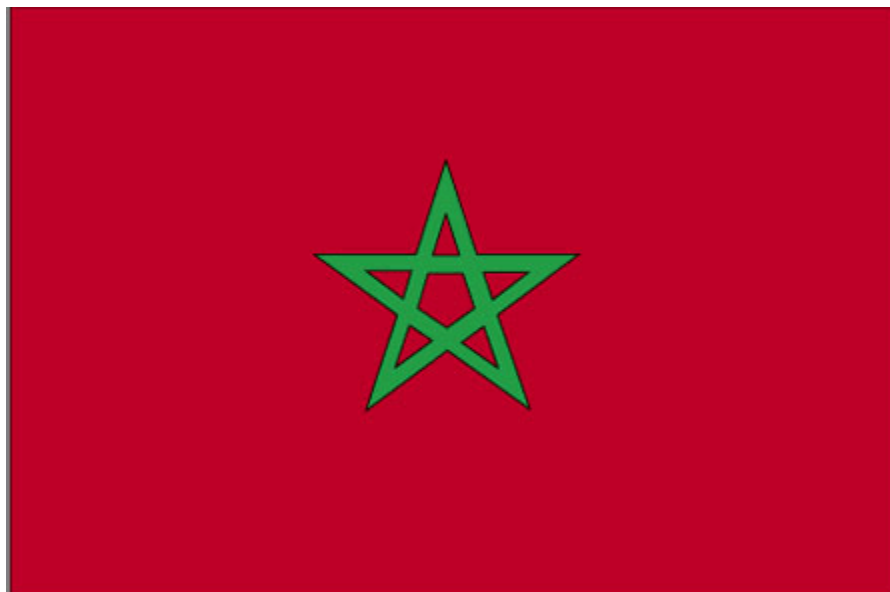


Morocco



Mehdi El Hajoui
Aviel Marrache
Roman Rosenberg
Kelly Spriggs

Note: throughout this document, conversion rate is set at USD 1 = MAD 8.5

Basic Information about Morocco[i]

Brief History of Morocco

While the area of present-day Morocco has been inhabited for at least 10,000 years, modern Morocco was born in the seventh century, when Arabs settlers established a presence there. Berber and Arab dynasties traded power throughout the Middle Ages, until the Alaouites gained political control in the mid-1600s. In 1777, Morocco was the first country to recognize the United States' independence.

In 1912, Morocco became a French protectorate, while Spain assumed control over the Sahara and some Northern regions. Forty-four years later, Morocco gained its independence as France allowed monarch Mohammed V to return from exile.

Since 1956, Morocco is a constitutional monarchy with a bicameral legislature. After King Hassan II passed away in 1999, Mohammed VI took the throne. Generally perceived as a progressive monarch King Mohammed has championed campaigns of social reform and liberalization. The young monarch faces criticism from religious conservatives, who have gained traction in Moroccan politics. The status of Western Sahara, which Morocco virtually annexed in the 1970s, is another major issue that has yet to be resolved.

Population

- Population: 34,343,220 (July 2008 est.)[ii]
- Age structure: 0-14 years: 30.5%; 15-64 years: 64.3%; 65 years and over: 5.2%
- Birth rate: 21.31 births / 1,000 population
- Life expectancy at birth: 71.52 years
- Ethnic Groups: Arab-Berber (99.1%), other (0.7%), Jewish (0.1%)
- Religious Groups: Muslims (98.7%), Christian (1.1%), Jewish (0.25%)

GDP

- GDP (PPP): 137.4 billion (2008 est.)
- GDP real growth rate: 5.3% (2008 est.)
- GDP per capita (PPP): \$4,000 (2008 est.)
- GDP per sector: Agriculture: 14.7%; Industry: 38.9%; Services: 46.5% (2008 est.)

Major Industries

- Phosphate
- Rock mining and processing

- Food processing
- Leather goods
- Textiles
- Construction
- Tourism
- Agriculture

Macroeconomic Data

- Inflation rate (consumer prices): 4.6% (2008 est.)
- Labor force: 11.5 million (2008 est.)
- Labor force by occupation: Agriculture: 44.6%; Industry: 19.8%; Services: 35.5% (2006 est.)
- Unemployment rate: 9.1% (Q2 2008, State High Planning Commission estimate);
- Budget: Revenues: \$26.09 billion; Expenditures: \$28.41 billion (2008 est.)
- Public debt: 60.2% of GDP (2008 est.)

Banking System

Additional information for this section can be found in “[IMF - Morocco Financial Stability Assessment \(2008\).pdf](#)”, and “[The Report: Emerging Morocco 2007 \(available on Google books\)](#)” (both posted on Webcafe)

16 commercial banks with \$60.2 billion in Assets.

The “Big 3” share \$38.4 billion in Assets and account for 63.8% of the market.

- Attijariwafa Bank (\$16.3 billion in Assets) – 27.1% share
- Banque Centrale Populaire (BCP) (\$14.1 billion in Assets) – 23.4% share
- Banque Marocaine du Commerce Extérieur (BMCE) (\$8.0 billion in Assets) – 13.3% Share

13 small to mid-sized players with \$19.3 billion in Assets garner 36.2% market share

- Credit Populaire du Maroc (CPM)
- Bank Al Amal
- Crédit Agricole du Maroc (CAM)
- Fonds d’Equipement Communal
- Crédit Immobilier et Hotelier (CIH)
- Union Marocaine de Banques
- MédiaFinance
- Crédit Foncier du Maroc (CFM)
- Société Générale Marocaine de Banques (SG)
- Crédit du Maroc (CDM)
- Citibank Maroc

- Arab Bank Maroc

Foreign Versus Domestic Ownership^[iv]^[v]

5 of the 16 commercial banks are dominated by foreign ownership

- Citibank (100% owned by Citibank)
- Arab Bank Maroc (100% owned by Arab Bank)
- BMCI (65% stake owned by BNP-Paribas)
- Crédit du Maroc (52.6% stake owned by Crédit Agricole),
- SG (51.9% stake owned by Société Générale)

Majority foreign-owned banks hold 21% of Assets at end-2006. In addition, several banks have minority stakes in Morocco's "Big 3":

- Santander (14.6% of Attijariwafa Bank)
- CIC (10% of BMCE holding)
- CAM (5% of BMCE holding)

Source of funds^[vi]

- Deposits (82%)
- Debt and other liabilities (13%)
- Loans (5%)

Privatizations: partial versus full^[vii]

- Government ownership stands at 23% of Assets in 2006, down from 40% in 2002
- The former specialized public banks (Bank Al Amal, Crédit Agricole du Maroc (CAM), Fonds d'Équipement Communal, Crédit Immobilier et Hotelier (CIH) now account for only 7 percent of total bank assets.

Interest Spread (Lending Rate Minus Deposit Rate)

- The interest spread is large especially by comparison with US figures. The range is quite wide but seems to average 800 to 1200 bps above the deposit rate currently hovering around 1100 bps.

Historical information on borrowing rates can be found at "[Borrowing Rates - 1983-2009.pdf](#)" (posted on Webcafe), while historical information on lending rates can be found at "[Lendings Rates - 2003-2009.pdf](#)" (posted on Webcafe as well)

Bank Credit to the Private Sector [xxxviii]

Since 2006, credit to the private sector has been increasing rapidly, growing by almost 30 percent year-on-year in 2007, while its ratio to non-agricultural GDP jumped by more than 10 percentage points between 2006 and 2007, to reach almost 80 percent.

Bank Credit to the Public Sector

\$640 million as of September 2008

Details listed at:

<http://web.worldbank.org/WBSITE/EXTERNAL/ACCUEILEXTN/PAYSEXTN/MENAINFRENCHEXT/MOROCCOINFRENCHEXTN/0,,contentMDK:20149674~pagePK:141137~piPK:141127~theSitePK:468145,00.html>

Deposit Insurance: Partial vs. Full[xviii]^{IV}

Under Article 105 of the banking law, the deposit guarantee fund may compensate depositors for lost funds (up to a maximum amount of DH 80,000, approximately \$11,000 per customer, including corporate customers). If the fund is insufficient to pay out all eligible deposits, pro rata haircuts are applied to depositor's claims, according to the BAM circular 22G

Insurance companies and other financial institutions

Additional information for this section can be found in "IMF - Morocco Financial Stability Assessment (2008).pdf", "Moroccan Banking System - Bank Al Maghrib.pdf" and "The Report: Emerging Morocco 2007 (available on Google books)" (all posted on Webcafe)

Size and Structure of Insurance Companies[viii]:

Though the largest in the Maghreb and second largest in Africa, the Moroccan insurance sector is still relatively underdeveloped relative to other emerging nations

- With 109.5 billion MAD (~\$12.9 billion) in assets (2007), the sector accounts for less than 10% of total financial system assets.
- Premiums stand at MAD 17.7 billion in premium (2007), or around 3% of the country's GDP. This amounts to only \$65 per capita.
- There are 17 insurance companies and a single domestic reinsurance company (the Central Reinsurance Company, or SCR).
- However, the sector is fairly concentrated, with 3 players owning a +50% market share
- Insurance companies do not generally maintain ties with commercial banks

Life and Property and Casualty[v]

Property and casualty insurance represent 71.8% of the premiums. This segment has grown at an annual rate of 7.2% (2006). Life insurance premiums account for 28.2% of the premiums. This segment has experienced the greatest growth rate in the insurance industry, growing at an annual rate of 26.7% (2006).

Other Financial Institutions (such as Mutual Funds) [ix]

- The mutual fund sector is relatively modest in size
- With MAD 132 billion (\$15.5 billion) in assets under management (2007), the sector accounts for about 11% of total financial system assets
- The sector is fragmented, with 238 players in 2007 (up from 181 in 2004)
- Under current regulations, mutual funds can invest up to 10% of their assets in foreign currency

Central Bank and its Role in the Economy:

Further information on monetary policy can be found at “[BAM - Monetary Policy](#)” (in French, posted on Webcafe)

Determining Interest Rates [xxii]:

Bank Al Maghreb, the Moroccan Central Bank, does set interbank interest rates. It aims to regulate money supply and demand through 7 day advances, open market operations, repo type transactions, and currency swaps. There is a discount window type facility charging 100bps over interbank rate, but meant to be used as last resort.

Exchange Rates: Set or Floating? [iv]

The Moroccan exchange rate regime is a conventional peg, based on a basket of currencies consisting of the euro and the US dollar, with weights of 80 and 20 percent respectively, broadly reflecting Morocco’s trade flows

Additional Exchange Rate Data :

- \$1 = 8.599 MAD on 2/11/09
- The Moroccan exchange rate regime is a conventional peg, based on a basket of currencies consisting of the euro and the US dollar, with weights of 80 and 20 percent respectively, broadly reflecting Morocco’s trade flows.
- The Moroccan authorities have announced a policy of continued gradual liberalization of the capital account and increased flexibility of the exchange rate in medium term.

- In August 2007, the authorities lifted certain restrictions on transactions by residents, and increased the scope for financial institutions, banks and enterprises to invest abroad

Historical data on interest rates be found at [“BAM - Interest Rates”](#), and data on exchange rates can be found at [“BAM - Exchange Rates”](#) (both posted on webcafe)

Price Stability [\[xxiii\]](#)

The primary objective of Bank Al Maghreb is price stability. This inflation targeting policy was entered into in 2006. A multi-criteria approach is used to assess inflation risk. Included are the following 5 categories:

- change in global demand,
- unemployment and capacity restrictions,
- monetary conditions (money supply, interest rates, counterparty risks, real estate and financial prices),
- import prices,
- inflation expectations.

Information on functions of the Central Bank can be found at [“BAM - Monetary Policy”](#) (in French, posted on Webcafe)

Independence and Governance[\[x\]](#) :

Traditionally, Bank Al Maghreb was administered through the Ministry of Finance. However, a legislative change in February 2006 made the Central bank’s authority independent of that of the Ministry of Finance. As a result, “the Central bank has had more autonomy when it comes to designing and implementing monetary policy” According to Bank Al-Maghreb’s governor Abdellatif Jouahri, the change “has translated into the passage of a multi-criteria approach to making the framework of an inflationary risk evaluation strategy, as well as the adoption of an operational framework that harmonizes the intervention procedures in the monetary market”

Information on the independence and governance of the Central Bank can be found at [“BAM - Org Chart”](#) and [“BAM - Governance”](#) (in French, both posted on Webcafe)

Government bond market [\[xxiv\]](#)

a) Maturities

Government Issues: Current Issues - Primary Market

Maturity	Characteristics	Offered amount	Min (Rate or price offered)	Max (Rate or price offered)	Retained amount	Rate or price limit	Weighted average rate or price
26 WEEKS	17/08/2009	720.00	3.66 %	3.67 %	0.00	0.00 %	0.00 %
52 WEEKS	19/07/2010, 3.80%	600.00	99.84 %	99.93 %	0.00	0.00 %	0.00 %
2-YEAR BILLS	18/04/2011, 3.90%	1 600.00	99.76 %	99.96 %	0.00	0.00 %	0.00 %
5-YEAR BILLS	01/12/2013, 4.00%	7 360.00	99.40 %	99.76 %	1 000.00	99.71 %	99.73 %
10-YEAR BILLS	15/01/2017, 3.40%	1 600.00	94.34 %	94.45 %	0.00	0.00 %	0.00 %

Transactions in the secondary market for Treasury Bonds:

Lasting period	Amount	Number
LESS THAN 32 DAYS	11 240.36	66
FROM 32 TO 92 DAYS	29 427.16	161
FROM 93 TO 182 DAYS	25 554.77	173
FROM 183 TO 365 DAYS	43 642.63	308
FROM 366 DAYS TO 2 YEARS	116 158.27	503
MORE THAN 2 YEARS TO 3 YEARS	11 665.88	136
MORE THAN 3 YEARS TO 5 YEARS	18 201.61	158
MORE THAN 5 YEARS TO 10 YEARS	99 534.92	775
MORE THAN 10 YEARS	151 342.10	1 223
Total	506767.70	3 503

Special Issues (No Longer Offered):

Brady Bond: dollar-denominated bonds issued by the Moroccan government and are partly or wholly backed by US Treasury Bonds and are often floating rate bonds trading at LIBOR+13/16.

Interest Rate in Millions of Dirhams [xix]

Term	Transactions	Weighted average rate	Value date
16/03/2009	112.22	3,650 %	08/01/2009
16/03/2009	88.01	3,600 %	12/02/2009
20/07/2009	205.30	3,660 %	12/02/2009
10/08/2009	1 175.03	3,659 %	09/02/2009
18/10/2009	50.69	3,700 %	09/02/2009
16/10/2010	136.56	3,880 %	16/02/2009
14/02/2011	137.61	3,840 %	13/02/2009
02/12/2012	31.53	3,982 %	13/02/2009
01/12/2013	1 005.69	4,061 %	16/02/2009
05/02/2022	31.02	4,604 %	21/01/2009
05/02/2022	52.65	4,480 %	13/02/2009
02/01/2026	25.91	4,690 %	13/02/2009
04/12/2036	36.98	4,500 %	28

Treasury Bills

- 3 months: see *ITMAR3M_3mo T-Bill.xls*
- 6 months: see *ITMAR6M_6mo T-Bill.xls*
- 12 months: see *ITMAR12M_12mo -Bill.xls*

Government Bonds

- 5 years maturity: see file *IGMAR5M_5 Year Bond Yields.xls*
- 10 years maturity: *IGMAR15M_15 Year Bond Yields.xls*
- Brady Bond: see file *IGMARBM_Brady Bonds Interest rates.xls*

Government bond market [xxiv]

- Both Primary and secondary markets are under the Ministry of Finance supervision
- Secondary market represents less than 5% of the Government securities annual turnover (2001)

Methods of primary issuance [xxiv]

- Broad issuance plan with regular schedule
- Issuance method: Auction type with multiple price and unlimited non-competitive bids

Stock market :

Companies Listed [xi]

77 publicly-traded companies. In order to be listed on the Casablanca Stock Exchange, companies are required to sell a minimum of 20% of their capital[v].

10 most actively traded in Central Market (from smallest to largest volume): Delta Holdings, SONASID, BCP, Alliances, AttijariWafa Bank, ONA, CGI, BMCE Bank, Itissalat Al-Maghreb, Douja Prom Addoha

10 most actively traded in Block Market (from smallest to largest volume): Ciments du Maroc, SONASID, Alliances, Salafin, SNI, Itissalat-Al-Maghreb, BCP, Lafarge Ciments, AttijariWafa Bank, BMCE Bank

List of companies listed can be found at "[Stock Market Summary - 2008 \(in French\).pdf](#)" (posted on webcafe)

Historical data on listed and de-listed securities can be found directly at the "[Casablanca Stock Exchange Official Website](#)" (link posted on webcafe)

Stock Price Data

Stock price data for 2008 can be found at "[Stock Market Summary - 2008 \(in French\).pdf](#)" (posted on webcafe).

Historical data and graph for the MASI Index can be found at [Masi_Index \(1992-2009\).xlsx](#) (posted on webcafe)

Historical data on individual stocks can be found directly at the "[Casablanca Stock Exchange Official Website](#)" (link posted on webcafe)

Volumes[xii]

- Central Market
- Average daily volume traded – shares (2008): MAD 639.47 million (~\$75.2 million)
- Average daily volume traded – bonds (2008): MAD 9.81 million (~\$1.2 million)
 - Block Market
 - Average daily volume traded – shares (2008): MAD 185.46 million (~\$21.8 million)
 - Average daily volume traded – bonds (2008): MAD 53.97 million (~\$6.3 million)
 - Average daily volume traded – Central + Block Market (2008): MAD 888.72

(~\$104.4 million)

Volume data for 2008 can be found at "[Stock Market Summary - 2008 \(in French\).pdf](#)" (posted on webcafe).

Historical volume data can be found at "[Stock Market - Volumes \(1992-2009\).xlsx](#)" (posted on webcafe).

Market Capitalization[xiii]

- MAD 531.8 billion (~\$65.6 billion) as of December 31, 2008

Comparative market capitalization information can be found at "[Casablanca vs. MENA stock markets.pdf](#)" (posted on webcafe)

Historical market capitalization can be found at "[Stock Market - Historical Market Capitalization \(1996-2006\).pdf](#)" (posted on webcafe)

Trading Volume[xiv]

- Total volume traded – Central + Block market (2008): MAD 217.7 billion (\$25.6 billion)

Trading Volumes data for 2008 can be found at "[Stock Market Summary - 2008 \(in French\).pdf](#)" (posted on webcafe).

Historical volume data can be found at "[Stock Market - Volumes \(1992-2009\).xlsx](#)" (posted on webcafe).

Turnover [Trading volume as a fraction of Capitalization; Trading volume as a fraction of GDP] [xv]

- Turnover – Trading volume as fraction of capitalization: $217.7/531.8 = 40.9\%$
- Turnover – Trading volume as fraction of GDP: $217.7/137.4 = 158.4\%$

Comparative turnover data can be found at "[Casablanca vs. MENA stock markets.pdf](#)" (posted on webcafe)

Privatizations through the Stock Market

In 2005 twenty seven firms and eighteen hotels had been sold since privatization began in 1993. Sales occurred through open tender, public issues, trade sales and the stock exchange. [xxv]. Noteworthy sales include Maroc Telecom and Régie des Tabacs. In 2000, Vivendi

Universal purchased 35% of Maroc Telecom for \$2.3 billion. Later in 2004, 14.9% of Maroc Telecom was opened to the public via the stock market, amounting to \$800 million. Vivendi Universal made subsequent purchases of 14.9% of Maroc Telecom’s capital for \$800 million in 2004, and 16% for \$1.2 billion in 2005. 34.1% of capital remains to be transferred. [xxvi] In 2003 the Franco-Spanish group Altadis purchased 80% of the capital of Régie des Tabacs for \$1.2 billion. The final 20% of Maroc Telecom was sold in 2006 to a local branch of Altadis. [xxvii]

Automation Versus Manual Trading

“The electronic quote-driven trading system (NSC) is an automated platform for the management of stock-market trading sessions. It enables the automatic routing of stock-market orders and the completion of transactions according to predefined market rules.” [xxviii]. All securities quoted on the Casablanca Stock Exchange are traded by means of the electronic trading system using trading terminals supplied to brokerage firms. Stock-market orders entered by dealing agents are automatically ranked by price limit and by the chronological order by which they have been entered into the order book.” [xxix]

Information on automation can be found at “[Stock Market - Organization.pdf](#)” (posted on webcafe)

Foreign and Local Ownership in the Stock Market :

The Casablanca Stock Exchange places no restrictions on or on foreign ownership of Moroccan companies. Taxes on dividends are identical for local and foreign investors alike at 10%. Additionally, neither investor is charged a capital gains tax. [xxix]. There is, however, a very low rate of foreign investment in the CSE. As of September 200 the ration of local to foreign investment was estimated to be 19 to 1. [xxx]

Concentration of Top Listed Companies as a Fraction of Market Capitalization [xxxi]

Total Market Capitalization [xxxii] 5.38978E+11

Ticker	Company Name	MAD Share Price	Shares Outstanding	Market Capitalization	MC/Total MC
SOF	Societe Fin d'Achats Credit	387.15	1400000	542010000	0.001005625
ONA	ONA	1370	17500000	23975000000	0.044482301
ATL	Compagnie d'Assurances et de Reassurances ATLANTA SA	110	59160000	6507600000	0.012073953
CMT	Compagnie Miniere de Toussit	717	1490000	1068330000	0.001982139
IAM	ITISSALAT AL MAGHRIB	150.2	879095340	1.3204E+11	0.244982207

Shares Outstanding

[xxxiii]

[xxxiv]

[xxxv]

[xxxvi]

Concentration of top-listed companies as fraction of market capitalization data for 2008 can be found at "[Stock Market Summary - 2008 \(in French\).pdf](#)" (posted on webcafe).

Aggregate Stock Market Returns (both in local currencies and dollars)

Issue 21 2008 [xxxvii]

Table 1: Summary statistics of daily returns (Defined as the log difference of the price)

	MASI	S&P 500
Mean	0.01252	0.000187
Median	0.0000	0.000368
Maximum	2.467184	2.42043
Minimum	2.373288	2.607812
Std Dev	0.382306	0.475661

Information on aggregate stock market returns can be found at "[Masi_Index \(1992-2009\).xlsx](#)" (posted on webcafe)

Regional Integration Initiatives

Information on regional integration initiatives can be found at "[Maghreb Integration Initiatives.pdf](#)" (posted on Webcafe)

Other types of Financial Markets

Bond markets[xvi]

Public sector bond issues dominate the debt market while Private sector corporate issues remain marginal. Commercial banks continue to serve as the main providers of commercial financing

For detailed lists of non-government bond, see "[Bond Market.pdf](#)" (posted on Webcafe)

Derivatives and so forth

- Futures market based on treasury bonds opened in 2008. First attempt to broaden the offering in CSE.

For more details on Other types of Financial Markets, see [“IMF - Morocco Financial Stability Assessment \(2008\).pdf”](#) (posted on Webcafe)

Other types of finance

Microfinance: ^x

Since the early 1990s, USAID has helped increasing the access to financial services for the poorer groups of the population in the developing countries. In Morocco, the shape of the microfinance landscape was eventually formalized into a law passed in January 2000.

This law regulating microfinance stipulates that micro credit should be carried out by essentially non-profit finance companies. Microfinance institutions (MFIs) cannot collect savings and there is a ceiling on loan sizes now set at about \$3,000. MFIs are only allowed to lend for productive activities.

However, MFIs have broad permission to innovate both in mobilizing capital and in lending methodology.

MFIs Incorporated in Morocco: ^{xxi}

Name of the company	Type of institution	Gross loan portfolio in US\$	Number of active borrowers
Al Amana	Non-profit (NGO)	304,743,477 (12/31/07)	472,961 (12/31/07)
Al Karam	Non-profit (NGO)	3,302,287 (12/31/07)	11,972 (12/31/07)
AMOS	Non-profit (NGO)	1,176,593 (12/31/07)	5,854 (12/31/07)
AMSSF/MC	Non-profit (NGO)	5,780,163 (12/31/07)	19,095 (12/31/07)
ARDI	Non-profit (NGO)	18,739,959 (12/31/07)	74,759 (12/31/08)
ATIL MC	Non-profit (NGO)	696,803 (12/31/06)	2,294 (12/31/06)
FBPMC	Non-profit (NGO)	134,291,756 (12/31/07)	176,738 (12/31/07)
FONDEP	Non-profit (NGO)	51,441,777	111,495

		(12/31/07)	(12/31/07)
INMAA	Non-profit (NGO)	3,022,720 (12/31/07)	10,236 (12/31/07)
Zakoura	Non-profit (NGO)	198,205,389 (12/31/07)	443,016 (12/31/07)

For more details on microfinance, see [“USAID Morocco.doc”](#) (posted on Webcafe)

Informal Finance[xvii] :

Microfinance would be one example. Angel finance would be another. Banking penetration rate in Morocco is limited. Penetration reached 25% (34% if the Poste du Maroc network is included) of the population in 2007. There is only one bank branch per 12,000 inhabitants. As a result, cash transactions dominate the economy, especially in rural areas.

For more details on Informal Finance, see [“The Report: Emerging Morocco 2007 \(available on Google books\)”](#) (posted on Webcafe)

Private Equity :

Capital Invest - ~\$80-100M, Morocco-only

"Capital Invest was formed in 2000 as a private equity fund manager in Morocco. Its main sponsor is BMCE Capital (70% ownership), which is a subsidiary of BMCE Bank, one of the largest commercial banks in Morocco The other shareholders of the Manager include Siparex (15% ownership), a French private equity group, and CIC Finance (15% ownership), a French banking group."

Executives include:

Mr. Mehdi Tahiri (Mines Paris, Arthur Andersen), President

Mr. Omar Chikhaoui (MBA, University of Texas), Director

Mr. Younes Al Abdan (ENSTA, Groupe ONA), Investment Director

Ms. Nora Khiyati (MBA, Manchester Business School, Ernst & Young), Investment Director

Mr. Nasser Kadiri (ESSEC, CDC Enterprises), Senior Investment Director

Ms. Khaoula Ramdi (Paris-Dauphine, Ernst & Young), Senior Investment Director

Ms. Imane Alami (BBA, University of Texas), Controller

Current Portfolio:

BEXEL	Retail - DIY
BUZZICHELLI MAROC	Manufacturing - Machinery
CELIO	Retail - Fashion & Clothing
CONSERNOR	Manufacturing - Canned food

DISLOG	Retail - Miscellaneous CPG
DISTRISOFT	Retail - Computer & IT
FINAPACK-CMCP	Manufacturing - Paper goods
GALAXY ELECTRONICS	Retail - Electronics
IFC	Manufacturing - Industrial bakery
INDUSALIM	Manufacturing - Margarine
LABINAL	Manufacturing - Electronics
LOCASOM	Services - Car Rental
M2M GROUP	Services - Software
PROMINOX	Manufacturing - Metal fabrication
SONIAMA	Manufacturing - Couscous and Pasta
VALYANS	Services - Consulting
WEBHELP	Services - Call Centers
UNIVERS MOTORS	Retail - Car distributor
MOBILIA	Retail – Furniture

FOND CAPITAL MOROCCO - \$25M.

Investment strategy is minority ownership in small and medium-sized Moroccan companies seeking to position themselves as national or regional leaders in fast-growing sectors

FOND CAPITAL NORTH AFRICA - \$50M

Investment strategy is minority and majority ownership in medium-sized and large North African companies (revenues \$15-\$75M, market cap \$8-\$45M) in fast-growing sectors (agro-industry, chemicals, pharmaceuticals, construction...) with a potential for mergers.

Some funding from the IFC.

Emerging Capital Partners (source: ECP website) - >\$105M for Morocco (via JV with Attijari Invest), multi-country fund

ECP is the first private equity group to raise more than \$1.6 billion for investment in companies across the African continent. The ECP team has been investing in Africa since 2000. ECP's track record in private equity investing across the African continent includes:

- Six private equity funds focused on Africa, totaling more than \$1.6 billion under management
- Over 50 investments, 20 exits, and a strong portfolio of remaining transactions
- Investments in more than 40 countries, in all major regions of the African

continent

Current Portfolio:

Location:	Morocco
Industry:	Metals & Mining
Fund:	Moroccan Infrastructure Fund

- OSEAD Maroc Mining
OMM is a special purpose vehicle that owns Compagnie Minière de Touissit, the oldest lead producer and exporter in Morocco.

Current Portfolio:

Location:	Morocco
Industry:	Water & Electricity Distribution
Fund:	AIG African Infrastructure Fund

Veolia Water Maroc :

VWM develops, acquires, and operates companies in the water distribution, wastewater treatment, and electricity distribution sectors in Morocco.

Fund:

Investments in Morocco through the Moroccan Infrastructure Fund (\$105M) and various Africa funds

The Moroccan Infrastructure Fund ("MIF" or the "Fund") was established in December 2006 to capitalize on the ongoing reforms designed to spur economic growth in Morocco. This growth is expected to require large investments to improve Morocco's infrastructure. MIF has MAD 800 million (\$105 million) in capital commitments from Moroccan, European and Kuwaiti investors.

MIF is managed by Moroccan Infrastructure Management, a joint venture between Emerging Capital Partners and Attijari Invest. Attijari Invest is the private equity arm of [Attijariwafa Bank](#), Morocco's largest bank.

MIF targets numerous sectors including Telecoms, Transportation, Energy, Power and Water, and Ports. The Fund seeks to invest alongside world class international and local partners with extensive operational experience, a proven track record, and a superior business reputation.

The Fund seeks either majority or minority positions through equity, quasi-equity and convertible debt instruments. The Fund's equity investments typically range in size from MAD 50 million to MAD 150 million with a maximum of 20% of the Fund's total size available per transaction. The Fund is able to increase its maximum investment size using leverage.

Attijari Invest , \$450M, Morocco-focused fund

Secretive PE shop, 100% owned by AttijariWafabank (largest bank in Morocco)

Up to \$450M in committed capital through 4 funds: Moroccan Infrastructure Fund (JV with ECP, \$105m, focused on the infrastructure sector), Agram Invest (\$25M, focused on the agro-industry sector), Igrane fund (\$25M, focused on regional investments) and Morocco Hospitality fund (\$280M, focused on tourism investments)

Former fund manager is Lamia Boutaleb (Wharton MBA 1998)

Maroc Invest, Morocco-focused fund (Maroc Invest website)

Morocco-focused diversified PE Fund (VC, development capital, LBO, pre-IPO). Jointly-owned by Tuninvest Finance Group (\$80M, Tunisia-based PE firm) and Upline Securities (Morocco-based brokerage firm)

Executives include:

Mr. Brahim Jai (ESCP-EAP, Altran Technologies), General Manager

Mr. Aziz Mebarek (ENPC, Tuninvest Finance Group), Partner

Current portfolio

Sigmatel - Global Networks Solutions

Siprof - Manufacture of Friction Products

Maghreb Accessoires - Wholesale distribution of automotive spare parts

Matel - Wholesale distribution of IT products

CMCP - Manufacture of corrugated cardboard packaging

S2M - Services related to means of payment

Folly Fashion - Fashion (Marwa)

For more details on microfinance, see [“Private Equity in Morocco \(in French\).pdf”](#) and [“Morocco - Financing Tech Entrepreneurs.pdf”](#) (both posted on Webcafe)

- [i] Unless otherwise noted, all figures in this section are taken from the CIA World Factbook (<https://www.cia.gov/library/publications/the-world-factbook/geos/mo.html>)
- [ii] Exclusive of Western Sahara (July 2008 est.: 393,831)
- [iii] Morocco – Banking Sector Modernization (U.S. Department of Commerce, March 2007)
- [iv] Morocco – Financial System Stability Assessment (International Monetary Fund, October 2008)
- [v] The Report: Emerging Morocco 2007 (Oxford Business Group, 2007)
- [vi] Morocco – Financial System Stability Assessment (International Monetary Fund, October 2008)
- [vii] Morocco – Financial System Stability Assessment (International Monetary Fund, October 2008)
- [viii] Morocco – Financial System Stability Assessment (International Monetary Fund, October 2008)
- [ix] Morocco – Financial System Stability Assessment (International Monetary Fund, October 2008)
- [x] The Report: Emerging Morocco 2007 (Oxford Business Group, 2007)
- [xi] Official website of the Bourse de Casablanca (www.casablanca-bourse.com)
- [xii] Official website of the Bourse de Casablanca (www.casablanca-bourse.com)
- [xiii] Official website of the Bourse de Casablanca (www.casablanca-bourse.com)
- [xiv] Official website of the Bourse de Casablanca (www.casablanca-bourse.com)
- [xv] Official website of the Bourse de Casablanca (www.casablanca-bourse.com)
- [xvi] Morocco – Financial System Stability Assessment (International Monetary Fund, October 2008)
- [xvii] The Report: Emerging Morocco 2007 (Oxford Business Group, 2007)
- [xviii] Deposit Insurance: Concept, Practice and Relevance in Africa (www.ndic-ng.com/pdf/iadicmat2.ppt)
- [xix] Global Financial Data (GFD accessed through Linpincott Library Data Base accounts)
- [xx] USAID Morocco Microfinance Program
- [xxi]
<http://www.mixmarket.org/en/demand/demand.global.results.asp?refreshSearch=demand&srwrc=MA&seDisc=all&>
- [xxii] Bank Al Maghreb - Interest Rate Info
- [xxiii] Bank Al Maghreb - Exchange Rate Info
- [xxiv] Bank Al Maghreb Bond Market
- [xxv] Choufouni - Invest in Morocco
- [xxvi] Kingdom of Morocco - Privatization Process
- [xxvii] Zawya - Morocco - Key Developments

- [xxviii] Nationmaster.com - Casablanca Stock Exchange
- [xxix] Mbendi Information Services - Casablanca Stock Exchange
- [xxx] Magharebia - Global Economic Crisis Triggers Bear Market in Morocco
- [xxxi] Casablanca Stock Exchange
- [xxxii] Casablanca Bourse - Historical Information
- [xxxiii] Business Week - Societe Fin d'Achats Credit
- [xxxiv] Business Week – Groupe ONA
- [xxxv] Reuters – Compagnie Miniere de Toussit
- [xxxvi] Corporate Information – Itissalat Al Maghreb
- [xxxvii] International Research Journal of Finance and Economics – Morocco & US Equity Linkages
- [xxxviii] Credit Market in Morocco: A Disequilibrium Approach - IMF Working Paper – March 2009