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**REGENERATING AFRICAN INDUSTRY**

**BRIEFING BOOK - MOROCCO COUNTRY MISSION**

**Prepared by Regional and Country Studies Branch  
with UNIDO Consultant Micaela Maftel**

1.8

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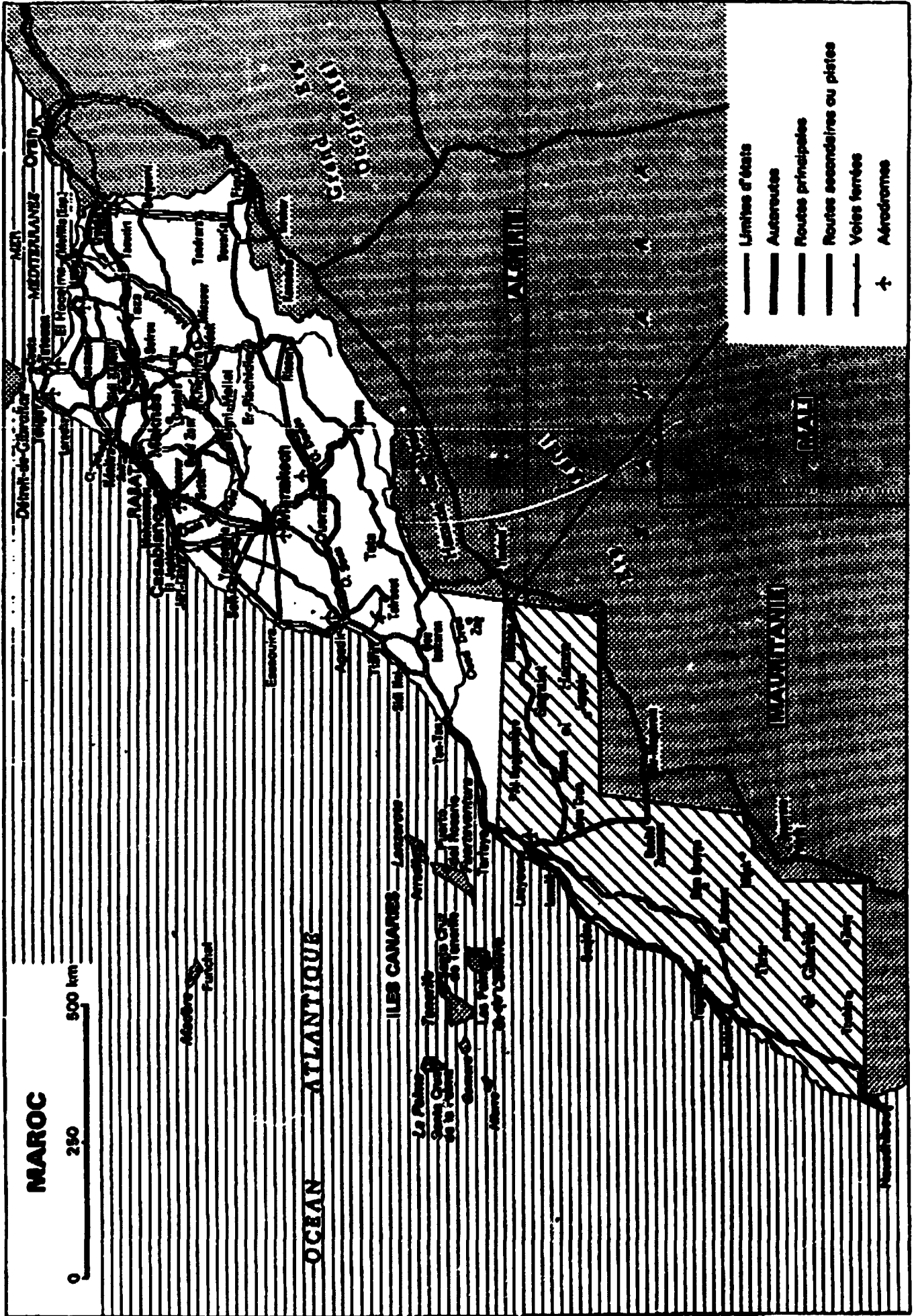
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MAROC

0 250 500 km

OCEAN ATLANTIQUE

ILES CANARIENNES

ALGERIE

MAURITANIE

- Limites d'Etat
- ✈ Aeroports
- ▬ Routes principales
- ▬ Routes secondaires ou pistes
- ▬ Voies ferrées
- ✈ Aérodromes

# Economic structure *Latest available figures*

Macroeconomic indicators	1983	1984	1985	1986	1987
GDP at market prices Dh bn	94.8	104.8	119.3	134.3	145.0
Real GDP growth %	2.3	2.1	4.3	6.8	1.0
Consumer price inflation %	6.3	12.5	7.7	8.8	2.8
Population mn	20.88	21.41	21.94	22.49	23.29
Exports fob \$ mn	2,014	2,169	2,182	2,427	2,790
Imports cif \$ mn	3,592	3,904	3,814	3,301	4,220
Current account \$ bn	-0.89	-0.99	-0.89	-0.21	0.16 <sup>a</sup>
Reserves minus gold \$ mn	107	49	115	211	411
Public external debt \$ bn	10.26	10.63	12.84	14.61	16.8
Debt service ratio %	40.5	23.9	30.6	40.8	...
Phosphate production <sup>b</sup> mn tons	19.8	21.4	20.8	21.4	21.3
Phosphate rock prices \$/ton	38.92	38.25	33.92	34.37	31.25
Exchange rate (av) Dh per \$	7.111	8.811	10.062	8.104	8.358
October 24, 1988	Dhs.217 per \$				

## Origins of GDP 1986<sup>c</sup>

	% of total
Agriculture, forestry, fishing	13.8
Mining, fuel, power	6.7
Manufacturing	14.9
Building & public works	4.0
Transport, communications, banking & services	24.1
Wholesale & retail trade	16.5
Government salaries	20.0
GDP at factor cost	100.0

## Principal exports 1986

	\$ mn
Phosphates	412
Textiles	335
Phosphoric acid	333
Citrus fruit	189

## Main destinations of exports 1987

	% of total
France	29.3
India	6.8
Spain	6.7
West Germany	5.4
Italy	5.3
Japan	4.4

## Components of GDP 1986

	% of total
Private consumption	66.7
Government consumption	13.3
Gross fixed capital formation	18.4
Change in stocks	1.1
Exports	15.2
Imports	-14.7
GDP at market prices	100.0

## Principal imports 1986

	\$ mn
Crude oil	504
Wheat	476
Sulphur	248
Machinery	190

## Main origins of imports 1987

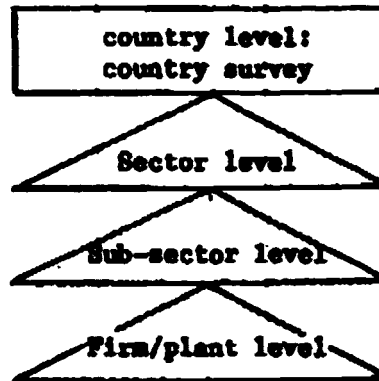
	% of total
France	22.8
USA	9.2
Spain	9.1
West Germany	6.1
Italy	5.6
Iraq	5.6

a Official estimate. b Dry. c At constant 1986 prices.



## INTRODUCTION

The aim of the field mission, for which this briefing book provides background information, is to provide a diagnostic sector-wide study of the rehabilitation needs of manufacturing industry in Morocco. The mission will formulate suggestions both for rehabilitation projects and for improvements in the economic and policy environment in which industry operates. In order to ensure that all relevant issues are covered, the following "top-down" approach is adopted:



The briefing book based on desk research, follows this structure. Hence, the first two chapters are devoted to a description of the political and general economic situation of the country. The third chapter deals with the manufacturing sector in more detail. The last chapter outlines the major issues with regard to the rehabilitation and overall regeneration of the Moroccan industry. Throughout, an effort has been made to keep the texts short and to the point. Therefore, some of the information and the tables are provided in the appendix.

Both the structure and the contents of this briefing book are adapted to the specific purpose it is to serve.

### 1. BACKGROUND AND POLITICAL STRUCTURE

#### 1.1 Colonial heritage and independence

Moroccan history has been shaped by the country's strategic location, very close to Europe and with easy access to the Middle East. Beginning with the Phenicians, invaders dominated the land (Romans, Vandals, Visigoths, Byzantine Greeks and Arabs in the seventh century A.D.). The Alaouite Dynasty, which has ruled Morocco since 1649, claimed itself as descendent from the Prophet Mohammed.

The abundant natural resources of Morocco fuelled the competition among the European Powers: France showed a strong interest in the country as early as 1930, and the Franco-Spanish Treaty of 1912 made most of Morocco's territory a French protectorate, with Spain assuming the protectorate over parts of the northern and south-eastern zones.

The first nationalist political parties, by the "Manifesto of the Istiqlal (Independence) Party", made one of the earliest public demands for independence of developing countries in 1944.

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The Kingdom of Morocco recovered its political independence from France on 2 March 1956. On 29 October 1956 the control over Spanish zones of influence was restored to Morocco, with the exception of the small enclaves of Sidi Ifni (south), Ceuta and Melilla (northern coast); Sidi Ifni became part of Morocco in 1969.

The highly respected Sultan Mohammed V ruled the country from 1927 to 1961 (with a short interruption of two years, from 1953 to 1955, when he was removed from the office by the French authorities and replaced with the unpopular Sultan Mohammed Ben Aarafa, perceived as illegitimate). After the death of Mohammed V, his son King Hassan II succeeded him to the throne on 3 March 1961.

The first Moroccan Constitution providing for a representative Government under a strong monarchy was approved by referendum on 7 December 1962.

The King was, since the 1920s and remains today, the central figure in the country's political and religious life. Although for the first 13 years of his reign, King Hassan's position was unstable, marked by several attempts to depose or assassinate him, he continued to hold extensive executive powers, established through successive Constitutions.

The Moroccan campaign to annex Spanish western Sahara, considered to be historically part of the Moroccan territory, was initiated in July 1974 and received active support from all political parties in the country. Both the International Court of Justice and the United Nations Committee on Decolonization favoured self-determination of the territory.

Fifteen years after the beginning of the armed hostilities, the United Nations has prepared the final referendum, and direct negotiations took place between Moroccan and Algerian representatives and the Polisario Front, while 70 countries have already granted diplomatic recognition to the SADR - Sahrawi Arab Democratic Republic.

In July 1987, Morocco applied for membership of the EEC, in order to improve trading links and gain greater support for its policy in western Sahara. The application was rejected in October, on the grounds that Morocco was not a European country.

A Mag-areb Committee, newly formed in June 1988, is considering the modalities and practical steps for the establishment of a strong subregional co-operation between Morocco, Libya, Algeria, Tunisia, and Mauritania in economic, legal, financial, customs, security, educational and cultural fields.

## 1.2 Structure of the Government

The latest revised 1972 Constitution provides for a modified constitutional monarchy, with an hereditary King as Head of State, and a unicameral legislature. The legislative power is vested in the unicameral Chamber of Representatives, with 306 members elected for six years; two-thirds of the seats in the Chamber are filled by direct election on the basis of universal adult suffrage, while the remaining one-third of the members are indirectly elected by local Government Councils, professional bodies and labour organisations forming an electoral college.

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The executive power is vested in the King, who appoints and may dismiss the Prime Minister and other members of the Cabinet. The King may also dissolve the Chamber.

The Supreme Court is the highest independent judicial structure; the judges are appointed by the King.

The armed forces numbered 203,500 by mid-1987, of which 170,000 army, 7,000 navy, 15,000 airforce; 1,500 the Royal Guard and 10,000 the paramilitary gendarmerie royale. An additional paramilitary "force auxiliaire" of 25,000 men, including a mobile intervention corps of 5,000, is also operational.

For administrative purposes, Morocco is divided into 35 provinces and six prefectures (one at Rabat - Salé and five at Casablanca). Each province is headed by a Governor appointed by the King.

## 2. THE MOROCCAN ECONOMY

The following brief overview of the Moroccan economy excludes the manufacturing sector, dealt with in more depth in Chapter 3. Prompted by the preliminary choice of plants to be considered by the rehabilitation mission, emphasis is put here on the agricultural sector.

The tables in Appendix 1, include the latest available macro-economic data relevant to the development of the Moroccan economy.

### 2.1 Overall characteristics and evolution, 1956 to 1988

#### Overall characteristics

Like many other developing countries seeking to industrialize rapidly, Morocco was confronted with two fundamental problems: the shortage of investment capital and an average yearly increase of population of 2.6 per cent. At the end of 1987, 41 per cent of the total population - estimated by the Moroccan Government at 22.7 million - was below 15 years, adversely affecting the labour market in urban areas, already disequibrated by the strong rural exodus. Illiteracy rates are high, exceeding 65 per cent in 1985, and estimated at 44 per cent in urban areas and as high as 82 per cent in rural zones.

About half of the people are still engaged in traditional subsistence agriculture, with a per capita annual income of about \$250. A high-scale urban drift occurred as a result, 45 per cent of the population being estimated urbanized by 1986. The increase of the urban population is estimated at 3.6 per cent per annum.

#### Period 1956 to 1985

Following independence in 1956, Morocco's economic development policies were mainly based on import-substitution industrialization in a protected domestic market, as well as on agricultural self-sufficiency.

Substantial investment incentives were given to industrial and agricultural priority sectors, but they were not directed towards the overall increase of productivity, price-competition, or upstream integration for import substitution.

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As a result, the economy remained highly dependent on imports of complementary intermediate goods, and little efficient upstream import substitution occurred. The inwards-oriented investment strategy was financed mainly by the exports of phosphates and agricultural crops, the external borrowing being maintained relatively low. The State intervention in the economy increased considerably. State enterprises were established to replace privately-owned companies in several key industries and services, while successive governments encouraged the Moroccanization of manufacturing and trading enterprises controlled before independence by foreign interests. Moroccan economy underwent significant expansion in the 1970s, assisted by the sharp increase in the price of phosphates and the consequent substantial terms of trade gains. The phosphate boom ended in 1975-1976, but the ambitious national investment programme was continued and financed by increasing foreign borrowings, grants and larger public sector deficits.

In spite of the widespread popular support of the assertion of the claim to the Spanish Sahara in 1975, the heavy expenditures and the disproportionate amount of political attention given to the topic were detrimental to the rest of the economy. In 1981, the gross domestic product declined in real terms.

The Government undertook intermittent programmes of stabilization between 1978 and 1983, in order to restore the internal and external disequilibria, but was not able to sustain its efforts to control the budgetary expenditures. The second oil price increase in 1979-1980, followed by a subsequent decline in phosphate prices (bringing substantial losses in terms of trade), and the increase in interest rates on external (floating rate) borrowings, had a disastrous impact on the balance of payments.

Meanwhile, the severe drought that occurred during the period 1980 to 1984, drastically reduced agricultural and hydroelectric production and further contributed to the erosion of the debt-service capacity of the country.

Moroccan external debt had grown exponentially during this period, from \$US 1.8 billion in 1975, to \$US 11.3 billion in 1983, amounting to 85 per cent of the GDP and 290 per cent of exports.

The structure of the debt changed moreover, with 40 per cent of outstanding liabilities owed to commercial banks in 1983, compared to nil a decade earlier, and over 60 per cent at non-concessional rates. The external payments situation became unmanageable in 1985, and the Government requested and obtained the debt rescheduling from official and commercial creditors, as well as increased assistance from the IMF, the World Bank and other official donors.

According to the World Bank, the debt service to exports of goods and services ratio (DSR) would have been 57 per cent in 1985 without rescheduling, and the interest service to exports ratio 17 per cent; these fell to 31 per cent and 14 per cent respectively after rescheduling, while interest payments alone amounted to 5 per cent of the GDP.

#### Stabilization and adjustment, 1985-1988

Increased assistance from the IMF and the World Bank, as well as further reschedulings of the external debt from both the Paris and London Clubs, together with sector adjustment loans obtained during the period 1984 to 1988,

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were agreed upon on the basis of the acceptance and implementation of a stabilization programme including the following key components:

- a fiscal reform, which introduced a value-added tax and the improvement of revenue collection of existing taxes;
- the limitation of the growth of the salaries in the civil service and the public sector;
- major cuts in the Government investment programme and reduction of consumer subsidies (prices on previously subsidized goods were raised 20 to 40 per cent);
- limitation of credits to the economy, and annual limitation of the external borrowing;
- devaluation of the national currency (dirham).

The Government's structural adjustment programme focused on the increase of the productivity and the competitiveness of the economy and included measures of trade liberalization, trade promotion, as well as sectorial reforms in agriculture, education and public sector enterprises. Restrictive fiscal and monetary policies were employed to contain aggregate domestic demand, while structural reforms were initiated and implemented to enlarge the supply response of the economy.

Although the full impact of the stabilization and structural adjustment programme is expected to be felt in the medium term, the analysis of Moroccan industrial performance and trade since 1984-1985 clearly indicates that major imbalances have been reduced substantially.

The sustained export growth has supported a relatively higher level of liberalized imports, leading to an increase in the ratio of external trade flows to GDP from 42.7 per cent in 1983, to 54.7 per cent in 1986-1987.

The depreciation of the dirham (22.1 per cent in real terms since May 1983) engined the export growth of finished manufactures with 14 per cent per year on average during the period 1983 to 1987, leading to an increase of Moroccan shares in the foreign markets.

Judicious exchange rate management and appropriate macro-policies resulted in maintaining import demand at sustainable levels, following the dismantling of external trade barriers.

At micro-level, the supply side effects of the adjustment programme resulted in the growth of outward-oriented industries at relatively higher rates than the import-substituting ones.

The realignment of factor prices in line with the prevailing conditions of the supply and the demand has tended to reorient investment decisions away from relatively capital-intensive technologies that were advantaged previously.

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## 2.2 Current policy issues: the 1988-1992 orientation plan for economic and social development

Despite the considerable progress achieved in liberalizing the industrial and trade régime, several constraints remained still to be solved in order to continue the adjustment process.

Thus, at macro-level, the narrowing of the fiscal deficit from 12.2 per cent of GDP in 1983 to 6 per cent of the GDP in 1987 has been achieved, but in large part at the expense of the public investment. The official reserves are virtually depleted, while acute foreign exchange shortages have induced manufacturers to hold excessive inventories of imported goods, obtain costly letters of credit, face additional foreign exchange risks and incur penalties for late payments.

Enterprises are suffering from declining credit-worthiness abroad, while increasing operating costs translate into a financial deterioration of material productivity.

A windfall tax on petroleum levied by the Treasury in order to retain the benefit of declining oil prices has raised production costs and eroded the competitiveness of energy intensive manufactures.

A 19.5 per cent point increase in real interest rates since 1975 was brought about by the greater recourse to non-monetary domestic financing in order to contain inflation, <sup>\*/</sup> while the reliance of the Treasury on forced savings (in form of domestic arrears from the public and private enterprises), amounting to 7.7 per cent of the GDP in 1987, has caused liquidity problems for several firms.

However, considering that Morocco's internal and external financial position has been improved considerably, the IMF agreed upon the 1988-1989 adjustment programme support, placing increased emphasis on Government policies to address outstanding issues in the fiscal area (where performance was not up to IMF targets), as well as to stimulate the private sector (by encouraging foreign direct investment and further trade liberalization and export promotion).

The International Finance Corporation (a World Bank subsidiary in charge of promoting private investment in developing countries), is planning to open an office in Casablanca and is already considering possible investment in agro-business, textiles, mining and tourism sectors.

At the end of December 1987, the law was promulgated passing the orientation plan for the economic and social development of Morocco during the period 1988 to 1992.

The plan retained an objective of growth of the GDP of 4 per cent per year, estimated to require a total investment of 205 billion dirhams over the period of five years in order to be attained. The investment was projected to

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<sup>\*/</sup> The financing strategy adopted by the Government helped to lower inflation from 12.5 per cent in 1983 to 2.4 per cent in 1987, by depleting assets and building up arrears.

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be funded for 52 per cent by the private sector, for 19 per cent by parastatals, for 7.5 per cent from the Treasury and for 11.5 per cent by local collectivities.

The allocation of public infrastructure projects amounts to 27 per cent of the total expenditure (56.2 billion dirhams).

The strategy envisaged for the future five years economic and social development of Morocco is articulated around the following main priorities:

- development of the rural areas and struggle against desertification, closely linked with the objective of attaining food self-sufficiency;
- development of small and medium-scale enterprises and the promotion of employment;
- adapted training and rationalization of the use of human resources;
- rationalization of the regional development (decentralization and appropriate localization of economic and social activities);
- specific and coherent sectorial development (industry, agriculture, services, tourism), with particular support to activities generating foreign currency;
- maintenance of the existing national patrimony;
- reform of public and semi-public enterprises, in order to redefine their role as instruments of the State's economic and financial policies, to rationalize their functioning and improve their efficiency.

### 2.3 Natural resources

Morocco has reasonably abundant natural resources in comparison with many developing countries. It has the world's largest and most easily accessible phosphate reserves, which made the phosphate extraction and processing key sectors in the economy, as sources of both savings and foreign exchange earnings.

Relatively large reserves of other minerals, such as iron ore, copper, barytine, fluor spar, zinc, manganese and lead, support the exports while local anthracite and hydropower resources meet about a tenth of the country's energy requirements.

The country's agricultural potential is considerable, adapted to support intensive rained farming on the plains and hills west of the Atlas chain of mountains (fertile soils and humid, temperate Atlantic climate). Although the agriculture is at present far from achieving the maximum possible yields, the agricultural products account already for about a quarter of the total Moroccan exports.

Fishery resources are considerable along the extensive Mediterranean and especially Atlantic coastlines, but only partly exploited.

## 2.4 Recent economic developments

### Domestic output, prices and demand

The 1987 GDP at constant 1967 market prices was estimated at 35.9 billion dirhams, representing an annual increase of only 1 per cent over the previous year, compared to 5.8 per cent increase in 1986 over 1985 (Tables 1 to 4, Appendix I).

This development reflected the poor results of the farming season (insufficient rainfalls) and, to a lesser extent, the slight decrease in the production of minerals.

Agriculture, forestry and fisheries share in the GDP fell from 13.5 per cent in 1986 to 11.6 per cent in 1987, while the share of secondary sector rose to 25.6 per cent and that of the tertiary sector to 41.2 per cent. The contribution of the non-market services of the public administration increased to 21.6 per cent of the GDP in 1987, from 20.6 per cent in 1986.

Price rises had a net tendency to slow down, partly due to the decline in import prices. The wholesale price index went up by only 1 per cent in 1987 (see tables 5 and 6, Appendix 1), compared with 7.8 per cent the previous year, and the cost of living index by 2.8 per cent against 8.8 per cent.

The expenditure on consumption and investment totalled 146.4 billion dirhams in 1987, (tables 8 and 9, Appendix 1) increasing with 9.2 per cent over the previous year and leaving a resource gap of 6.4 million dirham, equivalent to 4.6 per cent of the gross domestic product. Private and public consumption (119.7 billion dirhams in 1987, 4.5 per cent higher than the previous year) absorbed nearly 85 per cent of the GDP, leading to a slight decline in domestic savings rate.

Gross fixed capital formation was estimated at 28.2 billion dirhams, while the gross investment accounted to 26.7 billion dirhams, representing a decline for the second successive year, and being completely financed by the national savings. A supplementary financing capacity of 1.4 billion dirhams was made available in 1987, versus 1.53 billion dirhams in 1986.

### External financial aspects

A slight improvement of the foreign trade results (11.9 billion dirhams deficit in 1987 versus 16.9 billion dirhams in 1985 - see table 10 - Appendix 1) rose the coverage ratio to 66.3 per cent. Combined net income from tourism and transfers accounted to 21.4 million dirhams in 1987 (see table 11, Appendix 1), while expenditures covering interest on the debt and Government transactions amounted to 10.3 billion dirhams. The balance of current transactions changed from a deficit of nearly 2 billion dirhams in 1986, to a surplus of 1.4 billion dirhams in 1987.

The final result of public and private capital transactions, including those with IMF was an increase of Moroccan foreign exchange reserves by 1.5 billion dirhams in 1987.



### Public finance

The Moroccan Government budget is presented for parliamentary approval annually in December, in order to come into effect at the start of the calendar year. Receipts and expenditure are divided into three categories: the general State budget, the annexed budgets, and the special Treasury accounts. The general State budget provides for capital and recurrent expenditure on normal ministerial and governmental functions, as well as for debt service. Revenues for the general State budget are taken from taxation and loans. The annexed budgets provide for the funding of the State printers, the ports administration, the State radio and television services and the State cartographic and land registration service. They are funded by internally generated revenues, together with subventions from the general State budget. The special Treasury accounts consist of funds held for defined purposes, either to transfer central Government funds to municipal or provincial bodies, or to cover special expenditures, such as defence purchases or development projects in the Sahara. They provide loans to specific development projects or economic activities which, although running at a deficit, are considered to have a social or political importance. The special Treasury accounts provide for Moroccan payments to international organizations. Funding comes partly from the general State budget and partly from other resources. The budget deficit is covered usually by Treasury loans raised on the domestic market, although the authorities have recourse to external borrowing. The deficit is thus subsumed into the national debt, although it is often indirectly covered by foreign aid.

The development of public finances since 1987 is characterized by a larger increase in revenues than in expenditures (see tables 12 to 14, Appendix 1). In 1987, the current revenue reached 32.7 billion dirhams, equivalent to 23.4 per cent of the GDP (12.2 per cent increase over 1986), while expenditure rose to 48.6 billion dirhams, representing 34.7 per cent of the GDP (7.3 per cent increase over 1986). The current account surpluses (table 12, Appendix 1), which has been non-existent for seven previous years, accounted for nearly 3 billion dirhams on 1987.

The Treasury's financing requirement in 1987 was kept at a level comparable to that of the previous year, namely 7.7 billion dirhams or 5.5 per cent of the gross domestic product, and it was entirely met by resources of domestic origin, mainly in the form of recourse to the public's savings, which represented over two thirds of its total. The contribution of bank lending, on the other hand, decreased appreciably and net foreign financing was negative for the second year in succession.

### Banking, money, credit and foreign debt

Morocco's Central Bank, the Bank el-Maghreb, is the sole issuer of the currency, holds and administers the foreign currency reserves of the Moroccan State, controls the commercial banking sector and advises the Government on its financial policies. Although the Moroccan State is the sole shareholder, the bank, is a completely separate institution (as was shown during the protracted negotiations for the rescheduling of Morocco's foreign debt in 1983-1985, when the bank refused to act as a guarantor to the Moroccan State).

Associated with the bank are six specialized credit institutions:

- The Banque Nationale pour le Développement Economique (BNDE), which is half financed by the State and half by private Moroccan sources, and provides long-term finance for industry.

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- The Caisse de Dépôt et de Gestion (CDG), designed to receive and invest public sector deposits, such as savings and retirement funds, further invested in Government securities or in loans to Government, public or local enterprises as well as making investments in small-scale developments in sectors branches as tourism.
- The Crédit Immobilier et Hotelier (CIH), (which finances the State interest in housing and tourism).
- The Caisse Marocaine des Marchés, financing domestic trade.
- The Société Nationale d'Investissement (SNI), supporting the investment activities of the INDE.
- The Caisse Nationale de Crédit Agricole (CNCA), providing agricultural credit. The CNCA does not lend directly to farmers, but only to credit organizations, public institutions and co-operatives.

The Bank el-Maghreb controls also the activities of the private financial sector, which includes 15 commercial banks, of which the Banque Marocaine du Commerce Extérieur (BMCE) is the most important. Among the banks, the BMCE is in a unique position, since it has the sole responsibility for arranging Government export guarantees. All commercial banks are at least 51 per cent Moroccan owned. There are also six investment and finance companies, one loan guarantee fund and a branch of the Kuwait Real Estate Investment Corporation which has been in Morocco since 1976.

One of the most important functions exercised by the Bank el-Maghreb is that of controlling the supply of credit made available by the commercial banks or financial institutions. This has been particularly important in recent years, as the Government has been anxious to control access to credit (while it pursues austerity and the economy is restructured, and at the same time ensures that its own access to domestic credit should not be impeded).

The rate of growth of monetary and quasi-monetary resources slowed down markedly; even so, it finally appreciably exceeded the increase in the national accounting aggregates.

The money supply rose in 1987 to 75.5 billion dirhams (see tables 15 and 16, Appendix 1), an increase of 9.7 per cent compared with 1986. This movement, which conceals a larger increase - of 11.3 per cent - in cash holdings and sight deposits than that of 4.5 per cent in quasi-money, was the result of the rise of 7.3 per cent in claims on Government, an expansion of 9.3 per cent in claims on the private sector and a substantial growth, of 35 per cent, in net foreign assets.

The expansion in means of payment thus observed, more than twice as great as the growth of 4.2 per cent in the gross domestic product at current prices, led to a further increase in the liquidity of the economy. This does not, however, appear to have had an excessive impact on domestic demand in 1987 and consequently did not jeopardize the improvement in the external account and the slowing-down of inflation.

The country's external public debt has risen sharply in recent years, reaching \$14.6 billion (103.9 per cent of GNP) by the end of 1986. Debt to the IMF totalled a further \$1.0 billion by this date, and short-term debt amounted to \$2.2 billion, giving a grand total of \$17.8 billion (see table 17, Appendix 1).

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The 1988 "World Development Annual Report On Debt" singles out that Morocco has a higher debt to GDP ratio than Latin American debtors with worst debt pay-back difficulties such as Mexico (debt to GDP ratio 61) or Argentina (70).

Official debt due in 1985 and 1986 was rescheduled by the Paris Club in September 1985, in an agreement covering about \$1 billion worth of debt - 90 per cent of the total due to be repaid. The agreement followed further IMF credit facilities (a standby facility of SDR 200 million and a compensatory financing facility of SDR 115 million) awarded in mid-September 1985 - rather later than expected, as a result of IMF anxiety over budget and current account deficits. The facilities were to run for 18 months, until February 1987. By June 1986, however, the IMF was pressing for a renegotiation of the loan agreement reached in September 1985 on the grounds that Morocco had not succeeded in bridging its financial gap for 1985-1986 and had failed to implement sufficiently rigorously the major elements of the IMF-prescribed package upon which the loan was conditional. The IMF was particularly concerned at the budget deficit, the failure to control the growth of credit and the corresponding expansion in the money supply, and the insufficient reduction in subsidies on basic foodstuffs. A new agreement for a standby credit of SDR 230 million (\$280 million) and the same sized compensatory financing facility as previously was, however, concluded in mid-December 1986 for a 16-month period. Negotiations were completed in December 1986 for the rescheduling of the \$1.8 billion worth of medium- and long-term commercial bank debt due between 1985 and 1988.

Short-term debt worth \$640 million was also rescheduled on a revolving basis. A new Paris Club agreement on bilateral debt was signed in March 1987, to cover \$1 billion worth of principal and interest payments due between March 1987 and June 1988. The March agreement also dealt with a further sum of \$300 million which had been rescheduled from 1984 and which is now to be deferred for four years until 1990. It will then be repaid in eight half year instalments.

With regard to exchange rate management, the depreciation of the dirham via-a-via a basket of major trading partners' currencies from 1983 to 1985, improved the competitiveness of Moroccan exporters and had a substantial beneficial impact on a wide range of economic activities, including manufacturing and tourism.

The nominal effective rate for the dirham remained unchanged at its end-July 1985 level, as no official readjustment has been made since. The system of quotation based on a basket of currencies representative of Morocco's payments, the geographical distribution of its foreign trade and on a reference currency gave proof of its corrective function, having reduced in terms of dirhams, the extent of the excessive variations which took place on the international markets. The average external value of the dirham remained practically unchanged in 1987 via-a-via the Special Drawing Right, but fell by nearly 7.9 per cent in relation to the European Monetary System. In relation to the currencies most frequently used in internal settlements, the annual average depreciation of the dirham was only just over 2.5 per cent against the pound sterling, 4.9 per cent against the Japanese yen and 5.5 per cent against the French Franc, while it amounted to 9.8 per cent and 9.5 per cent respectively against the Deutsche mark and the Swiss franc. The dirham appreciated by 9 per cent against the US dollar and 4 per cent against the Canadian dollar.

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### Investment

Investment totalled 26.7 billion dirhams in 1987, compared with 27.3 billion during the two previous years. The investment ratio, measured in terms of the gross domestic product, amounted to 20.1 per cent in 1987, compared with 19.6 per cent a year earlier.

The efforts made by the Government to increase the mobilization of national savings enabled the entire cost of capital equipment to be financed, despite a slower growth in incomes, and led to a reduction in recourse to foreign capital.

Table 18 in Appendix 1 shows the gross fixed capital formation, together with its sectoral breakdown, during the period 1983 to 1987.

All sectors, with the exception of civil engineering sector which stagnated in 1986 and 1987, contributed to the increase in equipment investments.

Purchases of plant and equipment, which are the main form of capital investment, amounted to 12,427 million dirhams in 1987, a rise of 5 per cent over 1986. Similarly, building operations increased by about 13 per cent to 9,090 million; their share in gross fixed capital formation thus rose slightly, to 32.3 per cent. Development and plantation work, together with purchases of livestock, totalled 1,516 million.

The amount of capital investment approved in 1987 by the public authorities reached 4,692 million dirhams, an expansion of nearly one third over the previous year. The textile and leather sector, with 1,857 million dirhams accounted for 40 per cent of the total capital expenditure planned. Furthermore, 44 per cent of the projects were export-oriented. More than three quarters of the total funds for the projects came from the domestic private sector, while the foreign capital involved totalled 774 million.

With regard to the financing of approved capital investment, it was planned that nearly 50 per cent would be provided from shareholders' equity, the remainder being provided by banks and financial institutions, or credit from suppliers. Furthermore, foreign exchange expenditure were estimated at over 3 billion dirhams, representing two thirds of total spending.

The number of jobs to be created by the projects was estimated at 54,000. The average investment was evaluated at 1.1 million dirhams for small- and medium-sized enterprises, at a cost of 35,000 dirhams per job, whereas in large industrial firms the cost is over 160,000 dirhams.

The regional breakdown of investments highlights the preponderant position occupied by Casablanca, which received 55 per cent of the projects and over 42 per cent of the sums invested and offered 47 per cent of the jobs created. The aims pursued by the Government, in particular decentralization of the economic poles were not fully achieved. Reduction of the tax facilities granted to the leading sectors was therefore envisaged.

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The industrial investments code issued in February 1983 (see Appendix 2) foresees several tax rebates or exemptions and other advantages for companies, PME 1/ in particular, installed in especially designated industrial zones, in case of installment or extension of capacities.

### 2.5. Foreign Aid

Morocco ranks among the top borrowers from the World Bank. Total commitments amounted to over \$4,200 million between 1985 and 1988.

Morocco is also one of the major clients of the African Development Bank, which has financed a total of 28 projects in Morocco since 1970, with a combined value of over \$1 billion, mainly in agriculture, transport and infrastructure fields.

A standby credit worth £166 million (SDR 220 million) was agreed by IMF, running until December 1989.

In Appendix 3 are given detailed informations on the assistance to development provided by 16 multilateral, 13 bilateral donors, as well as non-governmental organisations, concerning 600 approved or envisaged projects in 1987, such as stated in UNDP report "Co-operation for Development, Morocco 1987", and classified by type of projects.

The global-engaged funds for the 600 projects amounted to \$5.85 billion, broken down as follows:

- by type of projects:
  - 77 per cent on approved projects and
  - 23 per cent on envisaged projects
- by source of assistance:
  - 60.6 per cent from multilateral assistance (United Nations, EEC)
  - 39.3 per cent from bilateral assistance (major donors are USAID, France, Spain, Canada, Italy, Federal Republic of Germany and Belgium)
  - 0.1 per cent from non-governmental organizations
- by type of assistance:
  - financial/capital assistance - 90 per cent
  - technical assistance - 10 per cent
- by type of financing:
  - loans - 88 per cent
  - gifts - 12 per cent

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1/ PME - Petites et Moyennes entreprises - Small and medium-size companies.

## 2.6 Major Sectors

### Energy

Morocco is a net importer of energy products, its own resources covering only about 10 to 12 per cent of the total needs. The consumption of primary energy was estimated at 5.45 milliard tones of oil equivalent (TOE) in 1987, (see Appendix 1 - tables 19 to 21), of which 76 per cent as petroleum products, 19 per cent as coal, 4 per cent as hydro-electricity and 1 per cent as natural gas.

The local production provided the same year only 661,000 TOE (56 per cent as coal and 33 per cent as hydro-electricity).

The high degree of dependency on foreign supplies of primary energy determined the Government emphasis on developing the domestic sources and encouraging the use of new energy sources to the greatest possible extent.

The Jerrada anthracite mine (North-East, close to Oujda) has been expanded and produced 634,200 tons in 1987. Rapidly growing imports of coke and coal (21,000 tones in 1984 and over 1 million tons in 1987) are needed for fueling the thermal power stations and several manufacturing plants.

The natural gas reserves are limited (3 billion m<sup>3</sup>, of which only 30 per cent can be recovered) and are mainly used for phosphate drying and calcination.

Proven oil reserves are also very small; the country rely on imports of crude petroleum, which is refined in the two domestic refineries with a combined production capacity of 4.3 million tons. Two groups, the SNPP - Société Nationale des Produits pétroliers and ANAP handle the local sales of petroleum products.

The Government has attempted to restrict petroleum imports through the conversion of power stations and cement works to coal-burning, and through maintaining excessively high domestic prices, in spite of the fall of international oil prices in 1986.

The Bank el-Maghreb estimated that the difference between the purchasing costs of oils and the domestic selling prices of selected petroleum products (see Appendix 1, table 22) amounted to around 4.4 billion dirhams of revenue for the Treasury, the benefits of the oil price decline not having passed to consumers.

Apart from disappointed expectations of recovering oil from the significant oil shale reserves (uneconomic at prevailing petroleum prices), Morocco has potential uranium deposits <sup>1/</sup> and envisages also the use of several other forms of energy in replacement of petroleum, such as solar, wind or wood.

Electrical power generation is estimated to have totalled 7.46 GWh in 1987, a 5 per cent increase over the previous year (see Appendix 1, table 21), 89 per cent thermally generated and 11 per cent hydro-generated. Hydroelectricity output is highly dependent on the climatic conditions.

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<sup>1/</sup> Feasibility studies are being carried out for three nuclear power stations.

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The increasing demand for electricity due to the rapid extension of the distribution network is expected to be met by the thermal power plants.

The ONE - Office National de l'Electricité - controls the production, the transport and partially the distribution of electricity. Its production capacity amounts to 1.865 MW (gas; thermo and hydro plants).

Morocco has five thermo power plants generating 94 per cent of the thermal electricity and 17 hydro plants (three of which account for over 70 per cent of the hydroelectricity produced).

The ONE completed recently a survey of several sites suitable for the establishment of hydroelectric micropower stations, the feasibility study for the installation of a thermal power station at Jorf El-Asfar and the building of Amouguez power station and dam.

Morocco does not follow the pattern of charging relatively lower tariffs for high-voltage, industrial users, such as most other countries (the comparison of the relative tariff structure for high and low voltage electricity for Morocco, Tunisia and Portugal in 1986 is shown in Appendix 1, table 23). Current electricity prices paid by the consumers stand at 160 per cent of the economic cost and may be further raised to meet ONE's financial targets. These high prices and unadapted tariff structure hurts the competitiveness of several Moroccan processing industries.

### **Mining**

Total production of minerals, the movement of which is closely linked with that of phosphates (95 to 97 per cent of the total tonnages extracted), averaged 22 million tons per year between 1984 and 1987 (see Appendix 1, tables 24 and 25). The minehead value rose to 5.1 billion dirhams in 1987, mainly due to the rise of the domestic prices of phosphates.

The value added of the minerals-extracting industries declined at constant prices by 4.1 per cent in 1986 and further by 1.2 per cent in 1987, while the share in the GDP decreased from 2.4 per cent in 1986 to 2.3 per cent in 1987.

The phosphate industry is the major source of export earnings, either raw or as processed products.

Phosphate of very high quality is mined by the State monopoly OCP - Office Chérifien des Phosphates, considered the world's largest potential producer due to the extent of its reserves. 1/ The Office is concentrating on the increase of its processing and transformation capacity, in order to consolidate its leadership position in the world markets.

About 38 per cent of the raw phosphate extracted is locally processed to phosphoric acid and fertilizers for domestic use and export markets.

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1/ 10.6 billion tons known reserves and 57.8 billion tons probable reserves.

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The OCP succeeded in stabilizing its total exports in terms of both volume at value, in spite of the depressed market context determined by the contraction of the world demand (due to agricultural surpluses in the United States and Europe, coupled with excess production capacities, the heavy indebtedness of the developing countries and the depreciation of the dollar). Sales of unprocessed phosphates have been replaced with higher-valued sales of phosphoric acid, fertilizers and other phosphate-based products.

Export earnings were estimated at 3.7 billion dirhams in 1987.

Two phosphate calcination units started up in 1987, together with the commissioning of two fertilizer manufacturing plants producing diammonium phosphate (in great demand on the world market). In the medium-term, the OCP envisages to open two new mines and to expand the processing capacities of the chemical complexes at Safi and Jorf El Asfar, where a super-phosphoric acid unit and a chemical complex will be added to the existing infrastructure.

### **Agriculture**

Agriculture plays a major role in the Moroccan economy and society, providing incomes for about 57 per cent of the population, offering about 40 per cent of the total number of jobs, supplying most of the country's domestic food requirements and producing trade surpluses that amounted to a quarter of the total foreign exchange earnings in 1987. The share of agriculture in the GDP amounted to 21.3 per cent in 1986 and to 18.6 per cent in 1987, the latest figure being close to the average of the last five-year period.

Wide contrasts and differences of productivity exist, however, within the sector. Production is heavily dependent on weather conditions, as crops grown on unirrigated land account for nearly 90 per cent of the cultivated area.

About 15 per cent of the total agriculture's land is held by 3 per cent of the farmers, and is devoted to large-scale, export-oriented farm operations. These modernized agri-businesses occupying just under 1 million ha out of the total cultivated area of 7 million ha yield more than 80 per cent of the commercial production, including almost all of the citrus fruits, fresh vegetables, wine and the other agricultural exports. These irrigated farm operations benefited from substantial Government subsidies. In contrast, most of farmers live in dryland, non-irrigated areas; the majority of farms are small and family-operated, using inefficient, traditional cultivation methods, with low production yields. They suffer from lack of capital, insufficient agricultural training, and lack of mechanical equipment.

Land ownership patterns are a major constraint to the increase of agricultural output and productivity. Land is still either often owned collectively or, when privately-owned, is subject to inheritance practices maintaining subdivision and fragmentation.

The problem of inefficiency of smallholdings is critical, as 74 per cent of landholdings in 1984-1985 were under 5 ha.



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No generalized land reform occurred since independence, although under the agricultural investment code introduced in 1969, farmers in irrigated areas had to meet minimum standards of efficiency or be evicted, and farms of less than 5 ha were no longer permitted in these areas.

The principal crops are wheat, barley, maize, citrus fruits and vegetables. Citrus fruits and tomatoes are a major source of export earnings, but the country is not self-sufficient in cereals, sugar and other foodstuffs. Annual imports of cereals usually exceed 2 million tons, while the total domestic consumption averages 6 million tons per year. There are about 50,000 ha of vineyard and a similar area under citrus groves. Olives, figs, almonds and walnuts are specialities of northern regions, while dates are supplied from the south.

Market gardening for exports as well as for the local needs takes place around the major urban areas. (Tables 26 to 33 in Appendix 1 give more detailed information on the recent production levels of agricultural crops.)

Large irrigation schemes support the sugar-beet and sugar-cane crops, that only meet about 62 per cent of the domestic needs; with 31 kg of sugar per capita per year, Moroccans are the world's largest consumers of sugar.

The production of the other major industrial crops, cotton and oleaginous plants increased substantially, benefiting of regular and adequate irrigation, increase of areas under cultivation and improvement of yields.

The Government adopted a policy of increased mobilization of water resources and irrigation, more intensive use of fertilizers, more judicious land allocation and training of farmers, in order to implement the programme aiming at the achievement of self-sufficient in food.

Following the liberalization of marketing introduced in October 1986, the monopoly of the Marketing and Export Office has been abolished, the producers of fruits and vegetables having the possibility to sell directly on the export markets.

A loan of \$US 225 million was approved by the World Bank in 1987 to support the 1987-1989 recovery plan for the agricultural sector, which aimed to increase the exports by rising producer prices and removing subsidies.

#### Stock-farming and fisheries

The census carried out by the Ministry of Agriculture in Spring 1987 counted 25.1 million head of livestock, representing an increase of over a quarter over 1985 due to favourable weather conditions and adequate feeding/fodder crops supplies. Of the total livestock, 64 per cent were sheep; 23 per cent goats and 13 per cent cattle.

Production of poultry provided 133,000 tons of white meat in 1986 and 129,000 tons in 1987, while the production of eggs was stabilized at about 1.1 billion per year.

Morocco produces virtually all its domestic meat requirements. Production of preserved meats totalled 70,000 tons in 1987.

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Production of fresh milk averages 730 to 750 million litres per year. In order to encourage the dairy farming, the Government increased in 1987 the average producer price per litre of milk with 6.5 per cent and controls the imports of dairy products.

The governmental campaign for the development of the stockfarming sector, which accounts for 30 per cent of the total agricultural production is centred in particular on the intensive growing of fodder crops, the seeds of which are exempt from import duties and taxes, and on stepping up the production and distribution of milk and derivatives. Greater attention and support are being given to the care of livestock and the creation of milk collecting centres.

The manufacture of long-life products, such as sterilized and powdered milk are encouraged, in order to absorb the surpluses of high-lactation periods.

For climatic reasons, fishing is nearly exclusively practiced along the Atlantic coasts.

The fishing potential is estimated by the Ministry of Agriculture at 1.5 million tons per year, of which 80 per cent is illegally caught by foreign fishing fleets. Moroccan coastal catches amounted to 444,800 tons in 1986 and decreased to 365,000 tons in 1987, for a value of 769 million dirhams.

The domestic deep-sea fishing in 1987 was estimated at 93,000 tons valued at 1,480 million dirhams, representing over a third decrease compared to 1986 performance.

Coastal fishing uses about 8,000 ships and employs nearly 30,000 people. The major fishing ports are Agadir (handling about half of the total catches) Safi, Essaouira, Casablanca and Tan Tan.

Deep-sea catches are shored in foreign harbours.

The largest fishing company is OMP - L'Omnium Marocain de Pêche - a privately-owned firm with an annual turnover exceeding \$US 30 million.

Investments in the fishing sector, totalling 315 million dirhams in 1987, were devoted to the purchase of 19 trawlers for deep-sea fishing, 110 coastal fishing units and for the creation of 1,800 new direct and indirect jobs.

### Forestry

The about 5 million ha of Moroccan forests are State-owned in near totality. About 1.3 million M<sup>3</sup> of wood are yearly felled, of which 1.1 million M<sup>3</sup> for charcoal and firewood.

Morocco is the third largest producer of cork in the world (about 10,000 tons per year).

### 3. THE MANUFACTURING SECTOR

#### 3.1. Overall characteristics

The development of the industrial sector is no longer correctly reflected by the production indexes using 1978 as base year, as many dynamic branches operational after that date are not included. (See Appendix 1, table 37). However, a new index based on the year 1982 was not provided until end 1987.

According to available index data, the annual growth of the manufacturing sector amounted to 3.3 per cent in 1986 and 1987.

Bank el-Maghreb (Annual Report 1987) estimates (based on the value added of industry and crafts in 1987, amounting to 6.2 billion dirhams in constant prices) that the increase in manufacturing activities in 1987 amounted to 4 per cent, compared to 3.4 per cent in 1986.

The share of the manufacturing industry in the gross domestic product amounted to 15.6 per cent in 1987, according to the same source.

The general economic environment was characterized by the relative stability of the production costs, balanced labour relations and improvement of supplies, resulting from the policies of liberalization of prices and of foreign trade. Moroccan manufacturing sector consists of four major branches: agro-food; textiles/leather; chemistry/parachemistry and the mechanical, metallurgical and electrical industries. The economic parameters which characterized these branches in 1986 are given in table 38, appendix 1.

According to the 1986 Annual Report of the Ministry of Industry and Foreign Trade, the Moroccan manufacturing sector counted 4,009 firms, of which only 762 export-oriented, employing 224,100 persons (see table 39, Appendix 1).

The size distribution of manufacturing enterprises by number of workers in 1985 (latest date available) appear similar to that of other market economies like Korea and Japan (table 41, Appendix 1).

Although output, employment and exports are primarily concentrated in a limited number of large enterprises (see table 42, Appendix 1), the distributional pattern is very diversified at branch level.

In the food processing sector, fruits and fish canning production is equally distributed among small, medium and large-size firms, while beverages, tobacco and textile spinning and weaving are dominated by a small number of large firms. A similar output distribution is observed in machinery and equipment manufactures, with relatively few large assemblers and several medium-size manufacturers. In capital-intensive industries such as chemicals and transport equipment, production is dominated by very large firms, with small enterprises acting as component or intermediate input suppliers.

Garments and footwear manufacturers exhibit relatively equal output shares across different firm sizes.

The evolution of individual branches of the manufacturing sector varied, being strongly influenced by the trend of the market demand.

The dynamic evolution of exports supported the development of certain branches, in particular textiles and phosphate derivatives. The steady increase of the domestic consumption and the relative price-stability fueled the increases in flour-milling, sugar, fats and milk-based products manufactures.

On the other hand, the low level of orders for capital and intermediate goods in general was unfavourable to the development of metal, paper and paperboard, plastics and rubber industries.

The prospects of development of the manufacturing sector are encouraging, as an impressive programme of creation and extension of firms is underway. A number of 1,603 capital investment projects were underway in 1987, for a total cost of over 4.7 billion dirhams, according to Bank el-Maghreb, expected to create more than 54,000 new jobs.

Of the total projects, 61 per cent concern small- and medium-size manufacturing firms, while 44 per cent are export-oriented operations.

### 3.2 Recent developments by branches and groups of industries

#### (a) Consumer goods

##### Food, beverages and tobacco industries

Agro-food based industries have a preponderant position in the Moroccan manufacturing sector as: main source of valorisation of the agricultural production, suppliers of domestic market in basic consumer goods, major earners of foreign currency and major labour employer. The Ministry of Trade and Industry, in a sectorial report of April 1988, estimated that the agro-food industries branch counted 1,269 firms (82.5 per cent of which were installed after 1961) in 1986, representing 29 per cent of the total industrial firms.

The branch employed about 50,000 permanent labour, equivalent to 20.7 per cent of the total labour employed in the manufacturing sector (see table 40, Appendix 1). The exports of the branch amounted to 12.1 per cent of the country's total export in 1987.

The 1987 production of staple foods increased by 10.5 per cent over 1986, and the production of beverages and tobacco by 2.8 per cent, benefiting from a strong local demand and adequate supplies of raw materials.

Sales of soft drinks amounted to 2.4 million hectolitres in 1988 (12 per cent increase over 1987) but the production capacities of the industry remained under-utilized (58 per cent). The prices of the drinks remained unchanged since 1986.

The sugar industries have produced 490,000 tons of white sugar in 1988, against 412,000 tons produced in 1987 (+18.6 per cent), derived from domestic sugar beet and cane.

The production covered 67 per cent of the total local demand. Sugar price remained unchanged since September 1985.

The major problems encountered by the sugar industries are connected with the pricing of agricultural inputs (the price margins of sugar cane and beet farmers) and of the end-product (the unchanged level of price of the white sugar was maintained by substantial subventions of the "Caisse de compensation", which accumulated high arrears endangering the financial equilibrium (balance) of sugar manufacturers.

Morocco has 12 sugar plants installed between 1963 and 1984, with a total capacity of 39,000 t/day sugar beet and 10,500 t/day sugar cane, and two sugar refineries (Consumer and Casmsa), with a total capacity of 422,000 t/year refined sugar.

The manufactures of sugar-based products, such as molasses, yeasts and animal feed developed in parallel with the manufacture of sugar, Morocco being currently exporter of yeasts and molasses. (See Appendix 4.)

The industrial flour mills, working at 75 per cent of their total installed capacities, improved their output by 3 per cent in 1987, producing 24.3 million quintals of flour.

Approximately 70 existing mills use local, as well as imported cereals inputs and cover the total local demand of flour.

The oil-milling capacities of the two oilmills, Sepo in Casablanca and Sigo-Gharb in Ke'nitra were expanded, their 1987 production being the double of 1986. The two mills are refining mainly imported raw oil. Local production of olive oil, amounting to 38,000 tons in 1987 is maintaining its semi-artisanal character.

The milk industry processed nearly 323 million litres in 1987, achieving an increase of 14 per cent over 1986 production, made possible by the increase of quantities collected (as a result of the rise of producer prices and the policy of encouraging stockfarming).

The Moroccan food canning industries are export-oriented, and process local fruits, vegetables and fish. Food canning realized 23.4 per cent of the exports of food industries branch and 6.3 per cent of the total Moroccan exports in 1987, and employed half of the labour in the branch. Morocco is the world's second largest exporter of canned sardines.

The canning of vegetable products and fruit juices is highly dependant on the regularity of supplies of local vegetables (weather conditions) and the evolution of the demand on the traditional foreign markets on which the Moroccan exporters depend entirely.

The number of vegetable canning units was estimated by the Ministry of Industry and Foreign Trade at 49 in 1985/1986 (see table 39, Appendix 1).

The 67 fish canning units, located in Safi (about 53 per cent of the total installed capacities of 375,000 tons per year), Agadir (40 per cent) and Essaouira (7 per cent), process 90,000 to 95,000 tons per year fish, corresponding to a rate of utilization of capacities of 25 per cent only.

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The major constraints of fish canning industries are the contractions of the local availability and supplies of fish, and the decrease of demand and strengthening of the competition on the traditional export markets.

A favourable evolution of the situation is expected for 1989/1990, as a result of the liberalization of export prices and offers, which will be controlled by the manufacturers, as well as of the promotion of Moroccan fish preserves on new American and African markets.

The major canned fish manufacturers are Conserveries Bouzine S.A. (Agadir); SONARP and Société de la mer - ASMAK (Casablanca).

The manufacture, import, distribution and sales of tobacco are the monopoly of Régie des Tabacs.

#### Textiles and leather industries

The Moroccan textile industries covered only a quarter of the country's needs up to 1960. New investments and customs protection resulted in self-sufficiency since 1971, when the industry-oriented towards the manufacture of clothing and garments for export.

Currently, about 900 firms are involved in textile manufacture, employing about a third of the total labour in the manufacturing sector (over 80,000 persons), and depending for about 85 per cent on imported raw materials and for 15 per cent on locally-produced cotton, wool and some types of synthetic fibres. The industry has installed very modern and efficient equipment.

Some 30 large companies yield over the half of the total output, while 20 per cent of the production is provided by artisans and very small firms.

About 80 per cent of the companies are located between Casablanca, Tangier and Fes.

Exports of textile industries amounted to 6.10 billion dirhams in 1987, representing 17 per cent of the total Moroccan exports of that year (broken down by type of products as follows: 59 per cent clothing; 24 per cent hoisery and 14 per cent carpets).

The local demand of textile is stagnating, the silk and embroidery activities being paralysed by smuggling, while garments activities are slowed by the rising prices of imported raw materials.

The development of textile industries, in spite of investments still underway, will depend on the evolution of the export demand in general, and on the package of quotas and agreements negotiated with the EEC as major importer in particular.

Activities of the leather processing industries are falling (-21.4 per cent in 1987 over 1986, see table 34, Appendix 1), due mainly to excessive costs and increasing scarcity of good quality raw hides (which are exported in rising quantities since the liberalization of trade/exports). Exports of footwear and fine leather goods (bags, travel articles), amounted to about 370 million dirhams in 1987, i.e. 1.6 per cent of the total exports of the country.

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### Other industries

The global rate of utilization of capacities in the pharmaceutical industries was estimated at 75 per cent.

The industry had a turnover of 1.3 milliard dirhams in 1988, but the progression of its output is slowed by two major factors:

- the Moroccan consumption of pharmaceutical products is the lowest between the Maghreb countries, due to the lack of generalized medical and social insurance, which limits the possibilities of the largest part of population to have access to medical treatment;
- the excessive fiscal changes and customs duties, amounting to 25-68 per cent of the value of imported raw materials.

Several of the 20 pharmaceutical plants in operation started promoting their products on the export markets.

The paper pulp industry increased its production in 1987 and 1988 by about 20 per cent per year, sustained by the increase of the international demand, the rise of the international market prices, the relative stability of the US\$ and the availability of regular supplies of local, as well as imported wood.

The industry is estimated to have produced in 1988 at 6 to 7 per cent above its nominal capacity.

The board and paper processing factories reduced their activities since 1986, due to the decrease of orders, especially from canning industry.

The global output of the woodworking industries have also fallen by 10.2 per cent in 1987, with reductions of 3.5 per cent of the output of veneers and plywood; 15.1 per cent of the output of cork articles and 38.2 per cent of the output in wood packaging.

### (b) Capital and intermediate goods

#### Mechanical, metallurgical and electrical industries

The global situation of the branch is deteriorating since 1986, due to several constraining factors such as:

- the realization of several turn-key plants, especially when BIRD financing was provided;
- the smuggling;
- relatively high production costs and high incidence of customs charges of imported raw and intermediate materials on pricing;
- the liberalization of foreign trade and subsequently the competition from cheaper imported finished goods;

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- the rise of the price of imported raw materials from the international markets, while local sales prices were maintained stable or even decreased, because of the international dumping on the Moroccan market
- difficulties in recovering payments.

The branch counted 634 enterprises in 1984-1985, employing 38,600 persons.

The electrical and electronic industries counted about 75 enterprises with over 10 employees in 1985 and employed a total of 10,000 persons. These industries realise over a half of the export earnings of the mechanical, metallurgical and electrical industries and produce a wide range of goods such as: electrical appliances and electrical accessories for electric motors; refrigerators (58,000 assembled in 1983); radios and TV sets (52,500 coloured and 47,500 black/white television sets in 1983), etc.

### Foundries

The rate of utilization of the installed capacities did not exceed 50 per cent since 1986, because of: the exclusion of local foundries from the large international tenders for turn-key realizations; the dooming situation of cars manufacturing industries; the slow-down of cement making and mining activities; international dumping and the rise of energy prices that decreased the price competitiveness of the local manufactures. In contrast to the persistent downward trend in the manufacture of cast iron and steel products, the non-ferrous metal casting situation is slightly improving since 1987.

### Industrial mechanics and metalworking activities

Industrial mechanical processing, in upstream foundries makes use of the installed capacities at about 70 per cent. Pistons manufacture is adversely affected by smuggling and the increasing energy costs.

The global rate of utilization of the installed capacities in the metalworking industries averages 65 per cent; the wire-derived products and the metal furniture manufactures are in slight expansion, while the activities fell by 15 per cent in 1988 compared to 1987 in the metal packaging industries, mainly due to the decrease of activities in the canning sector. This dramatic decrease of activities resulted in a substantial decrease of rentability of enterprises, which had recently engaged large investments for modernization of their processing equipment.

Basic metallurgical activities are less developed in Morocco, but are considered priority industries.

The rods and machine wire mill - SOMASID (420,000 tons per year) has started up the activities at the end of 1984, while the project of a 700,000 tons/year integrated steel mill based on directly reduced local iron ore is still under study.

### Agricultural equipment

Several enterprises, such as Atmar (Ateliers Marocains); Frendo; MCR; Comagi; JIM; Sofami; Suadia and Soframar manufacture agricultural equipment.



Sales of tractors averaged 2,400 units per year during the last 10 years.

The transport equipment manufactures include the assembly of commercial and private vehicles, cycles, motorcycles and railway rolling stock, integrated with a well-developed network of subcontractors for car parts and accessories manufacture. The industry is export-oriented. SOMACA has an annual installed capacity of 40,000 private cars and 12,000 trucks and buses on its six assembly lines, and is assembling Fiat, Opel, Peugeot, Renault, Talbot and Solara cars, and Ford, Berliet Volvo, Daf, Bedford and Dino trucks and buses.

About 80 per cent of the local needs in diesel engines are provided by the two manufacturers: Smaia (Casablanca) and Simef (Fes - part of Hawker Siddeley Group).

The Société Ocherifienne de Matériel Industriel et Ferroviaire - SCIF (Casablanca) could manufacture up to 600 merchandise wagons per year and the boggies, as well as passenger carriages.

Assembling of commercial vehicles increased by 13 per cent in 1987 over 1986, due to the expansion of urban transport, while the construction of rolling stock has contracted by nearly 9 per cent and the number of private cars assembled fell to 11,622 units, representing less than half the assembly capacity, partly due to the high increase in the number of new and second-hand cars imported following the liberalization of the trade.

#### Chemical, paracheimical, rubber and plastics processing industries

Moroccan chemical industry is export-oriented and based on the processing of phosphates. The industry grouped 553 firms in 1985, employing over 40,000 persons (about 14 per cent of the total employment in the manufacturing sector. The major public or semi-public enterprises are:

- Maroc Chimie (Safi), started up in 1962 and manufacturing phosphoric and sulphuric acids;
- Maroc - Phosphore I, II and III. Each plant produces about 660,000 t/y sulphuric and phosphoric acid; as well as a range of fertilizers (monoammonium phosphate; superphosphates; sulpho-ammonium phosphates; compound fertilizers);
- SNEP - with a production capacity of 25,000 t/y chlorine; 28,000 t/y soda and 25,000 t/y PVC, covering the needs of the local market.

Phosphate processing complexes supplied nearly 3 million tons of products in 1987, including 1.9 million tons of phosphoric acid and 1.1 million tons of fertilizers.

The two refineries processing imported crude oil, SAMIR (Mohammedia) and SCP (Sidi Kacem) have a global processing capacity of 3.6 million t/y.

Some 110 companies were involved in rubber and plastics processing in 1981. The major activity of the industries is the manufacture of tyres. The two main producers of tyres are Goodyear and General Tyre (1985 production: 750,000 tyres).

The output of paints and varnishes increased with 14 per cent per year on average between 1975 and 1985, supplying the complete range of products for the local market. Twenty one companies benefiting from modern production equipment manufactured 43,000 tons of products in 1985, for a total installed capacity of 166,000 tons per year.

Seven manufacturers supply about 90 per cent of the total demand.

The manufacture of paints and varnishes consists mainly in processing of imported raw materials, with the exception of vinyl resins (100 per cent locally supplied), glycerophthalic resins (50 per cent) and of linseed oil.

The evolution of the local needs of paints and varnishes depends on the development of the building sector and the demand of car manufacturing industries.

### (c) Other manufacturers

Morocco is the third largest exporter of cork (after Portugal and Spain). Exports average 25,000 tons per year cork and products manufactured from local cork, including bottling corks (3 per cent of total exports) panels, corks and other articles in agglomerated cork (14 per cent); goods in granulated, pulverized or crushed cork (3 per cent), as well as raw cork (80 per cent).

Some 2.2 million t/y glass bottles, 200,000 glass recipients and 125,000 t/y industrial preserve jars are also manufactured, covering entirely the demand of the domestic market. Raw and flat glass are not yet produced in the country.

Production of building materials included some 322 establishments in 1985, employing nearly 20,000 persons. Morocco produces cement (3.9 million tons in 1987, for an installed capacity of the nine existent cement plants of 6.35 million tons); bricks; products in asbestos-cement; tiles; refractory products and building and household ceramic goods, meeting entirely the domestic needs.

### 3.3 Small and medium-size enterprises - importance and development policies

Moroccan economy is "mixed" in two senses of the term: the modern and the traditional sectors both coexist, as a mixture of free enterprise and State-controlled firms.

As already mentioned at the end of chapter 3.1, and shown in table 42, Appendix 1, out of the 4,009 manufacturing enterprises registered in 1985, 68 per cent (2,727) were small size and 26 per cent (1,030) were medium size. The small-size enterprises realized 8.8 per cent of the total manufacturing output, 7.4 per cent of the exports of the sector and employed 14.3 percent of the total labour involved in manufacturing.

The medium-size enterprises realized 13 per cent of the production and 7.3 per cent of the exports of the manufacturing sector, employing 13.5 per cent of the total labour.

The second priority of the Orientation Plan for Economic and Social Development, 1988-1992 is the consecration of the small and medium enterprises as privileged tools of the social and economic development of Morocco.

This development is justified by the policy of promotion of small to medium-size projects compatible with the situation of the public finances; by the efficiency shown by the private initiative in the context of the liberalized economy, and by the policy of encouragement of local entrepreneurs to take over from the State in the economic management of enterprises.

### 3.4 Public and semi-public enterprises - importance and development of the economic role of the State

The Government has played a preponderant role in the Moroccan economy in several ways. It owns all mineral rights (including phosphates), as well as the phosphate-sugar- and tobacco-processing enterprises, together with the railroad, highway, power and telecommunications networks and the largest part of the airline and navigational services. It owns all large-scale irrigation schemes, which give it control over the agriculture, and has participating interests in several large establishments of the manufacturing sector.

Through the development plans, the extension of low credit to priority agro-based industries and tourism, as well as through fiscal policies, tariff protection and foreign exchange and price control, the Government plays a strong interventionist role in the economy.

Public sector enterprises accounted for about 20 per cent of the GDP and a much higher part of the corporate sector value added in 1986.

Their performance has been generally disappointing for three major, interrelated reasons:

- inadequate pricing of outputs;
- poor investment planning and project selection;
- inappropriate financing of the enterprises.

The Government's net arrears to public enterprises amounted to about 6.5 billion dirhams at the end of 1985, besides the other entities owned, amounting to 1.0 billion dirhams as guarantor that became insolvent. A Vigilance Committee has been created and has proposed a scheme to begin in 1987, for cancellation of debts and liquidation of Government arrears to public enterprises, through their conversion to bonds (eventually redeemed by the Treasury).

The two most significant Government policies taken since the 1980s under the IMF pressure, were:

- The move from import-substitution to export-promotion development policies;
- The annulment of the 1973 Moroccanisation decree, in order to attract foreign capital investments.

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In the same context, the Government created 26 industrial zones (with fully-equipped industrial sites at low prices) and the Tangiers free trade zone.

The Government administrative controls over the economic activities have been considerably reduced since 1985-1986.

Meanwhile, one declared objective of the Government, reflected in the Orientation Plan for Economic and Social Development, 1988-1992, is the disengagement from commercial activities, and partial divestiture of public enterprises.

At the same time, the Government started restructuring its relations with the enterprises remaining in the public sector, in view of inducing greater efficiency through the appropriate definition of responsibilities and performance objectives. In reforming public enterprise financing, the Government envisages to eliminate all operating subsidies through price adjustment and sectoral or enterprise restructuring.

The investment financing should be reduced to equity, and no assistance should be provided to public enterprises able to raise funds on the capital market. A number of public enterprises have already make themselves financially autonomous.

### 3.5 Linkages

Backward linkages are strongly developed, the domestic mineral, agricultural and forestry resources being locally processed, very often in export-oriented manufacturing units.

Basic industries rely on imported raw materials only in the absence of sufficient domestic supplies.

Forward linkages are less developed, Morocco depending on imports of a large part of intermediate goods and equipment.

### 3.6 Geographical distribution of the manufacturing sector

The most complete information on the geographical distribution of manufacturing is a study <sup>1/</sup> with data for an unspecified year in the early 1980s. The distribution shown is fundamentally the same as in the mid-1960s, the only conspicuous change being the relatively fast growth of industrial employment in Fes, Tangier and the periphery of the Casablanca metropolitan area. It is to be assumed that few changes in the distribution of manufacturing have taken place since the early 1980s, as accelerated economic growth in the mid-1960s was mainly a result of expanding agricultural production.

Although Figure 1, Appendix 1, clearly shows that the Casablanca area is the most important location of manufacturing, it is useful to look at Safi first. With only 2 per cent of the total number of manufacturing

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<sup>1/</sup> "Panorama de l'Industrie Marocaine" S.E. Plan - Ministère du commerce et de l'Industrie.

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establishments, and 4 per cent of the work force, the town produced no less than 50 per cent of Morocco's manufactured exports and 14 per cent of total output of the manufacturing industry. The large chemicals subsector (fertiliser, phosphoric acid), located close to the raw material base (phosphate ore), the main factor explaining the town's prominence. Fish processing is also important.

Casablanca-Mohammedia dominates the manufacturing sector in all respects except exports, the share of total exports being 30 per cent. The full range of industries is represented in Casablanca-Mohammedia.

Of the secondary centres, Kenitra and Rabat-Salé benefit from the proximity of the economic capital of the country, Casablanca, easy access to Government institutions (Rabat is the capital city), and good connections to the agricultural areas. The rapid growth of these centres can in part be explained by "industrial suburbanization", away from the congested Casablanca area. Food products, cotton textiles and tobacco are the main subsectors. In Tangier and Fes, textiles dominate. These towns also have good connections with their agricultural hinterland. With the exception of Fes, all major industrial centres are located on the coast.

The 1980 study notes the low volume of industrial products exchanged between industrial centres. This would be an indication of a low degree of intra-industrial linkages.

One of the main objectives of the Orientation Plan for economic and social development 1988-1992 is to realize the harmonious economic and social development of all the regions, through the strengthening of the decentralization policy and a rational territorial development. Public investments are to be optimized in view of better spatial changes of activities and the production of new poles of development away from the large urban areas and especially from the Casablanca-Kenitra axis.

The decentralization of the economic and private activities would be implemented through granted credits, subsidies and tax privileges, as well as through indirect actions of reinforcement of the basic infrastructures and equipments.

The 1983 investment code distinguished already four industrial development zones differentiated by the nature and the importance of the granted advantages.

The distribution of industrial investments agreed between 1981 and 1986, and especially between 1984 and 1986, (see table 43, Appendix 1) already denotes the beginning of the new allotment of industrial activities. Investments in the south, Tensift and centre-nord regions increased from 48.7 per cent of the total investments in 1981, to 66.4 per cent of the total investments between 1984 and 1986.

The Office of Industrial Development (ODI) envisages a programme of implementation of 35 industrial zones by 1990 (of which 13 have already been implemented and improved), where industrial locations are offered at very attractive prices. The promotion of the new centres of development is planned to take into account their economic and geographical potentialities, as follows:

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**The Eastern Centre:** Existence of some important, already completed industrial units (the Nador harbour, the Eastern Cement works, sugar refinery, university, iron and steel metallurgy, etc.) of forecasted projects (sugar refinery, varied canning factories and other agro-industrial projects), and the development of the exploitation of existing mineral deposits (iron, coal, lead, zinc). The ODI has already started the study on the creation of three industrial zones in Oujda, Nador and Berkane.

**The South Centre:** After the recuperation of the Saharan provinces, the potentialities of this region have been considerably increased. Their development will benefit from a special attention under the Orientation Plan. In addition to the agricultural production (early fruits and vegetables and citrus fruits in the Souss-Massa zone), the development of this region will be centred on agro-industry, fishing and tourism.

The planned hotel facilities in the region should, in the end, reach a capacity equivalent to the total present capacity of the country.

In the matter of fishing, this region which is already occupying the first rank in the country will experience an important development because it possesses the zones that are the most abounding in fish.

The production possibilities of this sector are estimated at 2 million tons for the only zone situated in the south of Tarfaya. The exploitation of these potentialities will contribute to promote new activities (exportation of fresh and canned fish) as well as to create a great number of jobs.

Therefore, the Tan-Tan port complex, which is already expanding, aims at exploiting gradually the whole halieutic wealth of this region.

Another project forecasts the setting up of a shipbuilding yard for the repairing of modern as well as traditional boats.

Likewise, a similar complex specialized in white fish could be planned in the region of Boujdour, providing that the Boujdour port is realized.

The Government efforts in creating, extending and equipping the ports in the south fall within the scope of this orientation.

The south region disposes also of important mining resources (phosphates, copper, etc.) which are planned to be exploited in the future.

**The Tensif Centre:** The development of this region will mainly be centred on tourism, on phosphates industry and on agro-industry in the Haouz zone. In addition to the projects set up in the region (Maroc-Chimie, Maroc Phosphore I and II, canning factory, mining activities, the Marrakesh cement works, etc.), the Haouz zone plain has important potentialities in the field of agro-industry. These potentialities have been subject to thorough studies which have led to the identification of important hydro-agricultural and agro-industrial projects. This region will soon experience the creation of industrial zones around Marrakesh, Safi and Essaouira.

In the field of energy, the studies related to the uranium mining unit, as well as the research in petroleum prospecting, are in process of realization.

The Centre North and Centre South: In addition to the industrial units already in existence, in particular in the textile sector, this zone benefits from a fast-expanding agricultural support (especially cereals and arboriculture). The agro-industry will be expanded. Already, several projects have been established in this region: plant for baker yeast and alcohol manufacture (SODERS), dairy industry in Fes, poultry breeding projects. etc.

Two other important projects related to agriculture are in process of realization in this region; these projects are the integrated development of El Hajeb and Karia-Tissa.

Similarly, the exploitation of the Timahdit oil shales, which deposits are considerable, open large prospects of development for this region. A pilot oil shales processing unit with a capacity of 160 tons has been realized; this pilot phase would be followed by a programme of demonstration and research.

The North-West: This region which is endowed with an important agricultural centre, namely the Gharb zone (240,000 ha) open wide prospects to intensive cultivation, especially for industrial crops (sugar cane, beets and sunflower) and to intensive breeding. The Gharb zone is expected to become the main sugar centre of Morocco.

The Centre: This region already constitutes the main development centre of Morocco. Its expansion should be mastered and oriented towards the outskirts of the Casablanca-Mohammedia zone. Relieving the pressure on this metropolis should be done at the profit of the new above-mentioned centres of development, as well as of border zones such as Beni-Mellal and El Jadida.

The centre region offers also important agricultural potentialities especially in the production of cereals and leguminous plants; therefore, sustained actions should be planned in order to develop them.

The olive tree plantations should be expanded as a mean to increase efficiently, on the long term, the production of oil and to balance the ecosystem.

The region presents pastoral possibilities, the exploitation of which should be rationalized.

In the field of chemical industry, the Maroc-Phosphore III and IV units are operational in the new port of Jorf Lasfar. Other industrial units, upstream and downstream, will be set up in this region.

### 3.7 Constraints to industrial performance of the manufacturing sector

A number of factors are contraining the adjustment of manufacturing enterprises to the new trade and industrial régime;

One set of factors is of financial nature, its sources could be traced to macro-economic imbalances. One of the most commonly quoted bottlenecks is the excessive delays in obtaining the foreign exchange for imported inputs (usually amounting to 90 days).

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Virtually all enterprises are therefore constrained to hold stocks of imported inputs at levels higher than necessary.

Moroccan importers are currently required by foreign suppliers to open letters of credit confirmed by correspondent banks.

As a result of foreign exchange shortages, the enterprises are required to take actions resulting in the increase of financial costs, in order to cope with the present climate of uncertainty and avoid disruptions in operations.

Unlike large enterprises with high creditworthiness and good connections with the central banks and foreign suppliers, the medium or small or the less well established enterprises often experience difficulties in obtaining confirmed letters of credit.

The Central Bank introduced a 25 per cent deposit requirement in October 1986, subsequently raised to 50 per cent in January 1987, for all imports, in order to control the availability of credit. While some foreign suppliers have subjected Moroccan firms to high finance charges for delayed payments, others have tried to accommodate their customers. The Central Bank has recently authorized exporting firms to seek lines of credit abroad to pay their foreign suppliers, with the possibility of servicing these lines of credit directly from the proceeds of their foreign exchange earnings. However, it appears that only medium-to-large exporting firms would be able to obtain foreign exchange financing by these means.

The pervasiveness of Government payment arrears, another symptom of fiscal disequilibria has caused liquidity problems for some industrial firms.

The high cost of fuel is also cited as a major constraint by firms producing textiles, paper products, ceramics, and electrical appliances. As discussed previously, the need to mobilize additional fiscal revenues in the interests of stabilization led to the introduction of a windfall tax on petroleum. If maintained as a permanent fixture of the Moroccan fiscal system, this tax could result in a suboptimal allocation of real resources and a loss of competitiveness for exporting activities.

The high cost of electricity in Morocco is repeatedly cited as a factor which has significantly eroded industrial competitiveness. This situation reflects the windfall tax on oil, which is passed on the user in the form of higher electricity tariffs, as well as the existing rate structure. Morocco is one of the few countries where electricity tariffs on industrial use (high voltage) are several times higher than tariffs on household consumption (low voltage).

Almost all enterprises mention one or more of the service sectors as responsible for the declining efficiency and competitiveness of Moroccan industry. Sectors mentioned most often include banking, transport, and insurance. The oligopolistic structure of the commercial banking sector, the highly regulated nature of the domestic transport system, and the lack of alternative export insurance schemes are all perceived as barriers to the continued structural adjustment of industry. The extent and kinds of problems linked to the "none-competitive" nature of these non-tradables, however, vary widely with the type of enterprises.



Rising lending rates linked to deficit financing and large bank margins are unanimously identified as the source of depressed investment demand in Morocco. At the same time, the fiscal pressure on industrial activity is considered excessive and inequitable from an intersectoral point of view. Problems linked to the highly regulated domestic transport sector vary in function of the size, marketing structure, and distribution channels of the firm. The State transport monopoly (ONT), for example, constitutes an impediment to the efficient functioning of smaller firms outside the Casablanca area which are prohibited from delivering goods directly to wholesalers. Finally, some industrialists mention the cost of export insurance as a potential constraint which might become increasingly binding as the structure of Moroccan industry continues its export-oriented shift. At this point, several firms have chosen not to carry insurance and simply incur the risks themselves.

### 3.8 Foreign trade and trade in manufactures

In an international environment characterized by a general reinforcement of protectionist measures in the industrialized countries, by the sluggishness of demand of raw materials, and a new rise in the oil prices, the Moroccan foreign trade in 1987 realized an increase in the tonnages purchased, although at lower prices, and an increase of the exports. The inadequate rainfall led to the increase of the tonnages of imported cereals and the decrease of the exports of agricultural products.

The value of foreign trade rose to 58.7 billion dirhams, representing 41.9 per cent of the GDP.

The total volume of imports in 1987 was over 13.6 million tons (see tables 44 and 45, Appendix 1), an increase of 14.4 per cent over 1986, but their value went up by only 1.9 per cent, amounting to 35.3 million dirhams.

Finished manufactured products covered a third of the total imports in value, while imports of semi-finished products were just below a quarter of the total trade (21.7 per cent in 1986 and 23.2 per cent in 1987).

Exports totalled 18 million tons in 1987, valued at 23.39 billion dirhams (see tables 46 and 47, Appendix 1).

There were marked increases in the sales of certain manufactured products such as phosphoric acid, textiles and confections.

On the other hand, exports of foodstuffs and minerals declined.

The evolution of exports in value of manufactured goods by industrial branch is shown in table 48, Appendix 1. Exports of clothing and textiles, leather footwear, mechanical equipment, electrical and electronic products, rubber and plastics and other manufactures increased regularly and steadily over the period of nine years considered, while the exports of manufactures in the other branches recovered in 1986 their previous 1980 to 1984 levels.

The trade deficit in 1987 amounted to 11.9 billion dirhams, representing only 8.5 per cent of the GDP (compared with 9.3 per cent in 1986 and 14.2 per cent in 1985).

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The analysis of the evolution of trade deficit by categories of goods (table 49, Appenedix 1) reveals the dynamic and regular increase in the positive balance in respect to consumer goods, mainly due to the positive results achieved in the textile branch.

The foodstuffs balance became positive in 1985 and improved afterwards, mainly due to the decline in the prices of imported commodities.

The deficit in respect of capital goods was stabilized at 63 per cent of the total deficit in 1986 and 59 per cent in 1987, while deficit in the trade in basic materials and energy products increased substantially due to the decrease in both tonnages and selling prices of phosphate shipments and to the rise in international oil prices.

The geographical distribution of trade continues to be characterized by the predominance of Europe, which purchased 58 per cent of the Moroccan exports in 1986 and 61 per cent in 1987, and provided 53 per cent of its imports in the same two years (see table 50, Appendix 1).

The trade deficit with France, with which a quarter of Morocco's total trade takes place, was substantially reduced (from 2,034 million dirhams to 799 million), due to both the absence of imports of cereals and the increase of exports.

The deficit with the United States was reduced following the fall in purchases of sulphur and aircrafts, while the deficit with the other main trading partners worsened in relation with the negative balance with the main suppliers of oil - Iraq, Kuwait and the Soviet Union.

The problem of maintaining a steady flow of exportable markets remains acute, especially as since 1986, following the entry of Portugal and Spain into the EEC, the Community reduced its purchases of early fruits, vegetables, citrus fruits, oils, capers and fish preserves, and delays are accumulating in the readjustment of co-operation agreements signed in 1976.

Furthermore, while the level of Morocco's commercial arrears has been reduced, finding a source of financing of the foreign deficit remains a problem of primary importance.

The deregulation actions undertaken in 1987 as part of the liberalization of foreign exchange programme included measures facilitating the greater flexibility of merchandise trade and transfers.

The Moroccan economy opened to the rest of the world by the further liberalization of imports and the removal of obstacles to exports.

Nearly 90 per cent of the total goods purchased abroad are subject to no limitations in the general import programme, while exporters are entitled to use the foreign currency provided by their sales abroad to pay for their raw material imports.

The rate of the special tax was lowered from 7.5 per cent of the c.i.f. value of imports to 5 per cent.

The Government simplified customs formalities and extended the period of exemption of exporting companies from the tax on business profits from 14 to 15 years.

In order to accelerate the adaptation of domestic manufactured goods to international competition, exporters were requested to comply with international standards; in addition, an independent institution was established and charged to technically supervise the manufacturing, packaging and the quality of export products.

Morocco became a member of GATT in June 1987, confirming government policy of adopting a permanent system of liberalization of the foreign trade.

#### 4. INDUSTRIAL REGENERATION ISSUES

##### 4.1 The macro-environment

The overall evolution of the Moroccan economy since the beginning of the 1980s seems encouraging, based on the adoption and implementation of several recovery programmes, judiciously combining a policy of limitation of the demand (by strictly controlling and limiting any general increase in wages), and a policy of expanding supply (based in particular on a continued liberalization of prices and of foreign trade).

Additional incomes derived from production were largely allocated to savings (especially public savings).

Government finances improved considerably, investments increased, while the rise in prices was contained at all stages of production and consumption. After the 1986 rescheduling, the current account of the balance of payments showed a surplus for the first time in many years. This result made possible the rise of the country's foreign exchange reserves, the pay off of a part of the commercial debts and the limiting of borrowings abroad to the only need of covering the principal repayments due.

A fruitful dialogue on the future development of the economy was established in 1987 between the government and the private sector, leading to an exchange of ideas and the formulation of measures and a development plan, in order to achieve a lasting growth during the period 1988 to 1992.

The achieved, as well as the foreseen results in the adjustment of the Moroccan economy restored the confidence in the Government, reflected by the rise in the volume of domestic investments, as well as by the recent agreements concluded with foreign countries, banks, international organizations and regional groupings abroad.

The Government is engaged in pursuing the reduction of the budget deficit, which makes possible to curtail the amount of funds taken by the public administration from the money and capital markets, and reorient these funds towards productive investments.

As the country still lives above its means, the productive investments are planned to be re-stimulated, in a large amount from savings (the remuneration of which will be maintained attractive).

The medium-term development objective of the 1988-1992 economic and social development plan is the strengthening of a market economy, and the establishment of a new economic and social order based on the introduction of a more equitable taxation and a fairer distribution of incomes.

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The sound bases of the Moroccan development are provided by the monetary authorities, by being vigilant in defending the purchasing power, by avoiding inflationary strains or unnecessary strains on the external account, and the gradual introduction of market rules in both the monetary and the financial fields.

#### 4.2 The manufacturing sector

The favourable prospects of the economy seem to support the expectations of the 1988-1992 orientation plan to achieve a medium-term growth of at least 4 per cent, supported by investments of about 29 billion dirhams provided for 60 per cent by the private sector and for 40 per cent by public organisations (mainly ODI and OCP).

The development strategy anticipated for the development of the manufacturing sector is based on the following axes:

- increase of exports and encouragement of export-oriented manufactures, in order to attenuate the deficit of the balance of trade;
- base the industrial development on the valorisation of domestic available resources;
- base the new manufacturing activities in new industrial centres and rural areas;
- promote the implementation of small- and medium-scale industries and the creation of new employment.

Several measures are implemented in order to reach these objectives, concerning mainly:

- the continuation of the adjustment programme of the manufacturing sector, including the implementation of a new policy system consistent with the new customs regulation, as well as the substitution of the price protection with a fixed quota protection;
- improvement of the incentive system and the reduction of fiscal pressures on manufacturing enterprises;
- increase the amount of investment credits and establish a system for providing medium- and long-term credits at attractive conditions to small- and medium-scale enterprises, along with the extension of indirect exporter's credits for pre-financing of exports;
- implementation of a national system of quality certification for manufactured goods (national make, quality labels, characteristic signs, etc.);
- creation of a national agency in charge of quality normalization and promotion (elaboration of norms, technical assistance in the field of normalization, etc.);
- establishment of incentives supporting the promotion of training, research and innovations within manufacturing enterprises;

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- pursue the programme of decentralization and improvement of industrial zones, as well as the creation of regional centres informing, directing and supporting the investors;

#### 4.3 Rehabilitation projects identified during the preparatory mission

During the December 1988 preparatory mission for this project, several plants were suggested by the Chamber of Commerce and Industry of Casablanca and the Moroccan authorities, as candidates for in-depth UNIDO rehabilitation studies.

The final choice of plants will however be made by the full mission, based on the following criteria of selection:

- The plant should have a potential for rehabilitation (i.e. it should not require totally new investment);
- The plant should be attractive to foreign investors (United States, EEC, etc.);
- The plant should belong to a priority industry;
- The plant should be largely Moroccan owned, or else be able to provide a strong demonstration effect to Moroccan entrepreneurs (i.e. offer management and performance examples);
- The plant should use (or have the potential to use) domestically available raw materials or other resources;
- The plant should have significant backward linkages to the agricultural sector, as well as forward linkages to other industries;
- At least one of the four or five plants chosen should be privately-owned;
- The plant should have the potential to save foreign exchange and reduce import dependence.

The following five enterprises were identified by the Chamber of Commerce, on the basis of questionnaires submitted, containing the summary of plant histories and their estimated rehabilitation needs.

<u>Company</u>	<u>Juridical status</u>	<u>Location</u>	<u>Type of manufacture</u>	<u>Employment</u>
SCCP/SABRI	S.A	Casablanca	Fish canning, fish meal and oil	77 P 1/ 235 T 2/
Les Conservees Cherifiennes	S.A.	Marrakech	Fish, vegetables and fruits canning	190 P 2500 T
Produits SESTA	S.A.	Casablanca	Olives, capers and pickles preserves	120 P 350 T
SOFIAC	S.A	Fes	Vegetables, olives and capers preserves	34 P 120 T
AGRIDE- CHEBAA	S.A.	Rabat	Poultry and cattle feed	35 P

The Department of Promotion and Specialized Credits identified, and provided the questionnaires of other five enterprises, as follows:

<u>Company</u>	<u>Juridical status</u>	<u>Location</u>	<u>Type of manufacture</u>	<u>Employment</u>
SOTCODAT	S.A.	Errachidia	Conditioning of dates	n.a.
SABIC	S.A.	Casablanca	Industrial poultry slaughtering	20
INDUSALIM	S.A.	Casablanca	Table and industrial margarine	70
TOP-ALIMENT	Private	Mohammedia	Snacks and breakfast cereals	25
TIGRIL MAROC	S.A.	Fes	Agricultural machinery	75

1/ Permanent.

2/ Temporary.

## APPENDIX 1

Table 1: Evolution of the GDP at constant 1969 prices, 1983 to 1987

In millions of dollars	1983	1984	1985	1986	1987*
Primary sector .....	3 844	3 833	4 296	5 283	4 598
Agriculture, forestry and fishing .....	3 844	3 833	4 296	5 283	4 598
Secondary sector .....	9 723	9 614	9 826	9 787	10 009
Mining .....	934	991	972	932	921
Energy and water .....	1 530	1 536	1 582	1 544	1 621
Manufacturing .....	5 735	5 638	5 736	5 934	6 172
Construction and public works .....	1 524	1 449	1 536	1 377	1 377
Tertiary sector .....	14 480	14 963	15 376	15 984	16 257
Transports and telecommunications .....	1 811	1 904	1 962	2 048	2 089
Other services .....	4 757	4 879	5 088	5 296	5 440
Commerce .....	7 912	8 180	8 316	8 640	8 728
Gross domestic production .....	28 047	28 410	29 488	31 054	30 946
Public administrations .....	6 601	6 973	7 485	8 049	8 532
Gross domestic product .....	34 648	35 383	36 953	39 103	39 478

\* Estimates.

SOURCE: Ministère de plan

Table 2: Annual percentage changes in GDP at constant prices, 1983 to 1987

Percentage change on previous year	1983	1984	1985	1986	1987*
Primary sector .....	- 3.7	- 0.3	12.1	23.0	- 13.0
Agriculture, forestry and fishing .....	- 3.7	- 0.3	12.1	23	- 13
Secondary sector .....	2.9	- 1.1	2.2	- 0.4	3.1
Mining .....	7.4	6.1	- 1.9	- 4.1	- 1.2
Energy and water .....	4.9	0.4	3.0	- 2.4	5
Manufacturing .....	3.9	- 1.7	1.7	3.2	4
Construction and public works .....	- 5.0	- 4.9	6.0	- 10.4	-
Tertiary sector .....	1.0	3.3	2.8	4.0	1.7
Transports and telecommunications .....	3.2	5.1	3.0	4.4	2.0
Other services .....	2.6	2.6	4.5	3.9	2.7
Commerce .....	- 0.4	3.4	1.7	3.9	1.0
Gross domestic production .....	1.0	1.3	3.8	5.3	- 0.3
Public administrations .....	8.3	5.6	6.9	8.0	6.0
Gross domestic product .....	2.3	2.1	4.4	6.8	1.0

\* Estimates.

SOURCE: Ministère de plan

**Table 3: Evolution of the GDP at current prices, 1983 to 1987**

* In millions of dollars	1983	1984	1985	1986	1987*
<b>Primary sector</b> .....	16 130	17 547	21 996	28 589	26 000
Agriculture, forestry and fishing .....	16 130	17 547	21 996	28 589	26 000
<b>Secondary sector</b> .....	30 083	33 358	38 324	40 374	43 438
Mining .....	3 996	5 155	5 597	4 787	4 700
Energy and water .....	3 448	3 940	4 693	4 670	5 030
Manufacturing .....	15 954	17 368	20 217	23 502	25 068
Construction and public works .....	6 695	6 983	7 817	7 415	7 840
<b>Tertiary sector</b> .....	35 977	40 721	44 600	49 514	53 370
Transports and telecommunications .....	4 478	5 217	5 066	6 694	7 270
Other services .....	13 730	15 704	17 443	19 530	20 900
Commerce .....	17 769	19 800	21 900	23 290	25 200
<b>Gross domestic production</b> .....	82 140	91 626	104 929	118 477	122 000
<b>Public administrations</b> .....	12 485	13 214	14 383	15 067	17 200
<b>Gross domestic product</b> .....	94 625	104 840	119 310	134 334	140 000

\* Estimates.

SOURCE: Ministère du plan

**Table 4: Annual variation of the GDP at current prices, 1983 to 1987**

Percentage change on previous year	1983	1984	1985	1986	1987*
<b>Primary sector</b> .....	- 0.8	8.8	25.3	30.0	-9.1
Agriculture, forestry and fishing .....	- 0.8	8.8	25.3	30.0	-9.1
<b>Secondary sector</b> .....	5.7	10.8	14.9	5.3	7.6
Mining .....	- 1.0	29.0	8.6	-14.5	-1.8
Energy and water .....	6.0	14.3	19.1	- 0.5	7.7
Manufacturing .....	9.5	8.8	16.5	-16.2	10
Construction and public works .....	1.5	3.1	13.2	- 5.1	5.7
<b>Tertiary sector</b> .....	6.2	13.4	9.5	11.0	7.8
Transports and telecommunications .....	12.5	16.5	12.4	14.1	8.6
Other services .....	8.5	14.4	11.1	12.0	7.0
Commerce .....	3.0	11.8	7.6	9.3	8.2
<b>Gross domestic production</b> .....	4.6	11.5	14.5	12.9	3.6
<b>Public administrations</b> .....	8.3	5.7	8.8	10.3	8.5
<b>Gross domestic product</b> .....	5.0	10.8	13.8	12.6	4.2

\* Estimates.

SOURCE: Ministère du plan



**Table 5: Wholesale price index, 1986 and 1987**  
(1987 = 100)

	1986												1987												Percentage change	
	Annual ave- rage	Dec.	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Annual ave- rage	Dec. 87 Dec. 86	1987 1986									
		241.8	232.2	230.8	230.6	238.4	232.4	232.9	238.6	231.3	239.4	242.3	243.6	242.9				248.7	246.4	+ 6.8	- 2.3					
Agricultural sector .....	219.0	218.9	222.8	220.7	219.1	220.5	223.4	222.8	223.6	221.2	224.1	223.9	226.0	226.0	228.8	+ 3.2	+ 1.7									
Cereals and pulses crops .....	252.9	243.6	240.1	230.0	239.0	238.5	237.5	237.4	236.3	235.6	236.0	236.8	240.5	237.9	- 1.3	- 5.9										
Industrial crops and oil seeds .....	255.3	249.0	247.8	242.9	232.6	238.1	261.6	262.0	261.4	261.4	261.5	267.1	269.3	270.3	259.3	+ 8.6	+ 1.6									
Market-gardening .....	337.6	267.2	269.7	267.6	267.0	267.7	274.8	273.3	274.0	273.9	285.6	296.0	293.4	306.3	279.4	+ 14.6	- 17.2									
Arboricultural and vine growing products .....	183.0	186.4	175.1	177.6	190.3	187.8	181.5	171.9	166.4	182.2	194.9	191.9	181.9	179.0	180.9	- 4.0	- 1.1									
Stock farming products .....	236.1	246.0	246.6	248.3	236.1	247.7	248.9	248.3	246.8	246.8	247.1	251.8	250.7	257.0	249.2	+ 4.5	+ 5.5									
Sylvicultural products .....	285.7	280.1	285.2	294.7	275.9	270.7	271.8	331.3	298.3	351.6	331.4	323.1	339.5	330.2	310.5	+ 25.0	+ 8.7									
Fishing products .....	244.8	248.7	249.5	249.8	258.6	258.9	290.5	281.5	282.6	283.2	282.8	282.8	282.8	282.6	281.6	+ 1.6	+ 3.1									
Industrial sector .....	318.3	322.8	322.8	322.8	322.8	322.8	323.4	329.0	329.3	329.6	329.9	329.9	329.9	328.9	326.8	+ 2.3	+ 2.7									
Energy .....	230.4	229.6	227.6	227.6	229.1	228.3	227.8	236.3	228.0	229.3	228.2	227.8	226.8	227.7	227.7	- 1.7	- 1.2									
Food .....	193.0	208.2	208.2	208.2	208.2	208.2	208.2	208.2	208.2	208.2	208.2	208.2	208.2	208.2	208.2	-	+ 7.9									
Clothing and textiles .....	269.8	276.6	281.0	282.1	281.6	285.6	285.6	288.7	289.8	290.1	290.1	289.9	291.9	292.9	287.4	+ 5.9	+ 6.3									
Meatwholesale .....	243.4	251.3	251.7	251.9	237.4	237.4	237.4	238.4	239.4	239.4	239.4	239.4	240.8	241.1	238.6	+ 3.9	+ 6.2									
Other manufacturing .....	243.7	242.3	247.8	242.3	242.6	243.6	243.8	248.3	244.1	247.7	248.7	248.2	248.9	248.9	246.6	+ 3.3	+ 1									
General Index .....																										

\* Annual average.  
Source: Ministry de plan

**Table 6: Evolution of the cost of living index  
 (210 items; May 1972 - April 1973 = 100)**

	1987												Percentage change				
	1986												Dec. 87	1987 1986			
	Annual average	Dec.	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Annual average	Dec. 86	
Foodstuffs .....	391.4	390.0	390.9	393.1	397.0	396.3	392.8	392.4	390.4	393.3	394.9	399.2	397.8	391.5	394.3	0.4	+ 0.7
Clothing .....	281.3	287.4	288.3	288.7	289.1	290.3	292.0	292.8	294.0	295.5	296.7	297.2	292.5	293.0	294.3	6.1	+ 4.6
Housing .....	297.1	304.1	304.7	305.3	306.3	307.0	308.1	309.8	309.3	310.2	311.7	312.8	314.0	314.4	309.4	3.4	+ 4.1
Maintenance, medical care and welfare .....	269.5	277.9	278.1	279.4	281.9	282.5	283.0	284.3	284.9	285.9	287.4	287.6	289.1	290.8	284.6	4.6	+ 3.6
Transport, leisure and miscellaneous .....	397.7	408.5	409.8	413.6	420.0	421.5	423.4	426.1	426.1	436.5	439.2	430.6	431.2	432.5	423.9	5.9	+ 6.6
General Index .....	363.8	367.8	367.9	369.9	373.5	373.6	372.2	372.4	372.8	374.0	376.8	378.5	378.6	378.9	373.8	2.4	+ 2.8

	1982	1983	1984	1985	1986	1987
Percentage change on previous year*						
Foodstuffs .....	+ 13.0	+ 4.8	+ 13.0	+ 7.6	+ 9.3	+ 0.7
Clothing .....	+ 5.7	+ 5.2	+ 9.9	+ 6.9	+ 5.0	+ 4.6
Housing .....	+ 6.4	+ 7.8	+ 10.2	+ 7.0	+ 7.4	+ 4.1
Maintenance, medical care and welfare .....	+ 11.0	+ 10.2	+ 10.8	+ 7.9	+ 7.5	+ 5.6
Transport, leisure and miscellaneous ..	+ 7.6	+ 8.9	+ 14.0	+ 6.7	+ 9.3	+ 6.6
General Index .....	+ 10.5	+ 6.2	+ 12.5	+ 7.7	+ 6.8	+ 2.8

\* Annual average.  
 SOURCE: Ministère de Plan.

**Table 7: Evolution of the GNP at current prices, 1983 to 1987**

In millions of dirhams	1983	1984	1985	1986	1987*
Gross domestic production .....	82 140	91 626	104 920	118 477	122 000
Value added by Public administrations .....	12 495	13 214	14 381	15 857	17 200
Net foreign income .....	2 042	2 641	2 558	5 983	7 810
Gross national product .....	96 677	107 481	121 868	140 317	147 810

\* Estimates

SOURCE: Ministère du plan

**Table 8: Evolution of the Gross National Resources and Expenditures at current prices, 1983 to 1987**

In millions of dirhams	1983	1984	1985	1986	1987*
<b>RESOURCES</b>					
Gross national product .....	96 677	107 481	121 868	140 317	147 810
less: net foreign income .....	2 042	2 641	2 558	5 983	7 810
Gross Domestic Product .....	94 635	104 840	119 310	134 334	140 000
plus: Resources balance .....	7 951	10 957	10 608	7 510	6 400
Imports of goods and nonfactor services .....	29 099	37 908	42 806	40 416	41 900
Exports of goods and nonfactor services .....	21 148	26 951	32 198	32 906	35 500
Total available resources .....	102 586	115 797	129 918	141 844	146 400
<b>EXPENDITURE</b>					
Final private consumption .....	64 320	73 945	81 753	91 260	95 200
in Morocco .....	63 530	73 206	80 837	90 360	94 200
Abroad .....	590	739	916	900	1 000
Final public consumption .....	18 707	19 852	20 789	23 325	24 500
Gross fixed capital formation .....	20 544	22 460	24 964	26 264	28 150
Changes in stocks .....	- 785	+ 360	+2 412	+ 995	- 1 450
Total expenditure .....	102 586	115 797	129 918	141 844	146 400
(Gross national expenditure)					

\* Estimates.

SOURCE: Ministère du Plan

**Table 9: Evolution of the investment and savings at current prices, 1983 to 1987**

In millions of dollars	1983	1984	1985	1986	1987*
Gross fixed capital formation .....	20 544	22 460	24 964	26 264	28 150
Changes in stocks .....	- 785	+ 360	+ 2 412	+ 995	- 1 450
Investment .....	19 759	22 820	27 376	27 259	26 700
Resources gap .....	7 951	10 957	10 608	7 510	6 400
Gross domestic savings .....	11 808	11 863	16 768	19 749	20 300
Net foreign income .....	2 042	2 641	2 558	5 983	7 810
Gross national savings .....	13 850	14 504	19 326	25 732	28 110

\* Estimates.

SOURCE: Ministère du plan

**Table 10: Evolution of the foreign trade results, 1985 to 1987**

In thousands of tonnes and millions of dirhams	1985		1986		1987*	
	Weight	Value	Weight	Value	Weight	Value
Imports C.I.F. ....	12 350	38 675	11 920	34 608	13 641	35 271
Exports F.O.B. ....	19 511	21 740	18 328	22 104	18 015	23 390
Balance .....	+ 7 161	-16 935	+ 6 408	-12 504	+ 4 374	-11 881
Exports as % of imports .....	-	56.2	-	63.9	-	66.3

\* Preliminary.

SOURCE: Office des changes

**Table 11: Balance of payments, 1986-1987**

In millions of dirhams	1986			1987*		
	Credit	Debit	Net	Credit	Debit	Net
<b>A. Goods and services .....</b>	<b>33 856.3</b>	<b>49 121.9</b>	<b>-16 065.6</b>	<b>35 525.6</b>	<b>48 823.8</b>	<b>-13 298.2</b>
1. Merchandise F. O. B. ....	21 946.0	31 654.9	- 9 708.9	23 250.7	32 184.0	- 8 933.3
2. Shipping freight and insurance .....	1 599.2	3 134.3	- 1 535.1	1 582.9	3 194.9	- 1 612.0
3. Other transport .....	595.4	291.1	+ 304.3	559.7	364.7	+ 195.0
4. Travel .....	6 730.0	910.0	+ 5 820.0	7 800.0	1 100.0	+ 6 700.0
5. Investment income .....	136.4	6 405.1	- 6 268.7	130.1	6 505.4	- 6 375.3
6. Government transactions not included elsewhere .....	713.9	6 048.9	- 5 335.0	712.6	4 594.5	- 3 881.9
7. Other services .....	1 335.4	677.6	+ 657.8	1 489.6	880.3	+ 609.3
<b>B. Transfers payments .....</b>	<b>14 884.0</b>	<b>480.7</b>	<b>+ 14 183.3</b>	<b>15 244.4</b>	<b>542.1</b>	<b>+14 702.3</b>
8. Private .....	13 742.9	194.7	+13 548.2	14 361.9	227.3	+14 134.6
9. Public .....	841.1	286.0	+ 555.1	882.5	314.8	+ 567.7
Current account (A+B) .....	47 640.3	49 602.6	- 1 962.3	50 770.0	49 365.9	+ 1 404.1
<b>C. Non-monetary capital .....</b>	<b>11 687.8</b>	<b>6 386.5</b>	<b>+ 5 301.3</b>	<b>8 234.5</b>	<b>7 231.6</b>	<b>+ 1 002.9</b>
Private .....	2 346.9	838.0	+ 1 508.9	941.2	1 585.1	- 643.9
10. Commercial credits .....	1 217.3	-	+ 1 217.3	-	988.6	- 988.6
11. Loans and investment .....	944.3	838.0	+ 106.3	941.2	467.2	+ 474.0
12. Others .....	185.3	-	+ 185.3	-	129.3	+ 129.3
Public .....	9 340.9	5 548.5	+ 3 792.4	7 293.3	5 646.5	+ 1 646.8
13. Commercial credits .....	3 707.6	2 769.1	+ 938.5	2 448.6	2 244.5	+ 204.3
14. Foreign currency loans .....	5 599.5	2 676.4	+ 2 923.1	4 810.1	3 269.8	+ 1 540.3
15. Dirham loans .....	-	62.1	- 62.1	-	41.2	- 41.2
16. Others .....	33.8	33.5	+ 0.3	34.6	36.9	- 2.3
17. Foreign liabilities .....	-	7.4	- 7.4	-	54.3	- 54.3
<b>D. I.M.F. facilities .....</b>	<b>319.4</b>	<b>2 916.6</b>	<b>- 2 597.2</b>	<b>1 734.2</b>	<b>2 639.2</b>	<b>- 905.0</b>
<b>Total .....</b>	<b>59 647.5</b>	<b>58 905.7</b>	<b>+ 741.8</b>	<b>60 738.7</b>	<b>59 236.7</b>	<b>+ 1 502.0</b>

\* Preliminary.

SOURCE: Office des changes

Table 12<sup>5</sup> Treasury revenue and expenditure, 1986 and 1987

In millions of dinars	End of december 1986 <sup>*</sup>	End of december 1987 <sup>**</sup>
I. Revenue .....	29 190	32 709
Current income .....	29 150	32 709
Direct taxes .....	6 549	7 618
Custom duties .....	4 630	4 644
Indirect taxes .....	10 485	11 362
Registration fees and stamp duties .....	2 400	2 666
State monopolies .....	319	475
Government property .....	76	92
Other income .....	920	987
O. C. P. contribution .....	-	459
Petroleum products .....	3 771	4 406
II. Total expenditure .....	41 068	39 310
Current expenditure .....	29 722	29 716
Interest of public debt .....	7 715	7 191
Domestic .....	(2 730)	(2 987)
Foreign .....	(4 977)	(4 204)
Administrative expenses .....	20 474	21 893
Subsidies for consumption .....	1 533	632
Current account balance .....	- 572	+ 2 993
Capital expenditure .....	11 346	9 596
Budget deficit .....	-11 918	- 6 601
III. Change of arrears .....	+ 4 565	- 1 051
Financing deficit (I-II+III) .....	- 7 363	- 7 652
Net financing .....	7 363	7 652
External financing .....	- 225	369
Grants .....	140	-
Net borrowing abroad (after rescheduling) .....	- 365	369
I.M.F. Facilities .....	- 2 617	- 905
Domestic financing .....	10 205	8 188
Domestic loans .....	3 764	5 617
Monetary financing .....	6 441	2 571
- Bank Al-Maghrib .....	(- 417)	(- 1 104)
- Banks .....	(6 604)	(3 091)
- Deposits with the Treasury and the postal administration .....	(254)	(584)

\* Revised.

\*\* Preliminary.

SOURCE: Ministère des Finances (Division du Trésor)

**Table 13: Estimated general budget expenditure and revenue,  
1986 and 1987**

**Estimated general budget expenditure**

<b>In millions of dollars</b>	<b>Finance act 1986</b>	<b>Finance act 1987</b>
<b>Administrative expenses .....</b>	<b>22 099</b>	<b>23 677</b>
<b>Administration .....</b>	<b>196</b>	<b>207</b>
<b>Personnel .....</b>	<b>14 227</b>	<b>15 351</b>
<b>Material and supplies .....</b>	<b>5 023</b>	<b>5 581</b>
<b>Common expenses .....</b>	<b>2 453</b>	<b>2 338</b>
<b>Contingencies .....</b>	<b>200</b>	<b>200</b>
<b>Public debt service .....</b>	<b>19 381</b>	<b>16 096</b>
<b>Capital expenditure .....</b>	<b>29 503</b>	<b>19 924</b>
<b>Total general budget expenditure .....</b>	<b>61 983</b>	<b>59 697</b>

**SOURCE:** Ministère des finances  
Division du budget

**Estimated general budget revenue**

<b>In millions of dollars</b>	<b>Finance act 1986</b>	<b>Finance act 1987</b>
<b>Direct taxes .....</b>	<b>7 350</b>	<b>7 715</b>
<b>Custom duties .....</b>	<b>5 350</b>	<b>5 073</b>
<b>Indirect taxes .....</b>	<b>9 872</b>	<b>13 004</b>
<b>Registration fees and stamp duties .....</b>	<b>2 431</b>	<b>2 843</b>
<b>Government property .....</b>	<b>69</b>	<b>90</b>
<b>State monopolies .....</b>	<b>1 266</b>	<b>1 360</b>
<b>Other income .....</b>	<b>869</b>	<b>769</b>
<b>Income carried in from adjusted expenditure</b>	<b>1 951</b>	<b>2 796</b>
<b>Extraordinary income .....</b>	<b>-</b>	<b>-</b>
<b>Gross borrowings .....</b>	<b>21 420</b>	<b>17 400</b>
<b>Transfer from other public sector .....</b>	<b>-</b>	<b>-</b>
<b>Nominal receipts .....</b>	<b>50</b>	<b>50</b>
<b>Total .....</b>	<b>50 628</b>	<b>51 100</b>

**Source:** Ministère des finances  
Division du budget

**Table 14: Estimated general budget expenditure and revenue, 1988 and 1989**

<u>Expenditure (in million dirhams)</u>					
<b>General State budget</b>	<b>1988</b>		<b>1989</b>		<b>Variation %</b>
Annex budgets	58,485.9		62,708.1		+ 7.2
Special treasury accounts	682.6		847.5		+24.2
<b>Total</b>	<b>8,788.5</b>		<b>11,872.2</b>		<b>+26.0</b>
	67,957		74,627.8		+ 9.8
<b>Revenue (in millions dirhams)</b>	<b>1988</b>		<b>1989</b>		<b>Variation %</b>
General state budget	51,147.6		58,328.0		+14.0
Annex budgets	682.6		847.5		+24.2
Special treasury accounts	7,267.4		8,487.4		+16.8
<b>Total</b>	<b>59,094.6</b>		<b>67,662.9</b>		<b>+14.5</b>
<b>Deficit of general state budget</b>	<b>7,338.3</b>		<b>4,380.1</b>		<b>-40.3</b>
<b>Budgetary deficit</b>	<b>8,862.4</b>		<b>6,964.9</b>		<b>-21.4</b>
<b>Administrative expenditure (in millions dirhams)</b>	<b>1988</b>	<b>% of total</b>	<b>1989</b>	<b>% of total</b>	<b>Variation from 1988-89</b>
Total administrative expenditure	25,134.4	43	28,829.6	46	+34.7
of which					
Staff	16,350.6		21,131		
Equipment	6,161				
Joint costs	2,032		2,666.6		
Investment expenditure	16,050.9	27	13,932.4	22	-13.2
Public debt expenditure	17,300.6	30	19,946.1	32	+15.3
<b>Total</b>	<b>58,485.9</b>	<b>100</b>	<b>62,708.1</b>	<b>100</b>	<b>+ 7.2</b>
<b>Ministerial Allocations</b>					
Investment Expenditure					
The five largest allocations are as follows:					
	<b>1988</b>	<b>% of total</b>	<b>1989</b>	<b>% of total</b>	<b>Variation from 1988-89</b>
Finance	3,467	21.6	3,317	23.8	- 4.3
Public Works, Professional Training and Executives	3,000	18.7	2,500	17.9	-16.7
Agriculture	2,208	13.8	1,840	13.2	-16.7
National Education	2,200	13.7	1,456	10.4	-33.7
National Defence	1,850	11.5	1,759	12.6	- 4.9
<b>Total</b>	<b>12,725</b>	<b>79.3</b>	<b>10,872</b>	<b>78</b>	<b>-14.6</b>
Revenue (proportion of revenue from various taxes)					
Tax revenue in 1989 will increase by nearly 22%, since the various tax bands have been changed.					
	<b>1987</b>	<b>1988</b>	<b>1989</b>		
Direct taxation and comparable taxes	26.9%	27.8%	29.4%		
Customs duty	17.7%	23.9%	21.8%		
Indirect taxes	39.5%	42.2%	43.7%		
Registration tax and stamp duty	9.9%	5.3%	5.1%		

**General State Budget Revenue**  
(in millions dirhams)

	<b>1988</b>	<b>% of total</b>	<b>1989</b>	<b>% of total</b>	
<b>Tax receipts</b>					
Direct taxation	30,746	60	37,488	64	+21.9
Customs duty	8,480		11,005		+29.8
Indirect taxation	7,360		8,170		+11
Registration and stamp duty	13,286		16,383		+23.3
Other ordinary receipts	1,620		1,930		+19.1
Monopolies and exploitation	2,131	4	3,010	5	+41.2
Other receipts	857		980		+14.3
Land	1,179		1,930		+63.7
Receipts from loans etc.	95		100		+5.3
<b>Total</b>	<b>18,279</b>	<b>36</b>	<b>17,830</b>	<b>31</b>	<b>-2.4</b>
	51,147	100	58,328	100	+14.0

Source: Ministry of Finance, Budget Division



**Table 15: Money supply and its components, 1986, 1987.**

In millions of dirhams	End of December 1986			End of December 1987		
	Amount	Annual change		Amount	Annual change	
	MDH	MDH	%	MDH	MDH	%
Currency outside banks .....	18 694	2 580	15.4	20 004	1 310	7.0
Demand deposits .....	34 529	5 592	19.3	39 208	4 679	13.6
Deposits which:						
- Central bank .....	479	30	6.7	534	55	11.5
- Deposit banks .....	31 526	5 308	20.2	35,566	4 040	12.8
- Postal administration and Treasury .....	2 524	254	11.2	3 108	594	23.1
<b>A. Money .....</b>	<b>53 223</b>	<b>8 092</b>	<b>17.9</b>	<b>59 212</b>	<b>5 989</b>	<b>11.3</b>
<b>B. Quasi-money .....</b>	<b>15 625</b>	<b>1 340</b>	<b>9.4</b>	<b>16 334</b>	<b>709</b>	<b>4.5</b>
<b>Money and quasi-money (A+B)</b>	<b>68,848</b>	<b>9 432</b>	<b>15.9</b>	<b>75 546</b>	<b>6 698</b>	<b>9.7</b>

Percentage of money supply	1985	1986	1987
Currency outside banks .....	27.3	27.2	26.5
Demand deposits .....	48.7	50.1	51.9
Quasi-money .....	24.0	22.7	21.6

Source: Bank Al-Maghrib

**Table 16: Counterparts of the money supply, 1986-1987**

In millions of <i>dirhams</i>	End of December 1986			End of December 1987		
	Amounts	Annual changes		Amounts	Annual changes	
	MDH	MDH	%	MDH	MDH	%
Net foreign assets .....	4 343	742	20.6	5 064	1 521	35.0
Bank Al-Maghrib .....	1 705	732	75.2	2 985	1 280	75.1
Deposit banks .....	2 638	10	0.4	2 079	241	9.1
Net claims on Government .....	36 302	6 441	22.2	37 963	2 671	7.3
Bank Al Maghrib .....	9 287	- 417	- 4.3	8 183	- 1 104	-11.9
Deposit banks .....	23 451	6 596	39.1	26 605	3 154	13.4
Postal administration and Treasury .....	2 654	262	10.9	3 175	521	19.6
of which: banks .....	(130)	(8)	(6.6)	(67)	(- 63)	(- 48.5)
Claims on private sector .....	29 760	2 367	8.6	32 518	2 758	9.3
Bank Al Maghrib .....	7 486	1 713	29.7	8 524	1 038	13.9
Deposit banks .....	22 274	654	3	23 994	1 720	7.7
<b>Total counterparts .....</b>	<b>69 495</b>	<b>9 550</b>	<b>15.9</b>	<b>76 345</b>	<b>6 850</b>	<b>9.9</b>
Other balancing items (net) ....	- 647			- 799		

Percentage of counterparts	1985	1986	1987
Net foreign assets .....	6.0	6.3	7.7
Net claims on Government .....	48.3	50.9	49.7
Claims on private sector .....	45.7	42.8	42.6

SOURCE: Bank Al-Maghrib

**Table 17: Moroccan external debt and use of IMF credit****External debt and use of IMF credit**

(\$ mn)

	1981	1982	1983	1984	1985	1986
<b>Public &amp; publicly guaranteed</b>						
long term debt (disbursed)	8,088.6	9,129.8	10,200.1	10,628.8	12,837.9	14,610.3
Use of IMF credit	450.4	868.9	920.1	891.3	1,188.9	1,028.4
Purchases	227.3	478.3	122.3	184.5	218.4	25.2
Repurchases	63.9	35.9	24.9	48.7	145.4	322.0
Short term debt	1,272.0	1,170.0	1,174.0	1,185.8	1,864.0	2,189.0

Source: World Bank, World Debt Tables.

**Public external debt<sup>a</sup>**

(\$ mn)

	1981	1982	1983	1984	1985	1986
<b>Total, incl undisbursed</b>	11,399.3	11,856.1	13,627.5	13,608.9	18,094.7	17,961.2
<b>Disbursed only</b>	8,088.6	9,129.8	10,200.1	10,628.8	12,837.9	14,610.3
of which:						
official creditors	4,438.4	5,059.3	6,510.9	6,639.5	8,720.4	9,846.7
multilateral	1,043.3	1,214.8	1,415.5	1,570.8	1,925.8	2,413.0
bilateral	3,395.1	3,844.5	5,095.4	5,068.7	6,794.6	7,433.7
private creditors	3,650.2	4,070.5	3,749.2	3,989.3	4,117.5	4,763.7
suppliers	298.8	333.8	341.3	320.3	300.9	272.9
financial markets	3,351.4	3,736.7	3,407.9	3,669.0	3,816.6	4,490.8
<b>Debt service</b>	1,274.3	1,349.8	1,167.8	721.8	867.0	1,441.5
of which:						
principal	620.2	759.4	844.4	200.7	493.7	689.2
interest	654.1	590.4	543.2	520.9	473.3	742.3
<b>Debt service ratio (%)<sup>b</sup></b>	41.3	45.8	40.5	23.9	30.6	40.8
<b>Disbursed debt/GNP (%)</b>	57.3	63.9	80.9	94.0	115.8	103.9
<b>Concessional loans' share</b>						
of disbursed debt (%)	43.5	43.7	40.2	38.9	37.5	36.5
<b>Variable interest rate</b>						
loans' share of disbursed debt (%)	29.5	29.9	32.6	36.3	33.6	34.8

a Long term debt (maturity over one year), including publicly guaranteed private debt. b Debt service as percentage of exports of goods and services.

Source: World Bank, World Debt Tables.

**Table 18: Investment by sectors and investment ratios, 1983 to 1987**

In millions of dirhams	1983	1984	1985	1986	1987
Plant and equipment .....	7895	9302	9989	11833	12427
Building .....	7402	7879	8189	8052	9000
Civil engineering .....	4400	4381	5695	5117	5117
Development and plantations .....	442	518	648	700	1516
Livestock .....	325	380	443	562	
<b>Gross fixed capital formation .....</b>	<b>20544</b>	<b>22460</b>	<b>24964</b>	<b>26260</b>	<b>28150</b>
<b>Gross domestic product .....</b>	<b>94635</b>	<b>104840</b>	<b>119310</b>	<b>134336</b>	<b>140000</b>
<b>Investment ratio (in %) .....</b>	<b>21.7</b>	<b>21.4</b>	<b>20.9</b>	<b>19.6</b>	<b>20.1</b>

Source: Bank Al-Maghreb.

**Table 19: Energy balances, 1984 to 1987**

In thousands of previous years equivalent	1984		1985		1986*		1987**	
	TOTAL	%	TOTAL	%	TOTAL	%	TOTAL	%
<b>Consumption</b>								
Coal .....	507	10.3	662	12.8	900	16.9	1043	19.1
Petroleum products (†) ....	4267	86.5	4296	83.3	4192	78.7	4137	75.9
Natural gas .....	63	1.3	72	1.4	69	1.3	56	1.1
Hydro-electricity .....	95	1.9	126	2.5	167	3.1	215	3.9
<b>Total .....</b>	<b>4932</b>	<b>100</b>	<b>5156</b>	<b>100</b>	<b>5328</b>	<b>100</b>	<b>5451</b>	<b>100</b>
<b>Domestic production</b>								
Anthracite .....	363	67.6	367	62.6	360	58.3	373	56.4
Oil and natural gas .....	79	14.7	93	15.9	91	14.7	73	11.0
Hydro-electricity .....	95	17.7	126	21.5	167	27	215	32.6
<b>Total .....</b>	<b>537</b>	<b>100</b>	<b>586</b>	<b>100</b>	<b>618</b>	<b>100</b>	<b>661</b>	<b>100</b>
<b>Deficit .....</b>	<b>4395</b>		<b>4570</b>		<b>4710</b>		<b>4790</b>	
<b>Percentage of consumption .....</b>		<b>89.1</b>		<b>88.6</b>		<b>88.4</b>		<b>87.9</b>

\* Revised.  
 \*\* Preliminary.  
 (†) Excluding non-consumable oil products (kerosene and lubricants).

Source: Ministère de l'Énergie et des mines.

**Table 20: Energy consumption, 1984 to 1987**

	1984	1985	1986*	1987**	Percentage Change 1987 on 1986
<b>Petroleum products</b>					
<b>Light distillates (1 000 m<sup>3</sup>)</b>					
Standard petrol .....	151.3	145.1	142	140	- 1.4
Super petrol .....	314.5	309.7	319	304	+ 7.8
Household kerosene .....	74	67.9	62	62	-
Fluor kerosene .....	260.9	227.7	260	266	+ 2.3
Gas-oil .....	1 423.4	1 464.4	1 537	1 638	+ 6.6
<b>Heavy distillates (1 000 t)</b>					
Fuel-oil (?) .....	2 089.7	2 067.5	1 866	1 694	- 9.2
<b>Liquefied gas (1 000 t)</b>					
Butane .....	332.5	355.1	391	430	+ 7.4
Propane .....	21	23.4	24	29	+ 20.8
<b>Electricity (millions Kwh) .....</b>	<b>5 706.5</b>	<b>6 041.6</b>	<b>6 342.5</b>	<b>6 715.9</b>	<b>+ 5.9</b>
<b>Coal (1 000 t) (?)</b>					
Anthracite .....	648.7	654.7	644	666	+ 3.4
Imported coal .....	218	448.2	817	1 015	+ 24.2

\* Revised.

\*\* Preliminary.

(?) Including power station consumption.

**SOURCE:** Ministère de l'énergie et des mines  
Office national de l'électricité

**Table 21: Energy production, 1984 to 1987**

	Unit	1984	1985	1986*	1987**	Percentage Change 1987 on 1986
Anthracite .....	1 000t	837.5	774.5	775	634.2	-18.2
Oil .....	1 000t	16.6	22.2	23.2	18.3	-21.1
Natural gas .....	millions metres cubic	82.9	94.5	91	73.7	-19
Electricity (net) .....	M.Kw/h	6 400.6	6 770	7 185.5	7 463.6	+ 5
- hydro .....	"	351.8	470	625	804.7	+28.7
- Thermal .....	"	6 048.8	6 300	6 480.5	6 658.9	+ 2.8

\* Revised.

\*\* Preliminary.

**SOURCE:** Ministère de l'énergie et des mines  
Office national de l'électricité

**Table 22: Domestic retail prices and cif selling prices for selected petroleum products, 1986**

(DH/metric ton)

	<u>Domestic Retail Prices a/</u>	<u>Cif selling prices b/</u>	<u>Retail Price as % of cif prices</u>
Regular Gasoline	8,212	1,600	513
Kerosene	3,996	1,630	245
Gas Oil	4,223	1,360	311
LPG	2,773	1,950	142
Heavy Fuel Oil	1,875	730	250

Sources: a/ Government of Morocco.

b/ Petroleum Economist, December 1986, feb prices N.W. Europe plus transport to Morocco and local distribution cost.

**Table 23: Electricity price comparison, 1986: Morocco, Portugal and Tunisia**

Electricity Price Comparisons  
(1986 in US\$)

	<u>Morocco</u>	<u>Portugal</u>	<u>Tunisia</u>
High Voltage (Industrial)	0.85	0.71	0.48
Low Voltage (Households)	0.83	0.96	0.80

Source: World Bank Estimates.

**Table 24: Minerals production and exports, 1984 to 1987**

In thousands of tonnes	Production				Exports			
	1984	1985	1986*	1987**	1984	1985	1986*	1987**
Anthracite .....	837	774.5	775	634.2	65.7	63.2	96	28.1
Crude Oil .....	16.6	22.2	23.2	18.3	-	-	-	-
Index of output (?) .. (1978 = 100)	116	113	114	114	-	-	-	-
Phosphate rock .....	21315	20779	21427	21328	14951	14790	13006	13060
Barytes .....	561.3	463.4	179.8	143.5	577.7	516.4	258.1	254.7
Iron ore .....	163	180	195.6	210.2	116.5	148.2	117	108.2
Lead ore .....	143.6	153	105.7	105.1	78.9	55.7	33.9	31.2
Chemical manganese ..	59.1	43.7	40.3	42.5	65.8	51.3	51.1	44.5
Copper ore .....	64.8	59.6	54.7	42.1	68	56.7	55.7	46
Fluorspar .....	65.9	74.4	83	78.5	78.1	64.8	76.4	90.2
Zinc ore .....	20.2	28.2	31.8	19.9	22.1	26.2	27.3	20.2
Antimony ore .....	2.1	1.7	1.4	1.1	2.2	1.7	1.5	2.5

(1) This index essentially includes phosphate and pyrites, iron, lead, zinc, barytes, fluorapatite, chemical manganese, cobalt and copper ores, whereas other mineral products such as anthracite and oil are included in the energy index.  
 \* Revised.  
 \*\* Preliminary.

SOURCE: Ministère de l'énergie et des mines

**Table 25: Minerals output by value, 1983 to 1987**

In thousands of dollars	1983	1984	1985	1986*	1987**	% of 1987 total
Phosphate rock .....	3 002 784	3 685 255	3 781 770	3 792 579	4 393 612	85.6
Lead ore .....	258 826	309 058	347 772	252 761	260 389	5.1
Copper ore .....	180 610	172 015	154 449	138 424	131 482	2.6
Mineral water .....	73 977	79 039	93 062	101 536	113 101	2.2
Fluorspar .....	58 310	48 436	66 927	62 665	54 388	1.1
Chemical manganese .....	51 760	52 328	48 724	45 791	42 638	0.8
Barytes .....	39 924	83 786	67 180	20 396	28 680	0.6
Iron ore .....	15 645	12 895	16 195	16 626	17 835	0.3
Zinc ore .....	24 164	39 129	44 745	31 217	22 529	0.4
Miscellaneous (?) .....	37 658	44 526	63 738	72 497	67 341	1.3
<b>Total .....</b>	<b>3 743 678</b>	<b>4 826 467</b>	<b>4 684 863</b>	<b>4 634 492</b>	<b>5 131 915</b>	<b>100.0</b>

(1) At wholesale prices (F.O.B. prices per tonne of ore, less transport and handling costs less mineral to port of shipment).  
 (2) Including lead, zinc and silver and excluding anthracite, oil and natural gas (included in energy output).  
 \* Revised.  
 \*\* Preliminary.

SOURCE: Ministère de l'énergie et des mines

**Table 26: Cultivated area, production and yield of principal cereals, 1986-1987**

In thousands of hectares, thousands of quintals and quintals per hectare	1985-1986			1986-1987		
	Area	Production	Yield	Area	Production	Yield
Hard wheat .....	1 192	19 813	16.6	1 110	11 255	10.1
Soft wheat .....	1 034	18 278	17.7	1 178	13 019	11.1
Barley .....	2 472	35 629	14.4	2 315	15 433	6.7
Maize .....	375	3 068	8.2	368	2 400	6.5
<b>Total .....</b>	<b>5 073</b>	<b>76 788</b>	<b>15.1</b>	<b>4 971</b>	<b>42 107</b>	<b>8.5</b>

SOURCE: Ministère de l'Agriculture et de la Pêche

**Table 27: Cultivated area, production and yield of leguminous vegetables, 1986-1987**

In thousands of hectares, thousands of quintals and quintals per hectare	1985-1986			1986-1987		
	Area	Production	Yield	Area	Production	Yield
Broad beans .....	196	2 146	10.9	211	1 273	6
Chick peas .....	82	704	8.6	77	613	8
Green peas .....	50	419	8.4	45	222	4.9
Lentils .....	86	696	8.1	90	356	4
Other leguminous vegetables .....	88	715	8.1	107	673	6.3
<b>Total .....</b>	<b>582</b>	<b>4 680</b>	<b>9.3</b>	<b>530</b>	<b>3 137</b>	<b>5.9</b>

SOURCE: Ministère de l'Agriculture et de la Pêche

**Table 28: Exports of off-season (early) vegetables, 1985 to 1987**

In thousands of tonnes	Oct. 84 to Sept. 85		Oct. 85 to Sept. 86		Oct. 86 to Sept. 87	
	France	Total	France	Total	France	Total
Tomatoes .....	72	94	74	100	71	95
Potatoes .....	44	48	39	69	46	52
Other vegetables .....	2	3	3	4	6	8
<b>Total .....</b>	<b>118</b>	<b>145</b>	<b>116</b>	<b>173</b>	<b>123</b>	<b>155</b>

SOURCE: Office de commercialisation et d'exportation



**Table 29: Production and exports of citrus fruits, 1985 to 1987**

In thousands of tonnes	October 1984 to July 1985			October 1985 to July 1986			October 1986 to July 1987		
	Production	Exports		Production	Exports		Production	Exports	
		E.E.C.	Total		E.E.C.	Total		E.E.C.	Total
Oranges .....	685	231	403	809	286	422	650	204	305
Small fruits .....	245	85	136	346	136	178	290	93	151
Miscellaneous .....	30	4	5	30	4	6	20	4	12
<b>Total .....</b>	<b>960</b>	<b>320</b>	<b>544</b>	<b>1 185</b>	<b>426</b>	<b>606</b>	<b>960</b>	<b>301</b>	<b>468</b>

SOURCE: Office de commercialisation et d'exportation

**Table 30: Sugar - beet crop and derived sugar production 1985 to 1987**

	Harvested area (hectares)	Crop (tonnes)	Yield (tonnes/ha)	Sugar production (tonnes)
<b>1985-1986*</b>				
Gharb .....	18 410	623 090	33.8	84 500
Tadia .....	20 090	1 035 800	51.6	120 800
Doukkala .....	13 870	868 630	62.6	116 400
Moulouys .....	3 030	110 320	36.4	12 000
<b>Total .....</b>	<b>55 400</b>	<b>2 637 830</b>	<b>47.6</b>	<b>383 700</b>
<b>1986-1987</b>				
Gharb .....	20 890	614 130	29.4	82 700
Tadia .....	21 150	976 510	46.2	126 000
Doukkala .....	14 020	993 020	70.8	123 200
Moulouys .....	4 650	168 110	36.1	20 100
<b>Total .....</b>	<b>60 710</b>	<b>2 751 770</b>	<b>45.3</b>	<b>362 000</b>

\* Revised.

SOURCE: Ministère de l'Agriculture et de la réforme agraire

Table 31: Sugar-cane crop and derived sugar production, 1985 to 1987

	Area (hectares)		Yield (t/ha)	Production (tonnes)			Sugar Production (tonnes)
	Cultivated	Harvested		Manufactured	Slips	Total	
<b>1985</b>							
Gharb .....	14 406	11 724	62.2	693 951	35 000	728 951	56 900
Moulouya .....	1 240	786	38.6	26 358	3 800	30 358	4 200
<b>Total .....</b>	<b>15 646</b>	<b>12 510</b>	<b>60.7</b>	<b>720 309</b>	<b>38 800</b>	<b>759 309</b>	<b>61 100</b>
<b>1986*</b>							
Gharb .....	15 743	12 177	65.5	761 002	36 258	797 260	70 000
Moulouya .....	1 063	971	35.4	33 108	1 208	34 396	4 600
<b>Total .....</b>	<b>16 806</b>	<b>13 148</b>	<b>63.3</b>	<b>794 110</b>	<b>37 466</b>	<b>831 656</b>	<b>74 600</b>
<b>1987</b>							
Gharb .....	15 803	12 389	65.6	787 375	25 497	812 872	68 800
Moulouya .....	1 139	1 025	32.1	50 413	3 030	53 443	4 500
<b>Total .....</b>	<b>16 942</b>	<b>13 414</b>	<b>64.6</b>	<b>837 788</b>	<b>28 527</b>	<b>866 315</b>	<b>73 300</b>

\* Revised.

SOURCE: Ministère de l'Agriculture et de la réforme agraire

Table 32: Cultivated area, production and yield of raw cotton, 1985 to 1987

In hectares, quintals and quintals per hectare	1985-1986			1986-1987		
	Area	Production	Yield	Area	Production	Yield
Tadia .....	11 900	215 400	18.1	11 900	251 100	21.1
Doukkala .....	1 000	17 600	17.6	1 100	18 000	16.4
Gharb .....	600	20 100	33.5	1 100	18 000	16.4
Haouz .....	500	10 200	20.4	700	19 700	28.1
Moulouya .....	100	1 700	17	100	3 000	30
<b>Total .....</b>	<b>14 100</b>	<b>265 000</b>	<b>18.8</b>	<b>15 500</b>	<b>336 000</b>	<b>21.7</b>

(1) From end of second year stated.

SOURCE: Ministère de l'Agriculture et de la réforme agraire

**Table 33: Cultivated area, production and yield of oilseeds, 1985 to 1987**

In thousands of hectares, thousands of quintals and quintals per hectare	1985-1986			1986-1987		
	Area	Production	Yield	Area	Production	Yield
Sunflower .....	48	432	9	88	1 036	11.8
Groundnut .....	21	250	11.9	21	346	16.5
<b>Total</b> .....	<b>69</b>	<b>682</b>	<b>9.9</b>	<b>109</b>	<b>1 382</b>	<b>12.7</b>

SOURCE: Ministère de l'Agriculture et de la réforme agraire

**Table 34: Livestock - 1985 to 1987**

In thousands of heads	1985	1986	1987
Cattle .....	2 501	2 851	3 177
Sheep .....	12 862	14 545	16 136
Goats .....	4 662	5 276	5 807
<b>Total</b> .....	<b>20 025</b>	<b>22 672</b>	<b>25 120</b>

(1) Capras carried out in march-april

**Table 35: Production of red meat officially slaughtered, 1985 to 1987**

In thousands of heads and in tonnes	Cattle		Sheep		Goats		Total	
	Heads	Weight	Heads	Weight	Heads	Weight	Heads	Weight
1985	496	74 129	2 827	39 214	849	8 479	4 172	121 822
1986*	524	78 664	2 737	35 660	927	9 416	4 188	123 740
1987	539	81 916	2 813	37 804	902	8 949	4 254	128 669

\* Revised.

SOURCE: Ministère de l'Agriculture et de la réforme agraire

**Table 36: Production, local consumption and exports of marine fish, 1985 to 1987**

In tons	1985	1986*	1987**
<b>Production</b> .....	<b>472 800</b>	<b>594 100</b>	<b>457 100</b>
- Coastal fishing .....	346 000	444 800	364 400
- Deep sea fishing .....	126 800	149 300	92 700
<b>Local consumption</b> .....	<b>140 600</b>	<b>142 700</b>	<b>137 200</b>
<b>Exports</b> .....	<b>160 900</b>	<b>169 800</b>	<b>186 100</b>
- Fresh and frozen fish .....	42 800	54 500	57 700
- Crustaceans and molluscs ....	62 800	55 500	69 200
- Canned fish .....	55 300	56 000	52 400
- By products .....	-	3 800	6 800

\* Revised.

\*\* Preliminary.

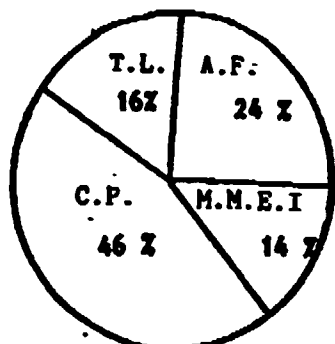
SOURCE: Ministère des pêches maritimes et de la marine marchande

Table 37: Indices of production of manufacturing sector, 1981 to 1987  
(1978 = 100)

(1978 = 100)	Weights	1981	1982	1983	1984	1985	1986	1987	Percentage change 1987 on 1985
Total manufacturing .....	1 000	107	110	116	114	116	120	124	+ 3.3
(including construction and public works)									
Single foods .....	233	115	117	123	127	125	124	137	+10.5
Beverages and tobacco .....	181	103	96	101	108	107	106	109	+ 2.8
Textiles .....	116	94	109	113	100	120	130	125	- 3.8
Tanning and leather footwear .....	23	117	145	136	141	137	140	110	-21.4
Timber and woodworking .....	24	113	106	104	114	105	98	88	-10.2
Paper and board .....	26	117	110	114	101	107	107	112	+ 4.7
Processed quarry products .....	31	116	119	119	106	107	105	106	+ 1.0
Metalworking industries .....	7	117	107	118	114	100	85	89	+ 4.7
Other metal products .....	84	90	83	82	79	73	59	61	+ 3.4
Transport equipment .....	55	63	62	61	35	56	53	55	+ 3.8
Electrical and electronic equipment .....	24	144	129	128	113	128	146	154	+ 5.5
Chemicals and pharmaceutical .....	99	137	161	195	206	198	240	260	+ 8.3
Rubber and plastic manufactures .....	47	84	84	83	80	82	88	84	- 4.5

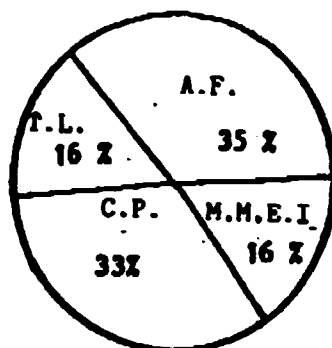
SOURCE: Ministère des pines

**Table 38: Major economic parameters characterizing the manufacturing branches, 1986**



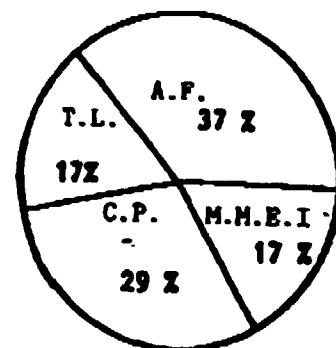
Investments:

Total : 3.899 Million DH



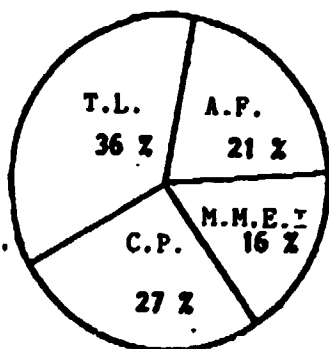
Production:

total : 67 Billion DH



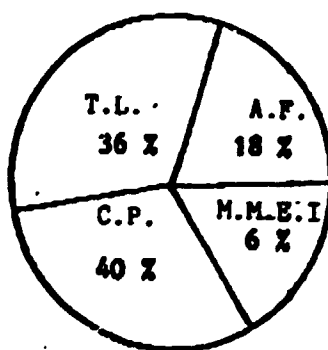
Value-added:

Total : 18 Billion DH



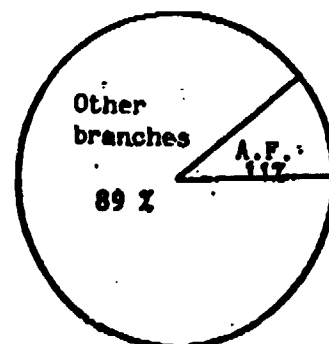
Permanent labour:

Total : 241.795



Exports:

Total : 13 Billion DH



Imports:

Total : 24 Billion DH

Branches:

- A.F. : Agro-Food
- T.L. : Textile - Leather
- C.P. : Chemistry - Parachemistry
- M.M.E.I: Mechanical, metallurgical and electrical industries

Source : Ministère du plan

**Table 39: Main characteristics of manufacturing firms, 1985, and specific characteristics of selected export-oriented industries**

Markets Served	Number of Firms	Exports ..... .....(DH Billion)	Production ..... .....(DH Billion)	Value Added ..... .....	Employment (L) --('000)--	VA L	VA Prod. (%)
Domestic market only	3,247	-	32.2	8.7	115.1	76	27.0
Foreign and domestic	762	11.4	27.5	6.2	189.0	87	22.5
<b>TOTAL</b>	<b>4,009</b>	<b>11.4</b>	<b>60.0</b>	<b>14.9</b>	<b>224.1</b>	<b>66</b>	<b>24.8</b>

Source: Ministry of Industry and Foreign Trade

	(1) Number of Firms	(2) Exports ..... .....(Billion DH)	(3) Production ..... .....(Billion DH)	(4) Value Added ..... .....	(5) Average Size ('000 DH)	(6) Employment	(7) Export/ Output %	(8) VA/ Worker ('000 DH)
Canned fish	58	958	1,228	293	31	3,248	0.74	90.2
Canned vegetables	49	758	932	193	41	4,165	0.81	46.3
Yarns & fabrics	75	954	3,262	865	17	19,781	0.29	43.9
Carpets	33	285	368	766	9	6,839	0.79	12.5
Knitwear	48	375	526	141	13	6,864	0.71	20.5
Garments	189	1,363	1,555	414	11	21,546	0.88	19.2
Leather	79	559	918	214	21	6,715	0.61	31.8
Wood	3	122	126	23	29	621	0.97	37.8
Paper & pulp	4	287	1,020	283	42	2,088	0.20	126.0
Auto parts	18	143	819	197	35	2,384	0.17	85.8
Phosphates derivatives	18	4,403	5,875	579	38	5,892	0.75	114.8
Miscellaneous	195	1,282	18,582	2,954	21	28,627	0.12	26.8
<b>TOTAL</b>	<b>762</b>	<b>11,486</b>	<b>27,560</b>	<b>6,232</b>	<b>26</b>	<b>189,000</b>	<b>0.41</b>	<b>57.0</b>

Source: Ministry of Industry and Foreign Trade

**Table 39: Main characteristics of manufacturing firms, 1985, and specific characteristics of selected export-oriented industries**

Markets Served	Number of Firms	Exports ... (DM Billion)	Production ... (DM Billion)	Value Added .....	Employment (L) -- ('000)	VA L	VA Prod. (%)
Domestic market only	3,247	-	32.2	8.7	115.1	76	27.0
Foreign and domestic	762	11.4	27.5	6.2	189.0	57	22.5
<b>TOTAL</b>	<b>4,009</b>	<b>11.4</b>	<b>60.0</b>	<b>14.9</b>	<b>224.1</b>	<b>66</b>	<b>24.0</b>

Source: Ministry of Industry and Foreign Trade

	(1) Number of Firms	(2) Exports .....(Billion DM)	(3) Production .....(Billion DM)	(4) Value Added .....	(5) Average Wage ('000 DM)	(6) Employment	(7) Export/ Output 2/3	(8) VA/ Worker 4/6 ( '000 DM)
Canned fish	58	958	1,228	293	31	3,248	0.74	90.2
Canned vegetables	49	758	932	193	41	4,165	0.81	46.3
Yarns & fabrics	75	954	3,282	865	17	19,781	0.29	43.9
Carpets	33	285	360	766	9	6,039	0.79	12.5
Knitwear	48	375	526	141	13	6,864	0.71	20.5
Garments	189	1,363	1,555	414	11	21,546	0.88	19.2
Leather	79	559	918	214	21	6,715	0.61	31.0
Wood	3	122	126	23	29	621	0.97	37.0
Paper & pulp	4	207	1,020	283	42	2,008	0.20	126.0
Auto parts	18	143	819	197	35	2,384	0.17	85.0
Phosphates derivatives	10	4,483	5,875	579	38	5,092	0.75	114.0
Miscellaneous	196	1,282	10,589	2,954	41	19,697	0.12	96.0
<b>TOTAL</b>	<b>762</b>	<b>11,486</b>	<b>27,560</b>	<b>6,232</b>	<b>26</b>	<b>189,088</b>	<b>0.41</b>	<b>57.0</b>

Source: Ministry of Industry and Foreign Trade



**Table 40: Structure of production, turnover, added-value and employment in the manufacturing sector and the agro-food industries branch, 1981 to 1986**

	1981	1982	1983	1984	1985	1986	Average annual change 1981/85 (%)	Change 1986/1985 (%)
<b>Manufacturing sector</b>								
Turnover, Billion DH	33.392	37.965	44.768	52.227	60.743	70.282	17,58	10,26
Production, Billion DH	31.994	37.051	42.087	49.467	59.930	66.908	17,02	11,64
Value-added, Billion DH	8.629	10.113	11.566	12.468	15.019	17.855	14,96	18,88
Permanent labour	193.827	192.323	206.398	220.818	224.361	241.795	3,71	7,77
<b>Food branch</b>								
Turnover, Billion DH	11.838	13.818	15.722	18.245	21.422	24.281	-	-
(%)	35	36,4	35,1	35	33,6	34,6	16	13,35
Production, Billion DH	11.685	13.311	15.513	16.918	19.492	23.076	-	-
(%)	36,5	36	36,9	34,2	32,5	34,5	13,68	18,39
Value-added, Billion DH	2.157	3.605	2.818	3.554	5.018	6.537	-	-
(%)	25	35,6	24,4	28,5	33,4	36,6	28,15	30,27
Permanent labour	38.394	39.953	44.319	50.098	45.326	50.021	-	-
(%)	20	20,8	21,5	23	21	21	4,63	10,36

Source : Ministère du plan

**Table 41: Size distribution of industrial enterprises (all industrial firms having at least 5 employees)**

(Number of Workers) Firm Size (1977)	(P e r c e n t a g e s)							
	US (1977)	Japan (1972)	S.Korea (1981)	India (1977)	China (1982)	Yugoslavia (1981)	Hungary (1981)	Morocco (1985)
5-33	56.4	80.2	70.7	51.7	52.9	6.6	2.2	68.0
34-75	20.3	10.7	14.4	35.3	19.5	15.8	4.8	15.1
76-189	12.4	6.1	9.2	7.8	12.2	32.1	18.7	10.6
190-243	3.8	0.8	1.5	0.8	8.5	12.0	9.2	1.4
244 +	7.1	2.1	4.3	4.4	0.6	33.5	65.1	4.8

Source: World Bank.

**Table 42: Manufacturing output, employment and exports by firm size, 1985**

Firm Size	Number of Firms	Output %	Employment %	Exports %
less than 34	2727	8.8	14.3	7.4
34-75	604	13.0	13.5	7.3
76-189	426	18.6	22.2	13.8
190-243	58	5.0	5.5	4.4
244 +	194	54.7	44.5	67.1
<b>Total</b>	<b>4009</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: World Bank.

**Table 43: Allotment of the investments approved, from 1981 to 1986 by economic region** In 1000 Dirhams

Economic regions:	1981	1982	1983	1984	1985	1986
South	78,288	63,977	53,507	200,485	76,180	276,065
Tensift	26,853	434,152	68,545	131,589	65,292	137,604
Center	825,946	860,427	1,183,229	1,435,664	1,664,970	2,128,648
North						
West	129,605	177,944	200,989	238,760	171,944	150,910
Eastern	157,736		86,423	82,239	96,434	121,410
Center-South	33,657	49,428	90,579	87,359	43,691	153,297
<b>Total</b>	<b>1,909,250</b>	<b>2,680,941</b>	<b>2,216,059</b>	<b>2,778,229</b>	<b>2,831,699</b>	<b>3,545,728</b>

Source: The Central Bank of Morocco.

Table 44: 1986 and 1987 volume and value (cif) of imports

In thousands of tonnes and millions of dollars	1986			1987*		
	Weight	Value	%	Weight	Value	%
Foodstuffs and beverages .....	2 871	4 329	12.5	2 654	3 900	11.3
Energy and lubricants .....	5 535	5 429	15.7	6 119	6 170	17.5
Crude oil .....	4 587	4 587	13.3	4 836	5 332	15.1
Raw materials .....	2 525	8 685	26.2	3 031	5 454	15.5
Animal and vegetable .....	751	2 789	8.1	866	2 750	7.8
Mineral .....	1 774	2 816	8.1	2 165	2 704	7.7
Semi-finished products .....	1 565	7 527	21.7	1 628	8 194	23.2
Finished products .....	204	11 718	33.9	209	11 473	32.5
Capital goods .....	137	8 248	23.8	121	7 363	20.9
Agricultural equipment .....	(15)	(620)	(1.8)	(12)	(494)	(1.4)
Industrial equipment .....	(122)	(7 628)	(22.0)	(109)	(6 869)	(19.5)
Consumer goods .....	67	3 470	10.1	88	4 110	11.6
<b>Total .....</b>	<b>11 920</b>	<b>34 688</b>	<b>100</b>	<b>13 641</b>	<b>35 271</b>	<b>100</b>

\* Preliminary.

SOURCE: Office des changes

Table 46: 1986 and 1987 volume and value (f.o.b.) of exports

In thousands of tonnes and millions of dollars	1986			1987*		
	Weight	Value	%	Weight	Value	%
Foodstuffs and beverages .....	1 153	6 526	29.5	1 041	6 346	27.1
Energy and lubricants .....	373	564	2.6	402	642	2.7
Raw materials .....	14 842	5 113	23.1	14 251	4 606	19.7
Animal and vegetable .....	130	689	3.1	133	823	3.3
Mineral .....	14 712	4 424	20.0	14 118	3 783	16.2
Semi-finished products .....	1 873	4 969	21.5	2 239	5 602	24.0
Finished products .....	87	4 922	22.3	82	6 194	26.5
Capital goods .....	40	416	1.9	5	297	1.3
Consumer goods .....	47	4 516	20.4	74	5 897	25.2
<b>Total .....</b>	<b>18 328</b>	<b>22 104</b>	<b>100</b>	<b>18 015</b>	<b>23 390</b>	<b>100</b>

\* Preliminary.

SOURCE: Office des changes

Table 45: Evolution of the main imports in value, 1983 to 1987

In million of dollars	1983	1984	1985	1986	1987*
<b>Foodstuffs and beverages</b> .....	3 796.3	5 817.0	5 806.0	4 329.4	3 900.0
Soft wheat .....	1 834.2	3 324.0	2 579.0	1 485.7	1 446.4
Sugar .....	412.8	481.8	308.2	411.9	376.5
Dairy products .....	357.1	296.1	292.5	341.9	292.7
Tea .....	268.9	479.5	551.7	467.8	476.9
Coffee .....	109.0	172.5	203.8	297.2	244.3
Tobacco .....	257.8	311.5	323.6	442.4	392.5
Others .....	556.5	751.6	757.2	882.5	750.7
<b>Energy and lubricants</b> .....	7 038.7	8 991.8	10 800.7	8 429.4	6 169.6
Crude oil .....	6 330.4	8 393.7	9 931.3	4 587.4	5 331.5
Others .....	698.3	598.1	878.4	842.0	838.1
<b>Raw materials</b> .....	3 206.3	4 841.1	6 046.6	5 604.5	5 453.8
Vegetable oils and oilseeds .....	643.7	1 131.6	1 532.4	1 063.0	665.2
Timber .....	434.6	652.3	718.4	724.5	916.2
Artificial and synthetic textile fibres .....	316.9	425.9	481.9	518.0	529.7
Sulphur .....	1 043.1	1 445.4	2 282.2	2 259.1	2 085.4
Others .....	768.0	885.9	1 038.7	1 039.9	1 257.3
<b>Semi-finished products</b> .....	4 933.6	6 494.4	7 422.5	7 577.0	8 194.0
Iron, pig-iron and steel rods and wires .....	681.9	724.0	309.7	310.9	331.5
Iron and steel sheets .....	458.9	581.7	708.8	682.9	751.1
Chemicals and fertilisers .....	1 335.9	1 610.4	1 979.0	2 140.3	2 161.1
Plastics .....	399.8	474.8	634.8	683.0	794.8
Synthetic textile yarn .....	272.0	358.4	443.2	466.8	437.8
Papers and board .....	280.6	367.1	428.1	461.1	551.2
Piping accessories .....	113.9	392.6	82.8	83.3	90.7
Others .....	1 390.6	1 985.4	2 703.1	2 698.7	3 075.8
<b>Capital goods</b> .....	4 853.8	6 459.5	6 832.5	8 248.1	7 363.3
Agricultural equipment .....	294.5	214.5	382.1	628.2	494.6
Industrial equipment .....	4 559.3	6 245.0	6 450.4	7 619.9	6 868.7
<b>Consumer goods</b> .....	1 772.5	2 091.7	2 787.8	3 469.5	4 110.0
Cars .....	309.3	281.8	373.7	533.1	534.8
Car parts and components .....	107.4	119.3	152.3	189.0	219.6
Radio and television receivers .....	154.4	189.2	192.7	283.3	308.2
Pharmaceuticals .....	191.4	223.6	279.6	360.6	365.6
Others .....	1 010.0	1 277.8	1 759.5	2 103.0	2 681.8
<b>Total</b> .....	25 591.2	34 395.5	38 675.1	34 687.9	35 270.7

\* Preliminary.

SOURCE: Office des changes

Table 47: Evolution of the main exports in value, 1983 to 1987

In million of dollars	1983	1984	1985	1986	1987*
<b>Foodstuffs and beverages</b> .....	3 724.0	4 283.1	5 484.8	6 525.9	6 345.7
Citrus fruit .....	1 182.2	1 057.4	1 482.7	1 725.4	1 434.1
Early vegetables .....	451.8	534.5	685.1	795.7	867.1
Canned fish .....	498.4	534.6	722.3	874.4	784.6
Fresh and frozen fish .....	194.2	327.6	513.6	869.0	904.4
Crustaceans and molluscs .....	681.3	881.1	982.5	1 047.7	1 288.3
Canned fruits and vegetable .....	396.7	435.2	561.3	686.2	616.9
Fruit and vegetable juices .....	57.1	161.2	251.3	143.5	84.0
Others .....	342.3	341.5	366.0	464.0	346.3
<b>Energy and lubricants</b> .....	584.2	785.8	845.1	853.8	641.7
<b>Animal and vegetable raw materials</b> .....	373.5	480.9	573.7	688.5	823.5
Paper pulp .....	124	280.7	145.7	247.2	333.5
Plants and parts of plants .....	37.2	53.1	84.8	188.4	188.7
Agar-agar .....	13.9	44.9	54.6	54.7	61.8
Others .....	198.4	161.2	288.6	286.2	319.5
<b>Mineral raw materials</b> .....	4 012.2	5 535.2	5 687.4	4 424.1	3 783.1
Phosphate .....	3 331.3	4 619.3	4 816.0	3 747.9	3 080.3
Lead ore .....	154.5	198.3	198.5	96.1	122.6
Copper ore .....	183.0	191.5	240.0	189.0	286.5
Barium sulphate .....	119.2	180.2	157.4	79.1	65.8
Others .....	224.2	325.9	344.5	312.0	307.9
<b>Semi-finished products</b> .....	1 776.8	2 179.8	2 786.3	4 088.3	5 681.7
Phosphoric acid .....	2 127.6	3 515.9	3 132.3	3 028.0	3 583.9
Natural and chemical fertilizers .....	928.4	788.1	1 282.1	914.4	890.0
Refined lead .....	161.4	166.4	221.4	207.9	251.9
Cotton yarn .....	105.5	181.4	176.7	233.8	252.8
Others .....	461.9	307.2	563.7	585.2	623.1
<b>Finished products</b> .....	2 253.4	2 966.6	3 882.9	4 931.9	6 194.3
Clothing .....	683.8	1 031.6	1 382.4	1 701.3	2 346.5
Carpets .....	373.6	394.6	394.5	473.3	542.1
Hosiery .....	239.3	323.3	469.1	756.7	1 088.7
Shoes .....	194.2	229.3	324.8	348.5	367.1
Others .....	763.4	985.7	1 362.1	1 652.1	1 849.9
<b>Total</b> .....	14 724.2	19 189.3	21 748.1	22 183.6	23 390

\* Preliminary.

SOURCE: Office des changes

**Table 48: Evolution of exports of manufacturers in value by industrial branch, 1978 to 1986 (in '000 US dollars)**

	1978	1979	1980	1981	1982	1983	1984	1985	1986
Food	171,840	207,402	238,481	231,516	178,223	176,449	171,860	191,861	251,861
Beverages & Tobacco	6,937	9,585	11,121	15,762	10,082	6,463	5,477	4,664	5,687
Textiles	134,349	156,448	161,891	159,456	140,076	155,307	152,729	162,203	221,442
Clothing	59,965	62,006	82,752	94,461	107,658	114,314	128,273	151,148	216,015
Leather Footwear	29,110	34,833	44,194	36,856	47,300	41,801	37,982	44,859	57,327
Wood & Wood Products	18,727	16,620	20,850	16,900	18,635	15,975	14,280	12,704	17,424
Paper, Cardboard & Printing	14,960	23,946	31,194	25,194	19,814	18,610	24,839	17,512	29,720
Non-metallic mineral products	3,187	2,168	3,888	5,785	7,326	5,864	4,241	4,230	7,163
Basic Metals & Industry products	7,556	18,519	17,659	10,810	7,189	8,111	10,965	9,635	8,013
Metal Working	3,130	3,891	3,991	9,873	4,552	6,575	7,893	8,443	7,965
Mechanical Equipment	325	367	2,004	2,421	3,151	2,724	2,732	2,398	5,851
Electrical & Electronic Products	5,277	4,134	4,267	2,640	4,981	6,704	7,487	8,125	15,695
Office Machines, Precision Instruments, Watches, etc.	1,210	1,213	530	323	506	437	160	633	321
Chemical Products	185,230	169,502	250,564	325,520	350,541	430,657	500,879	454,948	457,098
Rubber & Plastics	1,854	1,655	2,393	2,004	2,863	3,461	4,750	5,212	6,342
Other Manufactured Products	5,863	7,657	10,000	8,117	11,226	9,238	12,378	16,596	18,106
<b>TOTAL</b>	<b>857,220</b>	<b>719,946</b>	<b>885,959</b>	<b>947,717</b>	<b>921,443</b>	<b>1,010,000</b>	<b>1,095,162</b>	<b>1,096,259</b>	<b>1,325,528</b>

Source: Office des changes

**Table 49: Evolution of the trade deficit by category of goods, 1983 to 1987**

In millions of dirhams	1983	1984	1985	1986	1987
Foodstuffs .....	- 72	- 1 534	+ 389	+ 2 197	+ 2 366
Energy and lubricants	- 6 445	- 8 236	- 9 965	- 4 865	- 5 528
Basic materials .....	+ 1 179	+ 1 434	+ 214	- 492	- 848
Semi-manufactures .....	- 1 157	- 1 363	- 2 136	- 2 558	- 2 592
Capital goods .....	- 4 774	- 6 333	- 6 367	- 7 832	- 7 066
Consumer goods .....	+ 402	+ 746	+ 930	+ 1 046	+ 1 787
<b>Total .....</b>	<b>-10 867</b>	<b>-15 286</b>	<b>-16 935</b>	<b>-12 504</b>	<b>-11 881</b>

Source: Office des changes

Table 50: Imports, exports and trade balance by regions, countries and currency areas, 1986 and 1987

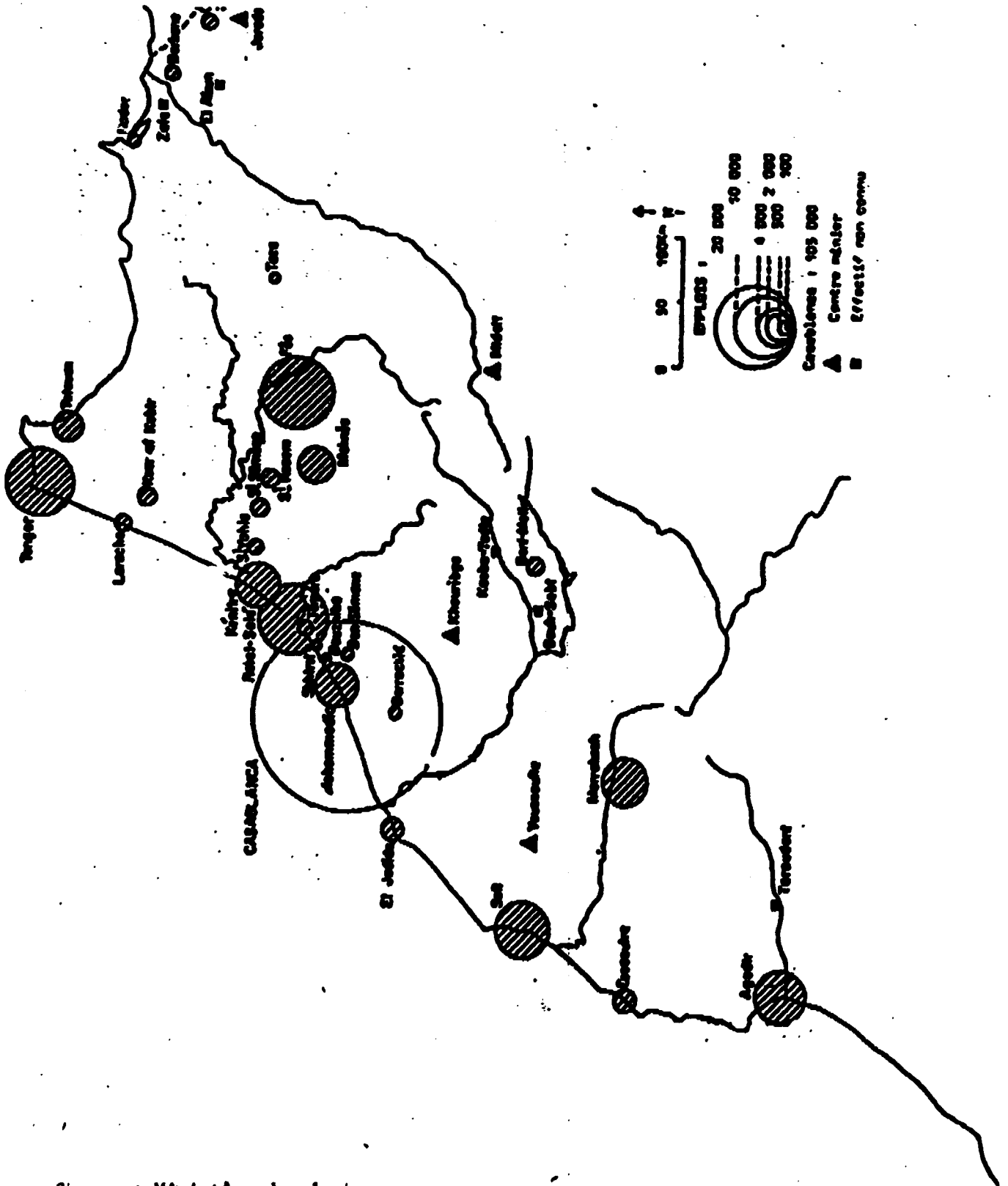
In millions of dollars	Imports C.I.F.		Exports F.O.B.		Balance	
	1986	1987*	1986	1987*	1986	1987*
<b>European Economic Community</b> .....	18 348	18 553	12 867	14 345	- 5 481	- 4 288
France .....	8 060	7 781	6 026	6 902	- 2 034	- 799
Spain .....	2 937	3 093	1 467	1 587	- 1 470	- 1 506
Germany .....	2 282	2 338	1 475	1 459	- 807	- 899
Italy .....	1 734	1 932	1 191	1 200	- 543	- 652
United Kingdom .....	1 066	1 067	657	628	- 409	- 439
Netherlands .....	916	829	789	826	- 213	- 3
Belgium - Luxembourg .....	941	1 060	806	934	- 135	- 126
Portugal .....	235	227	229	267	- 6	+ 40
Others .....	177	286	313	462	+ 136	+ 176
<b>Other main trading partners</b> .....	9 981	9 732	3 857	3 416	- 6 244	- 6 316
Arab countries .....	3 801	4 899	1 166	1 458	- 2 705	- 3 441
U.S.A. ....	3 923	3 218	283	377	- 3 640	- 2 841
U.S.S.R. ....	959	1 026	607	379	- 352	- 645
Japan .....	594	430	1 124	1 009	+ 530	+ 579
Poland .....	454	161	377	193	- 77	+ 32
<b>Miscellaneous</b> .....	6 459	6 985	5 680	5 639	- 779	- 1 357
<b>Total</b> .....	34 608	35 271	22 104	23 390	-12 504	-11 881
of which: Franc zone .....	8 535	8 068	6 440	7 312	- 2 095	- 751
Convertibility zone .....	26 027	27 125	15 626	16 025	-10 401	-11 100
Bilateral zone .....	46	83	38	53	- 8	- 30

\* Preliminary.

SOURCE: Office des changes

Figure 1

GEOGRAPHICAL DISTRIBUTION OF THE MANUFACTURING SECTOR, 1900's



Source : Ministère du plan



# AVANTAGES DU CODE DES INVESTISSEMENTS INDUSTRIELS

## A - DISPOSITIONS GENERALES

### BENEFICIAIRES

- Les entreprises industrielles, dans le programme d'investissements compris des équipements de production pour une valeur minimale de 100,000 dirhams, et.

- Les entreprises à caractère industriel ou de service livrant des services.

### TAILLE DES ENTREPRISES ET ZONING

Les avantages octroyés par le code seront selon la taille des entreprises et selon le lieu de leur implantation.

- C'est ainsi que certaines entreprises sont rétrogradées aux petites et moyennes industries, d'autres comme :

- Les zones de création ;
- Investissement total en biens d'équipement inférieur ou égal à 5 millions de dirhams, et.
- Outil d'investissement total en biens d'équipement par capital créé n'excédant pas 70,000 dirhams.

De même que le secteur privé bénéficie de zones pour l'investissement des entreprises privées.

### ZONE II : La préfecture de Casablanca-Anfa

### ZONE III : Les autres préfectures de Grand Casablanca

- Hay Mohammadi - Anfa Salés
- Ben Makh - Sidi Oubaine
- Abi Chakh - Hay Hassan
- Mohammadia - Zennara ; et
- La province de Ben Sماعيل.

### ZONE III :

- La préfecture de Rabat-Salé
- Les provinces d'Agadir, Tsa, Kenitra, Marrakech, Meknes, Safi, Tanger et Tétouan.

### ZONE IV : Le reste du royaume.

## B - LES AVANTAGES

### 1 - EXONERATION DU DROIT D'EXPORTATION SUR LES MATIERES OUTILLAGES ET BIENS D'ÉQUIPEMENT

- En cas de création
- Pour toute entreprise PMI installée dans les zones II, III, IV.
- Pour les autres entreprises dans les zones III et IV.

### • En cas d'extension ;

- Pour toute entreprise PMI sans distinction de lieu d'implantation.
- Pour les autres entreprises dans les zones II, III et IV.

• En cas de réinvestissement de matériel ;  
Uniquement pour les PMI situées dans les zones II, III et IV pendant les 10 années consécutives à la production d'un matériel de cette loi.

### 2 - REMBOURSEMENT DE LA TAXE SPECIALE ET LE CAS RESERVÉ DU DROIT D'EXPORTATION

Pour les entreprises exportant tout ou partie de leur production, quel que soit le lieu d'implantation (sauf sur 7 ans et en contre de change d'articles relatifs à l'exportation).

### 3 - EXONERATION DE LA TAXE SUR LES PRODUITS

Sur les matières, outillages et biens d'équipement importés ou acquis localement, directement ou par le crédit, quel que soit le lieu de l'entreprise et du lieu d'implantation.

### 4 - PROTECTION A 0,50 % DU DROIT PROPORTIONNEL D'APPORT EN SOCIÉTÉ

- En cas de création
- Pour les PMI en zones II, III et IV
- Pour les autres en zones III et IV.

### • En cas d'extension

Toutes les entreprises sans distinction de zone.

### 5 - EXONERATION DU DROIT DE TIMBRE PROPORTIONNEL SUR LES ACTES

Pour toutes les entreprises, dans toutes les zones hors de la création en 1/2 l'exemption.

### 6 - EXONERATION DES DROITS D'EXPORTATION SUR LES TERREAUX INDUSTRIELS

- En cas de création
- Pour les PMI en zones II, III et IV
- Pour les autres en zones III et IV.

### • En cas d'extension

Toutes les entreprises sans distinction du lieu d'implantation.

### 7 - EXONERATION DE L'I.T.B.P.

• Taux pendant 10 ans

Pour toute entreprise s'installant ou relevant une extension dans la zone IV.

• Pour les entreprises exportant tout ou partie de leur production sans distinction de zone et au prorata du chiffre d'affaires exporté.

• Réduction de 50 % pendant 10 ans  
Pour toute entreprise s'implantant ou relevant une extension dans la zone III.

• Exemption pour investissement  
La déduction en franchise de l'I.T.B.P. d'une part dans l'exercice au cours duquel est effectué l'investissement pour un montant pas 50 % du bénéfice annuel pour toute entreprise en vue de la réalisation (ou participation dans le capital) d'un projet d'investissement autorisé dans les zones III et IV.

### 8 - EXONERATION PENDANT 5 ANS DE L'IMPOT DES PATENTES EN CAS DE CREATION

- Pour les PMI en zones II, III et IV.
- Pour les autres en zones III et IV.

### 9 - EXONERATION D'IMPOT

Les entreprises s'installant dans les zones II, III et IV bénéficient d'une réduction de 2 points directement déduite de leur d'impôt.

### 10 - PRIX DE 5,000 DH PAR EMPLOI CHER

Pour les PMI dans toutes les zones.

### 11 - SUBVENTION DU TABLEAU INDUSTRIEL

L'Etat prend à sa charge une partie du coût du terrain industriel, dans les proportions suivantes :

## APPENDIX 2 (continued)

• Dans la zone III  
25 à 50 % selon nombre d'emplois.

• Dans la zone IV  
50 % sous condition d'emploi.

**12 - GARANTIE DE TRANSFERT**

- Garantie de transfert du bénéfice net sans limitation de montant et de la durée.
- Garantie de retransfert du capital investi.
- Garantie de transfert de la plus value de cession.

**13 - RECONSTITUTION DU DROIT D'IMPORTATION SUR L'ÉQUIPEMENT POUR LES ENTREPRISES RÉALISANT DES ÉCONOMIES D'EAU OU D'ÉNERGIE OU PRÉSERVANT L'ENVIRONNEMENT****C - RÉGIME CONVENTIONNEL**

- 1- Les entreprises dont le programme d'investissement est supérieur à 50 millions de francs peuvent prétendre à d'autres avantages supplémentaires dans le cadre d'une convention à conclure avec l'État.
  - 2- Primes d'équipement pour les entreprises réalisant des économies d'eau et d'énergie ou préservant l'environnement accordées dans le cadre d'une convention à conclure avec l'État.
- 

Source: Code des investissements 1983, Ministère de Commerce, de l'Industrie et de Tourisme.

**ASSISTANCE TECHNIQUE ET EN CAPITAL/FINANCIERE AU MAROC, 1987**  
( millions \$ EU )

Secteur économique	Assistance technique				Assistance en capital/financière (engagements en 1987)				D.N.G.	TOTAL	%			
	Multi-latérale	Bilatérale	Sous-total	% du sect.	Multilatérale		Bilatérale					Sous-total	% du sect.	% du sect.
					Don	Prêt	Don	Prêt						
02 Problèmes de développement, politique et planification	452	7 646	8 098	3%		240 000		14 706	254 706	97%		262 804	18%	
03 Ressources naturelles	422	16 554	10 986	70%			4 711	14 706	4 711	30%		15 697	1%	
04 Agriculture, forêts, pêches	13 417	21 218	35 235	6%	917	444 878	5 569	72 860	27 224	94%	35 0%	562 494	38%	
05 Industrie	198	3 938	4 136	58%			9	2 860	2 869	40%	102 1%	7 107	0%	
06 Transports & communications	403	5 467	5 870	2%		258 354			258 354	98%		264 224	18%	
07 Commerce international et finance de développement	300	3 850	4 150	3%		70 000	5 201	68 947	136 148	97%		140 298	9%	
08 Population	1 474	5 900	7 374	100%								7 374	1%	
09 Etablissements humains		1 151	1 151	100%								1 151	0%	
10 Santé	3 407	1 204	4 611	3%		131 278	3 868		135 146	97%	267 0%	140 024	9%	
11 Education	12 741	26 638	40 379	100%			9		9	0%	2 0%	40 390	3%	
12 Emploi	258	1 780	2 038	8%		22 300			22 300	92%		24 338	2%	
14 Conditions sociales, équité	347	11 248	11 615	99%			4		4	0%	172 1%	11 791	1%	
15 Culture	337	207	594	63%			345		345	37%		939	0%	
16 Sciences et technologies	312	7 385	7 697	96%			289		289	4%		7 986	1%	
<b>Sous-total Don</b>	<b>35 118</b>	<b>108 816</b>	<b>143 934</b>	<b>85%</b>	<b>917</b>	<b>23 005</b>			<b>23 922</b>	<b>14%</b>	<b>578 0%</b>	<b>168 434</b>	<b>11%</b>	
<b>Sous-total Prêt</b>						<b>1 166 810</b>		<b>151 373</b>	<b>1 318 183</b>	<b>100%</b>		<b>1 318 183</b>	<b>89%</b>	
<b>TOTAL</b>			<b>143 934</b>	<b>10%</b>					<b>1 342 105</b>	<b>90%</b>	<b>578 0%</b>	<b>1 486 617</b>	<b>100%</b>	

Source : "Maroc Coopération au développement, Rapport 1987", PNUD

**ASSISTANCE TECHNIQUE ET EN CAPITAL/FINANCIERE AU MAROC, 1987**  
( millions \$ EU )

Secteur économique	Assistance technique				Assistance en capital/financière (engagements en 1987)				D.N.G	TOTAL	%		
	Multi-latérale	Bilatérale	Sous-total	% du sect.	Multilatérale		Bilatérale					Sous-total	% du sect.
					Don	Prêt	Don	Prêt					
02 Problèmes de développement, politique et planification	452	7 646	8 098	3%		240 000		14 706	254 706	97%	262 804	10%	
03 Ressources naturelles	422	10 564	10 986	70%			4 711		4 711	30%	15 697	1%	
04 Agriculture, forêts, pêches	13 417	21 210	35 235	6%	917	444 878	8 569	72 860	527 224	94%	562 494	30%	
05 Industrie	198	3 938	4 136	58%			9	2 860	2 869	40%	7 107	0%	
06 Transports & communications	483	5 467	5 870	2%		258 354			258 354	98%	264 224	10%	
07 Commerce international et finance de développement	300	3 850	4 150	3%		70 000	5 201	60 947	136 148	97%	140 298	9%	
08 Population	1 474	5 900	7 374	190%							7 374	1%	
09 Etablissements humains		1 151	1 151	100%							1 151	0%	
10 Santé	3 457	1 204	4 611	3%		131 278	3 068		135 146	97%	140 024	9%	
11 Education	12 741	26 638	40 379	100%			9		9	0%	40 390	3%	
12 Emploi	258	1 780	2 038	8%		22 300			22 300	92%	24 338	2%	
14 Conditions sociales, équité	347	11 268	11 615	99%			4		4	0%	11 791	1%	
15 Culture	397	207	594	63%				345	345	37%	939	0%	
16 Sciences et technologies	312	7 385	7 697	96%				289	289	4%	7 986	1%	
<b>Sous-total Don</b>	<b>35 118</b>	<b>108 816</b>	<b>143 934</b>	<b>85%</b>	<b>917</b>		<b>23 005</b>		<b>23 922</b>	<b>14%</b>	<b>168 434</b>	<b>11%</b>	
<b>Sous-total Prêt</b>						<b>1 166 810</b>		<b>151 373</b>	<b>1 318 183</b>	<b>100%</b>	<b>1 318 183</b>	<b>89%</b>	
<b>TOTAL</b>			<b>143 934</b>	<b>10%</b>					<b>1 342 105</b>	<b>70%</b>	<b>1 486 117</b>	<b>100%</b>	

**ASSISTANCE EN CAPITAL/FINANCIERE AU MAROC, 1987**  
( millions \$ EU )

Secteur économique	Engagements souscrits en 1987						TOTAL
	Multilatérale			Bilatérale			
	Don	Prêt	Total & sect.	Don	Prêt	Total & sect.	
02 Problèmes de développement, politique et planification		240 000	240 000	943	14 706	14 706	254 706
03 Ressources naturelles					4 711	4 711	4 711
04 Agriculture, forêts, pêches	917	444 878	445 795	848	8 349	81 429	527 224
05 Industrie					9	2 869	2 869
06 Transports & communications		258 354	258 354	1008			258 354
07 Commerce international et finance de développement		78 000	78 000	512	5 201	60 148	136 148
08 Population							
09 Etablissements humains							
10 Santé		131 278	131 278	978	3 868	3 868	135 146
11 Education					9	9	9
12 Emploi		22 300	22 300	1008			72 300
14 Conditions sociales, équité					4	4	4
15 Culture					345	345	345
16 Sciences et technologies					289	289	289
<b>Sub-total Don</b>	917				23 005		23 922
<b>Sub-total Prêt</b>		1 146 810			151 373		1 318 183
<b>TOTAL</b>			1 167 727	878		174 378	1 342 165

**ASSISTANCE EN CAPITAL/FINANCIERE MULTILATERALE AU MAROC. 1987**  
( millions \$ EU )

Secteur économique	Engagements souscrits en 1987					Dépenses 1987 (inclus projets approuvés avant 1987)								
	BAD	BIRD	CEE	FADES	TOTAL	BAD	BIRD	CEE		FAD	FADES	TOTAL		
	Prêt	Prêt	Don	Prêt	%	Prêt	Prêt	Don	Prêt	Total	Prêt	Don	%	
02 Problèmes de développement, politique et planification		240 000			240 000	21%								
03 Ressources naturelles								287	656	943			943	8%
04 Agriculture, forêts, pêches	196 626	225 000	917	23 252	445 795	38%			129	129		435	564	5%
05 Industrie							3 790						3 790	32%
06 Transports & communications	133 354	125 000			258 354	22%	3 000						3 000	25%
07 Commerce international et finance de développement		70 000			70 000	6%								
08 Population														
09 Etablissements humains														
10 Santé	11 278	120 000			131 278	11%			14	14			14	0%
11 Education		22 300			22 300	2%	1 546	460	639	639	614		3 259	27%
12 Emploi														
14 Conditions sociales, équité														
15 Culture														
16 Sciences et technologies									459	459			459	4%
<b>Sous-total Don</b>			917		917	0%			1 528			435	1 963	16%
<b>Sous-total Prêt</b>	341 258	802 300		23 252	1 166 810	100%	8 336	460	656		614		10 066	84%
<b>TOTAL</b>	341 258	802 300	917	23 252	1 167 727	100%	8 336	460		2 184	614	435	12 029	100%

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**ASSISTANCE EN CAPITAL/FINANCIERE BILATERALE AU MAROC, 1987**  
( milliers \$ EU )

Secteur économique	Engagements souscrits en 1987										TOTAL	%	
	Belgique			Canada	France	Japon	Pays-Bas	RFA	Rey.-Uni	Suisse			USAID
	Don	Prêt	Total	Don	Prêt	Don	Don	Prêt	Don	Don			Prêt
02 Problèmes de développement, politique et planification					14 706							14 706	8%
03 Ressource naturelles				47		4 664						4 711	3%
04 Agriculture, forêts, pêches	2 860	2 860	5 720	50	20 000	8 204			255	60	50 000	81 429	47%
05 Industrie	2 860	2 860					9					2 869	2%
06 Transports & communications													
07 Commerce international et finance de développement	1 430		1 430	3 771	57 947			3 000				66 148	38%
08 Population													
09 Etablissements humains													
10 Santé				3 868								3 868	2%
11 Education				9								9	0%
12 Emploi													
14 Conditions sociales, équité				4								4	0%
15 Culture				76		269						345	0%
16 Sciences et technologies						289						289	0%
<b>Sous-total Don</b>	<b>1 430</b>			<b>7 825</b>		<b>13 426</b>	<b>9</b>		<b>255</b>	<b>60</b>		<b>23 005</b>	<b>13%</b>
<b>Sous-total Prêt</b>		<b>5 720</b>			<b>92 653</b>			<b>3 000</b>			<b>50 000</b>	<b>151 373</b>	<b>87%</b>
<b>TOTAL</b>			<b>7 150</b>	<b>7 825</b>	<b>92 653</b>	<b>13 426</b>	<b>9</b>	<b>3 800</b>		<b>60</b>	<b>50 000</b>	<b>174 378</b>	<b>100%</b>

**ASSISTANCE TECHNIQUE AU MAROC. 1987**  
( millions \$ EU )

Secteur économique	Multilatérale				Bilatérale		TOTAL	% du total
	Système N.U.	CEE	Sous-total	% du sect.	Sous-total	% du sect.		
02 Problèmes de développement, politique et planification	452		452	64	7 646	94	8 098	64
03 Ressources naturelles	422		422	44	10 564	96	10 986	84
04 Agriculture, forêts, pêches	13 387	30	13 417	38	21 818	62	35 235	24
05 Industrie	198		198	5	3 938	95	4 136	3
06 Transports & communications	291	112	403	7	5 467	93	5 870	4
07 Commerce international et finances de développement	390		390	7	3 850	93	4 240	3
08 Population	1 474		1 474	20	5 990	80	7 464	5
09 Etablissements humains					1 151	100	1 151	1
10 Santé	3 407		3 407	74	1 204	26	4 611	3
11 Education	13 634	107	13 741	34	26 638	64	40 379	28
12 Emploi	258		258	13	1 780	87	2 038	1
14 Conditions sociales, équité	347		347	3	11 268	97	11 615	8
15 Culture	302	85	387	65	207	35	594	1
16 Sciences et technologies	199	113	312	4	7 385	96	7 697	5
<b>TOTAL</b>	<b>34 671</b>	<b>447</b>	<b>35 118</b>	<b>24</b>	<b>108 816</b>	<b>76</b>	<b>143 934</b>	<b>100</b>

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**ASSISTANCE TECHNIQUE ET FINANCIERE AU MAROC EN 1967**  
**DES ORGANISATIONS NON GOUVERNEMENTALES**  
 (milliers \$ EU)

Secteur économique	ALCESMAN			Brot für die Welt			C.R.S.			TOTAL	%
	Tech.	Fin.	Sous-total	Tech.	Fin.	Sous-total	Tech.	Fin.	Sous-total		
04 Agriculture, forêts, pêches	3	0	11		24	24				35	6%
05 Industrie							102		102	102	18%
08 Santé				20	6	26		241	241	267	48%
11 Education					2	2				2	0%
12 Conditions sociales, équité					20	20	104	48	152	172	27%
	3			20			206			229	41%
		0			32			289		349	59%
<b>TOTAL</b>			11			72			495	578	100%

TYPE : INDUSTRIE

## OBJETS APPROUVES

Projet / Titre	Source (Co-fin.)	Durée	Engagement total (US \$)	Répartition		Dépense en 1987 (US \$)	Nature de l'assistance	Organisme d'exécution
				Don (%)	Prêt (%)			
Projet Géographique)	Description succincte du projet							
Formation de la main-d'œuvre industrielle	BIT	1987	13 000	100%	-	13 000	100% technique: Formation/Emploi	BIT/OPPPP
rd-Ouest)	Participation de 3 cadres de l'OPPPP au séminaire sur la formation de la main-d'œuvre (Paris)							
85-033700 Petites industries mines	Canada CIDI	1986-1988	9 900	100%	-	-	100% technique: Etudes/Recherche	CIDI/Ass. Etu- des & Recerc. Econos. & So- ciales, Meknes
ntre-Sud)	Etudier les petites industries de Meknes dans 4 domaines: bâtiment, transport, fabrication de chaussures, industrie du vêtement							
opération industrielle	Canada	1987	754 100	100%	-	754 100	100% technique: Services-Conseils	
	Dix études de pré-faisabilité industrielles							
40-003 Développement des petites entreprises	C.R.S. (USAID)	1985-1988	391 150	100%	-	102 061	100% technique: Etudes/Recherche Formation/Emploi Services-Conseils	CRC/ISCAE
ntrel	Création d'un centre de promotion et de création des entreprises à Casablanca pour soutenir des PME de la ville en gestion, marketing, comptabilité, exportation, etc...							
qualité-normalisation de produits	France	1986-1989	-	100%	-	382 500	100% technique: Etudes/Recherche Formation/Emploi Renforc. Institution	
ord-Ouest/Centre)	Appui à l'Institut Marocain de l'Emballage et du Conditionnement (IMEC): appui à la Division de la Normalisation; appui à la Direction de la Métrologie							

SECTEUR : INDUSTRIE

## PROJETS APPROUVES

N° Projet / Titre	Source (Co-fin.)	Durée	Engagement Total (US \$)	Répartition		Dépense en 1987 (US \$)	Nature de l'assistance	Organisme d'exécution
				Don (X)	Prêt (X)			
[Impact Géographique]	Description succincte du projet							
UN/NOE/87/173 Analyse de la Complexité Technologique (ACT)	ONU/UNEP	1987-1988	220 000	100%	-	-	100% technique: Formation/Emploi Appui direct	ONU/UNEP/GTZ- DDB
[National]	Développer la coopération industrielle entre le Maroc et la RFA dans le domaine des petites et moyennes industries électro-mécaniques, basée sur l'emploi de la méthode ACT développée par l'ONU/UNEP							
SI/NOE/86/035 Assistance à AGA-Ingé- nierie pour la mise en place d'une banque de données	ONU/UNEP	1987- ..	38 500	100%	-	22 700	100% technique: Formation/Emploi Appui direct	ONU/UNEP/AGA- Ingénierie
[Nord-Ouest]	Favoriser le développement des projets agro-industriels en incitant les promoteurs et en évaluant l'opportunité des investissements par le biais de traitement des informations centralisées dans une banque de données, en réduisant, de ce fait, le coût et le délai des études de projets							
NOE/87/017 Boyerie Nationale de sous-traitance	PNUD	1987-1988	97 000	100%	-	42 500	100% technique: Etudes/Recherche Formation/Emploi Renforc. Institution	Chambre Commer- ce & Industrie de Casablanca/ CBI
[Centre]	Contribuer à l'utilisation la plus complète et la plus rationnelle possible des capacités de production dans le domaine des industries métallurgiques, mécaniques, électriques et électroniques; rentabilisation accrue des investissements, accroissement productivité nationale, développement régional du pays							
NOE/86/015 Etablissement système national normalisation, contrôle & certification qualité de la métrologie	PNUD	1987-1990	240 000	100%	-	112 500	100% technique: Formation/Emploi Renforc. Institution Appui direct	ONU/UNEP/Minist. Commerce et Industrie
[Nord-Ouest]	Renforcer capacités humaines et matérielles de la Direction de la Normalisation et de la Promotion de la Qualité; étude Schéma Directeur pour le développement et la création de laboratoires; sensibilisation et formation des entreprises à la normalisation, aux principes et méthodes de gestion de la qualité							

SECTEUR : INDUSTRIEPROJETS APPROUVES

Projet / Titre	Source (Co-fin.)	Durée	Engagement total (US \$)	Répartition		Dépense en 1987 (US \$)	Nature de l'assistance	Organisme d'exécution
				Don (%)	Prêt (%)			
(Aspect Géographique)	Description succincte du projet							
522120 - Association des Chambres d'Artisanat de Francofort et de Fès  (Centre-Nord)	RFA	1986- ..	1 655 400	100%	-	-	100% technique	
	Participation de 2 experts							
Séminaire sur les relations entre la recherche et l'industrie	UNESCO	1987	2 000	100%	-	2 000	100% technique: Appui direct	UNESCO
	Contribution aux frais d'organisation							
08.050.01 Centre International de Services Scientifs, IESC  (National)	USAID	1985-1987	100 000	100%	-	-	100% technique: Renforc. Institution Préinvestissement Services-Conseils	IEESC
	Aider les entreprises privées marocaines à résoudre leurs problèmes de production, de marketing et de gestion; services de conseil de courte durée							
Programme de formation dans le domaine textile  (Centre)	Italie	1985-1989	5 669 600	100%	-	2 780 000	100% technique: Etudes/Recherche Formation/Emploi	Min. Commerce et Industrie
	Les activités auprès de l'Institut de formation professionnelle "Roches Noires" de Casablanca concernent les domaines du tissage, filature, coupe, confection, bonneterie, entretien mécanique et gestion							
Complexe : ré de air à Oujda  (Oriental)	Pays-Bas	1986-1990	2 157 300	100%	-	12 700	100% technique: Etudes/Recherche Appui direct	Min. Affaires Sociales et Artisanat
Emploi et formation en matière de tourisme/ hôtellerie  (Nord-Ouest)	BIT	1987	2 000	100%	-	2 000	100% technique: Etudes/Recherche	BIT
	Mission relative à l'emploi et la formation en matière de tourisme/hôtellerie auprès du Ministère de l'Équipement, de la Formation des Cadres et de la Formation Professionnelle							

SECTEUR : .. INDUSTRIE

PROJETS APPROUVES

N° Projet / Titre	Source (Co-fin.)	Durée	Engagement total (US \$)	Répartition		Dépense en 1987 (US \$)	Nature de l'assistance	Organisme d'exécution
				Don (%)	Prêt (%)			
[Impact Géographique]	Description succincte du projet							
Bourses enseignants dans les domaines du tourisme et de la restauration	Espagne	1987	8 242	100%	-	8 242	100% technique: Formation/Emploi	
7720220 - Formation de professeurs dans le secteur hôtelier	BFA	1977- ..	2 575 600	100%	-	-	100% technique: Formation/Emploi	
4ème ligne de Crédit à la BNDE	BAD	1981-1988	11 640 000	-	100%	-	100% financière	BNDE
[National]	La ligne de crédit sert à financer divers sous-projets à caractère essentiellement industriel							
Cinquième ligne de Crédit BNDE	BAD	1986-1988	61 159 500	-	100%	3 790 000	100% financière	BNDE
[National]	Financement des coûts directs et indirects en devises des différents sous-projets des PNI dans les secteurs d'intervention de la BNDE; financer également les coûts en devises des équipements individuels importés et mis à la disposition de PNI existants selon le système du leasing							
Prêt 2487 - Industrie électrique et mécanique	BIRD	1985-1990	25 100 000	-	100%	-	100% financière	
[National]	Taux d'intérêt : 10,25%. Ligne de crédit aux banques commerciales pour des projets de fabrication de biens d'équipement (industrie mécanique, métallique et électrique)							
Office de Développement Industriel (ODI)	Belgique	1987-1992	2 860 000	-	100%	-	100% financière	Adm. Générale Coopération au Développement (Belgique)
[Nord-Ouest]	Mise à disposition d'une ligne de crédit pour financer la prise de participation dans les joint-venture de PNE belgo-marocaines							

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TYPE : INDIVIDUEL

OBJETS APPROUVES

Projet / Titre	Source (Co-fin.)	Durée	Engagement total (US \$)	Répartition		Dépense en 1987 (US \$)	Nature de l'assistance	Organisme d'exécution
				Bon (X)	Prêt (X)			
(Fact Géographique)	Description succincte du projet							
Foire Internationale de l'enfant d'Enfant à l'ordon	Pays-Bas	1987	4 300	100%	-	4 300	100% financière	CBI (Pays-Bas) /Société ITXI (Maroc)
Participation avec assistance financière et technique du CBI à la Foire Internationale "L'Enfant 87"								
Foire Internationale Industrie Automobile "Autovak 1987"-Amsterdam	Pays-Bas	1987	4 800	100%	-	4 800	100% financière	CBI (Pays-Bas) /Société Maro- caïne des For- deries du Nord
Participation avec assistance financière et technique du CBI à la Foire Internationale d'Industrie Automobile "Autovak 1987" à Amsterdam								
Crédit mixte Maroc (International)	Suisse	1982-1991	37 000 000	-	100%	151 184	100% financière	OPABE-Gouver- nement Suisse
Crédit 1983 - burino	BIED	1981- ..	100 000 000	-	100%	-	100% financière	

SECTEUR : INDUSTRIES

PROJETS REVISUES

Projet / Titre	Source (Co-fin.)	Durée	Engagement total (US \$)	Répartition		Dépense en 1987 (US \$)	Nature de l'assistance	Organisme d'exécution
				Don	Prêt			
(Impact Géographique)	Description succincte du projet							
Programme de formation la maintenance, entretien et réparation industrielle	ONU/DI- IDDA	1988- ..	141 250	100%	-	-	100% technique: Formation/Emploi	ONU/DI
CON/802/28/.. Conseils pour l'instal- lation d'une Banque de Données à l'ODI	ONU/DI-SIS	1988- ..	70 000	100%	-	-	100% technique: Etudes/Recherche Formation/Emploi	ONU/DI/ODI
(Nord-Ouest)								
CON/87/037 Promotion de la création d'entreprises	PNUD	1988- ..	248 200	100%	-	1 800	100% technique: Formation/Emploi Appui direct	OIT/Min. Con- servation & Indus- trie/ISCAR - CPCS
(Centre)	Former, conseiller et assister, au sein d'une dizaine d'ateliers de création d'entreprise, des auteurs de projet							
CON/86/016 Assistance au développe- ment des PMI en milieu rural	PNUD	1988- ..	394 400	100%	-	1 600	100% technique: Formation/Emploi Appui direct	ONU/DI/ODI
	Identification des PMI en milieu rural; analyse des mesures incitatives pour leur développement							
CON/88/013 Adéquation Formation/ Emploi dans le secteur Hôtellerie/Tourisme	PNUD	1988-1989	159 800	100%	-	-	100% technique: Formation/Emploi	OIT/Ministère Équipement, Formation Pro- fessionnelle
(National)	Établir une matrice de la structure de l'emploi du secteur hôtelier et touristique afin de prévoir les besoins de main-d'œuvre par spécialisations; évaluer le système de formation et les moyens existants; étude sur la mise en place de nouvelles filières génératrices d'emploi							

## APPENDIX 4

## DATA ON MOROCCAN FEED INDUSTRY

B. Livestock sector

Table 10.1 summarizes data on Morocco's livestock population and output of livestock products in 1980 and 1982. It also shows estimates of demand for livestock products for 1985.

Morocco is self-sufficient in meat and eggs; only small quantities of these livestock products are occasionally imported in order to regulate the domestic market. In 1982 per capita consumption of eggs and meat was 22 eggs and 14.7 kg respectively.

Poultry accounted for 38% of all meat consumed in 1982, and red meat 62% (of which 57% beef, 26% mutton and lamb, 16.5% goat meat and 0.5% pork).

Table 10.1

Morocco: livestock numbers and products, 1980, 1982, 1985

Type	Livestock ('000 head)		Products	Production (tons)		
	1980	1982		1980	1982	1985
Cattle	3,174	2,900	Meat	107,000	120,000	160,000
			Milk	730,000	810,000	n.a.
Sheep	14,200	14,900	Meat	52,000	55,000	73,000
			Milk	20,000	21,000	
Goats	6,100	6,250	Meat	30,000	35,000	46,000
			Milk	26,000	29,000	
Pigs	10	11	Meat	1,000	1,000	1,000
Chicken	24,000	24,000	Meat	134,000	130,000	170,000
			Eggs	78,000	80,000	86,000
Asses	1,400	1,500				
Mules	390	400				
Horses	300	310				
Total			Meat	324,000	341,000	450,000
			Milk	776,000	860,000	1,200,000
			Eggs	78,000	80,000	86,000
			Butter, ghee	11,735	12,960	n.a.
			Cheese	4,426	4,980	n.a.

Sources: Ministère de l'agriculture et de la réforme agraire; FAO, Production Yearbook 1985 (Rome).



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Much of the red meat is obtained from cattle raised under extensive husbandry methods. Since the animals are moved from pasture to pasture, compound feeds are used only marginally and as a dietary supplement.

Modern intensive poultry farming currently yields over 70% of the domestic supply of poultry meat and 40% of the eggs, the traditional extensive farms providing the remainder.

Government efforts are being directed towards the development of livestock production to the extent of being able to provide 20 grams of protein of animal origin per inhabitant/day by 1985. About 50% would be protein from red meat. In terms of total demand, this would mean 280,000 tons of red meat and 170,000 tons of poultry meat annually.

### C. Supply of, and demand for, compound feeds

#### 1. Compound-feed industry

The Moroccan compound-feed industry was established in 1949 but it did not develop significantly until 1972-1973 when intensive poultry farming methods were put into use. The industry's current 31 compound-feed mills have a total production capacity of over 1.2 million tons a year. Over 56% of this capacity is in the hands of eight companies. The rate of utilization is estimated at only 30%. Table 10.2 shows the evolution of compound-feed production over the period 1976-1983.

As the table shows, poultry feeds make up over 90% of production, cattle and other feeds accounting for the remainder. Some 75% of the poultry feed is for broilers and 25% for laying hens and breeding stock.

Table 10.2

Morocco: compound-feed production, by quantity, 1976-1981 and 1983

Feed type Year	Quantity (Q): tons						Total Q
	Broilers		Laying hens and breeding stock		Cattle and other animals		
	Q	% of total	Q	% of total	Q	% of total	
1976	64,600	66.8	21,500	22.2	10,700	11.0	96,800
1977	111,750	69.8	37,250	23.3	11,000	6.9	160,000
1978	162,750	70.8	54,250	23.6	13,000	5.6	230,000
1979	187,500	67.0	62,500	22.3	30,000	10.7	280,000
1980	240,000	68.6	60,000	17.1	50,000	14.3	350,000
1981	150,000	66.7	60,000	28.6	15,000	6.7	225,000
1983	231,200	67.0	113,800	23.0	15,000	4.2	360,000

Source: Compound-Feed Manufacturers Association.

The industrial mills handle over 90% of production. The share of small producers mixing feed for their own use drops to below 10% under difficult economic conditions as they do not have sufficient financial resources to overcome adverse circumstances.

The compound-feed industry is concentrated in the Casablanca and Rabat regions. CICALIM and PROVINI SA, both in the Casablanca area, accounted for 12% and 21% respectively of the national total in 1983. Two companies in the Rabat region, SINA and SNV, had shares of 17% and 9% respectively.

The annex gives the names and addresses of Morocco's leading manufacturers of compound feeds.

In order to achieve government production targets for meat, milk and eggs by 1985-1986, an estimated 629,000 tons<sup>2/</sup> of compound feeds would be required. These would consist of 425,000 tons of broiler feeds, 144,000 tons of feed for laying hens, 57,000 tons of cattle feed, and 3,000 tons of other feeds (for pigs, horses, etc.). The figures in table 10.2 indicate that these supplies would be available. No substantial additional growth in demand for compound feeds is envisaged.

## 2. Feed ingredients

For cattle feeding, Moroccan farmers use mainly roughage and such products as bran, barley, pulp, straw and hay. Supplies are made available at fixed prices. In 1984, for example, the Government set the price of one feed unit (unité fourragère) of bran at 1.5 United States cents and the price of compound feeds at 14 United States cents per feed unit.

Intensive poultry farms use compound feeds based on grains (largely imported maize) and oilseed meals and by-products of agro-industries (mostly of domestic origin). The shares of ingredients in a typical compound-feed formulation are as follows: grains and grain by-products 70%; oilseed meals 15%; fish-meal 9%; and others (mainly mineral and vitamin premixes) 5%.

Morocco exports some feed ingredients, such as fish-meal and oilseed meals.

The quality norms for feeds follow those prevalent in Western Europe. Most of the large manufacturers have technical experts and nutritionists to advise farmers on how to utilize the different types of feeds offered.

<sup>2/</sup> Based on 2.5 kg of feed per kg of poultry meat and 60 kg of feed for 200 eggs. The volume of cattle feed required is estimated at 10% of the volume of poultry feeds.

D. Domestic supplies of, and foreign trade in,  
feed ingredients

1. Domestic supplies and imports

(a) Grains and grain by-products

Grains (barley, rye and sorghum) are produced in the country in sufficient quantities to meet domestic demand, while maize and wheat have to be imported. Between 1979 and 1983, annual imports averaged 1.6 million tons of wheat and 120,000 tons of maize. Most of the wheat and all the maize were obtained from the United States at international prices. In 1980 and 1983, the compound-feed industry processed 196,000 and 160,000 tons respectively of imported maize.

The local grain milling industry provides some 40,000 to 50,000 tons of bran a year for the use of the compound-feed industry.

(b) Oilseed meals

Table 10.3 shows data on oilseed-meal production during 1981-1983 and provides estimates for 1985.

The livestock sector's demand for oilseed meals with the exception of soyabean meal is met by the domestic crushing industry. Soyabean meal and seeds are, and will continue to be, imported, as domestic production of soyabeans covers only 7% of the country's total demand.

Average annual imports of oilseeds and meals amounted to 13,300 tons of rapeseed, 23,000 tons of soyabeans and 3,000 tons of soyabean meal during the period 1979-1982. The main suppliers were Canada for rapeseed, and Brazil, the United States and Argentina for soyabean seeds and meal.

Table 10.3

Morocco: domestic production of oilseed meals, 1981-1983,  
and estimate for 1985  
(in tons)

Oilseed meals	1981	1982	1983	Average 1981/1983	1985
Total	6,967	7,729	11,731	8,626	28,725
of which:					
Sunflower	1,814	2,329	4,800	2,981	11,600
Cottonseed	5,062	5,265	6,291	5,339	9,600
Soyabean	91	86	589	255	3,750
Rapeseed	-	45	42	44	3,375
Safflower	-	4	9	7	400

Source: Ministry of Agriculture and Agrarian Reform.

Reversing a previous ban on imports of groundnut, Morocco imported 1,000 tons of groundnut meal from SONACOS in Senegal in mid 1984 for experimental use in compound-feed formulations.

(c) Other ingredients

The utilization of production capacity in the fish processing industry is only 40%. Morocco produced an average of 40,000 tons of fish-meal annually between 1980 and 1983. Between 20,000 and 30,000 tons yearly are used by manufacturers of poultry feeds; the surplus is exported.

The Moroccan sugar industry produced an average of 100,000 tons of molasses annually during the period 1980-1983, of which 2,000 to 2,500 tons were used by feed compounders. In addition, some 38,000 tons were used for the enrichment of simple cattle feeds, and 60,000 tons were exported.

The compound-feed industry also uses some 10,000 tons yearly of brewery by-products as well as dry sugar-beet pulp produced in the country. Around 63,000 tons of dry sugar-beet pulp were imported in 1982 from Spain, and were thought to have been partly destined for the manufacture of compound feeds. Other feed ingredients imported between 1979 and 1983 were:

- Starch-based products, averaging 810 tons a year, of which about 60% were supplied by the Netherlands;
- Milk-based products, amounting to 470 tons a year, from France and the Netherlands; and
- Various cattle feed preparations, about 820 tons a year, mainly from France, the Netherlands, the United Kingdom, Italy, Belgium, Spain and the Federal Republic of Germany.

(d) Prices

The prices at which oilseed meals and soyabeans are sold to the compound-feed industry are fixed by the Government, but those of all other ingredients (with the exceptions described below) are determined by supply and demand. The price of maize delivered to the feed mill, which makes up over 60% of the ingredients used in average formulations, increased sharply from 0.16 United States cents per kg in 1982 to 0.22 cents per kg in mid 1984.

In the same period, the prices of other ingredients delivered to the feed mill were as follows (in United States cents per kg): 0.16 for barley, 0.10 for bran, 0.19 for wheat, 0.40 for fish-meal (65% protein), 0.34 for soyabean meal and 0.18 for sunflower meal.

As has been mentioned, the current pricing policy favours the use of simple cattle feeds, which are subsidized and supplied to farmers at prices lower than those of compound formulations. Wheat and bran are subsidized by the Government and are distributed by public services at very low prices to producers of milk, but at practically double the price to compound-feed manufacturers.

In order to take into account the high cost of transporting oilseed meals, a compensation system was established in 1981 to adjust the price "delivered to the mill" to the distance between the mill and the harbour. The system does not apply to maize.

As meat pricing is based on demand and not on actual production costs, it is difficult for compound-feed producers to adjust their selling prices to real costs without triggering off a decline in consumption of compound feeds. For example, while the average price of poultry feed increased by 17.1% from 1,750 dirhams per ton in 1983 to 2,050 dirhams in mid 1984, the price of maize rose by 79.6% during that period (from 1,030 dirhams to 1,850 dirhams per ton). No adjustment of the same magnitude in the price of compound feeds could be made.

(e) Trade channels and procedures

The import trade in grains has been under the control of the Office national interprofessionnel des céréales et légumineuses (ONICL) since 1981. Imports are handled by registered specialized importers, mostly representatives of well-known international grain traders and shippers. Almost all trading is carried out on the basis of tenders.

As its name implies, the Société de commercialisation des produits du maïs (SOCOPROM) specializes in maize imports. The Association des fabricants d'aliments composés (AVAC) distributes imported grains to its members according to quotas authorized by ONICL at prices set by the importers.

Imports of soyabeans and soyabean meal are organized and handled by the Agro-Industry Division of the Ministry of Commerce on the basis of international tenders. Oilseed meals are supplied to end-users by the Société d'extraction des produits oléagineux (SEPO), the only crushing company commissioned to work for the Government and to fix the selling prices of these products.

The annex lists the companies and institutions concerned with the import trade in feed ingredients.

The following import documents are required:

- Commercial invoice in French, in 3 copies, giving the number of the import licence, the certified price and the origin of the goods;

- Pro forma invoice in 2 copies.

An import licence automatically authorizes the importer to acquire the requisite foreign currency from either his bank or from the Central Bank. The currency is blocked in a special account and is released when the dispatch of the goods to Morocco and the name of the transporting vessel are certified. Payment is made against documents.

**(f) Transport, storage and handling**

Regular shipping lines link Casablanca with the main Western European and United States ports. Handling and port charges amount to 120 dirhams (\$14.50) per ton, and inland road transport charges average \$0.15 per ton per kilometre.

Storage capacity for feed ingredients is insufficient and needs upgrading. Grains are stored either in silos in the Casablanca and Safi harbours, which are under the control of SOSIPO (a subsidiary of ONICL), or in silos inland, which belong to importers and grain processors. Storage costs are high, contributing for example around 29% to the price of maize paid by compound-feed manufacturers.

Manufacturers of fish-meal do not keep stocks; this is done by compound-feed manufacturers.

**(g) Tariff and non-tariff barriers to imports**

Maize, wheat, and sorghum are among the products listed in the ONICL List A, which are imported duty free. The other feed ingredients are included in List B and require an import licence. This licence is valid for six months after the approval of the Ministry of Commerce and the agreement of the Foreign Exchange Office are obtained.

Customs duties and other charges on imports of feed ingredients make up 29% to 35% of the value of imports. They are as follows:

- Customs duty, calculated on the c.i.f. value of imports: 10% for oilseed meals and 15% for manioc, minerals and premixes;
- Special tax: 15% of the c.i.f. value;
- Stamp tax: 16% of the total value of the customs duty plus the special tax.

Morocco has a preferential trade agreement with EEC.

The State monopoly on imports of grains and soyabean meal, and delays of up to three months in the issue of import licences for the other ingredients constitute barriers to the import trade. So do the high costs of storage, transport and distribution which cannot be recovered by means of a rise in the selling prices of finished compound feeds. The availability of subsidized bran has led to the growth of an artificial cattle-feed market and the consequent reduction in the use of compound cattle feeds. There are also restrictions or prohibitions on the import of grain substitutes. The import of manioc, for instance, was authorized for the first time only in 1984.

**(h) Prospects for imports from developing countries**

In order to attain the production levels for compound feed envisaged for 1985-1986, Morocco will need to import some 390,000 to 395,000 tons of grains, 30,000 tons of soyabean meal or the corresponding quantity of soyabeans. If the output of the domestic fish-processing industry does not expand, some 5,000 to 10,000 tons of fish-meal will also need to be obtained from abroad.

About 70% (275,000 tons) of the imported grains is likely to be maize. Subject to the success of recent experiments with this feed ingredient, some 25,000 tons of manioc could likewise be used as a grain substitute. Furthermore, some 4,000-5,000 tons a year of groundnut meal could be imported by 1985-1986, also provided it performs satisfactorily in the trials currently being undertaken.

**2. Exports**

Morocco exports its surplus fish-meal, molasses and oilseed meals. Table 10.4 gives data on the export trade in these ingredients.

**Table 10.4**

**Morocco: exports of feed ingredients, by quantity, 1979-1983**  
(in tons)

<u>Feed ingredient</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
<b>Total</b>	<b>115,731</b>	<b>62,678</b>	<b>62,563</b>	<b>66,769</b>	<b>115,826</b>
<b>of which:</b>					
Fish-meal	12,313	10,453	14,236	-	6,746
Molasses	92,307	46,543	45,536	62,909	108,180
Oilseed meals	821	703	650	603	900
Others	10,290	4,979	2,141	3,257	-

**Source:** Ministère des finances, Statistiques du commerce extérieur (Casablanca).

Fish-meal is not subject to export quotas and taxes. Producers sell the meal directly on the international market, mainly to France, Italy, the Federal Republic of Germany, the Netherlands, the United Kingdom and Portugal.

The principal customers for oilseed meals are France, Spain and the Federal Republic of Germany.

### E. Summary

Government policy envisages self-sufficiency by 1985-1986 in basic food products as well as a rise in meat consumption. In view of the accelerated growth of the urban population, the only possible way of attaining these objectives is to increase intensive livestock farming, in the poultry industry in particular. Such a development can only be based on a sustained upswing in the production of compound feeds.

There are 31 feed mills in Morocco, with a total production capacity of over 1.2 million tons a year; current utilization of capacity is estimated at only 30%. Production of compound feeds amounted to 360,000 tons in 1983, of which 90% were poultry feeds and 10% cattle and other feeds. This production mix is not expected to change substantially in the near future. Based on the targets set for livestock production, compound-feed requirements will reach an estimated 630,000 tons by 1985-1986.

Since the domestic supply of feed ingredients is insufficient, an estimated 275,000 tons of maize, 30,000 tons of soyabean meal or an equivalent quantity of soyabeans, as well as up to 25,000 tons of manioc and 4,000 to 5,000 tons of groundnut meal will need to be imported by 1985-1986.

Imports of grains, oilseeds and oilseed meals are controlled by State companies. The international c.i.f. prices of imported ingredients are high, owing to freight, inland transport and storage costs, so that the prices finally paid by feed manufacturers are considerably higher than the corresponding European prices. Because of the current pricing system for meat, feed market prices do not reflect real production costs.

Imports of feed ingredients, with the exception of grains, are subject to licensing. Delays in obtaining the licences, periodic shortages of foreign currency, and insufficient storage facilities are additional constraints to the import trade.

It is recommended that potential exporters of feed ingredients should make available detailed information on the quantities and qualities of ingredients they can provide. The offer of credit arrangements would facilitate sales.

The possibilities of barter trade with Morocco should be explored. Fish-meal, some types of oilseed meals, and molasses can be exchanged for imported feed ingredients.



Morocco: selected addressesA. Main manufacturers of compound feed

**Inara Provini Maroc**  
49, route Culed Ziame  
Casablanca  
Tel: 242 808, 243 661  
Telex: 25618

**Sina**  
Route Principale No. 1  
Tamara  
Tel: (07) 41 315  
Telex: 32905

**Somalin**  
Route de Tetwan  
Tangiers  
Tel: (09) 40 843  
Telex: 33787

**Cicalin**  
Route de Taouina  
Mador  
Tel: (060) 2387, 3470  
Telex: 25942

**Codesa**  
9 route de Rabat  
Ainseba, Kru  
Tel: (05) 350274  
Telex: 26036

**El Alf**  
Nouveau secteur industriel  
Sidi Brahim, Fes  
Tel: (06) 41 007  
Telex: 51961

**Serias**  
7, rue Pillot  
Casablanca  
Tel: 306 950  
Telex: 21040

**Sotalab**  
187, Route de Mediouna  
Casablanca  
Tel: 246 340  
Telex: 26702

**Calimab**  
Km 9, Ancienne route de Rabat  
Aim Sebaa  
Tel: 250 290  
Telex: 25082

**SNU**  
Zone industrielle  
BP 8  
Tamara  
Tel: (07) 41 169  
Telex: 32927

**Eddik**  
8, Avenue Khalid Bnou  
Loualid, Aim Sebaa  
Tel: 300 846  
Telex: 21039

**Selima**  
Km 6600, Route d'Ex Hazeb  
Meknes  
Tel: (05) 21 845

**Orgal**  
71 Bd. Mohammed Da:foufi  
Ouzda  
Tel: (068) 4479  
Telex: 61631

B. Importers of, and traders in, feed ingredients; associations of feed manufacturers

Office national interprofessionnel des céréales et légumineuses  
(ONICL)

13, rue Annaba

Rabat

Tel: 61 367, 61 084

Société de commercialisation des produits du maïs (SOCOPRON)

7, rue Pillot

Casablanca

Tel: 300 241, 300 844

Telex: 21040

Cable: TEXTIGRAIN

Société d'extraction des produits oléagineux (SEPO)

2, rue Caporal Carbi

Casablanca 05

Tel: 241 096

Telex: 25076

Cable: SEPOLEO

Association des fabricants d'aliments composés (AFAC)

c/o Inam-Provimi

149 route des Ouled Ziame

Casablanca

Tel: 242 808

Telex: 25618

Société marocaine des grains (SOMAGRAIN)

53, boulevard Moulay Ismael

Casablanca 05

Tel: 244 313

Telex: 25823

Cable: SOMAGRAIN

TRADAPRIC

349, boulevard Mohamed V

Casablanca 01

Tel: 302 153

Telex: 21043

INTRAGRO

30, avenue de l'armée royale

Casablanca 01

Tel: 311 925

SEMAGRO

106, boulevard Abdullah Ben Yacine

Casablanca 05

Tel: 304 004

Telex: 25616

Cable: SUDEX

**OSMIUM marocain de pêche**  
**Tour des Habous**  
**Avenue de l'armée royale**  
**Casablanca 01**  
**Tel: 311 819**  
**Telex: 23904/23976**

**Société nationale des farines de poisson (SONAFAP)**  
**Agadir, Quartier Anza**  
**BP 10**  
**Tel: (08) 21 906**  
**Telex: 81851**  
**Cable: SONAFAP**

**Société industrielle des graines oléagineuses du Gharb (SICOGHARB)**  
**Quartier industriel**  
**BP 168**  
**Kenitra**  
**Tel: (016) 5955**  
**Telex: 91020**