



**MARKET ACCESS SECRETARIAT
Global Analysis Report**

Market Overview

Morocco

April 2014



EXECUTIVE SUMMARY

The Kingdom of Morocco is located in the northwest corner of Africa and, at its closest point, is less than 15 kilometres away from Spain. With a population of 32.1 million inhabitants in 2012, Morocco is a middle-income, emerging Arab and Muslim country, and is considered a developing country by international standards.

Morocco had a gross domestic product (GDP) of US\$97.3 billion in 2012, is expected to have grown by 4.5% in 2013. Morocco is forecast to see some sustained economic progress over the short to medium term with a 4.8% growth in 2014 before reaching a projected 5.0% in 2015, according to Euromonitor.

This growth is largely dependent on domestic demand, and Morocco is on track to see continued improvements in its economic performance thanks to a government policy measures to enhance the business climate and improve competitiveness.

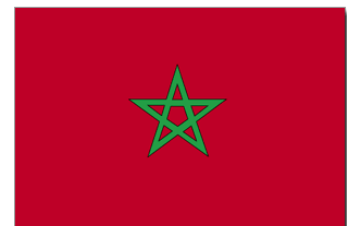
Morocco's main trade partner is Spain with around 15% of total trade in 2012, followed by France with about 12%. Moroccan exports were destined primarily for France (20.8%), and Spain (17.2%).

In 2006, Morocco signed a Free Trade Agreement (FTA) with the United States. Morocco also previously had FTAs with Tunisia, Egypt, Jordan, and Turkey. Morocco is a member of the World Trade Organization (WTO) and the Greater Arab Free Trade Area (GAFTA). Morocco also has an Association Agreement with the EU and has been granted advanced status which makes it a pioneer in the European neighborhood Policy. EU-Morocco are currently negotiating a deep and Comprehensive Free Trade Area (DCFTA).

Canada is currently negotiating an FTA with Morocco which would be Canada's first such agreement with an African country. It is hoped that Morocco could become a gateway to a stronger Canadian commercial presence in the Mediterranean region and North Africa.

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PRODUCTION

Economically, Morocco is extremely dependant on its agricultural sector as it accounts for 19% of Morocco's GDP and employs about 40% of the country's workforce. Over 90% the country's agriculture is rain-dependant and thus this output varies greatly from year to year.

Moroccan agricultural production consists mainly of wheat, sugar beet, oranges, tomatoes, potatoes, olives, and olive oil. Morocco produces enough food for domestic consumption except for grains, sugar, coffee and tea; Morocco imports more than 40% of grains for its local consumption. Morocco is a net exporter of fish as well as fruits and vegetables. High quality Moroccan agricultural products are usually exported to Europe.

Crop and Livestock Production in Morocco

Top Ten Crops (tonnes)	2007	2008	2009	2010	2011
Wheat	1,582,630	3,769,450	6,371,430	4,876,140	6,017,821
Sugar beet	2,484,000	2,925,700	2,753,370	2,435,910	3,035,143
Barley	762,550	1,353,240	3,769,500	2,566,450	2,317,611
Potatoes	1,437,215	1,536,560	1,234,470	1,604,620	1,721,402
Olives	659,100	765,380	850,000	1,506,473	1,415,902
Tomatoes	1,237,030	1,312,310	1,230,470	1,433,937	1,217,905
Onions, dry	700,417	662,140	801,600	821,072	860,913
Oranges	711,500	732,400	715,000	849,197	850,000
Melons, other (inc.cantaloupes)	734,265	736,800	887,005	567,301	777,605
Sugar cane	933,850	912,600	813,040	632,280	763,913

Livestock (head)	2007	2008	2009	2010	2011
Sheep	16,894,000	17,077,700	17,006,000	18,023,200	18,737,340
Goats	5,283,800	5,177,900	5,293,300	5,685,700	5,991,370
Cattle	2,781,100	2,814,000	2,788,100	2,895,800	3,037,930
Asses	989,700	967,800	962,600	950,750	950,190
Mules	513,900	515,300	505,200	148,780	465,240
Horses	151,500	158,800	147,000	155,000	139,950
Camels	40,000	45,000	50,000	52,000	55,000

Meat Indigenous (tonnes)	2007	2008	2009	2010	2011
Cattle	160,000	180,000	190,000	192,000	198,657
Sheep	120,000	121,000	134,000	139,000	143,430
Goat	22,000	22,000	21,670	23,000	23,591

Source for all: FAOSTAT Agricultural Production, November 2013



TRADE

Morocco is a net importer of agri-food and seafood products. In 2012, Morocco's agri-food and seafood trade deficit was C\$2.5 billion with imports valued at C\$5.7 billion, and C\$3.2 billion in exports. Imports of commodities such as feed, pulses, dairy cattle and meat, will fluctuate drastically from year-to-year depending on how rain falls affect domestic production.

Morocco's top agri-food and seafood imports in 2012 were wheat, corn, sugar cane, soybean oil, durum wheat, barley, green tea, coffee and butter. Key supplying countries were: Brazil, the United States, France, China, Argentina and Canada. Canada was Morocco's 6th largest supplier of total agri-food and seafood products in 2012, with a 5.2% market share.

Morocco's Top Agri-Food & Seafood Imports from the World, 2012

Commodity	Import Value C\$ millions	Top Suppliers & Market Share			Canada's Share
		1	2	3	
Wheat (excluding Durum Wheat)	1,036	France (33.2%)	Ukraine (22.4%)	Argentina (17.1)	1.0%
Corn (excluding seed corn)	616.1	Brazil (47.4%)	Argentina (44.3)	Paraguay (2.6)	0.0%
Cane sugar, raw	583.6	Brazil (100%)	-	-	0.0%
Soybean oil	443.9	United States (34.9%)	Germany (29.5%)	Spain (13.6%)	0.0%
Durum wheat	347.1	Canada (80.3%)	France (19.1%)	Italy (0.4%)	80.3%
Soybean oilcake	266.5	United States (100%)	-	-	0.0%
Barley	164.9	France (37.1%)	Argentina (28.6%)	Turkey (11.2%)	0.00%
Green tea	150.0	China (99.7%)	Sri Lanka (0.16%)	-	0.0%
Coffee, not roasted	101.2	Indonesia (24.2%)	Guinea (21.5%)	Vietnam (20.42%)	0.0%
Butter	96.2	New Zealand (37.7%)	United States (14.0%)	Uruguay (11.7%)	0.0%

Source: Global Trade Atlas, November 2013

Canada's agri-food and seafood exports to Morocco were valued at C\$231.5 million in 2012. Top exports were cereals, vegetables, fish and seafood, dairy, grain and oil seeds. Canada registered an agri-food and seafood trade surplus of C\$151 million with Morocco.

Canada imports mainly citrus fruit from Morocco, accounting for 80.8% of imports, and totalling C\$65.0 million in 2012. Olives are also another important imported product for Canada, totalling C\$2.5 million, a decrease from C\$3.1 million in 2011.



CONSUMER FOODSERVICE

Morocco's income and expenditure levels have seen strong growth from 2006 to 2012. Total consumer expenditure in Morocco increased by 28.0% in real terms during this period according to Euromonitor. In 2012, Moroccan consumer expenditure on food and non-alcoholic beverages, totalled US\$25.3 billion and accounted for close to 40% of the total consumer expenditure.

Thanks to the increase of disposable income, the Moroccan consumer foodservice industry overall saw a steady growth in value from 2009 to 2012, and is forecast to continue in the upcoming years.

First Restaurant International, national brand owner of McDonald's, dominated the fast food scene with its 32 outlets and longstanding presence in the country. The majority of chained players in fast food chose to expand their outlets through company-owned stores, rather than franchises. Players, such as McDonald's, Grillardière SA, and La Société Marocaine de Projets Touristique have planned to increase their presence and their market share by opening more outlets.

Tourism is one of pillar of the Moroccan economy. The direct contribution of the travel and tourism to the country's GDP is estimated by the World Travel and Tourism Council (WTTC) to around 9% of total GDP. Also, according to the same source, the total contribution including its wider economic impact is estimated to be around 19.5% of GDP in 2012.

The Moroccan government objectives for the tourism industry for 2020 are to position Morocco among the top 20 tourism destinations in the world. In doing so, the government hopes to double tourist arrivals to 20 million visitors, and triple tourism revenue by 2020.

Consumer Foodservice Sales in Morocco
Historic/Forecast in US\$ Millions, Fixed 2013 Exchange Rate

Category	2009	2010	2011	2012	2013*	2014
Consumer Foodservice by Type	3,852.8	3,945.3	4,031.1	4,140.9	4,300.9	4,486.7
Independent Consumer Foodservice	3,673.3	3,751.1	3,820.4	3,910.9	4,043.9	4,199.5
Consumer Foodservice Through Standalone	2,499.6	2,561.5	2,599.4	2,649.6	2,733.2	2,828.2
Cafés/Bars	1,978.2	2,022.7	2,044.1	2,083.9	2,146.6	2,220.9
Fast Food	1,431.2	1,466.6	1,518.4	1,586.8	1,667.5	1,754.6
Consumer Foodservice Through Travel	503.5	506.8	523.2	543.8	572.4	607.0
Consumer Foodservice Through Retail	292.5	302.9	323.3	339.6	359.3	382.2
Consumer Foodservice Through Leisure	286.5	295.3	308.1	324.6	342.7	364.6
Full-Service Restaurants	329.8	338.2	345.1	337.2	344.8	360.2
Consumer Foodservice Through Lodging	270.7	278.8	277.0	283.4	293.2	304.6
Chained Consumer Foodservice	179.5	194.2	210.7	230.1	257.0	287.2
Street Stalls/Kiosks	102.4	104.8	107.8	114.4	120.6	126.3
Pizza Consumer Foodservice	63.9	66.3	69.9	73.3	79.2	86.6

Source: Euromonitor, November 2013

***Note:** 2013 figures are estimates based on partial-year data



RETAIL SALES

Retail distribution of food in Morocco varies across income levels. Superstores generally cater to the more affluent consumers. Traditional neighbourhood stores cater to the lower income population who tend to buy fewer items on a frequent basis. Weekly rural farmer's markets still persist and cater to the rural population. Higher income earners tend to buy more processed and packaged foods on a frequent basis.

Several factors are influencing the ever-changing retail sector in Morocco. Shifting consumer lifestyles, a high rate of population growth and rapid urbanization, combined with the rise of disposable income, partially explain the growth in numbers of supermarkets in Morocco. Furthermore, the hectic lifestyles of middle- and upper-income urban consumers is undeniably leading to the rise in demand for convenient packaged food formats that are easy to open and prepare.

Packaged food sales increased by 35.7% over the period of 2008 to 2013 reaching US\$5.7 billion, with further increases of 25.2% forecasted to 2017. The largest trend drivers came from sales of dairy products and bakery products, while the highest growth segment was frozen processed food with a compound annual growth rate (CAGR) of 21.2% over the same period.

Agri-Food Retail Sales in Morocco
Historic/Forecast in US\$ Millions, Fixed 2013 Exchange Rate

Category	2009	2010	2011	2012	2013*	2014
Health and Wellness by Type	885.1	953.7	989.5	1,145.8	1,250.2	1,370.8
Better For You (BFY)	188.5	222.0	253.4	278.8	303.5	331.3
Food Intolerance	12.7	13.3	14.4	15.7	16.7	18.0
Fortified/Functional (FF)	118.0	128.6	150.8	169.2	187.3	207.9
Naturally Healthy (NH)	565.5	589.5	570.2	681.2	741.7	812.4
Organic	0.4	0.4	0.7	0.8	0.9	1.1
Packaged Food	4,406.9	4,630.6	4,906.2	5,282.0	5,659.8	6,094.7
Baby Food	86.3	90.2	96.1	104.1	111.0	119.1
Bakery	827.4	866.0	904.1	958.5	1,012.1	1,074.5
Canned/Preserved Food	170.1	182.4	197.3	214.2	231.6	250.9
Chilled Processed Food	0.1	0.1	0.2	0.2	0.3	0.3
Confectionery	404.8	430.0	462.4	500.7	538.7	581.6
Dairy	1,527.7	1,633.2	1,754.3	1,918.1	2,074.9	2,252.7
Dried Processed Food	184.4	194.9	206.3	221.0	234.3	250.1
Frozen Processed Food	55.4	67.3	82.5	99.8	119.3	142.9
Ice Cream	119.4	148.4	160.5	176.7	192.3	209.1
Meal Replacement	-	0.8	0.9	1.0	1.2	1.5
Noodles	2.7	3.3	3.9	4.6	5.4	6.5
Oils and Fats	835.4	807.9	817.3	845.2	881.4	925.0
Pasta	71.0	75.4	79.5	85.7	91.5	98.0
Ready Meals	1.7	2.0	2.4	2.8	3.4	4.0
Sauces, Dressings and Condiments	81.3	84.1	88.3	93.3	98.3	104.2
Snack Bars	-	0.3	0.3	0.4	0.4	0.5
Soup	2.2	2.5	2.7	3.0	3.3	3.7
Spreads	78.3	82.4	85.4	89.4	94.0	99.6
Sweet and Savoury Snacks	36.2	42.5	50.2	59.3	69.8	82.6
Hot Drinks	289.9	315.2	333.4	344.3	364.0	385.5
Soft Drinks	726.3	779.0	763.5	870.0	939.5	1,016.6
Pet Care	35.8	39.2	43.3	47.7	52.3	57.7

Source: Euromonitor, November 2013

**Note: 2013 figures are estimates based on partial-year data*



Noodles were also one of the smaller categories of packaged food in Morocco in 2012. However, it was also one of the fastest growing with a CAGR of 20.2% from 2008 to 2012, due to the low price of noodles and the convenience these products offer in terms of quick preparation time. This reinforces Euromonitor observations that consumers in Morocco are looking for convenient products.

RESOURCES

- Euromonitor International – 2013- Consumer Foodservice in Morocco
- Euromonitor International – 2013- Consumer Lifestyles in Morocco
- Euromonitor International – 2013- Package Food in Morocco
- Morocco- FAOSTAT- 2013- Agricultural Production
- Morocco- Global Trade Atlas- 2013 Import and export statistics
- World Bank- 2013



Market Overview: Morocco

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