MOROCCAN AEROSPACE PLATFORM :
THE MOST COMPETITIVE IN THE MEDITERRANEAN REGION
Agenda

Morocco: a competitive aerospace platform

Morocco’s offer: 10 Reasons to Invest in Morocco
A win-win « co-localization »
Illustration with European and North American markets

North America

Europe

American OEMs

European OEMs

Competitive cost

Supplier

Traditional flow

Location in Morocco

Competitive plan "Integration into the local and foreign markets"
Over the past 10 years, Morocco has emerged as a significant industrial platform for the Aerospace industry.

**Export sales**

Export sales (in $Bn)

- 2001: 0.1
- 2012: 1.0 (x10)

**Employees**

- 2001: 1200
- 2012: 10,000 (x8)

**Companies**

- 2001: 10
- 2012: 105 (x10)

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**Key Figures**

- 100 COMPANIES
- 10,000 EMPLOYEES
- 20% AVERAGE ANNUAL GROWTH
- 1 Md $ TURNOVER AT EXPORT

Source: GiMAS, Moroccan Ministry of Industry and Trade
Land: “Midparc”
Innovative industrial parc

- Area of 126 Ha
- Rental supply to aerospace, spatial, electronic industries ....
- Modular industrial buildings specifically built within short time limit
- Available intermediary workshops in preparation for establishment
- One-stop shop concentrating all administrative services (legal, customs, tax ...)
- Connected to the highway and rail networks of the country
- Provides a unique logistical position at the gates of Europe and Africa
- 30 km distance from Casablanca and its port
- Located near to the main airport of Morocco (Casablanca Mohammed V)
- Ideally located alongside the aerospace cluster (Casablanca Aeropole)

Source: http://www.midparc.com
Invest in Morocco © 2014
Financing:
Investment incentives for aerospace

National Pact for Industrial Emergence

Aerospace identified among the 5 priority sectors

Creation of the first Aeronautical investment fund in Morocco managed by ACE Management

Fiscal Subsidies dedicated to Aerospace

<table>
<thead>
<tr>
<th>Corporate tax</th>
<th>0-5 years</th>
<th>5-25 years</th>
<th>25+ years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free zone (e.g. Midparc)</td>
<td>0%</td>
<td>8.75%</td>
<td>17.5%</td>
</tr>
<tr>
<td>Outside Free Zone</td>
<td>0%</td>
<td></td>
<td>17.5%</td>
</tr>
</tbody>
</table>

Investment subsidies dedicated to Aerospace

Investment Promotion Fund
- For investment > €18 M, outside free-zone areas, up to 5% of total investment
- Land Assistance: A contribution up to 20% of acquisition costs
- External Infrastructures: assistance of up to 5% of total amount of investment programme
- Training: A contribution of up to 20% of training costs.

Hassan II Fund
- For investment > €900K
- Contribution until €2.7 M
- Land Assistance: 30% of costs of land acquisition and development.
- Equipment: 15% of costs of new equipment (excluding taxes and import duties).

HR Subsidies for all Moroccan hires in Aerospace sector

<table>
<thead>
<tr>
<th>Training subsidies¹ ($/year/person)</th>
<th>Operator</th>
<th>Technician</th>
<th>Middle management</th>
<th>Engineer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upon hiring (Y1)</td>
<td>1400 €</td>
<td>1800 €</td>
<td>2600 €</td>
<td>3500 €</td>
</tr>
<tr>
<td>Continuing education (Y2&amp;3)</td>
<td>450 €</td>
<td>900 €</td>
<td>900 €</td>
<td>1800 €</td>
</tr>
</tbody>
</table>

1. 1 MAD = 0.1176 $  2. Fonds de Promotion de l’Investissement ; site acquisition, construction and training
Source: Moroccan Ministry of Industry and Trade, Commerce and New Technologies
**IMA trains between 800 and 1000 operators per year**

**Initial training**
- Composite manufacturing
- Assembly of parts and sub-parts
- Connectors, electronics and wiring
- Machining and tooling
- Boiler manufacturing

**Between 5 and 10 months**

**Enterprise integration**

**10 months of wage gains for investors**

«The quality of the IMA training allows trainees to be operational in the month following job integration instead of 6 months previously», Gilles DELAHOULLIERE, Operations Director of Aircelle Morocco

**Monthly net salary (hiring)**
- = 250 €
- = 1500 €


Invest in Morocco © 2014
Training (2) : Specialized Institute for Aeronautics and Airport Logistics (ISMALA)

- **Project**: Training Institute to accompany the national and international aerospace companies (inaugurated in September 2013)

- **Location**: Airport Area Nouasseur (built on an area of 15,000 m²)

- **Double mission**: Training young people, in response to the needs of aviation operators, and training of employees in the sector through a range of tailored training

- **Capacity**: 2000 training seats
  - Machining MOCN
  - Mechatronics
  - Airport logistics and freight management
  - Fitting-fitting airframes
  - Aerospace boiler
  - Composites in aerospace
  - Aircraft Maintenance Technician

Source: OFPPT
Morocco has been hosting a growing number of Aerospace companies

Quick growth of Aerospace companies based in Morocco in 10 years

Source: GIMAS, AMDI
The Morocco attracts several aerospace leading
Value chain in Morocco
A consolidated supply chain

**Wiring**
- Thalès
- Labinal
- Nexans
- OB/Selha
- Tronico
- Eolane
- Esterline
- Trial
- Crouzet
- NSE BM
- Astema
- N’ergy
- ACJH

**Sheetmetal**
- Zodiac
- Aero 13
- Segula
- Lisi
- GMM
- AOCM
- Mundac
- SLTS
- EFOA
- L’électrolyse
- UMPM
- Casa Aero
- Aml microtechnique

**Machining**
- Lisi
- Zodiac
- Circors Atlas
- Sira
- SPMA/ARM
- Bouy
- Mecachrome
- Chatal Maroc
- Halgand
- Slicom aero
- SPMA
- Aml microtechnique
- UMPM
- Casa aero
- Sumpar

**Composite materials**
- EADS Sogerma
- Aircelle
- Daher
- Ratier Figeac
- MS composite
- Excel Technique composite
- Stacem
- Socaero
- ASM/SABCA
- Segaplast Nief
- Composite industrie

**Final assembly**
- Bombardier
- Daher
- Ratier Figeac
- Aircelle
- EADS Sogerma
- ASM/SABCA

Source: Safran
Main aerospace companies by region
Testimonials & Success Stories

Bruno IGOUNENC
General Director of EADS Maroc Aviation

« 100% of Airbus and ATR delivered worldwide fly with parts manufactured in Morocco ».

Benoît MARTIN-LAPRADE
General Director of Airelle Maroc

« Airelle Morocco delivers over 200 BR710 inverters per year. A performance ranked by Rolls Royce as "class leading". »

Frédéric ARCIET
General Director of Zodiac Aerospace Morocco

« The IMA is an effective and efficient system because the needs are predefined by industry and the training courses are adapted to our requirements and constraints. As far as our Machining and Electrical Systems activities are concerned, IMA succeeded in integrating Zodiac Aerospace Morocco culture in the training programs ». 

Thierry QUILLET
General Director of SOURIAU MAROC

« The site of Tangier played a key role in our company’s survival ». 

Thomas CORBEL
President of LE PISTON FRANÇAIS

« A part made in Morocco is 30% cheaper than in France ». 

Hugo BROUILLARD
General Director of BOMBARDIER AEROSPACE MAROC

« We are determined to contribute to the development of what promises to be a thriving aerospace cluster in Casablanca ». 

Reportage TF1 (JT le 20H du 5 janvier 2014)
Labinal Morocco

Location: Aïn Atiq, Préfecture of Skhirat Temara

- **Project**: Unit of production, assembly and marketing of electrical wiring for the aerospace industry, opened in 2006
- **Investment**: ~ € 9 M
- **Employees**: ~ 600 employees
- **Area**: 70 000 m²
- **Turnover (2012)**: ~ € 34 M, 100% export-oriented
- **Main clients**: Airbus, Eurocopter
- **Training**: The company has its own training center providing theoretical and practical courses on business aircraft wiring
- **A350 Airbus Program**: Labinal Morocco became an industrialization unit capable of providing 75% of the wiring of the entire fuselage of the A350

Source: [http://www.rabatinvest.ma](http://www.rabatinvest.ma)

Invest in Morocco © 2014
## Aircelle Morocco

**Location:** Nouasseur, Casablanca

<table>
<thead>
<tr>
<th>Project</th>
<th>Unit assembly of <strong>nacelle structures parts</strong> and manufacturing <strong>composite parts</strong> for the aerospace industry, operating since 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment</td>
<td>€ 18 M</td>
</tr>
<tr>
<td>Employees</td>
<td>500 full time employees</td>
</tr>
<tr>
<td>Area</td>
<td>20 000 m²</td>
</tr>
<tr>
<td>Turnover (2012)</td>
<td>~ € 100 M</td>
</tr>
<tr>
<td>Programs</td>
<td></td>
</tr>
</tbody>
</table>
- Airbus A320: Doors inverters and IFS (Inner Fixed Structure) for the CFM56 engine nacelles  
- Business Aircraft Bombardier Global Express, Global Express XRS, Global 5000 and Gulfstream V and 500/550: Inverters full thrust Rolls Royce BR710 engines  
- Aircelle Morocco also runs assembly lines for Snecma SaM 146 engines, cowlings Learjet and CF34 engines jets Embraer ERJ 170 |
| Certification | Aircelle Morocco was the first institution to receive Aircelle **MRP2 Class A certification** issued by the firm Oliver Wright, attesting its level of industrial excellence |

*Source: Presse, siteweb Aircelle*
**Snecma Morocco Engine Services (SMES)**

*Location*: Mohammed V Airport, Nouasseur, Casablanca

<table>
<thead>
<tr>
<th><strong>Project</strong></th>
<th>Maintenance and repair Center of CFM56-3, CFM56-7B and CFM56-5B, and some equipment or power APUs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Shareholding</strong></td>
<td>Snecma (Safran group) (51%) and Royal Air Maroc (49%)</td>
</tr>
<tr>
<td><strong>Investment</strong></td>
<td>$ 3,5 M</td>
</tr>
<tr>
<td><strong>Employees</strong></td>
<td>200 employees</td>
</tr>
<tr>
<td><strong>Area</strong></td>
<td>8000 m²</td>
</tr>
<tr>
<td><strong>Turnover (2012)</strong></td>
<td>~ € 83 M</td>
</tr>
<tr>
<td><strong>Certifications</strong></td>
<td>DAC, EASA, FAA, ISO 9001-EN 9110, ISO 14001</td>
</tr>
</tbody>
</table>

**Clients**

Wide range of clients around the world: USA, Europe, CIS, Africa, Middle East and Asia

SMES has been chosen by more than 40 airlines, and has already accomplished more than 300 shop visits

Source: Presse, siteweb Snecma
### Matis Aerospace Morocco

**Location:** Nouasseur, Casablanca

**Main clients:**
- Airbus
- Dassault
- Snecma
- Boeing
- Turbo Meca

**Investment**
- **Wiring harness production unit**
- **Boeing (50%) and Labinal (50%)**
- **$ 50 M**

**Employees (2011):**
- ~ 700 employees

**Area:**
- 11 150 m²

**Turnover (2011):**
- ~ € 45 M

**Main clients:**
- Airbus, Dassault, Snecma, Boeing, Turbo Meca

**Boeing Programs:**
- Boeing 737 Next Generation, 777, 757, 767, 747, 787
- MATIS provides more than 80,000 per year harness cables that feed the main electronic systems of Boeing 737 and 777

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1. LesEcos (18 octobre 2011)  
**Source:** Presse, entretiens BCG  
**Invest in Morocco © 2014**
Bombardier Aerospace North Africa: 1st plant in Africa
Location: Midparc, Casablanca

Main reasons for location in Morocco

- Lower transportation and shipping costs
- Proximity to Europe
- Competitive manufacturing costs
- Commitment of the Moroccan government to develop the aerospace industry

3rd largest aircraft manufacturer
$17.7 billion (2011 Turnover)

Unit production of structural components of the flight controls of Learjet 70 and 75 business airplanes and CRJ Series commercial airplanes

$200 M (3 phases)

850 direct
4,400 indirect

55,000 m² (1st phase)

Construction start: September 2013
Production start: mid-2014

Investment
Projected jobs
Area
Permanent installations

Source: Presse
(L’Economiste, Édition N° 3965 du 11/02/2013)
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Agenda

Morocco: a competitive aerospace platform

Morocco’s offer: 10 Reasons to Invest in Morocco
A continuing drive for openness and democratisation

- National Sovereignty
  - By referendum or through constitutional institutions

- Freedom of opinion, expression, association and membership to any political party or union labor organization
  - Guaranteed by the Constitution

- A bicameral parliamentary system

- Both chambers vote on all laws

- Constitutionnal Council
  - Reviews the conformity of all laws with the Constitution

- The judicial branch remains independent from the legislative and executive branches

- 33 political parties and over 85,000 associations and NGO’s

In July 2011, a referendum established a new constitution, guaranteeing

- The plurality of the Moroccan identity

- The legality of the state and its institutions

- The enlargement of the scope of individual as well collective freedoms

- The reinforcement of Human rights scheme

- The reinforcement of the status of the Prime Minister as the head of the government, directly responsible of the public administration

- The improvement of moral standards in public life

Morocco, most stable country in North Africa in 2012
According to The Association For International Affairs

Morocco, most pacifist country in North Africa in 2013
According to Global Peace Index 2013

Morocco, most democratic country in Arab region in 2013
According to the Egyptian center Ibn Khaldoun
### Strong macroeconomic drivers

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Growth</td>
<td>4.8%</td>
<td>(average 2001-2012)</td>
</tr>
<tr>
<td>Inflation</td>
<td>1.7%</td>
<td>(average 2001-2012)</td>
</tr>
<tr>
<td>FDI evolution*</td>
<td>38%</td>
<td>(average 2011-2012)</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>9.1%</td>
<td>(end of September 2013)</td>
</tr>
</tbody>
</table>

*Net inflows of FDI

Sources: Haut Commissariat au Plan, Office des Changes; Bank Al Maghrib; World Bank

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**African Country of the future 2011-2012**

- **S&P affirms Morocco's rating** 2012
- **Fitch Ratings maintains Investment Grade** 2012-2013
- **International Monetary Fund** February 2012
  
  «... Robust growth, low inflation and poverty reduction … »
### A business environment favourable to investment

#### Investor Protection
- **51** Double Tax Avoidance Agreements
- **62** Investment Protection Agreements
- Member of [OECD Investment Committee](https://www.oecd.org)
- Member of [International Centre for Settlement of Investment Disputes (ICSID)](https://www.icsid.org)
- Member of [MIGA](https://www.miga.org) (Multilateral Investment Guarantee Agency)

#### Legal Reforms
- The creation of the Business Environment National Committee (CNEA) to facilitate procedures and access to information, and to carry out legal reforms
- The modernisation of business law
- The strengthening of intellectual property protection
- A new law on arbitration and mediation
- New banking regulations
- Administrative simplification

#### International Instruments
- Morocco adhered to the OECD Declaration on Propriety, Integrity and Transparency in the Conduct of International Business and Finance and to the OECD Declaration on Green Growth

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Morocco gained **8** positions in global ranking of “Doing Business 2014”
Morocco is "the most improved" country in business regulations in 2011

(+21 positions)
Diversified Free Trade Agreements

- Agreement with United States of America (2005)
- Association Agreement with European Union (1996)
  Advanced Status with EU (2008)
- Agreement with Turkey (2003)
- Agreement under negotiations with the Economic Community of West African States (ECOWAS & CEMAC)
- Agreement under negotiations with Canada

- 55 countries
- 60% of GDP
- 1 billion consumers
Geostrategic position

Europe

Tanger Med

14 km

Maroc
At the crossroads of the continents

Geographical proximity to Europe: logistical gains

Flight duration
Sea/land route

Sources: Royal Air Maroc; COMANAV
Logistics Hub of international stature
Connections to 120 ports in 56 countries, with 40 services

Current capacity of **3.5 million** containers (**8.5 millions** in 2015)
2 container terminals
**2.5 million TEUs** * in 2013
Ambition: To be included in the **World Top 15**

*TEU: Twenty foot equivalent unit

Source: UNCTAD; Chambre de Commerce Suisse au Maroc

Invest in Morocco © 2014
Competitive labor costs

### Entry-level workers

<table>
<thead>
<tr>
<th>Country</th>
<th>Average wage per employee (in 000' $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tunisia</td>
<td>3</td>
</tr>
<tr>
<td>Morocco</td>
<td>5</td>
</tr>
<tr>
<td>Turkey</td>
<td>8</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>30</td>
</tr>
<tr>
<td>France</td>
<td>33</td>
</tr>
<tr>
<td>United States</td>
<td>0</td>
</tr>
</tbody>
</table>

### Technicians and engineers

<table>
<thead>
<tr>
<th>Country</th>
<th>Average wage per employee (in 000' $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tunisia</td>
<td>11</td>
</tr>
<tr>
<td>Morocco</td>
<td>21</td>
</tr>
<tr>
<td>Turkey</td>
<td>36</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>21</td>
</tr>
<tr>
<td>France</td>
<td>55</td>
</tr>
<tr>
<td>United States</td>
<td>62</td>
</tr>
</tbody>
</table>

### Internationally-educated top engineers

<table>
<thead>
<tr>
<th>Country</th>
<th>Average wage per employee (in 000' $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tunisia</td>
<td>54</td>
</tr>
<tr>
<td>Morocco</td>
<td>75</td>
</tr>
<tr>
<td>Turkey</td>
<td>91</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>70</td>
</tr>
<tr>
<td>France</td>
<td>133</td>
</tr>
<tr>
<td>United States</td>
<td>119</td>
</tr>
</tbody>
</table>

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**Labor costs for a plant of 100 employees (in 000' $)**

<table>
<thead>
<tr>
<th>Country</th>
<th>Cost (in 000' $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tunisia</td>
<td>678</td>
</tr>
<tr>
<td>Morocco</td>
<td>1010</td>
</tr>
<tr>
<td>Turkey</td>
<td>1495</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>1410</td>
</tr>
<tr>
<td>France</td>
<td>3765</td>
</tr>
<tr>
<td>United States</td>
<td>4020</td>
</tr>
</tbody>
</table>

**100 employees:**
- 85 workers
- 10 technicians and engineers
- 5 internationally-educated top engineers

1. Average HR distribution in an aerospace plant in Morocco
   Note: 1 MAD = 0.1176 $, 1 CZK = 0.0529 $, 1 € = 1.3079 $, 1 TND = 0.6534 $
**A Highly qualified Workforce**

**A young and educated population**

- 64% of Moroccans are aged under 34 years
- 6 million young people (between 18 and 35 years old)
- An active population of 12 million
- 175 000 university students
- Training of 15 000 engineering graduates per year for 2015 and 25 000 for 2020
- Over 100 public universities and schools
- Over 200 private universities

**A youth open to the world**

- 16 million internet users
- 4.4 million Facebook users (+38k Twitters, 1st in arab countries)
- 20 millions of french speakers
- 6 millions of spanish speakers
- Steady growth of English (Morocco ranked 45th worldwide and 2nd in North Africa, in terms of mastering English*)
- Strong cultural and linguistic affinity with Europe

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* World index of english level, by the organism « Education First »

Sources: Arab Social Media Report, Dubai School of Government; Haut Commissariat au Plan, Ministère de l’Enseignement Supérieur, Agence Nationale de Réglementation des Télécommunications
A solid and competent banking system

Key Elements

✓ The highest penetration of banking services in Africa after South Africa.
  - Bank assets reached 73% of GDP, as opposed to 69% in Egypt and 33% in Algeria.

✓ 3 national banks in African Top-15 in 2013
  - Attijariwafa Bank: #7
  - Groupe Banque Populaire: #8
  - BMCE Bank: #11

✓ A strong presence in African countries to support Moroccan businesses.

Attijariwafa Bank

- Net banking: €813 million
- Net operating income: €445 million

Groupe Banque Populaire

- Net banking: €1.03 billion
- Net operating income: €82.6 million

BMCE Bank (& Bank of Africa)

- Net banking: €803 million
- Net operating income: €179 million

Source: Jeune Afrique, Banque al Magrib, banks websites & annual reports 2012
Morocco: quality of life combining tradition and modernity

Rabat city

Casablanca city
Who we are

AMDI

Structure to host, inform and support investors

Files confidentiality

Services for free

Public entity with legal personality and financial autonomy
What we do

Helps you settle and thrive

Facilitates the integration of your business into the local economy.

Helps you carry out your project

Assists you in accelerating procedures and guides you in the contacts with government services.

With you along the way

Ensure the satisfaction of investors thanks to its after care service.
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Thank you for your attention