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MOROCCO
Country Profile

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Executive Briefing

- Morocco's stable political climate benefits from the monarchy's central role in decision-making. The next general election is scheduled for September 2026.
- Morocco's real GDP growth will remain robust at 4.1% in 2027, matching 2026, as external price pressures ease and domestic demand remains resilient.
- Industrial zones such as Tangier Automotive City (TAC) offer manufacturers tax and customs incentives, support supplier clusters and reinforce Morocco's role as a production base.
- Morocco's cobalt sector has long-term growth potential as battery demand rises and automakers look to diversify supply beyond the Democratic Republic of the Congo (the DRC).

Political Climate

Morocco's stable political climate benefits from the monarchy's central role in decision-making. A general election is scheduled for September 2026, but any change in government composition is unlikely to alter the focus on economic reform, social spending, investment attraction and infrastructure delivery. The monarchy's emphasis on reducing regional inequalities, expanding public services and supporting major investment projects helps to maintain policy continuity.

Macroeconomic Outlook

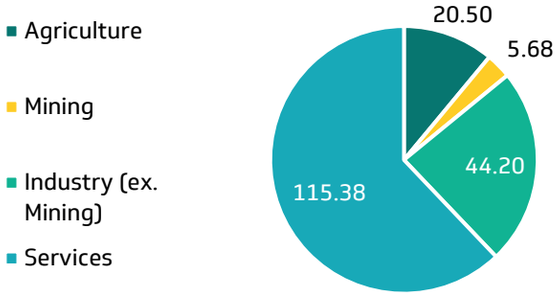
Morocco's real GDP growth will remain robust at 4.1% in 2027, matching 2026, as external price pressures ease and domestic demand remains resilient. Higher fuel and commodity import costs linked to United States/Israel–Iran tensions will add to inflation and input-cost pressures in 2026, but these effects should moderate as energy and shipping markets normalise. Growth in 2027 will be supported by household consumption, continued investment and a recovery in agricultural activity after drought conditions have eased.

Investment will provide a further source of support in 2027, led by spending on transport, logistics, energy and wider infrastructure. Preparations for the 2030 FIFA World Cup will sustain project activity, alongside major state-owned enterprise (SOE) investment, including Office Chérifien des Phosphates' (OCP) planned annual spending of MAD25–30 billion through to 2027 on fertiliser capacity and renewable energy. Private investment is expected to strengthen as borrowing conditions improve, with lending to non-financial corporates accelerating in 2026 after market interest rates fell from their early 2024 peaks.

Exports will remain an important medium-term growth driver, led by autos, fertilisers, pharmaceuticals and other higher-value manufactured goods. Morocco benefits from proximity to European markets, access to African and Middle Eastern demand, and strong port and logistics infrastructure around Tangier. Industrial zones such as Tangier Automotive City (TAC) offer manufacturers tax and customs incentives, support supplier clusters and reinforce Morocco's role as a regional production base.

Over the longer term, Morocco's ten-year New Development Model (NMD) to 2035 will guide efforts to raise productivity, strengthen private investment and expand higher-value activity. Real GDP growth will average 3.6% annually between 2027 and 2035, supported by sustained fixed investment and continued diversification across manufacturing, tourism and high-value services.

Morocco – GDP by Output, USD billion (2027f)



f = forecast Afreximbank research. Source: World Bank, Afreximbank research

Key Macroeconomic Indicator	2024	2025	2026e	2027f	2027f–2031f ave	2027f–2035f ave
Population, mn	38.08	38.43	38.76	39.08	39.66	40.18
Real GDP Growth, % y-o-y	3.79	4.60	4.06	4.12	3.76	3.63
Real GDP per capita, USD	3,785.09	3,923.02	4,047.39	4,179.96	4,439.39	4,708.21
Inflation (%)	1.00	0.68	2.00	2.20	2.07	1.89
Fiscal balance, % of GDP	-3.79	-3.51	-3.87	-3.91	-3.72	-3.69
Public debt, % of GDP	66.27	64.89	65.35	64.39	62.17	60.33
Current account balance, % of GDP	-1.20	-2.37	-3.14	-2.58	-2.00	-1.77
Exchange rate, MAD/USD, ave	9.94	9.35	9.18	9.29	9.42	9.52

e/f = estimate/forecast Afreximbank research. Source: National sources, Afreximbank research

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