



AGRI-FOOD INDUSTRY

FEBRUARY 2022



MOROCCO: A PLATFORM TO SOURCE, TRANSFORM & EXPORT



DYNAMIC AND DIVERSIFIED AGRICULTURAL UPSTREAM...

- **Easy access to local sourcing** thanks to a well developed **agricultural upstream** and **Additional raw materials** at reach with short lead times
- **Innovative , Green & structured** upstream

...A TRANSFORMATION PLATFORM WITH UNIQUE **COMPETITIVE ADVANTAGES**

- **Agri-food industry: good overall performance** (2100 companies, High Added value,...), with **real investment & export opportunities**
- **Competitive platform** : best cost offer, modern infrastructure & Connectivity,..
- **Attractive set of Government incentives:** tailored government support, Agropoles









...ALLOWING TO ADDRESS **DYNAMIC LOCAL AND EXPORT MARKETS...**

- **Short Lead Times & FTA'S** facilitate access to **major food markets** : EU, UK , US , AU & GCC
- **Success stories:** MONDELZ, BEL, NESTLE



EASY ACCESS TO LOCAL SOURCING THANKS TO A WELL-DEVELOPED AGRICULTURE UPSTREAM

Annual prod. (2020-2021)

| | | |
|---|---------------------|------------------------|
|  | Cereals | 10 455 K Tons |
|  | Sugar | 3 187 K Tons |
|  | Forage crops | 15 324 K Tons |
|  | Citrus | 2 346 K Tons |
|  | Olives | 1 590 K Tons |
|  | Fruits & Vegetables | 10 397 K Tons |
|  | Meat | Poultry 650 K Tons |
| | | Red meat 600 K Tons |
|  | Milk | 2.45 Billion Liters |



High **diversity** of soil and climates over the Moroccan territory



Over **4 200** species of aromatic & medicinal plants

Over **910** varieties of fruits & vegetables with remarkable organoleptic properties



Additional raw materials at reach with short lead times

Source: Ministry of Agriculture, Fisheries, Rural Development, water and Forest

INNOVATIVE, GREEN AND STRUCTURED UPSTREAM

#INNOVATIVE

- **Irrigation capacity extension**
- **Digitalized agriculture**
(Development of Agriculture 4.0, use of Internet of Things - IoT, sensors, etc.)

Source: <https://fenagri.org/files/documents/60bd517914cc1573367908.pdf>



#GREEN

- National agriculture plan « **Green Generation** » 2020 - 2030 promotes sustainable agriculture practices :
 - Use of renewable energy
 - Use of soil conservation techniques
 - State incentives for organic agriculture



#STRUCTURED

- **Successful and well-organized aggregators** supported by government incentives
- **Aggregators' success stories** in dairy and sugar industries



THE AGRI-FOOD INDUSTRY: A GOOD OVERALL PERFORMANCE

THE AGRI-FOOD INDUSTRY IN 5 KEY FIGURES



> 161K
JOBS



> 2100
COMPANIES



3,5Bn\$
EXPORT
TURNOVER



4 Bn\$
YEARLY ADDED
VALUE



17 Bn\$
ANNUAL
REVENUES

Source : Ministry of Industry and Trade

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Morocco is of particular interest for Danone as it is stable, booming and features an economic environment conducive to investment.








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FRANCK RIBOUD
Ex-CEO Of the Danone Group



THE AGRI-FOOD INDUSTRY: REAL INVESTMENT & EXPORT OPPORTUNITIES

| | PRIORITY SECTORS | INVESTMENT & EXPORT OPPORTUNITIES |
|---|--|---|
|  | Valorization of citrus and other fruits & vegetables | <ul style="list-style-type: none"> • Significant growth of Moroccan exports of high quality and organic juices |
|  | Fruit and vegetables processing | <ul style="list-style-type: none"> • Morocco 4th worldwide exporter of canned vegetables and a mixture of vegetables • Morocco 5th worldwide exporter of frozen strawberry • Morocco 7th worldwide exporter of canned apricots |
|  | Dairy industry | <ul style="list-style-type: none"> • Morocco 1st supplier of cheese to Mauritania, 2nd to Benin, Ivory coast and Burkina Faso • Morocco Growth local consumption at 5%-7% annually |
|  | Pasta & couscous industry | <ul style="list-style-type: none"> • Strong export potential: Positive growth in exports to all continents |
|  | Biscuits, confectionery and chocolate industry | <ul style="list-style-type: none"> • World consumption growth of 8% • Untapped export potential in Middle-East and Africa |
|  | Olive Oil Industry | <ul style="list-style-type: none"> • Input availability: 140k tons of olive oil produced each year • Morocco is a major worldwide exporter of olive oil |
|  | Processed meat industry | <ul style="list-style-type: none"> • Local increasing market • Strong potential export to halal market |

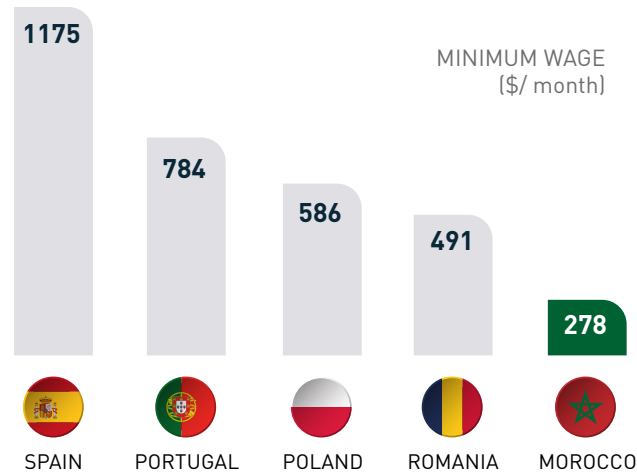
COMPETITIVE PLATFORM: BEST COST OFFER

WELL-TRAINED HUMAN RESOURCES

- **39%** of the global population is between 20 and 45 years old
- **24 000** Generalist engineers
- Growing number of Moroccan students graduating every year from specialist engineering schools



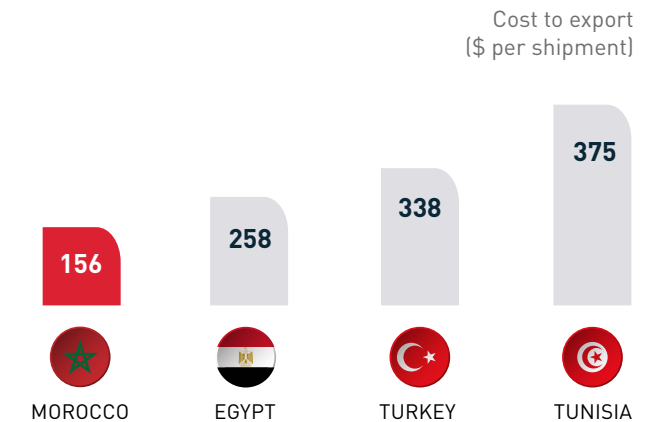
COMPETITIVE LABOR FORCE



Source : Global Wage Report 2021/2020 / World Bank



COMPETITIVE COST TO EXPORT



Source : Source : The World Bank



COMPETITIVE PLATFORM: BEST CONNECTIVITY

TANGIER MED PORT, THE 1ST TRANSSHIPMENT PLATFORM IN THE MEDITERRANEAN AND AFRICA

184

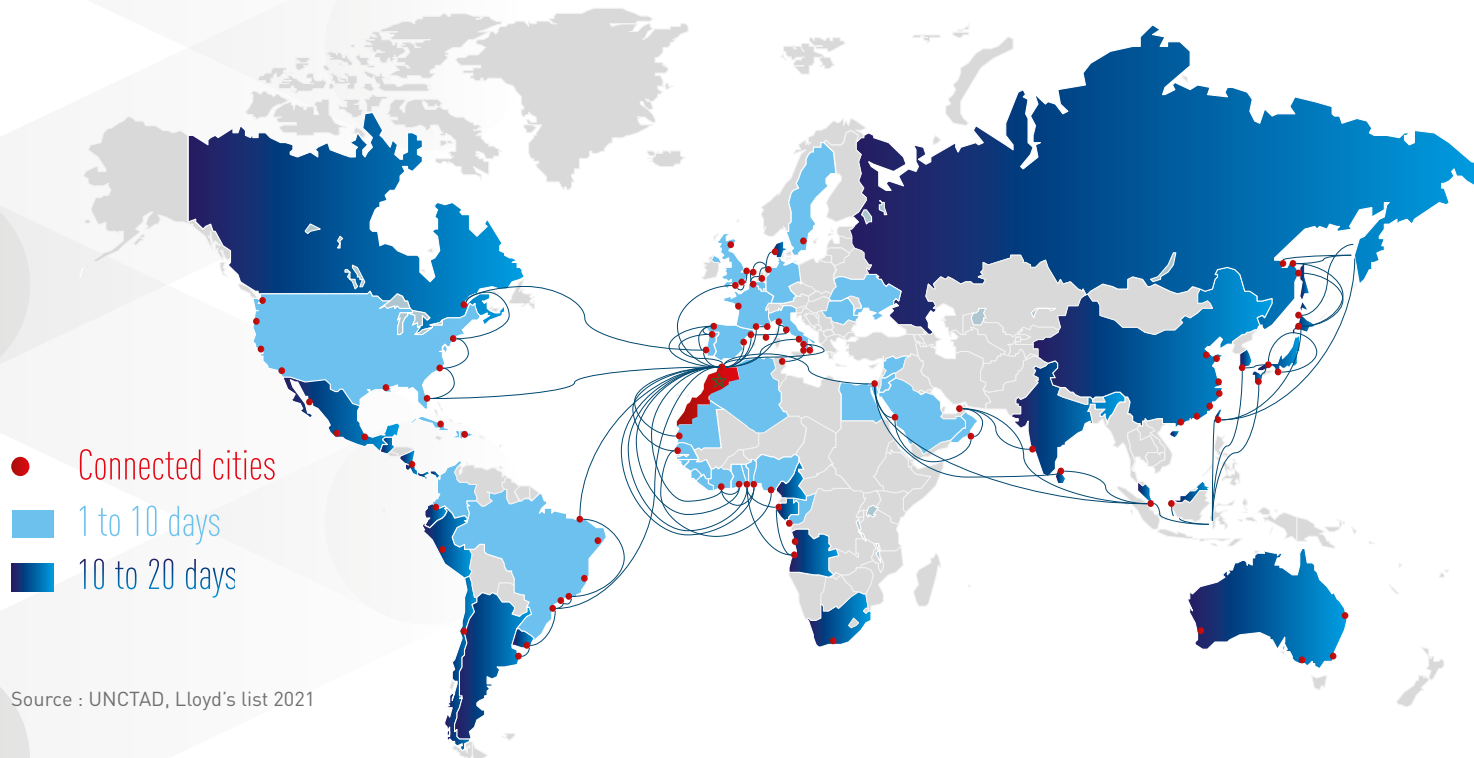
184 connections
with 71 countries

14 km

14 km from Europe

9M

Treatment capacity for
9 million of containers per year



Source : UNCTAD, Lloyd's list 2021



COMPETITIVE PLATFORM: WORLD-CLASS INFRASTRUCTURE

1ST IN NORTH AFRICA IN TERMS OF INFRASTRUCTURE & DIGITAL CONNECTIVITY

1st high speed train
in Africa
Tangier-Casablanca



19
international airports
1st in Africa in terms of
health accredited airports

1.800 km
of highways



AN ATTRACTIVE SET OF GOVERNMENT INCENTIVES

GOVERNMENT SUBSIDIES

- **Development of new valorization capacities**, new technologies and new products **exports development**
- **Technical assistance to reach international standards**
- **Training and R&D**

INDUSTRIAL ACCELERATION ZONES

- **5 year tax exemption** ...Then **specific rate of 15% (Corporate Tax) or 20% (Income Tax)** in a uniform manner to the overall profit without distinction between the local turnover and the export turnover, and this, beyond the aforementioned five year exemption period

DEDICATED ZONES: AGROPOLES

- **Integrated offer of key services** : sanitary control, research labs, R&D, training, export control...
- Strong **connectivity** (air, road, rail)
- **Proximity** of raw material



SHORT LEAD TIMES & FTA'S FACILITATE ACCESS TO MAJOR FOOD MARKETS



- **1st** worldwide food market **300 bn \$** imports in 2020
- **2 days** transportation by land
- **2000** - Free Trade Agreement Morocco-UE



- **2nd** worldwide food market **100 bn \$** imports in 2020
- **10 days** transportation by sea
- **2006** - Free Trade Agreement Morocco-USA



- **4th** worldwide food market **49.5 bn \$** imports in 2020
- **6 to 10 days** transportation by sea
- **2019** - Africa Continental Free Trade Agreement (AfCFTA)



- **5th** worldwide food market **42.6 bn \$** imports in 2020
- **2,5 days** transportation by sea
- **2021** Morocco-UK Post-Brexit Association Agreement



- **7th** worldwide food market **30 bn \$** imports in 2020
- **6 to 7 days** transportation by sea
- **2003** - UAE Agreement
- **1998** - Arab League Agreement

Source : tradeMap

THEY HAVE ALREADY SUCCEEDED IN MOROCCO...

SUCCESS STORY 1#: MONDELEZ



- Established in the Moroccan market **since 2001**, the American **group has invested 11 million \$ in Morocco** in the largest Oreo biscuit factory in Africa
- Employ about **1000 people** and produces **900 million biscuits** per year

SUCCESS STORY 2#: BEL



- Established in the Kingdom in **1972**, Bel has become the leader in spreadable cheeses in Morocco
- More than **1,200 employees** and three major sites, Fromagerie Bel Maroc produces more than **500 products**

SUCCESS STORY 3#: MITSUI & CO



- **Japanese conglomerate** "MITSUI & CO" became, **in 2018**, a shareholder of the Moroccan company "ZALAGH Holding SA"
- Leader in the Moroccan poultry sector
- **Investment of 25 million \$**



LARGE INTERNATIONAL GROUPS OPTED FOR MOROCCO AS AN AGRO-INDUSTRIAL PLATFORM

DAIRY INDUSTRY



BISCUITS, CONFECTIONERY AND CHOCOLATE INDUSTRY



PASTA AND COUSCOUS INDUSTRY



FRUITS AND VEGETABLES PROCESSING



OLIVE OIL INDUSTRY



PROCESSED MEAT INDUSTRY



BEVERAGES & INGREDIENTS



A STRONG SECTOR TO BE ONE OF THE LEVERS OF FUTURE DEVELOPMENT OF MOROCCO

- **Food autonomy** : new production capacities, R&D
- **Competitiveness** : technological integration, digitalization, Biodegradable food packaging, optimization of distribution channels
- **Decarbonization** of production



MOROCCO



INVEST AND EXPORT