

## AFRICA RISK CONSULTING

### Morocco Monthly Briefing May 2026

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#### Morocco Summary 25 May 2026

*The Polisario Front launches an attack near the city of Smara in the Western Sahara on 5 May, firing three projectiles that reportedly injured one woman. The European Union (EU), UN, France, Spain, Belgium, United Kingdom (UK), United Arab Emirates (UAE), Gulf Cooperation Council (GCC) and United States (US) condemn the attack as escalatory, uniting the international community behind Morocco's autonomy proposal as a basis for negotiations on the Western Sahara. Delegate minister responsible for the budget, Fouzi Lekjaa, announces that the government plans to add 20 billion MAD (\$2 billion) to its budget to soften the impact of the conflict in the Middle East, protect subsidies and cover the cost of flood damages. GITEX Africa 2026, Africa's largest tech and startup show, takes place in Marrakesh, attracting more than 55,000 participants. A residential building in Ain Naqbi in Fes collapses, killing at least four and injuring six others, raising further questions about the country's aging housing stock.*

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#### Polisario Front launches three projectiles at Smara injuring one

The **Polisario Front**, the **Sahrawi** nationalist liberation movement seeking the end of the **Moroccan** occupation of the **Western Sahara**, launched an attack near the city of **Smara** in the Western Sahara on 5 May. The group fired three projectiles towards an area next to the city; one hit an area in front of a local prison; another landed behind the prison and the third landed in the neighbourhood of **Alkouiz** near a local cemetery. Moroccan media [reported](#) that one woman was injured and taken to hospital, though the attacks caused no substantial material damage. In a statement, the Sahrawi defence ministry [announced](#) that the Moroccan military had suffered large losses and that the Polisario Front had attacked bases on the outskirts of the city, although Moroccan media sources [dispute](#) the veracity of these claims. Photos and other international media corroborate the Moroccan media's version of events. Nonetheless, they have caused alarm within Morocco and a shift in the international community's attitude towards the Polisario Front.

Smara is located just to the west of the **Berm**, Morocco's defensive sand wall that separates Moroccan-controlled territories of the Western Sahara and Polisario-controlled territories. Given its proximity to the dividing line between the Polisario Front and the Moroccan military, it is unsurprising that this particular town has seen attacks before. In June 2023, the Polisario Front [launched](#) 4 projectiles that landed 200 metres from the **United Nations Mission for the Referendum in Western Sahara (MINURSO)** site in Smara and in October 2023, a [similar attack](#) killed one Smara resident and injured a further three.

Smara is a target for attacks as it hosts a significant number of military personnel. The military bases in Smara and **Laayoune** are [reportedly](#) responsible for overseeing the fleet of drones recently acquired by Morocco from **Israel**, **China** and **Turkey**. Drone attacks have become a regular occurrence in Polisario-controlled territories and have killed Sahrawi citizens. In June 2025, two such attacks took place: one killed three people near **Bir Lahlou** in north-eastern Western Sahara and the other targeted a vehicle near **Mijek** (Western Sahara). These drone attacks have created a climate of fear in Polisario-controlled territories, pushing Sahrawi citizens beyond the Western Saharan border into **Mauritania** and **Algeria**, and provide the justification to the Polisario attacks on Smara.

The Polisario attacks on Smara on 5 May neither appeared from nowhere nor were they unprovoked. The big difference this time is that international attitudes on Western Saharan autonomy and on the Polisario Front have shifted. International support for Morocco's autonomy proposal for the Western Sahara has increased, and most recently, the **European Union (EU)** vice-president **Kaja Kallas**

expressed that Morocco's autonomy proposal could be workable (*see ARC Briefing Morocco Apr 2026*). This shift in international position on the Western Sahara means that any Polisario attacks are increasingly condemned as threats to regional stability. The EU, **United Nations (UN)**, **France**, **Spain**, **Belgium**, **United Kingdom (UK)**, **United Arab Emirates (UAE)**, **Gulf Cooperation Council (GCC)**, and **United States (US)** have [condemned](#) these recent attacks as escalatory. This unequivocal condemnation marks a shift away from co-operation with the Polisario Front as the legitimate representatives of the Sahrawi people.

Furthermore, these attacks [happened](#) at the same time as the **African Lion**, the largest annual joint military exercise on the African continent, off the coast of Morocco. The timing of this attacks suggest that it was intended to provoke Moroccan authorities, make the military look weaker in front of an international audience and remind the international community that the Polisario Front is unwilling to accept Morocco's autonomy proposal. Instead, it has served to unite the international community behind Morocco's autonomy proposal as a basis for negotiations and has given Morocco the opportunity to present itself as peacekeeper and as stability.

The tightening relationship between Morocco and the US has also become evident elsewhere. During a **United Nations Security Council (UNSC)** debate on 28 April, US ambassador to the UN, **Mike Waltz**, thanked Morocco for its contributions towards US President **Donald Trump's** (2015-2021;2025-present) **Board of Peace** and [stated](#) that Morocco had "*engaged in favour of stability*" and had contributed "*troops and concrete resources, well beyond simple words*". Morocco is hoping that the Trump administration will return the goodwill when it comes to the [ongoing negotiations](#) about the sovereignty of the Western Sahara, in preparation for the end of the current MINURSO mandate in October 2026.

### Minister adds \$2 billion to budget to soften impact of Middle East conflict

Delegate minister responsible for the budget, **Fouzi Lekjaa**, [announced](#) that the government plans to add 20 billion MAD (\$2 billion) to its budget to soften the impact of the conflict in the **Middle East**, protect subsidies and cover the cost of flood damages. Of the addition, 8 billion MAD (\$864m) will be directed to a compensation fund to help maintain stable prices for butane gas and passenger and freight transport. The government will continue to provide these subsidies to key energy and transport costs that began in the post-**Covid** energy price spike in 2022. These subsidies cost the kingdom 3 billion MAD (\$328m) monthly [according](#) to the minister.

Local media [reported](#) that 6 billion (\$648m) of these funds will be "*used to cover exceptional expenditures linked to international developments*", 4 billion MAD (\$432m) will be injected into public institutions and state-owned companies, and 2 billion MAD (\$216m) will go towards reconstruction and repairs following the floods in the north of the country earlier this year. Lekjaa stated that this expenditure will be financed through stronger-than-expected tax revenues in the first four months of 2026.

Lekjaa [reaffirmed](#) Morocco's strong budgetary position in a speech to the **House of Councillors** on 12 May. This strong position is due, in large part, to the implementation of the **2026 Finance Act** which aims to improve fiscal transparency and reform the VAT and corporate taxation system. The minister noted an increase in tax revenues of 10.4 billion MAD (\$1.11 billion) in the period 1 January to 30 April 2026, up 8.5% compared to the same period in 2025. This achieved 36.3% of annual taxation targets. The strongest area of growth was corporate tax revenue which rose by 25% or 9.1 billion MAD (\$972m). Value-Added Tax (VAT) revenues grew by 1.3 billion MAD (\$139m), registration and stamp duty rose by 1 billion MAD (\$107m) and domestic consumption tax rolls by 854m MAD (\$91.2m), all of which indicate sustained internal demand. Lekjaa noted that ordinary tax revenues have risen from 256 billion MAD (\$28.6 billion) in 2021 to 424 billion MAD (\$45.7 billion) and give the government more space to address crises, such as the flooding earlier this year, and to expand social investment, such as the [16% increase](#) in social spending in the 2026 budget.

Lekjaa also restated the government's commitment to reducing the budget deficit to 3% of GDP by the end of 2026 and stabilising public debt at 66%. These statistics were placed in the context of global

economic strain where oil prices have risen by 46% and the **International Monetary Fund (IMF)** [projects](#) global economic growth to decrease from 3.4% in 2025 to 3.1% in 2026. This is [contrasted](#) with the IMF projection of 4.4% GDP growth in Morocco for 2026 or Lekjaa's [projection](#) of 5.3% growth. Lekjaa also highlighted that, in a global context, Morocco's strong fiscal position is reflected in the renewal of its flexible credit line with the IMF and the maintenance of positive credit ratings from agencies such US-headquartered **S&P Global Ratings** and **Moody's**.

However, treasurer general, **Abdellatif Amrani**, [revealed](#) on 13 May that the budget deficit had risen to 15.5 billion MAD (\$1.67 billion) for the first four months of 2026 up from 11.8 billion MAD (\$1.26 billion) for the same period in 2025. Amrani attributed this increase to an increase in state spending of 12.2% - operating expenses rose 14.4% and investment spending rose 19.6%. However, the cost of servicing public debt dropped by 1.9% due to a 7.1% decrease in principal repayments. Similarly, the first quarter of 2026 [saw](#) a 24% higher trade deficit compared to the first quarter of 2025. Since before the Middle East conflict, Morocco's import costs have significantly exceeded their export costs. In early 2025, exports only covered the costs of approximately 61.8% of imports.

Since the beginning of this war and the difficulties with goods going through the **Strait of Hormuz**, the cost of imports has significantly increased and the cost of importing fossil fuel-related goods into Morocco has surged by 42%. The kingdom has not been able to counterbalance this through increased costs of its exports despite the 19% increase in the price of phosphate exports.

### **GITEX Africa concludes having hosted more than 55,000 participants**

**GITEX Africa 2026**, Africa's largest tech and startup show, took place in April 2026 in **Marrakesh** and [attracted](#) more than 55,000 participants, up from 52,000 in 2025. In a speech to the House of Councillors on 28 April, the minister delegate for digital transition and administrative reform **Amal El Fallah Seghrouchni**, stated that the fourth edition of this event attracted investors managing more than \$350 billion in assets, 1,500 exhibitors from 58 countries, as well as 412 investors with over 4,600 meetings organised as a result of the event.

Thanks to the minister's '**Morocco 300**' initiative, 300 Moroccan startups received support to attend the event. The event has resulted in deals being signed between **Inwi** and **China Mobile** to [develop](#) Morocco's first private 5G network for industrial use, between Morocco's youth, culture and communication ministry and **Huawei Morocco** to [build](#) a competitive gaming ecosystem in the country and between Morocco and **Gabon** to [strengthen](#) bilateral co-operation and increase knowledge-sharing on digital public policies.

The event has also once again highlighted Morocco's capacity to host international events. Morocco has increasingly positioned itself as a continental meetings hub, a trend reinforced by its successful hosting of major global gatherings such as the **International Monetary Fund (IMF)-World Bank Annual Meetings** in **Marrakech** in 2023 and the **Africa Investment Forum** in 2025. GITEX Africa's strong turnout emphasises Morocco's rising profile as a stable and reputable destination for international investors and policy-makers. For Morocco, hosting these events contributes to GDP, tourism inflows and business confidence.

### **Residential building in Fez collapses killing at least four**

In the early hours of 21 May, a residential building in **Ain Naqbi** in **Fes** [collapsed](#), killing at least four and injuring six others, the most recent in a series of accidents that have affected the country's residents, raising further questions about the country's aging housing stock.

On 10 December 2025, the most severe of these accidents in recent history took place when two buildings [collapsed](#) in **Al Massira**, also in Fes, killing 22 and injuring 16. Housing secretary of state, **Adib Ben Ibrahim**, said last year that around 38,800 buildings across the country are at risk of collapse, meaning it is only a matter of time before a similar incident re-occurs. This issue was highlighted during the Al Haouz earthquake in 2023. The Moroccan government has embarked upon an urban revitalisation programme across the country, such as the [new Rabat development plans](#)

which seek to renovate the **quartier de l'Océan** and to repair and restore existing buildings in **Akkari** (Rabat) and **Youssoufia** (Rabat).

### Planner

27 May 2026 **(Morocco)** Eid al-Adha will take place  
 23 Sep 2026 **(Morocco)** Parliamentary elections;  
 October 2026 **(Morocco)** End of **current United Nations Mission for the Referendum in Western Sahara (MINURSO)** mandate  
 2026 **(Morocco)** King **Mohammed VI** expected to make a state visit to **France**;  
 2026 **Nador (Morocco)** **Nador West Med** port is expected to open

### Chronology

21 May 2026 **Rabat (Morocco)** *Morocco World News*. **African Development Bank** approves €200m (\$232m) in financing to support Morocco's **Cap Compétences 2030** programme, which aims to modernise vocational training and improve job placement for youth and women;

20 May 2026 **Rabat (Morocco)** *Morocco World News*. **France's** foreign affairs minister **Jean-Noel Barrot** is visiting Rabat for high-level talks with Moroccan foreign minister **Nasser Bourita**;

19 May 2026 **Rabat (Morocco)** *Morocco World News*. During a meeting in Rabat, **Guinea-Bissau** renews its firm support for Morocco's sovereignty over **Western Sahara**, praising the Moroccan Autonomy Plan alongside a growing list of more than 126 nations;

18 May 2026 **Rabat (Morocco)** *Morocco World News*. Morocco and **Liberia** sign a Memorandum of Understanding to boost their bilateral security and operational partnerships;

15 May 2026 **Rabat (Morocco)** *Morocco World News*. The interior ministry launches a 30-day exceptional voter registration period from 15 May to 13 June ahead of the legislative elections scheduled for 23 September;

7 May 2026 **Rabat (Morocco)** *Morocco World News*. The **United States (US)** formally condemns recent **Polisario Front** projectile attacks on the Moroccan province of **Es-Semara**, reaffirming its support for Morocco's autonomy plan as the only path to regional peace;

5 May 2026 **Rabat (Morocco)** *Morocco World News*. Investment minister **Karim Zidane** and **Ghana's** trade minister, **Elizabeth Ofosu-Adjare**, meet in **Agadir** to strengthen bilateral investment and trade relations across sectors such as renewable energy and agribusiness;

4 May 2026 **Rabat (Morocco)** *Al Jazeera*. **United States Africa Command (AFRICOM)** launches a search and rescue operation for two service members who went missing on 3 May during the "African Lion" military exercise in southwestern Morocco, reportedly while on a hike;

28 Apr 2026 **Rabat (Morocco)** *Morocco World News*. **United States** ambassador **Michael Waltz** commends Morocco at the **United Nations (UN) Security Council** for providing troops and concrete resources to support the stabilisation of **Gaza** and the potential withdrawal of **Israeli** forces;

25 Apr 2026 **Rabat (Morocco)** *Morocco World News*. The **African Development Bank** grants \$510,000 to Morocco's insurance supervisory authority to modernise the sector through **InsurTech** and expand coverage to underserved groups;

### About Africa Risk Consulting:

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