



The bank for a changing world

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With a population of 38 million and a forecasted GDP of \$165bn in 2025, Morocco is a small open emerging economy with improving external resilience and steady progress on fiscal consolidation. In 2023, the current account deficit narrowed to around –0.6?% of GDP, down from –3.5?% in 2022, reflecting stronger export performance (especially tourism), remittances and reduced trade deficits. International reserves covered over five months of imports, exceeding 120?% of the adjusted ARA reserve metric.

Public debt remains elevated, with central?government debt at roughly 70.9?% of GDP in 2023 (general government debt ~65?%). The fiscal deficit softened to about 4.4?% in 2023, down from higher levels in previous years. IMF assessments characterise this debt level as sustainable with moderate sovereign stress risk.

Morocco's debt declined modestly from ~71.6?% in 2022 to ~69.5?% in 2023, and is projected to further fall to ~68.3?% by 2025 and ~65?% by 2029—thanks to strong nominal GDP growth and rising tax revenue yields.

Policy challenges include financing reconstruction from the recent earthquake (a post?disaster plan equating to about 8?% of GDP over five years), climate vulnerability, high unemployment (especially youth), and structural reforms in energy and grid capacity. Nonetheless, growth is expected to continue, and gradually pick up to ~3.9?% in 2025–26.

#### Summary

## **BNP** Paribas presence

BNP Paribas has been present in Morocco since 1943 through its subsidiary BNCIA bank. Today, BNP Paribas supports customers in Morocco through its subsidiary BMCI, which was first incorporated in 1964, and has 17 business centres across the country and direct access to local clearing. BMCI is the predominant foreign bank in Morocco which continues to grow. BMCI focuses on 3 core activities in Morocco: Retail Banking, Corporate & Investment Banking and Financial Services. These core areas comprise is a wide range of complementary business lines including cash management, leasing, factoring, insurance etc. therefore supporting comprehensive, integrated solutions for corporate customers.

Currency

## Currency

• Moroccan dirham (MAD)

# Exchange rates

	2016	2017	2018	2019	2020
Exchange rate: MAD per USD	9.81	9.69	9.39	9.62	9.50

Source: IMF, International Financial Statistics, July 2021.

## Central Bank

• The Moroccan central bank is Bank Al-Maghrib (www.bkam.ma).

#### **Bank supervision**

 Moroccan banks are licensed and supervised by the Banking Supervision Department of Bank Al-Maghrib.

#### Bank accounts

## Resident / non-resident status

 A company is considered resident in Morocco if it is incorporated or has its place of effective management is located in Morocco.

## Bank accounts for resident entities

	Within MOROCCO	Outside MOROCCO
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Local Currency	<ul> <li>Permitted without restriction.</li> <li>Resident foreign nationals may open convertible MAD accounts</li> </ul>	Not permitted
Foreign Currency	Permitted with restrictions, fully convertible	Permitted, fully convertible

# Bank accounts for non-resident entities

	Within MOROCCO	Outside MOROCCO
Local Currency	Permitted, convertible.	Not permitted
Foreign Currency	Permitted without restriction, fully convertible	Not applicable

# Lifting fees

• Lifting fees are typically applied on a 'per mille' basis on payments between resident and non-resident bank accounts.

## **Factoring**

# Legal framework

No specific legal aspects.

# Product specifics

• DISCLOSED / UNDISCLOSED

Both programmes are offered.

RECOURSE / NON-RECOURSE
Both recourse and non-recourse programmes are offered.
STRUCTURED PRODUCTS

• EXPORT / IMPORT

Not available.

100% through FCI network.

#### • CONCENTRATION REQUIREMENTS

30% if multi-debtor agreement.

• MAX. PREPAYMENT %

100%.

• CREDIT COVER %

100%.

• USUAL FUNDING PERIOD

No fixed period of funding.

INVOICE TRANSFER
Yes, Co-pilot from NiuViu.
ON-LINE APPLICATIONS
Yes, Co-pilot from NiuViu.
DELAYED DUNNING
Exceptionally possible.
DATA FACTORING
Not available.
• CURRENCIES OF FINANCE
MAD (Moroccan Dirhams) only. Legal restriction for other currencies.
Foreign currency through BMCI factoring off-shore.
BNP Paribas Cash Management Capabilities
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• OFF-BALANCE SHEET SOLUTIONS

Available.

Collections

Cash collections	
Cheque collections	•
Direct debit collections	•
Domestic incoming transfers	•
Virtual IBAN	
Virtual accounts	
International incoming transfers	●
Card acquiring	•

# Payments

Cash withdrawals	•
Cheque payments	
Direct debit payments	
Domestic outgoing transfers	
Commercial cards	
Virtual cards	
International outgoing transfers	
SWIFT gpi	
Real-time international payments through BNP Paribas' network	
Card issuing	•

## Channels

Local e-Banking	
Global e-Banking - Connexis	
SWIFT/ host to host	•

### Payments & collections

### Market overview

Morocco is a cash-based economy. However a growing confidence in, and familiarity of, digital payments has seen the the number electronic payments surge over the past 12 months: online payments with Moroccan cards reached MAD 1.7 billion in the first quarter of 2021, up 36.6%. Transaction volume was up 61.4% to 4.36 million.

Morocco's 2020-2025 digital development plan aims to modernise social sectors in the country. The central bank meanwhile is focused on accelerating the digitisation of payment services and developing a fintech environment. Regulatory changes have been made to enable non-bank payment institutions such as telecoms companies to operate. In 2020, for example, Orange Money launched its mobile money service, as did Maroc Telco, which launched MT Cash.

Electronic banking services are available from most banks. There is no national electronic banking system in Morocco, so companies use banks' proprietary services.

Transaction and balance reporting and transaction initiation services are all available.

Online and mobile banking services are provided by the country's leading banks.

Online payment services are available for the payments of government services as well as utility bills. In 2019, the number of online payments increased 18.2% to 9.7 million on 2018 figures. In value terms, value rose 46.7% to MAD 4.8 billion.

## Payment Systems

SRBM	Туре	Real-time gross settlement.
	Participants	• 18 direct.
	Transaction types processed	High-value and urgent MAD-denominated credit transfers.     Net obligations from the SIMT payment system.
	Operating hours	• 08:00–17:00 local time, Monday to Friday.
	Clearing cycle details (e.g. cut- off times)	Payments are cleared and settled in real time from 08:30–01:00 local time.
	System holidays	<ul> <li>The SRBM is closed on all Moroccan bank holidays.</li> <li>Morocco's bank holidays are:</li> <li>2nd half 2021: 14, 20, 21 August, 19*, 20* October*, 6*, 18 November.</li> <li>2022: 1, 11 January, 1, 2*, 3* May, 10, 11, 30 July*, 14, 20, 21 August, 8, 9 October*, 6, 18 November.</li> </ul>
GSIMT	Туре	Automated clearing system.
	Participants	• 27, direct.
	Transaction types processed	<ul> <li>Low-value (MAD 10 million or less) and non-urgent MAD-denominated payments.</li> <li>Paper-based payments (cheques, bills of exchange) which are truncated into electronic items before being processed.</li> </ul>
	Operating hours	• N/A
	Clearing cycle details (e.g. cut off times)	<ul> <li>Payments are cleared and settled electronically on a next-day basis.</li> <li>Payments are processed during two clearing sessions.</li> <li>Final net settlement takes place via the SRBM from 09:00–09:30 local time.</li> </ul>
	System holidays	<ul> <li>The SIMT is closed on all Moroccan bank holidays.</li> <li>Morocco's bank holidays are:</li> <li>2nd half 2021: 14, 20, 21 August, 19*, 20* October*, 6*, 18 November.</li> <li>2022: 1, 11 January, 1, 2*, 3* May, 10, 11, 30 July*, 14, 20, 21 August, 8, 9 October*, 6, 18 November.</li> <li>* The date shown may vary by plus or minus one day. These dates are derived by converting from a non-Gregorian calendar (e.g., Muslim or Hindu) to the Gregorian calendar. Some of these dates cannot be determined in advance with absolute accuracy, even by the governing authorities. In the case of Muslim dates in particular, the feast days are determined by the sighting of a new/full moon.</li> </ul>

### Credit transfers

- Credit transfers are used by companies to pay salaries and suppliers, and to make tax payments.
- High-value and urgent credit transfers can be settled in real time via the SBRM.
- Low-value (MAD 10 million or less) credit transfers can be settled on a next-day basis via the SIMT.
- In 2019, credit transfers accounted for 42% of all non-cash payments, and 50% of the value. The number transactions via GSIMT increased 13.2% in 2019 to 84.1 million, with a value of MAD 1,894 billion, a 6.4% increase.

### **Direct debits**

- Direct debits are used for regular payments, such as utility bills.
- Direct debits can be settled on a next-day basis via the GSIMT.
- In 2019, direct debits accounted for 14% of all non-cash payments. In value terms, they comprised 5% of the total.

# Cheques

- The cheque is a cashless payments instrument used by both consumers and companies.
- Cheques are truncated into electronic items before being settled on a next-day basis via the GSIMT.
- Non-standardised cheques can be settled bilaterally between banks.
- In 2019, cheque payments accounted for 13% of all non-cash payments (14% 2018). In value terms, cheques account for 35% of the value of all cashless transactions.

## Card payments

- The share of card payments in the total volume of cashless payments in 2019 was 28%. Value was just 1% of the total.
- There were 17.6 million bank cards in circulation at the end of Q1 2021.
- In Q1 2021, the total number of card payments was 100.9 million, with a value of MAD 84.6 billion, a 2.9% and 4.6% increase on Q1 2020. Growth in card payments is largely due to the increase in payments through Electronic Payment Terminals (EPT). The number of payments via EPTs with Moroccan cards reached 18.8 million transactions in Q1 2021, up 8.11% compared to the same period last year. Value rose 6.9% to MAD 7.2 billion dirhams.
- Visa, Mastercard and CMI-branded cards are most widely issued.
- Card transactions are exchanged via the HPSS payment switch and settled via the domestic Centre Monétique Interbancaire (CMI) payment system. The CMI system has 35 participants.

- All other payments are settled on a same-day basis by individual card-issuing companies or internally by banks.
- Morocco is in the process of migrating to the EMV standard; 92.4% of all cards had migrated to the EMV standard by end -2019.

### ATM/POS

- There were 7,734 ATMs in Morocco at the end of March 2021.
- There are 55,000 equipped point of sale in Morocco.
- Contactless ATMs were launched in Morocco in 2021.
- All ATMs in Morocco are EMV-compliant.
- Payments are processed via a national switch, the HPS Switch. There are 24 participants in HPS Switch.

## Electronic wallet

- No national electronic wallet schemes exist in Morocco.
- Pre-paid cards are available. As of end-March 2021, there were 2.1 million pre-paid cards in circulation.
- There are more than 440,000 mobile wallets registered in Morocco.
- Mobile payment apps are such as M-wallet, ibriz and Inwi Money available.
- In February 2021, Al Barid Bank launched the country's first fully digital bank card. The card does not need to be linked to a checking account and can be reloaded like a pre-paid card.
- QR payment codes are available.
- HPS Switch has implemented a new mobile payment switch, HPS Switch Mobile. Seventeen banks participate in the mobile payment Switch.

#### Short term investments

## Market overview

#### Interest payable on credit balances

Interest-bearing accounts are permitted.

#### **Demand deposits**

• Demand deposits denominated in MAD or major foreign currencies are available.

#### Time deposits

• Time deposits are available in MAD or major foreign currencies with terms ranging from one month to three years.

#### **Certificates of deposit**

- Domestic banks issue certificates of deposit with varying terms.
- They can be issued paying fixed or variable interest.

#### Treasury (government) bills

• Bank Al-Maghrib issues treasury bills on behalf the Treasury for terms of three, six and twelve months and two years.

#### **Commercial paper**

• Domestic <u>commercial paper</u> is issued by non-financial companies with fixed rates of interest.Leasing companies in Morocco issue 'Bills of Finance Companies'.

#### Money market funds

 Mutual investment funds (organismes de placement collectif en valeurs mobilières - OPCVMs) are available.

#### Repurchase agreements

Repurchase agreements are available, with maturities ranging from three months to two years.

#### Banker's acceptances

• Banker's acceptances are not used in Morocco.

## **BNP Paribas Trade Finance Capabilities**

# Trade payments

Documentary credits	
Documentary collections	

# Guarantees

Bank guarantees	
Standby letters of credit	

# Supply chain management

Receivables	
Payables	
Inventory	

# Trade channels

Connexis Trade	•
Connexis Supply Chain	
SWIFTNet Trade for Corporates	
Connexis Connect	
Connexis Guarantee	
SWIFTnet Supply Chain	

BNP Paribas' subsidiary BMCI's Global Trade Solutions (GTS) team in Morocco comprises 14 people
including 5 dedicated senior trade managers based in trade centres located in Casablanca and
Tangiers. BMCI is one of the leading trade finance banks in Morocco with a large market share.
BMCI's international trade finance activities have been awarded ISO 9001 certification, covering
documentary business, foreign currency financing, international transfers and international
guarantees received.

#### International trade

### General trade rules

- As a member of the Greater Arab Free Trade Area (GAFTA), Morocco has eliminated most trade tariffs with GAFTA member states. GAFTA comprises Algeria, Bahrain, Egypt, Iraq, Kuwait, Lebanon, Libya, Morocco, Oman, Palestine, Qatar, Saudi Arabia, Sudan, Syria, Tunisia, United Arab Emirates and Yemen.
- As a member of the Agadir Agreement, Morocco has eliminated trade tariffs with Egypt, Jordan and Tunisia.
- There are five free zones in Morocco.

## Trade agreements

- Morocco has FTAs with Egypt, Jordan, Tunisia, Turkey, the USA and the UAE and has advanced status with the EU.
- In January 2021, Morocco and Israel signed an economic trade cooperation agreement.
- The African Continental Free Trade Agreement (AfCFTA) is a <u>trade agreement</u> between 55 <u>African</u> Union member states. Free trading officially commenced under the AfCFTA on 1 January 2021.

## Imports / exports

Imports	Refined petroleum	Cars and vehicle parts	Natural gas	Coal	Low-voltage protection equipment	
Primary Import sources	Spain	France	China	USA	Germany (5.0%)	Italy
	(19.0%)	(11.0%)	(9.0%)	(7.0%)		(5.0%)

Exports	Cars	Insulated wiring	Fertilizers	Phosphoric acid	Clothing	
Export markets	Spain	France				
	(23.0%)	(19.0%)				

# Import / export volumes

		2016	2017	2018	2019	2020
Exports	- goods USD m	19,054	21,506	24,619.7	24,694.7	23,663.4
	- services USD m	15,340	17,330	18,633.7	19,353.3	13,855.0
Imports	- goods USD m	36,684	39,571	44,872.3	44,465.9	39,170.7
	- services USD m	8,449	9,816	10,512.6	9,631.5	7,088.2
Current account as % GDP %		- 2.1	-4.0	- 6.0	- 4.2	NA

Sources: IMF, International Financial Statistics and World DataBank, July 2021.



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