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Morocco Summary 28 May 2025

Energy transition minister Leila Benali says on 21 May that Morocco aims to more than double its power generation by 2030, when it co-hosts the 2030 FIFA World Cup, at a cost of \$13 billion. Haut Commissariat au Plan (high commission for planning) reports on 5 May that Morocco's economy added 282,000 jobs between the first quarters of 2024 and 2025 as the employment rate declines to 13.3%. The Forces Armées Royales Marocaines (FAR) (royal armed forces) announces on 12 May the launch of African Lion 2025, a multinational military training which runs until 23 May.

Morocco plans to double electricity capacity by 2030 World Cup...

Energy transition minister **Leila Benali** said on 21 May that Morocco aims to more than double its power generation by 2030, when it co-hosts the **FIFA World Cup** with **Portugal** and **Spain**. Speaking to a chemical industry forum in **Rabat**, Benali said that renewable sources will make up 80% of the increase to 27 gigawatts, from 12 gigawatts currently.¹ The expansion in power generation, including private and public investment, will cost a total of 120 billion dirhams (\$13 billion).² Morocco has modest fossil fuel reserves and its water resources have been hard hit by frequent droughts and climate change. Therefore, the government is intensifying efforts to harness solar and wind energy, including from the disputed **Western Sahara**, to increase water desalination capacity and attract foreign investment in the green economy. This includes the production of fertilisers and green hydrogen, which are manufactured without carbon emissions.

To support those efforts, the government signed on 20 May one of the largest private investment agreements in Morocco's modern history - a \$14 billion agreement with the **United Arab Emirates (UAE)** and several local firms to transform Morocco's water, energy and infrastructure sectors by 2030.³ The agreement includes deals with UAE-based energy colossus, **Taqva**, the **Mohammed VI Investment Fund** and Morocco-based, **Nareva**, a private energy company indirectly controlled by the Moroccan monarchy. Taqva and Nareva will be expected to produce more electricity and develop several desalination plants. Also central to the investment deal will be the construction of a 1,400km high-voltage transmission corridor stretching from the Western Sahara to **Casablanca** and supported by a network of sophisticated seawater desalination facilities.

Speaking on these major developments, industry minister, **Ryad Mezzour**, said on 21 May that for the first time, industry operators in Morocco will have access to an "unlimited amount of energy at the most competitive prices".⁴ **Chakib El Alj**, the head of Morocco's main business lobby group, **Confederation Generale des Entreprises du Maroc (CGEM)**, also said the country is on track to contribute 4% of global green hydrogen production by 2030. State-owned giant **OCP SA's** manufacturing executive director **Ahmed Mahrou** further noted that the company intends to produce three million tonnes of green ammonia in 2027. This would make OCP the largest producer of carbon-free fertiliser in the world.

These developments come almost two months after 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

¹ Morocco World news, 22 May 2025

² Bloomberg, 21 May 2025

³ Morocco World news, 22 May 2025

⁴ Bloomberg, 21 May 2025

319 billion (\$31.9 billion) (see *ARC Morocco Briefing Mar 2025*).⁵ 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 United States' (US) Ortus** to produce green ammonia;
- Taqa and Spain's **Cepsa** to produce ammonia and fuel;
- Nareva 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.⁶

Morocco's plans to increase its energy supply and 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 in May 2024 that warned that high dependence on energy imports and seasonal agricultural production makes Morocco's economy vulnerable to climate risks.⁷ Collectively, these projects and developments could also position Morocco as an emerging leader in the global green economy and by 2030, the country could not only be meeting growing domestic demand but emerge as a key exporter of clean energy and green fertilisers.

Morocco creates 282,000 jobs as employment rate declines to 13.3%...

Haut Commissariat au Plan (high commission of planning) reported on 5 May that Morocco's economy added 282,000 jobs between the first quarters of 2024 and 2025, a significant development given between the first quarters of 2023 and 2024, 80,000 jobs were lost. The HCP revealed that most jobs were created in the urban area, with 285,000 new positions added, which offset a slight decrease of 3,000 jobs in rural areas. The services sector dominated job creation with 216,000 new positions (a 4% rise), followed by industry with 83,000 jobs (6% increase) and construction with 52,000 (4% growth).

The HCP further revealed that Morocco's unemployment rate declined by 0.4% to 13.3% from 13.7%, with urban unemployment dropping by 1% to 16.6%.⁸ However, the unemployment rate in rural areas rose by 0.5% to 7.3%. There was also positive movement in labour force participation, with the activity rate increasing by 0.3% to 42.9% domestically.⁹ The national employment rate also increased by 0.5% to 37.2%, with urban areas registering a 0.8% rise to 34.6%, while rural areas saw a marginal 0.2% decrease to 42.3%.

Overall, the number of employed people in Morocco decreased by 15,000, declining to 1,630,000 from 1,645,000, a 1% reduction.¹⁰ The unemployment rate can fall even if the number of employed people also falls, because the rate depends on how many people are actively in the labour force. If fewer people are looking for work, for example if they retired or have chosen to not work, the unemployment rate drops even if total employment declines slightly.

The decline came despite difficult conditions for young job seekers, as joblessness among those aged 15 to 24 rose by 1.8 points to 37.7%. However, other age groups registered improvements, with unemployment declining by 0.8 points among 25 to 34 year-olds, 0.5 points for those aged 35 to 44, and 0.6 points for workers 45 and older. Joblessness among diploma holders dropped by 0.9 points to 19.4%, with notably strong improvements for technical certificate holders (-3.9 points) and vocational qualification graduates (-3.6 points). An ARC source raised concerns about the relatively high youth unemployment:

⁵ Morocco World News, 6 Mar 2025

⁶ Reuters, 6 Mar 2025

⁷ European Bank for Reconstruction and Development, 16 May 2024

⁸ North Africa Post, 5 May 2025

⁹ Haut Commissariat au Plan, 5 May 2025

¹⁰ North Africa Post, 5 May 2025

“How can the youth be the future if we can’t even find work? People are getting frustrated. If nothing changes, people will lose hope”.¹¹

Despite several ongoing challenges, particularly for youth and rural workers, Morocco’s overall employment landscape is showing signs of recovery, with strong urban job growth and falling unemployment among older and more qualified job seekers. The latest data indicates that the government’s targeted policies and sectoral expansion are gradually improving labour market conditions.

African Lion 2025 military exercises conclude...

The **Forces Armées Royales Marocaines (FAR)** (royal armed forces) launched the multinational military training programme **African Lion** on 12 May which ran until 23 May.¹² African Lion, the largest annual military exercise organised by the **United States (US) Africa Command (AFRICOM)** and Morocco, was being held for the 21st year and AFRICOM said in a press release on 12 May that the exercises demonstrates the enduring strategic military partnership between Morocco and the US “*showcasing our shared commitment to regional stability and security*”.¹³ The exercises also aim to promote the exchange of military experiences, enhance interoperability and strengthen cooperation and training.

This year’s exercise was held in six regions including **Agadir, Benguerir, Kenitra, Tan-Tan, Tifnit and Tiznit**.¹⁴ The FAR noted that African Lion 2025 trained about 10,000 military members from Morocco, the US, and other allied countries, including **North Atlantic Treaty Organization (NATO)** forces, with the multinational partners working to share techniques on land, air and sea strategy.¹⁵ Participating nations included **Cameroon, Israel, Djibouti, France, Cape Verde, Gambia, Guinea-Bissau, Hungary, Ghana, Nigeria, Kenya, Portugal, the Netherlands, the United Kingdom (UK),** and the US.¹⁶ Participating nations also trained to respond to global conflicts such as cyber warfare, terrorism, nuclear and chemical threat response, planning operations and combined air-ground manoeuvres.

Senior military officials from Morocco and the US countries attended the military exercises, including RAF inspector general, General **Mohamed Berrid**, and AFRICOM commander, General **Michael Langley**. Both officials commended the coordination between the two armies and Langley said that the training demonstrates how both countries can respond collaboratively to growing security threats, particularly in the **Sahel** region.

While Morocco has been the primary host of the African Lion for the last 21 years, in recent years, there have been many lobbying attempts against the country’s hosting rights of the military exercises. In July 2021, the now-retired US senator **James Inhofe**, a critic of Morocco’s control over Western Sahara, requested the search for alternative locations for the military exercise.¹⁷ However, several US military officials, including the former commander of AFRICOM, **Stephen Townsend**, stressed the impossibility of finding an alternative African host country for the African Lion as excellent as Morocco. **Eldridge Browne**, the chief of exercises for the **US Southern European Task Force-Africa (SETAF-AF)** also said on 12 May that Morocco has been a “*strategic partner*” for the US in hosting the events for the past 21 years:

“Their steadfast support, multinational inclusion, and unwavering support make the exercise successful year after year. They remain a vital and trusted partner in our shared pursuit of stability and security in the region”.¹⁸

¹¹ ARC Source, local resident, Rabat

¹² North Africa Post, 12 May 2025

¹³ Morocco World News, 24 May 2024

¹⁴ North Africa Post, 12 May 2025

¹⁵ Forces Armées Royales Marocaines, 12 May 2023

¹⁶ North Africa Post, 12 May 2025

¹⁷ Morocco World News, 5 Jun 2022

¹⁸ North Africa Post, 12 May 2025

Another potential reason behind Morocco hosting the exercise is its reliance on US weapons. The **Stockholm International Peace Research Institute (SIPRI)** database indicates that Morocco buys around 90% of its weaponry from the US, 9.2% from France and only 0.3% from the UK.

Planner

30 Jul 2025 (**Morocco**) Throne Day (national holiday)

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

21 Dec 2025 – 18 Jan 2026 (**Morocco**) Morocco to host 2025 **Africa Cup of Nations (AFCON)**

2026 (**Morocco**) General election

Chronology

25 May 2025 **Rabat (Morocco)** *Morocco World News*. Foreign minister **Nasser Bourita** reaffirms Morocco commitment to supporting **Ecuador's** President **Daniel Noboa** in advancing his country's development and stability during Noboa's inauguration;

23 May 2025 **Rabat (Morocco)** *Morocco World News*. Morocco and the **African Development Bank (AfDB)** are consolidating their strategic partnership to accelerate major development projects through an ambitious portfolio review of €2.9 billion (\$3.3 billion) in structural investments;

22 May 2025 **Rabat (Morocco)** *Gulf Observer*. Energy transition and sustainable development minister **Leila Benali** and her **Malian** counterpart **Mariam Tangara Doumbia** hold virtual talks to strengthen bilateral cooperation on climate and environmental challenges;

21 May 2025 **Rabat (Morocco)** *Reuters*. **China's Gotion High Tech** will finally begin construction of Africa's first gigafactory within days in **Kenitra**, northwestern Morocco, for a total investment \$6.5 billion;

21 May 2025 **Rabat (Morocco)** *Morocco World News*. A Moroccan delegation attends a **United Nations C-24 Regional Seminar**, organised by the **United Nations Special Committee on Decolonisation**, to present recent developments on **Western Sahara**;

19 May 2025 **Rabat (Morocco)** *North Africa Post*. The **European Union (EU)** has become the latest sponsor of the 2025 **African Cup of Nations**, which will be hosted in Morocco this December;

18 May 2025 **Rabat (Morocco)** *North Africa Post*. King **Mohammed VI** is represented at the official inaugural mass for Pope **Leo XIV's** pontificate by prime minister **Aziz Akhannouch**;

15 May 2025 **Rabat (Morocco)** *Morocco World News*. Economic inclusion and small business minister **Younes Sekkouri** announces that the government will soon launch a MAD 1 billion (\$100m) support programme for very small enterprises;

15 May 2025 **Cairo (Egypt)** *Daily News Egypt*. **General Authority for Investment and Free Zones** CEO **Hossam Heiba** states during **Connecting Markets for the Future** conference that the government is developing strategies to enhance investment flows and trade across **Africa**, including launching a unified electronic licensing platform to simplify investor procedures and foster integrated partnerships with countries such as **Morocco**;

14 May 2025 **Rabat (Morocco)** *Morocco World News*. **Reformist Movement Party**, currently part of **Belgium's** ruling coalition government, announces plans to submit a bill to Belgium's federal parliament recognising Morocco's sovereignty over **Western Sahara**;

13 May 2025 **Rabat (Morocco)** *Morocco World News*. Energy transition and sustainable development minister **Leila Benali** reveals that the **Nigeria-Morocco Pipeline** project has

made significant progress, with plans underway to create a special purpose vehicle and a final investment decision expected by year end;

11 May 2025 **Rabat (Morocco)** *Morocco World News*. **Pakistan's** ambassador to Morocco, **Syed Adil Gilani**, highlights growing diplomatic relations between Morocco and Pakistan, emphasising their historical ties and future cooperation plans, also discussing a newly forged bilateral agreement, facilitated by Morocco's **House of Councillors**, aimed at strengthening these ties and fostering lasting partnerships;

9 May 2025 **Rabat (Morocco)** *North Africa Post*. **South Korea** expresses support for Morocco's autonomy plan for the **Western Sahara**;

7 May 2025 **Rabat (Morocco)** *North Africa Post*. Morocco has maintained its position as **North Africa's** tourism leader in the first quarter of 2025, welcoming four million visitors, a 22% increase compared to the same period last year. This performance keeps Morocco ahead of **Egypt** (3.9 million visitors) and **Tunisia** (2.3 million visitors);

6 May 2025 **Rabat (Morocco)** *Morocco World News*. **Morocco** enters the high human development category in the **2025 UNDP Human Development Index (HDI)**, with an improved score of 0.710, surpassing the 0.700 threshold despite maintaining its global rank of 120th out of 193 countries;

2 May 2025 **Rabat (Morocco)** *North Africa Post*. The foreign exchange office says Morocco's tourism continues its notable performance with a 2.4% increase in receipts by the end of March 2025, compared to the same period in 2024, with nearly 24.63 billion dirhams (\$2.5 billion);

1 May 2025 **Rabat (Morocco)** *Morocco World News*. Economic inclusion minister **Younes Sekkouri** confirms that Morocco's average net monthly salary is projected to rise from MAD 8,237 (\$896) in 2021 to MAD 10,100 (\$1,099) by early 2026;

30 Apr 2025 **Rabat (Morocco)** *Independent*. The **Algerian** government proposes a law to streamline military mobilisation amid tensions with neighbouring countries Morocco and **Mali**, as well as former colonial ruler **France**;

28 Apr 2025 **Rabat (Morocco)** *Reuters*. Foreign ministers of **Burkina Faso**, **Mali** and **Niger** endorse an initiative offering them access to global trade through Morocco's **Atlantic** ports during a meeting with King **Mohammed VI**;

About Africa Risk Consulting:

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