



UNLOCKING INVESTMENT OPPORTUNITIES IN MOROCCO

*A Strategic Guide for Swedish Companies
Exploring Key Sectors and Emerging Prospects*



CAPITALISING ON MOROCCO'S GROWTH

Insights into Morocco's economic landscape reveal high-growth sectors primed for investment. Swedish expertise can play a pivotal role in leveraging these opportunities, driving impactful results in Morocco's evolving market.

Morocco, a rapidly growing economy with strategic geographic and economic advantages, offers significant opportunities for Swedish investors. This report provides a comprehensive analysis of investment opportunities in Morocco, tailored to Swedish companies seeking to expand their presence in this dynamic market.

The report covers Morocco's economic landscape strategies for attracting international investors, focusing on three key sectors: automotive, energy, and healthcare. It also highlights specific prospects tied to Morocco's World Cup 2030 preparations, providing insights into potential collaboration opportunities. By examining these areas, this report equips Swedish investors with the knowledge to capitalise on Morocco's evolving economy.



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OVERVIEW OF MOROCCO

Morocco, located in North Africa just 15 km from Europe, has a GDP of USD 131 billion and a population of 37 million. It is one of the most stable countries in the region, characterised by its democratic and institutional monarchy.

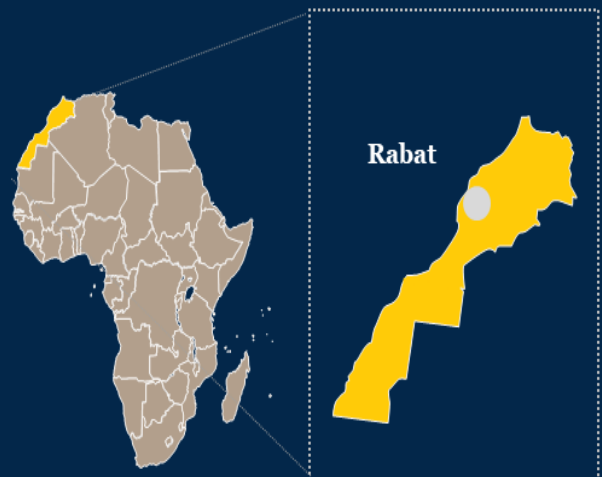
The country's economy has grown at a steady rate of 4% over the past decade, driven by substantial public investments in infrastructure projects. Morocco is home to state-of-the-art infrastructure, including Africa's first high-speed train, the continent's second-longest highway, and Tanger Med Port, the leading trans-shipment hub in the Mediterranean and Africa.

In 2021, Morocco adopted the "New Development Model" (NMD), a strategic vision for sustainable growth by 2035. The plan emphasises private-sector involvement and investment in productive sectors. In 2023, Morocco, alongside Spain and Portugal, was awarded the FIFA World Cup 2030, promoting significant investments to ensure readiness for hosting key events.

MOROCCO TARGETS INCREASED PRIVATE INVESTMENTS

Morocco has set a target to increase investments by shifting the balance toward private-sector contributions. Currently, investments total SEK 300 billion, with two-thirds carried out by the public sector and one-third by the private sector. The goal is to reverse this ratio by maintaining public investment levels while increasing the private investment to two-thirds

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- **Area:** 712,550 sq km
 - **Population (2022):** 37 million
 - **Common Languages:** Arabic and French
 - **Institutional system :** Democratic, parliamentary and social constitutional monarchy
 - **Currency:** MAD (1 MAD = ~ 1 SEK)
 - **GDP 2022:** 131 B USD
 - **GDP Growth (average) :** 3,3%
 - **GDP per capita:** 3 600 USD



+ 25 Swedish companies established in Morocco

of the total. By 2025, Morocco aims to double total investments to SEK 600 million, with SEK 200 million from the public sector and SEK 400 million from private investors.

As part of its roadmap to improve the business environment and enhance its appeal to both domestic and foreign investors, Morocco published an investment charter in 2023. This charter outlines investment support programs and initiatives aimed at facilitating investment.

The investment support programs include four mechanisms, two of which are tailored for Moroccan companies expanding abroad and SMEs. The other two mechanisms are available to companies of all sizes and origins:

- The main investment support mechanism
- A specific support mechanism for strategic projects

The main support mechanism applies to projects with a total investment exceeding SEK 50 million and creating over 50 permanent jobs or projects planning to create over 150 permanent jobs. It offers seven incentives of up to 30% of the total investment, including incentives for job creation (5-10%), gender (3%), and sustainability (3%).

For strategic projects, complementary mechanisms offer tailored incentives based on discussions with the government. This mechanism applies to projects in the defence sector or those exceeding SEK 2 billion that meet at least one of the following criteria:

- Contribute to water, energy, food, or health security
- Create a significant number of direct or indirect jobs
- Enhance Morocco's economic influence and strategic positioning regionally, continentally, or internationally
- Drive spill-over effects for sector-based ecosystems and activities
- Advance the development and adoption of cutting-edge technologies

RENEWABLE ENERGY, TRANSPORT INFRASTRUCTURE & HEALTHCARE: KEY SECTORS

ENERGY

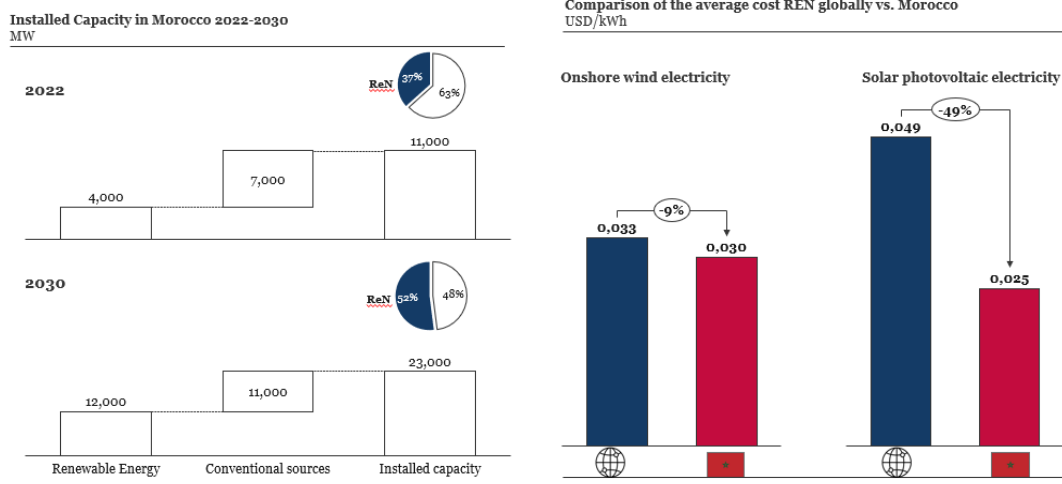
Renewable energy

Morocco has been investing in renewable energy since the early 2010s. In 2009, the country developed a comprehensive strategy with the ambitious goal of achieving 52% of electricity production capacity from renewable energy sources by 2030.

To date, Morocco has invested approximately USD 400 million annually, resulting in 4,000 MW of installed renewable energy capacity, representing 37% of the total. These projects

include a mix of technologies, such as concentrated solar power, photovoltaic systems, and wind turbines, particularly concentrated in the southern regions.

The average production cost of electricity in Morocco is notably competitive, at USD 0.030 per kWh for onshore wind and USD 0.025 per kWh for solar photovoltaic – both significantly below global averages of USD 0.033 and USD 0.049 per kWh, respectively.

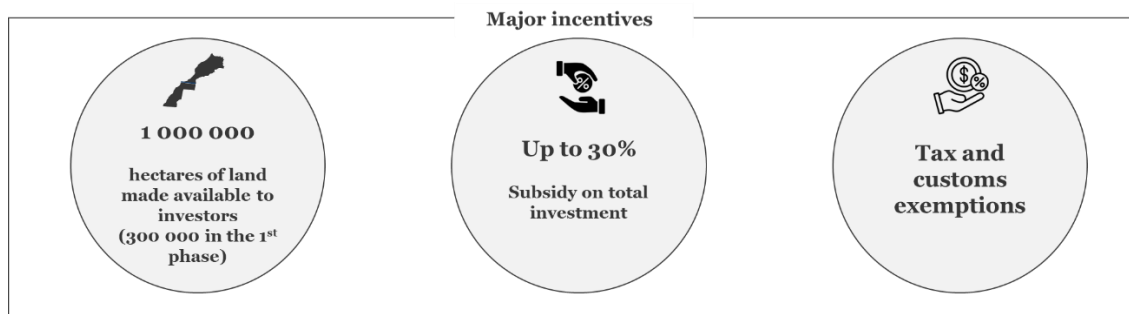


Green hydrogen

To further enhance industrial integration and capitalise on the growing global demand for green hydrogen, Morocco has shifted its focus toward attracting investors for integrated projects across the entire green hydrogen value chain. The country's abundant renewable resources make it an ideal location for green hydrogen production, with projected costs of USD 0.7 to USD 1.4 per kilogram by 2050, according to the International and Renewable Energy Agency (IRENA). Its proximity to Europe strengthens its positions as a prime supplier for Europe's green hydrogen needs.

A roadmap has been developed to outline Morocco's ambition to become a major exporter of green hydrogen, with clear phases and targets. At the King's request, the Moroccan government, has prepared a comprehensive package, known as the "Morocco offer." This includes land allocation, subsidies of up to 30% of the total investment, and tax and customs exemptions.

MASEN, the national organisation responsible for investor relations in sustainable energy, has recently published a tender detailing the ***application requirements for the Morocco offer***. These include criteria such as track record, financial strength, and the social and economic impact of the project. ***The tender is open until the end of the year.***



The Moroccan government has announced that approximately 100 investors have expressed interest since the release of the Morocco offer. A key project currently underway is OCP's green ammonia production plant. OCP, Morocco's state-owned fertiliser company and the world's largest ammonia importer, plans to produce 1 million tons of green ammonia by 2027 and 3 million tons by 2032.

Opportunities for Swedish companies

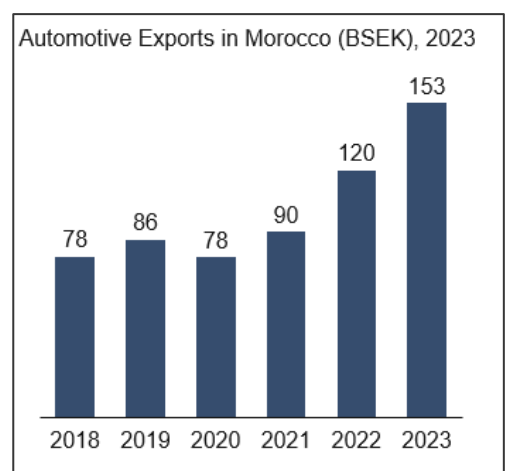
These developments present several opportunities for Swedish companies. Firms can apply to MASEN's tender to lead integrated green hydrogen projects, benefiting from Morocco's incentives, or position themselves as suppliers or dealmakers for ongoing projects like OCP's green ammonia initiative. By leveraging expertise in renewable technologies, Swedish companies can play a significant role in Morocco's rapidly evolving energy sector.

AUTOMOTIVE

A key economic growth engine

Morocco's ambitious strategy to create a flagship automotive industry has paid off. Today, Morocco is Africa's largest car producer, with an annual capacity of 700,000 vehicles. Its local content sourcing rate reached 64% in 2023, supported by a robust sub-supplier network.

The sector is Morocco's leading export industry, accounting for 33% of total exports. In 2023, Morocco manufactured 535,825 vehicles and exported goods worth SEK 153 billion (EUR 12.6 billion).



Key growth areas in automotive exports include:

- Automotive wiring: +32% to SEK 50.6 billion
- Automotive construction: +22% to SEK 74.2 billion
- Propulsion systems: +25% growth to SEK 12.4 billion

Ecosystem structure

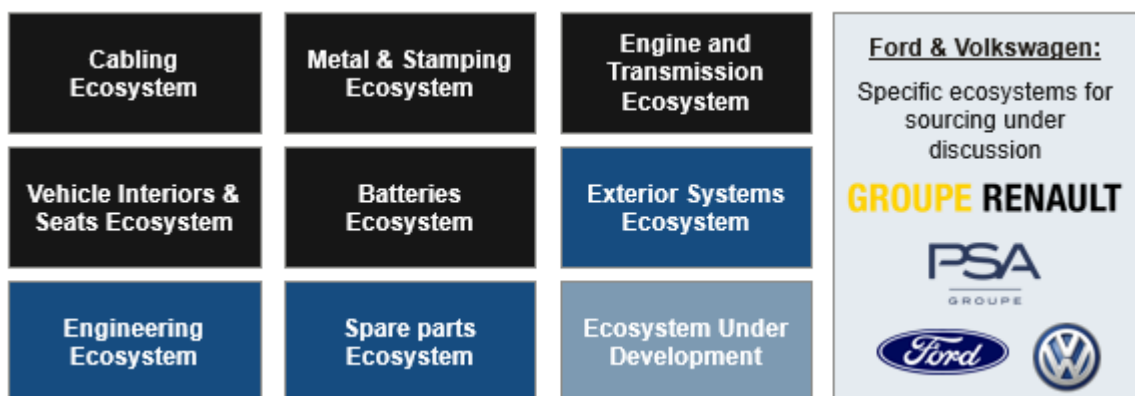
Under the Industrial Acceleration Plan, Morocco has created a socio-economic environment conducive to automotive industry. This is driven by partnerships between the Ministry of Industry and Trade and AMICA (Moroccan Association of Automotive Industry and Construction), with a focus on institutional, economic, and fiscal incentives.

This collaboration aims to establish institutional, economic, and fiscal incentives and develop ecosystems that enhance overall performance.

The national strategy focuses on creating efficient industrial ecosystems that offer common platforms for sector players, fostering industrial integration, boosting investments, and increasing the sector's value by promoting resource sharing, exchanges, and coordination between industry leaders and SMEs.

Morocco's automotive industry is structured into two ecosystems:

- **Trade ecosystems:** Manufacturers, suppliers, and subcontractors focusing on specific modules.
- **Manufacturer ecosystems:** Centred on major manufacturers like Renault and PSA and their supplier networks.



The integration of operators within these ecosystems has proven highly beneficial for Morocco, increasing competitiveness and attracting more international players.

Development prospects

Morocco is prioritising international competitiveness by advancing its electric battery sector, which represents up to 30% of EV costs. With reserves of cobalt, phosphates, and manganese, Morocco is well-positioned for growth. The automotive industry aims to produce 1 million vehicles by 2025, increase local integration to 80%, and expand EV production with models like Citroën Ami and Opel e-Rock.

Opportunities for Swedish companies

Swedish companies have significant opportunities in Morocco's automotive sector by leveraging their expertise in automation, robotics, and electric vehicle technology. With Morocco targeting an 80% local integration rate and advancing its electric battery sector by 2025, Swedish firms can contribute advanced solutions in battery production, EV infrastructure, and sustainable practices. Collaboration in R&D and training local professionals can also play a key role in supporting Morocco's automotive growth while fostering mutual benefits.

HEALTHCARE

Morocco has recently launched a major project to provide universal health access for its citizens. With an annual budget of EUR 4.7 billion, this initiative has enabled 11 million citizens to benefit from medical coverage for the first time and upgraded coverage for an additional 10 million citizens.

To support this ambitious project, the Moroccan government introduced a comprehensive health reform program based on four key pillars:

1. **Effective governance:** Strengthening management and regulatory frameworks for the healthcare system
2. **Human resources development:** Enhancing the quality and availability of healthcare professionals
3. **Healthcare infrastructure improvement:** Upgrading facilities and expanding healthcare services
4. **Digitalisation:** Integrating technology to improve healthcare delivery and management

Among these pillars, improving healthcare infrastructure stands out as particularly significant. This includes a series of critical projects, such as constructing new hospitals and modernising existing facilities, aimed at increasing access and improving the quality of healthcare services across the country. The total investment for these projects amounts to EUR 3.7 billion, evenly split between the public and private sectors.

Key public sector stakeholders include the Ministry of Health and Social protection, the National Social Security Fund (CNSS), University Hospital Ibn Sina, and the Foundation Lalla Salma. On the private side, major players include Akdital, Cim Santé, and Université Mohamed 6 des Sciences de la Santé (UM6SS), among others.

Opportunities for Swedish companies

A recent delegation involving Business Sweden highlighted Moroccan decision-makers' interest in collaborating with Sweden. Opportunities include knowledge transfer, financing, supplying equipment for hospitals currently under development.

FIFA WORLD CUP 2030: PLANNED AND ONGOING INVESTMENTS

Morocco, alongside Spain and Portugal, will host the FIFA World Cup 2030. The event requires stringent compliance with FIFA's standards, covering Infrastructure, IT, security, telecommunications, and more.

To meet these requirements, Morocco is undertaking significant investments across various sectors:

- Expanding and improving network infrastructure, including accelerated 5G implementation
- Extending the high-speed rail from Tangier-Rabat to Marrakech by 2029 and later to Agadir
- Constructing and renovating several stadiums, including the Benslimane stadium, one of the world's largest
- Developing a commuter rail network (Regional Express Network) between Casablanca and Mohammedia
- Expanding and modernising airports
- Adding 100,000-150,000 beds in the hospitality sector by 2030

The total planned investments exceed SEK 100 billion, funded through a mix of state budgets, concessions, bonds, and potentially export credit agency (ECA) financing.

Opportunities for Swedish companies

Business Sweden is actively investigating these projects and engaging with relevant stakeholders to assess needs and identify potential areas for Swedish company involvement.

Interested companies can benefit from individual meetings with key stakeholders or participate in sector-specific delegations to explore collaboration opportunities.

KEY TAKEAWAYS

Morocco's economic landscape presents significant investment opportunities for Swedish companies. With its strategic location, stable political environment, and rapid economic growth, Morocco offers a favourable environment for investment. The country's substantial infrastructure investments, including Africa's first high-speed train and a well-connected port, provide a strong foundation for business expansion.



Investment environment: Morocco is actively working to attract private investment, targeting two-thirds of total investments to come from the private sector by 2025. The government has introduced support programs offering incentives for job creation, gender equality, and sustainability, which Swedish companies can utilise to expand their presence.



Energy sector: Morocco's renewable energy sector is particularly promising, with a target of 52% electricity production from renewable sources by 2030. Swedish companies with expertise in renewable technologies and green hydrogen can contribute to this transformation and support Morocco's ambition to become a major green hydrogen exporter. Additionally, there are opportunities for Swedish firms to engage as suppliers or dealmakers in ongoing energy projects.



Automotive sector: Morocco's automotive industry is the largest in Africa, supported by a growing sub-supplier network and high local content sourcing. Swedish companies specialising in automation, robotics, and electric vehicle technology can tap into opportunities in electric battery development, EV infrastructure, and local integration efforts.



Healthcare sector: Morocco's healthcare sector is undergoing significant upgrades, including a project to expand social protection and modernise healthcare infrastructure. Swedish companies can contribute by providing knowledge transfer, financing, and equipping hospitals, aligning with Morocco's healthcare reform initiatives.



World Cup 2030: Hosting the FIFA World Cup 2030 will drive investment in infrastructure, IT, security, telecommunications, and hospitality. Swedish companies can explore opportunities in these areas and collaborate with Moroccan stakeholders to meet FIFA's requirements. Business Sweden is available to support Swedish companies by facilitating connections, arranging meetings, and organising sector-specific delegations.

FIVE KEY SUCCESS FACTORS FOR DOING BUSINESS IN AFRICA

	Common challenges	Recommended actions
1. DO YOUR HOMEWORK	▶ Market data is not often readily available or reliable ▶ Challenge to assess continuous economic and political changes and regional variations within large markets ▶ Decision-makers are not easily identified	▶ Target markets based on growth needs, capital requirements, and time horizon ▶ Be aware of regional variations within larger countries, especially in Africa ▶ Conduct due diligence with the support of local expertise
2. DEFINE & DEVELOP STRATEGY		▶ Be asset light in order to maintain responsiveness to fast-paced changes in market conditions ▶ Iterate go-to-market approach as your market position evolves ▶ Plan to scale long term and stay relevant
3. ADAPT BUSINESS MODEL	▶ Economic volatility of buyers in resource-rich markets and high dependence on development funds in resource-poor markets ▶ Sales process is time consuming given lack of access to decision-makers, bureaucratic processes, and the strong interpersonal nature of business relationships	▶ Turn the rapid pace of change into a competitive advantage by adapting existing products and services to meet specific needs ▶ Support in adapting offering to local tech maturity levels ▶ Go beyond 'quality' USP and focus on relationships and knowledge exchange
4. GO LONG AND BE RESILIENT	▶ Procurement processes are more complex than in Europe; decision-making takes longer ▶ Long term contracts in local currency carry higher risk exposure; contract negotiations and extensions are delayed ▶ Difficult to secure financing, resulting in payment delays and postponed due dates for large projects	▶ Plan and build long term relationships with government and local stakeholders Build resilience and mitigate short-term volatility by: ○ Hedging financial risks ○ Keeping the business as lean as possible ○ Diversifying portfolio
5. ENSURE LOCAL INTEGRATION	▶ Business culture characterised by lack of organisation and structure, and buyers are often hard negotiators ▶ Whilst easier to enter indirectly (e.g., via distributors), selling indirectly makes it harder to learn key success factors in local culture	▶ Show commitment and dedication to the market: ○ In Africa, all business is personal ○ Invest in local presence via greenfield, alliance or partnership ○ Hire locally whenever possible, and develop leaders internally

BUSINESS SWEDEN PROVIDES SUPPORT FOR GROWTH IN AFRICA

Business Sweden's strong, continent-wide presence in Africa is built on a deep understanding of local business, trade, and political and social practices, ensuring a smooth market entry for Swedish companies. In Africa, business is personal, and success often hinges on building relationships with key stakeholders in government and the business community. Business Sweden helps you navigate these dynamics, connecting you with the right partners and distributes to overcome market-entry challenges.

By leveraging our operational expertise and on-the-ground knowledge, we can help you identify and engage local stakeholders, establish critical networks, and provide practical support — ensuring a smoother pathway into African markets.

Exploring opportunities in Morocco

Aligned with our focus on unlocking opportunities in Morocco, Business Sweden is taking the following steps:

- ▶ **Engaging Swedish companies:** Meetings with relevant Swedish companies to gauge interest in opportunities
- ▶ **Opportunity mapping:** Identifying specific, actionable opportunities tailored for Swedish companies
- ▶ **Project updates:** Providing regular updates on the progress of key regional projects
- ▶ **Workshops:** Organising potential sector-specific workshop(s) with Team Sweden to explore opportunities in greater detail

Unlocking opportunities across Africa

Business Sweden offers comprehensive support to Swedish companies exploring markets in Africa, tailored to selected sectors and key opportunities. Our services include:

A. Market potential and selection analysis

- ▶ Conduct preliminary screening of African countries based on key indices macroeconomic data
- ▶ Narrow down options to 2-3 high-potential markets for further engagement

B. In-depth market analysis

- ▶ Perform detailed market checks on shortlisted countries based on chosen criteria
- ▶ Assess the suitability of your product offerings for local markets, such as their technology usage and equipment needs
- ▶ Examine legal considerations, including regulations and compliance
- ▶ Evaluate distribution and logistics networks to determine whether a regional or individual market approach is best
- ▶ Identify ideal market partners aligned with your business goals

C. Partner/distributor search

- ▶ Compile an initial list of potential partners
- ▶ Qualify and shortlist partners based on market-verified profiles
- ▶ Gauge interest from market players and conduct pre-visits to evaluate potential
- Rank top partners and arrange a programme to meet shortlisted candidates

D. Stakeholder mapping and engagement

- ▶ Identify and qualify potential clients based on defined criteria
- ▶ Validate interest in your products and services.
- ▶ Schedule meetings with high-potential clients with a strong likelihood of conversion to sales



*We help Swedish companies grow global sales and international companies
invest and expand in Sweden.*

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