

THE WAVERLEY SERIES

MOROCCO

An Insight of Investment, Trade and Economy

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For Advisory & Partnership

LORD WAVERLEY

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MOROCCO — AT A GLANCE

Capital	Rabat (political); Casablanca (economic)
Population	≈ 36.8 million
Real GDP growth	4.9% (2025), the fastest pace in a decade, driven by an agricultural rebound and surging public investment; projected around 4.2% for 2026 and 4.1% for 2027
GDP per capita	≈ USD 5,107 (nominal, 2026)
Inflation	1.3% (2026), notably low
Unemployment	9.5% overall (Q2 2026); youth unemployment (ages 15-24) substantially higher at 27.2%
Currency	Moroccan dirham (MAD), not freely convertible; trading around 9.36-9.5 per US dollar in September 2026
Key sectors	Phosphates (the world's largest reserves), automotive manufacturing, aeronautics, agriculture, tourism, and textiles
2030 World Cup programme	More than USD 23 billion earmarked for related projects, including roughly USD 20.3 billion for rail, roads, airports, stadiums and urban infrastructure, centred on a planned 115,000-seat stadium near Casablanca, among the largest in the world
Governing framework	King Mohammed VI as head of state; Prime Minister Aziz Akhannouch's coalition government (National Rally of Independents, Authenticity and Modernity Party, Istiqlal) in office since October 2021; a general election was scheduled for 23 September 2026

Morocco enters this reporting period on the eve of a general election, scheduled for 23 September 2026, that observers describe as a genuine test of public sentiment toward the government's flagship \$23 billion-plus 2030 World Cup infrastructure programme, even as the country posts its fastest economic growth in a decade. Real GDP grew an estimated 4.9% in 2025, driven by an agricultural rebound and surging public investment tied to World Cup preparations, including a planned 115,000-seat stadium near Casablanca among the largest in the world. Morocco's political system remains centred on King Mohammed VI, under whom the Western Sahara dispute has become an increasingly consolidated diplomatic asset even as it remains a significant unresolved territorial question internationally. Investors should weigh Morocco's genuine economic momentum against specific competition-law and conflict-of-interest concerns independent governance assessors have raised regarding senior officials' business interests.

1. INVESTMENT & FDI

A record-breaking investment agency pipeline continues expanding even as independent governance assessment flags specific competition-law and conflict-of-interest concerns.

The Moroccan Agency for Investment and Export Development approved MAD 200 billion in projects in 2024 alone, expected to generate more than 150,000 direct jobs, followed by MAD 55.1 billion in approvals and 13,114 expected jobs in the first half of 2025; the agency is targeting 200,000 jobs in 2026 with an explicit export focus. Director General Ali Seddiki has described 2025 as a record-breaking year for investment, driven substantially by the global reconfiguration of supply chains. Separately, independent governance assessment has identified specific competition concerns: state-owned enterprises maintain effective monopolies in phosphates, telecoms and energy without penalty, and Transparency Maroc has highlighted conflicts of interest involving Prime Minister Aziz Akhannouch's fuel company and the royal palace's telecom holdings, with the Competition Council's fines against firms competing directly with these politically connected businesses raising concerns about selective enforcement.

- **A genuinely large, verifiable investment pipeline:** the scale of AMDIE's approved-project figures across 2024 and 2025, alongside the specific job-creation targets attached, represents a substantial and measurable investment-promotion track record distinct from aspirational messaging alone.
- **Institutional reform infrastructure already in place:** the Mohammed VI Fund, launched in 2020, and the 2022 Investment Charter together represent a sustained, multi-year institutional effort to streamline investment processes and reduce bureaucratic friction.
- **A specific, sourced competitive-fairness concern:** the documented conflicts of interest involving the Prime Minister's own business holdings and the royal palace's telecom interests, combined with allegations of selective competition-law enforcement, represent a concrete governance concern that investors in the affected sectors specifically should factor into their competitive-positioning analysis.

2. TRADE & BUSINESS

Surging port traffic and a diversified export base continue anchoring Morocco's external trade position.

Morocco's ports handled 148.6 million tons of trade traffic in the first half of 2026, up 14.4% year-on-year, supporting a genuinely diversified export base led by electrical machinery and electronics (\$12.6 billion), automotive products (\$12.05 billion) and fertilisers (\$9.39 billion) as of 2024. Morocco welcomed nearly 20 million tourists in 2025, making it Africa's most visited destination, with the government targeting 26 million visitors annually by 2030 and hotel capacity expanding by roughly a fifth ahead of the World Cup.

- **A genuinely diversified export structure:** the spread across electronics, automotive, fertilisers, clothing, aerospace and agricultural products distinguishes Morocco from the single-commodity export concentration seen in several other markets this series covers.
- **Strong port-traffic growth:** the 14.4% year-on-year increase in trade traffic through Moroccan ports reflects genuine, measurable momentum in the country's broader trade infrastructure capacity.
- **A specific foreign-investor repatriation protection:** Morocco's foreign-exchange regulator, the Office des Changes, permits investors who finance an investment in foreign currency to transfer income and sale or liquidation proceeds abroad without limit, a concrete, structurally important protection for foreign capital.
- **Tourism as a genuine growth and foreign-exchange driver:** record 2025 visitor numbers, combined with the government's explicit 26-million target by 2030 and expanding hotel capacity, position tourism as a durable contributor to both employment and foreign-currency earnings independent of the World Cup itself.

3. MAJOR ECONOMIC DEVELOPMENTS

Morocco's fastest growth in a decade, powered by public investment, faces its first electoral test this month as debt concerns tied to World Cup spending intersect with cost-of-living pressures.

Morocco's economy grew an estimated 4.9% in 2025, its fastest pace in ten years, according to the World Bank's July 2026 Morocco Economic Update, driven by surging infrastructure investment and an agricultural rebound. The same report finds that while Moroccan firms have made real progress adopting digital tools, fewer than one in five currently make intensive, integrated use of advanced technologies, with firms that do achieving productivity gains of up to 70%, employment growth 10% faster, and wages roughly 27% higher. Against this economic backdrop, a general election was scheduled for 23 September 2026, described by market analysts as a key test for foreign investors given how the substantial World Cup debt bill, more than \$23 billion earmarked in total, will be managed politically; drought has made water and agriculture a particularly sensitive issue for rural voters, while unemployment and the cost of living remain broadly salient concerns.

- **Growth genuinely outpacing the recent decade:** the 4.9% 2025 growth rate, confirmed by independent World Bank analysis rather than government projection alone, represents Morocco's strongest economic performance in ten years.
- **A substantial, quantified digital-transformation opportunity:** the World Bank's finding that intensive digital adopters see productivity gains up to 70% and wages 27% higher provides a concrete, evidence-based case for where Morocco's next phase of private-sector-led growth could originate.
- **An election directly tied to World Cup debt management:** with the vote scheduled for 23 September 2026, its outcome will shape how the government balances continued large-scale infrastructure spending against household cost-of-living concerns, a genuinely consequential near-term political-economy question for investors.
- **Drought as a specific rural political issue:** water scarcity's direct salience for rural voters illustrates how climate-related pressures are shaping domestic political dynamics alongside the broader World Cup and economic-management debates.

4. MAJOR PROJECTS & INFRASTRUCTURE

A \$23 billion-plus World Cup infrastructure programme anchors Morocco's current development agenda, spanning stadiums, rail, roads and airports.

- **A 115,000-seat centrepiece stadium:** planned near Casablanca and described as among the largest stadiums in the world, this project anchors Morocco's broader World Cup infrastructure ambitions.
- **A comprehensive MAD 190 billion-plus infrastructure programme:** spanning rail, roads, airports, stadiums and urban infrastructure, this roughly \$20.3 billion investment represents one of the largest coordinated infrastructure programmes among the markets this series covers.
- **Hospitality capacity expansion:** hotel capacity is being expanded by approximately a fifth specifically to accommodate the anticipated surge in World Cup-related visitor numbers.
- **Complementary port capacity growth:** the 14.4% rise in port trade traffic described in Section 2 provides direct infrastructure support for the broader trade and tourism expansion the World Cup programme is designed to enable.

5. CONFERENCES, FORUMS & EXHIBITIONS

The World Bank's July 2026 release of the Morocco Economic Update, 'Cementing Growth — Digital Transformation as a Productivity Impulse,' represented the most significant recent institutional economic

assessment shaping investor understanding of Morocco's current growth drivers and digital-transformation opportunity.

6. BUSINESS & INVESTMENT EVENTS

Prime Minister Akhannouch has continued representing Morocco's investment case at major international gatherings, including prior engagement at the Davos Forum, reflecting sustained high-level government participation in international investment-promotion dialogue alongside the domestic AMDIE-led pipeline described in Section 1.

7. GOVERNMENT & INTERNATIONAL PARTNERSHIPS

Morocco's diplomatic strategy on Western Sahara continues shaping its broader international positioning, including its economic integration with Sub-Saharan Africa.

Under King Mohammed VI, Morocco's position on Western Sahara has moved increasingly from a long-standing territorial dispute toward what regional analysts describe as a lever of diplomatic projection, including the opening of consulates in the southern provinces by other countries and growing integration of Morocco's autonomy plan into international strategic discussions; this same underlying dispute is directly connected to Algeria's recent rupture of diplomatic relations with the UAE, described elsewhere in this series, given the UAE's support for Morocco's position. Separately, Morocco has fundamentally redefined its relationship with the rest of Africa, moving beyond symbolic diplomacy toward structured economic integration, with Moroccan banks now operating across several African economies and national companies securing strong positions in regional telecommunications and infrastructure.

- **A consolidating diplomatic position on Western Sahara:** the trend toward growing international engagement with Morocco's autonomy plan represents a genuine, if still contested, shift in the territorial dispute's international standing, directly relevant to understanding Morocco's broader regional relationships including with Algeria.
- **Deepening African economic integration:** Moroccan banks' and companies' expanding footprint across telecommunications, infrastructure and financial services in other African economies represents a genuine, structural regional economic relationship distinct from Morocco's North African and European ties.
- **World Cup co-hosting with Spain and Portugal:** the joint 2030 tournament hosting arrangement represents a significant multi-country event-partnership with direct implications for cross-border infrastructure and tourism coordination.

8. SME & PRIVATE-SECTOR DEVELOPMENTS

A significant digital-adoption gap represents both a genuine productivity opportunity and a specific competitive constraint tied to persistent state and politically connected business dominance.

With fewer than one in five Moroccan firms making intensive, integrated use of advanced digital tools, the productivity, employment and wage gains described in Section 3 remain substantially unrealised across most of the private sector. This opportunity exists alongside the specific, independently documented competitive-fairness concerns described in Section 1, where state-owned enterprise monopolies and politically connected private businesses continue operating with limited competitive challenge in key sectors.

- **A large, quantified digital-adoption gap:** the fact that more than four in five Moroccan firms have not yet achieved intensive digital integration represents both a genuine constraint on current productivity and a clear target for future private-sector development programming.
- **Structural competitive constraints in specific sectors:** the persistence of SOE and politically connected business dominance in phosphates, telecoms and energy means smaller private firms and new entrants in these specific sectors face a materially different competitive environment than firms in Morocco's more open, export-oriented manufacturing sectors.

9. NEW INVESTMENT OPPORTUNITIES / PROJECTS ANNOUNCED

Digital transformation, export-oriented manufacturing and continued World Cup-linked infrastructure define Morocco's most actively promoted new investment channels.

- **Export-focused investment targeting:** AMDIE's 2026 plan explicitly prioritises export-oriented projects with a 200,000-job target, offering a clear framework for investors in manufacturing and export-linked sectors specifically.
- **Digital transformation as 'the next horizon':** the World Bank's own framing of digital adoption as Morocco's next productivity driver points directly to enterprise software, customer management platforms and e-commerce tools as priority investment areas.
- **Renewable energy industrial electrification:** Iberdrola's planned eight projects to electrify industry with 150 MW of renewable energy capacity represent a concrete, named example of the kind of renewable-industrial investment Morocco continues attracting.
- **Continued World Cup-linked infrastructure opportunities:** the rail, road, airport, stadium and hospitality components of the broader \$23 billion-plus programme remain open across multiple procurement and partnership channels through the 2030 tournament.

SUMMARY ASSESSMENT

Morocco enters this reporting period on the eve of a general election that will serve as a genuine test of public sentiment toward the government's flagship World Cup infrastructure programme, even as the country posts its fastest economic growth in a decade at 4.9% in 2025. AMDIE's record-breaking investment pipeline, a genuinely diversified export base, and a substantial, evidence-based digital-transformation opportunity all point to real underlying economic dynamism.

Set against this: independent governance assessment has specifically flagged conflicts of interest involving senior officials' business holdings and persistent state-enterprise monopolies in key sectors, concerns that bear directly on competitive fairness for new market entrants in phosphates, telecoms and energy specifically. Morocco's Western Sahara diplomatic strategy continues shaping its broader regional and international positioning, including its economic integration across Sub-Saharan Africa and its relationship with Algeria.

For investors, the coming weeks offer a concrete signal to watch: the outcome of the 23 September election and what it implies for how the substantial World Cup debt burden will be managed against ongoing cost-of-living and drought-related pressures, alongside continued monitoring of the specific competition-law dynamics in sectors where politically connected businesses maintain a significant presence.