KVINNA KVINNA

CAWTAR Center of Arab Women for Training and Research

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EMPOWERING WOMEN ENTREPRENEURS
IN THE MENA REGION TOWARDS EQUAL ACCESS
WITH MEN TO BUSINESS AND TRADE

MARKET STATE OF ART & TRENDS

MOROCCO COUNTRY PROFILE

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LIST OF ABBREVIATIONS

Abbreviation	Definition
AMITH	*Moroccan Association of Textile and Clothing Industries*
ANRT	*National Telecommunications Regulatory Agency*
CAWTAR	*Center of Arab Women for Training and Research*
DH	*Moroccan Dirham*
EDEC	*Export Development for Employment Creation*
EU	*European Union*
FIT	*Fashion Institute of Technology*
FTA	*Free-trade Agreement*
GDP	*Gross Domestic Product*
HCP	*High Commission for Planning*
IAP	*Industrial Acceleration Plan*
ICT	*Information and Communications Technology*
LED	*Light-emitting Diodes*
MENA	*Middle East and North Africa*
SME	*Small and Medium-sized Enterprises*
SWOT	*Strengths, Weaknesses, Opportunities, and Threats*
USD	*United States Dollar*
VoIP	*Voice-over internet Protocol*

INTRODUCTION

Under developmental efforts by The Centre of Arab Women for Training and Research (CAWTAR), launching the project 'Empowering Women Entrepreneurs in the MENA Region towards Equal Access with Men to Business and Trade Markets', this report aims to analyse the sectors that were previously identified as sectors with high potential for women participation and for creating businesses in 6 MENA countries. The report at hand is amongst a series of 6 reports for each of the following countries namely Algeria, Egypt, Jordan, Lebanon, Morocco, and Tunisia in the prominent sectors of agri-food, textile, and ICT. The report presents a main economic overview of the country followed by a market trends analysis on each of these sectors. This report therefore represents Egypt and emphasizes on assessing potential business opportunities to be led by women in the country.

Macroeconomic Overview

Morocco's economy has remained fairly stable since its independence. It has Africa's fifth-largest economy with the services sector accounting for slightly more than half of the GDP, and with industry (mining, construction, and manufacturing) accounting for another quarter, while other sectors namely, tourism, telecommunications, information technology, and textiles have witnessed the most growth. The table below (table 1) lists Morocco's most relevant and most recent available demographics and macroeconomic indicators.

Table 1: Algeria's macroeconomic indicator

Demographics & Macroeconomic Indicators	
Population, 2020	36.9 million[1], with a 1.8 yearly growth rate[2].
Age structure[3]	0-14 years: 25.9% 15-59 years: 62.8% 60 years and over: 11.3%
Population distribution by gender, 2020 [4]	Males: 18.32 million. Females: 18.59 million.
Labor force, 2020	11.5 million[5]
Urbanization rate [6]	63.4% of the population
Literacy rate by gender[7]	Males: 83.3%, Females: 64.6%
Unemployment rate, 2021	11.8%[8]
Poverty rate, 2020[9]	3.3%
GDP growth trend[10]	2018: 3.15%, 2019: 2.61%, 2020: -6.29%

1. Population, total – Morocco. World Bank, 2020
2. Population growth (annual %) - Morocco. World Bank, 2020
3. Haut-Commissariat au Plan
4. O'Neill, Aaron. Morocco: Total population from 2010 to 2020, by gender. Statista, 2021
5. Labor force, total – Morocco. World Bank, 2020
6. Haut-Commissariat au Plan, 2017
7. Sasu, Doris. Adult literacy rate in Morocco from 1982 to 2018. Statista, 2020
8. Morocco's Q3 unemployment rate drops to 11.8%. Reuters, 2021.
9. Sasu, Doris. Projected poverty headcount rate in Morocco from 2018 to 2021. Statista, 2021

GDP, 2020 [11] GDP per capita, 2020 [12]	USD 112.87 billion USD 3,009
GDP by sector, 2020[13]	Agriculture: 47.78%, Industry: 34.25%, Services: 47.78%
Government debt to GDP, 2020[14]	75.37%
Inflation rate, 2020[15]	0.62%
Ease of doing business score, 2020[16]	73.4

Covid-19 impact

Following the global pattern, the global pandemic has affected the Moroccan economy on all levels including its purchasing power, inflation, unemployment rates, etc. According to the High Commission for Planning (HCP), the average monthly income has dropped by half during the quarantine period, with income falling by 62 percent among rural residents, 46 percent among urban residents, by 52 percent among men, and 42 percent among women[17]. Some falls have been even more severe, which was the case for craftsmen and similar workers who saw incomes fall by 74 percent[18]. Such drops in income, paired with other consequences of the ongoing pandemic have resulted in huge contractions in demand, which can be described as a global phenomenon. That said, Morocco's economy is on its way to recovery, with unemployment rates falling to 11.8 percent in September 2021. Favourable conditions including an increase in market demand and a successful crop year has allowed the economy to support 642 thousand additional jobs—a number which may be even higher, considering that the informal sector accounts for 20 percent of Morocco's non-agricultural GDP[19]. Economic predictions were also in favour of Morocco with the International Monetary Fund expecting Morocco's economy to grow 5.7 percent in 2021, to recover by a significant portion from last year's pandemic-driven contraction of 6.3 percent[20].

Selected sectors

I. Agri-food

The agribusiness sector is one of the country's largest, contributing to 12.23 percent of its GDP, about 34 percent of the country's total employment (28.2 percent of male employment and 53.2 percent of female employment)[21], 25 percent of its industrial production, 27 percent of industrial companies, 16 percent of industrial investment[22], and 21 percent of

10. O'Neill, Aaron. Morocco: Growth rate of the real gross domestic product (GDP) from 2016 to 2026*. Statista, 2021
11. Morocco GDP 1960-2021. Macro Trends.
12. GDP per capita (current US$) - Morocco. World Bank, 2020
13. O'Neill, Aaron. Morocco: Distribution of gross domestic product (GDP) across economic sectors from 2010 to 2020. Statista, 2021
14. O'Neill, Aaron. Morocco: National debt from 2016 to 2026* in relation to gross domestic product. Statista, 2021
15. O'Neill, Aaron. Morocco: Inflation rate from 1986 to 2026. Statista, 2021
16. Ease of Doing Business Scores. World Bank, 2020
17. L'impact du confinement sur les revenus des Marocains (étude). Leseco, 2020.
18. Ibid
19. Morocco's Q3 unemployment rate drops to 11.8%. Reuters, 2021
20. Ibid
21. Sasu, Doris. Agriculture in Morocco- statistics and facts. Statista, 2021
22. Chambre Française de Commerce et d'Industrie du Maroc, 2016

total exports[23]. Additionally, consumers dedicate large amounts of their expendables to the sector, dedicating 37 percent of their budget to food products in 2014[24] according to the latest figures available.

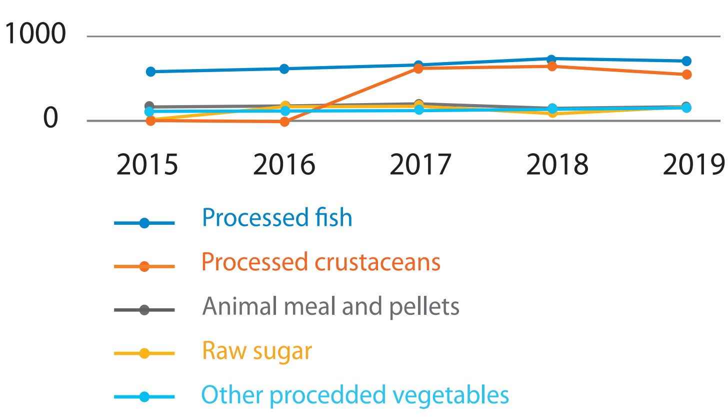
The main subsectors within the agri-food sector in Morocco are fruits; processed fish products; preserved or processed food products (N.E.C.); vegetables, sugar; vegetable oils and fats; eggs, honey, and edible animal products (N.E.C.); dairy products; tea and mate; spices; non-alcoholic beverages; alcoholic beverages; nuts; processed cereals; cocoa beans and products; coffee; and processed meat.

Exports and Imports

The Moroccan agri-food sector is quite active on the international market, accounting for around 21 percent of total exports[25]. Large export values of fruits and nuts (USD 1.3 billion in 2019)[26] has led Morocco to be **become the largest agri-food exporter in the African continent**[27]. In 2019, USD 2.021 billion-worth of fertilizers were exported[28]. Yet, despite Morocco's size of agri-food exports, the country remains a net importer of agricultural and related products[29]. Additionally, the country spends around 20 percent of its export revenues on food imports, which is almost four times higher than the world average[30]. The European Union is Morocco's largest trade partner, with a 65.8 percent share of the country's exports[31] and a 60 percent share of Morocco's agricultural exports[32]. Figures (1) and (2)[33] show Morocco's top agri-food exports and imports.

As for exports, processed crustaceans have witnessed a dramatic increase since 2016, proving there is potential in this subsector for additional growth.

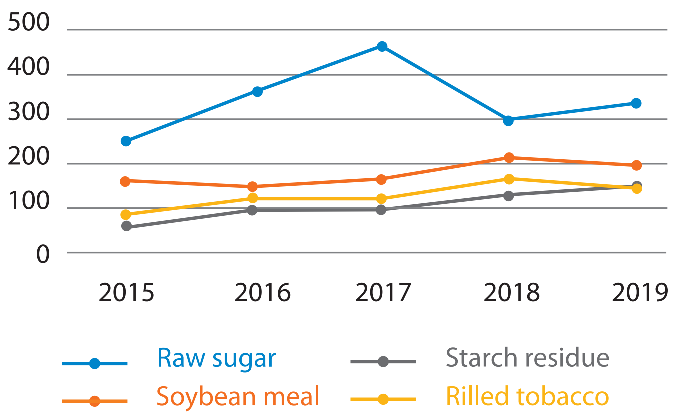
Figure 1 Morocco's top agri-food exports, in USD .
Source: OEC



23. Promoting investment climate reforms in Morocco's agri-food sector. Organisation for Economic Co-operation and Development, 2021
24. Enquête nationale sur la consommation et les dépenses des ménages 2013/2014. Rapport de synthèse. Haut-Commissariat au Plan, 2018
25. Promoting investment climate reforms in Morocco's agri-food sector. Organisation for Economic Co-operation and Development, 2021
26. Sasu, Doris. Agriculture in Morocco- statistics and facts. Statista, 2021
27. Promoting investment climate reforms in Morocco's agri-food sector. Organisation for Economic Co-operation and Development, 2021
28. Sasu, Doris. Agriculture in Morocco- statistics and facts. Statista, 2021
29. Morocco - Agricultural Sector. Select USA, 2019
30. Ghanem, Hafez. Agriculture and Rural Development for Inclusive Growth and Food Security in Morocco. Global Economy and Development Program. Brookings Institute, 2015.
31. List of importing markets for the product exported by Morocco in 2020. Trade Map, 2020.
32. Morocco - Agricultural Sector. Select USA, 2019
33. Source: OEC

The figure demonstrates that the country's highest imported agri-food product is raw sugar. Yet, in 2018 imports of raw sugar have fell drastically- that which may be circumstantial or a result of a general shift in consumer behavior towards healthier dietary choices and eating habits[34]. Nonetheless, import levels increased once more in 2019..

Figure 2 Morocco's top agri-food imports, in USD millions. *Source: OEC*

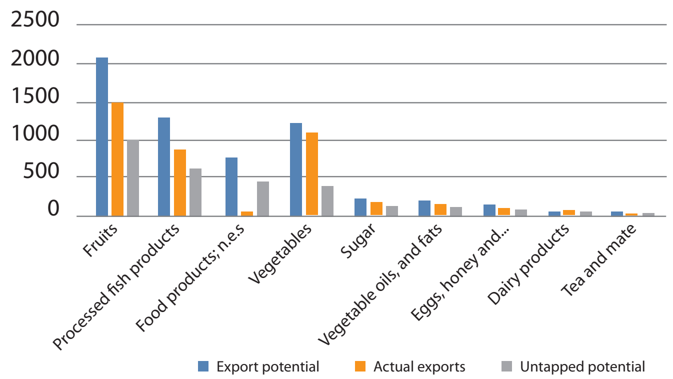


Export Potential

While actual exports show certain products to rank highest in terms of value, this section presents other products that may not be highly exported but rather have high more potential to be exported. Despite its capitalization on export potential, the country is abounding with untapped export potential.

Figure (3) shows the untapped export potential for the main food products in Morocco, also highlighting the actual exports versus the untapped export potential. As illustrated, the top five food products with untapped export potential are Fruits, processed fish products, Food products (processed or preserved), Vegetables, and Sugar.

Figure 3: Egypt's top agri-food imports, in USD millions. *Source: OEC*



Further, attached in the Market Opportunity Section below is a table that illustrates the export potential of Morocco's top agri-food products, as well as their export values and untapped export potential. It also specifies the markets within which the untapped potential lies and highlights the largest ones[35].

Main Sectoral opportunities and challenges

Table (2) summarizes the strengths, weaknesses, opportunities, and threats characterizing and faced by the agri-food industry in Morocco, gathered from the afore-displayed analysis of the sector, as well as the Secteur Agroalimentaire document published by EDEC Maroc. The table below shows the SWOT analysis to be considered by policy makers and support organizations[36].

34. Maroc : Approcher le consommateur. Bank of Africa au Maroc, 2021
35. Trade Map
36. Secteur Agroalimentaire. EDEC Maroc. International Trade Centre, 2016

Table 2: SWOT analysis of Morocco's agri-food sector

Strengths	Weaknesses
• Some pilot companies structured and organized in each activity and capable of creating an industrial leadership towards competitiveness and export. • The companies of the sector, due to their own distribution structure, have a fairly strong control over the distribution channels	• Production costs for the national market not competitive with compared to products imported free of customs duties • Insufficient innovation capabilities • Weakness of productivity, resulting from the insufficiencies production capacities and as well as innovative technologies for productivity. • Limited size of companies making it more difficult for them to their international positioning.
Opportunities	**Threats**
• Quality of the most efficient companies' productions at the international level allowing them to fight on equal terms (as far as quality is concerned) on the national and export markets. • Competitive production costs for export • Strong opportunities for penetration of the sector in neighbouring markets such as Algeria and West Africa, which are in a start-up phase with a need for products adapted to these markets • Opening of the European market under the Association Agreement, Agadir Agreements • Opening of the African markets in the framework of bilateral and regional agreements • Will of the State to develop competitive industrial capacities industrial capacities with high added value	• Risk of continuing to copy outdated technological and business models • Delays in changing the corporate culture of some entrepreneurs in the sector. • The lack of a product culture and the inability of many companies to engage in a customer-centric approach • A culture of product and technical innovation that is not very widespread that risks maintaining the sector in a logic of copying that does not generate added value

COVID's Impact on the Sector

While most industries have been affected by the pandemic in one form or another, some food industries, namely non-essentials such as the chocolate industry, have been more affected by the pandemic than others. Despite COVID and a drought-induced 6.1 percent fall in value added within Morocco's agricultural sector in 2020[37], the food industry continued to provide relatively stable and sufficient supply despite the circumstances, maintaining an activity rate of 66% percent which was higher than its usual[38]. Moreover, after a growth of 40 percent in total exports—of which the agri-food sector accounted for 21 percent—in the period 2014-2020 (pre-COVID)[39], agri-food exports declined in the first quarters of 2020, but have for the most part rebounded[40]. Such growth can be largely attributed to Morocco's 2014-1010 Industrial Acceleration Plan (IAP)[41].

37. Haut-Commissariat au Plan, the United Nations, and the World Bank, 2020
38. Note d'orientation politique: Impact de la CRISE covid - 19 sur l'emploi et les TPME au Maroc. Groupe de la Banque africaine de développement; Organisation internationale du Travail
39. Promoting investment climate reforms in Morocco's agri-food sector. Organisation for Economic Co-operation and Development, 2021
40. Private Sector Development in Morocco: Challenges & opportunities in times of Covid-19. African Development Bank Group, European Investment Bank, and European Bank for Reconstruction and Development, 2021
41. Promising prospects for the Moroccan food industry. New.in-24, 2021

COVID'S impact on Consumer Behavior

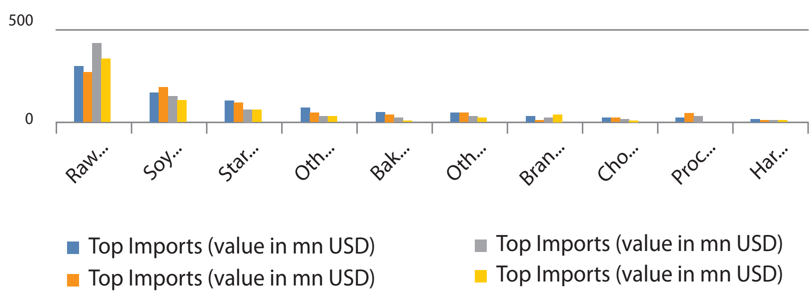
The general decrease in incomes and mobility of consumers associated with the pandemic have led consumers to become more conservative and less impulsive in their spending, which was reflected in the fall of household demand by an estimated 6.7 percent in 2020(42), including agri-food. According to the HCP, only 30 percent of Moroccan households maintained the same level of expenditure on food consumption during quarantine. Three households out of ten have kept the same level of expenditure for ten food products—namely flour and cereals, vegetables, fruits, pulses, red meats, white meats, fish, milk and dairy products, oils, and sugar(43). Opinion surveys conducted have shown that a significant percentage of Moroccan consumers seemed to believe that the changes resulting from the pandemic were here to stay, with a recent online survey of 907 Moroccan consumers showing that only 35 percent of consumers expect to return to their pre-pandemic habits(44).

Demand trends and needs

Generally, Moroccans prefer to buy local brands and products. However, Moroccan consumers are not particularly brand loyal, where only 55 percent of female household shoppers said they were brand loyal versus 53 percent who said they buy based on the best deals and promotions(45). Additionally, over the past few years, there has been a general trend towards healthier eating habits and choices—a shift most strongly presents amongst young people and pregnant women. As such, specialized stores and some retailers have expanded their products and increased their networks from around a dozen up to around 7000 outlets in 2-3 years(46). To add, the effect of the pandemic was also quite prevalent in the price increase of the basic food staples, namely rice, flour and sugar- more than it was on consumption habits, which was a result of the monopolization of large traders of those commodities due to the retraction of smaller trader amidst the pandemic. Even though detailed quantitative demand trends are not readily available, they can be, to some extent, extrapolated from import data which is demonstrated in Figure (4)(47).

The data suggests that raw sugar, soybean meal, and starch residue are consistently some of the highest demanded products by the agri-food industry and Moroccans.

Figure 4: Morocco's top agri-food imports 2016-2019, in USD million *Source: Trade Map.*



42. Haut-Commissariat au Plan, the United Nations, and the World Bank, 2020
43. Maroc : Approcher le consommateur. Bank of Africa au Maroc, 2021
44. Chalabi, Hassan and Hajraoui, Kenza. Impact du confinement du a la pandemie du sars-cov-2 sur le comportemet d'achat et la frequentation des points de vente des produits alimentaires au Maroc. Research Gate, 2021
45. Maroc : Approcher le consommateur. Bank of Africa au Maroc, 2021
46. Maroc : Approcher le consommateur. Bank of Africa au Maroc, 2021
47. The Observatory of Economic Complexity (OEC)
48. Source: OEC.

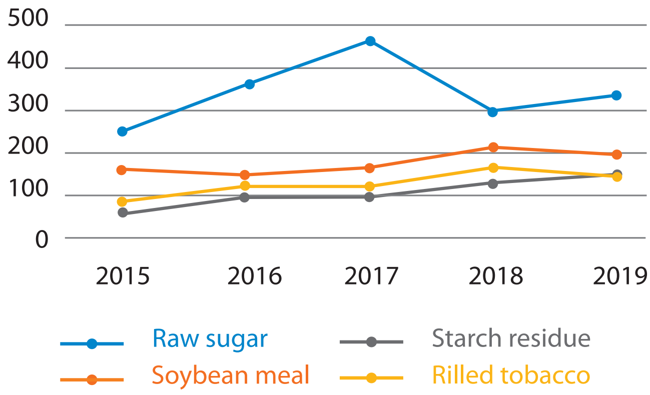
High demand products

Domestic demand

Domestic demand trends relevant to the agri-food industry can be extrapolated from the most imported agri-food products, demonstrated in figure (5)[48].

As shown, raw sugar is the highest imported product to fill the gap in demand, as the country exports lower quantities in comparison which could translate to low levels of production. The local agri-food industry can likely tap into the local market by tuning production and prices to suit local consumers.

Figure 5: Morocco's top agri-food imports, in USD millions.

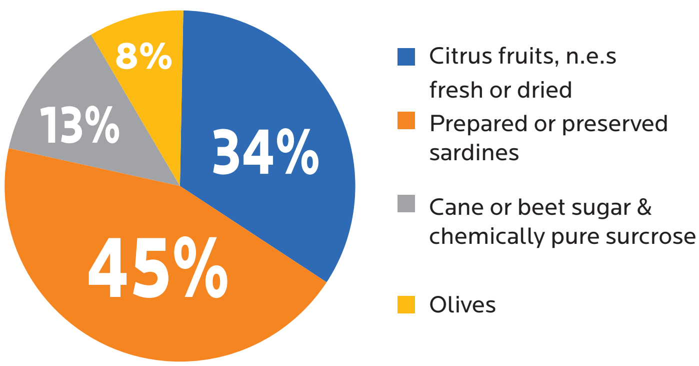


International demand

International demand trends can be inferred through actual exports, but they are even more clearly demonstrated through the sector's untapped export potential, which figure (6)[49] illustrates.

As shown, Citrus fruits, not elsewhere specified/ n.e.s (fresh or dried) and Prepared or preserved sardines comprise nearly 80 percent of the untapped export potential of agri-food commodities within the agri-food sector.

Figure 6: Top commodities with untapped export potential. *Source: Trade Map*



II. Textile

The clothing and textile sector is considered to be historic in Morocco, with the sector housing 1,628 companies and employing 189,000 people—22% of jobs nationwide[50]. The textile sector generates a turnover of DH 50.48 billion, of which DH 36.5 billion are in exports, as well as an added value of DH 15.88 billion[51]. The main sub-sectors of the Moroccan textile

49. Source: Trade Map.
50. The textile industry: flexibility and a great ability to adapt and overcome crises. Ministry of Industry and Trade, 2021

industry include Apparel, Footwear, Skins leather and products, and Textile products. The Industrial Acceleration Plan (2014-2020) set up by the Moroccan government has given rise to an industrial partnership between the public and private sectors around six ecosystems: fast-fashion, knitwear, denim, distribution, technical textiles, and home textiles[(52)]. The plan has successfully allowed for the creation of 1,200 new textile companies, employing more than 185,000 Moroccans[(53)]. Additionally, textiles now represent 15% of Morocco's industrial exports[(54)].

Exports and Imports

Morocco is a large exporter of textiles and is a net exporter of multiple textile categories—a fact that is possible in part with the government's support, and through the Industrial Acceleration Plan (IAP). Figures (7) and (8)[(55)] illustrate the country's imports and exports of textiles[(56)].

Figure 7 Morocco's top textile exports, in USD millions.

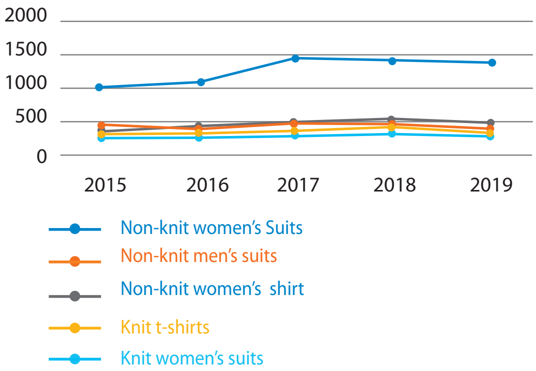
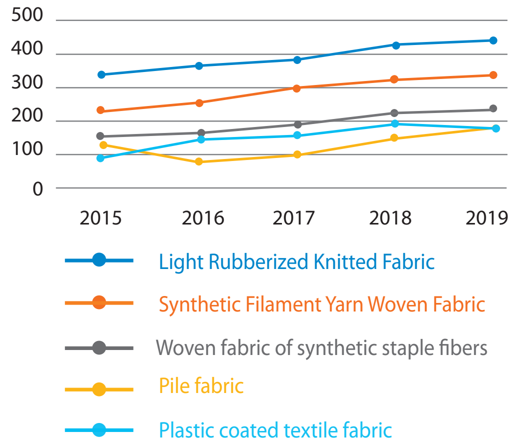


Figure 8 Morocco's top textile imports, in USD millions.



Export Potential

Although quite vibrant, the sector still has untapped potential which can be capitalized on. While actual exports show certain products to rank highest in terms of value, this section presents other products that may not be highly exported but rather have high more potential to be exported. Despite its capitalization on export potential, the country is abounding with untapped export potential.

51. Ibid
52. Textile sector growing in Morocco. Oxford Business Group.
53. Hatim, Yehia. Head of Government Presents 2021-2025 Industrial Acceleration Plan. Morocco World News, 2020
54. Ibid
55. Source: OEC.
56. The Observatory of Economic Complexity (OEC)

Figure 9(56) : Untapped export potential across commodities in Morocco.

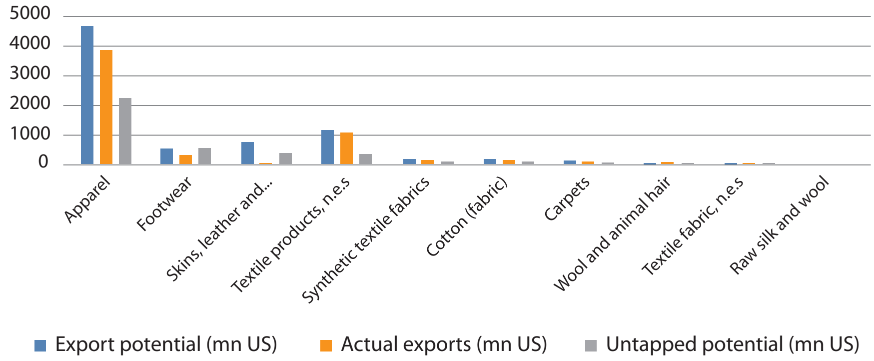


Figure (9) shows the untapped export potential for the main textile products in Morocco, also highlighting the actual exports versus the untapped export potential. As illustrated, the top five textile products with untapped export potential are Apparel, Footwear, Skins, leather and products thereof, Textile products, and Synthetic textile fabrics

Attached below in the Market Opportunity section is a table that illustrates the export potential of Morocco's textile products, as well as their export values and untapped export potential. It also specifies the markets within which the untapped potential lies and highlights the largest ones(58).

Main Sectoral opportunities and challenges

Table (3) summarizes the strengths, weaknesses, opportunities, and threats characterizing and faced by the textile industry in Morocco based on the aforementioned data, as well as La chaîne de valeur du textile-habillement marocain à l'épreuve du choc Covid-19 document published by L'Institut Marocain d'Intelligence Stratégique. This table shows the SWOT analysis to be considered by policy makers and support organizations(59):

Table 3: SWOT analysis of Morocco's textile sector

Strengths	Weaknesses
• FIT offer (Finishing-Dyeing-Printing) • Simplification and dematerialization of customs procedures (customs clearance in less than an hour, dedicated corridor for textile actors, flexibility in the context of the categorization of categorization of operators, etc.). • Financial support from the State to operators in the sector in the within the framework of the ecosystem strategy of the Industrial Acceleration Plan 2014-2020	• Insufficient use of the free trade agreements concluded by Morocco for the promotion of the textile sector • Concentration of textile-clothing production on subcontracting (60%) compared to co-contracting (30%) and to own collections (10%) • Difficulties in accessing bank financing for SMEs operating in the sector (problem of guarantees, financial imbalances, etc.)

57. Source: Trade Map.

• Sectoral organization around the Association Moroccan Association of Textile and Clothing Industries (AMITH) which defends the general interests of the industry and works for its promotion • Existence of an abundant and experienced local experienced and a panoply of operational vocational training centers and institutes centers and vocational training institutes covering the entire territory and offering diversified fields of study.	• Undercapitalization of companies and slow pace of modernization of the textile-clothing sector (rigidity of family structures, reluctance to open up capital, etc.) • Lack of inter-branch integration of the textile-clothing sector and dependence on foreign supply channels (basic materials, dyes, chemicals, etc.) • Importance of the number of informal units not integrated in the structured circuit of production and marketing of the textile sector.
Opportunities	**Threats**
• Possibilities of capturing order transfers and investment opportunities, given the relocation of activities in Asia, as a result of the Covid-19 pandemic • Capitalizing on the momentum of reconversion to high value-added niches, in line with the momentum generated by the health crisis (reorientation of part of the productive apparatus towards medical consumables or textiles for technical or professional use) • Existence of domestic demand that is sensitive to fashion developments in terms of clothing and finishing of textile products (ornament, printed fabrics, finishing, etc.); • Untapped export potential due to the non-extension of the diagonal cumulation mechanism, offered in the Association Agreement with the EU, to suppliers not linked to Morocco by FTAs	• Risk of liquidation of several national industrial units following the Covid-19 pandemic shock • Lack of branding strategies and insufficient diffusion of the innovation culture • Increased competition from foreign operators (notably Turkish and Chinese companies) and weak securing of the domestic market • Destabilization of the domestic market by smuggling networks and by the resurgence of low-cost offers

COVID's Impact on the Sector and Consumer Behaviour

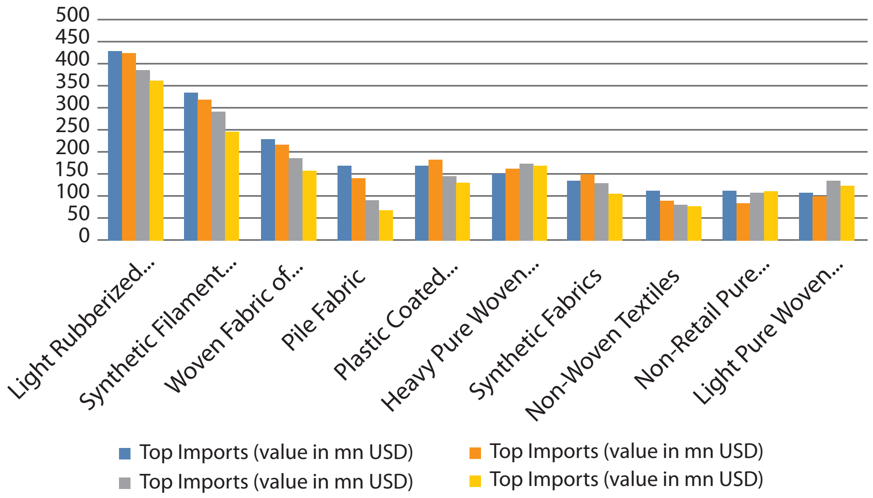
Initially, textile exports fell 11 percent in November 2020 compared to November 2019(60). However, in response to the pandemic, and with the support of the government, the textile sector underwent a rapid conversion creating a new sub-sector emerged: the textile sector for medical use. As a result, the sector managed to create 10,684 jobs in 2020, generate an additional turnover of DH 28.6 billion(61), and increase it exports to the European Union by 23 percent in 2021, reaching a record high(62). Overall, the textile sector suffered in terms of local demand, as clothing purchases aren't considered essential by most households.

Demand trends and needs

Although demand trends aren't readily available, they can be, to some extent, extrapolated from import data, which are demonstrated in Figure (10) below(63).

58. Trade Map
59. La chaîne de valeur du textile-habillement marocain à l'épreuve du choc Covid-19. L'Institut Marocain d'Intelligence Stratégique, 2020
60. Bennour, Safaa. Bouleversé par la crise, le textile marocain en quête d'un fil d'Ariane. Agence Marocaine de Presse, 2021
61. Covid: Le textile retrouve des couleurs. L'Economiste, 2021
62. Bennour, Safaa. Bouleversé par la crise, le textile marocain en quête d'un fil d'Ariane. Agence Marocaine de Presse, 2021
63. The Observatory of Economic Complexity (OEC)

Figure 10 Morocco's top textile imports 2014-2019, in USD million



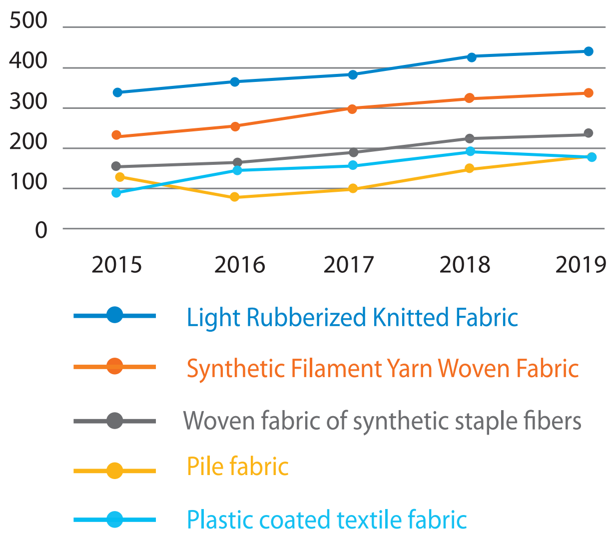
As the above-figure indicates, Morocco's demand for light rubberized knitted fabric, synthetic filament yarn woven fabric, and woven fabric of synthetic staple fibres is the highest—and most consistently high—throughout the years.

High demand products

Domestic demand

Domestic demand trends relevant to the textile industry can be extrapolated from the most imported textile products, demonstrated in figure (11).[64]

Figure 11 Morocco's top textile imports, in USD millions.



64. The Observatory of Economic Complexity (OEC)

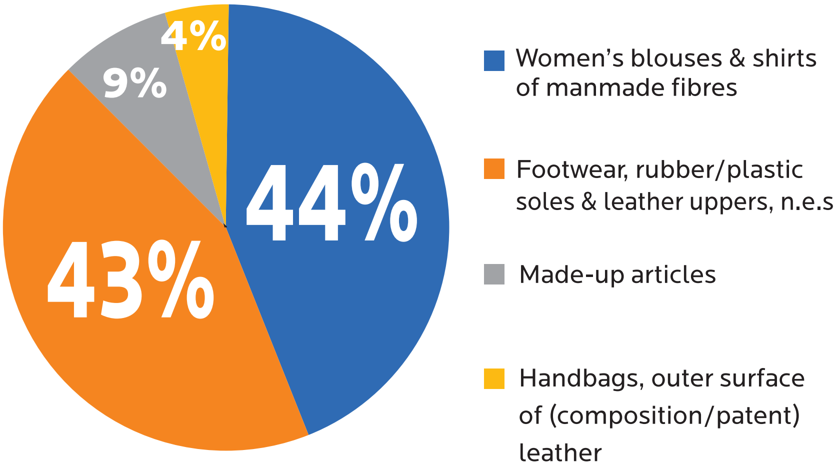
As it shows, light rubberized knitted fabric is the highest imported product. The local textile industry can likely tap into the local market by tuning production and prices to suit local consumers.

International demand

International demand trends can be inferred through actual exports, but even they're even more clearly demonstrated through the sector's untapped export potential, which figure 12[65] illustrates.

As shown, Women's blouses & shirts of manmade fibres, and footwear (rubber/ plastic soles & leather uppers) comprise nearly 90 percent of the untapped export potential of textile commodities within the textile sector.

Figure 12 Top commodities with untapped export potential



III. ICT

The ICT sector is still in its early stages in Morocco and is mainly focused on the electronic equipment subsector.

E-commerce is still underdeveloped in Morocco: while Internet penetration has increased considerably in recent years, only 7 percent of internet users currently shop online[66]. Only 4 percent of women say they have shopped online, and 20 percent say they look for information on the internet, while 80 percent rely on conventional media[67]. In the same line, a minority of Moroccan consumers use social networks, and moreover, many do not wish to have contact with a brand via social media[68]. However, the participation rate of Moroccan communities on brand pages is increasing[69].

Most Moroccans are tech-savvy and have access to the internet—according to the National Telecommunications Regulatory Agency (ANRT), the internet penetration rate in Morocco reached 93 percent in the third quarter of 2021 . This translated into nearly 34 million people and represents an increase of more than 17 percent compared to last year[71].

65. Source: Trade Map.
66. Maroc : Approcher le consommateur. Bank of Africa au Maroc, 2021
67. Ibid
68. Ibid
69. Ibid
70. Siham, Azeroual. ANRT.Le taux de pénétration d'internet au Maroc atteint les 93 %. Challenge, 2021
71. Ibid

Exports and Imports

According to the latest available data, the country exported smart cards, electronic integrated circuits, and LED lamps with a worth of USD 346.7 million(72). There remains some untapped export potential worth USD 27.2 million, mainly to Chinese, Singaporean, and French markets(73).

Main Sectoral opportunities and challenges

Table (x) summarizes the strengths, weaknesses, opportunities, and threats of and to the textile industry in Morocco based on the aforementioned data, as well as the FinPro Project report on 'ICT Maghreb'. This table shows the SWOT analysis to be considered by policy makers and support organizations(74).

Table 3 : SWOT analysis of Morocco's ICT sector

Strengths	Weaknesses
• Stable and open country with pro-business authorities. • Skilled, experienced, and English-speaking personnel. • Thriving private sector with a sizable number of SME and large corporations as potential clients.	• Morocco is still a developing country with a large share of poor, rural, and illiterate population. • Difficult access to large public projects: relations and local partners are necessary.
Opportunities	**Threats**
• State-sponsored projects and nearshoring activities create new and more complex needs. • All solutions related to data transfers will keep on growing. • A gateway to French-speaking African countries.	• Increasing competition from local and foreign companies.

COVID's Impact on the Sector and Consumer Behaviour

The Covid-19 crisis has disrupted the Moroccan business environment. People's ways of working, shopping, and communicating have all changed as a result of the pandemic. Therefore, businesses and industries that have embraced digital transformation and reshaped their business models have a competitive advantage over those that have not, particularly in the face of Covid-19. In other words, by embracing digital transformation, several Moroccan businesses were able to continue operations while dealing with the unprecedented slowdown. On the other hand, those that did not possess the necessary capabilities to digitally transform their activities had to cope and partner with distribution platforms in order to increase their businesses' online purchases and outreach. This approach, however, forgoes opportunities provided through Morocco's digital economy and digital infrastructure. As a result, the majority of Moroccan consumers are still hesitant to switch to online purchases, creating a distrustful environment. It is also worth noting that the increase in consumer use of online shopping cannot be attributed solely to the evolution of retailers' digital strategies, but also to an unexpected shift in consumer behaviour as a result of the pandemic(75).

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72. Trade Map
73. Ibid
74. ICT Maghreb. FinPro.
75. Nachit, Hicham, and Lahcen Belhcen. Digital Transformation in times of COVID-19 Pandemic: The case of Morocco. SSRN Electronic Journal. 2020.

The coronavirus pandemic has had a noticeable effect on the uses and perception of digital technology and the effect is clearly identifiable by the increase in the number of gadgets Moroccans now own, as well as their increased usage of the internet, social media, and online services. While in 2019, gadget levels were stable; 2020 saw a substantial increase with 64.2% of equipment rate in households, recording, over 10 years, an average annual growth rate of 6.56%. The context of the pandemic and its impact on telecommuting, distance learning and e-commerce has increased the number of Internet users. The Internet penetration rate has increased by 10 points from 74.4 percent in 2019 to 84.1 percent in 2020—an increase of 3.5 million internet users. Nationwide, daily connections concern 87 percent of the population compared to 79 percent a year earlier. Mobile internet equipment dominates, with four out of five households equipped with it, almost all of them via a cell phone. E-commerce continues to grow, increasing by more than 3 points between 2019 and 2020. Nearly one in four people use e-commerce in urban areas. In addition, the most notable phenomenon in 2020 is the frequency of online shopping, which is 2 to 5 for more than three-quarters of the population. During lockdown, 3 out of 4 people saw their telephone use increase significantly, while 8 out of 10 people saw their internet use increase.

This data goes in line with Moroccan consumers' heightened desire to use online shopping more even after the pandemic. According to an online survey of 907 Moroccan consumers conducted during the month of May shows that only 35 percent of consumers expect to return to their pre-pandemic habits and 26 percent would opt to buy most of their products online[(76)]. For their part, companies have adapted to this new demand, like some large and medium-sized retailers who have joined forces with firms offering home delivery services[(77)]. Some small retailers, forced to close their doors for several months, have turned to digital platforms and social networks to offer their products and services to digital customers[(78)]. Between 2020 and 2021, the number of internet users in Morocco rose by 2.3 million (+9.1%)[(79)]. During the same time period, the number of Moroccan social media users grew by 4 million (+22%)[(80)]. As of January 2021, Morocco had a 74.4% internet penetration rate while Morocco's social media users accounted for 59.3% of the entire population[(81)].

Demand trends and needs

Many business owners have exhibited an increased interest in digital marketing. Evidently, people started resorting to virtual platforms, so they want to create their own websites and depend on e-commerce to make sales. This presents service providers with an opportunity to tap into global markets, since the digitization of services is highly demandable across the world, giving them the flexibility to conduct workshops online with different nationalities.

Additionally, Morocco has become a country where call centres for business are growing due to an increase in the rate of outsourcing call centres to many foreign countries. Many European multinational corporations have chosen Morocco as the location for their business call centre due to various reasons including -but not limited to[(82)]:

1. Morocco and European countries have no significant time difference, which encourages foreign companies to grant projects to Moroccan call centres.
2. Moroccans, and more generally, a lot of Africans are fluent in several languages, including French, Arabic, and English, and can handle many calls efficiently and smoothly.
3. The scarcity of labour in the rest of Europe.

76. Chalabi, Hassan and Hajraoui, Kenza. Impact du confinement du a la pandemie du sars-cov-2 sur le comportemet d'achat et la frequentation des points de vente des produits alimentaires au Maroc. Research Gate, 2021
77. Ibid
78. Ibid
79. Kemp, Simon. Digital 2021: Morocco. Data Reportal. 2021.
80. Ibid
81. Ibid
82. Call Center for Business in Morocco. Fonvirtual. 2019.

High demand products

The impact of quarantine appears in the progression of several indicators, including participation in social networks, which is close to 100 percent, while VoIP telephony remains at a high level (86.1 percent). Users of online services are increasing across the board—making medical appointments online increased by 128 percent, selling goods and services online increased by 56 percent, and interacting with public administrations online increased by 27 percent. The pandemic has also boosted the use of digital tools in the professional and academic fields.

Market opportunity

Market opportunity resides within products with untapped export potential. Identifying these sub-products and relevant export markets showcase where global demand lies. This could, in turn, be a compass for investors and business owners alike, as to where to invest their efforts.

The tables below (tables 4 and 5) highlight the top sub-products in the agri-food and textile sectors with their corresponding untapped export potential, as well the main potential export markets for those sub-products:

Table 4 : Untapped export potential for the top agri-food sub-products and the main potential export markets for those sub-products [83]

Sub-category with highest untapped export potential	Export potential (mn USD)	Actual exports (mn USD)	Untapped potential (mn USD)	Markets per product group	Comments
Sugar					
Citrus fruits, n.e.s. fresh or dried	627.5	443.5	293.4	France, Russian Federation and United Kingdom	France shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth $257.6 mn.
Total	2100	1500	983.8	France, Spain and Russian Federation	
Processed fish products					
Prepared or preserved sardines	861.2	493.7	384.2	France, United States and Ghana	France shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth $119.6 mn.
Total	1300	877	624.2	France, Spain and United States	

83. Source: Trade Map.
84. Source: Trade Map.

Food products, n.e.s. processed or preserved					
Olives	176.6	148.2	72.6	United States, France & Russian Federation	Spain shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth $72.3 mn.
Total	769.8	538.9	428.7	France, Spain and United States	
Vegetables					
Vegetables, fresh or chilled	92.7	76.3	29.9	France, Spain and United Kingdom	Spain shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth $73.7 mn.
Total	1200	1100	391	France, Spain & Russian Federation	
Sugar					
Cane or beet sugar & chemically pure sucrose	200.7	167.3	114.4	Spain, Mauritania and Benin	Spain shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth $21.2 mn.
Total	209.4	178.5	119.2	Spain, Mauritania and Benin	
Vegetable oils & fats					
Virgin olive oil & fractions	57.4	44.3	25.7	Spain, Italy and United States	Spain shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth $20.2 mn.
Total	200.8	148.9	103.9	Spain, France and Italy	
Eggs, honey, and edible animal products, n.e.s.					
Guts, bladders & stomachs	124.1	78.5	63	France, Spain and Germany	Germany shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth $13.3 mn.
Total	136.1	89.9	73.4	France, Spain and Germany	
Dairy products					
Processed cheese	44.1	49.4	36.3	Spain, France and Libya	Spain shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth $14.2 mn.
Total	54.8	55.7	46.5	Spain, France and Italy	
Tea & mate					
Green tea, packings <=3kg	20.9	9.3	16.6	France, Senegal and Mauritania	France shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth $11.3 mn.
Total	41.4	22.7	31.2	France, Spain and Senegal	

Table 5 Untapped export potential for the top textile sub-products and the main potential export markets for those sub-products.

Textile subproduct with highest untapped export potential	Export potential (mn USD)	Actual exports (mn USD)	Untapped potential (mn USD)	Markets per product group	Comments
Apparel					
Women's blouses & shirts of man-made fibres	426.8	278.3	190	Spain, France and Germany	France shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth $468.1 mn.
Total	4700	3900	2300	France, Spain and Germany	
Footwear					
Footwear, rubber/plastic soles & leather .uppers, n.e.s	304.3	164.6	185.4	France, Spain and Italy	France shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth $126.5 mn.
Total	573.7	372.3	368.3		
Skins, leather & products thereof					
Handbags, outer surface of (composition/ patent) leather	36.3	24.1	18.7	Italy, France and Turkey	France shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth $7.8 mn.
Total	104	78.3	62.6	Italy, France and Spain	
Textile products n.e.s.					
Made-up .articles, n.e.s	63.9	133.5	36.6	France, United States and Spain	United States shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth $7.3 mn.
Total	92.4	150.8	57.2	France, United States and Spain	
Synthetic textile fabrics					
Knotted netting; made-up nets of man-made textiles	10	7.7	6.7	France, Germany and Spain	France shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth $3.5 mn.
Total	40	46.3	28.1	France, Turkey and Spain	
Cotton (fabric)					
Denim, >=85% cotton, >=200/ m2, of different colours	16.6	23.5	10	Turkey, Tunisia and Egypt	Turkey shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth $3.7 mn.
Total	20.1	30.2	13	Turkey, Tunisia, Egypt	

Wool & animal hair (fabric)					
Wovens, <85% combed wool/ fine animal hair with synthetic/ artificial staple fibres	1.3	1.9	0.89	France, Turkey and Spain	Spain shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth $160.7 k.
Total	2.1	3.1	1.1	Spain, France and Turkey	
Textile fabric n.e.s.					
Fabrics, knit/ crochet, >=30cm, nes	Fabrics, knit/ crochet, >=30cm, nes	0.71	0.18	France, Spain and Tunisia	Tunisia shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth $69.7 k.
Total	Total	2.6	0.76		
Raw silk and wool					
Greasy wool, not carded/ combed	0.7	0.95	0.32	India, Spain, South Africa	India shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth $154.1 k.
Total	0.7	0.95	0.32		

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