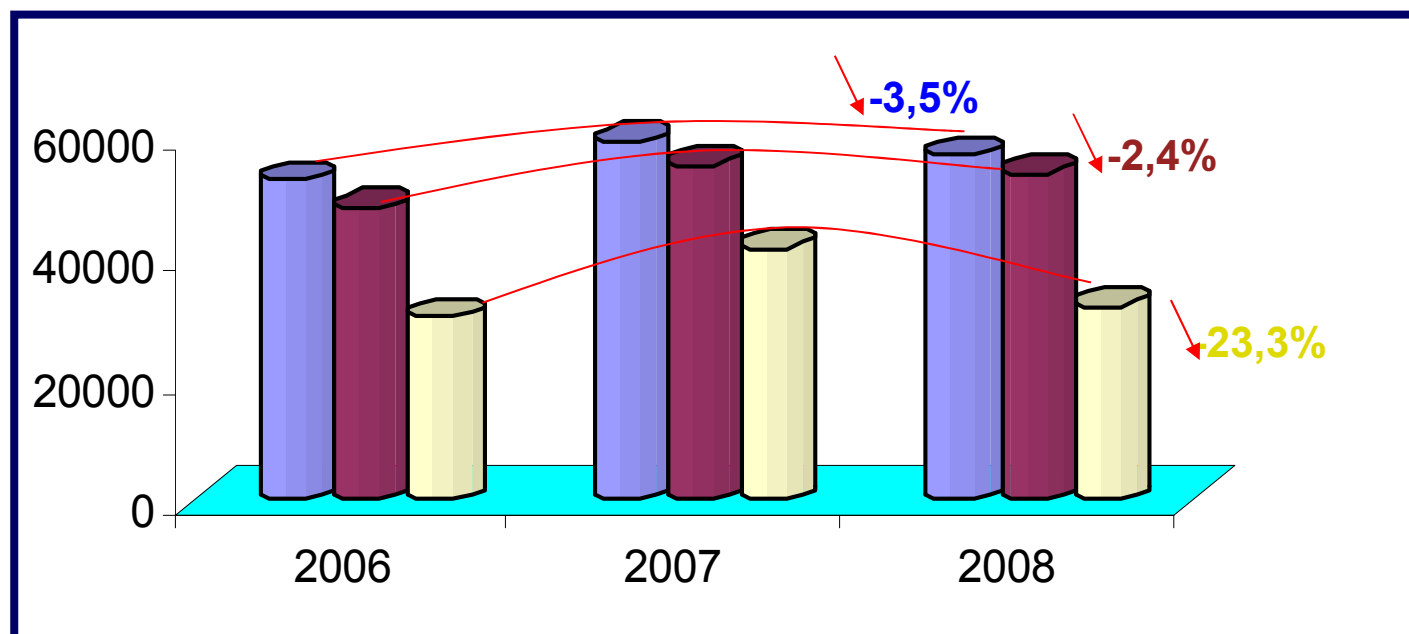
Moroccan banks do not hold claims "toxic"

2- The spreading channels of the economic crisis

Expected slowdown on the external demand in 2009



2- The spreading channels of the economic crisis



- Decrease in Moroccan migrants money transfers (2,4%)
- Decline in tourism incomes (3,5%)
- Regression of FDI flows (23,3%)



3 - Global economic crisis : the challenges

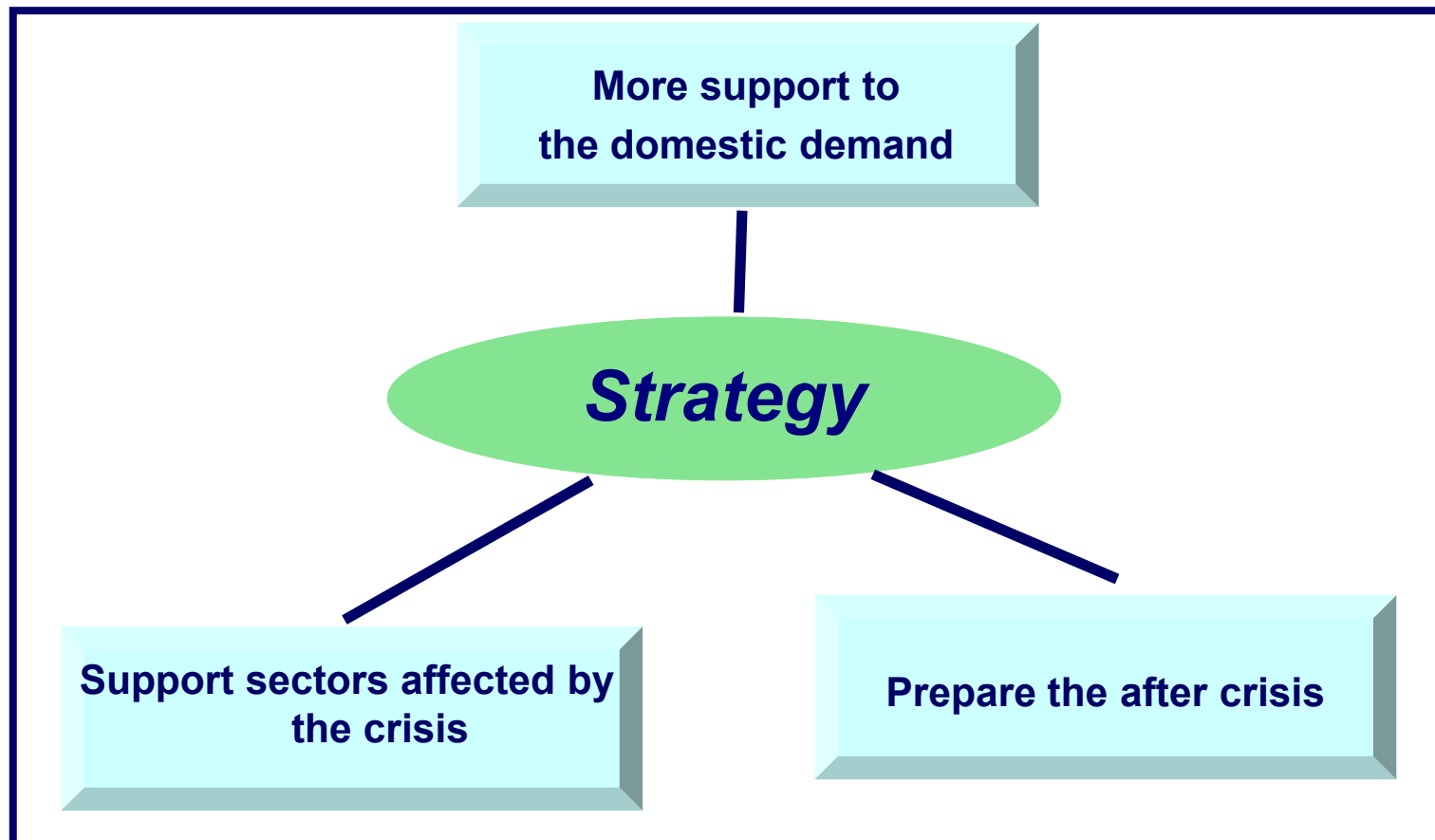
Growth slowdown of non-agricultural sectors

Increase in unemployment

Increase in current account deficit

Less external financings

III - Our strategy to mitigate the crisis effects

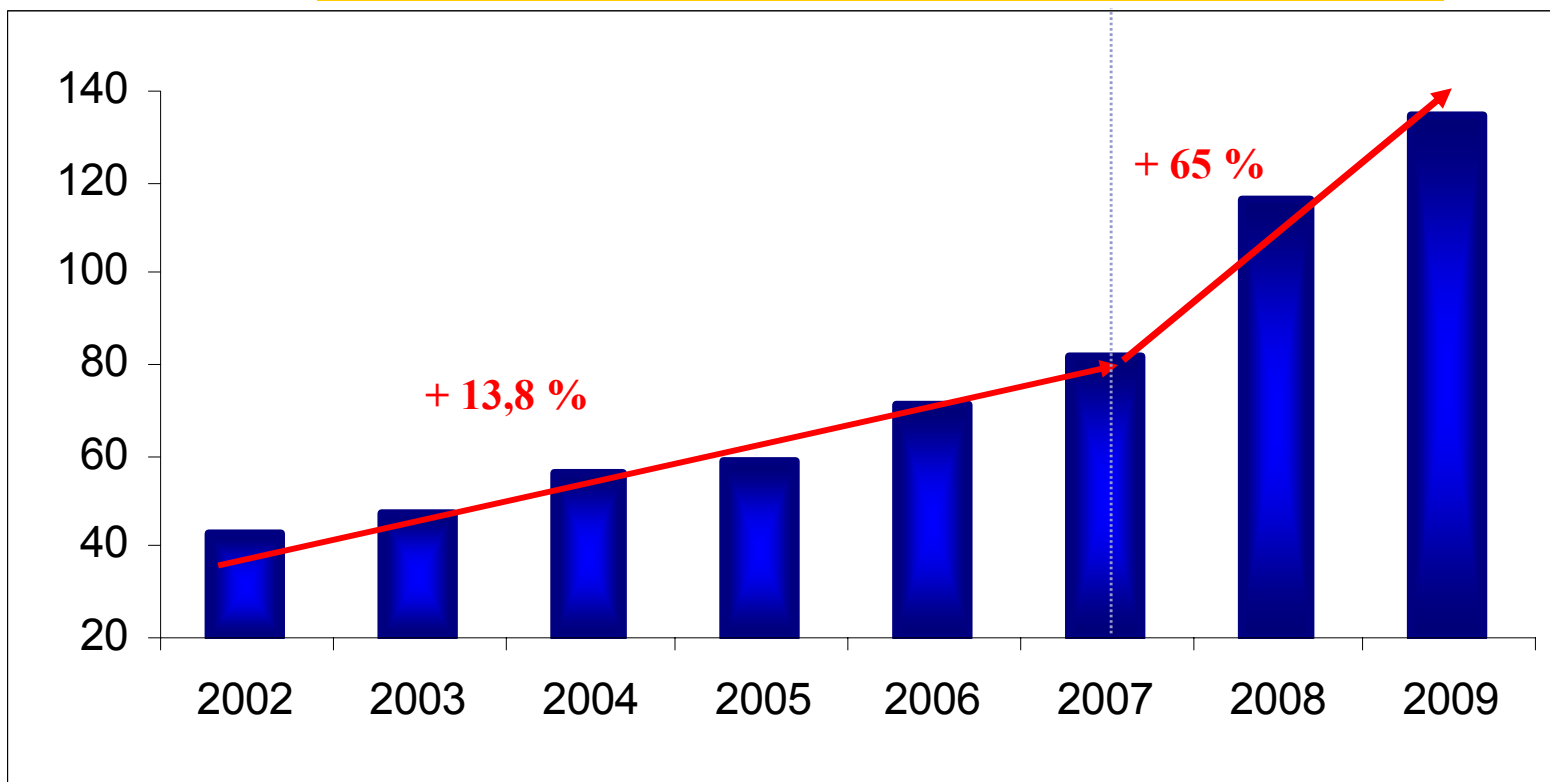


1- More support to the domestic demand

Accelerate the pace of big structuring projects

In Billion
Moroccan dhs

An increasing public investment



1- More support domestic demand

Major infrastructure development programs

- **Highways, roads and railways:** 1'000 km of highways, 15'000 km of rural roads and railways
- **Major integrated infrastructures** (e.g., « Tanger Med »): launch of a port in the North of Morocco at international standards, one of the top 3 ports in the Med
- **Energy policy:** massive investment programs in power generation and clean renewables and liberalization agenda
- **Utilities:** massive development of rural electrification (PERG), water distribution (PAGER) and waste management
- **Sustainable development / Water resources:** modernization of water efficiency systems in agriculture and new sustainable sources (pipeline, desalinization, dams)
- **Social Housing and urban development** (200'000 houses p.a.)

USD 10-15 bn

USD 2-3 bn

USD 2 bn

USD 1.5 bn

USD 6 bn

USD 15 bn



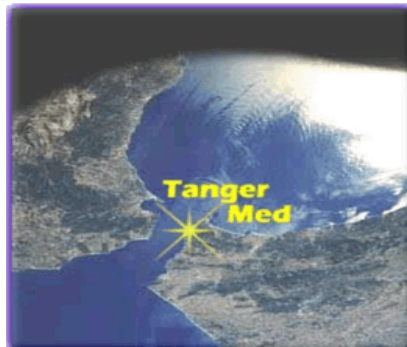
1- More support domestic demand

TangerMed: an example of integrated development plan

An integrated Logistics Hub

- 14 kms from Europe
- Top 3 ports in Mediterranean
- Full logistics integration

- Breakthrough developments
- in industry in record time



35 000 to 40 000
jobs in past
5 years



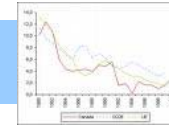
- About €600 millions investment
- 400 000 cars produced yearly (for export)
- Over 35 000 jobs
- 15-20 activities locally integrated

1- More support domestic demand

Protect purchasing power

Income improvement

Mastered Prices



Reinforcement of social security

Designing a conditional cash transfer program

Setting an insurance for job loss

Enlargement of the health care coverage



Enhancing human development

National Initiative for Human Development

Enhancement of rural zones

المبادرة الوطنية للتنمية البشرية
Initiative Nationale pour le Développement Humain



2- Supporting sectors affected by the crisis

Exports activities : the need to preserve jobs

- **Financial support** : creating a guarantee fund to improve the financial situation of firms
- **Commercial support** : Support marketing efforts to find new destinations for export
(creation of a fund to support exports)
- **Social support** : **giving** financial support the employer charges (100%) in affected sectors such automobile, textile and leather

Tourism : preserve the sector attractiveness (“cap 2009” plan)

3- Prepare for the after crisis

coherent agenda of structural reforms





IV - A new governance style

Moralization and civism

- Mandatory Asset declarations
- Creation of anti corruption agency
- Creation of a Special Control Unit Against Money Laundering

Contracting partnership

With :

- Private sector
- Public companies (contractual programs)
- Social partners

Institutional dimension

- Launch of the “competitiveness council”
- Creation of the Moroccan agency to promote investment
- Creation of agency to promote agriculture
- Creation of the comitee of business climate



■ Thank you for your attention