

**COUNTRY PROFILE REPORT OF ITJ DIVISION, DGCI&S
INDIA-MOROCCO BILATERAL TRADE RELATIONS**

INTRODUCTION & BRIEF ECONOMIC OVERVIEW

The Kingdom of Morocco is situated in the extreme north-west of Africa. It has a long coastline on the shores of the Atlantic Ocean and, east of the Strait of Gibraltar, on the Mediterranean Sea, facing southern Spain. Morocco's eastern frontier is with Algeria, while to the south lies the disputed territory of Western Sahara, which has a lengthy Atlantic coastline and borders Mauritania to the east and south. Morocco is a member of the UN, WTO, the League of Arab States, Arab Maghreb Union, African Development Bank, IOM, OIC, Islamic Development Bank and the International Organization of the Francophonie.

2. Morocco's economy is considered a relatively liberal economy governed by the law of supply and demand. Since 1993, the country has followed a policy of privatisation of certain economic sectors which used to be in the hands of the government. Morocco has become a major player in African economic affairs, and is the sixth largest economy in Africa by GDP (PPP). Morocco was ranked as the first African country by the Economist Intelligence Unit's quality-of-life index, ahead of South Africa. However, in the years since that first-place ranking was given, Morocco has slipped into fourth place behind Egypt. As per IMF Executive Board Concludes 2024 Article IV Consultation, May 1, 2024, The central government fiscal deficit improved more than envisaged in the 2023 Budget. The 2023 overall deficit closed at 4.4 percent of GDP, about 0.5 percent of GDP less than projected in the 2023 Budget. This reflects better-than-expected fiscal revenues (with non-tax revenues boosted by the Earthquake Fund) that more than offset higher-than-planned spending.

A snapshot of Morocco's select economic indicators: **TABLE 1**

Morocco: Selected Economic Indicators, 2019-29

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
					Proj.						
Output (annual percent change)											
Real GDP growth	2.9	-7.2	8.0	1.3	3.0	3.1	3.3	3.4	3.4	3.4	3.4
Real nonagricultural GDP growth	3.7	-7.2	6.8	3.0	2.7	3.0	3.3	3.4	3.4	3.4	3.4
Employment (percent)											
Unemployment	9.2	11.9	12.3	11.8	13.0	12.0	11.5	11.0	10.5	10.5	10.5
Prices											
Inflation (end of period)	1.1	-0.3	3.2	8.3	3.4	2.5	2.2	2.3	2.2	2.1	2.0
Inflation (period average)	0.2	0.7	1.4	6.6	6.1	2.2	2.5	2.4	2.2	2.1	2.0
Central government finances (percent of GDP) 1/											
Revenue	23.8	27.0	25.3	28.7	28.5	28.2	27.5	26.9	26.6	26.5	26.3
Expenditure	27.4	34.1	31.3	34.1	33.0	32.5	31.2	30.1	29.7	29.5	29.3
Fiscal balance	-3.6	-7.1	-6.0	-5.4	-4.4	-4.3	-3.8	-3.2	-3.1	-3.1	-3.0
Public debt	60.3	72.2	69.5	71.6	70.6	70.4	69.4	68.2	67.5	66.8	66.1

Money and credit (annual percent change)											
Broad money	3.8	8.4	5.1	8.0	4.0	5.0	4.5	4.6	4.6	4.6	4.6
Claims to the economy 2/	5.6	4.9	3.8	7.1	5.3	4.5	4.1	4.1	4.2	4.2	4.2
Balance of payments											
Current account including official transfers (percent of GDP)	-3.4	-1.2	-2.3	-3.5	-1.4	-2.5	-2.8	-2.8	-2.9	-3.0	-3.0
Exports of goods (in U.S. dollars, annual percent change)	0.3	-4.4	34.4	15.1	-0.8	3.3	4.6	5.0	4.5	4.0	4.9
Imports of goods (in U.S. dollars, annual percent change)	-0.9	-12.0	32.1	21.9	-2.6	5.8	5.4	4.8	4.4	4.4	3.7
Merchandise trade balance (percent of GDP)	-15.3	-12.8	-14.1	-20.2	-17.5	-18.1	-18.2	-18.0	-17.7	-17.7	-17.1
FDI (percent of GDP)	0.6	0.8	1.1	1.2	0.1	0.9	1.0	1.1	1.2	1.2	1.2
Gross reserves (months of imports)	6.9	7.2	5.8	5.3	5.6	5.6	5.6	5.7	5.7	5.7	6.8
External Debt (percent of GDP)	42.5	54.2	45.5	46.9	50.9	49.2	49.3	50.0	51.1	51.6	54.2
Exchange rate											
REER (annual average, percent change)	0.8	0.7	0.7	0.7	0.7	...	...	...	...	...	...
Memorandum Items:											
Nominal GDP (in billions of U.S. dollars)	128.9	121.4	141.8	130.9	144.0	152.4	161.4	170.9	180.1	189.7	199.8
Net imports of energy products (in billions of U.S. dollars)	-7.9	-5.3	-8.4	-15.1	-11.8	-11.8	-11.9	-12.0	-12.1	-12.2	-12.5
Local currency per U.S. dollar (period average)	9.6	9.5	9.0	10.2	10.1	...	...	...	...	...	...

Sources: Moroccan authorities; and Fund staff estimates.

1/ Include grants. 2/ Includes credit to public enterprises.

Source: IMF Executive Board Concludes 2024 Article IV Consultation, May 1, 2024.

FOREIGN TRADE

3. As per recent available inputs on WITS (World Integrated Trade Solution), the five major merchandise export partners of Morocco are Spain, France, India, Italy and Brazil. On the other hand four major import partners of Morocco are Spain, France, China, United States and Saudi Arabia. Major five exported goods of Morocco are (i) Di-ammonium hydrogen orthophosphate (ii) Automobiles with reciprocating piston engine (iii) Phosphoric acid and polyphosphoric acids (iv) Ammonium dihydrogen orthophosphate (mono ammonium) and (v) Ignition wiring sets & other wiring sets of a kind. On the other hand major five imported goods of Morocco are (i) Petroleum oils, etc, (excl. crude); preparation

(ii) Butanes, liquefied (iii) Spelt, common wheat and meslin (iv) Anhydrous ammonia and (v) Other coal, not agglomerated, nes.

4. Morocco's total exports in 2019 were of the order of US\$ 29,582 million. It has scaled up to US\$ 42,463 million in 2023. During the period 2019 to 2023, Exports from Morocco had increased maximum by 32.06% in the year 2021 followed by another 15.30% increase in 2022. During the period from 2019 to 2023, the annual average compound rate of growth of exports was 9.46%.

5. Morocco's total imports in 2019 were of the order of US\$ 375,470 million and which has touched US\$ 70,645 million mark in 2023. Imports of Morocco had jumped by 31.78% in 2021 in comparison with 2020 just after facing a 12.78% decline in FY2020. During the period from 2019 to 2023, the annual average compound rate of growth of imports was 8.46%.

6. Morocco runs an overall Balance of Trade deficit from 2019 to 2023 that has scaled up to USD - 28,182 million in 2023. During the period from 2019 to 2023, the annual average compound rate of growth of total volume of trade was 8.83%.

A snapshot of Morocco's overall Trade Statistics is presented in Table 2 and Figure 1 below.

A snapshot of India's merchandise trade statistics w.r.t. Morocco is presented in Table 3 Figure 2.

BILATERAL TRADE WITH INDIA

Merchandise Trade

7. India is one of the major markets for Moroccan phosphate and its derivatives. A high-level Moroccan trade delegation led by Ambassador Mohamed Maliki visited India on a six-day visit in November 2021. Maliki declared that the country had a national plan to increase their presence in India. India had exported to Morocco almost 0.24% of its total export value in FY2023-24. In the same financial year imports from Morocco was 0.21% of India's total import value. Almost 0.22% of India's total international trade value of goods was between India and Morocco as has been recorded in DGCI&S data base for FY 2023-24. Morocco was the 56th major trading partner of India in FY 2023-24.

8. Indo- Morocco total volume of bilateral trade in FY 2019-20 was of the order of US\$ 1,751.99 million. It has scaled up to US\$ 2,436.87 million in FY 2023-24. The annual compound growth rate of total volume of trade during the period from 2019-20 to 2023-24 has been of the order of 8.60%.

9. It appears from the available figures that between 2019-20 and 2023-24, India has had a deficit Balance of Trade with Morocco. Exports from India to Morocco increased steeply by 89.57% in FY2021-22. The annual average compound rate of growth of Exports was 6.61%. On the other hand, imports from Morocco to India remarkably increased by 50.84% in FY 2020-21 followed by another 56.19% increase in 2021-22. During the period from 2019-20 to 2023-24, the annual average compound rate of growth of imports was 10.19%.

10. Additionally, from Tables 4 & 5 presented below the following are stated:

a. **Products Of Iron And Steel, Motor Vehicle/Cars and Petroleum Products**, had occupied the top three slots in India's exports to Morocco in the year 2023-24. **Products Of Iron And Steel** had occupied 15.14% share of India's total exports to Morocco in FY2023-24.

b. **Fertilizers Manufactured; Inorganic Chemicals and Fertilizers Crude** were the three major commodities in India's imports list from Morocco in the year 2023-24, India imports **Fertilizers**

Manufactured from Morocco with a share of 43.22% of total imports from Morocco recorded in 2023-24.

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TABLE - 2							
MOROCCO'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE AND BALANCE OF TRADE							
BETWEEN 2019 TO 2023							
(Figures in USD Million)							
Year	Exports	Percentage Growth in Exports	Imports	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2019	29582		51049		80,631		-21467
2020	27703	-6.35	44526	-12.78	72,229	-10.42	-16823
2021	36585	32.06	58678	31.78	95,263	31.89	-22093
2022	42183	15.30	72579	23.69	1,14,762	20.47	-30396
2023	42463	0.66	70645	-2.66	1,13,108	-1.44	-28182
Annual Growth Rate	Compound	9.46		8.46		8.83	
NOTE : Figures relate to calendar year (January to December)							
SOURCE : UN COMTRADE PUBLICATION							

Figure - 1

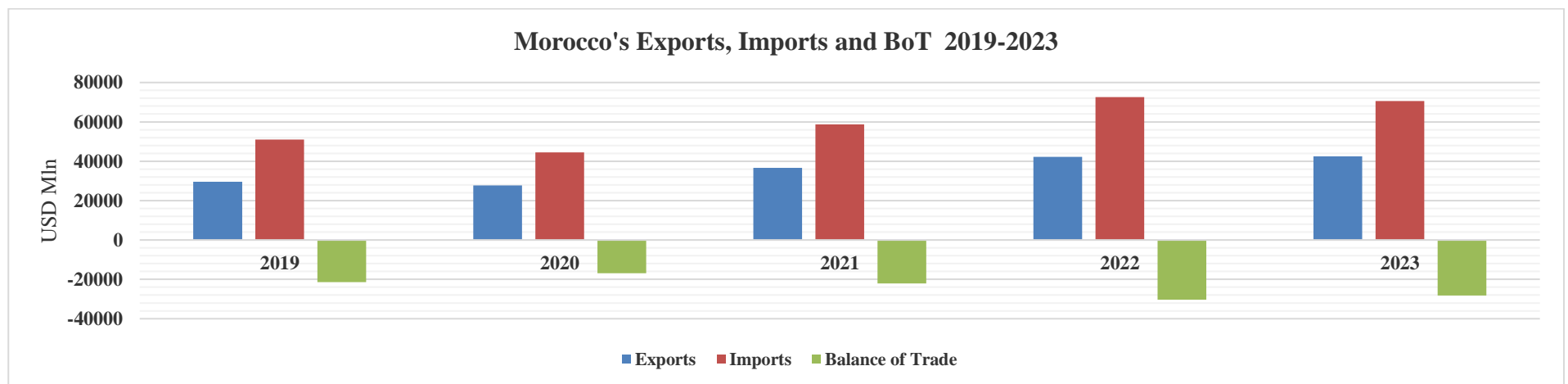


TABLE - 3							
INDIA'S MERCHANDISE EXPORTS & IMPORTS w.r.t. MOROCCO							
FY 2019-2020 to 2023-2024							
(Value in USD Million)							
Year	Exports from India to Morocco	Percentage Growth in Exports	Imports from Morocco to India	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2019-20	799.45		952.54		1751.99		-153.09
2020-21	507.62	-36.50	1436.82	50.84	1944.44	10.98	-929.20
2021-22	962.28	89.57	2244.19	56.19	3206.47	64.90	-1281.91
2022-23	1047.15	8.82	2549.44	13.60	3596.59	12.17	-1502.29
2023-24	1032.58	-1.39	1404.29	-44.92	2436.87	-32.24	-371.71
Annual Growth Rate	Compound	6.61		10.19		8.60	
NOTE : Figures relate to Financial Year (April to March)							
SOURCE : DGCI&S, M/o C&I							
Figure 2							

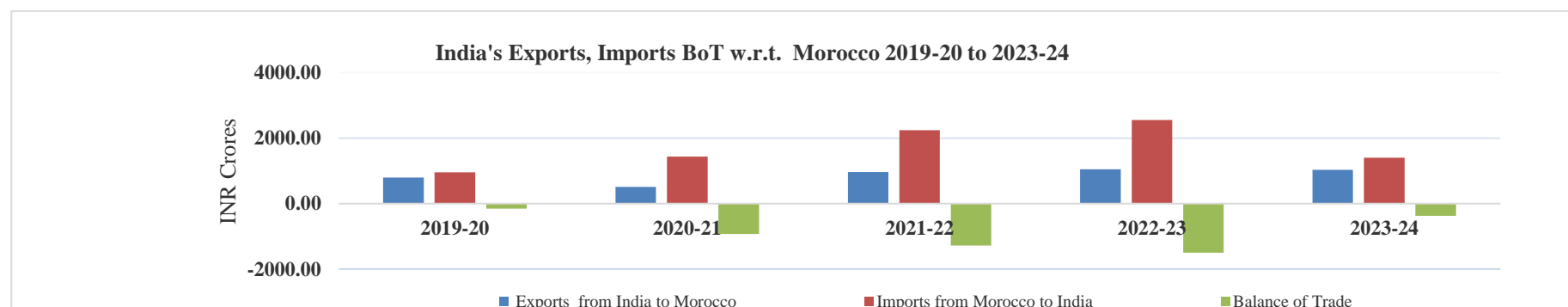


TABLE -4
INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO MOROCCO
2019-2020 TO 2023-2024 AND THEIR GROWTH RATES

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2019-20	2020-21	2021-22	2022-23	2023-24	20-21 over 2019-20	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23
1	Products Of Iron And Steel	9.27	14.55	11.37	16.44	156.36	56.96	-21.86	44.59	851.09
	Share in total export	1.16	2.87	1.18	1.57	15.14				
2	Motor Vehicle/Cars	29.87	36.61	78.48	170.71	91.74	22.56	114.37	117.52	-46.26
	Share in total export	3.74	7.21	8.16	16.30	8.88				
3	Petroleum Products	239.34	1.76	118.79	195.71	89.96	-99.26	6649.43	64.75	-54.03
	Share in total export	29.94	0.35	12.34	18.69	8.71				
4	Manmade Yarn, Fabrics, Madeups	64.73	48.45	113.26	101.13	83.14	-25.15	133.77	-10.71	-17.79
	Share in total export	8.10	9.54	11.77	9.66	8.05				
5	Drugs Formulations, Biologicals	39.21	59.61	55.67	45.10	57.58	52.03	-6.61	-18.99	27.67
	Share in total export	4.90	11.74	5.79	4.31	5.58				
6	Spices	36.09	41.54	42.26	38.36	46.65	15.10	1.73	-9.23	21.61
	Share in total export	4.51	8.18	4.39	3.66	4.52				
7	Cotton Yarn	25.49	16.90	36.00	33.66	32.67	-33.70	113.02	-6.50	-2.94
	Share in total export	3.19	3.33	3.74	3.21	3.16				
8	Electronic Inastruments	79.32	22.16	93.74	27.66	23.83	-72.06	323.01	-70.49	-13.85
	Share in total export	9.92	4.37	9.74	2.64	2.31				
9	Auto Comoponents Parts	16.85	16.71	17.67	19.60	21.56	-0.83	5.75	10.92	10.00
	Share in total export	2.11	3.29	1.84	1.87	2.09				
10	Indl. Machinery For Dairy Etc.	15.58	16.64	18.22	30.44	20.06	6.80	9.50	67.07	-34.10
	Share in total export	1.95	3.28	1.89	2.91	1.94				
	Total exports to Morocco	799.45	507.62	962.28	1047.15	1032.58	-36.50	89.57	8.82	-1.39

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

TABLE -5

**INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM MOROCCO
2019-2020 TO 2023-2024 AND THEIR GROWTH RATES**

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Import					Annual Growth Rates			
		2019-20	2020-21	2021-22	2022-23	2023-24	19-20 over 2018-19	20-21 over 2019-20	21-22 over 2020-21	23-24 over 2022-23
1	Fertilizers Manufactured	40.59	511.66	1015.95	1466.35	607.00	1160.56	98.56	44.33	-58.60
	Share in total import	4.26	35.61	45.27	57.52	43.22				
2	Inorganic Chemicals	625.61	660.17	807.01	651.36	482.86	5.52	22.24	-19.29	-25.87
	Share in total import	65.68	45.95	35.96	25.55	34.38				
3	Fertilizers Crude	251.82	232.91	350.58	365.67	269.37	-7.51	50.52	4.30	-26.34
	Share in total import	26.44	16.21	15.62	14.34	19.18				
4	Aluminium, Products Of Aluminium	4.34	6.71	26.24	17.86	9.72	54.61	291.06	-31.94	-45.58
	Share in total import	0.46	0.47	1.17	0.70	0.69				
5	Iron And Steel	6.04	5.26	13.93	11.96	7.81	-12.91	164.83	-14.14	-34.70
	Share in total import	0.63	0.37	0.62	0.47	0.56				
6	Other Crude Minerals	1.44	1.30	4.24	0.16	3.21	-9.72	226.15	-96.23	1906.25
	Share in total import	0.15	0.09	0.19	0.01	0.23				
7	Electronic Components	0.04	0.29	0.86	2.54	3.18	625.00	196.55	195.35	25.20
	Share in total import	0.00	0.02	0.04	0.10	0.23				
8	Poaper, Paper Board And Products	1.50	1.77	5.07	7.73	2.96	18.00	186.44	52.47	-61.71
	Share in total import	0.16	0.12	0.23	0.30	0.21				
9	Auto Components/Parts	0.17	0.70	3.08	2.01	2.15	311.76	340.00	-34.74	6.97
	Share in total import	0.02	0.05	0.14	0.08	0.15				
10	Plastic Raw Materials	0.38	0.26	0.38	0.40	1.61	-31.58	46.15	5.26	302.50
	Share in total import	0.04	0.02	0.02	0.02	0.11				
	Total import from MOROCCO	952.54	1436.82	2244.19	2549.44	1404.29	50.84	56.19	13.60	-44.92

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I