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The United States (US) Mission to the United Nations (UN) announces that it has convened rare discussions involving long-standing rivals Morocco and Algeria over the future of Western Sahara. The Haut Commissariat au Plan (HCP) (high commission for planning) announces on 20 February that Morocco's consumer prices were 0.8% lower in January 2026 than a year earlier, extending a trend of falling prices over the past few months. The energy ministry announces on 2 February that Morocco has temporarily paused its \$1 billion plan to build a liquefied natural gas (LNG) import terminal at the Nador West Med port on its Mediterranean coast, a project designed to strengthen energy security. Figures from the HCP indicate that in 2024 the country's fertility rate fell to 1.97 children per woman, below the critical replacement level of 2.1.

US pushes Western Sahara talks

The **United States (US) Mission to the United Nations (UN)** [announced](#) on 9 February that it had recently convened rare discussions involving long-standing rivals **Morocco** and **Algeria** over the future of **Western Sahara**, as the US seeks to push forward a resolution to one of **Africa's** longest-running territorial disputes. According to the US mission, senior delegations from the US and UN facilitated discussions in **Madrid (Spain)** with Morocco, Algeria, **Mauritania** and the Western Sahara separatist group **Polisario Front**, which Algeria backs. The discussions focused on implementing the 31 October **UN Security Council (UNSC)** [resolution](#) on Western Sahara, a resource-rich **Atlantic** territory claimed by Morocco but contested by Polisario (*see ARC Briefing Morocco Nov 2025*). However, the US did not provide details on the substance of the discussions or indicate whether progress was made.

Diplomatic relations between Morocco and Algeria have been severed since 2021, with Western Sahara remaining a central source of tension alongside Morocco's normalisation of relations with **Israel**. However, a push for a solution has intensified toward a political settlement after the UN signalled openness to Morocco's proposal for limited autonomy for Western Sahara under Moroccan sovereignty, but Algeria and the Polisario have remained steadfast in their objections.

During US president **Donald Trump's** (2017-2021; 2025-present) second term, he has [emphasised](#) his role as a global peacemaker while pursuing a **Nobel Peace Prize**. Trump's recognition of Moroccan sovereignty in 2020 helped spur investment in Western Sahara, with countries such as the **United Kingdom (UK)**, **France** and **Spain** later adopting similar positions. The US, UK and France are permanent members of the UNSC, giving Morocco an unprecedented diplomatic advantage as it consolidates international support for its position. This alignment among major powers not only strengthens Morocco's leverage but also reshapes the geopolitical landscape around the dispute, with an increasing number of **European** governments changing their policies in the same direction.

Despite that, the Polisario continues to claim periodic attacks on Moroccan forces, though these are difficult to verify independently. Algeria is very unlikely to change its decades-long position on Western Sahara, given that support for the Polisario Front remains a central pillar of its foreign policy. Algeria continues to frame the dispute as a question of decolonisation and self-determination, and any reversal, particularly in favour of Morocco, which it considers a major rival, would be seen as a strategic humiliation.

Annual inflation drops 0.8% despite 0.3% rise in January prices

The **Haut Commissariat au Plan (HCP)** (high commission for planning) announced on 20 February that Morocco's consumer prices were 0.8% lower in January 2026 than a year earlier, extending a trend of falling prices over the past few months. The drop was mainly driven by cheaper food and non-alcoholic beverages, which fell 2.4% compared with January 2025, along with declines in transport (-2.9% vs -1.4%), communication (-0.4% vs -0.4%), and recreation costs and culture (-0.4% vs -0.5%). Some categories bucked the trend, including alcoholic drinks and tobacco (+3.7%), restaurants and hotels (+2.3%), education (+2.1%), and miscellaneous goods and services (+2.8%), which all saw price rises. Looking at month-to-month changes, prices rose 0.3% from December 2025, reflecting a small rebound in food prices, even as non-food items were mostly unchanged. This means that while prices are still lower than a year ago, they rose modestly from the previous month, driven primarily by higher food prices. Core inflation, which excludes volatile items like food and administered prices, remained flat compared with December and was down 1.2% from January 2025.

While annual inflation is negative at -0.8%, showing that prices have fallen over the past year, monthly inflation was positive, with a slight uptick in January compared with December. Overall, Morocco is still seeing lower prices than a year ago, particularly for food and transport, but the small monthly rise in January suggests that inflationary pressures may be starting to creep back, especially in essential items such as food.

Morocco puts gas projects on hold

The energy ministry [announced](#) on 2 February that Morocco has temporarily paused its \$1 billion plan to build a liquefied natural gas (LNG) import terminal at the **Nador West Med** port on its **Mediterranean** coast, a project designed to strengthen energy security and reduce reliance on more polluting fuels. The terminal was expected to have a capacity of 5 billion cubic metres (bcm) per year – more than four times the country's current annual gas demand of 1.2 bcm – and would have been linked to major industrial zones through new pipeline infrastructure. The Mediterranean terminal forms part of a broader \$3.5 billion strategy to expand Morocco's gas consumption to 12 bcm by 2030, including additional LNG entry points along the **Atlantic** coast (*see ARC Briefing Morocco Dec 2025*).

The ministry said the decision to freeze the project indefinitely was taken in light of “*new parameters and assumptions*”, affecting what it considers an important project for the country. Notably, the announcement followed recent meetings between King **Mohammed VI** (1999-present) and senior officials, including energy minister **Leila Benali**, to discuss progress at the Nador West Med port, making the sudden pause all the more surprising for markets.

Despite the pause, authorities insist the project has not been abandoned. Senior ministry official **Mohamed Ouhmed** [said](#) on 3 February that Morocco plans to relaunch the initiative and issue new tenders “*in due course*”. He cited constant changes in global gas markets as a key reason for reviewing the project's assumptions, pointing to ongoing volatility in international LNG prices driven by weather fluctuations, geopolitical risks and speculative trading. Analysts agree that volatility in global gas markets is a major issue, noting that gas prices have been particularly unstable this year, with sharp swings across the US and **Europe** driven by weather disruptions, geopolitical tensions and speculative trading. Although global supply is expected to rise in the coming years, with new export capacity coming online in several countries, including in the US, **Mozambique**, **Namibia** and **Qatar**, continued price instability has complicated long-term investment decisions. Benali told lawmakers on 2 February that concerns from public and private stakeholders were also partly responsible for setbacks in natural gas development. She emphasised that they had had concerns that the potential monopolies in gas infrastructure could possibly lead to inflated consumer prices.

The pause highlights Morocco's delicate balancing act as it navigates global market uncertainty, domestic concerns and the need to secure affordable energy for its growing economy. While the timing of the project's resumption remains unclear, the government's continued commitment to LNG infrastructure signals that Morocco is determined to strengthen its energy security and modernise its gas sector, even if it must adapt plans to changing circumstances along the way.

Aging population presents economic and social challenges

Morocco has entered a new demographic phase that will shape its economy and society for decades. Haut Commissariat au Plan (HCP) figures [indicate](#) that in 2024 the country's fertility rate fell to 1.97 children per woman, below the critical replacement level of 2.1, indicating that Morocco is moving away from population growth and toward an ageing society.

The HCP's figures show that the country's age structure is [shifting](#), with the share of children under 15 declining, while the number of people over 60 is steadily increasing. This trend has been building for decades. Fertility has dropped sharply from 7.2 children per woman in the 1960s to below two today, while life expectancy has risen to 76.4 years. By 2040, the number of Moroccans aged over 60 is expected to grow from 5.1 million in 2024 to nearly 7.9 million.

Despite that, Morocco is still expected to benefit from a relatively strong working-age population. The number of working-age people is projected to increase from 22.1 million in 2024 to 24.8 million by 2040. However, the long-term pressures are clear. As the population ages, pension systems and healthcare services will face growing strain. Chronic illnesses and ageing in rural areas will increase the demand for specialised and long-term care. Meanwhile, high youth unemployment (almost 39%), low female labour participation, housing costs and limited childcare remain obstacles to stronger economic growth. Therefore, Morocco's demographic shift is not just a population trend, but a major policy test for the years ahead.

Notably, this trajectory [contrasts](#) with much of **Sub-Saharan Africa**, where high fertility and youthful populations continue to fuel rapid population growth. While many African countries are still grappling with the pressures of rapid population expansion, Morocco is confronting the opposite challenge: managing the economic and social consequences of ageing.

Planner

2026 **(Morocco)** King **Mohammed VI** expected to make a state visit to **France**;

2026 **(Morocco)** General election

Chronology

23 Feb 2026 **Rabat (Morocco)** *Morocco World News*. Morocco's steel industry faces overcapacity as domestic demand remains weaker than installed production, forcing producers to rely increasingly on exports amid falling international prices and rising competition from **China, Turkey and Europe**;

20 Feb 2026 **Rabat (Morocco)** *Aljazeera*. **United States (US)** army general **Jasper Jeffers** says Morocco has pledged to send troops to **Gaza**;

19 Feb 2026 **Rabat (Morocco)** *Morocco World News*. **Anglo-Australian** consulting firm **HSF Kramer** reports that Morocco completed nearly 100 mergers and acquisitions in 2025, a 65% increase from 2024, reflecting its growing role as a **North African** transactional hub despite global economic uncertainties;

18 Feb 2026 **Rabat (Morocco)** *Morocco World News*. **United States (US)**-based **Fitch Solutions** projects Morocco's economy to grow by 3.7% in 2026 and maintain a low enterprise risk rating of B1, supported by diversified sectors including manufacturing, mining, agriculture and tourism, with public finances remaining relatively stable;

17 Feb 2026 **Rabat (Morocco)** *Morocco World News*. **European Union (EU)**'s **European Investment Bank (EIB)** reports that it significantly expanded its partnership with Morocco in 2025, providing €740m (\$810m) in financing, including €70m (\$77m) for drinking water systems, €170m (\$186m) for electricity grid upgrades, and €500m (\$547m) for post-earthquake infrastructure reconstruction;

16 Feb 2026 **Rabat (Morocco)** *Reuters*. Moroccan authorities begin organising the gradual return of residents to the city of **Ksar El Kebir** and other flood-hit northwestern areas as weather conditions improve;

13 Feb 2026 **Rabat (Morocco)** *Morocco World News*. **Russia's** ambassador to Morocco, **Vladimir Baibakov**, reveals that bilateral trade between the two is valued at \$2 billion despite Western sanctions;

13 Feb 2026 **Rabat (Morocco)** *Reuters*. **Safran Landing Systems**, a subsidiary of **French** aerospace group **Safran**, signs a deal with Morocco to set up **Airbus A320** aircraft landing gear factory near **Casablanca** worth \$332m;

12 Feb 2026 **Rabat (Morocco)** *Reuters*. Morocco plans to spend 3 billion dirhams (\$330m) to upgrade infrastructure and support flood-hit residents, farmers and businesses in its northwestern plains;

10 Feb 2026 **Rabat (Morocco)** *Morocco World News*. Morocco signs eight agreements with public institutions and private-sector partners to launch **Idarati X.0**, a new digital government platform aimed at modernising public administration;

8 Feb 2026 **Rabat (Morocco)** *North Africa Post*. Moroccan authorities continue evacuation of residents from four provinces hit by floods and flash floods for the 12th consecutive day, as water levels in dams and river valleys rose amid ongoing heavy rainfall;

5 Feb 2026 **Rabat (Morocco)** *Morocco World News*. Finance minister **Nadia Fettah** dismisses **Noureddine Bensouda** as director general of the treasury after more than 16 years in the role, and appoints customs chief **Abdelatif Amrani** as interim replacement;

4 Feb 2026 **Rabat (Morocco)** *Morocco World News*. The **United States (US)** Embassy in Morocco resumes full operations after a four-day partial government shutdown ended with US president **Donald Trump** signing the \$1.2 trillion **Consolidated Appropriations Act, 2026**;

4 Feb 2026 **Rabat (Morocco)** *Bloomberg*. Morocco deploys hundreds of buses and security personnel to help evacuate the entire population of a flood-stricken northern city of **Ksar El-Kbir**, at risk of being inundated;

2 Feb 2026 **Rabat (Morocco)** *BBC*. **South Africa's** sports minister **Gayton McKenzie** says "no formal decision has been taken to relocate" the 2026 **Women's Africa Cup of Nations (WAFCON)** away from Morocco after his deputy, **Peace Mabe**, announced that South Africa would step in and stage the finals;

1 Feb 2026 **Rabat (Morocco)** *Africanews*. **Senegal's** prime minister, **Ousmane Sonko**, dismisses post-**Africa Cup of Nations (AFCON)** tensions between his country and Morocco as "excesses" only caused by "sporting emotions";

31 Jan 2026 **Rabat (Morocco)** *Morocco World News*. Finance and economy ministry confirms that the budget deficit reduced to 3.5% of GDP (\$6.66 billion) in 2025, down 0.3% from 2024, and that the debt ratio lowered to 67.2% of GDP driven by strong revenue growth;

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