

# EXPORT RÅDDET

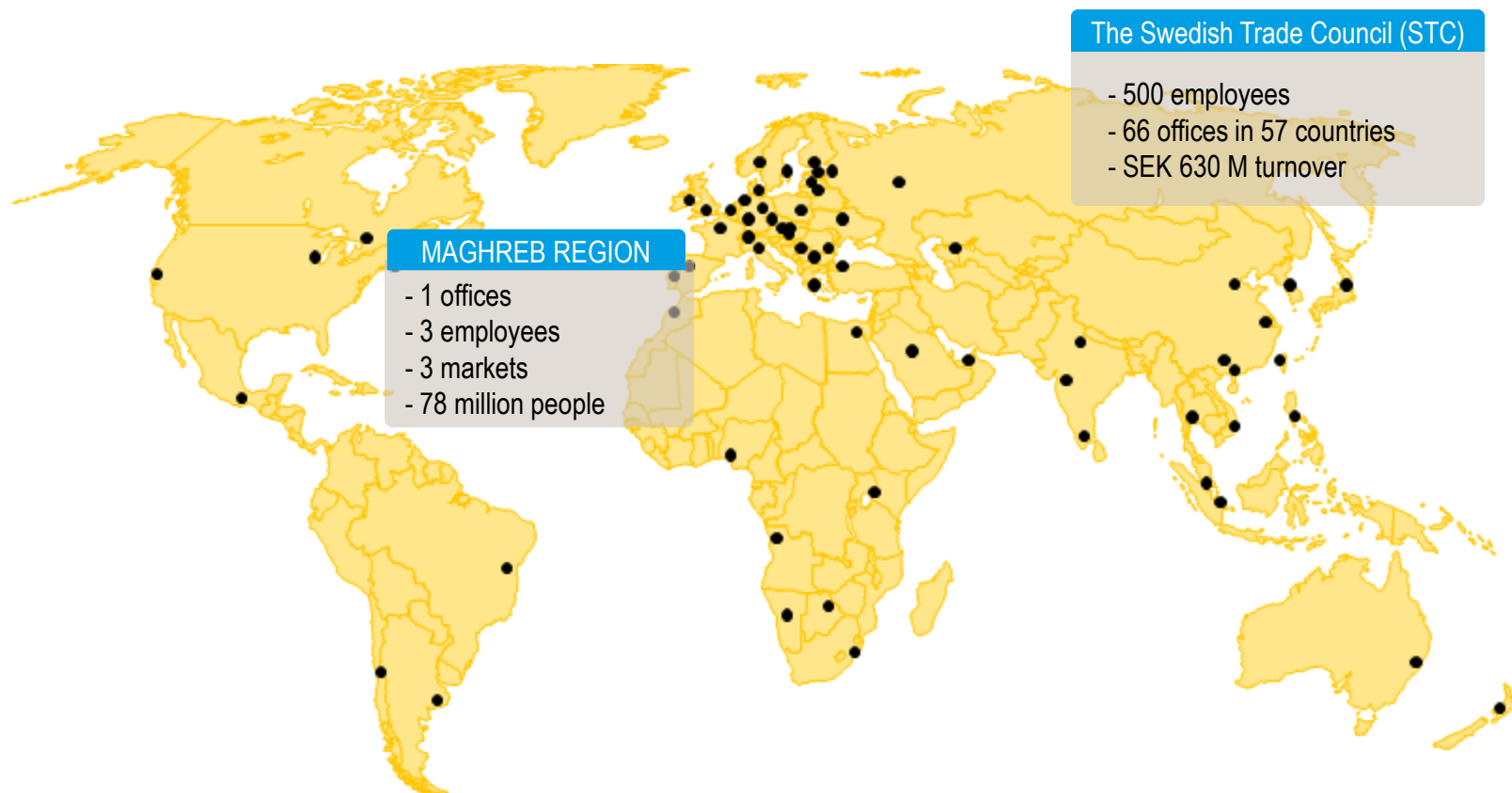
SWEDISH TRADE COUNCIL



WE MAKE IT EASIER FOR SWEDISH  
COMPANIES TO GROW INTERNATIONALLY



# WE ARE AT HOME ON YOUR FOREIGN MARKETS





# MAGHREB

## QUICK FACTS FOR SWEDISH BUSINESS

Swedish Trade Council

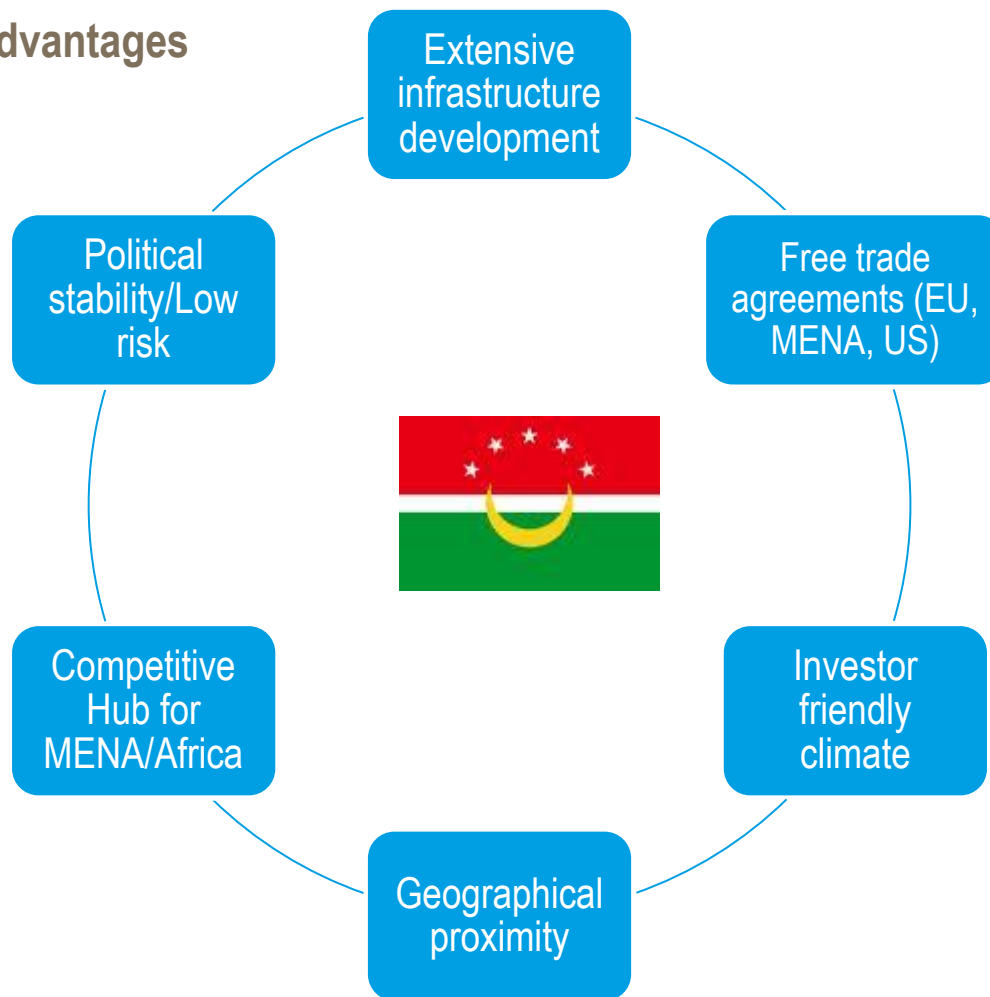
Casablanca, June, 2009

# AGENDA

- Executive summary ( Why Maghreb)
- Maghreb presentation
  - Key Facts, Comparison, Trade with Sweden, Current activities
- Country presentations (Morocco , Algeria, Tunisia)
- Business opportunities
  - Sector presentations (Infrastructure, Industry, Textile, Tourism, Environment)

## WHY MAGHREB?

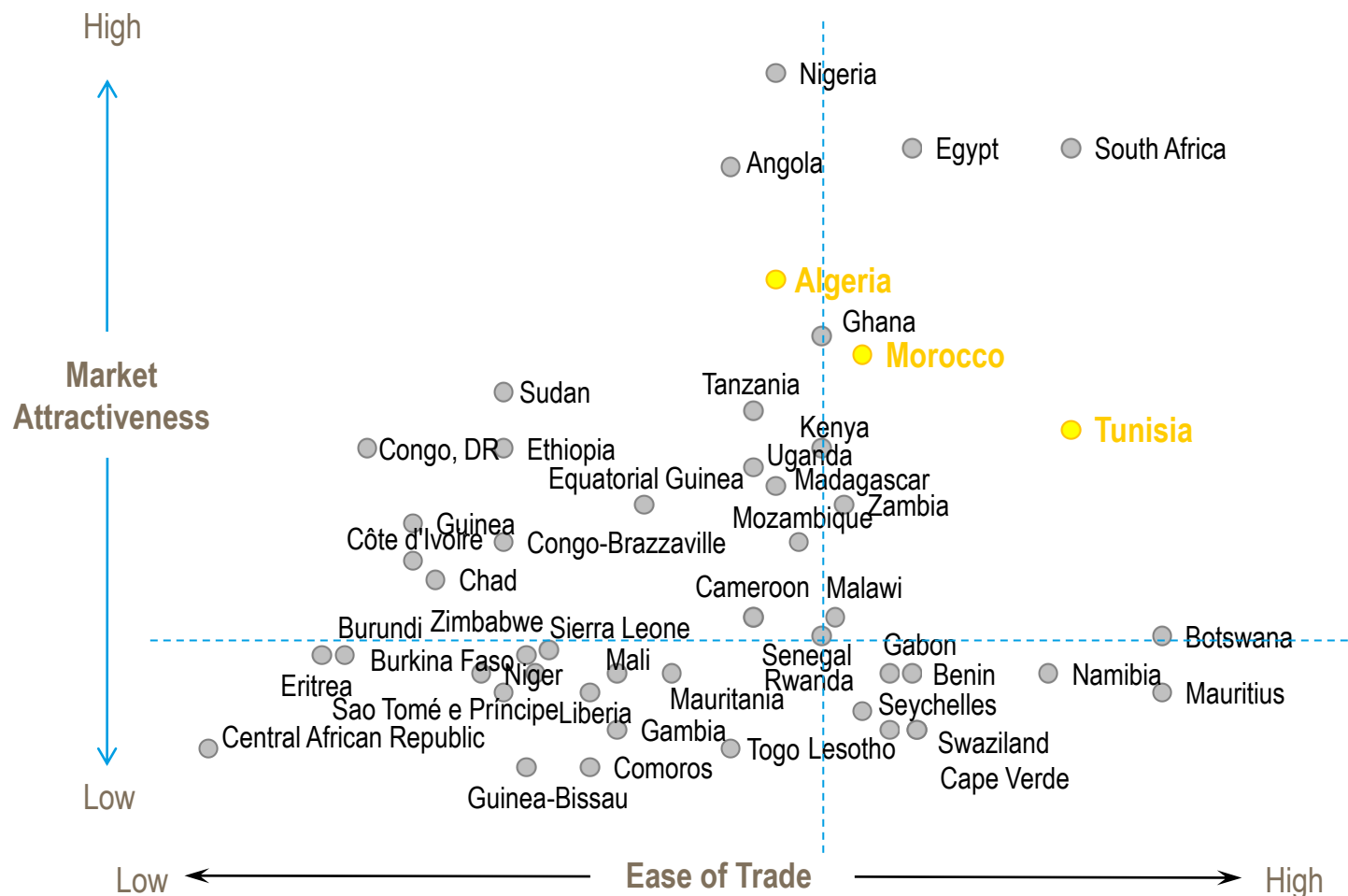
-Several strong advantages



Same distance between Stockholm-Tunis (2580 km) and Stockholm-Madrid (2573 km)

# WHY MAGHREB?

Africa Plot → Maghreb countries highly interesting both in terms of market attractiveness and ease of trade



\* Dotted line indicate median

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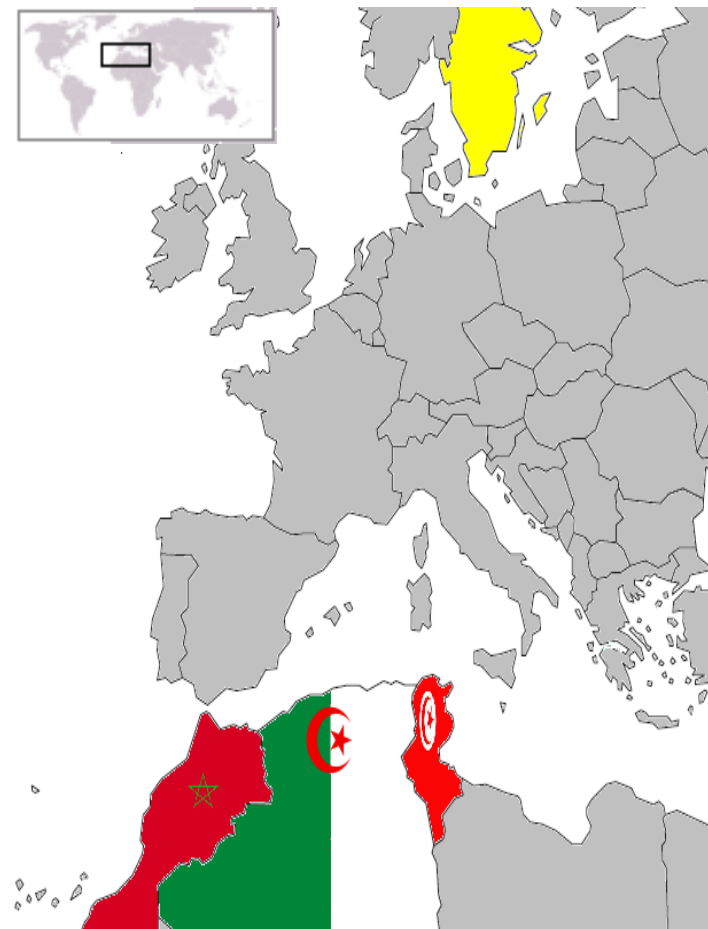
- Country presentations (Morocco, Tunisia, Algeria)

- Business opportunities

  - Sector presentations (Infrastructure, Sourcing, Oil & Gas, Tourism, Environment)

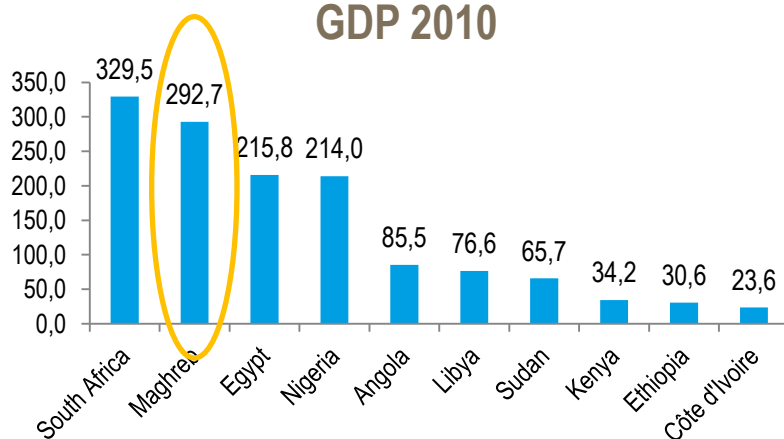
## 78 MILLION CONSUMERS AND AN AVERAGE GDP GROWTH OF 4% THE LAST 5 YEARS

<b>Population:</b>	78 million inhabitants( est 2010)
<b>Area:</b>	3 273 000 km <sup>2</sup>
<b>GDP Growth:</b>	4% (est 2010)
<b>GDP in US dollars:</b>	300 Billions USD (est 2010)
<b>GDP/Capita (PPP):</b>	7 000 USD( est 2010)
<b>Inflation:</b>	4% (est 2010)
<b>Religion:</b>	Islam (Sunni Muslims), Jewish minority in Morocco and Tunisia
<b>Language:</b>	Classical Arabic (de jure), Maghreb Arabic and Berber dialects (de facto), French (business)
<b>Main export products:</b>	Oil & gas, phosphates, agricultural & fishery products, textile, automotive
<b>Swedish Exports:</b>	6,5 Billion SEK (2009)

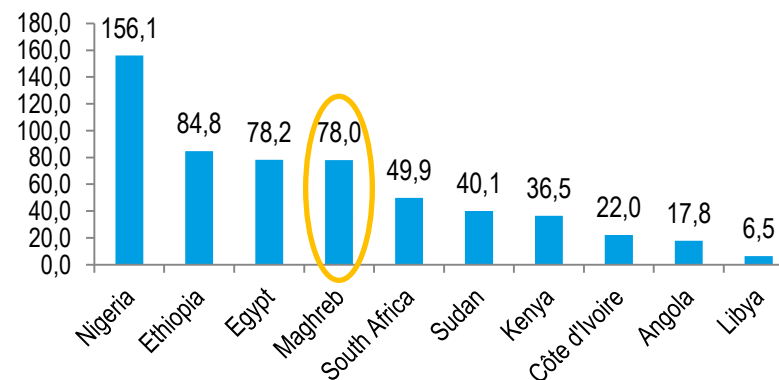


# MAGHREB IS AFRICA'S SECOND BIGGEST ECONOMY BY GDP AS WELL AS IT'S BIGGEST IMPORTER

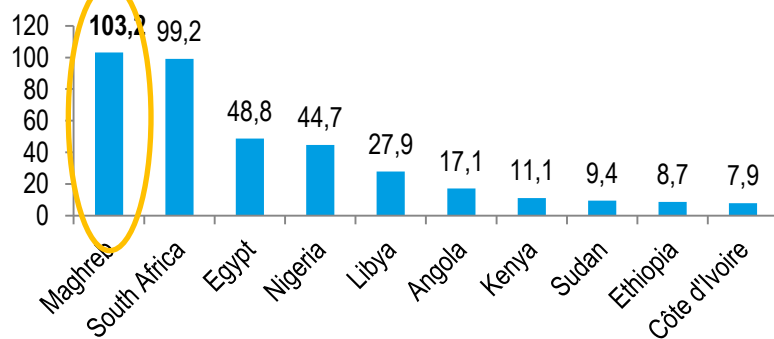
## GDP 2010



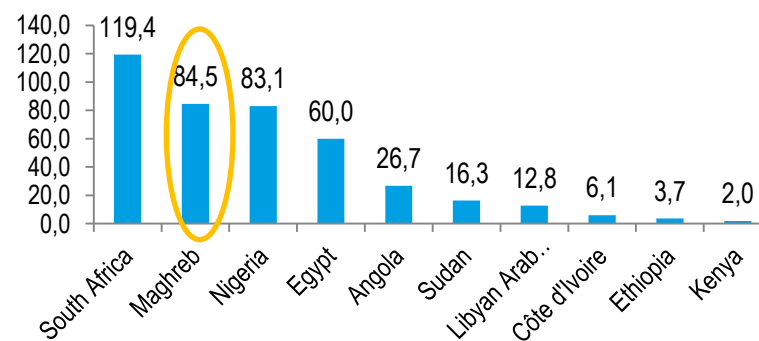
## Population 2010 in millions



## Merchandise Import (2008)



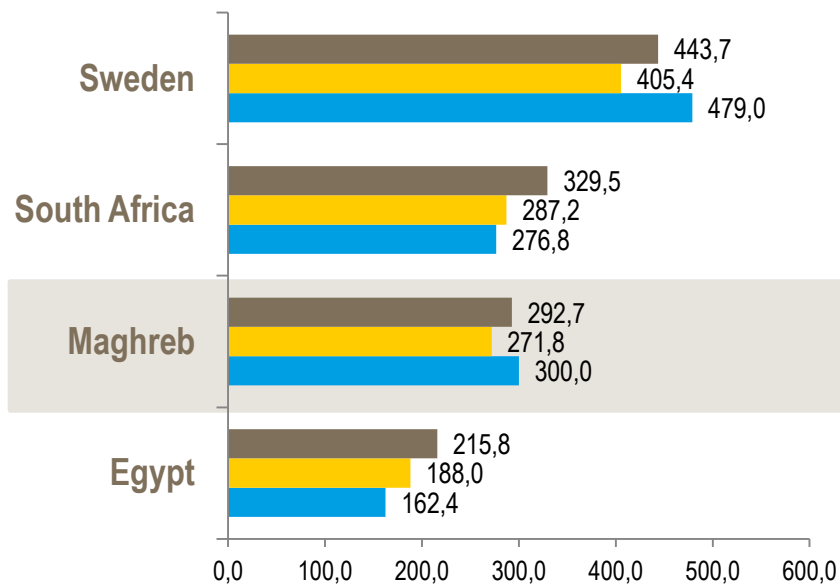
## FDI Stock 2008



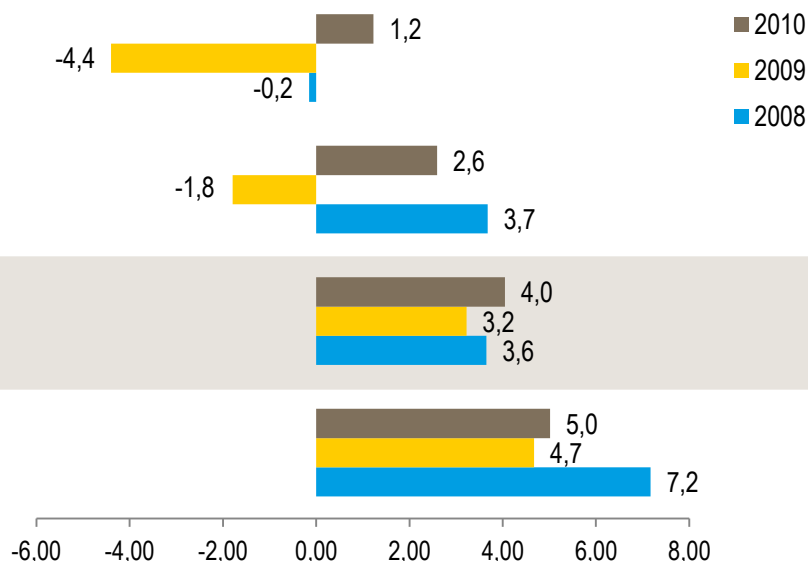
Figures in billion USD

## MAGHREB CORRESPONDS IN GDP TO SOUTH AFRICA AND GDP GROWTH SHOWS STRONG PERSISTENCE TO CRISIS

Total GDP USD billion



GDP growth %

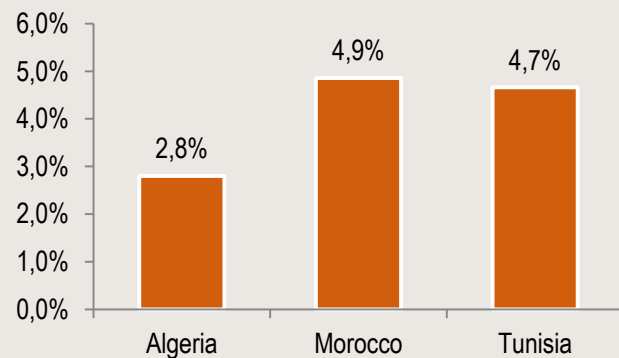


**Comparison: 45 % higher GDP than Egypt with the same population (75-76 million)**

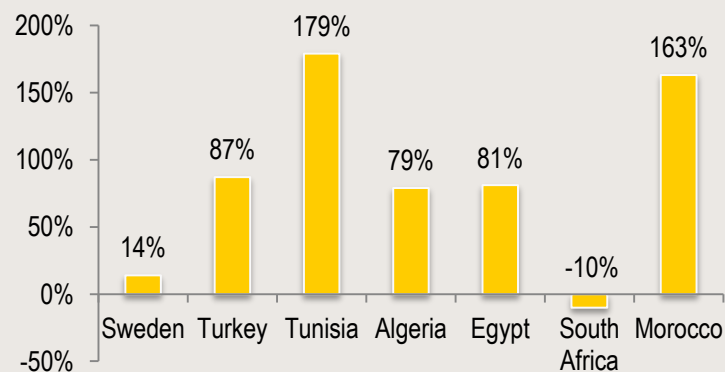
Note: GDP is mentioned in official exchange rates

# MAGHREB SHOWS STRONG GROWTH BOTH IN TERMS OF GDP AND FOR HUMAN DEVELOPEMENT INDEX

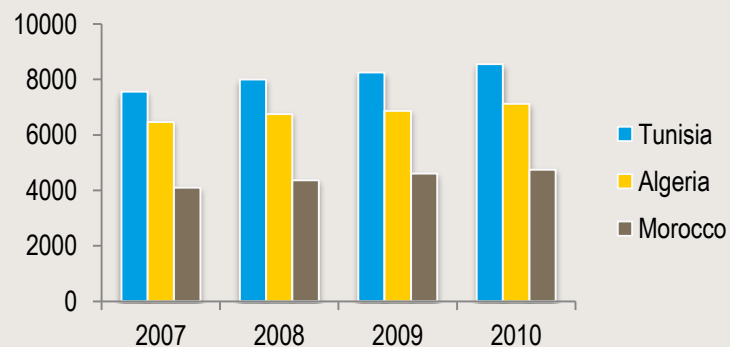
### Average GDP growth 2006-2010 in %



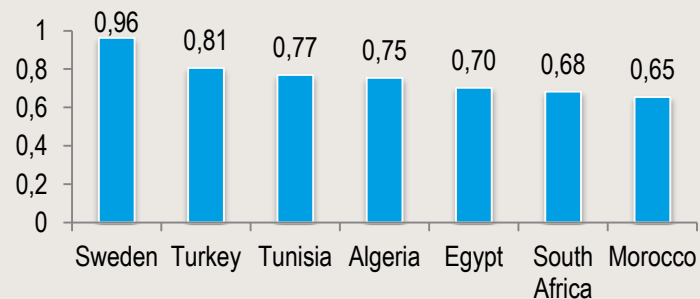
### Human Development Index growth 2000-2007



### GDP/Capita PPP in US\$



### Human Development Index (2007)



## SEVERAL TRADE AGREEMENTS SIMPLIFY MOROCCAN AND TUNISIAN TRADE AS WELL AS MAKES THE REGION INTO A POTENTIAL TRADE HUB

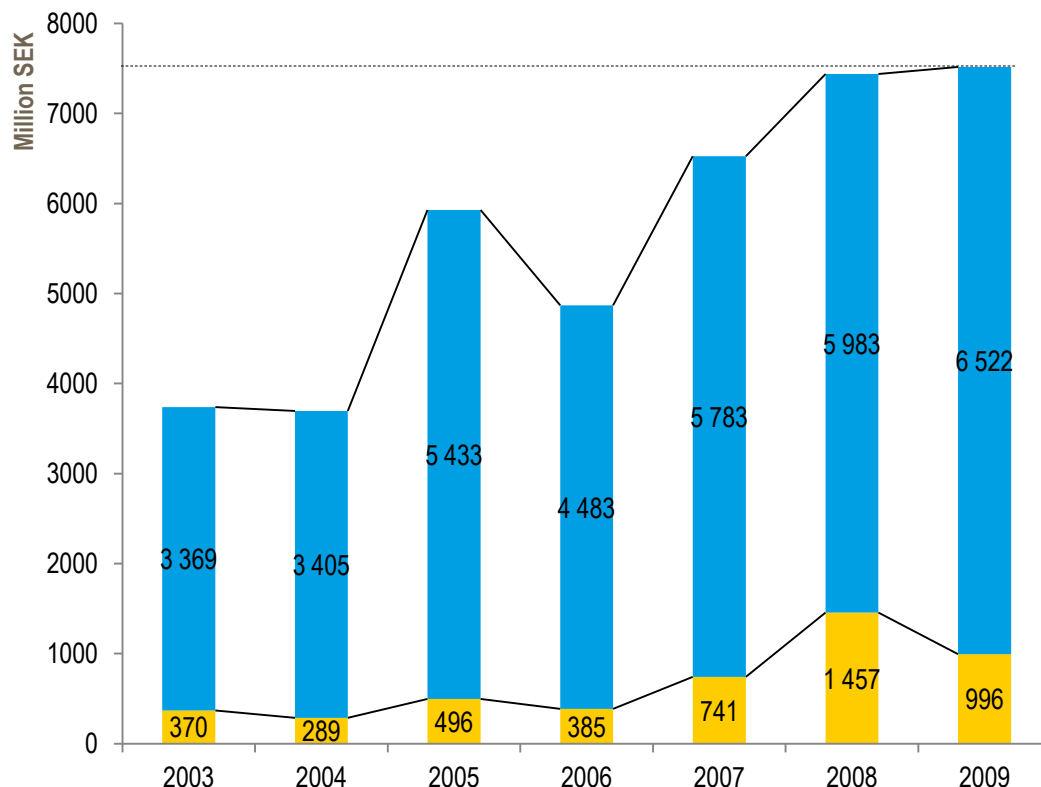
	Morocco	Tunisia
EU	Free trade	Free trade
US	Free trade	-
Agadir agreement	Member. Entitles free trade with Egypt, Jordan and Tunisia	Member. Entitles free trade with Egypt, Jordan and Morocco
EFTA	Free trade agreement with the EFTA countries (Iceland, Lichtenstein, Norway and Switzerland)	Free trade agreement with the EFTA countries (Iceland, Lichtenstein, Norway and Switzerland)
WTO	Member since 1995	Member since 1995



Morocco is the only country in the world with free trade agreement with both EU and US

Algeria in negotiations to join several trade organizations/trade agreements, such as WTO

## SWEDISH EXPORTS TO MAGHREB DOUBLED DURING THE LAST 5 YEARS



2003-2009

CAGR Swe Export: **11,6%**

CAGR Swe Import: **17,9 %**

Total growth Swe Exports: **93,6 %**

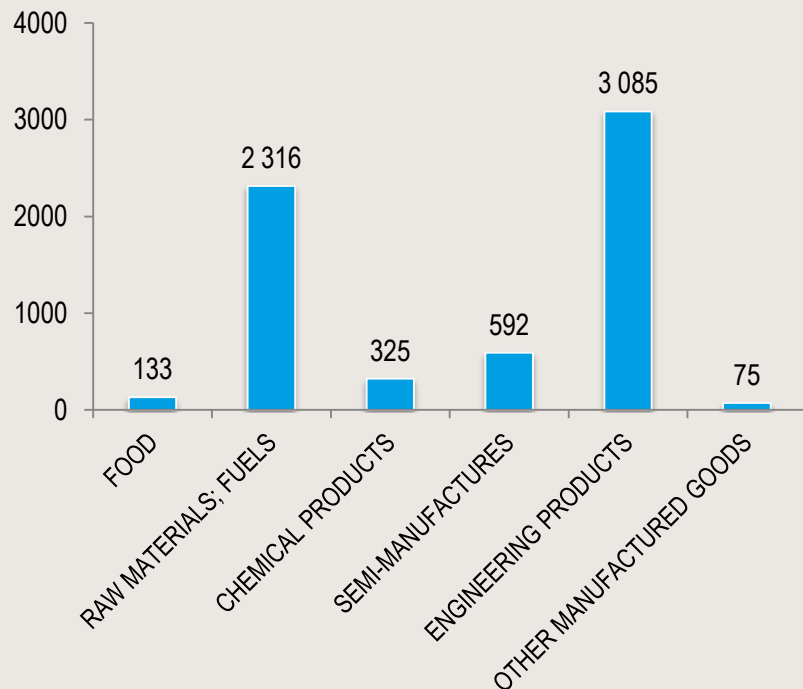
Total growth Swe Imports: **169,1 %**

Total growth total Maghreb Swe trade: **101,1%**

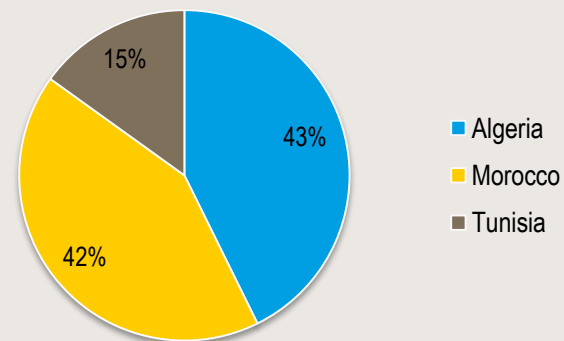
**Comparison: Increase in Swedish Maghreb trade corresponds to increase in Turkish-Swedish trade for the years 2003 - 2009**

## STEADY INCREASE OF SWEDISH EXPORTS TO MAGHREB MAINLY DRIVEN BY RAW MATERIALS AND ENGINEERED PRODUCTS

Export breakdown (MSEK)



Swedish exports per country (2009)



- Swedish exports in 2009; 6 522 Million SEK
- Morocco and Algeria major export partners with similar share
- Raw materials (fuel) and Engineered products drives Swedish Exports to Maghreb

## LARGE SWEDISH COMPANIES ARE DOING WELL IN THE REGION...



- Growing rapidly in Morocco
- Currently investigating rest of Maghreb



- Big in the region
- Establishing service center in Morocco



- Just acquired huge security company in Morocco as market entry



- Big in the region
- Turnover of 1 Billion SEK in Algeria and Morocco

.... and paving the way for Swedish SME:s

## ONGOING REGIONAL ACTIVITIES AND EFFORTS AS WELL AS STRONG FUNDAMENTALS MAKES THE REGION ATTRACTIVE AND AN IMPORTANT HUB FOR THE AFRICA/ARABIC AREA

- **Hub focus:** Great efforts made to further establish Maghreb's position as a MENA and Africa hub for sourcing, shipping & transports, textile and finance. Casablanca is already frequent as key location for MNCs and their MENA/Africa headquarters and Tangier Med opened and to become new trading hub. Further on Morocco's strong historical connections to the French-speaking Africa makes it to an appropriate starting point for African activities.
- **Casablanca Stock Exchange (CSE):** Economic reforms increasing the transparency of financial markets combined with CSEs ambition of becoming new African financial hub simplifies foreign investments. In addition Morocco has a strong bank system
- **Infrastructure projects:** Major infrastructure projects in pipeline. E.g. Tramway in Casablanca and Alger, Subway in Alger, Tangier Port and new International airport as well as Port in Tunis
- **Increased efforts to reduce corruption:** ICPC (l'Instance Centrale pour la prévention de la corruption) formed aiming at reduce corruption in Morocco. Similar action in Algeria.
- **Environment and green energy in focus:** Solar energy plans in Morocco and Algeria. Environmental project in Morocco → Green plan with 150 billion Dirham investments until 2020.

# AGENDA

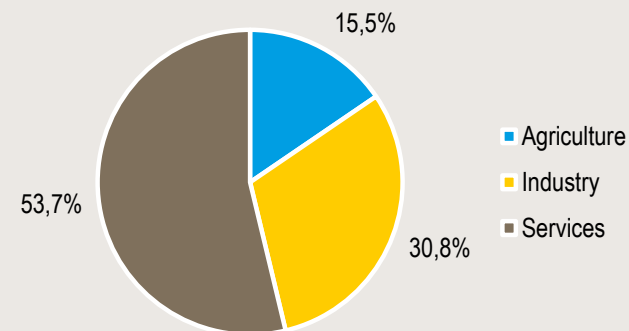
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# PHOSPHATE, TOURISM, AGRICULTURE & FISHERY AND TEXTILE DRIVEN ECONOMY WHICH SHOWS RESISTANCE TO CRISIS

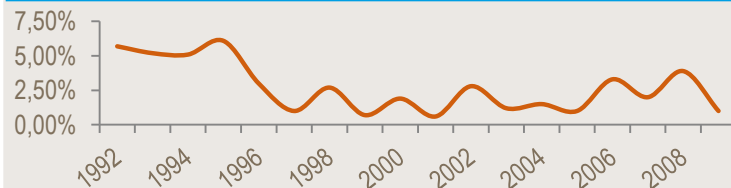
## Basic facts

Population:	32 million
Area:	710,000 km <sup>2</sup> (incl WS)
GDP:	USD 90,8 bn
GDP/Capita:	USD 2864,5
Inflation:	1,0 % (2009)
Currency:	Moroccan dirham
Religion:	Islam (99%) and Judaism
Languages:	Arabic (official), French, Berber
Head of state:	Mohammed VI
Exports:	Agricultural products, phosphate, textile, fisheries, automotive
Imports:	Manufactures, Energy, Electronics
Swedish Export 2009:	2,8 BSEK
Swedish Import 2009:	216 MSEK
Capital:	Rabat

## GDP composition by sector



## Inflation rate

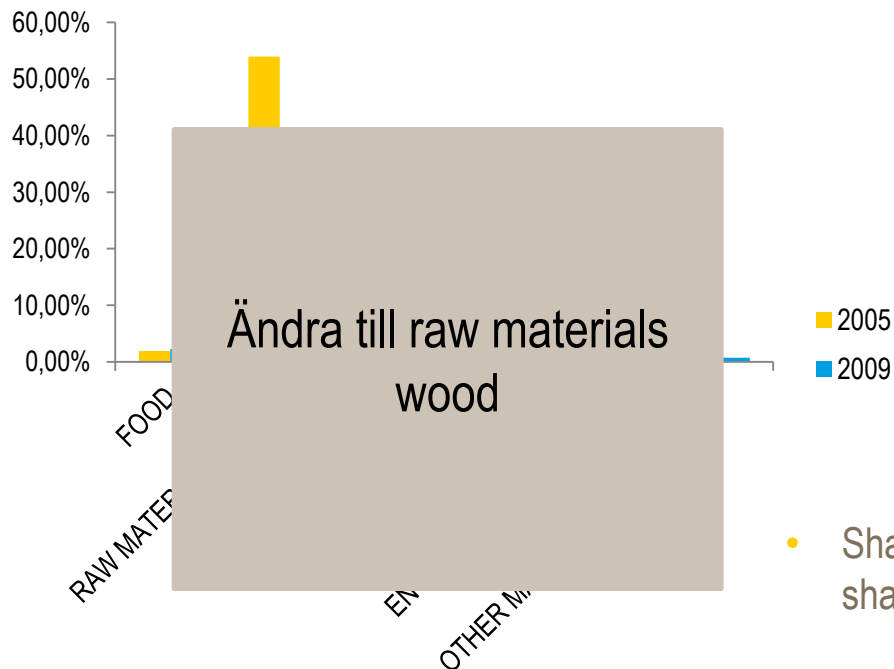


## Real GDP growth

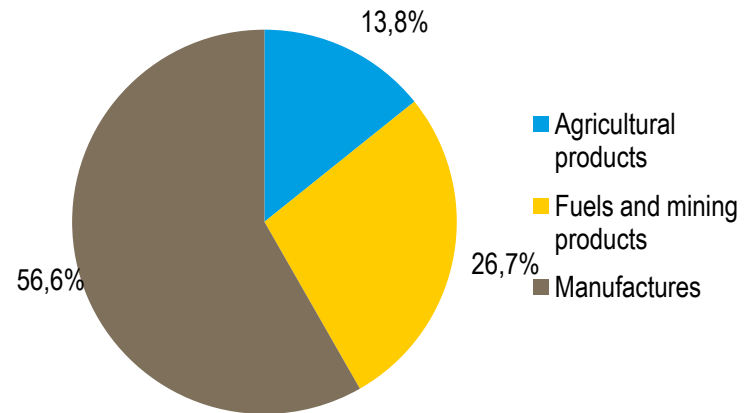


# MANUFACTURED PRODUCTS DRIVES IMPORTS AND SWEDEN IS NO EXCEPTION

## Swedish Exports breakdown



## Import breakdown for Merchandising Trade (total value 42 262 million US and Commercial services excluded)



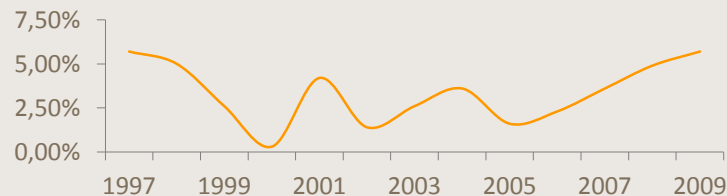
- Share of Swedish Export in Raw materials decreased while the share of Semi-manufactures and Engineering products increase
- Manufacturing products in majority of Moroccan imports

## 4<sup>TH</sup> BIGGEST ECONOMY IN AFRICA BY GDP WITH NO FOREIGN DEBT AND THE RICHEST MAGHREB COUNTRY

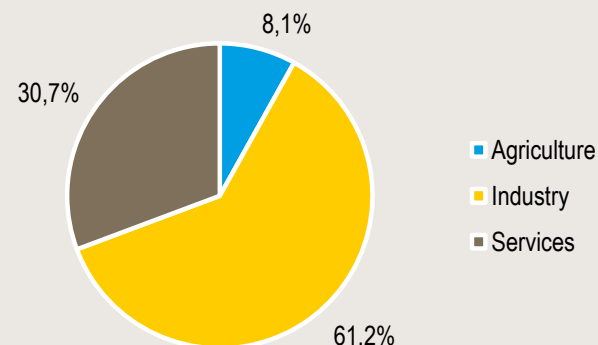
### Basic facts

Population:	35,5 million
Area:	2,381,741 km <sup>2</sup>
GDP:	USD 140,8 bn
GDP/Capita:	USD 4026,9
Inflation:	5,7 %
Currency:	Algerian dinars
Religion:	Islam
Languages:	Arabic (official), French, Berber
Head of state:	Abdelaziz Bouteflika
Exports:	Oil, gas
Imports:	Manufactures, electronics, iron and steel
Swedish Export 2009:	2787 MSEK
Swedish Import 2009:	540 MSEK
Capital:	Alger

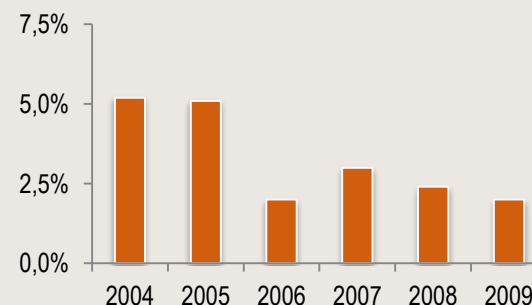
### Inflation rate



### GDP composition by sector

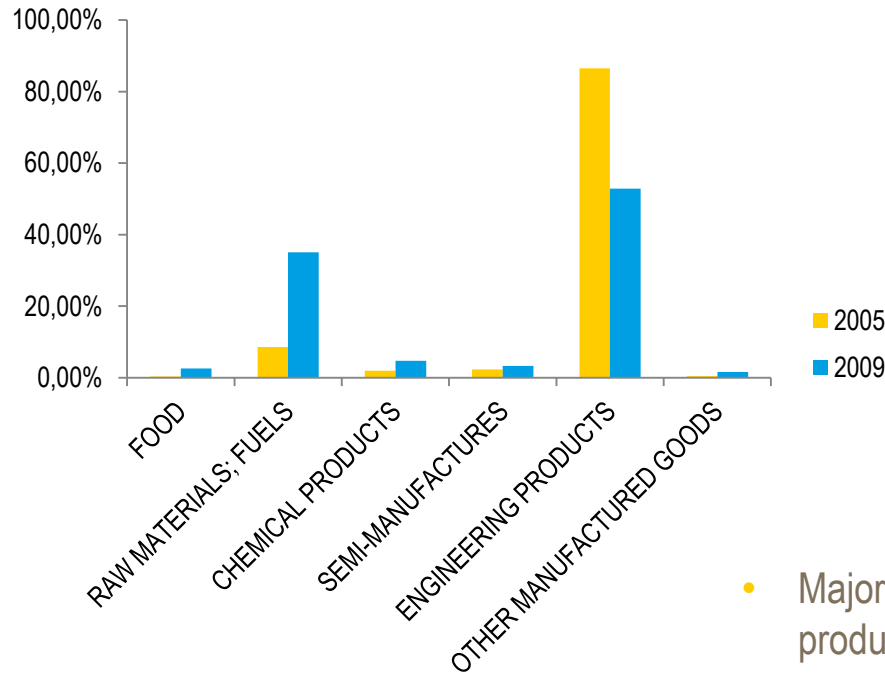


### Real GDP growth

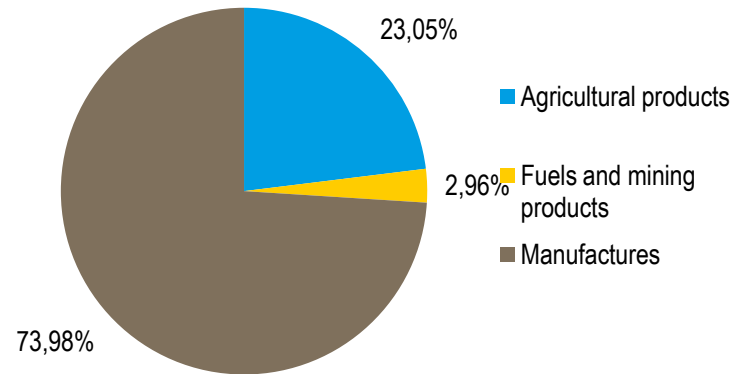


# PETROL DRIVEN ECONOMY WHERE MANUFACTURED PRODUCTS DRIVES IMPORTS

### Swedish Exports breakdown



### Import breakdown for Merchandising Trade (total value 39 479 million US and Commercial services excluded)



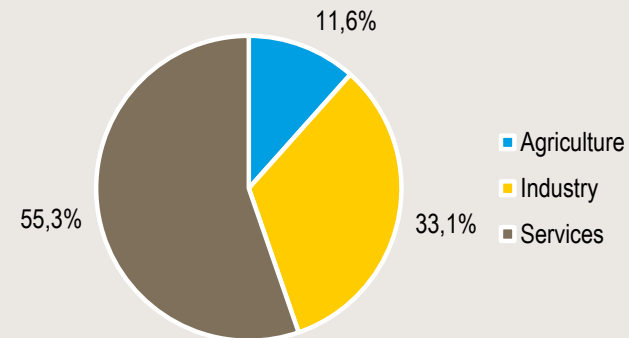
- Major decrease in Swedish exports share of engineering products while raw material and fuel related exports increase their share.
- Manufacturing products in majority among Algerian imports

## PHOSPHATE, TOURISM AND AGRICULTURE DRIVEN ECONOMY WHICH SIMILARLY TO MOROCCO SHOWS RESISTANCE TO CRISIS

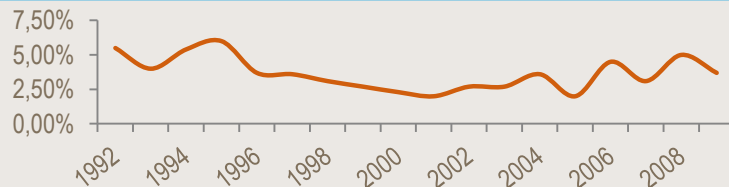
### Basic facts

Population:	10,5 million
Area:	162 155 km <sup>2</sup>
GDP:	USD 40,2 bn
GDP/Capita:	USD 3851,6
Inflation:	3,7 %
Currency:	Tunisian dinars
Religion:	Islam (99%) and Judaism
Languages:	Arabic (official), French
Head of state:	Ben Ali
Exports:	Phosphate, textile, tourism, agriculture textiles, hydrocarbons
Imports:	Manufactures, Energy, Electronics
Swedish Export 2009:	984 MSEK
Swedish Import 2009:	139 MSEK
Capital:	Tunis

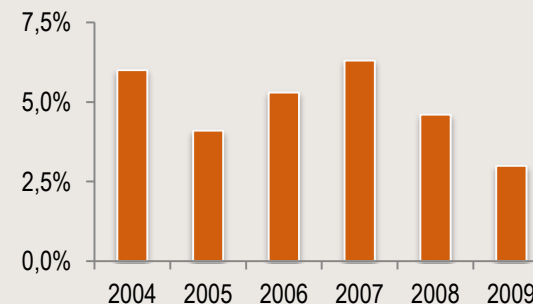
### GDP composition by sector



### Inflation rate

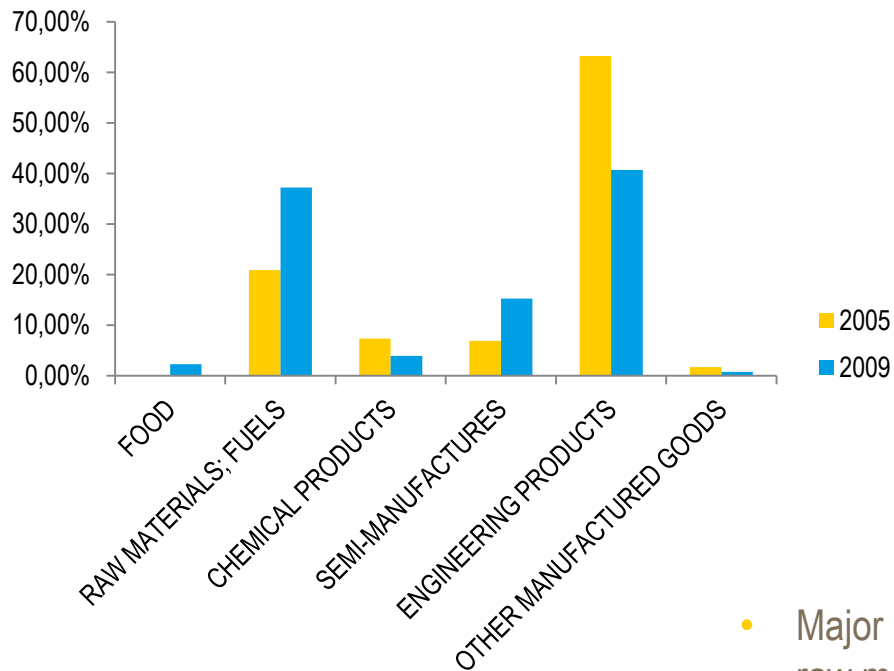


### Real GDP growth

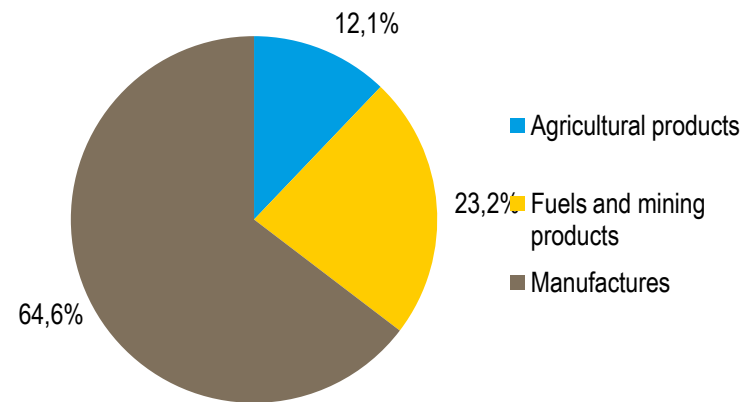


## MANUFACTURED PRODUCTS DRIVES IMPORTS AND IMPORTS FROM SWEDEN STRONG INCREASE IN ENGINEERED PRODUCTS

### Swedish Exports breakdown



### Import breakdown for Merchandising Trade (total value 24 622 million US and Commercial services excluded)



- Major increase in Swedish exports of engineering products while raw material and fuel related exports remain at the same share.
- Manufacturing products in majority among Tunisian import

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## MAJOR INFRASTRUCTURE PROJECTS IN ALL COUNTRIES CREATES BUSINESS OPPORTUNITIES AND IMPROVES BUSINESS CLIMATE

	Morocco	Tunisia	Algeria
<b>Tramway</b>	Under construction in Casablanca and Rabat	-	Opening in Alger during 2010
<b>Subway</b>	-	-	To be opened in Alger during late 2010
<b>Highways</b>	Currently 1.000 km to and additionally 400 under construction and to be finished 2012	Stretch of the Trans-Maghreb highway link is almost finished – upon reaching the Algerian border, it will be the first country to complete its portion. Currently 360 km of highway.	Construction of 920 km of highway across the country (east to west) probably to get started 2011. Currently 1.440 of highway (725 km in 1999)
<b>Railways</b>	High-speed railway between Tangier and Casablanca (200km). In total 1500 km of high speed train planned until 2035.	Railway network, including the electrification of the Tunis-Borj Cedria line. Currently 2,167 kilometers of railways	Investments in high-speed railways and further accessibility to remote areas. Total to be increased to 80 million passengers yearly compared to 40 today.
<b>Ports</b>	Tangier-Med: new a port in northern Morocco with international standards and a capacity of 3 million containers today and 8 million (total capacity) by 2012	New international under construction in Enfidha. Currently 7 commercial ports.	42 ports in total (11 mixed, 28 fishing, 2 oil & 1 tourism)
<b>Airports</b>	Significant upgrades of airports to secure increased capacity. 2010 Casablanca the first green airport in the world (90% of power from wind)	2009 was the opening of Zin El Abidine Ben Ali International Airport at Enfidha. the country's ninth airport, with passenger throughput of 7m	34 airports for public traffic.

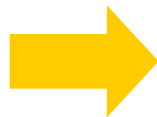
## MOROCCO AND TUNISIA PROVIDES SOURCING/OFFSHORING OPPORTUNITIES FOR SEVERAL SECTORS

### Major examples:

Activity	Morocco	Tunisia
Automotive	√	√
Aero motive	√	√
Call centers	√	√
Textile	√	√
Pharmaceutics	√	√

### Advantages:

- Geographical proximity to Europe
- Well-educated population
- Various trade agreements as well as modern and numerous ports simplify exports
- Political stability



Morocco and Tunisia are competitive alternative or complement to sourcing in Asia

## INCREASED ACTIVITIES IN HIGH-VALUE ADDED INDUSTRIES SUCH AS AUTOMOTIVE/ AERO MOTIVE

Manufacture of automotive and aeronautical components, a fast-growing sector in Morocco and Tunisia



Gigantic Renault project in **Tanger-Med (free trade area)** to be opened 2012 (6 000 jobs direct and 30 000 indirect and 400 000 cars produced annually in future).

- Tunisia is ranked **2<sup>nd</sup> largest producer** of automotive components in **Africa**.
- Tunisia and Morocco **attractive destination** for low cost carmakers and producers of spare parts. Due to e.g. geographical proximity, low costs and beneficial trade agreements for industrial goods.
- Around **90% of the car production** in Morocco exported to foreign markets
- New focus on **aeronautics parts sub-assemblies** destined for wholesales purchasers in both Morocco and Tunisia such as Aircellem Socaero. Also suppliers for Airbus with large sub-assemblies.
- The Nouaceur aeronautics pole. Nouaceur Aerospace City 10 000 jobs.

## TEXTILE SECTOR SHOWS STRONG POTENTIAL SPECIALLY CONSIDERING INCREASING COSTS AND EMPLOYEE DISSATISFACTION IN CHINA



- The textile and clothing industry sector is the largest employer of the manufacturing industries in Tunisia. It employs more than 200,000 persons.
- The strong development of the “fast fashion concept” is comforting Morocco and Tunisia’s geographical proximity to Europe to secure just-in-time deliveries.
- The major exported products are trousers, jeans, business trousers, women lingerie, and work clothing.
- Tunisia is the 5th supplier of clothing of Europe.
- Free trade agreement to Europe and Turkey and US for Morocco
- Affected by crisis with e.g. 18 % slowdown in Tunisia

## ALGERIA HIGHLY PETROL DEPENDENT WITH 97% OF EXPORTS OIL AND GAS RELATED



- Algeria's fossil fuels account for 60% of the country's budget revenues.
- Algeria's 12 billion barrels is 14<sup>th</sup> biggest proven oil reserves in the world.
- Algeria's 160 billion cubic feet is eighth largest proven natural gas reserves in the world.
- 12<sup>th</sup> producer of oil and 18<sup>th</sup> exporter in the world.
- 5<sup>th</sup> producer of gas and 3<sup>rd</sup> exporter of gas world.
- 1<sup>st</sup> producer and exporter of petrol and gas around the Mediterranean sea as well as 4<sup>th</sup> energy supplier to Europe.
- Sonatrach, the biggest petrol company in Algeria is the biggest company in Africa with a turnover 2008 of 65 billion USD

## 17 MILLION TOURISTS TO MAGHREB 2008 AND GREAT EFFORTS TO FURTHER BOOST AND DIVERSIFY TOURISM

### Morocco

- Morocco has **vision of 10 million tourists for 2010** and investments of € 9 Billion has been made to secure the goal. (8,3 million tourists 2009)
- **CAP**, plan launched to better promote Morocco globally, specially Russia and China.
- Tourism mainly from **France, Spain, UK, Germany and Arabic** countries
- Investments to create 160.000 new hotel beds and 600.000 new jobs.
- **Plan Azur 2010** includes major projects like Mazagan Beach Resort, close to Casablanca and Station Saïdia along the Mediterranean coast.

### Tunisia

- **Revenue growth** for the sector of 2% during 2009 despite a 2.1% decline in number of visitors.
- **Increased advertising** spending by government **to change reputation** of budget tourism and package tours.
- **Europe** largest source of tourism with **54% share**.
- Medical tourism and thalassotherapy

### Algeria

- National Tourism Development Plan aims to **attract 2.5m tourists by 2015**
- Strategy to develop **niche tourism**. For example health tourism, with 200 geothermal springs as important resource.
- **Tourism villages and marinas** are being developed to promote Sahara and seaside tourism

## MAGHREB PROVIDES DIVERSIFIED OPPORTUNITIES FOR TOURISM



Drinking tea in a Riad, traditional Moroccan Palace, in Marrakech



Playing golf in front of the Atlas mountain



Beach resort in Tunisia



Discovering the Sahara desert

## MAJOR INVESTMENTS IN WHOLE MAGHREB TO BETTER FACE ENVIRONMENTAL ISSUES AND TO INSTITUTIONAL ENVIRONMENTAL AWARENESS



- Increased focus on **renewable energy** in all the Maghreb countries with common as well national plans. **PSM** Mediterranean solar plan) set up as one of first common project in UPM. Aiming at producing 20 GW 2020.
- **Morocco Green Plan:** € 13,6 Billion of investments till 2020. Aims at developing a high-performance and competitive agriculture, but at the same time preserving the activity, the job and the income of small vulnerable farmers working in difficult conditions.
- **Tunisian solar energy plan** for 2010-2016 with budget of 2 billion €. And exploitation of biomass planned aiming at produce 80 millions tones until 2030 to substitute petrol.
- **Algeria** is developing **renewable energy** which and is expected to provide 20-30% of the electricity by 2040.
- In general **easy** to get environmental **projects financed**. AfDB and local banks very positive



Opportunities for Swedish companies thanks to well-reputed track record in this area



## MAGHREB NEW HUB FOR AFRICA AND MENA WITH CASABLANCA AS MAIN ECONOMIC CENTRE



Twin Towers in Casablanca with STC office just in front

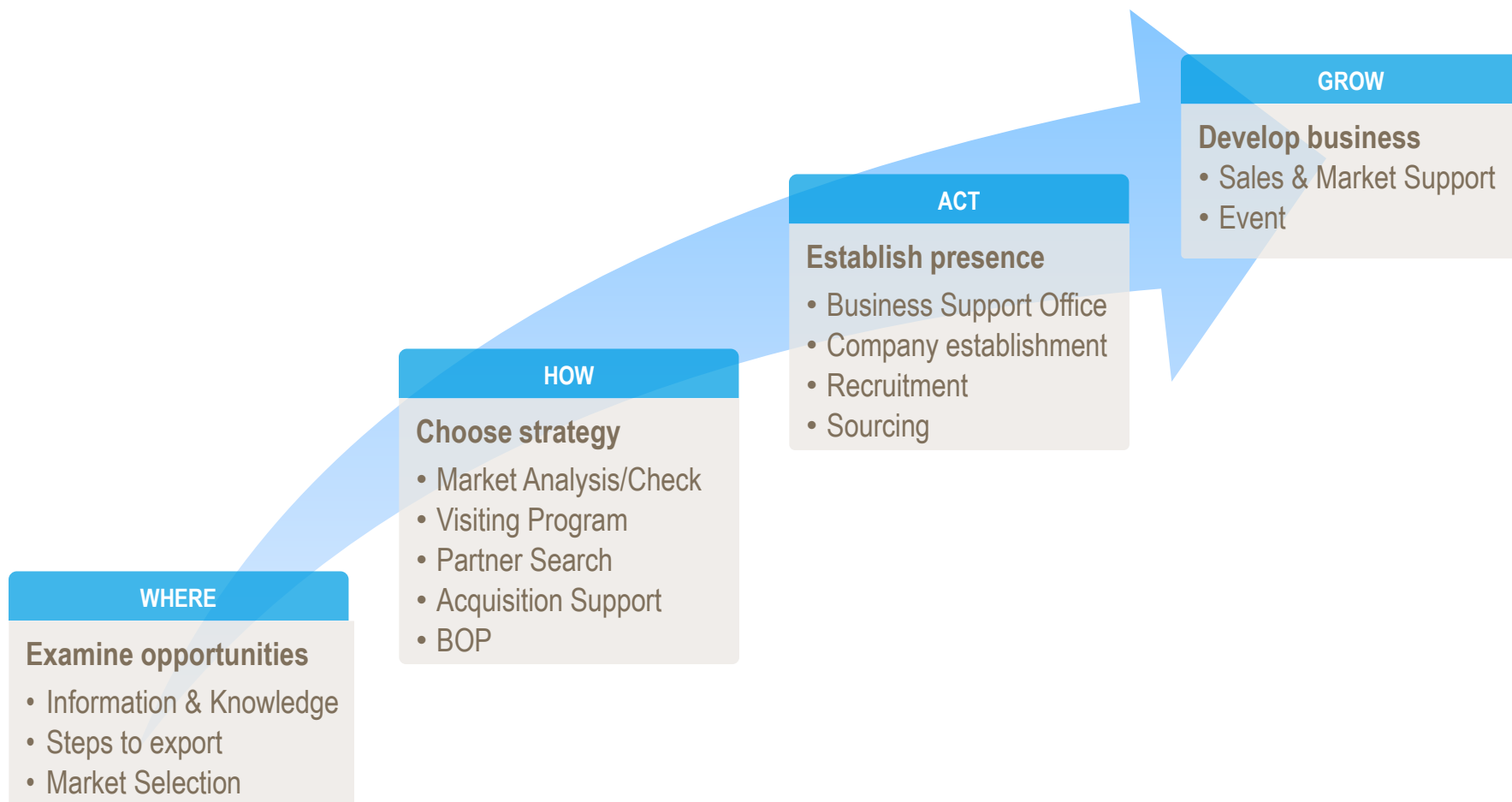


Africa's biggest mall under construction to be finished 2012

- **Casablanca largest city in Maghreb with 4 million inhabitants.** Efforts to improve Casablanca's position as financial hub e.g. by the Casablanca Stock Exchange. Casablanca already preferably location for multinational's Maghreb headquarters.
- **Improvements** of Mohammed V de Casablanca (Airport) to further meet increased demand. Capacity of **6 million passengers** by 2012 and 30 million in the whole Morocco.
- **Major infrastructure projects** in whole Maghreb to satisfy increased demand from both domestic and foreign passengers as well Cargo traffic.
- Significant **increase of the Maghreb middle class** as well as purchasing power creates opportunities for further retail and consumer product companies to establish. Morocco mall under construction to be among the 20<sup>th</sup> largest malls in the world with **Swedish H&M** among the stores as their first opening in Maghreb.

# WE KNOW BUSINESS IN MAGRHEB

## STRATEGIC AND HANDS-ON ASSISTANCE IN ALL PHASES



## THE SWEDISH TRADE COUNCIL IN MAGHREB OFFICE IN CASABLANCA SINCE 2008 COVERING ALL FRANCOPHONE MARKETS IN AFRICA

### Swedish Trade Council Morocco

Section Commerciale de l'Ambassade de Suède  
197 Angle Avenue Zerktouni,  
Rue Chella, B, Apt 18  
20100 Casablanca, Maroc  
T +212 (0) 522 36 25 10, +212 (0) 522 97 95 80  
[maghreb@swedishtrade.se](mailto:maghreb@swedishtrade.se)

The STC offices in MENA collaborate extensively, enabling a more efficient way of coordinating activities between the markets, making us more adaptive and flexible to meet our clients' demands and needs.



Swedish business concepts are not too small. But Sweden is.



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