

AFRICA RISK CONSULTING

Morocco Monthly Briefing September 2025

Morocco Summary 30 September 2025

United States (US)-headquartered S&P Global Ratings upgrades Morocco's long-term foreign-currency rating from BB+ to BBB- with a stable outlook, restoring Morocco's investment-grade status. Bank Al-Maghrib (central bank) opts on 23 September to keep its benchmark interest rate at 2.25%, citing global uncertainties, trade tensions, regional conflicts and climate-related impacts on agriculture. The Haut Commissariat au Plan (HCP) (high commission of planning) reports on 22 September that annual inflation cooled marginally to 0.3% in August from July's three-month high of 0.5%, the lowest rate since April 2024. The Office des Changes (foreign exchange office) announces on 3 September that remittances from Moroccans living abroad reached a record MAD 119 billion (\$13 billion) in 2024, marking a 3.3% increase from the previous year.

Morocco becomes Africa's sole investment-grade Eurobond issuer...

United States (US)-headquartered S&P Global Ratings [announced](#) on 26 September that it upgraded Morocco's long-term foreign-currency rating from BB+ to BBB- with a stable outlook, restoring Morocco's investment-grade status and making it the only **African** sovereign **Eurobond** issuer with such a ranking, putting it on par with countries like **Hungary** and **Oman**. Morocco lost its investment-grade standing in 2021 after the **Covid-19** pandemic and a severe drought hit its tourism and agriculture-dependent economy. S&P [credited](#) the rebound to "a strong policy mix and structural reform momentum".

S&P added that Morocco's economy showed strong momentum in the first half of 2025, with GDP growing by 4.8% in the first quarter, driven by construction, manufacturing, tourism, ICT, and stronger agricultural and phosphate output. High-frequency indicators suggest this carried into the second quarter, with cement sales rising 15.3% (up from 4.6% in the first quarter), phosphate output increasing 18% (from 12%) and tourism receipts surging over 19% (from 4%). As a result, unemployment eased to 12.8% in June, down from 13.1% a year earlier, but still above pre-pandemic levels. The economy is also benefiting from much stronger exports, with current account receipts projected at 52% of GDP in 2025 versus 38% in 2015.

Fellow US rating houses, **Moody's** and **Fitch Ratings**, still [rank](#) Morocco in the top tier of junk territory but maintain stable outlooks. Despite this, Morocco demonstrated strong market appeal by issuing a €2 billion (\$2.3 billion) bond in March, drawing more than triple that amount in bids, with yields tightening by 40 basis points since. Morocco has managed to weather external shocks relatively well, with the **Banque al Maghrib (BAM)** (central bank) projecting 4.6% growth this year and inflation holding below 1% since April after topping 10% in early 2023.

Looking ahead, S&P [says](#) Morocco's economy will be supported by large infrastructure projects tied to the 2025 **Africa Cup of Nations (AFCON)**, the 2030 **FIFA World Cup**, and broader investments in energy, health, and transport. The country's position between **Europe** and **Sub-Saharan Africa** also makes it well-placed to capture additional trade flows. S&P also said a eurozone recovery from 2026, together with **Spain's** strong performance, which takes about a quarter of Morocco's exports, should further boost demand for Moroccan goods and services. Despite rising global trade tensions, Morocco further enjoys a relatively low effective tariff rate of 13.6% and limited exposure to the US market, with exports there making up less than 3% of the total. S&P also projects that Morocco's budget deficit will narrow to 3% of GDP in 2026, supported by higher government revenue, resulting in a slow decline in the general government debt-to-GDP ratio, while the current account deficit will

remain contained, averaging 2.1% of GDP over 2025-2028. That said, risks remain, including geopolitical instability and a delayed eurozone recovery, which could still weigh on growth.

The upgrade is [expected](#) to strengthen Morocco's ability to attract foreign direct investment, which the country is counting on to drive growth and ease unemployment in its \$154 billion economy. The improved rating also comes as Morocco [prepares](#) to ramp up spending ahead the 2030 World Cup, which it is co-hosting with Spain and **Portugal**. Investments worth an estimated \$35 billion are planned by then, including stadium upgrades, ports, railways, airline expansion and reconstruction in areas affected by the 2023 **Marrakesh** earthquake.

Overall, Morocco's upgraded rating and robust economic momentum position the country for sustained growth, increased investment and stronger resilience to external shocks in the years ahead.

Central bank holds benchmark rate at 2.25 again, even as inflation cools to 0.3%

Bank Al-Maghrib (central bank) [opted](#) on 23 September to keep its benchmark interest rate at 2.25%, citing global uncertainties, trade tensions, regional conflicts and climate-related impacts on agriculture. While BAM has cut rates three times since June of 2024 to help fuel increased spending ahead of the 2030 World Cup, the pause reflects caution amid regional tensions in the **Middle East** and evolving US trade policies. BAM's **Monetary Policy Committee (MPC)** said in its statement that it considers that "*uncertainties weighing on the economic outlook remain high*", particularly as the fallout from **Israel's** war in **Gaza** continues to unsettle crude and other commodity markets.

At its previous quarterly policy meeting on 24 June, the MPC paused its monetary-easing cycle, choosing caution even as a tentative **Iran**-Israel ceasefire appeared to ease immediate concerns over a potential rise in consumer prices (*see ARC Briefing Morocco Jun and Jul 2025*). Announcing the first hold since September 2024, BAM elected at its June meeting to maintain its key interest rate at 2.25% citing an "*exceptional level of uncertainty*" around its medium-term macroeconomic outlook, citing factors including the Israel-Iran conflict and recent shifts in US trade policy. BAM has maintained the same cautious stance, keeping rates on hold even as inflation eased last month, highlighting the central bank's focus on navigating persistent global and regional uncertainties.

Haut Commissariat au Plan (HCP) (high commission of planning) [announced](#) on 22 September that annual inflation rate had cooled marginally to 0.3% in August from July's three-month high of 0.5%. This marks the lowest rate since April 2024, mainly driven by slower rises in food and non-alcoholic beverage prices, which increased by 0.2% month-on-month in August compared to 0.9% in July. Inflation also cooled in several categories, including for furnishings (0.6% vs 0.8%) and restaurants and hotels (2.9% vs 3.4%). Inflation remained unchanged for alcoholic beverages and tobacco (3.5%), housing and utilities (0.6%), healthcare (0.2%), and education (2.3%). However, inflation quickened for clothing and footwear (0.9% vs 0.7%) and miscellaneous goods and services (1.6% vs 1.5%), while transport prices declined at a slower pace (2.4% vs 2.9%).

On a monthly basis, consumer prices increased by 0.5% in August, rebounding from a 0.1% decline in July, marking the fastest monthly increase in seven months. Core inflation, which excludes volatile items such as food and state-regulated tariffs, increased 0.7% in August from a 0.9% rise in July, marking the lowest point since March 2021. While some categories saw modest increases, the broader trend points to a stable inflation environment, giving BAM flexibility to navigate external uncertainties without immediate policy tightening.

BAM expects inflation to hover around 1% by the end of 2025 before settling at 1.9% in 2026, and core inflation should follow a similar trajectory. Given these forecasts, the MPC is likely to maintain its cautious stance in the near term, balancing support for economic growth ahead of the 2030 World Cup with vigilance over regional and global risks.

Diaspora remittances hit a record \$13 billion in 2024

The **Office des Changes** (foreign exchange office) [announced](#) on 3 September that remittances from Moroccans living abroad reached a record MAD 119 billion (\$13 billion) in 2024, marking a 3.3%

increase from the previous year. These inflows have grown at an average annual rate of 5.7% since 2021, reflecting the steady contribution of the Moroccan diaspora to the national economy.

The foreign exchange office also reported that the net balance of private current transfers rose from MAD 128.4 billion (\$13.8 billion) in 2023 to MAD 133.5 billion (\$14.4 billion) in 2024, driven primarily by a 4.5% increase in revenues, partially offset by a 19.2% rise in expenditures. Most of this growth came from higher remittances, which rose by MAD 3.8 billion (\$410m), underscoring the central role of diaspora funds in supporting household incomes and stabilising Morocco's external accounts. Public current transfers also saw an improved surplus, increasing by MAD 1.2 billion (\$130m) to MAD 3.6 billion (\$390m), largely due to a 35.4% jump in revenues.

These remittance inflows [contribute](#) significantly to Morocco's foreign exchange reserves and overall economic resilience. The funds, which are a vital source of income to economically disadvantaged families, was MAD 115.3 billion (\$11.8 billion then), accounting for more than 8% of Morocco's Gross Domestic Product (GDP) in 2023, surpassing foreign direct investment (FDI) flows that year which reached \$11.1 billion or 0.76% of GDP. Recognising their importance, the government has [implemented](#) measures to facilitate diaspora investment, streamline administrative procedures and create opportunities that encourage Moroccans abroad to channel funds into national development projects. As Morocco strengthens ties with its diaspora, these transfers remain a cornerstone of its economic strategy.

Planner

21 Dec 2025 – 18 Jan 2026 **(Morocco)** Morocco to host 2025 **Africa Cup of Nations (AFCON)**
 2025/2026 **(Morocco)** King **Mohammed VI** expected to make a state visit to **France**;
 2026 **(Morocco)** General election

Chronology

28 Sep 2025 **Marrakech (Morocco)** *Africa Business Insider*. **United States**-headquartered **S&P Global Ratings** upgrades Morocco's long-term foreign-currency rating from BB+ to BBB- with a stable outlook, restoring its investment-grade status, making Morocco the only **African** sovereign **Eurobond** issuer with such a ranking;

25 Sep 2025 **Rabat (Morocco)** *Reuters*. **United States (US)** deputy secretary of state **Christopher Landau** says the US backs investments in disputed **Western Sahara**, where Morocco has been building infrastructure to attract foreign investors;

24 Sep 2025 **Rabat (Morocco)** *Times Live*. **Bank Al-Maghrib** (central bank) keeps its benchmark interest rate at 2.25%, citing global uncertainties, trade tensions, regional conflicts and climate-related impacts on agriculture, while projecting economic growth of 4.6% in 2025 and 4.4% in 2026;

23 Sep 2025 **Rabat (Morocco)** *Morocco World News*. The **General Confederation of Moroccan Enterprises (CGEM)** and Mexico's industrial chambers sign a memorandum of understanding to strengthen economic and industrial cooperation;

23 Sep 2025 **Casablanca (Morocco)** *Reuters*. **India's Tata Advanced Systems Limited**, part of the **Tata Group**, opens a plant near Casablanca to produce armoured combat vehicles, in a move that dovetails with Morocco's recent efforts to stimulate a homegrown defence industry;

22 Sep 2025 **Rabat (Morocco)** *Morocco World News*. At the **United Nations General Assembly** high-level dialogue, foreign minister **Nasser Bourita** highlights Morocco's progress in migration governance, including initiatives such as the **African Agenda on Migration**, the **African Migration Observatory** and the **2018 Global Compact for Safe, Orderly and Regular Migration**;

21 Sep 2025 **Rabat (Morocco)** *Morocco World News*. **Nigeria-Morocco Gas Pipeline** reaches key milestones in engineering and environmental studies, with preparations underway to accelerate the next phases following the treaty signing and creation of a supervising company;

20 Sep 2025 **Casablanca (Morocco)** *Middle East Monitor*. **Chinese** foreign minister **Wang Yi** and his Moroccan counterpart **Nasser Bourita** sign a memorandum of understanding (MoU) on establishing a strategic dialogue mechanism;

18 Sep 2025 **Rabat (Morocco)** *Morocco World News*. **European Bank for Reconstruction and Development (EBRD)** approves a loan of up to €10m (\$11.77m) to **Fondation Arrawaj**, one of Morocco's largest microfinance institutions, aimed at supporting young entrepreneurs and small businesses;

17 Sep 2025 **Rabat (Morocco)** *Morocco World News*. **National Defense Administration** warns **Apple** users, including those with iPhones, iPads, Macs, and other devices, to install urgent system updates following the discovery of critical security vulnerabilities;

16 Sep 2025 **Rabat (Morocco)** *Morocco World News*. Morocco achieves its highest ranking in the **2025 Global Innovation Index**, placing 57th globally and entering the top 60 for the first time, signalling its emergence as a regional innovation leader;

14 Sep 2025 **Rabat (Morocco)** *Morocco World News*. Ambassador to **Kuwait**, **Ali Benaissa**, announces that Morocco aims to double its economic exchanges with **Kuwait**, highlighting the growth of Kuwaiti investments in Morocco to \$1.5 billion over the past three years;

10 Sep 2025 **Rabat (Morocco)** *Morocco World News*. Rabat is hosting the first **North Africa Smart Infrastructure Summit**, bringing together over 120 speakers and 800 delegates to explore opportunities in hospitality, sports infrastructure, transport and real estate;

9 Sep 2025 **Rabat (Morocco)** *Morocco World News*. At the **United Nations Human Rights Council** in **Geneva (Switzerland)**, the **Central African Republic**, speaking for 40 countries, reaffirms strong support for Morocco's sovereignty over **Western Sahara** and endorses Morocco's autonomy plan as a "*serious and credible*" solution;

8 Sep 2025 **Dakar (Senegal)** *Sika Finance*. **Morocco**-headquartered **Managem Group** commissions production at its 230 billion FCFA (\$412.44m) **Boto** gold mine;

7 Sep 2025 **Rabat (Morocco)** *Morocco World News*. Morocco places its **Atlantic Initiative** at the centre of discussions during the **2nd Africa-Caribbean Community (CARICOM) Summit**, presenting it as a model of south-south cooperation;

4 Sep 2025 **Rabat (Morocco)** *Morocco World News*. **Casablanca Stock Exchange** opens strongly with the **MASI index** rising 0.24% to 20,193.98 points;

3 Sep 2025 **Rabat (Morocco)** *Morocco World News*. Following years of negotiations, Morocco has officially ordered ten H225M Caracal helicopters from **France**-headquartered **Airbus**;

30 Aug 2025 **Rabat (Morocco)** *Morocco World News*. **China**-headquartered automotive components manufacturer, **Heilongjiang Tianyouwei Electronics**, plans to invest \$70.85m to establish a wholly-owned subsidiary in Morocco, creating a key international production base;

28 Aug 2025 **Rabat (Morocco)** *Morocco World News*. Foreign minister **Nasser Bourita**, reaffirms a dialogue-first approach with **Spain** on maritime border delimitation, emphasising adherence to international law and peaceful dispute resolution;

27 Aug 2025 **Rabat (Morocco)** *Morocco World News*. **National Federation of Cereal and Vegetable Traders** data shows that between January and July, Morocco reduced its cereal imports by 11%, importing 5.847 million tonnes compared to 6.57 million tonnes in the same period in 2024;

26 Aug 2025 **Rabat (Morocco)** *Morocco World News*. **Africa Wealth Report 2025** reveals Morocco ranks third in Africa, with the country's high-net-worth population growing 40% in the past decade, making it one of Africa's fastest-growing wealth markets, while cities like **Marrakech** and **Casablanca** are emerging as major wealth hubs;

23 Aug 2025 **Rabat (Morocco)** *Morocco World News*. **Paraguay** officially recognises Morocco's sovereignty over **Western Sahara** territories and is planning to open a consulate in the southern provinces;

20 Aug 2025 **Rabat (Morocco)** *Morocco World News*. **United Nations (UN)** praises Morocco for sending 100 tonnes of food and medical aid to **Gaza**, where residents face severe shortages due to the ongoing **Israeli** blockade;

19 Aug 2025 **Rabat (Morocco)** *Morocco World News*. Foreign affairs minister **Nasser Bourita** reveals that the **European Union (EU)** approved 606,000 **Schengen** visas for Moroccans in 2024, with a refusal rate of approximately 20%;

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