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Morocco Summary 21 March 2025

The Bank Al-Maghrib (BAM) (central bank) Monetary Policy Committee (MPC) cuts its key interest rate from 2.5% to 2.25%, signalling optimism that inflation is under control. Prime minister Aziz Akhannouch (2021-present) chairs a steering committee meeting on 6 March where five major investors were chosen to develop six hydrogen projects valued at MAD 319 billion (\$31.9 billion). BAM announces on 18 March that two sources of Morocco's inflow of hard currency, tourism and remittances from Moroccans abroad, will set new records in 2026 reaching MAD 125 billion (\$13 billion) and MAD 123 billion (\$12.8 billion) respectively. The Bureau Central D'Investigations Judiciaires (BCIJ) (central bureau of judicial investigations), confirms it prevented a terrorist attack against national and international targets in the country.

Morocco surprises with second consecutive rate cut on signs inflation under control

The **Bank Al-Maghrib (BAM) (central bank) Monetary Policy Committee (MPC)** cuts its key interest rate from 2.5% to 2.25%, its second consecutive cut, signaling optimism that inflation is under control even as protectionist policies by **United States (US) President Donald Trump's** (2025-present) administration rattle global markets.¹ The decision was a major surprise as the country's main lenders expected a hold. In its statement following its 18 March meeting, BAM said that inflation is expected to "evolve at levels in line with the price stability objective" and in order to bolster its support to economic activity and employment, the MPC decided to reduce the rate.² In June 2024, BAM enacted its first interest rate cut in four years and made its second cut of the year in December 2024, when it lowered benchmark interest rates by 25 basis points to 2.5% (see *ARC Briefing Morocco Jan 2025*).³ The move reduced borrowing costs to support a massive investment drive that includes Morocco's preparations to co-host the 2030 **FIFA World Cup**.⁴

Inflation in Morocco quickened to 2% in January from 0.7% in December, its highest in a year, indicating a significant rebound in price pressures after a period of low inflation (see *ARC Briefing Morocco Feb 2025*). However, a positive development for the local economy came in the form of strong rains in March, bringing relief after seven years of drought.⁵ The positive rains are expected to increase supplies of homegrown food staples and ease some food inflation through 2025.⁶ However, should limited rains return, it could fuel fears of another drought in the country and potentially further strain the already struggling farming sector, impacting both prices and supplies.⁷ BAM forecast that inflation will increase to 2.4% in 2025 from 1% projected for 2024 and 6.1% in 2023.⁸ Inflation is also forecast to hover around 2% over the next two years. February's inflation figures will be released before the end of March.

Morocco approves green hydrogen projects worth \$31.9 billion

¹ Bank Al-Maghrib, 18 Mar 2025

² Bank Al-Maghrib, 18 Mar 2025

³ Bank Al-Maghrib, 17 Dec 2024

⁴ Bank Al-Maghrib, 17 Dec 2024

⁵ Bloomberg, 18 Mar 2025

⁶ Bloomberg, 18 Mar 2025

⁷ Bank Al-Maghrib, 17 Dec 2024

⁸ Bank Al-Maghrib, 17 Dec 2024

Prime minister **Aziz Akhannouch** (2021-present) chaired a steering committee meeting on 6 March during which five major investors were chosen to develop six hydrogen projects across the country's three southern regions valued at MAD 319 billion (\$31.9 billion).⁹ The projects aim to produce ammonia, steel and industrial fuel and will involve several domestic and international companies

The prime minister's office said in a statement that the committee had selected the following companies to develop projects.

- **Spain's Acciona, Germany's Nordex** and the US' **Ortus** to produce green ammonia;
- **United Arab Emirates' (UAE) Taqa** and Spain's **Cepsa** to produce ammonia and fuel;
- Morocco's **Nareba** to produce ammonia, fuel and green steel;
- **Saudi Arabia's Acwa Power** to produce steel;
- China's **UEG** and **China Three Gorges** to collaborate to make ammonia.¹⁰

Details on deadlines or funding sources were not provided but the committee noted that Morocco will offer each project up to 30,000 hectares of land once a preliminary agreement is signed.¹¹

The government is optimistic that producing green hydrogen will help it meet its domestic energy objectives and increase exports to the **European Union (EU)**, which announced a green deal to reduce carbon emissions and called for the import of 10 million tonnes of renewable hydrogen by 2030.¹²

The hydrogen projects are also part of the government's plans to raise the share of renewable sources to more than 52% of the national electricity mix by 2030 – energy minister **Leila Benali** announced in May 2024 that the country plans to boost its renewable energy capacity to 11 gigawatts (GW) by adding 6.5GW over the next four years, as it also invests in gas and green hydrogen.¹³ Morocco's plans to develop its energy mix is a notable development that should be praised, particularly in light of the **European Bank for Reconstruction and Development's (EBRD)** report published on 16 May that warned that high dependence on energy imports and seasonal agricultural production makes its economy vulnerable to climate risks.¹⁴

Remittances and tourism receipts to hit record in 2026

BAM announced on 18 March that two sources of Morocco's inflow of hard currency, tourism and remittances from Moroccans abroad, will set new records in 2026 at MAD 125 billion (\$13 billion) and MAD 123 billion (\$12.8 billion) respectively.¹⁵ Morocco saw tourism revenues reach new heights in 2024, bringing in a total of \$11 billion, compared to \$10.5 billion in 2023.¹⁶ **Office des Changes** (exchange office) also reported in January that remittances reached Mad 108.67 billion (\$10.8 billion) through November 2024, showing a 2.8% annual increase.¹⁷

Morocco's tourism sector, in particular, is continuing its impressive momentum with tourist arrivals growing by 24% to 2.7 million tourists up to the end of February this year, underscoring the momentum in the sector.¹⁸ These figures support BAM's analysis that Morocco is on course to break its record of 17.4 million visitors welcomed in 2024, an astounding 20% increase from 2023's record of 14.5 million visitors.¹⁹ The figures, which indicate that Morocco is two years ahead of its tourism projections, also shows that the country officially surpassed **Egypt** as the most visited country in

⁹ Morocco World News, 6 Mar 2025

¹⁰ Reuters, 6 Mar 2025

¹¹ Morocco World News, 6 Mar 2025

¹² Reuters, 6 Mar 2025

¹³ North Africa Post, 17 May 2024

¹⁴ European Bank for Reconstruction and Development, 16 May 2024

¹⁵ Bank Al-Maghrib, 18 Mar 2025

¹⁶ Reuters, 9 Jan 2025

¹⁷ North Africa Post, 18 Mar 2025

¹⁸ North Africa Post, 18 Mar 2025

¹⁹ Ministry of tourism, 10 Jan 2025

Africa, despite Egypt setting a new record with 15.7 million visitors in 2024. The crucial tourism sector accounts for 7% of GDP and employs 5% of the country's workforce.²⁰

The boost in remittances and the tourism sector's strong performance bodes well for Morocco's inflow of foreign currency and will be a key economic driving force in the coming years. This improvement in remittances and tourism revenues will help offset the increasing trade deficit, being driven by higher imports of equipment to support the investment push in infrastructure as the country prepares to host the 2025 **African Cup of Nations (AFCON)** in December and the 2030 World Cup.²¹ Morocco's current account deficit is expected to increase to 2.9% of GDP in 2025 before easing to 2% in 2026.²²

Morocco foils terrorist attack

The **Bureau Central D'Investigations Judiciaires (BCIJ)** (central bureau of judicial investigations) confirmed on 24 February that it had prevented a terrorist attack on 19 February against national and international targets in the country by a 12-member cell allied with the **Islamic State (IS)** in the **Sahel**.²³ BCIJ chief, **Habboub Cherkaoui**, informed reporters that the suspects, arrested in nine different cities - **Azemmour, Casablanca, Guercif, Laayoune, Fez, Taounate, Tangier, Ouled Tayma** and **Tamesna** on the outskirts of **Rabat** - had been receiving orders from a **Libyan** leader of the **Islamic State, Abderrahmane Sahraou**.²⁴

Cherkaoui added that the suspects, aged between 18 and 40 years, had been radicalised online and most of them held "*occasional jobs*".²⁵ They are also part of a group called the **Lions of the Caliphate in the Maghreb Al Aqsa (Morocco)** and were part of an "*imminent dangerous terrorist plot*" to denote remotely controlled bombs.²⁶ In addition to the explosive devices and chemical substances found in their possessions, the suspects were also captured with a weapons cache in a remote area of **Errachidia Province** that included automatic firearms and handguns.²⁷ Cherkaoui further revealed that the weapons and ammunition had been provided by Sahraou via smugglers.

The operation emphasises the threat arising from jihadist militant groups in the Sahel, as groups associated with **al Qaeda** and **IS** expand their activities in the **West African** countries of **Mali, Burkina Faso** and **Niger**.²⁸ Cherkaoui also echoed this, noting that the counterterrorism operation confirms the tendency of the **IS African** branches to "*internationalise their activities*".²⁹ He also stressed that the link between these terrorist groups and criminal networks represents a "*real threat*" to both Morocco and **Europe**.³⁰ Particularly concerning for Morocco is that Cherkaoui revealed that **Islamic** branches on the continent have recruited more than 130 Moroccan fighters.³¹

Despite these threats, Morocco has been generally effective in neutralising potential attacks. Since it was established in 2015, the BCIJ has dismantled dozens of militant cells and arrested more than 1,000 suspected jihadists.³² Morocco's effectiveness in this area is underscored by the country attaining a perfect zero score in the 2025 **Global Terrorism Index** for recording no terrorist attacks throughout the past year.³³ Morocco, which was the only **North African** country to receive a perfect score, last faced a jihadist attack in 2023 when three individuals loyal to **IS** killed a Moroccan

²⁰ Reuters, 9 Jan 2025

²¹ North Africa Post, 18 Mar 2025

²² North Africa Post, 18 Mar 2025

²³ DW, 25 Feb 2025

²⁴ Arab Weekly, 25 Feb 2025

²⁵ Reuters, 25 Feb 2025

²⁶ DW, 25 Feb 2025

²⁷ Reuters, 25 Feb 2025

²⁸ Reuters, 25 Feb 2025

²⁹ DW, 25 Feb 2025

³⁰ Reuters, 25 Feb 2025

³¹ DW, 24 Feb 2025

³² Reuters, 25 Feb 2025

³³ North Africa Post, 7 Mar 2025

policeman in Casablanca.³⁴ However, Cherkaoui warned that Morocco remains a major target of all terror groups operating in the Sahel, therefore, the country must remain vigilant and reinforce counterterrorism measures.³⁵

Planner

July 2025 **(Morocco)** A dozen Moroccan cultural companies to visiting **Paris (France)** to take part in the **Entreprendre dans la culture Forum** (cultural entrepreneurship forum)

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

2026 **(Morocco)** General election

Chronology

19 Mar 2025 **Rabat (Morocco)** *Anadolu*. Hundreds of Moroccans stage a protest in **Rabat** to condemn **Israel's** resumption of military activities in the **Gaza Strip (Palestine)**;

18 Mar 2025 **Rabat (Morocco)** *North Africa Post*. The **International Monetary Fund (IMF)** greenlights the release of \$496m for Morocco under a **Resilience and Sustainability Facility (RSF)** to help the address climate challenges;

18 Mar 2025 **Rabat (Morocco)** *Morocco World News*. **Spain's** economy ministry data indicates Morocco was its leading **African** trading partner, with trade exceeding €22.7 billion (\$24.75m) in 2024;

17 Mar 2025 **Rabat (Morocco)** *Morocco World News*. Foreign minister **Nasser Bourita** meets with **Zambian** president **Hakainde Hichilema's** special envoy, **Caleb Fundanga**, carrying a written message from Hichilema to King **Mohammed IV** reflecting on bilateral relations and ways to deepen cooperation;

15 Mar 2025 **Rabat (Morocco)** *Morocco World News*. Equipment and water ministry data report that dam reservoirs reached 33.82% of their total capacity on 15 March, up from 26.58% recorded on the same day in 2024;

13 Mar 2025 **Rabat (Morocco)** *Middle East Monitor*. Sahrawi human rights activist **Ghalia Abdallah Djimi** informs the **United Nations Human Rights Council (UNHRC)** that Morocco has systematically deployed **Pegasus** spyware to monitor and intimidate journalists and activists in the disputed **Western Sahara**;

12 Mar 2025 **Rabat (Morocco)** *Morocco World News*. **Spanish** media report that Spain's arms exports to Morocco increased to €21m (\$22.81m) in 2024 from €1.5m (\$1.62m) in 2023;

10 Mar 2025 **Rabat (Morocco)** *Jeune Afrique*. Morocco and **France** sign a joint declaration to intensify efforts in the fight against organised crime and terrorism;

8 Mar 2025 **Rabat (Morocco)** *Morocco World News*. **United States (US)** President **Donald Trump** appoints businessman and diplomat **Duke Buchan III** as the new US ambassador to Morocco;

7 Mar 2025 **Rabat (Morocco)** *Morocco World News*. **France** will lend Morocco €781m (\$847m) to finance the purchase of 18 high-speed trains as a plan to extend the high-speed rail network from **Kenitra** on the western coast to **Marrakech** before the **2030 FIFA World Cup**;

6 Mar 2025 **Algiers (Algeria)** *Morocco World News*. Algeria issues a warning to **France** over upcoming joint military drills with **Morocco** in September near the Algerian border, calling the planned exercise a "provocative" action that could increase tensions between Algeria and France;

³⁴ DW, 24 Feb 2025

³⁵ DW, 24 Feb 2025

5 Mar 2025 **Algiers (Algeria)** *Morocco World News*. **United States (US)** satellite internet company **Starlink** is in negotiations with the Moroccan government to expand its network in the country;

3 Mar 2025 **Rabat (Morocco)** *Al-Quds Al-Arabi*. Morocco has received six AH-64E **Apache** attack helicopters as part of a contract for 24 helicopters with **United States (US)** manufacturer **Boeing**;

2 Mar 2025 **Rabat (Morocco)** *North Africa Post*. **Albania** endorses Morocco's autonomy plan for the Sahara as "serious and credible" and commends the kingdom's role in promoting regional stability;

28 Feb 2025 **Rabat (Morocco)** *North Africa Post*. Government spokesman **Mustapha Baitas** says Morocco and **Egypt** are reviewing their free trade deals after Egyptian authorities-imposed restrictions on Morocco's car exports;

27 Feb 2025 **Libreville (Gabon)** *Le Nouveau Gabon*. Local start up transport technology platform **Gozem** raises \$30m in a round of funding led by **Turkey's SAS Ship Agency Services Limited** and **Morocco-based Al Mada Ventures**;

27 Feb 2025 **Rabat (Morocco)** *Morocco World News*. The royal palace announces that King **Mohammed VI** continues his physical rehab following surgery on his left shoulder;

26 Feb 2025 **Rabat (Morocco)** *Reuters*. King **Mohammed VI** asks Moroccans to abstain from performing the rite of slaughtering sheep on Eid al-Adha this year due to a drop in the country's herd following years of drought;

26 Feb 2025 **Rabat (Morocco)** *Morocco World News*. Morocco's state-owned rail operator **ONCF** says that it will buy 168 trains from **France, Spain** and **South Korea** for \$2.9 billion as it seeks to expand its network ahead of the **FIFA World Cup** in 2030;

26 Feb 2025 **Rabat (Morocco)** *Morocco World News*. Morocco and the **World Bank** sign a cooperation agreement to develop expertise-sharing and support policymaking through data-based methods;

24 Feb 2025 **Rabat (Morocco)** *Morocco World News*. Morocco nears completion of second land connection with **Mauritania** at **Amgala** costing MAD 49.7m (\$5m);

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