

Royaume du Maroc
Ministère de l'Industrie,
de l'Investissement, du Commerce
et de l'Economie Numérique



المملكة المغربية
وزارة الصناعة
والإستثمار والتجارة
والإقتصاد الرقمي

Strategy of the Ministry of Industry, Investment, Trade and Digital Economy regarding Industrial Zones & Export Processing Zones in Morocco

Ms Fatima Zahra KHAI: Engineer
The Department of Industrial, Commercial,
Technological and Research & Development
Infrastructures

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Evolution of the strategies
of Industrial Infrastructures

Rental Industrial Parks:
Pillar of the Industrial
Acceleration Plan

Export
Processing Zones

Key success
factors &
challenges

Evolution of Industrial Infrastructures

National Plan for
the Development
of Industrial Zones

Emergence of the
Public Private
Partnership

National Pact for
Industrial Emergence

Industrial
Acceleration Plan

Before 1996

Old generation
Industrial Zones

Over 3900 ha
developed

**Evolution of the strategies
of Industrial Infrastructures**

Rental Industrial Parks:
Pillar of the Industrial
Acceleration Plan

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Processing Zones

Key success
factors &
challenges

**National Plan for
the Development
of Industrial
Zones**

Development of industrial areas by the
public sector

Generalization of industrial zones all
over the Kingdom

- No maintenance, management or services
- Problem of speculation

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Industrial Parks :

- ✓ Industrial Park of Bouskoura
- ✓ Industrial Park of Jorf Lasfar
- ✓ ...

2500 ha developed

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Public Private
Partnership

Involvement of the private sector in the development of new industrial infrastructures where the developer provides development and management missions and the State supports the mobilization of the land at competitive prices and off-site infrastructure (electricity, sanitation, STEP)

- Management assured
- Development of the one-shop stop model at the level of the EPZ

- Partial application of certain clauses of the statement of work by some private developers (price, commercial offer, valuation clauses ...)

National Pact for
Industrial
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Industrial
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Industrial Parks :

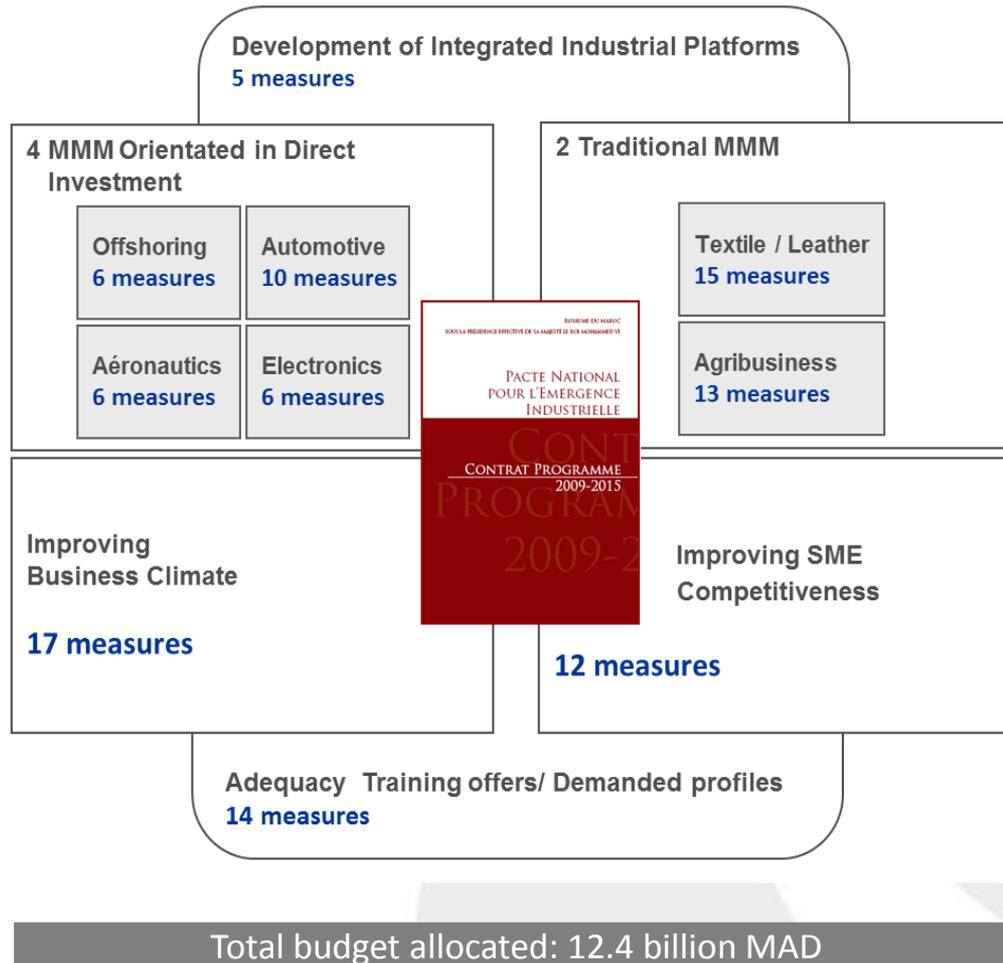
- ✓ Industrial Park of Bouskoura
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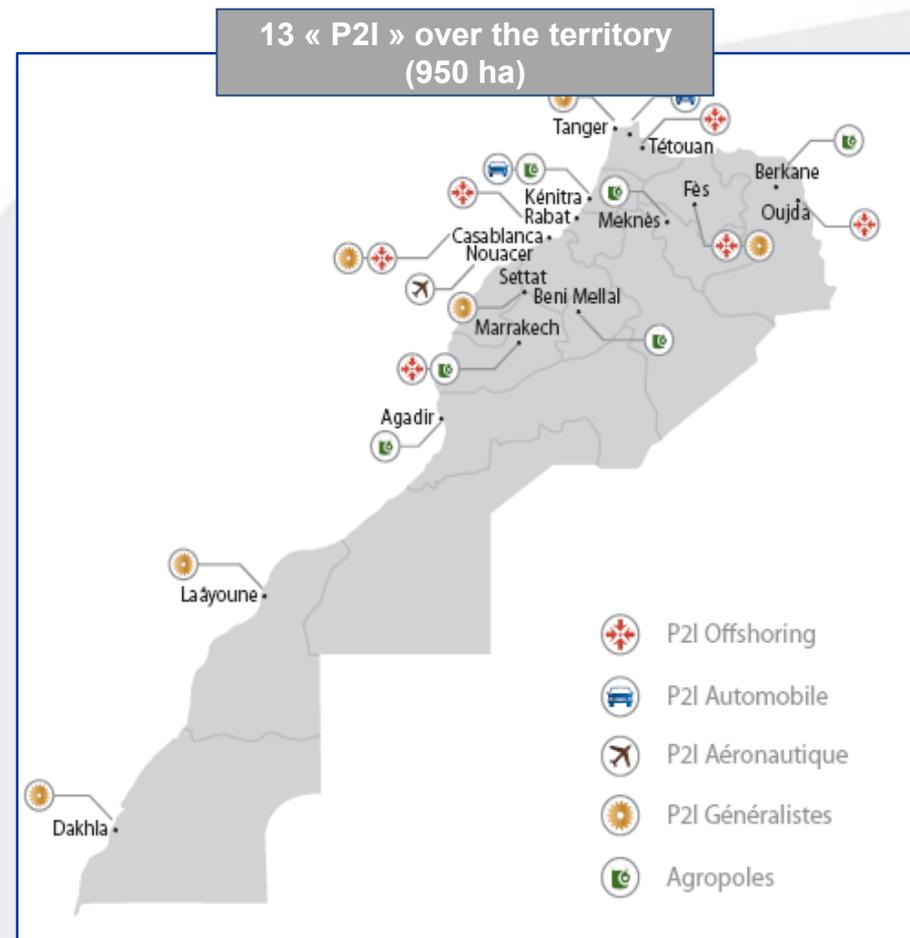
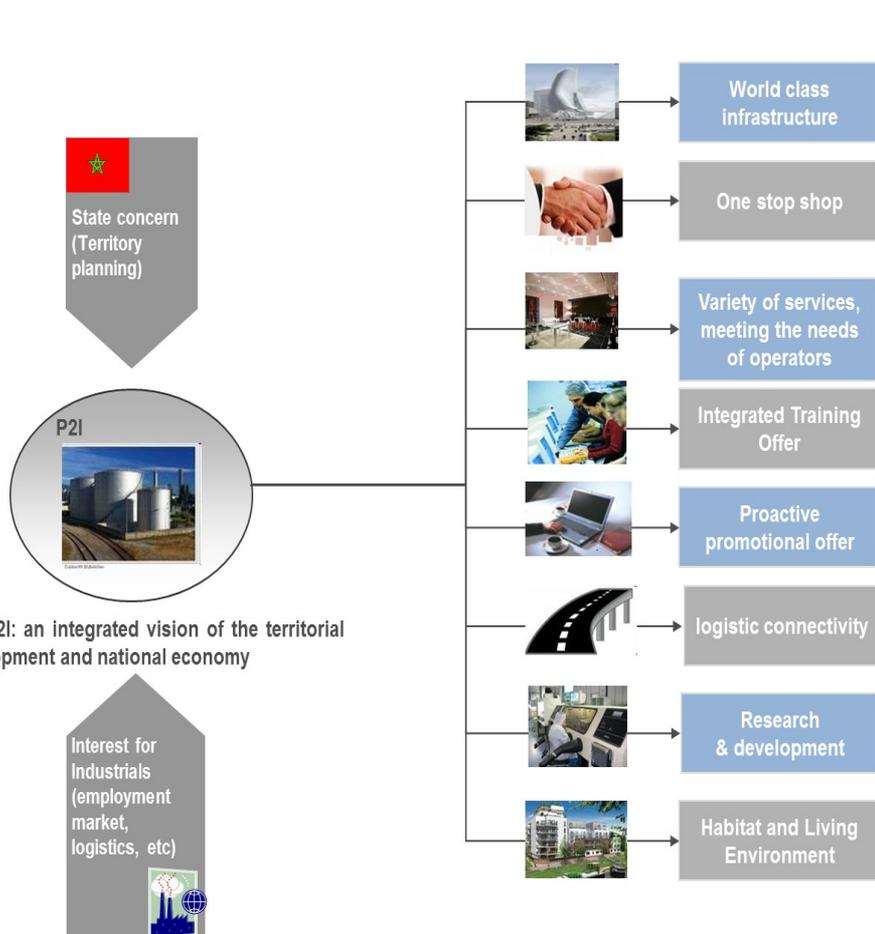
Integrated Industrial
Platforms

950 ha developed

National Pact for Industrial Emergence



Integrated Industrial Platforms (P2I)



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National Pact for
Industrial
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- Development of Offshoring parks with a quality of development of international standards
- Development of Integrated thematic Industrial Platforms, with international standards quality of service and free zone status
- Accompaniment of regions in the creation of industrial zones and rehabilitation of old zones

- International visibility of thematic projects (automobile, aeronautics)
- Optimization of the contribution of the State through equilibrium subsidies
- Support for the development of certain sectors with competitive advantages (automobile, aeronautics, etc.)

- Concentrated offer that does not cover all regions
- Unmet demand in certain attractive regions, notably Casablanca
- Delays in the mobilization of land for certain large size projects
- High costs of off-site

Industrial
Acceleration Plan

Current strategy: Industrial Acceleration Plan 2014-2020

Accelerate our industrialization...

... Through an ecosystems
based development

Employment

500 000

*Job creations in the industry, including
250,000 by the IDE*

**Ecosystems
& sectorial
measures**

- Cornerstone of the approach of the IAP
- Tool of modernization and integration of sectors

Added Value

+9pts

*Increase of the part of industry in the
Gross Domestic Product, to 23%*

Support measures

- Industrial Fund: 20 billion MAD
- Industrial infrastructures : 1000 ha
- Dedicated financial products
- Coordinated training plans
- Offset and import's substitution

Trade Balance

0

*Rebalancing of the external
accounts by promoting export
and substitution of the imports*

**Trade balance
& inclusive
development**

- Transversal objectives of IAP:
- Rebalancing the trade balance
 - Inclusion of the Informal sector
 - Improving vertical integration (LE / SME)

Current strategy: Industrial Acceleration Plan 2014-2020

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Rental Industrial Parks

1000 hectares located throughout the Kingdom

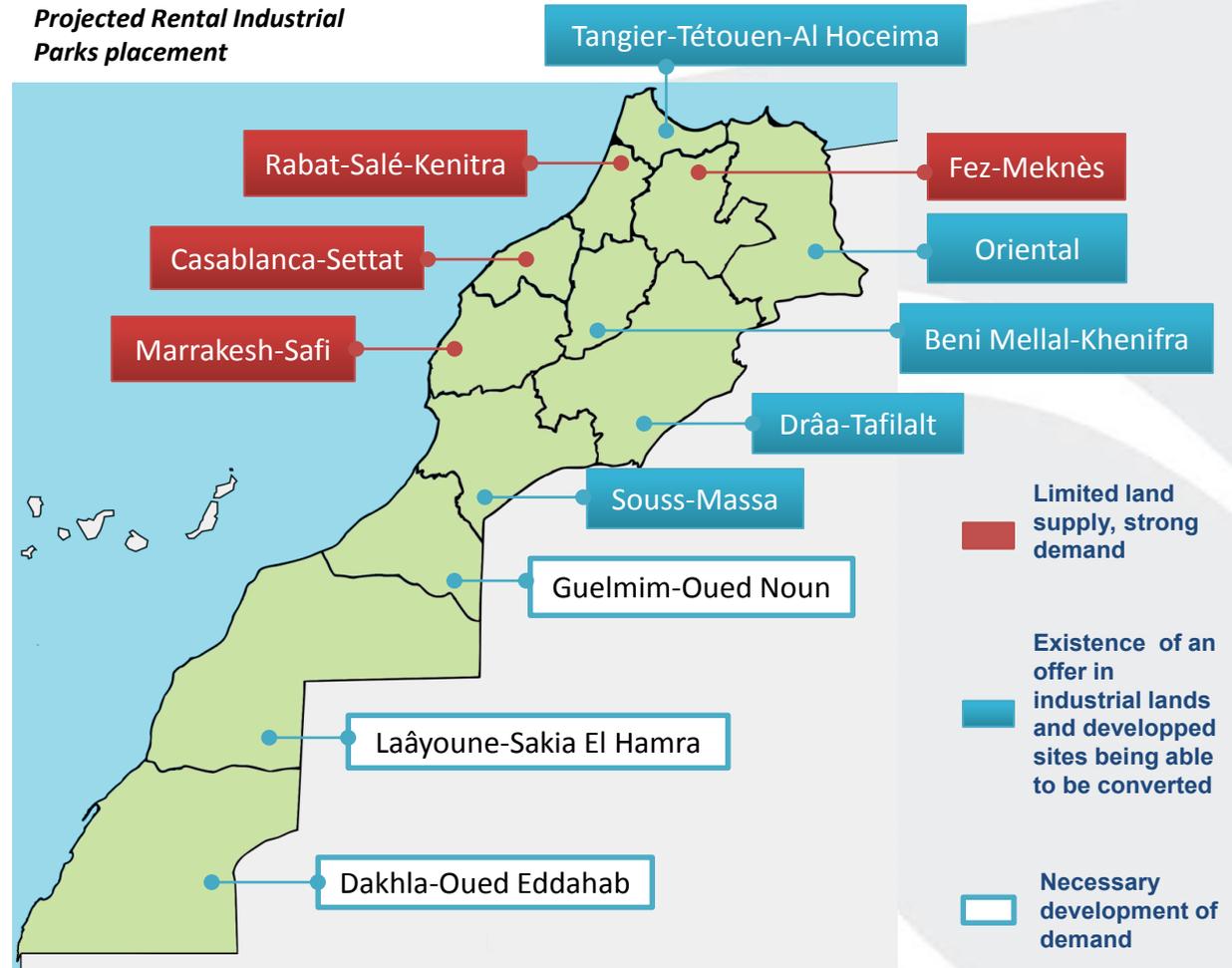
Countering speculation on land

Achieving high occupation rates

Relieve the treasury of companies

Establish one-stop shop

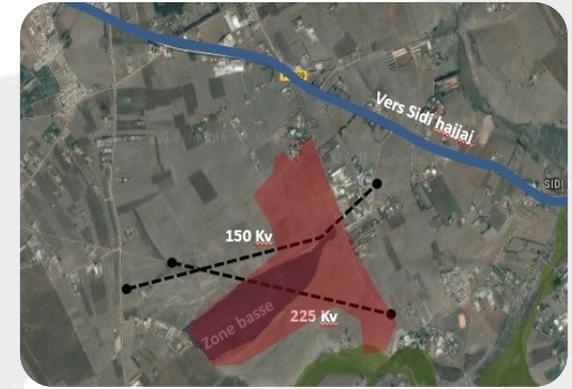
Projected Rental Industrial Parks placement



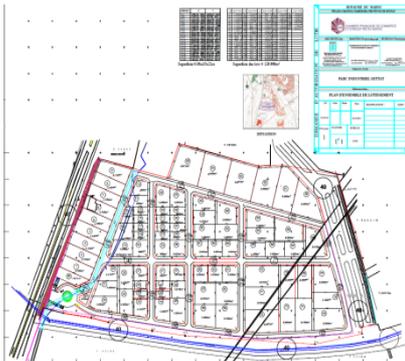
3 projects of Rental Industrial Parks:

Rental Industrial Park of the Fondation of Hassan II Mosque 139 ha

- Partnership Agreement between the MIICEN, the Ministry in Charge of Habous and the Wilaya of Grand Casablanca (signed on April 2, 2014),
- Completion of market, technical and financial studies for the realization of the project,
- Placement of the project with a developer: in progress
- Launch of works: 2018

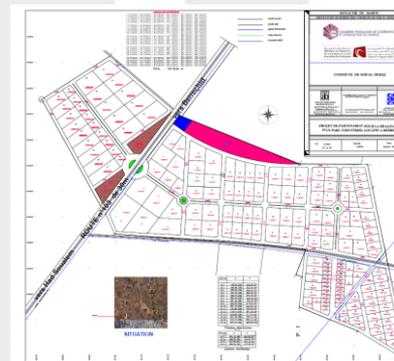


Rental Industrial Park of SETTAPARK (Settat, 19ha)



Projected jobs	4000 job
Projected investment	1,5 Billion MAD
Status of the project	Work completed Commercialization: 69%

Rental Industrial Park of ECOPARC (Berrechid, 61ha)



Projected jobs	8000 direct jobs and 4000 indirect jobs
Projected investment	2 Billion MAD
Status of the project	Work in progress

Evolution of the strategies of Industrial Infrastructures

**Rental Industrial Parks:
Pillar of the Industrial
Acceleration Plan**

Export Processing Zones

Key success factors & challenges

National Plan for the Development of Industrial Zones

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Industrial Acceleration Plan

- Development of Rental Industrial Parks with one-stop shop and integrated services
- Accompaniment of regions in the creation of industrial zones and rehabilitation of old zones

- Counteracting speculation
- Relieving corporate cash flow

- Difficulty attracting private developers

Evolution of Industrial Infrastructures

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1996-2009

Industrial Parks :

- ✓ Industrial Park of Bouskoura
- ✓ Industrial Park of Jorf Lasfar
- ✓ **1st Export Processing Zone in Morocco: Tangier Free Zone**

2500 ha developed

**National Pact for
Industrial Emergence**

2009-2014

Integrated Industrial
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950 ha developed

**Industrial
Acceleration Plan**

2014-2020

Rental Industrial
Parks

1000 ha

**Export Processing
Zones principle**

- Export processing zones (EPZs) are defined areas dedicated to export activities for industrial or commercial purposes, as well as correspondent service activities, that are exempt from **customs regulations, control of foreign trade and foreign exchange.**

**Legal and
regulatory
framework**

- The EPZs are established by **Law 19-94 (Dahir No. 1-95-1 of 26 January 1995) and its implementing decree (Decree No. 2-95-562 of 12 December 1995).**
- Each zone is created and delimited by a decree that sets the nature and the activities of the companies that can be established.
- The EPZ concession to a developer is governed by a decree.
- Authorized services to locate in the EPZ are fixed by a **service order.**

**Developping
& operating
the EPZ**

- The developer of the EPZ is in charge, in particular, of the **carrying out of the technical and financial studies of the EPZ, the realization of the works of development and maintenance (roads, networks of water, electricity, sanitation, etc.).**), the management of the EPZ (distribution of water and electricity, surveillance and security of the common areas, control of buildings, installations, etc.) and the **promotion and marketing of the EPZ.**

The creation of an EPZ within a P2I goes through the following steps

1. THE DECREE ESTABLISHING THE EPZ

Each zone is created and delimited by a decree that sets the nature and the activities of the companies that can be established. The creation of the decree goes through the following steps:

- **Drafting** of the decree establishing the EPZ which must specify:
The decision to grant the status of the EPZ;
The exact delimitation of the EPZ;
The activities of companies that can settle inside the EPZ.
- **Validation** of the draft decree by the National Committee of EPZ;
- **Signature** of the decree by MIICEN and MEF;
- Sending to the General Secretariat of the Government for **examination** within the Council of Government;
- **Publication** in the Official Bulletin (OB).

2. THE SERVICE ORDER

Authorized services to locate in the EPZ are fixed by a service order. The establishment of the service order, which defines the services related to the activities authorized to be established in the EPZ, goes through the following steps:

- **Drafting** of the service order;
- **Examination** of the service order within the National Committee of EPZ;
- **Signature** by MIICEN and MEF;
- Sending to the General Secretariat of the Government for **publication** to the OB.

3. CONCESSION OF THE EPZ

The development and management of the EPZ is granted on the basis of the statement of work specifying the rights and obligations of the concessionaire and goes through the following steps:

- Request for the **agreement in principle of the Head of Government** for the decree approving the concession of the development, and the management of the EPZ to company X (mutual agreement);
- **Drafting of the concession decree and the statement of work:**
The statement of work of the EPZ consists of the administrative and technical clauses defining the operating conditions and the duties and obligations in terms of development and management;
The statement of work of the PZI must specify the commitments of the developer concerning **the real estate offer, the logistics offer, the service offer, etc.**
- **Validation of the concession decree and the statement of work:**
Validation of the statement of work with developer;
The statement of work must be approved by the National committee for Export Processing Zones;
Signature of the statement of work by the MIICEN, the MEF and the developer.
- **Signature of the concession decree by MIICEN and MEF;**
- **Signature of the concession decree by the Head of Government;**
- Sending the concession order and the statement of work to the General Secretariat of the Government for **publication to the OB.**

4. THE FRAMEWORK AGREEMENT

Contractual document, **between the concession holder of the EPZ and the Administration of Customs and Indirect Taxes**, fixing the practical modalities relating to the formalities of conveyance of the goods imported or acquired in Morocco and intended **during the development and the construction of the EPZ.**

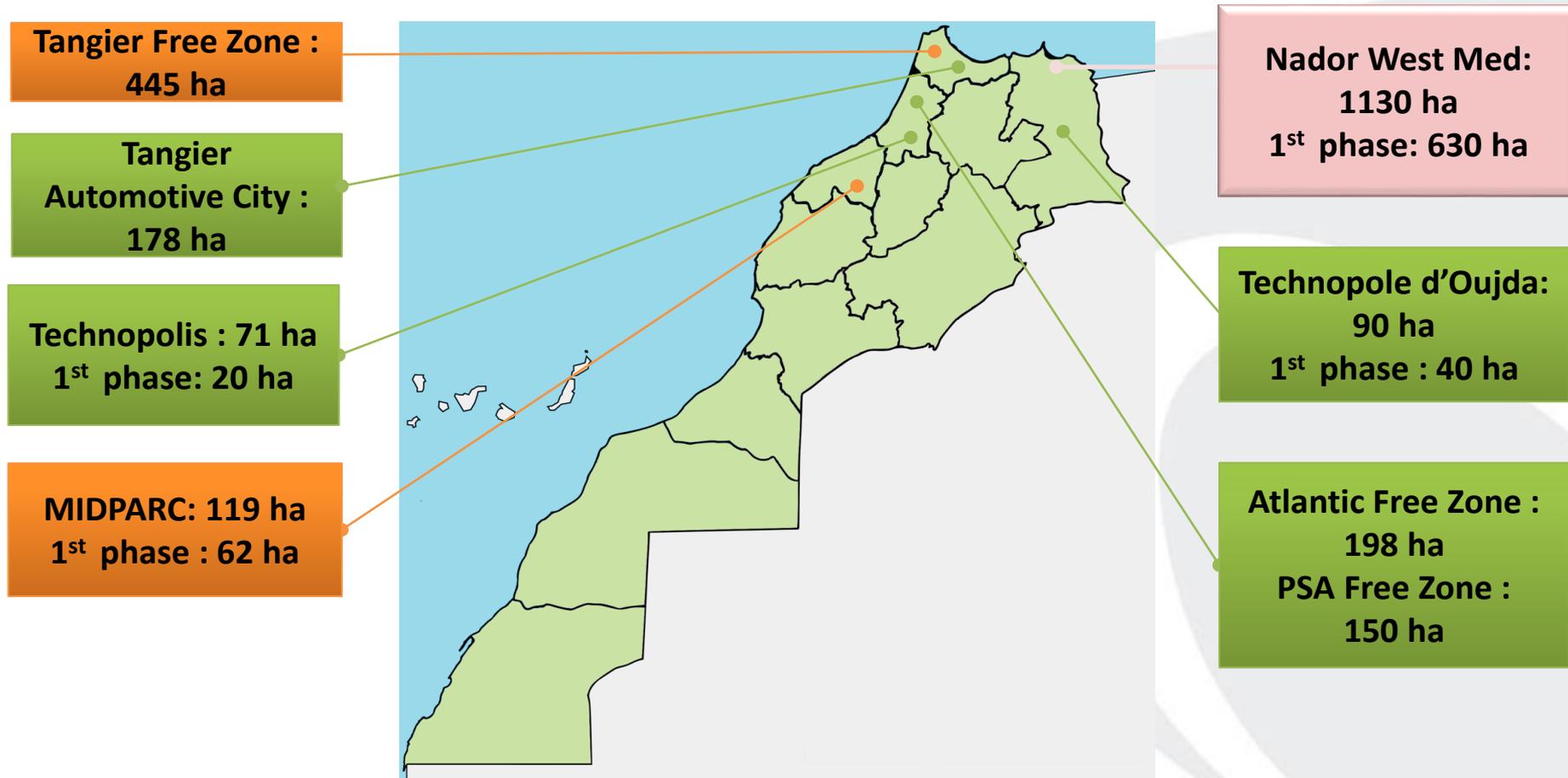
5. RULES OF PROCEDURE

The purpose of the rules of procedure is to define **the rules governing relations between the State and the company in charge of the development, promotion, management and marketing of the EPZ, on the one hand and the investors on the other hand.** It constitutes, with the legal texts relating to the EPZ (law 19-94 on the EPZ, decree establishing the EPZ, decree of concession, service order, etc), the legislative and regulatory framework applicable to the management company.

The elaboration of the rules of procedure of the EPZ goes through the following stages:

- **Elaboration** of the rules of procedure project (the developer);
- **Validation** of the rules of procedure by MIICEN and the Administration of Customs and Indirect Taxes;
- Elaboration and signature of the **decree of promulgation of the rules of procedure** by the MIICEN;
- Sending of the decree of promulgation of the rules of procedure to the MEF for **signature**;
- Sending the rules of procedure and the decree to the General Secretariat of the Government for **publication.**

Industrial Export Processing Zones: Existing / under way



Advantages offered by Export Processing Zones

Foreign exchange regime

- Goods entrances and exits in EPZs are **not subject to foreign exchange regulations**.
- **Commercial, industrial and service operations** carried out by companies located in EPZs benefit from a **total freedom of exchange**.
- The settlement of transactions within these zones must be made exclusively in **convertible currencies**.

Customs regime

- **Goods entering or leaving** the export processing zones for export as well as those obtained in these areas or stored **are exempt from all duties, taxes or surcharges on imports, movement, consumption, production or export**.
- Foreign companies operating in export processing zones benefit from **the suspension of duties and taxes and foreign trade control formalities** for new or used furniture imported on the occasion of their installation in Morocco.

Tax regime

- Various taxes and duties:
 - ✓ **Exemption from registration fees and stamp duty** for acts of constitution and capital increase, and the acquisition of land necessary for the realization of the project.
 - ✓ **Exemption from business taxes** for the buildings and equipment needed to carry out the investment project.
 - ✓ **Exemption from the urban tax.**
- Corporate tax (IS): **total exemption during the first 5 years; rate of 8.75% for the next 20 years.**
- General Income Tax (IR): 80% abatement.
- Dividends and membership shares: **Exemption from tax on dividends** when they are paid to **non-residents** and taxation at a rate of **7.5%, for those paid to residents.**
- Value Added Tax: **Exemption for goods entering the EPZ.**

At the administrative level

It provides a **one-stop shop** to investors to facilitate administrative procedures.

EPZs: Key Success Factors and Challenges

Key success factors

- Establishment of committees (national and local) ensuring the creation and monitoring of the EPZ.
- Involvement of the private sector in the planning, management, promotion and commercialization of the EPZ.
- Concession of the realization of EPZs to the private sector through partnership agreements and specifications.
- Establishment of one-stop shop, through the law, to support investors and facilitate all administrative procedures.

Main challenges

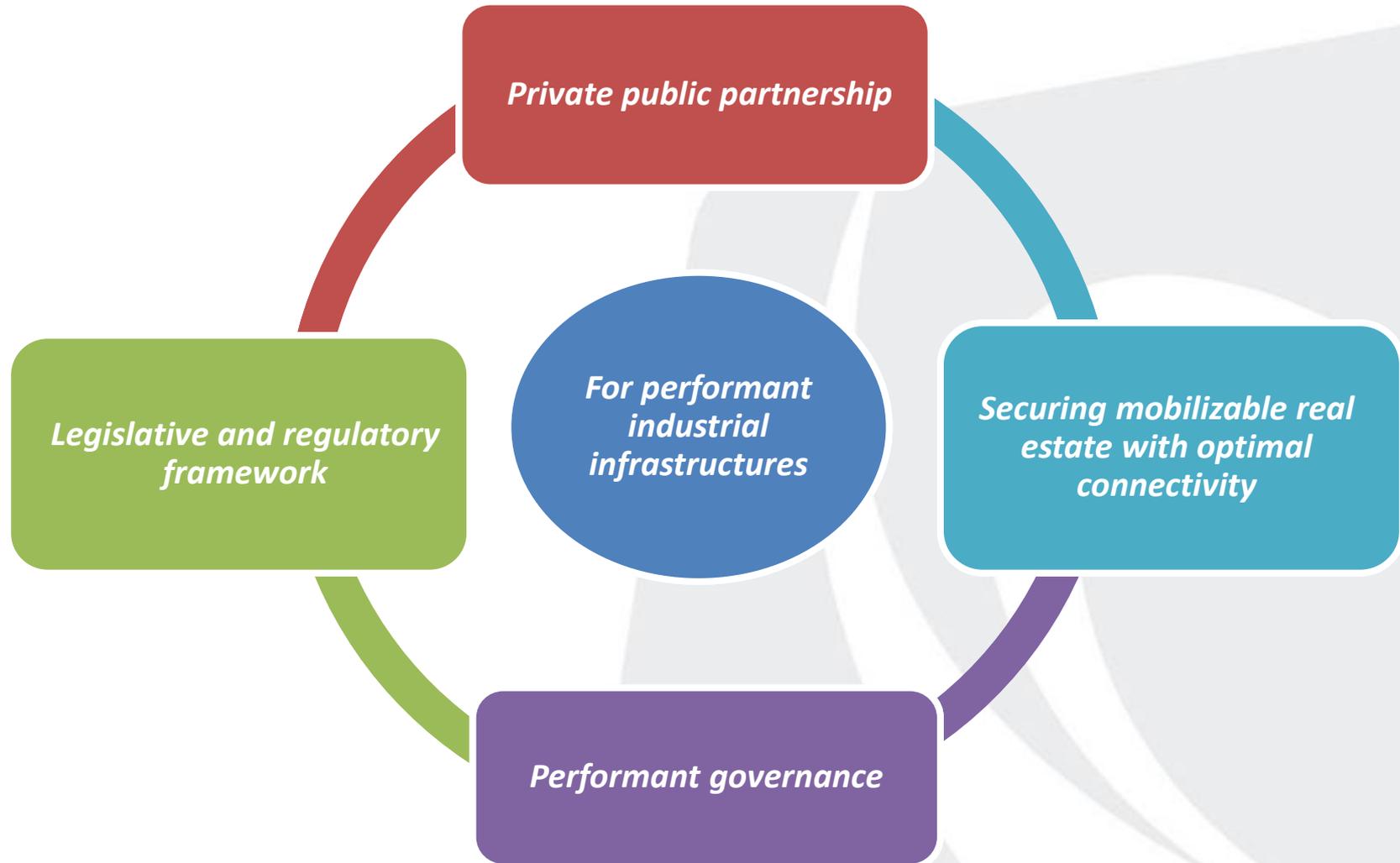
- Difficulty mobilizing land, especially in the most attractive regions.
- High costs of offsite equipment.

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Thank you

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10TH MEETING OF THE COMCEC TRADE WORKING GROUP