

AFRICA RISK CONSULTING

Morocco Monthly Briefing January 2025

Morocco Summary 29 January 2025

Tourism ministry announces on 9 January that Morocco welcomed a record 17.4 million visitors in 2024, an astounding 20% increase from 2023's record of 14.5 million visitors region. The Bank Al-Maghrib (BAM) (central bank) Monetary Policy Committee (MPC) at its quarterly policy meeting on 17 December, lowers benchmark interest rates for the second time in 2024 by 25 basis points to 2.5%. The HCP announces on 17 December that the unemployment rate in Morocco has increased to 21.3% in the past ten years.

Morocco surpasses Egypt to welcome record 17.4 million tourists in 2024

The tourism ministry confirmed on 9 January that Morocco welcomed a record 17.4 million visitors in 2024, an astounding 20% increase from 2023's record of 14.5 million visitors.¹ The figures, which indicate that Morocco is two years ahead of its tourism projections, also show that the country has officially surpassed **Egypt** as the most visited country in Africa, despite Egypt setting a new record with 15.7 million visitors in 2024.² While arrival figures for every African country are not tracked by a governing body, the **United Nations (UN) Tourism** and the **World Travel & Tourism Council** confirmed that both countries had surpassed **Sub-Saharan** ones regarding tourism arrivals.³

In a press release, tourism minister **Fatim-Zahra Ammor** called the figures “*remarkable*” and said that they represent a significant milestone towards the government's goal of positioning Morocco to become a top 15 global tourist destination.⁴ However, this ambition will take years to achieve as to make the current top 15 list, Morocco would need to surpass **Japan**, received 25 million tourists in 2023.⁵

Ammor attributed the growth to several factors that have enabled Morocco's growth, such as the introduction of 120 airline routes in 2024, including a nonstop flight from **Newark (United States)** to **Marrakesh** on US-headquartered **United Airlines**.⁶ Morocco in 2023 began doubling the number of foreign flights arriving in the country and reached an agreement with **Irish** low-cost airline, **Ryanair**, which is estimated to double the number of tourists that the company flies to Morocco to ten million by 2027.⁷ State carrier **Royal Air Maroc (RAM)** is also set to substantially grow its fleet to boost tourist arrivals. Prime minister **Aziz Akhannouch** (2021-present) said on 16 December that Morocco plans to expand its airport capacity to 80 million passengers by 2030 from 38 million currently.⁸ The plan is part of Morocco's preparations to co-host the 2030 **FIFA World Cup** with **Spain** and **Portugal**.⁹

Ammor also linked the growth of the tourism sector to the opening of new luxury hotel chains throughout the country, such as **Canada's Four Seasons** and the US-headquartered **Nobu**.¹⁰ She also highlighted the expansion of Morocco-based **Royal Mansour**, which introduced a second hotel in **Casablanca** in April 2024, as another factor encouraging tourists to extend their Moroccan vacations

¹ Ministry of tourism, 10 Jan 2025

² Bloomberg, 10 Jan 2025

³ Bloomberg, 10 Jan 2025

⁴ Ministry of tourism, 10 Jan 2025

⁵ Bloomberg, 10 Jan 2025

⁶ Fatim-Zahra Ammor LinkedIn post, 9 Jan 2025

⁷ Bloomberg, 27 Feb 2024

⁸ Middle East Monitor, 16 Dec 2024

⁹ Reuters, 16 Dec 2024

¹⁰ Fatim-Zahra Ammor LinkedIn post, 9 Jan 2025

and explore beyond Marrakech, the cultural capital.¹¹ The government also plans for 150,000 additional hotel beds to be ready before 2030, either through greenfield projects or the upgrading of existing facilities. Authorities are also working on the development of 14 large-scale projects to add options for tourists, including natural park resorts, amusement parks and hot-air balloon sites.¹²

Beyond its record tourist arrivals, Morocco also saw tourism revenues reach new heights in 2024. The country brought in a total of \$11 billion over the 12-month period in 2024, compared to \$10.5 billion in 2023.¹³ Despite Morocco attracting more visitors in 2024, Egypt generated \$14.1 billion in revenue. As highlighted on 10 January by US media house, **Bloomberg**, the two **North African** countries operate “*in a league of their own*”:

*“Safari-centric, sub-Saharan countries like **South Africa** and **Botswana** earning a small fraction of North Africa’s visitors and tourism dollars each year”.*¹⁴

The results coincide with the start of a year when Morocco will host the 2025 **Africa Cup of Nations (AFCON)** from 21 December to 18 January 2026, an event anticipated to attract thousands of football fans from across the globe. Morocco ultimately seeks to attract 17.5 million visitors by 2026 and 26 million by 2030 when the World Cup starts. This requires Morocco to boost the number of tourists by at least one million annually through 2030, which it has been able to do since the ministry launched its **Tourism Roadmap 2023-2026**.

While Morocco’s plans are ambitious, the government has demonstrated that it has the political will and commitment to meet them. The crucial tourism sector accounts for 7% of GDP and employs 5% of the country’s workforce.¹⁵ The tourism sector’s strong performance also bodes well for Morocco’s inflow of foreign currency and will be a key economic driving force in the coming years.

Central bank cuts key rate in support of World Cup investment spending

The **Bank Al-Maghrib (BAM)** (central bank) **Monetary Policy Committee (MPC)** at its quarterly policy meeting on 17 December lowered benchmark interest rates for the second time in 2024 by 25 basis points to 2.5%.¹⁶ The move reduced borrowing costs to support a massive investment drive that includes Morocco’s preparations to co-host the 2030 FIFA World Cup.¹⁷ In June 2024, BAM enacted its first interest rate cut in four years before holding in September. In a statement, BAM said the December rate reduction, the lowest rate since 2023, was motivated by inflation that is “*in line with the price stability objective*”.¹⁸

As forecast, with inflation below BAM’s 1.3% target, a rate cut would be implemented. However, several local polls, including one conducted by Morocco’s biggest lender, **Attijari Global Research**, showed that only 40-45% of Moroccan analysts predicted a cut and 55-60% a hold.¹⁹

A rate cut was necessary as the central bank needs to support economic growth so the government can roll out its ambitious spending plans to rebuild areas damaged by 2023’s earthquake and prepare to co-host the World Cup. However, BAM warned in its statement that inflationary pressures persist, with limited rain fuelling fears of another drought in the country, potentially further straining the already struggling farming sector and impacting both prices and supplies.²⁰ BAM forecast that inflation will increase to 2.4% in 2025 from 1% projected for 2024 and 6.1% in 2023.²¹

¹¹ Fatim-Zahra Ammor LinkedIn post, 9 Jan 2025

¹² Bloomberg, 27 Feb 2024

¹³ Reuters, 9 Jan 2025

¹⁴ Bloomberg, 10 Jan 2025

¹⁵ Reuters, 9 Jan 2025

¹⁶ Bank Al-Maghrib, 17 Dec 2024

¹⁷ Bank Al-Maghrib, 17 Dec 2024

¹⁸ Bank Al-Maghrib, 17 Dec 2024

¹⁹ Bloomberg, 17 Dec 2024

²⁰ Bank Al-Maghrib, 17 Dec 2024

²¹ Bank Al-Maghrib, 17 Dec 2024

The **Haut Commissariat au Plan (HCP)** (high commission for planning) said on 20 December that annual inflation in Morocco decreased slightly to 0.7% in December from 0.8% in November.²² Food and non-alcoholic beverage prices decreased to 0.6% from 0.7% in November, along with declines in alcoholic beverages and tobacco (2.4% vs. 2.5%), clothing and footwear (1.3% vs. 1.7%), and miscellaneous goods and services (2.2% vs. 2.5%).²³ Housing and utilities costs remained steady at 3.6%, as did prices for furniture, household items and routine maintenance (0.3%), communication (0.1%) and education (2.3%).²⁴

Prices quickened for recreation and culture (0.3% vs. 0.1%) and restaurants and hotels (3.8% vs. 3.5%).²⁵ Transport deflation also eased slightly, improving from -3.8% to -3.2%. On a monthly basis, consumer prices declined by 0.2% in December, mirroring the drop seen in November.²⁶ The decline in inflation is still within BAM's target margin, reflecting effective monetary policy measures aimed at stabilising prices, although ongoing vigilance will be necessary to address potential external and domestic economic pressures.

Unemployment in Morocco rises to 21.3% in 10 years

The HCP higher commissioner **Chakib Benmoussa** presented the results of the 2024 general population and housing census on 17 December, highlighting that the unemployment rate in Morocco has increased to 21.3% in the past ten years. In September 2023, Morocco conducted its seventh census in history, a process carried out every 10 years, with initial results revealing that the country's population is estimated at 36.8 million people.²⁷

Benmoussa revealed that between 2014 and 2024, Morocco's overall unemployment rate increased from 16.2% to 21.3% - the unemployment rate in urban area rose from 19.3 to 21.2% and in rural areas it rose from 10.5% to 21.4% in rural areas.²⁸

According to Benmoussa, the unemployment rate for women decreased to 25.9% in 2024 from 29.6% in 2014, while the rate for men stood at 20.1% in 2024, up from 12.4% in 2014.²⁹ Additionally, economic activity among individuals aged 15 and older declined to 41.6% in 2024, compared to 47.6% in 2014.³⁰ The highest unemployment rates were observed in **Guelmim-Oued Noun** (Sahara region) and **Beni Mellal-Khenifra** (north) at 26.8%, followed by **Laayoune-Sakia El Hamra** (Sahara region) at 26.6%, and **Fez-Meknes** (north region) at 23.3%.

The announcement reveals significant labour market challenges and structural issues within the domestic economy. Despite these concerns, Morocco's draft budget projected a 4.6% economic growth rate in 2025, signalling optimism about the country's potential for recovery and expansion.³¹

Planner

Dec 2025 (**Morocco**) Morocco to host 2025 **Africa Cup of Nations (AFCON)**

2026 (**Morocco**) General election

Chronology

26 Jan 2025 **Rabat (Morocco) Atalayar**. Transport and logistics minister **Abdessamad Kayouh** announces a \$4 billion investment programme aimed at expanding Morocco's airports until 2030;

²² Haut Commissariat au Plan, 22 Jan 2025

²³ Haut Commissariat au Plan, 22 Jan 2025

²⁴ Trade Economics, 22 Jan 2025

²⁵ Trade Economics, 22 Jan 2025

²⁶ Haut Commissariat au Plan, 22 Jan 2025

²⁷ Middle East Monitor, 18 Dec 2024

²⁸ Haut Commissariat au Plan, 17 Dec 2024

²⁹ Middle East Monitor, 18 Dec 2024

³⁰ Middle East Monitor, 18 Dec 2024

³¹ Middle East Monitor, 18 Dec 2024

21 Jan 2025 **Rabat (Morocco)** *Middle East Monitor*. **Royal Armed Forces** inspector general, General **Mohammed Berrid** holds talks with **Central African Republic's** armed forces chief of staff, General **Zephirin Mamadou**, to discuss strengthening military cooperation;

19 Jan 2025 **Rabat (Morocco)** *Morocco World News*. Opposition **Parti de la justice et du développement (PJD)** secretary general **Abdelilah Benkirane** reiterates his call for Prime minister **Aziz Akhannouch** to step down as a head of government;

15 Jan 2025 **Rabat (Morocco)** *Morocco World News*. King **Felipe VI** of **Spain** emphasises the importance of strengthening ties with Morocco within a framework of friendship and good neighbourliness;

13 Jan 2025 **Rabat (Morocco)** *North Africa Post*. Morocco strengthens its position as **Spain's** top supplier of fresh produce in 2024, with exports reaching €801m (\$840m) from January to October 2024, up 13% from the same period a year earlier;

9 Jan 2025 **Rabat (Morocco)** *Morocco World News*. Morocco-headquartered **Managem** finalises the sale of the **Oumejrane** mining company to Morocco-headquartered **Purple Hedge Resources** for MAD 301m (\$30m);

8 Jan 2025 **Rabat (Morocco)** *Morocco World News*. Minister delegate in charge of investment, convergence and public policy evaluation **Karim Zidane** announces the **National Investment Commission** has approved 171 projects costing over MAD 94 billion (\$9.3 billion) and expected to create 54,000 jobs;

6 Jan 2025 **Rabat (Morocco)** *North Africa Post*. **France's** President **Emmanuel Macron** hails the “*unprecedented ambition*” of the partnership built with Morocco during his state visit to the country last year, at the invitation of King **Mohammed VI**;

2 Jan 2025 **Rabat (Morocco)** *North Africa Post*. **Office des Changes** (exchange office) reports that Moroccan expatriates' remittances reached Mad 108.67 billion (\$10.8 billion) through November 2024, showing a 2.8% annual increase;

1 Jan 2025 **Rabat (Morocco)** *Morocco World News*. According to **United States (US)**-based magazine **Forbes**, Prime minister **Aziz Akhannouch** maintains his positions among the world's wealthiest billionaires;

31 Dec 2024 **Rabat (Morocco)** *Reuters*. The foreign exchange office reports that Morocco's annual trade deficit widened by 6.5% to MAD 275 billion (\$27.2 billion) in the first 11 months of 2024;

30 Dec 2024 **Rabat (Morocco)** *Morocco World News*. King **Mohammed VI** sends a message of condolences and sympathy to **United States (US)** President **Joseph Biden** over the death of former president **Jimmy Carter**;

27 Dec 2024 **Rabat (Morocco)** *Morocco World News*. The **Tourism Observatory** says that by the end of October, Rabat had recorded 713,566 overnight stays, surpassing the 683,910 stays recorded during the same period in 2023;

23 Dec 2024 **Rabat (Morocco)** *Middle East Monitor*. The **United States** approves arms sales worth over \$5.5 billion to **Egypt** and Morocco, aimed at bolstering their defence capabilities and strengthening strategic ties;

21 Dec 2024 **Rabat (Morocco)** *Middle East Monitor*. Thousands of Moroccans participate in solidarity protests in support of the **Gaza Strip**, during which they demand an end to normalisation of relations with **Israel**;

19 Dec 2024 **Rabat (Morocco)** *France24*. Morocco mediates between **France** and **Burkina Faso** for the release of four French nationals who have been held in Burkina Faso for a year on espionage accusations;

17 Dec 2024 **Rabat (Morocco)** *Financial Times*. **European Union (EU)** commissioner for the **Mediterranean, Dubravka Šuica**, says the EU is close to signing a multibillion-euro deal with **Jordan** and Morocco to strengthen cooperation in stemming migrant flows to the EU;

14 Dec 2024 **Rabat (Morocco)** *News Central*. Morocco and **Zambia** formalise seven cooperation agreements covering tourism, renewable energy, vocational training, justice, investment and higher education;

13 Dec 2024 **Rabat (Morocco)** *Digi Times*. **German**-headquartered **Volkswagen**-backed **China**-headquartered **Gotion** battery manufacturer announces plans for state-of-the-art battery production facilities in Morocco and **Slovakia** with a total investment estimated to be \$2.6 billion;

About Africa Risk Consulting:

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