

MOROCCO

A REGIONAL AND CONTINENTAL ENGINE FOR DEVELOPMENT

HIGH-LEVEL
ECONOMIC
FORUM

3 FEBRUARY 2014



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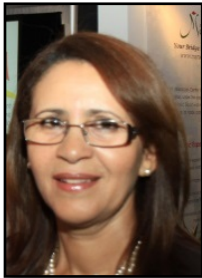


ICAO

MOROCCO

A Regional and Continental Engine for Development

High-Level Economic Forum: 3 February 2014



Nouzha Chekrouni, Ambassador to His Majesty the King

This Forum aims to provide a platform for innovative partnerships in the flagship areas of tourism, aviation and air transport.

The Morocco-Canada partnership, strengthened by ICAO's support, represents an excellent opportunity that opens up new and promising prospects for the development of these sectors in Morocco and across the continent of Africa.

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THE FORUM CONTEXT

Morocco has undertaken substantial reforms under the leadership of His Majesty, King Mohammed VI, in all of the economic sectors that help to raise Morocco's profile and allow it to position itself as a key player in development throughout Africa, whether at the level of tourism, air transport, civil aviation or any other promising sector for the country.



It is within this context that the Embassy of the Kingdom of Morocco, in collaboration with the International Civil Aviation Organization (ICAO), is particularly interested in forming special partnerships to promote promising Moroccan sectors of particular interest to Canadian investors, especially in tourism, air transport and the aviation industry.

This forum provides an opportunity to bring together officials, international organizations and Canadian and Quebecois investors to find out more about the business opportunities offered by the Kingdom in the field of air transport, tourism and the aviation industry. This forum is advocating for a win/win, sustainable and innovative partnership between Morocco and Canada.



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OBJECTIVES

Therefore, this Forum aims to bring together foreign investors interested in investing in Morocco and in Africa for the purpose of identifying new investment projects on the continent, as well as consolidating Morocco's position as the gateway to African markets. This is especially the case now that the Kingdom is planning to expedite the conclusion of free trade agreements with African regional blocs to encourage economic regional integration, where Morocco will act as both the driving force and the bridge towards Western countries.

This will be endorsed by declarations of intent or agreement in principle from participating Canadian investors who have identified a business opportunity in Morocco.



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FORUM THEMES

Tourism



Morocco is a destination that has seduced a fair number of political and artistic personalities. Morocco represents a unique tourist experience, thanks to the many pleasures offered by its contrasting, varied landscapes (the 'Medinas' of the imperial cities, the wild, high Atlas valleys, the coastlines, the desert, etc.) and its rich cultural heritage.



Lahcen Haddad, Minister of Tourism

Morocco has recorded considerable progress in its tourism industry since the beginning of this century. This sector, which has been a pillar of the Moroccan economy for over 10 years now, employs almost half a million workers, is ranked amongst the top 3 sectors for attracting FDI and accounts for 8.5% of national GDP. These results have been made possible thanks to the overall dynamics of public and private players, with many projects being implemented in the areas of infrastructure, training, regulations, promotion and investment.

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Morocco is developing fast and is also seeing growth in its luxury sector, with France and the United Arab Emirates as the top investors in this sector. In order to increase its attractiveness to other investors, in particular Canadian investors, the Kingdom has also introduced a very attractive framework of incentives, namely:

- ◇ Exemptions and reductions with regard to import duties, Value Added Tax (VAT), Corporation Tax (CT) and Income Tax (IT).
- ◇ A contractual scheme that allows investors who meet a certain number of criteria¹ to take advantage of subsidies when implementing their projects.
- ◇ Provision of funding within the framework of Vision 20202; an instrument has been set up for the mobilization of national and international investment called the Moroccan Tourist Development Fund (FMDT). This fund allows investment grants to be allocated on the basis of the level of investor-perceived risk for each product type and destination.

In addition to the support provided by commercial banks for funding of the sector, national investment funds have also been created to support growth in tourism project development, namely: Actif Invest, Madaef, H partners, T capital and Saham Hotels.



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Investment opportunities:

- ◇ The Azur 2020 Programme: Establishing a real Moroccan seaside resort range that is internationally competitive.
- ◇ The Green/ Eco/ Sustainable Development Programme: Enhancing natural and rural resources whilst respecting the socio-cultural authenticity of the host communities.
- ◇ Patrimony and Heritage Programme: Promoting Morocco's cultural identity by structuring and adding value to the Kingdom's tangible and intangible heritage and by building coherent and attractive tourism products;
- ◇ Activities, Sports and Leisure Programme: Creation of a rich and varied range of activities that complement the basic tourist infrastructure in order to strengthen Moroccan tourism and make it more attractive and competitive.
- ◇ High added value Niche Programme (or business and well-being): Strengthen Morocco's position as a tourist destination for business, well-being and health pursuits.
- ◇ Biladi Programme: Strengthen the tourism market aimed at nationals by using a tailor-made product, which takes account of their habits and customs.



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For several decades now, Moroccan tourism has been consolidating its development and the positioning of its authenticity label. This positioning represents a real competitive advantage for Morocco today compared to its direct competitors, who are mainly involved in mass tourism. The most significant comparative advantage of the Kingdom lies in its diversity: diversity in terms of the territories and landscapes; diversity of natural resources and ecosystems as well as diversity of cultures and influences (African and European). Moreover, Vision 2020 places sustainable development at the heart of its aspirations, in accordance with the general guidelines adopted for the country as a whole. Morocco's resources have been conserved down through history - an aspect which endows Morocco with real, considerable potential to stand out from the crowd within a very competitive environment going forward.

In order to support the Kingdom's efforts in this area, the World Tourism Organization (WTO) and the United Nations Development Programme (UNDP) have signed an agreement with the Moroccan government, which aims to provide support to the Moroccan Tourism Ministry as it implements a new system for ranking tourist accommodation establishments. The objective is to improve the quality of accommodation in all establishments and strengthen Morocco's competitiveness as a tourist destination.

This project is being funded by the Moroccan government and implemented by the WTO, which will provide technical assistance to the Tourism Ministry between 2013 and 2018. Its aim is to increase the competitiveness of the hotel industry in Morocco in compliance with international standards, while creating a true quality-based culture within the accommodation sector.

Morocco is the top tourist destination in North Africa; it has welcomed nearly ten million international tourists and generated revenues of 6.7 billion US dollars in 2012. Morocco has been a member of the WTO since 1975, and is showing remarkable growth in tourism, having more than doubled the number of international tourist arrivals over the last decade. A large part of this expansion has been achieved by diversifying tourist attractions, opening up its airspace and setting up a national transport strategy, in particular in the field of air transport, which remains a key factor for the recovery and development of the sector.





Air Transport



Within the framework of the large-scale major projects policy being pursued by Morocco, the Kingdom has set up a national strategy in the field of civil aviation, which stretches until 2035 and the objective thereof is to:

- ◇ develop air infrastructure by building and expanding several terminals, which have been fitted with new equipment in order to ensure a maximum level of aviation safety and security;
- ◇ renovate aerodromes to enable them to receive new generation aircraft and thus respond to the increasing passenger volume-related demand. Special note should be taken of the airport construction and equipment projects that are being implemented within the framework of a public-private partnership;
- ◇ create a multidisciplinary training centre dedicated to civil aviation professions in order to meet investors' needs in the areas of air transport and aviation, and guarantee a higher level of aviation safety and security.
- ◇ structure airspace and implement new standards and regulations issued by the International Civil Aviation Organization (ICAO), with the aim of increasing the level of aviation safety and security.

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Air transport in Morocco is continually developing its services and areas of operation. As one of the key vectors for economic development, the Moroccan State has undertaken structural reforms. The Moroccan sky has been opened up to foreign investors and several local airports have had their capital and administrative infrastructure revamped in order to offer a quality of service in keeping with international standards..



Abdelaziz Rabbah, Minister of Equipment, Transport and Logistics

Morocco remains a country which is favourably inclined towards the adoption of this Business Model, in particular as a result of the legislation drafted in this area to regulate this partnership. Moreover, the Kingdom also enjoys political stability, which ensures better visibility for investors and thus a guaranteed return on investment. Good governance and Morocco's strategic geographical position mean that it is predestined to act as a launching pad towards Africa, Europe and America.

Other strategies have been launched to promote the sector, namely: opening up both national and international routes to competition and upgrading the aviation industry to ensure maintenance and repair of aircraft equipment.

Confidence in the Moroccan air transport sector is not just a national phenomenon. In June 2013, Royal Air Maroc announced the purchase of 20 to 30 new aircraft by 2020 and the opening up of air routes to Nairobi and Sao Paulo; several foreign airline companies participated in these projects, thereby suggesting strong growth to come in the volume of visitors to Morocco.

On-demand air transport has been developing in parallel in Morocco. Currently, there is a vast, diversified range of services available covering several areas and offering everything from air-taxi to medical evacuation to aerial phytosanitary treatment to flight training. These services are multiplying and improving in quality every year.

Moreover, several accompanying measures have also been put in place to ensure optimal implementation of the national aviation strategy and achievement of the objectives set. These measures include, in particular, institutional reform of the aviation sector; encouraging investment in the field of air transport and creating the right conditions for promoting the aviation industry in the Kingdom.



Aviation Industry



The Aerospace sector in Morocco enjoys many advantages, making it the most competitive sector in the region in terms of production, services, maintenance or engineering.

The number of businesses being established has risen sharply over the last few years, with cumulative investments and turnover figures showing continuous growth. However, this figure still remains below the estimated development potential. Therefore, a tailor-made Moroccan offer has been put in place, which is organized around the following axes:

- ◇ Free zone status offering total exemption from CT during the first five years, followed by a cap of 8.75%;
- ◇ Start-up grants representing 10% of the total amount invested;
- ◇ A skilled Human Resources development scheme, which includes a grants system for operators in their training efforts at the time of recruitment and with continuous training, as well as a training plan adapted to meet the needs of the Aerospace sector;
- ◇ A diversified range of property options which meet the best international standards within a dedicated Integrated Industrial Platform (P2I) that enjoys free zone status; and
- ◇ Very competitive operating costs (labour, corporation taxes and transport costs).

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Morocco has demonstrated its ability to host a quality aerospace industry not only because of its indisputable competitive advantages but also because the right conditions exist that meet the sector-imposed requirements in terms of safety and excellence. Moreover, a solid partnership and a shared, consensual public-private strategy are enabling this sector to seize new opportunities more successfully.

Over and above the strategic measures adopted by the Government to attract potential investments in all Moroccan sectors, the Kingdom also enjoys structural advantages, which contribute positively to the emergence of a dynamic and competitive industrial fabric. These advantages include: its geo-strategic position; its positive economic performance; its robust growth based on sound fundamentals; access to a market of one billion African, Arab and European consumers; a skilled labour force at competitive prices; a culture of openness and tolerance, as well as political stability in a calm, democratic environment, which serves to make Morocco an even more attractive destination.

Morocco is a prime market, which is endowed with one of the most developed business environments on the African continent. Morocco is the gateway to Africa thanks to its developed business context and its investments across the continent. The banking sector is well established and has both large domestic banks and big international financial institutions in the country. The Moroccan Investment Development Agency (AMDIA) was created to assist foreign companies to invest in Morocco, and this agency has a representative office in New York to support and guide all North American companies that are looking for investment opportunities in the Kingdom.



Moulay Hafid Alaoui, Minister of Industry, Trade, Investment and the Digital Economy

"Morocco has always viewed its African roots and proximity to Europe as key factors for success in the further consolidation of its assets, and obviously places the continent to which it belongs at the heart of its undertakings. Morocco also wishes to express its commitment to pursue additional opportunities that could emerge from deeper cooperation, through the implementation of tangible, mutually beneficial projects."

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PROGRAMME

07 : 00		Registration opens
08 : 00	–	09 : 00 Moroccan breakfast
09 : 00	–	09 : 30 OFFICIAL OPENING
		◇ Her Excellency, Madam the Ambassador – Nouzha Chekrouni
		◇ Secretary General, ICAO – Raymond Benjamin
		◇ His Excellency, Quebec Tourism Minister – Pascal Bérubé
		◇ His Excellency, Moroccan Tourism Minister – Lahcen Haddad
		◇ Secretary General, World Tourism Organization (UNWTO) – Taleb Rifai
09 : 30	–	09 : 45 Refreshment Break
09 : 45	–	10 : 55 First Panel
		<i>Moderator: Pr. Jamal Chaouki, Ecole Polytechnique of Montreal</i>
		◇ Moroccan Tourism Ministry (tourism and tourism-related investments)
		◇ Canada-Quebec Office of Tourism – Marc Croteau
		◇ Moroccan Corporation of Tourism Engineering (SMIT) – Imad Barrakad
10 : 55	–	11 : 10 Sharing of experiences and brief presentation of projects
		◇ Transat Discoveries – Susie Devault
		◇ Royal Air Maroc (RAM) – Mohammed Maali
11 : 10	–	11 : 20 Discussions

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11 : 20 – 12 : 15 Second Panel

Moderator: **Marie Lacerte**, Director Business Development, Groupe Gemina

- ◇ ICAO, Director, Air Transport Bureau – **Boubacar Djibo**
- ◇ The Moroccan Ministry of Equipment and Transport – **Abdennebi Manar**
- ◇ Aéro Montréal Association – **Suzanne M. Benoit**
- ◇ The Ministry of Industry, Trade, Investment and the Digital Economy –
Ali El Yaacoubi

12 : 15 – 12 : 30 Sharing of experiences and brief presentation of projects

- ◇ Bombardier – **Michael R. McAdoo**
- ◇ Association Québécoise des Transports (AQTR)

12 : 30 – 12 : 40 Discussions

12 : 40 – 12 : 50 *Closing*