



Workshop CreditAlliance



October 2011

Nezha LAHRICHI / CEO of SMAEX



World is changing...

Shifting Wealth to Asia → China is emerging as a major economic power

**A New International Division of Labour: the complementary of trade manufactured goods against raw materials: a bygone era
→ Rise of R & D in emerging countries**

The economic organization is turning:

The combination of globalization, liberalization and the Internet conducted to a fundamental transformation:

The breakdown of chains value :

- Each link in the chain has become a market.
- These markets are not protected by traditional barriers i.e: heavy investments: Internet lowers barriers to entry, thus: outsourcing, offshoring, nearshoring, etc.

Change: an opportunity for Morocco

We live in a historical process of redistribution of wealth and economic strength globally for the benefit of developing countries.

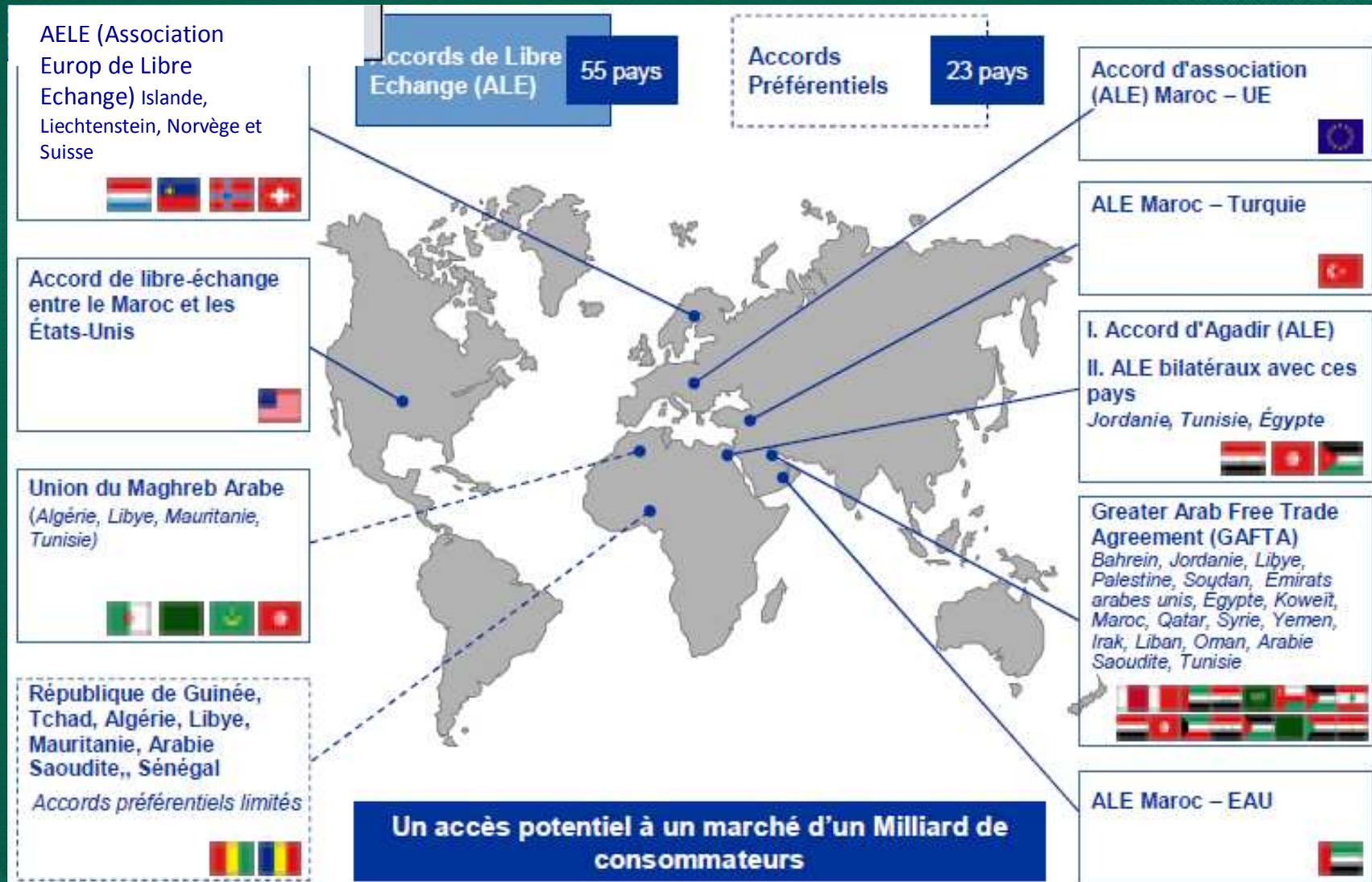
Each country is looking for a strategy to maximize benefits and reduce threats.

Morocco has given his answer:

Exploit its geostrategic position and become a regional hub for investment and export at the crossroads of European, American and African markets.

Free Trade Agreements: Europe, United States, Turkey, Tunisia, Egypt, Jordan, etc ...

As part of the opening and liberalization of the economy adopted by Morocco, various trade agreements have been concluded



Enhancing the attractiveness of national economy

Consolidation of the macro economic



Deficit maintained at 4% despite the crisis, reduction of the debt burden, mastery of the inflation

Equipment of Morocco in basic infrastructure



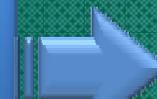
Major projects: ports (Tanger Med), airports, motorway networks, rail (TGV), dams, touristics sites

Setting up reception infrastructure investments



Production of industrial , services and integrated agricultural platforms : Industry, Offshoring, Agriculture, Fishing, Logistics, Energy and Electronics.

Enhancing training and human resource skills



Creation of several engineering school and training institutes and strengthening of vocational training

Implementation of sectorial strategies

Energy Sector

- Production of electricity: security of electricity supply
- Energy efficiency and renewable energy:
- Launching the new strategy for solar energy "Moroccan agency for Solar Energy" (investment programm of 6.45 billions €)

Agriculture Sector: "MOROCCO GREEN PLAN"

- Development of agriculture's added value : the creation of two Agropolis in Meknes and Berkane → 250 Ha area
- Upgrading of the production

Sea fishing sector: « HALIEUTIS PLAN »

- Strengthening infrastructures: creation of competitiveness clusters: Agadir, Tangier, Laayoune, Dakhla, Tantan
- Resource conservation and development of aquaculture: 200,000 tons

Implementation of sectorial strategies

National Pact for Industrial Emergence

I

Creation of Integrated Industrial Platforms: Launch of the completion of 8 out of 16 scheduled :

Automotive (Kenitra), Offshoring (Tetuan and Fez), Aerospace (Nouaceur), Energy (Oujda), Food (Meknes and Berkane) and Fishing (Agadir)

II

Promotion of private investment :

- Automotive industry: Investment Renault 600 million euros and production of 170,000 cars in 2012;
- Offshoring, aerospace, electronics and textile.

PHOSPHATES

- Development of strategic partnerships.

TOURISM

- Strategy Development 2010-2020

CRAFTS

- Production support and innovation,
- Export promotion

Crisis and its involvements...

- Morocco has been slightly affected by the crisis thanks to structural reforms in motion
- Europe faces the challenges of deepening its construction in the context of sovereign risk.
- Southern countries of the Mediterranean have shown a resilience to the crisis but "Arab Spring" is in a certain situation of transition to build a new democratic regime.
- In Morocco, the constitutional reform is the culmination of an evolution marked by deep reforms: family law, Equity and Reconciliation Commission, a body of fight against corruption, etc ...

What Economic Strategy to face the crisis?

1st part of the answer: European solidarity and structural policies to create an additional wealth and job

2nd part of the answer: a broader framework than that of Europe → build a strategic area of Euro-Mediterranean Development

3rd part of the answer: the process of economic integration between the two sides → make southern Mediterranean countries a platform for strategic partnership with the African continent

Morocco → The geostrategic position

Role of integrator like Japan and China with neighboring countries.

→ Investment opportunities and business development

Reminder: The focus of China on its neighbors through economic integration with ASEAN countries (Indonesia, Philippines, Thailand, Malaysia, Singapore, Brunei) and the creation in 2010 of a Free Trade Area of Nearly 2 billion people and therefore a zone Yuan.

The 21st century: time for Africa

Africa: a new challenge for traditional partners

- ✧ Great interest in emerging countries for Africa: China, India, Brazil, Korea, Turkey, Morocco ...
 - ✧ Africa is the search for raw materials, new markets but also, increasingly, a field for investment
 - An increase in exports / GDP across the region: 26% by 2000 and 43% in 2009
 - An increase in the number of countries: China exports to 34 African countries against 22 in 2000
 - ✧ FDI flows of private capital to Africa increased by 22% per year between 2000 and 2008 (72 Billion \$ in 2008)
 - ✧ The share of Africa in global FDI flows increased 0.7% in 2000, 5.3% in 2009.
- Investment focused on natural resources.

The 21st century: time for Africa

Moroccan business investment in Africa: a dynamic start

✧ Morocco has a positive image in Africa

✧ Investments involve several areas:

- **Banking:** Attijariwafa Bank acquired five subsidiaries of Crédit Agricole in the Ivory Coast, Senegal, Gabon, Congo and Cameroon + Tunisia Senegal and Mali

BMCE Bank: Bank of Africa is present in 13 African countries

- **Telecommunications:** Morocco Telecom (Vivendi) major shareholder in Mauritanians, Burkinabe, Gabonese and Mali operators.
- **Further more:** Cement industry, mining, transport, housing

Organization of the African Development Forum (500 CEOs) since 2010 (African Davos)

The 21st century: time for Africa

Risks and opportunities

Africa offers as many opportunities as risks: as the Chinese ideogram for the word risk, composed of two elements meaning threat and opportunity.

- The levers of funding and thus guarantees are essential to the development of economic relations with Africa.
- Trust is at the heart of the development of trade and investment
- Building trust is possible by improving perceptions that can be arranged through financial intermediaries: Banks and credit insurers.

The 21st century: time for Africa

Create an Euro-Mediterranean system of export and investment insurance in the frame of the UPM (Union for Mediterranean)

The construction of a strategic area of Euro-Mediterranean Development permits an extension and deepening of relations with Africa .

It is imperative to develop trade in the Euro-Mediterranean region and improve its international position, because the relative position of the Mediterranean countries declined since 50 years → 1950 : 3.2% of world trade in 2007: 2.3%

An Euro-Mediterranean system of export and investment insurance in the frame of the UPM

Create a *regional mechanism* that would play as an interface between credit insurers on both sides: the Mediterranean Union of Insurers Credit (non-profit) UMAC

Missions:

- Promote the harmonization of regulations on the disclosure of financial statements
- Networking of existing information sources for reliability of information
- Involve economic diplomacy, banks and other institutions in gathering information and linking operators.
- Organize the co-insurance to share risks and better support exporters.
- Promote the exchange of expertise and create synergies
- Work towards establishing a black list of debtors.
- Facilitate the recovery of unpaid debts

An Euro-Mediterranean system of export and investment insurance in the frame of the UPM

The crisis has highlighted the complexity of the business and its new requirements:

- ◆ **Misperception due to the suspension of options**
 - ◆ **Imperative to have a fresh information: the quarterly business**
 - ◆ **Need for transparency and flexibility**
 - ◆ **Shared definition of new rules, especially the pricing**
-
- ◆ **Morocco has the capacity to play its role as an integrator**
Gateway to Africa
 - ◆ **An insurance company, backed by the State, is aware of the importance of relations with Africa**
 - ◆ **Information company**



RECOURS: Subsidiary of SMAEX and Coface

Shareholders

COFACE: 35%

SMAEX 25%

BP GROUP: 15%

BMCE BANK: 15%

Société Générale: 10%

Company of economic and financial information and debt collection, created in October 1993, RECOURS is the precursor of structured business information in Morocco.

✧ Database covering millions of Moroccan companies in several industries.

✧ Being a member of Credit Alliance Network is an asset in terms of engineering information development.

The only thing that multiplies when divided

...is knowledge!

THANKS FOR YOUR ATTENTION



SOCIETE MAROCAINE
D'ASSURANCE A
L'EXPORTATION

