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STAYING ONE STEP AHEAD

Rapid moves to introduce political reform are helping to maintain institutional stability and bolster economic credentials in Morocco.

Morocco will hold early parliamentary elections on November 25. This will be the latest step in the constitutional reform process announced by King Mohammed VI this past March. Although this North African nation of 32 million had a calmer start to 2011 than some of its peers, the Arab Spring did not pass it by completely.

Independent from French rule since 1956, Morocco has been ruled by Mohammed VI since 1999. However, government-approved protests organized by the February 20 movement at the start of the year prompted the King to move rapidly toward a “new democratic constitutional charter” that would rely on “a citizenship-based monarchy,” to avert the unrest witnessed elsewhere in the Arab world.

In a landmark address, he proposed relinquishing certain executive powers while strengthening the role and independence of the legislature and judiciary. Moroccans voted overwhelmingly in favor in a July 1 referendum. The King remains widely popular, but is mindful of the need to usher in change sooner rather than later: “Any delay may jeopardize this dynamic of trust and squander opportunities,” he noted in a July 30 speech.

Amid the political upheaval, Morocco’s economy continues to perform admirably, posting 3.7% growth in 2010 with a projected hike to 4.6% in 2011, according to the International Monetary Fund. The service sector provides just over half of its \$151 billion GDP and employs one in three, while agriculture remains the leading source of employment, despite dwindling importance.

Industry is booming, accounting for almost a third of Morocco’s GDP. Exports such as textiles, clothing, minerals, chemicals, fertilizers and petroleum products are worth \$17.6 billion, with three-quarters of production destined for the EU. Morocco maintains a balance of payments deficit, however, importing goods worth nearly \$34 billion in 2010, including crude oil, gas and electricity.

To remedy this, massive investment is budgeted for the energy sector over the next few years, with \$3.8 billion already set aside to expand wind-generated power capacity by

2020. At the same time, the country also aims to improve vital infrastructure, with \$2 billion earmarked for upgrades to road, rail and port networks in 2011.

Bolstered by confidence in the reforms, international bank lending to the nation rose by 14% in the first quarter of the year, compared to just 0.3% for Africa and the Middle East. At the same time, the country kept inflation reined in at 2.2% for the first eight months, according to Central Bank data, and maintained BBB credit ratings from Standard & Poor's and Fitch Ratings.

Last May, Morocco put in a bid to join the Gulf Cooperation Council (GCC), which includes Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates. If accepted, Morocco could benefit significantly from membership, as the seemingly recession-resistant GCC states could potentially invest in it and fuel growth for Morocco's future.

INTERNATIONAL STANDARDS

Legislation introduced over the last decade and a half draws on global best

practices to ensure legal protection.

"Over the last 15 years, Morocco has made really significant progress in labor laws, justice and competition," says Azzedine Kettani, the founder and managing partner of the Kettani Law Firm. "In 1984, when the General Agreement on Tariffs and Trade (GATT) was signed in Marrakech, we saw progress take off. From there, we started to have a new vision of protection."

IDENTIFYING COMPETITIVE ADVANTAGES

A national plan for industrial development focuses on areas where Morocco beats the competition, hands down.

"We believe Morocco has real assets to become a big industrial actor," says Ahmed Reda Chami, the Minister of Industry, Trade and New Technologies. "Morocco is for Europe what Mexico is for the U.S. This is why we decided to see which global trades are applicable to local industry, where Morocco has a competitive advantage."

Passed in February 2009, the National

Pact for Industrial Emergence aims to foster collaboration between the private and public sectors to drive development. Funding of almost \$1.5 billion has been designated, with a third of the total earmarked for human resources and a quarter for investment promotion.

Through the Pact, six sectors in which Morocco has the potential to provide world-class services were identified: offshoring, auto production, aeronautics, electronics, textiles and leather goods, and agribusiness. With regard to these sectors, insists the Minister, "No other country can match the competitiveness of Morocco to sell principally to Europe and everywhere else in the world."

Exports are fluctuating due to the reces-

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Ahmed Reda Chami
Minister of Industry, Trade and New Technologies

sions affecting Morocco's main trade partners in Europe. However, domestic demand is expected to bolster growth of 5% this year. The auto industry, in particular, is ripe for development, thanks to a new Renault plant in Tangier, which will eventually produce 400,000 vehicles annually and employ 36,000 people.

Fathallah Sijilmassi, the managing director of the Moroccan investment development agency (AMD), also points to increased FDI inflows and interest in the aeronautics industry, after successful promotion efforts at overseas air shows.

In Casablanca, meanwhile, a local company has been doing its part for industrial and human resources development since 1989. STROC Industrie provides engineering, design, steelwork, piping, maintenance and civil engineering expertise, and offers turn-key services for all kinds of projects and applications.

Recently listed on the stock exchange, the company remains focused on goals rather than purely financial gain: "STROC is a long-term investment, not a short-term company," says its president, Nabil Ziatt. "We must center the company around people. First, responsible growth; then durable employment."



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OCP: A LEADER IN ITS SECTOR

Founded in 1920, OCP is one of the world's leading producers of phosphates, a key ingredient in both fertilizers and a wide range of industrial and consumer products. OCP's activities encompass all the steps of the phosphate value chain: phosphate rock mining and processing, chemical processing, and the distribution of phosphoric acid and fertilizers. OCP serves over 130 customers in over 50 countries on five continents, and in 2010 it generated a total turnover of US\$5.2 billion.

OCP is a vital contributor to Morocco's growth and competitiveness, directly employing over 20,000 workers and generating an additional 30,000 jobs indirectly in the SMEs surrounding its mining and chemical production sites. It also develops social, educational, cultural and medical centers in the communities in which its facilities are located.

A Dynamic Innovator

Innovation and R&D are at the center of OCP's priorities:

- OCP helps feed a growing world population sustainably, developing appropriate and affordable fertilizer solutions that maximize crop yields.
- OCP works continuously to reduce its environmental impact and promote innovation in clean technologies.

- OCP has launched an Innovation Fund for Agriculture, designed to encourage innovation and entrepreneurship in the agriculture and agro-industry sectors and assist the development of Morocco's agriculture and agribusiness sectors.
- This year, OCP launched SYMPHOS, a landmark biennial event for the phosphate sector that brings together world experts and industrial leaders in the field.

A Reliable Partner in Morocco and Beyond

OCP has forged long-lasting partnership arrangements through which fertilizer plants located in Morocco and abroad are run in joint venture with the group's partners such as Prayon (Belgium), Chemische Fabrik Budenheim (Germany), Tata and Birla (India), Fauji (Pakistan) and Bunge (Brazil). These joint ventures assure secure access to phosphates, shared infrastructure and services, and optimization of freight expenses.

In short, OCP is a dynamic and desired partner, as it drives innovation to offer an appropriate and sustainable mix of products to customers worldwide; embeds environmental and social responsibility in its operations; and develops innovative partnerships that ensure its clients and their customers reliable and affordable access to a precious resource: phosphates.

Feeding the Soil to Feed the Planet

OCP is proud to play an important role in feeding a growing global population, by providing essential elements for soil fertility and plant growth. As a leader in the phosphate rock and derivatives market, with 90 years of experience, OCP provides a broad range of well-adapted fertilizer products to enhance the soil, increase agricultural yields, and feed a hungry world sustainably and affordably.

Headquartered in Casablanca, Morocco, OCP works in close partnership with over 130 customers on 5 continents.



Strategic Business Partner in Morocco

Having handled a wide variety of international legal transactions worth \$3.28 billion, Kettani Law Firm (KLF) can justifiably claim to be Morocco's leading group of business law practitioners.

For more than 40 years, KLF has been involved in virtually every big investment project taking place in Morocco, assisting international companies such as J.P. Morgan, BNP Paribas Bank and Citibank, among others.

It advised France Telecom as a potential buyer of Maroc Telecom, the national telecoms operator, for US\$2.3 billion, and Telefónica in its \$1.1 billion bid for the acquisition of the second GSM line.

The firm's activities cover the whole spectrum of financial and business activities, and it is an acknowledged leader in the fields of corporate finance, banking, project finance, and corporate and commercial law. Areas of particular expertise include stock exchange law, aviation law, telecommunications regulations, energy, tourism, labor law, intellectual property, audits, IPOs, and litigation and arbitration.

KLF advised the Moroccan government on its non-guaranteed sovereign Eurobond issue for €400 million (\$553 million) and has also advised international bidders during numerous privatization procedures.

The firm has been present in the energy sector, advising blue-chip clients with regard to exploration of oil and gas, exploitation of hydrocarbon permits, and solar power projects in Morocco.

Professor Azzedine Kettani, KLF's founder, and his associates emphasize that the regulatory and judicial systems in Morocco adhere to international standards and that legislation passed in the past ten years has improved the business environment, enabling Morocco to become an ideal investment destination.



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NINE MILLION AND COUNTING



A modern five-star hotel in the heart of Casablanca provides an oasis of calm for visitors to the nation's biggest city.

Tourism accounts for more than 10% of Morocco's GDP, and the allure of an exotic destination on Europe's doorstep has long made it a must-see for backpackers and boutique hotel doyens.

"It's green petrol," according to Abdelhamid Addou, the managing director of the Office National Marocain du Tourisme (ONMT), who says that more than 9.5 million visitors sampled Morocco's delights in 2010.

While some gravitate to imperial cities like Fez, Marrakech and Meknes, and others head to new heights in the Rif—a mountainous region in northern Morocco—professional travelers increasingly make their way to the business hub of Casablanca.

In the heart of the nation's biggest city stands the five-star Husa Casablanca Plaza, offering a choice of 184 rooms, including 22 suites. All come equipped with broadband Wi-Fi, flat-screen satellite TVs and all the comforts you'd wish to find in a home away from home.

"Husa Casablanca Plaza is a mix of Moroccan exoticism with a Spanish touch," says Cesar Latrilla, a partner of Husa Hoteles Group and manager of its Moroccan operations. "Morocco is our first African market, following the target of Husa Group worldwide and focusing on urban hotels. We are targeting businesspeople wanting an elegant and central place to stay."

The hotel appeals to all types of travelers, from those with discriminating tastes to those on a budget. The Husa Casablanca Plaza also offers a wide range of amenities, from its 24-hour business center and function rooms to its wellness suite and spa. ❖



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Enjoy a five-star luxury hotel in the center of Casablanca. Bedrooms decorated in contemporary style; delicious Moroccan, Japanese, and Spanish cuisines; Spa & Fitness Center with rooftop pool; there's nowhere in town quite like Husa Casablanca Plaza.

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