

General presentation



WELCOME TO MOROCCO

- 1 Why Morocco?
- 2 Moroccan Automotive Industry overview
- 3 State Aid





WHY MOROCCO ?

A stable, high-performing and sustainable industrial platform at the gateway to Europe



Pro Business

Business-friendly environment with political stability, resilient economy and Government incentives



Competitive

Advanced infrastructure, high qualified human resources and strategic position giving access to potential markets worldwide



Sustainable

Strong Royal vision with ambitious energy transition plan to make Morocco among the greenest and lowest carbon platforms in the world

WHY MOROCCO ?

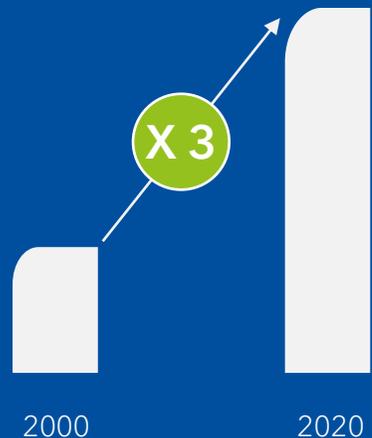
Pro Business

A STABLE COUNTRY AND A RESILIENT ECONOMY

STRONG MACRO-ECONOMIC FUNDAMENTALS

- GDP has tripled in less than 20 years
- A "low security risk", at the same level as Spain or France

GDP Growth 2000 - 2020



Control Risks

Low security risk	Morocco	USA	France	UK	Portugal	Spain
Medium security risk	South Africa	Romania	Tunisia	Turkey	Mexico	Brazil
High security risk	Algeria	Mauritania	Egypt	Mali	Nigeria	Venezuela

STABILITY WITH ROYAL VISION

The New Development Model launched by His Majesty The King :

- A productive and diversified economy that creates added value
- Human capital strengthened and better prepared for the future
- Opportunities for all and a consolidated social link
- Resilient territories, anchor points for development



WHY MOROCCO ?

Pro Business

BUSINESS-FRIENDLY ENVIRONMENT

- ▷ MORE THAN 50 NON-DOUBLE TAXATION AND INVESTMENT PROTECTION AGREEMENTS
- ▷ NO RESTRICTIONS ON CAPITAL FOR NON-RESIDENTS
- ▷ FREE REPATRIATION OF PROFIT AND CAPITAL FOR NON-RESIDENTS

AN ATTRACTIVE INCENTIVE PACKAGE

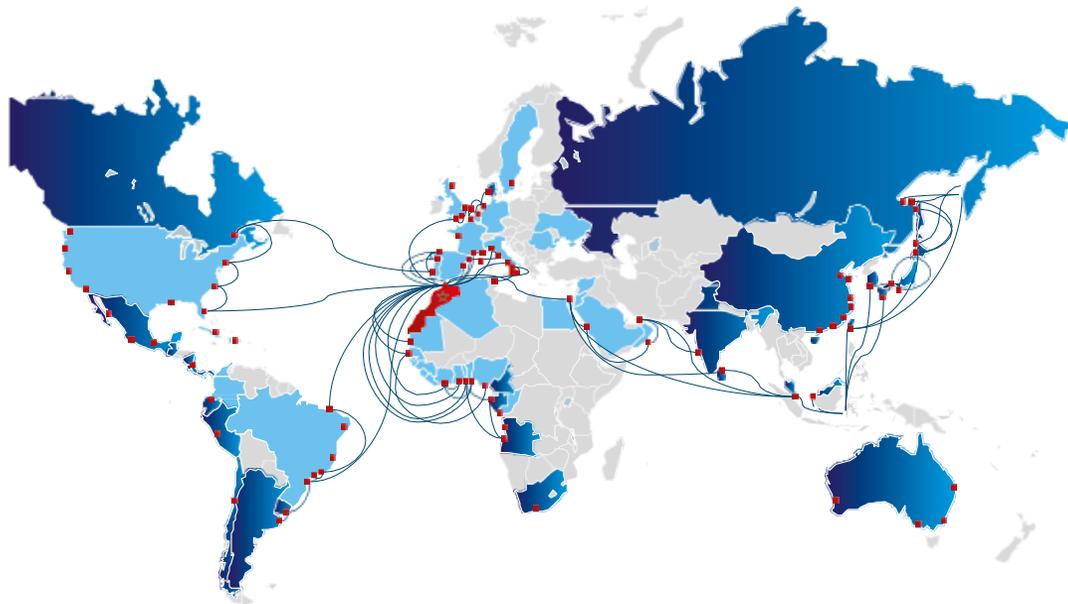
- GOVERNMENT SUBSIDIES ▶ Government incentives to support CAPEX expenditures
- SPECIAL ECONOMIC ZONES ▶ Land, office space, and industrial plants in main economic zones
- GOVERNMENT SUPPORT ▶ Dedicated support from the Ministry of Investment and AMDIE



WHY MOROCCO ?

A Competitive destination

STRATEGICALLY LOCATED



● Connected cities ■ 1 to 10 days ■ 10 to 20 days

Source : UNCTAD, Lloyd's list 2021



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

9 million containers per year

A Competitive destination



- ▷ FTAs GIVING ACCESS TO MORE THAN 50 COUNTRIES AND 1.3 BILLION CONSUMERS

FTA with the **European Union**

FTA with the **USA**

African Continental Free Trade Area

FTA with the UK and N. Ireland

FTA with Turkey

...

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

1st High speed train in Africa

19 international airports

1800 km of highways

80,7 kbit/s International bandwidth / internet user

- ▷ DYNAMIC, COMPETITIVE AND QUALIFIED LABOR FORCE

39% of the population between 20 and 45 years

152.000 graduates per year

Ad hoc training centers jointly developed with investors

278\$ / month of minimum wage

- ▷ RICH AND DIVERSIFIED INDUSTRIES

Automotive: 1st exporting sector with 60% local integration rate

Aeronautics: +20% annual growth +140 aeronautical operators

Textile: Among the top industrial employers in Morocco

Chemical: leading phosphates company in the world

WHY MOROCCO ?

A Sustainable destination

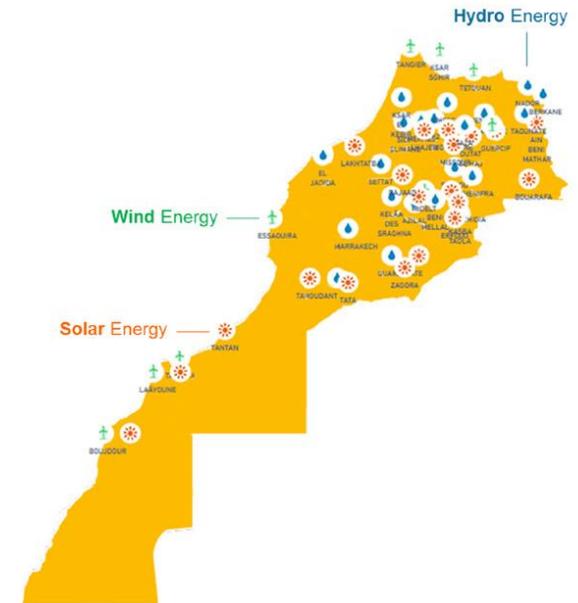


37% energy mix in 2020 based on renewable sources

42% energy mix in 2022 based on renewable sources

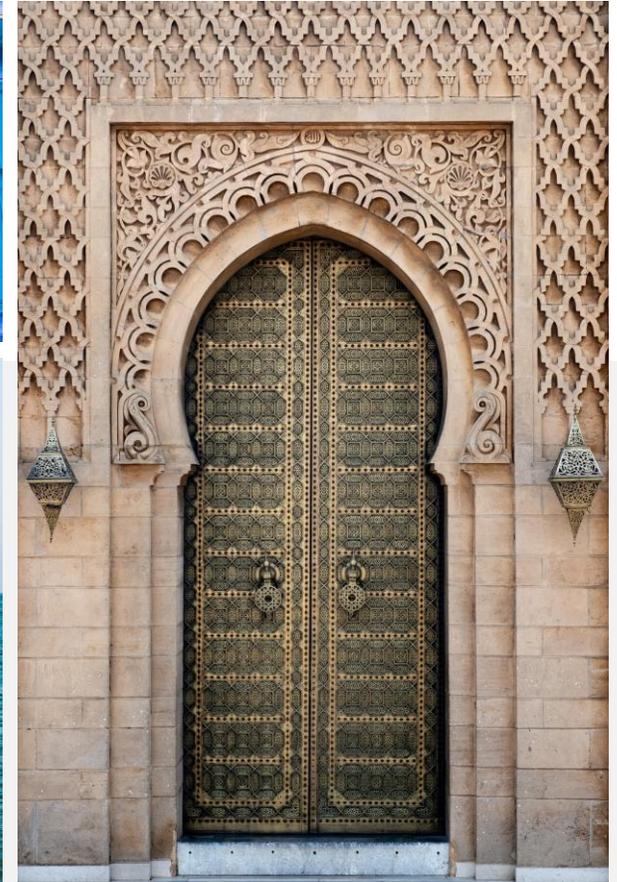
64% energy mix by 2030 based on renewable sources

Morocco's Renewable Energy Projects Map



WHY MOROCCO ?

A great place to live



2. Moroccan Automotive Industry overview



Moroccan automotive ecosystem's goal is to produce more than 1 M cars through a decarbonized production

A strong vision to tackle the industry's future challenges ...

Morocco is the leader producer in Africa with an installed capacity of 950,000 vehicles.

The 2 OEMs Renault and Stellantis are supplied in Morocco for their factories in Europe for more than 3 billion euros. The country exported \$8,3bn in 2021.

Today, the objective is to reach a high integration rate.

With solid fundamentals and a long-term vision, the sector has confirmed the stability and reliability of the Moroccan offer in the most complex contexts. All the objectives set have been exceeded so far.

... leading to a thriving automotive ecosystem with a high integration rate

Today

- 1st passenger car producer in Africa
- 1st exporting manufacturing sector in Morocco
- High integration rate with +250 Tier 1 and Tier 2 suppliers
- 950,000 cars Installed capacity in 2023

Targetting

- 1.5 million cars production
- Full decarbonization of production using local renewable energies

Moroccan automotive ecosystem hosts two major OEMs for a total production capacity of 950,000 units

Renault Group

Renault Group has invested in the largest automotive manufacturing plant in Africa

- 2 automotive manufacturing plants in Casablanca and Tangier
- Installed production capacity of 500k units
- 6 models produced
- Sourcing from **Morocco**: €1.3bn per year and a new agreement to increase it to **€2.5bn** per year

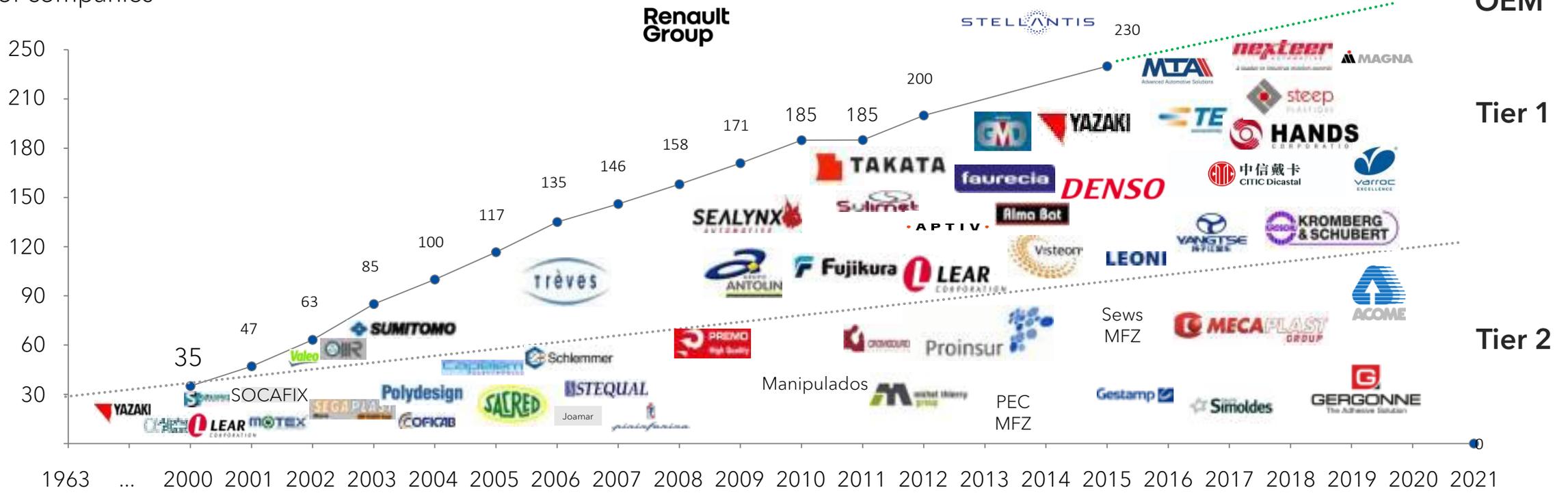


Stellantis launched a plant manufacturing in Kenitra in 2015

- An automotive manufacturing plant in Kenitra
- Installed production capacity of 450k units
- 4 models produced, of which 3 EVs
- Sourcing from Morocco: €1.2bn per year and a new agreement to increase it to €3bn per year

A booming automotive industry with +250 companies...

of companies



jobs 30,000 43,000 70,000 92,000 220,000

...of which 26 of the Top 100 suppliers¹



1. Automotive News Ranking
Source: Companies website, Moroccan Ministry of Industry and Trade, Expert interview, Automotive News ranking of Top suppliers

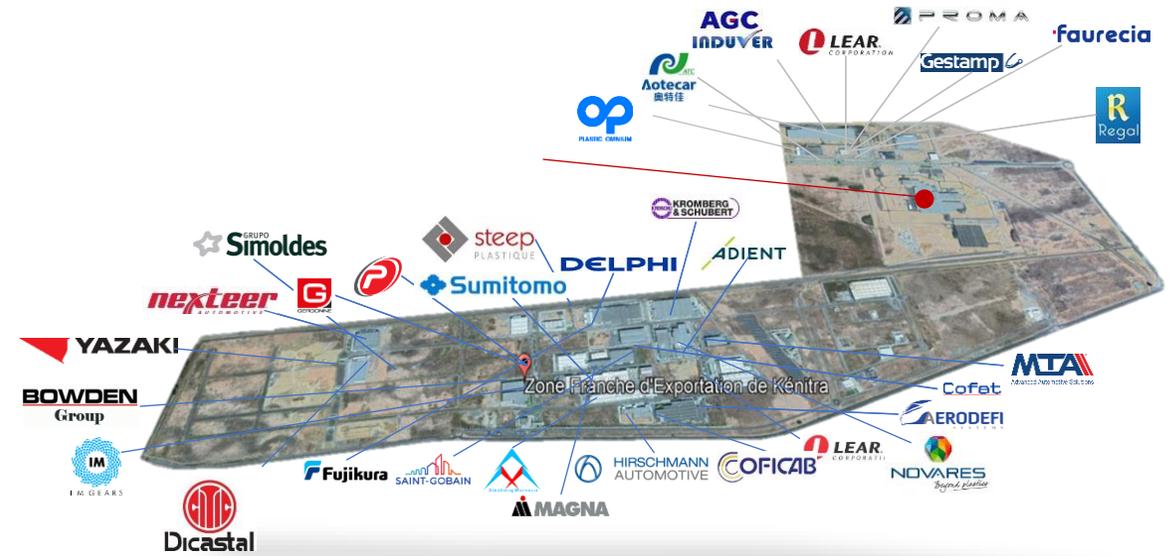
Stellantis ecosystem : signed in 2015, operational in 2017 with 66 suppliers

Before the arrival of Stellantis



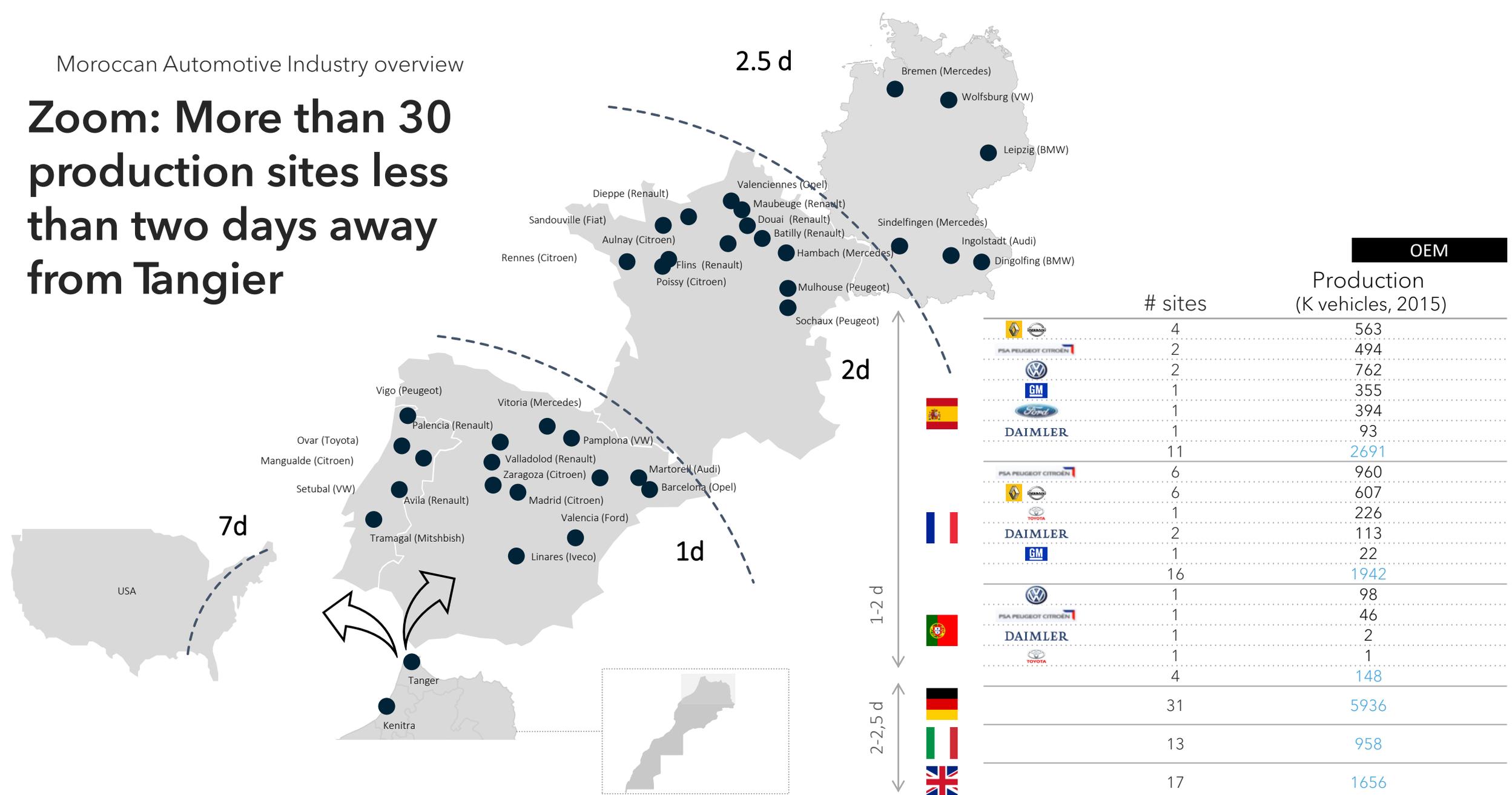
Only wiring commodities

After the establishment of Stellantis



Stellantis R&D: R&D Center (ATC) in Casablanca, **part of the global R&D Stellantis system, with 4.000 engineers and technicians.**

Zoom: More than 30 production sites less than two days away from Tangier

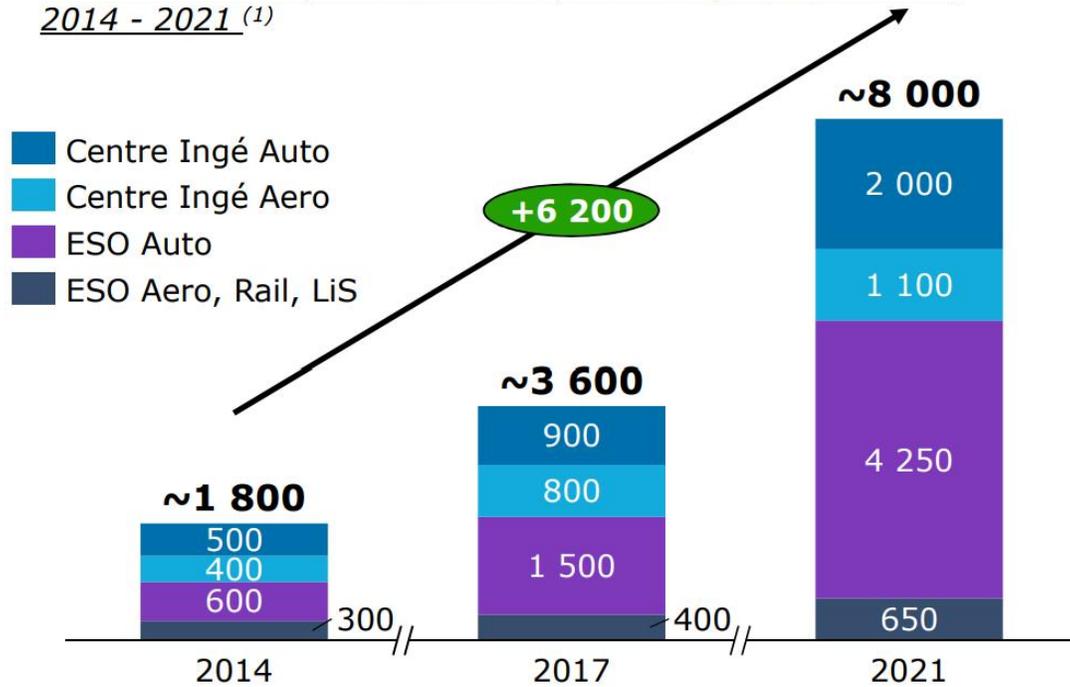


1. Automotive News Ranking
 Source: Companies website, Moroccan Ministry of Industry and Trade, Expert interview, Automotive News ranking of Top suppliers

Engineering and R&D automotive capacities are built up by big international players

evolution of jobs in the engineering and R&D ecosystem

2014 - 2021 ⁽¹⁾



Source : 1 : Analyse NAOS



4. State aid



Protection offered to investors



No restriction on investment in local companies for non-residents



Free repatriation of profits and capital for foreign investment



Protection of foreign investment agreements and double taxation treaties with more than 60 countries



An attractive set of Government incentives



Government Subsidies

Commitment to **provide tailor-made incentives** under specific conditions

Direct subsidy representing a percentage of the CAPEX

Other **indirect subsidies** to agreed upon



Tax Free Zones

5-year tax exemption
...then 20% tax

Unlimited exemption from custom duties

0% VAT



Special Economic Zones

Land, office space, and industrial plants in main cities

Exemption from export fees

Simplified custom procedures



Government support

Direct line with Minister of Investment, Convergence and Evaluation of Public Policies

Fast track regarding all parameters of the Project

Support from AMDIE end-to-end assistance for investors

A growing number of well-trained Human Resources

Specialist engineers & technicians

- Locally trained
- Ad hoc training centers jointly developed with investors to address industry specific needs

Generalist engineers trained in Morocco

- 15,000 engineers to be trained per year in Moroccan engineering schools
- A growing number of partnerships with leading international universities



- Public-Private Partnership
- Technicians trained for the Client

Subsidies for hiring & training of Moroccan nationals in the automotive industry

	Operator	Technician	Engineer / manager
At hiring (Y1)	€1,500	€2,900	€2,900
Vocational training (Y2&3)	€500	€1,500	€2,900

